

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS**

September 11, 2025

**SUBJECT:** University of Florida - Cancer & Genetics District Energy Performance-Based Contract

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**PROPOSED BOARD ACTION**

Authorize the University of Florida to implement a guaranteed energy performance-based contract in an amount not to exceed \$93.1M, consistent with sections 1013.23 and 489.145, Florida Statutes.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7(d), Florida Constitution, Board of Governors Regulation Development Procedures.

**BACKGROUND INFORMATION**

Sections 1013.23 and 489.145, Florida Statutes provide distinct parameters and requirements governing energy performance-based contracting for universities, and it authorizes university boards of trustees to enter into them; Board of Governors' approval is not statutorily required. However, the SUS Debt Management Guidelines require Board approval of any such contract over \$10M.

The University of Florida (UF) seeks to reduce energy consumption and related operational and maintenance costs via a \$93.1M guaranteed energy performance contract for the southwestern area of campus known as the Cancer and Genetics District. The proposed Project consists of replacing end-of-life air handling units, renovation of existing heating plants, replacing and upgrading lab automation equipment, and the installation of more energy-efficient equipment technology. As an aside, the University indicated the Project will eliminate an estimated \$39M in deferred capital replacement and renewal tied to the existing aged infrastructure and equipment.

UF selected Siemens Industry, Inc. (Siemens) as the energy performance-based contractor, responsible for the Project's energy audit, design, engineering, and installation. TD Equipment Finance (TD Finance) was selected as the third-party financing entity, providing \$89.3M in tax-exempt financing, which, coupled with University resources of \$3.7M, will fund total Project costs.

The Project is expected to yield approximately \$222M in total Energy Cost Savings (utilities, operational, and maintenance) over the 19-year contract term, offsetting total Project costs (including financing) and providing net Projected Annual Savings of \$4.5M on average, \$85.1M in total (see attached "*Projections*"). As statutorily-required, projected savings will be guaranteed by Siemens

Staff of the Board of Governors reviewed the supporting documentation provided by the

University. Based upon this review, the proposed financing appears to be in compliance with Florida Statutes and the SUS Debt Management Guidelines.

The University board of trustees approved the Project on June 6, 2025.

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<b>Supporting Documentation Included:</b>	Supporting documentation can be found in the Facilities Committee material.
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