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## NEWS RELEASE

For Immediate Release

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### Advisory

**The following statement was read by Helen Dietz, Chief Administrative Office for the Town of Sylvan Lake, at the Council Committee Meeting on Mon. May 25, 2009.**

The facts regarding the Kindercare Achievement Center and the Town of Sylvan Lake

In 2001, Kindercare signed a 20 year lease with the Town to operate programs from portable trailers on town-owned land on 53rd Street.

In 2002, Kindercare requested ownership of these lands. At that time council's decision and intent was that the Town was not prepared to give the land. Instead, it would tender the land for sale and use the proceeds to fund a Community Center addition to accommodate custom-built space for Kindercare at an affordable lease rate as well as a Youth Center.

It cost the citizens of Sylvan Lake \$350,000 to construct the approx. 3,500 sq. ft. space Kindercare now occupies.

(Total addition costs including the Youth Center = \$500,000)

Town Council awarded the tender to purchase the 53rd Street lands that formerly housed Kindercare in 2004 at \$500,000.

Kindercare representatives told the Town:

- the organization's buildings located on the land needed major repair and/or replacement.
- the organization did not have the money to construct new facilities.
- the organization did not have the money to purchase the lands located at 53rd Street.
- the organization was told that they required ownership of the land to be eligible to finance construction of new facilities with a bank loan.

A joint decision was made between Kindercare and the Town to go forward with the Community Center addition. The lease rate was established at \$5.00 per square foot or \$15,000 per year.

While the addition provided slightly less space for the group, it was custom built and designed to fit their programs including four classrooms, administration offices and shared use for the washrooms. There was also access to rent other meeting rooms, the kitchen or the gym when required within the same facility.

Kindercare moved into the Community Center and a lease was signed for the years 2004 to 2007.

In July 2007, the lease expired. Ongoing negotiations since then have yielded 5 drafts submitted to Kindercare, none of which the organization would sign.

Kindercare's board president and executive director were verbally notified in September 2008 (followed up in writing in December 2008) that the Town was reviewing Community Center space availability, Room 103 would be unavailable for the upcoming school year. Kindercare received one year's notice to review its operation and programs before the fall of 2009.

Administration recommended a major addition to the facility in the 2009 Budget which resulted in a minor renovation to the Community Center.

Space at the Community Center is limited, as it is in all Town facilities. The demand for meeting and program rooms from other community groups has increased significantly.

It was stressed to Kindercare's board president and executive director to review their programs and operation, and work within the space (3,500 sq. ft.) already allocated for them within the center. This could have involved looking at other facilities and/or locations to lease.

Kindercare may augment its programs with additional services provided it is able to do so within its existing footprint.

The answer from Kindercare was a resounding 'no, we need all our current space plus Room 103'.

This was when attacks on town political and administrative leadership began. Letters were distributed to parents from Kindercare which included Council's and Town Administration's home phone numbers with the message to "Keep calling until we get the resolution we desire!" and "Send letters to the editor of the local paper".

The Town approached Alberta Learning and Child and Family Services regarding space requirements to operate programs such as Kindercare's.

Town administration revamped Kindercare's Community Centre space to demonstrate other options and ideas were available and they could fit within the existing space. Provincial officials advised they were available to participate in a joint meeting with Alberta Education, Child and Family Services and Kindercare to discuss how this may be workable for all parties and address any competing room requirements for licensing.

Kindercare's board president and executive director responded by forwarding letters to Town administration and Child and Family Services outlining that such changes were "unworkable" and further dismissed any involvement or input from other agencies to talk about the existing space Kindercare occupies.

In April 2009, town council decreased the lease agreement to \$5.85 per square foot or \$17,550 for 2009 for 5 years plus Consumer Price Index increases annually. Since 2004, the lease has only increased \$2,500.

This lease draft was to be signed by Kindercare and returned May 6th at 4:00 p.m. At 5:30 on May 6th, Kindercare's executive director replied that its lawyer was reviewing the lease and Kindercare would get back to the Town as soon as possible.

On May 8th, council granted another extension of the deadline for Kindercare to 12:00 p.m. on May 29th to ratify the lease provided by the Town.

In the event that this lease is not signed by Kindercare, the Town's solicitor will provide Notice to Terminate the over holding lease, giving 30 days' notice to vacate the building.

Kindercare's lack of leadership from the Board of Directors and Executive Director has jeopardized the organization's position, location and reputation.

In Summary:

Kindercare Achievement Center is a privately managed not-for-profit society operating in a public facility.

The Town subsidizes the program by providing lease space that is affordable, recognizing the importance of children and youth within the community.

If the Town calculated the lease at actual operating costs the rate would be established at an amount between \$10 and \$12 per sq. ft. Kindercare's 2009 rate is offered at \$5.85 per sq. ft.

Council is very disappointed regarding Kindercare's approach to politically drag them across the pavement after all they have done to support, fund and subsidize their organization.

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For more information, please contact:

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