

Manor Independent School District

Board of Trustees Board Meeting Agenda Item

January 21, 2024

CONSENT ITEM SHEET

RE: Consider and possible action regarding 179D Tax Allocation Credit for HVAC Upgrade project, including possible delegation of authority to finalize same.

Supporting Documents:

1. 179D Allocation Form
2. Pay App CheckList
3. Cost Breakdown Summary
4. Certificate of Substantial Completion (AIA document)

District Goals*: Goal 5

Goal 5: FACILITIES & MAINTENANCE- By 2026, Manor ISD will proactively provide facilities to ensure 100% of scholars will have safe, well-maintained, environmentally sustainable, and community accessible facilities.

Bottom of Form

Background Information:

Manor ISD is required to allocate the deduction under Texas Government Code Section 447.004(b-3). Under the 179D deduction, governmental entities can allocate deductions for energy efficient equipment to the designer that creates the technical specifications for installing the energy-efficient commercial property. Pfluger Architects is requesting the allocation of this deduction from Manor ISD.

Provided that Administration first approves the following, then Manor ISD should approve the allocation.

1. The scope of the project. Pfluger Architects was involved in the technical specifications for improving and enhancing the building envelope, HVAC, hot water, and/or interior lighting systems of the Manor Senior High School Multipurpose Building.
2. The cost of energy efficient commercial building property. The cost includes the cost of the energy efficient commercial building property including labor, but not the cost of the entire project.
3. The date of service. The date of service is April 4, 2024.

The above should be first confirmed to ensure that the letter is adhering to the requirements under the Internal Revenue Code and relevant IRS Notices. It is the role of the third-party provider, BRAYN Consulting LLC, to verify the reduced energy consumption required by Section 179D.

Fiscal Implications:

None.

Administrative Recommendation:

Administration recommends approval of the tax allocation form.

Proposed Motion Language:

“I move that the Board approve a 179D Tax Allocation Credit for the HVAC Upgrade Project provided that Administration first approves the scope of the project, the cost of energy efficient commercial building property, and the date of service and authorize the Superintendent or his designee to execute any required paperwork in a form approved by legal counsel.”

Mr. Joe Mendez

Contact Person

Dr. Robert Sormani

Approved by Superintendent

SECTION 179D ALLOCATION FORM

Section 179D of the Internal Revenue Code encourages the energy efficient design and construction of new or improved commercial buildings. Tax-exempt building owners can allocate potential Section 179D deductions to taxpayers who create technical specifications for the installation of building envelope, HVAC & hot water systems, and interior lighting systems. Per Notice 2008-40, taxpayers eligible to receive an allocation may include an architect, engineer, contractor, environmental consultant, or energy services provider.

PFLUGER ARCHITECTS, INC. provided material input to project technical specifications to improve and enhance the project results for the energy efficient commercial building property for each Building and is eligible to be allocated the 179D Energy Efficient Commercial Building Deduction. Specifically, PFLUGER ARCHITECTS, INC. provided input into the creation of technical specifications for the Building Envelope, HVAC and Hot Water, and/or Interior Lighting systems through the creation of construction drawings and technical specifications.

We acknowledge at the time of signing; each Building has not yet been allocated or certified as meeting the energy efficiency requirements of Section 179D. It is the role of the third-party provider, BRAYN Consulting LLC, to verify the reduced energy consumption required by Section 179D.

MANOR ISD hereby allocates PFLUGER ARCHITECTS, INC. the Section 179D deduction for the property as described below:

Building Name	Building Address	Placed in Service	Cost of Property	Allocation Percentage
<i>Manor Senior High School Multipurpose Facility</i>	14832 FM 973 Manor, TX 78653	04/04/2024	\$575,423	100%

Required IRS Statement:

Under penalties of perjury, I declare that I have examined this allocation, including accompanying documents, and to the best of my knowledge and belief, the facts presented in support of this allocation are true, correct, and complete.

AGREED AND ACCEPTED:

Signature (MANOR ISD Authorized Representative)

Print Name

 *Derek Pennant-Jones*

Signature (PFLUGER ARCHITECTS, INC. Representative)

Derek Pennant-Jones

Print Name

Title

Address

Telephone Number

Date

Controller

Title

**209 E Riverside Dr
Austin, TX 78704**

Address

512-476-4040

Telephone Number

11/8/2024

Date

Contractor's Monthly Pay App Review Checklist



Project Name: _____

Invoice Number: _____

Contractor: _____

PO Number: _____

	<u>COMPLETED BY</u>		<u>REVIEWED BY</u>			
	<u>N/A</u>	<u>GC</u>	<u>A/E</u>	<u>FPM</u>	<u>PC</u>	<u>PM</u>
1. CONTRACTOR'S REQUEST FOR PARTIAL PAYMENT:						
a. AIA Forms G702 Application and Certificate for Payment and G703 continuation Sheet (SOV) Used						
b. Project Name, PO #, Invoice #, and Period End Date are Correct						
c. Original Contract Sum is Correct						
d. Amounts of G702 Lines 3, 4, and 5 Agree to G703						
e. Change Order Amount is Up to Date						
f. Stored Material Amount Agrees to Backup						
g. Retainage % Withheld is Correct per Contract						
h. Amount of Previous Payments is Correct						
i. All Math is Correct						
j. Construction Manager has Signed and had Notarized G702						
k. A/E has Certified Amount and Signed G702						
l. Field Project Manager has Reviewed and Signed Below						
m. Project Controls has Reviewed and Signed Below						
n. Project Manager has Reviewed and Signed Below						
2. ATTACHMENTS WITH REQUEST FOR PARTIAL PAYMENT:						
a. G703 SOV - Percentages Complete are Accurate for Each Line Item						
b. All Trade Partner AIA Pay Applications are Included						
c. Trade Partner Amounts Agree with G703 SOV						
d. Conditional Lien Waivers from Contractor, Trade Partners, and Vendors for Current Month Included						
e. Unconditional Lien Waivers from Contractor, Trade Partners, and Vendors for Previous Month Included						
f. Inventory of Stored Materials Included; For Offsite Material, Invoices, Pictures, and COI, If Applicable, Are Included						
g. Change Order Log is Included and Accurate						
h. Contingency Use Log is Included and Accurate						
i. Allowance Log is Included and Accurate						
j. General Conditions Charges Agree with Backup / Receipts						
k. Equipment Log with Support for Rental Charges to Date						
l. Updated Sub / Vendor List is Included with Projected & Actual Buyout Dates and Values						
m. Updated Construction Schedule is Included						
n. Report Showing Status of Weather Days is Included						
o. Certificate of Insurance is Attached and Current						
p. Red-Lined Drawings/As-Built are Up-to-Date and Reviewed						
q. Paid to Date report included						

*Recommendation for payment does not constitute approval of supplemental items listed above. All items are subject to audit.

Manor Sr High Multipurpose	
Property	Cost
Metal Stud Framing & Sheathing & Drywall	\$116,976.00
Glazing	\$16,980.00
HVAC	\$264,976.00
Lighting Fixtures	\$176,500.00
Total:	\$575,432.00



AIA® Document G704® – 2017

Certificate of Substantial Completion

PROJECT: <i>(name and address)</i> 21-052 Manor ISD MSHS Multipurpose Facility Manor, Texas	CONTRACT INFORMATION: Contract For: General Construction Date: November 30 2021	CERTIFICATE INFORMATION: Certificate Number: One Date: April 4, 2024
OWNER: <i>(name and address)</i> Manor Independent School District 10335 US Highway 209 E. Manor, Texas 78653	ARCHITECT: <i>(name and address)</i> Pfluger Architects 209 East Riverside Drive Austin, Texas 78704	CONTRACTOR: <i>(name and address)</i> Braun & Butler Construction, Inc. 300 Hazelwood Street, Suite 100 Leander, Texas 78641

The Work identified below has been reviewed and found, to the Architect’s best knowledge, information, and belief, to be substantially complete. Substantial Completion is the stage in the progress of the Work when the Work or designated portion is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use. The date of Substantial Completion of the Project or portion designated below is the date established by this Certificate.

(Identify the Work, or portion thereof, that is substantially complete.)

Entire Project

Pfluger Architects		Cliff Trinkaus, PM	April 4, 2024
ARCHITECT <i>(Firm Name)</i>	SIGNATURE	PRINTED NAME AND TITLE	DATE OF SUBSTANTIAL COMPLETION

WARRANTIES

The date of Substantial Completion of the Project or portion designated above is also the date of commencement of applicable warranties required by the Contract Documents, except as stated below:

(Identify warranties that do not commence on the date of Substantial Completion, if any, and indicate their date of commencement.)

None

WORK TO BE COMPLETED OR CORRECTED

A list of items to be completed or corrected is attached hereto, or transmitted as agreed upon by the parties, and identified as follows:

(Identify the list of Work to be completed or corrected.)

See attached punchlists: Architectural 4-10-2024 (6 pages), MEP 4-10-2024 (8 pages), Civil 5-22-2024 (12 pages) and technology 5-22-2024 (15 pages)

The failure to include any items on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents. Unless otherwise agreed to in writing, the date of commencement of warranties for items on the attached list will be the date of issuance of the final Certificate of Payment or the date of final payment, whichever occurs first. The Contractor will complete or correct the Work on the list of items attached hereto within () days from the above date of Substantial Completion.

Cost estimate of Work to be completed or corrected: \$25,000

The responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work, insurance, and other items identified below shall be as follows:

(Note: Owner’s and Contractor’s legal and insurance counsel should review insurance requirements and coverage.)

Per Contract

The Owner and Contractor hereby accept the responsibilities assigned to them in this Certificate of Substantial Completion:

Braun & Butler		Kyle Pearson PM	
CONTRACTOR <i>(Firm Name)</i>	SIGNATURE	PRINTED NAME AND TITLE	DATE
Manor Independent School District			
OWNER <i>(Firm Name)</i>	SIGNATURE	PRINTED NAME AND TITLE	DATE