

MINUTES
GWCCA DEVELOPMENT COMMITTEE MEETING
April 22, 2015
10:00 a.m.
Executive Board Room

The following were in attendance:

Committee Members Present:

Anne Hennessy
Glenn Hicks
Tim Lowe, Ex-Officio
Doug Tollett

GWCCA Staff:

Carl Adkins
Dale Aiken
Kevin Duvall
Jennifer LeMaster
Frank Poe
Pargen Robertson
Josh Robison
Richard Sawyer
Patrick Skaggs
Sherrie Spinks
Lindsay Strickland
Mark Zimmerman

Committee Members Absent:

David Allman
Stan Conway
Bart Gobeil, State Advisor
Lee Hunter, Chair
Rep. Jan Jones, Legislative Advisor

Guests:

Frank Jones, Greenberg Traurig
Keilani Parker, AG's Office
Lee McElhannon, GSFIC
Ken Neighbors, Greenberg Traurig
Matt Nichols, Sutherland
Diana Pope, GSFIC
Chris White, GEFA
Denise Whiting-Pack, AG's Office

Chair Hunter called the meeting to order at 10:12 a.m. and asked for a motion to approve the November 21, 2014 meeting minutes.

A motion to approve the November 21, 2014 GWCCA Stadium Development Committee meeting minutes was made by Doug Tollett, seconded by Glenn Hicks, and unanimously approved.

GUARANTEED ENERGY SAVINGS PERFORMANCE CONTRACTING UPDATE

The Board was introduced to the Guaranteed Energy Savings Performance Contracting Program at the August 26, 2014 Board meeting and subsequently approved a Resolution authorizing the Executive Director to “negotiate with the pre-qualified Energy Service Provider(s) identified as the presumptive awardee under the RFP, and in case those negotiations are successful, the Executive Director is authorized, though not required, to contract an Investment Grade Audit in respect of such Energy Service Provider”. This program uses cost savings from reduced energy consumption to repay the cost of installing energy conservation measures and equipment. The Committee was briefed on the process to date and was asked to provide feedback.

The five highest ranking qualified Providers were asked to submit a Request for Proposal (RFP) to perform an Investment Grade Audit. After RFP review, Trane U.S., Inc. was determined to be the highest ranking Provider in September 2014. Trane conducted the Investment Grade Audit from October 2014 to April 2015. Once complete, the audit report was reviewed by a third party evaluator who determined the audit fits the established criteria. The design construction phase will take approximately eighteen months to complete and is planned to begin in July 2015. The post-construction guarantee phase will have a fifteen year term which begins in January 2017 and ends in December 2031.

Listed below are the eight energy conservation measures and associated costs/savings included in the program.

ECM #	ECM Description	Total Cost	Proposed Savings (Year 1)	Simple Payback (based on Year 1 savings)	Life Expectancy
1	B Central Plant	\$10,488,561	\$646,451	16.22	30 years
2	Interior Lighting	\$9,510,752	\$912,959	10.42	5-30 years
3	GWCC Exterior Lighting	\$3,836,494	\$407,262	9.42	10-20 years
4	C.O.P. Exterior lighting	\$839,247	\$66,864	12.55	10-20 years
5	Water / Kitchen	\$909,526	\$192,427	4.73	25 years
6	Water feature motor upgrades	\$15,586	\$2,150	7.25	25 years
7	Building A & C Retrocommissioning	\$138,663	\$42,698	3.25	15 years
8	Exhibit Hall Lighting	\$2,690,904	\$276,884	9.72	25 years
	TOTAL	\$28,429,733	\$2,547,695	11.16	

At this time, Chris White with GEFA reviewed the financial model.

An update on this program will be presented to the full Board at the April 28 Board meeting and a Resolution authorizing the Executive Director to enter into an Agreement will be presented to the full Board at the May 19 Board meeting for action. GSFIC has set June 30, 2015 as the hard deadline to execute the Agreement. Staff will firm up the term sheet before the May 19 Board meeting. If the Board approves the Resolution, staff will review the term sheet with the Finance Committee for approval in order to meet the June 30 deadline.

Questions from Committee members, along with answers:

- What is the fifteen year (total) cost of financing?
TBD at this point. GEFA is preparing a term sheet document to send to banks for their competitive rates for the GWCCA Energy Performance Contract.
- Is the model based on Trane’s building assessment alone?
No, the GWCC Engineering and Administration staff worked closely with Trane during the IGA and provided volumes of information for use in the modeling.
- Is it all Trane equipment? (What is their benefit?)
Trane is providing, as a part of the improvements, \$1.976M worth of Trane equipment plus \$429,000 for Trane controls. Other manufacturers’ equipment will also be installed. Trane’s continuing services payments (15 year services agreement) is \$2.533M.

The service agreement costs will be paid from the overall savings and not financed as part of the project.
- Will the financing entity selection be rate driven?
Yes
- Is it a flat rate or variable?
Flat, which is appropriate for a savings-based payback.

- Who are the banks?
Pinnacle Public Finance, Inc.
SunTrust Equipment & Leasing Corporation
U.S. Bancorp Government Leasing and Finance, Inc.
JP Morgan Chase Bank, N.A.
- What is the interest rate likely to be?
Unknown. IGA based on 3.5% interest rate
- What has the rate been for previous State projects?
No bonded projects have been financed yet.
- What if a financing agreement cannot be reached with those banks?
GSFIC will have a meeting on June 9 to address that possibility, and perhaps mitigate issues arising for such an occurrence.
- Who maintains the equipment?
GWCC staff will ultimately be responsible for routine maintenance and will be trained for efficient maintenance procedures. There are continuing services from Trane in warranty coordination, training, measurement and verification, etc.). Contractually, Trane is responsible on an ongoing basis for defects in design and workmanship.
- How long is the warranty?
5 years
- Who were the other ESCO's involved in the process?
The State qualified 16 ESCOs. Eleven (11) ESCOs expressed interest in the GWCCA project. Five (5) ESCOs were selected to provide proposals and were interviewed (Trane, Johnson Controls, Ameresco, Honeywell, Siemens).

This program is a great way for the Authority to improve its systems; although, it is not all inclusive. Staff will continue to find ways to improve.

NEW STADIUM PROJECT (NSP) FINAL CLOSING UPDATE

Due to on-going negotiations with the Falcons, the initial NSP Final Closing date has passed. The new date is Monday, May 18. A Resolution to finalize and execute closing documents will be presented to the full Board at the April 28 Board meeting.

The Transaction Agreement was approved at the February 2014 Initial Closing. Section 5.2 of the Transaction Agreement included a list of conditions which needed to be satisfied before the Final Closing could take place. Franklin Jones with Greenburg Traurig reviewed the list of conditions noting if they have been satisfied or when they would be satisfied.

NSP Financing costs have increased \$100M to \$1.5M. The Advertising Brokerage Agreement with the Falcons is not included in the Final Closing. It should be signed within thirty days of the Closing. The Personal Seat License program will be reviewed at a June 2, 2015 Special Meeting of the Board.

There being no further business to discuss, the meeting adjourned at 11:25 a.m.

Respectfully submitted:

Approved:

Dale Aiken, Assistant Secretary

Tim Lowe, Chair