



City of Richmond

Report to Committee

To: Planning Committee **Date:** May 19, 2017
From: Cathryn Volkering Carlile **File:** 07-3070-01/2017-Vol
01
Re: **Modifications to the Child Care Agreement with Polygon Kingsley Estates Ltd. – 10380 No. 2 Road - registered under numbers CA4468793-CA4468794 as modified by CA5496252-CA5496253**

Staff Recommendation

That modifications to the Child Care Agreement for the Polygon Kingsley Estates development registered under numbers CA4468793-CA4468794 (as modified by CA5496252-CA5496253) as outlined in the staff report dated May 19, 2017, from the General Manager, Community Services, be approved.

Cathryn Volkering Carlile
 General Manager, Community Services
 (604-276-4068)

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Law Development Applications	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

The Polygon Kingsley Estates child care facility is being provided in fulfilment of a rezoning condition related to RZ-13-649524 which permitted the development of 133 unit townhouse dwelling units at 10440/10460 No. 2 Road with adoption of Zoning Amendment Bylaw 9155 by Council on June 22, 2015. The original child care agreement was registered under numbers CA4468793-CA4468794.

On April 25, 2016, Council approved the design for the Kingsley Estates child care facility and amendments to the registered Child Care Agreement. The modification agreement was registered under the numbers CA5496252-CA5496253. The modifications involved adjusting deliverable dates for the project.

This report supports Council's 2014-2018 Term Goal #2 A Vibrant, Active and Connected City:

Continue the development and implementation of an excellent and accessible system of programs, services, and public spaces that reflect Richmond's demographics, rich heritage, diverse needs, and unique opportunities, and that facilitate active, caring, and connected communities.

The report also supports Social Development Strategy Action 10:

Support the establishment of high quality, safe child care services in Richmond through such means as:

10.3 Securing City-owned child care facilities from private developers through the rezoning process for lease at nominal rates to non-profit providers; and

10.4 Encouraging the establishment of child care facilities near schools, parks and community centres.

Analysis

The Child Care Agreement and Polygon's Requested Modifications

In 2015, the Kingsley Estates child care amenity was secured by a restrictive covenant registered on the townhouse development parcel (Parcel 1) under numbers CA4468793 to CA4468794 (the "Child Care Agreement"). The Child Care Agreement provided that Polygon submit a full set of building permit drawings regarding the child care facility on or before the earlier of:

1. The Developer obtaining final building inspection granting occupancy for Phase 2; and
2. May 1, 2016.

The Child Care Agreement also stipulated that Polygon complete the construction of the child care facility and provide a Certificate of Substantial Completion to the City on or before the earlier of:

1. The Developer obtaining final building permit inspection granting occupancy for Phase 3;
2. The Developer making an application to register Phase 3 within a phased strata plan for the Development; and
3. June 30, 2017.

In early 2016, Polygon asked that the date of May 1, 2016 for submission of a full set of building permit drawings be extended to September 1, 2016. They also asked to modify the Child Care Agreement to enable final building inspection for all but the final five dwelling units of Phase 3 prior to the completion of the child care facility. Polygon agreed to complete the child care facility and provide a Certificate of Substantial Completion to the City on or before the earlier of:

1. The Developer obtaining final building permit inspection granting occupancy of the final five dwelling units of Phase 3; and
2. June 30, 2017.

Following City Council's approval of the child care facility design on April 11, 2016, the Child Care Agreement was modified for the first time as noted above (agreement numbers CA5496252-CA5496253).

On May 2, 2017, Polygon requested a second modification to the Child Care Agreement to adjust the completion date and to allow for provisional occupancy of the final five dwelling units remaining in Phase 3. Polygon has agreed to the City retaining \$3.3 million in security for provision of the child care facility rather than holds on occupancy of the final five dwelling units. In addition, the Developer will provide a Certificate of Substantial completion to the City on or before:

1. March 31, 2018.

The reason Polygon is seeking a later delivery date for the child care amenity is because the construction schedule was adversely affected by the winter weather. In particular, snow conditions and heavy rainfall held up concrete work for the building's foundation as well as roof installation. The City requires more time to review the access and control systems selected by the developer to ensure the products installed meet performance measures, balance security for children in the building with accessibility for persons with disabilities and are similar to equipment used in other City facilities. This will entail additional review by a building code consultant. However, the end result for the City will be a building that has well planned measures to ensure children's safety and security along with benefits of minimizing ongoing maintenance costs. While the project is well underway, the planned delivery date of June 30, 2017 is not achievable. Completion of the facility is now targeted for late 2017 or early 2018.

The revised completion date will allow sufficient time to address any construction deficiencies and prepare the facility for operation. It is extremely difficult to commence a new child care service during mid-winter. A completion date in early 2018 would benefit the City in being able

to have additional time to ensure a handover of the facility to a City Council approved child care operator at an optimal time for conducting a spring registration. Spring is when most parents are seeking care for their children in preparation for gradual entry to a new program over the summer with full enrolment of all children by September 2018.

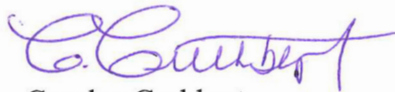
Staff recommend that the Child Care Agreement be further modified to require that Polygon must provide a Certificate of Substantial Completion to the City on or before March 31, 2018 *(revised from June 30, 2017)*.

Financial Impact

There is no financial impact related to further modification of the Child Care Agreement for the Kingsley Estates child care facility. The City has retained \$3.3 million from Polygon in security for the delivery of this community amenity contribution and these funds can be used to complete the building should Polygon not perform in meeting modified deadlines for the completion of the child care facility.

Conclusion

Staff recommend that a modification to the Child Care Agreement (as modified) for the Polygon Kingsley Estates child care facility be approved to accommodate Polygon's request for an extension as the City will continue to hold substantial security of \$3.3 million as a guarantee for provision of the child care facility.



Coralys Cuthbert
Child Care Coordinator
(604-204-8621)

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