

THE CORPORATION OF THE TOWN OF GEORGINA

REPORT NO. SI-2023-0004

**FOR THE CONSIDERATION OF
COUNCIL**

February 15, 2023

SUBJECT: Green and Inclusive Community Building Grant Program

1. RECOMMENDATION:

1. That Staff Report SI-2023-0004 regarding the Green and Inclusive Community Building Grant Program, dated February 15, 2023, be received;
2. That Council direct staff to prepare and submit an application for funding in the amount deemed appropriate by the Chief Administrative Officer, in consultation with the energy audit consultant; and
3. That Council approve a budget for the Sutton Arena Retrofit project up to \$1,175,000, with up to \$940,000 (80% of the project budget) to be paid by the grant program and up to \$235,000 (20% of the project budget) to be funded by the Town through the facilities repair and replacement reserve, subject to grant approval.

2. PURPOSE:

This report provides recommendations for the Green and Inclusive Community Building grant program application.

3. BACKGROUND:

The Green and Inclusive Community Buildings Program is accepting grant applications for small and medium retrofit projects of community spaces (valued at \$100,000 to \$2,999,999) to fund energy efficiency and accessibility improvements of these buildings, providing up to 80% in cost-share funding. The program defines community spaces to include community centres, recreational facilities, cultural buildings, greenhouses, food banks, etc., and excludes administrative facilities.

In order to be eligible for funding consideration, all retrofit projects are encouraged to achieve at least 25% in energy efficiency improvements compared to the building's baseline energy consumption (with a 10% minimum improvement to be eligible). Projects must demonstrate strong climate resiliency consideration and mitigation measures. Accessibility retrofits are eligible once the project meets the energy efficiency requirements.

Applicants must submit a completed energy audit, including a RETScreen® Assessment of the building's current or baseline energy consumption, water consumption, fuel consumption versus a simulation of the proposed Energy Conservation Measures (ECMs) in order to calculate energy cost savings, GHG emissions reductions, and the financial viability and risk analysis of proposed measures.

Staff became aware of this grant funding in January of 2023. The grant application submission deadline is February 28th, 2023. The project must be completed by March 31, 2026, if the funding is approved.

This program also offers a different funding stream for new builds of recreation facilities, however based on our investigation of requirements and through consultation with the entire project team, the MURC will not qualify as it was not designed to meet the Zero Carbon requirement for new builds. Design of the MURC was completed early in 2021, well before the release of the latest version (v3) of the Zero Carbon Building (ZCB) Design Standard in June 21, 2022. At this stage of the project, if a shift in design approach were to be considered to move to a Zero Carbon v3, it could only be accomplished with significant redesign and resultant cost impacts. A major redesign with regard to the building and energy systems would be required, which for all practical intent and purposes is too late in the process. This would also result in schedule delays as well as open the Town to potential delay claims.

4. ANALYSIS:

The core project team held preliminary brainstorming meetings with staff from Operations, Culture, Facilities and Special Capital Projects to assess opportunities for leveraging this funding based on the current projects and opportunities identified in the recent 2022 Building Condition Assessment report (BCA).

Staff have identified the Sutton Arena Retrofit project as the best opportunity for this grant funding application for the following reasons:

- 2022 BCA report identified an extensive list of retrofit upgrades (energy efficiency and accessibility) with high potential for energy conservation savings, which will be further supported by the energy audit;
- The project meets all other grant funding criteria; and
- The project has a high cost recovery based on the grant's 80/20 cost share:
 - The estimated total project budget is up to \$1,175,000
 - The estimated grant component is up to \$940,000 (80%)
 - The estimated Town's share is up to \$235,000 (20%)

The summary table below shows a number of potentially eligible retrofit measures covering Green and Accessibility opportunities, related to the Sutton Arena Retrofit project.

		Recommended Retrofit Measures	Value (\$)
GREEN	1	Replacement of windows	\$75,500
	2	Lighting efficiency upgrades	\$29,500
	3	Replacement of existing appliances and equipment with EnergyStar® qualified equipment	\$62,400
	4	Water distribution efficiency upgrades	\$33,900
	5	HVAC system replacements and upgrades	\$149,800
			Subtotal (Green Measures)
ACCESSIBILITY	1	Replacement of AODA non-compliant stairs and doors	\$138,200
	2	Replacement of service counters and countertops	\$29,000
	3	Replacement of flooring tiles	\$83,400
	4	Elevator upgrade and modernization to meet AODA requirements	\$264,000
	5	Upgrading washrooms to meet AODA requirements	\$11,000
	6	Exterior accessibility upgrades	\$85,500
			Subtotal (Accessibility Measures)
		Total	\$962,200
		Consultants, technical personnel and contingency (20%)	\$192,500
		Non-Rebate Taxes (1.76%)	\$20,300
		Total Estimated Project Budget	\$1,175,000

The grant application requires an energy audit to be performed. In order to complete the energy audit, a specialized consulting firm is required. Based on the proposal received from a consultant specialized in these studies:


- The proposed fee is \$9,222 (includes 25% contingency and 1.76% HST)
- The estimated completion timeline for the energy audit is 2 – 3 weeks

Given time constraints to ensure that we meet the grant application submission deadline, staff retained an energy audit consultant through a low-value purchase.

5. RELATIONSHIP TO STRATEGIC PLAN:

DELIVER

exceptional service

- **Ensure exceptional service delivery**
 - Create a Customer Service Strategy
 - Launch a Continuous Improvement Program
 - Implement the recommendations of the Development and Building Process Review
 - Establish a Business Continuity Plan
 - Implement the IT Strategic Plan
 - Implement the Records Management Review findings
- **Manage our finances and assets proactively**
 - Implement key financial strategies
 - Update the development charges by-law
 - Update the Long-range Financial Plan
 - Update the Municipal Asset Management Plan
 - Design and construct a new Civic Centre
 - Conduct a Surplus Vacant Land Study
 - Conduct an Invest/divest Facilities Review
 - Continue collaborative efforts to address jurisdiction along Lake Drive

6. FINANCIAL AND BUDGETARY IMPACT:

The estimated total project budget has an upper limit of \$1,175,000. Based on the grant's 80/20 cost share, the estimated grant component is \$940,000 (80% of the project budget) and the estimated Town's share is \$235,000 (20% of the project budget), to be funded by the facilities repair and replacement reserve.

The grant program requires an energy audit to be submitted as part of the application. The cost of the energy audit is \$9,222, calculated based on the figures below:

- The subtotal is \$7,250
- 25% contingency is \$1,812.50
- 1.76% non-refundable HST is \$159.50

The energy audit cost of \$9,222 will be funded from the Town's operating budget. These costs are eligible to be recovered through the grant funding, if the application is approved.

According to the grant application guide, eligible cost include "fees paid to professionals, technical personnel, consultants and contractors specifically engaged for the purpose of the renovation, expansion or improvement work or new builds of eligible infrastructure, including planning and energy audit costs". Therefore, staff will include the total audit cost in the grant funding application for reimbursement.

Staff requests a total project budget of up to \$1,175,000 (\$235,000 Town's share) which may adjust depending of the grant approved amount. The project will be deemed canceled should the grant application be denied. In such event, the project will be deliberated as part of a future budget process.

7. PUBLIC CONSULTATION AND NOTICE REQUIREMENTS:

No public consultations required for this initiative.

8. CONCLUSION:

The Green and Inclusive Community Buildings Program is accepting grant applications for small and medium retrofit projects of community spaces. The grant application submission deadline is February 28th, 2023.

In order to be eligible for funding consideration, all retrofit projects are encouraged to achieve at least 25% in energy efficiency improvements compared to the building's baseline energy consumption (with a 10% minimum improvement to be eligible).

Staff have identified the Sutton Arena Retrofit project as the best opportunity for this grant funding application, with the total estimated project budget of up to \$1,175,000, where the estimated potential grant component is up to \$940,000 (80% of the project budget) and the estimated Town's share is up to \$235,000 (20% of the total project budget), to be funded by the facilities repair and replacement reserve. The project cost (including Town's share) will adjust depending on the approved amount of the grant. The project will be deemed canceled should the grant application be denied. In such event, the project will be deliberated as part of a future budget process.

Applicants must submit a completed energy audit, including a RETScreen® Assessment, as part of the grant funding application. The cost of the energy audit is \$9,222 (including 25% contingency and 1.76% HST). This cost is eligible for reimbursement under the grant funding program.

The project must be completed by March 31, 2026, if the funding is approved.

APPROVALS

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Approved By: Rob Wheeler
Deputy Chief Administrative Officer