

Mayor and Councillors
CORPORATE BUSINESS COMMITTEE

17 FEBRUARY 2010

Meeting Status : Public

Purpose of Report: For Decision

AQUATIC CENTRE : POSSIBLE GREENSTAR RATING

PURPOSE OF REPORT

- 1 To obtain direction from the Council on the preferred approach to using the New Zealand Green Building Council's Greenstar programme in the Aquatic Centre Project.

SIGNIFICANCE OF DECISION

- 2 The Council's Significance Policy is not triggered.

BACKGROUND

- 3 As part of consideration of matters relating to the Aquatic Centre (refer paper AS-11-009, Council, 16 December 2010), the Council sought further information on the benefits of seeking a Greenstar rating for the new building. This paper provides that additional information

CONSIDERATIONS

The Greenstar Rating System

- 4 The Greenstar Rating system is a building rating system developed and promoted by the New Zealand Green Building Council (NZGBC) in partnership with the building industry. It is a comprehensive, voluntary environmental rating scheme that evaluates the environmental attributes and performance of New Zealand's buildings using a suite of rating tool kits developed to be applicable to each building type and function. It is a nationally recognised system, and is increasingly being applied to a wider range of buildings than the commercial office buildings that were the initial focus. The New Zealand scheme is now linked to the World Green Building Council (WGBC). The WGBC is an international organisation that aims to move the global property industry and built environment towards sustainability, with Green Building Councils being established in various countries around the world.
- 5 The Green Star scheme provides what is termed a 'rating tool', against which the building design and construction can be assessed. The rating tool awards points across a number of different categories which are then added together. The overall number of points determines what Green Star rating the project achieves. Refer to

Attachment 1, a case study for the Meridian Building in Wellington, for an example of points available in different categories.

- 6 As different building types have different requirements, different ratings tools are applied as appropriate. The rating tools developed to date by the NZGBC are limited to commercial and residential properties. There is no tool available that adequately covers public buildings, such as swimming pools, libraries, art galleries and event centres. NZGBC are proposing the development of a ratings tool which could be applied to public buildings and are seeking \$30,000 in sponsorship to assist with this.
- 7 Buildings can be rated on their design and/or their construction. Rating a building at the design stage enables adjustments to be made which can lead to improved outcomes.

Benefits for the Kapiti Coast

- 8 There are three broad areas of potential benefit for the Kapiti Coast. These are:
 - whole of life costs;
 - marketing of the Kapiti Coast
 - leverage around sponsorship.

Of these, it is considered that the Greenstar Rating system offers the greatest benefits around marketing of the District (and associated links with the economic development goals and strategy), with potential to leverage sponsorship.

Whole of Life Costs

- 9 Experience to date with commercial buildings indicates that there are efficiencies to be gained from the Greenstar system from introduction of such things as energy efficient systems, water conservation etc which will reduce costs over the life of a building. The NZGBC publicise that international data suggests that buildings incorporating Greenstar features cost some 3% to 5% more than a standard design, but benefits are returned in a 7.5% increase in asset value and a 6.6% increase in return of investment.
- 10 Most of the data on the real benefits of Green Star buildings is focussed on office developments, because the rating tool for commercial buildings has been established for some time and there are now a good number of developments to draw on. There is no useful data for public buildings as an appropriate rating tool does not exist and there is no body of collated data to draw on. However, the data from the commercial sector does offer a strong steer that gains to be achieved from Green Star are real and worthwhile, and it would be expected that gains would be achievable across other sectors as the ratings tools and practices develop. A World Green Building Council press release in 2010 states:

Green buildings typically cost only 3% to 5% more than standard buildings to construct, but can reduce carbon dioxide emissions by more than 35% - and in some cases can be carbon neutral. They also reduce waste output by 70%,

water usage by 40%, and energy usage by between 30 to 50% - in some cases producing energy that can be sent back to the grid”.

- 11 In the case of the Aquatic Centre, considerable effort has already been made to introduce energy efficient and other systems – e.g. the EFTE roof. The Aquatic Centre has the potential to be a very highly rated building.
- 12 High ongoing asset value and saleability will be less important to a Council than to a commercial developer, but lower operating costs and desirability as a place to visit may be more important.
- 13 By their nature Aquatic Centres have to employ features like heat recovery in order to maintain operational costs at an affordable level, which would not automatically be incorporated into, say, a commercial building. It is not to be inferred that there would be any increase in the estimated cost of the Aquatic Centre as a result of participation in the Greenstar scheme, except for the cost of obtaining the design and construction ratings.
- 14 It is not expected that the Greenstar Rating system will offer significant additional building efficiency benefits beyond those already designed into the project. Some benefit may accrue around detailed design decisions and layout. However, it would be expected that the process would lead to improved design outcomes and construction practises which could result in capital and/or operational cost savings.
- 15 **Attachment 2** contains a short paper by the NZGB exploring and assessing the benefits of green buildings.

Marketing of the Kapiti Coast

- 16 The Council is committed to building the District’s profile and marketing opportunities around economic development and capability in sustainable industries. Obtaining a Green Star rating for the new Kāpiti Coast Aquatic Centre is a unique opportunity to demonstrate the Council’s leadership on environmental issues within the district and around the country. Achieving a rating and being a first of its kind makes the facility’s environmental credentials much easier to communicate, which in turn will increase the profile of the building and the Councils commitment and work to promote and supporting environmental sustainability.
- 17 There is ample evidence of a Greenstar rating raising the profile of a building. The Meridian Energy Building built in 2007 on the Wellington Waterfront was the first building in New Zealand to obtain a Five Green Star rating under the Office Design category. This building has become famous for its environmental credentials and so far has won multiple awards for environmental and architectural excellence, including the NZ Property Council Green Building Award and the Wellington Civic Trust Best Building Award and the NZ Institute of Architects Sustainable Design Award. Meridian reports that the ‘feel good’ factor of the building has also helped attract and retain staff. It has also helped reinforce the company’s position as a corporate leader on environmental issues. Meridian report that they estimate 11,000 visitors (from industry, central & local government, diplomats and foreign delegations) have been to see the building, thanks to the Green Star rating.

- 18 Other newer buildings with Green Star Five Star ratings such as Iron Bank, the NZI Centre, the Deloitte Centre and Aorangi House have taken top honours at the 2010 Levett Bucknall Property Awards and NZ Architecture Awards, amongst others.
- 19 Being the first organisation to obtain a Green Star rating for an Aquatic Centre would greatly aid the council in achieving its objective to communicate the importance of environmental action. All other councils that go down this path will look to the Council experience for guidance and benchmarking.
- 20 A Greenstar Rating would also continue to reinforce the Council's current economic development strategy of marketing the District as a place where sustainable technologies are researched and commercialised. The Rating Tool would be a relatively high profile way of supporting this message.

Sponsorship Opportunities

- 21 While it cannot be guaranteed that adoption of the rating tool would increase sponsorship opportunities for the Centre, it would give the Aquatic Centre Trust a point of difference when talking with potential sponsors. There may also be benefits arising from the high profile that the Aquatic Centre in terms of attracting users.
- 22 The Chair of the Aquatic Centre Trust stated at the December 2010 meeting of Council that he believed that commitment to the Greenstar program would also be an attractive proposition for potential sponsors.

Introduction of the Rating Tool for the Aquatic Centre

- 23 To properly take advantage of the Greenstar process, the tool would need to be available during the design process. NZGBC have indicated that if the Council was to provide funds to assist with the tool development (\$30,000) then they would work alongside the design team to ensure the best possible outcome. For this project NZGBC consider that the Design accreditation process would track alongside the design rather than simply be carried out at completion. This would allow verification of the Greenstar rating at the time of tender and allow a dialogue to occur should there be any matters for discussion.
- 24 The more significant gains for the finished building are to be obtained from getting the design right in the first place. Therefore assessment of the design itself is seen to be the most important step.
- 25 A Greenstar construction rating would require the commitment of the construction contractor, and working practices (such as transport efficiency and waste minimisation) would be part of the assessment. Many of the larger construction companies are familiar with the processes and reporting requirements and now build these into their standard working practices.

Costs of Securing a Greenstar Rating

- 26 **Attachment 3** to this report contains a letter from the NZGBC setting out the benefits they can offer to the Council if the Council supports the rating tool development.
- 27 The cost of securing a Greenstar rating for the Aquatic Centre amounts to \$30,000 'sponsorship' plus \$8,500 design audit, plus \$8,500 construction audit. NZGBC have offered to waive one of the audit fees (\$8,500) as inducement to the Council to participate. Investment of a total of \$38,500 will enable the Council to achieve and demonstrate the best possible sustainable outcome. If the Council wishes to proceed then it is suggested that \$40,000 be budgeted for this cost.
- 28 It is recommended that Council does adopt the Greenstar Rating tool concept for the Aquatic Centre on the basis that it will contribute further to the general profile of the District and to marketing its wider economic development strategy. It would provide further opportunities for leveraging sponsorship and may lead to some further efficiencies around design and operational costs.

Financial Considerations

- 29 The detailed design work is about to start in order to maximise the opportunity to leverage off the Greenstar scheme during the design process for the Aquatic Centre the Council needs to commit now to additional capital funding of \$40,000 in the 2011/12 year.

Legal Considerations

- 30 There are no legal considerations.

Delegation

- 31 The Corporate Business Committee has an objective to:

5.2 Overview and provide advice to Council on financial management, (including financial risk management issues within the overall long term financial programme and financial management parameters set out in the current LTCCP) and performance in relation to all strategic projects;

- 32 The Corporate Business Committee has a general delegation that:

6. provides authority to exercise all functions, duties and powers relating to all matters assigned to this Committee, as adopted by the Council from time to time, where financial provision has been made in the Annual Plan or LTCCP, and where the action proposed is not contrary to established Council strategy and/or policy or the power of delegation.

Consultation and Publicity Considerations

- 33 At the 16 December 2010 Council meeting support for participation in the Greenstar program was stated from Greypower and the Aquatic Centre Trust. There has been no formal consultation.
- 34 If Council adopt the recommendations of this report a media release will be issued outlining the decision and Council's commitment to sustainable practices.

Policy Implications

- 35 Participation in the Greenstar scheme is consistent with the Council's policies on providing leadership in the area of environmental sustainability.

RECOMMENDATIONS

- 36 That the Council commits to providing additional funding of \$40,000 as the cost of gaining a New Zealand Green Building Council Green Star rating for the design of the Aquatic Centre in the 2011/12 Annual Plan as an addition to the Aquatic Centre capital budget.

Report prepared by:

Approved for submission by:

Peter Knight

DEVELOPMENT MANAGER

Gael Ferguson

**GROUP MANAGER STRATEGY
AND PARTNERSHIPS**

ATTACHMENTS:

1. Case Study by NZGBC - Meridian Building, Wellington
2. Paper by NZGBC
3. Letter from New Zealand Green Building Council

Letter from New Zealand Green Building Council, and Background Information on Green Star

Peter Knight
Infrastructure Development
Manager,
Kapiti Coast District Council,
175 Rimu Road,
Private Bag 601,
PARAPARAUMU

Email info@nzgbc.org.nz
Phone +64 9 3793996
Web www.nzgbc.org.nz
Post PO Box 5286 /
Wellesley St / Auckland /
New Zealand



02 December 2010

Dear Peter,

GREEN STAR NZ – CUSTOM TOOL FRAMEWORK SPONSORSHIP PROPOSAL

We would like to invite the Council to sponsor the development of New Zealand Green Building Council's (NZGBC) new **Green Star NZ – Custom tool framework** for public buildings and more. The sponsorship investment and benefits of this new framework being developed by the NZGBC are laid out below.

NZGBC are developing a Custom tool framework, which will utilise the current pool of NZ Green Star credits to create one-off tailored rating tools for specific buildings. The development of this framework will enable a wider range of buildings to use Green Star NZ and achieve certification.

This work is the development of a framework that will enable a tool tailored to a building's specific space types to be produced rather than the development of a new rating tool. The framework will deliver custom guidance for each project tailored to the functional space types within the building - the space within the building that serves a particular use e.g. office, swimming pool, library, laundry, meeting room. The custom guidance will be in the form of a technical manual and spreadsheet which will be used to carry out the assessment.

The technical manual and excel tool will be based on the current suite of Green Star credits, some new credits may be created depending on the needs of a project, but they may not be required in all cases. The framework will be the structure around how the Custom tool will operate and explain how all the components, tools etc. fit together. There will be a series of publicly available guiding principles that allow industry to understand the parameters within which a tailored tool will be delivered.

This is a unique opportunity to position the Council at the forefront of green building and high performing buildings in New Zealand. By becoming involved in the development of a Custom tool framework, the Council will be demonstrating leadership in the development of sustainable buildings which will contribute to:

- Positive associations for your project and ratepayer image.
- Opportunity to differentiate your Council's programme of work nationally.
- Greater awareness and education of your green building initiatives amongst your staff, ratepayers and other stakeholders.

The NZGBC is an industry organisation and our success and ability to deliver value to you and your brand is increased with your involvement, both financially and in the decision making process for the industry. We thank you for your support.

Sponsorship Investment & Benefits

The budget required to successfully develop, launch and manage costs specific to this framework in the Green Star NZ suite is \$60,000. Kapiti Coast District Council's (KCDC) sponsorship investment would be **\$30,000**.

We have an opportunity to work together to create a Green Star - Custom tool framework that will meet the needs of the local government property sector in terms of public buildings, in key areas of building design including energy, water, indoor environment quality and waste.

This proposal invites you to formally participate in this industry process to continue building on developing long-term partnerships that deliver tangible value to the entire building sector.

At commencement of your sponsorship

- Acknowledgement as a sponsor in Green Star – Custom tool framework announcements in NZGBC e-newsletter
- Logo included on NZGBC Custom tool page on NZGBC website.*

At Commencement of the Development of the Green Star - Custom tool framework

- Acknowledgement in all NZGBC driven media releases, newsletters and communications about the framework development
- Creation of a tailored Custom tool for a PILOT project agreed to by KCDC and NZGBC (i.e. Aquatic Centre)
 - PILOT project(s) are the first rated after the final version of the framework is completed as part of this partnership
 - PILOT projects receive a submission review of ten credits in the submission before they put their project through the assessment process)
 - Cost of Credit Interpretation Requests (CIRs) and project enquiries for the PILOT project is covered by the sponsorship arrangement
 - NZGBC support and liaison with the project team to assist in full understanding of the Green Star process and resolving any technical issues that arise out of this project being a 'first'

- Joint NZGBC and sponsor media release announcing registration of PILOT project
- One article about your project on NZGBC website (to be provided by your organisation) – up to 500 words.

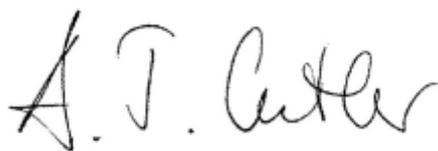
Upon release of Green Star – Custom tool

- Acknowledgement by the NZGBC at a PILOT launch function (should one be held)
 - Logo and branding on launch function invitation and website page in prominent position
 - Organisation display at launch function (standing banners able to be erected)
 - Organisation information/material distribution at launch function
- Case study opportunities of your PILOT project documented showing your organisation's role
- Logo included on the electronic version of the rating tool and on NZGBC website*
- Other speaking and profile opportunities as applicable.

It should be noted that there is no Green Star tool in New Zealand or Australia to rate an aquatic centre. Whilst the Custom tool process is also being developed in Australia to meet the needs of their market, there are no aquatic centres amongst their PILOT projects, therefore there is the opportunity for KCDC to position your organisation as leaders.

The NZGBC is an industry organisation and our success and ability to deliver value to you and your brand is increased with your involvement, both financially and in the decision making process for the industry. We thank you for your support and welcome the opportunity to work with you.

Yours sincerely

A handwritten signature in black ink that reads "A. J. Cutler". The signature is written in a cursive, slightly slanted style.

Alex Cutler
Chief Executive