

APPENDIX A

Authorization of New Capital Improvements Projects – North Carolina State University

North Carolina State University has requested the authority to establish two new capital improvements projects.

The first project will construct a 7,500 square foot, 20-station teaching and research milking parlor for the 190 cow dairy herd. Work will include the demolition of an obsolete barn to clear the way for the new milking parlor, new milking equipment, and the reroofing and residing of adjacent dairy education buildings. The project is estimated to cost \$950,000, of which \$450,000 is for equipment. Funds are available from the proceeds retained by NCSU from the sale of its Randleigh Farm property.

The second project will expand campus infrastructure by increasing boiler and chiller capacity in the regional utility plants and making necessary changes to the distribution system. The project, estimated to cost \$2,500,000, will be funded from assessments to capital projects and auxiliary units. The assessments are equal to the costs the projects would have incurred had stand-alone chillers and boilers been installed in each. Life-cycle cost analysis has shown that connecting the individual projects to a regional utility plant is more efficient and effective than stand-alone installations.

It is recommended that these projects be authorized and that the methods of financing as proposed by North Carolina State University be approved.