

CALEDON
the *natural* course of business



GREEN DEVELOPMENT INCENTIVES | Smog Summit- June 4, 2008

Agenda



- Green Development Program Overview
- Nuts 'n Bolts
 - WHY did we choose to create an incentive based program?
 - HOW did we create the program?
 - WHAT are our anticipated results?
- Lessons Learned
- Next Steps

Town of Caledon Approach



Financial Incentives

- Incentives
 - Town development charge discount for **NEW INDUSTRIAL** and **COMMERCIAL** development which incorporates green technologies or LEED certification
- Green Technologies
 - solar photovoltaic systems
 - active solar hot water systems
 - transpired solar collectors
 - storm water & landscape irrigation systems
 - permeable pavement
- LEED Certification
 - Certified, Silver, Gold, Platinum

Town of Caledon Approach



Financial Incentives

Green Measure	Development Charge Discount
Green Technologies: 1) solar photovoltaic; 2) solar hot water; 3) transpired solar collectors; 4) storm water harvesting and 5) permeable pavement (5% for any inclusion or any combination of inclusions)	5%
LEED certified	20%
LEED silver	22.5%
LEED gold	25%
LEED platinum	27.5%

Green Technology

Example



Green Measure	Green Technology Costs	Savings	Town DC's	Town DC Discount: 5%
Solar hot water 50,000 sq.ft.	\$45,000	10-15 yr payback	\$88,022	\$4,400 10%
Transpired solar collectors 100,000 sq.ft.	\$20-\$25/ sq. ft. \$75,000 (3,000 sq. ft.)	4 yr payback	\$176,000	\$8,800 12%
Solar PV* 250,000 sq.ft.	\$1,000,000	20 yr payback	\$440,100	\$22,000 2%
Storm water 100,000 sq.ft.	\$140,000 Rainwater harvesting system	47 yr payback	\$176,000	\$8,800 6%

* Includes maintenance costs and inverter replacement

LEED Silver Logistic Building

Example



Building Size (sq.ft.)	Base Construction Costs* (\$70/sq.ft.)	LEED Silver Costs 9% Premium	Town DC's	Town DC Discount: 22.5%
50,000	\$3,500,000	\$315,000	\$88,022	\$19,804 6% of LEED costs
100,000	\$7,000,000	\$630,000	\$176,000	\$39,600 (6%)
250,000	\$17,500,000	\$1,575,000	\$440,110	\$99,024 (6%)
500,000	\$35,000,000	\$3,150,000	\$880,230	\$198,051 (6%)

* Costs include cost of general construction; they do not include cost of land, site development & site services, hazardous materials removal, financing costs, architects and other professional fees.

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Eligibility Requirements

1. Green building application at time of building permit application:
 - Description of proposed work and architect/engineer seal of design
 - Canada Green Building Council registration OR proof of compliance with minimum energy requirements for green technologies
 - **Solar hot water:** 25% of building's total energy requirements
 - **Solar electricity:** 5% of building's total energy requirements
 - **Transpired solar collectors:** 10% of building's total energy requirements
 - **Permeable pavement:** 100% of visitor and employee parking lot
 - **Storm water:** cistern installation so 100% of irrigation needs are supplied

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Eligibility Requirements

2. Letter of Credit in amount of discount
3. Final Green Building Verification
 - LEED
 - Independent consultant certifies to Town in writing with all supporting information
 - Green Technologies
 - Professional architect or engineer certifies to Town in writing that building meets minimum requirements

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Process

- Building Permit Application
 - Green development application which is verified by Plans Examiners
- Development Charges Payment
 - Discounted development charges are paid
 - Letter of credit is provided in amount of discount
- Building Permit Issuance
 - Proof of development charges and Letter of Credit are provided
- 2 year Time Frame
 - Builders/developers have 2 years after building construction to demonstrate green proof
 - If, within 2 years, green proof is submitted, the Letter of Credit is released
 - If not, Town will draw on Letter of Credit

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How?

- Established Green Development Incentives Committee (March 07)
 - Directors of Planning, Building, and Legal; Manager of Economic Development; Environment Committee member; Environmental Progress Officer
- Facilitated Stakeholder Consultation Session (May 07)
 - 12 Builders/Developers
 - Ongoing Stakeholder Consultation
- Retained Halsall Associates
 - Developed local Leadership in Energy and Environmental Design (LEED) business case
 - Compiled Green Technology Fact Sheets (costs, technical specs, suppliers, etc)
 - Researched green industrial park best practices; identified lessons learned for Caledon

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How...2

- Presented Green Development proposal at Council Workshop (Oct 07)
- Prepared Development Charges Background study & by-law (Dec 07)
- Prepared Council Report to seek authorization for Public Meeting (March 08)
- Held Public Information Meeting (April 08)
- Prepared Council Report to seek Development Charges By-Law Amendment (May 08)
- Provided notice of By-Law enactment
- By-Law is subject to appeal for up to 40 days from date that by-law was passed

Town of Caledon Approach



Ingredients of Success & Lessons Learned

- Read and re-read the CaGBC Municipal Green Building Toolkit
- Establish a staff Committee with representatives from various dept's
- Determine what approach is best for your municipality (i.e. mandatory vs. voluntary approach)
- Depending on the approach- retain a green building consultant
- Consult, Consult, Consult!

Green Development Programs



General Key Success Factors*

- Programs should be nested within community-wide targets and sustainable community plans
- Consultation
- A combination of measures
 - pricing, regulations, incentives
- Education and promotion

*CaGBC Municipal Green Building Toolkit

Next Steps



- Will review and evaluate program at end of Pilot Project
- Based on findings, the Committee will report back to Council with a series of recommendations

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