

Office of School Facilities
Jaime G. Torrens, Chief Facilities Officer

SUBJECT: THAT THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, AUTHORIZE THE SUPERINTENDENT TO NEGOTIATE AND EXECUTE AGREEMENTS ALLOWING THE MONETIZING OF BOARD-OWNED ENERGY EFFICIENT PROJECTS WITH THE RESPECTIVE PROJECT DESIGNERS, AS ALLOWED UNDER THE 2005 ENERGY POLICY ACT, AND UNDER MUTUALLY ACCEPTABLE TERMS AND CONDITIONS

COMMITTEE: FACILITIES AND CONSTRUCTION REFORM

LINK TO STRATEGIC FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY

Background

In 2005, Congress enacted the Energy Policy Act (EPACT), which enables 'designers' to apply retroactively to the IRS for a tax benefit under Section 179-D of the Internal Revenue Code, on eligible government-owned energy efficient projects. A designer is construed in EPACT to include but not be limited to the A/E of record, contractor, subcontractor or energy consultant and is referred herein as "Designer." The tax benefit filings present an opportunity for the Owner and the Designer to share in the resulting monetary benefit, and for the Owner to then reinvest the proceeds in capital projects that enhance energy efficiency performance at other facilities.

Additional Information

Generally, the monetization process works as follows:

- An energy efficiency certification is conducted by an independent third party, and that cost is typically the financial responsibility of Designer. The certification assesses each selected project's energy efficiency value vis-à-vis U.S. Department of Energy accepted industry standards;
- Once the certification is completed, the potential value of the tax benefit is then calculated based on the project's square footage and the Designer's tax bracket for the particular tax year in which the project was completed.

District staff has been actively pursuing opportunities to capitalize on the EPACT provisions for school projects placed into service in recent years. AECOM, the designer of record for several of the District's recent additions and new facilities has expressed a desire to partner with the Board and pursue the benefits offered under this program, including completion of all the required tax filings and energy efficiency certification process at their cost. Based on preliminary calculations, assuming all the projects qualify, the net benefit to the District could be approximately \$200,000.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, authorize the Superintendent to negotiate and execute agreements allowing the monetizing of Board-owned energy efficient projects with the respective project designers, as allowed under the 2005 Energy Policy Act, and under mutually acceptable terms and conditions.

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