

# St. Edward's University

Contingent payment program expedites university-wide green infrastructure improvements



St. Edward's University in Austin, TX, was ready to make campus-wide updates to modernize its facilities, enhance sustainability and deliver the best student experience possible.

The university's board was well-versed in innovative procurement mechanisms, and they were intrigued by the possibility of engaging in a performance contract. However, Texas's consistently low utilities rates made a savings-driven approach unprofitable.

The university needed a funding method that would allow them to maintain budget neutrality while making extensive infrastructure and sustainability improvements. The Johnson Controls financing team worked alongside university leadership to align the school's needs

with an appropriate funding mechanism. A contingent payment program would provide St. Edward's University with the flexibility to pay for facility updates over time, ensuring the board could preserve capital by taking on only revenue-producing debt. To meet the necessary spending threshold, the board expanded the scope of the project accordingly.

## Campus-wide upgrades delivered on a flexible, student-first schedule

Engaged under a contingent payment program, Johnson Controls got to

work. To ensure campus life remained uninterrupted, Johnson Controls experts developed a flexible, customized schedule built around buildings' occupation timetables.

The project—which remains ongoing—will affect 26 buildings across the campus. To address deferred maintenance, modernization efforts will include roof upgrades and rooftop unit and air handling unit replacements at the Fine Arts Center and Moody Hall. Johnson Controls plans to implement interior and exterior lighting upgrades, dormitory water conservation

## Case Study



St. Edward's University, TX

The sustainable updates will help contribute to a greener community, while modernizing infrastructure will deliver an exemplary campus experience that stands out to prospective students.

measures and Metasys® integrations throughout the campus. In addition to the upgrades being made at the university's central plant, Johnson Controls will also size and develop a thermal storage system for its satellite plant.

To deliver enhanced sustainability, Johnson Controls will implement solar photovoltaic (PV) arrays on the Operations Building roof. As part of the university's engagement with the on-campus Students for Sustainability group, an integrated online dashboard will allow students to view energy savings in real time. Phase one of the project is slated to be completed by fall of 2022.

### Contingent payment program drives exciting financial and sustainable results

By working under a contingent payment program, the university was only responsible for \$1.2M of the \$6.3M total cost upfront. The rest will be paid off over a 15-year term through energy savings and without adding additional burden on the operating budget. Through this structure, the university was able to retain capital while investing in revenue-generating updates—and to make campus-wide updates that would otherwise have been delayed due to finances.

As a result of the improvements, St. Edward's University is projected to reduce its annual energy consumption and utility costs by 18% and 13.4%, respectively. The sustainable updates will help contribute to a greener community, while modernizing infrastructure will deliver an exemplary campus experience that stands out to prospective students.

To learn more about how Johnson Controls supports higher education institutions through creative funding, visit

[www.johnsoncontrols.com/industries/higher-education](https://www.johnsoncontrols.com/industries/higher-education)