

Approval of 2024-25 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
East Carolina University				
Jones and Legacy Residence Halls Comprehensive Renovation	\$60,000,000	-	\$60,000,000	Housing receipts
<i>ECU Subtotal</i>	<i>\$60,000,000</i>	<i>-</i>	<i>\$60,000,000</i>	
Fayetteville State University				
Dormitories ¹	\$50,000,000	\$44,000,000	\$6,000,000	Housing receipts
<i>FSU Subtotal</i>	<i>\$50,000,000</i>	<i>\$44,000,000</i>	<i>\$6,000,000</i>	
University of North Carolina at Chapel Hill				
Increase to Chilled Water Infrastructure Expansion-Phase I ²	\$155,000,000	\$52,400,000	\$102,600,000	Utility receipts and trust funds
Increase to Translational Research Building ³	\$228,600,000	\$23,000,000	\$205,600,000	F&A receipts
<i>UNC-CH Subtotal</i>	<i>\$383,600,000</i>	<i>\$75,400,000</i>	<i>\$308,200,000</i>	
University of North Carolina Wilmington				
Acquisition of Seahawk Housing Complex	\$97,400,000	-	\$97,400,000	Housing receipts
<i>UNCW Subtotal</i>	<i>\$97,400,000</i>	<i>-</i>	<i>\$97,400,000</i>	
Grand Total	\$591,000,000	\$119,400,000	\$471,600,000	

¹ S.L. 2021-180 appropriated \$40.0 million of State Capital and Infrastructure Funds (SCIF) for the New Residence Hall (UNC/FSU21-1). FSU received an additional \$4.0 million in OSBM Flex Funds.

² S.L. 2023-66 authorized \$15.0 million for the Chilled Water Infrastructure Expansion – Phase I.

³ S.L. 2018-35 authorized \$23.0 million for the Translational Research Building.

ADDITIONAL DETAILS

East Carolina University

Project: Jones and Legacy Residence Halls Comprehensive Renovation

Total Cost: \$60,000,000

Debt Issuance: \$60,000,000

Description: Jones Hall and Legacy Hall were built in 1960 and include 430 beds and 460 beds, respectively. The plumbing, mechanical, and electrical systems are original and past their useful life expectancy. The project scope includes roof replacement, window replacement, hazardous material abatement, and bathroom reconfigurations to provide private bathrooms. Legacy Hall will also include a new Americans with Disabilities Act (ADA)-compliant ground floor entry and elevator addition. The completed project will provide 967 beds.

Funding: The funding source is housing receipts with an anticipated increase of three percent every other year.

Fayetteville State University

Project: Dormitories

Total Cost: \$50,000,000

Debt Issuance: \$6,000,000

Description: The new residence hall is a four-story, 338-bed dormitory scheduled to open fall 2025. The project is under construction. The additional funding will be used to finish the fourth floor, which will include 92 beds.

Funding: The funding source is housing receipts.

University of North Carolina at Chapel Hill

Project: Increase to Chilled Water Infrastructure Expansion - Phase I

Total Cost: \$155,000,000

Debt issuance: \$102,600,000 increase; \$15,000,000 authorized by S.L. 2023-66

Description: The project includes replacing equipment and infrastructure that is past its useful life and addressing capacity limits based on current and forecasted demand. The project will be accomplished in multiple phases. This phase calls for renovations and upgrades of three chillers at the East Chiller Plant installation, the replacement of the deteriorated cooling towers at the North Chiller plant, and construction of a new chiller plant at Bernard Street.

Funding: The funding source is utility receipts and utility trust funds.

Project: Increase to Translational Research Building

Total Cost: \$228,600,000

Debt issuance: \$205,600,000 increase; \$23,000,000 authorized by S.L. 2018-35

Description: The Translational Research Building will expand the imaging and virology research and vaccine development programs by providing state-of-the-art facilities for basic science research, and therapeutic and preclinical drug development. Project goals include high containment lab functionality for the study of emerging diseases, support precision health for the study and development of cancer treatments, enhance and expand preclinical programs, maintain compliance for the research enterprises, and support bench to bedside studies.

Funding: The funding source is facilities and administrative (F&A) receipts.

University of North Carolina Wilmington

Project: Acquisition of Seahawk Housing Complex

Total Cost: \$97,400,000

Debt issuance: \$97,400,000

Description: UNCW Corporation, a nonprofit corporation, constructed student housing facilities, including Seahawk Village, Seahawk Landing, and Seahawk Crossing, and an adjacent parking facility, which were leased back to UNC Wilmington on a long-term lease. UNC Wilmington is seeking debt authorization to acquire the student housing facilities and refinance the 2015 and 2106 limited obligation bonds (LOBs) issued by the UNCW Corporation.

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.