

# Procedure

## Climate Resilient Building Leasing - City as Tenant



This procedure falls under C627 *Climate Resilience Policy*.

|                              |   |
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| <b>Program Impacted</b>      | Environmental Stewardship<br><i>The City of Edmonton's operations and service delivery sustains and conserves the environment.</i>  |
| <b>Approved By</b>           | City Manager  |
| <b>Date of Approval</b>      | June 10, 2021   |
| <b>Approval History</b>      | This is a new Administrative Procedure with content formerly in:<br>May 9, 2017 (C532 <i>Sustainable Building Policy</i> )<br>April 10, 2007 (C532 <i>Sustainable Building Policy</i> ) |
| <b>Next Scheduled Review</b> | June 10, 2024   |

### 1. Application

- 1.1. This procedure is for Occupied, City Leased Buildings (i.e. City as a tenant) where the City does not have full Operational Control and Authority to Complete Work.

### 2. Governance

- 2.1. The Deputy City Managers (DCMs) who have oversight of City Leased Buildings; and the environmental strategy shall be accountable for ensuring that City buildings comply with this Administrative Procedure.
- 2.2. The business section that has oversight of City Leased Buildings shall be responsible for updating leases as appropriate. The business section may ask the Climate Resilience Building Team for technical expertise support for program or guidance development if required. This work of the responsible business sections shall include:
  - 2.2.1. Developing guidance documents such as procedures, standards, guidelines, best practices, manuals, tools, and leasing language.
  - 2.2.2. Communicating to or training of appropriate parties that shall use these guidance materials or participate in these programs.

- 2.2.3. Developing and prioritizing capital and operating budget profile(s) that are impacted by this Administrative Procedure.
  - 2.2.4. Through training and recruitment, ensuring sufficient internal expertise related to Climate Resilient Building Practice, to support effective and efficient procedure implementation (e.g. Key Procedure users shall be supported in the application and maintenance of LEED or other green professional accreditations).
  - 2.2.5. Annual, or as requested, reporting to the Climate Resilient Building Committee on program or guidance status including above mentioned items.
- 2.3. A Climate Resilient Building Team shall exist for the purposes of oversight, as outlined in their Terms of Reference. Oversight by the Climate Resilient Building Team includes the following;
- 2.3.1. Policy implementation, including ensuring that the appropriate business section(s) develop and maintain guidance documents such as procedures, standards, guidelines, best practices, manuals, and tools. This will include communications to or training of appropriate parties on the use of these policy implementation tools;
  - 2.3.2. Policy evaluation in the form of compliance reporting: annual reporting to the City Manager and City Council on policy compliance, including all exceptions to the Administrative Procedures; and
  - 2.3.3. Periodic evaluations of the appropriateness and effectiveness of the Administrative Procedure, and Climate Resilient Building Team membership.

### **3. Requirements**

- 3.1. The City will understand the energy use and greenhouse gas impacts of the buildings it leases from others, where the term is greater than five years, prior to entering into leases and lease renewals. It will consider these impacts as a part of its selection criteria:
  - 3.1.1. When the business section that has oversight of City Leased Buildings is evaluating properties to lease, the total site Energy Use Intensity (EUI), total annual Greenhouse Gas (GHG) emissions, and GHG Emissions intensity of the building will be used in the comparison process. The landlord shall be asked to provide access to total annual electricity consumption (kWh) and the total natural gas consumption in (GJ) for the whole building or, if not possible, for the space that the City is leasing. The landlord shall also provide the total area of the Building and the specific area we are leasing for the most recently occupied year.
  - 3.1.2. The GHG emissions for the Building will be calculated using the annually updated emissions factors for grid electricity and natural gas use. These figures will be provided by

- City Environmental Strategies until such time as a Carbon Budgeting protocol is developed to support these calculations. The information requested from the landlord will then be used to calculate the total annual energy consumption per area in  $GJ/m^2$ , total annual GHG emissions in metric tonnes of CO<sub>2</sub>e, and total emissions intensity in  $kg\ CO_2e/m^2$ .
- 3.1.3. The Building's individual EUI and Emissions Intensity will be compared to Buildings of a similar type in the City of Edmonton's Benchmarking program.
  - 3.1.4. The comparative EUI, the comparative emissions intensity, and the total annual emissions will be presented to the business area for consideration during the deliberation process.
- 3.2. The energy consumption and GHG emissions attributed to the space the City has leased will be calculated as part of the Corporate Greenhouse Gas Inventory where Operational Control is held by the City.
- 3.2.1. If the City is in an existing lease agreement with the Building owner, the City will request that the owner provide the annual utility information for those utilities that create scope one and two GHG Emissions (e.g. electricity, natural gas, water). This information will either be integrated into the City's EnergyCAP system with the support of the Utility Supply team or provided to the corporate greenhouse gas inventory lead in City Environmental Strategies by March 1 for the previous calendar year.
  - 3.2.2. If the City is in the process of negotiating a lease renewal or new lease agreement the City will require that the owner of the Building to provide the annual utility information for those utilities that create Scope One and Two GHG Emissions (e.g. electricity, natural gas,). This information will either be integrated into the City's EnergyCAP system with the support of the Utility Supply team or provided to the corporate greenhouse gas inventory lead in City Environmental Strategies by March 1 for the previous calendar year.
  - 3.2.3. For those Buildings with partial City tenancy either prorated data based on submeters or leased percentage of Building can be provided.
- 3.3. BOMA BEST certification, at a minimum, will be required for new office and commercial leases and lease renewal over 1,000 sq.m in situations where the term is greater than five years and that leased space is greater than 50% of the total Building area.
- 3.3.1. When looking for real estate and negotiating leases the business section that has oversight of City Leased Buildings will include ongoing BOMA BEST certification in the leasing process and negotiations.
  - 3.3.2. The City's BOMA BEST team will provide the owner with any information belonging to the City of Edmonton that is required for BOMA BEST certification of the Building.
  - 3.3.3. BOMA BEST certification must be obtained within the two years of the lease, and held during the duration of the lease.

- 3.3.4. Notice of certification will be reported to the Climate Resilient Building Team at the beginning of each certification term and will include the term length.
- 3.4. All eligible leased Buildings will participate in the City of Edmonton's Building Energy Benchmarking Program.
  - 3.4.1. If the City is in an existing lease agreement with the Building owner. The City will formally request that the owner participate in the City of Edmonton's Building Energy Benchmarking Program.
  - 3.4.2. If the City is in the process of negotiating a lease renewal or new Lease agreement the City will require that the owner of the Building participate in the City's Building Energy Benchmarking program for the Building being leased as part of the lease agreement.
  - 3.4.3. Participation will be reported to the Climate Resilient Building Team annually.
- 3.5. All eligible leased Buildings will be provided with information about the City's Corporate Climate Leader Program and encouraged to participate.

#### **4. Exceptions**

- 4.1. Buildings that meet the application criteria (Section 1: Application) of this Administrative Procedure, but for some extraordinary reason cannot meet the Administrative Procedure requirements, may apply for an exception. Exceptions should only be requested as an absolute last resort.
- 4.2. In any case where the requirements of this procedure will not be met for lease renewals a request for an exception shall be evaluated (and approved if appropriate) by the business section that has oversight of City Leased Buildings in the regular lease negotiation process.
- 4.3. For new leasing agreements a request for an exception shall be made as follows:
  - 4.3.1. A summary of the issue, reasoning for the exception request, and supporting documentation shall be submitted to the Climate Resilient Building Team. This request must be signed by the appropriate GS and/or Director.
  - 4.3.2. The Climate Resilient Building Team will review the documentation and will:
    - 4.3.2.1. First: Provide a recommendation to the business section that has oversight of City Leased Buildings for additional steps or opportunities to be investigated that could improve project alignment with the Administrative Procedure requirements. The business section that has oversight of City Leased Buildings will implement the suggestions and report back to the Climate Resilient Building Team with the results if still not compliant with the Administrative Procedure. Then:
      - 4.3.2.1.1. Agree with the submitted analysis and recommend that the project is granted an exception (with or without conditions). Or;

- 4.3.2.1.2. Disagree with the submitted analysis and recommend that the acquisition is not granted an exception (either in full or part). Providing a recommendation for how the project could meet the Administrative Procedure requirements.
  - 4.3.3. Once the Climate Resilient Building Team provides a decision on the project's request for an exception, the Climate Resilient Building Team will submit the request and their recommendation to the DCM(s), whose business unit(s) are responsible for achieving the specific policy standard(s) via the appropriate protocols. The DCM's approval is required to formally authorize an adjustment to the policy standards through an exception to the Administrative Procedure(s).
- 4.4. If not communicated directly to the Climate Resilient Building Team the business section that has oversight of City Leased Buildings shall submit the formal decision of the DCM to the Climate Resilient Building Team for tracking and reporting purposes.

## 5. Evaluation of Alternative Certification Options

- 5.1. Alternative certification systems may be used if the alternative is shown to be:
  - 5.1.1. Already in place at the Building, or
  - 5.1.2. more appropriate for the type of Building, and
  - 5.1.3. equivalent or better than the required certification with regards to energy and greenhouse gas performance.
- 5.2. The alternative certification option with the justification noted above will be submitted to the Climate Resilient Building Team for review, discussion, and recommendation and will either be approved or rejected as an acceptable alternative. No additional DCM approval will be required if approved. An example for the purposes of leasing would be if a Building that we are looking to lease is LEED Existing Building certified rather than BOMA BEST certified.

## Definitions

Unless otherwise specified, words used in this procedure have the same meaning as defined in the C627 Climate Resilient Policy.

- **Authority to Complete Work** The full authority to introduce and implement asset improvement or construction at the Building (e.g. renovations, additions).
- **BOMA BEST** A voluntary certification program that provides a framework for assessing the environmental performance and management of existing Buildings. The rating system assesses ten key areas including: energy, water, air, comfort, health and wellness, custodial, purchasing, waste, site and stakeholder engagement. Refer to external BOMA BEST resources for more information.

- **Buildings** As defined by the National Building Code (Alberta Edition).
- **City's Corporate Climate Leader Program** A voluntary program to help corporations take action on climate change through active greenhouse gas (GHG) management across their operations.
- **City of Edmonton's Building Energy Benchmarking Program** A voluntary energy benchmarking program run by the City of Edmonton that uses Energy Star Portfolio Manager as the enabling tool.
- **City Leased Buildings** Buildings that are legally owned by someone other than the City but that the City leases as a tenant.
- **Climate Resilient Building Practice** Identified processes, practices or systems widely recognized as ways of improving Building resilience. Such practices extend beyond green Building certification that is based on initial Climate resilient design and construction, and emphasizes Climate resilient practices throughout the entire Building lifecycle.
- **Leadership in Energy and Environmental Design (LEED) Certification** A Building rating system that provides independent, third-party verification that a Building, home or community was designed and built using strategies aimed at achieving high performance in key areas of human and environmental health: sustainable site development, water efficiency, energy efficiency, materials selection and indoor environmental quality. Refer to external Canada Green Building Council and LEED resources for more information.
- **Operational Control** The full authority to introduce and implement its operating policies at the operation. As further defined by The Climate Registry. Local Government Operations (LGO) Protocol for the Quantification and Reporting of Greenhouse Gas Emissions Inventories (Version 1.1, May 2010).
- **Occupied Building** A Building that is regularly Occupied by staff, contractors or visitors. Occupied Buildings exclude: LRT stations; conditioned storage Buildings; pump stations; power substations; Buildings that are not Occupied by individuals year-round (e.g., a seasonal park pavilion, outdoor pool, etc.).
- **Resilience/Resilient** The concept of Resilience covers the proactive capacity of public, private, and civic sectors to withstand disruption, absorb disturbance, act effectively in a crisis, adapt to changing conditions including climate change, and grow over time.

## References

- [The Climate Registry](#). 2010. Local Government Operations (LGO) Protocol for the Quantification and Reporting of Greenhouse Gas Emissions Inventories (Version 1.1, May 2010)
- [Climate Resilient Buildings Team - Terms of Reference](#)
- National Building Code (Alberta Edition)