Minutes – Executive Policy Committee – December 7, 2022

Report – Standing Policy Committee on Property and Development – November 30, 2022

Item No. 1 Application for Third-Party Funding for an Air Handling Unit Upgrade and Solar Wall Installation Project at Pan Am Pool – 25 Poseidon Bay (River Heights-Fort Garry Ward)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the following to Council:

1. That the matter be received as information.

Report – Standing Policy Committee on Property and Development – November 30, 2022

DECISION MAKING HISTORY:

Moved by Councillor Rollins,

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.

Carried

Moved by Councillor Rollins,

That the recommendation of the Standing Policy Committee on Property and Development be concurred in and forwarded to Council.

Yea:	Gillingham, Browaty, Lukes, Mayes, Orlikow, Rollins	6
Nay:		0

Carried

STANDING COMMITTEE RECOMMENDATION:

On November 30, 2022, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

On September 8, 2022, the Standing Policy Committee on Property and Development, Heritage and Downtown Development laid the matter over to its meeting on November 30, 2022.

ADMINISTRATIVE REPORT

Title: Application for Third-Party Funding for an Air Handling Unit Upgrade and Solar Wall Installation Project at Pan Am Pool – 25 Poseidon Bay

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

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Erickson	G. Patton	N/A	M. Jack

EXECUTIVE SUMMARY

The Public Service is applying for third-party funding for a proposed future Air Handling Unit (AHU) Upgrade and Solar Wall Installation capital project at the Pan Am Pool.

A consultant was recently hired to assess the facility's ageing mechanical systems and seek greenhouse gas (GHG) savings opportunities. The consultant identified an upgrade of the AHU and the installation of a Solar Wall would provide significant GHG and operational savings at an estimated Class 5 cost of $7,280,000.00. The Public Service is pursuing an updated Class 3 estimate for this initiative.

Proposed application(s) would be used to identify available funding in support of a project. Funding applications will include the Government of Canada's Low Carbon Economy Fund (LCEF) – Leadership stream, which is administered by the Province and provides funding to support projects that help to reduce GHG emissions, generate clean growth, build resilient communities, and create jobs for Canadians. The LCEF is recognized as federal funding and cannot be stacked with other sources of federal funding. If an application was approved, the LCEF could cover up to 40% of eligible project costs. There is a September 30, 2022 deadline to make an application to the LCEF program.

The Public Service is also currently investigating whether or not other funding sources for a project are available. The Public Service will report back to Council with a funding strategy and a plan to establish a capital project.

RECOMMENDATIONS

1. That the Public Service be directed to report back to Council with a funding strategy and plan to establish a capital project for the Air Handling Unit Upgrade and Solar Wall Installation Project at the Pan Am Pool, should the application(s) for funding be successful.

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

REASON FOR THE REPORT

The Public Service is applying for funding opportunities for a new capital project and advising that should the funding application(s) be successful that a new capital project would be proposed for Council consideration.

IMPLICATIONS OF THE RECOMMENDATIONS

The Public Service will report back to Council with a funding strategy and the authority to proceed with the Air Handling Unit (AHU) Upgrade and Solar Wall Installation capital project if an application for external funding is approved.

HISTORY/DISCUSSION

The Pan Am Pool was built in 1966-67 as part of preparations for the 1967 Pan-Am Games. Located at 25 Poseidon Bay, it is a recreational amenity that serves the entire population of Winnipeg due to its size, unique components and specialized use by competitive and high-performance sport. Although various renovation and facility upgrade projects have been undertaken in the years since the Pool opened, significant components of the building's mechanical systems are older and outdated, and do not meet modern day efficiency standards and contemporary environmental/sustainability benchmarks.

The Public Service is applying for third-party funding opportunities that could support a future facility improvement project that would to help the City meet its GHG emissions targets.

Under the Government of Canada's Low Carbon Economy Fund (LCEF) – Leadership stream, the Province of Manitoba has received funding from the Federal Government for programs that reduce carbon pollution and strengthen the economy. The funding is administered by the Province on behalf of the Federal Government which includes the application process and distribution of funding. If an application was approved, the LCEF could cover up to 40% of project costs. Applications received before September 30, 2022 will be considered. By applying for this funding, the City would be demonstrating an intention to perform the facility upgrades, however, it would not be obligated to procure a project which would ultimately be subject to Council approval - should the application be successful.

Examples of additional third-party funding programs include:

1. The Federation of Canadian Municipalities' (FCM) Green Municipal Fund (GMF) finances capital projects that improve air, water and land and reduce GHG emissions. An example funding opportunity through FCM's GMF being investigated by the Department is the Community Buildings Retrofit (CBR) initiative. This initiative supports projects that significantly reduce GHG emissions. There is a maximum award of $5 million per project through this initiative - 25% of the award is delivered as a grant,

whereas the remaining portion of the award is administered as a loan. Combined loan and grant are for up to 80% of total eligible project costs.

2. The Province of Manitoba's Conservation and Climate Fund (CCF) provides support to projects occurring in Manitoba that incorporate actions to address and adapt to climate change and protect the environment in alignment with the priorities and implementation of the Province's Climate and Green Plan. Through this fund, the maximum grant per applicant is $150,000.

3. Funding through the Federal Government's Green and Inclusive Community Buildings (GICB) program seeks to build and adapt community buildings to reduce emissions, advance best practices in GHG mitigation measures, foster awareness and alignment to green building standards nationally and internationally and encourage best practices in building design for climate change resilience. Applications for small and medium retrofits projects to existing community buildings ranging in total eligible cost from $100,000 to $2,999,999 are accepted on a continuous intake stream. Applications for large retrofit projects with total eligible costs ranging from $3 million to $25 million are accepted through a scheduled, competitive intake process. There are currently no scheduled intakes for large retrofit projects. The most recent scheduled intake for large retrofit projects closed in July 2021. The Federal Government's website for the GICB notes that a second scheduled intake for the GICB is planned and that additional details will be announced when the timing is confirmed. Retrofits up to $9,999,999 can receive a maximum of 80% of eligible project costs, and $10,000,000+ at 60%. The maximum amount to any retrofit project through the GICB is $250,000 in grant funding and $25 million in contribution funding.

In addition to the reduction of GHG's, the proposed project would also significantly reduce the impact of the carbon tax. As of April 1, 2022, the carbon tax levy stands at $50 per tonne of CO_2 produced.

The total net cumulative GHG emissions reduction estimated to be achieved by the proposed project for the year 2050 (assuming an installation completion in 2023) is 14,840 tonnes of CO2. New air handling units would have an expected life span of approximately 25 years and the solar wall, 40 years.

The Pan Am Pool is the City of Winnipeg's premier aquatic facility. Any proposed capital project to upgrade the current building systems will need to be scheduled in consultation with a number of user groups.

Corporate Leadership and Low Carbon and Energy Efficient Buildings are listed as two (2) strategic opportunities within Winnipeg's Climate Action Plan (WCAP). These opportunities identify further key directions, including the implementation of low carbon and energy efficient City facilities and buildings and improving energy performance of existing buildings, respectively. Within these key directions, there are also actions that focus on evaluating opportunities to invest in renewable energy technologies at City buildings and facilitate retrofits and renovations that improve building performance, and/or increase the presence of renewable energy technologies.

The Public Service will report back to Council with a funding strategy and the authority to proceed with the Air Handling Unit (AHU) Upgrade and Solar Wall Installation capital project if an application for external funding is approved.

FINANCIAL IMPACT

Financial Impact Statement Date: August 15, 2022

Project Name:

Application for Third-Party Funding for an Air Handling Unit Upgrade and Solar Wall Installation Project at Pan Am Pool – 25 Poseidon Bay

COMMENTS:

There are no direct financial implications associated with this report. Should one or more applications prove successful, the Public Service will report back to Council with a funding strategy and the authority to proceed with the project.

Mike McGinn August 15, 2022
Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

Water and Waste Department - Office of Sustainability
Community Services Department
Legal Services (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

This report is in accordance with the OurWinnipeg 2045 policies through:

Goal: Environmental Resilience
Objective: Promote low-carbon, energy-efficient buildings through low-energy building design, construction and retrofitting.
Policy **2.1 Climate Action Targets**
Meet and exceed greenhouse gas emissions reduction targets of 20 percent by 2030, relative to 2011, and net zero by 2050, by working towards partnerships with the community, businesses, and government bodies including Indigenous, Federal and Provincial governments.

Goal: Environmental Resilience
Objective: Promote low-carbon, energy-efficient buildings through low-energy building design, construction and retrofitting.
Policy **2.12 Eliminate Fossil Fuel Dependence**
Reduce greenhouse gas emissions from existing and new buildings, including municipality-owned buildings and facilities, and associated infrastructure, through the promotion of renewable energy sources; energy efficiency use and performance measures; and low-carbon construction, retrofit and demolition methods that maximize the lifecycle of buildings.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

This report is in accordance with the Winnipeg Climate Action Plan (WCAP) as per Strategic Opportunity #1, Corporate Leadership, Direction 1.3 *Implement Low Carbon and Energy Efficient City Facilities* (p.29).

Relevant actions include*: Evaluate opportunities to invest in renewable energy technologies at City buildings*. This is a medium-term action (2022-2026) identified on page 29 of the WCAP.

This report is also in accordance with Strategic Opportunity #5, Low Carbon and Energy Efficient Buildings, Direction 5.1 *Increase Energy Performance of Existing Buildings* (p.46).

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy (PRS) and it Goals and Objectives, and it was determined that the PRS is not applicable to this specific report.

SUBMITTED BY

Department: Assets and Project Management
Division: Municipal Accommodations
Prepared by: Melanie Chatfield, Energy Analyst
Date: August 15, 2022
File No: MA2022-060

Attachments: N/A