

NO: R141

COUNCIL DATE: July 8, 2019

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **June 26, 2019**

FROM: **Acting General Manager, Engineering** FILE: **0930-30/461**
General Manager, Parks, Recreation & Culture

SUBJECT: **Proposed Lease of City Property Located at 14306 and 14308 - 108 Avenue to Fraser Region Aboriginal Friendship Centre Association**

RECOMMENDATION

The Engineering Department and the Parks, Recreation & Culture Department recommend that Council approve the execution by the appropriate City officials of a lease of the City property located at 14306/08 - 108 Avenue (PID: 011-353-074), as generally illustrated in Appendix "I" attached to this report, to the Fraser Region Aboriginal Friendship Centre Association ("FRAFCA") for a term of twenty (20) years, to allow for the development and the operation of an Indigenous daycare (the "O'siem Village"), subject to the successful rezoning and compliance with the notice provisions of the Community Charter, SBC 2003, C. 26.

INTENT

The intent of this report is to seek Council's approval to lease 14306/08 - 108 Avenue (the "Property") to FRAFCA for a term of twenty (20) years for the development and operation of the O'siem Village Aboriginal Daycare.

BACKGROUND

Property Description

The Property is a 28,318 ft.² lot located along the northern edge of Hawthorne Rotary Park on the south side of 108 Avenue. The Property was acquired by the City of Surrey in 2018 as part of the Hawthorne Rotary Park Addition Plan. The Property is improved with a 4,700 ft.² fourplex which FRAFCA is proposing to renovate to develop the O'siem Village.

This lot and the others acquired in 2018 will be added to Hawthorne Rotary Park. Staff are working through the process to bring forward all additions in a future Corporate Report.

Plan Designations, Zoning, and Land Uses

The Property is zoned Single Family Residential (RF) and Duplex Residential (RM-D) Zone and is designated "Urban" in the Official Community Plan.

DISCUSSION

Surrey's urban Indigenous population is the fastest growing in British Columbia and is expected to surpass Vancouver's population within the next two years. The Indigenous community in Surrey also experiences one of the highest children and youth poverty rates in the region. Quality early childhood experiences for young Indigenous children that are culturally relevant can be a powerful equalizer to ensuring that they are given the best chances to thrive later in life. As one of the few Indigenous-led organizations in Surrey, FRAFCA has been providing culturally relevant services to support urban Indigenous children, youth and families for over 20 years.

FRAFCA currently operates Awahsuk, the only licensed Indigenous preschool in Surrey. Awahsuk is funded under the Aboriginal Head Start Initiative by the Public Health Agency of Canada. This program is designed to enhance the spiritual, emotional, intellectual, and physical wellbeing of Indigenous children, ages 3-5, living in urban communities, with the intent to prepare them for successful transition to school. FRAFCA envisions expanding the Awahsuk preschool program and build a new, quality, and accessible Indigenous licensed childcare facility for infants and toddlers in the Guildford neighbourhood, called O'siem Village.

FRAFCA has been successful in securing \$1,350,000.00 in funding from Aboriginal Head Start of BC for a new licensed childcare program. Funded under the Aboriginal Head Start of BC, this program would accommodate 24 free childcare spaces for Indigenous children in Surrey and provide four under 36 month spaces as well as twenty 30 month school-aged spaces. Childcare will be offered at no cost to Indigenous families, prioritizing those who would benefit most from the program.

Proposed Tenure of the Property

City staff and FRAFCA representatives have agreed on the terms on which the Property will be made available for the development and operation of the O'siem Village. Subject to the rezoning of the Property, the City will provide the Property by lease tenure. FRAFCA will use the \$850,000 capital grant to renovate the existing fourplex and will use \$500,000 in annual funding from Aboriginal Head Start BC to operate the newly renovated facility. In addition to the grants from Aboriginal Head Start BC, FRAFCA has also secured \$350,000 that will be used to install an outdoor nature playground, which will include culturally sensitive play structures to maximize outdoor play for children. If approved, it is anticipated that the O'siem Village will be opened in late Summer 2020.

Lease of existing City facilities in a park setting for childcare and children and family related programming has been successfully implement at buildings in Holly Park and in Guildford Heights Park. The leases to non-profit organizations result in positive community program and utilization of City amenities and green space for highly needed community programming.

Should Council support the recommendations of this report, the City will apply for the rezoning of the Property to ensure it is in compliance for FRAFCA to operate their childcare centre.

City Contribution

Current policy regarding the leasing of City land and buildings to non-profit organizations is to lease the land/building at fair market value. As a non-profit organization, FRAFCA have the opportunity to apply to Council for an annual grant in-lieu of rent. Based on the market rental value of the Property, the annual rent for the proposed lease is \$60,530. However, in this instance the City is providing FRAFCA a twenty-year lease of the 0.65-acre Property at the nominal sum of \$1.00. The alternative opportunity was explored to have FRAFCA apply to Council for an annual

grant in-lieu of rent, but this was determined not to be feasible as FRAFCA's daycare operational funding requires a minimum ten-year commitment in order for funding to be made available.

The estimate of market rent value of the Property was calculated by examining transactions of land lease comparables resulting in a yield of 2.25% based on the underlying land value of \$95/ft.², or
28,318 ft.² (or 0.65-acres) x \$95/ft.² x 2.25% = \$60,530/annum.

The calculated amount of \$1,210,600 (\$60,530 x 20 years) is therefore the estimated value being contributed by the City to this project.

SUSTAINABILITY CONSIDERATIONS

The leasing of the Property to the FRAFA supports the objectives of the City's Sustainability Charter 2.0. In particular, this Lease relates to the Sustainability Charter 2.0 themes of Education and Culture, and Inclusion. Specifically, this project supports the following Desired Outcomes ("DO"):

- Learning DO3: Meaningful and accessible early childhood learning opportunities are in place for children and families;
- Diversity and Accessibility DO1: Surrey welcomes, includes, embraces and values the diversity of people who live here;
- Diversity and Accessibility DO2: Surrey is a caring and compassionate city that supports its residents of all backgrounds, demographics and life experiences;
- Diversity and Accessibility DO7: Surrey's Urban Aboriginal community is thriving with high educational outcomes, meaningful employment and opportunities for cultural connections; and
- Age Friendly Community DO17: Families have access to affordable and quality local childcare.

CONCLUSION

Based on the above discussion, it is recommended that Council approve the execution by the appropriate City officials of a lease agreement for the Property (14306/08 - 108 Avenue) between the City and FRAFCA to allow FRAFCA to use the Property for the development and operation of the O'siem Village Aboriginal Daycare, subject to the rezoning of the Property, as generally described in this report.

Jaime Boan, P.Eng.
Acting General Manager,
Engineering

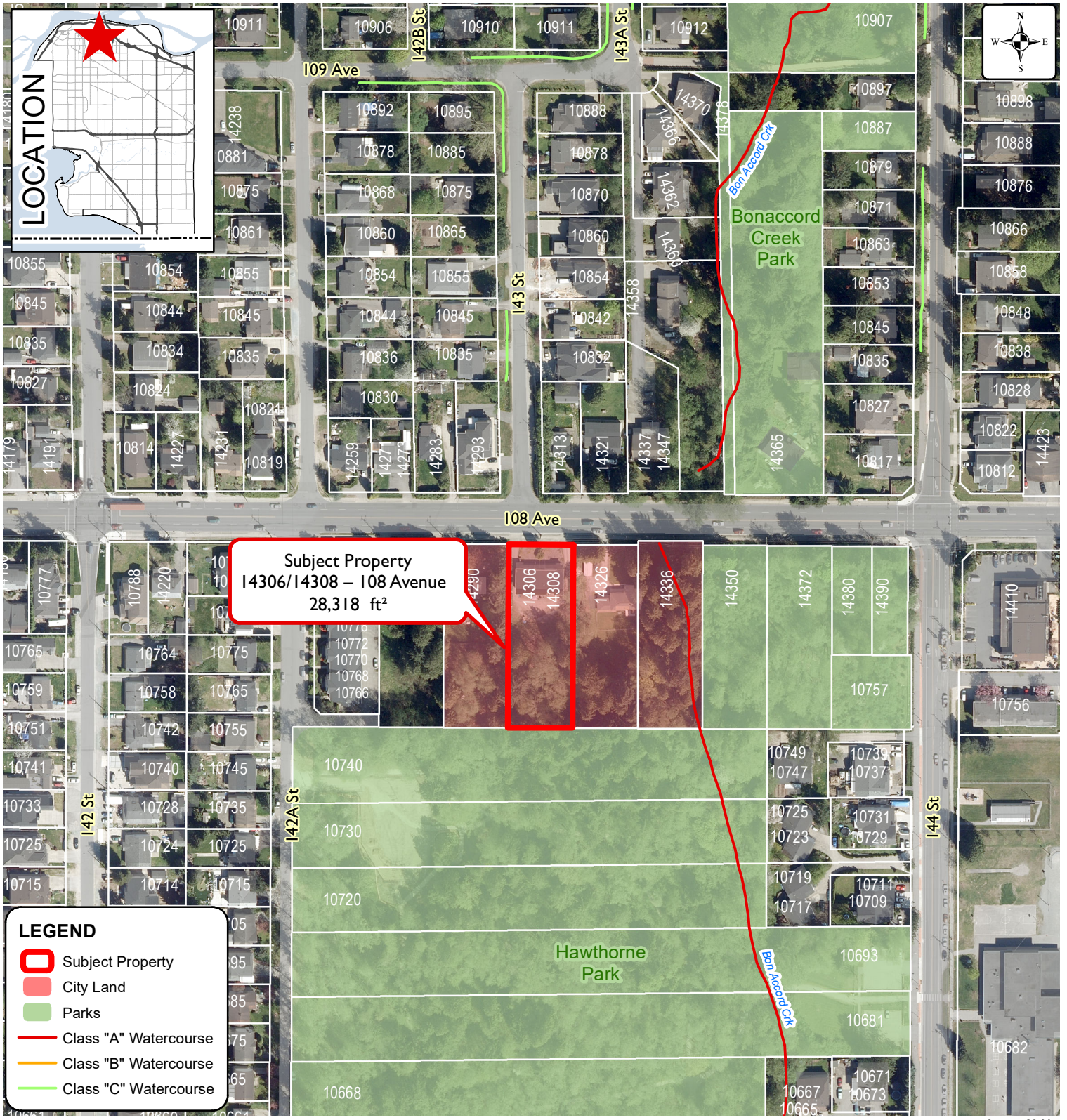
Laurie Cavan,
General Manager,
Parks, Recreation & Culture

KSW/amg/cc

Appendix "I" - Aerial Photo of Site

APPENDIX "I"

AERIAL PHOTOGRAPH OF SITE



Subject Property
14306/14308 - 108 Avenue
28,318 ft²

- LEGEND**
- Subject Property
 - City Land
 - Parks
 - Class "A" Watercourse
 - Class "B" Watercourse
 - Class "C" Watercourse

Produced by GIS Section: 20-Jun-2019, C9W

Date of Aerial Photograph: April 27, 2018

Scale: 1:2,500 0 20 M



SUBJECT PROPERTY
Proposed Lease of City Property
Located at 14306/14308 - 108 Avenue

ENGINEERING
DEPARTMENT

The data provided is compiled from various sources and IS NOT warranted as to its accuracy or sufficiency by the City of Surrey. This information is provided for information and convenience purposes only. Lot sizes, Legal descriptions and encumbrances must be confirmed at the Land Title Office.