



ADMINISTRATIVE REPORT

Report Date: January 17, 2019
Contact: Liz Jones
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Meeting Date: February 12, 2019

TO: Vancouver City Council

FROM: General Manager of Finance, Risk and Supply Chain Management in consultation with the General Managers of Real Estate and Facilities Management and Arts, Culture and Community Services

SUBJECT: Funding Application to the BC Community Child Care Space Creation Program

RECOMMENDATION

THAT Council approve the application to the BC Community Child Care Space Creation Program for up to \$1.0 million of funding towards the Gastown Parkades Child Care project, currently estimated at \$14.3 million.

REPORT SUMMARY

The City's funding strategy for capital contemplates securing senior government contributions toward a number of Council priorities. This project supports the City building goal of ensuring access to child care. This project also supports the capital planning guiding principle of optimizing service delivery through business transformation, co-location and functional integration.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

Federal and/or Provincial funding programs typically require a resolution of Council as part of the application package.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

REPORT

Background/Context

The Community Child Care Space Creation Program (CCSCP) was created by the Province in partnership with the Union of British Columbia Municipalities (BCM) to support the expansion of affordable, quality and accessible child care in British Columbia.

The program, which will be administered by UBCM, was established with \$13.7 M in funding under the Canada-British Columbia Early Learning and Child Care Agreement. It will provide funding to local governments to create new licensed child care spaces within their own facilities for children aged 0-5, with a focus on spaces for infants and toddlers.

The maximum grant is up to \$1,000,000 and the deadline for applications was January 18, 2018.

A resolution of Council is required for each funding application. The application was submitted on the due date of January 18, 2019. Resolutions can be submitted after the application submission deadline.

The Gastown Parkades Childcare project was originally approved as single 37 space facility in the 2017 capital budget and expanded to include a second 37 space facility in the 2018 capital budget.

Strategic Analysis

The Gastown Parkades project involves the construction of 2 new 37-space child care facilities on the rooftop level of existing City-owned parking structures at 151 West Cordova and 150 Water Street. Each facility will have 12 toddler spaces and 25 spaces for 3 and 4 year olds. The City of Vancouver's 2015-18 Capital Plan included a target of 1000 new spaces built or committed. The commitment of these 2 facilities helped the City to surpass the 2015-2018 target with a total of 1141 spaces built or committed.

The 2 childcare facilities will be operated by a non-profit agency specializing in childcare services that will be selected through a public operator selection process. At the time staff applied for grants under the BC Major Capital Childcare Funding Program in 2016, the program criteria provided up to 500k per projects, and the City of Vancouver was granted \$500K for each of the facilities (for a total of \$1M). As of 2018 the Provincial funding commitment to major capital projects has increased to a maximum of \$1M per project.

Financial Implications

The Gastown Parkades Childcare project currently has a capital budget of \$12.3 million funded from \$11.3 million CAC cash funding and \$1.0 million grants that were approved in 2018 for the project through the BC Major Capital Funding for Creation of New Childcare Spaces program.

The most recent updated cost estimate has increased by \$2 million to \$14.3 million. An adjustment to the project budget will be addressed through the quarterly capital budget adjustment process, pending receipt of project tenders confirming the final construction and project cost.

The cost escalation is due to market escalation in building costs over the last few years, steel tariffs and the complexity of the project. The project has extremely challenging site conditions which impact several design aspects such as structure and security. Passive house requirements have also added to the cost of the project. The project design and budget are being continually monitored and some value engineering options are being explored.

The City is seeking up to \$1 million in additional grant funding to further reduce the City’s share of funding as follows:

	Without CCCSCP Grant	With CCCSCP Grant
Current Cost Estimate	\$14,300,000	\$14,300,000
Funding Sources:		
BC Major Capital Funding for Creation of New Childcare Spaces Program	\$1,000,000	\$1,000,000
Community Child Care Space Creation Program Grant – to be added via Quarterly Capital Budget Adjustment	N/A	\$1,000,000
City Share – funded in 2017 Capital Budget	\$11,300,000	\$11,300,000
City Share – to be added via Quarterly Capital Budget Adjustment	\$2,000,000	\$1,000,000

CONCLUSION

The City has the opportunity to secure up to \$1 million additional funding from the senior government contributions (totalling up to \$2m) by applying to the Community Child Care Space Creation Program for the Gastown Parkades Childcare project.

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