

Reports to the 2019 General Assembly



January 15, 2019
State of Vermont
Agency of Administration
Department of Buildings and General Services

Christopher Cole
Commissioner

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January 15, 2019

The Honorable Members of the
2019 General Assembly
State House
115 State Street
Montpelier, VT 05633

Dear Members:

A compilation of reports due to the General Assembly from the Department of Buildings and General Services can be found on our website under Commissioner's Office; Forms and Publications; Legislative Reports. You will find a list of those reports in the Table of Contents, along with reference to the legislation requiring the reports. Some of the reports were prepared working in conjunction with other Agencies and Departments.

Should you have any questions concerning these reports, please feel free to contact me at the above number or by email: chris.cole@vermont.gov.

Sincerely,

Christopher Cole
Commissionercc: Electronic Filing – Legislative Council
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Table of Content

- TAB 1: 108 Cherry Street; Report
[Act 190 of 2018 H.923]
• *Submitted on December 15, 2018*
- TAB 2: Southeast State Correctional Facility; Report
[Act 151 of 2018 H.806]
• *Submitted on December 15, 2018*
- TAB 3: State Energy Management Program Annual Report
[Act 58 of 2015 E.112(d)]
• *Submitted on October 1, 2018*
- TAB 4: High Mileage Drivers Report
[Act 179 of 2014 E.118(a)]

Reports Established in Statute

- TAB 5: Transfer of Unexpended Bond Balances For Major Maintenance
[29 VSA § 152(a) (23)]
- TAB 6: Property Management Revolving Fund
[29 VSA § 160(e)]
- TAB 7: State Energy Management Program; Revolving Funds (SRMRF)
[29 VSA § 168(f)]
- TAB 8: Capital Construction Bill
[32 VSA § 701a (c)(d)]

TAB 1 – 108 Cherry Street; Report
[Act 190 of 2018 H.923]

Report to the Vermont Legislature

Act No. 190. (H.923)
An act relating to capital construction and State bonding budget
adjustment.

Submitted to: House Committee on Corrections and Institutions and the Senate
Committee on Institutions

Submitted by: Christopher Cole, Commissioner of Buildings & General Services

Prepared by: Marc A. O'Grady, Director of Planning and Property Management

Report Date: December 15, 2018

In 2018, the Vermont Legislature passed h. 923, requiring the Department of Buildings and General Services (BGS) to prepare a report on the John J. Zampieri State Office Building at 108 Cherry Street in Burlington that includes 20-year economic projection for each of the options which are as follows:

Sec. 1. 2017 Acts and Resolves No. 84, Sec. 2 is amended to read:

Sec. 2. STATE BUILDINGS

(e)(1) On or before December 15, 2018, the Commissioner of Buildings and General Services shall submit to the House Committee on Corrections and Institutions and the Senate Committee on Institutions a report on the John J. Zampieri State Office Building at 108 Cherry Street in Burlington that shall include 20-year economic projections for each of the following options:

(A) selling 108 Cherry Street and leasing, purchasing, or building a new State office space; and

(B) renovating 108 Cherry Street and continuing to use it as State office space in its entirety for State employees; and

(C) renovating 108 Cherry Street and using it as State office space for all direct-service employees currently housed there and leasing the remainder of the space to a non-State entity.

CONTENTS

BGS Recommendation.....	4
Consultant Analysis & Recommendation.....	5
Cash Flow Projections of the Scenarios.....	9

BGS Recommendation

Based on the Legislative request, The Department of Buildings and General Services (BGS) worked with White and Burke Real Estate Investment Advisors to devise nineteen (19) probable development scenarios which ranged from maintaining the status quo and completing renovations to the John J. Zampieri State Office Building (108 Cherry Street), to selling 108 Cherry Street, demolishing 50 Cherry Street and 59 Pearl Street (Department of Labor Building), and constructing a new State office building on 59 Pearl Street. That analysis is included in the attached memorandum from White and Burke.

The subsurface parking garage at 108 Cherry Street is suffering from substantial deferred maintenance and requires a significant capital investment. A draft report completed by a structural engineer (November 2018) indicated that the cost to complete a 20-year cure for the deferred maintenance on the parking garage is approximately \$12,602,000.

After reviewing all the development scenarios and related assumptions, BGS concurs with the Consultant's recommendation to pursue A.2.a or A.2.b which are the least costly options for the State of Vermont (SOV). The scenario includes renovating the 108 Cherry Street parking garage immediately and other building components over time. As noted, this scenario includes the SOV occupying the building with all client-facing departments, other state agencies currently located in leased space, and the occupants of 50 Cherry Street. Vermont Department of Health (VDH) administration would relocate to suburban Chittenden County, in a lease situation.

The next least costly scenario is A.1 which includes renovating the 108 Cherry Street parking garage immediately, repairing the other building components over time, and keep the occupants status quo.

It is clear from the 20-year financial analysis that keeping 108 Cherry Street and immediately fixing the parking garage is the least costly option for the SOV. BGS will continue to work with AHS to optimize programming in the building.



MEMORANDUM

To: Marc O’Grady, Director of Planning & Property Management

From: Joe Weith, Senior Project Manager

Date: November 26, 2018

Re: BGS 108 Cherry Street – Consultant Recommendation

White + Burke Real Estate Investment Advisors (W+B) completed its preliminary financial analysis comparing the cost implications of nineteen (19) separate real estate scenarios related to 108 Cherry Street in downtown Burlington. Our preliminary analysis dated 11/26/18 was submitted to BGS on 11/26/18. This memorandum provides our preliminary recommendation on the real estate scenarios which, in our professional opinion, we believe make the most sense for the State to pursue with further, more detailed analysis.

RECOMMENDATION

In our professional opinion, the real estate options which appear to make the most sense from a cost and logistical standpoint include those which involve renovating 108 Cherry Street and occupying the building with Vermont Department of Health (VDH) direct service employees and other State employees who currently lease space at various locations in Burlington and Williston (scenarios A.2.a and A.2.b). Both scenarios involve renovating the building, including repairs to the underground parking garage, and moving VDH Administrative employees to 63,000 square feet of leased space in either suburban Chittenden County (scenario A.2.a) or Waterbury (scenario A.2.b). Both scenarios contemplate leasing out approximately 38,000 square feet of surplus space within 108 Cherry Street to non-State entities which would provide a revenue source.

The primary reasons behind our recommendation include:

Cost: Of the 19 real estate scenarios analyzed, scenarios A.2.a and A.2.b would be the least costly in terms of annual operating cost (including debt service) over a 20 year term. Also, the estimated cost to renovate the 108 Cherry Street building and parking garage (roughly \$19.3 million) is significantly less than other scenarios which involve purchasing land and constructing a new building in downtown Burlington (roughly \$30 million) or redeveloping either 108 Cherry Street or 50 Cherry Street (roughly \$26 - \$48 million).

Location: The 108 Cherry Street building is extraordinarily well positioned within the greater Burlington marketplace to serve its direct service clientele. The building is located immediately adjacent to the new downtown transit hub and is within close walking proximity to dense populations. Maintaining client focused services in a State building in the heart of downtown Burlington promotes the State's longstanding policy of encouraging dense development patterns and large employment centers within our historic downtowns.

Logistics and Timing: The logistics and timing of implementing scenarios A.2.a or A.2.b are relatively straight forward compared to some of the other real estate scenarios, namely the scenarios involving leasing 60,000 sf of strategically located space with parking in downtown Burlington (such space does not exist at this time), as well as those scenarios involving complete demolition and redevelopment of 108 Cherry Street. The logistics and timing of implementing scenarios A.2.a or A.2.b could proceed relatively smoothly in three general phases:

- Phase I: Search for and secure 63,000 square feet of lease space for VDH Admin; begin phased repairs to parking garage; begin planning for interior renovations to accommodate existing and new State employees and separate space to be leased to non-State entities.
- Phase II: Move VDH Admin out of building and into new lease space; begin interior renovations; move State employees from off-site locations into temporary space within 108 Cherry; continue phased repairs to parking garage; put 50 Cherry Street on market for sale.
- Phase III: Complete interior renovations; move State employees into permanent space; begin leasing of surplus space to non-State entities; complete repairs to parking garage; complete sale of 50 Cherry Street.

Existing Market Conditions: Scenarios A.2.a and A.2.b present less risk than the scenarios which involve selling 108 Cherry Street. The Greater Burlington office market is currently oversupplied and is expected to remain so for the foreseeable future. Office vacancy rates, including those within the Burlington central business district, have remained above average since the Great Recession and have contributed to negative pressure on rental rates. These soft market conditions could present a significant challenge in selling a large office building such as 108 Cherry in a timely manner or at an acceptable price. It should also be noted that 108 Cherry Street still owes roughly \$7.5 million to the Property Management Fund which is more than the recently appraised value of the property. Therefore, if the building were to sell at the appraised value, there would be no sales proceeds to put toward construction or lease of a new building.

IMPORTANT ISSUES AND CONSIDERATIONS

Notwithstanding the above, pursuit of any real estate option, including scenarios A.2.a or A.2.b, will require more thorough and in-depth planning and analysis, and consideration of several important issues. A few issues to keep in mind include:

Timing: Any real estate option, including scenarios A.2.a and A.2.b, will likely take several years to implement. It will take significant time and effort to search for and secure new lease space for VDH Admin as well as design, permit and construct any required renovations to 108 Cherry Street. The State should be prepared to take the long view in pursuing any of the 19 real estate options analyzed.

Planning and Cost Estimating: The preliminary financial analysis prepared by W+B is a very high-level, first blush attempt to quantify and compare the potential costs associated with the various real estate options. Further pursuit of any of the real estate options analyzed will require more thorough planning and analysis including evaluation of existing conditions and space needs, design and permitting of renovated or new space, preparation of more accurate cost estimates, and logistical planning. In the case of scenarios A.2.a and A.2.b, next steps will involve retaining architects and engineers to study and prepare plans for the redesign of space within 108 Cherry Street and prepare more accurate cost estimates. This more detailed and accurate planning and cost estimating could potentially alter the recommendations contained in this memorandum.

Leasing of Space to Non-State Entities: The leasing of 38,000 square feet of surplus space to non-State entities could take some time considering current market conditions for Class B+/A- office space. As stated previously, the office market in the Greater Burlington Area is oversupplied and is expected to continue for the foreseeable future as approved office developments are constructed and come online (e.g. 230,000 square feet of office space at City Place). On a positive note, the State may have more flexibility to

offer competitive lease rates compared to typical developers/investors who require a certain return on investment. Also, the State may elect to move other State agencies into the surplus space or use it as flex space, however, this would result in the loss of a potential revenue source.

FINANCIAL ANALYSIS SUMMARY

BGS - 108 Cherry Street
11/26/2018

Scenario #	Scenario Description	Total Square Feet Controlled by State	Total Construction/Renovation Cost	NPV Annual Expenses Over 20 Years (5%)	NPV Per Square Feet Controlled by State
A.1	Renovate 108 Cherry Status Quo	181,699	19,411,225	42,421,149	\$233
A.2.a	Renovate 108 Cherry for Direct Service Employees Relocate VDH Admin to Suburban Chitt. Co.	178,250	\$19,316,225	\$37,367,845	\$210
A.2.b	Renovate 108 Cherry for Direct Service Employees Relocate VDH Admin to Waterbury	178,250	\$19,316,225	\$37,271,475	\$209
B.1.a	Sell 108 Cherry Lease Existing Building in Downtown Burlington for Direct Service Employees Relocate VDH Admin to Suburban Chitt. Co.	133,540	\$0	\$57,016,066	\$427
B.1.b	Sell 108 Cherry Lease Existing Building in Downtown Burlington for Direct Service Employees Relocate VDH Admin to Waterbury	133,540	\$0	\$56,919,696	\$426
B.2.a	Sell 108 Cherry Lease New Building in Downtown Burlington (Build-to-Lease) for Direct Service Employees Relocate VDH Admin to Suburban Chitt. Co.	133,540	\$0	\$65,827,085	\$493
B.2.b	Sell 108 Cherry Lease New Building in Downtown Burlington (Build-to-Lease) for Direct Service Employees Relocate VDH Admin to Waterbury	133,540	\$0	\$65,730,715	\$492
B.3.a	Sell 108 Cherry Build New Building in Downtown Burlington (State-Owned) for Direct Service Employees Relocate VDH Admin to Suburban Chitt. Co.	141,000	\$30,804,000	\$49,561,654	\$352
B.3.b	Sell 108 Cherry Build New Building in Downtown Burlington (State-Owned) for Direct Service Employees Relocate VDH Admin to Waterbury	141,000	\$30,804,000	\$49,465,284	\$351
B.4.a(1)	Sell 108 Cherry Build New Building in Suburban Chitt. Co. (State-Owned) for Direct Service Employees Relocate VDH Admin to Suburban Chitt. Co.	133,540	\$17,310,000	\$44,020,458	\$330
B.4.a(2)	Sell 108 Cherry Build New Building in Suburban Chitt. Co. (State-Owned) for Direct Service Employees Relocate VDH Admin to Waterbury	133,540	\$17,310,000	\$43,924,087	\$329
B.4.b	Sell 108 Cherry Build New Building in Suburban Chitt. Co. (State-Owned) for Direct and Non-Direct Service Employees (Including VDH Admin)	133,540	\$35,448,000	\$38,454,541	\$288
C.1	Demolish & Rebuild on 108 Cherry for Direct and Non-Direct Service Employees (Including VDH Admin)	141,000	\$48,266,449	\$41,032,771	\$291
C.2.a	Demolish & Rebuild on 108 Cherry for Direct Service Employees Relocate VDH Admin to Suburban Chitt. Co.	141,000	\$27,384,289	\$46,746,983	\$332
C.2.b	Demolish & Rebuild on 108 Cherry for Direct Service Employees Relocate VDH Admin to Waterbury	141,000	\$27,384,289	\$46,650,612	\$331
D.1	Demolish & Rebuild on 50 Cherry for Direct and Non-Direct Service Employees (Including VDH Admin) Sell 108 Cherry	141,000	\$46,989,611	\$41,840,587	\$297
D.2.a	Demolish & Rebuild on 50 Cherry for Direct Service Employees Relocate VDH Admin to Suburban Chitt. Co. Sell 108 Cherry	141,000	\$26,107,451	\$47,554,799	\$337
D.2.b	Demolish & Rebuild on 50 Cherry for Direct Service Employees Relocate VDH Admin to Waterbury Sell 108 Cherry	141,000	\$26,107,451	\$47,458,428	\$337
E	Demolish & Rebuild on 50 Cherry & 59 Pearl for Direct and Non-Direct Service Employees (Including VDH Admin) Sell 108 Cherry	163,000	\$54,505,098	\$47,713,526	\$293

DISCLAIMER NOTICE: All financial projections and other information furnished herein are provided for general reference purposes only. These projections and other information have been based upon various assumptions relating to the general economy, competition and other factors beyond White + Burke Real Estate Investment Advisors, Inc.'s (W+B's) reasonable control, and therefore these are subject to material variation. Furthermore, neither W+B nor any of its staff is acting as an attorney, accountant or financial planner and therefore no opinion is given or implied as to the legal sufficiency, tax implications or financial prudence of any investment or other financial activity. W+B strongly advises consulting with an attorney, accountant and/or other professional advisor(s) prior to making any material financial decisions. There is no guarantee that past performance is any indication of future performance. Future value or income is not guaranteed. Neither W+B, nor its stockholder(s), representatives, or employees make any representation or warranty, expressed or implied, as to the accuracy or completeness of this projection, nor of any other information or contents herein.

**TAB 2 – Southeast State Correctional Facility; Report
[Act 151 of 2018 H.806]**

Report to the Vermont Legislature

Act No. 151. (H.806)

An act relating to the Southeast State Correctional Facility.

Submitted to: House Corrections and Institutions Committee, Senate
Institutions Committee, The Town of Windsor

Submitted by: Christopher Cole, Commissioner of Buildings & General
Services

Prepared by: Erik Filkorn, Principal Assistant

Report Date: December 15, 2018

In 2018, the Vermont Legislature passed h. 806, requiring the Department of Buildings and General Services (BGS) to explore the highest and best future State use for the former Southeast State Correctional Facility (SESCF) in Windsor, Vermont.

Sec. 1. SOUTHEAST STATE CORRECTIONAL FACILITY; REPORT

(a) The Commissioner of Buildings and General Services shall investigate and analyze options for the future use of the Southeast State Correctional Facility and the surrounding 118.57 acres of land owned by the Department. As part of the investigation, the Commissioner shall consult with the Secretary of Administration and any other State entities that would have a potential use for the facility or land.

(b) On or before December 15, 2018, the Commissioner of Buildings and General Services shall submit a report, which shall include an analysis and recommendations on the highest and best State use resulting from the investigation described in subsection (a) of this section to the House Committee on Corrections and Institutions, the Senate Committee on Institutions, and the Chair of the Town of Windsor Selectboard.

CONTENTS

History	4
Appraisal	5
Highest Best State Use	7
Future Potential State Use	8
Scenarios	9





History

The land was purchased by the State of Vermont over 100 years ago. The Southeast State Correctional Facility first operated as a farm run by inmates to supply food to the former Windsor State Prison located in downtown Windsor. The site was developed into a correctional facility in the 1930's.

At its peak, SESCOF housed approximately 100 inmates and featured a dairy barn, slaughterhouse, wood shop and license plate manufacturing facility. Inmate work crews provided labor for the Town of Windsor and other local communities, produced wooden toys for the Toys for Tots program and rehabilitated old bicycles.

While SESCOF had a reputation as Vermont's most beautiful correctional facility, it was also the most expensive to operate. The physical layout of the buildings and the site meant that an unusually high ratio of corrections officers to inmates was required and in 2017, it was decided that it was no longer fiscally reasonable to operate as a correctional facility. The campus has been mothballed since late 2017.



Appraisal

In the spring of 2018, BGS retained the services of Martin Appraisal Services, Inc. to develop an appraisal report for the Southeast State Correctional Facility.

The facility consists of 27 structures totaling 86,248 square feet situated on 118.57 acres. The value estimate for the facility “as is” was \$1,100,000.



There are three buildings that could provide functional office units with only minor upgrades. These buildings contain a total 12,391 SF and each could be utilized as separate office buildings or similar type commercial use. Three of the buildings (10,800 SF) could be used with little or no renovations for light industrial space. There are four other buildings (18,060 SF) that are of lower quality but could be used as storage or commercial garage areas. Dormitory and dining buildings could be renovated to serve as multi-family housing. There are also a number of buildings on the campus that are in poor condition and do not add value, several of which will need to be demolished as shown in the building overview.



Building Overview					
<u>#</u>	<u>Name</u>	<u>Size</u>	<u>Qual.</u>	<u>Cond.</u>	<u>Highest & Best Use</u>
1 & 2	BGS Office & Garage	3,270	Avg.	Avg.	Office with Shop Area
3	Gate House	600	Avg.	B. Avg.	No Value - Possible Demo
4	Education	5,600	Avg.	Avg.	Office/Commercial
5 & 6	Dorm, Dining & Service	12,768	Avg.	Fair	Renovate - Multi-family
7	North Country	3,013	Avg.	Avg.	Renovate - Multi-family
8	Administration	3,521	Avg.	Avg.	Office
9	Plate Shop	5,000	Avg.	Avg.	Light Industrial
10	Sign Shop	4,000	Avg.	Avg.	Light Industrial
11	Maintenance Shop	1,800	Avg.	Avg.	Contractors' Shop
12	Maintenance or Storage	963	Low	Fair	Accessory Storage or Garage
13	Maintenance Garage	1,120	Low	Fair	Accessory Storage or Garage
14	Boiler House	768	Avg.	Avg.	Support - No Value
15	Saw Mill	5,248	Low	Avg.	Storage or Light Industrial
16	Slaughter House	720	Low	Fair	Accessory Storage or Garage
17	Lumber Storage Unit	4,200	Low	Avg.	Cov. Storage - No Value
18	Creosote	2,732	Avg.	Fair	Light Industrial
19	Heifer Barn	6,864	Avg.	Fair	Storage or Renovations
20 & 21	Cow Barn & Milk House	14,343	Low	Poor	Demolition
22	Greenhouse	3,216	Avg.	Good	Greenhouse
23	Hay Barn	2,850	Low	Poor	Cold Storage - No Value
24	Oil Shed	96	Avg.	Avg.	Support - No Value
25	BGS Sheds	3,456	Low	Avg.	Cold Storage - No Value
26	Pump House	100	Avg.	Avg.	Support - No Value
27	Water Storage	N/A	Avg.	Avg.	Support - No Value
	Total All Structures	86,248			

In addition to the buildings noted above, the silos on the property will need to be taken down. Additional documentation of the site will be required by Historic Preservation before this work can commence, though none of the buildings are required to be preserved.

It was the conclusion of the appraiser that the highest and best commercial use of the property in its current improved state would be to subdivide it or create a condominium association and sell the buildings individually for a variety of potential uses including affordable housing, offices, and light industrial uses. If the State did not have the capacity to take on this type of development project, it could be sold to an entrepreneur or real estate developer who could anticipate a profit from selling the individual properties.

Other options outlined included redeveloping the site after demolition of existing structures. Returning the land to its natural state would cost an estimated \$1.4 million. The value of the land if vacant would be approximately \$430,000. The cost of demolition exceeds the value of the land as if vacant, suggesting that redevelopment of this kind would not be financially feasible. This does raise the possibility of a land transfer to an entity that has a focus on economic development or community building.

Highest Best State Use

Concurrent with the appraisal process, BGS engaged State agencies, departments and other State entities to ascertain interest in utilizing the facility in the future. Erring on the side of inclusion, we approached a wide cross-section of State government and partners.

Agency of Commerce and Community Development	Forests, Parks and Recreation
Agency of Digital Services	Green Mountain Care Board
Attorney General	Department of Housing
Agency of Agriculture, Food and Markets	Human Rights Commission
Agency of Human Services	Judiciary
Agency of Natural Resources	Labor Board
Agency of Education	Legislative Council
State Auditor	Department of Libraries
Buildings and General Services	Department of Liquor and Lottery
Center for Crime Victim Services	Military
Commission on Women	Natural Resources Board
Court Diversion	Public Service Department
Disabilities, Aging and Independent Living	Secretary of State
Department of Children and Families	State's Attorney
Department of Environmental Conservation	Department of Taxes
Defender General	Vermont Agency of Transportation
Department of Financial Regulation	Transportation Board
Department of Human Resources	Department of Tourism
Department of Mental Health	Vermont State Treasurer
Department of Motor Vehicles	University of Vermont
Department of Corrections	Vermont Criminal Justice Training Council
Department of Health	Vermont Humanities Council
Department of Labor	Vermont Veterans Home
Department of Public Safety	Vermont Housing Conservation Board
Department of Vermont Health Access	Vermont Historical Society
E911 Board	Vermont Public Television
Department of Fish and Wildlife	Vermont Student Assistance Corporation
Department of Finance	Vermont State Colleges

Future Potential State Use

Two State departments expressed interest in utilizing up to three of the outbuildings. They were attracted to the mix of heated garages, workshop spaces and offices, that could be utilized for year-round vehicle storage and equipment maintenance, co-located with administrative functions.

Neither expressed interest in occupying the main dormitory and dining building which would need a fair amount of cosmetic work to create a hospitable office environment. The other buildings are closer to move-in condition but would require some fit up and HVAC improvements.

Both entities would be vacating state-owned office space in a downtown, with the potentially ripple effect of creating a void in a commercial center, but the change would relieve pressure on parking at their current location and eliminate an ongoing conflict related to storage of equipment at a remote site.

The facility is currently mothballed and staffed by two maintenance personnel. The cost of maintaining the facility is was approximately \$215,000 in FY2018 and is paid for by the Department of Corrections through FY19. Starting in starting in FY20 the cost will be charged to the Fee for Space program. Both maintenance personnel currently assigned to Windsor are retiring in the next year and their positions will be moved to staff the new Vermont Agriculture and Environmental Laboratory (VAEL). Over time, maintaining the facility will become increasingly difficult as demand for resources increases elsewhere in the region.

The interested Departments are paying less than \$100,000 annually for the space they currently occupy. Operational expenses would increase substantially if the space were to be occupied regularly. Fuel consumption would increase when heating buildings to an appropriate temperature for human occupancy. Custodial and maintenance levels would need to be adjusted and additional positions would be required to backfill the ones moved to VAEL.

The Department of Mental Health had designated Windsor as the COOP site for the Woodside Juvenile Rehabilitation Center but in the long term, the facility and its location are not ideal.

The State currently lacks the critical mass of programmatic need to operate the facility in a cost-effective manner.



Possible Scenarios

1. Redevelop site as a correctional facility – The site as improved does provide the essential infrastructure to continue to operate as a correctional facility. The main dorm and dining buildings are not configured to be operated effectively and would need to be extensively renovated or replaced. The Town of Windsor has made it clear over decades of public comment that they do not favor such a facility.
2. Sell the property to the Town: No entity has a greater interest in the future use of the site than the Town of Windsor. With the latitude offered by ownership, Windsor could lead the effort with the community and local business entities to arrive at a future use that would best serve their interests. The existing industrial park in Windsor is at capacity.
3. The State subdivides property and sells individual buildings and lots: The State could plan, subdivide, market and sell the individual buildings over time to create a mixed-use development. The State engaged in a similar effort in Brandon in the 1990's at the Brandon Training School. It took nearly 20 years to complete the process of selling off the individual buildings. Managing a project of this scale would require additional staff to manage the administrative load.
4. Public/private partnership – The State occupies a portion of the site and manages the facility while leasing or selling additional space to nonprofits, small businesses, developers of maker spaces, co-working facilities, etc., taking advantage of the fiber optic transmission line running through the site. This would be an economic development venture that would require additional resources and positions for maintenance and business management.
5. Sell the property to a developer – The findings of the appraisal report indicate that any redevelopment scenario will require extensive effort to reconfigure, subdivide or market the property. The private sector would have more flexibility to manage this process.
6. Maintain in current mothballed state: Over time, potential uses may present themselves or market conditions may increase the value of the site. Strategically holding the property may be in the best interests of the State, but the annual cost of over \$200,000 to maintain the site and the need for staff or contractors to do the work may make that prohibitive. Any reduction in current maintenance levels will lead to rapid deterioration of the site and require decommissioning of the water system.
7. Demolish over time: Reduce maintenance levels to bare minimum for safety and security and demolish individual buildings as funding becomes available for the work. The goal would be to eventually return the site to a condition in which the state could retain it indefinitely without excessive overhead expenses. This could also be done in combination with several of the above scenarios (e.g. 3 & 4)

TAB 3 – State Energy Management Program Annual Report
[Act 58 of 2015 E.112(d)]

Annual Report

State Energy Management Program

Sec. E.112 (d) of ACT 58 of 2015 On or before October 1 of each year commencing in 2016 and ending in 2019, the Department and EVT shall provide a joint report on the implementation of this section.

July 1, 2017 – June 30, 2018

Table of Contents

Executive Summary	3
FY2018: Targets, Actions, Results	4
FY2019: Projected Savings, Strategies	6
FY2020: Projected Savings, Strategies	8
Observations & Recommendations	9
Appendices	10

Executive Summary

In accordance with ACT 58 Sec. E.112 of 2015, the Vermont Department of Buildings and General Services (BGS) and Efficiency Vermont collaboratively developed and launched the State Energy Management Program (the Program) to accelerate, for State buildings and facilities, energy management measures, implementation of energy efficiency and conservation, and the use of renewable energy resources.

In FY2016, the first year of the Program, BGS and Efficiency Vermont executed a Memorandum of Understanding, defining the relationship, roles, and responsibilities of each organization as it pertains to the Program. BGS, with support from Efficiency Vermont, recruited, hired, and trained its Program team effectively creating the BGS Energy Office.

In FY2017, the second year of the program, BGS and Efficiency Vermont identified, developed, and implemented energy saving projects resulting in over \$150,000 of initial year savings for the State of Vermont, and over \$1.2 million in savings over the life of these measures.

In the third year of the program, BGS and Efficiency Vermont identified, developed, and implemented energy saving projects resulting in over \$397,000 of initial year savings for the State of Vermont, and over \$3.6 million in savings over the life of these measures.

FY2019 is the final year of the preliminary period in which project identification, development, and completion will accelerate as targeted efforts to prioritize the worst performing buildings continue to be successful. The Program team is systematically executing energy evaluations on prioritized state-owned buildings in accordance with Section 24 Title 29: 157 VSA (a) (3). Completed evaluations have developed into successful energy savings projects while new evaluations are identifying opportunities for future energy savings projects. The Energy Office's project development process has become an integral part of BGS' standard operating procedures when evaluating overall building portfolio management needs resulting in a cohesive roadmap for continued Program success.

ACT 58 Sec. E.112 (d)(5), asked BGS and Efficiency Vermont to submit an evaluation of the Program authorized under this section and any resulting recommendations, including recommendations related to Program continuation in the FY2019 report. For the program to continue seamlessly without energy savings interruption, the legislature will need to approve funding in the 2019 legislative session. Based on the overwhelming success of the Program in FY2018, it is the recommendation of the Department of Buildings and General Services and Efficiency Vermont to institutionalize the State Energy Management Program.

FY2018: Targets, Actions, Results

Targets:

In accordance with ACT 58 Sec. E.112 (b) (1) (B), BGS and Efficiency Vermont aimed to reduce the State's total energy usage and related costs by an amount not less than \$150,000 through measures implemented as part of the Program.

Actions:

- BGS and Efficiency Vermont are implementing the Program Process, including:
 - Project identification, development, management and completion procedures
 - Hand-off points during the execution of projects
 - Documentation, tracking and reporting schedule and protocols
- Program representatives from each organization continue to meet bi-weekly for collaborative project identification, development, and management. A whole team meeting occurs quarterly to communicate specific program and project needs and to evaluate program success.
- Energy Star Portfolio Manager® ("ESPM") is serving as a functioning building energy accounting system that includes baseline and annual energy data. The Program Team utilizes ESPM to analyze building energy consumption data and develop prioritized building lists based on building performance metrics. Through coordinated efforts with the Agency of Administration Office of Finance, ESPM is now being updated on a monthly basis, allowing the Program Team access to the most current building energy data available.
- BGS, with support from Efficiency Vermont, secured the services of two consistent and professional energy auditing firms to perform ASHRAE Level 2 energy audits for state owned and operated buildings. BGS is mandated to audit 10% of its building square footage annually. In FY2018 the Program Team successfully audited over 475,000 square feet of building space, equal to 13% of the BGS's total space. The prioritized lists of buildings that have received energy audits and those buildings that are scheduled to receive energy audits are included in the Appendices.
- BGS and Efficiency Vermont, with support from Burlington Electric Department, identified, developed, and completed energy saving projects; as shown in the tables below.

FY2018 Results:

Site	Project Focus	KWH	MMBTU	First-year \$ Savings	Lifetime \$ Savings
Numerous locations	Efficiency VT Prescriptive Projects			\$136,590	
Numerous locations	Solar Net Metering			\$72,629	
Hebard SOB	Parking Lot Lighting Retrofit	8,936		\$1,600	\$32,000
Sharon Information Center Vietnam Memorial	Lighting Upgrade	38,888		\$8,912	\$57,123
ANR Essex Forest Parks & Recreation	Solar PV	45,356		\$8,000	\$240,000
AOT Park & Rides	LED Upgrades	20,794		\$6,719	\$134,382
Kengar Building Hyde Park	LED Lamp Retrofit	7,508		\$1,576	\$37,521
Woodside Gym	High Bay LEDs	17,979		\$2,157	\$32,362
108 Cherry St	Lighting & Controls Upgrade	372,845		\$69,355	\$1,387,103
Waterford Welcome Center	Site Lighting Upgrade	2,103		\$783	\$11,745
32 Cherry	Luminaires	2,165		\$708	\$14,160
Chimney Point and Mt. Independence	Lighting Retrofit	20,288		\$7,530	\$150,594
Guilford Welcome Center Atrium	Lighting Retrofit	5,110		\$1,695	\$25,425
WSOC	FCU Reprogramming	15,550		\$2,365	\$47,295
Springfield State Office Building	HVAC/Lighting	285,021		\$56,048	\$1,120,955
50 Cherry St	Energy Project	81,622	1,601	\$16,638	\$249,570
Williston Info Center SB	Airsealing/Controls/Insulation	15,699	1,129	\$4,643	\$92,857
		557,522	2,730	\$397,947	\$3,633,091

FY2019: Projected Savings, Strategies

Targets:

In accordance with ACT 58 Sec. E.112 (b) (1) (B), BGS and Efficiency Vermont aim to reduce the State's total energy usage and related costs in FY2019 by an amount not less than \$150,000 through measures implemented as part of the Program.

With the Program now in the beginning of its fourth year, BGS and Efficiency Vermont anticipate a continued trend of accelerated performance resulting in energy savings that exceed targets through the project implementation process.

Projected Savings:

Energy type	KWH	MMBTU	\$ savings
Electricity	698,653		\$229,206
Thermal Fuels		13,228	
Solar Photovoltaic Net-Metering	5,651,039		\$56,876
	6,349,692	13,228	\$286,082

A detailed list of planned FY2019 activities can be found in the Appendices.

Strategies:

Collaborative and systematic project identification, development, and management is vital to the success of the Program. To ensure this process continues to be efficient and effective, BGS and Efficiency Vermont will evaluate the success of the following strategies and modify as necessary.

Consistent, Collaborative Communication

- The Program team shall adhere to the project identification, development, and management procedures defined in the MOU.
- The Program team, with representatives from each organization, shall continue to participate in bi-weekly meetings for ongoing collaborative project identification, development, and management and coordinate full Program Team meetings on a quarterly basis.

Adequate Staffing

- Efficiency Vermont shall dedicate staff resources totaling a minimum of one (1) Full Time Employee (FTE) to support collaboration and project completion with the BGS for the duration of the Program.
- BGS shall maintain a staff team, supported by Efficiency Vermont, dedicated to Program implementation for Project Management and Program Support. These positions shall be in addition to BGS' State Energy Program Manager.

Collaborative Project Identification, Development, Management, and Completion:

- The Program team shall continue conducting energy audits on state-owned buildings in accordance with Section 24 Title 29: 157 VSA (a) (3), following the procedures developed by BGS with the support of Efficiency Vermont.
- With Technical Assistance from Efficiency Vermont as needed, BGS' Energy Project Managers finalize each project's scope of work and procure resources for implementation.
- Upon request, Efficiency Vermont assists BGS in assessing the need for commissioning or tuning of newly installed equipment.

Energy Tracking:

In accordance with ACT 58 Sec. E.112 (d) (3) BGS will continue to make improvements toward systems of measurement to achieve the goals of 2011 Acts and Resolves No. 40.

- Using Energy Star Portfolio Manager®, BGS will maintain an energy accounting system that includes baseline and annual data on energy consumption at properties owned or managed by BGS. BGS has requested that all state agencies who own and operate buildings utilize ESPM for these purposes.
- With respect to transportation, Administrative Bulletin 2.3 Appendix B: Fuel Card Use – State Owned Vehicles, effective February 2, 2016, established the requirements of the statewide universal fuel card program to provide State agencies and departments with a vehicle and/or equipment fuel card that allows State employees to purchase fuel and other vehicle related supplies and services for State vehicles and/or State-owned fuel-powered equipment in order to conduct governmental business. BGS is now able to capture state employee fuel purchases through the WEX Fleet Purchase Card reporting system.
- Additionally, BGS recommends that the State of Vermont move toward a centralized energy data tracking and reporting system that encompasses all state government energy consumption data. This system should be provided by a third-party entity and administered with support from the service provider. The tracking system should provide a utility billing audit function. Currently, utility bills are paid by several different state entities. Inconsistencies in billing are not tracked and reported as regularly as they occur. Utility bill auditing can help find and fix issues relating to unusual billing period lengths, cost duplication, gaps in billing dates, frequently estimated bills, use or cost that exceeds the norm, significant variance from historical patterns for use, cost, or demand, meter reading issues, rate schedule issues, and actual vs. budget differences.

FY2020: Projected Savings, Strategies

Targets:

In accordance with ACT 58 Sec. E.112 (b) (1) (B), BGS and Efficiency Vermont will continue to reduce the State's total energy usage and related costs of the Program by an amount not less than \$150,000 annually.

Projected Savings from projects currently in the project pipeline.

Energy type	KWH	MMBTU	\$ savings
Additional Projects resulting from Energy Audits	1,652,071	2,606	\$507,384
Solar Photovoltaic Net-Metering	5,500,000		\$55,356
	7,152,071	2,606	\$562,740

Strategies:

Ongoing, collaborative, and systematic project identification, development, and management will remain critical to the long-term success of the Program. BGS and Efficiency Vermont will continue to execute the strategies as noted in the Memorandum of Understanding, making modifications and improvements as needed.

In accordance with ACT 58 Sec. E.112 (d) (3) BGS will continue to make improvements toward systems of measurement to achieve the goals of 2011 Acts and Resolves No. 40.

Observations & Recommendations

BGS and Efficiency Vermont, through the development, launch, and implementation of the State Energy Management Program, have successfully achieved \$397,947 of annual energy savings and \$3,633,091 of lifetime savings for projects implemented in FY2018. With a full staff onboard, our organizations are confident that the Program will continue to produce more than the required annual savings, and significant lifetime savings, for the State of Vermont.

In FY2018 the State of Vermont received \$327,793 from Efficiency Vermont to support the building project manager position and two four-year limited service or consulting positions established in the 2015 ACT 58 Sec. E.100(a)(2), and related supervision and overhead, as BGS and Efficiency Vermont consider necessary to meet the Program goals.

BGS and Efficiency Vermont are recommending making this program permanent within BGS in FY2020 and beyond. This pilot program has exceeded the minimum performance criteria established by the Legislature and should be continued as it has the potential to further reduce State government energy use and funding. Continued funding support for the program should be a topic of discussion during the upcoming Legislative session.

Efficiency Vermont

By: 
Name: Karen Glitman
Title: Director

State of Vermont
Department of Buildings and General Services

By: 
Name: Christopher Cole
Title: Commissioner

Appendices

FY2019 Detailed Project List:

Site	Project Focus	kWh	MMBTU	Dollars savings
Derby Public Safety Building	Energy Retrofit	83,262	2,699	\$18,208
Williston Info Center Northbound	Lighting/Air-sealing/Controls	33,783	650	\$6,505
Middlebury Mahady Courthouse	Lighting/Insulation/Air-sealing	193,399	1,333	\$33,395
St. Johnsbury Caledonia Courthouse	Lighting/Air-sealing/Controls	137,542	7,877	\$38,021
Rutland Courthouse and Office	Lighting/HVAC/Controls	187,920	400	\$34,501
Brattleboro Courthouse	Lighting/Insulation	14,430	268	\$25,979
AOT Central Garage	Lighting & Lighting Controls	46,977		\$7,046
133 State St.	Window Replacement		1	\$7,575
2 & 4 Aiken	Window Replacement	1,340	0.2	\$1,100
		698,653	13,227	\$229,206

Future Projects Under Development from Completed Energy Audits:

Site	kWh	MMBTU	Dollars savings	Payback	
Bennington Bennco (6082)	20,482	41.4	\$3,651	2.6	
Bennington Welcome Center (9912)	30,008	4.2	\$4,557	8.4	
Burlington Zampieri Office Bldg (6174)	530,678	256.1	\$74,227	10.7	
Montpelier 2 Governor Aiken Ave	7,761	0.2	\$1,507	44.3	
Montpelier 4 Governor Aiken Ave (6002)	5,844	0.1	\$743	54.7	
New Haven Public Safety - CAMPUS	22,250	60.6	\$4,349	11.6	
Newport State Office Bldg (6266)	497,325	706.8	\$66,422	7.8	
Pittsford Admin Building (6288)	6,441	1.1	\$1,290	17.8	
Pittsford Firehouse (6272)	5,565	270.7	\$4,906	5.6	
Pittsford Warehouse (Behind Firehouse) (6284)	396	47.7	\$859	14.8	
Rutland Asa Bloomer Building (6303)	262,276	609.4	\$45,463	6.3	
Rutland McKinley Ave - COMPLEX	14,213	17.1	\$2,452	7.2	
Rutland Motor Vehicles (6307)	6,374	36.2	\$1,380	16.0	
St. Albans District Courthouse (6321)	22,690	366.5	\$7,471	13.7	
VEC Community Solar	88,764	0.0	\$241,405	7.2	
Brattleboro State Office Bldg (6160)	29,218	0.0	\$5,751	14.6	
Fair Haven Welcome Center (9250)	9,977	33.4	\$1,985	9.4	
Guilford Southeast Welcome Center (9734)	12,980	30.2	\$2,346	13.4	
St. Johnsbury State Office Bldg (6340)	12,925	58.4	\$2,727	9.8	
Barre District Court/Office (6070)	21,177	0.7	\$28,410	22.7	
Bennington District Court/Office (6080)	60,122	0.0	\$3,802	16.3	
Royalton Troop HQ - CAMPUS	5,087	65.3	\$1,681	20.5	
		1,652,071	2,606.2	\$507,384	15.2

Future Projects in Development with Scheduled Energy Audits:

Property Name	Property GFA - Self-Reported (ft²)
Montpelier 1 Baldwin St (6003)	7,952
Montpelier 10 Taylor St Shop and Storage (6013)	2,450
Montpelier 109 State St and Connector (6014)	124,188
Montpelier 110 State St (6015)	14,910
Montpelier 112 State St (6011)	22,349
Montpelier 115 State St and Annex (6018)	68,988
Montpelier 116 State St (6019)	22,788
Montpelier 118 State St (6030)	5,327
Montpelier 120 State St (6020)	75,672
Montpelier 122 State St Boiler Plant (6021)	5,276
Montpelier 126 State St (6022)	7,375
Montpelier 128 State St (6023)	9,250
Montpelier 132 State St and Shop (6024+6034)	4,746
Montpelier 133 State St (6025)	103,160
Montpelier 134 State St (6026)	3,048
Montpelier 136 State St (6027)	5,133
Montpelier 6 Baldwin St (6004)	24,186
Montpelier 111 State St (6016)	46,672
Montpelier 2 Governor Aiken Ave	11,541
Montpelier 4 Governor Aiken Ave (6002)	5,732
Bradford Rest Area (9707)	6,861
	577,604

BGS, with support from Efficiency Vermont, developed this prioritized-buildings list using two primary criteria; Energy Cost Intensity (ECI, measured in \$/ft²) and Site Energy Use Intensity (EUI, measured in kBtu/ft²). ECI shows how much BGS spends in electricity and fuel per building per ft². Site EUI measures how much electricity and fuel a building consumes per ft².

The Program team ranks buildings by each primary criterion independently, from best to worst performing building. The team then averages the two criteria-based lists for each year. The final step in creating the prioritized list above is to average the years together to determine the best and worst performing buildings over the past four years.

TAB 4 – High Mileage Users Report
[Act 179 of 2014 E.118 (a)]

FY 2018 HIGH MILEAGE USERS REPORT

Background

As a part of the Fleet Management Services (FMS) program, BGS conducts a review of the mileage reimbursement records of all departments at the end of each fiscal year to identify high mileage drivers. The following is a summary of the FY 2018 review:

Number of Employees Reimbursed for Mileage at the Full Rate	3,404
Total Miles Reimbursed at Full Rate	4,961,551
Total Cost to State	\$2,676,310
Number of Employees Reimbursed More Than 11,000 Miles at Full Rate (High Mileage Users)	56
Total Miles Reimbursed by the 56 Employees	871,921
• Average Miles Driven per Employee	15,570
Total Cost to State	\$469,963
• Average Reimbursement Per Employee	\$8,392

Following this review, departments are contacted to inform them of their high mileage drivers, and to advise them of potential savings which may be available by shifting employees with high mileage reimbursements to an FMS vehicle.

Mileage Breakeven Point

The mileage breakeven is the point at which it becomes more cost effective to utilize a fleet vehicle versus reimbursing an employee for driving their private vehicle at the full mileage reimbursement rate. The breakeven point in FY 2018 was 11,000 miles. For travel greater than 11,000 miles, driving a fleet vehicle saves the State money. It should be noted that the cost analysis is based on using the most economical current model compact sedan available through State contract and current fuel prices.

The following chart details the number of State employees, by department, that during fiscal year 2018 exceeded the 11,000-mile breakeven point:

State Employees Reimbursed > 11,000 Miles (Breakeven Point)

Department	# of Employees	Total Miles	Total Amt Reimbursed
Transportation Agency	22	357,728	\$ 192,383
Judiciary	11	165,472	\$ 89,460
Financial Regulation	7	98,755	\$ 53,301
Disabilities, Aging Ind. Living	5	79,504	\$ 42,909
Labor	4	66,586	\$ 35,834
Public Safety	2	42,360	\$ 22,860
Tax	2	25,040	\$ 13,524
Education Agency	1	12,220	\$ 6,605
Health	1	12,178	\$ 6,576
Environmental Conservation	1	12,078	\$ 6,511
Total	56	871,921	\$ 469,963

Mileage Reimbursement History

**Full-Rate Mileage Reimbursements
by Fiscal Year**

	Miles	Cost
FY2018	4,961,551	\$2,676,310
FY2017	5,274,338	\$2,839,477
FY2016	5,995,580	\$3,363,566
FY2015	7,238,704	\$3,998,988
FY2014	8,979,161	\$5,056,228
FY2013	9,532,836	\$5,327,112
FY2012	9,337,519	\$4,812,554

TAB 5 – Capitol Construction Act Funds
[29 V.S.A. § 152(a) (23)]

**TRANSFER OF UNEXPENDED BOND BALANCES FOR MAJOR MAINTENANCE
29 V.S.A. 152(a)(23)**

On or before January 15 of each year, the Commissioner shall report to the House Committee on Corrections and Institutions and the Senate Committee on Institutions regarding all transfer and expenditures made pursuant to this subdivision (23).

In accordance with the requirements of 29 V.S.A. 152(a)(23) pertaining to the Transfer of Unexpended Bond Balances for Major Maintenance, the Commissioner of Buildings and General Services reports no funds were transferred and expended from unspent balances during FY2018.

TAB 6 – Property Management Revolving Funds
[29 V.S.A. § 160(e)]

PROPERTY MANAGEMENT REVOLVING FUND – 29 V.S.A. § 160 (e)

(e) The Commissioner of Buildings and General Services shall supervise the receipt and expenditure of monies comprising the Property Management Revolving Fund, subject to the provisions in this section. He or she shall maintain accurate and complete records of all such receipts and expenditures and shall make an annual report on the condition of the Fund to the House Committee on Corrections and Institutions and the Senate Committee on Institutions. All balances remaining at the end of a fiscal year shall be carried over to the following year.

Fund Overview – Property Management

The Property Management program began FY2018 with a negative fund balance of \$24.9M. As shown below, the fund has been reduced by \$805,304.

Most of the reduction is attributed to underfunded leases and the retirement of mortgage payments.

Throughout the last year, several tenants that enjoyed underfunded leases have been adjusted to the prevailing FFS rate.

The calendar year 2017 was the last year for the Principal and Interest payments for the “Property Management Treasurer Buildings.” Therefore, the Asa Bloomer building in Rutland and 108 Cherry Street in Burlington are now paid off. The negative fund balance associated with these buildings is eliminated, which will have a positive impact on the Property Management program.

The Fund Balance at the end of FY2018 was **(\$24.1±M)** based on the following revenues and expenses.

Revenues	\$22,109,588
Cost of Goods Sold	(\$17,579,136)
Operating Expenses	(\$3,725,148)
Total Mortgage Payments	(\$0)
Net Income	\$805,304
Fund Balance 6/30/2017	(\$24,895,700)
Fund Balance 6/30/2018	(\$24,090,396)

TAB 7 – State Energy Management Program; Revolving Funds (SRMRF)
[29 V.S.A. § 168(f)]

Title: Report to the Senate Committee on Institutions and the House Committee on Corrections and Institutions on the expenditure of funds from the State Energy Management Program revolving funds.

Date: January 15, 2019

In accordance with Act 178 of 2014, Section 41. 29 V.S.A. § 168, State Energy Management Program; Revolving Funds, (f) Beginning on or before January 15, 2015 and annually thereafter, the Department of Buildings and General Services shall report to the Senate Committee on Institutions and the House Committee on Corrections and Institutions on the expenditure of funds from the State Resource Management Revolving Fund for resource conservation measures and the State Energy Revolving Fund for energy efficiency improvements and the use of renewable resources. For each fiscal year, the report shall include a summary of each project receiving funding and the State's expected savings.

State Resource Management Revolving Fund (SRMRF) Project Summary

In total, forty-nine projects have received funding through the SRMRF. Forty-four projects have been complete, twenty-five projects have been paid back in full and twenty-four projects have an outstanding balance. There were Seven projects approved for funding in 2018.

2018 Projects:

- The Department of Buildings and General Services is installing new insulation in the walls, ceiling and basements at both 10 & 12 Baldwin Street in Montpelier, VT.

This project is estimated to cost \$56,441.7 and will save an estimated \$3,624.93 annually in heating costs, 224 million British Thermal Units (MMBTU) annually, and 17.1 metric tons of carbon dioxide equivalent (MTCO₂e) greenhouse gas emissions annually.

- The Department of Buildings and General Services implemented several energy savings measures at the Middlesex Central Services building that included upgrading the old oil-fired boiler system to a new pellet boiler system, upgrading the existing steam distribution system to a high efficiency hot water system and insulation and air-sealing measures to the building's envelope. The new pellet boiler system came online in October of 2018.

This project is estimated to cost \$835,975 and save an estimated \$33,448 annually in fuel and operating costs, 2,020 MMBTU annually, and 152 MTCO₂e annually.

- The Department of Buildings and General Services in collaboration with the Department of Corrections replaced aging high bay light fixtures with new LED lights and lighting controls at the Woodside Juvenile Facility.

This project cost \$644 and will save an estimated \$2,157.44 annually in electricity costs, 61 MMBTU annually, and 8 MTCO_{2e} annually.

- The Department of Buildings and General Services retrofitted the existing Atrium Pendant Light fixtures with new LED lights and daylight harvesting controls at the Guildford Welcome Center.

This project cost \$4,810.73 and will save an estimated \$1,695 annually in electricity costs, 17 MMBTU annually, and 2.3 MTCO_{2e} annually.

- The Department of Buildings and General Services removed and disposed of all the existing high-pressure sodium light fixtures at the Waterford Welcome Center and replaced them with new LED light fixtures.

This project cost \$2,053.28 and will save an estimated \$783 annually in electricity costs, 7 MMBTU annually, and 1 MTCO_{2e} annually.

- The Department of Buildings and General Services updated the Building Automation System control sequence for 255 fan coil units at the Waterbury State Office Complex.

This project cost \$11,391.68 and will save an estimated \$2,364.74 annually in electricity costs, 58 MMBTU annually, and 7.5 MTCO_{2e} annually.

- The Department of Buildings and General Services replaced 30 high bay compact fluorescent lights with LEDs in the lobby of the Costello Courthouse in Burlington, VT.

This project cost \$1,777.85 and will save an estimated \$708 annually in electricity costs, 7 MMBTU annually, and 1 MTCO_{2e} annually.

State government has invested \$1,471,995 from the SRMRF in energy projects that have resulted in over \$2,072,712 in avoided energy costs to date. The SRMRF currently has \$332,144 available for funding future resource conservation projects.

These projects have helped to conserve over 125,170 MMBTU of energy and reduce roughly 11,024 metric tons of carbon dioxide equivalent greenhouse gas emissions.

State Energy Revolving Fund (SERF) Project Summary

In total, eight projects have received funding through the SERF. Four projects have been completed and four projects were approved for funding in 2018.

- At the State Police Barracks in Derby, the Department of Buildings and General Services will add insulation and air sealing to the building envelope to reduce heat loss, replace lighting with high efficiency LED lighting, add Variable Frequency Drives to the air handler unit fans and the boiler pumps, and replace the exhaust and return fans with high efficiency motors. The Buildings Automation System will be updated for HVAC efficiencies.

This project is estimated to cost \$149,000 and will save an estimated \$18,208 annually in electricity, maintenance and heating/cooling costs, 657 MMBTU annually, and 64.7 MTCO_{2e} annually.

- The Mt. Independence and Chimney Point Historic Sites were experiencing a high rate of failure of the existing metal halide track fixtures in their museums. The Department of Buildings and General Services worked with the Agency of Commerce and Community Development Division of Historic Preservation to replace these fixtures with new LED lighting fixtures.

This project cost \$34,016.82 and will save an estimated \$7,529.72 annually in electricity, maintenance and heating/cooling costs, 69 MMBTU annually, and 9 MTCO_{2e} annually.

- The Department of Buildings and General Services implemented a project at 50 Cherry St. in Burlington, VT that included new instantaneous Domestic Hot Water (DHW) units, smart pumps on the DHW loop, Variable Frequency Drives for the hot water and glycol supply pumps, upgrades to the Building Automation System including implementing Demand Control Ventilation and the installation of new LED lighting with daylight harvesting and occupancy controls.

This project is estimated to cost \$70,131.75 and will save an estimated \$16,638 annually in electricity and heating/cooling costs, 439 MMBTU annually, and 45 MTCO_{2e} annually.

- The Department of Building and General Services implemented an energy efficiency project at the Williston Information Center Northbound facility. The project included mechanical system upgrades, building envelope improvements, Building Automation System upgrades, new interior LED lighting with controls, new insulated dampers, indoor air quality monitoring and bathroom exhaust system upgrades.

This project cost \$51,261.33 and will save an estimated \$6,505.12 in fuel and electricity costs annually, 226 MMBTU annually, and 24.2 MTCO_{2e} annually.

State government has invested \$1,514,184 from the SERF in energy projects that have resulted in over \$290,451 in avoided energy costs to date. The SERF currently has \$6,776,016 available for funding future resource conservation projects.

These projects have helped to conserve over 3,409 MMBTU of energy and reduce roughly 451 metric tons of carbon dioxide equivalent greenhouse gas emissions.

The Department of Buildings and General Services Energy Office administers the State Energy Management Program (SEMP). The Energy Office is involved in multiple on-going initiatives that contribute to the reduction of greenhouse gas emissions associated with State Government operations. These initiatives span beyond the expenditure of funds from the SERF and SRMRF detailed in this report. In accordance with [ACT 58 \(2015\) Sec. E.112 \(d\)](#), on or before October 1 of each year, a comprehensive SEMP Annual Report is submitted to the House Committee on Corrections and Institutions, the Senate Committee on Institutions, the House and Senate Committees on Natural Resources and Energy, the House and Senate Committees on Appropriations, the Secretary of Administration, and the Joint Fiscal Office.

The 2018 SEMP annual report can be found here:

<https://legislature.vermont.gov/assets/Legislative-Reports/State-Energy-Management-Program-Annual-Report-FY2018-Executed.pdf>

TAB 8 – Capital Construction Bill
[32 V.S.A. § 701a (c)(d)]

Capital Construction Bill 32 V.S.A. § 701a (c)(d)

(c) The spending authority authorized by a capital construction act shall carry forward until expended, unless otherwise provided. All unexpended funds remaining for projects authorized by capital construction acts enacted in a legislative session that was two or more years prior to the current legislative session shall be reported to the General Assembly and may be reallocated in future capital construction acts.

(d) On or before January 15, each entity to which spending authority has been authorized by a capital construction act enacted in a legislative session that was two or more years prior to the current legislative session shall submit to the House Committee on Corrections and Institutions and the Senate Committee on Institutions a report on the current fund balances of each authorized project with unexpended funds.

PROJECT	APPROPRIATION PER ACT	PROJECT BUDGET	AMOUNT EXPENDED	ENCUMBRANCE AMOUNT	PROJECT BALANCE	COMMENTS
ACTS OF 2009						
Property Transactions/Marketing Expenses	\$0.00	\$43,364.00	\$33,960.49	\$0.00	\$8,903.37	
ACTS OF 2012						
Vermont Veterans' Home Mold Phase II	\$0.00	\$354,439.00	\$321,920.28		\$32,518.72	
ACTS OF 2013						
Statewide Building Reuse and Planning Sec 27 Act 178 - Cap Plan	\$75,000.00	\$75,000.00	\$73,335.29	\$1,664.71		
Renovation and replacement of Vermont State Hospital, related projects	\$8,700,000.00	\$8,700,000.00	\$7,537,536.98		\$1,162,463.02	
Statewide Major Maintenance		\$3,659,907.36	\$3,538,018.16	\$121,889.20	\$0.00	
ACTS OF 2014						
Statewide Major Maintenance	\$8,369,994.00	\$5,629,042.39	\$5,475,693.02	\$153,349.37	\$0.00	
Waterbury State Office Complex restoration & project costs	\$33,000,000.00	\$33,186,262.00	\$33,184,246.00	\$2,016.00		
Secure Residential facility, siting & Design	\$50,000.00	\$50,000.00	\$2,423.50	\$0.00	\$47,576.50	
Agency of Agriculture and ANR lab development/Site Location	\$300,000.00	\$300,000.00	\$290,903.65	\$0.00	\$9,096.35	
Major Maintenance at Historic Sites Statewide	\$200,000.00	\$199,348.00	\$194,848.00	\$4,500.00	\$0.00	
Veterans' Home Kitchen Remodel-Federal Fund Match	\$435,000.00	\$433,582.00	\$412,088.41		\$21,493.59	
ACTS OF 2015						
Statewide Major Maintenance	\$8,210,287.00	\$798,210.39	\$747,908.23	\$50,302.16	\$0.00	
Infrastructure Improvements at 120 State St	\$300,000.00	\$300,000.00	\$279,694.13	\$20,305.87	\$0.00	
Agency of Agriculture and ANR design construction documents/permitting	\$2,500,000.00	\$2,500,000.00	\$2,162,028.03	\$337,971.97	\$0.00	
Middlesex State Archives Renovations	\$660,000.00	\$660,000.00	\$504,112.46		\$155,887.54	
WRJ, Windsor Court design/planning/mechanical/security/energy upgrades	\$300,000.00	\$300,000.00	\$49,590.20	\$222,336.77	\$28,073.01	
WSOC Insurance Funds		\$15,733,460.22	\$15,714,654.76	\$18,805.46	\$0.00	
Bennington Monument Elevator, Roof Repairs		\$115,408.17	\$107,296.17	\$0.00	\$8,112.00	
ACTS OF 2016						
Statewide Major Maintenance	\$8,300,000.00	\$4,512,592.29	\$4,257,637.37	\$254,954.92	\$0.00	
Engineering Design for State House Generator		\$150,000.00	\$21,982.69	\$67,256.31	\$60,761.00	
Facility and Energy Assessments		\$76,660.33	\$0.00	\$76,660.33	\$0.00	
Statewide Contingency	\$100,000.00	\$100,000.00	\$12,365.00	\$87,635.00	\$0.00	
Lifesafety Infrastructure Improvements at 120 State St	\$1,500,000.00	\$1,500,000.00	\$633,393.39	\$866,606.61		
Statewide physical security enhancements	\$1,000,000.00	\$1,000,000.00	\$963,743.98	\$36,256.02		
SSCF Steamline Replacement Phase 1 & design/cost Phase 2	\$200,000.00	\$200,000.00	\$0.00	\$200,000.00	\$0.00	
Southern State Correction copper waterline replacement	\$1,100,000.00	\$1,100,000.00	\$225,570.52	\$781,454.58	\$92,974.90	

Waterbury State Office Complex restoration & project costs	\$2,000,000.00	\$2,000,000.00	\$1,951,395.70	\$48,604.30		
108 Cherry St Garage & Structural Audit	\$300,000.00	\$300,000.00	\$20,683.31	\$7,851.76	\$271,464.93	
Pittsford Training Center Electrical Upgrades	\$500,000.00	\$250,000.00	\$31,721.76	\$32,000.00	\$186,278.24	
Statewide ADA Projects	\$74,000.00	\$74,000.00	\$21,539.70	\$0.00	\$52,460.30	
11 & 13 Green Mountain Drive Planning and siting for DLC	\$75,000.00	\$75,000.00	\$0.00	\$0.00	\$75,000.00	
Statewide, Statgic building realignments	\$250,000.00	\$250,000.00	\$243,671.27	\$0.00	\$6,328.73	
Randolph, AGR, Food and Market & ANR Collaborative Lab/Site Construction	\$14,048,174.00	\$14,048,174.00	\$14,018,174.00		\$30,000.00	
Corrections, Perimeter Intrusion	\$100,000.00	\$99,089.50	\$34,792.95		\$64,296.55	
Barre St Courthouse and Office, instrastructure eval and design	\$40,000.00	\$39,636.00	\$29,559.60	\$10,076.40	\$0.00	
Historic Sites Major Maintenance	\$200,000.00	\$198,178.40	\$190,928.40	\$7,250.00		
Williston State Police Barracks, 911 Ctr Accoustical desing, reno and furnishings	\$250,000.00	\$247,723.00	\$205,861.26	\$41,861.74		
Westminster, DPS Facility project cost adjustment for site conditions	\$400,000.00	\$396,357.00	\$271,237.10	\$98,244.50	\$26,875.40	
WSOC Blood Analysis Laboratory Renovations	\$530,000.00	\$277,914.65	\$239,683.65		\$33,404.00	
Roxbury Fish Hatchery reconstruction Project	\$2,230,000.00	\$2,209,692.00	\$287,625.33	\$1,922,066.67		
ACTS OF 2017						
Statewide, planning, use and contingency	\$500,000.00	\$482,796.92	\$40,512.67	\$174,999.18	\$267,285.07	
Statewide Major Maintenance	\$6,000,000.00	\$5,823,437.00	\$3,134,975.45	\$2,688,461.55	\$0.00	
Statewide, BGS engineering and architectural project costs	\$3,537,525.00	\$812,504.00	\$808,287.38	\$0.00	\$4,216.62	
Statewide, physical security enhancements	\$270,000.00	\$270,000.00	\$1,200.00	\$7,595.54	\$261,204.46	
Randolph, Agency of Agriculture, Food and Markets and of Natural Resources, collaborative laboratory, construction	\$4,500,000.00	\$4,500,000.00	\$2,650,329.19	\$1,849,670.81	\$0.00	
Springfield SSCF completion of the steamline replacement	\$300,000.00	\$300,000.00	\$29.90	\$0.00	\$299,970.10	
WSOC site work for the Hanks/Weeks buildings and renovation of the Weeks Building	\$4,000,000.00	\$4,000,000.00	\$3,717,630.53	\$282,369.47	\$0.00	
Newport NSCF, door control replacement	\$1,000,000.00	\$1,000,000.00	\$252,987.25	\$747,012.75	\$0.00	
Montpelier, 109 and 111 State Street Design	\$600,000.00	\$590,000.00	\$4,570.03	\$585,429.97	\$0.00	
Dept. of Libraries, centralized facility, renovation	\$1,500,000.00	\$1,052,261.00	\$818,052.00	\$0.00	\$234,209.00	
Burlington, 108 Cherry St, parking garage, repairs	\$5,000,000.00	\$2,131,094.00	\$0.00	\$0.00	\$2,131,094.00	
AHS Cameras, Locks, Perimeter Intrusion at correctional facilities and renovations to SSCF for up to 50 beds	\$300,000.00	\$296,115.00	\$221,038.73	\$0.00	\$75,076.27	
Major Maintenance at Historic Sites Statewide	\$200,000.00	\$197,410.00	\$136,516.23	\$60,893.77	\$0.00	
Stannard House: Upgrades	\$30,000.00	\$29,612.00	\$0.00	\$0.00	\$29,612.00	
Human Services Grant Program	\$100,000.00	\$100,000.00	\$91,143.41	\$0.00	\$8,856.59	
Education Grant Program	\$100,000.00	\$100,000.00	\$92,040.00	\$0.00	\$9,760.00	
Regional Development Grant Program	\$200,000.00	\$200,000.00	\$180,000.00	\$0.00	\$20,000.00	
Roxbury Fish Hatchery reconstruction Project	\$2,720,000.00	\$2,684,779.00	\$6,382.37	\$2,069,210.09	\$609,186.54	

Williston Public Safety Field Station site acquisition, design, permitting & construction documents	\$1,927,000.00	\$1,902,047.00	\$1,508,670.35	\$393,376.65	\$0.00	
Vermont Veteran's Home kitchen renovations and mold remediation	\$300,000.00	\$296,115.00	\$78,811.10	\$7,770.00	\$209,533.90	
ACTS OF 2018						
Statewide, planning, use and contingency	\$600,000.00	\$600,000.00	\$0.00	\$0.00	\$600,000.00	
Statewide Major Maintenance	\$6,900,000.00	\$6,855,889.00	\$627,640.35	\$1,378,882.39	\$4,849,366.26	
Statewide, BGS engineering and architectural project costs	\$3,432,525.00	\$851,576.00	\$0.00	\$0.00	\$851,576.00	
Statewide, physical security enhancements	\$270,000.00	\$270,000.00	\$0.00	\$0.00	\$270,000.00	
Montpelier State house, Dome, Drum & Ceres, design, permitting, construction, restoration, renovation and lighting	\$1,700,000.00	\$1,700,000.00	\$1,191,408.34	\$431,744.38	\$76,847.28	
Montpelier 120 State St, life safety and infrastructure improvements	\$1,968,000.00	\$1,968,000.00	\$13,963.95	\$1,921,645.00	\$32,391.05	
Randolph, Agency of Agriculture, Food and Markets and of Natural Resources, collaborative laboratory, construction	\$3,944,000.00	\$3,944,000.00	\$2,160,295.41	\$1,209,490.70	\$574,213.89	
Waterbury, WSOC Weeks building renovation and fit up	\$1,152,085.00	\$1,152,085.00	\$12,285.64	\$799,688.06	\$340,111.30	
Newport, Northern State Correctional Facility, doore control replacement & perimeter control	\$1,715,000.00	\$1,715,000.00	\$20,906.25	\$641,142.00	\$1,052,951.75	
Montpelier, 109 & 111 State St, final design & construction	\$1,000,000.00	\$950,000.00	\$0.00	\$858,862.53	\$91,137.47	
Montpelier, 133 State St, renovations of mainframe workspace to Office Space (ADS)	\$700,000.00	\$700,000.00	\$0.00	\$76,714.00	\$623,286.00	
Montpelier, 115 State St State House, switchgear and emergency Generator	\$450,000.00	\$450,000.00	\$0.00	\$0.00	\$450,000.00	
Rutland, ASA Bloomer building, rehabilitation of building and components and systems, and planning and use study	\$1,050,000.00	\$1,050,000.00	\$9,441.86	\$0.00	\$1,040,558.14	
Springfield, State Office Building, repair of the retaining wall, and environmental remediation associated with retaining wall project	\$1,400,000.00	\$1,400,000.00	\$0.00	\$2,056.00	\$1,397,944.00	
St. Albans, Frankly County Courthouse, ADA renovations, new handicap access ramp and related exterior renovations	\$300,000.00	\$300,000.00	\$0.00	\$0.00	\$300,000.00	
Waterbury, WSOC , Stanley & Wasson, demolition of Stanley Hall and programming, schematic design and design development for Wasson Hall	\$950,000.00	\$950,000.00	\$0.00	\$0.00	\$950,000.00	
Rutland, MVRCF, repair of the historic brick and stone masonry wall used as the perimeter security for the facility	\$600,000.00	\$600,000.00	\$0.00	\$12,183.41	\$587,816.59	
Statewide Correctional Facilities cameras, locks & perimeter intrusion	\$300,000.00	\$299,484.00	\$0.00	\$0.00	\$299,484.00	
Chittenden County Regional Correctional Facility and Northwest State Correctional Facility, renovations, beds for therapeutic placement	\$600,000.00	\$598,967.00	\$608.88	\$0.00	\$598,358.12	

Essex, Woodside Juvenile Rehabilitation Center, design and construction documents	\$500,000.00	\$499,139.00	\$0.00	\$0.00	\$499,139.00	
Brattleboro, Brattleboro Retreat, renovation & fit-up	\$4,500,000.00	\$4,492,254.00	\$185,201.56	\$4,307,052.44	\$0.00	
Serenity House, residential treatment center, addition and renovation	\$300,000.00	\$299,484.00	\$166,935.60	\$0.00	\$132,548.40	
Major Maintenance at Historic Sites Statewide	\$300,000.00	\$299,484.00	\$21,741.95	\$35,606.23	\$242,135.82	
Recreational Facilities Grant Program	\$200,000.00	\$200,000.00	\$159,011.00	\$0.00	\$40,989.00	
Human Services Grant Program	\$100,000.00	\$100,000.00	\$73,200.00	\$0.00	\$26,800.00	
Educational Grant Program	\$100,000.00	\$100,000.00	\$0.00	\$0.00	\$100,000.00	
Regional Development Grant Program	\$200,000.00	\$200,000.00	\$175,000.00	\$0.00	\$25,000.00	
Construction of the Williston Public Safety Field Station	\$5,573,000.00	5,563,407.00	\$0.00	\$381,349.04	\$5,182,057.96	
East Cottage, Robert H. Wood Criminal Justice & Fire Training Center, renovation and Fit-up and historic windows	\$1,850,000.00	\$1,846,815.00	\$0.00	\$0.00	\$1,846,815.00	
Berlin, scoping and preliminary design for the Berlin Public Safety Field Station	\$35,000.00	\$34,940.00	\$10,426.00	\$10,414.00	\$14,100.00	