



City of Port Moody

Report/Recommendation to Council

Date: February 10, 2021
Submitted by: Community Development Department – Policy Planning Division
Subject: Outstanding Funding Requests for Phase One Climate Action Plan Implementation

Purpose

To present options and recommendations for funding short- and long-term actions in the Port Moody Climate Action Plan.

Recommended Resolution(s)

THAT \$150,000 for undertaking a review of the Master Transportation Plan be funded from the Master Transportation Plan Reserve as recommended in the report dated February 10, 2021 from the Community Development Department – Policy Planning Division regarding Outstanding Funding Request for Phase One Climate Action Plan Implementation;

AND THAT \$80,000 for development of requirements for Transportation Demand Management strategies in new developments be funded from the Development Processing Reserve;

AND THAT \$98,000 per year for a Policy Planning position to support ongoing climate action implementation be funded from the Carbon Offset Reserve;

AND THAT staff be directed to establish a Climate Action Implementation Reserve to fund future implementation phases of the Climate Action Plan;

AND THAT going forward, funding received from climate action related grants be transferred into the Climate Action Implementation Reserve;

AND THAT staff be directed to explore other opportunities to fund the Climate Action Implementation Reserve as they emerge, such as, but not limited to: cost savings gained directly from climate action initiatives (e.g. energy cost savings) and density bonus proceeds.

Executive Summary

In July 2020, Council adopted Port Moody's first Climate Action Plan and directed staff to report back with an implementation strategy for the first phase of actions. In February 2021, staff presented the Phase One Climate Action Implementation Strategy detailing initiation of 23 of the total 54 Climate Action Plan actions in the first two years of Plan implementation.

The purpose of this report is to present options and recommendations for funding short- and long-term climate actions. This report outlines the following:

1. the current state of phase one action approvals;
2. impacts of investing in climate action;
3. options for funding outstanding 2021 climate action financial requests; and,
4. recommendations for long-term funding of climate actions.

Outstanding climate action items that require funding include:

- acceleration of the Master Transportation Plan (MTP), including the addition of a new position to support acceleration;
- developing Transportation Demand Management (TDM) strategy requirements for new developments; and
- request for a new position to support ongoing and future climate action initiatives.

Background

At the February 2, 2021 Committee of the Whole Meeting, Council passed the following resolution:

CW21/014

THAT the Phase One Climate Action Implementation Strategy be endorsed as recommended in the report dated December 2, 2020 from the Community Development Department – Policy Planning Division regarding Phase One Climate Action Implementation Strategy;

AND THAT action items and positions identified in the Phase One Climate Action Implementation Strategy without approved funding be referred to a future Finance Committee.

Discussion

In order for Port Moody to achieve the Climate Action Plan vision, action needs to start now. The phase one actions are the first step to achieving the Plan's vision by tackling deep greenhouse gas (GHG) reductions and setting the stage to prepare for future climate change impacts. Based on the information and technology available today, the draft Phase One Implementation Strategy will set Port Moody in the right direction to achieve its Climate Action Plan vision.

1.0 Phase One Implementation Underway

In February of 2021, Council endorsed the Phase One Climate Action Implementation Strategy, which recommends that 23 actions be initiated in 2021-2022. Several of the phase one actions are funded through the 2021 capital budget and are underway. As such, staff can initiate 18 of the 20 actions planned to start in 2021. The remaining two actions planned for 2021 still require a funding source as well as the request for a new position to support ongoing and future climate action work.

There are three actions in the Phase One Implementation Strategy that will be initiated in 2022. Funding requests for those actions will be requested through the 2022 capital budget process.

2.0 Investing in Climate Action

The United Nations considers climate change the defining issue of our time¹. Climate change impacts are being experienced around the world, and communities especially, are grappling with issues first hand such as flooding, wildfires, air quality issues, and effects on human health that are straining municipal resources and services and reducing the liveability of our community. Solutions to the climate crisis require considerable collective action and must reflect the unique values and challenges of each community.

Municipalities are responsible for ensuring that those who live, work, and play in their communities have access to the services they need. With climate change, municipalities will face greater challenges in the continued delivery of high quality services in addition to preserving the health and safety of residents. **Attachment 1** outlines benefits of investing in climate action and how this investment overlaps with other strategic priorities such as economic prosperity and community health.

The staff climate action working group identified key information for each phase one action and undertook an impact assessment process to identify the effectiveness of actions to reduce GHG emissions and/or increase resilience to climate change impacts. This assessment also included categorizing actions as either “quick wins”, “best bets”, or “major projects”. Key information on the categorization of actions and impact assessments of all phase one actions can be found in **Attachments 2 and 3**.

3.0 Short Term Funding

Recognizing the impact of the COVID-19 pandemic and the need to balance municipal priorities to ensure organizational sustainability, staff have outlined options to address the outstanding climate action funding requests.

3.1 Accelerate implementation of the Master Transportation Plan

Accelerating implementation of the MTP is critical as the current and future actions in this plan directly impact the community’s ability to achieve transportation related targets and goals in the Climate Action Plan and the Climate Emergency Declaration. More information on the intersections of land use, transportation, and their impact on GHG emissions can be found in **Attachment 4**.

¹United Nations: <https://www.un.org/en/sections/issues-depth/climate-change/>

3.1.1 Option A: Update the Master Transportation Plan Prior to Accelerating Actions

The current Master Transportation Plan was adopted in 2017. Since the adoption of the plan there is new transportation data, technologies, and best practices. Examples of emerging considerations include autonomous vehicles and ride-hailing. The MTP does not currently reflect recent directions in the Climate Action Plan or Climate Emergency Declaration, and OCP amendments that could have considerable impact on transportation in the community. Updating the plan will allow these changes in the transportation field and local context to be included in the plan while at the same time update the financial strategy for the MTP.

Under Option A, staff are requesting funding of \$150,000 to work with a consultant to update the MTP. The update is anticipated to take one year and will include applying a climate change lens to the plan, incorporating and responding to commitments in the Climate Action Plan and Climate Emergency Declaration, as well as integrating the latest technology and best practices in mobility management. This update should follow the City's OCP update process. Although this option may create a small delay in achieving targets, this is an important enabling measure to ensure long-term success and confirm that the City is investing funds into the most critical and high impact areas in the near term.

3.1.2 Option B: Add funding in 2021 to Accelerate the Current MTP

This option results in closing the existing funding gap for the MTP by investing a total of \$1,747,700 starting in 2021 and continuing to 2030 to fund projects currently outlined in the MTP that have an impact on climate action goals and targets (**Attachment 5**). The MTP is typically funded through a combination of development, grants, and City contribution through the Transportation Levy. Closing the MTP funding gap could be financed through an increase to the MTP tax levy. The funding gap requested outlines the cost to accelerate climate-related MTP projects ahead of the original schedule in order to help achieve transportation related Climate Action Plan goals and targets.

Option B costs include:

- \$1,612,700 annually for accelerating projects in the MTP; and
- \$135,000 annually for a new Engineering and Operations position to carry out implementation of the MTP accelerated projects (additional to the recently approved Transportation Engineer position).

Initiating MTP projects earlier increases the City's ability to achieve targets and priorities in both the MTP and Climate Action Plan, however, transportation infrastructure projects alone will not necessarily be enough to achieve these goals. Transportation projects provide infrastructure, but local and regional transportation and growth policy, regulation, and future technological and behavioural change will be needed to make a significant change in automobile use and mode share. Accelerating the current MTP can be delayed until an MTP update is completed.

The table below outlines the benefits and drawbacks of each 3.1 option:

Option	Pros	Cons
<p>Option A: Update the MTP \$150,000</p>	<ul style="list-style-type: none"> • ensures alignment and best practices are utilized • potential for new pathways to achieve efficiencies in reaching goals and targets • opportunity to capitalize on external funding with re-scoping • delays significant investment and need for a new position until 2022 when priorities are clear • MTP requires an update soon regardless of climate initiatives • opportunity to revise MTP funding strategy 	<ul style="list-style-type: none"> • may slightly delay meeting climate targets • slight delay of action on MTP and CAP priorities • potentially result in having to “catch-up” on commitments in future years
<p>Option B: Close the MTP Funding Gap \$1,747,700</p>	<ul style="list-style-type: none"> • earlier initiation of projects increases chances of achieving climate targets • achieves MTP and CAP priorities within original schedule 	<ul style="list-style-type: none"> • requires significant upfront investment in initial year • risk of investment in actions that may not optimally contribute to achieving climate targets

Staff recommend that Council endorse Option A and that the funding for this option be allocated from the Master Transportation Plan Reserve.

3.2 Establish and implement requirements to include TDM strategies in new developments

This action involves developing a process to ensure all new developments have appropriate TDM strategies in place. TDM measures are currently reviewed as part of the traffic impact assessment submitted through the development approvals process. This action would provide staff and development applicants with clear guidance on the City’s expectations surrounding TDM strategies.

Staff believe that it is important to initiate this action in order to achieve sustainable transportation targets in the Climate Action Plan and the Climate Emergency Declaration. This work complements other actions already endorsed in the Phase One Implementation Strategy, including encouraging density and mixed use neighbourhoods around transportation hubs.

Developing and implementing transportation demand management strategies for new developments requires one-time funding of \$80,000. This would also support progress in outstanding Council direction to report back on collecting cash-in-lieu of parking to support sustainable transportation measures. Staff recommend that this funding be allocated from the Development Process Reserve.

3.3 Sustainability Policy Planning Position

In order to lead implementation of the 10 Policy Planning led actions in Phase One, provide overall project management and monitoring of the Climate Action Plan, and continue existing and ongoing sustainability initiatives, a new Policy Planning position is required. With endorsement of the Phase One Climate Action Implementation Strategy, this new position is critical to implementing the Climate Action Plan and maintaining the pace of implementation previously directed. Potential grant funding of \$21,000 annually exists to partially support this position. Funding for this position is recommended to be allocated from the Carbon Offset Reserve. The Reserve can support this additional position for two years.

4.0 Long-Term Funding Planning

Implementation of the Climate Action Plan will require significant investment by the municipality, residents, and businesses in order to achieve the Plan's 2030 and 2050 commitments. Although long-term costs are not well understood at this stage, it is important to establish funding mechanisms to support future climate actions and ensure the Plan's success. Staff recommend that a dedicated Climate Action Implementation Reserve be established to fund future phases of the Climate Action Plan.

Funding for this reserve is recommended from one main source, with ongoing consideration for other funding sources as they arise:

- *Main source*: funding received from climate action related grants. For example, if a total action cost is \$50,000 and the City receives a grant of \$25,000 to support this action, the cost savings of \$25,000 would be allocated to the Climate Action Implementation Reserve;
- *Opportunity*: explore municipal cost savings directly gained as a result of climate action initiatives. For example, if the City implements a mechanical system upgrade on a facility and experiences a reduction in utility costs, the utility cost savings difference would be allocated to the Climate Action Implementation Reserve; and
- *Opportunity*: density bonus proceeds provide an opportunity to significantly increase funding for climate action implementation and reach climate action targets. By encouraging and approving density near transportation hubs, the City will have a better chance at achieving greenhouse gas reduction targets, Climate Emergency Declaration commitments, and Master Transportation goals (**Attachment 4**), while at the same time ensuring long-term funding for future climate action initiatives. Under direction from Council, staff would explore the potential for a percentage of density bonus proceeds to be allocated to the Climate Action Implementation Reserve.

Under direction from Council, staff would explore opportunities for funding the Climate Action Implementation Reserve as they emerge and report back to Council.

Climate actions might also be funded from sources other than the Climate Action Implementation Reserve in cases where the action criteria matches the alternative funding source and where funds are available. Establishing a dedicated long-term funding reserve will also ensure continued implementation of climate actions in the event of unforeseen circumstances, such as the COVID-19 pandemic.

Other Option(s)

THAT the Master Transportation Plan tax levy be increased to generate \$1,747,700 annually to accelerate implementation of the current Master Transportation Plan.

This is estimated to represent a 4% tax increase to the average residential property.

Financial Implications

The table below outlines the recommended options for funding the outstanding actions and positions including funding sources:

Item	Funding Requested	Funding Timeline	Recommended Funding Source
Option A: Update the MTP	\$150,000 in 2021	One time cost. (Staff will report back with a revised funding request for MTP implementation in 2022 after MTP update)	MTP Reserve
Developing TDM strategy requirements	\$80,000 in 2021	One time cost	Development Process Reserve
New Policy Planning Position*	\$98,000 per year	Two years with potential to renew pending funding source	Carbon Offset Reserve
Total Outstanding 2021 costs		\$328,000	

*Grant funding of \$21,000 per year may be available to support the new position.

Investment in climate action can also help to achieve various co-benefits unrelated to climate change such as new jobs, habitat creation, improvements for vulnerable populations, and reducing traffic congestion, which may result in efficiencies in costs and resources. Continued investment in climate action helps municipalities to reduce the severity of climate impacts experienced, adapt and recover quickly, and achieve other community priorities simultaneously.

Staff will continue to apply for external funding opportunities where possible to offset municipal investment in climate action initiatives and fund future climate action investment.

Communications and Civic Engagement Initiatives

Progress of phase one action implementation will be communicated to Council annually. The annual report will be publicly available, and highlights from this report will be posted to the City's dedicated Climate Action Plan web page. As the phase one actions are initiated by the lead divisions, communication and engagement strategies will be developed to connect with those affected by the actions and seek their input.

Council Strategic Plan Objectives

Recently, Council undertook a process to prioritize actions to achieve the Council Strategic Plan’s vision and mission. Implementation of the Climate Action Plan was ranked as a Level 1 priority and is considered a “must do” by Council.

Funding phase one of implementing the Climate Action Plan and establishing mechanisms to support short and long-term investment in climate action are consistent with Council’s Strategic Plan objectives in the following areas:

Environmental Leadership	
Council Strategy Plan Objectives	Council Strategic Plan Actions
Maintain and enhance Port Moody’s natural and built assets while reducing the impact on our planet.	Educate the public about the importance of Port Moody’s natural assets
	Inspire environmental actions and advocacy
	Reduce the City’s impact on the planet
Expand and enhance policies to guide environmental goals and sustainability programs.	Review and update existing environmental policies on a regular basis to find leadership opportunities
	Broaden the City’s sustainability programs
Expand and make the most of our parks and green spaces and design them to create positive and diverse experiences throughout the community.	Create diverse, natural, open-space experiences throughout the community
Provide leadership in climate change by thinking globally and acting locally.	Respond and adapt to climate change through planning and policy development
	Address global climate change with local actions

Attachment(s)

1. Investing in Climate Action.
2. Phase One Climate Action Details.
3. Phase One Climate Action Project Categorization.
4. Impact of Land Use/Transportation Decisions on Greenhouse Gas Emissions.
5. Accelerated MTP Projects.

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Report Approval Details

Document Title:	Outstanding Funding Request for Phase One Climate Action Plan Implementation.docx
Attachments:	<ul style="list-style-type: none">- Attachment 1 - Investing in Climate Action.pdf- Attachment 2 - Phase One Climate Action Details.pdf- Attachment 3 - Phase One Climate Action Project Categorization.pdf- Attachment 4 - The Impact of Land Use Transportation Decisions on Greenhouse Gas Emissions.pdf- Attachment 5 - Accelerated MTP Projects.pdf
Final Approval Date:	Apr 12, 2021

This report and all of its attachments were approved and signed as outlined below:

Mary De Paoli, Manager of Policy Planning - Apr 5, 2021 - 10:02 AM

Kate Zanon, General Manager of Community Development - Apr 6, 2021 - 10:29 AM

Jeff Moi, General Manager of Engineering and Operations - Apr 6, 2021 - 2:37 PM

Dorothy Shermer, Corporate Officer - Apr 7, 2021 - 12:46 PM

Rosemary Lodge, Manager of Communications and Engagement - Apr 8, 2021 - 3:33 PM

Paul Rockwood, General Manager of Finance and Technology - Apr 11, 2021 - 5:06 PM

Tim Savoie, City Manager - Apr 12, 2021 - 10:34 AM