

Date: August 27, 1997

**SUBJECT: BABIES' COTTAGE PROPOSED LEASE WITH THE ST. JAMES
COMMUNITY SERVICE SOCIETY**

RECOMMENDATION

THAT the Board extend the date for the St. James Community Service Society to obtain the required funding for the hospice building redevelopment to December 31, 1997.

BACKGROUND

At the meeting of July 24, 1995, the Board gave the St. James Community Service Society until September 1, 1996 to raise the required funds for this project. To date they have raised \$1,650,000 of a required \$3,000,000 and have secured an additional \$500,000 federal grant in the form of a line of credit to be used towards the building's construction.

The adaptive reuse of this building to use for a hospice requires a substantial increase in funding of approximately \$1,500,000 more than the original July 1995 estimate of \$1,200,000 for construction costs plus soft costs of \$300,000. The original estimate for required redevelopment funding was based on one of a number of potential uses being considered: daycare for infants and toddlers; civic uses, such as offices or an art gallery; recreational programs, or a restaurant. A hospice facility was not considered. The complexity of building services required for a hospice, along with the Society's desire to give the Hastings Community Association a lower floor meeting room and building code changes have contributed to the increase in expected construction costs.

At a special announcement meeting May 16, 1997, the Provincial Minister of Health and the Vancouver/Richmond Health Board agreed to provide the operational funding for all 10 beds of the proposed hospice for a period of two years.

The Board also approved entering into a lease with the St. James Community Service Society. A draft lease has been prepared by our Law Department, all staff and stakeholders involved have reviewed and approved the proposed lease and it has been forwarded to the St. James Community Service Society for their review and comment. The final terms of the lease will be approved by the General Manager.

DISCUSSION

The St. James Community Service Society are preparing for an official ground breaking ceremony on October 4, 1997. This would be prior to assembling all required funding but after agreement on the terms of the lease.

JUSTIFICATION

The St. James Community Service Society have received tremendous support

from the local neighbourhood, Hastings Community Association, the Park Board, and Provincial Government. The Cottage Hospice Campaign is now in full swing and the St. James Community Service