



Municipality of Port Hope

Staff Report

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Report Title: 81 Mill St S Ganaraska Child Care Centre Lease

Report to: Committee of the Whole

Date of meeting: October 22, 2024

Report Author:

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Department responsible:

Parks, Recreation & Culture

Report Number: PRC-14-24

Recommended Action:

That Council authorize the Mayor and Clerk to execute a lease agreement with Ganaraska Child Care Centre for the premises at 81 Mill St S as per terms generally outlined in Report PRC-14-24; and further,

That the Mayor and Clerk be authorized to execute any agreements and other documents as may be necessary to facilitate the agreement subject to satisfaction of staff and legal counsel.

Highlights:

- The County of Northumberland is designated as the Social Service Manager pursuant to the Child Care and Early Years Act.
- Ganaraska Child Care Centre (GCCC) will be the Service Provider for the child care centre to be located at 81 Mill Street South.
- In August 2023, Council authorized staff to complete a Letter of Intent that established the agreement between the Municipality, the County, and the Service Provider regarding capital improvements required for the Centre, and the manner in which the County and the Service Provider will use the Centre for the purpose of child care going forward.
- Construction work is underway and nearing completion.
- The Service Agreement between Northumberland County and Ganaraska Child Care Centre (GCCC) is in compliance with the Child Care and Early Years Act (CCEYA).

Background:

The Municipality owns the facility and grounds located at 81 Mill St S, formerly known as the Ruth Clarke Activity Centre. This facility has been vacant since March 2020 when seniors programs were relocated to the Town Park Recreation Centre during the

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COVID-19 Pandemic. Since that time, the Town Park Expansion Program has been completed with all programming occurring at the new centre.

There has been interest from Northumberland County, Municipal Council and a community Service Provider in the facility to be used as a Child Care Centre. This interest is supported by the County's targets for increasing child care spaces, under Ontario's vision for the Canada-Wide Early Learning and Child Care (CWELCC) system. The intent is for more families in Ontario to have access to high quality, affordable, flexible, and inclusive early learning and child care. Under its Access and Inclusion Framework, the Ministry of Education (MEDU) developed a model to allocate funding for new spaces for children. The MEDU tasked the County as Social Service Manager (SSM) to complete a Directed Growth Plan inclusive of priority locations. The creation of centre-based spaces is subject to the availability of existing buildings within the priority areas that meet the requirements of a licensed child care program. 81 Mill Street South was reviewed by the County with these considerations.

When the site was toured, the Municipality currently had no long-term capital investment interest in the facility with respect to a different potential use. The interest and commitment through the lease with the Ganaraska Child Care Centre and the County of Northumberland is a benefit to community and to the Municipality. The partnership with these organizations is strong and their use of the property has no foreseeable negative impacts on municipal operations or facility needs.

As part of the MEDU funding, the County has identified a funding model for 81 Mill St S site and committed, along with the Service Provider to capital construction costs. The construction work is progressing and will soon be complete.

Staff are reviewing rent options and are in lease negotiations with the Service Provider.

Discussion:

Staff are supportive of executing a lease agreement with Ganaraska Child Care Centre for a period of 10 years, recognizing the significant capital investments made to date on the site. Staff are recommending the development of lease conditions similar to the terms and conditions as the other local child care centre ran by this Provider. As there is no recent utility information for the site, the base rent for the first two years is recommended to use a comparable per square foot rate that GCCC currently has with their existing site located at the Port Hope High School.

General provisions of the 81 Mil St S lease:

- Total rentable space is approximately 4,835 sq feet with a lease rate of \$0.50/sq ft which will total \$2,417.50/month, intended to cover the costs of utilities and general operating requirements.
- 10-year term with Base Rate reviewed bi-annually.
- The use of grounds and parking lot are to be granted to the Service Provider. Grounds which are available for public use will be the continued responsibility of the Municipality (ie snow maintenance in parking lot and sidewalks). As the parking lot is a Municipal lot, it will be offered for the exclusive use of the Service Provider Monday to Friday from 6am to 6pm for the purposes of supporting their operations.

- General maintenance, services and leasehold improvements will be the responsibility of the lease holder (including cleaning and custodial, security, internet, phone, garbage pick up and appliances).
- The Municipality will pay all charges for utilities relating including water, sewer, electricity and gas. Ongoing capital and operational upkeep of the facility is the continued responsibility of the Municipality, including structural, mechanical and electrical (such as roof, windows, lift, fire and life saving systems)
- The Lease will outline insurance requirements and include an option for Reassignment to the County of Northumberland during the term of the lease if the Service Provider were to cease operations within the term of the lease.

The lease agreement will further be reviewed by legal counsel in order to ensure the Municipality's interests are protected.

Financial Considerations:

The lease amount received as part of this agreement will be recognized in the regular operating budget of the Municipality. Establishing a 2-year review of base rent allows the Municipality and the Service Provider to examine actual utility and facility costs after 2 years of operations and negotiate a lease rate on a bi-annual basis, and potentially an annual CPI increase. Establishing a interim lease rate for a period of two years, which is potentially a subsidized rate, supports Ganaraska Child Care Centre in the development of their operating needs.

Communication and Public Engagement:

There are no communication or public engagement requirements for the Child Care Centre lease. Staff will work with the Service Provider for suitable promotions of the opening of the Centre when appropriate. All child care spaces are allocated through the Service Agreement between the Service Provider and the County of Northumberland.

Conclusion:

The completion of a Lease Agreement for Ganaraska Child Care Centre at 81 Mill St South is an important step in the completion of the commitment by the Municipality to support a child care option in Port Hope. This aligns with the Community Strategic Plan in supporting growth in the community, use of existing infrastructure in creative ways and supporting multi-generational needs in Port Hope.

Attachments:

None