

APPENDIX D

Authorization of New Capital Improvements Projects – East Carolina University

The Board of Trustees of East Carolina University has requested the authority to establish three new capital improvements projects to be financed from housing receipts and authority to revise the method of financing a previously approved project.

The first project, estimated to cost \$287,700, would provide for the replacement and upgrade of the fire alarm system in the 36-year-old Clement Residence Hall. The project would bring the fire alarm system up to current safety and operation standards.

The second project, estimated to cost \$378,000, would provide for the replacement of non-fire-rated corridor and room doors on floors two through nine with fire-rated doors in the 41-year-old Fletcher Residence Hall. The project would enhance resident and staff safety.

The third project, estimated to cost \$330,004, would provide for the abatement of asbestos-containing floor tile and pipe insulation in Green Residence Hall (39-years-old) and Tyler Residence Hall (36-years-old).

At its November 2004 meeting, the Board of Governors approved its General Fund capital improvements budget request for the 2005-2007 biennium. Included in the Board's request for East Carolina University was a capital project, Family Medicine Center (formally called the Family Practice Center), with an estimated cost of \$30,000,000. The project would provide for the construction of a 90,000 square-foot facility on the Health Sciences Campus of the Brody School of Medicine that would replace the exiting Family Practice facility that had reached capacity. The Family Medicine Center would also be used as a clinical teaching site for medical students and the existing facility was functionally outdated for this purpose. Current budget constraints facing the State of North Carolina are not favorable for the funding of the Family Medicine Center by the North Carolina General Assembly. Because of the urgent need

for the replacement of the current facility, the Board of Trustees of East Carolina University now requests that the Board of Governors approve a revised method of financing for the project. It is recommended that the Family Medicine Center be financed with funds available to the Brody School of Medicine at East Carolina University from Medicare reimbursements for education costs, gifts, grants, receipts, self-liquidating indebtedness, or other funds, or any combination of these funds. It is further recommended that the revised method of financing for the Family Medicine Center at ECU be forwarded to the North Carolina General Assembly for consideration during the 2005 Session.

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