

APPENDIX B

Sale of Bonds – East Carolina University

In 2001, the General Assembly, at the request of the Board of Governors, authorized East Carolina University to construct and equip a new baseball facility. In 2002, at the request of the Board, the General Assembly authorized East Carolina University to renovate student residence halls.

The baseball facility project would provide a new 3,000-seat stadium to replace the existing seating at Harrington Field. The new stadium would contain bleacher and individual seats and a press box. Beneath the seating area would be offices for the coaching staff, locker rooms, and training and equipment rooms. Site work would include parking for at least 100 cars and upgrading the surrounding area to create a new entrance and pedestrian plaza.

The project, with an approved funding level of \$9,735,000, would be financed through a combination of the issuance of special obligation bonds and athletic receipts. The University began construction on the baseball stadium in early May 2004. Interim financing has been provided from available cash balances. The University is now ready to proceed with the issuance of approximately \$8,700,000 in bonds to provide permanent financing to be repaid from athletic receipts.

The student residence hall project would provide for an upgrade to the electrical systems and installation of window air conditioning units at Clement Hall, Green Hall, and White Hall. The three residence halls contain approximately 250,000 square feet and provide housing for 1,200 students. New window units would be installed in all residence rooms. New electrical service to the individual rooms would also be included.

The student residence hall project totals approximately \$4,250,000 and would be financed through the sale of bonds to be repaid from housing receipts. The housing renovation project

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started in May 2004. Interim financing has been provided from available cash balances that would be reimbursed from bond proceeds. The University is now ready to proceed with the issuance of approximately \$4,250,000 in bonds to provide permanent financing to be repaid from residence hall receipts.

East Carolina University has reviewed its existing indebtedness and found that approximately \$170,000 could be saved by refunding the remaining \$5,100,000 of proceeds from the 1996 East Carolina University Athletic Department Variable Rate Revenue Bonds and the remaining \$1,235,000 of proceeds from the University of North Carolina System Pooled Bonds, series 1998A. The bonds were originally issued at the principal amount of \$7,000,000 to renovate and expand Dowdy-Ficklen Stadium and a principal amount of \$2,625,000 to refinance improvements to the Blount Intramural Fields Complex and construction of a parking lot at Dowdy-Ficklen Stadium. The University has requested authority to issue approximately \$6,335,000 in bonds for this purpose.

It is recommended that the following Resolution be adopted and that the Vice President for Finance be authorized to sell bonds, not to exceed \$19,285,000 aggregate principal amount, for the Baseball Stadium project, the Housing Renovation project, refunding the 1996 Bonds, and refunding the 1998A Bonds.

RESOLUTION OF THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH
CAROLINA AUTHORIZING THE ISSUANCE OF SPECIAL OBLIGATION BONDS TO
FUND THE SPECIAL OBLIGATION BOND PROJECT FOR EAST CAROLINA
UNIVERSITY