

From: [MINCAL, EDUC EDUC:EX](#)
To: [Maartman, William EDUC:EX](#); [Farrance, Melissa EDUC:EX](#); [Harrison, Veronica EDUC:EX](#)
Subject: Capital Briefing

Agenda:
Playgrounds
Burnaby Board Office

Materials:
Playground: BN and Comms materials per DMO
*materials received and loaded to iPad on Jan. 19

**MINISTRY OF EDUCATION
INFORMATION BRIEFING NOTE**

DATE:
CLIFF:

PREPARED FOR: Honourable Rob Fleming, Minister - **FOR INFORMATION**

SUBJECT: Playground Equipment Program

PURPOSE: To present options for an ongoing capital funding program for school playgrounds

BACKGROUND:

- The Ministry of Education (EDUC) has committed to implement an ongoing Playground Equipment Program beginning in 2018/19.
- The Program will be supported in the EDUC capital plan with an annual capital envelope of \$5 million available for distribution to school districts.
- School district will be expected to inform EDUC of their priorities for playground equipment at eligible schools.
- School districts will still be expected to work with the PACs of eligible schools to determine the particular playground needs to be met for their student populations.
- Additional funds may also be contributed by the district, PACs, local community organizations, or other entities towards a final playground equipment purchase.
- School districts will be responsible for the actual acquisition of any playground equipment, with an expectation that discounted purchases will be made through a Corporate Supply Arrangement (CSA) for Playground Equipment, as managed by Procurement Services Branch, Ministry of Citizens' Services, and sponsored by the Ministry of Education.
- The current CSA for Playground Equipment will be renewed in July 2018, and will seek to capture new and diverse types of playground equipment, in addition to currently available traditional play structures.
- EDUC will work with CITZ to determine reasonable costs expected under the CSA for the various types of playgrounds that may be supported under the Program, including traditional climbing structures, naturalized structures, and accessible structures.
- Presently, EDUC is assuming capital allocations between \$75,000 and \$100,000 for complete traditional or naturalized playgrounds and \$125,000 for complete accessible playgrounds.
- The school district will determine who will install the playground equipment, ensuring all finished apparatus meet manufacturer specifications and local government requirements.
- Only those schools having a grade configuration with a majority of elementary grades (Grades 1 to 7) will typically be eligible for funding support under the Program.
- A school will be deemed as ineligible in the following circumstances:
 - it was built or replaced within the last 10 years, as the installation of new playground equipment would have been included in the capital project;
 - elementary-aged students have easy access to a local community playground;
 - new or replacement playground equipment was installed since the end of the EDUC's 2011/13 - 2012/13 playground equipment program, using funding from the PAC, school district, local community, or corporate entity.

DISCUSSION:

- In order to create a program that meets Government's public commitment, decisions must be made on several options and sub-options, each having a particular set of potential benefits and drawbacks.
- The Ministry estimates there are about 870 schools potentially eligible for new or replacement equipment.
- Key decision points have been drawn from EDUC's experiences under the 2011/13 - 2012/13 playground equipment program, based on responses from the general public, PACs, advocacy groups for people with disabilities, equipment vendors, school districts, and elected officials.
- In creating a new playground equipment program for public schools, consideration needs to be given to the following four areas:
 - A. *PAC Reimbursements for Previous Playground Equipment Purchases*
 - 1) Full PAC reimbursements
 - 2) **No PAC reimbursements (recommended)**
 - B. *Capital Funding Allocation Method*
 - 1) **Application-based allocations based on School District priorities (recommended)**
 - 2) Full formula-based allocation (e.g. similar to AFG formula)
 - C. *Accessible Playground Equipment Supplement (e.g. \$25,000)*
 - 1) Provide supplement for all approved projects
 - 2) **Provide supplement based on demonstrated need (recommended)**
 - 3) Provide no supplement and require school districts to fund the extra cost
 - D. *Types of Playground Equipment Expenditures*
 - 1) Fund partial replacements
 - 2) **Fund only new or full replacements (recommended)**

CONCLUSION:

The Ministry is proposing to build a playground equipment program that is managed similarly to other ministry capital programs, such as the Carbon Neutral Capital Program. It is recommended that the Ministry evaluate school district playground priorities on an annual basis and allocate the full cost of a playground to school districts for prioritized schools, with a supplement for accessible equipment where need is demonstrated.

Program ADM/Branch: Reg Bawa/Capital Management Branch

Program Contact (for content): Joel Palmer (250-216-4627)

Drafter: Joel Palmer

Date: January 16, 2018

Ministry of Education Playground Equipment Program

- The Ministry is proposing a program that is administered the same way as other capital programs (e.g. SEP, CNCP).

2018/19 Fiscal Year

February-March – Ministry will ask School Districts to provide information about their highest playground needs and priorities

April-May – Ministry will prioritize provincially and allocate \$5 million for 2018/19 projects

May to March – School Districts will deliver approved playground equipment projects

Ongoing Program (i.e. 2019/20 and onward)

March – Ministry sends Capital Plan Instructions to School Districts. A category for Playground Equipment will be added in March 2018.

June – School Districts submit their Board-approved 5-year capital plans to the Ministry, with project requests prioritized in categories (Expansion, Seismic, School Enhancement Program, School Replacement, Carbon Neutral Capital Program, School Bus Replacement, and Building Envelope Program). With the added category for Playground Equipment the Ministry will receive updated annual information about School District priorities for playground equipment.

July to October

Ministry reviews School District capital plans and establishes provincial priorities for capital funding.

October-November

The Minister submits the Ministry's annual 10-year capital plan to Treasury Board. The annual submission will now include the ongoing \$5 million per year allocation for the Playground Equipment Program.

February – The Ministry Capital Budget is confirmed in the Provincial Budget.

March – The Ministry sends Capital Plan Response Letters to all School Districts, confirming supported projects and requesting further information and business cases, as required. Beginning in 2019, these letters will include playground approvals for the upcoming fiscal year.

April to March – School Districts deliver approved playground equipment projects

From: [Bertrand, Julie EDUC:EX](#)
To: [Harrison, Veronica EDUC:EX](#)
Cc: [Hahn, Andra EDUC:EX](#); [Schell, Kaitlin EDUC:EX](#); [Teng, Zita EDUC:EX](#); [Charlton, Julie EDUC:EX](#); [Sampson, Laura EDUC:EX](#)
Subject: RE: Meeting Materials | Capital Briefing 2018.01.22
Date: Friday, January 19, 2018 4:16:34 PM
Attachments: [Playground Equipment Program Timeline.pdf](#)

Hi Again Veronica,
Staff have made updates to the attached.
Apologies for the last minute e-mail.

Julie Bertrand | Documents Coordinator

Deputy Minister's Office | Ministry of Education

Phone: (250) 356-1234

Email: Julie.Bertrand@gov.bc.ca

From: Bertrand, Julie EDUC:EX
Sent: Friday, January 19, 2018 2:38 PM
To: Harrison, Veronica EDUC:EX
Cc: Hahn, Andra EDUC:EX; Schell, Kaitlin EDUC:EX; Teng, Zita EDUC:EX; Charlton, Julie EDUC:EX; Sampson, Laura EDUC:EX
Subject: Meeting Materials | Capital Briefing 2018.01.22

Hi Veronica,

Please see attached the material for the Capital Briefing on Monday morning.

Thanks—

Julie Bertrand | Documents Coordinator

Deputy Minister's Office | Ministry of Education

Phone: (250) 356-1234

Email: Julie.Bertrand@gov.bc.ca

Ministry of Education Playground Equipment Program

2018/19 FISCAL YEAR



ONGOING PROGRAM (I.E. 2019/20 AND ONWARD)





October 23, 2017

Honourable Rob Fleming
Minister of Education
PO Box 9045, Stn Prov Govt
Victoria BC V8W 9E2

Dear Mr. Minister:

Board Office Replacement – Transitional Financing

In September 2017 the Board of Education received a feasibility study to replace the existing administration building. A copy of the Executive Summary from the report is attached to this letter, and a full version has been provided to your staff. The essence of the study is to dispose of the current school board land located on Kincaid Street and apply those proceeds to build a new building on the Schou Education Centre land. A Disposal of Land or Improvements Certificate was provided for the Kincaid Street property in 2010.

The estimated net disposition proceeds from the Kincaid Street site is \$15.4 million once rezoned to residential lots, which is consistent with the anticipated construction cost of the new building. The report contains five recommendations which were accepted by the Board pertaining to: 1) site selection, 2) land disposition, 3) land rezoning, 4) construction financing, and 5) project procurement.

The purpose of this letter is to request your approval to run a Local Capital Reserve deficit during the design development and construction phases of the administration building replacement project on the condition that the net proceeds from the sale of the Kincaid Street property are first applied to the Local Capital Reserve deficit. Based on the construction timeline, we estimate that the net savings to the capital project is \$160,000 if a Local Capital Reserve deficit is approved as opposed to obtaining transitional financing from a bank.

Honourable Rob Fleming
October 23, 2017
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Thank you in advance for considering this request. We would be happy to answer any questions you may have relating to the feasibility study approved.

Yours truly,

A handwritten signature in cursive script that reads "Ron Burton".

Ron Burton,
Chair,
Burnaby Burnaby Board of Education

Enclosure

Cc Reg Bawa, Assistant Deputy Minister
 Joel Palmer, Executive Director
 Gina Niccoli-Moen, Superintendent of Schools
 Russell Horswill, Secretary Treasurer

17-10-23/Trustees/SB

Executive Summary

The Board of Education authorized the completion of a Feasibility Study to replace the existing administration building located at 5325 Kincaid Street. After considering the site options and discussing the concept with the City of Burnaby, the Schou Education Centre location at 4041 Canada Way is the recommended site to build the replacement building. Factors considered included cost/budget, central location, accessibility, visibility, environmental impact, and City of Burnaby support.

The Schou Education Centre contains a Heritage Building that would be incorporated into the new building design. A Statement of Significance was commissioned to inform the heritage preservation requirements and to ensure the design of the new building supported the heritage section.

Options exist on how to dispose of the Kincaid Street property. The recommended option that maximizes the net proceeds expected from the property disposition and balances associated development/disposition risks is to dispose of the site after second bylaw reading to rezone to R2 – Residential and the building/site has been reclaimed. The appraised value of the land based on this disposition strategy is \$15,400,000, resulting in net proceeds of \$14,315,881. The associated net proceed risk range is \$12,005,881 to \$15,885,881. Currently, \$442,850 Local Capital Reserve exists to support the replacement of the current administration building.

A Schematic Design has been completed that indicates the relationships between various building areas and general site development. The Schematic Design formed the basis from which the Class 'D' cost estimate was completed. The projected total cost for the project as conceptualized in the Schematic Design is \$15,164,700. This study suggests that sufficient funds would be generated from the disposal of the Kincaid Street property to build a new administration building on the Schou Education Centre site (incorporating the Heritage Building into the design), the small project shortfall of \$405,968 that currently exists may be eliminated through the Design Development phase, through market escalation on the disposal of the Kincaid Street property, or if necessary through additional Local Capital Reserve allocation.

Construction bridge financing will be required as the disposition of the Kincaid Street property is envisioned near the end of the construction of the new building. Minister approval is required to obtain bridge financing, and the associated interest costs have been included in the capital project budget.

The District has extensive experience in both Design-Bid-Build and Construction Management project procurement methods. Given the tight timeline, project complexity and the District's experience, it is recommended that Construction Management be pursued. Engaging the Construction Management firm early in the Design Development process will decrease the likelihood of experiencing unexpected construction costs or time delays.

If all approvals are received as planned and the construction project advances as projected, it is expected that land rezoning/building permit phase will be complete by June 2019, and that substantial completion on the project would be June 2021.

The report contains the following specific recommendations:

#1 – Site Selection: It is recommend that based on the Stewart external facility review, the analysis of available land options, and information received from the City of Burnaby that the Schou Education Centre site be selected to construct the new administration office with a heritage preservation strategy.

#2 – Kincaid Disposal: It is recommended that land disposition option 4 (dispose of site after second reading to rezone to R2 – Residential and sell to a developer as a clean site after office relocation) be pursued as the option that generates the most net proceeds with an acceptable level of risk retained by the school district.

#3 – Schou Rezoning: It is recommended that, in conjunction with the rezoning application for the Kincaid property, an application to rezone the Schou Education Centre from P1 to allow for an administration building be initiated with the City of Burnaby on the premise that the heritage building will be preserved and incorporated into the new administration building.

#4 – Construction Financing: It is recommended that the Board seek Minister of Education approval to run a Local Capital Reserve Deficit during the construction phase of the administration building replacement project on the condition that net proceeds from the sale of the Kincaid Street property are first applied to the Local Capital reserve deficit. Further, it is recommended, if the Minister of Education does not authorize a Local Capital Deficit, that the Board request approval to obtain construction transition financing through a bank.

#5 – Project Procurement: It is recommended that the Construction Management procurement strategy be utilized for the administration building replacement project, and that staff proceed with the selection to allow for additional input into the Design Development phase.

The Feasibility Study supports the following findings:

1. The Kincaid property rezoning to R2 – Residential, sub-division, and disposition of the existing administration building is generally supported by the City of Burnaby;
2. The land value that can be realized from the Kincaid property appears to be sufficient to fund the construction of a new administration building on the Schou Education Centre site;
3. The Schou Education Centre zoning variance (from P3 to a blended P3/P2) and development of the site is generally supported by the City of Burnaby, provided the design incorporates heritage building preservation;
4. The Statement of Significance for the Heritage Building on the Schou Education Centre supports the development of an attached new building for administration purposes; and,
5. The Schematic Design of the new administration building that incorporates the heritage building complies with zoning and building code requirements.

The report contains the following recommended motion for the Board of Education to consider:

s.12,s.13



April 12, 2018

Ref: 197116

Ron Burton, Chair
School District No. 41 (Burnaby)
Email: ron.burton@sd41.bc.ca

Dear Mr. Burton:

Re: Board Office Replacement | Request for Local Capital Reserve Deficit

Thank you for your letter sent October 23, 2017, requesting approval for the Burnaby School District to incur a Local Capital deficit during construction of the administrative building.

I understand that the deficit would be incurred as a form of bridge financing during the design development and construction phases of the administration building replacement project on the condition that the net proceeds from the sale of the Kincaid Street property are first applied to the Local Capital deficit.

You have previously provided documentation supporting the allocation of proceeds of sale with 100 percent being allocated to Local Capital funds.

In accordance with section 156 (12) of the *School Act*, approval is granted for the Board to incur a 2018/19 Local Capital account deficit in an amount up to \$15.5 million. This deficit is to be eliminated no later than June 30, 2022. It is understood that the full amount of this deficit will be retired from proceeds from disposal of surplus school properties expected to occur in school year 2021/22.

The approval also includes the following conditions:

- the Board will manage cost pressures and will not incur additional Local Capital deficits;
- the Board will be transparent in its public reporting of the project;
- no provincial capital will be available for the project; and,
- the local capital deficit related specifically to the Board Office project will not be considered when negotiating cost share amounts for any future expansion or non-seismic replacement projects in the school district.

If you have any questions or require further information, please contact Joel Palmer, Executive Director, Capital Management Branch, Resource Management and Executive Financial Office Division, by phone at (250) 216-4627 or by email at Joel.Palmer@gov.bc.ca.

Again, thank you for writing.

Sincerely,

Robert Fleming
Minister

Attachments (*if applicable*)

pc: Gina Niccoli-Moen, Superintendent
Russell Horswill, Secretary-Treasurer
Joel Palmer, Executive Director, Capital Management Branch

| Contact Info | | APPROVALS | |
|--------------------------------------|--------------------|-----------|------|
| | | Comments | Date |
| Drafted by: | Ian Aaron | | |
| In Consultation with: | | | |
| Manager and/or Director | | | |
| ADM, Resource Management Div. | Reg Bawa | | |
| MCO | | | |
| DM | D. Scott MacDonald | | |
| MO | | | |