

**DATE:** November 24, 2020

**FILE:** 6750-20

**TO:** Chair and Directors  
Regional District Board

Supported by Russell Dyson  
Chief Administrative Officer

**FROM:** Russell Dyson  
Chief Administrative Officer

*R. Dyson*

**RE:** Ministry of Agriculture - Food Hub Grant Application

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### **Purpose**

In response to Committee of the Whole discussion on November 17, 2020, this report provides an update on the submission of a grant application to the Ministry of Agriculture for the Merville Hall Food Hub.

### **Recommendation from the Chief Administrative Officer:**

THAT the Comox Valley Regional District support the grant application to the Ministry of Agriculture for the Rural Community Food Hub project located at the Merville Community Association Hall for \$576,340.

### **Executive Summary**

- The Comox Valley Regional District (CVRD) and Comox Valley Economic Development Society (CVEDS) applied to the Community Economic Recovery Infrastructure Program (CERIP) grant in October 2020 for a Rural Community Food Hub project located at the Merville Community Association Hall for \$978,301.
- The Ministry of Agriculture reached out to CVEDS in early November 2020, as a previous food hub applicant regarding a separate food hub grant opportunity, with a very tight deadline. CVEDS made a presentation to the November 17, 2020 Committee of the Whole meeting regarding the Ministry of Agriculture grant application for the Merville Hall project.
- CVEDS staff has been in communication with both the CERIP funders and the Ministry of Agriculture and was encouraged to apply for both programs. The application to Ministry of Agriculture was focused primarily on the commercial kitchen equipment, but also includes food safety, septic, gas, interior and venting renovations for a total cost of \$576,340. A contingency allocation percentage was not required for the second application, as this is a reduced scope with strong estimates. Details on differences between applications is in Appendix A. CERIP grant contingency guidelines in Appendix B.
- The commercial kitchen would be eligible to comply with the Hazard Analysis and Critical Control Points (HACCP). Food Metrics Laboratories has agreed to assist with a food safety plan for the entire facility. BC Food Hub grant funding above \$500,000 will only be provided to HACCP eligible facilities. The CVRD has reached out to the Ministry of Agriculture seeking clarification on what effects of having a HACCP certified kitchen would have on other user groups of the Merville hall.
- If the Ministry of Agriculture grant is successful the grant request to CERIP would be reduced in an equal amount which could lead to greater chance of achieving the total project goals given the significant interest across BC for the CERIP grant program.
- The CVRD and Merville Community Association will need to enter into an agreement for the long term operation of the Rural Community Food Hub.

Prepared by:

Concurrence:

***S. Smith***

***M. Foort***

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Scott Smith, RPP, MCIP  
General Manager of Planning and  
Development Services Branch

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Myriah Foort, BBA, CPA, CA  
Chief Financial Officer

**Attachments:**

- Appendix A – Budget Comparison (CERIP Grant and BC Food Hub Grant)
- Appendix B – CERIP Grant Contingency Chart

## Appendix A

<b>Budget Comparison CERIP Grant and BC Food Hub Grant</b>		
<b>Description</b>	<b>Costing CERIP Grant</b>	<b>Costing BC Food Hub Grant</b>
<b>Project Planning</b>		
Commercial Kitchen Design; Food Service Design consultant	16,500	16,500
Solar Upgrade Design & grid connection schematics	4,500	-
HACCIP Plan, related food safety certification consultant	30,000	30,000
	<b>\$51,000</b>	<b>\$46,500</b>
<b>Design / Engineering</b>		
Registered Professional Service Fees ( Architect, Engineering, Geotech, Environmental)	13,000	13,000
	<b>\$13,000</b>	<b>\$13,000</b>
<b>Construction / Materials</b>		
Septic System Upgrade	59,000	59,000
Kitchen Entrance Relocation & Upgrade	50,000	-
Interior Renovation and Expansion; for kitchen	30,000	30,000
Caretaker Outbuilding; exterior plumbed outbuilding and public washrooms	24,700	-
Fabricated Commercial Kitchen Venting Hood; all materials & install	79,975	79,975
Gas service upgrade	14,315	14,315
Commercial Kitchen & Food Processing Equipment	314,050	314,050
Excavation and Foundation Upgrade	64,000	19,500
	<b>\$636,040</b>	<b>\$516,840</b>
<b>Other Eligible Costs</b>		
Community Communication Plan, open house and engagement	7,500	-
Marketing Plan, website and online booking system, materials	25,000	-
Project Management	20,000	-
<b>Other Eligible Costs Sub-Total:</b>	<b>\$52,500</b>	<b>\$-</b>
<b>Contingency</b>		
Class C (30%)	225,762	0
	<b>\$225,762</b>	<b>\$0</b>
<b>TOTAL ELIGIBLE COSTS</b>	<b>\$978,301</b>	<b>\$576,340</b>

## Appendix B

<b>Cost Estimate Classes - definitions &amp; assumptions</b> [ <i>sourced from the Association of Professional Engineers and Geoscientists of British Columbia (APEGBC)</i> ]		
<b>Cost estimate class</b>	<b>Features &amp; Uses</b>	<b>Suggested Contingency for Associated Class</b>
<b>Class A</b>	Detailed estimate based on final drawings and specifications Used to evaluate tenders	±10-15%
<b>Class B</b>	Prepared after completing site investigations and studies, and after defining major systems Based on a project brief and preliminary design Used for project approvals and budgetary control	±15-25%
<b>Class C</b>	Prepared with limited site information and based on probable conditions Captures major cost elements Used to refine project definition and for preliminary approvals	±25-40%
<b>Class D</b>	Preliminary estimate based on little or no site information Represents the approximate magnitude of cost, based on broad requirements Used for preliminary discussion and long-term capital planning	±50%