



# City of Richmond

## Report to Committee

**To:** General Purposes Committee **Date:** August 15, 2013  
**From:** Andrew Nazareth **File:** 2275-20-431/Vol 1  
 General Manager,  
 Finance and Corporate Services  
 Services  
**Re:** **Cadence City Child Care Facility - 5640 Hollybridge Way**  
**Potential Acquisition from Cressey Gilbert Development LLP**

### Staff Recommendation

That:

1. Staff be authorised to purchase the Cadence Child Care Facility based on the terms and conditions as set out in RZ 12-602449 and the staff report dated January 22, 2013 to Planning Committee;
2. Staff be authorised to transfer \$874,000 from the Child Care Development Reserve Fund and such funds to be utilized to complete the proposed transaction;
3. An amendment to the City's Five Year Financial Plan (2013-2017) to include \$874,000 for the purchase, of an independent air space parcel which is to include a fully constructed facility, to be known as Cadence Child Care Facility with funding to come from the City's Childcare Development Reserve Fund be brought forward for Council consideration; and
4. The Chief Administrative Officer and the General Manager, Finance & Corporate Services are authorised to complete the negotiations and execute the Purchase and Sale Agreement in regards to the purchase of Cadence Child Care Facility.

Andrew Nazareth  
General Manager, Finance and Corporate Services (4095)

REPORT CONCURRENCE			
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER	
Finance Division	<input checked="" type="checkbox"/>		
Law	<input checked="" type="checkbox"/>		
Planning	<input checked="" type="checkbox"/>		
Community Social Development	<input checked="" type="checkbox"/>		
Facilities	<input checked="" type="checkbox"/>		
REVIEWED BY DIRECTORS	INITIALS: DW	REVIEWED BY CAO	INITIALS: 

## Staff Report

### Origin

Cressey Gilbert Development LLP (“Cressey”) has applied to the City for permission to develop a mixed-use development that includes 245 residential units, commercial space and a 465 m<sup>2</sup> (5,000 ft<sup>2</sup>) childcare facility at 5640 Hollybridge Way (see Att. 1&2). On January 22, 2013, Planning Committee passed a recommendation to give first reading to Bylaw 8957 (RZ 12-602449) to rezone the development site from “Industrial Business Park (IB1)” to “Residential / Limited Commercial (RCL3)”.

Planning, Community Services and Project Development staff have worked extensively with Cressey on the design and layout of the childcare facility as part of the Development Permit process and for the preparation of the legal documentation being prepared under the Rezoning Conditions (RZ 12-602449) and included in the staff report dated January 22, 2013 to Planning Committee meeting.

In summary, Rezoning Considerations include the requirement to create an airspace parcel to include the childcare and its outdoor play area, to be transferred to the City in fee-simple ownership. The dedicated childcare parking and refuse/recycling areas are being located within easements in favour of the Childcare Air Space parcel.

The origin and need for this report is as per Rezoning Consideration (Sec. 10 (c) viii. A&B) regarding the Child Care Facility.

This project supports the Council Term Goals #2, Community Social Services, #7, Managing Growth and Development, & #10, Community Wellness.

### Analysis

The applicant, Cressey, will be constructing a turnkey child care facility located on the fifth level of the affordable housing block facing the landscaped podium. This childcare facility size is well beyond the approximate 328 m<sup>2</sup> (3,530 ft<sup>2</sup>) area that the applicant is required to provide under the density bonus provisions of the RCL3 zoning and City Centre Area Plan’s (CCAP’s) Village Centre Bonus. Community Services advised that a larger 465 m<sup>2</sup> (5,000 ft<sup>2</sup>) facility is far preferable than having two (2) smaller child care facilities. With this in mind, staff coordinated the review of the IntraCorp rezoning application at 5440 Hollybridge Way (RZ 09-506904) and the Cressey application at 5640 Hollybridge Way. While Cressey will initially fund the construction of the entire child care facility, up to \$874,000 will be paid by the City for the area beyond which Cressey is responsible under the RCL3 zoning and CCAP. The \$874,000 is based on the contribution that IntraCorp agreed to pay as a rezoning consideration to transfer their Village Centre Bonus 180 m<sup>2</sup> (1,942 ft<sup>2</sup>) child care obligation to the subject site.

The Rezoning Considerations for the Cressey development included the ability for the City to lease the childcare facility with an option to purchase the facility for up to \$874,000 at such time that City received the funds from the IntraCorp development. Since the \$874,000 was received from IntraCorp in early 2013, the City no longer needs to enter into an option to purchase/lease arrangement. Thus, staff are preparing a Purchase and Sale Agreement (PSA) based on the terms of RZ 12-602449, to allow the City to acquire the childcare facility from Cressey for up to \$874,000 when the facility is completed to the City's satisfaction.

A separate report to committee will follow with respect to operator selection and leasing this facility to the operator.

### **Financial Impact**

Based on the previous rezoning (RZ 09-506904) at 5440 Hollybridge Way, Intracorp paid \$874,000 to the City to be utilized for development of the Cadence Child Care Facility, and the City will be utilizing those funds to purchase the subject Cadence Child Care Facility. Based on the funds being already received, the acquisition as contemplated in this agreement will have no capital financial impact to the City as the GST portion that is payable as part of the sale, will be 100% refundable.

The \$874,000 contribution from IntraCorp was received February 3, 2013 and is currently residing in the Child Care Development Reserve Fund. The 2013-2017 Five Year Financial Plan Bylaw will be amended to include funding of \$874,000 from the Child Care Development Reserve Fund for the acquisition of the Cadence Childcare Care Facility.

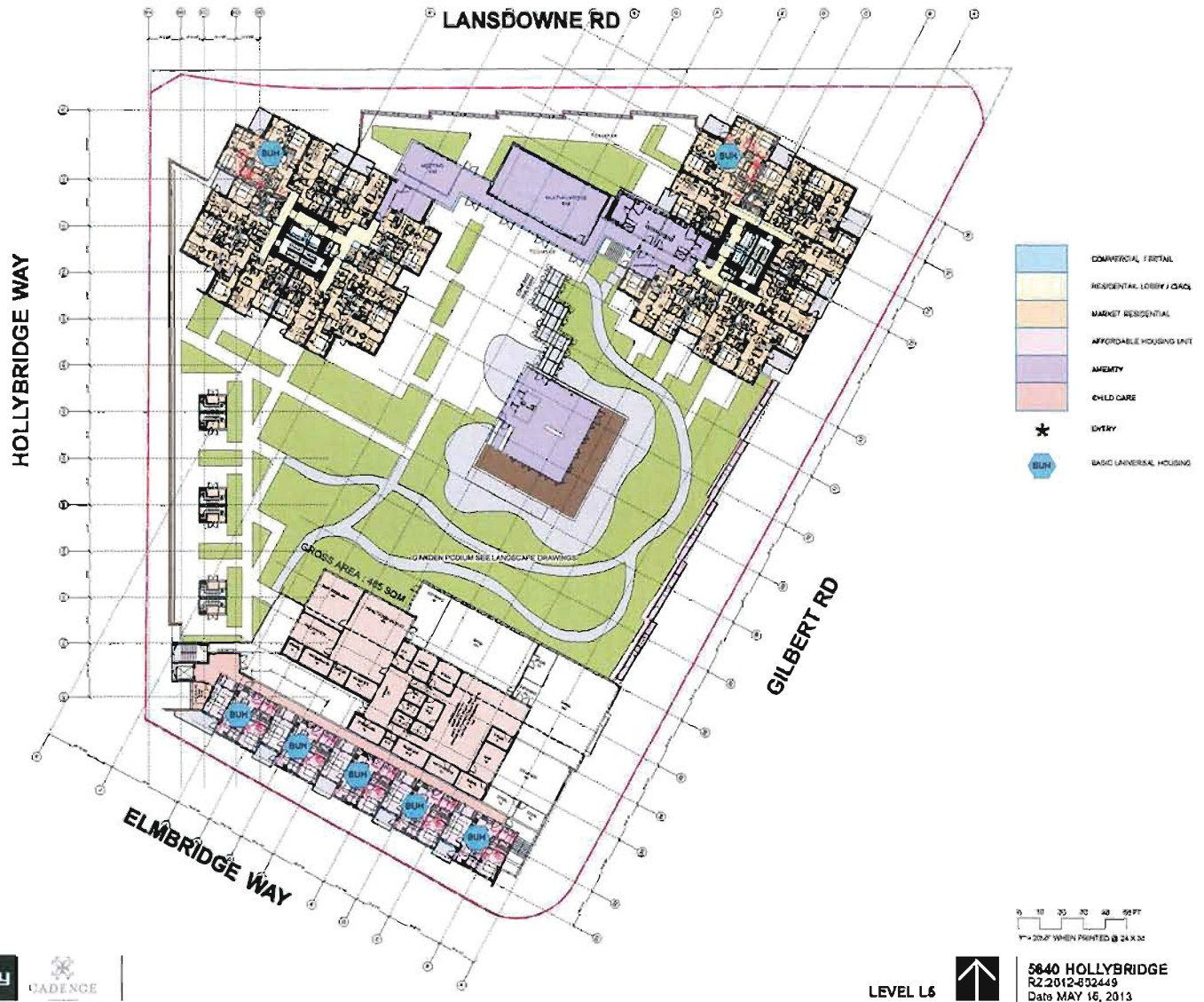
### **Conclusion**

Staff are seeking Council approval to be authorised to purchase the Cadence Child Care Facility based on the terms and conditions as set out in RZ 12-602449 and to utilize the \$874,000 in the Child Care Development Reserve Fund for this transaction.



Kirk Taylor  
Manager, Real Estate Services  
(604-276-4212)

# ATTACHMENT 1 SITE PLAN



### ATTACHMENT 2 PREMISES



PREMISES	TAKEN	PROVIDED	DIFFERENCE
<b>PRESCHOOL</b>			
<i>(Refer to Appendix B)</i>			
Activity Area			
Art, Water Play, Etc	20	20	0
Circle Activities	40	50	10
Circle Area	14	22	8
Large Motor/Map	11	11	0
<b>TOTAL</b>	<b>85</b>	<b>103</b>	<b>18</b>
<b>Support Areas</b>			
Children Washrooms	11	12	1
Washroom/washroom	4.5	5	0.5
Cubby	12	12.5	0.5
Kitchen	12	10	-2
Storage room	1.5	1	-0.5
Storage room	4	11	7
* Admin	6.5	11	4.5
* Laundry	5	5	0
* Storeroom	7	5	-2
<b>TOTAL</b>	<b>67</b>	<b>79.5</b>	<b>12.5</b>
<b>Outdoor Space</b>			
Covered Outdoor	40	79	39
Open Outdoor	150	136	-14
Outdoor Storage	9	22	13
<b>TOTAL</b>	<b>199</b>	<b>237</b>	<b>38</b>
<b>INDOOR SPACE</b>			
<i>(Refer to Appendix B)</i>			
<b>INFANTS &amp; TODDLERS</b>			
Activity Area			
Open Play	30	28	-2
Cribbing	40	36	-4
Cubby	18	18	0
<b>TOTAL</b>	<b>88</b>	<b>82</b>	<b>-6</b>
<b>Support Areas</b>			
Cubby	16	10	-6
Kitchen	12	8	-4
Washroom/ Diapering	3	12	9
Storage	15	11	-4
Washroom/washroom	4.5	11	6.5
<b>TOTAL</b>	<b>51</b>	<b>52</b>	<b>1</b>
<b>Outdoor Space</b>			
Covered Outdoor	28	33	5
Open Outdoor	107	117	10
Outdoor Storage	60	15	-45
<b>TOTAL</b>	<b>195</b>	<b>165</b>	<b>-30</b>
<b>OTHER</b>			
Staff		14	14
Lobby		20	20
Circulation		14	14
Mechanical		4.5	4.5
Stroller		12	12
<b>TOTAL</b>		<b>64.5</b>	<b>64.5</b>
<b>TOTAL INDOOR SPACE</b>		<b>474</b>	

