

January 23, 2018 at 2:00 p.m.  
University of North Carolina General Administration  
Spangler Center, Board Room  
Chapel Hill, North Carolina

## AGENDA

- A-1. [Approval of the Minutes of December 12 and December 15, 2017](#) ..... Temple Sloan
- A-2. [Acquisition of Property by Deed – ECU](#) ..... Will Johnson
- A-3. [Capital Improvement Projects – ECU, NCSU, UNC-CH, and UNCP](#) ..... Will Johnson
- A-4. [Disposition of Property by Demolition – UNCC](#) ..... Will Johnson
- A-5. [Disposition of Property by Easement – UNCP](#) ..... Will Johnson
- A-6. [Exchange of Property – NCSU](#) ..... Will Johnson
- A-7. [Sale of Special Obligation Bonds – WCU](#) ..... Rick Whitfield
- A-8. Adjourn

## DRAFT MINUTES

December 12, 2017

University of North Carolina General Administration

Spangler Center, Board Room

Chapel Hill, North Carolina

This meeting of the Committee on Budget and Finance was presided over by Chair Temple Sloan. The following committee members, constituting a quorum, were also present in person or by phone: Kellie Hunt Blue, Carolyn Coward, Walter Davenport, Tom Fetzer, Bob Rucho, and Harry Smith.

Chancellor participating was Carol Folt. Vice Chancellor Robert Pompey participated on behalf of Chancellor Harold Martin.

Staff members present included Jonathan Pruitt and others from General Administration.

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### 1. Call to Order and Approval of Open Session Minutes (Item A-1)

Chair Sloan called the meeting to order at 2:35 p.m., on Tuesday, December 12, 2017, and called for a motion to approve the open session minutes of October 31, November 2, and November 29, 2017.

Walter Davenport requested that the minutes be amended to state that he was present at the November 29, 2017 meeting.

**MOTION:** Resolved, that the Committee on Budget and Finance approve the open minutes of October 31, November 2, and November 29, 2017, as amended.

**Motion:** Bob Rucho

**Motion carried**

### 2. Capital Improvement Project – ASU (Item A-2)

Will Johnson presented Appalachian State University's request for advance planning of a capital improvement project that would require demolition of Owens Fieldhouse, previously approved by the Board in 2004. This improvement would enhance Kidd Brewer Stadium, with an anticipated total project cost of \$38.2 million.

With Board approval, this project would be reported to the Office of State Budget and Management as a non-appropriated project that does not require any additional debt or burden on state appropriations.

**MOTION:** Resolved, that the Committee on Budget and Finance approve ASU's request of the capital improvement project and recommend it to the full Board of Governors for a vote through the consent agenda.

**Motion:** Bob Rucho

**Motion carried**

**3. Capital Improvement Projects – ASU, ECU, NCCU, NCSU, UNCA, UNC-CH, UNCC, UNCG, and WSSU (Item A-3)**

Mr. Johnson also presented a total of twenty-two capital improvement projects at nine constituent institutions: two projects for advance planning, eighteen new projects for authority, and two projects for increased authorization.

**I. ADVANCE PLANNING**

Institution/Project Title		Total Project Cost (\$)	Previous Authorization (\$)	Requested Authorization (\$)	Funding Source
<b>North Carolina State University</b>					
1.	Creamery Café and Education Center (\$1,200,000)	\$100,000	-	\$100,000	Gifts
<i>NCSU Subtotal</i>		<i>\$100,000</i>	<i>\$0</i>	<i>\$100,000</i>	
<b>University of North Carolina at Charlotte</b>					
2.	Residence Hall Phase XVI (\$58,500,000)	\$5,850,000	-	\$5,850,000	Housing Receipts
<i>UNCC Subtotal</i>		<i>\$5,850,000</i>	<i>\$0</i>	<i>\$5,850,000</i>	

**II. NEW PROJECTS**

Institution/Project Title		Total Project Cost (\$)	Previous Authorization (\$)	Requested Authorization (\$)	Funding Source
<b>Appalachian State University</b>					
3.	Appalachian Heights HVAC Upgrade	\$1,650,000	-	\$1,650,000	Housing Receipts
4.	Doughton Residence Hall Roof Replacement	\$350,000	-	\$350,000	Housing Receipts
5.	Plemmons Student Union Roof Replacement	\$449,972	-	\$449,972	Trust Funds
<i>ASU Subtotal</i>		<i>\$2,449,972</i>	<i>\$0</i>	<i>\$2,449,972</i>	

Institution/Project Title		Total Project Cost (\$)	Previous Authorization (\$)	Requested Authorization (\$)	Funding Source
<b>East Carolina University</b>					
6.	Main Campus – Replacement Condensate Line Between Manholes MH-2 and MH-8	\$1,450,000	-	\$1,450,000	Carry-forward
7.	Reline Storm Sewer – 5th Street to Greenmill Run	\$490,000	-	\$490,000	Carry-forward
8.	Warren Life Sciences Building – Section A Roof Replacement	\$425,000	-	\$425,000	Carry-forward
<i>ECU Subtotal</i>		<i>\$2,365,000</i>	<i>\$0</i>	<i>\$2,365,000</i>	
<b>North Carolina Central University</b>					
9.	University Master Plan	\$700,000	-	\$700,000	Trust Funds
<i>NCCU Subtotal</i>		<i>\$700,000</i>	<i>\$0</i>	<i>\$700,000</i>	
<b>North Carolina State University</b>					
10.	Network Lab Renovation & Expansion – Avent Ferry Technology Center	\$485,000	-	\$485,000	Trust Funds
<i>NCSU Subtotal</i>		<i>\$485,000</i>	<i>\$0</i>	<i>\$485,000</i>	
<b>University of North Carolina at Asheville</b>					
11.	Reed Plaza Renovation	\$971,180	-	\$971,180	Housing Receipts
<i>UNCA Subtotal</i>		<i>\$971,180</i>	<i>\$0</i>	<i>\$971,180</i>	
<b>University of North Carolina at Chapel Hill</b>					
12.	Carmichael Residence Hall Deck	\$849,660	-	\$849,660	Housing Receipts
13.	Institute of Marine Sciences Fisheries Research Lab & Maintenance Facility Lab Renovation	\$380,598	-	\$380,598	F&A
14.	Joyner Residence Hall HVAC Improvements and Window Replacements	\$6,616,825	-	\$6,616,825	Housing Receipts
15.	Kenan Stadium – Fire Alarm Upgrades	\$1,060,000	-	\$1,060,000	Athletic Receipts
<i>UNC-CH Subtotal</i>		<i>\$8,907,083</i>	<i>\$0</i>	<i>\$8,907,083</i>	
<b>University of North Carolina at Charlotte</b>					
16.	Atkins Air Handler (AHU)	\$1,600,000	-	\$1,600,000	Carry-forward
17.	Craver Rd. Hot Water Supply / Return	\$400,000	-	\$400,000	Carry-forward
18.	Student Government Office Renovations	\$1,200,000	-	\$1,200,000	Student Union Fee Receipts
<i>UNCC Subtotal</i>		<i>\$3,200,000</i>	<i>\$0</i>	<i>\$3,200,000</i>	

Institution/Project Title		Total Project Cost (\$)	Previous Authorization (\$)	Requested Authorization (\$)	Funding Source
<b>The University of North Carolina at Greensboro</b>					
19.	Parking Deck Repairs – Campus-wide	\$3,000,000	\$300,000	\$2,700,000	Parking Receipts
<i>UNCG Subtotal</i>		<i>\$3,000,000</i>	<i>\$300,000</i>	<i>\$2,700,000</i>	
<b>Winston-Salem State University</b>					
20.	Underground Chilled Water Loop Extension – Donald J. Reeves Student Activity Center to O’Kelly Library & Thompson Center	\$1,225,000	-	\$1,225,000	Carry-forward (71%) / R&R (29%)
<i>WSSU Subtotal</i>		<i>\$1,225,000</i>	<i>\$0</i>	<i>\$1,225,000</i>	

### III. INCREASED AUTHORIZATION

Institution/Project Title		Total Project Cost (\$)	Previous Authorization (\$)	Requested Authorization (\$)	Funding Source
<b>University of North Carolina at Charlotte</b>					
21.	Admission and Visitors Center	\$8,500,000	\$8,000,000	\$500,000	Infrastructure Development Fee
<i>UNCC Subtotal</i>		<i>\$8,500,000</i>	<i>\$8,000,000</i>	<i>\$500,000</i>	
<b>The University of North Carolina at Greensboro</b>					
22.	Phillip Hawkins Residence Hall Fire Alarm Upgrades	\$1,390,000	\$990,000	\$400,000	Parking Receipts
<i>UNCG Subtotal</i>		<i>\$1,390,000</i>	<i>\$990,000</i>	<i>\$400,000</i>	
<b>Grand Total</b>		<b>\$39,143,235</b>	<b>\$9,290,000</b>	<b>\$29,853,235</b>	

With Board approval, these projects would be reported to the Office of State Budget and Management as non-appropriated projects that do not require any additional debt or burden on state appropriations.

**MOTION:** Resolved, that the Committee on Budget and Finance approve the Capital Improvement Projects for ASU, ECU, NCCU, NCSU, UNCA, UNC-CH, and WSSU and recommend them to the full Board of Governors for a vote through the consent agenda.

**Motion:** Tom Fetzer

**Motion carried**

#### 4. Disposition of Property by Easement – NCSU (Item A-4)

Mr. Johnson explained North Carolina State University's request for the Board of Governors to authorize the disposition of a temporary construction property easement and a permanent property utility easement along Dan Allen Drive in Raleigh, N.C.

This arrangement would allow NCSU to sell to the city of Raleigh a  $\pm$ .61 acre permanent utility easement for \$630,000 and grant a  $\pm$ 1.68 acre temporary construction easement to allow construction of the utility lines on campus. This item was approved by NCSU's Board of Trustees on September 20, 2017.

**MOTION:** Resolved, that the Committee on Budget and Finance approve NCSU's request of Disposition of Property by Easement and recommend it to the full Board of Governors for a vote through the consent agenda.

**Motion:** Harry Smith

**Motion carried**

#### 5. Disposition of Property by Lease – NCSU (Item A-5)

Mr. Johnson presented North Carolina State University's request for the Board of Governors to authorize the disposition of property by way of ground lease at 739 Chappell Drive in Raleigh, N.C. This property was currently leased to the Tammy Lynn Memorial Foundation, Inc. under a 40-year ground lease that was set to expire December 31, 2017 at a rate of \$1.

Authorization would amend the ground lease and extend its term for 40 years at an annual rate of \$10. This item was approved by NCSU's Board of Trustees on April 21, 2017.

**MOTION:** Resolved, that the Committee on Budget and Finance approve NCSU's request of Disposition of Property by Lease and recommend it to the full Board of Governors for a vote through the consent agenda.

**Motion:** Walter Davenport

**Motion carried**

There being no further business, the meeting adjourned at 2:50 p.m.

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Carolyn Coward, Secretary

## DRAFT MINUTES

December 15, 2017

University of North Carolina General Administration  
Center for School Leadership Development, Room 128  
Chapel Hill, North Carolina

This joint meeting of the Committee on Budget and Finance and Committee on Public Affairs was presided over by Chairs Temple Sloan and Leo Daughtry. The following Committee on Budget and Finance members, constituting a quorum, were also present: Kellie Hunt Blue, Carolyn Coward, Walter Davenport, Tom Fetzer, Bob Rucho, and Harry Smith. The following Committee on Public Affairs members were also present: Wendy Murphy and David Powers.

Chancellors participating were Carol Folt and Elwood Robinson. Charles Waldrup, general counsel, participated on behalf of Chancellor Harold Martin.

Staff members present included Kevin Howell, Andrew Moretz, Jonathan Pruitt, and others from General Administration.

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Chair Sloan called the meeting to order at 12:34 p.m., on Friday, December 15, 2017.

### 1. **2017-18 Enrollment Funding Allocation (Item B-1)**

Nathan Knuffman presented the enrollment funding for FY 2017-18 that was based on actual enrollment. The N.C. General Assembly fully funded the request by appropriating \$46,571,112 for 2017-18 and an additional \$48,163,406 for 2018-19. There was a special provision guiding the enrollment funding allocation that required fall enrollment be verified at census, which occurred ten days into the academic semester.

**MOTION:** Resolved, that the Committee on Budget and Finance approve the 2017-18 Enrollment Funding Allocation and recommend it to the full Board of Governors for a vote.

**Motion:** Tom Fetzer

**Motion carried**

## **2. Tuition and Fee Presentation (Item B-2)**

Jonathan Pruitt gave a presentation of the tuition and fee process that would include a review in January 2018 and consideration for a vote in March 2018.

## **3. Buy North Carolina Resolution (Item A-3)**

Mr. Knuffman presented the Buy North Carolina Resolution that encourages UNC institutions and affiliates to use North Carolina vendors and products in capital projects to the extent practical and only to the extent that this would not increase costs, diminish quality, or result in delay.

**MOTION:** Resolved, that the Committee on Budget and Finance approve the Buy North Carolina Resolution and recommend it to the full Board of Governors for a vote through the consent agenda.

**Motion:** Bob Rucho

**Motion carried**

There being no further business, the meeting adjourned at 1:04 p.m.

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Carolyn Coward, Secretary



## AGENDA ITEM

A-2. Acquisition of Property by Deed – ECU.....Will Johnson

**Situation:** The Board of Trustees of East Carolina University requests authorization to acquire property by way of transfer of deed from the ECU Real Estate Foundation to the University.

**Background:** ECU will purchase from the ECU Real Estate Foundation the property at 321 East Tenth Street, Greenville, NC. The property is contiguous to the ECU campus and is a strategic acquisition for future improvements.

**Assessment:** The value of the property acquisition exceeds both the delegated authority for ECU and the President’s authority. Pursuant to Sections 200.6 and 600.1.3.1[R] of the UNC Policy Manual, and in keeping with NCGS 146, approval by the Board of Governors is required.

**Action:** This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

## **Acquisition of Property by Deed – ECU**

### **ISSUE OVERVIEW**

UNC institutions are required to request authority from the Board of Governors to proceed with certain acquisitions and dispositions of real property.

East Carolina University seeks BOG approval to acquire the property at 321 East Tenth Street in Greenville, NC. The property is located adjacent to ECU's new student center.

This commercial property is 0.34 acres with an existing 2,280 SF building that is currently leased. This building will be severed when appropriate to support future development of the ECU strategic plan.

GRANTOR:	ECU Real Estate Foundation
GRANTEE:	State of North Carolina, East Carolina University
LOCATION:	321 East Tenth Street, Greenville, North Carolina
PURCHASE AMOUNT:	\$900,000
SOURCE OF FUNDS:	Auxiliary overhead receipts

The acquisition of this property was approved by the ECU Board of Trustees at its meeting on November 10, 2017.

### **RECOMMENDATION**

It is recommended that the Board of Governors approve this request. It is further recommended that the property acquisition be transmitted to the Council of State for final action.

## AGENDA ITEM

A-3. Capital Improvement Projects – ECU, NCSU, UNC-CH, and UNCP.....Will Johnson

**Situation:** Four UNC institutions have requested a total of eighteen capital improvement projects: three projects for advance planning, nine new projects for authority, and six projects for increased authorization.

**Background:** The Board of Governors may authorize capital construction projects and advance planning projects at UNC campuses using available funds.

**Assessment:** ECU, NCSU, UNC-CH, and UNCP have requested projects that meet the statutory requirements and it is recommended that the Board of Governors approve the projects and their methods of funding. It is further recommended that these projects be reported to the Office of State Budget and Management as non-appropriated projects that do not require any additional debt or burden on state appropriations.

**Action:** This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

## Capital Improvement Projects – ECU, NCSU, UNC-CH, and UNCP

### ISSUE OVERVIEW

UNC institutions are required to request authority from the Board of Governors to proceed with non-appropriated capital projects using available funds (non-general funds). Non-appropriated capital projects are funded by the institution and include the construction, repair, or renovation of facilities such as residence halls, dining facilities, research buildings, athletic facilities, and student health buildings.

Four UNC institutions have requested a total of eighteen capital improvement projects: three projects for advance planning, nine new projects for authority, and six projects for increased authorization.

### I. ADVANCE PLANNING

Institution/Project Title		Total Project Cost (\$)	Previous Authorization (\$)	Requested Authorization (\$)	Funding Source
<b>North Carolina State University</b>					
1.	HVAC Renovations Price Music Hall (\$975,000)	\$97,500	-	\$97,500	Housing Receipts
<i>NCSU Subtotal</i>		<i>\$97,500</i>	<i>\$0</i>	<i>\$97,500</i>	
<b>University of North Carolina at Chapel Hill</b>					
2.	Parking Deck at S1 Lot (\$14,443,516)	\$1,300,000	-	\$1,300,000	Transportation Trust Funds
<i>UNC-CH Subtotal</i>		<i>\$1,300,000</i>	<i>\$0</i>	<i>\$1,300,000</i>	
<b>The University of North Carolina at Pembroke</b>					
3.	Campus Rec/Baseball Softball Outdoor Complex (\$4,826,811)	\$300,000	-	\$300,000	Gifts
<i>UNCP Subtotal</i>		<i>\$300,000</i>	<i>\$0</i>	<i>\$300,000</i>	

### II. NEW PROJECTS

Institution/Project Title		Total Project Cost (\$)	Previous Authorization (\$)	Requested Authorization (\$)	Funding Source
<b>North Carolina State University</b>					
4.	ES King Village Roof Replacements – Phase 3	\$1,368,200	-	\$1,368,200	Housing Receipts
5.	MRI Suite D205 Renovation – CVM	\$450,000	-	\$450,000	Gifts
6.	Restoration of Memorial Belltower	\$6,500,000	-	\$6,500,000	Gifts
<i>NCSU Subtotal</i>		<i>\$8,318,200</i>	<i>\$0</i>	<i>\$8,318,200</i>	

Institution/Project Title		Total Project Cost (\$)	Previous Authorization (\$)	Requested Authorization (\$)	Funding Source
<b>University of North Carolina at Chapel Hill</b>					
7.	Ambulatory Care Center- ASC Reception Waiting Upgrades (17992)	\$930,307	-	\$930,307	UNCH HCF Clinical Receipts
8.	Curtainwall Replacement at Carmichael Hall	\$2,501,730	-	\$2,501,730	Housing Trust Funds
9.	Chase Hall Second Floor Renovations	\$980,247	-	\$980,247	Fundraising
10.	Friday Center Bus Loop	\$400,000	-	\$400,000	Transportation Trust Funds
11.	Kenan Stadium Backflow Preventer and Booster Pumps	\$500,000	-	\$500,000	Athletics Trust Funds
12.	Smith Center Video Board Replacement	\$6,000,000	-	\$6,000,000	Educational Foundation
<i>UNC-CH Subtotal</i>		<i>\$11,312,284</i>	<i>\$0</i>	<i>\$11,312,284</i>	

### III. INCREASED AUTHORIZATION

Institution/Project Title		Total Project Cost (\$)	Previous Authorization (\$)	Requested Authorization (\$)	Funding Source
<b>East Carolina University</b>					
13.	Cotten Residence Hall Bathroom Renovation	\$1,663,717	\$1,039,811	\$623,906	Housing Receipts
14.	Mendenhall Comprehensive Renovation	\$18,153,622	\$1,300,000	\$16,853,622	Carry-forward (59%)/SA Deferred Maintenance (41%)
<i>ECU Subtotal</i>		<i>\$19,817,339</i>	<i>\$2,339,811</i>	<i>\$17,477,528</i>	
<b>North Carolina State University</b>					
15.	Greek Village Phase 3 Infrastructure	\$6,600,000	\$5,500,000	\$1,100,000	Infrastructure Fees
16.	Theriogenology Facility at Reedy Creek Equine Farm (\$3,000,000)	\$3,000,000	\$2,400,000	\$600,000	CVM Trust Funds
<i>NCSU Subtotal</i>		<i>\$9,600,000</i>	<i>\$7,900,000</i>	<i>\$1,700,000</i>	
<b>University of North Carolina at Chapel Hill</b>					
17.	Burnett Womack 4 <sup>th</sup> floor Renovation	\$976,677	\$457,494	\$519,183	SOM Trust Funds
18.	Faculty Recruitment Laboratory and Common Area Renovations - Lineberger Cancer	\$1,400,000	\$379,960	\$1,020,040	Cancer Research Trust Funds
<i>UNC-CH Subtotal</i>		<i>\$2,376,677</i>	<i>\$837,454</i>	<i>\$1,539,223</i>	
<b>Grand Total</b>		<b>\$53,122,000</b>	<b>\$11,077,265</b>	<b>\$42,044,735</b>	

## **RECOMMENDATION**

All projects and associated funding sources are in compliance with G.S. 143C-8-12 (State Budget Act).

It is recommended that these projects be authorized and reported to the Office of State Budget and Management as non-appropriated projects that do not require any additional debt or burden on state appropriations.

## AGENDA ITEM

A-4. Disposition of Property by Demolition – UNCC .....Will Johnson

**Situation:** The Board of Trustees of the University of North Carolina at Charlotte requests authorization to dispose of property by way of demolition of nine structures along Facilities Drive, Charlotte, NC.

**Background:** UNCC needs to demolish nine structures along Facilities Drive on University-owned land in order to proceed with the building of the Connect NC Bond-supported Sciences Building and related infrastructure.

**Assessment:** The nine structures in question are no longer needed to support campus operations and have reached the end of their useful life. Their functions will be replaced as part of the larger project to develop the Connect NC Bond-supported Sciences Building and a new Regional Utility Plant.

**Action:** This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

## Disposition of Property by Demolition – UNCC

### ISSUE OVERVIEW

UNC institutions are required to request authority from the Board of Governors to proceed with certain acquisitions and dispositions of real property.

The Board of Trustees of the University of North Carolina at Charlotte has requested authorization to demolish nine (9) structures located on the campus in Charlotte, NC:

<u>STRUCTURE</u>	<u>GSF</u>	<u>YEAR BUILT</u>
1. Maintenance Storage Building #12	658	1979
2. Central Heating Plant w/ Stack	4,256	1963
3. Physical Plant/Facilities Ops	10,975	1976
4. Receiving/Stores/Grounds	9,360	1966
5. 50,000 Gallon Oil Tank	NA	1963
6. 100,000 Gallon Oil Tank	NA	1963
7. Underground Storage Tank	NA	unknown
8. Temp. EV Charging Station	NA	unknown
9. Building Storage Tank	NA	unknown

The estimated cost of the demolition is \$236,210 and is funded as part of the Connect NC Bond-supported Sciences Building project.

The UNCC Board of Trustees voted to approve this project at its July 1, 2016 meeting.

### RECOMMENDATION

It is recommended that the Board of Governors approve this request. It is further recommended that the property acquisitions be transmitted to the Council of State for final action.



## AGENDA ITEM

A-5. Disposition of Property by Easement – UNCP.....Will Johnson

**Situation:** The Board of Trustees of The University of North Carolina at Pembroke requests authorization to dispose of property by way of easements to the State of North Carolina Department of Transportation.

**Background:** The NC Department of Transportation is planning road and pedestrian improvements to SR 1340 in Pembroke, NC along the eastern edge of the UNCP campus, between Third Street and Corinth Road. Right-of-way and easements are needed to support these improvements.

**Assessment:** The planned roadway improvements will utilize traffic calming devices including a traffic circle and dedicated left-turn lanes as well as pedestrian sidewalks and road crossings that will improve both traffic and pedestrian safety.

**Action:** This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

## Disposition of Property by Easement – UNCP

### ISSUE OVERVIEW

UNC institutions are required to request authority from the Board of Governors to proceed with certain acquisitions and dispositions of real property.

The University of North Carolina at Pembroke is requesting authority to convey eleven (11) properties on five (5) parcels of land to the State of North Carolina Department of Transportation. The properties are all lands allocated to UNCP and will be used for the purpose of road and pedestrian improvements to SR 1340 (N. Odum Street/Prospect Road), just north of SR 1566 (Corinth Road) to NC 711 (Third Street). SR 1340 serves the UNC Pembroke campus with UNC Pembroke owning property on both sides of the road.

The property acreage needed for the subject project is described as follows:

<u>PARCEL</u>	<u>ROW</u>	<u>PDE</u>	<u>PUE</u>	<u>TCE</u>
2	0.364	0.023	0.007	0.177
12		0.036		0.012
14	0.168			
16		0.041	0.021	0.327
18		0.010		

ROW: Right Of Way

PDE: Permanent Drainage Easement

PUE: Permanent Utility Easement

TCE: Temporary Construction Easement

This is a no-cost property conveyance.

The disposition of this property was approved by the UNCP Board of Trustees at its meeting on December 18, 2017.

### RECOMMENDATION

It is recommended that BOG approved this request of The University of North Carolina at Pembroke be approved.

## AGENDA ITEM

A-6. Exchange of Property – NCSU .....Will Johnson

**Situation:** The Board of Trustees of North Carolina State University requests authorization to exchange several properties, all located on the NCSU Centennial Campus in Raleigh, NC.

**Background:** This exchange of real property between the State of North Carolina on behalf of NC State University and the Endowment Fund of NC State University is proposed to be equal acreage and equal property value.

**Assessment:** Pursuant to NCGS §116-198.34(5), the Board is granted the power “to acquire, hold, lease, and dispose of real and personal property.”

Several non-contiguous Endowment-owned land parcels on Centennial Campus will be exchanged with a single land parcel on Centennial Campus owned by NC State University. This exchange of properties would provide for the continued advancement of the Centennial Campus consistent with the master land-use plan for the purpose of continuing NC State’s public/private partnership model.

**Action:** This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

## Exchange of Property – NCSU

### ISSUE OVERVIEW

UNC institutions are required to request authority from the Board of Governors to proceed with certain acquisitions and dispositions of real property.

NC State University has extensive and ongoing communication with the North Carolina State Property Office regarding the State's requirements for the proposed exchange and is in agreement on the scope and process. The property valuations will be based on tax valuation of property in accordance with SPO requirements; property surveys for all exchange parcels are in progress to confirm the acreage.

Party 1: Current NC State owned property parcel ("New Parcel") totals 23.5 acres.

Party 2: Current eight (8) non-contiguous Endowment-owned property parcels totaling 23.5 acres:

<u>PARCEL NUMBER</u>	<u>ACREAGE</u>
0793-67-3092	TBD
0793-67-6090	TBD
0793-56-9390	TBD
0793-55-3723	TBD
0793-64-0575	TBD
0793-53-7015	TBD
0793-44-1504	TBD
0793-13-7860	TBD

PARTY 1:	State of North Carolina, North Carolina State University
PARTY 2:	Endowment Fund of NC State University
CONSIDERATION:	Equal Value
PROPERTY ADDRESS:	Dan Allen Drive, Raleigh, NC
DESCRIPTION:	23.5 acres

The exchange of this property was approved by the NCSU Board of Trustees at its meeting on November 17, 2017.

### RECOMMENDATION

It is recommended that the request of the Board of Trustees of North Carolina State University be approved.

**ACQUISITION  
OF REAL PROPERTY  
DISPOSITION BY DEED**

**GRANTOR** Department of Administration

**GRANTEE** NC State University

**LOCATION** Centennial Campus near the intersection of Main Campus Drive and Oval Drive

**SIZE**  $\pm$  23.5 acres

**RATE** Equal value exchange

**TERM** Permanent conveyance

**USE** To be used to create public/private partnership opportunities related to new development on north Centennial Campus consistent with the master land-use plan.

Form-PO 2  
Original and one copy to  
to State Property Office

**STATE OF NORTH CAROLINA**  
**Department of Administration**  
**\*DISPOSITION OF REAL PROPERTY**

**Institution or Agency:** North Carolina State University

**Date:** 10/13/17

**The Department of Administration is requested, as provided by GS 146-28 to dispose of the real property herein described by ~~(sale), (lease), (rental),~~ Exchange of real property.**

**The disposition is recommended for the following reasons:**

This proposed exchange of real property between the State of North Carolina on behalf of NC State University and the Board of Trustees of the Endowment Fund of North Carolina State University for equal sized acreage on Centennial Campus is for the benefit of the University. The Endowment will receive acreage to be used to create public/private partnership opportunities related to new development on north Centennial Campus consistent with the master land-use plan.

**Description of Property:**

The new site, located on Centennial Campus near the intersection of Main Campus Drive and Oval Drive, is to be exchanged for an equal amount of Endowment owned acreage in multiple locations on Centennial Campus. Final quantity, description and exact location will be determined by survey and is expected to be approximately  $\pm$  23.5 acres.

**Term:** Permanent conveyance.

**Estimated value:** Equal value.

**Where deed is filed, if known:** N/A

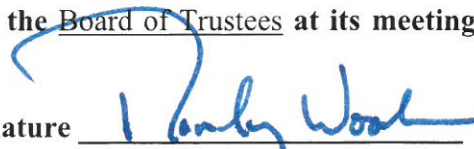
**If deed is in the name of agency other than applicant, state the name.**

**Rental income, if applicable, and suggested terms:** N/A

**Funds from the disposal of this property are recommended for the following use.** No cost.

**Action recommending this transaction was taken by the Board of Trustees at its meeting held on November 17, 2017.**

Signature

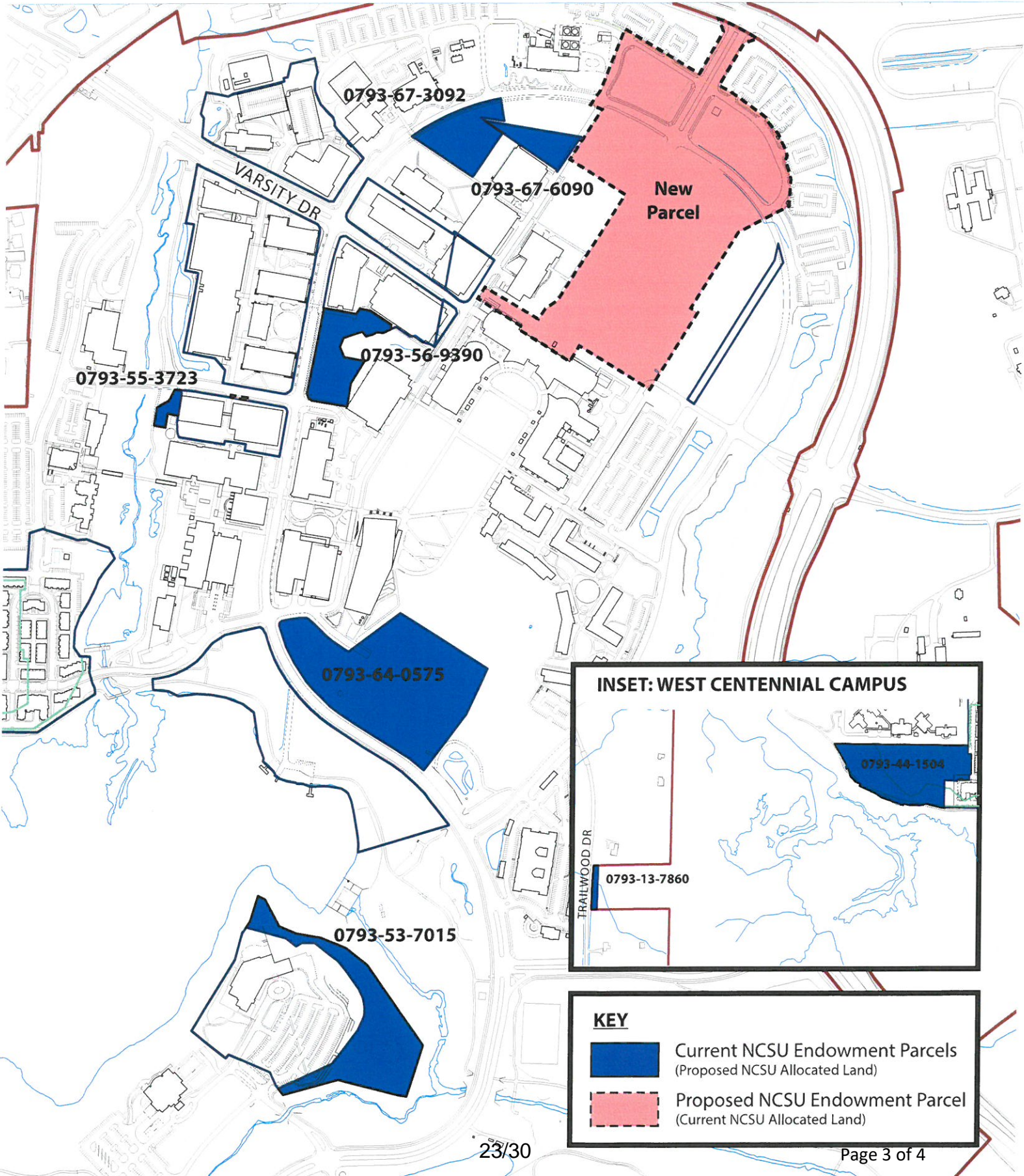
  
Chancellor

\*The term "real property" includes timber rights, mineral rights, etc. (GS 146-64)



# Centennial Campus

## Endowment Land Exchange



**TRANSMITTAL OF REQUEST FOR ACQUISITION/DISPOSITION OF REAL PROPERTY**

**Form**  
**Number:** PO-2

**Preparation**  
**Date:** October 10, 2017

**Request:** This proposed exchange of real property between the State of North Carolina on behalf of NC State University and the Board of Trustees of the Endowment Fund of North Carolina State University for equal sized acreage on Centennial Campus is for the benefit of the University. The Endowment will receive acreage to be used to create public/private partnership opportunities related to new development on north Centennial Campus consistent with the master land-use plan.

**Institution:** NORTH CAROLINA STATE UNIVERSITY

RECOMMENDED BY CHANCELLOR, NCSU

  
(Chancellor's Signature)

RECOMMENDED BY COMMITTEE ON  
BUILDINGS AND PROPERTY

  
(Chairman's Signature)

RECOMMENDED BY BOARD OF TRUSTEES,  
NCSU

  
(Chairman's Signature)

RECOMMENDED BY BOARD OF GOVERNORS

\_\_\_\_\_  
(Secretary's Signature)



## AGENDA ITEM

A-7. Sale of Special Obligation Bonds – WCU .....Rick Whitfield

**Situation:** Western Carolina University requests that the Board issue special obligation bonds (the “2018 Bonds”) in an amount not to exceed \$48,000,000 for the purpose of (1) the construction of the Upper Campus New Residence Hall and (2) paying the costs incurred in connection with the issuance of the 2018 Bonds.

**Background:** The Board of Governors is authorized to issue special obligation bonds for capital improvement projects that have been approved by the General Assembly. The General Assembly authorized the Upper Campus New Residence Hall project under S.L. 2013-394.

**Assessment:** Western Carolina University currently has an issuer credit rating of “Aa3” with a stable outlook from Moody’s Investor Service. This transaction is not expected to have any impact on WCU’s credit rating.

**Action:** This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

## **Sale of Special Obligation Bonds – Western Carolina University**

### **ISSUE OVERVIEW**

The Board of Governors is authorized to issue special obligation bonds and bond anticipation notes for capital improvement projects that have been approved by the General Assembly. Although a specific source of funding is used by a campus when retiring these bonds, special obligation bonds are generally payable from all campus revenues excluding tuition, State appropriations, and restricted reserves. Specific funding sources for the current capital project include student receipts for the residence facility (self-liquidating).

Western Carolina University (“WCU”) requests that the Board issue special obligation bonds in an amount not to exceed \$48,000,000 to finance the construction of the Upper Campus New Residence Hall. The bonds will be sold on a negotiated basis with an underwriter to be selected through a competitive RFP process. The General Assembly authorized the Upper Campus New Residence Hall project under S.L. 2013-394.

WCU currently has an issuer credit rating of “Aa3” with a stable outlook from Moody’s Investor Service. This transaction is not expected to have any impact on WCU’s credit rating.

Parker Poe Adams & Bernstein LLP is bond counsel, and First Tryon Advisors is the financial advisor.

It is recommended that the president of the University, or her designee, be authorized to sell the special obligation bonds through the attached resolution.

**RESOLUTION OF THE BOARD OF GOVERNORS OF THE UNIVERSITY OF  
NORTH CAROLINA AUTHORIZING THE ISSUANCE OF SPECIAL  
OBLIGATION BONDS TO FUND A SPECIAL OBLIGATION BOND  
PROJECT FOR WESTERN CAROLINA UNIVERSITY**

**WHEREAS**, by Chapter 116 of the General Statutes of North Carolina, the Board of Governors (the “*Board*”) of the University of North Carolina (the “*University*”) is vested with general control and supervision of Appalachian State University, East Carolina University, Elizabeth City State University, Fayetteville State University, North Carolina Agricultural and Technical State University, North Carolina Central University, North Carolina State University, University of North Carolina at Asheville, University of North Carolina at Chapel Hill, University of North Carolina at Charlotte, The University of North Carolina at Greensboro, The University of North Carolina at Pembroke, University of North Carolina Wilmington, University of North Carolina School of the Arts, Western Carolina University (“*WCU*”) and Winston-Salem State University and other institutions; and

**WHEREAS**, the Board is authorized by Chapter 116D of the General Statutes of North Carolina (the “*Act*”) to issue, subject to the approval of the Director of the Budget, at one time or from time to time, (1) special obligation bonds of the Board for the purpose of paying all or any part of the cost of acquiring, constructing, or providing special obligation projects and (2) refunding bonds for the purpose of refunding any bonds by the Board under the Act or under any Article of Chapter 116 of the General Statutes of North Carolina, including the payment of any redemption premium on them and any interest accrued or to accrue to the date of redemption of the bonds refunded; and

**WHEREAS**; the Board has determined to issue Western Carolina University General Revenue Bonds (with appropriate descriptions and series designations) in one or more series (the “*Bonds*”) in an aggregate principal amount not to exceed \$48,000,000 to pay a portion of the costs of the construction, equipping and furnishing of an upper campus new residence hall on WCU’s campus, as authorized by Chapter 394 of the 2013 Session Laws of the North Carolina General Assembly or any other projects as have been approved by the Board for financing with special obligation bonds (the “*Special Obligation Bond Project*”); and not to exceed an additional 5% of such principal amount to pay the costs incurred in connection with the issuance of the Bonds; and

**WHEREAS**, the Board has determined to issue the Bonds under the General Trust Indenture dated as of November 1, 2015 (the “*General Indenture*”) between the Board and The Bank of New York Mellon Trust Company, N.A., as trustee (the “*Trustee*”), and Series Indenture, Number 2 (the “*Second Series Indenture*”) between the Board and the Trustee; and

**WHEREAS**, the Bonds and other obligations issued under the General Indenture are payable solely from any funds of WCU or of the Board held for the University in each Fiscal Year, but excluding (1) appropriations by the General Assembly of the State of North Carolina from the State General Fund, (2) tuition payments by WCU students, (3) funds whose purpose has been restricted by the gift, grant or payee thereof, (4) revenues generated by Special Facilities (as defined in the General Indenture) and (5) funds restricted by law (the “*Available Funds*”);

**WHEREAS**, an underwriter or underwriters (the “*Underwriters*”) selected by the Vice Chancellor for Administration and Finance of WCU and the Senior Vice President for Finance and Budget of the University (including an officer appointed to serve in such capacity on an interim basis) (the “*SVP-Finance*”) will agree to purchase all of the Bonds pursuant to the terms of a bond purchase agreement (the “*Purchase Agreement*”) between the Board and the Underwriters; and

**WHEREAS**, there have been made available to the Board forms of the following documents (the “*Board Documents*”), which the Board proposes to approve, ratify, execute and deliver, as applicable, to effectuate the financing:

1. the General Indenture;
2. the Second Series Indenture;
3. the Purchase Agreement;
4. the Preliminary Official Statement (the “*Preliminary Official Statement*”) relating to the Bonds, which after the inclusion of certain pricing and other information will become the final Official Statement (the “*Official Statement*”) relating to the Bonds; and
5. the Bonds in the form set forth in the Second Series Indenture; and

**WHEREAS**, the issuance of the Bonds does not directly or indirectly or contingently obligate the State or any agency or political subdivision of the State to levy or to pledge any taxes to pay the cost, in whole or in part, of the Special Obligation Bond Project in compliance with Section 116D-23 of the Act;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Governors of the University as follows:

Section 1. ***Authorization of Bonds.*** That the Board hereby authorizes the issuance of the Bonds in an aggregate principal amount not to exceed \$48,000,000 under the General Indenture and the Second Series Indenture, plus not to exceed an additional 5% of such principal amount to pay the costs incurred in connection with the issuance of the Bonds. The Bonds may be issued in one or more series of bonds, including any combination of tax-exempt bonds and taxable bonds as the SVP-Finance, or his designee, in consultation with the appropriate officers at WCU, determine to be in the best interest of the University and WCU.

Section 2. ***Sufficiency of Available Funds.*** That the Board hereby finds that sufficient Available Funds are available to pay the principal of and interest on the Bonds.

Section 3. ***Selection of Underwriters and other Financing Team Members.*** That the Board authorizes the SVP-Finance, in consultation with the appropriate officers at WCU, to select Underwriters for the Bonds and any other professionals necessary to undertake the financing as contemplated in this Resolution.

Section 4. ***Authorization of Board Documents.*** That the form and content of the Board Documents be and the same hereby are in all respects authorized, approved and confirmed, and the Chairman of the Board, the President of the University, the SVP-Finance, the Secretary and the Assistant Secretary of the Board and the Senior Associate Vice President and Secretary of the University, individually and collectively (the “*Authorized Officers*”), be and they hereby are each authorized, empowered and directed to execute and deliver the Board Documents for and on behalf of the Board, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the Board’s approval of any and all such changes, modifications, additions or deletions therein, and that from and after the execution and delivery of the Board Documents the Authorized Officers are each hereby authorized, empowered and directed to do all such acts and things and to execute

all such documents as may be necessary to carry out and comply with the provisions of the Board Documents as executed.

Section 5. ***Authorization of Purchase Agreement.*** That the Chairman of the Board, the President and the SVP-Finance, individually or collectively, be and they hereby are each authorized, empowered and directed to execute and deliver the Purchase Agreement for and on behalf of the Board, including necessary counterparts, in a form and substance consistent with the terms of this Resolution and that from and after the execution and delivery of the Purchase Agreement the Authorized Officers are each hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Purchase Agreement as executed.

Section 6. ***Authorization of Preliminary Official Statement and Official Statement.*** That the form, terms and content of the Preliminary Official Statement be and the same hereby are in all respects authorized, approved and confirmed, and the use of the Preliminary Official Statement by the Underwriters in connection with the sale of the Bonds is hereby in all respects authorized, approved, ratified and confirmed. The President of the University and the SVP-Finance, individually or collectively, be and they hereby are each authorized, empowered and directed to deliver the Official Statement for and on behalf of the Board in substantially the form and content of the Preliminary Official Statement presented to the Board, but with such changes, modifications, additions or deletions therein as to them seem necessary, desirable or appropriate, their execution of the Purchase Agreement to constitute conclusive evidence of the Board's approval of any and all such changes, modifications, additions or deletions therein, and the use of the Official Statement by the Underwriters in connection with the sale of the Bonds with investors is hereby authorized, approved and confirmed.

Section 7. ***General Authority.*** From and after the execution and delivery of the documents hereinabove authorized, the Authorized Officers are each hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed, and are further authorized to take any and all further actions to execute and deliver any and all other documents as may be necessary to the issuance and on-going administration of the Bonds.

Section 8. ***Conflicting Provisions.*** All resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 9. ***Effective Date.*** This Resolution is effective immediately on the date of its adoption.

*PASSED, ADOPTED, AND APPROVED* this 26th day of January, 2018.

STATE OF NORTH CAROLINA

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SS:

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COUNTY OF ORANGE

SECRETARY'S CERTIFICATE  
OF AUTHENTICATION

I, ANDREA POOLE, Senior Associate Vice President and Secretary of the University of North Carolina, *DO HEREBY CERTIFY* that (1) the foregoing is a full, true and correct copy of the approving resolution adopted by the Board of Governors of the University of North Carolina at its meeting on January 26, 2018 and appearing in the minutes of such meeting, (2) notice of the meeting of the Board of Governors of the University of North Carolina held on January 26, 2018 was sent to each member of the Board, and (3) a quorum was present at the meeting on January 26, 2018 at which time the foregoing Resolution was adopted.

*WITNESS*, my hand and the seal of the University of North Carolina this \_\_\_\_ day of \_\_\_\_\_, 2018.

[SEAL]

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ANDREA POOLE  
Senior Associate Vice President and Secretary  
University of North Carolina