

Mayor and Council
City of Victoria
Victoria, BC

November 19th, 2019

RE: Change to Covenant at 205 Simcoe to include 16 Seat Daycare

Council,

At the November 15th Committee of the Whole meeting it was noted by JBAA there was some concern about the profits to be made by JBAA from a rental to a daycare and how those profits would be spent. That perhaps a kickback to daycare clients of JBAA profits from rent would be fair and that since the existing covenant needed to be changed to allow for the daycare the City may want to “leverage” this situation to complete the kickback.

It might be helpful for Council to know the actual costs to run the building and the projected benefit.

Projected Day Care Rental Income	36,000.00
Actual Building Operating Expenses 2018	
Property Taxes	11,347.00
Utilities	6,223.49
Repairs/Maintenance	3,445.66
Insurance	4,240.40
Total expenses based on 2018	25,256.55
Projected Benefit	10,743.45

This benefit will help replace other income streams that have been on a steady decline. An example would be Bar Revenue which decreased from 2017 sales of \$76,000 to 2018 sales of \$50,000. Leading to a benefit reduction of \$16,000. It has been JBAA’s desire to find more passive forms of income to replace the change in pattern of declining alcohol consumption. It will also mean JBAA can avoid the current patchwork of one off rentals, dances etc.

JBAA felt having a steady primary client that operated during daytime hours outside of weekends would best benefit the organization. Plus, a daycare seemed a good fit to the neighbourhood and the building itself.

Below is JBAA’s stated purpose as outlined in our Constitution:

2.01 The objects of the Society are the promotion and furtherance of amateur sport in all forms through encouraging playing, promotion, coaching, and refereeing the same.

2.02 To maintain and preserve the historical assets of the James Bay Athletic Association

You might be interested to know that currently 75% of the 200 registered playing members at the club are boys and girls between the ages of 8 and 18. JBAA currently only has Rugby teams playing but, in the past, has sponsored amateur athletes in all sports and continues to look for ways to benefit amateur athletics in Victoria. In 2017/18 JBAA earned \$18,000 in direct registration fees from players but incurred \$65,000 in direct player expenses. The difference is made up by the organization through fundraising. The income from the daycare rental will be part of that fundraising and assist with these expenses to benefit sport and recreation in the City of Victoria.

The income earned from the daycare rental will assist in our operations. Making it a requirement for JBAA to return part of the income to the clients of the daycare would defeat the purpose of the rental. JBAA would not proceed with the daycare rental if the City mandates this in exchange for a change in the covenant.

Please contact me if I can be of more assistance.

John de Goede
President
James Bay Athletic Association