

# THE CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

## STAFF REPORT

**DATE:** April 8, 2025

**TO:** Council

**FROM:** Ken Kelly, CAO  
Jeanne Harfield, Clerk & Deputy CAO  
Melanie Knight, Director of Development Services  
Anita Legault, Manager Childcare Services  
Dan Cousineau Facilities and Project Manager  
Andrew Hodge, Deputy Treasurer

**SUBJECT: Childcare Expansion Project**

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### RECOMMENDATION:

**THAT Council directs staff to proceed with Option A - approve funding for the New Childcare Facility project with a budget of \$10.5M and direct staff to complete the RFP evaluation process, award the project to the preferred vendor, negotiate and execute a contract for the design-build of the new facility.**

### BACKGROUND:

On [December 10, 2024](#), staff provided a report regarding the childcare expansion project. A one-time start-up grant application was submitted to the County before the December 13, 2024 deadline and was successful in achieving funding in the amount of \$704,400 on January 15, 2025. The proposed Childcare Facility will be approximately 12,000 ft<sup>2</sup> to accommodate the current 73 childcare spaces and staff as well as additional childcare spaces and future staff. This project would see the development of a new Childcare Facility which would increase the number of childcare spaces by 78 and include additional space to accommodate growth in the future. The total licensed capacity for the new childcare facility would be 151 CWELCC spaces.

At that meeting, Council passed the following resolution:

***Resolution No 497-24***

***Moved by Councillor Torrance***

***Seconded by Deputy Mayor Minnille***

***THAT*** Committee of the Whole direct staff to submit the required funding application to Lanark County for Canada-wide Early Learning and Child Care (CWELCC) funding;

***AND THAT*** Council approve the new Childcare Expansion project on the condition of successful CWELCC funding;

***AND THAT*** Council direct staff to engage Carebridge to renegotiate the existing MOU for 34 Victoria Street and report back to Council.

A copy of the report is attached as Attachment A to this report for reference.

The Municipality has entered into an MOU with the County dated December 20<sup>th</sup>, 2024, which specifies a completion and operational date for the new childcare facility of September 8<sup>th</sup>, 2026.

## **DISCUSSION:**

Staff implemented the Council direction and issued a Request for Qualification which shortlisted three proponents for a design-build proposal for the new childcare facility. Once the proponents were selected, they were provided with a Request for Proposal including a Design Brief package and asked to submit proposals for the design-build of the childcare facility to be completed by September 8, 2026. The design-build project delivery model integrates design and construction phases under a single contract, enabling collaboration between designers and contractors from the onset. This approach reduces inefficiencies, reduces overlapping timelines, and minimizes delays caused by the traditional design-bid-build method. In addition, the increased collaboration of a design-build team results in lower design fees and lower contingency requirements.

## **Budget and Funding Options**

To fund the project, staff originally estimated a budget for the design-build in the range of \$5-6 million based on estimated construction costs of \$417-500/ ft<sup>2</sup>. The design-build fee proposals that are still under evaluation range from \$7.5 million to \$9.3 million. Some of the proposals note exclusions for items that the Municipality may want to have included in the project. A budget of \$10.5 million is proposed for this project which includes the upper range of the proposals under consideration, known contract exclusions, furnishings and play structures.

In order to fund the capital budget for this project staff have identified several sources of funding in addition to borrowing.

Lanark County's Community Services Committee approved a CWEEELC Licensed Childcare Expansion Start-up grant funding of \$704,400. As per the MOU with Lanark County eligible expenses for licensed childcare centres include:

- Play materials, equipment, and furnishings (both indoors and outdoors) as outlined in Section 19 of O. Reg. 137/15 under the Child Care and Early Years Act, 2024.
- Non-consumable supplies/equipment to support the ongoing regular operation of the childcare program (for example, appliances, IT, supplies to support learning environments while adhering to health and safety requirements).
- Renovations, additions, or repairs to licensed childcare facilities or potential childcare facilities as approved by the County.
- Changes to outdoor play space that are required as a result of the expansion of childcare spaces in the centre so that the licensee continues to comply with Section 24 of O. Reg. 137/15 under the Child Care and Early Years Act, 2014.
- Leasehold Improvements.

It is important to note that Lanark County has specified as part of the MOU that milestones of the project will be monitored and that if the project fails to meet the agreed upon milestones, indicating an unlikelihood of the project being successfully completed on time then the funding of \$704,400 to the municipality would be forfeited.

The Municipality also has received funding from the Housing Accelerator Funding (HAF). Leveraging the HAF grant, \$450,000 is put towards preliminary onsite studies, surveys and plans as well as on-site works to abandon the municipal drain. These funds are to support the future Carebridge development; however, will be completed for the entire property and so, the future Childcare Facility will benefit from this work. The HAF funds do not factor into the funding of the overall anticipated capital cost of the new childcare facility.

These are as follows:

- Phase 1 Environmental Site Assessment
- Property Fabric Mapping
- GIS infrastructure Mapping
- Legal Survey - Available Immediately
- Topographic Survey
- Geotechnical Report
- Tree inventory and Species at Risk screening
- Drain abandonment information
- Site Servicing Feasibility Study (Water, Sanitary, Stormwater)

Development Charges are currently being updated in the latest 2025 Development Charges Study. The calculations for the childcare services capital needs are showing a potential D.C. recoverable cost of \$1,792,012 intended specifically for the childcare facility expansion.

Once the new childcare facility is operational, and the newly created spaces are filled, then the existing spaces that are currently at 208 State St. will be transitioned to the new childcare facility. When all spaces have been transitioned from State St., then the State St. location has a fair market value for disposal of \$605,000. This value has been verified by appraisal.

The portion of the new childcare facility which would be funded through borrowing is still estimated as principal & interest payments of \$66,000/year (6% for 40 years) per \$1M borrowed.

Attachment B - CHART 1 – Funding Strategy Example illustrates a potential capital funding strategy for the Childcare Facility expansion.

The federal government has announced intended future grant funding of \$36.77B of which \$16.77B is listed for Ontario<sup>1</sup>. While this may be an opportunity in the future the dates, eligibility, and other detailed criteria of this funding are not yet available and direct funding by this grant towards this project does not currently exist.

RBC Foundation Community Infrastructure Fund has a deadline to apply of March 28, 2025. Eligibility includes new builds of community spaces focused on environmental sustainability. Funding can be up to \$2.5M up to 20% of an organizations operating budget. The focus of the funds is towards the heating, energy, and water use, which will obtain a certification in sustainability. The new Childcare Facility is pursuing LEED BD+C silver certification. This application has been submitted on March 28, 2025, for funding consideration.

## **Next Steps**

If Council passes staff's recommendation, staff will continue with the process which includes further analysis of the project proposals, selecting the proponent, refining the costs, and negotiating a design-build contract with the selected proponent within the approved budget limit.

Staff note that, if approved, this project will need to proceed on an accelerated timeframe and so clear direction from Council is required to proceed with the project as detailed in this report. Any delays on the milestones of this project will delay the

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<sup>1</sup> CBC News article: <https://www.cbc.ca/news/politics/trudeau-announces-20-billion-child-care-deal-provinces-1.7476199>

construction completion and may forfeit the grant received from the County (see Attachment A for details).

## **OPTIONS:**

Option A (recommended):

THAT Council approve funding for the New Childcare Facility project with a budget of \$10.5M and direct staff to complete the RFP evaluation process, award the project to the preferred vendor, negotiate and execute a contract for the design-build of the new facility.

Option B:

THAT Council direct staff to not allocate funding for the continuation of the New Childcare Facility project and abandon the New Childcare Facility project.

## **FINANCIAL IMPLICATIONS:**

This report approves a budget of \$10.5M for the New Childcare Facility. This amount is for funds that are additional to the 2025 budget and would continue into the 2026 budget year.

## **STRATEGIC PLAN**

Childcare falls under the Community Services Master Plan which includes an essential support system for families in Mississippi Mills. It plays a key role in the development of the child and well-being while parents and caregivers can attend school or support their families while employed, contributing to the economic growth of our community.

## **PUBLIC ENGAGEMENT**

If approved, engagement will occur as part of the MM2048 prescheduled open houses (PICs) on April 30 and June 4, 2025.

## **SUMMARY:**

The Municipality, through MM2048 and other strategic plans, has been planning for future growth. This project will see the development of a new Childcare Facility planned for '34 Victoria Street' which would increase the number of childcare spaces by 78, for a total of 151 spaces and include additional space to accommodate future growth. The start-up funding through the CWELCC program administered by the County now contributes funding support for the project. The MOU with the County has been completed and specifies the intention to complete this project by September 8, 2026.

With the approval of the recommendation for the funding range, this project will maintain the identified plan and timeline. Future reports will be brought forward to Council with information and updates. To provide additional childcare services to residents and support growing and existing demand, staff are recommending that Council approve the Childcare Facility expansion project.

Respectfully jointly submitted by,

Jeanne Harfield, Clerk & Deputy CAO,  
Melanie Knight, Director of Development Services & Engineering,  
Anita Legault, Manager Childcare Services,  
Dan Cousineau, Facilities and Project Manager, and  
Andrew Hodge, Deputy Treasurer.

Reviewed by,

Ken Kelly, CAO

Attachments:

ATTACHMENT A – December 10, 2024 report

ATTACHMENT B - CHART 1 – Funding Strategy Example