

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1997**

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**SENATE BILL 833\***

Finance Committee Substitute Adopted 4/28/97

House Committee Substitute Favorable 6/30/97

Short Title: UNC Receipt-Supported Capital Proj.

(Public)

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Sponsors:

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Referred to:

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April 14, 1997

**A BILL TO BE ENTITLED**

**AN ACT TO AUTHORIZE THE CONSTRUCTION AND THE FINANCING OF  
CERTAIN CAPITAL IMPROVEMENTS PROJECTS OF THE CONSTITUENT  
INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA.**

The General Assembly of North Carolina enacts:

Section 1. The purpose of this act is (i) to authorize the construction by certain constituent institutions of The University of North Carolina and the University of North Carolina - General Administration, of the capital improvements projects listed in the act for the respective institutions, and (ii) to authorize the financing of these projects with funds available to the institutions from gifts, grants, receipts, self-liquidating indebtedness, or other funds, or any combination of these funds, but not including funds appropriated from the General Fund of the State. However, the funding amounts in Section 2 of this act are the maximum authorized amounts for these projects subject to changes allowed under Section 4 of this act.

If the General Assembly appropriates funds for all or part of any project authorized by Section 2 of this act, then the funds may be used as part of the project, but shall be subject to the maximum authorized amounts as set forth in Section 2 of this act. No appropriations from the General Fund shall be used for a project authorized by this act, except as provided in this paragraph.

Section 2. The capital improvements projects authorized by this act to be constructed and financed as provided in Section 1 of this act are as follows:

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1	1.	Appalachian State University	
2		Small Group Housing	\$10,748,300
3		Bookstore Renovation and Expansion	3,710,200
4	2.	East Carolina University	
5		Renovations to Jarvis Residence Hall	4,644,800
6		Life Safety Improvements in Nonacademic Facilities	3,550,500
7		Repairs to Dowdy-Ficklen Stadium	3,467,100
8	3.	North Carolina A & T State University	
9		Parking Deck	6,528,000
10	4.	North Carolina State University	
11		Installation of Air Conditioning and Sprinkler	
12		Systems - Five Residence Halls	14,187,000
13		Partners Building IV	16,200,000
14		Centennial Campus Infrastructure	8,164,000
15	5.	The University of North Carolina at Chapel Hill	
16		Replace Coal Silos at the Cogeneration Facility	7,358,200
17		Residence Hall Video Network & Communications	
18		Wiring	6,646,800
19		Renovation of Graham Memorial (Center for	
20		Undergraduate Excellence)	5,208,400
21		Building for the Institute for the Arts and	
22		Humanities	4,096,700
23		Paul J. Rizzo Conference Center	15,507,700
24	6.	The University of North Carolina at Charlotte	
25		Student Housing Phase VII Apartments	18,851,000
26		Student Recreation Fields	1,355,700
27	7.	The University of North Carolina at Wilmington	
28		200-Bed Housing	6,351,100
29		Parking Deck	7,069,500
30	8.	The University of North Carolina - General	
31		Administration	
32		Systemwide Sprinkler and Fire Detection Systems	18,402,000.

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34 Section 3. With respect to three projects at the University of North Carolina  
35 at Chapel Hill among those identified in Section 2 of this act, the institution may, in  
36 addition to those means of construction and financing authorized under Section 1 of this  
37 act, accomplish construction and financing through lease arrangements to and from  
38 nonprofit corporations, as follows:

- 39 1. Renovation of Graham Memorial through lease with the University of  
40 North Carolina at Chapel Hill Arts and Sciences Foundation,  
41 Incorporated  
42 2. Building for the Institute for Arts and Humanities through lease with  
43 the J.R. Hyde, III Family Foundation

1           3.       Renovation and buildings for the Paul J. Rizzo Conference Center  
2                    through lease with the Kenan-Flagler Business School Foundation.

3       The term of each lease may be for such duration as the parties agree, not to exceed the  
4 longer of the period of capital improvement, and, if the nonprofit corporation incurs  
5 indebtedness to finance construction, the period required to retire the indebtedness. For  
6 the purposes of contracting for the design, construction, and equipping of these  
7 facilities, the University of North Carolina at Chapel Hill may enter into an agreement  
8 that provides for the leasing nonprofit corporation to serve as the construction  
9 management agent, having general supervision of the construction and equipping of the  
10 facility. Each leasing nonprofit corporation and the University of North Carolina at  
11 Chapel Hill may enter into combined contracts for project design, construction, and  
12 construction management. For purposes of financing construction, the University of  
13 North Carolina at Chapel Hill may enter into a long-term lease from the leasing  
14 nonprofit corporation. If the General Assembly appropriates funds for some portion of  
15 one of these projects, the University of North Carolina at Chapel Hill and the leasing  
16 nonprofit corporation acting as the construction management agent for that project shall  
17 not enter into a construction contract without first consulting with the Office of State  
18 Construction. No appropriated funds may be used for lease payments or operating costs  
19 during this financing period. When a lease to a nonprofit corporation authorized by this  
20 section ends, the University of North Carolina at Chapel Hill shall have the option (i) to  
21 receive the premises as improved, unencumbered facilities of the institution if the  
22 premises as improved meet all applicable standards for possession and use by the  
23 institution as a State facility, or (ii) to receive the premises and to remove or demolish  
24 the improvements made under the prior lease.

25           Section 4. At the request of The University of North Carolina Board of  
26 Governors and upon determining that it is in the best interest of the State to do so, the  
27 Director of the Budget may authorize an increase or decrease in the cost of, or a change  
28 in the method of funding, a project authorized by this act. In determining whether to  
29 authorize a change in cost or funding, the Director of the Budget may consult with the  
30 Joint Legislative Commission on Governmental Operations.

31           Section 5. This act is effective when it becomes law.