

Report to Council



Date: May 2, 2022

To: Council

From: City Manager

Subject: Kelowna International Airport Financial Plan Amendment – Childcare Grant

Department: Kelowna International Airport

Recommendation:

THAT Council receives for information the report from Kelowna International Airport dated May 2, 2022, with respect to the amendment of Kelowna International Airport's 2022 Financial Plan;

AND THAT, the 2022 Financial Plan be amended to include all costs and proceeds associated with the Childcare Grant as outlined in the report from Kelowna International Airport dated May 2, 2022;

AND FURTHER THAT the Airport Director and Divisional Director of Financial Services be authorized to execute all documents necessary to enter into agreement for the Childcare Grant as outlined in the report from Kelowna International Airport dated May 2, 2022.

Purpose:

To obtain Council approval to amend Kelowna International Airport's 2022 Financial Plan.

Background:

Childcare BC New Spaces Fund

In 2021, KF Aerospace (KF) approached the Airport to lease additional land in order to build a childcare facility. After further discussions, the Airport, KF and the YMCA of Okanagan (YMCA) agreed to partner in providing a childcare facility that would create 86 childcare spaces for the Airport campus (the Childcare Facility) if the application for a \$3,000,000 grant under the Childcare BC New Spaces Fund (the Childcare Grant) is approved.

In April 2022 the BC Provincial government announced that the City of Kelowna had been awarded a \$3 million Childcare Grant. As a result, the intent is for:

- the Airport to construct the Childcare Facility at a forecasted cost of \$3,614,000;

- KF to contribute \$525,000 towards the construction of the Childcare Facility (the Childcare Contribution);
- the Airport to contribute up to \$89,000 towards the construction of the Childcare Facility, if needed;
- the Childcare Facility to be leased to the YMCA for the operation of the Childcare Facility for 15 years for \$Nil per year;
- KF to provide facility maintenance and upkeep of the Childcare Facility for 15 years; and
- the YMCA to purchase a 24-passenger van at an anticipated cost of \$110,000.

Discussion:

The table below provides further details on the Childcare Grant:

Description	Amount (\$)	Budget Previously Approved	Budget Amendment Requested
Childcare Facility	3,614,000	0	3,614,000
Childcare Grant	(3,000,000)	0	(3,000,000)
Childcare Contribution	(525,000)	0	(525,000)
TOTAL	\$89,000	\$0	\$89,000

Childcare Grant

The award of the Childcare Grant allows for an 86-space Childcare Facility to be built and operated for 15 years at a cost of \$89,000 to the Airport. The Airport is 5-10 kilometers from the nearest community, which isolates it from community amenities such as childcare. The Airport, KF and the University of British Columbia Okanagan (UBCO) account for 1,306 full-time equivalent on-site jobs. UBCO has the only childcare facility in the area, and it serves students and faculty. All of the childcare spots at the UBCO childcare facility are full, and there is a year's long waitlist. The next closest licensed childcare facilities are more than 5 kilometers away in Glenmore, Rutland and Lake Country.

The Childcare Facility aligns with Policy 6.6.1 Child Care Spaces within the City of Kelowna's 2040 Official Community Plan, which states: *Support the development of childcare spaces including accessible, affordable, and inclusive spaces that meet the needs of citizens living or working in the Gateway.* The Childcare Facility also aligns with the March 31, 2020, Child Care Needs Assessment for the Central Okanagan completed by Urban Matters, which concluded that the entire Central Okanagan needs more Childcare options. In addition, the Childcare Facility aligns with the Childcare Needs Assessment for Airport Employees that was completed by the Airport in the spring of 2021 which concluded that there was a need for childcare among those employed by the Airport and the Airport campus.

Conclusion:

The Airport recommends Council approve amending Kelowna International Airport's 2022 Financial Plan for the Childcare Grant and corresponding capital expenditure, as outlined in this report. The Airport makes this recommendation so a strategic project can be completed at significant cost savings.

Internal Circulation:

Communications
Finance
Partnerships

Considerations applicable to this report:

Financial/Budgetary Considerations:

If approved, Kelowna International Airport's 2022 Financial Plan would be amended to include \$3,000,000 in grants, \$525,000 in contributions, and \$3,614,000 in capital expenditures. The expenditures will be funded from the Airport Fund and there will be no impact to taxation.

Considerations not applicable to this report:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Existing Policy:

External Agency/Public Comments:

Communications Comments:

Submitted by:

S. Dyrdal, Senior Airport Finance and Corporate Services Manager

Approved for inclusion:

SS

cc:

S. Dyrdal, Senior Airport Finance and Corporate Services Manager

T. McQueenie, Airport Corporate Services Manager

J. Dueck, Controller

C. Brannagan, Communications Advisor

M. Kam, Grants & Special Projects Manager