



Regional District of Central Kootenay
CASTLEGAR AND DISTRICT RECREATION COMMISSION
Open Meeting Addenda

Date: Tuesday, March 3, 2026

Time: 2:00 pm

Directors will have the opportunity to participate in the meeting electronically. Proceedings are open to the public.

Pages

1. ZOOM REMOTE MEETING INFO

To promote openness, transparency and provide accessibility to the public we provide the ability to attend all RDCK meetings in-person or remote (hybrid model).

Meeting Time:

2:00 p.m. PST

Join by Video:

<https://rdck-bc-ca.zoom.us/j/95743816940?pwd=LHoBT3OXNb055aFYazewDPN8ywsKPD.1>

Join by Phone:

833 958 1164

*6 to unmute or mute

*9 to raise or lower your hand

Meeting ID: 957 4381 6940

Meeting Password: 480871

In-Person Location: Castlegar & District Community Complex - Columbia Room -
2102 6th Avenue

2. CALL TO ORDER

Chair Bogle called the meeting to order at [Time] p.m.

3. TRADITIONAL LANDS ACKNOWLEDGEMENT STATEMENT

We acknowledge and respect the Indigenous peoples within whose traditional lands we are meeting today.

4. ADOPTION OF AGENDA

RECOMMENDATION:
The agenda for the [Date], [Year] Castlegar and District Recreation Commission meeting be adopted as circulated.

5. RECEIPT OF MINUTES 6 - 11
The February 3, 2026 Castlegar and District Recreation Commission minutes, have been received.

6. DELEGATE
There are no Delegates scheduled for this Commission meeting.

7. STAFF REPORTS

7.1 Castlegar & District Community Complex Expansion – Timeline Update 12 - 15
The Commission Report dated March 3, 2026 from AJ Stevenson, Senior Project Manager re: Castlegar & District Community Complex Expansion – Timeline Update has been received.

7.2 Castlegar & District Expansion Project - Value Capture Guidelines & Naming Rights 16 - 39
The Commission Report dated March 3, 2026 from Trisha Davison, General Manager of Community Services and Yev Maloff, General Manager of Finance, IT and Procurement/CFO, re: Castlegar & District Expansion Project - Value Capture Guidelines & Naming Rights, has been received.

RECOMMENDATION:
Recommendation 1: THAT the Board approve Value Capture Guidelines for the Castlegar & District Arena Project providing that all value capture methods other than naming rights — including facility revenue sharing, real estate and land development, advertising and digital rights, operational and facility management contracts, intellectual property and design replication, and financial engineering — are excluded from the procurement process and that the completed facility shall be delivered as an unencumbered public asset with full operational control and all operating revenue streams flowing to the RDCK;

Recommendation 2: THAT the Board approve the inclusion of naming rights as a standard contract feature in the design-build procurement, structured so that the successful proponent receives ownership of facility naming rights for a defined term (20–25 years from substantial completion), subject to Board-adopted Naming Rights Guidelines, with

proponents submitting dual prices (Price A without naming rights, Price B with naming rights) and evaluation based on Price B, with Price B not to exceed the \$15 million maximum total project cost envelope;

Recommendation 3: THAT the Board adopt the Naming Rights Guidelines for the Castlegar & District Arena Project, substantially in the form attached as Appendix B, establishing the governance framework for naming rights including acceptable name criteria, the Board approval process, self-naming provisions, community consultation requirements, the naming rights term, transferability, and reversion triggers;

Recommendation 4: THAT the Commission acknowledge the advantages and disadvantages of including naming rights in the procurement process as set out in this report, and confirm the Commission’s direction that the budget imperative, maximizing the likelihood that the project can be delivered within the \$15 million total cost envelope, is the overriding consideration supporting inclusion.

7.3 Castlegar & District Complex Expansion – Wood Integration Guidelines

40 - 60

The Commission Report dated March 3, 2025 from Trisha Davison, General Manager of Community Services re: Castlegar & District Complex Expansion – Wood Integration Guidelines has been received.

RECOMMENDATION:

1. THAT the Board adopt the Wood Integration Guidelines for the Castlegar & District Complex Expansion Project, substantially in the form attached as Appendix A, establishing a design quality framework based on a continuum approach that evaluates wood integration across three dimensions (structural wood use, interior wood expression, , and embodied carbon performance) without mandating a specific structural system;

1. THAT staff be directed to incorporate the Wood Integration Guidelines into the procurement documents using the continuum-based approach, specifically: into the Owner’s Statement of Requirements (OSR) as design objectives rather than prescriptive requirements; into the Request for Qualifications (RFQ) as a signal of the RDCK’s design values and as a factor within the proponent capability assessment; and into the Request for Proposals (RFP) evaluation framework as a sub-criterion within the Design Quality & OSR Compliance criterion;

1. AND THAT the wood integration sub-criterion be weighted at 10% of the total evaluation score in the RFP evaluation matrix,

representing a position within the defensible range that is significant enough to meaningfully reward proponents who invest in wood integration while leaving 90% of the evaluation focused on other criteria including price, functional design, schedule, other quality elements and team which allows a proponent who chooses to specify less wood to remain competitive on cost.

7.4 Pass Creek Regional Park Campground Host

Craig Stanley, General Manager of Operations and Asset Management to provide a verbal update on the Pass Creek Regional Park Campground Host.

8. PUBLIC TIME

The Chair will call for questions from the public and members of the media at _____ a.m./p.m.

9. CLOSED

9.1 Meeting Closed to the Public

RECOMMENDATION:

In the opinion of the Commission - and, in accordance with Section 90 of the Community Charter – the public interest so requires that persons other than DIRECTORS, ALTERNATE DIRECTORS, DELEGATIONS AND STAFF be excluded from the meeting;

AND FURTHER, in accordance with Section 90 of the Community Charter, the meeting is to be closed on the basis(es) identified in the following Subsections:

90. (1) A part of a council meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

(e) the acquisition, disposition or expropriation of land or improvements, if the council considers that disclosure could reasonably be expected to harm the interests of the municipality;

9.2 Recess of Open Meeting

RECOMMENDATION:

The Open Meeting be recessed at [Time] in order to conduct the Closed meeting.

10. NEXT MEETING

The next Castlegar and District Recreation Commission meeting is scheduled for April 7, 2026 at 4:00p.m.

11. ADJOURNMENT

RECOMMENDATION:

The Castlegar and District Recreation Commission meeting be adjourned at [Time].



REGIONAL DISTRICT OF CENTRAL KOOTENAY

**CASTLEGAR & DISTRICT RECREATION COMMISSION
OPEN MEETING MINUTES**

4:00 p.m.

February 3, 2026

To promote openness, transparency and provide accessibility to the public we provide the ability to attend all RDCK meetings in-person or remote (hybrid model).

COMMISSION MEMBERS

Commissioner Member A. Davidoff	Director Area I
Commissioner Member M. McFaddin	City of Castlegar
Commissioner Member B. Bogle	City of Castlegar
Commissioner Member S. Heaton-Sherstobitoff	City of Castlegar
Commissioner Member H. Hanegraaf	Director Area J

STAFF

Joe Chirico	Staff
Craig Stanley	Regional Manager – Operations & Asset Manager
Trisha Davison	General Manager of Community Services
Cary Gaynor	Regional Parks and Trails Manager
Stuart Horn	RDCK CAO
Jenna Chapman	Meeting Coordinator

5 out of 5 voting Commission members were present – quorum was met.

1. CALL TO ORDER

Chair Bogle called the meeting to order at 4:00 p.m.

2. TRADITIONAL LANDS ACKNOWLEDGEMENT STATEMENT

We acknowledge and respect the Indigenous peoples within whose traditional lands we are meeting today.

3. ADOPTION OF AGENDA

MOVED and seconded,
AND Resolved:

The Agenda for the February 3, 2026 Castlegar & District Recreation Commission meeting, be adopted as circulated.

Carried

The Commission presented a Round Table of Recognition to **Joe Chirico**, General Manager of Community Services. Commissioners spoke extensively about the meaningful and lasting impact Joe has had on the community, expressing sincere appreciation for his steadfast dedication and exemplary service. They acknowledged his significant contributions in enhancing the quality of life throughout the Region and noted that his leadership and commitment will leave a distinguished and enduring legacy.

4. RECEIPT OF MINUTES

The January 6, 2026, Castlegar & District Recreation Commission meeting minutes, have been received.

5. DELEGATE

5.1 There are no Delegates scheduled for this Commission meeting

6. STAFF REPORTS

6.1 Castlegar & District Community Complex Facility Update

Craig Stanley, Regional Manager of Operations and Asset Management provided the Commission with a detailed overview of the Castlegar & Community Complex Facility update report with the following key notable discussion pieces:

- Breakfast with Santa drew 125 attendees with strong support from Castlegar Rebels volunteers and positive feedback on new children's activity stations.
- Public Skates, sponsored by Stella Vista, regularly reached the 125-skater maximum.
- Fitness classes across all areas continue to be full, driving the need for more instructors.
- Preparations are underway for BC Winter Games short-track speed skating, with ice markings completed.
- Recruitment is underway for aquafit and fitness instructors, lifeguards, and a recreation monitor.
- Pool hours remain reduced compared to 2019, with a goal to reopen Thursday mornings before July 2026.

6.2 Castlegar & District Programming Update

Tia Wayling, Regional Programming Manager provided a detailed overview of the Castlegar & District Programming Update including:

- Instructor shortages reduced the total number of pre-registered fitness programs by 14%, directly impacting service delivery.
- Despite this, attendance for fitness offerings included with daily admission increased by 26%, indicating strong demand that current staffing cannot fully support.
- Expand aquatics offerings and continue staff certification development.
- Standardize fitness program outcomes; grow instructor base.

- Increase youth program capacity; optimize ice allocation.
- Develop strategies to address admission declines and rental gaps.
- Revenue exceeded budgets across Recreation, Arena, Fitness, and Aquatics (104%–116% utilization).
- Better alignment with expense budgeting compared to 2024.

6.3 Customer Experience Project and Next Steps

Trisha Davison, General Manager of Community Services, provided a high-level report on the Customer Experience Project Next Steps with the following key notable discussion items:

- The baseline survey received 1,635 total responses, with 415 (25.4%) from Castlegar & District Community Complex, a significant data set reflecting strong community engagement.
- High satisfaction with Staff interactions providing a welcoming Environment
- Strengthen communication consistency across all platforms.
- Improve aquatics capacity management and expectation-setting.
- Increase cleaning/check frequency during peak times.
- Develop tone and service recovery coaching for high pressure moments

6.4 2026 – 2030 Financial Plan

Joe Chirico, RDCK Staff, provided the Commission with a detailed overview of the 2026 – 2030 Financial Plan, including the following key notable discussion items:

- 2026 is a financially intensive year requiring a diversified funding strategy.
- Long-term capital funding is stabilized, reducing future taxation volatility.
- Operational pressures, particularly salary costs and reduced surpluses, will continue to influence budget flexibility.
- S222 faces rising capital and operating demands, while S227 experiences reduced capital needs but persistent operational challenges.

6.4.1 2026 – 2030 Financial Plan S227 and S226

Joe Chirico, Staff provided a detail overview of the 2026 -20300 Financial Plan for Service S222 and Service S227.

6.4.2 2026 – 2030 Financial Plan Scenarios

There were no scenarios provided at this Commission meeting.

6.5 Castlegar & District Community Complex Expansion Update

Trisha Davison, General Manager of Community Services provided the Commission with a detailed overview of the Castlegar & District Community Complex Expansion project with he following key notable discussion items:

- The referendum must follow formal legislative processes and will require coordinated support from multiple RDCK departments.
- Aligning with the 2026 general election is the most cost-effective option.
- A standalone referendum would cost approximately \$40,000.00.
- Staff note the referendum was already anticipated for 2026 and is reflected in departmental workplans, minimizing new resource impacts.

- Aligning the referendum with the election:
 - Ensures efficient use of financial and staff resources.
 - Provides a clear, transparent process for engaging the community.

Moved and seconded,
MOTION ONLY

That the Castlegar & District Recreation Commission support holding a referendum related to the expansion of the Castlegar & District Community Complex with the addition of a second sheet of ice and walking track at the time of local election in October 2026.

Moved and seconded,
And Resolved:
AMENDMENT TO THE MOTION

That the foregoing motion being:

Be amended to include “conditional on the City of Castlegar and Area J repaying the \$280,000 in design/build costs allocated to this project from S222 regardless of the referendum outcome, with the reimbursement recorded as revenue in the 2026 S222 budget and the 2026-2030 Financial Plan”, thus reading:

That the Castlegar & District Recreation Commission support holding a referendum related to the expansion of the Castlegar & District Community Complex with the addition of a second sheet of ice and walking track at the time of location election in October 2026 conditional on the City of Castlegar and Area J repaying the \$280,000 in design/build costs allocated to this project from S222 regardless of the referendum outcome, with the reimbursement recorded as revenue in the 2026 S222 budget and the 2026-2030 Financial Plan.

Defeated

Moved and seconded,
And Resolved:
MAIN MOTION

That the Castlegar & District Recreation Commission support holding a referendum related to the expansion of the Castlegar & District Community Complex with the addition of a second sheet of ice and walking track at the time of local election in October 2026.

Carried

7 OLD BUSINESS

7.1 Castlegar Cricket

The Commission and Staff discussed the potential of having a cricket pitch at the Pass Creek Regional Park including:

- In the process of meeting with the club and will be having a site visit
- Staff to bring information back to the next Castlegar & District Recreation Commission
- Commission strongly supports more usage at the Pass Creek Regional Park

7.2 Kootenay Rockies Disc Golf Society

The Commission to discussed the potential of Disc Golf at the Pass Creek Regional Park.

Moved and seconded,
AND Resolved:

That the Commission provide a Letter of Support to the Kootenay Rockies Disc Golf Society to support their Society to obtain funding from a Columbia Basin Trust Grant and further for the Commission to discuss how they can put the Kootenay Rockies Disc Golf request into their workplan.

Carried

8 PUBLIC TIME

The Chair will call for questions from the public at 6:18 p.m.

One member of the public, Patrick Audet with the Kootenay Rockies Disc Golf Society, thanked the Commission for their approval in principle.

9 NEXT MEETING

The next Castlegar & District Recreation Commission meeting is scheduled for March 3, 2026 at 2:00p.m.

10 ADJOURNMENT

MOVED and seconded,
AND Resolved:

The Castlegar & District Recreation Commission meeting be adjourned at 6:19p.m.

Carried

Digitally Approved

B. Bogle, Chair

***If there are recommendations that need to go to the Board of Directors please add them to the list below and forward to Angela Lund, alund@rdck.bc.ca to be put on the Board agenda.**

RECOMMENDATION(S) TO THE BOARD OF DIRECTORS

1. n/a

THE FOLLOWING ITEMS ARE PROVIDED FOR CONVENIENCE ONLY AND WILL BE CONSIDERED AT ITS APPROPRIATE MEETING AS STATED.

Future Castlegar & District Recreation Commission Meetings

1. That the Castlegar & District Recreation Commission support holding a referendum related to the expansion of the Castlegar & District Community Complex with the addition of a second sheet of ice and walking track at the time of local election in October 2026.
2. That the Commission provide a Letter of Support to the Kootenay Rockies Disc Golf Society to support their Society to obtain funding from a Columbia Basin Trust Grant and further for the Commission to discuss how they can put the Kootenay Rockies Disc Golf request into their workplan.



Commission Report – For Information

Castlegar & District Community Complex Recreation Commission

March 3, 2026

Castlegar & District Community Complex Expansion Update – Timeline Update

Author: AJ Evenson, Senior Project Manager
File Reference: 01-0520-50
Electoral Area/Municipality: CITY OF CASTLEGAR, AREA I, AREA J
Services Impacted Service S222

1.0 PURPOSE OF REPORT

The purpose of this report is to update the Commission on the project status along with identifying project risks and impacts.

2.0 BACKGROUND AND UPDATE

At the December 11, 2025 Board Meeting, the Board passed a resolution to include \$280,000 for capital expenditures in the 2026 financial plan for Service S222 Recreation Facility – Castlegar and Areas I and J, to procure the services required to plan for the development of a new arena. The \$280,000 was comprised of \$180,000 for Consultant fees and a \$50,000 honorarium for two proponents to participate in a design-build process.

On February 10, 2026 HCMA Architecture and Design and their consulting team came to the Castlegar & District Community Complex and undertook a site visit and workshop with staff to begin scoping out what the Design-Build Owners Statement of Requirements (OSR) might look like if it proceeded and identify potential risks/impacts/mitigations related to the potential project.

At the February 19, 2026 Board Meeting, the Board passed a resolution to enter into a professional services agreement with HCMA Architecture and Design for \$180,000 to develop the owner's statement of requirements and to assist with identifying two proponents for a design-build process.

HCMA conducted a kickoff meeting with RDCK staff and their consulting team on February 10, 2026 and during the kickoff meeting and through subsequent discussions with a number of critical risks to the project were identified. Below is a high-level overview of the most critical risks and related mitigations and timeframes:

Risk Description	Impact Description	Impact Level Rate 1 (LOW) to 5 (HIGH)	Probability Level Rate 1 (LOW) to 5 (HIGH)	Priority Level Impact x Probability Address the highest first.	Mitigation Notes	Status
RDCK does not have an approved RFQual document for use to pre-qualify proponents in the design-build process	Cannot prequalify proponents and move to the RFP stage where designs are furthered process	5	5	25	Corporate Administration to seek legal advise in developing a suitable RFQual document and incorporating into Procurement Policy.	In Progress
RDCK does not have any defined policies/procedures to allow evaluation or prioritization of wood vs steel/concrete construction	If the OSR is put out, wood will be evaluated on same level as steel/concrete. May end up with a drab utilitarian arena.	5	4	20	Report going to Commission in March which outlines options.	In Progress
\$280,000 Project budget for 2026 may be insufficient.	Budget does not include costs for legal reviews of RFQual, RFP and related documents, referendum costs, PM fees.	5	5	25	PM has worked with architect and team to reduce architect scope from \$180k to \$170k to cover PM fees. Additional budget may need to be requested if required.	In Progress
RDCK does not have a Naming Rights policy or guideline	This is necessary to determine how to bridge the gap between the \$15m budget and estimated design-build cost. Proponents must know what option(s) are on the table to bridge the difference in cost prior to evaluation of proposals.	5	5	25	Report going to Commission in March which outlines options.	In Progress
Having the RFP deliverable ready to run concurrently with the October Election.	There are numerous highly technical documents and complicated processes that all must occur in very compressed timeframe. Any delay at any time will effect all the other project milestones and result in a referendum on the project occurring in early 2027.	5	5	25		In Progress
Draft Bylaw(s) have to receive 3rd reading by June 18 Board Mtg	Inspector needs to receive by June 24 in order to receive back by mid August to be ready for October inclusion.	5	3	15	Corporate Admin is currently working on these documents to have them ready.	In Progress
RDCK does not have approved budget for this project so authorization from Board required to commence RFQual and RFP processes and award any eventual contract.	Cannot commence procurements without Board approval.	5	5	25	Working with Corporate Admin to identify all approvals required and meet timelines	In Progress

The risks identified above should be considered in combination with the proposed schedule below. The schedule is very aggressive and numbers over 100 tasks that need to occur as part of this project leading up to a potential design-build contract. Only the most notable tasks have been shown in order to remain concise. If even a single milestone is missed on any task, it is highly probable that the anticipated alignment for Voter Assent for the project to run concurrent with the October election cycle will be missed. The cost of a stand-alone referendum would be approximately \$45,000. It may be prudent to direct staff to target a different timeframe based on the information known today, or the target of the October election can remain recognizing the risks and uncertainties that can come with a project of this complexity.

3.0 NEXT STEPS AND TIMELINE

The Project Team will continue to provide monthly updates to the Commission noting if any of the critical risks cannot be effectively mitigated, if any of the critical milestones cannot be achieved or if additional budget is required.

Respectfully submitted,

AJ Evenson

AJ Evenson, Senior Project Manager

CONCURRENCE

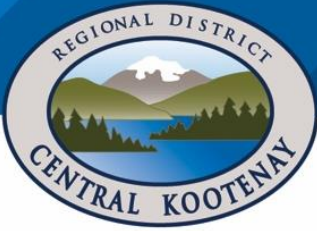
Regional Manager – Operations and Asset Management – Craig Stanley

General Manager, Community Services – Trisha Davison

C Stanley
Trisha Davison

ATTACHMENTS:

Not Applicable



Committee Report

March 3, 2026

Castlegar & District Expansion Project – Value Capture Guidelines & Naming Rights

Author: Trisha Davison, General Manager of Community Services

File Reference: 01-0520-50

Electoral Area/Municipality: City of Castlegar, Electoral Areas I & J

Services Impacted S222

All assisted with content in this document. Content has been reviewed for accuracy with the appropriate RDCK management personnel.

1.0 STAFF RECOMMENDATION

Recommendation 1: THAT the Board approve Value Capture Guidelines for the Castlegar & District Arena Project providing that all value capture methods other than naming rights — including facility revenue sharing, real estate and land development, advertising and digital rights, operational and facility management contracts, intellectual property and design replication, and financial engineering — are excluded from the procurement process and that the completed facility shall be delivered as an unencumbered public asset with full operational control and all operating revenue streams flowing to the RDCK;

Recommendation 2: THAT the Board approve the inclusion of naming rights as a standard contract feature in the design-build procurement, structured so that the successful proponent receives ownership of facility naming rights for a defined term (20–25 years from substantial completion), subject to Board-adopted Naming Rights Guidelines, with proponents submitting dual prices (Price A without naming rights, Price B with naming rights) and evaluation based on Price B, with Price B not to exceed the \$15 million maximum total project cost envelope;

Recommendation 3: THAT the Board adopt the Naming Rights Guidelines for the Castlegar & District Arena Project, substantially in the form attached as Appendix B, establishing the governance framework for naming rights including acceptable name criteria, the Board approval process, self-naming provisions, community consultation requirements, the naming rights term, transferability, and reversion triggers;

Recommendation 4: THAT the Commission acknowledge the advantages and disadvantages of including naming rights in the procurement process as set out in this report, and confirm the Commission’s direction that the budget imperative, maximizing the likelihood that the project can be delivered within the \$15 million total cost envelope, is the overriding consideration supporting inclusion.

2.0 BACKGROUND/HISTORY

In 2024, the RDCK conducted a public engagement process, Reimaging Recreation Services at the Castlegar & District Complex. A second sheet of ice and an indoor walking were identified as priorities. The process further identified that there may be support for a taxation increase to support \$15 million of borrowing to build the new facility. It is important to note that the \$15 million borrowing bylaw requires voter assent through referendum and is not yet an approved budget.

In 2025, the RDCK retained HCMA Architecture + Design to conduct a feasibility study. HCMA determined that the cost range for a new arena incorporating a high degree of wood integration, a second ice sheet, and an indoor walking track would be \$19 million to \$29 million which is substantially above the \$15 million threshold. This gap between the community's budget expectation and the feasibility estimate is the central challenge the procurement must address.

The Commission decided to proceed with a design-build procurement, beginning with an Expression of Interest / Request for Qualifications (EOI/RFQ), to test whether the market can deliver the facility within the \$15 million budget through competitive innovation. HCMA recommended the design-build delivery model as it allows proponents to bring construction expertise to the design process and optimize the project within a fixed budget envelope.

The Board has approved \$280,000 to date for procurement preparation: \$180,000 for HCMA's advisory services (Contract #2026-013-COM) and \$100,000 for RFP honoraria. This existing approval authorizes preparatory work, not the formal procurement process itself.

Value Capture in Context

Given the substantial gap between the feasibility estimate (\$19–29 million) and the funding threshold (\$15 million), staff have conducted a comprehensive analysis of value capture methods — mechanisms through which a design-build proponent might contribute financial value beyond the base construction price — to determine whether any such mechanisms could help bridge the gap while maintaining the RDCK's governance obligations.

Value capture methods fall into seven broad categories: (1) naming rights and facility branding; (2) facility revenue sharing; (3) real estate and land development; (4) advertising, digital, and telecommunications rights; (5) operational and facility management contracts; (6) intellectual property and design replication; and (7) financial engineering. Each has been evaluated against eight constraints developed specifically for this procurement.

The analysis demonstrates that naming rights is the only value capture mechanism that passes all eight evaluation constraints. This report presents that analysis, recommends the exclusion of all other methods, and recommends the inclusion of naming rights in the procurement while providing the Commission with a transparent assessment of both the advantages and disadvantages of that inclusion.

Two-Service Financial Structure

The arena and walking track capital acquisition and asset management will be in one service (capital service) if approved through referendum, while the operating component, including rental income, sponsorship revenue, and programming, will be funded through the existing service, S222. This separation has direct implications for how value capture mechanisms are evaluated: any value that flows to a proponent rather than to the RDCK reduces operating service revenue and increases the annual requisition to taxpayers. The procurement framework must ensure that the completed facility is delivered as an unencumbered public asset with full operational control and all revenue streams flowing to the operating service.

Guidelines versus Policies

This report refers to “Value Capture Guidelines” and “Naming Rights Guidelines” rather than “policies.” Organization-wide policies require extensive development, cross-departmental review, and formal Board adoption — a process that typically takes many months and is not achievable within the procurement timeline. The guidelines described in this report are project-specific instruments that establish the governance framework for the arena procurement. They may inform future organization-wide policies, but they are tailored to the arena project and do not set precedent for other RDCK facilities or services.

3.0 PROBLEM OR OPPORTUNITY DESCRIPTION

The RDCK needs a governance framework for value capture before the procurement can begin. Without Board-adopted guidelines, the procurement faces several interconnected problems:

No basis for the RFQ disclosure. The RFQ must disclose the commercial structure of the eventual RFP so proponents understand what they are competing for. Without adopted value capture guidelines, the RFQ cannot articulate which value capture mechanisms are permitted, which are excluded, and what commercial framework applies.

Proponent uncertainty. Design-build firms deciding whether to invest in the RFQ process need to understand the full commercial structure. Uncertainty about whether the RDCK will accept or evaluate value capture proposals and if so, which types may deter qualified proponents from participating.

Evaluation framework gap. The evaluation committee needs clear direction on how to treat value capture elements in proposals. Without guidelines, the evaluation either ignores value capture (potentially leaving money on the table) or evaluates it ad hoc (creating fairness and trade agreement compliance risks).

Budget gap imperative. The feasibility estimate is \$19–29 million and the funding threshold \$15 million. If there are legitimate mechanisms that could help bridge this gap, without compromising the RDCK’s governance obligations, they should be identified and authorized before the procurement begins.
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3.1 Alignment to Board Strategic Plan

The arena project advances the Board’s strategic objectives related to community infrastructure investment and fiscal responsibility. Establishing a clear value capture framework before the procurement begins demonstrates the RDCK’s commitment to transparent governance, rigorous financial analysis, and accountability to ratepayers. The naming rights mechanism directly supports the strategic objective of delivering community infrastructure within affordable cost parameters.

3.2 Legislative Considerations

The procurement is subject to the following legislative and regulatory frameworks:

Local Government Act / Community Charter: The Board’s authority to enter into naming rights arrangements, adopt facility naming guidelines, and structure design-build procurements must be confirmed by legal counsel. The Community Charter’s prohibition on assistance to business may have implications for how the naming rights transfer is structured.

Trade Agreements: The procurement is subject to the Canadian Free Trade Agreement (CFTA), the New West Partnership Trade Agreement (NWPTA), and potentially CETA and CPTPP. These agreements require that evaluation criteria be disclosed in advance, that the process not discriminate against suppliers based on geographic origin, and that minimum notice and response periods be observed. The naming rights transfer, as a standard contract feature rather than an evaluation criterion, is designed to be compliant, but legal counsel should confirm.

Municipal Finance Authority: The borrowing under a loan authorization bylaw will be through the MFA. The financial plan must demonstrate that the total cost envelope is \$15 million regardless of how value capture is structured.

3.3 What Are the Risks

Without adopted value capture guidelines:

Procurement delay. The RFQ cannot be issued without clarity on the commercial structure. Each month of delay increases the risk of construction cost escalation, which further widens the feasibility-budget gap.

Ad hoc decision-making. Without a framework, value capture decisions will be made reactively as proponent questions arise, increasing the risk of inconsistency and legal challenge.

Qualified audit opinion risk. A procurement that lacks proper authorization, does not follow adopted guidelines, or produces contractual arrangements that are not adequately documented may result in an audit qualification or emphasis-of-matter paragraph in the auditor’s report.

Forgone budget relief. If naming rights are not included in the procurement, the RDCK forecloses the one mechanism that could reduce the construction price within the competitive process. The \$15 million budget may prove unachievable without it.

4.0 PROPOSED SOLUTION

Staff recommend that the Board approve value capture guidelines that: (a) exclude all value capture methods other than naming rights from the procurement process; and (b) include naming rights as a standard contract feature in the design-build procurement, structured through a dual-price submission.

Exclusion of All Other Value Capture Methods

Staff have evaluated seven categories of value capture against eight constraints developed specifically for this procurement (see Appendix A for the complete evaluation framework and category assessment). The evaluation demonstrates that all value capture methods other than naming rights fail one or more constraints. The table below summarizes the recommendation for each category:

Category	Recommendation	Primary Reason for Exclusion
Naming Rights	INCLUDE	Only category that passes all eight evaluation constraints. Does not divert operating revenue, does not impair operational integration, has a defined term, and does not extend the procurement timeline.

Revenue Sharing	EXCLUDE	Directly diverts operating revenue, increasing taxpayer requisition. Creates two-tier operations. Adds 3–6 months to procurement timeline.
Real Estate / Land	EXCLUDE	Speculative values. Multi-decade entanglements. Changes project character. Triggers land disposition requirements. Adds 6–12 months.
Advertising / Digital	EXCLUDE	Low value relative to governance overhead. Diverts operating revenue. Adds 1–3 months.
Operational / FM	EXCLUDE	Prevents integrated facility management. Creates de facto P3. Locks RDCK into sole-source arrangements. Adds 6+ months.
IP / Design Replication	EXCLUDE	Low and subjective value. Any benefit reflects naturally in the proponent’s base price.
Financial Engineering	EXCLUDE	Deferred payment costs more than MFA borrowing. Equity creates P3 without framework. Adds 3–6 months.

The exclusion recommendation is firm for all six non-naming-rights categories. The facility must be delivered as an unencumbered public asset with full operational control and all operating revenue streams flowing to the RDCK through the operating service.

Inclusion of Naming Rights in the Procurement

Under the proposed approach, the RFP provides that the successful proponent receives ownership of facility naming rights for a defined term (20–25 years from substantial completion) as a standard contract feature, subject to the Board’s adopted Naming Rights Guidelines. Proponents submit dual prices:

Price A (Base Price Without Naming Rights): The proponent’s construction price assuming they do not receive naming rights. This represents the proponent’s full commercial price for the design-build work.

Price B (Price With Naming Rights Transfer): The proponent’s construction price reflecting the value they attribute to the naming rights. Price B will be equal to or lower than Price A, since the naming rights have non-negative value. Price B cannot exceed \$15 million.

The evaluation is based on Price B. The gap between Price A and Price B reveals how much each proponent values the naming rights, providing the RDCK with competitive market data on naming rights value without requiring any separate valuation exercise.

Naming rights are not an evaluation criterion — they are a contract term that applies equally to all proponents. Every proponent knows that if they win, they receive naming rights. Every proponent therefore factors the value of naming rights into their pricing. The market does the valuation work through competitive pressure.

How the Naming Rights Transfer Works

The successful proponent receives ownership of the commercial naming rights. The Board retains approval over the actual name through the Naming Rights Guidelines. This is analogous to a commercial tenant having signage rights subject to the landlord’s design guidelines. Key structural elements:

Element	Structure
Transfer Mechanism	Naming rights transfer is a standard feature of the CCDC Design-Build contract. The proponent receives ownership of naming rights upon substantial completion.
Term	20–25 years from substantial completion. After expiry, naming rights revert to the RDCK. Long enough for proponents to monetize; short enough that the RDCK eventually regains full control.
Board Approval of Names	The proponent may propose any name, but the Board must approve it under the Naming Rights Guidelines before it is applied. Board review against guidelines criteria with a defined response timeline.
Transferability	The proponent may assign naming rights to a third party. The transfer of the commercial right does not require Board approval; only the exercise of the right (applying a name) does.
Self-Naming	A proponent may name the facility after their own company, subject to the same guidelines criteria and Board approval. Additional scrutiny warranted to ensure fair market value.
Exercise Deadline	If naming rights are not exercised within 24 months after substantial completion, they revert to the RDCK. Prevents the facility from remaining unnamed indefinitely.
Revenue Flow	Revenue from the sale of naming rights flows to the proponent, not to the RDCK’s operating service. The RDCK’s benefit is the reduced construction price (capital service savings).
Reversion Triggers	Term expiry; exercise deadline passes; named entity becomes unacceptable under guidelines and no acceptable alternative proposed; termination for cause; mutual agreement.
Sub-Facility Naming	Excluded from the proponent’s naming rights. The RDCK retains all sub-facility naming opportunities (rinks, rooms, lobbies) as operating service revenue opportunities.

Advantages and Disadvantages of Including Naming Rights in Procurement

Staff recommend inclusion of naming rights primarily because it maximizes the likelihood that the project can be delivered within the \$15 million budget. However, this is a genuine policy choice with material trade-offs. The Commission should understand both sides before providing direction.

Advantages

Advantage	Explanation
Lower Construction Price	Proponents who believe naming rights have value will reduce their Price B submission to be more competitive. In a procurement where the feasibility estimate (\$19–29 million) substantially exceeds the budget (\$15 million), every mechanism that helps bridge the gap increases the likelihood that the RDCK receives a viable proposal. If naming rights are worth \$500,000–\$1.5 million to the market, that value is captured directly in a lower construction price.
Proponent Confidence	Design-build firms considering whether to invest in the RFQ process need to understand the full commercial structure. Proponents who already have naming partner relationships — or who are confident they can monetize naming rights after award — have a material pricing advantage. These are often the firms best positioned to bridge the feasibility-budget gap. Excluding naming rights from the procurement may deter proponents who see naming rights as the only mechanism that makes a \$15 million arena achievable.
Competitive Valuation	The market does the valuation work. Instead of the RDCK guessing what naming rights are worth, or conducting a separate negotiation after construction where the RDCK has limited leverage, the competitive pressure of the procurement forces proponents to price naming rights accurately. The dual-price structure (Price A vs Price B) makes this valuation visible.
Simplicity & Certainty	The naming rights issue is resolved within the procurement. The Commission does not need to design, manage, or oversee a separate naming rights process after the project is approved. There is no second procurement, no separate negotiation, no additional legal costs, and no risk that the naming rights process stalls or produces an unsatisfactory outcome.
No Timeline Impact	Including naming rights adds no time to the procurement. The naming rights transfer is structured as a standard contract feature, not a negotiated commercial arrangement. It requires no additional RFP content, no commercial proposals from proponents beyond the dual-price submission, and no post-selection negotiation beyond the CCDC contract itself.

Disadvantages

Disadvantage	Explanation
May Not Capture Full Value	The proponents participating in the design-build procurement are construction companies, not naming rights specialists. Their ability to value and monetize naming rights may be less sophisticated than a dedicated

	naming rights broker or the RDCK’s own negotiation with a naming partner. The competitive discount between Price A and Price B may undervalue the naming opportunity, particularly if proponents take a conservative approach to estimating naming rights revenue.
Forecloses Perpetual Naming	If the Commission or the community wishes to assign a perpetual name to the facility — for example, naming it after a significant historical figure, a geographic feature, or in honour of a community legacy — this is difficult to accomplish within a competitive procurement process. A proponent who receives term-limited naming rights (20–25 years) will expect to monetize those rights commercially. The procurement structure is designed for commercial naming, not commemorative or heritage naming.
Forecloses Philanthropic Naming	If a community member or organization wishes to make a substantial philanthropic contribution in exchange for naming recognition, that opportunity is effectively consumed by the procurement. A benefactor who would contribute \$1 million or more to have the facility named in their honour or in memory of a loved one cannot do so if naming rights have already been transferred to the design-build proponent. The RDCK would be turning down potential philanthropic capital.
The ‘Not Quite Right’ Problem	The Naming Rights Guidelines establish objective criteria for acceptable and unacceptable names. But naming a public facility involves community identity and sentiment that may not be fully captured by objective criteria. A proposed name might satisfy every guideline criterion and still not feel right for the community. Within a procurement framework, the Board’s ability to reject a technically compliant name is constrained — the proponent has a contractual right to exercise the naming rights subject to the guidelines, and an arbitrary rejection could create legal exposure.
Public Perception Risk	The community may react negatively to a construction company — particularly an out-of-region firm — controlling what name goes on their public arena. Even with the Board’s veto over specific names, the concept of naming rights being a commercial commodity traded as part of a construction deal may not sit well with a community that views its arena as a civic asset.

Staff’s Assessment

Staff recommend inclusion primarily because the budget imperative is the overriding consideration. The feasibility estimate is \$19–29 million and the budget is \$15 million. Naming rights may be the single mechanism that allows a proponent to bridge part of that gap. The disadvantages are real and should not be minimized — the Commission is genuinely giving up control over what the facility is called for 20–25 years — but the alternative is a materially higher risk that the \$15 million budget proves unachievable.

The Commission should note that the Naming Rights Guidelines (Appendix B) provide substantial protections: the Board retains veto over any name; prohibited industries are excluded; the naming rights revert to the RDCK after the term expires or if reversion triggers are activated; sub-facility naming is retained by the RDCK; and signage must comply with design standards that protect the facility’s architectural integrity.

4.1 Financial Considerations of the Proposed Solution

This report does not request additional funding. The value capture guidelines and naming rights guidelines are governance instruments that establish the framework for the procurement; they do not create direct financial obligations.

However, the Commission should be aware of the following financial considerations:

Naming rights value: Market comparables suggest naming rights for a community arena in a municipality the size of Castlegar could be worth \$500,000–\$1.5 million over a 20–25 year term. This range is wide because naming rights value depends heavily on market exposure, facility profile, and naming partner interest. The dual-price structure will reveal the market’s actual valuation through competitive pressure.

Capital service impact: If naming rights are included and proponents reflect the value in their Price B, the construction price (and therefore the borrowing requirement) is reduced. A \$750,000 naming rights value, for example, would reduce annual debt service by approximately \$40,000–\$50,000 over a 20-year debenture term.

Operating service impact: Naming rights revenue does not flow to the operating service — the proponent retains the naming rights and their financial value. The RDCK’s benefit appears entirely in the capital service as a reduced construction price. This is a clean, transparent trade-off: lower capital borrowing in exchange for the operating service not receiving naming rights revenue.

Legal costs: Legal counsel review of the naming rights transfer terms, the Naming Rights Guidelines, and trade agreement compliance is required before the RFQ is issued. Estimated cost: \$5,000–\$15,000, funded from the existing procurement budget.

4.2 Risks with the Proposed Solution

Risk	Description	Mitigation
Undervaluation	Proponents conservatively price naming rights, resulting in a smaller discount than the market would support.	Competitive pressure among proponents; the dual-price structure provides market validation; the RDCK retains sub-facility naming for separate revenue.
Community Reaction	Public objects to commercial naming of a civic facility.	The public consultation at Stage 6 will include information about the naming rights mechanism. The Naming Rights Guidelines provide robust protections.
Name Conflict	Proponent proposes a name that is technically compliant but creates community tension.	Naming Rights Guidelines criteria address this; Board retains approval authority; defined process for alternative names if initial proposal is rejected.

Legal Challenge	A proponent challenges the naming rights transfer under trade agreements or procurement law.	The naming rights transfer is a standard contract feature, not an evaluation criterion. Legal counsel review before RFQ issuance.
Philanthropic Foreclosure	After naming rights are transferred, a significant philanthropic offer emerges that the RDCK cannot accept.	Sub-facility naming retained by the RDCK. If a philanthropic offer is transformative (e.g., \$2M+), the RDCK could negotiate with the proponent to buy back naming rights — though this is not guaranteed.

4.3 Resource Allocation and Workplan Impact

The naming rights and value capture guidelines do not create incremental resource demands beyond the existing procurement workplan. The guidelines will be incorporated into the RFQ and RFP documents by the project team as part of the procurement document development already planned.

Legal counsel review of the naming rights transfer terms and trade agreement compliance will be required. This is within the scope of the legal advisory services that the project team will retain for the procurement generally.

4.4 Public Benefit and Stakeholder Engagement of Proposed Solution

The primary public benefit of including naming rights in the procurement is a potentially lower construction price, which translates directly into lower borrowing and reduced taxpayer requisition. Every dollar of naming rights value captured in the construction price is a dollar the community does not need to borrow and repay over 20 years.

The public consultation process (Stage 6 of the procurement, prior to the referendum) should include information about the naming rights mechanism, the guidelines protections, and the Board’s approval authority over specific names. This allows the community to understand the trade-off before voting on the borrowing bylaw.

The Commission should note that the naming rights decision will be disclosed in the RFQ — the first public document in the procurement process. The community and potential proponents will know from the outset that naming rights are a feature of the procurement.

4.5 Leveraging Technology

Not applicable to this report. The naming rights and value capture guidelines are governance instruments that do not have direct technology implications.

4.6 Measuring Success

The success of the naming rights inclusion will be measured through the dual-price submissions at the RFP stage. The gap between Price A and Price B across all proponents will demonstrate the market’s valuation of naming rights and the extent to which the mechanism contributes to achieving the \$15 million budget target. Staff will

report this data to the Commission and Board when presenting the evaluation results and preferred proponent recommendation at Stage 3.

4.7 Responding to Innovative or Unanticipated Value Capture Proposals

The Value Capture Guidelines exclude six of the seven value capture categories identified in the procurement analysis. This is the right decision based on the evaluation of those specific methods against the eight constraints. However, the construction and development market is creative. A proponent may propose an innovative value capture approach that the RDCK did not anticipate — a mechanism that does not fit neatly into any of the seven categories analysed, or a variation of an excluded category that addresses the specific constraint failures that led to its exclusion.

The RDCK should not foreclose this possibility. A blanket prohibition on all value capture other than naming rights could cause the RDCK to reject a proposal that genuinely benefits the community — one that reduces the construction price, improves the facility, or creates long-term value without the governance, timeline, or integration problems that led to the exclusion of the analysed categories. At the same time, the RDCK cannot allow an innovative proposal to bypass the discipline that the guidelines are designed to provide. The risk of ad hoc decision-making is precisely what the guidelines exist to prevent.

Staff recommend the following protocol be included in the RFP and in the evaluation handbook:

Protocol for Evaluating Innovative Value Capture Proposals

- 1. RFP Disclosure.** The RFP should state that the RDCK has adopted Value Capture Guidelines that exclude all value capture methods other than naming rights, and that proposals will be evaluated on this basis. However, the RFP should also state that proponents may submit, as a clearly identified addendum to their proposal, an innovative value capture approach that they believe would benefit the RDCK. The RDCK reserves the right — but is not obligated — to consider any such approach.
- 2. Separation from the Core Proposal.** Any innovative value capture proposal must be submitted as a separate, clearly identified addendum — not embedded in the core proposal. The core proposal must be complete, compliant, and self-standing without the innovative component. The evaluation committee evaluates the core proposal first against the published criteria. The innovative component is considered only after the core evaluation is complete and only if the core proposal is otherwise competitive.
- 3. Assessment Against the Eight Constraints.** Any innovative proposal is assessed against the same eight constraints applied to the seven excluded categories: Total Cost Test (\$15 million ceiling), Operating Service Impact (foregone revenue NPV), Operational Integration (impairment of integrated management), Governance Duration (obligations beyond 5–10 years), Valuation Confidence (reasonable confidence at proposal stage), Public Accountability (clearly explainable to taxpayers), Reversibility (clean exit provisions), and Procurement Cycle Impact (timeline extension). If the innovative proposal fails any constraint that the evaluation committee considers material, it is not considered further.
- 4. Engagement of an Independent Third-Party Advisor.** If the evaluation committee determines that an innovative proposal passes the initial constraint screening and warrants further consideration, the RDCK should engage an independent third-party advisor with relevant expertise to participate in the evaluation. This advisor should be independent of both the RDCK and the proponent, and should have expertise in the specific type of value capture mechanism proposed (e.g., a financial advisor for a novel financing structure, a

real estate advisor for a land value approach, or an operational consultant for an innovative service delivery model). The advisor’s role is to:

- a) **Value assessment:** Assess whether the proposed mechanism genuinely delivers value to the RDCK or primarily benefits the proponent. The advisor provides an independent valuation or assessment from the RDCK’s perspective, not the proponent’s.
- b) **Risk identification:** Identify risks, obligations, and long-term implications that staff or the evaluation committee may not have the specialized expertise to recognise. The advisor documents these in a written report.
- c) **Written recommendation:** Provide a written recommendation to the evaluation committee on whether the innovative proposal should be accepted, modified, or rejected, with documented rationale. This recommendation is advisory; the evaluation committee retains the decision authority.
- d) **Evaluation participation:** Participate in the evaluation as a non-voting technical resource, available to answer questions from committee members and to brief the Commission if the innovative proposal is material to the preferred proponent recommendation.

5. **Commission and Board Approval.** If the evaluation committee recommends acceptance of an innovative value capture proposal as part of the preferred proponent recommendation, the proposal must be presented separately to the Commission and the Board with the independent advisor’s assessment. The Commission and Board must approve the innovative component specifically — it cannot be bundled into a general approval of the preferred proponent without separate consideration.
6. **Timeline Discipline.** The evaluation of an innovative proposal must be completed within 30 business days of the evaluation committee’s decision to proceed with a detailed assessment. If the assessment cannot be completed within this period — including engagement of the independent advisor — the evaluation committee may decline to consider the proposal and proceed with the evaluation based on the core submission. This prevents an innovative proposal from holding the procurement hostage.
7. **Cost of the Independent Advisor.** The cost of engaging the independent advisor is borne by the RDCK from the procurement budget. Estimated cost: \$10,000–\$30,000 depending on the complexity of the proposal. This cost should be anticipated in the procurement budget as a contingency. If no innovative proposals are received, the contingency is not spent.

Key point: The protocol is designed to say “yes, but with discipline.” It does not prohibit innovation. It channels innovation through the same governance framework that applies to the pre-analysed value capture categories — the eight constraints, independent review, Commission and Board approval — so that an innovative proposal receives proper scrutiny before it is accepted. The independent third-party advisor is the critical safeguard: it ensures that the evaluation committee does not accept a mechanism it does not fully understand.

Risks

Risk	Description	Mitigation
Ad hoc decision-making	The RDCK evaluates a novel proposal without a pre-established framework, exposing the decision to challenge.	The protocol requires assessment against the eight value capture

		constraints before any proposal is considered on its merits.
Evaluation committee lacks expertise	Staff and committee members may not have the specialized knowledge to evaluate a complex financial or operational structure.	Independent third-party advisor provides the technical assessment and documents the analysis for the record.
Procurement delay	Evaluating an innovative proposal adds time to the evaluation period.	Strict timeline (30 business days) and evaluation committee discretion to decline assessment if timeline cannot be met.
Fairness challenge from other proponents	Other proponents may argue that an innovative proposal changed the evaluation basis after submission.	The RFP discloses that innovative approaches may be considered. Assessment is within the published criteria, not outside them.
Proposal benefits proponent more than RDCK	An innovative mechanism may appear attractive but primarily benefit the proponent at the RDCK's expense.	Independent advisor assesses value from the RDCK's perspective, not the proponent's. Eight constraints applied.

The protocol should be reflected in the Naming Rights Guidelines (Appendix B) as a new section, and in the RFP evaluation handbook as a procedure for the evaluation committee to follow if an innovative proposal is received.

5.0 ALTERNATIVE SOLUTION(S)

Under this approach, no value capture mechanisms of any kind are included in the procurement. Proponents submit a single construction price and the evaluation is based solely on that price. The RDCK retains full control over facility naming as a separate decision to be made after the project proceeds — whether through a commercial naming rights sale, a philanthropic partnership, a heritage naming process, or a Commission decision to assign a community name.

Advantage	Explanation
Full Naming Flexibility	The Commission retains all options: commercial naming rights sold to the highest bidder through a dedicated process; philanthropic naming in exchange for a major community contribution; heritage or commemorative naming to honour a historical figure, community identity, or geographic feature; or simply naming it through a community process. None of these options are foreclosed.
Higher Naming Value Possible	A dedicated naming rights process conducted after the facility design is known, with professional naming rights expertise, may capture substantially more value than the discount proponents build into their

	construction bids. Naming rights specialists can create competitive tension among potential naming partners, negotiate over time, and structure deals optimized for the RDCK’s financial position.
Avoids ‘Not Quite Right’ Problem	The Commission makes the naming decision directly, with full discretion to consider community sentiment, cultural fit, and factors that cannot be codified in procurement guidelines. There is no tension between a proponent’s contractual rights and the community’s sense of identity.
Accommodates Philanthropy	If a community member or organization offers a substantial contribution in exchange for naming, the Commission can accept it on terms that reflect the full value and community significance of the offer. A \$2 million philanthropic contribution with perpetual naming could reduce the borrowing requirement by more than the naming rights discount any proponent would offer.
Simpler Procurement	The RFP uses a single price submission, the evaluation framework is simpler, there is no dual-price structure, no Naming Rights Transfer Terms schedule, and no Naming Rights Agreement to negotiate at Stage 9. Legal review and document complexity are reduced.

5.1 Financial Considerations of the Alternative Solution(s)

Risk to project viability. This is the most significant concern. The feasibility estimate is \$19–29 million and the budget is \$15 million. Naming rights may be the single mechanism that allows a proponent to bridge part of that gap. If proponents believe they cannot deliver within \$15 million without the pricing benefit of naming rights, they may decline to participate in the procurement at all — or submit proposals that compromise the facility quality to meet the budget. The RDCK could receive no viable proposals, or proposals for a facility substantially less impressive than what is achievable with naming rights included.

Forgone capital cost savings. If naming rights are worth \$500,000–\$1.5 million, excluding them from the procurement means the community borrows and repays that amount that could otherwise have been offset. Even if the Commission later conducts a separate naming rights sale, the revenue may flow to the operating service rather than reducing the capital borrowing, and the timing of that revenue is uncertain.

No competitive valuation data. The dual-price structure (Price A vs Price B) provides valuable market data on what naming rights are actually worth to the construction market. Without it, the Commission has no objective basis for evaluating any future naming rights offer.

5.2 Risks with the Alternative Solution(s)

Budget gap. The most material risk: the \$15 million budget may prove unachievable without naming rights, resulting in no viable proposals, scope reductions, or project delay/cancellation.

Uncertain future process. Excluding naming rights from the procurement does not eliminate the need for a naming decision — it defers it. The Commission will still need to decide how to name the facility, conduct whatever process it chooses, and manage community expectations. The naming process may prove more difficult, time-consuming, and politically contentious than anticipated.

Commission must manage a separate process. Including naming rights in the procurement is a ‘one and done’ approach. Excluding them means the Commission takes on the responsibility of designing, managing, and concluding a separate naming process, which requires additional time, expertise, and political will.

5.3 Resource Allocation and Workplan Impact

If naming rights are excluded, the procurement documents are somewhat simpler (no dual-price structure, no Naming Rights Transfer Terms). However, the Commission takes on the future obligation of managing a separate naming process after the project proceeds, which will require staff time, potential advisory costs, and Commission meeting time that is not currently budgeted.

5.4 Public Benefit and Stakeholder Engagement of Proposed Solution

The public retains full voice in the naming decision through whatever process the Commission chooses. However, the public also bears the cost of higher borrowing if naming rights value is not captured in the construction price.

5.5 Measuring Success

Without the dual-price structure, there is no market benchmark for naming rights value. The Commission would need to commission an independent valuation if it later decides to conduct a commercial naming rights sale.

6.0 OPTIONS CONSIDERED BUT NOT PRESENTED

The following value capture methods were evaluated in detail and excluded from both options. These are not feasible alternatives regardless of the naming rights decision:

Facility Revenue Sharing: Diverts operating revenue to the proponent, increasing taxpayer requisition. Creates two-tier operations between new and existing arenas. Fails three of eight evaluation constraints.

Real Estate & Land Development: Speculative values, multi-decade entanglements, changes project character, triggers land disposition requirements. Fails five of eight constraints.

Advertising & Digital Rights: Low value relative to governance overhead. Diverts operating revenue. Fails two constraints.

Operational / Facility Management Contracts: Prevents integrated facility management, creates de facto P3 without P3 framework. Fails five of eight constraints.

Intellectual Property / Design Replication: Low and subjective value that reflects naturally in the proponent’s base price. Fails one constraint.

Financial Engineering: Deferred payment costs more than MFA borrowing; equity creates P3 without framework. Fails five of eight constraints.

The complete evaluation framework, constraint analysis matrix, procurement timeline impact table, and detailed category assessments are presented in Appendix A.

Middle Path – Defer the Naming Rights Decision

Staff note for completeness that a middle path is available: the Board could adopt Naming Rights Guidelines now (establishing the governance framework for any future naming decision), approve the exclusion of all other

value capture methods, but defer the decision on whether to include naming rights in the procurement until after HCMA’s cost briefing on wood integration options and the Commission’s understanding of the feasibility-budget gap.

If the market signals that \$15 million is achievable without naming rights, the argument for exclusion is stronger. If the gap remains substantial, inclusion becomes more compelling. The RFQ can be drafted to accommodate either approach, with the naming rights decision finalized before the RFP is issued.

Staff do not recommend this path because it delays a decision that proponents need to see in the RFQ in order to make informed participation decisions, and because the feasibility-budget gap (\$4–14 million) is so substantial that the likelihood of bridging it without naming rights is low. However, the Commission may choose this approach if it wishes to preserve optionality.

7.0 OPTIONS SUMMARY

Option 1 (Staff Recommendation): Include Naming Rights in the Procurement

THAT the Board approve Value Capture Guidelines for the Castlegar & District Arena Project providing that all value capture methods other than naming rights are excluded from the procurement process; THAT the Board approve the inclusion of naming rights as a standard contract feature in the design-build procurement structured through a dual-price submission with evaluation based on Price B not to exceed \$15 million; THAT the Board adopt the Naming Rights Guidelines substantially in the form attached as Appendix B; AND THAT the Commission acknowledge the advantages and disadvantages as set out in this report and confirm the budget imperative as the overriding consideration.

Option 2: Exclude Naming Rights from the Procurement

THAT the Board approve Value Capture Guidelines for the Castlegar & District Arena Project providing that all value capture methods — including naming rights — are excluded from the procurement process; THAT proponents submit a single construction price not to exceed \$15 million; THAT the Board adopt the Naming Rights Guidelines substantially in the form attached as Appendix B to govern any future facility naming decision; AND THAT the Commission retain full control over the facility naming process as a separate decision to be made after the project proceeds.

8.0 RECOMMENDATION

Staff recommend Option 1: Include Naming Rights in the Procurement.

Recommendation 1: THAT the Board approve Value Capture Guidelines for the Castlegar & District Arena Project providing that all value capture methods other than naming rights — including facility revenue sharing, real estate and land development, advertising and digital rights, operational and facility management contracts, intellectual property and design replication, and financial engineering — are excluded from the procurement process and that the completed facility shall be delivered as an unencumbered public asset with full operational control and all operating revenue streams flowing to the RDCK;

Recommendation 2: THAT the Board approve the inclusion of naming rights as a standard contract feature in the design-build procurement, structured so that the successful proponent receives ownership of facility naming rights for a defined term (20–25 years from substantial completion), subject to Board-adopted Naming Rights Guidelines, with proponents submitting dual prices (Price A without naming rights, Price B with naming rights) and evaluation based on Price B, with Price B not to exceed the \$15 million maximum total project cost envelope;

Recommendation 3: THAT the Board adopt the Naming Rights Guidelines for the Castlegar & District Arena Project, substantially in the form attached as Appendix B, establishing the governance framework for naming rights including acceptable name criteria, the Board approval process, self-naming provisions, community consultation requirements, the naming rights term, transferability, and reversion triggers;

Recommendation 4: THAT the Commission acknowledge the advantages and disadvantages of including naming rights in the procurement process as set out in this report, and confirm the Commission’s direction that the budget imperative, maximizing the likelihood that the project can be delivered within the \$15 million total cost envelope, is the overriding consideration supporting inclusion.

Respectfully submitted,



Trisha Davison, General Manager of Community Services

CONCURRENCE

Regional Manager of Operations and Asset Management – Craig Stanley



ATTACHMENTS:

Appendix A — Value Capture Evaluation Framework & Category Assessment

Appendix B — Draft Naming Rights Guidelines for the Castlegar & District Arena and Walking Track Project

APPENDIX A
Value Capture Evaluation Framework & Category Assessment

Evaluation Framework

Each value capture method has been evaluated against the following eight constraints, developed specifically for the arena procurement:

Evaluation Factor	Test
Total Cost Test	Does the construction price plus the present value of the proponent’s captured value exceed \$15 million? If yes, it is non-compliant.
Operating Service Impact	Does the method divert revenue that would otherwise flow to the operating service? If yes, what is the net present value of the foregone operating revenue over the term?
Operational Integration	Does the method prevent or impair integrated management of the new and existing facilities on the site? Methods that fragment operational control should be presumed unacceptable.
Governance Duration	How long does the arrangement bind the RDCK? Methods creating obligations beyond 5–10 years require heightened scrutiny. Perpetual obligations should be presumed unacceptable.
Valuation Confidence	Can the method be valued with reasonable confidence at the proposal stage? If the value is speculative, it cannot be fairly evaluated and should not be credited financially.
Public Accountability	Can the arrangement be clearly explained to taxpayers in the referendum and consultation materials? Complex arrangements undermine public confidence.
Reversibility	Can the arrangement be unwound if circumstances change? Methods with defined terms and clean exit provisions are preferable to irreversible arrangements.
Procurement Cycle Impact	Does the method extend the procurement timeline? Methods requiring detailed commercial proposals, extensive post-selection negotiation, or complex contractual arrangements add months. The voter assent requirement already stretches the timeline to 12+ months.

Constraint Analysis Matrix

The following table shows which constraints each category passes (✓) or fails (X):

Category	Total Cost	Oper. Service	Oper. Integ.	Gov. Duration	Valuation	Public Acct.	Revers.	Procure. Cycle
1. Naming Rights	✓	✓	✓	✓	✓	✓	✓	✓
2. Revenue Sharing	✓	X	X	✓	X	✓	✓	X
3. Real Estate / Land	X	✓	✓	X	X	X	X	X

4. Advertising / Digital	✓	X	✓	✓	✓	✓	✓	X
5. Operational / FM	✓	X	X	X	✓	X	X	X
6. IP / Design	✓	✓	✓	✓	X	✓	✓	✓
7. Financial Eng.	X	✓	✓	X	X	X	X	X

✓ = Passes constraint. X = Fails constraint.

Detailed Category Assessment

Category	Key Constraint Failures	Recommendation	Rationale
1. Naming Rights (term-limited)	None — passes all tests	PERMIT	Does not divert operating revenue. Does not impair operational integration. Can be valued with market benchmarks. Has a defined term. Does not extend procurement cycle — naming rights transfer is a standard contract feature. The transfer structure capitalizes value into construction pricing through competitive pressure.
2. Revenue Sharing (rental, sponsorship, concession)	Operating service; operational integration; procurement cycle	EXCLUDE	Directly diverts operating revenue, increasing taxpayer requisition. Creates two-tier operations between new and existing arenas. Difficult to value at proposal stage. Would add 3–6 months of negotiation before CCDC execution.
3. Real Estate & Land Development	Total cost; governance duration; valuation; reversibility; procurement cycle	EXCLUDE	Speculative values. Multi-decade entanglements. Changes project character from public recreation facility to mixed-use development. Triggers land disposition statutory requirements. Would add 6–12 months.
4. Advertising & Digital	Operating service; procurement cycle	EXCLUDE	Low value relative to governance overhead. Most methods divert operating revenue. Adds 1–3 months without proportionate benefit. The RDCK can exploit advertising opportunities independently after construction.
5. Operational / Facility Management	Operational integration; governance duration;	EXCLUDE	Directly prevents integrated management of two-facility site. Creates de facto P3 without P3 framework. Locks RDCK into sole-source operating arrangements for decades. Would

	procurement cycle		add 6+ months and require specialized advisory resources.
6. IP & Design Replication	Valuation confidence	EXCLUDE from financial evaluation	Low and subjective value. Any benefit shows up naturally in the proponent's base price if they plan to reuse the design. Not worth crediting separately.
7. Financial Engineering	Total cost; governance duration; procurement cycle	EXCLUDE	Deferred payment costs more than MFA borrowing. Equity creates P3 without P3 framework. Financial engineering proposals would require proponents to engage financial advisors and the RDCK to retain independent advisory. Adds 3–6 months.

Procurement Timeline Impact by Category

Category	Estimated Timeline Extension	Primary Cause
1. Naming Rights	Nil	Standard contract feature; no additional RFP content or post-selection negotiation required.
2. Revenue Sharing	3–6 months	Proponents must prepare operating models and revenue projections; post-selection negotiation of revenue-sharing agreements.
3. Real Estate / Land	6–12 months	Development proposals, due diligence, land disposition requirements, development agreement negotiation.
4. Advertising / Digital	1–3 months	Advertising strategy development, revenue projections, rights agreement negotiation.
5. Operational / FM	6+ months	P3-equivalent assessment, operating agreement negotiation, shadow bid or value-for-money analysis.
6. IP / Design Replication	Nil–1 month	Minimal additional RFP content; minor IP licensing terms.
7. Financial Engineering	3–6 months	Financial modelling, independent advisory engagement, complex contract structure negotiation.

These extensions are additive to the base procurement timeline. Given that the procurement already requires 12+ months from RFP issuance to CCDC execution, permitting categories 2, 3, 5, or 7 could extend the total procurement to 18–24+ months.

APPENDIX B
DRAFT Naming Rights Guidelines
Castlegar & District Arena and Walking Track Project

NOTE: These guidelines are project-specific to the Castlegar & District Arena and Indoor Walking Track design-build procurement. They are not an organization-wide facility naming policy. Legal counsel should review these guidelines before they are presented for Board adoption.

1. Purpose and Scope

These Naming Rights Guidelines establish the governance framework for the naming of the Castlegar & District Arena. They apply to the primary facility name only. Sub-facility naming (individual rinks, rooms, lobbies, and gathering spaces) is excluded from the proponent's naming rights and is retained by the RDCK as a separate matter.

If the Board approves the inclusion of naming rights in the design-build procurement, these guidelines govern the naming rights transferred to the successful proponent. If the Board excludes naming rights from the procurement, these guidelines govern whatever separate naming process the Commission undertakes after the project proceeds.

These guidelines may be amended by Board resolution at any time, provided that amendments do not retroactively impair naming rights that have been contractually transferred to a proponent under an executed Naming Rights Agreement.

2. Acceptable Name Criteria

A proposed facility name must satisfy all of the following criteria to be approved by the Board:

- a) **Community Standards:** The name must be consistent with the standards expected of a public recreation facility used by families, children, and community groups. Names that are vulgar, discriminatory, or offensive shall not be approved.
- b) **Prohibited Industries:** The facility shall not be named after or associated with entities primarily engaged in the following industries: tobacco products; cannabis production or retail (recreational); firearms or weapons manufacturing; gambling or gaming operations (other than government-operated lotteries); adult entertainment; or any industry that is illegal under Canadian federal or provincial law.
- c) **Good Standing:** The naming entity (whether a corporation, organization, or individual) must be in good legal and financial standing. Entities that are subject to material criminal proceedings, regulatory sanctions, or insolvency proceedings shall not be approved for facility naming.
- d) **Name Format:** The name must include the word "Arena" or an equivalent term that identifies the facility's primary function (e.g., "[Name] Arena", "[Name] Recreation Centre"). The name must not exceed a reasonable length for signage and public communication purposes.

3. Board Approval Process

The naming rights holder submits a proposed name to the RDCK in writing. Staff review the proposed name against these guidelines criteria and prepare a recommendation to the Board within 30 days of receipt.

The Board considers the proposed name at the next regular Board meeting following staff's recommendation, with a decision within 90 days of the initial submission. If the Board rejects a proposed name, the naming rights holder may submit up to two alternative names, each subject to the same review process and timeline. If three successive names are rejected, the naming rights holder may request mediation.

The Castlegar & District Recreation Commission shall review naming proposals and provide a recommendation to the Board before the Board's consideration, given the Commission's oversight of the arena service.

4. Self-Naming Provisions

A proponent may name the facility after their own company, subject to the same acceptable name criteria and Board approval process. Where the proponent proposes self-naming, additional review is warranted to ensure that the naming rights discount reflected in Price B represents fair market value for the naming opportunity — that is, the proponent is not receiving a below-market bargain by naming the facility after themselves.

If the Price A / Price B gap appears inconsistent with market comparables for naming rights, the evaluation committee may request that the proponent provide evidence of the commercial basis for the naming rights value attributed in their pricing.

5. Community Consultation

The public consultation at Stage 6 of the procurement (prior to the referendum) shall include information about the naming rights mechanism, these guidelines, and the Board's approval authority. The community should have an opportunity to comment on the type of naming they find acceptable, even if the specific name will not be known at that stage.

Once a specific name is proposed by the naming rights holder after substantial completion, the Commission may choose to conduct additional community consultation before making its recommendation to the Board, but this is not mandatory under these guidelines.

6. Naming Rights Term

The naming rights term is 20–25 years from the date of substantial completion of the facility. Upon expiry, naming rights revert automatically to the RDCK without compensation to the naming rights holder. The RDCK is then free to conduct a new naming process, extend the arrangement by mutual agreement, or assign a community name.

The specific term within the 20–25 year range shall be established in the Naming Rights Agreement negotiated at Stage 9 of the procurement.

7. Transferability and Assignment

The naming rights holder may assign or transfer the commercial naming rights to a third party without Board approval for the transfer itself. However, every proposed name — whether from the original holder or an assignee — must be approved by the Board under these guidelines before it is applied to the facility. The RDCK must be notified in writing of all transfers within 30 days of completion. The assignee assumes all obligations of the naming rights holder under the Naming Rights Agreement and these guidelines.

8. Reversion Triggers

Naming rights revert to the RDCK before term expiry under any of the following circumstances:

- a) The naming rights are not exercised (no name applied) within 24 months after substantial completion.
- b) The named entity becomes unacceptable under these guidelines (e.g., convicted of a criminal offence, enters an excluded industry) and the naming rights holder does not propose an acceptable alternative name within 180 days of notice from the RDCK.
- c) The naming rights holder becomes insolvent or enters bankruptcy proceedings.
- d) The Naming Rights Agreement is terminated for material breach.
- e) By mutual written agreement between the RDCK and the naming rights holder.

Upon reversion, the RDCK regains full naming rights without compensation to the naming rights holder (the holder already received value through the construction price discount). The proponent's construction obligations under the CCDC contract are unaffected by reversion. The costs of physical signage removal and replacement shall be borne by the naming rights holder unless reversion is by mutual agreement, in which case costs shall be allocated as agreed.

9. Conditions for Renaming During the Term

If the named entity becomes controversial after the name is applied — for example, involvement in a public scandal, criminal charges against key individuals, or activities that conflict with these guidelines — the Board may require removal of the name by providing written notice to the naming rights holder specifying the grounds.

The naming rights holder has 180 days from receipt of notice to propose an acceptable alternative name. If no acceptable alternative is proposed within that period, the naming rights revert to the RDCK under Section 8(b) above.

10. Benefactor Scenario

A proponent or community member may offer a substantial philanthropic contribution in exchange for naming recognition. Where the naming rights are included in the procurement and the proponent proposes self-naming as a benefactor (offering a construction discount materially above market naming rights value), this is permitted and encouraged, subject to the acceptable name criteria and Board approval.

Sub-facility naming opportunities (rinks, rooms, lobbies, gathering spaces) are retained by the RDCK and may be offered to community donors at any time, independent of the primary facility naming rights.

11. Signage and Design Standards

All naming rights signage must comply with the facility's design standards as established in the Owner's Statement of Requirements (OSR). Given the Commission's emphasis on wood integration and architectural quality, naming signage must be integrated into the building's design rather than applied as an afterthought.

Signage parameters (maximum dimensions, permitted locations, materials, lighting) will be defined in the OSR and shall form part of the Naming Rights Agreement. The cost of initial naming signage installation is the naming rights holder's responsibility unless otherwise agreed in the CCDC contract.

No animated, digital, or internally illuminated signage is permitted on the building exterior without specific Board approval.

12. RDCK Branding Integration

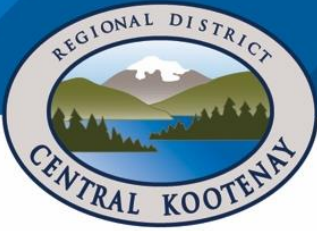
The facility's official name must coexist with the RDCK's corporate identity. All public communications, wayfinding signage, and official documents shall identify the facility as "[Facility Name] — A Castlegar & District Recreation Commission Facility" or equivalent language that identifies the RDCK's ownership and the Commission's operational oversight.

The naming rights holder's name or brand does not replace the RDCK's identity — it supplements it. The RDCK logo and branding shall appear on the facility in locations and at scales to be defined in the OSR.

13. Legal Framework

These guidelines are adopted by Board resolution and form the governance basis for the Naming Rights Agreement to be negotiated at Stage 9 of the procurement. The Naming Rights Agreement is a binding contract between the RDCK and the successful proponent (or their assignee) that incorporates these guidelines by reference.

Any conflict between the Naming Rights Agreement and these guidelines shall be resolved in favour of the guidelines, except where the guidelines have been specifically modified by Board resolution to accommodate the terms of the agreement.



Commission Report

March 3, 2026

Castlegar & District Complex Expansion – Wood Integration Guidelines

Author: Trisha Davison, General Manager of Community Services
File Reference: 01-0520-50
Electoral Area/Municipality: City of Castlegar and Electoral Areas I & J
Services Impacted: S222
AI Disclosure: *This document was prepared with the assistance of artificial intelligence tools. The content has been reviewed and edited by RDCK staff.*

1.0 STAFF RECOMMENDATION

That the Castlegar & District Recreation Commission recommend to the Board of Directors:

1. THAT the Board adopt the Wood Integration Guidelines for the Castlegar & District Complex Expansion Project, substantially in the form attached as Appendix A, establishing a design quality framework based on a continuum approach that evaluates wood integration across three dimensions (structural wood use, interior wood expression, , and embodied carbon performance) without mandating a specific structural system;
2. THAT staff be directed to incorporate the Wood Integration Guidelines into the procurement documents using the continuum-based approach, specifically: into the Owner’s Statement of Requirements (OSR) as design objectives rather than prescriptive requirements; into the Request for Qualifications (RFQ) as a signal of the RDCK’s design values and as a factor within the proponent capability assessment; and into the Request for Proposals (RFP) evaluation framework as a sub-criterion within the Design Quality & OSR Compliance criterion;
3. AND THAT the wood integration sub-criterion be weighted at 10% of the total evaluation score in the RFP evaluation matrix, representing a position within the defensible range that is significant enough to meaningfully reward proponents who invest in wood integration while leaving 90% of the evaluation focused on other criteria including price, functional design, schedule, other quality elements and team which allows a proponent who chooses to specify less wood to remain competitive on cost.

2.0 BACKGROUND/HISTORY

In 2024, the RDCK conducted a public engagement process, Reimagining Recreation Services at the Castlegar & District Complex. A second sheet of ice and an indoor walking were identified as priorities. The process further identified that there may be support for a taxation increase to support \$15 million of borrowing to support the

new facility. It is important to note that the \$15 million borrowing bylaw requires voter assent through referendum and is not yet an approved budget.

In 2025, the RDCK retained HCMA Architecture + Design to conduct a feasibility study. HCMA determined that the cost range for a new arena and walking track incorporating a high degree of wood integration, a second ice sheet, and a walking track would be \$19 million to \$29 million. It was noted this cost is substantially above the \$15 million funding ceiling.

The Commission decided to proceed with a design-build procurement, beginning with an Expression of Interest / Request for Qualifications (EOI/RFQ), to test whether the market can deliver the facility within the \$15 million funding threshold through competitive innovation. HCMA recommended the design-build delivery model as it allows proponents to bring construction expertise to the design process and optimize the project within a fixed budget envelope.

The Board has approved \$280,000 to date: \$180,000 for HCMA's advisory services and \$100,000 for RFP honoraria.

The Commission's Wood Integration Direction

Throughout the project's development, the Commission has identified wood integration as a valued design objective for this facility. This direction reflects the following considerations:

Regional identity: The Kootenay region's forestry heritage and economic identity. A public arena and walking track that expresses the region's relationship to wood and forest products carries community significance beyond its structural function.

Architectural character: The warmth, character, and sense of community pride that exposed wood provides in public buildings. Wood creates a qualitatively different user experience compared to conventional steel-and-drywall construction.

Environmental performance: The environmental benefits of wood construction, including carbon storage in wood products and reduced embodied carbon relative to steel and concrete manufacturing.

Operational Performance: Wood is compatible (preferable) within arena uses from a technical perspective because of its ability to deal with wide ranging humidity and temperature conditions (vs. steel which tends to move a lot more and is subject to higher risk of corrosion)

This report translates the Commission's design aspiration into a governance instrument — adopted guidelines that provide the technical framework for incorporating wood integration into every stage of the procurement process.

The Budget-Aspiration Gap

The gap between the Commission's wood aspiration and the community's funding threshold constraint is fundamental to understanding why the guidelines take the form they do. HCMA's feasibility study estimated \$19–29 million for a facility with a high degree of wood integration. As directed by Commission, the funding threshold the project is working within is \$15 million. A prescriptive mass timber mandate could make it impossible for any proponent to deliver within budget, resulting in no viable proposals. The guidelines must reconcile the wood aspiration with the budget reality and the continuum approach described in this report is designed to do exactly that.

Terminology: “Guidelines” vs “Policy” vs “Framework”

This report recommends “guidelines” rather than a “policy” or “framework.” An organization-wide wood materials policy would require months of cross-departmental development and formal Board adoption which is a process neither achievable within the procurement timeline nor necessary for a single project. A “framework” is an analytical structure; it describes how something works but does not carry governance authority. “Guidelines” are a project-specific governance instrument: adopted by the Board, they establish direction for how wood integration will be handled in this procurement. They may inform future policies, but they are tailored to the arena project and do not set precedent for other RDCK facilities.

3.0 PROBLEM OR OPPORTUNITY DESCRIPTION

The Commission has identified wood integration as a valued design objective, but this aspiration has not yet been translated into a procurement framework. Without adopted guidelines, the procurement faces a chain of interconnected problems:

The Problems Without Guidelines

The OSR cannot articulate design values. HCMA is developing the Owner’s Statement of Requirements, which tells proponents what the RDCK wants the building to be. If the Commission’s wood aspiration is not translated into documented design objectives, with defined assessment dimensions and a clear signal about how wood will be evaluated, then the OSR either says nothing meaningful about wood (and proponents ignore it) or says something vague that cannot be consistently evaluated.

Evaluation criteria have no governance foundation. The evaluation committee will score proposals on design quality, which should include wood integration. But on what basis? Without an adopted framework defining what “good wood integration” looks like across structural, interior, and environmental dimensions, the evaluation becomes subjective and difficult to defend. A proponent who proposes a steel-frame building and scores lower on design quality could argue that the wood preference was an undisclosed or arbitrary criterion.

The RFQ cannot signal what matters. Proponents decide whether to participate in the RFQ based on their understanding of the project. If the RFQ does not clearly signal the wood integration objective, and that wood capability will be assessed in the evaluation, then firms with strong wood construction experience may not realize the project values their capability, and firms without it may not understand the competitive landscape.

Cost-quality trade-offs are uninformed. Determining How much weight should wood integration carry is a key question in the evaluation. If the weighting is too low, proponents will treat wood as decorative and propose minimal finishes. If it is too high, the evaluation rewards wood at the expense of functional design and budget discipline. The guidelines must strike the right balance and this report recommends a specific weighting of 10% that reflects that balance.

Problem Without Guidelines	How Adopted Guidelines Solve It
Vague design direction in OSR	Guidelines define three assessment dimensions with a continuum from minimal to extensive. HCMA has a clear framework to translate into OSR design objectives.
Subjective, indefensible evaluation	Guidelines provide the basis for a scoring rubric that evaluators apply consistently. Proponents understand in advance how their wood integration approach will be assessed.

Unclear signal to proponent market	Guidelines direct that the RFQ must describe the wood objective and assess wood capability within relevant experience, attracting firms with wood expertise.
Uninformed evaluation weighting	Guidelines establish a specific 10% weighting with documented rationale, giving the evaluation committee clear direction and providing proponents with a transparent signal of how much wood matters.

3.1 Alignment to Board Strategic Plan

The arena and indoor walking track project advances the Board’s strategic objectives related to community infrastructure investment, environmental stewardship, and support for the regional economy. By establishing a transparent, evidence-based framework for evaluating wood use in a major public facility, the guidelines demonstrate the RDCK’s commitment to both design quality and fiscal responsibility ensuring that the community’s wood aspiration is pursued within the bounds of the \$15 million funding threshold .

The embodied carbon dimension of the guidelines aligns with emerging provincial and federal policy direction on reducing carbon emissions in the built environment, including British Columbia’s Wood First Act and CleanBC initiatives.

3.2 Legislative Considerations

Trade Agreements: The procurement is subject to various trade agreements. These agreements require that evaluation criteria be disclosed in advance, that the process not discriminate against suppliers based on geographic origin, and that minimum notice and response periods be observed. The Wood Integration Guidelines are designed to be compliant: they evaluate design quality outcomes without mandating a specific structural system or material origin. Any species specification in the OSR must be based on documented qualitative properties, not geography. The embodied carbon requirement is technology neutral. Legal counsel must review the guidelines and the evaluation weighting before the RFQ is issued to confirm compliance.

British Columbia Wood First Act: The Province of British Columbia has adopted policies encouraging wood use in publicly funded buildings. While the Wood First Act does not directly apply to regional district procurement, it provides policy context that supports wood integration as a legitimate design quality objective.

Building Code: The BC Building Code governs the structural and fire safety requirements for the facility. Mass timber construction for arena-scale buildings with long clear spans involves specific code compliance considerations (e.g., encapsulated mass timber construction). Proponents are responsible for demonstrating code compliance in their proposals; the guidelines do not override building code requirements.

3.3 What Are the Risks

No guidelines adopted: If the Commission proceeds without adopted guidelines, the wood integration objective remains an informal aspiration lacking a strong governance foundation. The OSR, RFQ, and RFP cannot coherently reflect the Commission’s values, the evaluation is vulnerable to challenge, and the RDCK may receive proposals that ignore wood entirely.

Prescriptive mandate instead of guidelines: If the Commission mandates a specific structural system rather than adopting the continuum approach, the procurement either narrows competition to a handful of mass timber specialists (if timber is mandated) or abandons the wood aspiration entirely (if steel is mandated). The continuum is the approach that preserves both competition and the design objective.

Evaluation weighting too extreme: A weighting below 5% would render wood meaningless in the evaluation and proponents would rationally ignore it. A weighting above 20% could result in a winning proposal that is more expensive or functionally inferior. The recommended 10% is positioned within the defensible range, meaningful but not dominant, while allowing proponents who choose to compete primarily on cost to remain competitive with less wood.

4.0 PROPOSED SOLUTION

Staff recommend that the Board adopt the Wood Integration Guidelines (Appendix A) with a continuum-based approach and a specific evaluation weighting of 10% of the total evaluation score. The proposed solution has three components: the continuum approach, the procurement integration, and the evaluation weighting.

The Continuum Approach – The Core Concept

The single most important design decision in the guidelines is rejecting a binary choice between “mass timber” and “not mass timber.” Instead, the guidelines evaluate wood integration along a continuum which is a spectrum from minimal use through to extensive mass timber construction. This approach allows proponents to propose the level of wood integration they believe offers the best value within the \$15 million cost envelope, while rewarding greater wood integration through the design quality evaluation.

The continuum is particularly well-suited to a design-build delivery model. Design-build proponents bring construction expertise to the design process and can optimize the structural approach for both performance and cost. A hybrid approach — mass timber roof with steel columns, or glulam beams with a steel secondary structure — may deliver a visually stunning wood experience at a significantly lower cost than full mass timber. The continuum accommodates and rewards these innovative solutions rather than foreclosing them.

The Continuum Defined

Level	Structural System	Interior Expression	Exterior	Embodied Carbon
Minimal	Conventional steel frame	Limited: a timber feature wall in the lobby	Conventional cladding, no wood	Highest
Selective	Steel frame with timber feature elements (glulam entrance, exposed trusses)	Moderate: exposed wood in lobby and spectator areas	Some wood cladding at entrance and public facades	Moderate–High
Hybrid	Mass timber roof with steel columns; or glulam beams with steel secondary structure	Significant: exposed wood ceilings, visible structural elements	Wood cladding on primary facades	Moderate

Extensive	Predominantly mass timber (CLT panels, glulam frames, mass timber roof deck)	Extensive: exposed wood throughout all public areas	Wood-dominant exterior expression	Lowest
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The evaluation does not prescribe where on this continuum a proposal must fall. Instead, it rewards proposals that achieve greater wood integration while recognizing that the optimal level depends on the proponent’s design approach, cost constraints, and the trade-offs with other design quality factors. A proposal with moderate wood integration and a superior functional layout can outscore a full mass timber proposal with a weaker design.

Three Assessment Dimensions

Dimension	What It Measures
Structural Wood Use	The extent to which the primary structural system uses wood — from no structural wood, through hybrid systems (mass timber roof / steel columns), to a predominantly mass timber structure. This is the dimension most visible to the building’s engineering identity.
Interior Wood Expression	The extent of visible, experiential wood in occupied spaces — lobbies, spectator areas, walking track, common areas. This is the dimension most visible to the community. A steel-frame building with extensive interior wood finishes can still deliver a warm, wood-rich experience.
Embodied Carbon Performance	Lower embodied carbon is preferred. This dimension naturally advantages higher wood content without prescribing a structural system — wood stores carbon while steel and concrete release it during manufacturing.

These three dimensions allow the evaluation to distinguish between very different proposals. A full mass timber building scores strongly on structural wood and embodied carbon but might have modest interior expression if the structure is concealed. A steel-frame building with an extensive glulam feature program and wood cladding might score strongly on interior and exterior expression despite minimal structural wood.

Procurement Integration: OSR, RFQ, and RFP

The guidelines thread through every major procurement document. This is not a standalone document that sits on a shelf and it shapes the technical content of each procurement stage.

Owner’s Statement of Requirements (OSR)

The guidelines direct HCMA to incorporate the Commission’s wood integration values into the OSR through design objectives rather than prescriptive requirements.

The OSR should:

1. State that the RDCK values the integration of wood as a means of achieving architectural warmth, reduced embodied carbon, and connection to the regional context.
2. Define the four assessment dimensions so proponents understand how their wood approach will be evaluated.
3. Require proponents to describe the extent of wood incorporation.

4. If the OSR specifies acceptable wood species for exposed structural or architectural elements, the specification must be supported by a documented qualitative rationale based on aesthetic properties (colour, grain, warmth), structural performance, or durability — not on geographic origin or local availability.
5. Set an embodied carbon performance target that proponents report against, which naturally advantages higher wood content without prescribing a structural system.
6. State that greater wood integration is preferred, all other things being equal, and that proposals will be evaluated on the quality and extent of wood integration as part of the design quality assessment.

Key point: The OSR does not need to be complete before the RFQ is issued. It can be developed in parallel with the RFQ process. The guidelines and RFQ evaluation criteria must be in place before the RFQ is issued; the OSR must be complete before the RFP is issued.

Request for Qualifications (RFQ)

The RFQ evaluates proponents' qualifications, not design proposals. But it must signal the wood integration objective:

Project description: The RFQ will state that the facility design will emphasize wood integration, assessed along a continuum from architectural finishes to mass timber construction, and that wood integration will be a design quality objective in the RFP evaluation.

Relevant experience criterion: Wood construction capability is assessed as one factor within the “relevant experience” criterion — not as a standalone criterion. The evaluation handbook defines a tiering approach: mass timber arena experience would score highest; other mass timber institutional experience scores well; conventional arena experience with wood finishes scores moderately; no wood experience scores lower but not disqualifying.

Team qualifications: The evaluation assesses whether the proponent's team includes personnel with mass timber or other high wood integration design or construction experience.

No binary gate: The wood capability assessment does not create a pass/fail threshold. A firm with strong arena experience and moderate wood experience remains competitive. The goal is to attract firms with wood capability, not to exclude firms without it.

RFP foreshadowing: The RFQ will state that the RFP evaluation will include design quality assessment of wood integration, sustainability, and embodied carbon performance, so proponents can make an informed participation decision.

Key point: The RFQ is the RDCK's first public communication about what this project values. If the RFQ does not signal wood integration clearly, the firms best positioned to deliver it may not participate.

Request for Proposals (RFP) Evaluation

Wood integration is assessed through the “Design Quality & OSR Compliance” criterion, within two sub-criteria: architectural quality and material expression, and sustainability and embodied carbon performance. It is not a standalone criterion. This is a deliberate design choice: wood integration is a design quality attribute, not a separate procurement objective. Embedding it within design quality ensures evaluators assess wood in context — alongside functional layout, building systems, and architectural character.

The evaluation handbook will define a scoring framework assessed across the three dimensions, tested against hypothetical proposals at different points on the continuum before the RFP is issued, to ensure the weightings produce the intended outcomes.

The Evaluation Weighting: 10% of Total Score

Staff recommend a wood integration sub-criterion weight of 10% of the total evaluation score. This reflects a deliberate balance between the Commission's wood aspiration and the budget reality — significant enough to reward proponents who invest in wood, while allowing proponents who choose to compete primarily on cost with less wood to remain competitive.

Why Not Lower? (At or Below 5%)

A weighting below 5% would render the wood integration objective meaningless in practice. In a competitive procurement where proponents are optimizing across multiple evaluation criteria, a factor worth less than 5% of the total score does not justify the investment required to deliver meaningful wood integration. Proponents would rationally allocate their design effort and budget to the criteria that carry more weight — price, functional layout, schedule — and treat wood as decorative at best. The Commission's design values would be adopted in name but ignored in substance.

At 5% or below, the scoring differential between a proposal with extensive wood integration and one with minimal wood finishes would be so small that it could easily be overcome by a marginal improvement in price or schedule. The community would likely receive a facility that looks and feels like a conventional steel-and-drywall arena with token wood accents — not the expression of regional identity and architectural character that the Commission has directed.

Why Not Higher? (At or Above 20%)

A weighting above 20% would risk making wood integration the dominant driver of the evaluation outcome, potentially at the expense of functional design, budget discipline, and construction quality. The \$15 million funding threshold is already substantially below the feasibility estimate of \$19–29 million. If a proponent invests heavily in wood to score well on a 20%+ weighting, that investment must come from somewhere — reduced scope, lower-quality building systems, a less functional layout, or a higher price that strains the budget.

A weighting above 20% also concentrates evaluation risk: minor scoring differences in a single sub-criterion could determine the outcome, amplifying any subjectivity in the evaluation. It signals to the market that the RDCK prioritizes material choice over operational functionality — which is not the Commission's intent. The Commission values wood integration, but it values a well-designed, functional arena more.

Why 10%: Meaningful but Not Constraining

At 10%, wood integration is significant enough to influence proponent behaviour without constraining how proponents choose to compete:

Meaningful differentiation: A proponent who invests in a hybrid mass timber roof and extensive interior wood expression gains a measurable scoring advantage over a proponent who proposes a conventional steel frame with minimal finishes. The differential is large enough that proponents cannot rationally ignore wood entirely.

Cost-competitive path remains open: A proponent who believes the best value proposition is a lower-cost steel-frame arena with selective wood features can compete primarily on price. With 90% of the evaluation devoted to price, functional design, schedule, and team, a strong proposal with less wood can still win. This is a deliberate design choice: the RDCK values wood but does not want to prevent proponents from offering the community more arena for less money.

Proportionate to the design objective: Wood integration is one of several design quality factors. It shares evaluation space with functional layout, building systems, site planning, and sustainability. A 10% total weighting means wood is a significant design sub-factor while remaining clearly subordinate to the broader evaluation.

Sends a clear market signal: Proponents reading the RFQ and RFP will understand that wood integration is a real evaluation factor — not an aspirational statement that will be discounted at scoring time. Firms with wood capability will see a competitive advantage. Firms without it will consider whether to seek wood-experienced partners. But no firm will conclude that competing without extensive wood is futile.

The table below summarizes the practical effect at different weighting levels:

Weighting	Practical Effect	Assessment
Below 5%	Wood is decorative noise	Too low. Proponents rationally ignore it. The Commission’s design values are adopted but not delivered. Not recommended.
5–10%	Wood is a tiebreaker	Wood matters only when proposals are otherwise equal. Modest incentive for wood investment. Lower end of the defensible range.
10%	Wood is a meaningful differentiator	Recommended. Significant enough to drive proponent investment in wood. Not large enough to override price and functional design. Midpoint of the defensible range.
15–20%	Wood is a major factor	Proponents must invest heavily in wood to compete. Risk that wood drives the outcome at the expense of functional design. Upper end of the defensible range.
Above 20%	Wood dominates the evaluation	Too high. Risk of functional compromise. Concentrates evaluation risk. Signals that material choice matters more than operational quality. Not recommended.

4.1 Financial Considerations of the Proposed Solution

This report does not request additional funding. The Wood Integration Guidelines are a governance instrument; they do not create direct financial obligations.

However, the Commission should understand the cost context:

Mass timber premium: Mass timber structures for arena-scale buildings with long clear spans typically cost more than steel. In a \$15 million envelope, a structural system premium of 5–10% represents \$750,000 to \$1.5 million. A full mass timber arena may require reductions in other areas to fit within budget.

Hybrid options: Hybrid approaches (e.g., mass timber roof with steel columns) may deliver significant visual and environmental benefits at a fraction of the full mass timber premium. The continuum approach allows the market to reveal these trade-offs through competitive proposals.

Market discovery: The design-build procurement itself is the mechanism for discovering what level of wood integration is achievable at \$15 million. The continuum ensures the RDCK receives proposals at multiple points on the spectrum, giving the evaluation committee real data on the cost-quality trade-off.

Legal costs: Legal counsel review of the guidelines and evaluation weighting is required before the RFQ is issued.

4.2 Risks with the Proposed Solution

Risk	Description	Mitigation
Wood costs more than expected	Proponents who invest in wood to score well on the 10% weighting may need to reduce scope or quality elsewhere to stay within budget.	Continuum ensures proponents choose the level they can deliver within budget. No minimum wood level required.
Narrow proponent field	Strong wood emphasis could deter firms without mass timber experience from participating.	No binary gate at RFQ. Continuum allows steel-frame proposals with wood finishes to be competitive. Partnerships encouraged.
Budget unachievable	If the market cannot deliver any meaningful wood integration within \$15 million, the 10% creates a criterion that no proposal can score strongly on.	Even minimal wood proposals receive partial scoring. The evaluation does not require mass timber. 90% of the evaluation is non-wood.
Subjectivity in scoring	Wood integration involves aesthetic and qualitative judgments that may vary between evaluators.	Four defined dimensions with a continuum table and scoring descriptors in the evaluation handbook reduce subjectivity. The handbook will be tested against hypothetical proposals before the RFP is issued.

4.3 Resource Allocation and Workplan Impact

The guidelines will be incorporated into the procurement documents by the project team as part of the procurement document development already planned. The primary incremental resource requirements are:

HCMA OSR inputs: HCMA must incorporate the guidelines' design objectives into the OSR, including the three assessment dimensions and the embodied carbon reporting requirement. If HCMA specifies wood species in the OSR, the specification must include a documented qualitative rationale. This work falls within the existing Phase 1 scope under Contract #2026-013-COM.

Legal counsel review: Legal counsel must review the guidelines and evaluation weighting for compliance with trade agreements before the RFQ is issued.

Evaluation handbook development: Staff must develop the scoring framework for wood integration, including descriptors for each dimension at each continuum level, and test it against hypothetical proposals. This is part of the broader evaluation handbook development.

4.4 Public Benefit and Stakeholder Engagement of Proposed Solution

The primary public benefit of the Wood Integration Guidelines is ensuring that the community's expressed desire for a facility that reflects the Kootenay region's forestry heritage is systematically translated into the procurement process rather than left as an informal aspiration that may or may not be reflected in proposals.

The guidelines also advance environmental objectives through the embodied carbon dimension, supporting the RDCK's contribution to provincial climate goals.

The public consultation stage (prior to the referendum) should include information about the wood integration design objectives so voters understand how the facility's design values relate to the borrowing request.

4.5 Leveraging Technology

Mass timber and hybrid wood construction represent advancing construction technologies that offer environmental performance advantages over conventional steel and concrete. The continuum approach allows proponents to propose innovative hybrid structural systems — combinations of mass timber, glulam, CLT, and steel — that may not be achievable under a prescriptive mandate. The design-build delivery model is particularly well-suited to capturing this innovation, as proponents can optimize the structural approach for both performance and cost.

4.6 Measuring Success

Success will be measured by the quality and variety of wood integration approaches proposed by shortlisted proponents at the RFP stage. If the guidelines and the 10% weighting are effective, the RDCK should receive proposals at multiple points on the continuum, giving the evaluation committee meaningful choices between different levels of wood integration at different price points.

Staff will report the evaluation results, including how each proposal scores on the wood integration dimensions, to the Commission and Board when presenting the preferred proponent recommendation stemming from the RFP process.

5.0 ALTERNATIVE SOLUTION(S)

Rather than the continuum approach, the Board could direct that the procurement prescribe a specific structural system. This alternative has two variants:

Variant A: Mandate Mass Timber for Maximum Wood Integration

Under this approach, the OSR would require that the arena's primary structural system be predominantly mass timber (CLT panels, glulam frames, mass timber roof deck). Proposals using a conventional steel frame as the primary structural system would be non-compliant.

Advantages:

Maximum wood expression: The facility would deliver the highest possible level of wood integration across all four assessment dimensions. The community receives the full expression of its forestry heritage in the arena's structure, interior, and exterior.

Strongest environmental performance: A predominantly mass timber structure delivers the lowest embodied carbon and maximum carbon storage, making the facility a model for sustainable public construction.

No evaluation ambiguity: Wood integration becomes a binary compliance requirement rather than a scored continuum. The evaluation is simpler: either the structural system is mass timber or the proposal is non-compliant.

Disadvantages:

Budget risk: This is the most significant concern. HCMA's feasibility estimate for a high-wood facility is \$19–29 million. The budget is \$15 million. A mandatory mass timber requirement makes the \$15 million budget even

more difficult to achieve. Mass timber structures for arena-scale buildings with long clear spans typically carry a 5–10% premium over steel (\$750,000–\$1.5 million at this project scale). Proponents would need to reduce scope significantly — potentially eliminating the second ice sheet or walking track — to deliver within budget, or the RDCK may receive no viable proposals.

Narrow competition: The number of design-build firms with full mass timber arena experience in Western Canada is small. Mandating mass timber could reduce the competitive field to one or two firms, weakening competitive pricing pressure and increasing the risk of an uncompetitive outcome.

Forecloses hybrid innovation: A hybrid mass timber roof with steel columns may deliver 80% of the visual and environmental benefit at 50% of the cost premium. A mandate for predominantly mass timber excludes these solutions.

No viable proposals scenario: If no proponent can deliver a predominantly mass timber arena within \$15 million, the procurement fails. The RDCK must restart the process — likely with relaxed requirements and wasted procurement costs. The community experiences further delay with no arena.

Variant B: Mandate Steel/Concrete for Maximum Cost Certainty

Under this approach, the OSR would specify a conventional steel and concrete structural system as the primary structure. Wood integration would be limited to architectural finishes and features at the proponent's discretion, but structural wood would be excluded from the design requirements.

Advantages:

Lowest structural cost: Conventional steel and concrete is the most cost-effective structural approach for arena-scale buildings. Mandating it maximizes the budget available for other project elements — ice sheet, walking track, higher-quality finishes, better building systems.

Broadest competitive field: Virtually every design-build firm in Western Canada can deliver a steel-frame arena. Competition is maximized, pricing pressure is strongest.

Greatest cost certainty: Steel and concrete costs are well-understood and predictable. The risk of cost surprises during design development is lower than with mass timber.

Disadvantages:

Abandons the Commission's design direction: The Commission has identified wood integration as a valued design objective. Mandating a steel/concrete structure effectively abandons that objective. Any wood in the facility would be decorative rather than structural — a fundamentally different design outcome than what the Commission has directed.

Misses the regional identity opportunity: A conventional steel-frame arena in a forestry region is a missed opportunity. The facility would look and feel like any arena anywhere in Canada rather than expressing the Kootenay context. The community loses the architectural character and warmth that wood provides.

Highest embodied carbon: A steel and concrete structure has the highest embodied carbon of any structural approach. The facility would have a reduced contribution to environmental performance objectives.

Deters wood-capable firms: Firms that have invested in mass timber capability — and that may be the most innovative firms in the market — have no competitive advantage in a mandated steel procurement. These firms may not participate, reducing the quality of the competitive field even if the number of firms increases.

Staff Assessment of the Prescriptive Alternative

Staff do not recommend either variant. Variant A (mass timber mandate) carries unacceptable budget risk: the \$15 million funding threshold is already substantially below feasibility, and mandating the most expensive structural approach further narrows the path to a viable outcome. Variant B (steel/concrete mandate) abandons the Commission’s design direction and misses the opportunity to deliver a facility that expresses the region’s identity.

The continuum approach in Option 1 captures the benefits of both variants while avoiding their respective risks. It allows proponents to propose mass timber if they can deliver it within budget (capturing Variant A’s benefits when achievable), while ensuring that hybrid and steel-with-wood-features proposals remain competitive (preserving Variant B’s cost discipline). The market, not the RDCK, determines which structural approach offers the best value at \$15 million.

5.1 Financial Considerations of the Alternative Solution(s)

Variant A (mass timber): Estimated 5–10% premium over steel (\$750,000–\$1.5 million). This premium must come from scope reductions, lower-quality finishes, or building system compromises. The \$15 million budget may prove unachievable.

Variant B (steel/concrete): Lowest structural cost but forgoes any environmental or design quality premium that wood integration could deliver. No incremental financial impact beyond the base construction cost.

5.2 Risks with the Alternative Solution(s)

Risk	Variant A (Mass Timber)	Variant B (Steel/Concrete)
No viable proposals	High risk. Budget gap is already \$4–14 million. Mass timber premium makes it worse.	Lower risk. Steel arenas are well within market capability.
Narrow competition	High risk. Few firms have mass timber arena experience.	Low risk. Broad market for steel arenas. But may deter the most innovative firms.
Design quality compromise	Moderate. Budget pressure may force functional compromises.	Moderate. No wood integration objective drives design quality beyond standard.
Community disappointment	Low risk if delivered. High risk if procurement fails.	Moderate risk if wood integration benefits are not met
Procurement failure	Moderate–High. Must restart with relaxed requirements.	Low. But restart of procurement still possible if proposals exceed budget.

5.3 Resource Allocation and Workplan Impact

A prescriptive requirement does not materially change the resource requirements for the procurement. However, if Variant A results in procurement failure (no viable proposals), the cost of restarting — including wasted consultant, legal, and staff time — would be substantial. The existing \$280,000 procurement budget would need to be re-evaluated.

5.4 Public Benefit and Stakeholder Engagement of Alternative Solution

Variant A would deliver maximum wood expression if achievable within budget, fulfilling the Commission's design direction more fully. Variant B would deliver the most facility for the money but would not express the Commission's wood integration values. Under either variant, the public consultation should explain the structural approach and its implications.

5.5 Measuring Success

Under Variant A, success is binary: either a proponent delivers a mass timber arena within \$15 million, or the procurement fails. Under Variant B, success is measured by the functional quality and value of the facility, with no design quality benchmark for wood integration. Under the recommended continuum approach (Option 1), success is measured by the range of proposals received and the ability of the evaluation committee to choose the best balance of wood, function, and price.

6.0 ALTERNATIVE SOLUTION: GENERIC DESIGN QUALITY EVALUATION WITHOUT WOOD-SPECIFIC WEIGHTING

Under this approach, the Board would not adopt Wood Integration Guidelines. Instead, the procurement documents would include a general design quality evaluation criterion using broad measures — architectural character, material quality, building performance, and sustainability — without assigning a specific weighting to wood integration. Wood would not be singled out as a named sub-criterion. Proponents would decide for themselves how much wood to include (if any), and the evaluation committee would assess the overall design quality of each proposal without a wood-specific scoring rubric.

How It Would Work

The RFQ project description would mention that the Commission values design quality and architectural character appropriate to the Kootenay context, but would not specifically reference wood integration or mass timber elements. The RFP evaluation criteria would include a "Design Quality" criterion assessed on functional layout, building systems, architectural expression, site planning, and sustainability. Evaluators would consider the overall quality of the design, including whatever materials the proponent chose, without a defined continuum or scoring framework specific to wood. A proposal with extensive wood integration and a proposal with no wood could both score well if the overall design quality was strong.

6.1 Advantages of a Generic Approach

Maximum proponent flexibility: Proponents decide how to allocate their design and construction budget without a signal that wood is expected. A firm that believes steel delivers the best value at \$15 million is not disadvantaged by a criterion it cannot score well on. This may attract the broadest possible competitive field.

Simplest evaluation: The evaluation committee assesses overall design quality without needing to parse four dimensions of wood integration or apply a wood-specific scoring rubric. The evaluation is less granular and potentially faster.

No risk of over-weighting wood: If the cost premium for wood is higher than expected, a generic approach ensures the evaluation does not penalize proponents who rationally choose a lower-wood design to stay within budget.

Avoids species specification questions: Without wood-specific criteria, the OSR does not need to address species, embodied carbon methodology, or lifecycle analysis requirements linked to wood content.

6.2 Disadvantages of a Generic Approach

The Commission’s design direction is not implemented: This is the most significant concern. The Commission has identified wood integration as a valued design objective. A generic evaluation does not translate that direction into the procurement. The word “wood” may appear in the OSR as an aspiration, but without a defined weighting, scoring rubric, or assessment framework, proponents have no incentive to invest in wood — and the evaluation committee has less basis for rewarding those who do. The Commission’s design values are adopted in principle but abandoned in practice.

No market signal: Proponents decide whether to participate in the RFQ based on their understanding of the project. If the procurement does not signal that wood capability matters, firms with strong wood construction experience have no reason to believe this project values their expertise. They may not participate, or may not invest in a wood-integrated design approach. The firms most capable of delivering the Commission’s design aspiration may self-select out of the competition.

Evaluator subjectivity: Without defined dimensions and a scoring framework, evaluators assessing “architectural character” may have different views on whether wood integration contributes to design quality. One evaluator may score a wood proposal higher; another may not. The evaluation lacks the consistency that defined criteria provide. If a proponent challenges the evaluation, the RDCK would have difficulty demonstrating that wood integration was assessed on a consistent, pre-disclosed basis.

Likely outcome is minimal wood: In a competitive procurement at a challenging budget (\$15 million vs. \$19–29 million feasibility), proponents will optimize for the criteria that carry the most weight. If wood is not a named, weighted criterion, proponents will allocate their budget to price competitiveness and functional performance. The most likely outcome is an arena with token wood accents — a feature wall in the lobby, perhaps some wood cladding at the entrance — rather than the substantive wood integration the Commission has directed.

Forgoes the embodied carbon dimension: The wood-specific guidelines include an embodied carbon assessment dimension that advances the RDCK’s environmental objectives regardless of the level of structural wood. Without wood-specific criteria, there is no framework for evaluating or rewarding lower embodied carbon performance.

6.3 Financial Considerations

A generic approach has no incremental cost. However, it forgoes the opportunity for the evaluation to drive proponents toward lower embodied carbon and wood-integrated designs that express regional identity. The financial outcome depends on whether the Commission values these design outcomes enough to accept that they may cost marginally more than a pure lowest-cost design.

6.4 Risks

Risk	Description	Assessment
No meaningful wood	Proponents propose minimal wood to maximize budget for other criteria.	High probability. Rational proponent behaviour at a constrained budget.

Commission expectation gap	Commission expects a facility with richer wood integration but receives proposals with token accents.	High probability. Generic criteria do not drive wood outcomes.
Evaluation challenge	Proponent argues wood was used as an undisclosed evaluation factor.	Moderate. Risk increases if evaluators informally reward wood without a disclosed framework.
Lost environmental benefit	No framework for assessing embodied carbon performance.	Certain. The embodied carbon dimension is tied to the wood-specific guidelines.

6.5 Staff Assessment

The Commission has expressed that wood integration is a valued design objective. A generic evaluation does not implement that direction. The most likely outcome is an arena that looks and feels like any conventional steel-and-drywall facility in Canada — functional, affordable, and unremarkable. The 10% wood-specific weighting in Option 1 is deliberately modest: it allows a proponent who chooses to specify less wood to remain competitive on cost, but it ensures that proponents who do invest in wood receive a tangible scoring benefit.

7.0 OPTIONS CONSIDERED BUT NOT PRESENTED

Organization-wide wood materials policy: Developing a comprehensive RDCK-wide policy on wood use in all public facilities. Not presented because the policy development timeline (6–12 months) is incompatible with the procurement timeline, and the scope is far broader than what is needed for this project. The project-specific guidelines recommended in this report may inform a future organization-wide policy.

Wood as a standalone evaluation criterion: Creating a separate top-level evaluation criterion for wood integration with its own weighting, rather than embedding it within design quality. Not presented because isolating wood from the broader design quality assessment creates a risk that proponents optimize for wood at the expense of functional design. Embedding wood within design quality ensures it is assessed in context.

8.0 OPTIONS SUMMARY

Option 1 (Staff Recommendation): Adopt Wood Integration Guidelines with Continuum Approach and 10% Weighting

THAT the Board adopt the Wood Integration Guidelines (Appendix A) establishing a continuum-based design quality framework evaluated across three dimensions; THAT staff incorporate the guidelines into OSR, RFQ, and RFP documents; AND THAT the wood integration sub-criterion be weighted at 10% of the total evaluation score.

Option 2A: Prescribe Mass Timber as a Mandatory Structural System

THAT the Board direct that the arena’s primary structural system be predominantly mass timber; THAT the OSR specify mass timber as the primary structural material; AND THAT proposals using conventional steel frames as the primary structural system be considered non-compliant. This option increases budget risk and narrows competition.

Option 2B: Prescribe Steel/Concrete as the Structural System

THAT the Board direct that the arena's primary structural system be conventional steel and concrete; THAT wood integration be limited to architectural finishes and features at the proponent's discretion; AND THAT the OSR not include wood integration as a design quality objective. This option excludes the Commission's wood integration direction.

Option 3: Generic Design Quality Evaluation Without Wood-Specific Weighting

THAT the Board not adopt Wood Integration Guidelines; THAT the procurement documents include a general design quality evaluation criterion using broad measures such as architectural character, material quality, building performance, and sustainability without assigning a specific weighting to wood integration; AND THAT proponents determine for themselves how much wood to include. This option does not specifically implement the Commission's expression for wood integration and will most likely result in minimal wood in the facility.

9.0 RECOMMENDATION

Option 1: Adopt Wood Integration Guidelines with the Continuum Approach and a 10% evaluation weighting.

That the Castlegar & District Recreation Commission recommend to the Board of Directors:

1. THAT the Board adopt the Wood Integration Guidelines for the Castlegar & District Complex Expansion Project, substantially in the form attached as Appendix A, establishing a design quality framework based on a continuum approach that evaluates wood integration across three dimensions (structural wood use, interior wood expression, , and embodied carbon performance) without mandating a specific structural system;
2. THAT staff be directed to incorporate the Wood Integration Guidelines into the procurement documents using the continuum-based approach, specifically: into the Owner's Statement of Requirements (OSR) as design objectives rather than prescriptive requirements; into the Request for Qualifications (RFQ) as a signal of the RDCK's design values and as a factor within the proponent capability assessment; and into the Request for Proposals (RFP) evaluation framework as a sub-criterion within the Design Quality & OSR Compliance criterion;
3. AND THAT the wood integration sub-criterion be weighted at 10% of the total evaluation score in the RFP evaluation matrix, representing a position within the defensible range that is significant enough to meaningfully reward proponents who invest in wood integration while leaving 90% of the evaluation focused on other criteria including price, functional design, schedule, other quality elements and team which allows a proponent who chooses to specify less wood to remain competitive on cost.

Respectfully submitted,



Trisha Davison, General Manager of Community Services

CONCURRENCE

Regional Manager of Operations & Asset Management - Craig Stanley – Digitally Approved

Senior Project Manager – AJ Evenson - Digitally Approved

General Manager of Finance, IT & Procurement – Yev Malloff - Digitally Approved

ATTACHMENTS:

Attachment A – Draft Wood Integration Guidelines for the Castlegar & District Complex Expansion Project

APPENDIX A
DRAFT Wood Integration Guidelines
Castlegar & District Complex Expansion Project

NOTE: These guidelines are project-specific to the Castlegar & District Arena design-build procurement. They are not an organization-wide materials policy. Legal counsel should review these guidelines before they are presented for Board adoption.

1. Purpose and Scope

These Wood Integration Guidelines establish the design quality framework for evaluating wood use in the Castlegar & District Arena design-build procurement. They apply to the evaluation of proponents’ qualifications (RFQ stage), the Owner’s Statement of Requirements, and the evaluation of design-build proposals (RFP stage). They do not mandate a specific structural system. They do not set precedent for other RDCK facilities or services. They may be amended by Board resolution at any time prior to the issuance of the RFP.

2. Design Values

The Castlegar & District Recreation Commission values the integration of wood into the arena facility design as a means of achieving:

- a) Architectural warmth and character:** Wood creates a qualitatively different experience in public buildings compared to conventional steel and drywall construction. The Commission desires a facility that provides warmth, community pride, and a sense of place.
- b) Regional identity:** The Kootenay region’s forestry heritage is expressed through the use of wood as a visible structural and architectural material. The arena should reflect the region’s relationship to its forest resources.
- c) Environmental performance:** Wood construction stores carbon and typically has lower embodied carbon than steel and concrete alternatives. The Commission values facilities that contribute to reduced environmental impact.

These values are design quality objectives, not prescriptive requirements. Proponents are expected to respond to these values through their design approach at the level of wood integration they believe offers the best value within the \$15 million funding threshold.

3. Continuum Approach

No specific structural system (steel, hybrid, or mass timber) is mandated. Wood integration is evaluated along a continuum from minimal to extensive:

Level	Structural System	Interior Expression	Exterior	Embodied Carbon
Minimal	Conventional steel frame	Limited wood finishes	Conventional cladding	Highest

Selective	Steel frame with timber feature elements	Exposed wood in lobby and spectator areas	Wood cladding at entrance and public facades	Moderate–High
Hybrid	Mass timber roof / steel columns; or glulam with steel secondary	Exposed wood ceilings, visible structural elements	Wood cladding on primary facades	Moderate
Extensive	Predominantly mass timber (CLT, glulam, mass timber roof)	Exposed wood throughout public areas	Wood-dominant exterior	Lowest

Proponents are free to propose any level on the continuum. Greater wood integration is preferred, all other things being equal. Proposals are not required to achieve any minimum level to be compliant.

4. Assessment Dimensions

Proposals are assessed on four dimensions of wood integration:

Dimension	Description
Structural Wood Use	The extent to which the primary structural system uses wood. Assessed from no structural wood through hybrid systems to predominantly mass timber.
Interior Wood Expression	The extent of visible, experiential wood in occupied spaces — lobbies, spectator areas, walking track, common areas.
Embodied Carbon Performance	Lifecycle carbon analysis for structural and envelope systems. Lower embodied carbon is preferred. Technology-neutral: rewards outcomes, not systems.

5. Evaluation Weighting

Wood integration is assessed as a sub-criterion within the “Design Quality & OSR Compliance” criterion, within two sub-criteria: architectural quality and material expression, and sustainability and embodied carbon performance.

The wood integration sub-criterion is weighted at 10% of the total evaluation score. This weighting is significant enough to meaningfully reward proponents who invest in wood integration while leaving 90% of the evaluation focused on other criteria including price, functional design, schedule, and team. A proponent who chooses to specify less wood and compete primarily on cost can do so and remain competitive.

6. Species Specification

These guidelines do not prescribe specific wood species. If the OSR specifies acceptable species for exposed structural or architectural elements, the specification must be supported by a documented qualitative rationale based on aesthetic properties (colour, grain pattern, warmth, visual character), structural performance, durability, or suitability for the intended application. Species must not be specified on the basis of geographic origin or local availability. Where multiple species are acceptable, all should be listed to avoid any appearance of a preference for a single source region.

7. Embodied Carbon

The OSR should require proponents to submit a lifecycle carbon analysis for the structural and envelope systems, using a methodology consistent with industry practice. This requirement is technology-neutral: it rewards lower carbon outcomes regardless of how they are achieved.

8. Integration into the RFQ

The RFQ shall: describe the wood integration objective in the project description; assess wood construction capability within the relevant experience criterion using a tiered approach (not a binary gate); assess mass timber team expertise within the team qualifications criterion; and foreshadow that the RFP evaluation will include wood integration as a design quality factor weighted at 10% of the total score.

9. Integration into the RFP

The RFP shall: include the wood integration design objectives in the OSR; assess wood integration within the Design Quality & OSR Compliance criterion at a sub-criterion weight of 10% of the total evaluation score; define scoring descriptors for each assessment dimension across the continuum; and require proponents to submit a lifecycle carbon analysis.

The evaluation handbook shall define a scoring framework tested against hypothetical proposals at different points on the continuum before the RFP is issued.

10. Legal Review

Legal counsel shall review these guidelines, the embodied carbon methodology, and the evaluation weighting before the RFQ is issued.