



**City of Kingston  
Report to Council  
Report Number 16-046**

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**To:** Mayor and Members of Council  
**From:** Lanie Hurdle, Commissioner, Community Services  
**Resource Staff:** Deb Skeaff, Administrator, Rideaucrest Home  
**Date of Meeting:** January 12, 2016  
**Subject:** Community License with Allen-Detweiler Nursery School at Rideaucrest Home

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**Executive Summary:**

Rideaucrest Home has had vacant space in the lower level of its facility for about 2 years. The last tenant of the space was the Alzheimer's Society, which relocated its operations in 2014. The City advertised the space over the past year and has only received one expression of interest from Allen-Detweiler Nursery School (Nursery School).

Allen-Detweiler is a parent-run, co-operative nursery school that has been in operation in downtown Kingston for nearly 50 years. The Nursery School submitted a proposal to license space at Rideaucrest Home to create joint programming that would benefit both children and residents of Rideaucrest. Research has demonstrated that there are benefits to all participants of intergenerational programs. Rideaucrest Home and the Nursery School staff have identified a number of potential programs that would support the interactions between older adults and children.

Rideaucrest Home staff would like to establish an alignment with the Nursery School for the provision of programs which would support ongoing interactions between residents and children. Examples of potential programs and activities are identified in the discussion section of this report. The use of the space by the Nursery School is subject to a community licensing agreement which is detailed in the City's Revenue Leasing and Licensing Policy. The license agreement enables the City to consider a reduction of market rate. Staff are recommending that the licensing fee be set at \$650 per month plus HST, for the first year, \$750 plus HST the second year and \$850 plus HST the third year. Future years' license fee will be reviewed and adjusted as required to ensure stability of the program. The market rate was evaluated at \$1,800 per month. The first year fee of \$650 per month is equivalent to the current rental fee paid by the Nursery school at its existing location. It is anticipated that the relocation to Rideaucrest could have an impact on the Nursery School client base. Management staff at Rideaucrest have reviewed the benefits of co-locating the services at Rideaucrest and have agreed that the reduction in market rents are in alignment with the services provided that will

January 12, 2016

Page 2 of 7

benefit the City services provided at Rideaucrest. The space at Rideaucrest will also require some capital improvements to meet the needs of the Nursery School. Those improvements have been reviewed by the Ministry of Education for compliance purposes. Facility Management and Construction Services staff have identified an estimated cost of about \$82,300 for these capital improvements, including a contingency fund. It is proposed that this cost be financed through 2015 and 2016 provincial child care funding.

**Recommendation:**

**That** Council authorize the Mayor and Clerk to sign a community license agreement between the City of Kingston and Allen-Detweiler Nursery School starting in September 2016 for a period of five (5) years with an option to renew for another five (5) years to the satisfaction of the Director of Legal Services.

January 12, 2016

Page 3 of 7

**Authorizing Signatures:**

ORIGINAL SIGNED BY COMMISSIONER

**Lanie Hurdle, Commissioner, Community Services**

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER

**Gerard Hunt, Chief Administrative Officer**

**Consultation with the following Members of the Corporate Management Team:**

Cynthia Beach, Corporate & Strategic Initiatives

Denis Leger, Transportation, Facilities & Emergency Services

Jim Keech, President and CEO, Utilities Kingston

Not required

Desiree Kennedy, Chief Financial Officer & City Treasurer

Not required

January 12, 2016

Page 4 of 7

**Options/Discussion:****Background**

In October 2014, the Alzheimer's Society relocated its operations from Rideaucrest Home. The Alzheimer's Society had been occupying about 1,800 square feet of space in the lower level at Rideaucrest for a number of years. After the space was vacated, it was offered to other internal departments and services. No interest was identified internally. The City then advertised the space publicly at a market rate of \$1,800 (\$15 per square foot) per month plus property taxes. The intention was to lease the space at market rate in accordance with the City's real estate policies; however, the site specific zoning limits the range of potential uses to accessory commercial type amenities designed to provide for the day-to-day needs of the residents and staff. The City received a few inquiries but Allen-Detweiler Nursery School was the only organization that submitted a proposal with Rideaucrest Home.

Allen-Detweiler Nursery School (Nursery School) is a parent-run, co-operative nursery school that has been in operation in the downtown Kingston community for nearly 50 years. It offers a child-centred, early childhood education program to young Kingston children. The Nursery School has the ability to adapt programs for children with special needs and is non-denominational and inclusive. The Nursery School is licensed through the Ministry of Education and receives child care funding administered through the Housing and Social Services Department.

**Proposed Programming**

The Nursery School runs weekday morning programs from September until June. Parents and caregivers drop-off and pick-up children each day. The preschool program has a maximum enrollment of twenty children. The toddler program has a maximum enrollment of seven children. The play-based programs focus on sensory exploration, music and movement, fine motor and gross motor skills, early literacy, constructive play, fostering independence, and learning about early social interaction. Older children are encouraged to stay for lunch to learn how to eat independently in preparation for full day kindergarten.

An intergenerational program between Rideaucrest and the Nursery School would contribute to both residents and children. For older adults, the benefits of intergenerational programming can include:

- Physical activity through play-based interactions with the children
- An opportunity to transfer knowledge and be a teacher
- The ability to act as role models for the children
- Opportunities to just sit and watch the children play and interact
- Ability to play games, such as modified bingo
- Ability to participate in programs with the children, such as reading together, writing, singing, crafts, outside or indoor play time
- To listen to concerts and small plays performed by the children
- Enhance socialization leading to increased quality of life

For children the benefits of intergenerational programming can include:

- Opportunity to interact with seniors at a young age
- Ability to learn about the normal aging process

January 12, 2016

Page 5 of 7

- To become accepting of people with disabilities
- To learn empathy at a young age
- To learn that some adults need help too
- To learn from seniors, such as a special skill or knowledge
- To improve reading skills

Joint programs would be scheduled in the mornings. It is anticipated that activities would last between 20 and 40 minutes of engagement as attention spans and energy levels of both the young and older participants are limited. September would have an abbreviated schedule (adjustment period) as the new children would need some time to settle into the nursery school space itself and become comfortable with independence and the schedule of school. Some potential programs include outside play, parachute games, crafts, reading program, creative movement, circle time, community flower garden, performances, indoor gross motor time as well as individual talents and skills.

### **Revenue Leasing and Licensing Policy**

This proposed community license is subject to the City's Revenue and Licensing Policy. The Policy provides the City with the ability to make space available for community leases/licenses as long as the organization meets the requirements for written agreements, insurance, environmental and financial due diligence and some basic eligibility requirements detailed in Section 15.2 of the Policy.

Section 15.4 of the Policy enables City departments to establish community licenses with community organizations at less than market rates subject to general criteria and depending on available funds:

- 15.4.1 Degree of alignment with sponsoring City department
- 15.4.2 Demonstrated (need/demand/gap) in community that is not being met by the City or the private sector
- 15.4.3 Degree to which the group is the main provider of its particular activity for City of Kingston residents
- 15.4.4 Assessment of the benefits to be provided in return for community license
- 15.4.5 Assessment of suitability for proposed space
- 15.4.6 Sustainability of the organization
- 15.4.7 Willingness to share facilities with other community organizations
- 15.4.8 Willingness to accept hours of operation and accessibility as determined by City

The program delivery described in this report clearly demonstrates the benefit to residents of Rideaucrest. Examples of intergenerational programs have been reported as being successful for both children and older adults. The proposal from Allen-Detweiler Nursery School would be the first of its kind in Kingston and demonstrates leadership in creating an Age Friendly community.

It is also noted that a nursery school program is best suited for this initiative. In addition to the educational focus of nursery school programs for toddler and preschool age children, full service daycares have additional functional requirements such as segregated rooms and outdoor amenities that could not be met by the Rideaucrest space.

January 12, 2016

Page 6 of 7

Staff are recommending a license agreement from September until June every year for a period of five (5) years with the option to renew for another five (5) years. Furthermore, staff are recommending that the license fee be set at \$650 per month, plus HST, for the first year of operation as this is the current rent being paid by the Nursery School. The license fee would increase to \$750 per month plus HST in the second year and to \$850 per month plus HST in the third year of operations. Future license fee adjustments would be reviewed and adjusted based on the sustainability of the program with the City. Any further license fee increase, if applicable, would not exceed 2% increase per year.

It is anticipated that the first couple of years will be transitional and may require for the Nursery School to rebuild some of its client base. It is proposed that the license fee increases over a three (3) year period to a maximum of \$850 per month plus HST. This transition is to ensure that the organization remains financially sustainable while it relocates and introduces a new program model in alignment with Rideaucrest Home. \$850 per month plus HST represents a reduction of more than 50% from the market rent estimated by the City. Furthermore, property taxes are not applicable on community licenses. This will represent a revenue of close to \$9,000 per year to the City. Although it is less than market rent, staff recognize that there are major programming benefits to Rideaucrest residents and it is still a revenue that Rideaucrest has not been benefitting from for almost 2 years.

### **Capital Improvements and Relocation**

Nursery School board members had an opportunity to tour the space with a Ministry of Education representative. The Ministry oversees the licensing of child care/nursery school services and it also oversees compliance of physical spaces according to legislative requirements. During the tour, it was identified that some capital improvements would be required to ensure compliance for this service. Improvements required include washroom alterations, fixtures, ceiling tiles, construction of a half wall to partition kitchen area and the addition of a sink.

The Facility Management & Construction team has been reviewing options and has identified an estimated cost of \$82,300 to complete the required capital improvements. It is proposed that this cost be covered by provincial funding allocated for capital upgrades to child care/nursery school spaces. Housing and Social Services is the Service Manager for this provincial funding program. The Service Manager has an unspent amount of \$67,510 for 2015 and a confirmed allocation of \$16,893 in 2016, totaling \$84,403. The Service Manager has received approval from the Ministry to carry the 2015 funding over into 2016 for the purpose of supporting the capital improvements required by the Nursery School. The Service Manager has therefore committed funds to support this project.

The intent is to have all capital improvements completed by the Summer 2016 and to have the nursery school operating in September 2016.

### **Notice Provisions:**

Not applicable

January 12, 2016

Page 7 of 7

**Accessibility Considerations:**

Not applicable

**Financial Considerations:**

The asking rent for the lower level space of 1450 square feet at Rideaucrest was \$1,800 per month plus property taxes. The proposal being presented to Council is based on a license from September to June with a fee of \$650 per month, plus HST during the first year, \$750 per month plus HST during the second year and \$850 per month plus HST during the third year. Further license adjustments will be reviewed to ensure sustainability. Rideaucrest's budget included anticipated revenue of \$27,800 per year for this space. The budget will be adjusted accordingly to reflect the reduction in revenue.

The required capital improvements are estimated at \$82,300. This will be funded with 2015 and 2016 child care provincial funding which has been committed for this project.

**Contacts:**

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Deb Skeaff, Administrator, Rideaucrest Home, 613-546-4291 extension 4252

**Other City of Kingston Staff Consulted:**

Kathy Gray, Property Specialist, Real Estate and Land Development

Andrea Labey, Project Coordinator, Facility Management and Construction Services

Laura Austin, Supervisor, Childcare and Homemaking Programs

**Exhibits Attached:**

Not applicable