

Approval of 2025-26 Self-Liquidating Capital Improvement Projects

ISSUE OVERVIEW

Non-appropriated capital projects are financed by the university and include the construction, repair, or renovation of facilities such as residence halls, dining facilities, research buildings, athletic facilities, and student health buildings. Legislative approval is required for the issuance of debt; these “self-liquidating” capital projects are approved by the legislature after the passage of the Appropriations Act. These projects, if approved by the University of North Carolina Board of Governors, are submitted for legislative action. Legislative approval is not required for non-appropriated capital projects that do not require debt issuance.

Project	Total	Cash/GO Bond/ Other	Debt	Source of Funds
University of North Carolina at Chapel Hill				
Electrical Distribution System (EDS) – Electrical Substations and Switchgear Upgrade	\$14,581,920	\$0	\$14,581,920	Utility receipts
Fetzer Hall Addition for Campus Recreation	\$120,000,000	\$30,000,000	\$90,000,000	Donations, trust funds, student recreation debt service fee
<i>UNC-CH Subtotal</i>	<i>\$134,581,920</i>	<i>\$30,000,000</i>	<i>\$104,581,920</i>	
University of North Carolina Wilmington				
Parking Deck III	\$15,000,000	\$3,000,000	\$12,000,000	Parking receipts
Student Housing Village - Phase III	\$71,002,458	\$0	\$71,002,458	Housing receipts
<i>UNCW Subtotal</i>	<i>\$86,002,458</i>	<i>\$3,000,000</i>	<i>\$83,002,458</i>	
Grand Total	\$220,584,378	\$33,000,000	\$187,584,378	

ADDITIONAL DETAILS

University of North Carolina at Chapel Hill

Project: Electrical Distribution System (EDS) – Electrical Substations and Switchgear Upgrades

Total Cost: \$14,581,920

Debt issuance: \$14,581,920

Description: The project scope includes consolidating the emergency substation bus connection among three substations. This emergency connection will be used to interconnect substations to provide an electrical backfeed among all three substations, providing an additional layer of needed resiliency to the internal grid. Additionally, the Cameron Station Bus B switchgear will be upgraded. This switchgear is at the end of its useful life and will need to be upgraded with new equipment to prevent unanticipated electrical failures.

Funding: The funding source is utility receipts.

Project: Fetzer Hall Addition for Campus Recreation

Total Cost: \$120,000,000

Debt issuance: \$90,000,000

Description: This project will address a significant deficiency in the quantity and quality of recreation and wellness space on the UNC-Chapel Hill campus. The project includes constructing an estimated 80,000-square-foot addition to Fetzer Hall, along with renovating 60,000 square feet of existing space.

Funding: The funding sources include \$10,000,000 in donations and pledges, \$5,000,000 in existing trust funds, and \$15,000,000 of student recreation debt service fees received during construction. The remaining funding will be from a new student recreation debt service fee.

University of North Carolina Wilmington

Project: Parking Deck III

Total Cost: \$15,000,000

Debt issuance: \$12,000,000

Description: The project includes construction of a new 500-space elevated parking deck, surface lot parking refurbishment and expansion, roadway improvements, and related improvements to address student, prospective student, employee, visitor, and community parking needs.

Funding: The funding source is parking receipts.

Project: Student Housing Village – Phase III

Total Cost: \$71,002,458

Debt issuance: \$71,002,458

Description: The project concept is a nominal 130,000 GSF residence hall with approximately 525 beds including space for related support services. The facility will serve first-year students in pod-style community accommodations.

Funding: The funding source is housing receipts.

RECOMMENDATION

It is recommended that the Board of Governors approve the submittal of the self-liquidating capital projects for legislative approval of debt issuance.