

APPENDIX A

Authorization of Non-Appropriated Capital Improvements Projects

In June, 1999, the Board adopted a ten-year capital plan totaling \$6.9 billion with approximately 60% of the funding to be provided by the State and the remainder to be provided from non-State resources. Since 1999, the General Assembly, at the request of the Board, has authorized non-appropriated capital improvements projects totaling \$1.5 billion to be financed from available balances in University accounts or from the sale of bonds to be repaid from University receipts. This amount exceeds the original commitment made by the Board of Governors.

The University is now ready to proceed with the next year of the plan for projects to be funded from non-State resources. The proposals from the campuses continue to capitalize on the authority granted by the 2000 General Assembly allowing the Board of Governors to issue special obligation bonds – those backed by a pledge of all available institutional revenues excluding tuition receipts and state appropriations. The use of special obligation bonds enhances credit ratings and leads to bond issue savings through more competitive rates of interest. The following pages contain descriptions of each proposed project as well as the sources of project financing. A detailed financial plan will be developed for each project in consultation with financial advisors and bond counsel before bonds are issued and construction contracts are awarded.

It is recommended that the Board approve 35 capital improvements projects (or project supplements) at nine institutions totaling \$355,482,900. The projects would then be forwarded to the General Assembly for authorization during the 2004 Session.

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Appalachian State University

Central Dining Facility-Supplement – \$2,000,000

This project was first approved by the General Assembly in 2000 but was delayed because plans call for construction on the Broom-Kirk Gymnasium site and that facility is scheduled for demolition after a new Student Recreation Center is completed. The proposed increase is based on revised cost estimates and is principally related to changes needed to comply with building codes. The proposed increase would be financed from indebtedness to be repaid from dining receipts. The total project cost would now be \$17.7 million.

Steam Line Improvements – \$2,000,000

This project would continue a comprehensive program to repair and/or replace steam distribution-condensate return lines in the East Campus area. The project would be financed from indebtedness to be repaid from utility trust fund receipts.

East Carolina University

Administrative Offices – \$2,500,000

This project would provide for the construction of a new facility to provide office and work space for the Pirate Club and the Athletics Ticketing Offices. Conference room facilities would also be included. The project would be financed from indebtedness to be repaid from private gifts and receipts from ticket sales.

Stadium Maintenance Repairs – Phase III – \$2,600,000

This project would provide for additional repairs to the 41-year old Dowdy-Ficklen Stadium. Earlier project phases previously approved by the General Assembly total \$3.46 million and ECU issued debt and implemented a \$15 debt service fee. The debt was retired at the end of the 2003 calendar year and the \$15 debt service fee lapsed. ECU proposes to issue debt and reestablish the \$15 debt service fee to finance this project that would provide critical sanitary-sewer upgrades, replacement of plumbing fixtures on the North and South sides of the stadium, renovation of the visitor's locker room, and electrical system upgrades. The indebtedness would also be retired from private gifts.

Tyler and Fletcher Residence Halls Renovations – \$3,250,000

This project would provide for the upgrade of the electrical systems at two residence halls to accommodate the installation of window air conditioning units. After careful study of design alternatives, campus officials determined that it would be more cost effective to install window units than renovate the residence halls and install central air conditioning. The project would be financed from indebtedness to be repaid from housing receipts.

North Carolina A&T State University

Parking Deck – \$6,796,750

This project would provide a 500-space parking deck on the campus to help address increased parking demand resulting from enrollment growth. The project would be financed from indebtedness to be repaid from parking receipts.

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North Carolina Central University

Biomanufacturing Research Institute and Training Enterprise – \$17,800,000

The Golden LEAF Foundation has approved a grant of \$17,800,000 to NCCU to design, construct, equip, and up-fit a new biomanufacturing research building on the NCCU campus. The Golden LEAF (Long-term Economic Advancement Foundation) was created in 1999 as a non-profit corporation. It receives one half of the funds coming to North Carolina resulting from the Master Tobacco Settlement Agreement and makes grants to non-profit and government agencies. NCCU will establish a new Biomanufacturing Research Institute and Training Enterprise (BRITE). Golden LEAF funds will be used to build a state-of-the-art facility for researching a full range of biomanufacturing technologies in both basic and applied settings.

North Carolina State University

Biomanufacturing Training and Education Center – \$33,500,000

The Golden LEAF Foundation has approved a grant of \$33,500,000 to NCSU to design, construct, equip, and up-fit a building on the University's Centennial Campus for the Biomanufacturing Training and Education Center (BTEC). The Golden LEAF (Long-term Economic Advancement Foundation) was created in 1999 as a non-profit corporation. It receives one half of the funds coming to North Carolina resulting from the Master Tobacco Settlement Agreement and makes grants to non-profit and government agencies. BTEC is planned to be a 91,000 gross square foot facility, which will provide capstone, hands-on training and education in biomanufacturing. Included will be facilities to train students in large-scale bioprocessing and aseptic operations. Teaching facilities will be designed to standards required by industry while remaining flexible to meet the changing demands of the biomanufacturing industry.

Dining Hall Renovations – \$3,000,000

This project would provide for renovations to dining halls and food service facilities in the Talley Student Center, Fountain Dining Hall and in convenience stores. The facilities would be upgraded to reflect student preferences for food-court-style service delivery. The project would be financed from indebtedness to be repaid from dining receipts.

Renovation of Berry, Becton, and Bagwell Residence Halls-Supplement – \$4,000,000

This project was previously approved by the General Assembly in the 2003 legislative session. After completing programming and design for the renovations, the campus identified additional requirements that were not included in the original project scope. These requirements include the addition of new stair towers on two of the residence halls and significant modifications to the third as a result of code changes. The proposed increase would be financed from indebtedness to be repaid from housing receipts. The total project cost would be \$14 million.

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North Carolina State University (continued)

Student Commons Improvements – \$3,500,000

This project would provide for an academic support and service center for the 440 students living in the Berry/Becton/Bagwell Quad residence halls. The Commons would include a 24-hour service desk, staff offices, convenience store, and student mailboxes on the first floor. The second floor would have a computer lab, a classroom/meeting room, and a study room for use by students in the Honors Village. The project would be financed from indebtedness to be repaid from housing and dining receipts.

Renovations to Reynolds Coliseum – \$1,500,000

This project would provide for the replacement of the roof at Reynolds Coliseum and address code-related issues and asbestos removal. The proposed increase would be financed from indebtedness to be repaid from a \$10 debt service fee.

The University of North Carolina at Asheville

Governors Village Residence Hall – \$12,700,000

This project would provide for the construction of a 230-bed facility as the campus continues to replace the existing Governors Village built in the 1960s. The project would be financed from indebtedness to be repaid from housing receipts.

The University of North Carolina at Chapel Hill

Ambulatory Care Renovations – \$1,800,000

This project would provide for the consolidation of adult and pediatric orthopedics clinics within the Ambulatory Care Center and UNC Hospitals as well as relocation of several clinics, including radiology and therapy units, to the second floor of the Ambulatory Care Center. This project would be financed from indebtedness to be repaid from Medical Faculty Practice Plan receipts.

Arthritis Research Center – \$1,800,000

This project would provide for renovations to the third floor of the Thurston-Bowles Building. Administrative space within the Arthritis Research Center would be reconfigured to accommodate a planned reorganization. This project would be financed from indebtedness to be repaid from private gifts.

Carmichael Fields 3 & 4 – \$1,200,000

This project would provide for the resurfacing of athletic fields with AstroTurf and improvements to the fields' storm drainage system. The project would be financed from indebtedness to be repaid from a \$4 per year debt service fee.

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The University of North Carolina at Chapel Hill (continued)

ITS Building-Supplement – \$4,000,000

This project was previously approved by the 2003 General Assembly as a request to renovate the Bennett Building for telecommunications functions. After more extensive programming and design, the campus has determined that it would be more cost effective to demolish the Bennett Building and build a new facility. The proposed increase would allow for the demolition of the existing building, the relocation of the existing duct bank and the temporary relocation of the central IT HUB during construction. The proposed increase would be financed from indebtedness to be repaid from telecommunications receipts. The total project cost would be \$16.3 million.

Institute for Advanced Materials, Nanoscience & Nanotechnology – \$3,800,000

This project would provide for the upfit of laboratory space in the basement of the Science Complex, Phase I facility for the new Institute. The project would be financed from indebtedness to be repaid from private gifts.

Educational Foundation Office Building – \$3,000,000

This project would provide for the construction of a new facility to co-locate the functions of the Educational Foundation and the athletics ticket office. The project would be financed from indebtedness to be repaid from private gifts.

Athletic Facilities Improvements – \$1,100,000

This project would provide for the addition of permanent stands and a team building for the women's softball team, consistent with Title IX requirements for gender equity in athletics programs and facilities. The project would be financed from indebtedness to be repaid from private gifts.

Addition to WUNC Radio – \$1,000,000

This project would provide for a 1,600 square-foot addition to WUNC radio that would include office space, meeting rooms, and storage, as well as improvements to the Chatham County transmitter site and tower upgrade, which would include the addition of a block building and equipment. The project would be financed from indebtedness to be repaid from private gifts.

School of Medicine Research Facilities-Addition – \$33,000,000

This project would add three floors to a research facility approved by the 2002 General Assembly for use by the School of Pharmacy. The increase would be financed from indebtedness to be repaid from facilities and administrative receipts.

Student Family Housing – \$19,000,000

This project would provide 408 units (one and two bedroom) of new housing for student families. The project would continue the replacement of the 1960s-built Odum Village apartments. This project would be financed from indebtedness to be repaid from housing receipts.

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The University of North Carolina at Chapel Hill (continued)

Morrison Residence Hall Renovations – \$24,000,000

This project would provide for the complete modernization and renovation of this high-rise residence hall built in the 1960s. The project would include reconfiguration of rooms consistent with modern standards and upgrades to mechanical systems. A total of 860 beds would be available after renovations. The project would be financed from indebtedness to be repaid from housing receipts.

Residence Halls Phase II-Supplement – \$20,500,000

This project was previously approved by the 2002 Session of the General Assembly. The proposed increase would enable the campus to provide apartment-style units rather than the suite-style units originally programmed. The increase would also address the severely sloped site conditions and would provide an underground parking deck. The proposed increase would be financed from indebtedness to be repaid from housing receipts. The total project cost would be \$67 million.

Daniels Building Renovations – \$7,000,000

This facility houses the student store which contains a general sales area, the Bulls Head Book Shop, a textbook sales area, offices and storage areas. It was built in 1968 and is in need of renovation. This project would upgrade the building's mechanical, electrical and plumbing systems and provide other improvements to address accessibility, and fire and life safety issues. The project would be financed from indebtedness to be repaid from student store receipts.

Parking Facilities – \$17,000,000

This project would provide for the addition of 934 parking spaces on campus in two parking decks. One deck would be located under the planned Global and International Studies Facility and the other would be located at Jackson Circle to augment parking near the medical complex. These projects involve the relocation of utilities and the excavation of rock. The project would be financed from indebtedness to be repaid from parking receipts.

Major Infrastructure Improvements – \$68,436,150

This project would provide for the addition of new sanitary sewer lines, electrical substation upgrades, duct banks, a chiller plant, chilled water systems expansion and improvements, and the replacement of aging steam lines and equipment. The project would be financed from indebtedness to be repaid from the utilities trust fund.

The University of North Carolina at Charlotte

Parking Deck-Supplement – \$4,200,000

This project was previously approved by the 2002 Session of the General Assembly and would provide 600 new parking spaces on campus. Project programming, scope refinement and improved cost estimates have identified the need to increase the authorized funding. The project would be financed from indebtedness to be repaid from parking receipts. The total project cost would be \$12.5 million.

APPENDIX A

The University of North Carolina at Charlotte (continued)

Greek Village Housing – \$21,500,000

This project would provide housing facilities for approximately 400 student members of Greek organizations. The facilities would be 12 three-story structures, each housing up to 32 students. The facilities would include single rooms, along with kitchens, dining facilities, laundry facilities and meeting areas. The project would be financed from indebtedness to be repaid from housing receipts.

Student Union Building-Supplement – \$6,000,000

This project was approved in 2003 by the General Assembly at an estimated cost of \$39,700,000. The proposed increase would provide for a pedestrian connector, shell space for future expansion of the HVAC system, and additional space for student activities. The proposed increase would be financed from indebtedness to be repaid from the proceeds of an existing debt service fee – no increase in the amount of the fee is required. The total cost of the facility is now estimated to be \$45.7 million.

The University of North Carolina at Greensboro

Parking Deck Addition – \$8,000,000

This project would provide for the addition of 500 parking spaces, on four levels, to an existing parking deck. This proposed addition is consistent with the campus master plan. The project would be financed from indebtedness to be repaid from parking receipts.

Residence Hall Renovations – \$4,500,000

This project would provide for HVAC improvements in Guilford and Mary Foust residence halls and the campus Dining Hall, each built in the 1920s. Existing chillers would be removed and the facilities would be connected to the regional chiller plant. The project would also include new HVAC equipment to include controls in the residence hall. The project would be financed from indebtedness to be repaid from housing receipts.

Dining Hall Renovations – \$1,500,000

This project would provide for the removal and replacement of the existing slate roof for the 79-year-old Dining Hall. The existing roof is failing and is increasingly requiring repairs. The project would be financed from indebtedness to be repaid from dining receipts.

The General Assembly is also required to approve the financing plan when bonds are issued to provide supplemental financing for projects that are partially funded by the 2000 higher education bonds. Authorization for financing is requested for one such project at The University of North Carolina at Chapel Hill.

<u>Institution</u>	<u>Project</u>	<u>Total Project Cost</u>	<u>2000 Higher Education Bond Funding</u>	<u>Supplemental Indebtedness</u>	<u>Source of Debt Repayment</u>
UNC-CH	Campus Fiber- Optic Wiring	\$25,533,500	\$17,533,500	\$8,000,000	Telecommunications Receipts