

**8. COMMUNITY RESOURCE CENTRE OF
GOULBOURN, KANATA AND WEST CARLETON
CAPITAL FUNDING REQUEST**

COMMITTEE RECOMMENDATION

That Council approve a maximum expenditure of \$860,000 to provide a one-time capital grant [\$500,000] and an interest free loan [\$360,000] to assist the Community Resource Centre of Goulbourn, Kanata and West Carleton to acquire land and to construct an adequate facility.

DOCUMENTATION

1. A/Social Services Commissioner's report dated 21 Sep 00 is immediately attached.
2. Extract of Draft Corporate Services and Economic Development Committee Minute, 03 Oct 00, immediately follows the report and includes a record of the vote.

Our File/N/Réf.
Your File/V/Réf.

DATE 21 September 2000

TO/DEST. Co-ordinator
Corporate Services and Economic Development Committee

FROM/EXP. A/Social Services Commissioner

SUBJECT/OBJET **COMMUNITY RESOURCE CENTRE OF GOULBOURN,
KANATA AND WEST CARLETON
CAPITAL FUNDING REQUEST**

DEPARTMENTAL RECOMMENDATION

That the Corporate Services and Economic Development Committee recommend Council approve a maximum expenditure of \$860,000 to provide a one-time capital grant [\$500,000] and an interest free loan [\$360,000] to assist the Community Resource Centre of Goulbourn, Kanata & West Carleton to acquire land and to construct an adequate property.

BACKGROUND

The delivery of social and health services through a network of neighbourhood based Community Resource/Health Centres is unique to the Region of Ottawa-Carleton. The Network of Community Resource Centres has grown since 1972 to its existing 13 Centres. Since 1990, the Region has provided core funding (including funds for space) to the Centres. Over the years, the Region has also provided capital grants to various Community Resource Centres, for example, the Somerset West Community Health Centre, Carlington Community and Health Services, Overbrook-Forbes Community Resource Centre. In March 2000, the Corporate Services and Economic Development Committee and Council approved a capital grant and an interest free loan for the acquisition of property to "Under One Roof", a project to co-locate services.

DISCUSSION

The Centre

The Community Resource Centre of Goulbourn, Kanata and West Carleton (CRC) has been in operation since 1987. The Centre is host to many programs and services. In the past year, the CRC has offered services to 7,000 individuals including 585 abused women and there have been 3,117 one-way trips for seniors and persons with disabilities to medical, shopping and social activities. Adding co-located agencies increases the number of individuals served to over 10,000.

Present Facility

The Centre currently operates from 9,100 square feet of leased space in 2nd floor offices at the Kanata Town Centre Mall, 150 Katimavik Road. The Centre has the mandate to serve the far west end of the Region. The Centre provides many of its services in the community at large, in areas such as Carp, Constance Bay and different locations throughout Kanata. The main office in Kanata serves two functions. It acts as the main resource centre handling requests for information about resources available in the community and as a site for some of the more specialized services, such as programs against abuse for women and speech therapy for young children. The Centre also acts as an administrative hub, providing the office space and services through which staff co-ordinate the many outreach programs, typically 15 at any one time, being carried out in the community at large.

The current site is occupied by 35 full and part-time CRC staff, 27 full and part-time co-located staff from various agencies and 338 volunteers. The current site is undersized for the existing services. A spatial study indicated that the Centre requires 12,000 square feet to carry out its current functions. Programs are growing in the areas of counselling, social work, community development and youth services. Additional space is required for the delivery of these services. The Centre also needs more counselling rooms and group rooms. The Centre's three meeting spaces are booked close to capacity during the day and in the evenings. The Dementia Day Away program is set to expand. It is currently delivered off site but would benefit from being delivered in-house.

Some of the specialized services need specific design layout of space and equipment, such as office and interview rooms. The offices will be used for information and counseling sessions on such topics as: mental health, health promotion and speech therapy. New office space will also

be used to deliver a wide variety of assistance programs, including a day away program for people with dementia.

The Centre anticipates becoming the western suburban recipient for Community Health Centre funding from the Ministry of Health in the relatively near future. If the Centre receives this funding, it will need approximately 4,000 additional square feet of space to deliver a variety of health services, including physical exams, well baby clinics and community nurses. If the space is already built and readily available for the appropriate fit up, it will aid the Centre in expediting Ministry of Health funding.

Site Selection

In 1996, the Centre negotiated a very favourable lease during a time when the commercial real estate market was in recession. The Centre's five year lease expires on December 31, 2001. The current landlord's lease renewal offer is \$15 base rent plus operating costs totaling a gross rental cost of \$26 to \$27 per square foot. This amount represents an increase of 50-60% of the Centre's current budget for the same space.

The Centre is competing for space in a market dominated by the high tech sector. The rental market in Kanata has a low vacancy rate. Rents have escalated in the past two years. Representatives from CB Richard Ellis and Metro-Suburban (commercial real estate brokers) have reported rents have risen 15% to 20% to a range of \$15 to \$18 net with operating costs ranging from \$10 to \$13.30. This has led the Centre to investigate the option of constructing its own building.

There is a vacant parcel of land, owned by 1150107 Ontario Inc., located behind the Castledean Plaza on the north-east corner of Hazeldean and Castlefrank Roads. Approximately 1.37 acres in extent, this parcel is zoned General Commercial, has been severed, and is estimated to have a value of approximately \$300,000 to \$400,000. Negotiations are underway with the owners of this parcel. Access must be via the Kanata Baptist Church property adjacent to the parcel.

In 1994, Kanata Baptist Church, acting as Kanata Baptist Place Inc., developed Stonewick Heights, a 96 unit non-profit housing development. A portion of the land assembled for this purpose was surplus to the needs of the housing project and abuts the land which is of interest to the Community Resource group. The Church and its non-profit housing corporation decided

to keep this land available for a future social services centre of approximately 12,000 square feet in Gross Floor Area. This use was identified on the site plan for Stonewick Heights and was also included in the rezoning. Preliminary discussions with Kanata Baptist Church officials indicate that there is interest in making this land available for the Community Resource Centre on a nominal basis, as this land could provide overflow parking for the Centre and to the Church. Securing an interest in this site would also secure access to the Centre.

It is therefore proposed that the land behind Castledean plaza purchase the privately-owned surplus land behind Castledean Plaza and lease the land from Kanata Baptist Place on a long term basis. This has the added advantage of offering potential expansion area in the future if needed. This would result in a parcel approximately two acres in extent. A new building with a gross floor area of 17,700 square feet would initially be constructed near Castlefrank Road, with provision made to expand the building at a later date. All of the immediate needs of the Centre can be accommodated on the site to be acquired. The Kanata Baptist Place parcel would be used for parking as well as for outdoor amenity space, possibly including a children's play area.

FUNDING REQUIREMENTS

The Centre has requested that the Region assist them through a combination of funding mechanisms. The funding request is comprised of a capital grant of \$500,000 and an interest free loan of \$360,000 to be repaid in monthly installments over 15 years. The Centre would also obtain conventional mortgage financing of \$1,178,000 amortized over 25 years with an initial 10 year term at 9%.

The total capital cost for this project is \$3,423,156. The Centre is proposing to finance the project by the following means:

- \$10,000 in equity contributed directly by the Community Resource Centre;
- \$875,000 from a fundraising campaign to be undertaken by the Community Resource Centre;
- \$500,000 in capital funding from the Salvation Army, representing the net proceeds due to the community from the recent sale of land previously acquired by the Salvation Army for a hospital in Kanata, which was also intended to provide a site for the Community Health/Resource Centre (The Health Network);

- a capital grant from the Region of Ottawa-Carleton in the amount of \$500,000, to be advanced in two installments: the first \$100,000 immediately upon approval by Council in order to fund initial project planning work and the remaining \$400,000 at the time the land is acquired and a mortgage may be registered as security, anticipated in December, 2000;
- \$360,000 in an interest free loan from the Region of Ottawa-Carleton, to be repaid in equal monthly installments over a 15 year period commencing from occupancy of the completed building; and
- conventional mortgage financing of \$1,178,156, representing approximately 35 per cent of the total capital cost of the project.

The Centre's analysis indicates that by purchasing this property the organization would avoid disbursing over \$2,500,000 in accommodation costs over the first 15 years of occupancy. Regional funding will be conditional on the Centre assembling funding commitments from all of the partners, to the satisfaction of the Regional Finance Commissioner.

CONSULTATION

Client feedback was included in the discussion on space in the proposal from the Community Resource Centre Goulbourn, Kanata & West Carleton.

FINANCIAL STATEMENT

No funds were identified in the 2000 budget for this purpose.

CONCLUSION

Current space no longer meets the Centre's minimum requirements and the current lease expires in 2001. The option of building would provide the Centre with a more adequate and flexible space and allow for future growth of services.

Approved by

Garry Armstrong

A\Commissioner, Social Services

FINANCE DEPARTMENT COMMENT

The source for funding one time capital grant requests, which are outside the normal budget process, is usually the Region Wide Capital Reserve Fund. The uncommitted balance in this Reserve Fund is generally sufficient to fund capital grant requests of this nature. However, as a result of Council's approval of the New Ambulance System Design report (August 9, 2000), all remaining uncommitted funds have been committed to fund the projected land ambulance capital requirements. Approximately \$6.0 million of the \$8.7 million in capital requirements will be funded from this Reserve Fund. The remaining \$2.7 million will be funded from departmental savings within the Region Wide Fund operating budget.

Should Committee and Council wish to approve this capital grant request, it is likely that additional savings will be possible within the 2000 operating budget to fund this request.

In accordance with Ottawa Transition Board Guideline 5.2.g, approval of the Board will be required.

*Approved by
Tom Fedec on behalf of
Lloyd Russell
A/Finance Commissioner*

LC/sl

Extract of Draft Minute
Corporate Services and
Economic Development Committee
03 October 2000

COMMUNITY RESOURCE CENTRE OF ***
GOULBOURN, KANATA AND WEST CARLETON
CAPITAL FUNDING REQUEST

- A/Social Services Commissioner's report dated 21 Sep 00

Mr. Alan Whitten, Chair, Long Term Planning Committee, introduced Ms. Peggy Feltmate, Executive Director, Mr. Sam Dicks, Board Chair, and Mr. Phil Brown, Consultant, in addition of other board members in the public gallery.

Councillor Stewart commended the agency for the work done in their constituency and their commitment. However, the Councillor expressed concern that there were areas within the Region, inside the Greenbelt and in the urban area, that were not covered by the fundamental services the agency provided. Councillor Stewart reported Council had recognized the need to offer these services in the Hunt Club / Riverside Park area {an area with a pressing need}, however, explained no capital funds were available.

G. Armstrong, A/Social Services Commissioner, stated that in reviewing the background and community support for the subject CRC project, and the opportunity that presently existed, the Department supported the request for capital money. With respect to the Ottawa South and Hunt Club area, Mr. Armstrong explained staff continued to look at this area / issue with the possibility of a site and capital support from the new city. With respect to the two CRC reports, he stated they were based on proposals that were presented by the agencies. In closing, Mr. Armstrong provided reassurance that staff would continue to work closely with the South Ottawa community to try to improve on the services presently provided.

With respect to the finance department comment, Councillor Stewart pointed out funding was not available to fund even these requests due to the commitment of the Region Wide Capital Reserve Fund.

Speaking to the CRC proposal, Mr. Armstrong stated it was an opportunity that would see substantial savings over time. He believed it would prevent the agency having to return to Council in the future to request significant operating money. With respect to the funding, the Commissioner confirmed the 2000 budget requirements would be finalized within the month and he was certain there would be sufficient funds to deal with the request.

*****NOTE: TRANSITION BOARD APPROVAL WILL BE REQUIRED FOLLOWING COUNCIL
CONSIDERATION OF THIS ITEM**

Extract of Draft Minute
Corporate Services and
Economic Development Committee
03 October 2000

Councillor Stewart expressed the difficult situation, as she did not want to take away from the need and valuable work done by the CRC. However, she did not believe it was fair for one community to have so little because there was no space available to deliver programs.

Mr. Phil Brown, Co-Chair, Coalition of Community Health and Resources Centres. Mr. Brown reported that the Coalition recognized there were gaps in the coverage area in the Region and expressed his distress for the situation. He stated it was necessary for all the CRCs to work together to fill the gaps and push for the funding that would provide the full level of services that was seamless across the Region. Mr. Brown stated an objective was to stabilize the existing centres, in addition to searching and obtaining the financing to allow other centres to develop to a similar level of service in all communities.

Councillor Munter acknowledged Councillor Stewart's concerns. He was pleased to hear support for the notion that perhaps time had come for a capital fund in the social services budget to be able to deal with the issues. The Councillor agreed the South Ottawa group should bring forward a proposal and offered his assistance. However, Councillor Munter referenced the solid business case presented in the CRC of Goulbourn, Kanata and West Carleton proposal. In closing, he pointed out the large increase in current rent, adding that if the agency remained in their current location, the Region would have to increase their 2001 operating funding.

Councillor Cantin believed the proposal to acquire land and construct / own a building vs. renting made good financial sense, citing the move to Regional Headquarters from Queen Street. He stated the costs were then controllable. In addition, the Councillor emphasized the importance to construct a sturdy building and not scrimp on the original construction costs.

That the Corporate Services and Economic Development Committee recommend Council approve a maximum expenditure of \$860,000 to provide a one-time capital grant [\$500,000] and an interest free loan [\$360,000] to assist the Community Resource Centre of Goulbourn, Kanata and West Carleton to acquire land and to construct an adequate facility.

CARRIED
(W. Stewart dissented)