

ATTACHMENT A

THE CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

STAFF REPORT

DATE: December 10th, 2024

TO: Committee of the Whole

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

RECOMMENDATION:

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 the Committee of the Whole recommend that Council approve the new Childcare Expansion project on the condition of successful CWELCC funding

AND THAT Committee of the Whole recommend that Council direct staff to engage Carebridge and Cavanagh to renegotiate the existing MOU for 34 Victoria Street and report back to Council.

BACKGROUND:

Mississippi Mills Childcare service's main location is at 208 State St. and is licensed through the Ministry of Education for 10 infants, 15 toddlers and 48 Preschool children (73 childcare spaces). We have been in operation since 1972 and need a larger/upgraded facility to house an additional 78 Canada-wide Early Learning and Child Care (CWELCC) spaces approved from Lanark County. Our total licensed capacity for a new build would be 151 CWELCC spaces.

As part of the strategic planning process and the draft findings of the Community Services Master Plan, there is a growing need for additional childcare services. This is also further reinforced by the growing waitlist for the Mississippi Mills Childcare services. The waitlist does fluctuate throughout the year, however the current wait list is:

- Infant 211

ATTACHMENT A

- Toddler 117
- Preschool 97

At the October 1, 2024 meeting of Council it considered a motion to kick start the process to design a daycare at a high level. The purpose of this design was to inform future stages that could encompass a request for proposal for space, other design stages or inclusion of space in a large municipal complex. None of these items have been approved by Council they are simply within the realm of options.

Community Services Master Plan Update

Resolution No 293-24

Moved by Councillor Torrance

Seconded by Councillor Ferguson

THAT Council approve the reallocation of \$27,000 in funds from the salary budget for the part time Childcare administrative position to engage an architect to complete a design brief;

AND THAT Council direct staff to draft a plan for the development of future childcare space to replace the 208 State Street Facility and new childcare spaces in alignment with the allocation from Lanark County.

CARRIED

The purpose of this report is to further the direction that Council has provided.

DISCUSSION:

This year Council has approved a number of key master plans as part of MM2048 in order to responsibly plan for growth. Based on the population projection report prepared for MM2048, the population of Mississippi Mills is projected to reach 25,000 people by 2048. Household size in Mississippi Mills is an average of 2.4 people per household, which means that many homes in Mississippi Mills are occupied by singles or couples.

As previously noted in this report, there are hundreds of children on a waiting list for a daycare space and staff assume that this demand will only increase over time as the population of the Municipality increases. Providing additional daycare space is not only needed for the growing population, but it likely will result in attracting young couples and young families to Mississippi Mills. The local advisor for the Ministry of Education has indicated support for this project.

In order to meet the demand from the community, staff are recommending that a new Childcare facility be built. This process will require the approval from Council, cross departmental support, project planning, and multiple funding sources. The internal team will primarily include the following staff: Ken Kelly, Jeanne Harfield, Melanie Knight, Anita Legault, Dan Cousineau, Andrew Hodge, and Melissa Fudge. Additional staff may be brought in during different portions of the project.

ATTACHMENT A

Start Up Grant Opportunity

Through CWELCC, there is funding available for the additional 78 spaces. To fully benefit from the County funding, the one-time start up grant application must be submitted on or before Dec. 13, 2024. The grant submission will include information on funding sources, location of the building / type of programs offered, and start-up expenses involved in this expansion of the 78 new spaces. Should the start-up grant be approved, the municipality will need to have operations up and running By Dec 31, 2026, or the 78 CWELCC spots and start up grant funding will be forfeited.

Location of Building – Municipally owned land

There is a signed Memorandum of Understanding (MOU) between the Municipality, Carebridge and Cavanagh for the purpose of using the property known as '34 Victoria' shown in the map below.

Unfortunately, Carebridge did not receive funding from Lanark County for this site last year; rather, Carebridge was awarded funding by the County for a site in Perth and as a result, has no immediate funding opportunities for this property. Staff continue to have discussions with both Carebridge and Cavanagh; however, the timing of development of the site is unknown.

In light of this, staff have done a high-level review of the property and the ability to accommodate a new daycare facility while still ensuring that part of the site remains available for the development of affordable housing through the partnership that has been formalized through the MOU. There are known constraints on the property, including a surface municipal drain which would have to be buried as part of the development. There may also be a need to extend services on Menzie Road and/or through the Victoria Street right of way; however, staff are of the opinion that development of the site will not necessitate the need to construct a public road within the unopened Victoria Street right of way.

If Council were to direct staff to proceed, this alternative approach using these lands as a daycare and affordable housing location could be explored further with conceptual development plans, which will assist Council and Carebridge in visualizing the opportunity for development. These conceptual plans could then be used to negotiate a new MOU with Carebridge and Cavanagh and demonstrate the ability for this site to be used for two much needed uses in the community. As the design proceeds, the concept will also be used to apply for other funding opportunities which may arise in the future. In addition, there are other municipally owned land nearby that could also be used for affordable housing development if Carebridge prefers to have property with a single land use (housing).

There is an alternative parcel of land that could be used for the daycare if Council is committed to using 34 Victoria St for strictly affordable housing. The parcel is of equal

ATTACHMENT A

size in the same general area but will have additional costs to service. Staff have not estimated the additional costs to service this site at this time.

Figure 1 – 34 Victoria



Start-up Expenses - Design-Build Approach

Given the time constraints associated with the funding application; staff recommend proceeding with a design-build approach. Adopting a design-build approach can potentially improve a project timeline and make it feasible to have the new Childcare Centre operational by the end of 2026. Design-build integrates design and construction phases under a single contract, enabling collaboration between designers and contractors from the onset. This approach reduces inefficiencies, 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. To secure a design-build firm, the Municipality will need to proceed with an RFP process.

The proposed childcare center will be approximately 12,000 ft² to accommodate the current childcare spaces and staff as well as additional childcare spaces and future staff. The following table provides a breakdown of costs by construction phase.

Table 1 – Estimated Cost

Phase	Estimated Cost	Percentage of Total
-------	----------------	---------------------

ATTACHMENT A

Pre-Construction	\$ 500,000.00	9%
Foundation & Site Preparation	\$ 650,000.00	11%
Structural & Envelope Construction	\$ 1,750,000.00	31%
Interior Systems & Finishes	\$ 2,000,000.00	35%
Final Landscaping & Site Work	\$ 300,000.00	5%
Contingency & Soft Costs	\$ 500,000.00	9%
Total Project Cost	\$ 5,700,000.00	

Staff propose the following timeline for the project:

Table 2 – Timeline

Milestone	Start	End
Initiation	Present	March 3, 2025
Preliminary Design & Permits	March 3, 2025	June 2, 2025
Detailed Design & Early Construction	June 2, 2025	September 1, 2025
Major Construction	September 1, 2025	May 4, 2026
Interior Finishing & Landscaping	May 4, 2026	September 3, 2026
Inspections, Occupancy, Commissioning	September 3, 2026	December 4, 2026
Operation/Open to Public	December 7, 2026	

Funding Options

In order to fund the project, municipal staff have established estimated costs for the build. This capital investment is initially estimated in the range of \$5-6 million (\$417-500/sq. ft.). This asset would have an amortized useful life of 40 years. (\$125-150,000/year)

Potential funding sources being identified for the expansion of a childcare facility are:

ATTACHMENT A

- CWELCC one-time allotment – benchmarked at \$350,000 per 20 spaces created; but anticipated to be approximately \$300,000 overall (also proportional of the new spaces to the overall spaces)
- Development Charges – based on the growth portion as calculated per Development Charges Act. Currently 2.91% of the development charge.
- Reserves:
 - Childcare – projected balance on December 31, 2025 - \$392,158
 - Economic Development – projected balance on December 31, 2025 - \$2,650,099
- Borrowing – estimated principal & interest payments of \$66,000/year (6% for 40 years) per \$1,000,000 borrowed (ineligible for the ongoing cost-based CWELCC funding)
- Leasing of new childcare space from a third party (eligible for the ongoing cost-based CWELCC funding) - area advertised commercial rates vary from \$12 – 25 sq. ft/month.
- 208 State Street – sale of property – MPAC assessed value \$396,000, potential fair market value \$600,000.

The expansion spaces being created would increase the operational revenues, but these also become offset by ongoing associated operational expenses:

- Expansion projected revenue, toddler – \$428,830.20/year (30 spaces - toddler x 257 operating days/year x \$55.62/full day fee)
- Expansion projected revenue, preschool - \$583,246.08/year (48 spaces - preschool x 257 operating days/year x \$47.28/full day fee)

Next Steps

If Council endorses staff's recommendation, application to the County will be submitted requesting the funding; additional internal work on conceptual site design will be undertaken in parallel with hiring an architect to prepare a design brief for the daycare at 34 Victoria. Staff will also engage Carebridge and Cavanagh to renegotiate the existing MOU.

If the funding application is successful, staff will return to Council with a series of reports providing conceptual plans for the site and a renegotiated MOU with Carebridge and Cavanagh for approval. Once the design brief is completed, staff will return to Council to present the preferred design and an overview of any additional funding opportunities which may become available.

ATTACHMENT A

Staff note that, if approved, this project will need to proceed on an accelerated timeframe and so clear direction from Council at each milestone in the process will be required to ensure that the project proceeds as noted in the timeline table presented earlier in the report.

OPTIONS:

Option A (recommended):

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 the Committee of the Whole recommend that Council approve the new Childcare Expansion project on the condition of successful CWELCC funding

AND THAT Committee of the Whole recommend that Council direct staff to engage Carebridge and Cavanagh to renegotiate the existing MOU for 34 Victoria Street and report back to Council.

Option B:

Not approve the funding application or Childcare expansion project.

FINANCIAL IMPLICATIONS:

This report has no financial impact, future reports will be brought forward to Council if staff are directed to move forward with the Childcare expansion project.

STRATEGIC PLAN

Childcare expansion 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

Not applicable future engagement will take place if the project is approved.

SUMMARY:

The municipality through MM2048 and other strategic plans, have been planning for future growth. In order to provides additional childcare services to residents and support growing and existing demand, staff are recommending that Council approve the

ATTACHMENT A

Childcare expansion project. This project would see the development a new Childcare centre which would increase the number of childcare spaces by 78 and also include additional space to accommodate growth in the future. As part of this project, staff are also seeking direction to apply for funding through the CWELCC program administered by the County. As part of the grant application, staff are required to indicate where the development will take place. Staff have proposed municipally-owned land located on Victoria Street that was previously identified for affordable housing development through a MOU with Carebridge. Staff are confident that the land will have the ability to accommodate a new childcare facility while still ensuring that part of the site remains available for the development of affordable housing. Staff have also developed a high level project estimate and timeline as well as funding options. If the project is approved as recommended, staff will bring forward future detailed reports including approval steps for Council.

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