

AGENDA ITEM

C-4. 2017 Non-Appropriated Capital Improvements Projects Jonathan Pruitt

Situation: Non-appropriated capital projects are financed by the University, and require legislative approval for the issuance of debt. For 2017, six institutions are requesting approval for 14 capital improvements projects totaling \$348,512,503 and requiring aggregate debt issuance of \$238,230,306.

With Board approval, these projects will be forwarded to the General Assembly for authorization during the 2017 legislative session.

Background: On an annual basis, the Board considers campus proposals for projects funded from non-appropriated sources requiring the issuance of long-term debt and associated changes to student debt service fees.

If approved, a detailed financial plan will be reviewed in consultation with financial advisors and bond counsel before bonds are issued and construction contracts are awarded. The Board will receive subsequent requests for approval for the issuance of bonds for these projects.

Assessment: All projects comply with G.S. 143C (State Budget Act) and all associated fees comply with the guidelines set forth in the Four-Year Plan for Tuition and Fees. There are no new debt service or student fees proposed.

Action: This item requires a vote by the committee and a vote by the full Board of Governors.

Authorization of Capital Improvements 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. 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
East Carolina University				
Dowdy-Ficklen Stadium Southside Renovation	55,000,000	-	55,000,000	Athletic Receipts
<i>ECU Subtotal</i>	<i>\$55,000,000</i>	<i>\$0</i>	<i>\$55,000,000</i>	
Elizabeth City State University				
Demolition of Hugh Cale and Doles Halls	611,294	-	611,294	Housing Receipts
Renovation of Bias Hall	4,522,272	-	4,522,272	Housing Receipts
Renovation of Butler Hall	3,790,242	-	3,790,242	Housing Receipts
Demolition of Complex A-G Buildings	576,192	-	576,192	Housing Receipts
Update Master Plan	500,000	-	500,000	Housing Receipts
<i>ECSU Subtotal</i>	<i>\$10,000,000</i>	<i>\$0</i>	<i>\$10,000,000</i>	
North Carolina Central University				
Baynes Residence Hall Renovations	12,207,319	5,665,198	6,542,121	Housing Receipts
<i>NCCU Subtotal</i>	<i>\$12,207,319</i>	<i>\$5,665,198</i>	<i>\$6,542,121</i>	
UNC Chapel Hill				
Indoor Practice Facility and Fetzer Field	55,000,000	25,000,000	30,000,000	Fundraising/Educational Foundation Bond
Media and Communication Studio (Athletics)	10,000,000	-	10,000,000	Athletic Receipts

Project	Total (\$)	Cash/ GO Bond/ Other (\$)	Debt (\$)	Source of Funds
UNC Chapel Hill continued				
DLAM Renovations (swing space for Berryhill Hall) & AAALAC Certification	22,340,000	450,000	21,890,000	F&A Receipts
Kenan Labs - Renovations to Labs 7A,7B,7C,8B, & 8C for Applied Physical	15,850,000	8,167,000	7,683,000	F&A, R&R, State Appropriation
Medical Education Building	90,600,000	68,000,000	22,600,000	Clinical Tax on UNC FP/F&A
<i>UNC-CH Subtotal</i>	<i>\$193,790,000</i>	<i>\$101,617,000</i>	<i>\$92,173,000</i>	
UNC Greensboro				
Spartan Village - Phase II	50,900,000	-	50,900,000	Housing and Dining Revenues
<i>UNCG Subtotal</i>	<i>\$50,900,000</i>	<i>\$0</i>	<i>\$50,900,000</i>	
Western Carolina University				
Parking Deck Facility	26,615,185	3,000,000	23,615,185	Parking Receipts
<i>WCU Subtotal</i>	<i>\$26,615,185</i>	<i>\$3,000,000</i>	<i>\$23,615,185</i>	
Grand Total	\$348,512,504	\$110,282,198	\$238,230,306	

ADDITIONAL DETAIL

East Carolina University

Project: Dowdy-Ficklen Stadium Southside Renovation

Total Cost: \$55,000,000

Description: The Southside Renovation Project replaces press and operations facilities which are almost 40 years old, adds premium seating, renovates the west end zone area to provide a field-level experience, creates a premium tailgating experience, adds an indoor hitting facility, and renovates two athletics buildings.

Funding: The funding source for this improvements project is athletic receipts generated by revenue from sale of premium seats. The project also has a philanthropic component some of which will provide a fiscal cushion in the event net premium seat revenue is insufficient to pay annual bond payments.

Elizabeth City State University

Project: Demolition of Hugh Cale and Doles Halls
Total Cost: \$611,294
Description: This project demolishes Hugh Cale Hall and Doles Hall, three-story residence halls, built in 1956.
Funding: The funding source for this improvements project is housing receipts.

Project: Renovation of Bias Hall
Total Cost: \$4,522,272
Description: This project renovates Bias Hall, a three-story residence hall on the national historic register, built in 1938.
Funding: The funding source for this improvements project is housing receipts.

Project: Renovation of Butler Hall
Total Cost: \$3,790,242
Description: This project renovates Butler Hall, built in 1926, a three-story residence hall with an addition constructed in 1994 doubling the original size.
Funding: The funding source for this improvements project is housing receipts.

Project: Demolition of Complex A-G
Total Cost: \$576,191
Description: This project demolishes seven (7) buildings, Complex Unit A - Complex Unit G.
Funding: The funding source for this improvements project is housing receipts.

Project: Update Master Plan
Total Cost: \$500,000
Description: This updates the university master plan, last updated in 2004.
Funding: The funding source for this improvements project is housing receipts.

North Carolina Central University

Project: Baynes Residence Hall Renovations
Total Cost: \$12,207,319
Description: This project renovates Baynes Residence Hall, a 400-bed, nine-story residence hall, built in 1966.
Funding: The funding source for this improvements project is housing receipts.

The University of North Carolina at Chapel Hill

Project: Indoor Practice Facility and Fetzer Field

Total Cost: \$55,000,000

Description: This project provides a new indoor practice and training facility to accommodate a new indoor full-sized artificial field to be used by multiple varsity athletic programs. In addition, there will be two new lighted outdoor fields, one natural turf and one artificial turf. The facility will also be available for scheduled use by University and community groups.

Funding: The funding source for this improvements project is fundraising and educational foundation bond.

Project: Media and Communication Studio (Athletics)

Total Cost: \$10,000,000

Description: This project provides a broadcast center to produce a significant number of events on the ACC Network through broadcasts across all production levels: linear television, digital online, extra, and video boards.

Funding: The funding source for this improvements project is athletic receipts.

Project: DLAM Renovations

Total Cost: \$22,340,000

Description: This project makes way for the new Connect NC 2015 bond-funded Medical Education Building, relocating the existing Berryhill Hall vivarium functions to various DLAM facilities on campus.

Funding: The funding source for this improvements project is F&A receipts.

Project: Kenan Labs - Renovations to Labs

Total Cost: \$15,850,000

Description: This project renovates five laboratories for the department of Applied Physical Sciences (APS).

Funding: The funding source for this improvements project is F&A receipts, R&R, and state appropriation.

Project: Medical Education Building

Total Cost: \$90,600,000

Description: As part of the Connect NC 2015 bond program, this project will construct a new Medical Education building to address deficiencies and replace Berryhill with a new facility, allowing the Medical Education program to compete with top medical schools across the country.

Funding: The funding source for this improvements project is clinical tax on UNC Faculty Practice and F&A receipts.

The University of North Carolina at Greensboro

Project: Spartan Village - Phase II

Total Cost: \$50,900,000

Description: UNC Greensboro will acquire from the Capital Facilities Foundation, Inc. this 212,000 square-foot residence hall. It will provide 330 apartment style beds and 26,000 square feet of mixed use space focusing on student services. The project includes land acquisition and parking.

Funding: The funding source for this improvements project is housing and dining revenues.

Western Carolina University

Project: Parking Deck Facility

Total Cost: \$26,615,185

Description: The new parking structure consists of up to 1,200 spaces and will incorporate 30,000 additional square feet to house relocated parking administration and campus police functions.

Funding: The funding source for this improvements project is parking receipts.

2017

Credit Rating

2018

	Current					Current Indebtedness	Debt Capacity
	Indebtedness	Debt Capacity	Moody's	S&P	Fitch		
ASU	210,896,229	74,439,267	Aa3	-	-	199,736,014	84,307,258
ECU	343,010,047	277,403,330	Aa2	AA-	-	328,820,186	275,419,804
ECSU	26,445,000	(2,434,339)	Baa1	-	-	25,350,000	(955,168)
FSU	54,089,000	(7,422,373)	-	A-	A+	52,785,000	(5,418,374)
NCA&T	100,700,000	47,809,780	A1	-	A+	98,005,000	52,880,936
NCCU	76,127,000	13,903,118	A3	-	-	75,018,000	(28,416,850)
NCSU	448,105,000	430,736,461	Aa1	AA	-	433,595,000	462,338,534
UNCA	39,298,400	(6,504,130)	A1	-	-	36,918,100	(2,859,522)
UNC-CH	1,313,920,000	506,278,667	Aaa	AAA	AAA	1,284,125,000	508,980,846
UNCC	498,390,000	150,043,750	Aa3	A+	-	482,425,000	169,323,070
UNCG	283,891,000	148,539,238	Aa3	A+	-	272,371,000	166,978,122
UNCP	50,590,000	23,457,601	-	A-	-	48,210,000	27,022,362
UNCW	199,611,478	139,761,171	Aa3	-	-	192,168,886	152,633,726
UNCSA	4,806,000	29,764,625	-	-	-	4,498,000	30,625,755
WCU	117,350,000	62,485,094	Aa3	-	-	112,950,000	70,530,456
WSSU	78,660,000	4,134,827	A3	A-	-	76,060,000	(5,989,770)

Current
IndebtednessPrincipal Balance for
Outstanding Debt as of
2017

Debt Capacity

Debt Capacity calculated
for 2017Principal Balance for Outstanding
Debt as of 2018

Debt Capacity calculated for 2018