Agenda – Executive Policy Committee – December 8, 2021

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – December 2, 2021

Moved by Councillor

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than four business days preceding the committee meeting, be considered by Committee.

Item No. 2 Application to the Green and Inclusive Community Buildings (GICB) Federal Infrastructure Program for the Millennium Library Phase I Lighting Retrofit

STANDING COMMITTEE RECOMMENDATION:

On December 2, 2021, the Standing Policy Committee on Property and Development, Heritage and Downtown Development concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That an application for approximately $875,000 in eligible costs related to the Millennium Library Phase I Lighting Retrofit be submitted to the Green and Inclusive Community Buildings (GICB) program.

2. That subject to approval of a grant from the Green and Inclusive Community Buildings (GICB) program, the City enter into, execute and deliver a funding agreement with the federal government and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

3. That subject to approval of a grant from the Green and Inclusive Community Buildings (GICB) program, authority be delegated to the Director of Assets and Project Management to negotiate and approve the terms and conditions of the funding agreement and the Ancillary Agreements in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

4. That subject to approval of a grant from the Green and Inclusive Community Buildings (GICB) program, the 2021 Recreation and Library Facility Investment Strategy-Millennium Library Electrical / HVAC Renewal project be increased in the amount of the approved grant to address currently out of scope backlogged electrical and HVAC needs within the Millennium Library facility.

5. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Agenda – Executive Policy Committee – December 8, 2021

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – December 2, 2021

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On December 2, 2021, the Standing Policy Committee on Property and Development, Heritage and Downtown Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: Application to the Green and Inclusive Community Buildings (GICB) Federal Infrastructure Program for the Millennium Library Phase I Lighting Retrofit

Critical Path: Standing Policy Committee on Property and Development, Heritage and Downtown Development – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Kelly	G. Patton	C. Kloepfer	M. Jack

EXECUTIVE SUMMARY

The Public Service is seeking Council approval to apply to the Green and Inclusive Community Buildings (GICB) federal infrastructure program for a planned lighting retrofit at the Millennium Library. If the application is successful, a grant in the amount of up to 80% of the eligible costs may be received to support the project.

The lighting retrofit is the first phase in a series of electrical and mechanical improvements, with a total approved capital budget of $1,500,000, planned for the facility and funded through the 2021 Recreation and Library Facility Investment Strategy - Millennium Library Electrical / HVAC Renewal capital project. The retrofit will allow a reduction in energy and maintenance costs as well as an improvement in the quality of the lighting for all library users and staff.

RECOMMENDATIONS

1. That an application for approximately $875,000 in eligible costs related to the Millennium Library Phase I Lighting Retrofit be submitted to the Green and Inclusive Community Buildings (GICB) program.

2. That, subject to approval of a grant from the Green and Inclusive Community Buildings (GICB) program, the City enter into, execute and deliver a funding agreement with the federal government and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the “Ancillary Agreements”).

3. That, subject to approval of a grant from the Green and Inclusive Community Buildings (GICB) program, authority be delegated to the Director of Assets and Project Management to negotiate and approve the terms and conditions of the funding agreement and the Ancillary Agreements in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

4. That, subject to approval of a grant from the Green and Inclusive Community Buildings (GICB) program, the 2021 Recreation and Library Facility Investment Strategy- Millennium Library Electrical / HVAC Renewal project be increased in the amount of the approved grant to address currently out of scope backlogged electrical and HVAC needs within the Millennium Library facility.

5. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Council approval is required to apply for a federal infrastructure program.

If the grant is approved, Council authority is required to enter into a funding agreement with the federal government and to delegate authority to the Director to negotiate and approve the terms and conditions of the funding agreement.

If the grant is approved, Council approval is required to increase the capital budget allocation for the 2021 Recreation and Library Facility Investment Strategy- Millennium Library Electrical / HVAC Renewal project in the amount of the grant.

IMPLICATIONS OF THE RECOMMENDATIONS

No additional funding is being requested as this report recommends applying for a federal grant to help support the planned, and already fully funded, lighting retrofit at the Millennium Library. Should the application be successful, the Recreation and Library Facility Investment Strategy – Millennium Library Electrical / HVAC Renewal project budget will be increased by the amount of the grant, which is estimated to be approximately $700,000 (i.e. 80% of the $875,000 in eligible costs).

HISTORY/DISCUSSION

The Millennium Library is a unique, centrally-located integral community and cultural resource in Winnipeg that is designed to be a welcoming, accessible, and inclusive hub supporting community connection. The Library provides a diverse range of services to support equitable access to information and technology, encourage discovery and creativity, and support literacy and lifelong learning. The Library is frequently sought after for community events such as open houses, presentations, concerts, programs and workshops. The Library is also home to many specialized and unique collections, programs, and cultural spaces including the specially designed spaces for the both the children and adult Indigenous Resources Collections. Access to technology and online resources helps to meet the Library's priorities of being a centre for information access and a place for lifelong learning. Pre-pandemic attendance in 2019 exceeded 600,000 patrons.

The approved Recreation and Library Facility Investment Strategy- Millennium Library Electrical /HVAC Renewal project includes planned upgrades to the existing lighting within the facility. The Library’s current lighting system mainly consists of T8 and obsolete T12 fluorescent lighting

strip fixtures in the public areas and fluorescent pot- and office-style fixtures in staff areas. In addition to being energy inefficient, the light bulbs require frequent replacement, which is resource-consuming and costly due to limited physical access to the fixtures.

As part of the Municipal Accommodations Division's ongoing Retro-Commissioning program, which commenced in 2017, when lighting upgrades are planned within a facility, the work includes an upgrade of the existing fixtures with intelligent technology Light Emitting Diode-based (LED) fixtures. The lower energy consumption of the LED fixtures as well as intelligent features such as daylight harvesting, and occupancy adjustability warrant significantly less energy use and lower utility costs. Considering the extended operating hours of the Millennium Library and the number of fixtures being retrofitted, the energy savings will be significant. The longer life span of 65,000 hours and durable, robust and low-maintenance construction of the intelligent technology LED fixtures will allow to achieve significant reductions in operating and maintenance costs but also improve the quality of the lighting for all library users and staff. The estimated payback time of the upgrade is 5.4 years and the Return on Investment is 9.91% (Appendix 1).

The construction phase of the Millennium Library Phase I Lighting Retrofit project ("Project") is scheduled to commence in the Spring of 2022. The Project will cover the lighting fixtures in the public areas. To optimize the work efficiency and minimize the library service disruption, it will be executed concurrently with other maintenance and building systems upgrades. The Project will be funded through the approved 2021 Recreation and Library Facility Investment Strategy-Millennium Library Electrical / HVAC Renewal project budget in the Community Services Department. The Class 2 cost estimate for the Project is $875,000.00.

The Project is a possible candidate for the federal GICB program, which was created to build new and improve existing community facilities – especially in areas with populations experiencing higher needs. This five-year $1.5 billion program was established to support green retrofits and upgrades of existing public community buildings to make the buildings more energy efficient, lower carbon, more resilient, and higher performing. The GICB program supports the first pillar of the Strengthened Climate Plan by making it easier for Canadians to improve the places in which they live and gather, including by cutting pollution (e.g. reducing GHG emissions, increasing energy efficiency, building resiliency to climate change), making life more affordable and supporting employment.

Applications are evaluated to meet or exceed a minimum point threshold based on multiple criteria including location, level of accessibility, GHG reductions, energy savings, climate resiliency, and project delivery confidence and risk. To be eligible for funding consideration, retrofit projects should achieve at least a 25% energy efficiency improvement compared to the building's baseline energy consumption. The lighting retrofit at the Millennium Library is anticipated to achieve more than a 55% reduction in energy use and a reduction in GHG emissions of 10.2 tonnes.

The Public Service requests approval to apply for the total amount of eligible cost for the Project of approximately $875,000 under the medium retrofit category. The medium retrofit category has a continuous intake stream for medium retrofit projects to existing community buildings with total eligible cost ranging from $250,000 to $3 million. If the application is successful, a grant in the amount of up to 80% of eligible project costs may be received to support the Project.

FINANCIAL IMPACT

Project Name: **First Year of Program** **2021**

Application to the Green and Inclusive Community Buildings (GICB) Federal Infrastructure Program for the Millennium Library Phase I Lighting Retrofit

	2021	2022	2023	2024	2025
Capital					
Capital Expenditures Required	$ 2,200,000				
Less: Existing Budgeted Costs	1,500,000				
Additional Capital Budget Required	$ 700,000	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants (GICB Program)	700,000				
Reserves, Equity, Surplus					
Other - Enter Description Here					
Total Funding	$ 700,000	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 700,000				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs					
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts					
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Capital expenditures consist of the lighting retrofit costs and other critical facility renewal requirements. Existing budget amount represents $1.5 million of the $16.7 million portion of the Recreation and Library Facilities Investement Strategy Capital Program budget for 2021. The incremental budget of $700,000 will be funded by the GICB grant; the amount representing 80% of the $875,000 in eligble costs to be included in the City's application for funding.

Mike McGinn Nov. 8, 2021

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation and concurrence by:

Legal Services (as to legal issues)
Community Services Department
Assets and Project Management Department, Municipal Accommodations Division

OURWINNIPEG POLICY ALIGNMENT

A City That Works, Section 01 - 1b: Provide sustainable asset management

A City That Works, Section 01 - 5 Recreation, Direction 6: Plan for Sustainable and Connection Recreation and Leisure Infrastructure

A Sustainable City, Section 02 – 1: Integrate sustainability into internal decision-making

Implementation, Section 04 – 1: Monitoring, measuring and continuous improvement

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Strategic Opportunity #1, Corporate Leadership. Direction 1.2: Understand and Integrate Business and Economic Implications of Climate Action into Decision-making Processes

Strategic Opportunity #5, Low Carbon and Energy Efficient Buildings. Direction 5.1: Increase Energy Performance of Existing Buildings

SUBMITTED BY

Department: Assets and Project Management
Division: Asset Management Office
Prepared by: Michael Kupchin, Asset Strategic Investment Planner
Date: November 8, 2021
File No:

Attachments: Appendix 1 - Total Cost of Ownership and Project Payback Sheet

Appendix 1: Cost of Ownership Calculations

The approximate annual energy savings after replacing 2,935 lamps in 1,787 light fixtures is expected in the amount of $86,536 and approximate annual savings in the cost of replacing the existing lamps - $74,784. The cost of replacing the existing light bulbs does not include maintenance and operational savings, which will be significant given that the fixtures are difficult to access and to maintain. The calculations were made using blended energy cost of $0.09 per kWh, which incorporates energy and monthly demand rate savings. Considering the investment cost of $873,454, approximate payback time will be:

$$PB_t = \frac{Investment\ Cost}{(Annual\ Energy\ Savings + Annual\ Replacement\ Cost\ Savings)} = \frac{\$873{,}454}{(\$86{,}536+\$74{,}784)} = 5.41 \text{ years,}$$

and the project's Return on Investment will be:

$$ROI = \frac{Annual\ Energy\ Savings}{Investment\ Cost}\ x\ 100 = \frac{\$86{,}536}{\$873{,}454}\ x\ 100 = 9.91\%$$