

**BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
Project Summary
Florida State University
Guaranteed Energy Performance Program**

Project Description: Florida State University seeks to reduce energy consumption and energy costs by using a Guaranteed Energy Performance Contract. The university has an existing contract with Johnson Controls and desires to have Johnson Controls provide additional performance contracting services as provided for in the existing contract.

The program is consistent with the University's Master Plan.

Facility Site Location: The proposed program is for the facilities at the university's Sarasota/Ringling Museum site.

Projected Start and Opening Date: It is anticipated that the installation phase of the program can begin within two to three weeks of approval of the project by the Board of Governors. The installation phase will be completed within 240 days of the notice to proceed.

Demand Analysis: The required Technical Energy Audit has been reviewed, confirmed and sealed by a registered professional engineer as required by s. 1013.23(3)(f) F.S. The energy performance program developed based on the Energy Audit demonstrates that the University can realize significant reduction in its utility costs as well as creating improvements in aging facilities. Ringling Museum's current energy btu/sq ft is 113,400 and is estimated to be 101,100 btu/sq ft upon completion of this project. Measures included in the proposed contract include: lighting and sensor upgrades, water conservation upgrades, time of day scheduling, replacing steam boiler with high efficiency natural gas boiler, a well for cooling tower makeup water and implementation of chilled water reset and proper sequencing.

Project Cost and Financing Structure: The proposed program project cost is approximately \$1.4 million. The cost for these measures will be paid over an eight year period, (2008-2016), from the money the University saves in energy consumption and utility consumption as well as reduced maintenance of outdated infrastructure. A reduction of annual energy and operational costs of \$243,000 with an annual payment to Johnson Controls of \$196,250 is anticipated; resulting in estimated annual net savings to the University of \$46,958. The estimated useful

lives of the installed measures vary between 15 and 25 years. The debt will be structured with level annual debt service payments with the first principal payment occurring in December 2008.

Security/Lien Structure: Net energy savings will be pledged for the payment of debt service. The savings are guaranteed by Johnson Controls. There will be an annual reconciliation of the total proven energy savings with the total guaranteed energy savings. If the total proven savings is less than the total guaranteed savings resulting in a savings deficit, the contractor must pay the amount of the deficit to the University.

Pledged Revenues and Debt Service Coverage: Not applicable

Variable Rate Debt: Not applicable.

Type of Sale: Not applicable

Analysis and Recommendation: Staff of the Board of Governors has reviewed the information provided by Florida State University with respect to the request for Board of Governors approval for the subject financing. Based upon the information provided, the University has historically generated positive debt service coverage and energy savings above the agreed to amounts on prior contracts with Johnson Controls. Based upon a review of the information provided by the University, it appears that the proposed financing is in compliance with the Florida Statutes. Accordingly, staff of the Board of Governors recommends authorization of the Guaranteed Energy Performance Program.