

Authorization of New Capital Improvements Project – Elizabeth City State University

G.S. 143-64.12 requires that all state buildings reduce energy use per gross square foot 20% by 2010 and 30% by 2015 based on fiscal year 2002-2003 energy consumption. G.S. 143-64.17F authorizes state agencies to utilize guaranteed energy savings contracts as a method to reduce the state's increasing utility costs, improve efficiencies of operations, and reduce environmental impacts. The President's interest in a systematic approach to implementing facility efficiencies and encouraging environmental stewardship in conjunction with the Board of Governors UNC Sustainability Policy, authorizes the implementation of sustainable practices in buildings to meet or exceed statutory requirements as part of an ongoing sustainability action plan.

The Board of Trustees of Elizabeth City State University requests authority to establish a capital improvements project and enter into a guaranteed energy savings contract to improve energy efficiencies, replace inefficient equipment and infrastructure, help address the deferred maintenance backlog and reduce water consumption on the ECSU campus. The project involves Energy Conservation Measures (ECMs) in six buildings; G.R. Little Library, Robert L. Vaughn Physical Education Center, the Central Utility Plant, Jimmy R. Jenkins, Sr. Science Complex, Moore Hall, and the Marion D. Thorpe, Sr. Administration Building.

The ECMs include: lighting upgrades to more efficient fixtures; the addition of photocells to take advantage of day lighting; installation, replacement or upgrade of building automation systems to allow for more efficient control of heating and air conditioning equipment; HVAC system improvements; utilizing generators for electrical load management; installation of more efficient motors; and installing window film. Finally, plumbing upgrades will reduce water usage.

ECSU selected Honeywell Building Solutions as the energy services company to execute the performance contract from the Department of Commerce State Energy Office list of pre-qualified energy service companies. Honeywell Building Solutions has validated the estimated project costs and utility savings and will enter into an Energy Services Agreement guaranteeing 100% of the projected savings will be achieved, along with liability for any shortfall. To finance this project, ECSU will solicit competitive proposals from qualified lenders. ECSU expects a finance rate not to exceed 5% on an amount not to exceed \$6,000,000. The savings generated by the guaranteed energy savings contract will pay for the debt. After the debt is paid, the savings produced by the improvements will continue to accrue to ECSU and the State. The term of the loan will not exceed 18 years after a one-year construction period which is anticipated to commence in November 2011. The savings guaranteed by Honeywell is \$426,000 per year.

It is recommended that the request of the Board of Trustees of Elizabeth City State University be approved and that the proposed contract be forwarded to the Department of Administration, the Office of State Budget and Management, the State Treasurer, and the Council of State for final approval.

A RESOLUTION AUTHORIZING AN INSTALLMENT FINANCING
CONTRACT RELATED TO A GUARANTEED ENERGY SAVINGS
CONTRACT ON THE CAMPUS OF ELIZABETH CITY STATE
UNIVERSITY