

Authorization of Non-Appropriated Capital Improvements Projects

Each biennium, the Board of Governors adopts a six-year plan for capital improvements. In general, the legislature provides funds to construct projects that directly relate to the University's core instructional activities and some research activities, while campus-based sources of funding are used to provide residence and dining halls, some research facilities, student recreation and athletic facilities, and parking decks. On an annual basis, the Board considers campus proposals for non-appropriated projects that require the issuance of long-term debt and, if approved by the Board, the projects are forwarded to the General Assembly for authorization.

For 2011, the President recommends that the Board approve the construction of 20 capital improvements projects at 11 institutions totaling \$554,810,566. In addition, the President recommends that two campuses be authorized to plan projects totaling \$14,590,741. It should be noted that this list has been pared down from the original slate of campus requests that totaled \$769,877,365.

Many of these projects have been advanced by the chancellors to help their campuses meet the retention and graduation goals established by the Board. For example, it is well documented that students who live in on-campus residential facilities are retained at higher levels than those who live off campus. In that same vein, there is considerable evidence that campus-based amenities and services, e.g., student unions and recreational facilities, enhance the overall educational experience and help create a sense of community. Other projects on this list are directly targeted at improving student health and safety.

Moving forward with construction of these facilities now also would enable our campuses to take advantage of historically low construction and financing costs. As the economy improves, construction costs are projected to increase up to 25 percent over the next

two to three years. Increases are being observed already in the cost of steel, copper, and concrete. Importantly, these projects also would provide a needed boost to the State's construction industry by supporting approximately 9,700 new jobs and over \$1 billion in new local spending across North Carolina.* Postponing these projects would likely increase their final construction cost significantly. For every \$1 million of indebtedness, a 1 percent increase in interest rates would require an additional \$300,000 in financing, assuming the projects were financed over 30 years. Each project in this recommendation has been reviewed and determined to be needed and financially viable.

It is recommended that the Board approve the 20 new or supplemental capital improvements projects at 11 institutions totaling \$554,810,566, of which all is projected to be indebtedness. It is further recommended that the Board approve, for advance planning only, two projects at UNC-Chapel Hill and two at UNC Charlotte. If approved, these projects will be forwarded to the General Assembly for authorization during their 2011 Session. It is further recommended that the President of the University, or his designee, be authorized to make refinements to the request in the interest of accuracy and completeness. For each authorized project, a detailed financial plan will be reviewed in consultation with financial advisors and bond counsel before bonds are issued and construction contracts are awarded. Final approval for the issuance of bonds is the responsibility of the Board of Governors.

* Source of employment and income multipliers is Dr. Michael L. Walden, NCSU

Table I
THE UNIVERSITY OF NORTH CAROLINA
2011 Non Appropriated Projects Request

Institution	Project Title	Total (\$)	Cash (\$)	Debt (\$)	Source of Funds	New/ Increase Debt Service Fees (\$)
ASU	Winkler Residence Hall Renovation	11,805,000	-	11,805,000	Housing receipts	-
ECU	Athletic Facilities Expansion and Improvement Phase 4 Auxiliary Practice Gymnasium	15,000,000	-	15,000,000	Gifts, Athletic receipts	-
FSU	Rudolph Jones Student Center Expansion and Renovation	23,289,021	-	23,289,021	Student debt service fee	285
NCA&T	New Health Center	10,000,000	-	10,000,000	Student debt service fee	85/-23**
NCCU	Chidley Residence Hall Expansion and Renovation	41,193,000	-	41,193,000	Housing receipts	-
NCSU	Centennial Campus Housing Complex	129,000,000	-	129,000,000	Housing and Dining receipts	-
NCSU	Lee Residence Hall and Sullivan Residence Hall Renovation	6,000,000	-	6,000,000	Housing receipts	-
UNC-CH	Frank Porter Graham Student Union Renovation Phase 2	10,750,000	-	10,750,000	Student debt service fee	16
UNC-CH	Carolina Inn Renovation Phase 2	9,000,000	-	9,000,000	Carolina Inn receipts	-
UNC-CH	Woollen Gymnasium Renovation Phase 2 (supplement)	2,650,000	-	2,650,000	Campus recreation receipts; Athletic receipts	-
UNCC	New Residence Hall Phase X*	31,045,802	-	31,045,802	Housing receipts	-
UNCC	New Residence Hall Phase XI*	40,837,005	-	40,837,005	Housing receipts	-
UNCC	Residence Dining Hall Replacement*	29,176,738	-	29,176,738	Dining receipts	-
UNCC	Parking Deck J*	27,418,000	-	27,418,000	Parking receipts	-
UNCG	Student Recreation Center	91,000,000	-	91,000,000	Student debt service fee	218/217***
UNCG	Tower Village II Residence Hall Acquisition	34,500,000	-	34,500,000	Housing receipts	-
UNCG	Campus Police Building	10,030,000	-	10,030,000	Auxiliary receipts	-
UNCG	Village Parking Deck	10,877,000	-	10,877,000	Parking receipts	-
UNCP	Student Health Services Comprehensive Renovation and Addition*	3,950,000	-	3,950,000	Student debt service fee	50
WCU	Walker Residence Hall Expansion and Renovation	17,289,000	-	17,289,000	Housing receipts	-
	Totals	554,810,566		554,810,566		-
Planning						
UNC-CH	Mary Ellen Jones Renovation Phase 1 (supplement)	50,000,000	-	4,000,000	Facilities and Administrative receipts	-
UNC-CH	Research Building at Carolina North	72,568,225	-	6,000,000	Facilities and Administrative receipts	-
UNCC	New Residence Hall Phase XII	38,407,410	3,840,741	-	Housing receipts	-
UNCC	Cedar, Hickory and Sycamore Residence Hall Renovation	7,500,000	750,000	-	Housing receipts	-
	Totals Planning	168,475,635	4,590,741	10,000,000		-

* This project received planning authority in 2010

** Because an existing \$108 debt service fee is expiring, the net impact on students will be a debt service fee reduction of \$23.

*** The new \$435 debt service fee will be phased in over a two-year period as follows: Spring 2012 – increase of \$218; Fall 2012 – increase of \$217

Appalachian State University**Winkler Residence Hall Renovation – \$11,805,000**

This project would renovate Winkler Residence Hall (built in 1974 with 66,609 square feet) to meet current life safety and accessibility codes including improvements to the existing fire alarm system and the installation of a fire suppression sprinkler system. Work would also include reconfiguring existing group bathrooms and upgrades to building electrical, mechanical, and plumbing systems to improve energy and water efficiency. The project would be financed from indebtedness to be repaid by housing receipts. The assumption in the financial pro forma is that housing rents would be increased up to \$150 to produce the revenues for the housing system. The debt coverage ratio for ASU's housing system for 2008-09 was 1.69x and 1.27x in 2009-10. With the issuance of this debt, the ratio would remain above 1.20x.

East Carolina University**Athletic Facilities Expansion and Improvement Phase 4 Auxiliary Practice Gymnasium – \$15,000,000**

This project would construct the Athletics Auxiliary Practice Gymnasium and make improvements to Minges Coliseum. This approximately 46,000 square-foot gymnasium would be next to Minges Coliseum and would provide two additional practice courts, staff offices, video review rooms, locker rooms, equipment storage, and training facilities. Renovations to Minges Coliseum would include an additional elevator to improve accessibility and improvements to the Heating, Ventilating and Air Conditioning system and building utilities. The project would enhance the function of Minges Coliseum by providing additional practice scheduling flexibility that enhances the student athletes' academic performance and quality of life and makes fuller use of existing infrastructure, parking, bus lines and pedestrian links. The project would be financed from indebtedness to be repaid by gifts and athletic receipts.

Fayetteville State University**Rudolph Jones Student Center Expansion and Renovation – \$23,289,021**

This project would renovate the 69,000 square-foot Rudolph Jones Student Center and expand the Center with a 40,000 square-foot addition. The Center would provide additional dining options, student organization and meeting space, multi-purpose classrooms, a computer lab, a learning center, auditorium/ theatre space and centralized student services. The current Center was constructed in 1972 and designed to meet the needs of a campus population serving 1,600 students. The expanded and renovated Center would provide the needed space to better serve FSU's current 6,000 students and is a key part of a comprehensive plan to increase student retention and graduation rates. Twenty-five percent of the Center will be used for academic support including teaching, tutoring, counseling, and faculty development. The project would be financed from indebtedness to be repaid from a new \$285 debt service fee. The proposed debt service fee was approved by the FSU Board of Trustees with student participation, as required by the Board's tuition and fee policy.

North Carolina Agricultural & Technical State UniversityNew Health Center – \$10,000,000

This project would construct a 27,100 square-foot health center to replace NCAT existing 9,298 square-foot infirmary. Built in 1953, the current infirmary is undersized, outdated, inefficient and unable to meet current accessibility requirements. The larger health center would provide additional treatment capacity, enhanced health education services, and new clinical opportunities for School of Nursing students. The project would be financed from indebtedness to be repaid from a new \$85 debt service fee. The proposed debt service fee was approved by the NCAT Board of Trustees with student participation, as required by the Board's tuition and fee policy. Because an existing \$108 debt service fee is expiring, the net impact on students will be a debt service fee reduction of \$23.

North Carolina Central UniversityChidley Residence Hall Expansion and Renovation – \$41,193,000

This project would construct the new 500-bed, approximately 125,000 square-foot New Chidley South Residence Hall and renovate Chidley Main Residence Hall (built in 1951 with 60,000 square feet) to provide 224 beds in traditional or suite style rooms. Due to a shortage of on-campus housing, a high percentage of juniors and seniors have to seek off-campus housing. In addition to the financial hardship this imposes, the challenges of access to campus, limited interaction with fellow students and a feeling of being disconnected with the campus community make it difficult for NCCU to retain these students. Also, the academic performance of these students suffers as a result of their inability to have immediate access to counseling services and other university resources. Ultimately, graduation rates suffer as these disconnected students lose sight of their career objectives and become disinterested or distracted from their goals. Many drop out or transfer to other institutions where they have a better opportunity to feel engaged with the academic community. The renovated Chidley Main Residence Hall and New Chidley South Residence Hall would be configured to create a living/learning environment that would enhance the academic experience of NCCU's students. The project would be financed with indebtedness to be repaid from housing receipts. The assumption in the financial pro forma is that housing rents would be increased up to 5% per year to produce the revenues for the housing system. The debt coverage ratio for NCCU's housing system for 2009-10 was 1.35x. With the issuance of this debt, the ratio is expected to remain above 1.32x.

North Carolina State UniversityCentennial Campus Housing Complex – \$129,000,000

This project would provide about 1,180 undergraduate beds in apartment style housing in approximately 530,000 square feet. The Centennial Campus Housing Complex would primarily serve sophomores, juniors, and seniors. The residential space will be accommodated in multiple buildings along with a 20,000 square-foot dining facility, administrative offices, front desk, mailroom, and multipurpose space. This project would also include 600 new parking spaces. This would be the first student housing on the Centennial Campus and this living and learning village would primarily serve College of Engineering students which make up about one fourth of NCSU's 34,000 student population. Six of ten College of Engineering departments are currently located on the Centennial Campus with no on-campus living experience available so

there is growing pressure to provide student housing and dining facilities to serve this student population. The project would be financed from indebtedness to be repaid from housing and dining receipts. The assumption in the financial pro forma is that housing rents and dining rates would be increased up to 4% per year to produce the revenues for the housing and dining systems. The debt coverage ratio for NCSU's housing system for 2008-09 was 1.43x and 1.36x in 2009-10. With the issuance of this debt, the ratio is expected to remain above 1.55x.

Lee Residence Hall and Sullivan Residence Hall Renovation – \$6,000,000

This project would make improvements to Lee Residence Hall (built in 1964 with 175,337 square feet in 9 floors) and Sullivan Residence Hall (built in 1966 with 135,530 square feet in 12 floors). Improvements would include asbestos abatement, demolition of built-in furniture, painting, flooring and lighting upgrades, door replacement, and furniture replacement. The Sullivan Residence Hall would also include roof repair and first floor public space renovations. The project would be financed from indebtedness to be repaid from housing receipts. The assumption in the financial pro forma is that housing rents would be increased up to 4% per year to produce the revenues for the housing system. The debt coverage ratio for NCSU's housing system for 2008-09 was 1.43x and 1.36x in 2009-10. With the issuance of this debt, the ratio is expected to remain above 1.55x.

The University of North Carolina at Chapel Hill

Frank Porter Graham Student Union Renovation Phase 2 – \$10,750,000

This project would renovate 46,934 square feet on the first floor of the Frank Porter Graham Student Union. Work would include replacing the existing copy center, bowling alley, performance space, and television studio with updated, high technology "skunk works" type student space and improvements to all building mechanical, electrical, plumbing and data systems serving the first floor. The project would be financed from indebtedness to be repaid from a new \$16 debt service fee. The proposed debt service fee was approved by the UNC-CH Board of Trustees with student participation, as required by the Board's tuition and fee policy.

Carolina Inn Renovation Phase 2 – \$9,000,000

This project would renovate 101 guest rooms covering approximately 74,174 square feet in the Inn's 1970 Wing and 1995 Wing. Work in the guest rooms would include new finishes and furnishings, bathroom improvements, and heating and cooling unit replacement. Telecommunication and data infrastructure would also be upgraded. The project would be financed from Carolina Inn receipts. This project would not have an impact on tuition and fees.

Woollen Gymnasium Renovation Phase 2 – \$2,650,000

This project was previously approved by the 2010 General Assembly. The proposed increase would allow replacement of the ventilation only system with a modern heating, ventilating and air-conditioning system. The project would be financed from indebtedness to be repaid from campus recreation and athletics receipts. The total project cost would now be \$10,500,000.

The University of North Carolina at Charlotte**New Residence Hall Phase X – \$31,045,802**

This project, which received advance planning authority in 2010, would build a 400-bed residence hall in the North Housing Student Village to accommodate continuing growth in demand for on-campus student housing by sophomores, juniors and seniors. This residence hall would be approximately 134,600 square feet and comprised of two and four bedroom apartments. Each floor would include laundry rooms, wireless internet access in the common areas, study areas, and multi-purpose rooms. The five story building will be designed to meet Leadership in Energy and Environmental Design (LEED) Certification and in accordance with the provisions of SL 2007-546 (SB668). The project would be financed from indebtedness to be repaid from housing receipts. The assumption in the financial pro forma is that housing rents would be increased up to 6.5% per year to produce the revenues for the housing system. The debt coverage ratio for UNCC's housing system for 2008-09 was 1.08x and 1.23x in 2009-10. With the issuance of this debt, the ratio would remain above 1.20x.

New Residence Hall Phase XI – \$40,837,005

This project, which received advance planning authority in 2010, would build a 400-bed residence hall in the South Housing Student Village to accommodate continuing growth in demand for on-campus student housing by freshman. This residence hall would be approximately 162,100 square feet and comprised of four bedroom apartments. Each floor would include laundry rooms, wireless internet access in the common areas, study areas, and multi-purpose rooms. The four story building would be designed to meet LEED Certification and in accordance with the provisions of SL 2007-546 (SB668). The project would also include construction of a regional utility plant, electrical infrastructure, and a road realignment to support the expansion of the South Village. The project would be financed from indebtedness to be repaid from housing receipts. The assumption in the financial pro forma is that housing rents would be increased up to 6.5% per year to produce the revenues for the housing system. The debt coverage ratio for UNCC's housing system for 2008-09 was 1.08x and 1.23x in 2009-10. With the issuance of this debt, the ratio would remain above 1.20x.

Residence Dining Hall Replacement – \$29,176,738

This project, which received advance planning authority in 2010, would construct a new 55,000 square-foot residence dining hall and would provide food service for the South Student Housing Village. The South Village will be a freshman enclave which will include parking, student housing, and other amenities. The Dining Hall would be centrally located and convenient to new and existing student housing units. The project would include electrical infrastructure, an emergency electrical power generator, and connections to the regional utility plant. This project would replace the existing residence dining hall (built in 1970 with 37,795 square feet) which has reached the end of its useful life and does not meet current code and accessibility requirements. This project would be designed and constructed to meet LEED certified criteria and in accordance with the provisions of SL 2007-546 (SB668). The project would be financed from indebtedness to be repaid from dining receipts. The debt coverage ratio for UNCC's dining system for 2008-09 was 8.14x and 30.38x in 2009-10. With the issuance of this debt, the ratio would remain above 3.44x.

Parking Deck J – \$27,418,000

This project, which received advance planning authority in 2010, would construct an approximately 1,000-space parking deck in the South Student Housing Village of the UNCC campus. This parking structure is required to meet demand created by the residence students to be housed in the expanded South Village. The six story deck would be built to campus design standards and in accordance with provisions of SL 2007-546 (SB668). The project would be financed from indebtedness to be repaid from parking receipts. The debt coverage ratio for UNCC's parking system for 2008-09 was 2.27x and 3.91x in 2009-10. With the issuance of this debt, the ratio would remain above 1.27x.

The University of North Carolina at GreensboroStudent Recreation Center - \$91,000,000

This project would acquire the land and provide the necessary site infrastructure (estimated to cost \$18,000,000) to construct a new student recreation center (estimated to cost \$73,000,000) in UNCG's new mixed-use Village. This approximately 225,000 square-foot multi-purpose recreational and natatorium center is needed to accommodate high student demand that cannot be met by the current 80,610 square-foot recreation center that was designed to provide for the recreational needs of a campus population serving 10,000 students. A study conducted in 2007 by Brailsford & Dunlavey on UNCG Campus Recreation Needs concluded that recreational activities are in high demand by the student body, yet existing spaces are only able to accommodate between 50-65% of current demand for high priority activities. The recreation facility would house space for weight training and fitness, group fitness, indoor walking/jogging, basketball/volleyball courts, kayak roll training, health and safety classes, and special events. The facility would include locker rooms, offices, conference and meeting rooms, and support spaces. The natatorium would provide a comprehensive recreational aquatics program including activities such as lap swimming, swim club, aqua aerobics, intramural water sports, swim lessons and conditioning, health and safety classes, water certifications, and swim meets. The natatorium would include a 50-meter pool, leisure pool, life guard offices, first aid station, locker rooms, conference room, lobby space, information desk, meeting room and concessions. The project would be financed from indebtedness to be repaid from a new \$435 debt service fee. The proposed debt service fee was approved by the UNCG Board of Trustees with student participation, as required by the Board's tuition and fee policy. The new \$435 debt service fee will be phased in over a two-year period as follows: Spring 2012 – increase of \$218; Fall 2012 – increase of \$217.

Tower Village II Residence Hall Acquisition - \$34,500,000

This project would acquire a 403-bed student residence hall currently being constructed by the UNCG Capital Facilities Foundation on state property to UNCG requirements and standards. Tower Village II would provide single suites that include four single rooms that share two bathrooms and double suites that offer two double-occupancy rooms, each with its own bathroom. The ground floor would include a multi-purpose room, recreation room, two classrooms, a business center, a cafe, a convenience store and two faculty offices. A combined laundry room/study room would be available on the second floor. The project would be financed from indebtedness to be repaid from housing receipts. The assumption in the financial pro forma is that housing rents would be increased up to 3.5% to produce the revenues for the housing system. The debt coverage ratio for UNCG's housing system for 2008-09 was 2.90x and 2.49x in 2009-10. With the issuance of this debt, the ratio would remain above 1.20x.

Campus Police Building - \$10,030,000

This project would construct a new campus police building in UNCG's new mixed-use Village. This approximately 23,600 square-foot facility would consolidate UNCG's campus police into a single building designed to accommodate 46 full-time and 21 part-time employees. The new facility will include administrative offices, holding facilities, 900 square feet of secure storage space, training space, shower facilities and a communication center with redundant capabilities during adverse weather and emergency conditions. The new building would be built to campus design standards and in accordance with provisions of SL 2007-546 (SB668). Campus safety & police is an appropriated function. Recognizing the State's current financial condition, UNCG would plan to use non-General Fund sources to construct this building but would seek General Fund operating support. The project would be financed from indebtedness to be repaid from auxiliary receipts.

Village Parking Deck – \$10,877,000

This project would construct an approximately 500-space parking deck adjacent to the new Student Recreation Center in UNCG's new mixed-use Village. The parking deck is required to address parking and zoning requirements for the housing development and the student recreation center in the Village. The deck would be self-service with automatic access controls, built to campus design standards, and built in accordance with provisions of SL 2007-546 (SB668). The project would be financed from indebtedness to be repaid from parking receipts. The debt coverage ratio for UNCG's parking system for 2008-09 was 1.34x and 1.36x in 2009-10. With the issuance of this debt, the ratio would remain above 1.20x.

The University of North Carolina at PembrokeStudent Health Services Comprehensive Renovation and Addition – \$3,950,000

This project, which received advance planning authority in 2010, would renovate and expand the Student Health Services Building (built in 1966 with 5,523 square feet) to provide additional office and testing spaces for Student Health Services and Student Counseling and Testing (C&T). The project would demolish the one-story, wood-framed nursing teaching building (built in 1964 with 3,482 square feet) to provide adequate site for the construction of the approximately 5,000 square-foot addition on the Student Health Services building. The project would be financed from indebtedness to be repaid from a new \$50 debt service fee. The proposed debt service fee was approved by the UNCP Board of Trustees with student participation, as required by the Board's tuition and fee policy.

Western Carolina UniversityWalker Residence Hall Expansion and Renovation – \$17,289,000

This project would renovate and expand Walker Residence Hall (built in 1972 with 70,700 square feet). Renovation to the existing facility would include improvements to mechanical, electrical and plumbing systems, installation of air conditioning, and life safety and accessibility upgrades. The 10,500 square-foot addition would provide classrooms, faculty offices and office space for Student Affairs and Residential Living. The project would be financed from indebtedness to be repaid from housing receipts. The debt coverage ratio for WCU's housing system for 2008-09 was 3.27x and 2.67x in 2009-10. With the issuance of this debt, the ratio would remain above 1.60x.

Projects recommended for Advance Planning only:

The Board of Governors is asked to review and approve projects funded from non-General Fund sources for advance planning only. This process will allow the Chancellors and campuses to hire external experts to help with the initial planning, sizing, and cost-estimating process for future non-General Fund requests. This process will save time and money by reducing the time period from final approval for legislative consideration and construction.

The University of North Carolina at Chapel HillMary Ellen Jones Renovation Phase 1 – Advance Planning

This project would renovate 81,617 square feet on four floors of Mary Ellen Jones Building (built in 1978 with 223,994 square feet in 11 floors). Work would include improvements to the first floor large animal vivarium and the BioSafetyLab-3 labs on floors 9, 10 and 11. Work would include improvements to building mechanical, electrical, plumbing, and laboratory exhaust systems. Laboratory equipment and new architectural finishes would be provided as part of this renovation. Estimated to cost \$50,000,000, Advance Planning authorization of \$4,000,000 to be financed from indebtedness to be repaid from Facilities and Administrative receipts would be requested during the 2011 Session.

Research Building at Carolina North – Advance Planning

This project would construct a new 225,000 square-foot research building at Carolina North for the Institute for the Environment, Biostatistics, Epidemiology, Frank Porter Graham Child Development Institute, Highway Safety Research Center, Injury Prevention Research Center, Institute on Aging, North Carolina Institute for Public Health and the Sheps Center for Health Services Research. Currently in leased space in multiple locations across the region, housing all of the entities in one location would allow for more interdisciplinary interaction and more interaction with the main campus due to the convenient location. Estimated to cost \$72,568,225, Advance Planning authorization of \$6,000,000 to be financed from indebtedness to be repaid from Facilities and Administrative receipts would be requested during the 2011 Session.

The University of North Carolina at CharlotteNew Residence Hall Phase XII – Advance Planning

This project would build a 608-bed residence hall that is needed due to the growth of the university. A combination of both apartment and suite-style room arrangements would be incorporated. The building would be built using LEED elements to be environmentally and energy efficient. Each floor would include a classroom, laundry rooms, lounge, multi-purpose room and wireless internet access in the common areas. This would be a free-standing structure located at the East Student Housing Village. The building would have required accessibility and service vehicle parking and be designed and constructed to a LEED certified standard and in accordance with provisions of SL 2007-546 (SB668). Estimated to cost \$38,407,410, Advance Planning authorization of \$3,840,741 to be funded from housing receipts would be requested during the 2011 Session.

Cedar, Hickory and Sycamore Residence Hall Renovation – Advance Planning

This project would renovate the 248-bed Cedar, Hickory, and Sycamore residence hall complex (built in 1981 and totaling 66,312 square feet) on the east side of campus. Work would include updating the mechanical, electrical, plumbing and telecom systems and modernizing the interior finishes and furnishings. Work would also include window and roof replacement and needed accessibility improvements. Estimated to cost \$7,500,000, Advance Planning authorization of \$750,000 to be funded from housing receipts would be requested during the 2011 Session.



Master Plan for
UNCG's Mixed-Use Village
December 2, 2010