



**STATE OF NORTH CAROLINA**  
**OFFICE OF STATE BUDGET AND MANAGEMENT**

PAT MCCRORY  
GOVERNOR

ART POPE  
STATE BUDGET DIRECTOR

April 8, 2014

MEMORANDUM

TO: Senator Phil Berger, President Pro-Tempore of the Senate  
Representative Thom Tillis, Speaker of the House of Representatives

FROM: Donna S. Cox, Asst State Budget Officer *Donna S. Cox*

SUBJECT: Expenditures for Emergency Capital Projects

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In accordance with G.S. 120-76.1 the following expenditures were approved without consulting the Joint Legislative Commission on Governmental Operations because of an emergency that posed an imminent threat to public health or public safety.

**Department of Cultural Resources – Endor Iron Furnace Stabilization Project:** Implemented emergency contracting procedures to address a matter of health and safety. The stone structure at the Endor Iron Furnace has degraded at an accelerated rate primarily due to the adverse effects of vegetation and weather on the structure's stone. Over the past three years, the Department of Cultural Resources has observed the advancement of several stress fractures above the archway, which if left unaddressed could potentially lead to the total collapse of this historical structure. The estimated cost for the repairs is \$276,084. The project is funded from private donations; there will be no cost or additional overhead to the State of North Carolina.

**Department of Public Instruction – Governor Morehead School:** On October 31, 2013 the Cold Storage/Housekeeping facility sustained fire damage that rendered the entire facility in poor condition for use or occupancy. The Department of Insurance and the Office of State Construction have investigated this loss and have determined that the cost for clean-up, partial demolition and restoration of the facility to pre-fire condition is \$57,585. This amount will be reimbursed by the Department of Insurance – State Property Fire Insurance Fund proceeds.

Also, there are additional building upgrades and renovations that are required that will not be eligible for State Property Fire Insurance Fund reimbursement, but must be completed before the facility can be occupied. These additional building upgrades and renovations include: replacement of the buildings electrical service; upgrade of the fire alarm panel; and, necessary Americans with Disabilities Act (ADA) upgrades. The estimated cost for these additional upgrades and renovations is \$100,871. The funding for the additional upgrades is from the 2013 Reserve for Repairs and Renovations Contingency Fund.

cc: Art Pope  
David Brown  
Greg Driver  
Mark Bondo