

Authorization of New Capital Improvements Project – The University of North Carolina at Charlotte

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 the University of North Carolina at Charlotte requests authority to establish a capital improvements project and enter into a guaranteed energy savings contract to improve energy efficiencies by replacing inefficient equipment and infrastructure, addressing the deferred maintenance backlog, and reducing water consumption on the UNCC campus. The project involves Energy Conservation Measures (ECMs) in eight buildings; Cameron Hall, Colvard Hall, Fretwell Hall, Friday Hall, Main Steam Plant, Reese Hall, Regional Utility Plant 2, and Storrs Hall.

The ECMs include: energy-efficient light fixtures, occupancy sensors in classrooms and offices, installation, replacement, or upgrade of building automation systems to control heating and air conditioning equipment, HVAC system improvements including variable speed drives on air handlers and pumps, chiller plant optimization controls, steam plant optimization, and plumbing upgrades to reduce water usage.

UNCC selected Ameresco, Inc. 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. Ameresco 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, UNCC will solicit competitive proposals from qualified lenders. UNCC expects a finance rate not to exceed 5% on an amount not to exceed \$8,500,000. 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 UNCC and the State. The term of the loan will not exceed 15 years after a one-year construction period which is anticipated to commence in February 2012. The savings guaranteed by Ameresco is \$694,601 per year.

It is recommended that the request of the Board of Trustees of the University of North Carolina at Charlotte 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 UNIVERSITY OF NORTH
CAROLINA AT CHARLOTTE