

Arkansas Building Authority



Sustainable Building Design Program Procedures (Sustainable Revolving Loan Fund)

Charles Thomas, ABA Revolving Loan Fund Manager

Revolving Loan Fund

- **What is it? Created by Act 1372 of 2009**
 - Provides a funding mechanism for state agencies, boards, and commissions who own facilities and would like to accomplish energy initiatives (renovations) that exceed \$250,000.
- **Who qualifies? State agencies, boards and commissions**
 - Excludes public schools (K-12) and legislative or constitutional entities of the State.



What It Is Not

It is **NOT** Act 1494 of 2009 - the **Sustainable Energy Efficient Building Program under the Arkansas Energy Office**

- Act 1494 issues procedures, methods of compliance and performance standards for state agencies regarding design and construction of major facilities, major renovation as well as purchases of facilities.

The **Revolving Loan Fund Rules do not change how contract awards are made** to Design Professionals (Architects & Engineers), Consultants, Vendors, ESCOs or Contractors. Federal and State laws, regulations and rules should be adhered to.



Loan Elements

Revolving Loan Fund:

A separate and segregated account maintained by ABA (principal account).

Loan Periods:

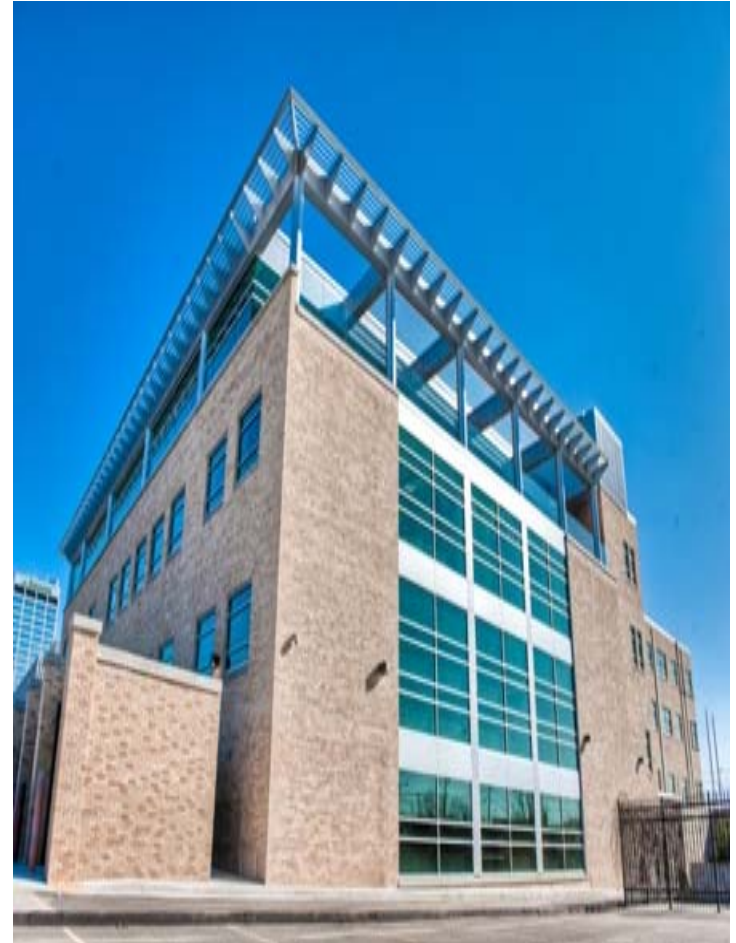
The loans are submitted through the regular annual loan cycle with projects and expenditures occurring **between July 1 and June 30 of each year.**

Loan Amounts:

No Loan shall be for less than \$250,000, but the maximum will be pursuant to funding availability and repayment period.

Repayment Period:

The loan repayment must be accomplished within ten (10) years, with repayment terms established upon award.



Loan Fund / Project Steps



- Step 1:** Initial Assessment
- Step 2:** Application Process
- Step 3:** Review Committee
- Step 4:** Loan Award
- Step 5:** Design Review
- Step 6:** Bidding
- Step 7:** Construction
- Step 8:** Reporting

Loan Review Criteria

- a) Agency has completed their **Strategic Energy Plan (StEP)** and was approved by the StEP Energy Workgroup, a plan includes specific sustainable renovation projects within the Capital Projects section of the plan.
- b) Agency has contracted or will be contracting for a **Measurement and Verification (M&V)** of the project.
- c) Agency has completed a **Life Cycle Cost Analysis**. Should an agency determine that an analysis is not needed; the Director may waive this requirement upon proper written justification presented to the Director by the agency.
- d) A **statement from the Agency Director** as to the agency's method of repayment of the loan.



Recommended Projects

- 1) Building exterior weatherization, air sealing, or thermal efficiency;
- 2) Increase or improvement in building insulation;
- 3) Door, window, or skylight replacement;
- 4) Lighting technology upgrades, or reduction of the number of fixtures;
- 5) Heating, ventilation, heat recovery, steam system and air conditioning (HVACR) replacements;
- 6) Improvements to energy control systems/sensors;
- 7) Other energy efficiency projects such as VFD motors that will result in a significant reduction in the consumption of energy within a building.



Projects can be bundled.

Eligible Costs:

The following direct costs are eligible:



- i Building materials;
- ii Doors, windows and skylights;
- iii Mechanical systems and components including HVACR and hot water;
- iv Electrical systems and components including lighting and energy management systems;
- v. Labor necessary for the installation of the energy efficient project;
- vi Design and planning of the energy efficient project, which includes A&E fees and consultants;
- vii Costs Associated with energy audits, re-commissioning, retro-commissioning or any combination.

Non-Eligible Costs:



The following are **not eligible costs**:

- i. The costs of the project which are not directly related to energy efficiency measures;
- ii. Any costs incurred for the financing of the project;
- iii. Costs for the equipment or systems that reduce energy costs without also resulting in reductions in the use of energy; however nothing in this section shall be deemed to prohibit disallowance of costs associated with renewable energy or geothermal products;
- iv. Loan funds cannot be used to pay for consultants to write loan applications, reports or to manage the loaned funds.

Program Overview

1. **Completed Strategic Energy Plan (StEP) – “green rating”?**
2. **Planned Project included in Capital Improvement list of StEP?**
3. **Existing Building / Owned by the State?**
4. **Is project Energy Related to reduce consumption/cost as found in the Rules?**
5. **Estimated Project Costs exceed \$250,000?**
6. **Can Agency repay loan within ten (10) years?**



Take Note:

Contact ABA for program details:

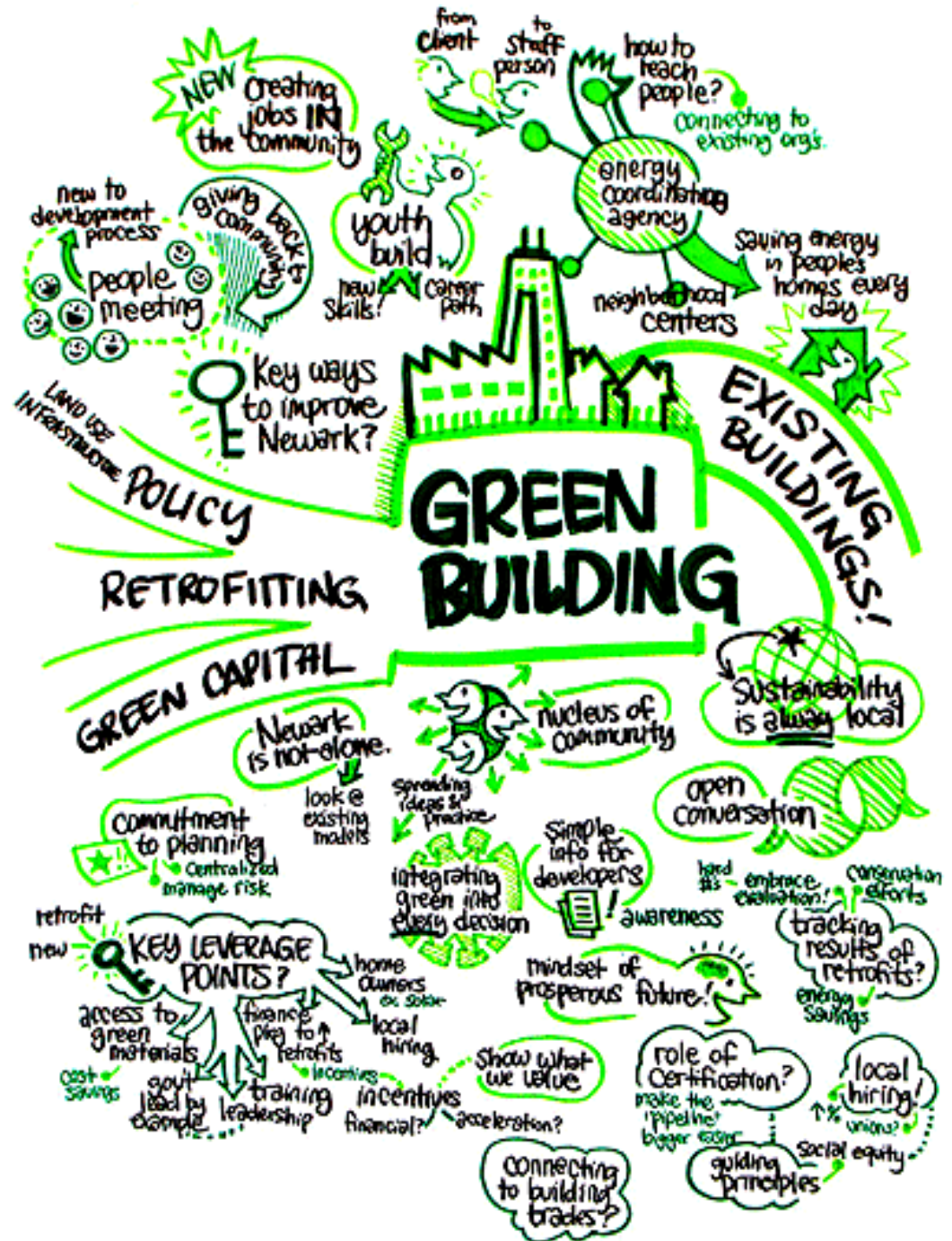
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December 31, 2011:

Deadline for ARRA funding is
12/31/11. Contracts must be
signed by March 31, 2012.



www.Green.Arkansas.gov

Website developed by Governor's Energy Workgroup for development and submission of agency Strategic Energy Plans (StEP) pursuant to Executive Order #09-07 issued May 28, 2009

