

APPENDIX AA

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. The 1999 General Assembly, at the request of the Board, authorized non-appropriated capital improvements projects totaling \$313 million to be financed from available balances in University accounts or from the sale of bonds to be repaid from University receipts. The 2000 General Assembly approved another \$82 million in project authorizations. The 2001 General Assembly approved \$204 million in project authorizations. These authorizations were additional steps in implementing the Board's ten-year capital plan for those projects to be funded from non-appropriated funds.

The University is now ready to proceed with the fourth year of the plan for projects to be funded from non-State resources. When appropriate, constituent institutions will use the authority granted by the 2000 General Assembly for the Board of Governors to issue special obligation bonds, which are retired from all available revenues excluding tuition and State appropriations. It is generally believed that the use of special obligation bonds enhance credit ratings and lead to bond issue savings through more competitive rates of interest. Following are descriptions of each project including the source of funds. 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 26 capital improvements projects (or project supplements) at ten institutions totaling \$347,420,250 for authorization and method of financing. It is further recommended that the Board approve methods of financing for seven capital improvements projects partially funded from the 2000 Higher Education Bond Program totaling \$51,263,400. The projects would then be forwarded to the General Assembly for authorization during the 2002 Session.

AUTHORIZATION FOR APPROVAL AND METHOD OF FINANCING

Appalachian State University

Residence Hall Comprehensive Renovations – \$12,000,000

This project would include the comprehensive renovation of White and Lovill Residence Halls including the replacement of electrical, plumbing, HVAC systems, and all room and lobby upgrades. This is phase II in a 5-year plan to air condition and renovate residence halls on campus. The project would be financed from long-term indebtedness to be repaid from housing receipts.

East Carolina University

West End Central Utility Plant – \$3,357,000

This project would provide for a central utility plant to serve the West End Dining Hall and four residence halls on campus. The Central Utilities Plant would include a central chiller to provide air conditioning to the dining facility and four residence halls (Fletcher, Greene, Clement, and White) that are currently un-air conditioned. The project would also include the cost of bringing steam to the site for heat and the relocation of a high voltage line. A central utility plant would meet heating and cooling demands of the residence and dining facilities more economically than the cost of stand-alone equipment in each building. The project would be funded from long-term indebtedness to be repaid from housing and dining receipts.

Clement Residence Hall - Air Conditioning – \$2,833,000

Clement Residence Hall is a 10-story high-rise residence hall that is not currently air-conditioned. This project will provide for the installation of a cooling system utilizing central campus steam for heating and chilled water from the West End Central Utility Plant. The project would be financed from long-term indebtedness to be repaid from housing receipts.

Elizabeth City State University

Renovation of Campus Dining Facility – \$1,178,000

This project would upgrade the principal dining facility on campus by replacing the existing serving line with food-court preparation and serving stations. This change is consistent with dining choices made available on other campuses and reflects students' preferences for flexibility in food service. The project would be financed from long-term indebtedness to be repaid from food service receipts.

Fayetteville State University

Athletic Facilities Improvements – \$2,766,550

This project would include the renovation of the football stadium seating on the east, north and south sides of the stadium and construction of new restroom and snack bar facilities. The project includes a press box atop the east seating area and connection to the basketball arena.

Improvements would provide better handicap access. New coaches' offices, a conditioning facility, a trainer's station, storage and a first aid station will also be constructed under the east seating area. The project also includes fencing, landscape, lighting, scoreboard and sound system upgrades for the sports complex. The project would be financed from long-term indebtedness to be repaid from athletic receipts, private gifts, and a student debt service fee of \$95 per year.

North Carolina State University

Soccer, Track, and Softball Complex – \$4,500,000

This project would include the relocation of the Soccer Complex to the Derr Track location, expansion of the bleachers for track meets and soccer matches, and construction of a softball field and associated space to house the Women's Softball program. The project would be financed from long-term indebtedness to be repaid from athletic receipts.

Fire Safety Residence Halls – \$1,300,000

This request is the next phase of the plan to completely install sprinklers in residence halls. The project would be financed from long-term indebtedness to be repaid from housing receipts.

North Carolina State University (continued)

University Apartments for Student Housing – \$77,260,700

This request is for construction of 1,200 beds of apartment-style residence halls to accommodate enrollment growth. The residence halls would provide single-occupancy rooms, private baths and some community spaces, study rooms and laundry areas. The cost for the project includes site work and utilities infrastructure, totaling \$2.7 million. The project would be financed from long-term indebtedness to be repaid from housing receipts.

Parking Expansion Projects – \$1,000,000

This project provides for the expansion of parking facilities on the Centennial Campus for park and ride operations. This additional parking will augment existing park and ride facilities and help to achieve the parking goals established in the campus Master Plan. The project would be financed from long-term indebtedness to be repaid from parking receipts.

University of North Carolina at Chapel Hill

208 West Franklin Street – \$4,000,000

This project would provide a purchased facility for administrative office space currently provided by leased space. The University has determined that the purchased facility offers economies not available through the leased space including expansion possibilities. The project would be financed from long-term indebtedness to be repaid from private gifts.

Kenan, McIver, Alderman Residence Hall Renovations – \$10,500,000

This project would involve the complete renovation of these residence halls built in the 1930s. Renovation would include central air conditioning, code compliance and sprinkler systems. The project would be financed from long-term indebtedness to be repaid from housing receipts.

Residence College Phase II – \$46,500,000

This project would provide new residence halls to house 1,000 students. The project includes four units in close proximity to existing residence halls on south campus. The project would be financed from long-term indebtedness to be repaid from housing receipts.

School of Medicine Research Facilities – \$77,700,000

This project would provide a 220,000 square foot facility with wet labs, laboratory animal facilities, imaging facilities and associated office and support activities. The project would also include housing and associated space for laboratory animals. The project would be financed from long-term indebtedness to be repaid from facilities and administrative receipts.

University of North Carolina at Chapel Hill (continued)

Ramshead Development-Supplement – \$12,800,000

This request would supplement the project approved by the 2001 Session of the General Assembly for a mixed-use facility providing parking, dining, and recreation services to students. The supplemental funds would provide for storm-water management and steam distribution across the site. The Ramshead project approved by the 2001 Session of the General Assembly is financed by long-term indebtedness to be repaid from parking and dining receipts, student debt fees, and gifts to the University. The recreation fee increase will be between \$30 and \$40 per year.

Hot Water Replacement-Phase II – \$5,000,000

This project would provide for the replacement of underground hot water/steam piping to residence halls and classroom buildings on north campus. The project would be financed from the utilities trust fund.

University of North Carolina at Charlotte

Residence Hall, Phase 8 – \$22,000,000

This project would construct a 500-bed residence hall on campus. It would be located near existing residence halls. The project would be financed from long-term indebtedness to be repaid from housing receipts.

Brocker Health Center – \$7,150,000

This project would construct a new 23,700 square foot student health center in an area centrally located on campus. It will replace an outdated facility that is located away from the planned residential area of campus. The campus considered renovating the existing facility but determined that the difference in cost for renovating the existing facility versus building a new facility was not significant when balanced against the increased functionality and other advantages of a new center. Included among the advantages of a new center are future expansion capability (precluded on the existing site) and the proximity of the new facility to the primary residence area of the campus. The project would be financed from long-term indebtedness to be repaid from balances available in health services accounts and a debt service fee of up to \$14 per student per year.

Parking Deck G – \$8,300,000

This structure would provide a 600-vehicle parking facility for students, staff and faculty. It will increase the total on-campus parking spaces to approximately 10,300. Present enrollment exceeds 18,000 students. The project would be financed from long-term indebtedness to be repaid from parking receipts.

University of North Carolina at Pembroke

Surface Parking Lot – \$275,000

This project would provide for the construction of a new parking lot on campus. The addition of roughly 160 parking spaces helps to address the increasing demand for parking due to increased student enrollment. The project would be financed from long-term indebtedness to be repaid from parking receipts.

University Center Expansion – \$3,000,000

This project would provide for the addition of a 500-seat dining facility, meeting space, offices, and storage space. The project would be financed from a University Center debt service fee of \$80 per year.

Improvements to Student Recreation Facilities – \$600,000

This project would provide upgraded facilities for students including air conditioning the gymnasium, adding bleachers and storage facilities, and other recreation space. The project would be financed from an increase in the Student Recreation debt service fee of \$16 per year.

University of North Carolina at Wilmington

University Union Building Expansion and Renovation – \$22,400,000

This project would expand the current University Union to accommodate enrollment growth. The expansion would include the university bookstore, student personal and financial services, printing service, and dining facility. This project would be financed from long-term indebtedness to be repaid from dining receipts, bookstore receipts, and a student union debt fee of \$115 per year.

Surface Parking – \$3,000,000

This project would provide a 650-space surface parking lot to meet parking demand on campus from increased enrollment. The surface parking lot would include curb and gutter, lighting, emergency call boxes, and fencing. The project would be financed from long-term indebtedness to be repaid from parking receipts.

Wagoner Hall Renovations – \$4,000,000

This project would support the renovation requirements for a dining facility. Wagoner Hall needs structural repairs and other renovations. The project would be financed from long-term indebtedness to be repaid from food service receipts.

University of North Carolina at Wilmington (continued)

Residence Hall Renovations - \$6,000,000

This project would provide for repairs and renovations to residence halls and life safety improvements in residence halls on campus including sprinklers and code compliance. The residence halls include Belk, Galloway, Graham and Hewlett. The project would be financed from long-term indebtedness to be repaid from housing receipts.

Western Carolina University

Hospitality Management Center - \$8,000,000

This project would provide for the construction of a 34,000 square foot facility to accommodate the education of hospitality management students. The building will provide facilities for teaching restaurant service and management, conference planning and implementation, and hotel and club management. The project would be financed from a Federal grant through the Small Business Administration.

AUTHORIZATION FOR METHOD OF FINANCING
(Projects previously approved through the
2000 Higher Education Bond Program)

The following projects were authorized by the General Assembly in the 2000 Higher Education Bond Program. These projects were partially funded from other receipts. It is recommended that the Board approve the method of financing for the receipts portion of the following projects.

North Carolina State University

College of Engineering-Phase II – \$8,000,000

This project would be financed from long-term indebtedness to be repaid from facilities and administrative receipts and Engineering Foundation funds.

College of Veterinary Medicine Research Lab Building – \$14,584,000

This project would be financed from long-term indebtedness to be repaid from facilities and administrative receipts and the Veterinary Practice Plan and other receipts.

Centennial Campus Research Buildings-Supplemental Authority – \$4,064,000

This project would be financed from long-term indebtedness to be repaid from Centennial Campus receipts.

University of North Carolina at Chapel Hill

Carrington Hall Addition – \$2,077,900

This project would be financed from long-term indebtedness to be repaid from private gifts.

Science Complex Phase I – \$18,037,500

This project would be financed from long-term indebtedness to be repaid from private gifts.

University of North Carolina at Pembroke

Auxiliary Services Complex and Student Bookstore – \$1,500,000

This project would be financed from bookstore receipts and a student services debt fee of \$40 per year.

University of North Carolina at Wilmington

Westside Building Expansion – \$3,000,000

This project would be financed from long-term indebtedness to be repaid from a student debt service fee of \$20 per year.