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## REGULAR COUNCIL

TO: **Mayor & Council** DATE: **March 2, 2023**

FROM: **General Manager, Parks, Recreation & Culture** FILE: **0550-20**

SUBJECT: **Partnering Agreement and License and Operating Agreement with Alexandra Neighbourhood House for Childcare at the Surrey Sport and Leisure Complex**

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## RECOMMENDATION

The Parks, Recreation & Culture Department recommends that Council:

1. Receive this report for information;
2. Award Contract 1220-040-2023-003 to the Association of Neighbourhood Houses BC (“Alexandra Neighbourhood House”) to operate the childcare at the renovated Surrey Sport and Leisure Complex located at 100-1655 Fraser Hwy;
3. Approve the execution by the General Manager of Parks, Recreation & Culture of a Partnering Agreement between the City and Alexandra Neighbourhood House, subject to compliance with the public notice provisions of the *Community Charter, SBC 2003, C.26*, as approved by the City Solicitor all as generally described in this report; and
4. Approve the execution by the General Manager of Parks, Recreation & Culture of a License and Operating Agreement for three years, with one additional two-year term between the City and Alexandra Neighbourhood House, subject to the execution of the Partnering Agreement and compliance with the public notice provisions of the *Community Charter, SBC 2003, C.26*, all as generally described in this report.

## INTENT

The purpose of this report is to obtain Council’s approval to enter into a Partnering Agreement and a License and Operating Agreement with Alexandra Neighbourhood House to operate childcare services at Surrey Sport and Leisure Complex.

## BACKGROUND

In 2021, the City received \$800,000 funding through the ChildCareBC New Spaces program to renovate spaces at the Surrey Sport & Leisure Complex for expanded childcare services. The renovations will provide provision for 20 new licensed childcare spaces for children ages 3 to 5 within a ±171.6 m<sup>2</sup> area and a secured outdoor play area (the “Licence Area”) and are anticipated to be completed by May 2023.

## DISCUSSION

On December 15, 2022, a Request for Quotations 1220-040-2023-003 (the “RFQ”) was issued to identify an operator able to provide a full range of inclusive, accessible, and affordable childcare services. Four submissions were received and evaluated by the City: Alexandra Neighbourhood House, Gateway Community Childcare Society, Saltair Child Care Society, and the Children’s Foundation. Alexandra Neighbourhood House was identified as the recommended proponent.

### The Partnering Agreement

The Partnering Agreement authorizes the City to provide "assistance" to Alexandra Neighbourhood House provided that notice is given (both in accordance with section 24 and 94 of the *Community Charter* respectively). The proposed Partnering Agreement with Alexandra Neighbourhood House includes the following potential types of assistance: A contribution by the City of the Licence Area for use by Alexandra Neighbourhood House throughout the term; and non-exclusive access to common areas on site.

### The License and Operating Agreement

The License and Operating Agreement will govern the terms and conditions associated with the use of the Licence Area and will also ensure that the childcare facility is operated in a manner that is acceptable to the City. The License and Operating Agreement is for a term of three-years, with a further two-year renewal option and is subject to City Solicitor approval and compliance with the notice provisions of the *Community Charter, SBC 2003, c. 26*. Further details regarding the Licence and Operating Agreement are in the attached Appendix “I”.

### Legal Services Review

This report has been reviewed by Legal Services.

## CONCLUSION

Based on the above discussion, it is recommended that Council support Alexandra Neighbourhood House to provide childcare services at the Surrey Sport and Leisure Complex as generally described in this report.

Laurie Cavan  
General Manager  
Parks, Recreation & Culture

Appendix “I”: Alexandra Neighbourhood House Licence & Operating Agreement (Additional Information)

## APPENDIX "I"

### **Alexandra Neighbourhood House Licence & Operating Agreement** **(Additional Information)**

The current policy regarding the leasing/licensing of City land/buildings to non-profit organizations is to lease the land/building at fair market value and have the non-profit apply annually for a grant in lieu of rent. However, the requirement for the monies received from the province for this facility upgrade requires a minimum 15-year commitment for the childcare operation. As such, the City policy regarding the leasing/licencing of City land/buildings to non-profit organizations is not feasible in this situation as it requires Council approval each year.

Based on the market rental valuation of the Licence Area, the annual rent for the proposed License and Operating Agreement is \$49,869 per annum. For this situation it is recommended that the City enter into a 3-year License and Operating Agreement for \$1.00 per annum with an option to renew for an additional 2-years with Alexandra Neighbourhood House and that Council approve the granting of 3-years of rent in lieu of \$49,869 annually, for a total of \$149,607. The annual City Grants report, presented each year by the Finance Committee to Council, will include for information, a listing of all such in kind lease/licence arrangements that don't require an annual approval. The listing will include the names of the non-profit organizations obtaining such grants, the annual value of their in-kind leases/licences and the addresses of the properties leased to them.