THE CORPORATION OF THE
DISTRICT OF SUMMERLAND
REQUEST FOR DECISION

DATE: January 9, 2023 FILE: 0810-01

TO: Graham Statt, Chief Administrative Officer

FROM: Lori Mullin, Director of Community Services

SUBJECT: Green & Inclusive Community Buildings (GICB) Grant

STAFF RECOMMENDATION:

That Council pass the following resolution:

THAT an application for the Green & Inclusive Community Buildings Program is supported to obtain funding towards the Summerland Recreation Centre project.

STRATEGIC PRIORITY:

Infrastructure Investment: Stewardship of capital assets in a cost-effective manner through ongoing maintenance and replacement.

Community Resilience: Utilizing resources to create and adapt programs and services that support a vibrant and liveable community.

Alternative Energy: Pursuing opportunities to generate energy using renewable resources and can provide revenue opportunities.

Active Lifestyles: Ensuring community design and services that enhance inclusive, barrier free participation and promotion of physical activity and healthy lifestyles.

CULTURAL IMPACT STATEMENT

Providing recreation facilities and amenities supports community vibrancy and a healthy and connected community.

PURPOSE**:**

To consider the opportunity for the District of Summerland to submit an application for the Green and Inclusive Community Buildings (GIBC) program for funding support for the Recreation Centre project which requires the facility to be built to be net-zero carbon or net-zero carbon ready.

BACKGROUND:

On December 5, 2022, the Government of Canada announced that the Green and Inclusive Community Buildings (GICB) Program is launching its second scheduled intake. The Green and Inclusive Community Buildings (GICB) Program is a national merit-based Program with the objective of improving the availability and condition of community buildings in Canadian communities experiencing higher needs and who are currently underserved. At the same time,

the Program helps to stimulate the economy while creating good job opportunities and aligning to the goals of Canada's strengthened climate plan.

The Program advances the Government's climate priorities by improving energy efficiency, reducing GHG emissions, and enhancing the climate resilience of community buildings.

The Government of Canada announced up to $1.5 billion in federal funding over five years to establish the GICB Program. The Program support retrofits, repairs or upgrades of existing publicly-accessible community buildings and the construction of new publicly-accessible community buildings that serve underserved and high-needs communities across Canada.

The scheduled competitive intake for large retrofits and new buildings are for projects that range in size from $3,000,000 to $25,000,000 in total eligible costs. Projects in excess of $25,000,000 may be considered on a case-by-case basis.

The application deadline is February 28, 2023. Projects must be effectively delivered by March 31, 2026, either to complete the project or bring the project to a next phase of funding for completion where the investments are secured.

The construction standards for new buildings:

- **built to be net-zero carbon**
    - A net-zero building is one that at the end of construction can produce energy onsite or procures carbon-free renewable energy that offsets the annual carbon emissions of that building, its materials and operation.
    - An attestation letter from a qualified registered professional (i.e. a professional engineer, architect or certified engineering technologist etc.) is required that verifies the project is designed to meet the Zero Carbon Building Design Standard V3 and can obtain ZCB-Design V3 certification.

OR

- **built to be net-zero carbon ready**
    - A net-zero-carbon-ready building is one that has been designed and built to Net-zero-carbon standards but the renewable energy system has not yet been installed. A transition plan is required to show how the renewable energy system will be adapted over time to achieve net-zero performance in carbon emissions for that building.
    - An attestation letter from a qualified registered professional (i.e. a professional engineer, architect or certified engineering technologist etc.) is required for the grant submission to verify the project is designed to meet the Zero Carbon Building Design Standard V3 with a transition plan.

GICB Funding Contributions:

Total Eligible Project Cost	**General Program (up to % max)**
New builds up to first $9,999,999 of costs	60%
New build costs $10,000,000+	50%

As noted above, the program focuses on projects between $3-$25 million, however projects over $25 million may be considered on a case-by-case basis. It does not indicate if there is maximum funding contribution.

DISCUSSION**:**

If Council is interested in considering a net-zero carbon built or net-zero carbon ready recreation centre building, it is recommended that staff engage the appropriate consultants to complete the requirements for a grant application to the GIBC program. This work may include completing:

- High-level zero carbon design work (and costing) building off the current schematic design
- Net-zero carbon build and net-zero carbon ready assessment to assesse viability of either ZCB approach for the building
- RETScreen Assessment (an overview of a building's current or baseline energy consumption, fuel consumption, energy cost savings, GHG emissions reductions, and the financial viability and risk analysis of a proposed project)
- Cost – benefit analysis
- Building accessibility assessment
- Climate risk assessment (climate resiliency and best practices adoption plan)
- Project risk and mitigation assessment
- Grant writing support

Staff are currently reaching out to consultants to get an estimate on consulting fees and will follow up with obtaining quotes to complete this work if Council would like to proceed.

It is anticipated that the consultants will come back to Council prior to the grant application deadline to discuss the initial assessment between net-zero carbon build (is this possible and the anticipated overall project cost increase) or net-zero carbon ready (details on a transition plan and the pros/cons on a phased approach). If a transition plan is needed, the project and application are scored less than a building that is fully operational as a net-zero-carbon building at the end of construction.

While the increase in construction costs from current project cost estimate to build the facility to be net-zero carbon built or ready is unknown, it is anticipated that if the District of Summerland is successful in obtaining funding from the GICB program, the overall project costs required from the District would be reduced.

Examples:

Project Cost	**Net-Zero Construction**	**Max Grant Contribution**	**~ DoS Contribution**
$49 million	$0	$0	$49 million
$50 million	$1 million	$26 million	$24 million
$55 million	$6 million	$28.5 million	$26.5 million
$60 million	$11 million	$31 million	$29 million

Staff are also corresponding with the grant representatives with questions and gathering information to ensure this project will meet the grant objectives.

LEGISLATION and POLICY:

N/A

FINANCIAL IMPLICATIONS:

Reviewed by Financial Services:

The 2023 Capital Budget has an allocation of $100,000 for the implementation of next steps for the Recreation Centre project.

Staff have submitted a grant application to the UBCM Strategic Priorities Fund delivered through the Canada Community-Building Fund in BC (formally known as the Gas Tax Fund) for $6 million under the Capital Infrastructure stream for the Recreation Centre project. It is anticipated that grant announcements will be made in Spring 2023 according to the grant website.

As this project is of a significant scale, Council will require the approval of the electors to borrow the funds needed for construction. Due to the estimated borrowing amount, Council has previously directed that a referendum ("assent voting") be conducted to obtain this approval, in accordance with Part 4 of the *Local Government Act.*

Council may want to delay initiating a referendum until the results of the UBCM and/or GICB grants have been announced.

The current recreation centre construction cost estimate is $48,981,394 as issued by LTA Consultants Inc, which reflects a late third quarter 2024 tender date. The LTA Consultants have indicated that project delays could increase the construction costs 1.25% for every 3 months the schedule is pushed out (~$612,500). By delaying project construction by 1 year equates to a potential project increase of $2.45 million.

LTA Consultants have indicated that it is too difficult to respond with a value to construct a net-zero carbon building as it is too early in design with no mechanical, electrical and structural consultants engaged. They stated it could be in the 15-20% range depending on how it is achieved. Removing LEED Silver may be a 2-3% reduction.

At the December 12, 2022 Council meeting, Council requested further details on the cost exclusions outlined in the LTA construction costing report and the Civil Connections report. Staff are currently gathering those details and will provide a report to Council with that information at a future Council meeting.

SUPPORTING DOCUMENTS:

N/A

CONCLUSION:

Staff continue to complete project milestones working towards the goal of replacing the Summerland Aquatic & Fitness Centre, which is nearing the end of its serviceable life, and are reviewing all grant opportunities as they become available.

OPTIONS:

1. Move the motion as recommended by staff.
2. Refer to staff for other options.

Respectfully submitted,

Lori Mullin
Director of Community Services

Endorsed by,

Graham Statt
Chief Administrative Officer

Presentation: Yes ☐ No ☒