

APPENDIX W

RESOLUTION SUPPORTING THE CONSTRUCTION AND OPERATION OF AN EXECUTIVE CONFERENCE CENTER/HOTEL AND GOLF COURSE ON THE CENTENNIAL CAMPUS OF NORTH CAROLINA STATE UNIVERSITY

WHEREAS, North Carolina State University is among the top-ranked universities in the country in terms of its partnerships with industry and government; and

WHEREAS, under the guidance and leadership of the Board of Trustees and administration of North Carolina State University, the Centennial Campus has experienced tremendous growth and is an international success story; and

WHEREAS, North Carolina State University's Centennial Campus is home to over 60 corporate and government partner organizations working with university programs and provides over 1,500 jobs to tax-paying citizens of North Carolina; and

WHEREAS, the Centennial Campus Executive Conference Center/Hotel and Golf Course has been planned to carry out the North Carolina State University's mission; and

WHEREAS, the proposed Executive Conference Center/Hotel and Golf Course on the Centennial Campus of North Carolina State University is a capstone component of the Campus's Master Plan and has been since the mid-1980s; and

WHEREAS, the Board of Trustees of North Carolina State University, after careful study and consideration of both the project's risks and rewards, is proceeding with a plan to use the NC State University Partnership Corporation, organized for the purpose of supporting the University, to form a Limited Liability Corporation to construct, own, and hire a management company to operate the conference facility; and

WHEREAS, North Carolina State University has exercised due diligence and has carefully researched and evaluated the feasibility of this project, and, during this effort, sought, received, and followed the advice of expert consultants and financial advisors, including PFK, HVS International, Lehman Brothers and others; and

WHEREAS, North Carolina State University will not seek State funding to support the construction or operation of the facility; and

WHEREAS, the Board of Trustees of North Carolina State University at Raleigh has been delegated the general oversight and supervision of the University and, after studying the project carefully, has unanimously voted in support of the Centennial Campus Executive Conference Center/Hotel and Golf Course under the following conditions:

- That the project proceed in a manner consistent with the recommendations of the HVS International report, and
- That the opening be delayed until at least the first quarter of 2005, and
- That value engineering recommendations and corresponding cost reductions be implemented, and
- That the University pursue gifts, sponsorship and naming opportunities to generate revenue in support of the project, and
- That the financial projections that demonstrate project feasibility be regularly reevaluated and that significant economic events be examined carefully to determine the effects of the events on the project, and
- That a professional management firm be hired from the private sector to operate the facility, and
- That no State appropriations, no tuition payments, no restricted funds and no special facilities revenues be used to support the project; and

**RESOLUTION SUPPORTING THE CONSTRUCTION AND OPERATION OF AN
EXECUTIVE CONFERENCE CENTER/HOTEL AND GOLF COURSE ON THE
CENTENNIAL CAMPUS OF NORTH CAROLINA STATE UNIVERSITY (continued)**

WHEREAS, the Board of Governors has previously approved a resolution authorizing North Carolina State University to purchase room nights and conference space in the hotel/conference center if needed to meet annual debt service coverage requirements as required by bond covenants; and

WHEREAS, the Board of Governors has previously authorized North Carolina State University to lease land on the Centennial Campus to the NC State Conference Center LLC, for the purpose of constructing and operating the facility; and

WHEREAS, the Executive Conference Center/Hotel and Golf Course project is estimated to cost \$70.8 million, of which \$66.5 million will be from the issuance of taxable bonds.

NOW, THEREFORE, BE IT RESOLVED that the Board of Governors authorizes North Carolina State University to proceed with securing the necessary reviews and approvals for the construction and operation of the Centennial Campus Executive Conference Center/Hotel and Golf Course as recommended by the Board of Trustees of North Carolina State University;

AND, BE IT FURTHER RESOLVED that North Carolina State University will provide, within five years from the initial date of borrowing, \$12 million from gifts, grants, and project savings, to reduce outstanding debt of the Limited Liability Corporation to a balance not to exceed \$54.5 million; and

BE IT FURTHER RESOLVED that the Chancellor will report semi-annually to the President on the project's progress and financial status, including progress made in reducing the outstanding indebtedness to \$54.5 million.