



# Capital Regional District

625 Fisgard St.,  
Victoria, BC V8W 1R7

## Notice of Meeting and Meeting Agenda Peninsula Recreation Commission

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Thursday, June 25, 2026

6:00 PM

Panorama Boardroom  
1885 Forest Park Drive  
North Saanich, BC V8L 4A3  
[Videoconference](#)

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N. Paltiel (Chair), P. DiBattista (Vice-Chair), K. Frost, S. Garnett, P. Jones, V. Kreiser, C. McNeil-Smith, P. Murray, R. Windsor

### 1. Territorial Acknowledgement

### 2. Approval of Agenda

### 3. Adoption of Minutes

#### 3.1 Minutes of the May 28, 2026, Peninsula Recreation Commission Meeting

**Recommendation:** That the minutes of the Peninsula Recreation Commission meeting of May 28, 2026, be adopted as circulated.

**Attachment:** [Minutes –May 28, 2026](#)

### 4. Chair's Remarks

### 5. Presentations/Delegations

### 6. Commission Business

#### 6.1 Proposed Peninsula Recreation Facility In Central Saanich—Revised Scope

**Recommendation:** That the Peninsula Recreation Commission:  
Endorse the revised scope of the proposed recreation facility with a target project budget of up to \$10.114 million, based on a program configuration consistent with Option 1.

**Attachment:** [Staff Report: Proposed Peninsula Recreation Facility In Central Saanich—Revised Scope](#)

#### 6.2 Bylaw No. 4782 Saanich Peninsula Recreation Services (DCS Recreation Facility) Loan Authorization Bylaw No. 2, 2026

**Recommendation:** The Peninsula Recreation Commission recommends to the Capital Regional District Board:

1. That Bylaw No. 4782, "Saanich Peninsula Recreation Services (DCS Recreation Facility) Loan Authorization Bylaw No. 2, 2026", be introduced and read a first, second and third time; and
2. That participating area approval for Bylaw No. 4782 be obtained by way of the municipal consent on behalf of electors for Central Saanich, North Saanich, and Sidney, and if successful, be referred to the Inspector of Municipalities for approval.

**Attachment:** [Staff Report: Bylaw No. 4782 Saanich Peninsula Recreation Services \(DCS Recreation Facility\) Loan Authorization Bylaw No. 2, 2026](#)

### **6.3 Childcare Expansion—Verdier Avenue Affordable Housing Development**

**Recommendation:** The Peninsula Recreation Commission recommends:

1. That staff operationalize the childcare program and incorporate required resources into the 2028 service planning and five-year financial plan.
2. That staff develop a proposed operating agreement to bring forward to the Commission for approval at a future meeting.

**Attachment:** [Staff Report: Childcare Expansion-Verdier Avenue Affordable Housing Development](#)

### **6.4 Arena Lobby Update—Verbal**

There is no recommendation. This report is for information only.

### **6.5 Commission Meeting Dates—Verbal**

There is no recommendation. This report is for information only.

## **7. New Business**

## **8. Adjournment**

The next meeting is July 23, 2026, at the call of the Chair.

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*To ensure quorum, please advise Denise Toso at [dtoso@panoramarec.bc.ca](mailto:dtoso@panoramarec.bc.ca) if you or your alternate cannot attend.*



**Minutes of a Meeting of the Peninsula Recreation Commission  
Held Thursday, May 28, 2026, in the Panorama Boardroom  
1885 Forest Park Drive, North Saanich BC**

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PRESENT:

COMMISSIONERS: N. Paltiel (Chair), P. DiBattista (Vice Chair-EP), K. Frost; S. Garnett, V. Kreiser (EP), C. McNeil-Smith, P. Murray, C. Stock (for P. Jones), R. Windsor

STAFF: S. Meikle, Senior Manager; K. Beck, Manager, Program Services; S. Davis, Manager, Administrative Services; L. Gregg, Manager, Facilities & Operations; D. Toso, Administrative Secretary (Recorder)

EP – Electronic Participation

Regrets: Commissioner Jones

The meeting was called to order at 6:00 pm.

**1. Territorial Acknowledgement**

Commissioner Frost provided a territorial acknowledgement.

**2. Approval of Agenda**

**MOVED by Commissioner McNeil-Smith, SECONDED by Commissioner Frost**

That a Notice of Motion be added under New Business and the agenda be approved as amended.

**CARRIED**

**3. Adoption of Minutes of April 23, 2026**

**MOVED by Commissioner Garnett, SECONDED by Commissioner Murray,**

That the minutes of the April 23, 2026 meeting be adopted.

**CARRIED**

**4. Chair's Remarks:** There were none.

**5. Presentations/Delegations:** There were none.

**6. Commission Business**

**6.1 Financial Statement of Operations – First Quarter of 2026**

S. Davis and L. Gregg spoke to Item 6.1.

Discussion ensued regarding the following:

- Increased revenue is not likely to correlate to increased wear and tear. Equipment replacement forecasts are conservative and tracked through maintenance programs.

**Peninsula Recreation Commission Minutes  
May 28, 2026**

The report was received for information.

**6.2 2026-2027 Fees and Charges - Verbal**

K. Beck spoke to Item 6.2.

- Staff recommends maintaining the current approach of discounting the military annual pass only. This offering already exceeds what municipal counterparts are offering in the region.
- Extending the military pass rate to include veterans increases the eligible population significantly, which has budget impacts that would warrant further analysis before implementation.
- The senior/youth discounted single admission rate could be expanded to include military as part of the 2026-2027 fees and charges with a motion from the Commission tonight.
- The LIFE program is available to all individuals experiencing financial hardship.

Discussion ensued regarding the following:

- Military pass use is minimal.
- During Accessibility Week, free access has been extended from one day to the full week on a trial basis for anyone needing support and their assistant.

The report was received for information.

**6.3 Arena Improvement Project Update - Verbal**

S. Meikle spoke to Item 6.2.

- The request for proposals for the next stage of design has been published and will close in the third week of June.
- A site visit for proponents is scheduled for next week.
- Options to be brought back to the Commission as early as September.

The report was received for information.

**7. New Business:**

**a. Notice of Motion: Reduced-Scope Recreation Sub-Regional Facility Proposal  
Hovey Road**

The motion was read into the record.

**MOVED by Commissioner Windsor, SECONDED by Commissioner McNeil-Smith,**  
That same-day consideration of the motion with notice be approved.  
**CARRIED**

Discussion ensued regarding the following:

- A pared down proposed service better reflects the needs stated in the assessments and annual reports and respects feedback from both the Commission and municipal councils.
- Donated land, demonstrated need, and the increased cost of waiting should be considered.

**Peninsula Recreation Commission Minutes  
May 28, 2026**

- The project timeline urgency is associated with contractual obligations and alignment with municipal and regional budget cycles. If defeated, the District of Central Saanich would advance the Hovey Road project without recreation space.
- Procedurally, six months would have to pass before bringing the same bylaw forward. Reducing the scope and borrowing amount allows the project to be reconsidered sooner.
- If defeated, the regional cost sharing model should be revisited to address equity.
- Additional information was requested to be shared with municipal councils for their deliberation process, including: the supplemental information provided to the Commission with the Notice of Motion; the opening date, square footage, and first quarter usage figures of Greenglade; when and how the debt servicing costs per year would take effect; and a summary of capacity challenges at Panorama and Greenglade.

**MOVED by Commissioner Paltiel, SECONDED by Commissioner Stock,**

That the Peninsula Recreation Commission:

1. Endorse a reduced-scope recreation facility at the Hovey Road Civic Facility location in the District of Central Saanich, with a footprint of approximately 7,500 square feet, retaining the weight room and multi-purpose program space as core program elements, with reduced or eliminated pottery studio and/or reduced or eliminated meeting room components to be confirmed through detailed design;
2. Request that the Capital Regional District (CRD) Board give immediate consideration to an updated borrowing bylaw of up to \$9,114,000 to support the reduced-scope facility;
3. Confirm that any residual square footage from the originally proposed 10,000 sq. ft. footprint shall remain with the District of Central Saanich, with no further financial or operational obligation to the PRC; and
4. Affirm the Commission's continued commitment to equitable, evidence-based, and collaborative recreation service delivery across the Saanich Peninsula in partnership with member municipalities and the W̱SÁNEĆ Nations.

**CARRIED**

Opposed: Commissioner Kreiser

**8. Adjournment**

**MOVED by Commissioner McNeil-Smith, SECONDED by Commissioner Frost,**

That the meeting be adjourned at 6:58 pm.

**CARRIED**

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CHAIR

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RECORDER

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## REPORT TO PENINSULA RECREATION COMMISSION MEETING OF THURSDAY, JUNE 25, 2026

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**SUBJECT**     **Proposed Peninsula Recreation Facility in Central Saanich—Revised Scope**

### **ISSUE SUMMARY**

To seek Commission direction regarding proposed revisions for the development of a reduced-scope recreation facility within the proposed redevelopment of the District of Central Saanich's municipal complex project at Hovey Road and Wallace Drive.

### **BACKGROUND**

The 2022–2026 Panorama Recreation Strategic Plan and the 2025 Peninsula Recreation Facility Needs Assessment (FNA) identify the need to address geographic inequities in recreation service delivery through the development of a facility in Central Saanich. The FNA further identifies the need for additional fitness, arts, and multipurpose program space, as well as opportunities to co-locate recreation services with other community amenities.

In Spring 2024, the District of Central Saanich initiated discussions with the Peninsula Recreation Commission (PRC) to explore a partnership to incorporate recreation space into a proposed civic redevelopment. Through 2025 and early 2026, staff from both organizations advanced the project by developing conceptual and schematic designs, preparing Class C and Class D cost estimates, and establishing a partnership framework through a Memorandum of Understanding to guide future construction and lease agreements.

On October 2, 2025, the PRC endorsed the development of a funding strategy and partnership agreement to advance the project. Subsequent work refined the project scope, design, and costing, resulting in a Class C estimate of approximately \$15 million.

Participating area approval for the required borrowing bylaw was sought by municipal consent; however, it was not obtained due to concerns regarding the overall project cost, the impact of debt servicing costs on individual households, the suitability of the facility location and the perceived need for the amenities in the proposed facility. As a result, at its May 28, 2026, meeting, the PRC directed staff to explore a reduced project scope and budget with the following resolution:

*That the Peninsula Recreation Commission:*

- 1. Endorse a reduced-scope recreation facility at the Hovey Road Civic Facility location in the District of Central Saanich, with a footprint of approximately 7,500 square feet, retaining the weight room and multi-purpose program space as core program elements, with reduced or eliminated pottery studio and/or reduced or eliminated meeting room components to be confirmed through detailed design.*
- 2. Request that the Capital Regional District (CRD) Board give immediate consideration to an updated borrowing bylaw of up to \$9,114,000 to support the reduced-scope facility.*
- 3. Confirm that any residual square footage from the originally proposed 10,000 sq. ft. footprint shall remain with the District of Central Saanich, with no further financial or operational obligation to the PRC; and*

4. *Affirm the Commission's continued commitment to equitable, evidence-based, and collaborative recreation service delivery across the Saanich Peninsula in partnership with member municipalities and the WSÁNEĆ Nations.*

This report responds to that direction and presents options for advancing the development of a recreation facility in Central Saanich within a revised project budget of up to \$10.114 million to be funded via \$1 million from capital reserves and \$9.114 million through borrowing.

### **OPTIONS ANALYSIS FOR REVISED FACILITY SIZE AND SCOPE**

To align with the revised \$10.114 million project budget, staff have identified three options to reduce the facility footprint and associated service levels.

#### **Option 1: Retain Pottery Studio; Combine Fitness Studio and Multipurpose Room**

This option retains a reduced-sized pottery studio and combines the fitness studio and multipurpose room into a single flexible program space that can be partitioned. Moderate size reductions are also applied to other areas. This option maintains a broad range of programming opportunities but reduces overall capacity and requires shared use of program space in the combined fitness studio/multi-purpose room. This approach maintains a broad range of programming opportunities while improving space efficiency through shared use. It enables larger gatherings and expands programming in a flexible format; however, it reduces overall capacity and limits concurrent use due to fewer dedicated spaces.

#### **Option 2: Retain All Program Areas; Reduce Overall Facility Size**

This option retains all original program elements, including the pottery studio, fitness studio, and multipurpose room, while reducing the size of all spaces across the facility. While program variety is maintained, the resulting smaller, lower-capacity spaces may limit functionality, reduce participant capacity, and may negatively impact user experience and participation opportunities.

#### **Option 3: Remove Pottery Studio; Reduce Other Spaces**

This option removes the pottery studio and reduces the size of most remaining program and support spaces, including the weight room, fitness studio, multipurpose room, and associated support areas from the original 10,000 sq. ft. design. The resulting facility would primarily focus on weight training and fitness, with limited general community programming. This approach provides the most straightforward approach path to achieving the required cost reduction but narrows program offerings. While removing the pottery studio may yield the greatest cost savings, it eliminates a high-demand program area that is currently constrained by limited space.

#### **Other Options Considered (Not Recommended at This Time)**

An alternative approach considered reducing Peninsula Recreation Commission–funded space by incorporating washroom and change room facilities into shared spaces funded by the District of Central Saanich, allowing a greater proportion of the facility footprint to be dedicated to programming. This concept could improve space efficiency and reduce duplication of support areas, allowing a greater proportion of the building to be dedicated to programming. However, additional reductions to the overall building area would still be required to remain within the \$10.114 million budget. In addition, this approach would depend on successful negotiation of partnership arrangements related to capital contributions, operational cost-sharing, design, and long-term access to shared facilities. At this time, the District of Central Saanich has indicated it is not in a position to pursue this concept or discussion related to cost sharing of washroom

facilities. As a result, this option is not considered to be viable.

On balance, staff recommend Option 1. This approach maintains a diverse range of programming, including arts-based activities, while improving space efficiency and remaining within the \$10.114 million budget. By combining the fitness studio and multi-purpose spaces using a moveable partition, this option introduces a flexible, larger-format room/space, which is not currently available in the inventory of rooms and spaces within the scope of facilities of the PRC. This flexibility supports larger group activities, workshops and events while avoiding the limitations associated with uniformly reduced room size.

A key consideration across all options is the inclusion of a pottery studio. While removing it reduces capital and operating costs, it also eliminates a high-demand program that is currently constrained by limited space. Retaining the pottery studio supports program diversity and broader community use but requires trade-offs elsewhere in the facility design.

## **ALTERNATIVES**

### *Alternative 1*

That the Peninsula Recreation Commission:

Endorse the revised scope of the proposed recreation facility with a target project budget of up to \$10.114 million, based on a program configuration consistent with Option 1.

### *Alternative 2*

That the Peninsula Recreation Commission:

Endorse the revised scope of the proposed recreation facility with a target project budget of up to \$10.114 million, based on a program configuration consistent with Option 2 (or Option 3).

### *Alternative 3*

That the Peninsula Recreation Commission:

Direct staff to explore other options for the development and provision of recreation services within the District of Central Saanich.

## **IMPLICATIONS**

### *Alignment with Existing Plans & Strategies*

The proposed recreation facility in Central Saanich aligns with the 2022–2026 Panorama Recreation Strategic Plan and the 2025 Peninsula Recreation Facility Needs Assessment, both of which identify the need to address geographic inequities and expand access to fitness, arts, and multipurpose programming. All options advance the objective of establishing a recreation facility in Central Saanich. Options 1 and 2, which retain a broader range of programming, including arts-based activities, more closely align with the program diversity and service mix identified in these plans, while Option 3 represents a more focused service model.

### *Equity, Diversity & Inclusion Implications*

Improving geographic access to recreation services remains a key equity objective. All options enhance access for residents in Central Saanich and surrounding areas, particularly those located farther from existing facilities. Options 1 and 2 support participation across a wider range of

interests, demographics, and abilities by maintaining a broader mix of programming. Option 3, with a more limited and fitness-focused program offering, may reduce participation opportunities for some user groups.

*Service Delivery Implications*

The table below summarizes the changes to room allocation across the revised options.

**Table 1: Comparative Recreation Facility Room Allocations and Key Features (units in square feet)**

Room / Amenity	Previous Design (10,000 square feet)	Option 1 (combine fitness/ multipurpose room)	Option 2 (keep all, reduce sizes)	Option 3 (remove pottery)
Weight Room	~3000	~2400	~2200	~2850
Fitness Studio	~1600	~1850 <b>Combined</b>	~1400	~1600
Multipurpose Room	~1200		~1000	~1200
Pottery Studio	~1800	~1350	~1200	Removed
Washrooms / Changerooms	~800	~600	~600	~600
Reception / Admin / Storage	~800	~600	~500	~550
Lobby / Circulation	~800	~700	~600	~700
<b>Total</b>	<b>~10,000</b>	<b>~7500</b>	<b>~7500</b>	<b>~7500</b>

Table 1 Note: Final room sizes subject to design refinement. Pottery Studio, Fitness Studio and Multipurpose room sizes include in-room storage.

Option 1 maintains the broadest range of programming opportunities while improving space efficiency through flexible use of program space. Option 2 retains all program areas but at reduced sizes, resulting in lower participant capacity across the facility. Option 3 focuses on fitness and general recreation programming and does not include a pottery studio.

*Financial Implications*

Capital Costs

The table below provides a high-level comparison of capital costs across the options provided.

**Table 2: Comparative Capital Cost Summary**

Cost Component	Previous Design (class C est. as of February 2026)	Option 1 (combine fitness studio & multipurpose spaces)	Option 2 (all spaces remain with reduced sizes)	Option 3 (remove pottery)
1. Base Building Cost	\$6,623,500	\$4,967,625	\$4,967,625	\$4,967,625
2. Site Development Costs	\$968,000	\$968,000	\$968,000	\$968,000
3. Tenant Improvements (Class D est.)	\$2,000,000	\$1,300,000	\$1,300,000	\$1,050,000
4. Design and Legal Fees	\$960,000	\$800,000	\$800,000	\$800,000
5. Start-up Equipment Costs	\$630,000	\$560,000	\$560,000	\$480,000
6. Contingency	\$2,878,000	\$1,447,125	\$1,447,125	\$1,397,125
<b>Total Estimated Cost</b>	<b>\$14,059,500</b>	<b>\$10,042,750</b>	<b>\$10,042,750</b>	<b>\$9,662,750</b>

Table 2 Notes:

1. A quantity survey was not feasible within the condensed timeframe; therefore, base building costs for options 1 to 3 have been calculated at 75% of the February 2026 Class C cost estimate for a 10,000 sq. ft. facility space.
2. Site development costs were refined for the March 26, 2026, Commission meeting and are not impacted by changes to the facility size. The parties have agreed to equally share the cost to pave an adjacent parking area within Centennial Park as this will benefit existing operations (multi-sport box and picnic shelter areas).
3. Tenant improvements represent a Class D estimate, as functional requirements and specialty features of the recreation facility are being finalized. Updated costing will be provided to the Commission alongside the construction agreement and/or at the next stage of design.
4. Design and construction management costs decrease with the size of the facility; however, legal costs associated with the construction and operating agreements largely unchanged.
5. Equipment costs include standard furnishings and fitness equipment (e.g., weight room, fitness studio, tables, and chairs). Pottery studio equipment is estimated at \$120,000. Weight room equipment is estimated at \$260,000 for smaller configurations (Options 1 and 2) and \$300,000 for the larger configuration (Option 3).
6. With Class C and D estimates received for items 1,2 and 3, the contingency has been set at 20%.

All options achieve the required reduction in project cost to align with the \$10.114 million budget, through different approaches. The proposed funding model includes \$1 million from capital reserves (previously approved by the Commission) and borrowing of up to \$9.114 million.

Option 1 maintains a broader program mix with cost savings achieved through space consolidation. Option 2 retains all program elements while reducing overall space, preserving service diversity but resulting in smaller, lower-capacity spaces throughout. Option 3 provides the most direct savings through reduced building area and elimination of the specialized pottery space. The reduction in capital costs with the removal of the pottery studio is estimated at approximately \$420,000.

Table 3 outlines each participating municipality’s share of the annual debt servicing costs at the highest loan amount of \$9.114 million represented by design options 1 and 2, along with an estimated annual cost per household based on annual debt servicing cost of \$876,000 over a 15-year term.

**Table 3: Municipal Share of Debt Servicing Costs and Annual Household Cost for Options 1 and 2**

Municipality	Average Property Assessment (2025)	Annual Debt Servicing Cost per Municipality	Requisition % Share (2025)	Average Annual Cost per Household at Project Completion (2030)
Central Saanich	\$1,117,547	\$339,888	38.8%	\$39.72
North Saanich	\$1,539,357	\$279,444	31.9%	\$47.15
Sidney	\$917,690	\$256,668	29.3%	\$30.50
<b>Total Annual Cost</b>		<b>\$876,000</b>		

The capital cost estimates presented are based on a combination of Class C and Class D estimates and therefore remain subject to refinement as design development progresses. Key risks include potential cost escalation due to market conditions and evolving design requirements. The reduced project scope also increases sensitivity to design decisions, as smaller footprints limit flexibility to accommodate future program changes or growth.

Operating Costs

The table below summarizes the relative operating impacts across options.

**Table 4: Year One Comparative Operating Budget Impact Summary**

Year One Operating Costs – Central Saanich Recreation Facility			
Component	Previous Design (10,000 sq ft.)	Options 1 & 2	Option 3 (remove pottery)
1.Revenues-Admissions & Passes	\$ 156,000	\$ 140,000	\$156,000
2.Revenues- Program Fees	746,000	506,000	350,000
<b>3. Total Revenues:</b>	<b>902,000</b>	<b>646,000</b>	<b>506,000</b>
4.Expense-Salaries & Wages	741,000	701,000	631,000
5.Expense-Operating & Custodial Supplies, Utilities	97,000	97,000	82,000

6. Transfer to Equipment Replacement Fund (ERF)	35,000	35,000	25,000
7. Transfer to Capital Reserve	375,000	250,000	250,000
8. Transfer to Operating Reserve	10,000	10,000	10,000
<b>9. Total Expenses:</b>	<b>1,258,000</b>	<b>1,093,000</b>	<b>998,000</b>
10. Internal Re-Allocations	(90,000)	(90,000)	(90,000)
<b>11. Total (Net):</b>	<b>(266,000)</b>	<b>(357,000)</b>	<b>(402,000)</b>
12. Debt Servicing Costs 15-year Financing	1,400,000	876,000	876,000
<b>13. Net with 15-year Debt Servicing Costs</b>	<b>\$ (1,666,000)</b>	<b>\$ (1,233,000)</b>	<b>\$ (1,278,000)</b>

**Table 4 Notes:**

- Item 2 and 4: Out of School Care has been removed from operating revenues and expenses for Options 1, 2, and 3, based on further analysis of transportation logistics from schools to this location.
- Item 10: Internal Re-Allocations includes consolidation of maintenance hours currently allocated to Centennial Park facilities and removal of Central Saanich Cultural Centre lease fees.

Operating budget impacts vary by programming mix and staffing requirements. Option 1 generates the highest projected program revenues due to the retention of pottery programming and a broader mix of services. Option 2 maintains a similar service mix, but reduced room sizes may limit future growth in participation and revenue. Option 3 has lower operating costs but also lower revenues and is projected to require the highest net operating subsidy due to the removal of pottery programming.

*First Nations Implications*

The proposed recreation facility in Central Saanich is in closer proximity to WJOLELP (Tsartlip) and STAUTW (Tsawout) First Nations than existing Peninsula Recreation facilities, presenting an opportunity to improve access to recreation services for those Nations. Increased proximity may support greater participation and help reduce barriers related to travel distance.

All three options maintain this locational advantage; however, differences in programming mix and facility capacity may influence the extent to which diverse recreation needs can be met. Options that retain a broader range of programming, including arts-based activities such as pottery, may offer increased opportunities to support inclusive and culturally relevant participation, depending on program design and delivery.

As the project advances, there will be opportunities to engage with local First Nations to better understand community interests, programming priorities, and approaches to inclusive service delivery.

*Intergovernmental Implications*

All options require continued coordination with the District of Central Saanich as a development

partner, including alignment on design, servicing, and overall project delivery. Shared capital and operational elements of the building include mechanical, electrical and air handling systems. The operations, maintenance and lifecycle capital planning for these building systems will need to be negotiated through the development of an operating agreement. None of the options presented create further shared capital infrastructure (e.g., washrooms or changerooms). Successful implementation will depend on maintaining alignment between both parties on design, cost containment, and long-term operational considerations. If funding is secured through the loan authorization process, a construction agreement and operating agreement will be developed based on the Memorandum of Understanding approved by the Commission at its March 26, 2026, meeting.

*Social Implications*

All options support improved community health, wellbeing, and social connection by expanding access to recreation services in Central Saanich. While the options vary in program diversity and facility capacity, each would increase recreation opportunities and support community participation within the Peninsula Recreation service area.

**CONCLUSION**

The Peninsula Recreation Commission directed staff to provide options for a reduced project scope with a budget of up to approximately \$10.114 million in response to not obtaining municipal consent for the initial borrowing bylaw to construct a recreation facility in Central Saanich. In developing design and service delivery options staff considered program diversity, cost efficiency, and partnership opportunities with the District of Central Saanich. The recommended approach maintains a diverse range of programming while improving efficiency through space consolidation, enabling delivery within the reduced budget. Subject to approval of the loan authorization and the partnership agreement with the District of Central Saanich, the recreation facility can advance.

**RECOMMENDATION**

That the Peninsula Recreation Commission:  
Endorse the revised scope of the proposed recreation facility with a target project budget of up to \$10.114 million, based on a program configuration consistent with Option 1.

Submitted by:	Steve Meikle, M.A. Senior Manager, Panorama Recreation
Concurrence:	Melanie Alsdorf, Acting General Manager, Parks, Recreation & Environmental Services
Concurrence:	Varinia Somosan, CPA, CGA, Acting General Manager, Financial Services & Chief Financial Officer



Making a difference...together

**REPORT TO PENINSULA RECREATION COMMISSION  
MEETING OF THURSDAY, JUNE 25, 2026**

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**SUBJECT**     **Bylaw No. 4782 Saanich Peninsula Recreation Services (DCS Recreation Facility) Loan Authorization Bylaw No. 2, 2026**

**ISSUE SUMMARY**

To seek approval for loan authorization Bylaw No. 4782 for the purpose of financing the construction of a revised scope project to develop a Peninsula Recreation Facility in the District of Central Saanich.

**BACKGROUND**

On March 11, 2026, the CRD Board approved Bylaw No. 4751, “2026 to 2030 Financial Plan Bylaw, 2026”, which establishes capital expenditures for each service, including planned borrowings. Following adoption of the financial plan, staff prepare necessary loan authorization bylaws and security issuing bylaws to support approved capital projects. The approved financial plan includes borrowing up to \$14.2 million for Saanich Peninsula Recreation Services to support construction of the Peninsula Recreation Facility in Central Saanich.

At the March 26, 2026, meeting, the Peninsula Recreation Commission (PRC) carried the following motion with respect to Bylaw No. 4761, the loan authorization bylaw for \$14.2 million for the original scope of this project:

*“That participating area approval for Bylaw No. 4761 be obtained by way of the municipal consent on behalf of electors for Central Saanich, North Saanich, and Sidney, and if successful, be referred to the Inspector of Municipalities for approval;”*

Bylaw No. 4761 was prepared, presented, and approved to proceed to obtain participating area approval through municipal consent on behalf of the electors.

Municipal consent of the participating areas was not achieved for Bylaw No. 4761. As a result, at its May 28, 2026, meeting, PRC directed staff to explore a reduced project scope through redesigning the spaces within the facility and a reduced project budget of up to \$10.114 million. This reduced project scope is to be funded through \$1 million from capital reserves and \$9.114 million through borrowing. Loan Authorization Bylaw No. 4782, attached as Appendix A, is presented for consideration to support the revised scope and borrowing requirements of the proposed recreation facility in the District of Central Saanich.

Loan authorization bylaws expire after five years and are typically aligned with the five-year financial plan for services requiring borrowing to fund capital. These bylaws establish the maximum borrowing amount, the intended purpose, and the debt repayment amortization period. Previous loan authorization bylaws for the Peninsula Recreation Commission include: \$2.4 million in 2023 for heat recovery system, \$2.9 million in 2023 for the multi-sport box construction, \$1.1M in 2017 for arena floor replacement and \$9 million in 2007 for lifestyle pool renovation. All were approved via consent of municipal councils on behalf of electors.

The Saanich Peninsula Recreation Services capital plan (the “Capital Plan”) includes construction of the Peninsula Recreation Facility in the District of Central Saanich. The revised project scope requires borrowing of up to \$9.114 million from the Municipal Finance Authority of British Columbia

(MFABC). Funds will be requisitioned under the loan authorization bylaw only upon subsequent CRD Board approval of a security issuing bylaw.

The following bylaw is proposed:

<b>Service Area</b>	<b>Action</b>	<b>Purpose</b>	<b>Bylaw</b>
Saanich Peninsula Recreation Services	Loan Authorization Bylaw	To create a loan authorization bylaw to permit long-term borrowing related to the capital plan for this service	No. 4782

**ALTERNATIVES**

*Alternative 1*

The Peninsula Recreation Commission recommends to the Capital Regional District Board:

1. That Bylaw No. 4782, “Saanich Peninsula Recreation Services (DCS Recreation Facility) Loan Authorization Bylaw No. 2, 2026”, be introduced and read a first, second and third time; and
2. That participating area approval for Bylaw No. 4782 be obtained by way of the municipal consent on behalf of electors for Central Saanich, North Saanich, and Sidney and if successful, be referred to the Inspector of Municipalities for approval.

*Alternative 2*

That the proposed bylaw be referred to staff for further information.

**IMPLICATIONS**

*Alignment with Existing Plans & Strategies*

The proposed recreation facility in Central Saanich directly supports the 2022–2026 Panorama Recreation Strategic Plan, which recommends exploring cost-effective opportunities to address identified gaps in Central Saanich. It also responds to findings from the 2019 Central Saanich Recreation Needs Assessment and the 2025 Peninsula Recreation Facility Needs Assessment, both of which highlight a need for additional indoor recreation space, particularly in Brentwood Bay and surrounding communities.

*Equity, Diversity and Inclusion*

Promoting equity, inclusion and access across all programs and services is a core priority in the 2022–2026 Panorama Recreation Strategic Plan and is reinforced in the 2025 Peninsula Recreation Facility Needs Assessment. Geographic equity remains a key concern for residents, particularly those living beyond a 10-minute drive from existing indoor recreation facilities. The proposed facility in Central Saanich addresses this service gap by improving access for residents of the southern peninsula communities. This facility will offer a diverse range of programming—including fitness, weight room, arts and children’s programming—supporting broad community participation and aligning with Panorama Recreation’s commitment to inclusive service delivery.

*Legislative and Financial Implications*

The proposed loan authorization for up to \$9.114 million will support capital plan expenditures identified in the 2026-2030 financial plan. Estimated debt servicing costs associated with this borrowing have been incorporated into the Financial Plan Bylaw and will be funded through

requisition. Borrowing will enable efficient delivery of the Peninsula Recreation Facility in Central Saanich.

Based on MFABC’s indicative interest rate of 4.36% (as of February 25, 2026), the estimated annual debt servicing cost is approximately \$876,000 over a 15-year amortization period, for a total repayment of approximately \$13.14 million.

Actual borrowing amounts over the five-year period will be determined based on annual cash flow requirements. Table 1 outlines each participating municipality’s share of the annual debt servicing costs, along with an estimated annual cost per household based on annual debt servicing cost of \$876,000 over a 15-year term.

**Table 1: Municipal Share of Debt Servicing Costs and Annual Household Cost**

Municipality	Average Property Assessment (2025)	Annual Debt Servicing Cost per Municipality	Requisition % Share (2025)	Average Annual Cost per Household at Project Completion (2030)
Central Saanich	\$1,117,547	\$339,888	38.8%	\$39.72
North Saanich	\$1,539,357	\$279,444	31.9%	\$47.15
Sidney	\$917,690	\$256,668	29.3%	\$30.50
<b>Total Annual Cost</b>	-	<b>\$876,000</b>	-	-

The annual debt servicing cost per household will not be fully realized until project completion, scheduled for 2030. Debt servicing costs for projects of this nature are incurred incrementally as construction progresses. During the construction phase, costs primarily reflect interest-only payments on funds drawn. As borrowing occurs in stages to align with project expenditures, early-year impacts to households will be lower and will increase as additional funds are utilized.

Long-term borrowing (i.e., loans with a term of more than five years) requires adoption of a loan authorization bylaw, followed by a separate security issuing bylaw, in accordance with the *Local Government Act*.

Prior to adoption, the loan authorization bylaw must receive participating area approval. This approval may be obtained through one of three methods: consent of municipal councils on behalf of electors, an assent vote (referendum), or a sub-regional alternative approval process (AAP) for the entire service area.

Consent of municipal councils on behalf of electors is initiated following third reading of the bylaw by the Board and prior to submission to the Inspector of Municipalities for approval. A sub-regional AAP would require approximately six months to complete, which does not align with the project schedule and would place the elector response period too close to the general local election. An assent vote/referendum presents similar timing challenges. Typically in an election year, it would be possible to add a referendum question on the election ballot; however, it is too close to the General Local Election date to obtain Inspector approval on the referendum question. A stand-alone referendum would not be possible until at least the Spring of 2027.

Given the timing and resource constraints, neither the AAP nor a referendum is considered feasible. Staff recommend proceeding with approval through the consent of municipal councils on behalf of the electors as the most efficient and cost-effective method of obtaining approval.

To optimize interest rates and timing, temporary borrowing is anticipated following adoption of the loan authorization bylaw. The issuance of long-term debt will be aligned with project expenditures and prevailing market conditions. A security issuing bylaw will be brought forward for Board approval prior to issuance of long-term debt, which is anticipated to have a 15-year term.

**CONCLUSION**

The Board approved Bylaw No. 4751, “2026 to 2030 Financial Plan Bylaw, 2026”, establishes capital expenditures for each service, including planned borrowing. The financial plan identified borrowing of up to \$14.2 million for Saanich Peninsula Recreation Services. Loan Authorization Bylaw No. 4761, which would have authorized borrowing of up to \$14.2 million did not receive municipal consent on behalf of the electors. During its May 28, 2026, Peninsula Recreation Commission meeting, the Commission directed staff to revise the project scope and seek approval for a reduced loan amount of up to \$9.114 million. As such, Bylaw No. 4782, “Saanich Peninsula Recreation Services (DCS Recreation Facility) Loan Authorization Bylaw No. 2, 2026”, is introduced to support future borrowing required to deliver the Peninsula Recreation Facility in Central Saanich, as included in the service’s five-year (2026-2030) capital plan.

**RECOMMENDATION**

The Peninsula Recreation Commission recommends to the Capital Regional District Board:

1. That Bylaw No. 4782, “Saanich Peninsula Recreation Services (DCS Recreation Facility) Loan Authorization Bylaw No. 2, 2026”, be introduced and read a first, second and third time; and
2. That participating area approval for Bylaw No. 4782 be obtained by way of the municipal consent on behalf of electors for Central Saanich, North Saanich, and Sidney, and if successful, be referred to the Inspector of Municipalities for approval.

Submitted by:	Varinia Somosan, CPA, CGA, Senior Manager, Financial Services & Deputy Chief Financial Officer
Concurrence:	Steve Meikle, Senior Manager, Panorama Recreation
Concurrence:	Melanie Alsdorf, Acting General Manager, Parks, Recreation & Environmental Services
Concurrence:	Kristen Morley, J.D., Corporate Officer & General Manager, Corporate Services
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

**ATTACHMENT**

Appendix A: Bylaw No. 4782, “Saanich Peninsula Recreation Services (DCS Recreation Facility) Loan Authorization Bylaw No. 2, 2026”

**CAPITAL REGIONAL DISTRICT  
BYLAW NO. 4782**

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**A BYLAW TO AUTHORIZE THE BORROWING OF NINE MILLION ONE HUNDRED  
FOURTEEN THOUSAND DOLLARS (\$9,114,000) FOR THE CONSTRUCTION OF A  
RECREATION FACILITY IN THE DISTRICT OF CENTRAL SAANICH**  
\*\*\*\*\*

**WHEREAS:**

- A. Under Bylaw No. 3008, "Saanich Peninsula Recreation Services Combination Bylaw No. 1, 2002", the Capital Regional District established a service for the operation of recreational and related community programs, equipment, and facilities for the municipal participating areas of the District of North Saanich, the Town of Sidney, and the District of Central Saanich;
- B. The Board of the Capital Regional District may, by bylaw, borrow money for capital purposes to construct a recreation facility in the District of Central Saanich as included in the service's capital plan;
- C. The estimated cost of the works and equipment, including expenses incidental thereto to be funded by debt servicing, the sum of Nine Million One Hundred and Fourteen Thousand Dollars (\$9,114,000), which is the amount of debt intended to be authorized by this bylaw;
- A. Pursuant to Section 346 and 407(3)(c) of the *Local Government Act*, participating area approval is required for this borrowing and shall be obtained by elector consent, is to be obtained on behalf of the municipal participating areas;
- A. The approval of the Inspector of Municipalities is required under Section 342 of the *Local Government Act*; and
- B. Financing is proposed to be undertaken by the Municipal Finance Authority of British Columbia pursuant to agreements between it and the Capital Regional District;

**NOW THEREFORE** the Capital Regional District Board in open meeting assembled hereby enacts as follows:

- 1. The Board is hereby empowered and authorized to undertake and carry out or cause to be carried out the planning, study, design and construction of works for the Saanich Peninsula Central Saanich Recreation Facility (the "Project") in connection with the service and to do all things necessary in connection with the Project and without limiting the generality of the foregoing:
  - a) to borrow upon the credit of the Capital Regional District a sum not exceeding Nine Million One Hundred and Fourteen Thousand Dollars (\$9,114,000); and
  - b) to acquire all such real property, easements, rights-of-way, leases, licenses, rights or authorities as may be requisite or desirable for or in connection with the Project.





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## REPORT TO PENINSULA RECREATION COMMISSION MEETING OF THURSDAY, JUNE 25, 2026

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**SUBJECT**     **Childcare Expansion—Verdier Avenue Affordable Housing Development**

### **ISSUE SUMMARY**

To update the Peninsula Recreation Commission on the proposed program plan and operational impacts associated with delivering a childcare program within a new affordable housing development on Verdier Avenue and to seek approval to incorporate the required resources into the 2028 service planning and five-year financial plan.

### **BACKGROUND**

In 2020, six municipal partners including the District of North Saanich, District of Central Saanich and Town of Sidney, collaborated on a provincially funded childcare inventory and gap analysis, which confirmed a significant regional shortage of licensed spaces. The study identified the need for over 1,100 additional childcare spaces across Central Saanich, North Saanich and Sidney.

Panorama Recreation (Panorama) currently operates several licensed childcare programs, including after school care and the Owl's Nest Preschool, all of which maintain waitlists. In Fall 2025, the Owl's Nest Preschool was expanded to offer a part-time (five-hour-per-day) program to maximize the utilization of a licensed after school care classroom at Greenglade Community Centre. Despite this expansion, existing facilities are unable to support additional licensed childcare growth.

To help address the shortage of licensed childcare spaces, the District of Central Saanich requested that the Capital Region Housing Corporation (CRHC) incorporate a purpose built childcare facility into its proposed affordable housing development on Verdier Avenue in Brentwood Bay. Brentwood Bay contains the highest proportion of children among neighborhoods in Central Saanich. In January 2025, CRHC staff requested that Panorama formally explore the feasibility of entering into an operating agreement to provide childcare services within the affordable housing development at Verdier Avenue.

The CRHC is funding all capital construction costs, and Panorama is not expected to pay lease fees for the childcare space, as outlined in the Memorandum of Understanding (MOU), which was approved by the Peninsula Recreation Commission on May 22, 2025 (Appendix A).

Panorama's financial responsibilities would include startup furnishings and equipment, lifecycle planning for leasehold improvements, and ongoing operating costs, supported by program revenue. Construction of the facility has begun with completion projected for early 2028. This partnership offers an opportunity to expand licensed childcare in a high-need area without new facility construction costs to Panorama.

### **Proposed Childcare Program Plan**

Considering the Verdier facility's proximity to local elementary schools, existing childcare waitlist data and the operational and facility needs of each age group, staff recommend allocating 28 spaces for children aged 2.5 to 5 years and 12 after school care spaces for children aged 5 to 12

years. This would result in 40 net new licensed childcare spaces at Verdier for a total of 152 Licensed Childcare spaces operated by Panorama across the Saanich Peninsula:

**Table 1: Childcare Capacity Impact – Proposed and Current Spaces by Program**

<b>Program</b>	<b>Ages</b>	<b>New Spaces</b>	<b>Current Spaces</b>	<b>Total</b>
Licensed Preschool – Part Day	2.5-5 years	12 children	16 children	28
Licensed Preschool – Full Day	2.5-5 years	16 children	16 children	32
After School Care	5-12 years	12 children	80 children	92
<b>TOTAL DAILY SPACES</b>		<b>40</b>	<b>112</b>	<b>152</b>

Due to the significant unique facility requirements outlined in BC’s Childcare Licensing Regulation, it is not anticipated that any ongoing general recreation use of the Verdier Avenue facility will be possible. The space is purpose-built and designated for childcare, and if Panorama does not operate the program, the CRHC will seek another service provider to do so.

The program design incorporates a degree of flexibility to respond to changing community needs over time. While the current program plan includes a combination of full day care, part-day preschool and after school care, the second classroom (licensed for up to 12 children) could be reallocated to full-day childcare for ages 2.5 to 5 if demand shifts. This flexibility supports ongoing alignment of service delivery with community need and emerging demand patterns.

In alignment with Panorama’s existing licensed childcare service delivery, programming at the Verdier Avenue facility would be delivered with support from BC’s Child Care Operating Fund (CCOF), and specifically, the program’s base funding, Childcare Fee Reduction Initiative (C-FRI) and Early Childhood Educator Wage Enhancement (ECE-WE). This funding helps childcare providers cover day-to-day operating costs, reduce fees for families and enhance wages for early childhood educators.

Capital and Operating Costs

The CRHC is responsible for all capital construction costs associated with building the new childcare facility at Verdier Avenue. As outlined in the MOU between the CRD and the CRHC, there would be no monthly or annual rent or lease fees to operate the childcare facility. This significantly reduces the monthly operating costs of the program. Panorama’s cost would include:

- Startup capital costs for indoor and outdoor furnishings, equipment and IT needs
- Ongoing financial planning for leasehold improvements and equipment replacement.
- Ongoing operating costs of the program including staff wages, equipment, program supplies, utility fees and janitorial supplies.

A provisional operating budget for the proposed facility is outlined in Table 2. The budget reflects gradual opening from June to September 2028 and includes estimated capital expenditures for indoor and outdoor furnishings and equipment required to open the facility. It also reflects annual revenues and expenditures for the first and subsequent four years of operations.

**Table 2: Proposed Verdier Ave Childcare Facility Operating Budget Overview 2028-2032**

Component	2028	2029	2030	2031	2032
1. Revenues-Parent Fees (*1)	104K	210K	221K	232K	243K
2. Revenues-CCFRI (*2)	92K	197K	207K	217K	228K
3. Revenues CCOF Base/Admin/ECE-WE (*3)	34K	74K	78K	82K	86K
<b>Total Revenues:</b>	<b>230K</b>	<b>481K</b>	<b>506K</b>	<b>531K</b>	<b>557K</b>
1. Expense-Salaries, Wages, ECE-WE (*4)	230K	435K	457K	480K	504K
2. Expense-Operating Supplies	5K	10K	10.5K	11K	11.5K
3. Expense-Phone/IT	.5K	.5K	.5K	.5K	.5K
4. Expense-Training	2K	1K	1.5K	1.5K	2K
5. Capital Expense-Furniture, Equipment, Tenant Improvements (*5)	300K				
<b>Total Expenses:</b>	<b>532.5K</b>	<b>446.5</b>	<b>469.5</b>	<b>493K</b>	<b>518K</b>
<b>Total Including Capital (Net):</b>	<b>-302.5</b>				
<b>Total Operating (Net):</b>	<b>-7.5K</b>	<b>34.5K</b>	<b>36.5K</b>	<b>38K</b>	<b>39K</b>

Table 2 Notes:

1. The portion paid by parents after CCOF and CFRI funding is applied.
2. Child Care Operating Fee Reduction Initiative funding.
3. Supplemental Child Care Operating Funding and Early Childhood Educator Wage Enhancement Payments for staff.
4. All auxiliary and regular salaries and wages including directly required administrative and supervisory positions. Also includes ECE-WE which is collected from BC Government and remitted to staff.
5. One time cost funded from capital budget, for furniture, equipment, IT, and childcare specific tenant improvements.

Childcare programming at Verdier Avenue would operate as an integrated component of Panorama’s Childcare Services portfolio. It would require approximately 5.0 additional FTE delivered through a mix of full-time and part-time positions supporting program delivery, onsite supervision and program administration. The added administrative capacity would allow for consolidation of key childcare functions, including centralized registration and family communication, improve service continuity for families, strengthen administrative support across the childcare service area and enhance overall capacity with relatively low incremental overhead.

The proposed facility is anticipated to operate in the same manner as Panorama’s existing licensed childcare programs, recovering direct costs and operating on a cost-neutral basis. This opportunity to expand childcare programming into a new, purpose-built facility in Brentwood Bay would enable Panorama to respond to demonstrated community need in the Southern Peninsula without incurring capital construction costs.

**ALTERNATIVES**

*Alternative 1*

The Peninsula Recreation Commission recommends:

1. That staff operationalize the childcare program and incorporate required resources into the 2028 service planning and five-year financial plan.
2. That staff develop a proposed operating agreement to bring forward to the Commission for approval at a future meeting.

*Alternative 2*

That this report be referred to staff for more information.

**IMPLICATIONS**

*Equity, Diversity and Inclusion*

The proposed expansion of Panorama's childcare services into Brentwood Bay supports ongoing equity, diversity and inclusion priorities. Childcare access enables families of diverse backgrounds, incomes and abilities to participate in work and community life, while providing inclusive early learning environments. Panorama continues to support inclusive participation through programs such as Supported Child Development (SCD).

Affordability remains central to equitable access. Services are supported through provincial programs, including the Child Care Operating Funding (CCOF), which offsets operating costs, supports wages and reduces parent fees. Additional subsidies are available to eligible low-income families.

This expansion would also improve geographic equity. With current programming largely based at Greenglade Community Centre, a Brentwood Bay location would broaden access across the Saanich Peninsula and create a more balanced service distribution.

*Service Delivery Implications*

The delivery of licensed childcare services requires specialized operational and administrative support beyond typical recreation programming, including compliance with licensing requirements and administration of subsidy programs.

Panorama currently employs approximately 15 auxiliary and six permanent staff (4.5 FTE) to support existing childcare services. An expansion at Verdier Avenue is estimated to require an additional four to five auxiliary and six to seven permanent staff (approximately 4.0 FTE) supporting program delivery, onsite supervision and program administration when operating at full capacity. The added administrative capability provided by an onsite supervisor at Verdier Avenue will allow for consolidation of key childcare functions, including centralized registration and family communication separate from general recreation reception services. This approach improves service continuity for families, strengthens administrative support across the childcare service area and enhances overall capacity with relatively low incremental overhead.

From a service planning perspective, this expansion aligns with demonstrated demand across the Saanich Peninsula. While current programming is primarily based at Greenglade Community Centre serving North Saanich and Sidney, Census data indicates Central Saanich has the highest proportion of youth aged 14 and under. Locating services in Central Saanich would better reflect current demographics and support future demand.

### *Alignment with Existing Plans and Strategies*

The Panorama Recreation 2022-2026 Strategic Plan outlines the direction for program and service delivery for the next five years. One of seven themes identified during research and engagement was that “partnerships, outreach initiatives and potentially future facility development are all options that residents think should be explored to continue seeking geographic equity and reducing barriers to participation.”

The Plan also includes the following strategies and recommendations:

- Strategy: Explore the viability and cost impacts of projects that can address gaps and expand recreation and related opportunities.
- Action A3: Explore cost effective opportunities to meet indoor community space needs and identified gaps in Central Saanich. Undertaking this action may require further feasibility analysis and/or partnership discussions. (Short Term: 0 to 3 years)

The proposed expansion of childcare services aligns with these strategies by responding to identified gaps in community programming and advancing a partnership opportunity that improves access to licensed childcare in Central Saanich.

### *First Nations Relations*

The provincial government has identified the need for culturally appropriate Indigenous early childhood development services, both on- and off-reserve. The Verdier Avenue development is near W̱JOḺEḺP (Tsartlip) First Nation. Staff are committed to working with W̱JOḺEḺP First Nation and organizations such as the First Nations Early Childhood Development Council and BC Aboriginal Child Care Society in the development of a culturally appropriate early childcare program at Verdier Avenue.

### *Social Implications*

Access to childcare is essential for working families, enabling participation in employment and education while ensuring children are in safe, supportive environments. Quality childcare also supports early childhood development and contributes to stronger communities through increased workforce participation and local economic activity.

Panorama has been invited to operate childcare within a new affordable housing development at Verdier Avenue, led by the Capital Region Housing Corporation in partnership with the District of Central Saanich. This opportunity aligns childcare service delivery with identified community need while supporting broader housing and workforce objectives.

### *Financial Implications*

There is currently no provision within the Panorama operating budget to support an additional satellite childcare facility. One-time startup costs in 2028, estimated at approximately \$300,000, would be funded from the capital reserve fund. Operations are anticipated to commence in 2028, with the exact opening date to be determined and a phased implementation expected. Consistent with Panorama’s existing licensed childcare programs, the service is intended to recover direct operating costs and function on a cost-neutral basis once fully operational.

In the initial year, staffing and startup costs are expected to exceed revenues as programs are established and enrolment builds. Once fully implemented, and when all direct costs are considered, the program is projected to generate modest annual net revenue of less than \$50,000, as outlined in Table 2.

The proposed staffing model reflects the maximum anticipated complement required to support full program operations, including supervision and administration. Staffing will be phased in based on actual registration and service demand. Initial operations may rely in part on auxiliary staff and onsite administrative capacity, with permanent positions added as enrollment stabilizes. This approach supports cost control during early operations while enabling the establishment of a consistent, qualified staff team over time.

If approved, operating and staffing costs associated with this expansion will be incorporated into the 2027 service planning and budget development process for implementation in 2028. These financial projections reflect the assumptions outlined in this report; any material changes will be brought forward for Commission consideration.

**CONCLUSION**

Operating childcare at the Capital Region Housing Corporation’s Verdier Avenue affordable housing development would allow Panorama Recreation to expand services in Brentwood Bay, meeting strategic priorities and community need without incurring capital construction costs. Panorama Recreation staff are seeking the Peninsula Recreation Commission’s approval to operationalize the childcare program and incorporate required resources into the 2028 service planning and five-year financial plan. A proposed operating agreement will be brought forward for approval at a future Commission meeting.

**RECOMMENDATION**

The Peninsula Recreation Commission recommends:

1. That staff operationalize the childcare program and incorporate required resources into the 2028 service planning and five-year financial plan.
2. That staff develop a proposed operating agreement to bring forward to the Commission for approval at a future meeting.

Submitted by:	Katherine Beck, Manager of Program Services, Panorama Recreation
Concurrence:	Steve Meikle, MA, Senior Manager, Panorama Recreation
Concurrence:	Patrick Klassen, Acting General Manager, Housing, Planning and Protective Services
Concurrence:	Varinia Somosan, CPA, CGA, Senior Manager, Financial Services & Deputy Chief Financial Officer
Concurrence:	Glenn Harris, Ph.D., R.P.Bio., Acting General Manager, Parks, Recreation & Environmental Services

**ATTACHMENT**

Appendix A: Memorandum of Understanding - Daycare Lease and Operation (May 2025)

## MEMORANDUM OF UNDERSTANDING – DAYCARE LEASE AND OPERATION

This Memorandum of Understanding is dated for reference the 22 day of May, 2025

### BETWEEN:

**CAPITAL REGION HOUSING CORPORATION**

631 Fisgard Street  
Victoria, BC V8W 1R7

(“CRHC”)

### AND:

**CAPITAL REGIONAL DISTRICT**

625 Fisgard Street  
Victoria, BC V8W 1R7

(the “CRD”)

### WHEREAS:

- A. Capital Regional District (“**CRD**”), through its Land Banking and Housing Service as administered by the CRD Board, is or will be the registered owner of lands and improvements municipally described as 1183 Verdier Avenue, Brentwood Bay, BC, (the “**Land**”) which is to be developed by CRHC into a multi-use development (the “**Development**”) consisting of residential rental housing (the “**Residential Development**”) and a commercial space intended for use as a daycare (the “**Daycare Development**”).
- B. As part of a zoning bylaw amendment in respect of the Development, the District of Central Saanich added child care as an allowable use for the Land.
- C. The Land is to be subdivided by air space subdivision to create an air space parcel (the “**Daycare ASP**”) comprised only of the Daycare Development, and a remainder parcel comprising the remainder of the Land, including the Residential Development.
- D. The building permit application for the Daycare ASP contemplates an area of ~2,300 square feet, suitable to accommodate up to 16 children, if approved.
- E. CRHC is managing the construction of the Development for CRD, and in conformity with the desire of the municipality to have daycare included in the Development, CRHC is seeking a qualified party to lease and operate the Daycare, and to collaboratively pursue funding for costs of the Daycare Development.
- F. The CRD, through its Peninsula Recreation Service as administered by the Peninsula Recreation Commission (“**PRC**”), is a qualified daycare operator and already serves the regional populace in the area of the Development with a range of recreational and community facilities.
- G. The Peninsula Recreation Service is interested in becoming the operator of the Daycare Development, subject to PRC obtaining required approvals in May, 2025 for this undertaking, and on the terms as set out in this Memorandum of Understanding.

**NOW THEREFORE**, by signing this Memorandum of Understanding, and for good and valuable consideration, the sufficiency of which is hereby acknowledged, CRHC and the **CRD** confirm their general intentions in regard to the possible leasing and operation of the Daycare Development by the Recreation Commission, on the terms and conditions as follows:

1. Construction Funding for Daycare Development – It is acknowledged by the parties that the CRD’s Peninsula Recreation Service will not be required to provide capital funds towards project construction, as CRHC is pursuing funding to complete the construction of the daycare space.
2. Funding Approval(s) – It is acknowledged that obligations or expectations of a party set out in this agreement are conditional upon CRHC obtaining funding for the Development as a whole, along with the requisite approval(s) of its board of directors, including funding for the Daycare Development specifically, on terms it finds satisfactory and that align with the expectations outlined herein (“**Funding Approval**”).
3. Leasing and Operation of the Daycare Development – It is acknowledged that any eventual lease, inter-service memorandum of understanding, or license for the Daycare ASP (for brevity, called a “**Lease**”) for the Daycare Development would be between CRD’s Regional Housing Service and CRD’s Peninsula Recreation Service.
4. Rent – The expectation is that there will be no annual or monthly basic or square-foot rent payable under the Lease, but that the CRD’s Peninsula Recreation Service as operator will be responsible for all operating, maintenance and utility costs attributed to the Daycare Development.
5. Further Agreement – Conditions – This Memorandum of Understanding will be contingent on CRHC obtaining the Funding Approval. Under this agreement, CRHC and the CRD, through the Peninsula Recreation Commission and the Peninsula Recreation Service, will take such steps as may be reasonably necessary to diligently pursue and obtain the Funding Approval, and will enter into, execute and deliver such further agreements, instruments, assurances or undertakings as may reasonably be incidental thereto.
6. Daycare Development to be Completed by Lessor – The Daycare Development will be constructed and prepared for occupancy to include tenant improvements and finished to include finished paint, interior walls, millwork, cabinetry, flooring, mechanical and electrical fixtures but excluding furnishings and equipment specific to operating a daycare.
7. Eventual Lease, MOU, License – Subject to Funding Approval, and when the Daycare Development is complete and ready for occupancy, the Recreation Commission will enter into the Lease in respect of the Daycare ASP, containing substantially the terms hereof in addition to such other terms or covenants as are usual and appropriate to the grants of rights and interests in a lease of similar space and for similar purposes, and as agreed by CRD’s Regional Housing Service as lessor and the CRD’s Peninsula Recreation Service as lessee, acting reasonably.
8. Agreement to Expire – If the parties are unable to complete the steps required in order to satisfy the requirement for Funding Approval on or before three (3) years from the date hereof, this agreement will expire automatically, with no further rights or obligations of any party after that date, unless extended by agreement in writing of all parties.
9. No Other Agreements – There are no promises, representation, warranties, or other commitments of either party, save and except as expressly set out herein.

*[Signature Page Follows]*


IN WITNESS WHEREOF the parties hereto acknowledge the undertakings and expectations as set out herein and have signed this Memorandum of Understanding.

**CAPITAL REGIONAL DISTRICT**  
By its authorized signatory

  
\_\_\_\_\_  
[Signature]  
**TED ROBBINS, CAO**  
\_\_\_\_\_  
[print name]

Date: MAY 27/25

**CAPITAL REGION HOUSING CORPORATION**  
By its authorized signatory

  
\_\_\_\_\_  
[signature]  
**KEVIN LORETTE**  
\_\_\_\_\_  
[print name]

Date: MAY 26, 2025