

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** SB 705 (First Edition)

**SHORT TITLE:** UNC - Nonappropriated Capital Projects

**SPONSOR(S):** Senator Kerr

<b>FISCAL IMPACT</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 2003-04</u></b>	<b><u>FY 2004-05</u></b>	<b><u>FY 2005-06</u></b>	<b><u>FY 2006-07</u></b>	<b><u>FY 2007-08</u></b>
<b>REVENUES</b>					
<b>EXPENDITURES</b>					
GENERAL FUND		\$247,992	\$482,432	\$506,554	\$531,882
<b>POSITIONS: (cumulative)</b>		12	12	12	12
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b>	University of North Carolina General Administration				
<b>EFFECTIVE DATE:</b>	This act is effective when it becomes law.				

**BILL SUMMARY:** The bill authorizes the construction and financing, without appropriations from the General Fund, of capital improvement projects of the constituent institutions of the University of North Carolina.

**ASSUMPTIONS AND METHODOLOGY:** The charts on the following pages were compiled with the assistance of the Associate Vice President for Finance for the UNC Office of the President. The charts show the cost to construct and operate the proposed campus buildings and the source of funds for each facility. The University expects no increase in operating costs for renovations or for athletic facility improvement. The Rizzo Center Expansion and the McColl Building Addition at UNC-Chapel Hill are the only two projects that require General Fund appropriations for building operations. The effect of the bond debt on students is also shown.

<b>Section 2</b>						
<b>Campus</b>	<b>Project</b>	<b>Amount</b>	<b>Source of Funds</b>	<b>Effect of Debt on Students</b>	<b>Increase in Annual Operating Costs</b>	<b>Source of Operating Costs</b>
Appalachian State University	Athletic Facilities	\$35,800,000	Debt Service Fee	\$75/ yr.	\$341,585	Athletic Receipts
	400-Space Parking Deck	\$5,000,000	Parking Receipts		\$385,910	Parking Receipts
East Carolina University	College Hill Residence Halls – Phase I	\$35,000,000	Housing Receipts		\$1,964,664	Housing Receipts
	Renovation of Clement, Greene, and White Residence Halls	\$4,950,000	Housing Receipts		No increase	
North Carolina A&T State University	Renovation of the Memorial Student Union	\$2,700,000	Debt Service Fee	\$35/yr.	No increase	
North Carolina Central University	500-Space Parking Deck	\$5,000,000	Parking Receipts		\$320,153	Parking Receipts
North Carolina State University	Renovation of Berry, Becton and Bagwell Residence Halls	\$10,000,000	Housing Receipts		No increase	
	E.S. King Village Community Center	\$2,000,000	Housing Receipts		\$47,031	Housing Receipts
	Student Fitness Center	\$12,000,000	Debt Service Fee	\$43/yr.	\$447,595	Student Fee
	Partners V Building	\$18,000,000	Rental Receipts		\$1,001,811	Receipts
	Renovations to Thompson Theatre, Talley, Witherspoon and Price Music Center	\$6,000,000	Debt Service Fee		No increase	
	Derr Track, Softball and Soccer Complex	\$1,000,000	Athletic Receipts		No increase	
	Renovations to Reynolds Coliseum	\$5,000,000	Athletic Receipts		No increase	

Campus	Project	Amount	Source of Funds	Effect of Debt on Students	Increase in Annual Operating Costs	Source of Operating Costs
The University of North Carolina at Chapel Hill	Rizzo Center – Expansion	\$18,000,000	Center Revenue		\$558,279	General Fund
	McColl Building Addition	\$18,000,000	Private Gifts		\$558,279	General Fund
	Botanical Garden Visitor Education Center	\$6,000,000	Private Gifts		\$449,728	Receipts
	Ackland Art Museum – Expansion	\$16,000,000	Private Gifts		\$773,868	Receipts
	Printing Services	\$3,500,000	Telecom Reserves		1,221,883	Telecom Reserves
	ITS Building	\$12,300,000	Printing Receipts		(Included in Print service costs)	Printing Receipts
	YMCA Renovation	\$3,500,000	Private Gifts		No increase	
	Student Family Housing	\$30,000,000	Housing Receipts		\$1,877,810	Housing Receipts
	Cobb Residence Hall – Renovation	\$9,884,000	Housing Receipts		No increase	
	Parking Facilities	\$19,200,000	Parking Receipts		No increase	
	Major Infrastructure Improvements & Waste Remediation	\$52,000,000	Utilities Trust Fund & F&A Receipts		\$229,999	Utilities Trust Funds
University of North Carolina at Charlotte	Student Union	\$39,700,000	Debt Service Fee	\$40/yr.	\$1,318,965	Student Fee
	Baseball Stadium Improvements	\$3,000,000	Private Gifts		No increase	
University of North Carolina at Greensboro	Exercise Track	\$1,000,000	Debt Service Fee		No increase	
	Ragsdale/Mendenhall, and Weil/Winfield Residence Halls – Renovations	\$3,300,000	Housing Receipts		No increase	
	Elliott University Center Library Connector	\$1,500,000	Debt Service Fee		No increase	
	Gove Health Center	\$8,500,000	Debt Service Fee	\$45/yr.	\$263,604	Student Fee
	Softball Field	\$3,000,000	Debt Service Fee		\$32,091	Student Fee

Campus	Project	Amount	Source of Funds	Effect of Debt on Students	Increase in Annual Operating Costs	Source of Operating Costs
Western Carolina University	New Student Residence Hall	\$13,161,000	Housing Receipts		\$528,080	Housing Receipts
	Residence Hall Renovation	\$10,264,700	Housing Receipts		\$295,331	Housing Receipts
	Parking Deck – 500 Spaces	\$6,250,000	Parking Receipts		\$351,312	Parking Receipts
	Dodson Cafeteria Renovation	\$4,927,400	Dining Receipts		\$292,026	Dining Receipts
	Softball Field and Stadium	\$2,320,000	Debt Service Fee	\$28/yr.	\$29,632	Student Fee

The eight projects in Section 3 of the bill were previously authorized by the 2000 General Assembly as part of the \$3.1 billion bond program in SB 912 (S.L. 2000, Chapter 3). Operating costs are not shown because they were included in original estimates. These projects have received the following General Obligation bond funding:

Section 3					
Campus	Project	Amount	Source of Funds	Effect of Debt on Students	GO Bonds Authorizations
The University of North Carolina at Chapel Hill	Burnett-Womack Building	\$7,395,000	Gifts		\$24,848,000
	Beard Hall Renovations	\$2,394,000	Gifts		\$3,500,000
	Science Complex, Phase I	\$8,854,000	F&A Receipts		\$55,012,500
	Manning Steam Plant	\$13,212,360	Utilities Trust Fund Receipts		\$6,300,000
	Global and International Studies Facility	\$5,000,000	Gifts		\$20,000,000
	Cogeneration-Turbine Improvements	\$24,000,000	Utilities Trust Fund Receipts		\$2,625,000
The University of North Carolina at Pembroke	Auxiliary Services Building	\$1,500,000	Bookstore Receipts		\$2,696,000
	Improvements to Recreational, Athletic, and Physical Education Facilities	\$600,000	Debt Service Fee	\$14/yr.	\$8,243,700

The following are summary details from the previous charts:

Cost of Construction = \$490,712,460

**Debt Payment Funding Methods**

Housing Receipts = \$118,559,700

Utilities Trust Funds = \$79,216,000

Parking Receipts = \$35,450,000

Receipts = \$18,854,000

Center Revenue = \$18,000,220

Athletic Receipts = \$6,000,000

Telecomm Reserves = \$3,498,740

Student Fees = \$113,120,000

Private Gifts = \$61,289,000

Facilities & Administrative

Rental Receipts = \$18,000,220

Printing Receipts = \$12,297,180

Dining Receipts = \$4,927,400

Bookstore Receipts = \$1,500,000

**SOURCES OF DATA:** Associate Vice President for Finance for the UNC Office of the President

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**DATE:** May 15, 2003



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