

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

Fourth Edition Engrossed 7/30/97

Short Title: UNC Receipt-Supported Capital Proj.

(Public)

Sponsors:

Referred to:

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.

1 No appropriations from the General Fund shall be used for a project authorized by this
2 act, except as provided in this paragraph.

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

- 5
- 6 1. Appalachian State University
7 Small Group Housing \$10,748,300
8 Bookstore Renovation and Expansion 3,710,200
 - 9 2. East Carolina University
10 Renovations to Jarvis Residence Hall 4,644,800
11 Life Safety Improvements in Nonacademic Facilities 3,550,500
12 Repairs to Dowdy-Ficklen Stadium 3,467,100
 - 13 3. North Carolina A & T State University
14 Parking Deck 6,528,000
 - 15 4. North Carolina State University
16 Installation of Air Conditioning and Sprinkler
17 Systems - Five Residence Halls 14,187,000
18 Partners Building IV 16,200,000
19 Centennial Campus Infrastructure 8,164,000
 - 20 5. The University of North Carolina at Chapel Hill
21 Replace Coal Silos at the Cogeneration Facility 7,358,200
22 Residence Hall Video Network & Communications
23 Wiring 6,646,800
24 Renovation of Graham Memorial (Center for
25 Undergraduate Excellence) 5,208,400
26 Building for the Institute for the Arts and
27 Humanities 4,096,700
28 Paul J. Rizzo Conference Center 15,507,700
 - 29 6. The University of North Carolina at Charlotte
30 Student Housing Phase VII Apartments 18,851,000
31 Student Recreation Fields 1,355,700
 - 32 7. The University of North Carolina at Wilmington
33 200-Bed Housing 6,351,100
34 Parking Deck 7,069,500
 - 35 8. The University of North Carolina - General
36 Administration
37 Systemwide Sprinkler and Fire Detection Systems 18,402,000.
- 38

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

- 1 1. Renovation of Graham Memorial through lease with the University of
2 North Carolina at Chapel Hill Arts and Sciences Foundation,
3 Incorporated
- 4 2. Building for the Institute for Arts and Humanities through lease with the
5 J.R. Hyde, III Family Foundation
- 6 3. Renovation and buildings for the Paul J. Rizzo Conference Center
7 through lease with the Kenan-Flagler Business School Foundation.

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

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

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