



CITY OF CONCORD

REPORT TO MAYOR AND THE CITY COUNCIL

FROM: Earle M. Chesley, PE, General Services Director
DATE: March 13, 2017
SUBJECT: Arena LED Lighting Project

Recommendation

Accept this report to authorize and appropriate \$81,557 and authorize the City Manager to enter into an agreement with Affinity LED Lighting to install new LED lighting at the Arena and to accept a grant from Unitil to offset 50% of the cost of the improvement. The project has a four year payback period due to energy savings.

Background

The General Services Department requests City Council authorize the City Manager to enter into an agreement with Affinity LED Lighting and to accept a grant from Unitil for 50% of the cost of the lighting project.

Since approximately 15% of the arena's budget is for electricity to power the lights in the arena, staff continuously explores ways to reduce the kilowatt demand while providing the best possible lighting for all arena activities. The last lighting improvement in the arena was in 2005-2006 as part of a city-wide energy improvement program. Over the last ten years, LED technology, fixtures, and controls have improved where it now makes sense for the arena to move forward with this project.

Discussion

Affinity LED Lighting has proposed a comprehensive scope of work to upgrade the light fixtures over the ice with LEDs and advanced controls, install LED lighting throughout the building, install occupancy sensors where needed, and upgrade the emergency exit fixtures. The total cost of the project is \$81,557. Unitil will support the project through a direct incentive of 50% of the cost and will finance the balance through its On Bill Financing option.

The project has a simple payback of 4.25 years. Incremental savings will also accrue since fewer bulb or ballast replacements will be needed in the future with the new lighting equipment. Monthly savings will not match the monthly loan cost since the savings is tied to consumption which varies month to month while the monthly loan cost is fixed. If the project starts in the early Spring 2017, the loan charges will begin to accrue prior to any significant savings are realized since the lighting demand associated with arena operations is minimal during the non-ice season. On an annual basis, the savings are expected to offset the loan expense provided the loan is secured for a 48 month term.

Though On Bill Financing typically locks in loan terms over 12 month periods, Unitil has indicated that they will execute an agreement for 51 months (4.25 years) if requested by the City. Unitil's commitment to provide the incentive and the On Bill Financing at 0% interest is conditioned on the project being fully implemented by June 30, 2017.

Attachments:

Affinity LED Contract
2017 Lighting Incentive Form
On-Bill Financing Agreement