



COUNCIL REPORT

Report Date: March 14, 2023
Contact: Sandra Singh
Contact No.: 604.871.6858
RTS No.: 14849
VanRIMS No.: 08-2000-20
Meeting Date: April 12, 2023
[Submit comments to Council](#)

TO: Standing Committee on City Finance and Services

FROM: General Manager of Arts, Culture and Community Services in consultation with the General Manager of Real Estate and Facilities Management

SUBJECT: New Leases for Eight Child Care Centres and Two Family Place Drop-in Centres

Recommendations

- A. THAT Council authorize the Director of Real Estate Services to negotiate and execute new leases or subleases (as applicable) with the respective licensed non-profit group childcare operators for each of the eight (8) childcare centres as described in further detail in Appendix A, on the key lease terms outlined in Appendix B and upon such other terms and conditions to the satisfaction of the Director of Real Estate Services, the Director of Legal Services, and the Managing Director of Social Policy and Projects.
- B. THAT Council authorize the Director of Real Estate Services to negotiate and execute new leases with the respective non-profit operators for each of the two (2) family place centres described in further detail in Appendix C, on the key lease terms outlined in Appendix D and upon such other terms and conditions to the satisfaction of the Director of Real Estate Services, the Director of Legal Services, and the Managing Director of Social Policy and Projects.

For all sites, the rent under the leases / subleases will be below the applicable market rate and will include payment of rent in lieu of property taxes. Therefore, Recommendations A and B constitute grants valued at the estimated amounts listed in Appendix E, requiring a 2/3 vote of Council pursuant to Section 206(1) of the *Vancouver Charter*,

No legal rights or obligations will arise or be created by Council's adoption of Recommendations A or B unless and until all legal documentation has been executed and delivered by the respective parties.

Purpose and Executive Summary

The purpose of this report is to seek Council approval to negotiate and execute new leases / subleases for existing childcare facilities and family place drop-in centres as below:

- New lease for Vancouver Society of Children’s Centres (“VSOCC”) to operate licensed group childcare at Library Square Children’s Centre at #301 and #401 - 345 Robson St
- New sublease for VSOCC to operate licensed group childcare at Sapphire Children's Centre at 1170 West Pender St
- New sublease for Young Women’s Christian Association (“YWCA”) to operate licensed group childcare at Citygate Early Learning and Child Care Centre at 1192 Quebec St
- New lease for Collingwood Neighbourhood House Society to operate licensed group childcare at Duke Street Early Learning and Care Centre at 2708 Duke St
- New lease for Developmental Disabilities Association of Vancouver-Richmond (“DDA”) to operate licensed group childcare at Playhouse Child Development Centre at 4107 Brant St
- New sublease for Shannon Day Care Society to operate licensed group childcare at Shannon Day Care at #290 - 1200 West 73rd Ave
- New lease for City Hall Child Care Society to operate licensed group childcare at City Hall Child Care at 2685 Cambie St
- New lease for South Vancouver Family Place Society to operate licensed preschool at Kids Care Preschool at 7715 Muirfield Dr
- New lease for South Vancouver Family Place Society to operate the South Vancouver Family Place at 7710 Nanaimo St
- New lease for Eastside Family Place Society and The Britannia Community Services Centre Society to jointly operate Eastside Family Place at 1655 William St

The approval of these leases / subleases constitute grants, as the rents charged are below applicable market rates and include payment of rent in lieu of property taxes. The value of the grants are outlined in Appendix E and key lease terms are discussed Appendices B and D.

The operators have all fulfilled their obligations and requirements as outlined in their respective leases / subleases, and the new leases / subleases will be substantially consistent with the current agreements which are about to expire. The operators have all agreed to key terms which outlined and are consistent with the provisions of the standard Form of Lease (forms of leases are noted in Appendices B and D).

Staff recommend that the City enter into new lease / sublease agreements with the societies to support the continued service provision by the childcare and family place operators, all of whom

have a long history of providing quality childcare and programming for families, caregivers, and children in their communities.

Council Authority/Previous Decisions

City Council has signaled its support for quality, accessible, and affordable childcare and early learning in Vancouver through the adoption of [Making Strides: Vancouver's Childcare Strategy \(RTS 14540\)](#). This strategy provides a platform that aligns policy, investment and other City tools to promote partnerships with the Province and other stakeholders and support the implementation of a senior government-led universal childcare system.

In addition, in December 2021, Council approved [Spaces to Thrive: Vancouver Social Infrastructure Strategy \(RTS 14727\)](#) which is Vancouver's first strategic 10-year policy and partnership framework for City-owned and City-supported social infrastructure. This includes family places which are an important social infrastructure that supports families with young children in Vancouver.

City Manager's Comments

The City Manager concurs with the foregoing recommendations.

Context and Background

The City, while recognizing that the mandate for childcare provision rests with senior governments, values the importance of affordable, accessible and quality childcare to the social and economic sustainability of Vancouver's families and neighbourhoods. Under *Making Strides: Vancouver's Childcare Strategy*, the City is working to align and set strategic policy directions and goals and to develop action plans for the next decade. This work will guide the City to support senior governments to deliver a universal childcare system that meets the needs of families in the City. In the short-term, one of the City's early actions is to support the retention of existing licensed childcare spaces.

In addition to childcare, family places are another critical social infrastructure in the City, which provide resources, programs, and education that benefit families with young children. The *Spaces to Thrive: Vancouver Social Infrastructure Strategy* is Vancouver's first strategic 10-year policy and partnership framework for City-owned and City-supported social infrastructure, which includes family places. Family places act as a bridge for families to the community, and help build social capital and resilient communities.

Discussion

City-facilitated spaces that offer licensed childcare and family-focused programming remains a critical social infrastructure priority of the City, as it is a key component in setting the stage for child success and building a healthy, equitable city. Typically, childcare facilities receive a high level of support from the City in facility maintenance, repair, and replacement. The two family places in this report receive a level of support from the City similar to the childcare facilities, and this is expected to continue for the new leases. The childcare and family place operators named in this report have a long history of operating licensed childcare and/or family-oriented programming, and wish to continue providing such services to the communities they serve.

The non-profit childcare operators in this report include large, multi-service organizations with the capacity to deliver multiple childcare programs, such as the YWCA, VSOCC, Collingwood Neighbourhood House Society, and DDA, as well as small independent operators with parent-run boards such as Shannon Day Care Society and City Hall Child Care Society. All of these operators have been delivering high-quality licensed childcare, with excellent reputations in their communities.

In alignment with the City's support for childcare and early learning, family drop-in centres provide programs which support families and caregivers and their children ages 0-5. Their programs provide a child-friendly environment where caregivers can access resources and supports, including counselling and parenting workshops, vision and dental care for their children, and a safe space for their children to play and interact with others. South Vancouver Family Place Society, as well as Eastside Family Place Society and The Britannia Community Services Centre Society, have been offering programs for decades that respond to the needs of the community, and are an important part of the social fabric of their neighbourhoods.

All of the organizations in this report have expressed a desire to continue their relationship with the City to ensure that City-facilitated centres will continue to provide high quality, accessible, and affordable childcare in the childcare facilities, and valuable family-oriented programming in the family place / drop-in centres. If these organizations were not granted new leases, services would be impacted and there would be significant disruptions to the families currently accessing these services. For childcare, this would also likely result in a greater shortfall of childcare spaces in the City. Given the outstanding reputation each society has in its respective community, the long-standing relationships between the City and each society, and the critical need to maintain existing childcare spaces and family programs, staff recommend that the City enter into new lease agreements with the societies.

Currently, these types of non-market lease agreements are outside of the scope of the Corporate Procurement Policy. However, these leases were reviewed and approved by the Bid Committee on February 23, 2023, to ensure an open and transparent vendor selection process.

Financial Implications

For these childcare centres and family places, the proposed basic rent for each lease and sublease, to be set at a nominal rate of \$10.00 for each 5 year term or renewal term, inclusive of an amount in lieu of property taxes, is considered a grant and requires an affirmative vote of 2/3 of all Council members. These grants are valued at the estimated annual amounts listed in Appendix E, based on the first year of the term for each facility. The total value of the grants listed in Appendix E is \$1,085,000 annually.

Legal Implications

Real Estate and Facilities Management and Social Policy and Projects will instruct Legal Services to prepare the childcare lease and sublease for VSOCC based on the City's Precedent Childcare Lease (VSOCC), and to prepare the childcare leases / subleases for YWCA, Collingwood Neighborhood House Society, DDA, Shannon Day Care Society, City Hall Child Care Society, and South Vancouver Family Place Society based on the City's Precedent Childcare Lease (General).

Real Estate and Facilities Management and Social Policy and Projects will instruct Legal Services to prepare the family place leases for South Vancouver Family Place Society and for

The Britannia Community Services Centre Society and Eastside Family Place Society, based on the City's Precedent Lease for Non-profit Entities (Cultural/Social).

Real Estate and Facilities Management and Social Policy and Projects will jointly oversee the development of the leases and sublease as well as ongoing management of the childcare centres and family places.

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APPENDIX A

Childcare Centres

- (i) Childcare Centre: Library Square Children's Centre
Childcare Operator (Tenant): Vancouver Society of Children's Centres ("VSOCC")
Civic Address of Premises: #301 & #401 – 345 Robson Street, Vancouver
Legal Description: PID: 019-023-251
Lot A Except Part in Air Space Plan LMP 22595, Block 56, District Lot 541, Group 1 New Westminster District, Plan LMP19600
- (ii) Childcare Centre: Sapphire Children's Centre
Childcare Operator (Subtenant): Vancouver Society of Children's Centres ("VSOCC")
Civic Address of Premises: 1170 West Pender Street, Vancouver
Legal Description: PID: n/a
The Common Property of Strata Plan BCS2936, District Lot 185, NWD Group 1
- (iii) Childcare Centre: Citygate Early Learning and Child Care Centre
Childcare Operator (Subtenant): Young Women's Christian Association ("YWCA")
Civic Address of Premises: 1192 Quebec Street, Vancouver
Legal Description: PID: n/a
The Common Property of Strata Plan LMS 195, District Lot 2037, New Westminster District
- (iv) Childcare Centre: Duke Street Early Learning and Care Centre
Childcare Operator (Tenant): Collingwood Neighbourhood House Society
Civic Address of Premises: 2708 Duke Street, Vancouver
Legal Description: PID's: 013-892-312; 013-892-363; 013-892-380
Lots 10, 11, 12, Block 1 to 4, Plan VAP2421, Subsidy Lot A, District Lot 37, New Westminster District
- (v) Childcare Centre: Playhouse Child Development Centre
Childcare Operator (Tenant): Developmental Disabilities Association of Vancouver-Richmond ("DDA")
Civic Address of Premises: 4107 Brant Street, Vancouver
Legal Description: PID: 026-416-638
The south half of Lot H, Block 4, District Lot 741, Group 1 New Westminster District, Plan BCP19650

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- (vi) Childcare Centre: Shannon Day Care Centre
Childcare Operator (Subtenant): The Shannon Day Care Society
Civic Address of Premises: #290 – 1200 West 73rd Avenue, Vancouver
Legal Description: PID: 007-676-352
Lot C, Block A, District Lots 318 and 319, Plan 15365, NWD
- (vii) Childcare Centre: City Hall Child Care
Childcare Operator (Tenant): City Hall Child Care Society
Civic Address of Premises: 2685 Cambie Street, Vancouver
Legal Description: PID: 008-897-549
Lot 3, Except Part in Plan LMP1502, Block 380, District Lot 526, Plan 21466
- (viii) Childcare Centre: Kids Care Preschool
Childcare Operator (Tenant): South Vancouver Family Place Society
Civic Address of Premises: 7715 Muirfield Drive, Vancouver
Legal Description: PID: none
The east part of 2300 Bobolink Avenue, now closed

APPENDIX B

Key Terms and Conditions for Childcare Leases

Term and Renewals: Initial term of five (5) years with two (2) options to renew, each for a further five (5) years (fifteen (15) years total possible term).

Each renewal option is conditional upon the City being satisfied that the childcare operator has the capacity to operate, maintain and program the licensed childcare centre in accordance with the lease terms and the public service requirements for the duration of the renewal term contemplated.

Total Rent: Nominal rent of Ten dollars (\$10.00) for the initial term and Ten dollars (\$10.00) for each renewal term, inclusive of payment of rent in lieu of property taxes, payable in advance.

Form of Lease, SLA and PSR: For the two childcare centres operated by Vancouver Society of Children's Centres ("VSOCC"), the lease for Library Square Children's Centre and sublease for Sapphire Children's Centre are to be based on the City's Precedent Childcare Lease (VSOCC).

For the other six childcare centres, the four leases and two subleases are to be based on the City's Precedent Childcare Lease (General).

Each agreement will include a Service Level Agreement ("SLA") and Public Service Requirements ("PSR") as schedules to be attached to and forming part of the lease.

APPENDIX C

Family Place Centres

- (i) Family Place Centre: South Vancouver Family Place
Operator (Tenant): South Vancouver Family Place Society
Civic Address of Premises: 7710 Nanaimo Street, Vancouver
Legal Description: PID: none
The west part of 2300 Bobolink Avenue, now closed

- (ii) Family Place Centre: Eastside Family Place
Operators (Tenants): The Britannia Community Services Centre Society (“Britannia”),
and, Eastside Family Place Society (“Eastside”)
Civic Address of Premises: 1655 William Street, Vancouver
Legal Description: PID: 025-006-347
That part of Closed Road Shown on Plan LMP49667, Block 178, District Lot 264A,
Group 1 New Westminster District, Dedicated by Plan 185

APPENDIX D

Key Terms and Conditions for Family Place Leases

Term and Renewals: Initial term of five (5) years, with one (1) option to renew for a further five (5) years (ten (10) years total possible term).

The renewal option is conditional upon the City being satisfied that the operator has the capacity to operate, maintain and program the premises in accordance with the lease terms and the public service requirements for the duration of the renewal term contemplated.

Total Rent: Nominal rent of Ten dollars (\$10.00) for the initial term and Ten dollars (\$10.00) for the renewal term, inclusive of payment of rent in lieu of property taxes, payable in advance.

Form of Lease, SLA and PSR: The lease is to be based on the City's Precedent Lease for Non-profit Entities (Cultural/Social), and will include a Service Level Agreement ("SLA") and Public Service Requirements ("PSR") as schedules to be attached to and forming part of the lease.

APPENDIX E

Grant Values by Site (based on the first year of the term for each lease)

- Lease with VSOCC for Library Square Children’s Centre constitutes a grant valued at approximately \$161,000 per annum;
- Sublease with VSOCC for Sapphire Children’s Centre constitutes a grant valued at approximately \$236,000 per annum;
- Sublease with YWCA for Citygate Early Learning and Child Care Centre constitutes a grant valued at approximately \$69,000 per annum;
- Lease with Collingwood Neighbourhood House Society for Duke Street Early Learning and Care Centre constitutes a grant valued at approximately \$92,000 per annum;
- Lease with DDA for Playhouse Child Development Centre constitutes a grant valued at approximately \$71,000 per annum;
- Sublease with The Shannon Day Care Society for Shannon Day Care Centre constitutes a grant valued at approximately \$56,000 per annum;
- Lease with City Hall Child Care Society for City Hall Child Care constitutes a grant valued at approximately \$146,000 per annum;
- Lease with South Vancouver Family Place Society for Kids Care Preschool constitutes a grant valued at approximately \$65,000 per annum;
- Lease with South Vancouver Family Place Society for South Vancouver Family Place constitutes a grant valued at approximately \$69,000 per annum;
- Lease with Britannia and Eastside for Eastside Family Place constitutes a grant valued at approximately \$120,000 per annum.