2015-2016

HOUSE APPROPRIATIONS – CAPITAL

MINUTES

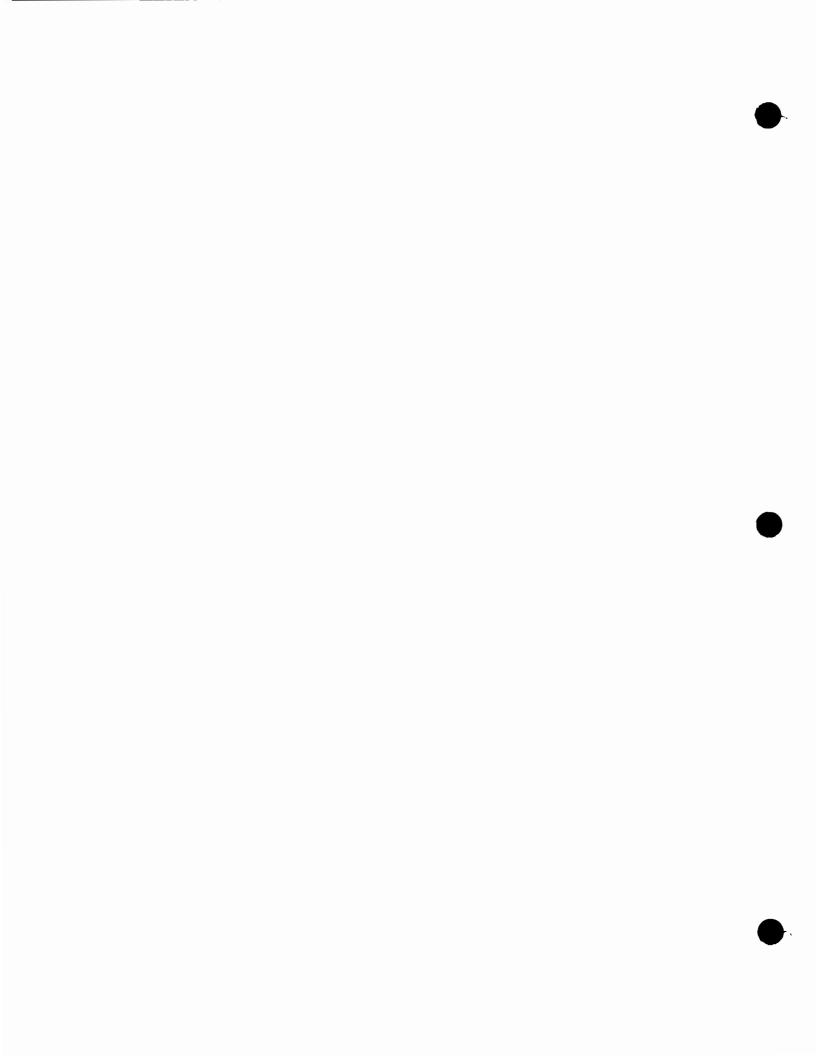
House Committee On Appropriations, Capital



Co-Chairs
Representative Dean Arp
Representative Justin Burr
Representative Jon Hardister

2015-2016 Session

Committee Clerks
Dina Long
Wendy Miller
Jayne Nelson



HOUSE COMMITTEE ON APPROPRIATIONS – CAPITAL

2015-2016 Session

MEMBER	<u>ASSISTANT</u>	PHONE	<u>OFFICE</u>	<u>SEAT</u>
ARP, Dean, Chairman	Wendy Miller	919-715-3007	531	66
BURR, Justin Chairman	Dina Long	919-733-5908	307A	16
HARDISTER, Jon Chairman	Jayne Nelson	919-733-5191	632	78
BROCKMAN, Cecil	Grady O'Brien	919-733-5825	1311	118



HOUSE COMMITTEE ON APPROPRIATIONS, CAPITAL 2015-2016 SESSION

Clerks: Dina Long, Wendy Miller, Jayne Nelson



Representative Dean Arp Co-Chair



Co-Chair



Representative Justin Burr Representative Jon Hardister Co-Chair

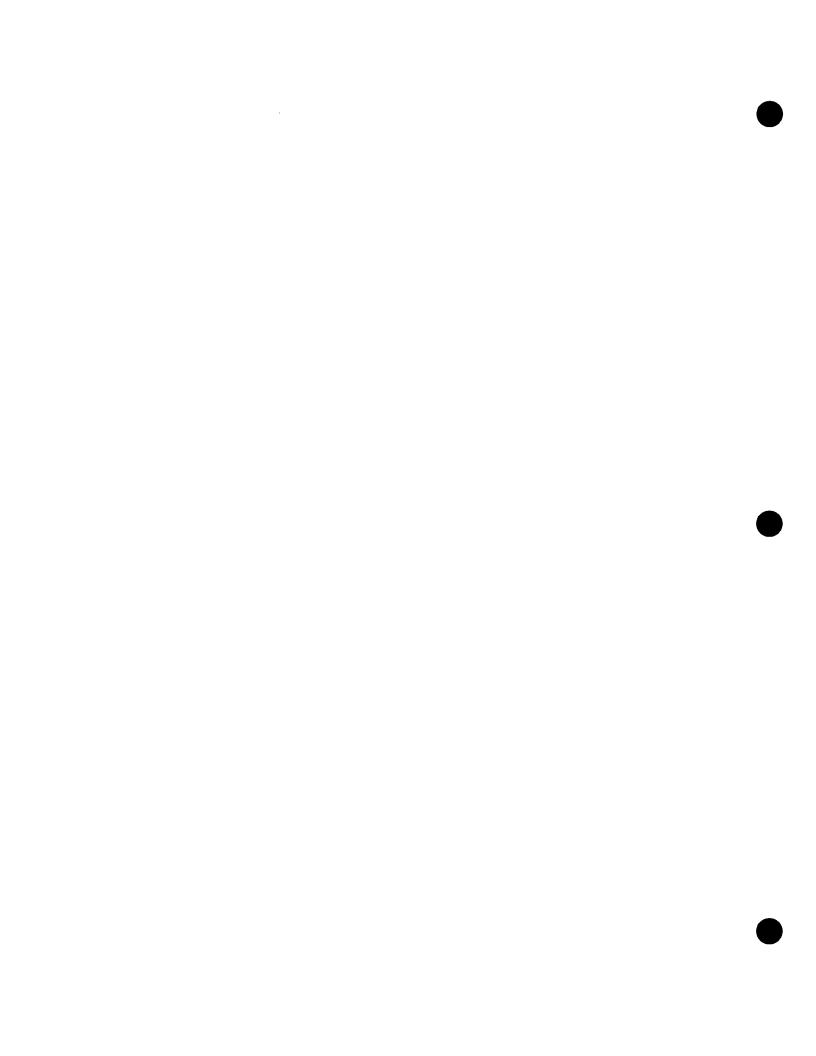


Representative Cecil Brockman

NORTH CAROLINA HOUSE OF REPRESENTATIVES COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION 2015-2016 SESSION

You are hereby notified that the House Committee on Appropriations, Capital will meet as follows:

DAY & DATE: TIME: LOCATION: COMMENTS:	Tuesday, March 24, 2015 8:30 AM 423 LOB Introduction and Overvie	ew - Representative Dean Arp Chairing
		Respectfully,
		Representative Dean Arp, Co-Chair Representative Justin P. Burr, Co-Chair Representative Jon Hardister, Co-Chair
I hereby certify th Wednesday, Marc		mmittee assistant at the following offices at 2:05 PM on
	Principal Clerk Reading Clerk – House Cha	mber
Wendy Miller (Co	ommittee Assistant)	



Wendy Miller (Rep. Dean Arp)

bm: Carolyn Bowden (House Sgt. at Arms Office)

Sent: Wednesday, March 18, 2015 01:57 PM

To: Booker Washburn (Housekeeping); Antonio Diaz (Housekeeping); Charles Weathersby

(Facilities Services, Manager); Howard Morris (Police); Jeff Weaver (Police, Chief); Karen Mitchell (Administration); Carolyn Bowden (House Sgt. at Arms Office); Larry Elliott (House Sgt. At Arms); Garland Shepheard (House Sgt. At Arms); Mark Coggins (Rep.

David Lewis)

Carolyn Bowden (House Sqt. at Arms Office); Wendy Miller (Rep. Dean Arp)

Subject: 423/424 LOB has been reserved for 03/24/2015, 08:30AM - 10:00AM

The following room has been reserved:

Title: House Appropriation Committee on Capital

Requestor: Wendy Miller (Rep. Dean Arp)

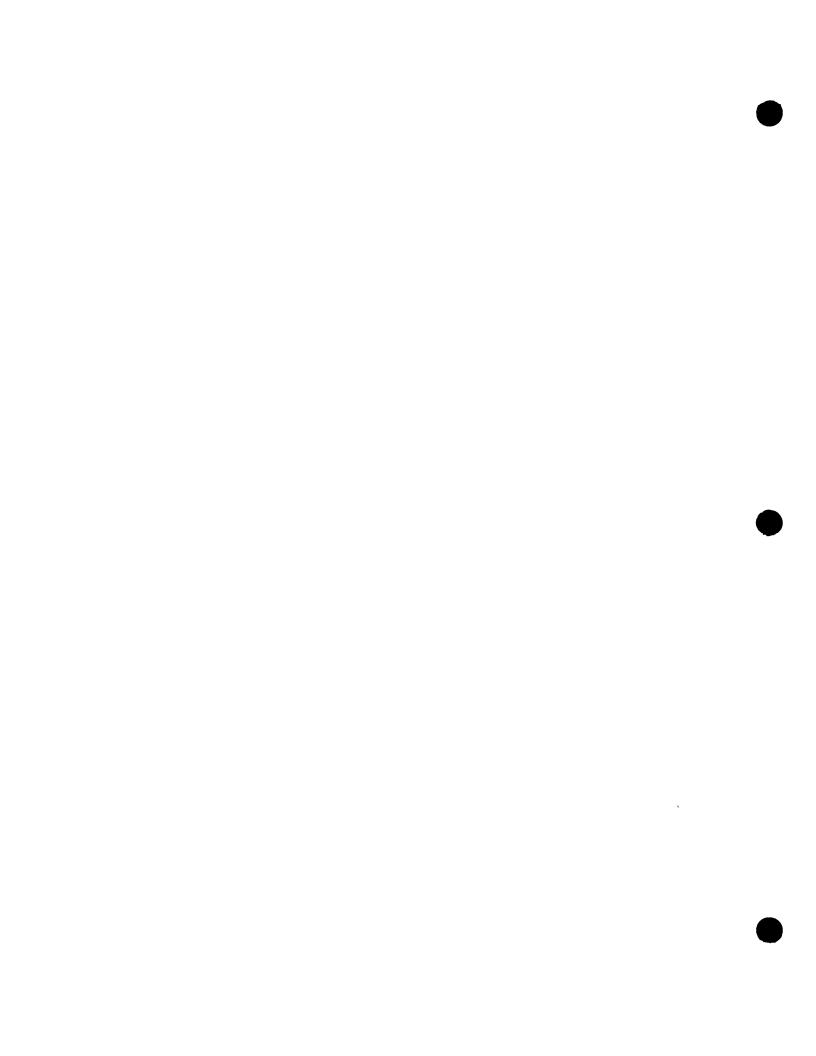
Date: Tuesday, March 24, 2015

Room: 423/424 LOB

Time Room Needed: 08:30AM - 10:00AM

Equipment:

Housekeeping: Water, Coffee



House Committee on Appropriations, Capital Tuesday, March 24, 2015, 8:30 AM 423 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Introduction and Overview

Other Business

Adjournment



House Appropriations Sub-Committee on Capital

Rep. Dean Arp

Rep. Justin Burr

Rep. Jon Hardister

Tuesday, March 24, 2015 Room 423 Legislative Office Building

1.a Welcome and Opening Comments:

Rep. Dean Arp, Presiding

1.b. Powers and Duties of House Capital Appropriations Committee

2. Overview of Capital Budget

Mark Bondo and Daniel Sater, Fiscal Research

3. Brief Governor's Proposed Budget

Mark Bondo, Fiscal Research

- 4. Committee Discussion
- 5. Adjourn

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House Committee on Appropriations, Capital Tuesday, March 24, 2015 at 8:30 AM Room 423 of the Legislative Office Building

MINUTES

The House Committee on Appropriations, Capital met at 8:30 AM on March 24, 2015 in Room 423 of the Legislative Office Building. Representatives Arp, Brockman, and Hardister attended.

Representative Dean Arp, Chair, presided and called the meeting to order at 8:30 am.

Chairman Arp welcomed everyone, introduced the Sergeant-at-Arms and Pages, and thanked them for their work in the committee. He then introduced Co-Chairman Hardister for comments.

Chairman Arp introduced Mark Bondo for presentations on the following items:

- 1. Powers and Duties of the House Capital Appropriations Committee
- 2. Overview of the Capital Budget
- 3. Brief Governor's Proposed Budget

Chairman Arp thanked Mark Bondo for his presentations and then opened the floor for questions or comments.

The meeting adjourned at 9:10 am.

Representative Dean Arp, Chair

Presiding

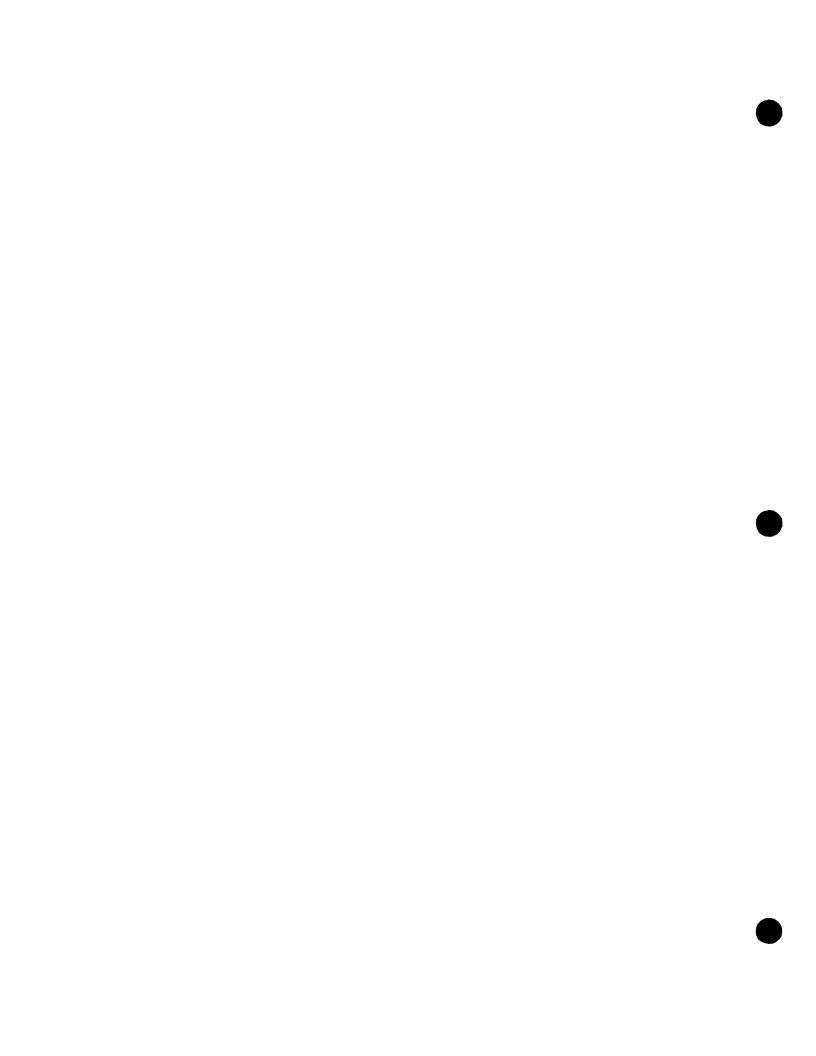
Wendy Miller Committee Clerk

	·	

ATTENDANCE

House Appropriations Committee on Capital

DATES	03-24-15							
Co-Chairs								
Representative Dean Arp	X							
Representative Justin Burr								
Representative Jon Hardister	X							
Members								
Representative Cecil Brockman	X							
Staff								
Mark Bondo, Fiscal Research	X							
Daniel Sater, Fiscal, Research	X							
Ben Stanley, Bill Drafting								
Committee Clerks								
Dina Long	X							
Wendy Miller	X							
Jayne Nelson	X							
								_



Powers and duties of House Capital Appropriations Committee

March 24, 2015

The House Capital Appropriations Committee is established to review, prioritize and make recommendations to the NC House of Representatives for the capital needs of the State. In this context the Committee's roles and responsibilities encompass all State buildings and land (State roads under the purview of the Department of Transportation and related infrastructure exempted), regardless of funding source.

Accordingly, during the legislative session the Committee shall:

- Receive the recommendations of the Governor regarding the funding and priorities of proposed capital projects;
- Receive the reports of all capital project budgeting requests of all State agencies, including the six-year capital improvement plan developed pursuant to G.S. 143C-8-5;
- Gather information relative to Capital projects, for the purpose of aiding the Appropriation Chairs in setting priorities for capital;
- Examine the reports and official acts of the state agencies with regard to capital project planning and budgeting and the receipt and disbursement of capital project funding.
- Make recommendations to the House. Appropriations and Finance Committees regarding issues relating to the planning, budgeting, and expenditure of capital project funding.
- Make recommendations regarding the means of financing for Capital projects.

In the interim between legislative sessions, the Committee shall:

- Receive status reports for all ongoing capital projects of state agencies.
- Examine and evaluate, on a continuing basis, the state's system of contracting and lease purchase arrangements in regard to capital projects.
- Conduct site visits at State facilities.
- Monitor and examine the reports with regard to capital project planning and budgeting and the receipt and disbursement of capital project funding.

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Overview of Capital

Mark Bondo and Daniel Sater Fiscal Research Division

House Appropriations Sub-Committee on Capital

March 24, 2015



Outline

- What is Capital
- Overview of Owned Buildings By State
- Overview of Capital Process
- Repair and Renovations
- Financing Options
- Recent Actions of Note
- Budget Pressures





What is Capital (Statutorily)

• Defined in the State Budget Act (G.S. 143C)

"A term that includes real property acquisition, new construction or rehabilitation of existing facilities, and repairs and renovations."

What is Capital (Practically)

• Capital is a "mission support" function that helps the State Agencies and Universities fulfill the operational and policy objectives of the State.

Buildings Owned By State

• The State Owns 123,367,442 Gross Square Footage of Space throughout the State

 University of North Carolina System Owns 59% (72,865,578 GSF)

• State Agencies Own 41% (50,501,864 GSF)

Gross Square Footage By State Entity (123,367,442 GSF)

Agency	Gross Square Footage	Percent of Total
University of North Carolina	72,865,578	59.06%
Public Safety	15,559,541	12.61%
Transportation	10,579,933	8.58%
Health and Human Services	7,692,705	6.24%
Administration	4,631,604	3.75%
Agriculture	4,261,904	3.45%
Environment and Nat. Resources	2,569,233	2.08%
Cultural Resources	1,564,448	1.27%

Eight entities are responsible for 97% of State Owned Space





Value of Buildings Owned By State

- Insured Building Value as of Jan. 2015 is:
 - \$28.8 Billion

- General Fund Insured Value
 - \$19.2 Billion

- Non-General Fund Insured Value
 - \$9.6 Billion

General Fund Insured Value By Entity (\$19.2 Billion)

Agency	General Fund	Percent of Total
University of North Carolina	\$12,658,589,838	66%
Public Safety	\$2,623,943,217	14%
Health and Human Services	\$1,562,654,902	8%
Administration	\$842,762,326	4%
Cultural Resources	\$486,971,455	3%
Environment and Nat. Resources	\$428,009,588	2%
Agriculture	\$240,010,049	1%
Public Instruction	\$170,579,885	1%

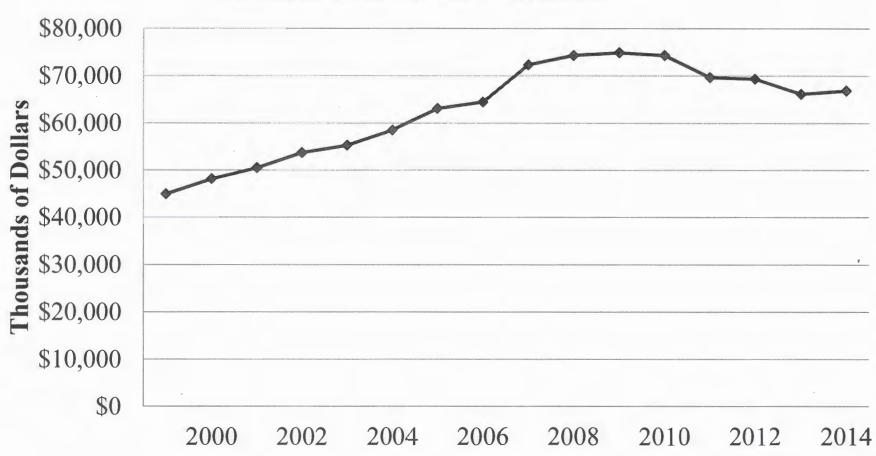
Eight entities are responsible for 99% of General Fund Insured Building Value





Leases: Statewide

Annual Total Statewide Lease



- Agencies Required to Submit Needs Estimate to Office of State Management and Budget (G.S. 143C-8-4) for Repair and Renovations and New Construction/Acquisition.
- Governor Required to Submit Six-Year Capital Improvement Plan to General Assembly (G.S. 143C-8-5) for Repair and Renovation and New Construction/Acquisition





- Criteria for Project Evaluation (G.S. 143C-8-3)
 - Preservation, adequacy and use of existing facilities
 - Health and safety considerations.
 - Operational efficiencies.
 - Projected demand for governmental services

- Capital requests must contain a detailed cost estimate (G.S. 143C-8-6)
 - Estimates certified by the Dept. of
 Administration's State Construction Office (G.S. 143-341(3)(b1)
 - Lack of adequate planning funds hinder cost estimates





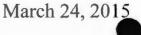
- First and Last Capital Improvement Plan Submitted for FY 2007-09 Biennium
- Agencies have continued to submit needs estimates to OSBM and the General Assembly, however these have been inconsistent
- Lack of available funds for Capital, and loss of staff, are the primary reasons for lack of submissions.

Legislative Approval Required for Capital Projects

• State agencies require Legislative approval for all capital projects (G.S. 143C-8-7)

• UNC and the National Guard may begin a capital project provided they are funded by receipts and require no General Fund operating support (G.S. 143C-8-12)





General Assembly Process

- Capital and Debt Service Handled by Full Appropriations Chairs at House and Senate Level
- Capital rarely receives a "spending target" until very late in the appropriations process
- Capital decision making process normally handled in private with Full Appropriations Chairs

Agency/Campus Roles

- The Agency is the "Owner" of their buildings
- Capital appropriations are directed to the Agency, who manages the capital process
- The State Construction Office and State Building Commission have review and approval authority at a variety of stages, save for projects under \$2 million at UNC





Repairs and Renovation Reserve

- Per the State Budget Act, one quarter of the year end credit balance should go toward repair and renovations of General Fund supported State facilities
 - This has never occurred
 - Repair and Renovations funded on a non-recurring basis, as funds are available
- Rating agencies, however, give the State credit for the policy/intent of Statute

Repair and Renovations Reserve

- Allocated among UNC and State Agencies in the Appropriations Act.
 - Currently 60% State Agencies and 40% UNC
 - Was 50/50 to State Agencies and UNC from FY 2010 to FY 2013
 - Prior to FY 2010 was 54% to State Agencies and 46% to UNC
- OSBM handles allocation to State agencies
- UNC handles allocation to Campuses



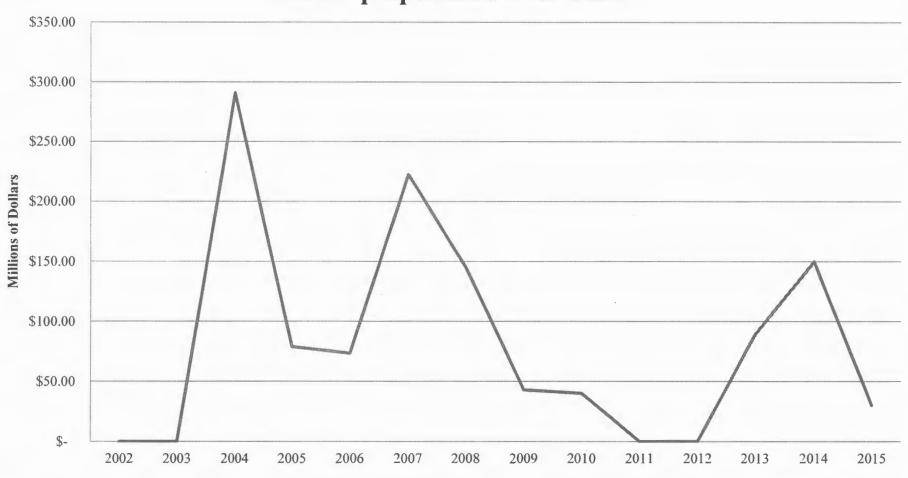


Repair and Renovation Funding

- Best Practices state that Repair and Renovations funding should equate to 1-3% of building value per year:
 - 1% of Building Value would be \$192 million
 - 3% of Building Value would be \$596 million

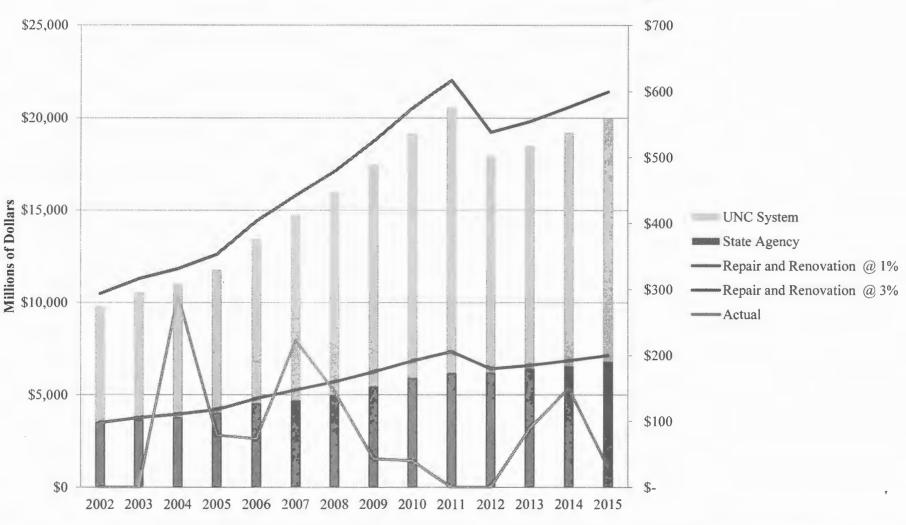
Repair and Renovations Funding

R&R Apropriations Over Time





Replacement Value of Buildings vs. R&R Funding



Condition of Facilities (General Fund)

- Department of Administration required to maintain Facilities and Condition Assessment Program (FCAP)
 - Six year funding need for State facilities
 - UNC Need: \$2.4 Billion (2015)
 - State Agency Need: \$1.9 Billion (2015)
 - Ongoing process, several counties based on estimates from earlier FCAP's





Methods of Financing Capital Projects

General Funds

Agency Receipts

Debt

Types of State Debt

- General Obligation Debt:
 - Secured by the faith and credit of the State
 - Requires the approval of the majority of the Voters
- Two Thirds/Legislative Bonds
 - Secured by the faith and credit of the State
 - Voter approval is not necessary
 - Limited to the amount of indebtedness reduced during previous biennium





Types of Debt: Continued

- Revenue Bonds:
 - Backed by revenues generally tied to the project being financed
- Special Obligation Bonds:
 - Backed by various agency revenues
 - Limited to the University of North Carolina
 System

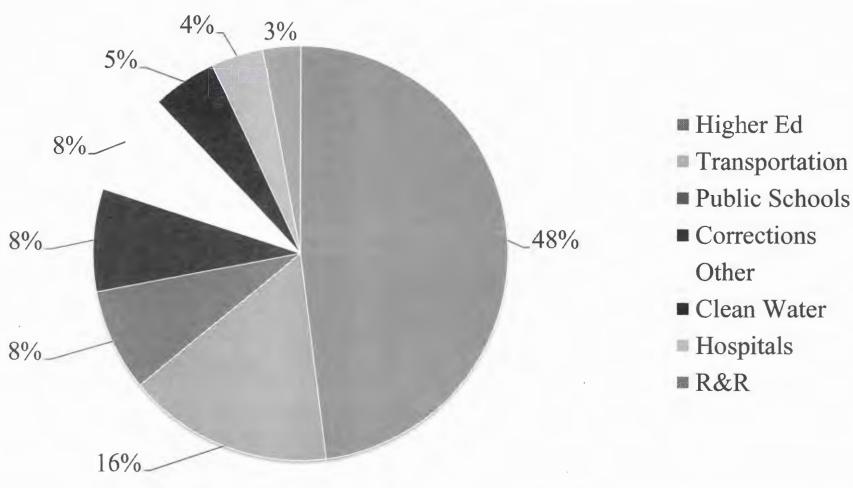
Outstanding Debt (FY 2014)

- General Obligation Bonds:
 - \$3.607 Billion
- Special Indebtedness:
 - \$2.384 Billion
- GAP Appropriations Bonds (NCTA)
 - \$0.769 Billion
- Installment Purchase/Capital Lease:
 - \$0.004 Billion





Debt Purposes – Total Tax Supported



- Clean Water
- Hospitals
- R&R

Special Indebtedness*

Project	Amount (Billions)	Percentage		
Corrections	\$0.8	22%		
Psychiatric Hospitals	\$0.4	11%		
University	\$1.6	42%		
Parks and Land	\$0.2	5%		
Repair and Renovation	\$0.4	9%		
Other	\$0.4	11%		
Total	\$3.8	100%		



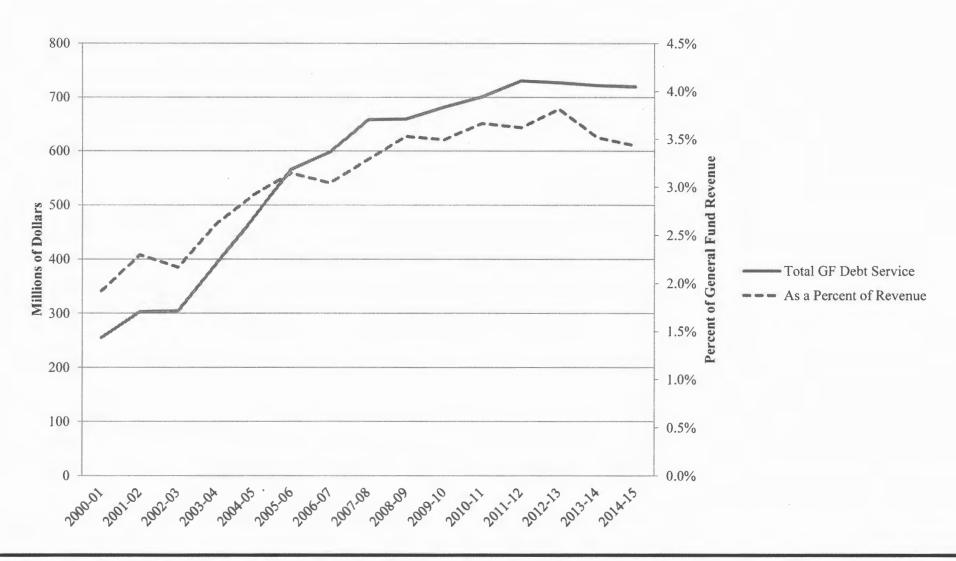


^{*} Does not reflect the use of Two Thirds Bonds authorized in FY 2014-15

Debt Management

- Credit Rating:
 - Aaa (Moody's), AAA (S&P), AAA (Fitch)
- Payout Ratio:
 - Ten year pay out ratio of 72% at June 30, 2014
- Variable Rate Debt:
 - None

Debt Service History







Debt Rankings

- Debt Per Capita: 31st
- Percent of Personal Income: 32nd
- Total Debt (Net): 17th
- Percent of GSP: 35th
- Debt Service Ratio: 31st

2014 Moody's State Debt Medians Study

General Fund Debt Availability (Debt Service at 4% of General Fund Revenue)

	FY	FY	FY	FY	FY
	2015-16	2016-17	2017-18	2018-19	2019-20
Total Additional	¢071 0	\$888.7	\$437.9	\$595.5	\$871.6
Debt Capacity	\$871.0	\$888.7	5437.9	\$393.3	\$6/1.0
Debt Capacity					
Available Each	\$698.2	\$698.2	\$698.2	\$698.2	\$698.2
and Every Year					

Two Thirds Bond Availability: \$345 million





Recent Actions by the General Assembly

- Appropriated Water Resources Funds:
 - \$11.5 and \$5.8 million for FY 2013-15
- Appropriated National Guard Armory Funds:
 - \$5 and \$3.2 million for FY 2013-15
- DPS Samarkand Phase 1 Construction
- Appropriated Planning Funds:
 - ASU Health Sciences
 - DCR Museum of History Expansion

Recent Actions by the General Assembly

• S.L. 2013-78: Limited special indebtedness and COPS to no more than 25% of the outstanding authorized and issued debt

 Refinanced \$206 million in non-voted debt with Two-Thirds Bonds

Authorized \$100 million in Two-Thirds Bonds





Recent Actions by the General Assembly

- New Debt Issuance For:
 - Albemarle Building Renovation
 - Western Crime Lab
 - Repair and Renovations
 - Hammocks Beach State Park Land Purchase
 - U.S.S. North Carolina Hull Repairs
 - Samarkand Phase 1 Project

Budget Pressures

- Water Resources
- Repair and Renovations
- National Guard Armories
- Appalachian State School of Health Sciences
- USS North Carolina





Budget Pressures

- Samarkand Phase Two
- NC State Plant Sciences Building
- DCR Museum of History
- Other General Assembly Priorities

University of North Carolina

- Self Liquidating Debt
 - Statutory framework created with the 2000 Higher Education Bonds
- · Pledge of "Obligated Resources"
 - Rents, charges, or fees
 - Earnings on the investment of the endowment fund
 - Overhead Receipts
 - No pledge of appropriation* or tuition





University of North Carolina

Approval Required:

- Approval by Board of Trustees (campus)
- Approval of Board of Governors (system)
- Authorization by General Assembly
 - Authorization typically occurs in the "Self Liquidating Bill"
- Approval by Director of the Budget

University of North Carolina

• Total Outstanding Debt: \$4,241,622,944

- 2015 Self Liquidating Request: \$184,500,000
 - ASU New Residence Hall
 - ECU Renovation of Residence Halls (Four)
 - NCCU Infrastructure Repairs and Maitenance
 - NCSU Engineering Building IV and Infrastructure





Priorities and Funding Decisions

- What are the Houses' Priorities
 - How will these priorities be set and communicated
 - Agencies and Universities
- How should the General Assembly allocate its resources
 - Cash, Debt Capacity, Receipts, etc.

Questions

Mark Bondo markb@ncleg.net

Daniel Sater daniel.sater@ncleg.net

919-733-4910





Governor's Proposed Budget - Capital

Governor's Budget

	Governor's Duaget				
	General Fund	FY 2015-16		FY 2016-17	
١,	Water Resources	\$	5.083,000		
1	National Guard Renovation and Construction	\$	618,000	\$	5,087,500
I	Reserve for Repair and Renovations	\$	46,851,501		
Ţ	Unknown - Bond Package				
7	Γotal	\$	52,552,501	\$	5,087,500
	Non-General Fund	FY 2015-16		FY 2016-17	
1	Department of Environment and Natural Resources				
I	Fort Fisher Aquarium Seawall	\$	590,000	\$	590,000
7	Transportation				
Ι	DMV Headquarters	\$	4,844,800		
A	Anson County Blacksmith Shop	\$	195,000		
1	Nash County Equipment Shop	\$	194,200	\$	2,590,800
(Gaston County Equipment Shop	\$	2,409,000		
5	Statewide Local Truck Storage Sheds			\$	194,800
(Greenville DMV/State HWP Office and Garage	\$	5,344,700	\$	2,190,000
I	Lee County Resident Engineers Office			\$	1,198,000
1	Watauga County District Engineers Office			\$	1,165,000
. 5	Surry County District Engineers Office			\$	1,197,000
(Guilford County Bridge Maintenance Facility			\$	1,024,000
5	Scotland County Maintenance Office			\$	1,109,000
Į	Wildlife Resources Commission				
	Boating Access New Construction	\$	3,750,000	\$	3,750,000
	Land Acquisition	\$	900,000	\$	900,000
	ordan Lake Depot	\$	500,000		
	Fishing Access Construction			\$	200,000
7	Total Total	\$	18,727,700	\$	16,108,600



Wendy Miller (Rep. Dean Arp)

om: Mark Bondo (Fiscal Research)

Sent: Thursday, March 19, 2015 11:54 AM

To: Rep. Dean Arp; Rep. Jon Hardister; Rep. Justin Burr

Cc: Daniel Sater (Fiscal Research); Ben Stanley (Bill Drafting)

Subject: Governor's Proposed Capital Budget

Attachments: GovernorCapital.pdf

House Capital Chairs,

Attached is the Summary of the Governor's Budget for Capital. I have a few of notes.

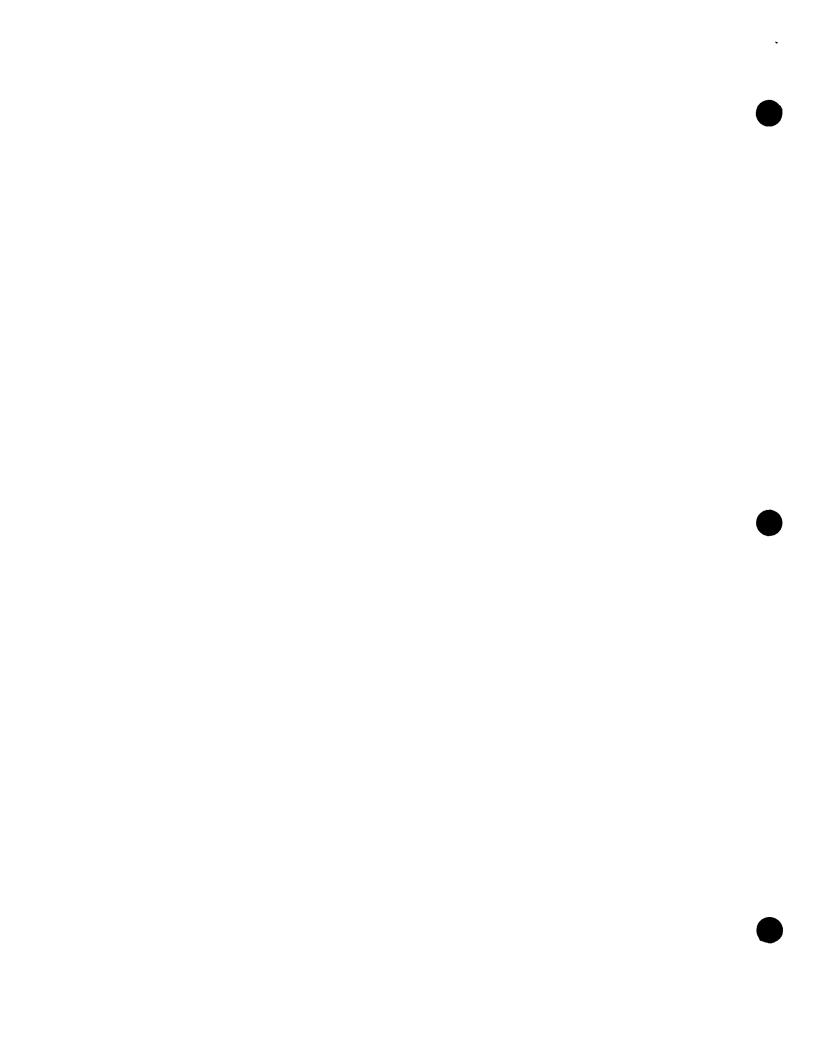
- All funding is non-recurring (meaning that it would be included in a base budget next year).
- The Reserve for Repair and Renovation funding does not appear in the Capital Section the funds are
 appropriated from the beginning balance of the previous year's funds from the current Fiscal Year (you'll hear
 this referred to as the "front of the budget" a lot).
 - The allocation of R&R funds occurs in the Capital Provision Section, which we haven't seen the Governor's Proposal yet.
- The Governor's Budget mentions a Bond Package, however we have not seen the specifics I have it on here as a place holder. Any bonding would appear in your money report with zero dollars and there would be a corresponding increase in debt service amounts in the Reserves Section of the Money Report.
 - The Governor's Proposed Budget makes no changes to Debt Service reflecting a bond package.
- We'll probably see agency requests for Non-General Fund projects forthcoming. There are a number of agencies that normally request projects that aren't included in the Governor's Budget. These agencies are:
 - o Dept. of Agriculture and Consumer Services
 - Dept. of Public Safety (Corrections Enterprises)
 - North Carolina Zoo

Let me know if you have any questions.

Mark

Mark Bondo Fiscal Research Division North Carolina General Assembly 300 N. Salisbury Street, Room 619 Raleigh, NC 27603-5925

Phone: (919) 733-4910 Email: markb@ncleg.net



Governor's Proposed Budget - Capital

Governor's Budget

Consul Fund		W 2015 16	FY 2016-17	
General Fund		FY 2015-16	ı	1 2010-17
Water Resources	\$	5,083,000		
National Guard Renovation and Construction	\$	618,000	\$	5,087,500
Reserve for Repair and Renovations	\$	46,851,501		
Unknown - Bond Package				
Total	\$	52,552,501	\$	5,087,500
Non-General Fund	I	FY 2015-16	FY 2016-17	
Department of Environment and Natural Resources				
Fort Fisher Aquarium Seawall	\$	590,000	\$	590,000
Transportation				
DMV Headquarters	\$	4,844,800		
Anson County Blacksmith Shop	\$	195,000		
Nash County Equipment Shop	\$	194,200	\$	2,590,800
Gaston County Equipment Shop	\$	2,409,000		
Statewide Local Truck Storage Sheds			\$	194,800
Greenville DMV/State HWP Office and Garage	\$	5,344,700	\$	2,190,000
Lee County Resident Engineers Office		, ,	\$	1,198,000
Watauga County District Engineers Office			\$	1,165,000
Surry County District Engineers Office			\$	1,197,000
Guilford County Bridge Maintenance Facility			\$	1,024,000
Scotland County Maintenance Office			\$	1,109,000
Wildlife Resources Commission				
Boating Access New Construction	\$	3,750,000	\$	3,750,000
Land Acquisition		900,000	\$	900,000
Jordan Lake Depot	\$	500,000		
Fishing Access Construction			\$	200,000
Total	\$	18,727,700	\$	16,108,600

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Committee Sergeants at Arms

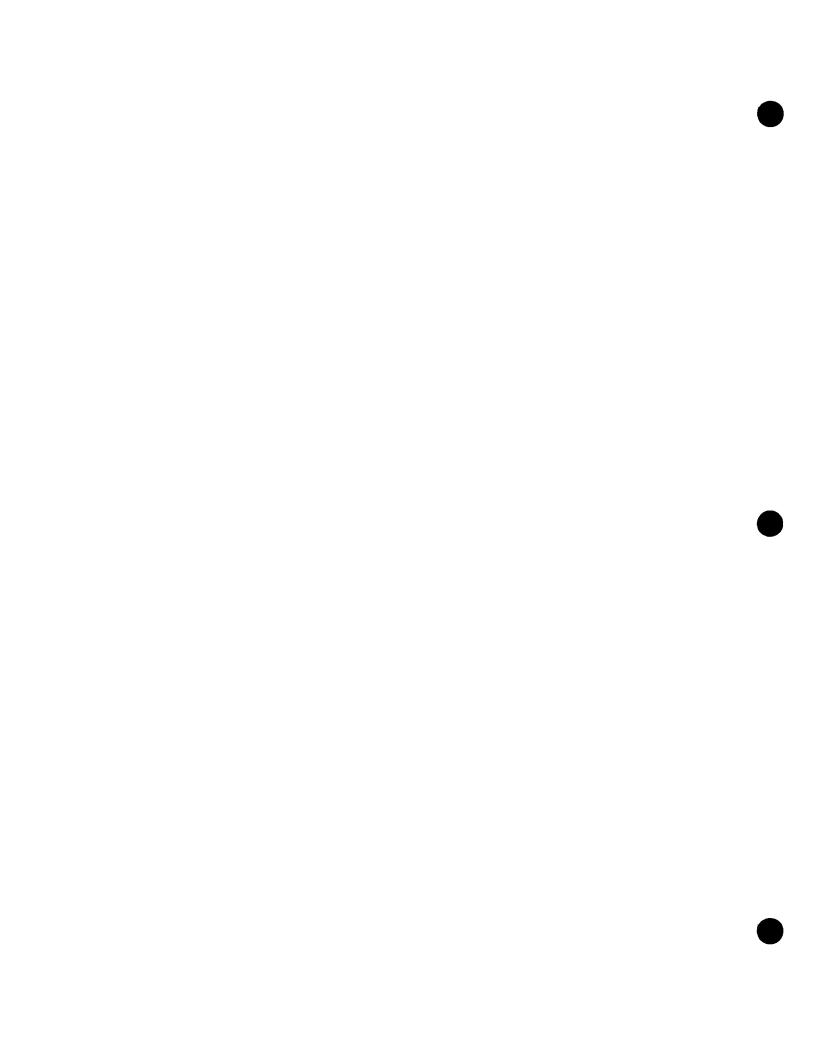
NAME OF COMMITTEE House Comm. on Approp.	, Capital
DATE: 3/19/15 Room: Rm423	
House Sgt-At Arms:	
1. Name: Charles Godwin	_
2. Name: Rey Cooke	_
3. Name: Dean Marshbourne	
4. Name:	-
5. Name:	
Senate Set At Arms:	
%. Name:	,
. Name:	
Name:	
. Name:	

Tuesday, March 24

APPROPRIATIONS
CAPITAL

Room 423 Time 8:30 am

Name	County	Sponsor					
Jayden Cheese	Wake	Rosa U. Gill					
Amy Clemmons	Wake	Paul Stam					
Amanda Cone	Nash	Jeff Collins					



House Committee on Approp., Capital

3/19/15

Name of Committee

Date

NAME	FIRM OR AGENCY AND ADDRESS
Dieu Montre	UNCGH
JOHATE AT PART	UNCGA
JATHAN KAPPLEN	Luc Ca
hill Johnson	UNCGA
Beth Josher	. UNC Charlett
Chis Agrer	2007
Flint BENSON	SEANC
Kevin Howest	NcsU
Rnorde Told	DOA.
Swame Beasley	STANC
Michelle Brooks	East Caroline University

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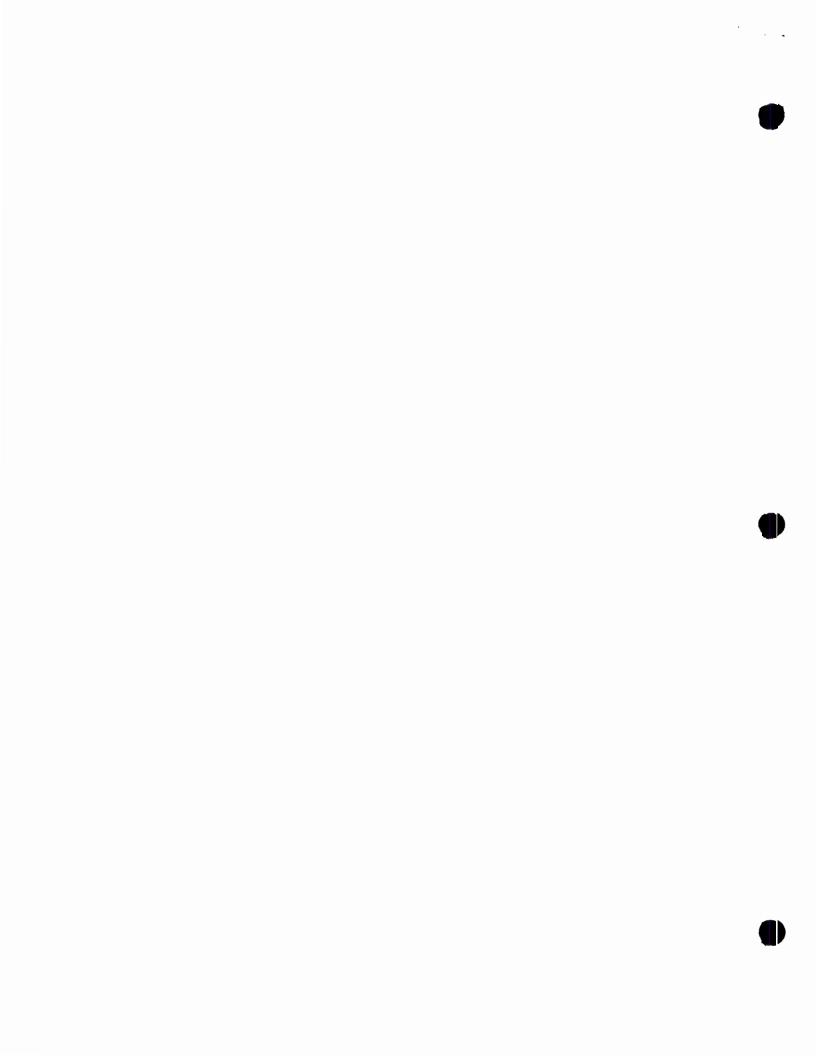
House Committee on Approp., Capital

3/19/15

Name of Committee

Date

NAME	FIRM OR AGENCY AND ADDRESS
Damo Brown, Q	OSBM
Kent Yelverton	NCOATCS
Joy Hills	NCOFICS
Paul Sherman	NCFB
Bety Bacy	· CAGC
· V	
	•
Joy Hichs Paul Shorman Betsy Bacy	NCBFICS



Jayne Nelson (Rep. Jon Hardister)

Juylie Heison	(ite). For Flandister)
m:	Jayne Nelson (Rep. Jon Hardister)
sent:	Monday, March 30, 2015 02:11 PM
To:	Jayne Nelson (Rep. Jon Hardister)
Subject:	<ncga> House Appropriations, Capital Committee Meeting Notice for Tuesday, March</ncga>
Attachments:	31, 2015 at 8:30 AM Add Meeting to Calendar_LINCics
	NORTH CAROLINA HOUSE OF REPRESENTATIVES COMMITTEE MEETING NOTICE AND
	BILL SPONSOR NOTIFICATION
	2015-2016 SESSION
DAY & DATE: ME: OCATION: COMMENTS:	Tuesday, March 31, 2015 8:30 AM 423 LOB There will be several presentations from State agencies. No bills will be heard.
	Respectfully,
	Representative Dean Arp, Co-Chair Representative Justin P. Burr, Co-Chair Representative Jon Hardister, Co-Chair
I hereby certify t March 30, 2015.	his notice was filed by the committee assistant at the following offices at 2:10 PM on Monday,
	Principal Clerk Reading Clerk – House Chamber
Jayne Nelson (Co	ommittee Assistant)

		_
		_

House Appropriations Sub-Committee on Capital

Rep. Dean Arp

Rep. Justin Burr

Rep. Jon Hardister

Tuesday, March 31, 2015 8:30am Room 423 Legislative Office Building

1. Welcome and Opening Comments:

Rep. Jon Hardister, Presiding

2. Overview of Governor's Proposed Budget

Donna Cox, Assistant State Budget Officer, Office of State Budget and Management

3. Department of Administration - Status of Albemarle Building Renovation

Greg Driver, Director, Office of State Construction

4. Department of Justice – Status Western Crime Lab Expansion

Dana Phillips, Deputy Director for Operations, North Carolina Justice Academy Nels Roseland, Deputy Chief of Staff

5. Department of Public Safety – Status of Samarkand Phase I Project

Bill Stovall, Director, Central Engineering

6. Department of Public Safety – Status of National Guard Armory and Facility Funds

Kenneth Cook, Lt. Colonel, Construction Facilities Management Office

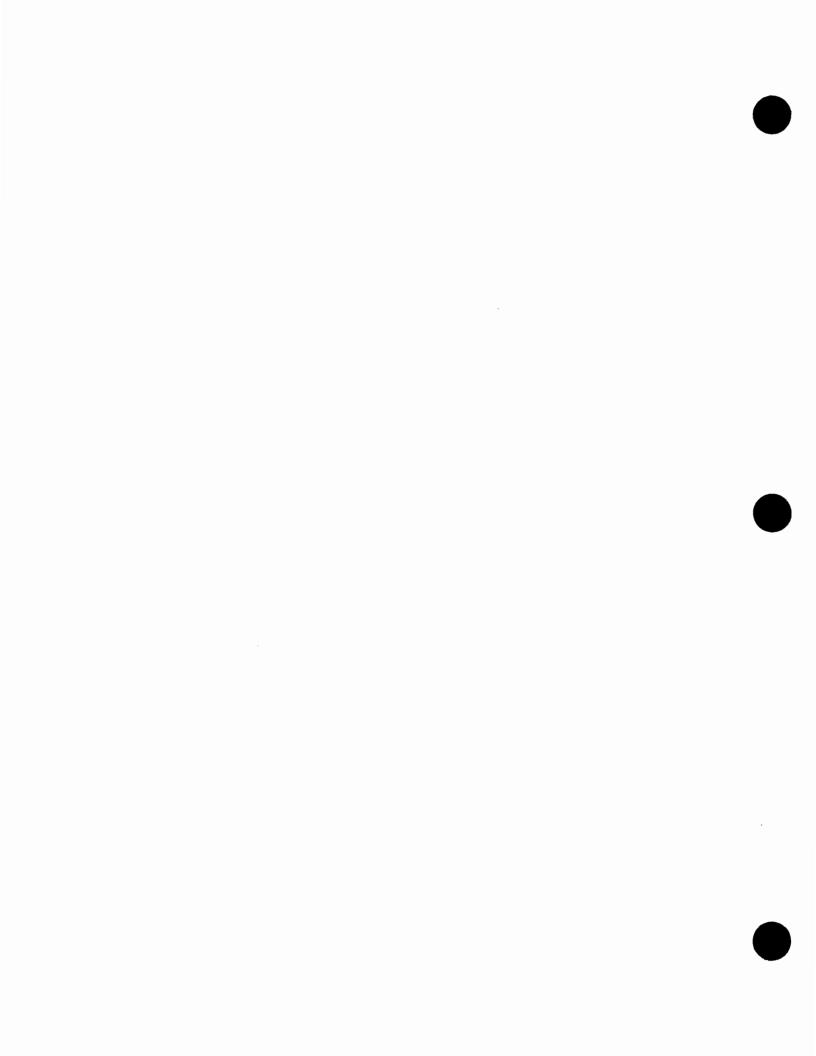
- 7. Department of Cultural Resources:
 - a. Status of USS North Carolina Hull Repair and Coffer Dam
 - b. Status of Planning for Museum of History Expansion

Mark Cooney, Director, Capital Projects Unit

8. Appalachian State University – Status of College of Health Sciences Planning

Greg Lovins, Vice Chancellor, Business Affairs

9. Adjourn



:House Committee on Appropriations, Capital Tuesday, March 31, 2015 at 8:30 AM Room 423 of the Legislative Office Building

MINUTES

The House Committee on Appropriations, Capital met at 8:30 AM on March 31, 2015 in Room 423 of the Legislative Office Building. Representatives Arp, Brockman, Burr, and Hardister attended. Fiscal Staff in attendance were: Mark Bondo and Daniel Sater. A Visitors Registration sheet is attached and made a part of these minutes. (See attachment I)

Representative Jon Hardister, Chair, presided.

Representative Hardister called the meeting to order and welcomed everyone then introduced the Sergeant at Arms: Charles Godwin, Rey Cooke and Dean Marshbourne and the House Page: Korie Dean of Orange County. (attachment 2)

Several presentations were given and no bills were heard. Representative Hardister opened the meeting for questions from the members after each speaker concluded. The following presentations were given to the committee:

Overview of Governor's Proposed Budget-Donna Cox, Assistant State Budget Officer, Office of State Budget and Management addressed the committee to give an overview of the projects included in the Governor's budget (attachment 3).

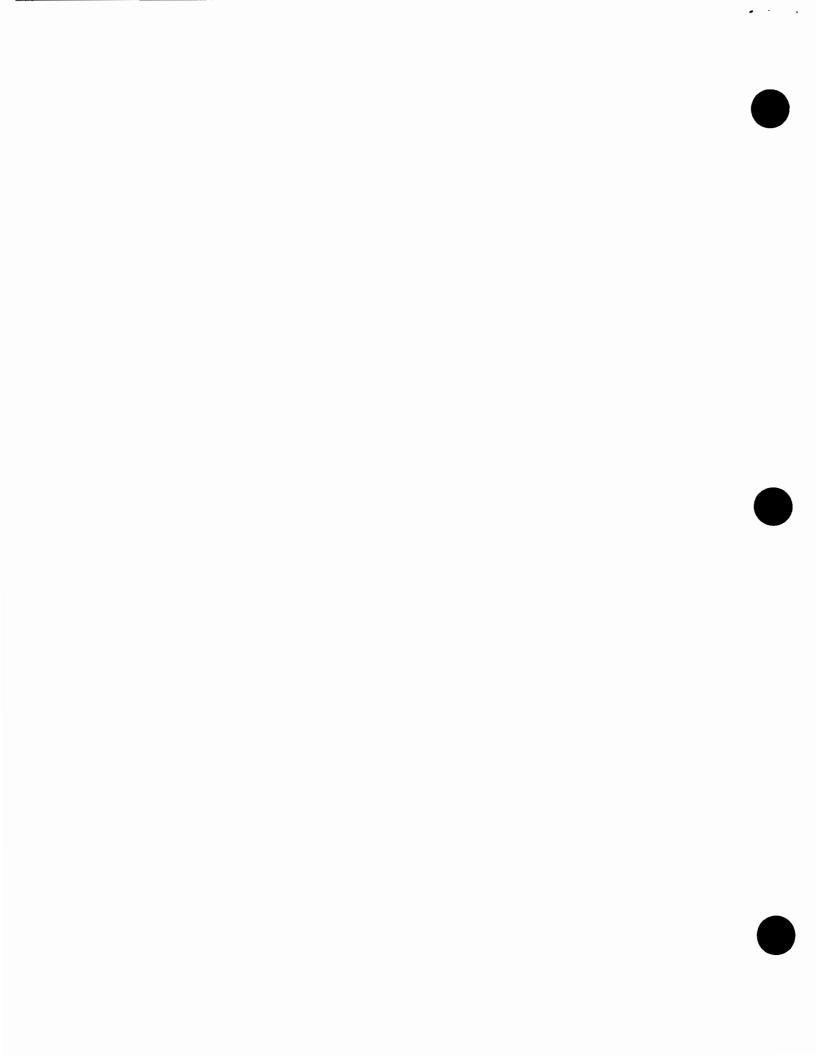
The Department of Administration- Greg Driver, Director of State Construction gave an overview of the status of the Albemarle Building Renovation (attachment 4).

Department of Justice-Status Western Crime Lab Expansion- Dana Phillips, Deputy Director for Operations, North Carolina Justice Academy and Nels Roseland, Deputy Chief of Staff gave an overview of the crime lab expansion, budget with a timeline for completion (attachment 5).

Department of Public Safety-Status of Samarkand Phase I Project- Bill Stovall, Director, Central Engineering gave an overview of the Samarcand Training academy Project in Eagle Springs, NC. His presentation included information and photographs of the building and grounds to explain some of the problems they have had from out dated construction in the past and what is needed to correct those problems (attachment 6).

Department of Public Safety-Status of National Guard Armory and Facility Funds-Kenneth Cook, Lt. Colonel, Construction Facilities Management Office addressed the committee concerning appropriations, the scope of work, timeline and remaining funds (attachment 7).

Department of Cultural Resources- Mark Cooney, Director, Capital Projects Unit gave a report on the status of the USS North Carolina hull repair and coffer dam, and a report on the status of plans for the expansion of the Museum of History (attachment 8).



Appalachian State University-Status of College of Health Science Planning-Greg Lovins, Vice Chancellor, Business Affairs presented a timeline of progress on the College of Health Science and the UNC Board of Governors Strategic Plan from the present through 2021. He also gave handouts with the proposed configuration of the new CHS building, expenditures as of March 30, 2015 and funding estimates (attachments 9, 9a, 9b, 9c).

Representative Hardister thanked the speakers for their presentations

The meeting adjourned at 9:30am.

Representative Jon Hardister, Chair

Presiding

Javne Nelson, Committee Clerk

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House Comm. on Appropriation Capital 3/31/2015 Name of Committee Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS					
Unichael O'Corpor	APP STATE					
Swan McCracken	Appalachien State Univers					
Greg Lovins	Appalachian State University					
WILL JOHNSON	UNC GENERAL ADMINISTRATION					
Drew Moretz.	· one GA					
Belly Dister	UNC chabitle					
Jen Wills	UNC CH					
Kevin House	NCSU					
Kem Hovell	DCR					
Marina Gensino	· YCR					
Karin cochrun	DCR					
Kevin Cherry	DER					
Charles & Walston	NCDRS					

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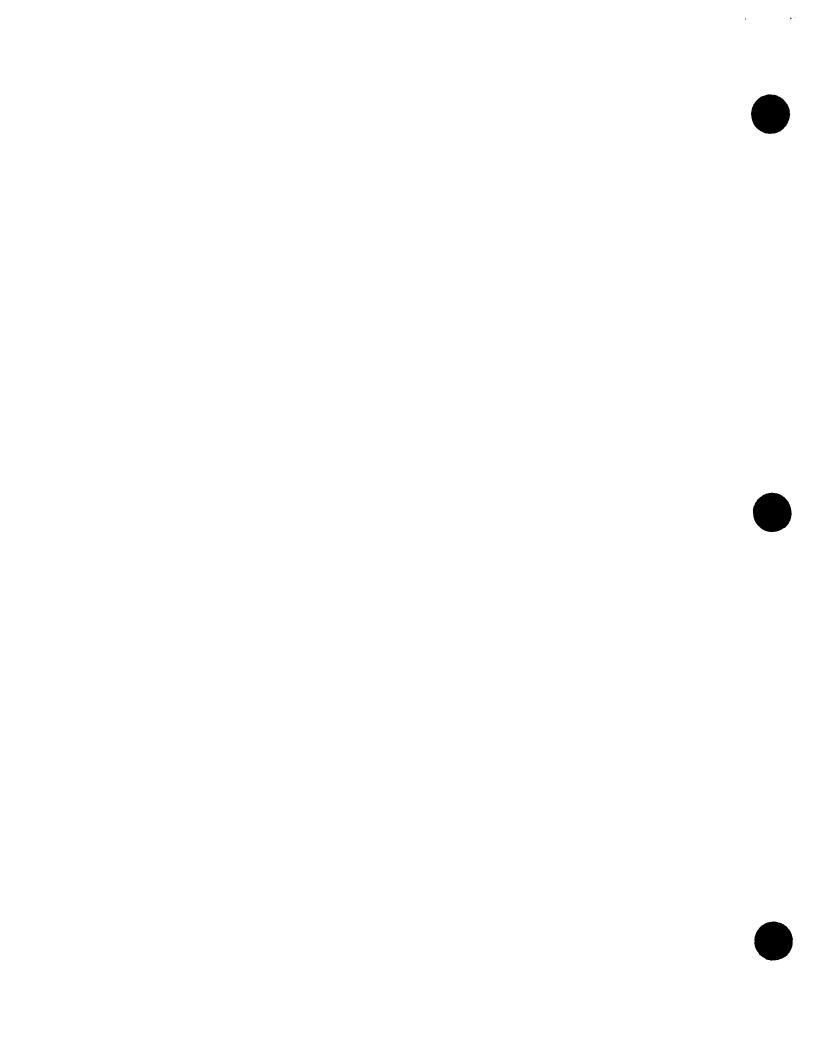
House Comm. on Appropriation Capital 3/31/2015 Name of Committee Date

NAME	FIRM OR AGENCY AND ADDRESS
MAJ Kent Caldwell	North Carolina National Guard 1636 Gold Star Drive Raleigh NC 27607
MAJ Jereny Shellhanner	NONG 1636 Gold Star Dr Raleigh NC 27607
Hal Robot Carver	NENG 11
LTC Kenny Cook	NCNG "
Bill Stovall	ncdps
JIM GATES	NCDPS
GREG DRIVER	DON/SCO
MARK COONEY	NC DCR 109 E. JONES ST. RALEIGH 27601
TERRY BRAGE	Battleship North Cenolinis Menories
MARTIN FEURLE	PATTLESHID NORTH CAROLINA
Ken Howard	N.C. Museum of History - 5 E. Edentin St Robert No. 27601



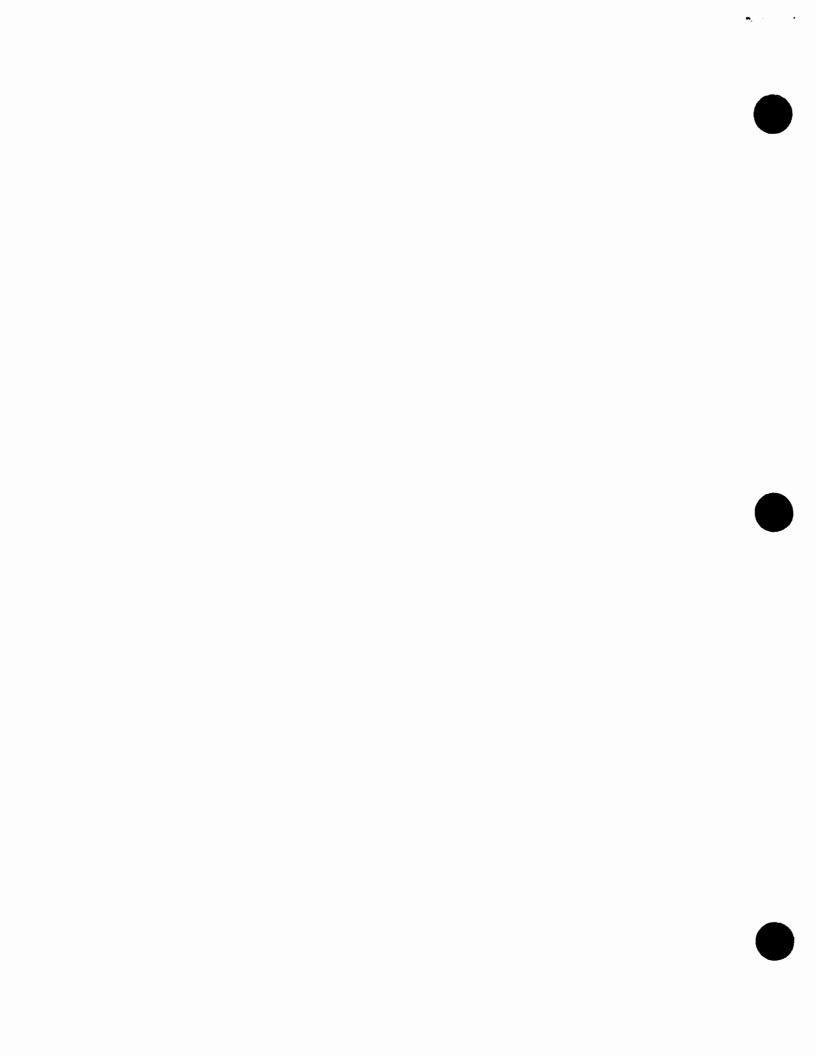
House Comm. on Appropriation Capital 3/31/2015 Name of Committee Date

NAME	FIRM OR AGENCY AND ADDRESS
Kent Yelveston	NCDALCS
Joy Hichs	NCDAZCS
Paul Sherm	NCFB
RICHARD JORDAN	NCOPS
NELS ROSELANS	. NC DOJ
Denc Phillips	NEDOJ
ChiksAgaer	2007
Markisha Baker	OSBM
Donna S. Ge	OSBM.
Gres Piner	OSBM
PAUL BONEY	L53P



House Comm. on Appropriation Capital 3/31/2015
Name of Committee Date

NAME	FIRM OR AGENCY AND ADDRESS	
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David Craeford	DIDNO	
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Tuesday March 31, 2015 APPROPRIATIONS/CAPITAL

Room 423 Time 8:30

<u>Sergeant-at-Arms</u>

Charles Godwin Rey Cooke Dean Marshbourne

		
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Time 8:30 am

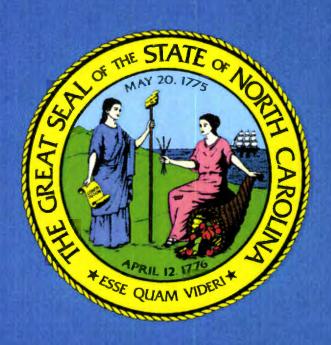
Name County Sponsor

Korie Dean Orange Brian Turner

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ATT #3

THE GOVERNOR'S RECOMMENDED BUDGET



Pat McCrory
Governor

The State of North Carolina 2015 - 2017

Capital – General Fund

Recommended Changes for Department of Environment and Natural Resources

			2022 2009										
		_	Recurring No		Non Recurring				Recurring	ng Non Recurring			
				Changes		Changes		Total		Changes	Changes		Total
1.	DWR - Water Resources Development Projects												
	Provides funds for the State's share of Water Resource Development Projects. The projects include	Req	\$	- 3	\$	5,083,000	\$!	5,083,000	\$	- \$	5,083,000	\$	5,083,000
	navigation, water management, ecosystem restoration and coastal storm damage reduction. Projects	Rec	\$	- 9	\$	- !	\$		\$	- \$		\$	
	include:	Appr	\$	- 9	\$	5,083,000	\$!	5,083,000		\$	5,083,000	\$	5,083,000
	2. County leader to be West of Street	Pos		0.000		0.000		0.000		0.000	0.000		0.000

2015-2016

2016-2017

- B. Everett Jordan Lake Water Supply Storage
- Carolina Beach Coastal Storm Damage Reduction
- Kure Beach Coastal Storm Damage Reduction
- Wrightsville Beach Coastal Storm Damage Reduction
- Ocean Isle Beach Coastal Storm Damage Reduction
- Water Resources Planning
- State/Local Water Resources Development Grants (General Navigation, Recreational Navigation, Water Management, Stream Restoration, Beach Protection, and Land Acquisition)
- Cape Fear Lock and Dam #2 Fish Ramp Phase 1
- Town of North Topsail Beach Shoreline Protection Project Phase 2
- Western NC Stream Initiative NRCS
- Linville River Restoration Phase III
- High Hazard Dams Breath Path
- Carolina Beach SCDR 15 year Extension Study

Total Requirements	\$ - \$	5,083,000 \$	- \$	- \$	5,083,000 \$	-
Total Receipts	\$ - \$	- \$	- \$	- \$	- \$	-
Total Appropriations	\$ - \$	5,083,000 \$	- \$	- \$	5,083,000 \$	-
Positions	0.000	0.000	0.000	0.000	0.000	0.000



		2015-2016									
		Recurring	Non Recurring					Recurring	Non Recurring	g	
		Changes		Changes		Total		Changes	Changes		Total
1. National Guard Major Renovation and Construction											
Expands and rehabilitates four NCNG Readiness Center facilities across the state. The Readiness	Req	\$ -	\$	618,000	\$	618,000	\$	\$	5,087,500	\$	5,087,500
Centers are located in Franklin County, Onslow County, Pasquotank County and Rockingham County.	Rec	\$ -	\$	-	\$	-	\$	- \$	-	\$	-
State funds will be matched with federal funds on a 50/50 basis.	Appr		\$	618,000	\$	618,000		\$	5,087,500	\$	5,087,500
State failed will be illatence with reachal failed off a 30/30 adds.	Pos	0.000		0.000		0.000		0.000	0.000		0.000
Total Requirements		\$ -	\$	618,000	\$	618,000	\$	- \$	5,087,500	\$	5,087,500
Total Receipts		\$	\$	-	\$_		\$	- \$	-	\$	
Total Appropriations		\$ -	\$	618,000	\$	618,000	\$	- \$	5,087,500	\$	5,087,500
Positions		0.000		0.000		0.000		0.000	0.000		0.000

Capital – Non-General Fund



				2015	5-2016			2016-2017	
	_	R	Recurring	Non Recurring			Recurring	Non Recurring	
			Changes		Changes	Total	Changes	Changes	Total
1. Aquariums - Fort Fisher Saltwater Well									
Supplements a man-made salt water well for the aquarium exhibits. The well provides natural salt	Req	\$	-	\$	- \$	- \$	- 9	\$ \$	-
water for the aquarium and reduces the need to use municipal water and salt mixtures.	Rec	\$		\$ 5	590,000 \$	590,000 \$		5 590,000 \$	590,000
that is the square and reduced the need to use the square and sale than the	ΔFB	\$	-	\$ 5	590,000 \$	590,000 \$		590,000 \$	590,000
	Pos		0.000		0.000	0.000	0.000	0.000	0.000
Total Requirements		\$	-	\$	- \$	- \$	- ;	5 - \$	-
Total Receipts		\$		\$!	590,000 \$	590,000 \$	- ;	590,000 \$	590,000
Change in Fund Balance (Δ FB)		\$	-	\$ 5	590,000 \$	590,000 \$	- ;	\$ 590,000 \$	590,000
Positions			0.000		0.000	0.000	0.000	0.000	0.000

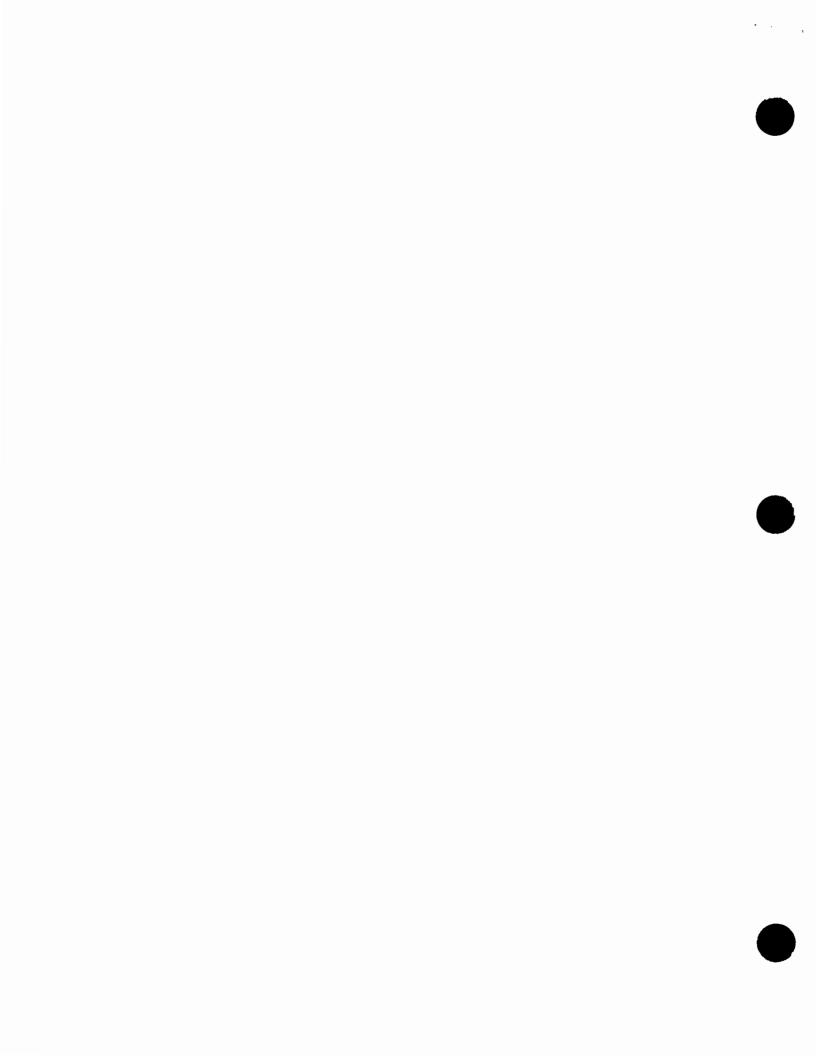
Recommended Changes for Department of Transportation

					2015-2016				2016-2017	
				Recurring	Non Recurring			Recurring f	Non Recurring	
				Changes	Changes	Total		Changes	Changes	Total
1.	Department of Motor Vehicles - Headquarters									
	Funds design and construction of a new 282,000 SF facility on NCDOT owned property/parcel on Poole	Req	\$	- \$	- \$	_	\$	- \$	- \$	
	Rd in Raleigh, improving customer service and enhancing efficiency.	Rec	\$	- \$	4,844,800 \$	4,844,800	\$	- \$	- \$	-
	The in thicking, miproving customer service and childrening efficiency.	ΔFB	\$	- \$	4,844,800 \$	4,844,800	\$	- \$	- \$	-
		Pos		0.000	0.000	0.000		0.000	0.000	0.000
2.	Anson County Blacksmith Shop									
	Funds replacement of 1500 SF shop on the existing site. The building was constructed in 1931 and has	Req	ć	- \$	- \$		\$	- \$	- \$	
		Rec		- \$		195,000		- \$	- \$	-
	exceeded its useful life.	ΔFB		- \$		-		- \$	- \$	
		Pos	,	0.000	0.000	0.000	,	0.000	0.000	0.000
				0.000	0.020	0.000			0.00	2.000
3.	Nash County Equipment Sub-Shop									
	Funds design and construction of a new 11,000 SF equipment sub-shop. Current facility is 50 years old.	Req	\$	- \$	- \$	-	\$	- \$	- \$	-
		Rec	\$	- \$	194,200 \$	194,200	\$	- \$	2,590,800 \$	2,590,800
		ΔFB	\$	- \$	194,200 \$	194,200	\$	- \$	2,590,800 \$	2,590,800
		Pos		0.000	0.000	0.000		0.000	0.000	0.000
4.	Gaston County Equipment Sub-Shop									
	Funds design and construction to replace existing shop constructed in 1945.	Req	Ś	- \$	- \$	-	\$	- \$	- \$	_
	Taking design and construction to replace existing shop constructed in 1545.	Rec	Ś	- \$			Ś	- \$	- \$	
		ΔFB	\$	- \$			\$	- \$	- \$	-
		Pos		0.000	0.000	0.000		0.000	0.000	0.000
5.	Local Truck Storage Shed - Statewide									
٥.	Funds statewide replacement of several local truck storage sheds.	Req	ς	- \$	- ś	_	Ś	- \$	\$	
	ruitus statewide replacement di severariocal truck storage sileus.	Rec	\$	- \$			\$	- \$	194,800 \$	194,800
		ΔFB	Ś	- S	- 5	-	\$	- \$	194,800 \$	194,800
		Pos		0.000	0.000	0.000	·	0.000	0.000	0.000
6.	Greenville DMV/State Highway Patrol Office and SHP Garage									
	Funds design and construction of a new 25,000 SF DMV/SHP office building and 10,000 SF SHP garage	Req		- \$	- \$	-	\$	- \$	- \$	
	on existing land in Pitt County.	Rec	\$	- \$	0/0		\$	- \$	2,190,000 \$	2,190,000
		ΔFB	\$	- \$	5,344,700 \$	5,344,700	\$	- \$	2,190,000 \$	2,190,000
		Pos		0.000	0.000	0.000		0.000	0.000	0.000
7	Loo County Paridant Engineer's Office									
/.	Lee County Resident Engineer's Office	Pac	ć	- 5			\$	\$	- \$	
	Funds design and construction of the resident engineer's office. The current facility is rated as poor and	Req Rec		- ;			\$	- \$	1,198,000 \$	1,198,000
	has exceeded its useful life.	ΔFB			· · · · · · · · · · · · · · · · · · ·		_ \$ \$	- ş	1,198,000 \$	1,198,000
		Pos	Ş	0.000	0.000	0.000		0.000	0.000	0.000
		F-05		0.000	0.000	0.000		0.000	0.000	0.000

		2015-2016					2016-2017					
		Recurring	No	on Recurring			Recurring	Non Recurring				
		 Changes		Changes	Total	_	Changes	Changes	Total			
8. Watauga County District Engineer's Office												
Funds design and construction of a 5,000 SF district office. The current facility was constructed in 1969.	Req	\$	\$	\$	-	\$. 9	-	\$ -			
	Rec	\$ -	\$	- \$	-	\$		1,165,000	\$ 1,165,000			
	ΔFB	\$ -	\$	- \$	-	\$	- 9	1,165,000	\$ 1,165,000			
	Pos	0.000		0.000	0.000		0.000	0.000	0.000			
9. Surry County District Engineer's Office												
Funds design and construction of new 5,000 SF district engineer's office in Surry County on the existing	Req	\$ -	\$	- \$		\$	- 5	-	\$ -			
yard.	Rec	\$ 	\$	\$	-	\$		1,197,000	\$ 1,197,000			
	ΔFB							1,197,000	\$ 1,197,000			
	Pos	0.000		0.000	0.000		0.000	0.000	0.000			
10. Guilford County Bridge/Bridge Maintenance Assembly												
Funds design and construction of a 4,000 SF Bridge/Bridge Maintenance building on the existing yard in	Req	\$ -	\$	- \$	_	\$		· -	\$.			
Guilford County.	Rec	\$ -	\$	- \$	-	\$		1,024,000	\$ 1,024,000			
	ΔFB							5 1,024,000	\$ 1,024,000			
	Pos	0.000		0.000	0.000	ı	0.000	0.000	0.000			
11. Scotland County Maintenance Office												
Funds design and construction of a 5000 SF maintenance office on the existing yard in Scotland County.	Req	\$ -	\$	\$	-	\$		\$ -	\$ -			
Existing facility was constructed in 1955 and has exceeded its useful life.	Rec	\$ -	\$	\$		\$		\$ 1,109,000	\$ 1,109,000			
,	ΔFB							\$ 1,109,000	\$ 1,109,000			
	Pos	0.000		0.000	0.000)	0.000	0.000	0.000			
Total Requirements		\$	\$	- \$	-	\$	-	\$ -	\$ -			
Total Receipts		\$ 			12,987,700			\$ 10,668,600				
Change in Fund Balance (Δ FB)		\$	\$ 1		12,987,700				\$ 10,668,600			
Positions		 0.000		0.000	0.000)	0.000	0.000	0.000			

Recommended Changes for Wildlife Resources Commission

		2015-2016					2016-2017					
		 Recurring	Non Recuri	ing			Recurring	Non Recurring				
		 Changes	Chan	ges	Total		Changes	Changes	Total			
1. Boating Access New Construction												
Funds construction of multiple new boating access areas throughout the state.	Req	\$. 9	;	\$	-	\$	\$	- \$	-			
	Rec	\$ 	3,750,0	00 \$	3,750,000	\$	\$	3,750,000 \$	3,750,000			
	ΔFB	\$ - 5	-,,-		3,750,000	\$	- \$	3,750,000 \$	3,750,000			
	Pos	0.000	0.0	000	0.000		0.000	0.000	0.000			
2. Agency Land Acquisition												
Funds a continuing project to acquire land to include in the agency's land management and access	Req	\$ - 9		- \$	-	\$	- \$	- \$	-			
programs.	Rec	\$ - 9	900,0	00 \$	900,000	\$	- \$	900,000 \$	900,000			
F - 0	ΔFB	\$ - (900,0	00 \$	900,000	\$	- \$	900,000 \$	900,000			
	Pos	0.000	0.0	000	0.000		0.000	0.000	0.000			
3. Jordan Lake Depot												
Funds replacement of existing buildings at Falls/Jordan Lake gameland.	Req	\$ - 9	5	- \$		\$	- \$	\$	*			
0	Rec	\$ - 9	500,0	00 \$	500,000	\$	- \$	\$	-			
	ΔFB	\$ - !	500,0	00 \$	500,000	\$	- 5	- \$	-			
	Pos	0.000	0.0	000	0.000		0.000	0.000	0.000			
4. New Fishing Access Construction												
Increases access to public waters for anglers, hunters and boaters.	Req	\$ -	\$	\$		\$	_	- \$	-			
,	Rec	\$ - !	5	\$		\$	- 5	200,000 \$	200,000			
	ΔFB	\$ -	5	- \$	-	\$	- 9	200,000 \$	200,000			
	Pos	0.000	0.	000	0.000		0.000	0.000	0.000			
Total Requirements		\$ -	\$	- \$	-	\$	- (- \$	-			
Total Receipts		\$ - !	5,150,0	00 \$	5,150,000	\$	- \$	4,850,000 \$	4,850,000			
Change in Fund Balance (Δ FB)		\$ -	5,150,0	00 \$	5,150,000	\$. ;	4,850,000 \$	4,850,000			
Positions		0.000	0.	000	0.000		0.000	0.000	0.000			



HOUSE APPROPRIATIONS SUB-COMMITTEE ON CAPITAL PRESENTATION March 31, 2015







PROJECT SCOPE

- Albemarle Building:

 12-stories, 192,370 s.f.
 (built in 1969)
 corner of N Salisbury and W Lane Streets
- Currently occupied by State Treasurer, DHHS and Veterans Affairs
- New tenant:
 Department of Insurance
 (consolidation from 5 current locations, including leased space)







PROJECT SCOPE

Complete interior renovation:

- Full Asbestos Abatement
- Creating Modern Office Space
- New Interior Finishes
- New heating and air conditioning, electrical and telecom systems









PROJECT SCOPE

- Exterior building envelope:
- New high efficiency windows and glass
- Adding insulation to exterior walls
- New prominent visitor and employee entrances
- New roof and roof insulation









PROJECT SCOPE

Site Improvements:

- Create a more welcoming appearance
- Clean up and improve landscaping
- Remove crumbling concrete planters and walls









PROJECT SCOPE

- Design team selected in October 2014 (LS3P Associates)
- Construction Manager at Risk team selected in November 2014 (Barnhill Contracting)
- Programming and Design meetings with Department of Insurance –
 Advance Planning Design Phase completed January 31, 2015





PROGRESS UPDATE

- Determination of division organization with the building, for maximum efficiency
- First two floors: public access (hearing rooms, training rooms, SMART NC offices)
- Upper floors:
 - Office of State Fire Marshal
 - Producers, Fraud and Products Group
 - Company Services Group
 - Administration



Primary Contacts: Louis Belo More Edwards Tristo Nance

Stacking Floor		
10	Admin - Acc	
9	CSG	
8	CSG	
7	PFEP	
6	PFFP	
\$ •	OSPA PER	
	09FM	
3	CAG	
2	Hearing/Conf CAG	
1	Train/Conf/interrogation/Counseling	
Groun	Mail/Storage/Verding	

Executive Management - 5
Legal - 9
PIO - 6

egional Flox Spoce - 3

21 M-F/3 Flox

Controller - LB

Parsonnel - 5

Inflo Systems - 17

Special Asst. - 2

43 84-F

Actuarial - 10

Afternative Markets - 20

Market Regulation - 24

54 M-F

£35 8 Financial Evaluation - 46 M-F

40 14-5

PREF 1 Life & Health - 17

Property & Couralty - 10 Criminal Investigations - 3 M-F/12 Fian

U MATERIA

Agent Services - 30 M-F/9 Figs

30 M-F/9 Floo

Enginearing and Codes - 28 Manufactured Building - 7 M-F/3 Flex Rink Management - 8 M-F/ 7 Flex

44 M-F/30 Floa

Fire and Rescue Division - 11 M-F/11 Flex Injury Prevention - 7 M-F/3 Flex Administration and Finence - 5 Senior - 2

25 M-F/14 Floor

Smart MC - 12 Consumer Services - 22

36 56-6

SMITP/SMP - 23 M-F/5 Flux

23 M-F/S-Flat

Administrative Services - 2

2 MI-F





PROJECT SCOPE

Interior design ideas









PROJECT BUDGET

Construction Budget	\$36,738,404
Professional Services Fees	\$ 3,604,256
Special Inspections	\$ 180,212
 Contingency 	\$ 1,802,128

TOTAL PROJECT BUDGET

NORTH CAROLINA
Department of Administration

\$42,325,000



PROJECT SCHEDULE

- DOA Veterans Affairs have already moved out
- DHHS moving out late April
- State Treasury begins phased move in June (runs thru summer, due to data center migration)
- Asbestos Abatement begins on upper floors in May
- Full Building Construction starts in the fall
- Completion date goal: October 2016
 - Full Occupancy February 2017





71145 3-31-15

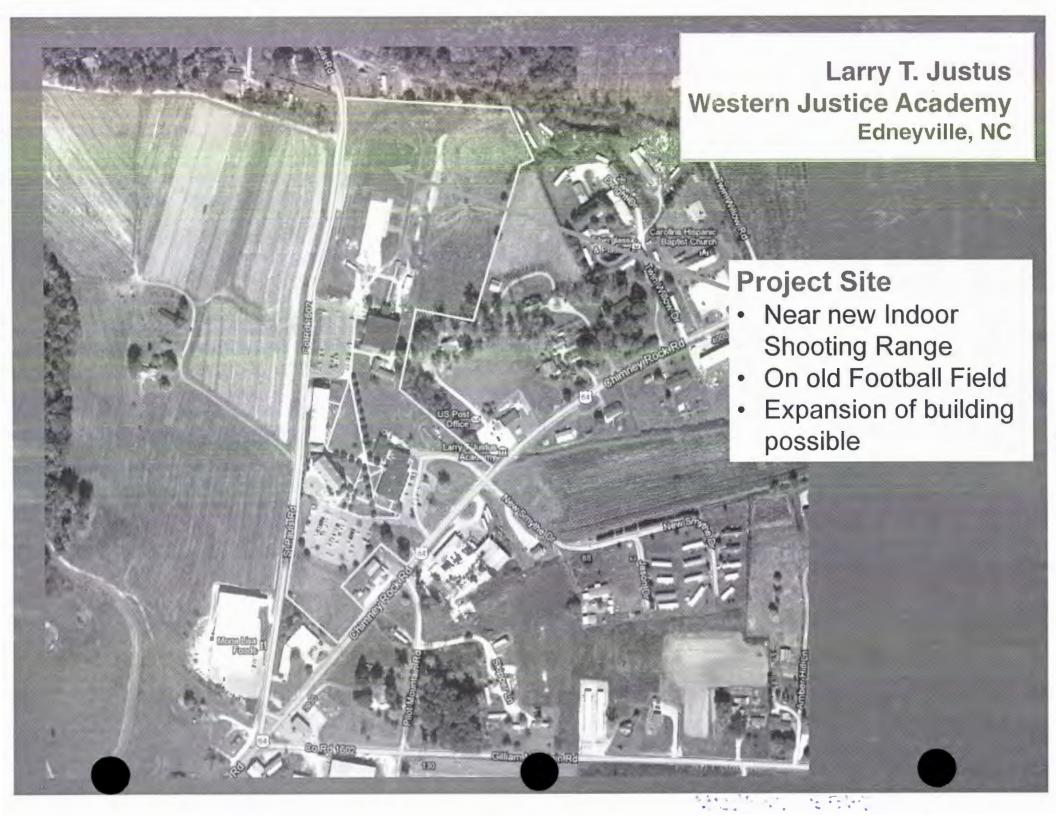
Western Regional Crime Lab

NORTH CAROLINA

DEPARTMENT OF JUSTICE

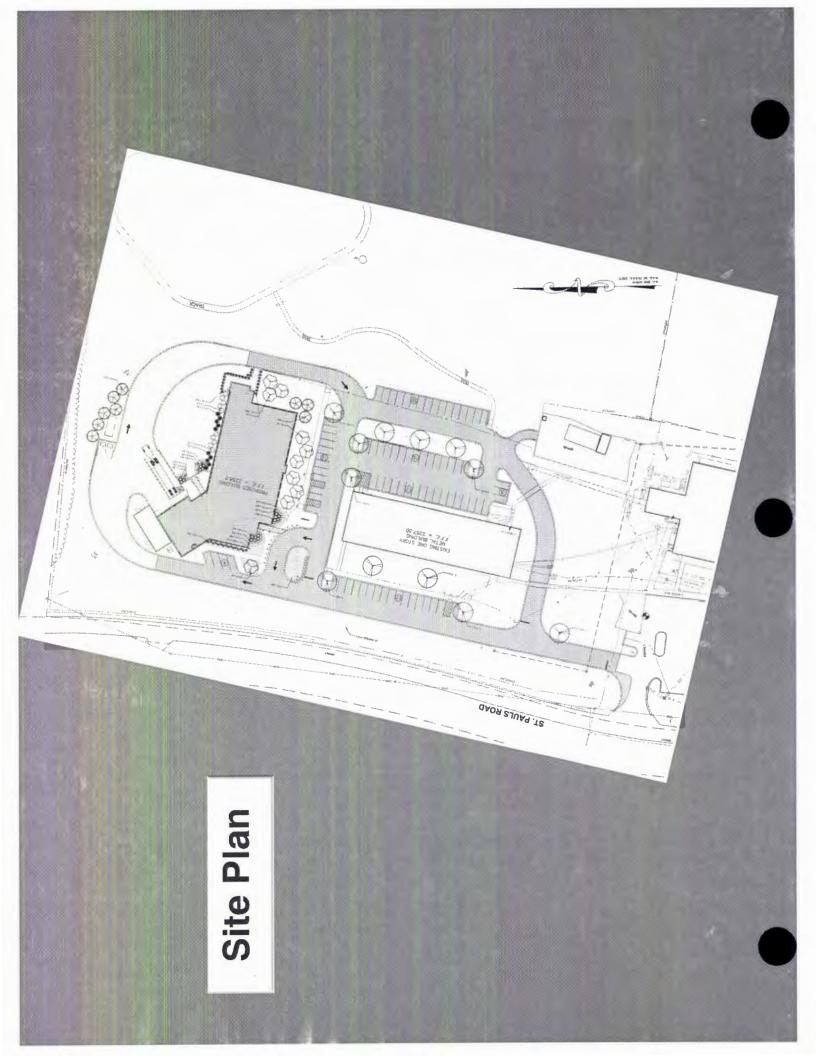
Larry T. Justus Western Justice Academy, Edneyville, NC





Facility & Program mprovements

- Western crime lab currently supported by 15,500 SQFT leased facility in Asheville.
- Edneyville Lab capital project would increase facility size to 36,000 SQFT.
- Expansion critical to add DNA analysis, blood and additional scientists to improve services toxicology analysis, dedicated vehicle bays and reduce turn-around times.



Project Schedule

Public Information Meeting Wednesday April 8, 2015 at 6:00pm

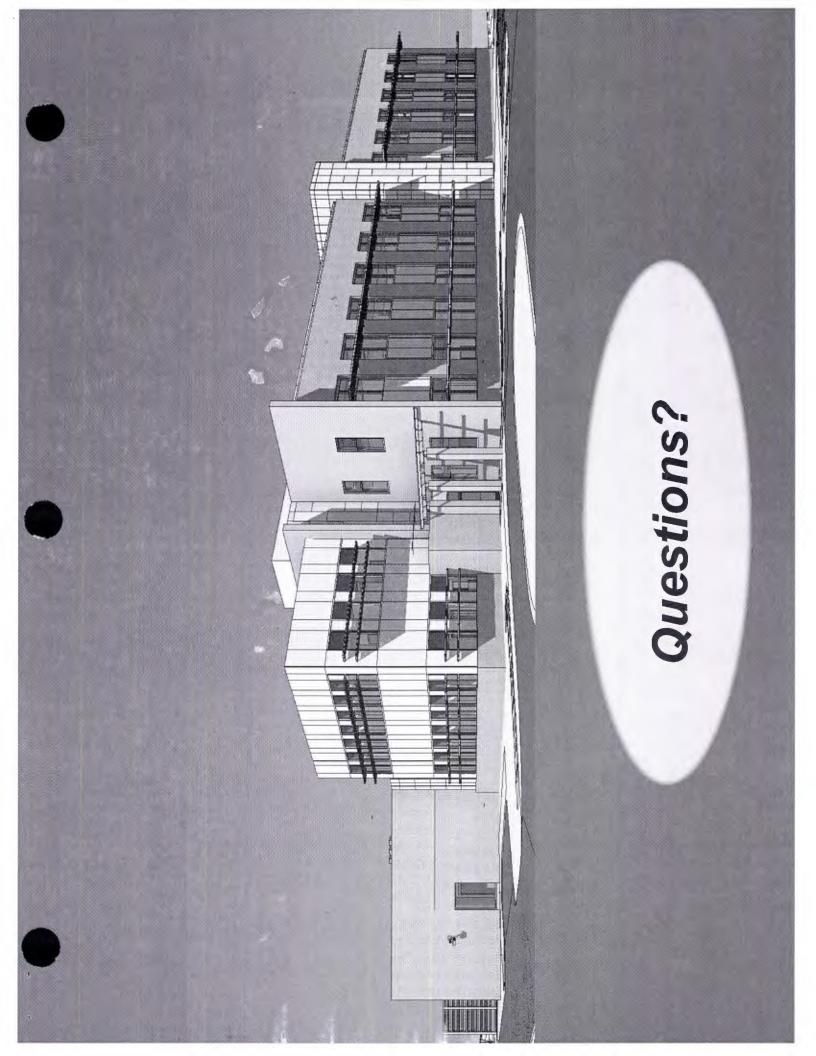
Thursday April 9, 2015 at 2:00pm Mandatory Pre-bid Meeting

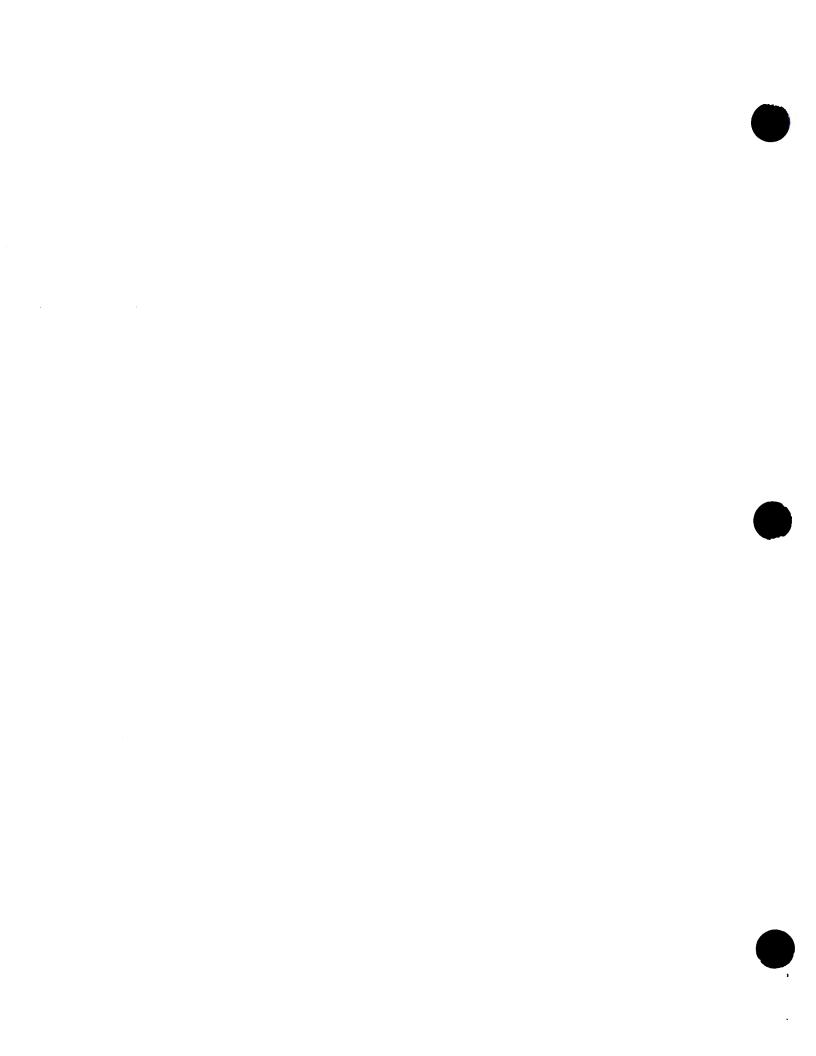
Thursday May 7, 2015 at 3:00pm Project Bid Opening

Ground breaking July 1, 2015

THE TOTAL MODELLE SELECTION OF SOUTHERS

netla recha	Anxount
Design/Engineering	\$1,639,516
Construction (Single Prime)	\$14,746,409
Contingency (3%)	\$456,075
TOTALS	\$16,842,000
FUNDING SOURCES:	
Appropriation	\$1,442,000
Debt Financing (2/3 Bonds)	\$15,400,000
TOTAL SOURCES	<u>\$16,842,000</u>







SAMARCAND TRAINING ACADEMY PROJECT EAGLE SPRINGS, NC



PHOTO FROM CAMPUS LOOKING TO LARGEST LAKE

Phase 1 Part 1

Imagery Date: 5/24/2013 35915/28.98" N 79º41/36.65" W

Phase 1 Part 2

Firing Range Imagesy Date: 5/24/2013 35915/28.98" N 79°41'36.65" W

SCOPE:

Office of Staff Development and Training Springs, NC to a Training Academy for DPS Convert the former DJJ Samarcand Youth Development Center, Moore County, Eagle with the first phase establishing an Academy for the four week Correctional Officer Basic Training Course. The project construction is being self Central Engineering Inmate Construction performed by the State using the Program.

TIMELINE:

Construction started in 4th quarter 2014. Construction is 30% complete as of March 11. Construction of Phase one is divided in two parts, part one consists of infrastructure upgrades and renovations of at includes a new firing range and renovations of cottages with overnight accommodations and a renovated food service area will be completed in 4th quarter 2016. The least three buildings, the Academic Bldg., the Gymnasium, live close enough to commute. The second part, which second part will allow 72 trainees to be housed on site, 72 and the Administration Bldg. Part one will be complete in allow DPS to start having day classes for employees who $3^{
m rd}$ quarter of 2015 and completion of these buildings will trainees is three classes at 24 trainees per class.

UNFORESEEN CONSTRUCTION ISSUES ADDING COSTS AND/OR SCHEDULE EXTENSION:

delay while an easement to perform the work is This is currently owned by the State but Duke Energy ov will install the new system and maintain it. The impact to DPS is additional cost plus a schedule distribution system needs to be completely replaced. electrical voltage Underground high finalized.

which serves both fire protection and domestic water is now being entirely replaced. The impact is system water distribution Underground additional cost.

UNFORESEEN CONSTRUCTION ISSUES ADDING COSTS AND/OR SCHEDULE EXTENSION CONTINUED:

Building is required and is underway. The existing roof this required a complete removal of the existing roof code requirements. This includes the high bay roof over An extensive roof replacement on the Academic material had deteriorated more than anticipated and down to the steel support structure and replacement the auditorium. The impact to the project is both additional costs and schedule extension. Additionally reroofing is completed. This roof replacement will take with a new roof system that meets the State's energy this building interior restoration is on hold until the about five months total and is still ongoing.

OPERATIONAL COSTS

cost as existing operational costs are being transferred from DPS 0SDT's Phase 1 part 1 does not add operational Asheboro office which is closing.

Phase 1 part 2 requires an annual operating cost of \$2.6 million.



Academic Building Roof

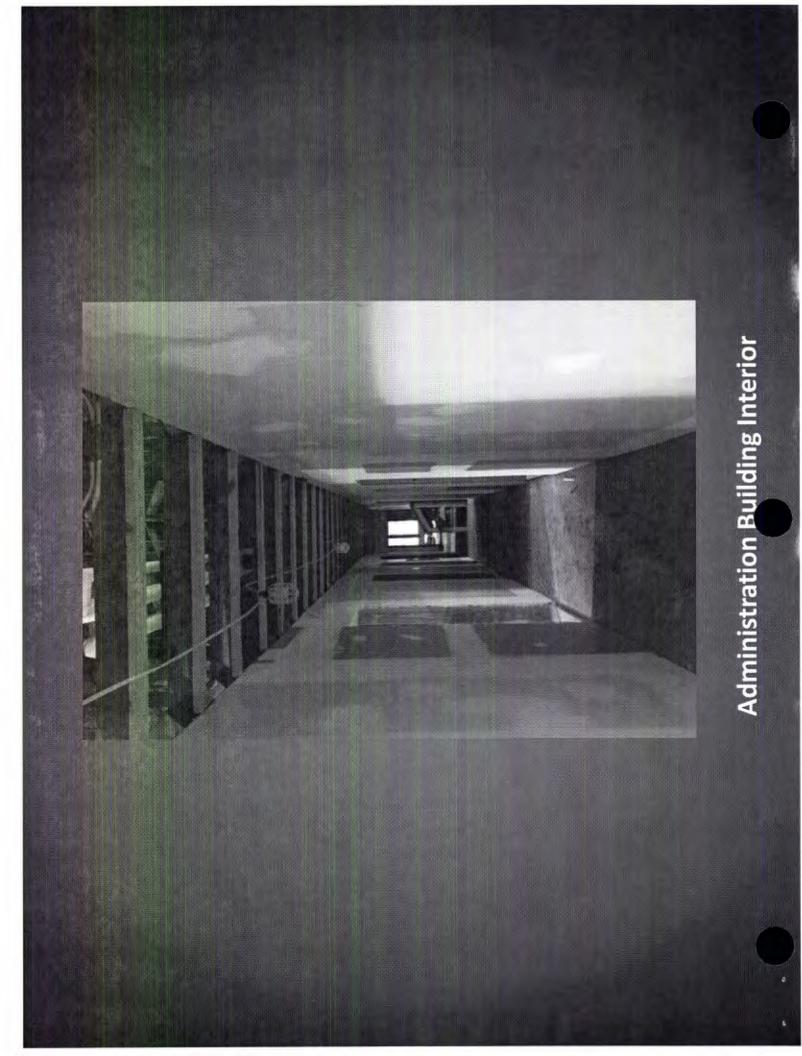


Academic Building Interior

New Underground Water Line



Training Prison Cell in Gymnasium





Administration Building Lobby

.



Status of Armory Repair and Renovation Projects



Construction Facilities Management Office LTC Kenny Cook





Agenda



- State Appropriations
- Overview Scope of Work
- Timeline
 - Current Funded Projects
 - Projected Funded Projects
 - Short-term
 - Long-term
- Remaining Funds









NATIONAL GUARD PROJECTS

SECTION 36.11.(a) The Department of Public Safety shall allocate funds for National Guard capital projects during the 2013-2015 fiscal biennium in accordance with the schedule that follows. These funds will provide a State match for an estimated twenty-one million dollars (\$21,000,000) in federal funds. The projects authorized, the allocation of State funds for each project, and the total project cost authorized for each project are as follows:

	Name of Project	State Fund Allocation	Total Project Cost
(1)	Wilmington Building Expansion/Rehab	\$ 375,000	\$ 1,125,000
(2)	Wilmington Site Expansion/Rehab	250,000	1,250,000
(3)	Nashville Building Expansion/Rehab	375,000	1.125,000
(4)	Nashville Site Expansion/Rehab	250,000	1,250,000
(4) (5)	Clinton Building Expansion/Rehab	375,000	1,125,000
(6)	Clinton Site Expansion/Rehab	250,000	1,250,000
(7)	Salisbury Building Expansion/Rehab	375,000	1,125,000
(8)	Salisbury Site Expansion/Rehab	250,000	1,250,000
(9)	Parkton Building Expansion/Rehab	375,000	1,125,000
(10)	Parkton Site Expansion/Rehab	250,000	1,250,000
(11)	Benson Building Expansion/Rehab	375,000	1,125,000
(12)	Benson Site Expansion/Rehab	250,000	1,250,000
(13)	Charlotte Building Expansion/Rehab	375,000	1,125,000
(14)	Asheboro Site Expansion Rehab	250,000	1,250,000
(15)	Winston-Salem Building Expansion/Rehab	375,000	1,125,000
(16)	Winston-Salem Site Expansion/Rehab	250,000	1,250,000
(17)	Concord Building Expansion/Rehab	375,000	1,125,000
(18)	Concord Site Expansion/Rehab	250,000	1,250,000
(19)	Burlington Site Expansion/Rehab	375,000	1,125,000
(20)	Albemarle Site Expansion/Rehab	375,000	1,125,000
(21)	Belmont Building Rehab	375,000	1,125,000
(22)	Beulaville Building Expansion/Rehab	375,000	1,125,000
(23)	Boone Building Expansion/Rehab	375,000	1,1,25,000
(24)	Dunn Building Expansion/Rehab	375,000	1,125,000
(25)	Durham Building Expansion/Rehab	375,000	1,125,000
TOTA	ALS	\$ 8,250,000	29,250,000





Overview Scope of Work CF



Building Scope Description	Site Scope Description
Roof Repairs or Replacement	Repair and Expand MOV to meet MTOE requirements
Asbestos Abatement (Entire Building)	Repair and Expand POV Parking to meet unit strength requirements
ead Abatement in Firing Range	Upgrades to meet AT/FP Fencing standards
Vindow/Entry Door Replacement	Curb & Gutter AT/FP upgrades that are meet ADA requirements
Remove/Replace wood stud walls to met code	Install/Upgrade Security Site Lighting
Electrical Power Distribution Upgrade	Concrete Dumpster Pad/Fence
nterior Lighting Repairs/Replacement	Route Downspouts/Cleanouts attach to DI or daylight
IVAC Replacement/ Upgrades for Office Areas	Stormwater/Drainage Improvements (BMP)
dd/Upgrade Fire Alarm System	Install/Upgrade Security Site Lighting
atural Gas Hook-Up/Oil tank Removal	Landscape Maintenance and Improvements for AT/FP
nstall Sprinkler System	Vehicle restraint cable for AT/FP
stall A-Phone Security System	Emergency Power & Automatic Transfer Switch
eplace Ceiling	Replace Flag Pole/Lights
Replacement VCT Floor	Upgrade of Facility Sign
athroom Upgrades/Updates to make ADA	Replace Sewer/Water Lines to Structure
ault Addition (200 SF)	Clear Trees for AT/FP Stand-Off
emodel 1100 SF for Supply Room	Additional Force Protection
T DEMARC Reconfiguration/Separate IT Room	Additional Force Florection
T Infrastructure Rewire and P/A System Install	
nstall High Security Storage Cages	
Kitchen Renovation	



Drill Hall Improvements (Walls, Ceiling, Floors)

Painting



Current Funded Projects



- All 25 Project Designs have been completed
- Current Contracted Amount SFY14/15

(25 Designs and 10 Const Projects)

Contracted State Portion \$3.671M

Contracted Federal Portion \$8.784M

Contracted Total Amount \$12.455M





Projected Funded Projects GF



Short-term

5 Projects contracted by FFY15 (30SEP15)

Projected State Portion \$1.706M

Projected Federal Portion \$3.754M

Projected Total Projects \$5.46M

Long-term

10 Projects contracted by FFY 16







Remaining Funds



25 Designs and 10 Const Projects Contracted

State Remaining Amount \$4.579M

Federal Remaining Amount \$11.166M

Total Remaining Amount \$15.745M

Projected Remaining Amount at the End of FFY15 (30Sep15)

State Remaining Amount \$2.873M

Federal Remaining Amount \$7.412M

Total Remaining Amount \$10.285M





Conclusion



NCNG projects all State
Appropriated Funding to be
contracted by the end of Federal
Fiscal Year 16





CFMO



















Durham Building



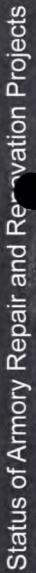


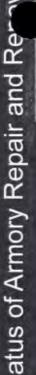














MARCH 31, 2015

REPORT ON CAPITAL PROJECTS



COFFERDAM CONSTRUCTION & HULL REPAIRS PROJECT USS NORTH CAROLINA BATTLESHIP

NC MUSEUM OF HISTORY



NORTH CAROLINA DEPARTMENT OF

C U LT U R A L RESOURCES

MARK COONEY, DIRECTOR

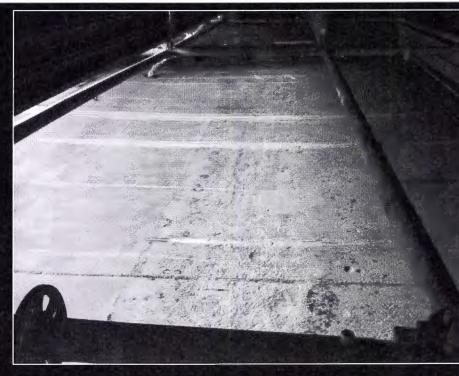
USS NORTH CAROLINA BATTLESHIP COFFERDAM CONSTRUCTION & HULL REPAIRS PROJECT





PROBLEM

- **EXCESSIVE CORROSION TO THE STEEL HULL PLATING**
- AST DRY DOCK HULL REPAIR ACTIVITY WAS 1953
- CATHODIC PROTECTION WAS NOT OPERATIONAL



SECTION OF STARBOARD STEEL HULL





SOLUTION

PHASE I- COFFERDAM CONSTRUCTION

- CONSTRUCTION OF PERMANENT STEEL COFFERDAM AROUND PERIMETER OF THE BATTLESHIP
- PROVIDES DEWATERING CAPABILITY AND ENVIRONMENTAL BARRIER
- DEWATER AND REMOVE SPOIL AWAY FROM THE HULL

PHASE II- STEEL HULL REPAIRS & PAINT

- ASSESS STEEL HULL CONDITION
- REPAIR STEEL HULL AND PAINT
- REFILL COFFERDAM BASIN

PRELIMINARY CONCEPT RENDERING OF USS NORTH CAROLINA BATTLESHIP COFFERDAM



USS ALABAMA'S REPAIR SOLUTION



COFFERDAM CONSTRUCTION

USS NORTH CAROLINA BATTLESHIP COFFERDAM CONSTRUCTION & HULL REPAIRS PROJECT



USS ALABAMA'S REPAIR SOLUTION



STEEL HULL PLATING REPAIRS

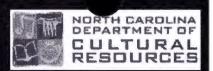


GULTURAL RESOURCES NORTH CAROLINA DEPARTMENT OF

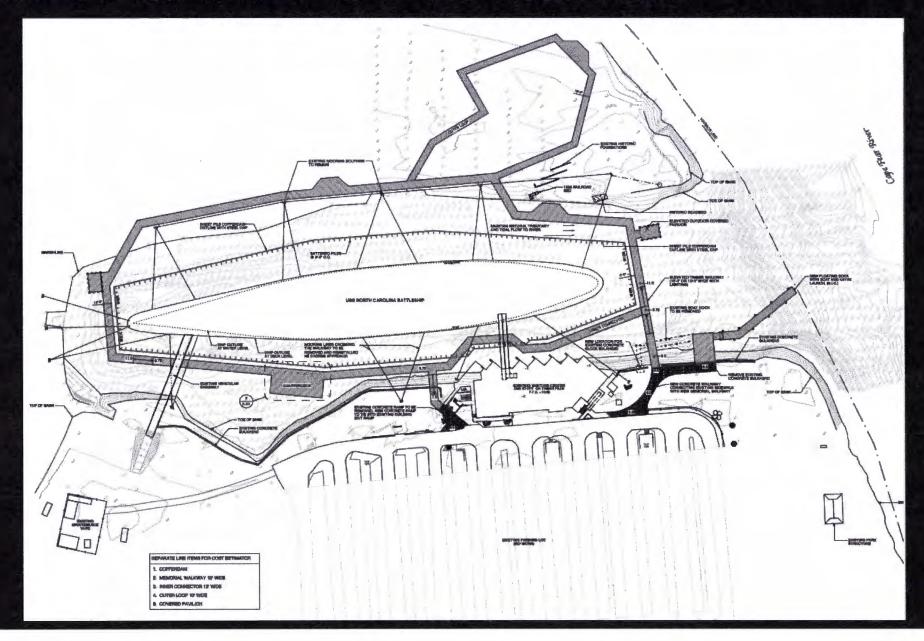
USS ALABAMA'S REPAIR SOLUTION



USS NORTH CAROLINA BATTLESHIP COFFERDAM CONSTRUCTION & HULL REPAIRS PROJECT



PROPOSED USS NC BATTLESHIP HULL REPAIRS PLAN





CURRENT PROJECT STATUS

COMPLETED

- ENVIRONMENTAL PERMITING COMPLETE AND IN-HAND
- GEOTECHNICAL INVESTIGATION COMPLETE
- **COFFERDAM SCHEMATIC DESIGN COMPLETE**

IN PROGRESS

- STRUCTURAL ENGINEERING FOR COFFERDAM, WEIRS, AND PUMPS
- **DESIGN DEVELOPMENT DRAWINGS**

NEED TO COMPLETE

- COFFERDAM CONSTRUCTION DOCUMENTS AND SPECIFICATIONS
- STEEL HULL CONDITION ASSESSMENT
- STEEL HULL REPAIRS AND PAINT



COFFERDAM CONSTRUCTION SCHEDULE

AUGUST 17, 2015 MAY 15, 2015 MARCH 15, 2015 FEBRUARY 16, 2015

OCTOBER 16, 2015

EARLY JANUARY 2016 NOVEMBER 28, 2015

EARLY WINTER 2016

COMPLETED SCHEMATIC DESIGN AND DRAWINGS COMPLETED ENVIRNOMENTAL PERMITTING

COMPLETE CONSTRUCTION DRAWINGS

COMPLETE DESIGN DEVELOPMENT DRAWINGS

COMPLETE 60-DAY STATE CONSTRUCTION OFFICE REVIEW

6-WEEK BID ADVERTISEMENT COMPLETE/ OPEN BIDS

COFFERDAM CONSTRUCTION COMPLETED COFFERDAM CONSTRUCTION UNDERWAY

STEEL HULL REPAIR SCHEDULE (Pending Available Funding)

JANUARY 15, 2017

JANUARY 15, 2017

JULY 2017 **MAY 2017**

MARCH 2018

DEWATER COFFERDAM T FOR STEEL HULL INSPECTION

BEGIN DESIGN OF STEEL HULL REPAIRS

COMPLETE DESIGN OF STEEL HULL REPAIRS

COMMENCE STEEL HULL REPAIRS

COMPLETE STEEL HULL REPAIRS



ESTIMATED PROJECT COSTS

ESTIMATED TOTAL PROJECT COST

\$13,500,000

COFFERDAM CONSTRUCTION

\$7,000,000

STEEL HULL REPAIRS

\$6,500,000



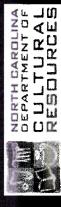
FUNDING

COFFERDAM CONSTRUCTION – \$7,000,000

\$3,500,000 from State of North Carolina (Public)

- \$500,000 from OSBM Repair and Renovation Reserve Allocation for Emergency Hull Repair Project for Engineering & Permitting (8/27/2014)
- \$3,000,000 from 2/3 Bonds through an appropriation authorized in Senate Bill 744- Section 36.10

\$3,500,000 from USS North Carolina Battleship Commission (Private)



FUNDING

STEEL HULL REPAIRS CONSTRUCTION – \$6,500,000

\$3,500,000 from State of North Carolina (Public)

Request from DCR for additional Project Funding

\$3,000,000 from USS North Carolina Battleship Commission (Private)



SUMMARY OF EXPENDITURES

Emergency Starboard Hull Repairs- Total \$2,096,256

Battleship Com	Construction	\$1,927,428	2011
Battleship Com	Engineering and Design	\$ 168,828	2011

mission

mission

14,907	
Fotal \$3	
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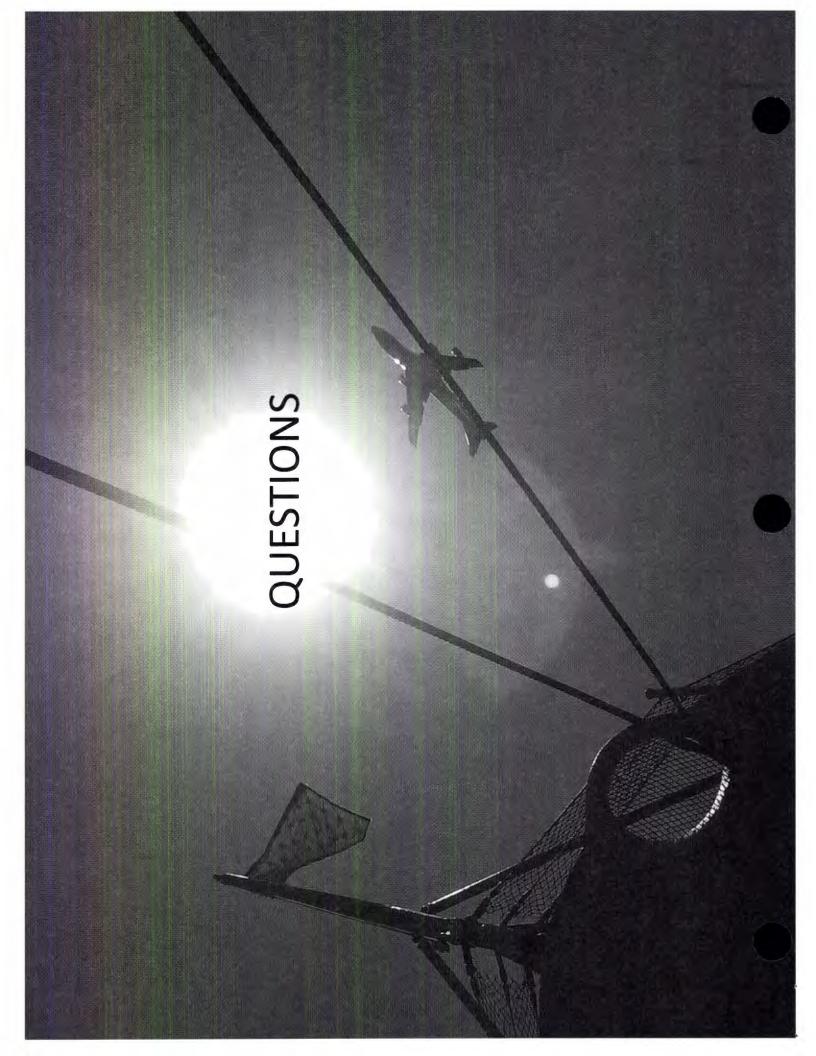
DCR/ State of NC	DCR/ State of NC	DCR/ State of NC
Environmental Permitting	Geotechnical Services	Surveying
\$23,000	\$76,700	\$7,500
2013-14	2014	2014

DCR/ State of NC

Design and Engineering Services

\$207,707

2014-15



NC MUSEUM OF HISTORY ADVANCE PLANNING FOR EXPANSION & RENOVATION



ADVANCE PLANNING - MUSEUM EXPANSION AND RENOVATION NC MUSEUM OF HISTORY



PROBLEM

- 21 YEAR OLD MUSEUM IS DEGRADED AND EQUIPMENT AT END OF LIFE CYCLE
- **BUILDING RECEIVES NEGATIVE FEEDBACK FROM VISITORS**
- NEED SPACE FOR TRAVELING EXHIBITS AND COMPLETE STORY OF NC
- **NEED FOR ENHANCEMENTS AND FACILITIES TO GENERATE REVENUE**

SOLUTION

- PERFORM ADVANCE PLANNING AND DESIGN FOR EXPANSION AND RENOVATION
- **DEVELOP MASTER PLAN**
- **DEVELOP TRUE CONSTRUCTION COST ESTIMATES**
- PROVIDE MARKETING DOCUMENTS AND RENDERINGS TO SUPPORT CAPITAL CAMPAIGN
- DESIGN AN INNOVATIVE, ENERGY EFFICIENT, CREATIVE, AND TECHNOLOGICALLY **ADVANCED HISTORY MUSEUM**

NC MUSEUM OF HISTORY



CURRENT PROJECT STATUS

AUGUST 28, 2014
SEPTEMBER 11, 2014
OCTOBER 3, 2014
NOVEMBER 4, 2014
NOVEMBER 25, 2014

JANUARY 5, 2015 JANUARY 21, 2015 FEBRUARY 2, 2015 FEBRUARY 11-12, 2015

MARCH 2-3, 2015

MARCH 18, 2015

REQUEST FOR DESIGN PROPOSALS (RFP) ADVERTISED DCR RECEIVES ADVANCE PLANNING APPROPRIATION

RFP ADVERTISEMENT CLOSES
DESIGNER INTERVIEWS COMPLETED

DESIGNER SELECTION RECOMMENDATION APPROVED BY THE STATE BUILDING COMMISSION

DESIGNER CONTRACT EXECUTED WITH LS3P ASSOCIATES KICK-OFF DESIGN MEETING WITH DESIGNER/MUSEUM

PROGRAMMING AND STAFF MEETINGS BETWEEN

EXHIBIT DESIGNER PROGRAMMING MEETING WITH DESIGNERS, STAFF, AND STAKEHOLDERS MUSEUM STAFF

DESIGNER'S SPACE AND PROGRAMMING REPORT PRELIMINARY STRUCTURAL ANALYSIS REPORT **MEETING WITH STRUCTURAL ENGINEERS**

NC MUSEUM OF HISTORY



NORTH CAROLINA DEPARTMENT OF C U LT U R A L RESOURCES

SCHEDULE

JANUARY-APRIL, 2015 APRIL 30, 2015 APRIL 30, 2015 MAY 15, 2015

MAY 30, 2015 SEPTEMBER 1, 2015

SCO REVIEW COMPLETE OF ADVANCE PLANNING ADVANCE PLANNING DOCUMENTS COMPLETE **ECONOMIC IMPACT ANALYSIS COMPLETE** ADVANCE PLANNING UNDERWAY DOCUMENT FUND RAISING/MARKETING PACKAGE COMPLETE **67% SCHEMATIC DESIGN PACKAGE COMPLETE**

ADVANCE PLANNING - MUSEUM EXPANSION AND RENOVATION NC MUSEUM OF HISTORY



FUNDING AND EXPENDITURES

DESIGN CONTRACT WITH LS3P ASSOCIATES LTD.

CONCEPTUAL DESIGN & PARTIAL SCHEMATIC DESIGN **ADVANCE PLANNING**

\$500,000 \$995,950 \$1,495,000

EXPENDITURES

DESIGN & ENGINEERING FEES **DESIGN FEES** FEBRUARY 26, 2015 MARCH 22, 2015

\$25,000 \$150,000 \$175,000





QUESTIONS

Presentation to House Appropriations Subcommittee on Capital

Appalachian State University College of Health Sciences Building

Mr. Greg Lovins

Vice Chancellor for Business Affairs

March 31, 2015

Appalachian STATE UNIVERSITY

CHS Project: Background

- 2008: UNC Board of Governors approved the creation of the College of Health Sciences and the General Assembly appropriated Planning Funds; funds lost due to economic downturn.
- 2010: Appalachian Regional Healthcare System pledged a 9-acre tract of land to serve as the home for the College.
- 2013: General Assembly authorizes and appropriates \$2M for advance planning.
- 2014: General Assembly appropriates an additional \$3M for a total of \$5M and authorizes an additional \$2.2M from non-state funds to complete Planning and Design.
- 2015: UNC Board of Governors places this project as its highest new capital priority.

UNC Board of Governors 2015-21 6-Year Strategic Capital Priority Plan

Strategic Appropriated Capital Projects

These new STEM capital projects support nursing and health sciences, engineering, allied health/human sciences, life sciences/biotechnology and medical education with 11 new capital projects (*Attachment 3*).

Campus	STEM Capital Projects	Amount
?	2	?
ASU	College of Nursing and Health Sciences	\$ 70,781,681
NCSU	Engineering Building-Oval	77,000,000
UNCC	Science Building	120,064,206
UNCW	Allied Health/Human Sciences and Nursing Facility	67,338,504
NCSSM	Discovery Center's Reynolds East Living/Learning Residence Hall	7,600,000
ECU	Life Sciences and Biotechnology Building/Howell Sciences Renovation	187,135,750
UNCG	Nursing and Instructional Building	124,765,400
UNC-CH	Medical Education Building - Berryhill Replacement	70,600,000
NCA&T	New College of Engineering Facility	99,155,300
WCU	Science/STEM Facility	114,932,235
WSSU	Sciences Building	53,853,400
7	2	?
?	Total - Strategic Appropriated Capital Projects	\$993,226,676

Note: Funding for years 1 and 2 of these capital projects is requested for 2015-17.

Adompletedisting of Bix-Year University Tapital Improvement Projects, Including General Fund Capital Improvements, Repairs and Renovations and Incomplete Including Capital Improvements Incomplete In



CHS: Academic Programs

Nursing (BSN & MSN)

Social Work (BSW and MSW)

Communication Sciences and Disorders (BS & MS)

Nutrition and Dietetics (BS & MS)

Health Care Management (BS and MHA*)

Exercise Science (BS & MS)

Public Health Promotion (BS)

Athletic Training (BS)

Recreation Management (BS)

Health and Physical Education K12 (BS)

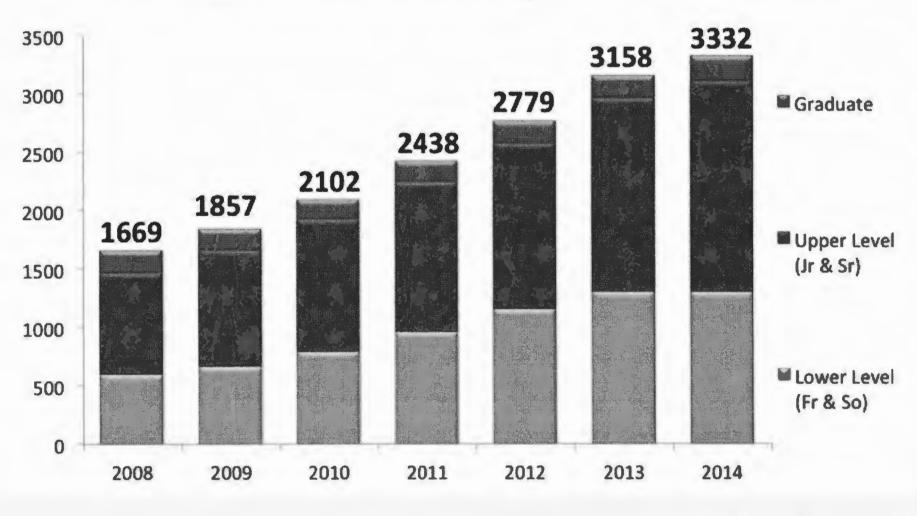
Wake Forest School of Medicine Physician Assistant (MS) collaboration





^{*} Program in initial stages of approval

CHS Demand: Number of Health Sciences Majors by level



Appalachian Appalachian

CHS: Growth and Performance

2009-2010	Metrics	2014-2015
1,857	Health Sciences Students	3,332
93	Health Sciences Faculty	105
36%	Previous 5-year Enrollment Increase	79%
436	Degrees Conferred	727 (2013-14)

Source: ASU Institutional Research, Assessment and Planning



CHS Project: Scope

- 203,000 Gross Square Feet (GSF)
- Located adjacent to Watauga Medical Center on donated land
- Will be home to CHS departments currently located in separate facilities on and off campus
- Architect: LS3P
- CM at Risk: Rodgers Builders, Inc.



CHS Project: Planning

Planning Funds: Budget and Actual

Planned configuration of new building

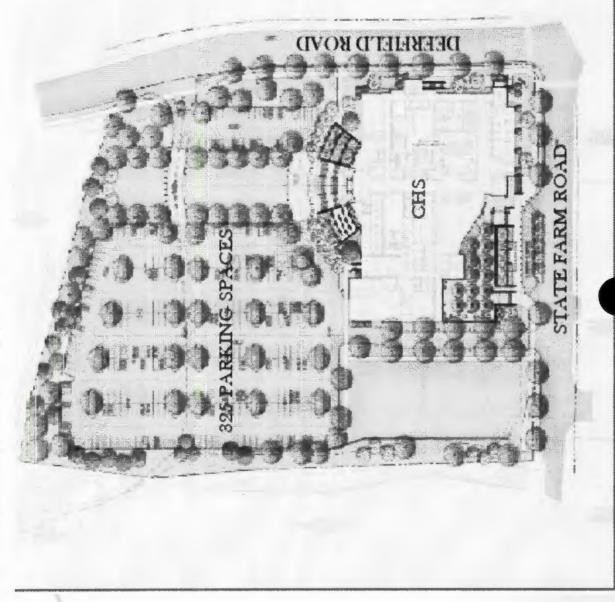


CHS: Project Schedule

Complete CHS Design	July 2015
General Assembly Appropriation of Funds	July 2015
Receipt of Appropriated Funds	Nov 2015
Award Final CM at Risk Contract	Dec 2015
Start Construction CHS	Mar 2016
Finish Construction CHS	Dec 2017
Move-in CHS	Jan 2018



CHS: Overhead View



CHS: View from State Farm Road



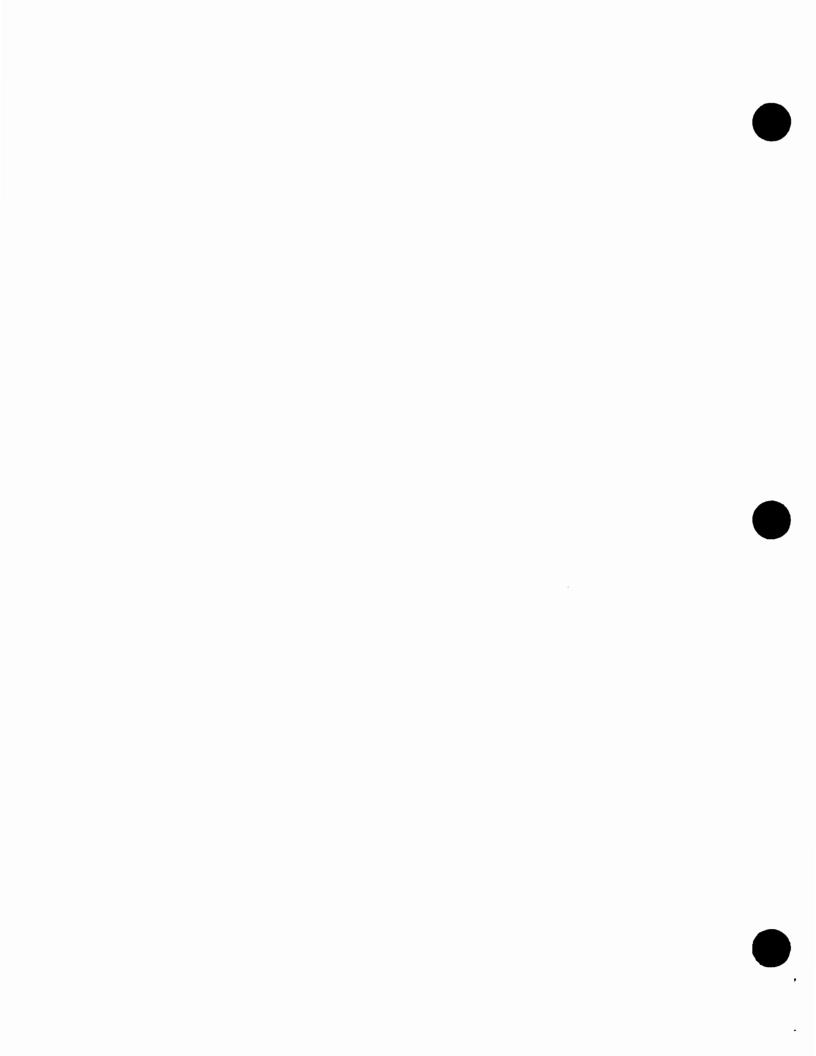
Appalachian State University

Long term support

- Estimated Annual Operating Costs of the Building: \$3,228,900
- One-time non-recurring cost for equipment in Y1: \$355,791
- Estimated CHS Operating Budget: \$15 million



Questions

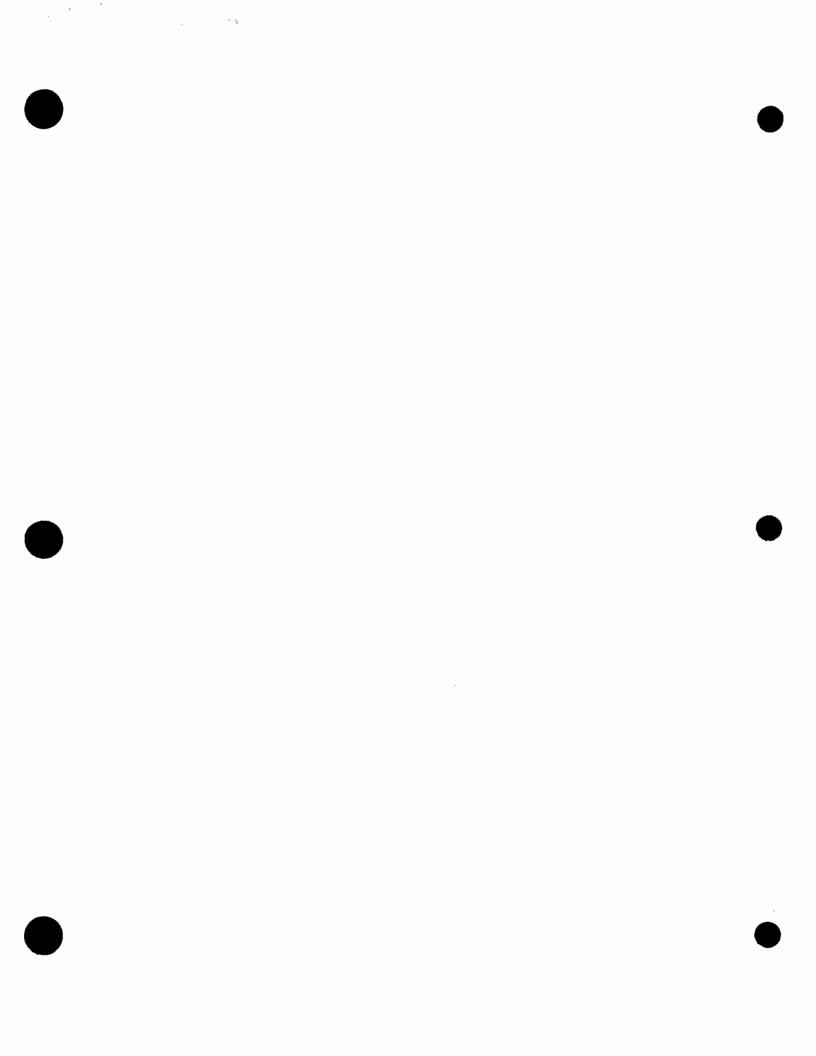


ATT # 9a-3-31-15

Appalachian State University Proposed Configuration of New CHS Building

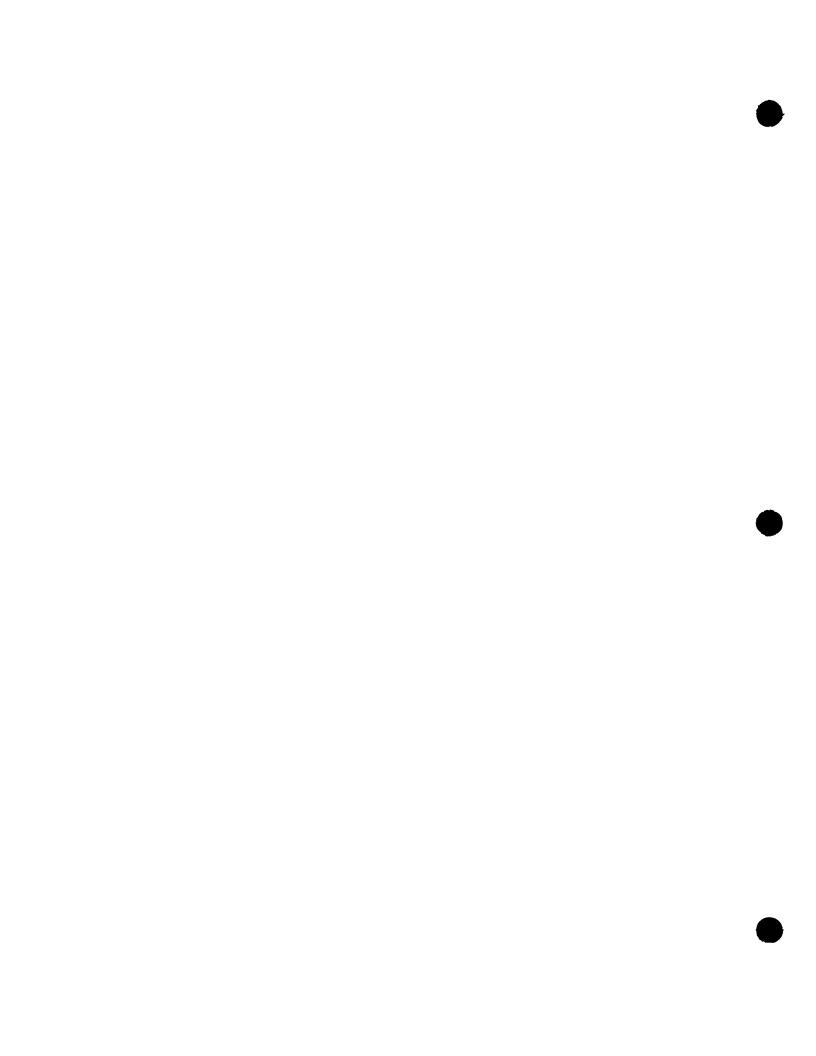
	# of	Avg Sq Ft	Assignable Sq
Assigned Categories	Rooms	Per Room	Ft
Academic Subtotals	214	133	28,426
Administrative Subtotals	25	225	5,616
Student Service Subtotals	18	194	3,491
Class and Computer Lab Subtotals	32	925	29,601
Clinics Subtotals	15	159	2,382
Research and Lab Subtotals	62	558	34,617
Commons and Auxiliary Space Subtotals	62	186	11,545
Total Assignable Square Feet	428	270	115,678
Circulation, Toilets, Walls, Elevators, Mechanical,			
HVAC			87,322
Total Gross Square Feet			203,000

Appalachia	State	University			
College of Hea	lth Scie	ences Buildin	g		
Planning Expenditu	res as	of March 30	, 20:	15	
Category		Budget		Actual	Difference
Advanced Planning	\$	445,000	\$	445,000	\$ -
Design Fee		3,874,465		1,054,704	2,819,761
Preconstruction CM at Risk Fee		504,832		164,000	340,832
HVAC Commissioning, Geotechnical, Traffic, Other Testing		100,000			100,000
Contingency		30,703			30,703
Surveys, Miscellaneous		45,000		40,310	4,690
Totals	\$	5,000,000	\$	1,704,014	\$ 3,295,986



Appalachian State University College of Health Sciences Construction Package Cost Breakdowns

Bid Package	Early Const.		Second Const	-	Total	Cost/S
	Total	Cost/SF	Total	Cost/SF		
02B - Site Preparation	\$727,239	\$3.58	\$0	\$0.00		
D2C - Erosion Control	\$102,500	\$0.51	\$0			
D2E - Storm Water	\$235,900	\$1.16	\$0			
D2F - Water and Sanitary Sewer	\$106,605	\$0.53	\$0		1	
02G - Pavements	\$395,780	\$1.95	\$0			
02H - Curb & Gutter, Sidewalks, Steps	\$183,435	\$0.90	\$0		1 1	
021 - Retaining Wall Systems	\$0	\$0.00	\$121,940			
02K - Site Walls	\$1,086,161	\$5.35	\$0		1 1	
02L - Landscaping	\$0	\$0.00	\$200,000			
02M -Hardscaping & Site Assemblies	\$0	\$0.00	\$266,648			
02O - Deep Foundation Systems	\$886,548	\$4.37	\$0			
02P - Selective Building Demolition	\$505,373	\$2.49	\$0			
03A - Complete Concrete	\$3,421,168	\$16.86	\$0			
03G - Precast Concrete Structures	\$0	\$0.00	\$634,953			
04A - Masonry	\$0	\$0.00	\$1,768,698			
05A - Steel Structures	\$5,992,307	\$29.54	\$0			
05D - Ornamental Handrails and Railings	\$0	\$0.00	\$87,750			
06D - Cabinetry and Casework	\$0	\$0.00	\$776,542			
07A - Roofing and Accessories	\$0	\$0.00	\$677,994			
07B - Waterproofing and Sealants	\$0	\$0.00	\$399,726			
07C - Fireproofing 08A - Glass Assemblies	\$0	\$0.00	\$298,275			
	\$0	\$0.00	\$2,574,196			
08B - Passage Door Assemblies	\$0	\$0.00	\$621,130			
09A - Drywall Assemblies	\$0	\$0.00	\$4,023,924			
09C - Acoustical Assemblies	\$0	\$0.00	\$646,662		1	
09D - Hard Tile, Stone, Terrazzo Applications	\$0	\$0.00	\$1,319,774			
09E - Floor Coverings - Resilient and Carpeting	\$0	\$0.00	\$752,024		1	
09F - Painting & Wall Coverings	\$0	\$0.00	\$490,916			
10A - Building Appurtenances	\$0	\$0.00	\$469,350			
10B - Signage	\$0	\$0.00	\$171,223			
11A - Lab Casework & Equipment	\$0	\$0.00	\$900,000			
11B - Food Service Equipment	\$0	\$0.00	\$400,000			
11I - Loading Dock Equipment	\$0	\$0.00	\$5,000			
12A - Furnishings	\$0	\$0.00	\$188,845			
14A - Elevators	\$918,000	\$4.52	\$0			
1SA - Fire Protection	\$0	\$0.00 \$0.56	\$685,020			
15C.1 - Underground Plumbing	\$114,107	\$0.00	\$1,664,200			
15C.2 - Plumbing Systems 15D - HVAC Systems	\$0 \$0	\$0.00	\$9,226,834			
16A.1 - Underground Electrical	\$308,004	\$1.52	\$5,220,834			
16A.2 - Electrical Systems	\$308,004	\$0.00	\$5,830,164			
18A - General Works	\$452,000	\$2.23	\$395,000			
Trade Subcontractor Subtotal	\$15,435,127	\$76.08	\$35,596,788		\$51,031,915	\$251.5
Applied Costs:						
Preconstruction Contingency	\$926,108	\$4.56	\$2,135,807			
Escalation	\$463,054	\$2.28	\$1,067,904	\$5.26		
COST OF WORK SUBTOTAL FOR PACKAGES:	\$16,824,288	\$82.92	\$38,800,499	\$191.24	\$55,624,787	\$274.1
Applied Costs:						
Building Permit	\$0	\$0.00	\$0	\$0.00		
Envelope Consultant	\$25,236		\$58,201			
Contractor's Contingency	\$488,806		\$1,127,294			
General Conditions & CM Fee	\$1,951,617	\$9.62	\$3,435,383			
Bonds and Insurance	\$325,871	\$1.61	\$751,529	\$3.70		
CONSTRUCTON COST TOTAL FOR PACKAGES:	\$19,615,819	\$96.68	\$44,172,906	\$217.72	\$63,788,725	\$314.4
Designer Fees for Bid Phase/Construction Admin.	\$495,600		\$1,347,427	7		
Designer Fees for Early Package Breakout	\$185,000		\$0			
AV Design	\$0		\$233,920			
Commissioning	\$0		\$619,505			
					4	
	Śn		\$3,200,000)		
Furniture & Moving	\$0 \$0		\$3,200,000			
Furniture & Moving AV, Telecom, Fixed Equipment	\$0		\$2,924,000)		
Furniture & Moving AV, Telecom, Fixed Equipment Project Contingency PROJECT TOTALS WITHOUT PLANNING FUNDS				5	\$74,507,033	



CHS Project: Funding Estimates

College of Health Sciences Building Construction

Cost of Construction: \$60,461,205

Furnishings, Equipment and AV: \$6,124,000

Contingency and Escalation: \$7,921,828

Total: \$74,507,033

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Appalachian STATE UNIVERSITY

Report on the College of Health Sciences Building

As required by S.L. 2014-100, Section 36.16 (a)



OCTOBER 1, 2014

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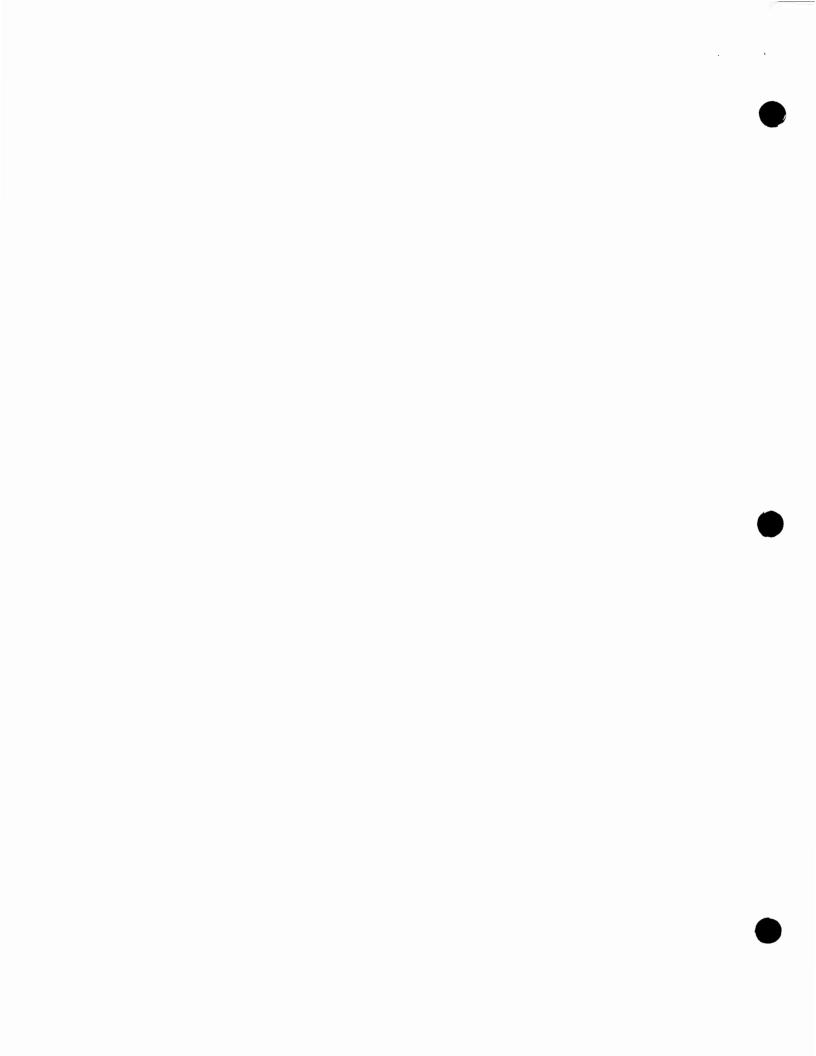


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SECTION 36.16.(a) No later than October 1, 2014, Appalachian State University shall submit to the Board of Governors and to the Fiscal Research Division a detailed plan for the construction and operation of the Health Sciences Building that will be located on its campus. The report shall include information about the construction planning as well as several options for financing the construction and operation of the facility.

SECTION 36.16.(b) The General Assembly authorizes planning of the Health Sciences Building at Appalachian State University in an amount not to exceed the sum of seven million two hundred two thousand eight hundred eighty-three dollars (\$7,202,883). This amount represents the total amount authorized to be spent for planning this project. The General Assembly has appropriated five million dollars (\$5,000,000) for this purpose in the 2013-2015 fiscal biennium and does not intend to appropriate additional funds for planning this project in the future. Accordingly, the General Assembly hereby authorizes the remaining sum of two million two hundred two thousand eight hundred eighty-three dollars (\$2,202,883) to be funded with receipts or from other non-General Fund sources available to Appalachian State University during the 2014-2015 fiscal year.





EXECUTIVE SUMMARY

The University of North Carolina Board of Governors approved the College of Health Sciences (CHS) at Appalachian State University (Appalachian) in 2008. The CHS was created to address the growing health care needs of North Carolina and beyond, and to serve as a home for existing and future health-related programs. The CHS academic programs are located in the Departments of Nursing, Communication Sciences and Disorders, Health and Exercise Science, Recreation and Physical Education, Social Work, and Nutrition and Health Care Management. In addition, the CHS operates the Human Performance Lab at the North Carolina Research Campus, and is home for the Wake Forest School of Medicine Physician Assistant (PA) Program. In the five years since its inception, the CHS has experienced unprecedented growth, as health science majors have grown from 1,669 students in 2008 to 3,158 majors in 2013 — a percentage increase of 89%. Today it is the second largest college on campus (Appendix A).

In 2005, both the North Carolina House of Representatives and Senate introduced bills requesting capital appropriations to build a College of Allied Health at Appalachian. In 2008, the Legislature appropriated the funds to begin planning a building. However, the funds were never released due to the severe economic downturn. In 2013, the General Assembly appropriated \$2 million to Appalachian for Planning, followed by an additional \$3 million in 2014.

EXISTING FACILITIES

Currently faculty, staff and students in the 14 degree-granting programs within the CHS are dispersed in multiple locations across campus making collaboration and instruction difficult. Classes are taught in outdated facilities that do not simulate the modern healthcare environment. According to the

UNC Facilities Inventory and Utilization Study (2013) referenced in the Program Evaluation Review on UNC Efficiencies 2013-08, Appalachian exceeded all other UNC institutions in its use of both classrooms and laboratories in 2012. However, demand for space in the CHS has outpaced current facility availability on campus.

PROPOSED CONSTRUCTION

The proposed CHS building will encompass 203,000 gross square feet (GSF). In addition, a 63,000 GSF Medical Office Building (MOB), privately developed and financed, will be built adjacent to the CHS building. The privately operated medical office building will generate revenues to offset construction costs of the CHS building. Both buildings will be constructed on a 9.2 acre parcel of land adjacent to the local hospital, Watauga Medical Center. The Appalachian Regional Healthcare System (ARHS) which operates the hospital will provide the parcel of land to Appalachian at no cost and it will become part of the Appalachian campus.

COST OF CONSTRUCTION

CHS Building - State Construction

The OC-25 cost for the building was estimated to be \$82 million. After one year of design consultation and project refinement, cost estimates have been reduced to \$79.5 million. The team will continue to refine estimates as further design and preconstruction reviews are completed.

SUMMARY OF CHS PROJECT COSTS

Cost of Construction	\$61,950,500
Advance Planning and Design	\$7,957,918
Furnishings, Fixtures and Equipment, AV	\$6,124,000
Contingency and Escalation	\$3,4/4,615
Total	\$79,507,033



EXECUTIVE SUMMARY (CONTINUED)

MOB Building - Private Development

The estimated project cost is projected to be between \$13 million and \$16 million. All costs (financing, construction, subleasing, etc.) and associated risks will be assumed by a private developer. The developer will make ground lease payments to the University in exchange for the right to build the MOB on the CHS site adjacent to the hospital. More than 25 developers have expressed an interest.

ANNUAL OPERATING COSTS

Using the UNC General Administration "Building Reserve Model," the estimated annual maintenance, operations, and utilities cost for the academic building is \$3,228,900. In addition, there will be a first year non-recurring cost of \$355,791 for equipment and supplies.

PLAN FOR FINANCING THE CONSTRUCTION AND OPERATION OF THE CHS FACILITY

Revenue streams that could be used to fund construction include state appropriations, revenue from the MOB, student fees and private donations. Using a mix of revenue streams, we have developed four options for financing construction of the CHS building (refer to Section 7). In Option 1, state appropriations would fund the majority of the building cost (97%), with non-state funds

providing the remainder (3%). Option 2 combines state appropriations (89%) and a mix of private donations and revenue from the MOB (11%). Option 3 is the most complex alternative, a 77% state/23% non-state mix that relies on all four revenue streams. Option 4 places the cost of the building on students in the CHS; it would be a non-state appropriated construction model with 100% of the cost of construction being paid with student fees.

Appalachian prefers Option 1, as it is the most financially advantageous option for the University. However, given the recent fiscal constraints of state fund availability, we believe Option 2 represents a realistic funding scenario for these reasons:

- This option requires a significant financial commitment from Appalachian, but does not burden students with additional student fees.
- This option includes a minimum of \$5
 million in private donations, an ambitious
 commitment for us, as well as recognizing
 the fiscal limitations of the state budget.

OPTION 2 CHS SUMMARY

Support from General Assembly	\$71,104,150	85%
Support from Appalachian State University	\$8,402,883	11%
Total	\$79,507,033	100%



2

PROJECT
BACKGROUND
& DESCRIPTION

GROWTH AND DEMAND OF THE COLLEGE

As early as 2005, Appalachian began planning a new college to provide an interdisciplinary healthcare curriculum as a means to respond to changes in healthcare delivery and address the projected shortage of healthcare professionals in the North Carolina. The new CHS was approved by the Appalachian Board of Trustees and the Board of Governors in 2008. Though existing departments were housed in the same administrative structure, they lacked a physical home. In 2008, the General Assembly appropriated \$4.2 million for Planning for a "Nursing Building." In response to the economic downturn, those funds were never released to the campus.

COLLEGE OF HEALTH SCIENCES TIMELINE

_ - 2005 Funding Bills

Both houses introduce funding for CHS Building

2006 Nursing Added

Department of Nursing is established at ASU

- 2008 New CHS approved

- 2008 \$4.2m Appropriated

GA appropriates planning funds for "Nursing Building"

2008 Funds Withheld

Economic downturn — Legislature withdraws \$4.2m

2010 CHS Begins Operations

College of Health Sciences established at ASU, and the founding dean is hired

2012 Land Pledged

ARHS pledges adjoining 9.2 acres for CHS

-- 2013 CHS Grows

College grows to become second largest on campus

- 2013 \$2m Planning

Legislature appropriates \$2m for planning CHS Building

2013 Wake PAs

Wake Forest partners to offer a PA program at ASU

- 2014 \$3m Additional

Legislature awards ASU additional \$3m for planning

The CHS hired its founding dean on January 1, 2010 and began operations on July 1, 2010. In 2013 the CHS formed a unique collaborative partnership with the Wake Forest School of Medicine (WFSM) to deliver the Physician Assistant (PA) degree program to a cohort of students on the campus of Appalachian. In response to a growing demand for PAs in rural areas of the state, WFSM began offering its degree program via the CHS in summer 2014. Twenty four (24) students were selected for the Appalachian cohort from an applicant pool of over 1,400. The WFSM partnership provides Appalachian CHS faculty and students reciprocal access to high-tech laboratories, clinical sites, internships, research projects previously unavailable, and offers Appalachian undergraduates expedited review if they apply to the PA program. Expanded space in the new CHS building will allow the PA cohort to grow to 32 students by 2018.

Despite the lack of a physical home, the CHS has grown as a result of increased student interest and workforce demand. The new CHS building will meet current needs and provide capacity for anticipated growth in existing and new programs.

THE NEED FOR A CENTRALIZED, MODERNIZED SPACE

The CHS is currently housed in 7 separate buildings located across campus. Several departments have faculty office and classroom spaces split between multiple buildings making it difficult for collaboration between or even within the various departments.

Lab and training spaces are dated and do not mirror current workforce conditions. For example, the kitchens used by nutritionists in the LS Dougherty Building predate 1970 and do not prepare students for innovation or for most circumstances they are likely to encounter when they are employed. Mock



2

PROJECT
BACKGROUND
& DESCRIPTION
(CONTINUED)

medical offices and examination rooms are similarly dated.

Most of the current classroom and faculty space is inadequate for a modern learning and teaching environment (Appendix C) which over time will impair our ability to provide relevant instruction and to attract the best professionals. Many of the buildings have outlived their economic life and are energy inefficient. Retrofitting the buildings for academic space and labs that meet current code and regulations for lab ventilation, HVAC, ADA and energy efficiency codes is cost prohibitive.

PROPOSED FACILITY



The new building will allow 12 of the 14 disciplines¹ within the CHS to be co-located under the same roof, rather than across 8 different buildings on campus. The building is designed to promote collaboration among Communication Sciences and Disorders, Health Promotion, Exercise Sciences, Athletic Training, Social Work, Nursing, Nutrition, Health Care Management, and Physician Assistant Studies. Being co-located in the same building will allow different disciplines to obtain experiential training together in the shared spaces - simulation laboratories, assessment rooms, treatment rooms, etc. rather than having to duplicate these spaces in various locations across campus. Research laboratories can be shared in a cost-effective manner, also promoting faculty collaboration in research.

In practice, this is particularly relevant as the nation's medical model for treatment is evolving into a team-based approach where health care professionals must have the skills and ability to coordinate between multiple disciplines. Students are being prepared for this new workplace paradigm with "interprofessional education." The idea is that "health sciences students learn as teams in various contexts so that they are ready and geared to perform as effective, respectful and trusting partners when they start to practice." ²

Therefore, in the CHS building, form will follow function. Educational spaces and departmental offices will be designed to facilitate cooperation across fields of study. Faculty offices will not be tied to specific departments to allow collaboration among faculty and students in the same team approach used in today's most modern hospitals and clinics. This also ensures optimal utilization of all office space by reducing total space required and improving efficiency.

To prepare students for productive careers, simulation labs will create "real world" experiences in a safe, practice environment. This includes modern examination rooms, mock medical offices, and test kitchens for nutrition studies. Students will gain confidence and skills before proceeding to the actual hospital environment. The result will be health professionals entering the job market prepared to function effectively in interprofessional health care teams aimed at delivering highly efficient and effective health care to the citizens of North Carolina.

¹ Recreation Management and Physical Education will remain in the Holmes Convocation Center. Relocating these disciplines to the new CHS would have required the addition of a gym, which would have duplicated facilities already in Holmes. Removing the gym from the new CHS allowed the square footage to be reduced from 220,000 GSF to 203,000, which in turn reduced construction estimate costs.

² eSynapse, J.P. Shipman, The University of Utah Health Sciences, Vol 27, No 1 (2012)



PROJECT BACKGROUND & DESCRIPTION (CONTINUED)

PROPOSED CONFIGURATION OF NEW CHS BUILDING

Assigned	# of Rooms	Avg Sq Ft	Assignable
Categories		Per Room	Sq Ft
Academic Subtotals	214	133	28,426
Administrative Subtotals	25	225	5,616
Student Service Subtotals	18	194	3,491
Class and Computer Lab Subtotals	32	925	29,601
Centers and Clinics Subtotals	15	159	2,382
Research and Lab Subtotals	62	558	34,617
Commons & Auxiliary Space Subtotals	62	186	11,545
Total Assignable Square Feet	428	270	115,678
Circulation, Toilets, Walls, Elevators, Mechanic	cal, HVAC		87,322
Total Gross Square Feet			203,000



3

ASSOCIATES & STAKEHOLDERS

DESIGNERS, CONTRACTORS, AND CONSULTANTS

Appalachian State University selected LS3P of Charlotte, NC, as the lead design firm for: programming and advance planning, CHS academic building design, and design-build bridging documents for the Medical Office Building (MOB).

Brailsford and Dunlavey of Charlotte, NC was retained to assist in assessing the feasibility of various financing and development options for the building.

The Construction Manager at Risk selection is in process and will be complete by the end of October 2014.

MEDICAL OFFICE BUILDING DEVELOPMENT & PROPERTY MANAGEMENT

The University has been contacted by over 25 potential Medical Office Building (MOB) developers in the past year. Appalachian Regional Healthcare System (ARHS) has expressed a strong desire for leasing MOB space for the purposes of developing physician clinics and outpatient care centers. This could amount to at least 50% of the MOB. This large, base tenant will make the MOB a very attractive project for a number of qualified developers. After the selection of the Construction Manager at Risk and completion of the MOB bridging documents, a request for proposal will be issued to select the MOB development team. The successful developer will be required to provide detailed construction and operating costs for the MOB, as well as financing and leasing options. (For more details on MOB development, refer to Appendix D.)

APPALACHIAN REGIONAL HEALTHCARE SYSTEM

Appalachian Regional Healthcare System is a valuable partner whose commitment to the project has been instrumental. In February, 2012 it executed a pledge agreement committing the transfer of ownership of (or transfer of title to) the real estate for the project at such time as the University receives sufficient funding from the State of North Carolina for the construction of the building. ARHS re-iterated its support of the project this past July, as communicated to the University by President and CEO Richard Sparks. Further, ARHS has expressed a willingness to structure an arrangement for the faculty and staff to have shared use of ARHS's parking deck. This is of significant value as an avoided cost. Building a parking garage at the site would increase total construction costs by \$3,500,000.

LOCAL GOVERNMENT

The Boone Town Council and its Planning Department have been strong advocates in the development of the project scope and zoning requirements. The Town Council intends to adopt its first form-based code for a newly-designated "Wellness District" that will include the project site and ARHS. The "Wellness District" design plan is on-track to be approved by December 31, 2014. Town leaders believe this project has the potential to spur economic growth of the town, county and surrounding region.



4 ECONOMIC IMPACT The economic benefits of the new facilities and building will be realized twofold. First, the construction of the new building will allow for new activities that positively impact the campus, community and regional economy. The new building will improve efficiencies by consolidating activities and personnel. In addition, the actual construction will result in the employment of 973 personnel engaged in building the building.

Secondly, and potentially more important, a modern, appropriately appointed facility will prevent the loss of existing activities that the campus, community and regional economy depend on. Failing to invest in new facilities will undermine the long-term viability of the programs and college. Simply put, students and faculty will pursue other options rather than participate in a program with obstructive and outdated physical facilities. This will lead to a loss of high-skill and high-wage activity in the local community, which will have negative impacts for the regional economy. Results from an input-output analysis of the regional economy indicate that a 40 percent decline due to lack of maintenance and investment in the programs would translate to a decline of \$12 million in regional economic activity and the loss of over 100 jobs in the region. 7

REVITALIZATION OF THE TOWN AROUND THE NEW CHS BUILDING

In a joint statement on June 11, 2014, the Boone and Blowing Rock Chambers of Commerce have clearly articulated the economic impact we believe the CHS will have:

"This project is of importance not only for the University, but for the economic boost it would provide to the northwest North Carolina region...First, it will provide employment for the graduates of the College of Health Sciences some of whom will join the health-related workforce of the Appalachian Regional Healthcare System encompassing Boone, Blowing Rock and Avery county; and second, it will enhance the availability of private health care services in the area. Additionally, this project is of sufficient scale that it will act as a catalyst for new business development in the area around Watauga Medical Center, the region's main hospital." (Appendix E)

Local leaders expect that the new facility will generate economic vitality in an area that is currently under-developed and in need of revitalization. New businesses to support the students, faculty, and staff such as coffee shops, small boutique restaurants, dry cleaners, hair stylists, professional housing, medical services businesses and many more will thrive as the project lifts the economic activity in this region of town. As part of the Town of Boone "Wellness District" planning process, Town Planners have identified properties that are ripe for re-development once the CHS building is complete. In addition, the MOB will have retail space on the ground level providing opportunity for restaurants or office supply businesses.

¹ Estimates derived from an 18-sector, input-output regional economic model created specifically for the northwestern North Carolina region, and provided by Todd L. Cherry, director of the Center for Economic Research & Policy Analysis at Appalachian State University.

SITE LOCATION



"We realized we have the ability, if we work really hard, and we focus, we can change the landscape in health care for northwest North Carolina and beyond," Sparks said. "This is the most exciting thing that I believe that has happened in decades. It's just beginning." - Richard Sparks, President and CEO, ARHS (March 24, 2012) ARHS Pledges Land to ASU,

PROPERTY

Watauga Democrat

The University, ARHS and the Town of Boone leadership believe that the site selected for this project is the ideal location for the CHS and a MOB; it provides the greatest opportunity for strategic collaboration and private investment, both of which are vital

to guarantee the long-term success of this project. The suburban campus concept in this submission is centrally located in the town, county and region and is the most convenient location to the hospital and Appalachian State University. Furthermore, the proposed project is a continued commitment to strengthen the town's economic core while enhancing growth opportunities for the hospital as one of the county and region's largest employers. Each party to this project has a strong interest in the realization and success of this project.

The optimal corner location of the site is strategically located across from the ARHS Watauga Medical Center. Building the college next to the hospital will provide students with synergies that highlight invaluable real-world

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SITE LOCATION (CONTINUED)



experiences as students collaborate within the community. Students will benefit from observations, clinical rotations, and instruction from experienced practitioners. In addition, ARHS will have the potential to use space in the academic building to support professional development.

ARHS has expressed a need for medical office space as the system's medical model transitions from inpatient care to an outpatient model. By leasing space in the MOB, ARHS would be able to operate clinics in a more centralized configuration. This is anticipated to reduce costs for the system and provide a better patient access experience creating a win-win for all parties.

The CHS will be serviced by express bus service to the main Appalachian State University campus. A small bus terminal will be constructed on the site in front of the CHS to allow buses to discharge passengers without blocking traffic. The "Wellness District" design standards outline new bike paths and walking paths that will connect with the existing Boone Greenway, thus encouraging a more pedestrian and bike friendly environment - a goal for Appalachian and for the Town of Boone.



CONSTRUCTION & OPERATING **COSTS**

ESTIMATED PROJECT COST

Advanced planning and scope development efforts were completed in August 2014. The results are summarized in the chart on the right.

Project Cost Estimates include industrystandard fees and percentages as negotiated with the North Carolina State Construction office. Actual costs will vary somewhat due to market fluctuations.

BREAKDOWN OF PROJE	CT COSTS
Estimated Construction Cost	\$48,550,000
Estimated Sitework Cost	\$5,320,000

Estimated Construction Cost	\$48,550,000
Estimated Sitework Cost	\$5,320,000
Sub Total - Cost of Work	\$53,870,000
Construction Management Fee	\$5,387,000
CM Bonds & Insurance	\$1,077,400
CM Construction Contingency	\$1,616,100
Prelim Guaranteed Max Price (Const Cost)	\$61,950,500
CM Preconstruction Fee	\$538,700
Base Design Fee	\$5,655,793
Advance Planning	\$445,000
Early Design Package	\$245,000
AV Design	\$233,920
Commissioning	\$619,505
GeoTech & Surveys	\$220,000
Advance Planning & Design	\$7,957,918
Furniture & Moving	\$3,200,000
AV, Telecom, Locks, Signage, Fixed Equipment	\$2,924,000
FFE & AV Subtotal	\$6,124,000
ASU Contingency	\$1,858,515
Escalation	\$1,616,100
Contingency and Escalation Sub Total	\$3,474,615
Grand Total	\$79,507,033

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CONSTRUCTION & OPERATING COSTS (CONTINUED)

ANNUAL OPERATING COSTS

With the acquisition of a new academic building, the state appropriates an annual operating reserve for the facility, based on a financial model known as the "Building Reserve Model." This model has been developed by the UNC General Administration to identify and quantify the annual recurring operating costs to include: utilities, operations and maintenance, service contracts (elevator, pest control, etc), refuse removal, information technology, communications, and security.

The model also identifies non-recurring requirements to include special equipment, trash receptacles, janitorial equipment, etc. Both the recurring, and non-recurring requirements are submitted using the "Building Reserve Model" to be included in the base budget (continuation budget) request when the project is funded.

The "Building Reserve Model" costs as applied to the College of Health Sciences building at 203,000 gross square ft are charted on the right.

RECURRING COST

Total Non-Recurring	\$355,791
Supplies	\$27,192
Equipment	\$228,599
Vehicles	\$100,000
NON-RECURRING COST	
Total Recurring	\$3,228,900
Subtotal Annual Contracts	\$288,674
Pest Control, Elevator, Security, Controls, Uniforms	\$19,825
Supplies: Janitorial, Preventive Maintenance, etc	\$241,109
Communications	\$27,740
Subtotal Utilities	\$1,337,625
Utilities	\$1,337,625
Subtotal Labor	\$1,602,601
Environmental Health and Safety	\$63,224
Information Technology	\$77,386
Police	\$117,539
Facilities Maintenance Technician Building	\$486,891
Facilities Maintenance Technician Mechanical	\$141,603
Landscaping, Snow Removal, Trash Removal	\$298,316
Floor Maintenance	\$59,663
Housekeeping	\$357,979



OPTIONS FOR FINANCING

Historically, University classroom buildings have been funded by direct state appropriation either through one-time funds or by bond referendum. Given the lack of available funding for capital projects, then-Chancellor Kenneth Peacock charged a team of University administrators to examine alternative strategies to generate income to reduce the construction and recurring costs of the project. Simultaneously, Appalachian submitted a request for \$8.2 million for Planning that was adopted by the UNC Board of Governors and included in the 2013-15 Budget Priorities of the Board of Governors of University of North Carolina (Appendix F). The Board of Governors approved that priority list on February 8, 2013, and it was submitted to the General Assembly.

Meanwhile, in summer 2013, Appalachian retained the consulting firm Brailsford and Dunlavey (B&D) to analyze the best private development opportunities for the property given the constraints posed by nearly one third of the site being located in a floodway. Private development options studied were: medical office buildings, general office buildings, student housing, residential housing, hotel/motel, and small commercial businesses. The consultants, B&D, conducted a market analysis for each option.

Appalachian selected the medical office building (MOB) option as the most appealing private enterprise for the conditions. Based upon B&D's feasibility study for the MOB, Appalachian can conservatively estimate a net revenue stream of \$50,000 annual for 25 years. Once the development option was selected and conservative revenue projections determined, an aggressive examination of funding scenarios for the CHS building began. We identified four realistic revenue sources: state appropriation, student fees, revenue from the MOB development, and private donations. Then, we modeled combinations of those revenue sources to reflect the full spectrum of finance options. On either end of the spectrum are models that place the burden of the cost on only one or two revenue streams. In the middle, we calculated scenarios that recognize the value of multiple funding streams to finance the construction.

Four finance options are presented in this report on the following pages. Below each finance plan is a description of the plan and the benefits and limitations of each. Option 1 is the most financially advantageous to Appalachian; however, given the recent fiscal constraints of state fund availability, we believe Option 2 represents a more realistic funding scenario, for these reasons:

- It demonstrates a significant commitment of private support for construction;
- It illustrates the role of private development as a partner for higher education.

OPTIONS FOR **FINANCING** (OPTION 1)

OPTION 1

APPALACHIAN STATE UNIVERSITY COLLEGE OF HEALTH SCIENCES BUILDING

97% from General Assembly, 3% from ASU

Total Project Cost	\$79,507,033		
		_	
Sources of Funding:	Amount		% of Total
General Assembly - for planning	\$5,000,000	1	6%
ASU - for planning	2,202,883	2	3%
Subtotal for planning	\$7,202,883		9%
Remainder for construction and contingencies	\$72,304,150		91%
Total	\$79,507,033		100%
Option 1 Summary:			
Support from General Assembly	\$77,304,150		97%
Support from Appalachian State University	\$2,202,883		3%
Total	\$79,507,033		100%
		2	
Building Reserves - from General Assembly (recurring)	\$3,228,900	3	

^{1 \$2} million awarded in 2013-14, \$3 million in 2014-15

DESCRIPTION

Option 1 assumes the historical funding model for state-owned academic buildings. In this model, state funding is 97% of the total planning and construction cost. The remaining 3% is the \$2,202,883 of non-General Fund expenditure that Appalachian was directed to spend per S.L. 2014-100.

BENEFITS

 This is an attractive option to Appalachian because it allows university resources, private funds, and revenue from the MOB, to be used to support the programmatic needs of the CHS. Examples of programmatic needs are supplies, equipment, scholarships for students, and support for faculty research.

LIMITATIONS

· In recent years, the constrained state budget has presented little opportunity for funding capital projects. Given that trend, a reliance totally on state funding to complete the project may result in construction delays because of recent state funding shortfalls. This could also impact the quality of the academic program and Appalachian's ability to attract and retain students.

^{2 \$2.2} million authorized by S.L 2014-100 to be allocated from non-state funds

³ Funding for annual cost of operations and maintenance

⁴ Funding for additional year one cost for operations and maintenance



OPTIONS FOR **FINANCING** (OPTION 2)

OPTION 2

Total Project Cost

APPALACHIAN STATE UNIVERSITY COLLEGE OF HEALTH SCIENCES BUILDING

89% from General Assembly, 11% from ASU

Total Troject Goot	411/001/000		
Sources of Funding:	Amount		% of Total
General Assembly - for planning	\$5,000,000	1	6%
ASU - for planning	\$2,202,883	2	3%
Medical Office Building net revenues - for construction	\$1,200,000	3	2%
Donations - for construction	\$5,000,000	4	6%
Subtotal	\$13,402,883		17%
General Assembly - remainder for construction and contingencies	\$ 66,104,150		83%
Total	\$79,507,033		100%
Option 2 Summary:		_	
Support from General Assembly	\$71,104,150		89%
Support from Appalachian State University	8,402,883		11%
Total	\$79,507,033		100%
		-	
Building Reserves - from General Assembly (recurring)	\$3,228,900	5	
Building Reserves - from General Assembly (non-recurring)	\$355,791	6	

- 1 \$2 million awarded in 2013-14, \$3 million in 2014-15
- 2 \$2.2 million authorized by 2014-15 appropriations bill
- 3 Assumes \$50,000/year for 25 years
- 4 Assumes \$200,000/year for 25 years
- 5 Funding for annual cost of operations and maintenance
- 6 Funding for additional year one cost for operations and maintenance

DESCRIPTION

Option 2 is a combination of state appropriation, private donations, and revenue from the MOB. In this model, the state assumes 89% of the cost of planning and construction, and Appalachian assumes 11%.

BENEFITS

- This model includes a conservative estimate of the revenue that would be generated by the MOB, thus not over-committing that revenue source.
- Appalachian recognizes the increased importance of private support and this commitment of \$5 million to be raised

through private gifts is an ambitious step to increase the profile and impact of private fundraising.

\$79,507,033

· The model does not include a student fee. Appalachian is cognizant of keeping the cost of attendance accessible and affordable.

LIMITATIONS

 Securing \$5 million in donations strictly earmarked for construction represents a stretch goal based on past fundraising experience. In our current campaign, we have raised \$186.1 million; however, 96% of that commitment is restricted.

		_

OPTIONS FOR FINANCING (OPTION 3)

OPTION 3

APPALACHIAN STATE UNIVERSITY COLLEGE OF HEALTH SCIENCES BUILDING

77% from General Assembly, 23% from ASU

Total Project Cost	\$79,507,033		
Sources of Funding:	Amount		% of Total
General Assembly - for planning	\$5,000,000	1	6%
ASU - for planning	\$2,202,883	2	3%
Medical Office Building net revenues - for construction	\$1,200,000	3	2%
Donations - for construction	\$5,000,000	4	6%
Student fee - for construction	\$9,504,990	5	12%
Subtotal	\$22,907,873		29%
General Assembly - remainder for construction and contingencies	\$56,599,160		71%
Total	\$79,507,033		100%
Option 3 Summary:			
Support from General Assembly	\$61,599,160		77%
Support from Appalachian State University	\$ 17,907,873		23%
Total	\$79,507,033		100%
Building Reserves - from General Assembly (recurring)	\$3,228,900	6	
Building Reserves - from General Assembly (non-recurring)	\$355,791	7	

- 1 \$2 million awarded in 2013-14, \$3 million in 2014-15
- 2 \$2.2 million authorized by 2014-15 appropriations bill
- 3 Assumes \$50,000/year for 25 years
- 4 Assumes \$200,000/year for 25 years
- 5 Assumes a \$25 debt service fee from each student assessed over 25 years
- 6 Funding for annual cost of operations and maintenance
- 7 Funding for additional year one cost for operations and maintenance

DESCRIPTION

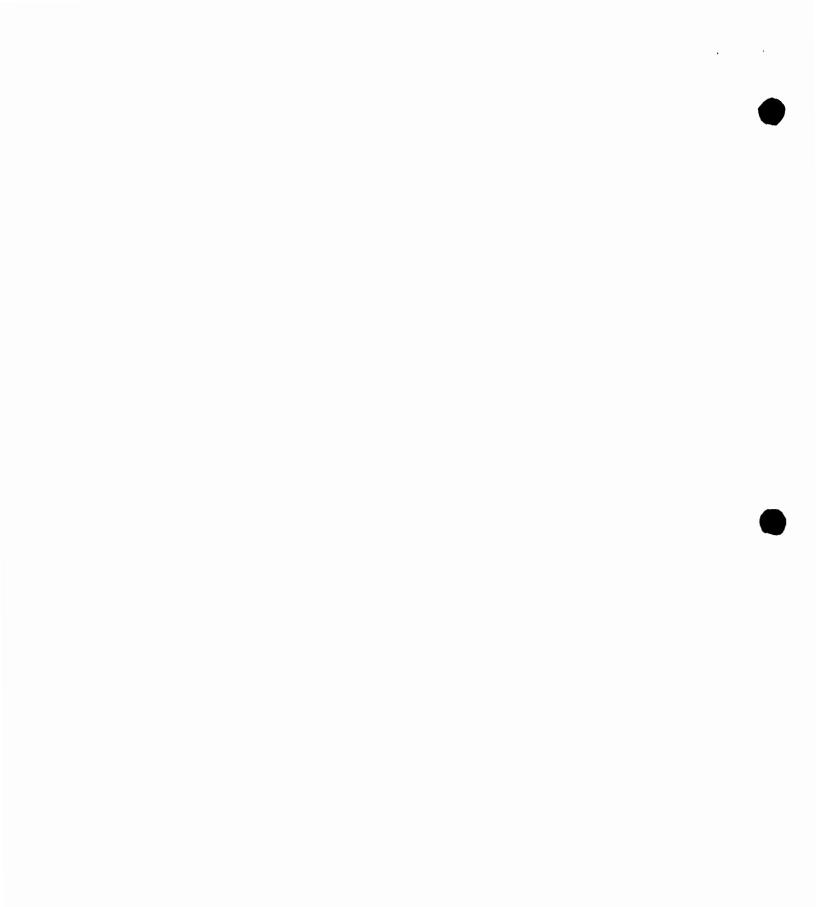
Option 3 assumes the use of all potential revenue streams: student fees, state appropriation, revenue from the MOB, and private donations. Using a combination of all identified sources, this model lowers the state contribution to 77% of the total cost of planning and construction, and the Appalachian portion is 23%.

BENEFITS

· This model lowers the investment of state dollars and uses multiple revenue streams resulting in more funding flexibility.

LIMITATIONS

- · Because of the complexity of the revenue modeling, managing the financing will be more risky.
- An increased indebtedness fee on students limits Appalachian's ability to assume any additional debt in future years.







OPTIONS FOR **FINANCING** (OPTION 4)

OPTION 4

APPALACHIAN STATE UNIVERSITY COLLEGE OF HEALTH SCIENCES BUILDING

Majority of funding from Debt Service Fee charged to CHS majors

Total Project Cost	\$79,507,033		
Sources of Funding:	Amount		% of Total
General Assembly - for planning	\$5,000,000	1	6%
ASU - for planning	2,202,883	2	3%
Student fee on CHS students - for construction	72,304,150	3	91%
Subtotal	\$79,507,033		100%
General Assembly - remainder for construction	-		0%
Total	\$79,507,033		100%
Option 4 Summary:			
Support from General Assembly	\$5,000,000		6%
Support from Appalachian State University	\$74,507,033		94%
Total	\$79,507,033		100%
Building Reserves - from General Assembly (recurring)	\$ -	4	
Building Reserves - from General Assembly (non-recurring)	\$ -	5	
1 \$2 million awarded in 2013 14 \$3 million in 2014 15			

^{1 \$2} million awarded in 2013-14, \$3 million in 2014-15

DESCRIPTION

Option 4 assumes that CHS students will bear the responsibility for funding the new facility. The student fee revenue stream would comprise 91% of the total cost of planning and construction, leaving Appalachian non-state sources to cover 3% and state appropriation 6%. Essentially, the only state appropriation would be for planning and not cover any of the cost of construction.

BENEFITS

• This is the lowest cost option to the state.

LIMITATIONS

· This model sets an undesired precedent of asking students to pay a debt service fee for a historically state-funded project.

- · The student fee would only be assessed to the students in the CHS. As a result, the fee could only be assessed once a student declared a major, thus limiting the additional fee to the final two years of college. An additional fee of \$3,084 would not be competitive with the tuition and fees of our peer institutions, resulting in decreased student demand and attrition.
- · If student enrollment declines as a result of the additional fee, the predictability of the revenue from the fee is jeopardized.
- · This model adds significant debt to Appalachian's balance sheet potentially downgrading our Moody's Aa3 credit rating.
- Appalachian would need to secure a source of funds to operate the building, estimated to be over \$3.3 million annually.

^{2 \$2.2} million authorized by 2014-15 appropriations bill

³ Assumes a \$3,084 debt service fee charged to each CHS student major (for two years only) assessed over 25 years. Scenario also assumes ASU would issue all debt to fund building instead of State of NC. Bonds assume interest rate of 5% amortized over 25 years. Principal and interest totals almost \$132,000,000.

⁴ Scenario assumes ASU would have to fund annual cost of operations and maintenance

⁵ Scenario assumes ASU would fund additional year-one cost for operations and maintenance



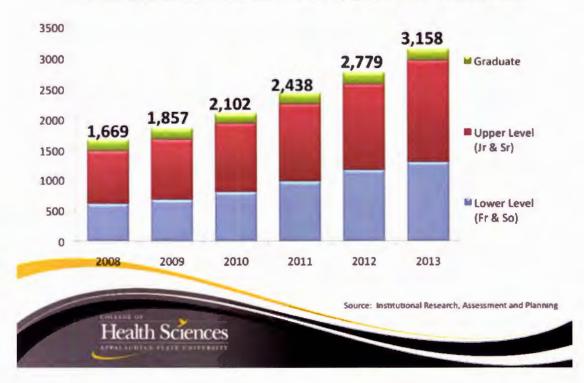


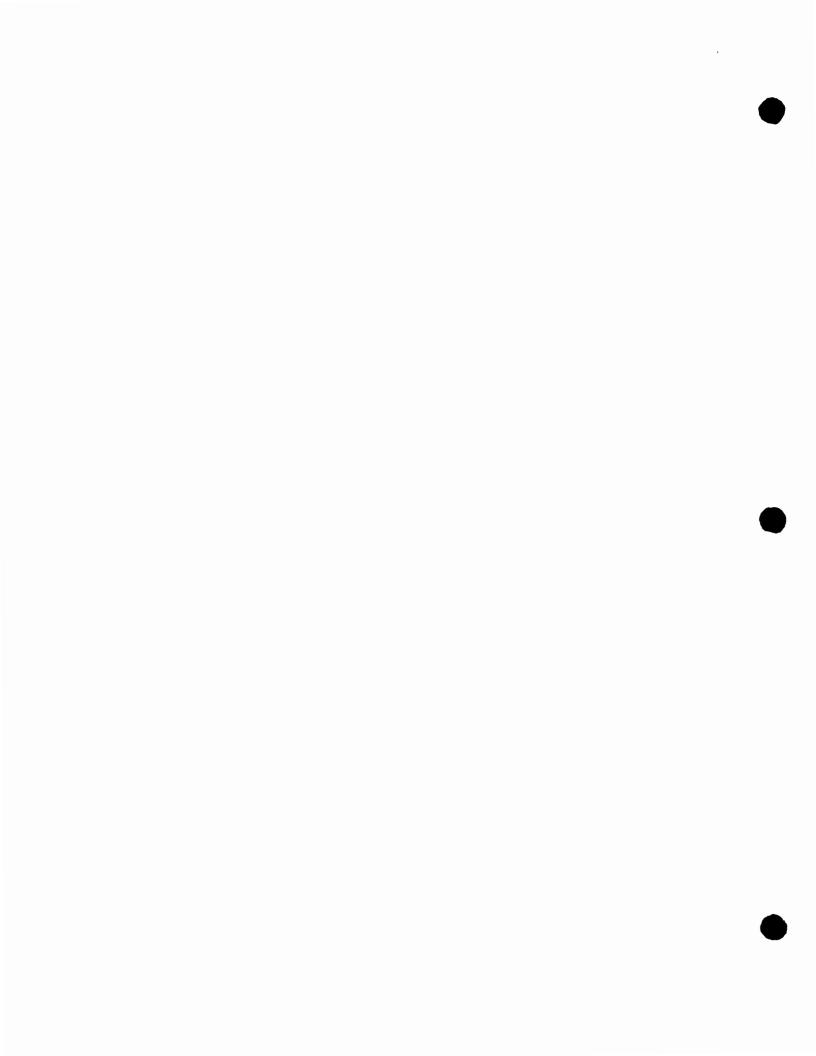
APPENDIX A

In the five years since its inception, the College of Health Sciences has grown from 1,669 students in 2008 to 3,158 students in 2013.

Information from Appalachian's Institutional Research, Assessment and Planning website. Accessible at http://irap.appstate.edu/fact-book/2013-2014-fact-book/student-information by scrolling to the section entitled "Enrollment by Degree Major: First and Second Majors, Enrollment by Degree Major (by College and Department), Fall 2009-13"

Numbers Increase in Health Science Students





College of Health Sciences -- Counts of Majors by Degree Program

UNDERGRADUATE	Lower Level	Fall 2010 Upper Level	Total	Lower Level	Fall 2011 Upper Level	Total	Lower Level	Fall 2012 Upper Level	Total	Lower Level	Fall 2013 Upper Level	Total
Communication Sci. & Disorders	61	97	158	61	85	146	72	96	168	98	121	219
Health and Exercise Science												
Athletic Training	85	23	108	104	27	131	87	33	120	75	32	107
Exercise Science	292	301	593	274	314	588	345	324	669	374	405	779
Health Promotion	30	130	160	22	127	149	33	158	191	45	173	218
Nursing												
Pre-Licensure	47	30	77	257	106	363	301	123	424	341	138	479
RN to BSN	8	32	40	6	37	43	25	56	81	30	127	157
Nutrition & Health Care Mgmt											***************************************	
Nutrition and Foods	60	60	120	49	79	128	75	107	182	86	123	209
Health Care Management	39	75	114	22	83	105	40	75	115	48	98	146
Recreation Mgmt and Physical Educ.												
Physical Education Teacher Ed.	47	73	120	48	90	138	35	77	112	27	62	89
Recreation Management	78	154	232	70	161	231	77	159	236	90	177	267
Social Work	51	162	213	59	174	233	76	206	282	92	205	297
TOTAL-UNDERGRADUATE	798	1137	1935	972	1283	2255	1166	1414	2580	1306	1661	2967

GRADUATE	Fall 2010	Fall 2011	Fall 2012	Fall 2013
Speech Language Pathology	72	82	77	80
Exercise Science	30	29	32	31
Nutrition - Dietetics	18	21	20	20
Social Work	47	51	70	60
TOTAL-GRADUATE	167	183	199	191

GRAND TOTAL (Undergraduate & Graduate)	2102	2438	2779	7,159
me it is easy a the extent of the result of the man or make an internal of		W. Living		3430

Note: Lower Level = Freshman & Sophomore; Upper Level = Junior and Senior; Counts of non-degree/unclassified students are not included in degree program totals. Source: Institutional Research and Planning, Enrollment by Degree Major-First & Second Major, Duplicated total available at http://irap.appstate.edu/fact-book/2013-2014-fact-book/student-information

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APPENDICES
B &C

APPENDIX B

The CHS offers preparation for these careers. Median salaries (not starting salaries) are as indicated in the Bureau of Labor Statistics Occupational Handbook. This information may be accessed online at http://www.bls.gov/ooh/healthcare/home.htm.

MEDIAN INCOMES

Athletic Training/ Exercise Physiologist	\$42,690
Nutritionist	\$55,240
Physician Assistant	\$90,930
Registered Nurse	\$65,470
Speech-Language Pathologist	\$69,870
Health Services Manager	\$88,580
Social Worker	\$44,200
Average Median Salary	\$65,283

APPENDIX C

CURRENT SPACE OCCUPIED BY COLLEGE OF HEALTH SCIENCES:

Duncan Hall and Octagon: A general classroom building built in 1965, never fully renovated, and located in a flood way. The building has been flooded numerous times. The age, location, technology, and condition of the building make it difficult to support the required classes. The Octagon: A general lecture hall building attached to Duncan Hall and home to nursing. Its unconventional configuration and lack of technology render it difficult to use as a nursing laboratory.

Varsity Gym: A gymnasium built in 1968 that is home of the Health Promotions. The building has never been fully renovated and also lies in a flood plain that is prone to flooding and the health promotion spaces are not adequately air-conditioned.

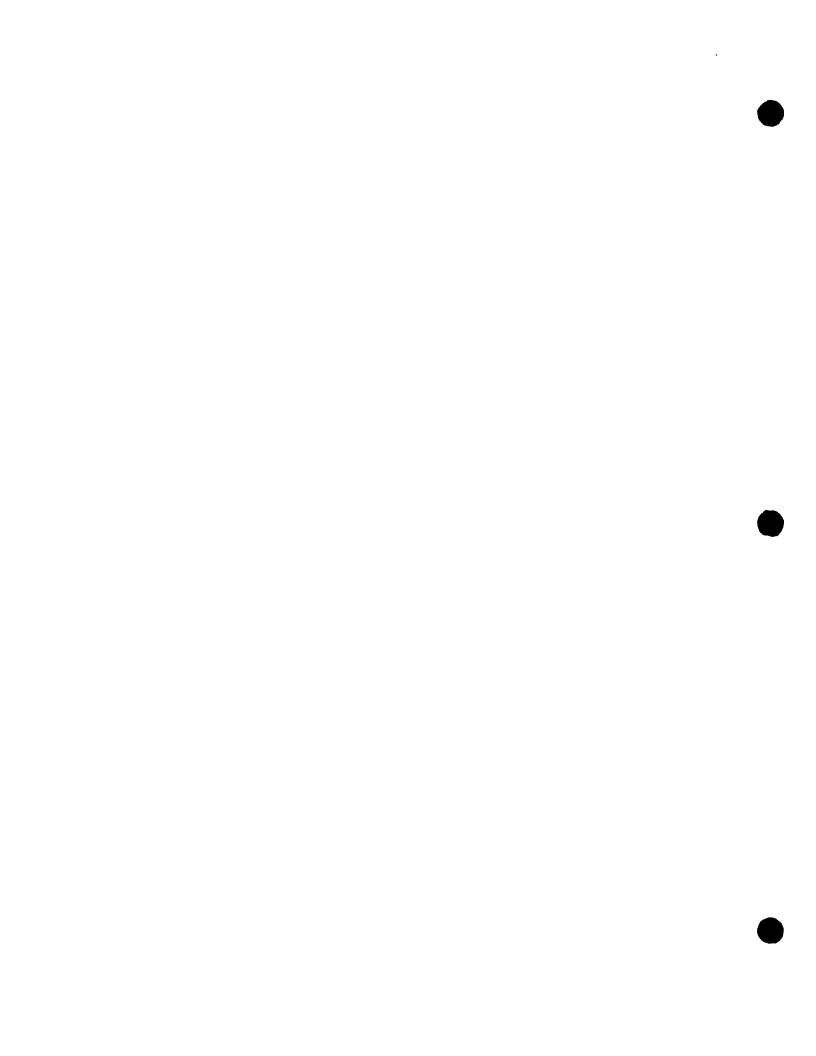
Holmes Convocation Center: Built in 2001, it is the most modern of all the buildings housing CHS functions. It contains the only cadaver dissection room for the CHS. The cadaver room is too small to meet the current student and class demand for anatomy and physiology dissection labs.

DD Dougherty: Houses the administrative offices. It is remote from CHS faculty resulting in reduced opportunities for collaboration. Constructed in 1940 as a library, it is poorly configured with low ceilings which housed the previous stacks of the library collection. A large portion is not air conditioned.

LS Dougherty: A general education building built in 1962. It has high concentrations of asbestos and the steam radiator heat is failing. Space to install newer mechanical or electrical systems does not exist.

University Hall: A former general office building built in 1982 and located 1.2 miles off campus. The building has been renovated and modernized, but its labs are undersized. Student access and parking is limited and public transportation access is restricted by steep grades and lack of turn-around space.

Charleston Forge: Leased office space, inadequate for classrooms.





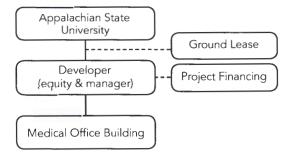


APPENDIX D

MEDICAL OFFICE BUILDING

Development Structure & Associated Financing Options

The current development option being evaluated by the University for the MOB would require a Developer to build, finance, operate, and maintain that component of the project. The structure diagram below shows that the University would receive some form of ground lease payment from the Developer in exchange for the right to build the MOB on the CHS site. The Developer is required to secure the MOB project financing (debt and equity) in order to enter the partnership. The University will have final approval over the Developer's proposed financial structure per the Development Agreement. The University is not required to contribute equity to the MOB based on this development structure.



MOB Developer Ground Lease Structure

The University would require potential Developer partners to provide information and references to demonstrate their financial strength and evidence that funding can be provided, or secured, to cover all aspects of the financial requirements necessary to complete and manage the MOB. If the Developer is relying on the credit of a principal or principals for any of the financing, the following must be provided for each such principal as well:

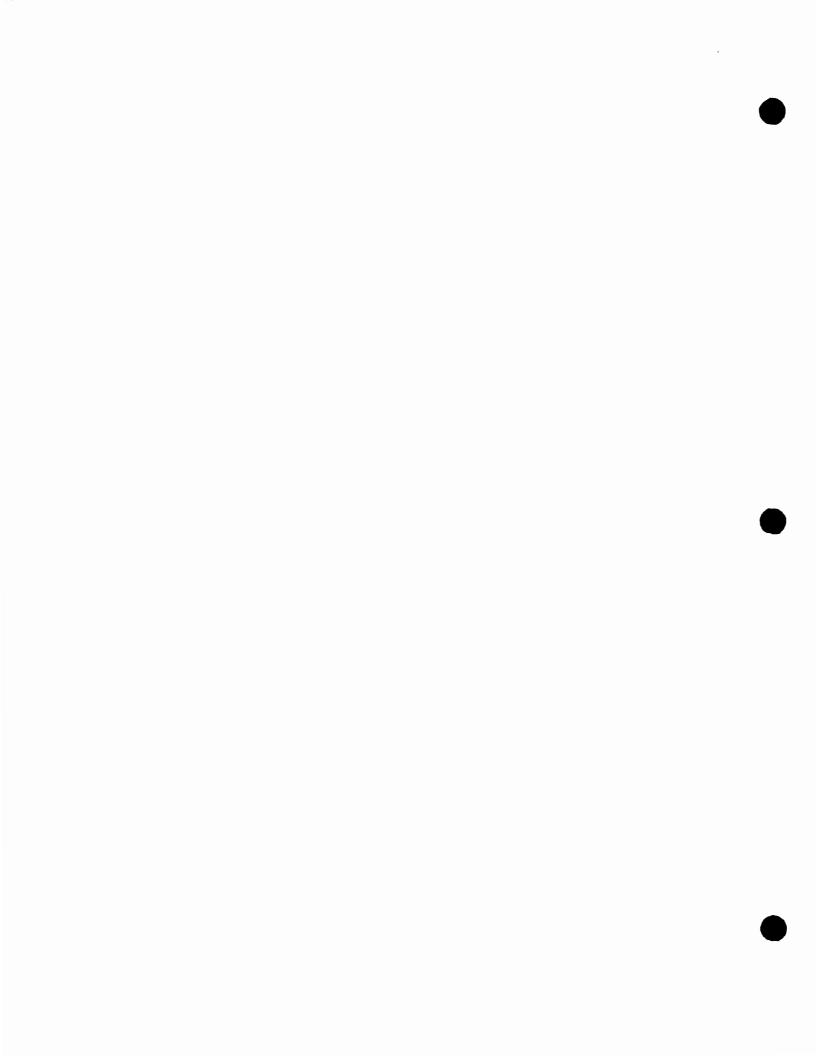
 Provide the Developer's audited financial statements for the last five fiscal years

- and information reflecting the Developer's current financial position.
- Include a detailed, narrative statement explaining how the Developer has available the appropriate financial, material, equipment, facility, and personal resources and expertise, or firm commitments to obtain them, necessary to meet all contractual requirements.
- Provide contact information for banking and other financial references that can substantiate the Developer's capacity to implement the project being proposed.
- Submit a list of project lenders and equity sources that could be potential partners for the MOB based on firm relationships and previous experience with similar built products.
- Provide detailed credit history for the Developer and/or principal sources of equity.
- For publicly traded companies, provide quarterly SEC filings for the past 5 fiscal years.

The University reserves the right to request additional detailed financial information from Developers that respond to any type of Request for Qualifications or Request for Proposals issued by the University as part of a public procurement process.

MOB ASSUMPTIONS

- Base rental rate of \$22.50 per SF with 3.0% annual increase (based on market comps of \$18 per SF, \$21.25 per SF, and \$22.50 per SF)
- 75% initial occupancy; 95% stabilized (year 3+)
- 6.5% / 30-year developer financing with
 7.5% return on equity
- Total estimated project cost ranges from \$13 million – \$16million





APPENDIX E



BOONE AREA CHAMBER OF COMMERCE

208 Howard Street Boone, NC 28607 828-264-2225 Fax 828-264-6644

www.boonechamber.com E-mail: info@boonechamber.com Serving the Heart of the High Country

To: Our North Carolina Legislators:

June 11, 2014

Last year the State Legislature appropriated \$2M toward the Appalachian State University Health Sciences building project; and for that we are greatly appreciative. This project is of importance not only for the University, but for the economic development lift it would provide to the Northwest North Carolina region. There are many components that contribute the economic vitality of an area with accessibility to medical care among the most important. This project is to be a public/private partnership as the building is planned to include a medical office complex; therefore, it will provide two benefits to the region's health care system. First, it will provide graduates of the College of Health Sciences some of whom will join the healthrelated workforce of the Appalachian Regional Health Care System encompassing Boone, Blowing Rock and Avery County; and second, it will enhance the availability of private health care services in the area. Additionally, this project is of sufficient scale that it will act as a catalyst for new business development in the immediate area surrounding the Watauga Medical Center, the region's main hospital.

The dollars appropriated in 2013 were used for advanced planning for the facility. The University is seeking the remaining \$6.2M to complete planning and insure the project continues to move forward in an efficient and cost effective manner. We recognize the pressure on the state budget; however, given the substantial progress made with the dollars already invested combined with the latent economic benefit and job creation associated with this type of project, we are asking for your continued support in obtaining the \$6.2M appropriation this year.

Asking for your consideration,

lason Triplett, Board Chair

Mike Holzworth, Government Chair

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Dan Meyer, President/CEO



APPENDIX E (CONTINUED)



Dan Soucek NC Senate District 45 300 N. Salisbury Street, Room 310 Raleigh, NC 27603-5925

Dear Senator Soucek,

Last year the State Legislature appropriated \$2M toward the Appalachian State University Health Sciences building project; and for that we are greatly appreciative. This project is of importance not only for the University, but for the economic boost it would provide to the Northwest North Carolina region. There are many components that contribute to the economic vitality of an area with accessibility to medical care among the most important. This project will be a public/private partnership as the building is planned to include a medical office complex; therefore, it will provide two benefits to the region's health care system. First, it will provide employment for the graduates of the College of Health Sciences some of whom will join the health-related workforce of the Appalachian Regional Health Care System encompassing Boone, Blowing Rock and Avery County; and second, it will enhance the availability of private health care services in the area. Additionally, this project is of sufficient scale that it will act as a catalyst for new business development in the area around Watauga Medical Center, the region's main hospital.

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Respectfully,

Cathy Robbins President

Carthy Rollins

Charles Hardin **Executive Director**

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APPENDIX E (CONTINUED)



Jonathan Jordan NC House of Representatives, District 93 300 N. Salisbury Street, Room 420 Raleigh, NC 27603-5925

Dear Representative Jordan,

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Respectfully,

Cathy Rollins

Cathy Robbins President

Charles Hardin **Executive Directo**

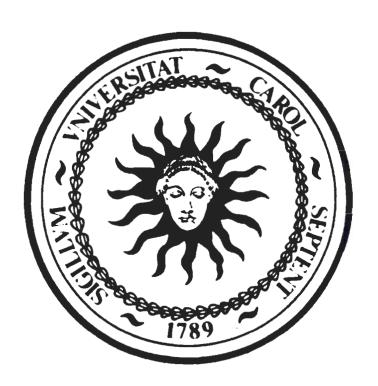
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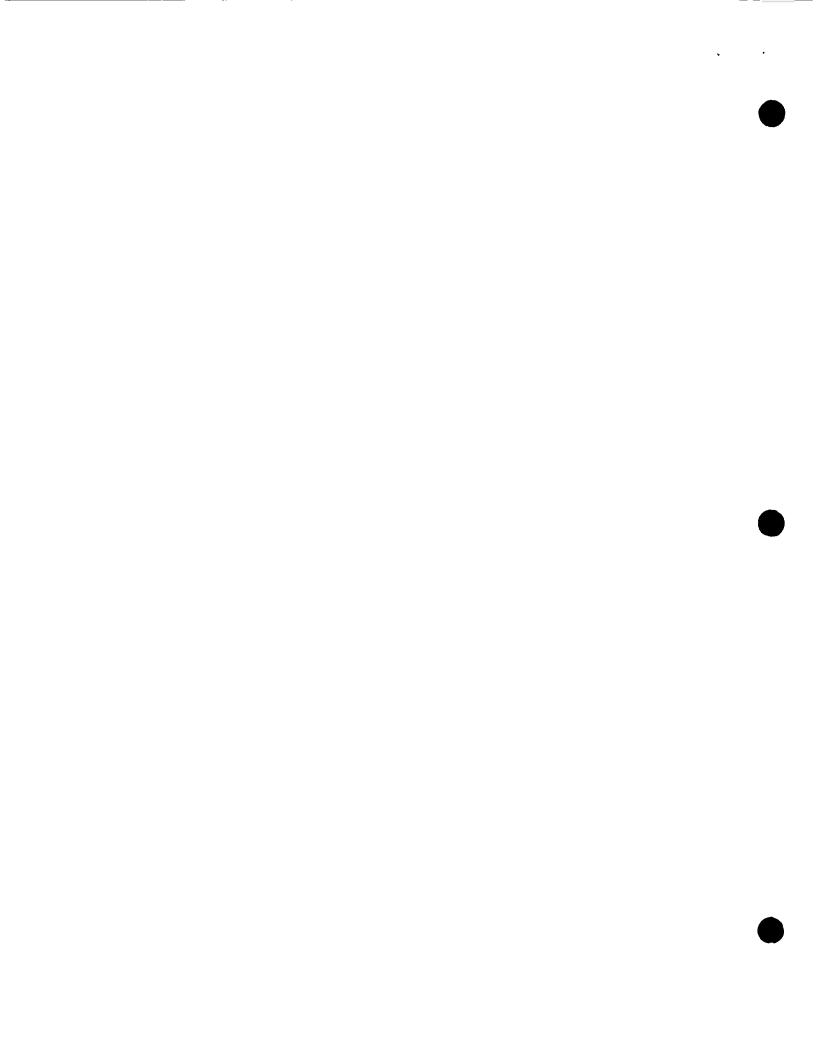


APPENDIX F (EXCERPTED FROM THE FULL REPORT)

2013-15 CAPITAL BUDGET PRIORITIES AND SIX YEAR CAPITAL IMPROVEMENTS PLAN



ASU – College of Nursing and Health Sciences Building – \$8,200,000 – Planning Increasing statewide demand for health professionals to serve an aging population has led to a growing need for degree-granting programs in Nursing and Health Sciences in western North Carolina. In keeping with the goal of educating more health care professionals, this project would provide a 200,000 square-foot facility for the College of Nursing, as well as various academic and public service programs in Health Sciences. This building complex, to be constructed in association with the Appalachian Regional Healthcare System (ARHS), would greatly expand the quality of facilities available for education, research, and public service for the community and region. The project would be constructed on land that would be donated to the State for the benefit of ASU when the project is funded in accordance with a signed pledge agreement with ARHS. Work would also include the renovations needed to repurpose Duncan Hall (built in 1965, 81,887 square feet, 3-story). The total cost of this project is \$82,000,000 with \$8,200,000 requested for planning in 2014-15.





APPENDIX F (EXCERPTED FROM THE FULL REPORT)

THE UNIVERSITY OF NORTH CAROLINA 2013-15 Capital Budget Priorities

Introduction

Every biennium, the University reviews its capital needs and prepares a six-year capital improvements plan for new construction and major renovation projects to be funded from the State's General Fund. Comprehensive six-year plans are also developed for projects to be funded from the State's Reserve for Repairs and Renovations and from non-General Fund sources, including housing, dining, parking, athletic, and other receipts.

During the preparation of these plans, the President and the Board of Governors have carefully considered several criteria including the UNC Strategic Plan, enrollment growth projections, utilization rates for existing classrooms and laboratories, as well as the economic impact of new construction and major renovations on the State's economy.

Institution	Top Capital Priority	2013-14 Request	2014-15 Request	
University-wide	Allocation from Repairs and Renovations Reserve	\$163,000,000	\$163,000,000	
	Total – Top Capital Priority	163,000,000	163,000,000	
	Strategic Capital Priorities			
NCSSM	Discovery Center's Reynolds East Living/Learning Residence Hall	8,000,000	_	
UNC	Pharmacoengineering Facilities at NCSU and UNC-CH	_	9,200,000	
UNCW	Allied Health/Human Sciences Facility and Related Infrastructure	_	5,094,430	
ASU	College of Nursing and Health Sciences	_	8,200,000	
UNCC	Science Building	_	12,638,338	
UNCG	Nursing/Classroom/Office Building	_	13,133,200	
ECU	Life Sciences and Biotechnology Building/ Howell Sciences Renovation	_	19,698,500	
	Total – Strategic Capital Priorities	8,000,000	67,964,468	
	GRAND TOTAL	171,000,000	230,964,468	

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APPENDIX F (EXCERPTED FROM THE FULL REPORT)

	TH		ment 1	POLINA					
	THE UNIVERSITY OF NORTH CAROLINA 2013-19 Six-Year General Fund Capital Improvements Plan								
			Previously			Fundi	ng Plan		
Priority	Institution/Project	Request	Authorized	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	University of North Carolina								
1	Pharmacoengineering Facilities at NCSU and UNC-CH	92,000,000			9,200,000	82,800,000			
	Appalachian State University								
1	College of Nursing and Health Sciences	82,000,000			8,200,000	49,200,000	24,600,000		
2	Arts and Sciences Building and Existing Space Improvements	48,630,000			0,200,000	7 880 000	33,000,000	7,750,000	
3	Sanford Hall & College of Education Annex - Comprehensive	-01/201/201				(1990)000	22/222/222	V,V 30/300	
, ,	Renovation and Modernization	19,216,000				1,000,000	4,500,000	4,500,000	9,216,00
4	Kerr Scott, Katherine Harper Hall Renovation & Improvement	18,000,000				4,500,000	12,000,000	1,500,000	0,2.0,00
5	Research Institute for Energy Environment & Economics	32,000,000				1,000,000	3,200,000	24,800,000	4,000,00
6	Broyhill Music Center Renovation and Expansion	6,596,000					0,200,000	2.,000,000	6,596,00
7	Wey Hall Renovation	17,500,000							17,500,00
8	Land Acquisition	12,500,000							12,500,00
	East Carolina University								
1	Life Sciences & Biotechnology Building/Howell Sciences Renovation	196,985,000			19,698,500	118,191,000	59,095,500		
2	Academic Building A	113,354,798			10,000,000	11,335,480	102,019,318		
3	School of Medicine Expansion and Renovations	150,000,000				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	100,010,010	150,000,000	
4	New Performing Arts Building	95,500,000						,,	95,500,00
5	School of Public Health Building	8,009,000							8,009.00
6	Land Acquisition	10.000.000							10,000,00
7	Utility Infrastructure, Academic Support, Phase II	21,000,000							21,000.00
8	IT Infrastructure Upgrade, Phase II	10,000,000							10,000,00
9	New Facilities Services Space	12,200,000							12,200,00
10	Health and Human Performance Addition	13,600,000							13,600,00
11	Austin Building - Comprehensive Modernization	15,500,000							15,500,00
12	Graham Building - Comprehensive Modernization	7,100,000							7.100.00
13	Ragsdale Hall - Comprehensive Modernization.	15,000,000							15,000.00
14	Fletcher Music Center - Comprehensive Modernization	11,800,000							11,800,00
15	Spilman Building - Comprehensive Modernization	5,300,000							5,300.00
16	Whichard Building - Comprehensive Modernization	6,100,000							6,100,00
17	Brewster Building A, B, C & D Wings - Comprehensive Modernization	19,200,000							19,200,00
18	Rawl Building - Comprehensive Modernization	13,000,000							13,000,00
19	Rivers Building - Comprehensive Modernization	11,900,000							11,900,00
20	Brody Medical Science Building - Comprehensive Modernization	31,700,000							31,700,0
21	Health Affairs - Life Sciences Building Comprehensive Modernization	2,300,000		-					2,300,0
22	Biotechnology Building - Comprehensive Modernization	3,300,000							3,300,00
23	McGinnis Theatre - Comprehensive Modernization	5,100,000							5,100,00
24	Willis Building - Comprehensive Modernization	2,900,000							2,900,00

Match Breakdown \$5.7 million Capital Improvement Special Appropriation Request

The four armories are an average age of 44 years old and are located in Elizabeth City, Jacksonville, Louisburg and Reidsville. They are actively-used facilities with systemic capital-improvement needs that, once met, will extend their useful lives and ensure safe and economically-efficient operating environments for our Soldiers when training or responding to emergencies. With the state appropriation of \$5.7 million, the Guard will leverage \$6.9 million additional federal dollars, which the Guard cannot access without state matching funds. At the end of the biennium, the Guard will have improvement and construction designs for all four armories and will have completed renovations and new construction on two of the four.

These armories are "spoke" facilities that will serve the state for many years to come by supporting larger, multi-unit and multi-agency Regional Readiness Centers (RRC) envisioned for construction over the next decade as part of a facilities modernization and consolidation effort known as the Installation Strategic Action Plan (ISAP). ISAP will reduce the overall number of armories the state must maintain by consolidating several units and/or state and local agencies into larger RRCs, much like the Joint Force Headquarters facility in Raleigh, with spoke armories housing other units further afield and thus continuing the "grassroots" heritage of the National Guard.

At the end of the day, ISAP will arrange our force along interstate corridors where most of our Soldiers live in the modern era, allow quicker and more efficient response to the calls of both the governor and the president and save the state money over the long term by allowing operations from fewer but more cost-effective facilities. The resulting North Carolina Army National Guard footprint will ensure Guard facilities close to both the communities they serve and the citizen Soldiers who man them.

Work to be performed:

- Remove all interior failing systems and revise interior plans as required by functions and codes.
- Remove (abate) all hazardous materials associated with renovation.
- Construct new interior spaces including all new architectural systems spaces and finishes
- All new operable windows with thermal break frames blast proof low E coating that complies with new home security requirements.
- Replace damaged and deteriorated exterior doors, door frames and hardware.
- Install new lighting conduits, panels, fire alarm systems complete, electrical, plumbing and mechanical systems complete as required by current standards and code.
- Renovate building exterior window openings lintels entryways for doors, door frames and surrounding door hardware and sidewalk access for ADA compliance.
- Remove failing roof material i.e.: single ply and buildup roof materials to expose metal roof to structural deck and repair or replace as required. Installing all new flashing and expansion joints and drains as needed. Install membrane over new tapered insulations to



standards and code compliance. Cost estimates with high-quality, single-ply and buildup systems or other systems with a light-reflective surface.

- Provided perimeter security fencing where damaged or to maintain proper security.
- Replace gravel in security lot where gravel is scarred from overuse.
- Remove and replace underground utility water and sewer lines serving building.
- Comply with Anti-Terrorism Force Protection guidelines to meet Department of Defense standards.
- Increase square footage where applicable to meet personnel and equipment storage requirements.

State appropriation breakdown by year:

2015: \$618,000 2016: \$5,087,501 Total: \$5,705,501

There will be some care and preservation of existing facilities (repair/maintenance) - i.e. sustainment.

There will be addition, expansion, and alterations in order to meet unit requirements -i.e. construction.

Cost of designing all four projects:

- Sustainment design is a 50%/50% federal/state match \$212,729 each for each project.
- Construction design is a 75%/25% federal/state match \$75,000/\$25,000 for each project.
- The total design cost for all four projects is \$2,101,834 of which \$1,150,917 is federal and \$950,917 is state.

Cost of the projects (two of the four in this biennium):

- Sustainment construction is a 50%/50% federal/state match \$2,127,292 each for each project.
- New construction is a 75%/25% federal/state match \$750,000/\$250,000 for each project.
- The total construction cost for the two projects to be built out in this biennium is \$1(0,509,168 of which \$5,754,584 is federal and \$4,754,985 is state.

Grand Total: \$12,611,001 for designing all four projects and constructing two.

State = \$5,705,501 Federal = \$6,905,501

North Carolina National Guard Tuition Assistance Program

Primary Ask: Waive all tuition at state-supported community colleges and universities for serving members of the North Carolina National Guard.

Alternate Ask: Additional \$200,000, recurring, to the annual NCTAP appropriation.

Background: In 2009, the program was cut in an effort to save money during the deployment of some 4,000 Soldiers who would not use the funds while activated. This was done with the understanding that the funds would be needed once these Soldiers and Airmen returned. However, funding was never restored. This funding is a major recruiting and retention factor the North Carolina National Guard. Recent changes in how the regular Army administers its federal tuition assistance program have put pressure on the state account. Additionally, the Air National Guard does not receive federal tuition assistance, so the state funds are the only tuition assistance program to which North Carolina Air National Guard members have access.

The current annual appropriation is \$1.9 million. Prior to a plus-up of \$50,000 in 2014, the program served 905 Guard members in 2013 at an average grant of \$2,003.

Adding an additional \$200,000 to the annual appropriation will allow the program to serve another 100 Guard members per year for a total of a little more than 8% of the force.



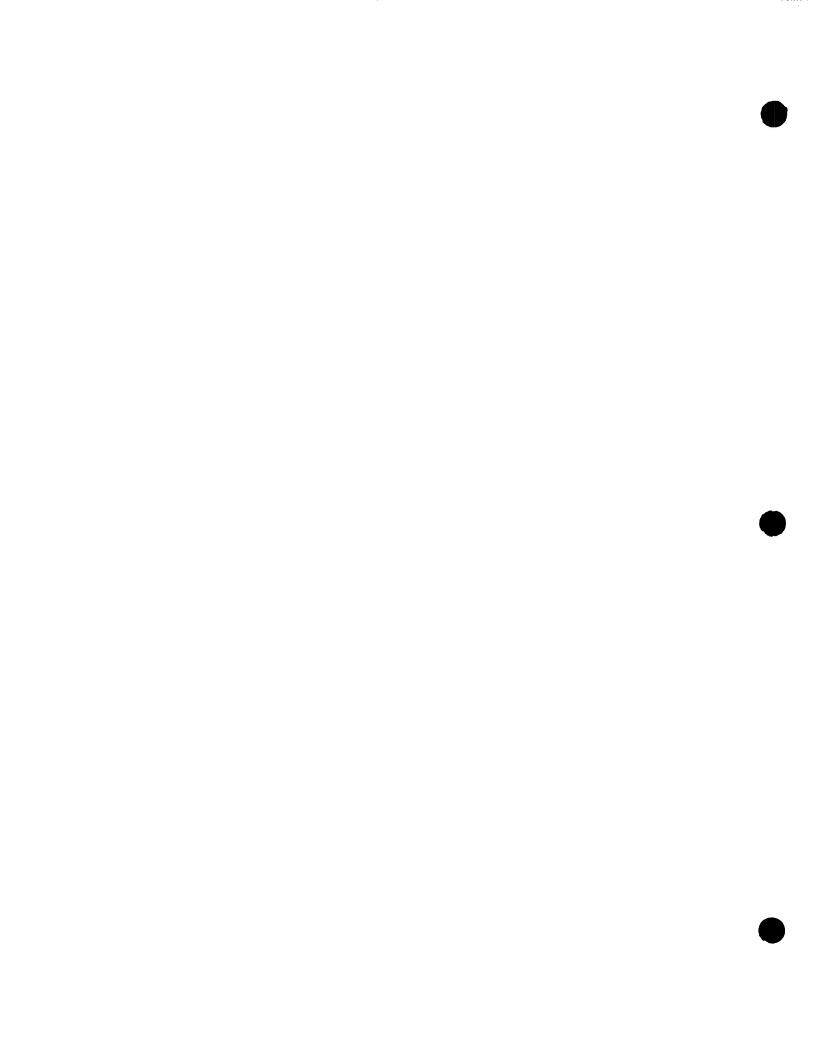
Tarheel ChalleNGe Academy Stanly County Campus

Ask: \$498,875, recurring

Background: This recurring appropriation will complete the state match of \$750,000 for operating the Stanly County campus of Tarheel ChalleNGe Academy. If this money is not in hand, the campus will not open in the fall, and the state may be obligated to return \$750,000 in federal start-up funds.

In 2013, the state appropriated \$3 million so that Stanly County could renovate a school building to house the second academy. That work will be complete in June 2015.

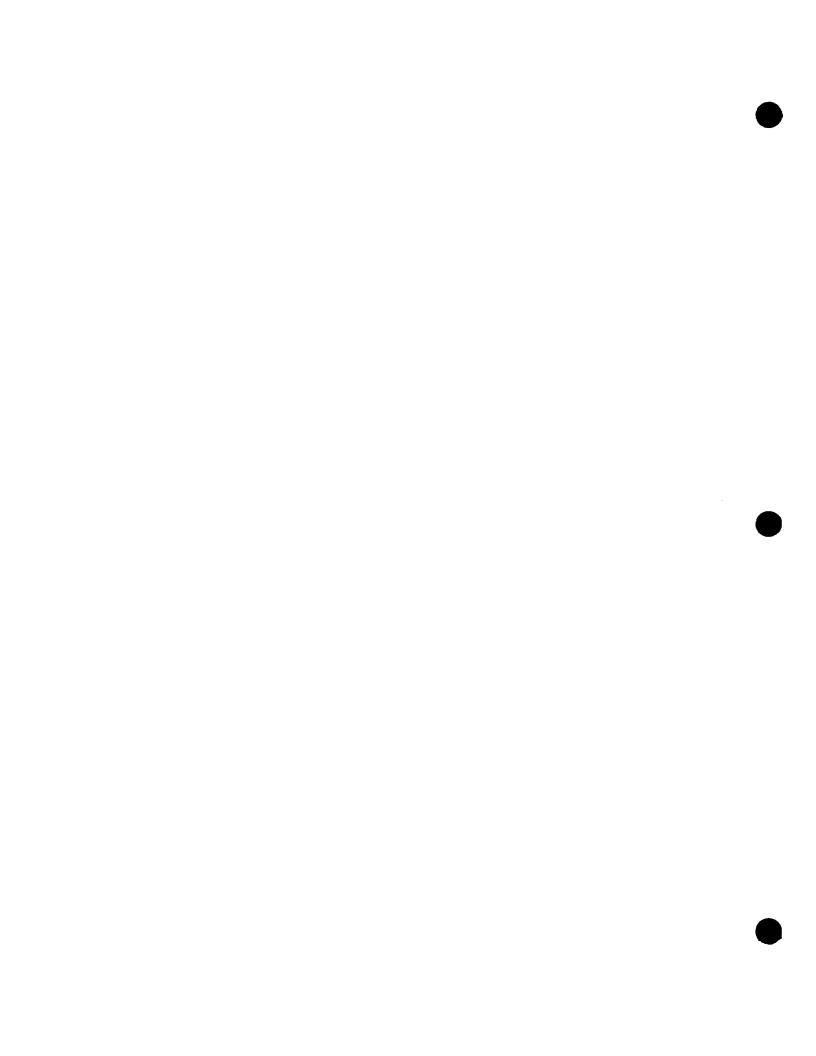
In 2014, the state appropriated \$251,125, recurring, to hire staff and train them. This was the first part of the state match.



NORTH CAROLINA HOUSE OF REPRESENTATIVES COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION 2015-2016 SESSION

You are hereby notified that the House Committee on Appropriations, Capital will meet as follows:

DAY & DATE: TIME: LOCATION: COMMENTS:	Tuesday, April 14, 2015 8:30 AM 425 LOB Representative Dean Arp	o Chairing
		Respectfully,
		Representative Dean Arp, Co-Chair Representative Justin P. Burr, Co-Chair Representative Jon Hardister, Co-Chair
I hereby certify t Wednesday, Apr		ommittee assistant at the following offices at 2:25 PM on
	Principal Clerk Reading Clerk – House Cha	amber .
Wendy Miller (C	committee Assistant)	



House Appropriations Committee on Capital

Rep. Dean Arp

Rep. Justin Burr

Rep. Jon Hardister

Tuesday, April 14, 2015 8:30am Room 425 Legislative Office Building

1. Welcome and Opening Comments:

Rep. Dean Arp, Presiding

2. University of North Carolina: Capital Priorities

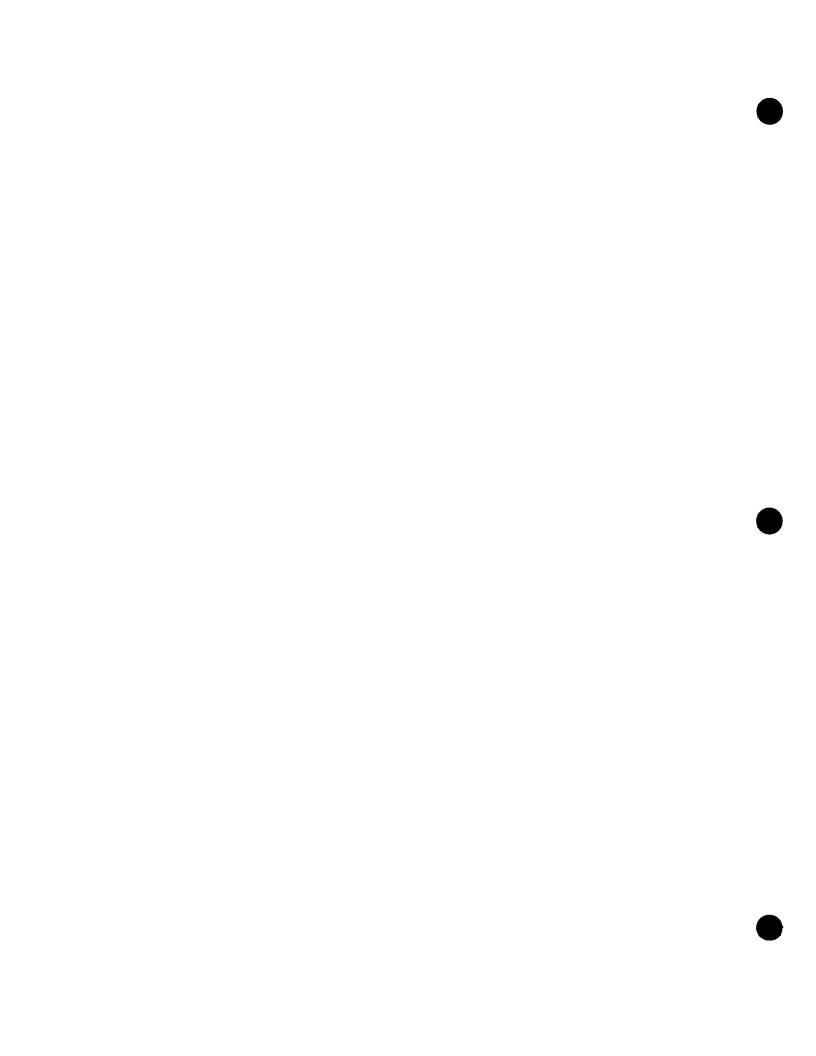
William Johnson, Associate Vice President for Finance & Capital Planning

3. North Carolina State University: Engineering Building Oval

Randy Woodson, Chancellor

Charles Leffler, Vice Chancellor for Finance and Business

4. Adjourn



House Committee on Appropriations, Capital Tuesday, April 14, 2015 at 8:30 AM Room 425 of the Legislative Office Building

MINUTES

The House Committee on Appropriations, Capital met at 8:30 AM on April 14, 2015 in Room 425 of the Legislative Office Building. Representatives Arp, Brockman, and Hardister attended.

Representative Jon Hardister, Chair, presided.

The following presentations were given:

- 1. University of North Carolina: Capital Priorities
 - a. William Johnson, Associate Vice President for Finance & Capital Planning
- 2. North Carolina State University: Engineering Building Oval
 - a. Randy Woodson, Chancellor
 - b. Charles Leffler, Vice Chancellor for Finance and Business

The meeting adjourned at 9:05 am.

Representative Jon Hardister, Chair

Presiding

Wendy Miller Committee Clerk



ATTENDANCE

House Appropriations Committee on Capital

DATES	03-24-15	04-14-15							
Co-Chairs									
Representative Dean Arp	X	X							
Representative Justin Burr									
Representative Jon Hardister	X	X							
Members									
Representative Cecil Brockman	X	X							
Staff									
Mark Bondo, Fiscal Research	X	X							
Daniel Sater, Fiscal Research	X								
Ben Stanley, Bill Drafting									
Committee Clerks									
Dina Long	X								
Wendy Miller	X	X							
Jayne Nelson	X	X		-					
					-				





Strategic Capital Priorities 2015-16 through 2020-21

A SYSTEM OF HIGHER LEARNING

House Appropriations Committee on Capital April 14, 2015







CAPITAL PLAN PROCESS

CAPITAL BUDGET PRIORITIES



CAPITAL BUDGET PRIORITIES

Strategic Appropriated Capital Targeted Capital Renewal Repairs and Renovations Reserve Non-Appropriated Capital



CAPITAL PLAN PROCESS

CAPITAL BUDGET PRIORITIES

Strategic Appropriated Capital Targeted Capital Renewal Repairs and Renovations Reserve Non-Appropriated Capital

SUMMARY



CAPITAL BUDGET PRIORITIES

Strategic Appropriated Capital Targeted Capital Renewal Repairs and Renovations Reserve Non-Appropriated Capital

SUMMARY

APPENDIX



CAPITAL PLAN PROCESS

UNC BOARD OF GOVERNORS

2015-17 Operating and Capital Budget Priorities

December 2014



UNC BOARD OF GOVERNORS 2015-17 Operating and Capital Budget Priorities December 2014

Criteria For Priority Evaluation:

Board of Trustees Priorities

Board of Governors Priorities

2015-2021 Six-Year Strategic Capital Priority Plan

2015-2017 Biennial Budget Capital Priorities



State of North Carolina



Debt Affordability Study

February 1, 2015

Debt Affordability Advisory Committee

Department of State Treasurer 325 North Sallsbury Street Raieigh, NC 27603-1385 Phone: 919-508-5176



State of North Carolina



Debt Affordability Study

February 1, 2015

Debt Affordability Advisory Committee

Department of State Treasurer 325 North Salisbury Street Raleigh, NC 27603-1385 Phone: 919-508-5176

Table 1

General	Fund			
ity using 4.	0% debt	service/revenues	target	r

Net Tax-Supported Debt Capacity using 4.0% debt service/revenues target ratio
(In millions of dollars)

Fiscal Year	2015	2016	2017	2018	2019
Total Additional Debt Capacity per Year *	\$871.0	\$888.7	\$437.9	\$595.5	\$871.6
Debt Capacity Available Each and Every Year	\$698.2	\$698.2	\$698.2	\$698.2	\$698.2

[.] In addition to that already authorized but unissued. Assumes additional debt capacity is authorized and issued in stated fiscal year.





State of North Carolina



Debt Affordability Study

February 1, 2015

Debt Affordability Advisory Committee

Department of State Treasurer 325 North Salisbury Street Raleigh, NC 27603-1385 Phone: 919-508-5176

Table 1

General Fund
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In addition to that already authorized but unissed and instance additional debt capacity is authorized and issued in stated fiscal year.

36% of NC average annual Debt Capacity required by UNC Capital Plan



Strategic Appropriated Capital



CAPITAL BUDGET PRIORITIESStrategic Appropriated Capital

		Strategic <i>F</i>	Appropriat	ed Capita	al Priorit	es			
	Strategic Appropriated Capital Priorities	Total Cost	Request	S-I-T-G	2015-16	2016-17	2017-18	2018-19	2019-20 2020-21
ASU	College of Nursing and Health Sciences	\$74,507,033	\$70,781,681	\$3,725,352	\$20,000,00	0 \$45,300,000	\$5,481,681		
NCSU	Engineering Building - Oval	\$154,000,000	\$77,000,000	\$77,000,000	\$7,000,00	\$7,000,000	\$63,000,000		
UNCC	Science Building	\$126,383,375	\$120,064,206	\$6,319,169	\$12,638,33	7 \$70,000,000	\$37,425,869		
UNCW	Allied Health/Human Sciences & Nursing Facility	\$70,882,635	\$67,338,504	\$3,544,132	\$7,088,26	\$42,529,581	\$17,720,659		
NCSSM	Discovery Center's Reynolds East Living/Learning Residence Hall	\$8,000,000	\$7,600,000	\$400,000	\$7,600,00)			
ECU	Life Sciences and Biotechnology Bldg/Howell Sciences Renovation	\$196,985,000	\$187,135,750	\$9,849,250	\$19,698,50	\$9,849,250	\$80,000,000	\$77,588,000	
UNCG	Nursing and Instructional Building	\$131,332,000	\$124,765,400	\$6,566,600	\$13,133,20	0 \$78,799,200	\$32,833,000		
UNCCH	Medical Education Building-Berryhill Replacement	\$90,600,000	\$70,600,000	\$20,000,000	\$7,060,00	\$42,360,000	\$21,180,000		ĺ
NCAT	New College of Engineering Facility	\$104,374,000	\$99,155,300	\$5,218,700	\$10,437,40	0 \$64,000,000	\$24,717,900) }
WCU	Science / STEM Facility	\$120,981,300	\$114,932,235	\$6,049,065	\$12,098,10	0 \$60,834,135	\$42,000,000]
WSSU	Sciences Building	\$56,688,000	\$53,853,600	\$2,834,400	\$5,668,00	\$48,185,600			
		\$1,134,733,343 SITG Tot	\$993,226,676 al Participation:	\$141,506,667 12.47%	\$122,421,8 12%	01 \$468,857,766 47%	\$324,359,109 33%	\$77,588,000 8%	\$993,226,676 New Capital \$514,836,635 R & R Reserve



CAPITAL BUDGET PRIORITIESStrategic Appropriated Capital

S-I-T-G 12.47%

		Strategic A	Appropriat	ed Capita	al	Prioritie	S	*		All III Marie
	Strategic Appropriated Capital Priorities	Total Cost	Request	S-I-T-G		2015-16	2016-17	2017-18	2018-19	2019-20 2020-21
ASU	College of Nursing and Health Sciences	\$74,507,033	\$70,781,681	\$3,725,352		\$20,000,000	\$45,300,000	\$5,481,681		
NCSU	Engineering Building - Oval	\$154,000,000	\$77,000,000	\$77,000,000		\$7,000,000	\$7,000,000	\$63,000,000		
UNCC	Science Building	\$126,383,375	\$120,064,206	\$6,319,169		\$12,638,337	\$70,000,000	\$37,425,869		
UNCW	Allied Health/Human Sciences & Nursing Facility	\$70,882,635	\$67,338,504	\$3,544,132		\$7,088,264	\$42,529,581	\$17,720,659		
NCSSM	Discovery Center's Reynolds East Living/Learning Residence Hall	\$8,000,000	\$7,600,000	\$400,000		\$7,600,000				
ECU	Life Sciences and Biotechnology Bldg/Howell Sciences Renovation	\$196,985,000	\$187,135,750	\$9,849,250		\$19,698,500	\$9,849,250	\$80,000,000	\$77,588,000	
UNCG	Nursing and Instructional Building	\$131,332,000	\$124,765,400	\$6,566,600		\$13,133,200	\$78,799,200	\$32,833,000		
UNCCH	Medical Education Building-Berryhill Replacement	\$90,600,000	\$70,600,000	\$20,000,000		\$7,060,000	\$42,360,000	\$21,180,000		
NCAT	New College of Engineering Facility	\$104,374,000	\$99,155,300	\$5,218,700		\$10,437,400	\$64,000,000	\$24,717,900		
WCU	Science / STEM Facility	\$120,981,300	\$114,932,235	\$6,049,065		\$12,098,100	\$60,834,135	\$42,000,000		
WSSU	Sciences Building	\$56,688,000	\$53,853,600	#2 ,034,400		\$5,668,000	\$48,185,600			
		\$1,134,733,343	\$993,27 ,,676	\$141,506,667		\$1, 2,421,801	\$468,857,766	\$324,359,109	\$77,588,000	\$993,226,676
		SITG Tot	al Particiµation:	12.47%		12%	47%	33%	8%	New Capital
					NAME OF					\$514,836,635
										R & R Reserve



CAPITAL BUDGET PRIORITIES

Strategic Appropriated Capital

	Strategic Appropriated Capital Priorities	Total Cost	Request	S-I-T-G	2015-16	2016-17	2017-18	2018-19	2019-20 2020-2
ASU	College of Nursing and Health Sciences	\$74,507,033	\$70,781,681	\$3,725,352	\$20,000,000	\$45,300,000	\$5,481,681		
NCSU	Engineering Building - Oval	\$154,000,000	\$77,000,000	\$77,000,000	\$7,000,000	\$7,000,000	\$63,000,000		
UNCC	Science Building	\$126,383,375	\$120,064,206	\$6,319,169	\$12,638,337	\$70,000,000	\$37,425,869		
UNCW	Allied Health/Human Science & ing Facility	\$70,882,635	\$67,338,504	\$3,544,132	\$7,088,264	\$42,529,581	\$17,720,659		
NCSSM	Discovery Centr's Factorial East Living Parning Residence Hall	\$8,000,000	\$7,600,000	\$400,000	\$7,600,000		- Contraction -		
ECU	Life Sciences oted ugy Bldg/Howell Sciences Renovation	\$196,985,000	\$187,135,750	\$9,849,250	\$19,698,500	\$9,849,250	\$80,000,000	\$77,588,000	
UNCG	Nursing and Instrumental Burling	\$131,332,000	\$124,765,400	\$6,566,600	\$13,133,200	\$78,799,200	\$32,833,000		
UNCCH	Medical Education Building-Berryhill Replacement	\$90,600,000	\$70,600,000	\$20,000,000	\$7,060,000	\$42,360,000	\$21,180,000		
NCAT	New College of Engineering Facility	\$104,374,000	\$99,155,300	\$5,218,700	\$10,437,400	\$64,000,000	\$24,717,900	20.000.0	
wcu	Science / STEM Facility	\$120,981,300	\$114,932,235	\$6,049,065	\$12,098,100	\$60,834,135	\$42,000,000		
WSSU	Sciences Building	\$56,688,000	\$53,853,600	\$2,834,400	\$5,668,000	\$48,185,600			
		\$1,134,733,343	\$993,226,676	\$141,506,667	\$122,421,801	\$468,857,766	\$324,359,109	\$77,588,000	\$993,226,676
		SITG Tot	al Participation:	12.47%	12%	47%	33%	8%	New Capital ভূটাৰ এবন এট্ট R & R Reserve



Targeted Capital Renewal



CAPITAL BUDGET PRIORITIES

Targeted Capital Renewal

Criteria For Priority Evaluation:

Space Utilization

Building Restoration – Whole or Partial

Enrollment Growth

Departmental Space Efficiencies

Core Campus Initiatives

Campus Utility Infrastructure

Re-Purpose Existing

Space

Academic Program Support

Utility Cost Avoidance

Code & Life Safety Improvements



Targeted Capital Renewal

Tar	geted Capital Renewal Projects	\$251,314,507	Availab	le			g Ma	
			2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
			\$41,885,751	\$41,885,751	\$41,885,751	\$41,885,751	\$41,885,751	\$41,885,751
		FY Distribution:	96.31%	96.97%	98.55%	94.67%	102.25%	111.25%
	Institution	Value	\$40,340,000	\$40,616,373	\$41,279,000	\$39,654,000	\$42,827,574	\$46,597,560
ASU	Sanford Hall - Comprehensive Renovation & Modernization	\$19,616,000					\$19,616,000	
ECU	Brewster Building B-C-D Classroom Wings Renovations	\$14,700,000				\$14,700,000		
ECU	Whichard Building Comprehensive Renovation	\$6,100,000					\$6,100,000	
ECSU	Moore Hall-Complete Building Renovation	\$8,510,000	\$8,510,000					
ECSU	GR Little Library-Complete Building Renovation	\$4,500,000				\$4,500,000		
FSU	Lyons Science Building-Comprehensive Renovation	\$10,616,373		\$10,616,373				_
NCAT	Carver Hall Renovation	\$8,597,560						\$8,597,560
NCCU	Taylor Education Building-Comprehensive Renovation	\$7,500,000	\$7,500,000					
NCCU	Fine Arts Building-Comprehensive Renovation	\$8,454,000				\$8,454,000	-	<u> </u>
ICSSM	Renovations to Academic Buildings	\$5,129,000			\$5,129,000	-	1	
NCSU	Thermal Utilities and Infrastructure Upgrades	\$6,980,000	\$6,980,000					
NCSU	Bureau of Mines Building Renovation	\$6,000,000			\$6,000,000			
NCSU	Ricks Hall Renovation	\$8,500,000					\$8,500,000	_
UNCA	Renovation and Addition to Owen Hall	\$15,150,000			\$15,150,000			
NCCH	Hamilton Hall Envelope Restoration	\$18,000,000		1		1	ĺ	\$18,000,000
UNCC	Academic Complex Modemization	\$8,611,574					\$8,611,574	["
UNCG	Jackson Library Renovation	\$20,000,000				1		\$20,000,000
UNCP	West Hall - Comprehensive Rehabilitation	\$10,000,000	\$10,000,000					
UNCS4	Old Library Renovation	\$7,350,000	\$7,350,000		_			
UNCW	DeLoach Hall Renovation	\$15,000,000			\$15,000,000			
WCL	Energy Production Facility	\$30,000,000		\$30,000,000		17		
WSSJ	Restore the Core Ph II - Hauser Hall for Music	\$12,000,000				\$12,000,000		
	Total Value of Targeted Capital Renewal Projects	251,314,507					1	l





22 Projects

Targeted Capital Renewal

Tarç	geted Capital Renewal Projects	\$251,314,507	Availab		1		Same.	
			2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
			\$41,885,751	\$41,885,751	\$41,885,751	\$41,885,751	\$41,885,751	\$41,885,751
		FY Distribution:	96.31%	96.97%	98.55%	94.67%	102.25%	111.25%
	Institution	Value	\$40,340,000	\$40,616,373	\$41,279,000	\$39,654,000	\$42,827,574	\$46,597,560
ASU	Sanford Hall - Comprehensive Renovation & Modernization	\$19,616,000			, , , , , , , , , , , , , , , , , , ,		\$19,616,000	
ECU	Brewster Building B-C-D Classroom Wings Renovations	\$14,700,000				\$14,700,000		Marie Control of the
ECU	Whichard Building Comprehensive Renovation	\$6,100,000			4/1		\$6,100,000	
ECSU	Moore Hall-Complete Building Renovation	\$8,510,000	\$8,510,000					
ECSU	GR Little Library-Complete Building Renovation	\$4,500,000	M. WOOMEN T.			\$4,500,000		
FSU	Lyons Science Building-Comprehensive Renovation	\$10,616,373		\$10,616,373				
NCAT	Carver Hall Renovation	\$8,597,560						\$8,597,560
NCCU	Taylor Education Building-Comprehensive Renovation	\$7,500,000	\$7,500,000		***			
NCCU	Fine Arts Building-Comprehensive Renovation	\$8,454,000				\$8,454,000		
ICSSM	Renovations to Academic Buildings	\$5,129,000			\$5,129,000			
NCSU	Thermal Utilities and Infrastructure Upgrades	\$6,980,000	\$6,980,000					
NCSU	Bureau of Mines Building Renovation	\$6,000,000			\$6,000,000			
NCSU	Ricks Hall Renovation	\$8,500,000					\$8,500,000	
UNCA	Renovation and Addition to Owen Hall	\$15,150,000			\$15,150,000			
NCCH	Hamilton Hall Envelope Restoration	\$18,000,000						\$18,000,00
UNCC	Academic Complex Modemization	\$8,611,574					\$8,611,574	
UNCG	Jackson Library Renovation	\$20,000,000						\$20,000,000
UNCP	West Hall - Comprehensive Rehabilitation	\$10,000,000	\$10,000,000					
INCSA	Old Library Renovation	\$7,350,000	\$7,350,000					
UNCW	DeLoach Hall Renovation	\$15,000,000			\$15,000,000			
WCU	Energy Production Facility	\$30,000,000		\$30,000,000				
WSSU	Restore the Core Ph II - Hauser Hall for Music	\$12,000,000				\$12,000,000		



Repairs and Renovations Reserve



Repairs and Renovations Reserve

Allo	cation fro	om Repa	irs and	Renovat	ions Res	serve:		\$514,836,63
		•						0.717% CRV
			F	Reserved for T	argeted Camp	pus Renewal	Projects:	\$251,314,507
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21		
	\$41,885,751	\$41,885,751	\$41,885,751	\$41,885,751	\$41,885,751	\$41,885,751		
				Reserve	d for Campus	R&R Improv	ements:	
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21		Current Distribution
NCSU	7,754,230	7,754,230	7,754,230	7,754,230	\$7,754,230	\$7,754,230		18.361416
UNC-CH	8,768,804	8,768,804	8,768,804	8,768,804	\$8,768,804	\$8,768,804		20.763850
NC A&T	1,659,406	1,659,406	1,659,406	1,659,406	\$1,659,406	\$1,659,406		3 929345
UNCG	2,711,378	2,711,378	2,711,378	2,711,378	\$2,711,378	\$2,711,378		6 420333
ECU	3,974,310	3,974,310	3,974,310	3,974,310	\$3,974,310	\$3,974,310		9.410857
UNCC	2,844,075	2,844,075	2,844,075	2,844,075	\$2,844,075	\$2,844,075		4.734548
ASU	1,903,566	1,903,566	1,903,566	1,903,566	\$1,903,566	\$1,903,566		4,007495
NCCU	1,237,225	1,237,225	1,237,225	1,237,225	\$1,237,225	\$1,237,225		2.979052
UNCW	1,745,065	1,745,065	1,745,065	1,745,065	\$1,745,065	\$1,745,065		4.132178
WCU	1,503,563	1,503,563	1,503,563	1,503,563	\$1,503,563	\$1,503,563		3,560320
UNCP	1,161,356	1,161,356	1,161,356	1,161,356	\$1,161,356	\$1,161,356	*Floor	2 750000
FSU	1,161,356	1,161,356	1,161,356	1,161,356	\$1,161,356	\$1,161,356		2 750000
WSSU	1,161,356	1,161,356	1,161,356	1,161,356	\$1,161,356	\$1,161,356		2 750000
UNCA	1,161,356	1,161,356	1,161,356	1,161,356	\$1,161,356	\$1,161,356		2,750000
ECSU	1,161,356	1,161,356	1,161,356	1,161,356	\$1,161,356	\$1,161,356		2.75(1000
UNCSA	1,161,356	1,161,356	1,161,356	1,161,356	\$1,161,356	\$1,161,356		2.750000
NCSSM	1,161,356	1,161,356	1,161,356	1,161,356	\$1,161,356	\$1,161,356		2 750000
Affiliates	1,689,244	1,689,244	1,689,244	1,689,244	\$1,689,244	\$1,689,244	*Affiliates	4,000000
	\$43,920,355	\$43,920,355	\$43,920,355	\$43,920,355	\$43,920,355	\$43,920,355		\$263,522,128



Repairs and Renovations Reserve

Allo	cation fro	om Repa	irs and	Renovat	ions Res	serve:	1 27	\$514,836,635
	. 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	- (* * ********************************	?··		· · ·			0.717% CRV
			7	eserved for I	algeleu Gum,	nuc Renewal	Projects:	\$251,314,507
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21		
	\$41,885,751	\$41,885,751	\$41,885,751	\$41,885,751	\$41,885,751	\$41,885,751		
				Reserve	d for Campus	De 11 Impro	vements:	
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21		Ciminal (Bahijadian)
NCSU	7,754,230	7,754,230	7,754,230	7,754,230	\$7,754,230	\$7,754,230		la 39141679
UNC-CH	8,768,804	8,768,804	8,768,804	8,768,804	\$8,768,804	\$8,768,804		20.76385029
NC A&T	1,659,406	1,659,406	1,659,406	1,659,406	\$1,659,406	\$1,659,406		3 92934539
UNCG	2,711,378	2,711,378	2,711,378	2,711,378	\$2,711,378	\$2,711,378		6 42033383
ECU	3,974,310	3,974,310	3,974,310	3,974,310	\$3,974,310	\$3,974,310		44108879
UNCC	2,844,075	2,844,075	2,844,075	2,844,075	\$2,844,075	\$2,844,075		. 13194885
ASU	1,903,566	1,903,566	1,903,566	1,903,566	\$1,903,566	\$1,903,566		150749581
NCCU	1,237,225	1,237,225	1,237,225	1,237,225	\$1,237,225	\$1,237,225		2 92965279
UNCW	1,745,065	1,745,065	1,745,065	1,745,065	\$1,745,065	\$1,745,065		4.13217885
WCU	1,503,563	1,503,563	1,503,563	1,503,563	\$1,503,563	\$1,503,563		3 56032003
UNCP	1,161,356	1,161,356	1,161,356	1,161,356	\$1,161,356	\$1,161,356	*Floor	2.15000000
FSU	1,161,356	1,161,356	1,161,356	1,161,356	\$1,161,356	\$1,161,356		1.25000000
WSSU	1,161,356	1,161,356	1,161,356	1,161,356	\$1,161,356	\$1,161,356		1 17909001
UNCA	1,161,356	1,161,356	1,161,356	1,161,356	\$1,161,356	\$1,161,356		z 7/10g 00 3
ECSU	1,161,356	1,161,356	1,161,356	1,161,356	\$1,161,356	\$1,161,356		2,75000003
UNCSA	1,161,356	1,161,356	1,161,356	1,161,356	\$1,161,356	\$1,161,356		2.7500000%
NCSSM	1,161,356	1,161,356	1,161,356	1,161,356	\$1,161,356	\$1,161,356		1.55000000
Affiliates	1,689,244	1,689,244	1,689,244	1,689,244	\$1,689,244	\$1,689,244	*Affiliates	1, 00)0(00)9,
	\$43,920,355	\$43,920,355	\$43,920,355	\$43,920,355	\$43,920,355	\$43,920,355		\$263,522,128

Consistent
+
Predictable
+
6-Year
Funding
Plan



Repairs and Renovations Reserve

			F	Reserved for 1	argeted Cam	ous Renewal	Projects.	\$251,314,507
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21		
	\$41,885,751	\$41,885,751	\$41,885,751	\$41,885,751	\$41,885,751	\$41,885,751		
				Reserve	d for Campus	R&R Impro	vements:	
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21		Current Distribution
NCSU	7,754,230	7,754,230	7,754,230	7,754,230	\$7,754,230	\$7,754,230		18.361416
UNC-CH	8,768,804	8,768,804	8,768,804	8,768,804	\$8,768,804	\$8,768,804		20 763850
NC A&T	1,659,406	1,659,406	1,659,406	1,659,406	\$1,659,406	\$1,659,406		3 929345
UNCG	2,711,378	2,711,378	2,711,378	2,711,378	\$2,711,378	\$2,711,378		6,420330
ECU	3,974,310	3,974,310	3,974,310	3,974,310	\$3,974,310	\$3,974,310		9.410857
UNCC	2,844,075	2,844,075	2,844,075	2,844,075	\$2,844,075	\$2,844,075		6.734548
ASU	1,903,566	1,903,566	1,903,566	1,903,566	\$1,903,566	\$1,903,566		4.507495
NCCU	1,237,225	1,237,225	1,237,225	1,237,225	\$1,237,225	\$1,237,225		2.929652
UNCW	1,745,065	1,745,065	1,745,065	1,745,065	\$1,745,065	\$1,745,065		4,132178
WCU	1,503,563	1,503,563	1,503,563	1,503,563	\$1,503,563	\$1,503,563		3 560320
UNCP	1,161,356	1,161,356	1,161,356	1,161,356	\$1,161,356	\$1,161,356	*Floor	2.750000
FSU	1,161,356	1,161,356	1,161,356	1,161,356	\$1,161,356	\$1,161,356		2 750000
WSSU	1,161,356	1,161,356	1,161,356	1,161,356	\$1,161,356	\$1,161,356		2,750000
UNCA	1,161,356	1,161,356	1,161,356	1,161,356	\$1,161,356	\$1,161,356		2,750000
ECSU	1,161,356	1,161,356	1,161,356	1,161,356	\$1,161,356	\$1,161,356		2.750000
UNCSA	1,161,356	1,161,356	1,161,356	1,161,356	\$1,161,356	\$1,161,356		2.750000
NCSSM	1,161,356	1,161,356	1,161,356	1,161,356	\$1,161,356	\$1,161,356		2,750000
ffiliates	1,689,244	1,689,244	1,689,244	1,689,244	\$1,689,244	\$1,689,244	*Affiliates	4,000000

1% - 3% of CRV Recommended Funding Level



Non-Appropriated Capital



Non-Appropriated Capital

University of North Carolina

Self Liquidating Debt (Non-Appropriated Capital Projects that require long-term debt) Statutory framework created with the 2000 Higher Education Bonds

2015 Self - Liquidating Request						
Institution	Project Title	Total (\$)	Cash (\$)	Debt (\$)	Source of Funds	
ASU	New Residence Hall - Replacement for Winkler - Supplement	32,000,000	8,000,000	24,000,000	Housing Receipts	
ECU	Renovation of Four Residence Halls	65,000,000		65,000,000	Housing Receipts	
NCCU	Deferred Maintenance and Infrastructure Improvements	10,500,000		10,500,000	Debt Service Fee Revenues	
NCSU	Engineering Building Oval and Campus Infrastructure	77,000,000	47,000,000	30,000,000	Gifts	
	Totals	\$184,500,000	\$55,000,000	\$129,500,000		



Non-Appropriated Capital

University of North Carolina

Self Liquidating Debt (Non-Appropriated Capital Projects that require long-term debt) Statutory framework created with the 2000 Higher Education Bonds

	2015	Self - Liq	uidating	g Reque	st
Institution	Project Title	Total (\$)	Cash (\$)	Debt (\$)	Source of Funds
ASU	New Residence Hall - Replacement for Winkler - Supplement	32,000,000	8,000,000	24,000,000	Housing Receipts
ECU	Renovation of Four Residence Halls	65,000,000		65,000,000	Housing Receipts
NCCU	Deferred Maintenance and Infrastructure Improvements	10,500,000		10,500,000	Debt Service Fee Revenues
NCSU	Engineering Building Oval and Campus Infrastructure	77,000,000	47,000,000	30,000,000	Gifts
	Totals	\$184,500,000	\$55,000,000	\$129,500,000	



SUMMARY

	2015-17 C	apital Bu	ıdget Pric	orities	į.		
Capital Budget Priorities	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Totals
Strategic Appropriated Capital Priorities	\$122,421,801	\$468,857,766	\$324,359,109	\$77,588,000			\$993,226,676
Targeted Capital Renewal Projects (from R&R Reserve)	\$40,340,000	\$40,616,373	\$41,279,000	\$39,654,000	\$42,827,574	\$46,597,560	\$251,314,507
Allocation from Repairs & Renovations Reserve	\$43,920,355	\$43,920,355	\$43,920,355	\$43,920,355	\$43,920,355	\$43,920,355	\$263,522,130
	\$122,421,801	\$468,857,766	\$324,359,109	\$77,588,000	\$0	\$0	\$1,508,063,313

2015 Self Liquidating Request: \$184,500,000



SUMMARY – By The Numbers, By The Decade

59	Percentage of GSF by State Entity operated by UNC
66	Percentage of General Fund Insured Value by Entity operated by UNC
36	Percentage of NC Debt Capacity required by UNC 2015-2021 Capital Plan
2	Fiscal Years when percentage of R&R funding was less than 1/10 of 1%
2	Fiscal Years when percentage of R&R funding was ZERO
1% - 3%	Recommended percentage of R&R funding (Source: APPA-Association of Physical Plant Administrators)
\$498.7 Million	Avoided utility costs by UNC (Source: NCDENR)



APPENDIX

ASU – College of Nursing and Health Sciences

Increasing statewide demand for health professionals to serve an aging population has led to a growing need for degree-granting programs in Nursing and Allied Health in western North Carolina. In keeping with the goal of educating more health care professionals, this project would provide a 200,000 square-foot facility for the College of Nursing, as well as various academic and public service programs in Allied Health. This building complex, to be constructed in association with the Watauga Medical Center, would greatly expand the volume and quality of facilities available for education, research, and public service for the community and region. Work would also include the renovations needed to repurpose Duncan Hall (built in 1965, 81,887 square feet, 3-story).



APPENDIX

NCSU – Engineering Building - Oval

This new building for the College of Engineering provides 227,000 gross square feet for the Fitts Department of Industrial and Systems Engineering, the Department of Civil, Construction, and Environmental Engineering, and the College of Engineering Administration. The total project cost of \$154M will be split funded with \$77M request in appropriated funds and \$77M in non-appropriated funds. The facility will include reconfigurable laboratories that provide flexibility for changing research initiatives; new classrooms and class laboratories with the latest technology; and office suites that encourage interaction between faculty, staff and administrators. The project will provide improvements to campus infrastructure and new structured parking. This project fulfills the university decision made in the mid-1990's to move the College of Engineering to Centennial Campus thus allowing existing outdated buildings vacated by Engineering to be renovated to address growth in other colleges. This fourth building completes the move of eight of the nine Engineering departments as well as the college administration. The project fulfills the vision of the 2014 NC State University physical master plan, A Campus of Neighborhoods and Paths, and is guided by The Pathway to the Future, NC State University 2011-2020 Strategic Plan, Goal #1: Enhance the Success of our Students through Educational Innovation, and Goal #2: Enhance Scholarship and Research by Investing in Faculty and Infrastructure. This project is consistent with the university's 2020 enrollment targets.



APPENDIX

<u>UNCC – Science Building</u>

This proposed Science Building project would provide important undergraduate teaching laboratories and graduate research space for UNCC. Many of UNCC's buildings were constructed before doctoral instruction, and in some cases before master level instruction and research were part of its mission. Each of UNC Charlotte's science departments now administers at least one doctoral program. The result is that available laboratory and instructional space is inadequate to support UNCC's undergraduate and graduate teaching and research mission and designation as a research institution. The 236,210 square-foot Science Building would provide facilities for classroom and research activities in chemistry, physics, and biology and classrooms and office space for associated departments. The current space occupied by these departments is inadequate for modern science instruction. The building would provide scientific laboratories and support space for programs and research initiatives that contribute to the economic development of the region and allow UNCC to serve projected student enrollment.



APPENDIX

<u>UNCW – Allied Health/Human Sciences and Nursing Facility</u>

In keeping with the goal of increased access to quality health care, especially in rural areas, UNCW has developed a health programs strategic plan that includes a Health and Human Services College with strong partnerships with practitioners and other UNC campuses. Two of the four facilities envisioned by that plan (Psychology Building, School of Nursing facility) have been funded. This third, 165,000 square-foot facility would house the new Health and Human Services College; the Center for Healthy Living; existing academic programs in Health and Applied Human Sciences and Social Work; and related labs and classrooms that are critical to UNCW's ability to produce more health care professionals and expand services to the rural areas of the region. Available sites for the facility require specialized foundation work and work would include the extension of the all primary infrastructure services to the site.



APPENDIX

NCSSM-Discovery Center Reynolds East Living/Learning Residence Hall

This project would construct the Reynolds East Living/Learning Residence Hall component of NCSSM's \$81,900,000 Discovery Center project that was funded for planning by the 2007 General Assembly. Designed and bid-ready, this resident hall project would provide a 22,000 square-foot, 3-story, 70-bed residence hall with approximately 7,000 square feet of state-of-the-art labs and classrooms that would allow NCSSM to increase its enrollment, an effort that requires both additional residential and academic capacity.





APPENDIX

ECU – Life Sciences and Biotechnology Bldg/Howell Science Renovation

Attracting top quality faculty in applied research with lab space that will allow for world class research and discovery will lead to increased access to higher education as well as application, translation and communication for research and scholarship to broader audiences. This facility would create opportunities for partnerships and discovery with our local industry partners and provide for research programs that would be globally competitive and produce higher-skilled graduates that would compete successfully in the global workplace. The project would construct the 200,000 square-foot Life Sciences and Biotechnology Building on the current site of the Christianbury Gym; the demolition and reconstruction of Christianbury Gym (built in 1952, 52,701 square feet, 2-story) in a new location; and the renovation of the Howell Sciences complex (built in 1969 and 1970, 107,569 square feet, 4 and 5-story) to bring it up to current life safety and building codes and modern laboratory standards. Upon completion, ECU's new and renewed science complex facilities would provide the state-of-the-art science facilities needed to attract top-quality faculty in applied research; increase student access to modern science education; and facilitate the application, translation and communication of scientific research and scholarship to broader audiences.





APPENDIX

<u>UNCG – Nursing and Instructional Building</u>

This project would house the School of Nursing, which would occupy approximately 50% of the space. Currently located in four buildings and space constrained, this project would allow the School of Nursing to expand its enrollment and realize the collaboration and efficiency benefits possible by being in one location. Additional instructional, faculty, and support space is essential in order for UNCG to accommodate planned enrollment increases; new academic program offerings; and expected growth in externally funded research and service. Because these initiatives are faculty and space intensive, this project would construct a 200,000 square-foot, four-floor building consisting of laboratory and related support space, academic teaching facilities, and office space on the existing McIver Classroom Building site. Building design would incorporate the requirements of Session Law 2007-546 (SB 668) and would be designed to produce maximum flexibility for rapidly changing academic programs. This project would also include constructing and equipping the 20,000 square foot Phase 1 Chiller Plant and the demolition of the existing McIver Classroom Building (built in 1959, 129,559 square feet, 5-story).



APPENDIX

<u>UNC-CH – Medical Education Building - Berryhill Replacement</u>

This project would replace the Berryhill facility to expand teaching and office space for enrollment growth. Comprehensive renovation of the vivarium to meet research needs.



APPENDIX

NCA&T – New College of Engineering Facility

North Carolina A&T State University is seeking authorization and funding for a New College of Engineering Facility that will be located on campus. The youngest College of Engineering Facility is nearing thirty years of age. Present day Research and Instructional Activities have advanced over the last thirty years as well as increases in the student engineering population. These advancements are driving our need for a new facility.





APPENDIX

WCU - Science/STEM Facility

This project would provide for a new 185,000 sf STEM building that will support teaching and research, community outreach, and professional partnerships in an integrated, state-of-the-art facility. The proposed building structure will offer a unique, flexible configuration that promotes interdisciplinary collaboration, student engagement, and community connections. Additionally, the project site design will implicitly strengthen the science quad and integrate site context. The scope will also include the demolition of the Natural Sciences Building and existing courtyard site elements, thereby expanding and redefining the built environment to reinforce the holistic learning environment program.



APPENDIX

WSSU - Sciences Building

Increasing statewide demand for health professionals to serve an aging population has led to a growing need for degree-granting programs in Nursing and Allied Health in western North Carolina.

In keeping with the goal of educating more health care professionals, this project would provide a 200,000 square-foot facility for the College of Nursing, as well as various academic and public service programs in Allied Health. This building complex, to be constructed in association with the Watauga Medical Center, would greatly expand the volume and quality of facilities available for education, research, and public service for the community and region. Work would also include the renovations needed to repurpose Duncan Hall (built in 1965, 81,887 square feet, 3-story).

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NC STATE UNIVERSITY

ENGINEERING BUILDING OVAL



House Appropriations Committee on Capital • April 14, 2015



Engineering Building Oval Significance to State of North Carolina

Impact on NC's Economic Growth

- Ranked in top 10% of engineering schools
- Fuels NC's high-tech growth
- Conducts leading-edge research in engineering disciplines and societal need
- Creates significant new jobs
- Extends resources to NC businesses



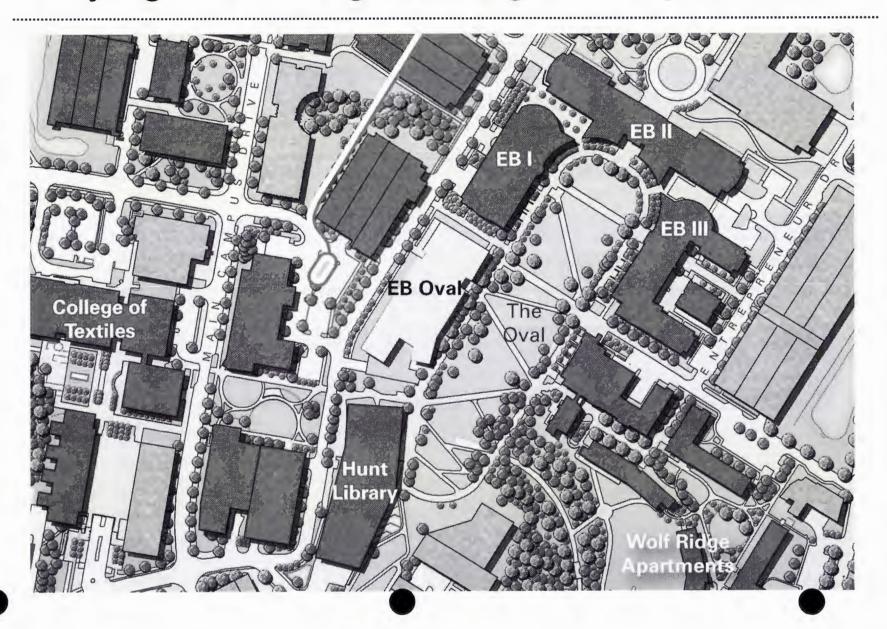
Engineering Building Oval Significance to NC State University

Investment Needed to Remain Competitive

- To meet economic growth and industry demands of NC
- To keep up with demand (Since 2008, enrollment growth averaged 17.3%)
- To keep NC competitive nationally

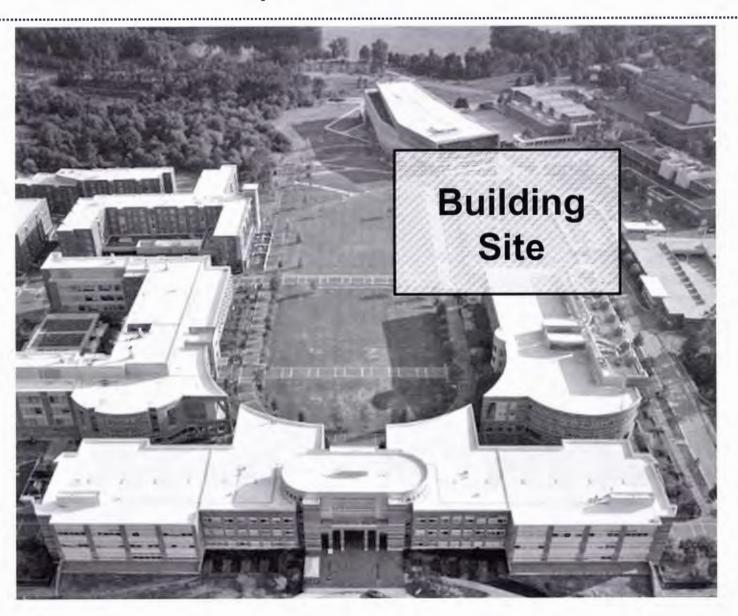


Engineering Building Oval Unifying the College of Engineering





Engineering Building Oval Centennial Campus Site





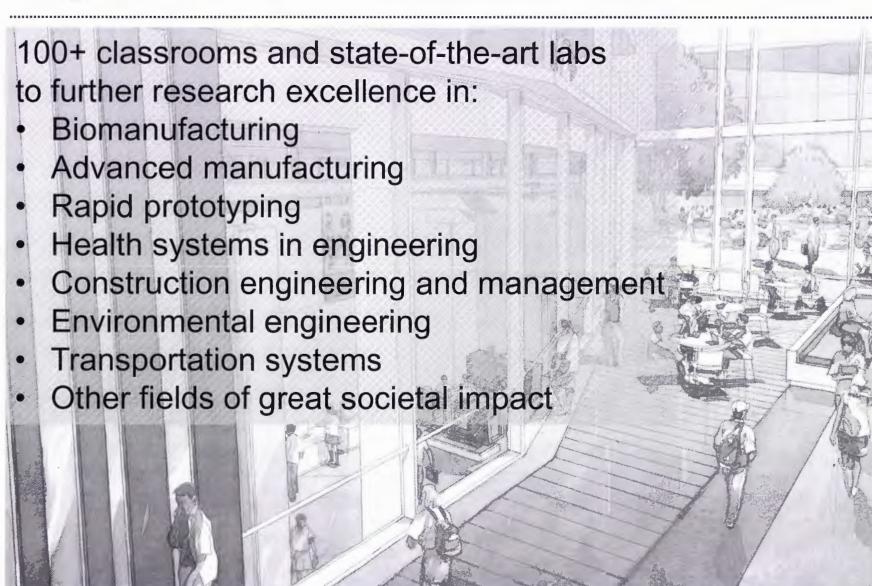
Engineering Building Oval Project Description



227,000 GSF building (136,000 ASF)

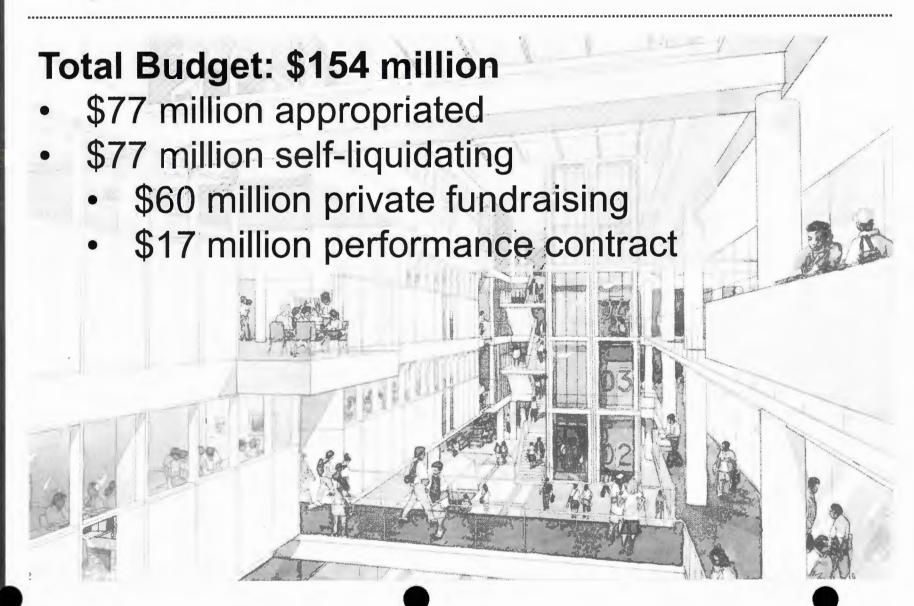


Engineering Building Oval Project Description





Engineering Building Oval Project Description





Engineering Building Oval Estimated Project Cost Breakdown

Building Construction Costs

\$70,317,211

Associated Construction Costs

\$29,237,831

Includes parking, utilities, inspections, etc.

Design/Consultant Costs

\$11,905,176

Includes design fees, energy modeling, site analysis, commissioning, etc.

Sub-Total: \$111,460,218

Utility Plant Capacity

\$17,000,000

Contingencies

\$2,986,651

Escalation

\$22,553,131

(60 months to construction mid-point)

Total: \$154,000,000



Engineering Building Oval Estimated Project Funding Timeframe





ENGINEERING BUILDING OVAL



House Appropriations Committee on Capital • April 14, 2015



Engineering Building Oval Project Cost per Gross SF (2015 Dollars)



EB Oval \$474/GSF





Hunt Library \$469/GSF

Talley Student Union \$443/GSF

Note: Excludes Infrastructure and parking



Committee Sergeants at Arms

NAME O	DE COMMUTEE	House Committee on Appropriation	s, Capital
DATE: _	4-14-2015	Room: 425	
		House Sgt-At Arms:	
1. Name:	Warren Hawkins		
Name:	Cory Bryson		
4. Name:			
5. Name: _		•	•
		Scuate Sgt-At Arms:	
, Name:		A 17 FF	
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Name: _	400 - American Company (1997)	The same of the sa	
Came: _			

Pages

Tuesday, April 14

APPROPRIATIONS
CAPITAL

Room 425 Time 8:30 am

Name	County	Sponsor	
Rachel Chism	Guilford	John Faircloth	
Thomas Crosby	Burke	Hugh Blackwell	

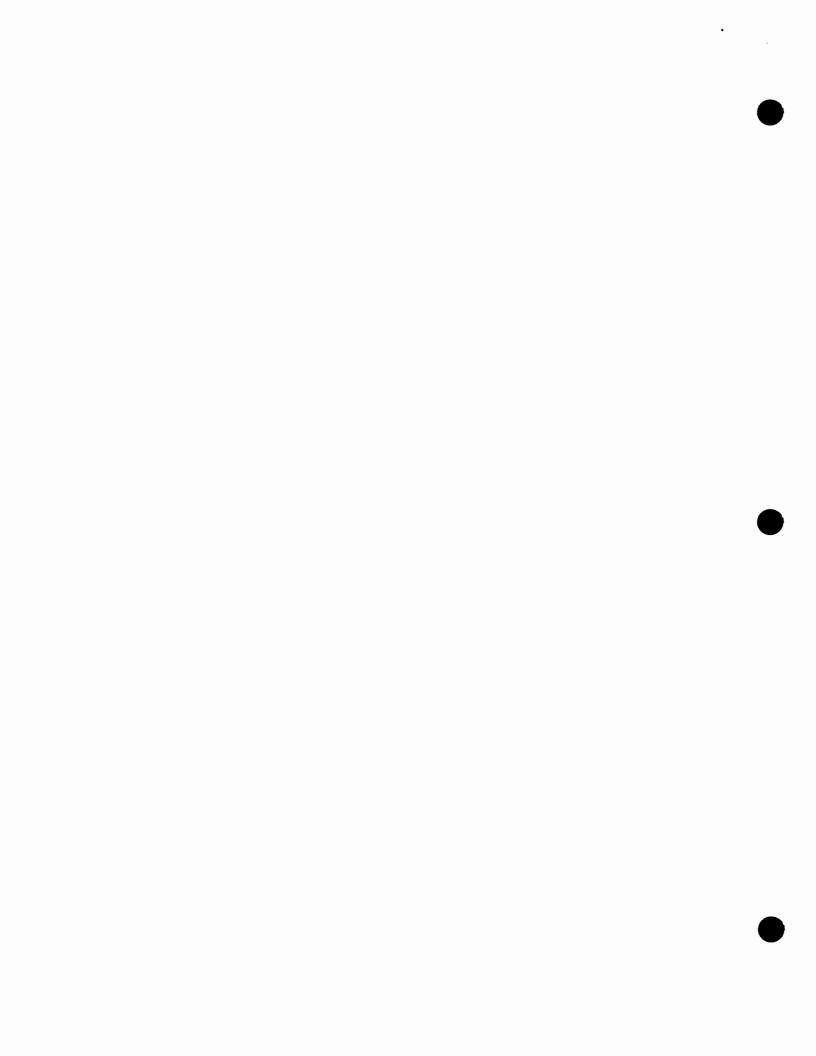


VISITOR REGISTRATION SHEET

House Committee on Appropriations, Capital 4-14-2015
Name of Committee Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS	
Kent Yelverton	NCDAICS	
Joy Wieler	NZDAGCS	-
Benny Finkins	CARO CINBS AGC	
Kew in Honey	NCSU	_
Flint BENSON	. SEANC	_
Ryan Mille	Gov's Olyce	
SusanMcCracler	Appliación Stelle	_
Belf Doster	voic-Charlotto	-
Fil Pelleties	America Rising LIC	e e
Willi Baller	UNCG.	
Betay Baray	CHGC	



VISITOR REGISTRATION SHEET

House Committee on Appropriations, Cap	ital4-14-2015
Name of Committee	Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS						
Rang Woodlon	NC Hate University						
CHARLES LEFTUR	NC Hate University NG STATE UNWERSITY						
6.11 Dalenson	unc Gn						
J atto- Kapplin	uncom						
Dir Moretz	. UNE GA						
Wach Lamer	UNCW						
Meredith who fild	WCU						
Paul Shown	NUB						

		•

VISITOR REGISTRATION SHEET

House Committee on Appropriations,	Capital 4-14-2015	was papel and the second second
Name of Committee	Date	

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Michelle Brooks	East Caroline University
Henry M Lancaster &	LCA
Michelle Brooks Henry M Lancaster & Julyillis	UNC-CH
	•

NORTH CAROLINA HOUSE OF REPRESENTATIVES COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION 2015-2016 SESSION

You are hereby notified that the House Committee on Appropriations, Capital will meet as follows:

DAY & DATE: Tuesday, April 21, 2015

TIME: 8:30 AM LOCATION: 425 LOB

COMMENTS: Representative Dean Arp, Chairing

PRESENTATIONS:

1. NC DENR: Water Resources Development Projects

2. NC DOT: Non-General Fund Capital Projects

- 3. NC Legislature: Legislative Building Asbestos Abatement and Roof Replacement
- 4. NC A&T: Renovations to War Memorial Stadium

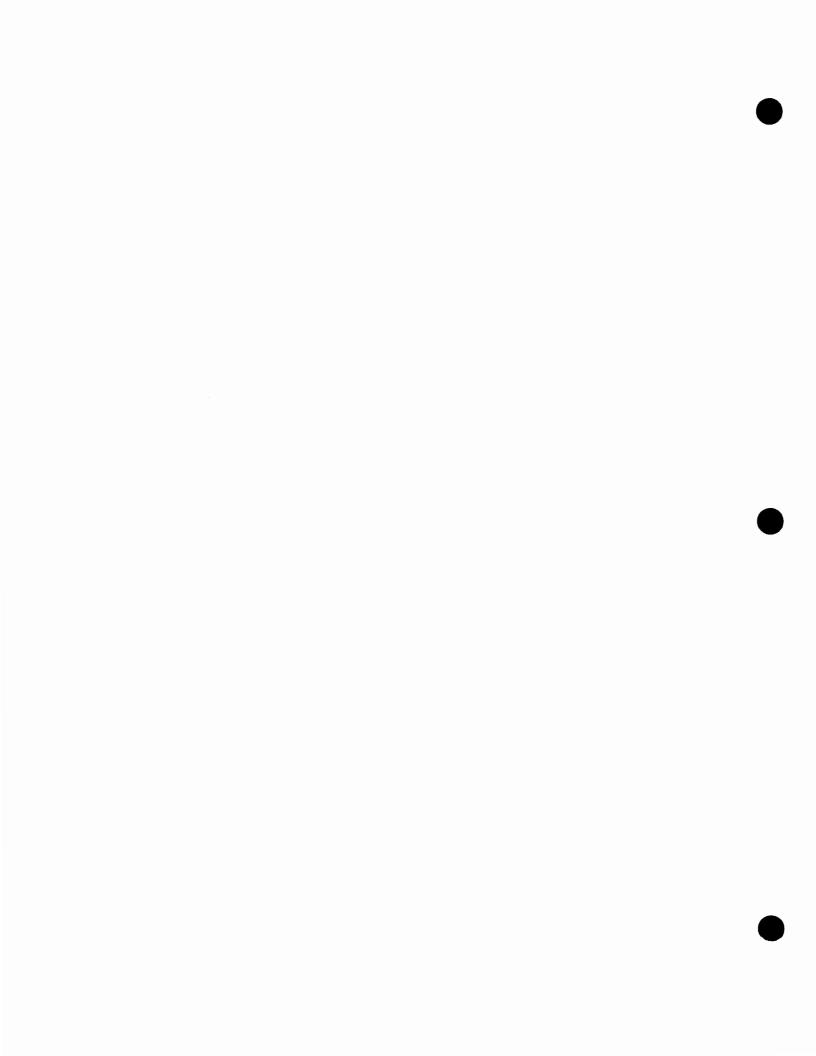
Respectfully,

Representative Dean Arp, Co-Chair Representative Justin P. Burr, Co-Chair Representative Jon Hardister, Co-Chair

I hereby certify this notice was	s filed by the committee	assistant at the followi	ng offices at 1:10 PM on
Thursday, April 16, 2015.			

Principal Clerk
Reading Clerk - House Chamber

Wendy Miller (Committee Assistant)



House Appropriations Committee on Capital

Rep. Dean Arp

Rep. Justin Burr

Rep. Jon Hardister

Tuesday, April 21, 2015 8:30am Room 425 Legislative Office Building

1.	Welcome	and	Opening	Comments:
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Rep. Dean Arp, Presiding

2. Department of Environment and Natural Resources: Water Resources Development Projects

Tom Reeder, Assistant Secretary for the Environment

3. Department of Transportation: Non-General Fund Projects

Pricilla Williams, Director, Facilities Management Division

- 4. North Carolina General Assembly: Roof Repair/Replacement and Asbestos Abatement Wesley Taylor, Controller
- 5. North Carolina Agricultural and Technical State University: War Memorial Stadium Renovations

Harold Martin, Chancellor

Robert Pompey, Vice Chancellor, Business and Finance

6. Adjourn

House Committee on Appropriations, Capital Tuesday, April 21, 2015 at 8:30 AM Room 425 of the Legislative Office Building

MINUTES

The House Committee on Appropriations, Capital met at 8:30 AM on April 21, 2015 in Room 425 of the Legislative Office Building. Representatives Arp, Brockman, and Hardister attended.

Representative Dean Arp, Chair, presided.

The following presentations were given:

- 1. Department of Environment and Natural Resources: Water Resources
 Development Projects Tom Reeder, Assistant Secretary for the Environment
- 2. Department of Transportation: Non-General Fund Projects Pricilla Williams, Director, Facilities Management Division
- 3. North Carolina General Assembly: Roof Repair/Replacement and Asbestos Abatement Wesley Taylor, Controller
- 4. North Carolina Agricultural and Technical State University: War Memorial Stadium Renovations Harold Martin, Chancellor, and Robert Pompey, Vice Chancellor, Business and Finance

The meeting adjourned at 9:25 am.

Representative Dean Arp, Chair

Presiding

Wendy Miller Committee Clerk



ATTENDANCE

House Appropriations Committee on Capital

DATES	03-24-15	04-14-15	04-21-15						
Co-Chairs									
Representative Dean Arp	X	X	X						
Representative Justin Burr									
Representative Jon Hardister	X	X	X	+		-		+	
Members									
Representative Cecil Brockman	X	X	X	+					
Staff									
Mark Bondo, Fiscal Research	X	X	X						
Daniel Sater, Fiscal Research	X		X						
Ben Stanley, Bill Drafting									
Committee Clerks									
Dina Long	X								
Wendy Miller	X	X	X						
Jayne Nelson	X	X	X	-	+				

								,	





Governor's Proposed Capital Improvements Budget for Water Resource Projects

House Capital Budget Committee
April 21, 2015

Darren England

Overview

- Fiscally conservative \$5,083,000
- Maximizes leverage of federal funding
- Equitable distribution throughout NC

Selection Criteria

- Projects with federal funding/match
- Projects with regional implications
- Equitable distribution throughout NC
- Projects that will have significant impact
- Projects to maximize limited State funds

Proposed Budget in Detail

Project	Federal	Local	State - Carryover	Request for FY 15-16
Jordan Water Supply		\$45K		\$200K
Wilmington Harbor Study	\$675K		\$225K	0
Planning Assistance	\$50K	\$25K	\$25K	0
Wilm Harbor Deepening	\$1.8M		\$600K	0
Wilm Harbor Maint.	\$13.5M			0
Morehead City Maint.	\$10.5M			0
Carolina Beach Storm Damage Reduction (SDR)	\$5.2M	\$1.4M	\$727K	\$673K
Car. Beach SDR 15-Year Extension Study	\$300K	\$81K		\$81K
Kure Beach SDR	\$5.4M	\$1.45M	\$808K	\$642K

Proposed Budget in Detail

Project	Federal	Local	State Carryover	Request for FY 15-16
Wrightsville SDR Re-evaluation Report	\$300K	\$81K		\$81K
Ocean Isle SDR Re-evaluation Report	\$300K	\$81K		\$81K
Bogue Banks SDR Precon, Eng, & Design	\$613K	\$165K	\$165K	0
Surf City/N Topsail Precon Activities	\$500K	\$135K	\$135K	0
W Onslow Beach Precon Activities	\$500K	\$135K	\$135K	0
NRCS EQIP (65/35)	\$3.715M			\$1.0M
Planning for SL 2010-143				\$75K
State-Local Projects		\$1. 6 M		\$1.0M

Proposed Budget in Detail

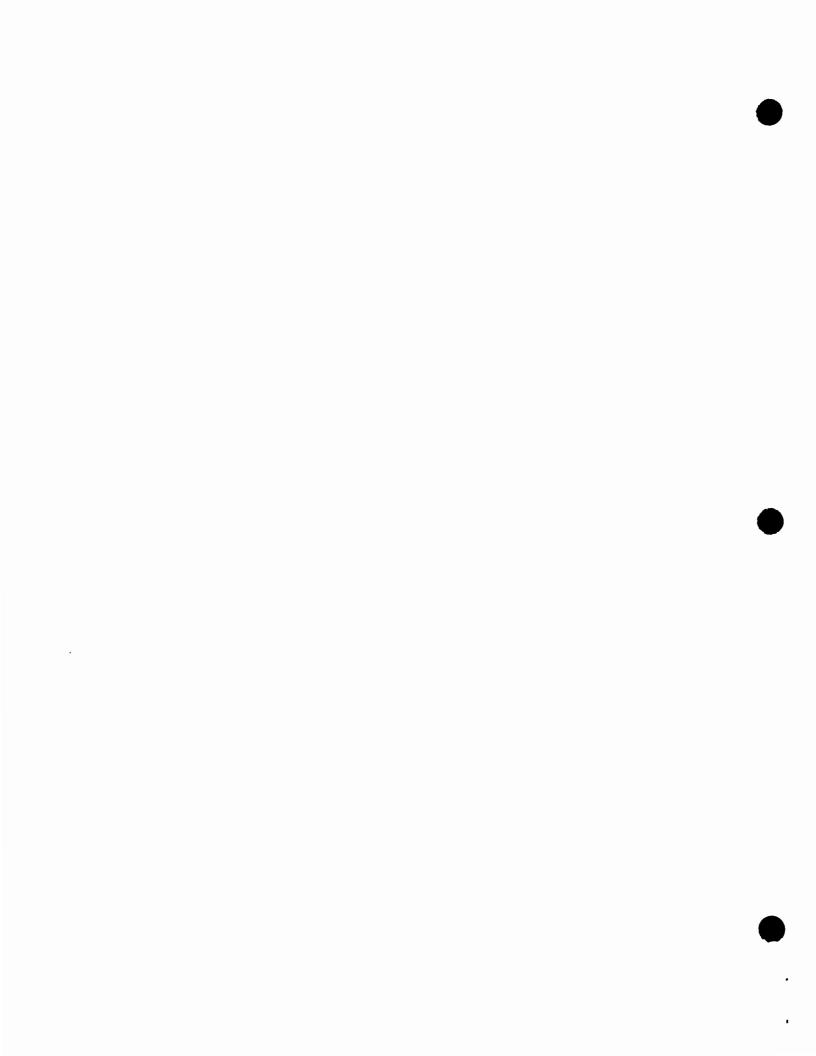
Project	Federal	Local	State Carryover	Request for FY 15-16
Lock & Dam #2 – Fish Ram – Phase 1 Study	ARES	\$180K		\$250K
Linville River Restoration				\$250K
Assistance to Counties – EAP Preparation		\$500K		\$250K
N Topsail Shoreline Protection – Phase 2		\$1.5M		\$500K
Total Capital Request for FY 15-16				\$5,083,000

Montal

Contact Information

Tom Reeder
Assistant Secretary for Environment
919-707-8619
Tom.reeder@ncdenr.gov

Darren England
Water Resource Projects Program Manager
919-707-9013
Darren.england@ncdenr.gov





House Appropriations Committee on Capital April 21, 2015

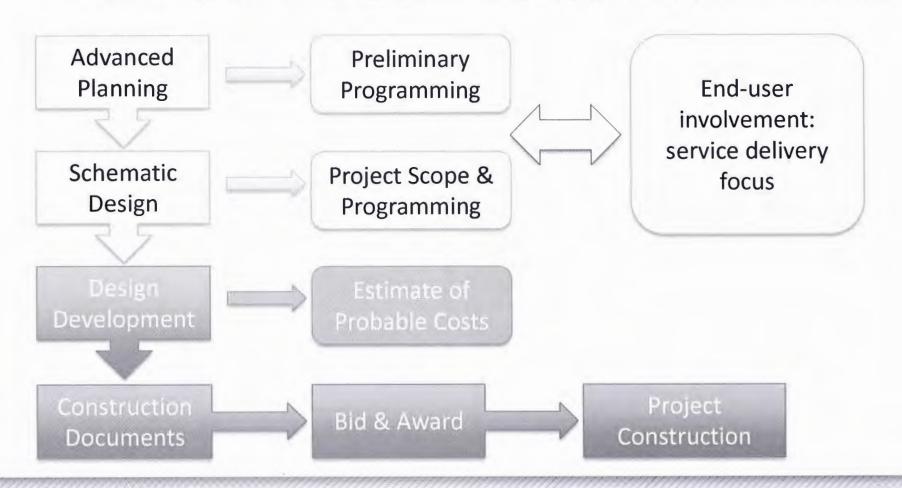
Priscilla Tyree Williams, PE
Director, Facilities Management Division
& Capital Projects Coordinator

Agenda

- Capital Project Development
- Capital Improvements Plan Process
 - Facility Condition Assessment Plan
 - Capital Projects Prioritization Criteria
- Proposed Projects in the Governor's Recommended Budget
- Summary of the Department's Physical Piant
 - Composition
- Questions

NCDOT's Capital Project Development Process

Adhere to the State Construction Process



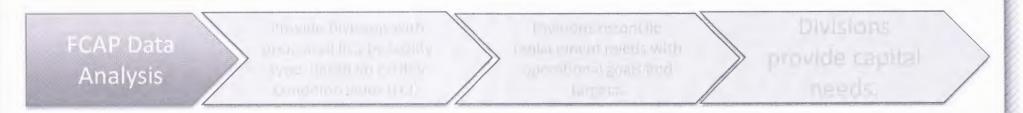
FCAP Date Analysis

prioritized list, by facility type, based on Facility Condition Index (FCI).

Divisions reconcile replacement needs with operational goals and targets.

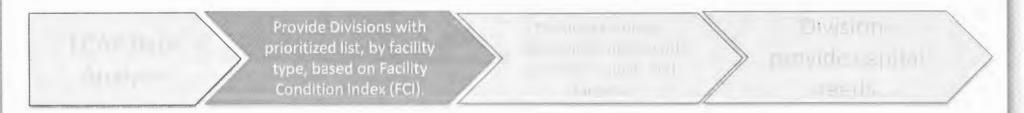
provide capital needs.





The NCDOT Facility Condition Assessment Program:

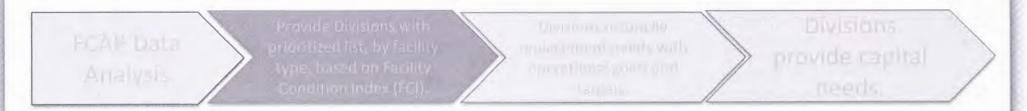
- Created and implemented in 2012
- Developed as a result of suspended State Construction FCAP
- Required by General Assembly to justify Department's capital improvements plan
- Comprehensive assessment of the total building condition
- Completed on a three-year cycle



The NCDOT Facility Condition Assessment Program:

- 10-page questionnaire completed by the end-users accompanied by 9 pages of detailed instructions
- End-users are asked to provide pictures
- Quantification: Numerical scores calculated based on weighted values for building features and primary endusers/customers
- Qualification: Scores placed in ranges and assigned qualified conditions: poor, fair, good, and excellent





The NCDOT Facility Condition Assessment Program

- Data are entered into an EXCEL spreadsheet that utilizes RS Means Construction Data to estimate repair and replacement costs and replacement frequency
- Relies on limited level of subjectivity
- Final score is FCI (Facility Condition Index) = Value of Deferred Repairs/Replacement Value
- ≤10% Excellent
- >10% and ≤25% Good
- >25% and ≤50% Fair
- >50% Poor

provide capita Divisions needs. targets.

and provide capital needs.

Capital Projects Prioritization Criteria

- FCI
- Operational Needs
- Service Delivery Requirements
- Building Code Compliance and Life Safety Improvements
- Beneficial Use/Repurposing

Proposed Projects in the Governor's Recommended Budget



DMV HQ Division of Motor Vehicles (\$190/SF)

Data Drivers

- ✓ Main building constructed in 1956; Annex in 1977
- ✓ 2009 DOI letter prohibiting any work because of life safety violations
- Presence of ACM; abatements performed piecemeal
- ✓ SCO FCAP Survey in 2013 identified serious building code issues related to egress and recommended major renovations
- ✓ Renovation required to correct life safety/egress violations
- ✓ Gave NCDOT 5-year reprieve to remain in the building

- **Efficiency Drivers**
- ✓ Governor's directive to improve DMV
- ✓ Major life safety improvements and building systems efficiencies
- Availability of land in proximity to current HQ location

Anson County Blacksmith Shop Division of Highways 10 (\$114/SF)

Data Drivers

- ✓ FCI 116 (Poor)
- ✓ Constructed in 1931
- ✓ Top priority in category

Efficiency Drivers

✓ Replace facility built to code with efficient building systems

Nash County Equipment Sub-shop Division of Highways 4 (\$220/SF)

Data Drivers

- √ FCI 40 (Fair)
- ✓ Constructed in 1931
- √ 5,366 SF

Efficiency Drivers

✓ Current needs for service delivery require ~11k SF to accommodate equipment

Gaston County Equipment Sub-shop Division of Highways 12 (\$218/SF)

Data Drivers

- ✓ Constructed in 1945
- √ 3,384 SF

Efficiency Drivers

✓ Current needs for service delivery require ~11k SF to accommodate equipment

Local Truck Storage Sheds - Statewide

Data Drivers

✓ County

Maintenance Yards

are using

dilapidated

structures to house

trucks

- ✓ NPDES requirements for stormwater controls
- ✓ Need for covered and/or conditioned space for truck storage

Greenville DMV/SHP Office (\$212/SF*) & Garage (\$165/SF*) *advanced planning Division of Motor Vehicles

Data Drivers

- √ FCI 41 (Fair)
- ✓ Constructed in 1953
- ✓ Not ADA complaint
- ✓ Failing building systems
- √ Presence of ACM

- ✓ Regional SHP vehicle maintenance requires larger and modern garage facilities
- ✓ Efficiencies in building layout and mechanical equipment will result in significant energy savings from avoided costs
- ✓ Improved service delivery through efficient space utilization

Lee County Resident Engineers' Office Division of Highways 8 (\$204/SF)

Data Drivers

- √ FCI 37 (Fair)
- ✓ 2,520 SF

- ✓ Current Resident Engineers' Offices average 5k SF and house other units
- ✓ Elimination of leased space or modular space

Watauga County District Engineers' Office Division of Highways 11 (\$204/SF)

Data Drivers

- √ FCI 37 (Fair)
- √ 2,520 SF

- ✓ Current Resident Engineers' Offices average 5k SF and house other units
- ✓ Elimination of leased space or modular space

Surry County District Engineers' Office Division of Highways 11 (\$206/SF)

Data Drivers

- ✓ Constructed in 1950
- √ 3,365 SF

- ✓ Priority for the Division
- ✓ Consolidating units to expand functions
- ✓ Improved delivery thru collocation of staff

Guilford County Bridge/Bridge Maintenance Assembly Office Division of Highways 7 (\$214/SF)

Data Drivers

- √ FCI 33 (Fair)
- ✓ Constructed in 1954
- √ 1,774 SF

- ✓ Current Assembly offices average 5k
 SF
- Energy improvements

Scotland County Maintenance Office Division of Highways 8 (\$184/SF)

Data Drivers

- ✓ Constructed in 1955
- √ 1,495 SF

Efficiency Drivers

√ 3rd Priority for the Division in Office category

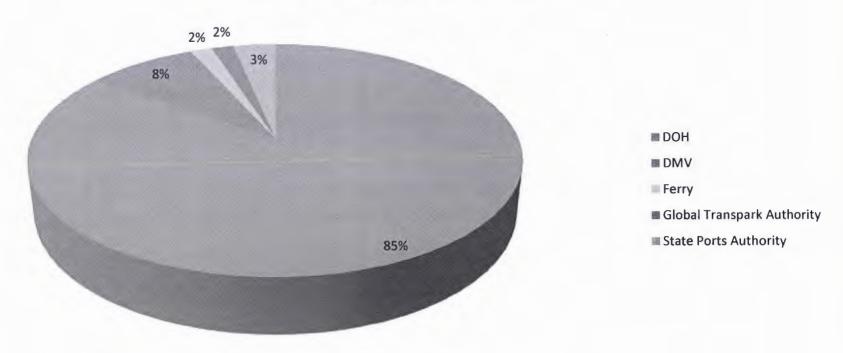
Recent Bid Results

Bid Year	Project	Cost/SF
2012	Lincolnton Equipment Sub-shop	\$113.97
2013	Dobson Equipment Sub-shop	\$119.58
2013	Catawba Local Truck Storage Shed	\$108.57
2013	Edgecombe Local Truck Storage Shed	\$74.91
2013	Sampson Local Truck Storage Shed	\$124.72
2015	Lexington Equipment Sub-Shop and QA Lab	\$168.00
2015	Swan Quarter Ferry Office & Staff Dormitory	\$322.79
2015	Sanford Sub-Shop Addition	\$216.52



Physical Plant Composition – by Division

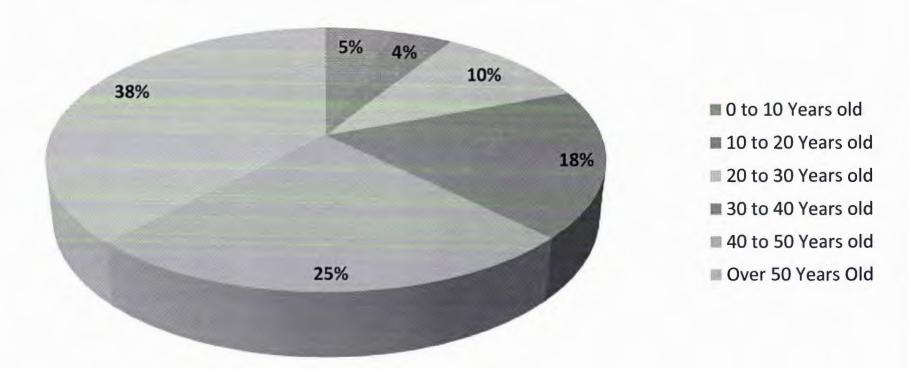
Number of Buildings by Department



Total Physical Plant: 2,347 buildings (10,355,001 SF)

Physical Plant Composition – by Age

Approximate Age of DOT Buildings



63% of facilities are over 40 years old

- Deteriorated structures
- Outdated building systems
- Life safety issues
- Building Code Non-compliance

Questions?

		i
		•

Proposed Capital Improvement Project

OC-25: 20151011012

State Department:

General Assembly

Classification:

Repairs, Reroofing, Renovations

Introduction

The third floor roof on the Legislative Building, which is over 50 years old, appears to have moisture contamination. Leak stains are observed inside on the textured ceiling at the bottom of the copper clad pyramids.

This project at the Legislative Building will abate the asbestos containing interior plaster finish material and install new non-asbestos containing acoustical plaster finish material within four of the five pyramids on the third floor roof. The asbestos in the pyramid in the Senate Chamber was abated during the renovations of the Senate Chamber completed in 2008.

Once that phase is completed, the existing third floor roof can be demolished and a new roof installed. This includes replacing both the copper on the five pyramids and the existing flat roof system that is tied into the pyramids.

Scope

The requested scope of work includes the following items:

- 1. Advance Planning (2% Construction Cost)\$65,745
 - a. The Architect will thoroughly investigate site conditions and review existing drawings for roof details. The designer may remove some roofing components to verify materials and installation details.
 - b. If project needs to be phased, the designer will establish those phases and the scheduling of those phases to accommodate the Sessions of the General Assembly.
 - c. In addition to the review of the pyramid roof system, we would ask the Architect to address any other areas of concern of moisture contamination coming from the membrane failure and perimeter planter boxes on the third floor Balcony to determine cost impacts.
- - a. The removal of existing friable asbestos containing acoustical plaster on the underside of all pyramid roof decks in order to avoid building contamination during roof replacement.
 - b. The removal and replacement of existing copper roof system with new systems properly vented and matching existing work.
 - c. The removal and replacement of existing skylights above the Rotunda.
 - d. The removal and replacement of both mechanically fastened and ballasted existing flat roof system.
 - e. The furnishing and installation of new asbestos-free acoustical plaster at coffered ceilings excluding Senate Chamber.
 - f. The painting and refinishing of existing textured plaster soffits following asbestos abatement.

Scope (cont.)

3.	Design Fees (10% Construction Cost)	\$328,726
	Special Inspections/Materials (1.25% Estimated Cost)	
5.	Contingencies (5% Construction Cost)	\$164,363
6.	Escalation Cost Increase (Based on Project Length)	\$111,998
	Total Estimated Project Cost	\$4,001,000

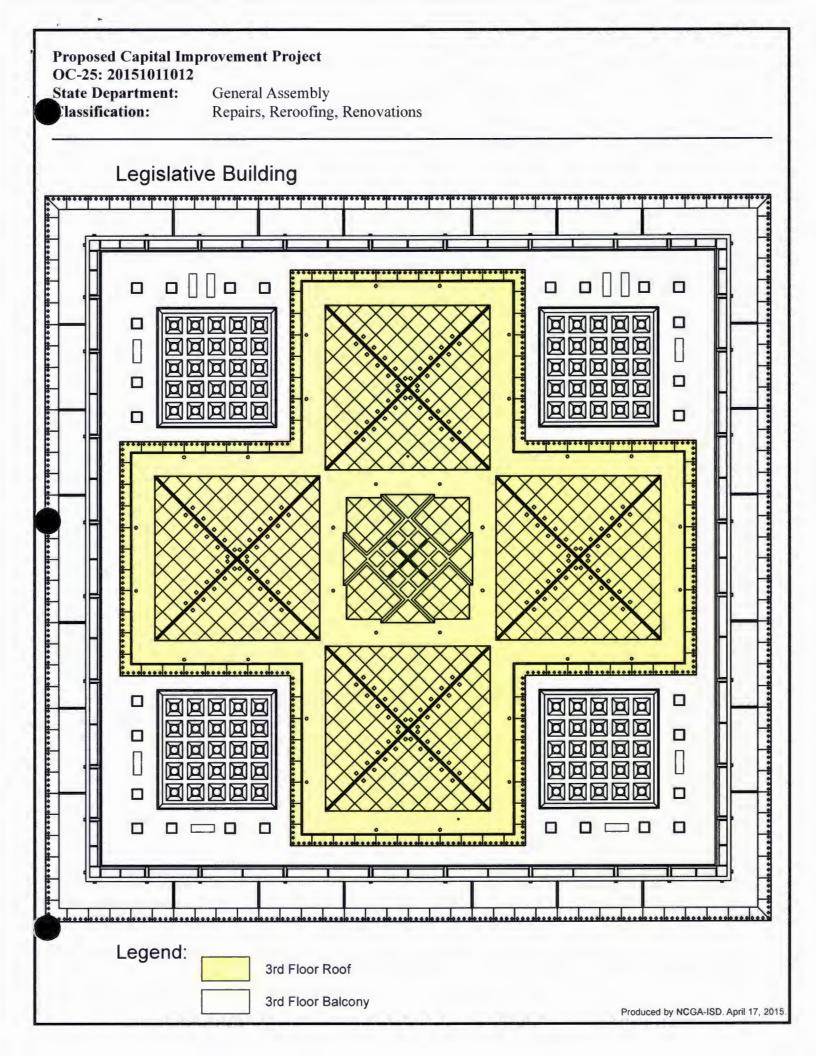
Time-Line

Month	Action	Duration	
	Fiscal Year 2015-2016		
Jul 01, 2015 ·	Funding Authorized		
Aug 01, 2015			
Sep 01, 2015			
Oct 01, 2015	Funding Released	60 day process	
Nov 01, 2015	Evalute Architects	oo day process	
Dec 01, 2015	Roof Design Contract Awarded		
Jan 01, 2016	Site Visits & Design	6 month process	
Feb 01, 2016	Site Visits & Design		
Mar 01, 2016	Site Visits & Design		
Apr 01, 2016	Site Visits & Design		
May 01, 2016	Complete & approve Design		
Jun 01, 2016	Bid & Award Contract	30 day process	
	Fiscal Year 2016-2017		
Jul 01, 2016	Construction	-4 month process	
Aug 01, 2016	Construction		
Sep 01, 2016	Construction	4 mondi process	
Oct 01, 2016	Construction & Acceptance		
Contract of the latest and the lates	Jul 01, 2015 Aug 01, 2015 Sep 01, 2015 Oct 01, 2015 Nov 01, 2015 Dec 01, 2015 Jan 01, 2016 Feb 01, 2016 Mar 01, 2016 Apr 01, 2016 May 01, 2016 Jun 01, 2016 Jul 01, 2016 Aug 01, 2016 Sep 01, 2016	Fiscal Year 2015-2016 Jul 01, 2015 Aug 01, 2015 Sep 01, 2015 Oct 01, 2015 Punding Released Nov 01, 2015 Evalute Architects Dec 01, 2015 Roof Design Contract Awarded Jan 01, 2016 Site Visits & Design Feb 01, 2016 Site Visits & Design Mar 01, 2016 Site Visits & Design Apr 01, 2016 Site Visits & Design Complete & approve Design Jun 01, 2016 Bid & Award Contract Fiscal Year 2016-2017 Jul 01, 2016 Construction Sep 01, 2016 Construction	

Conclusion

Continued moisture contamination may compromise the integrity of the asbestos-containing ceiling, creating environmental issues in the sensitive areas below.

We respectfully submit our funding request and make ourselves available for any further questions.



House Appropriations Committee on Capital

Historical Preservation and Renovation of World War Memorial Stadium



North Carolina Agricultural and Technical State University



North Carolina A&T State University

(N.C. A&T) is an 1890 land-grant doctoral-research university dedicated to learning, discovery and community engagement. N.C. A&T provides a wide range of educational opportunities from bachelor's to doctoral degrees in both traditional and online environments. With an emphasis on preeminence in STEM and a commitment to excellence in all its educational, research and outreach programs, N.C. A&T fosters a climate of economic competitiveness that prepares students for the global society.

STUDENT ENROLLMENT		JOINT SCHOOL	进行""
Undergraduate	9,203		
Graduate	1,522	ACREAGE	
		Main Campus	200
MAJORS/DEGREES		Farm	492
Major Concentrations	96		
Degree Programs "	94	STUDENT ORGANIZATIONS	170
AVERAGE CLASS SIZE	24	ATHLETIC TEAMS	
		Men's Women's	6 8
STUDENT-FACULTY RATIO	18:1	vvomen s	0
COLLEGES	2	ALUMNI !	50.000+
COLLEGES			
SCHOOLS	6		2
			and the same of



N.C. A&T's Statewide Economic Impact

CRÉATED BY N.C. A&T IN FY 2012-13

IN FY 2012-13	
INCOME	JOBS
\$177.6 MILLION OPERATIONS SPENDING IM	2,897 IPACT
\$36.5 MILLION RESEARCH SPENDING IMPA	603
\$1.7 MILLION CONSTRUCTION SPENDING	58 IMPACT
\$1.9 MILLION BUSINESS START-UP IMPAGE	14 CT
\$9 MILLION EXTENSION SPENDING IMP	175 PACT
\$16.3 MILLION STUDENT SPENDING IMPAGE	296
\$19.3 MILLION VISTOR SPENDING IMPACT	493
\$716.8 MILLION ALUMNI IMPACT	11,374
\$979.1 MILLION TOTAL IMPACT	15,909



\$1

anent by



\$3.60
Gained in lifetime income for STUDENTS



\$10.30
Gained in added state income and social savings for SOCIETY



Gained in added taxes and public sector savings for TAXPAYERS





2015 Capital Priorities

\$10.5 million in state funding for the design/planning phase of a new researchintensive College of Engineering facility

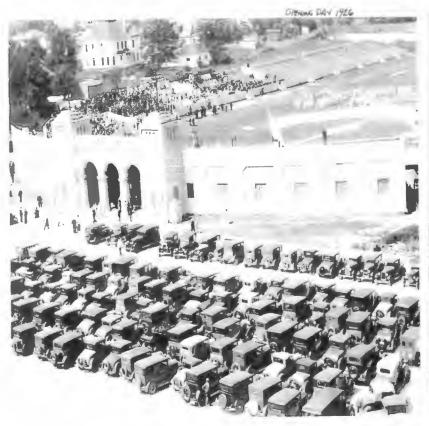
*NC A&T is ranked #1 in the nation for the number of bachelor's degrees in engineering awarded to African Americans and is ranked 3rd in the UNC system for sponsored funded research

• \$2 million in state funding for the historical preservation and renovation of World War Memorial Stadium (WWMS), home to the N.C. A&T baseball team

*The WWMS project has not been added to UNC BOG list of approved capital projects and has yet to be discussed. However, UNC GA leadership has been briefed and supports the project



World War Memorial Stadium







Historical Significance

- WWMS was dedicated on the eighth anniversary of Armistice Day on November 11,
 1926 and served as a sports venue for amateur athletics
- N.C. A&T's semi-professional football club began utilizing the stadium in 1927
- It is the first major memorial in North Carolina dedicated to those "who made the supreme sacrifice in the World War"
- The stadium has a pair of bronze plaques framing the archway and includes a listing of those who died during WWI
- WWMS was listed on the National Register of Historic Places in 2001
- The original fabric of the stadium has never been altered significantly



Current Conditions

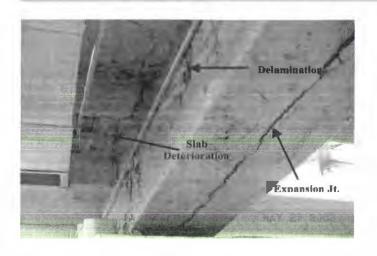
- WWMS has fallen into disrepair;
 renovations and restorations are
 needed to make it a viable structure
- Property is 14.08 acres and contains a baseball field, tennis courts, practice court and a small building that houses restrooms
- The roof, which was not part of the original structure, must be removed



Stadium Property Boundaries



Current Conditions



Delamination on the sides of a sloped raker beam

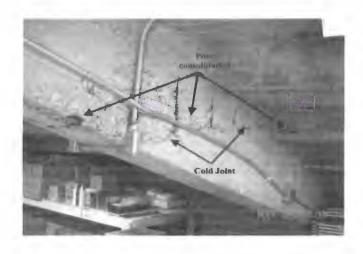


Cracking in stepped slab adjacent to an expansion joint

Change in slab slope at joint is indicative of severe deterioration; load capacity may be compromised



Current Conditions



Cold joint, poor consolidation, and inadequate cover on a sloped raker beam



Stadium seating slab reinforcing showing with no cover

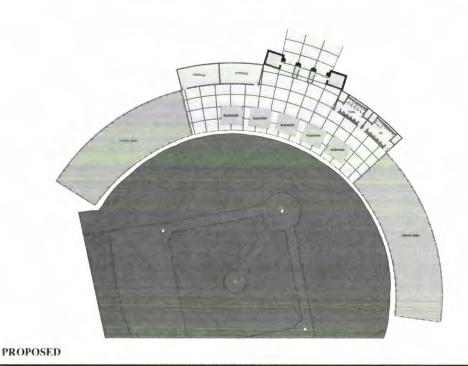


Project Description

The following areas will need to be restored/renovated or removed:

- Entryway arches and exterior walls
- Restrooms, concession stand and areas adjacent to concourse
- Locker rooms
- Removal of the canopy roof
- Seating areas
- Plaza area

LAYOUT OF PROPOSED SEATING AREAS





Project Description

CONCEPTUAL CONFIGURATION

- The city of Greensboro has agreed to a deed transfer of the WWMS property (appraised at \$1m) to N.C. A&T and has contributed \$1.5m towards historic preservation and renovation costs
- A total of \$6M is needed to bring the stadium into full compliance
- Renovation and preservation efforts will be accomplished over a 5-6 year period





Estimated Project Cost Breakdown

Planning	\$50,000
Design	\$500,000
Construction	\$5,275,000
Environmental Impact Statement	\$50,000
Contingency	\$125,000
Total	\$6,000,000



Conclusion

- WWMS will remain a national symbol of US Military strength and courage
- All historically important features of WWMS will be retained
- The rehabilitation of the WWMS property will serve as a catalyst for much needed development in the surrounding area
- Allows N.C. A&T the opportunity to grow and expand



QUESTIONS?

Committee Sergeants at Arms

NAME OF COMMITTEE House Committee on Appropriations, Capital				
DATE:_	4-21-2015	Room:	425	* * * · · · · · · · · · · · · · · · · ·
		House Sgt-A	t Arms:	
1. Name:	Warren Hawkins			
2. Name:	Doug Harris		namenalander (h. 1883) F Edir (h. 1714) Edir (h. 1714)	
	Cory Bryson			
5. Name:				
		Senate Sgt-At	Arms:	
. Name: _				
:. Name:				
. Name: _				
. Name: _				
Ame: _				



Tuesday, April 21

APPROPRIATIONS
CAPITAL

Room 425 Time 8:30 am

Name	County	Sponsor
Jessica Vazquez	Guilford	John Faircloth
Byrde Wells Jr.	Dare	Paul Tine
Desmond Woods	Wake	Rosa U. Gill



VISITOR REGISTRATION SHEET

House Committee on Appropriations, Capital

4-21-2015

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
SAULD THER MAL	
Priscilla T. Williams	NCOOT
MIKE HOLDER	NCDOT
Kelly Thomas	DmV
Jorathan Kappler	· UNCGA
Dien M-retz	UNCGA
DAMMEN ENGLIND	WC DWR
ANDY WALSH	SA
Matthew Dockhoun	NC DENR
MilliBaku	UNCA

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VISITOR REGISTRATION SHEET

House Committee on Appropriations, Capital

4-21-2015

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Mark Lavier	UNCW
Charles weathersby	NCGA
WESTAGE 1	NCEK
Mile Brown	N.C. 401
Harold Manton	·NCA & TSV
HILL JOHNSON	UNC GENERAL ADMIN.
Rhanda Tood	DOA
Tenvilles	UNC-CH
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VISITOR REGISTRATION SHEET

House Committee on Appropriations, Ca	
Name of Committee	Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
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VISITOR REGISTRATION SHEET

House Committee on Appropriations, Capital

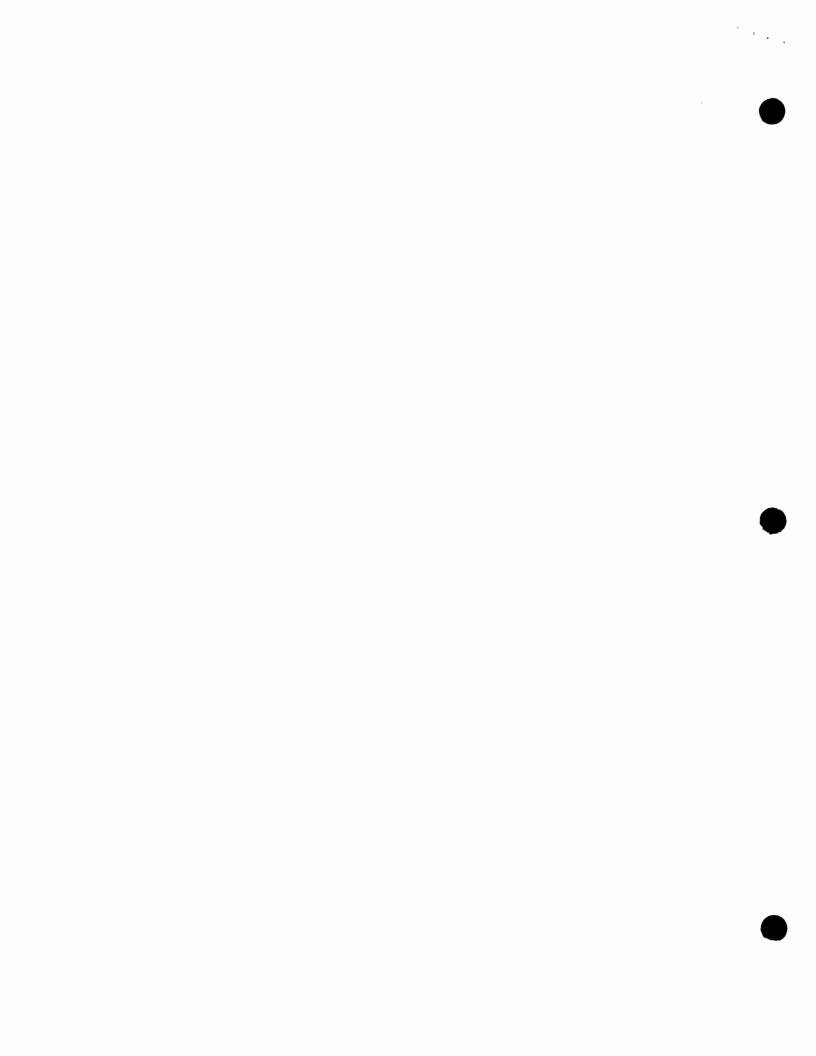
4-21-2015

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS	
Bets, Barry	CA, c	
Bets, Barry Mary Jannings	NCDUT	
		DATE DATE OF THE PARTY OF THE P



NORTH CAROLINA HOUSE OF REPRESENTATIVES COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION 2015-2016 SESSION

You are hereby notified that the House Committee on Appropriations, Capital will meet as follows:

DAY & DATE: Thursday, May 14, 2015

TIME: LOCATION: COMMENTS:	4:00 PM 415 LOB Representative Dean Arp	, Chairing
		Respectfully,
		Representative Dean Arp, Co-Chair Representative Justin P. Burr, Co-Chair Representative Jon Hardister, Co-Chair
-	-	mmittee assistant at the following offices at 1:37 PM on
	4, 2015. Principal Clerk Reading Clerk – House Cha	mber
	ommittee Assistant)	



Cancelled Notice

NORTH CAROLINA HOUSE OF REPRESENTATIVES COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION 2015-2016 SESSION

You are hereby	notified	that the	House	Committee on	Appropriations,	Capital wi	ll NOT	meet	as
follows:									

DAY & DATE: Thursday, May 14, 2015

TIME: 10:00 AM LOCATION: 1425 LB

COMMENTS: Representative Dean Arp, Chairing

Respectfully,

Representative Dean Arp, Co-Chair Representative Justin P. Burr, Co-Chair Representative Jon Hardister, Co-Chair

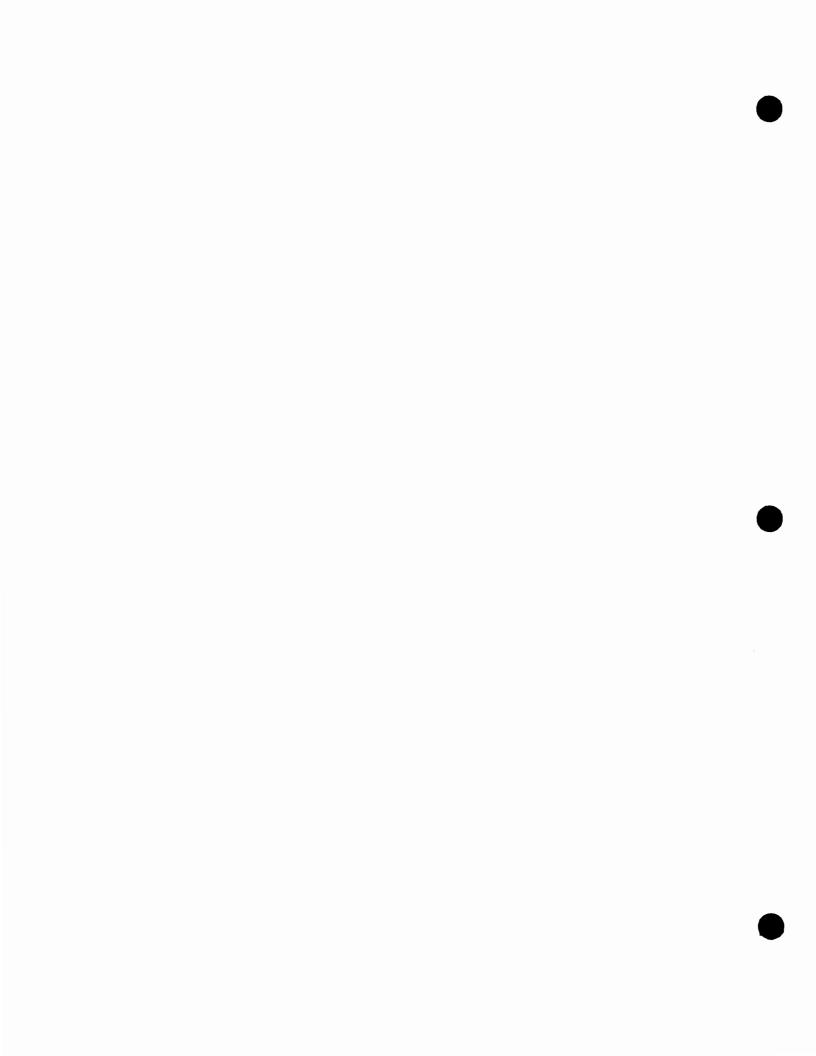
I hereby certify this notice was filed by the committee assistant at the following offices at 9:27 AM or Thursday, May 14, 2015.
Thuisday, 14tay 11, 2013.
Principal Clerk Reading Clerk – House Chamber
Wendy Miller (Committee Assistant)



NORTH CAROLINA HOUSE OF REPRESENTATIVES COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION 2015-2016 SESSION

You are hereby notified that the House Committee on Appropriations, Capital will meet as follows:

DAY & DATE: TIME: LOCATION: COMMENTS:		o, Chairing
		Respectfully,
		Representative Dean Arp, Co-Chair Representative Justin P. Burr, Co-Chair Representative Jon Hardister, Co-Chair
I hereby certify th Wednesday, May	-	ommittee assistant at the following offices at 3:22 PM on
	Principal Clerk Reading Clerk – House Cha	amber
Wendy Miller (C	ommittee Assistant)	



House Committee on Appropriations, Capital Thursday, May 14, 2015, 4:00 PM 415 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Sgt.-at-arms

Introduction and Overview

Other Business

Adjournment

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House Committee on Appropriations, Capital Thursday, May 14, 2015 at 4:00 pm Room 415 LOB

MINUTES

The House Committee on Appropriations, Capital met at 4:00 pm on May 14, 2015 in Room 415 of the Legislative Office Building. Representatives Arp, Brockman, Hardister and Lambeth attended. Representative Dean Arp presided, welcomed everyone, introduced and thanked the Sergeant-at-arms.

Chairman Arp introduced Mark Bondo, Fiscal Research, to explain the following items:

- Report on the Continuation and Expansion Budgets
- Proposed Special Provisions for HB 97, 2015 Appropriations Act

As Mark Bondo began his explanation of the "Proposed Special Provisions for HB 97, 2015 Appropriations Act", it was discovered that some of the pages were inadvertently left out. Staff left the meeting to make corrected copies.

Chairman Arp opened the floor for questions or comments. Representative Lambeth was recognized and stated that he felt there were good projects in this plan and he congratulated the committee for their hard work. Chairman Arp next introduced Secretary Daughtridge, North Carolina Department of Administration and thanked him for attending the meeting.

Chairman Arp then called for a recess to allow staff sufficient time to print corrected copies of the report.

Chairman Arp re-convened the committee meeting at 4:25 pm and recognized Mark Bondo to explain the "Proposed Special Provisions for HB 97".

Chairman Arp stated that Amendment H97-AMD-12 [v.1] was before the committee and recognized Representative Hardister for a motion. Representative Hardister made a motion for adoption of the amendment. The motion passed.

Chairman Arp recognized Ben Stanley, Bill Drafting, to explain the amendment.

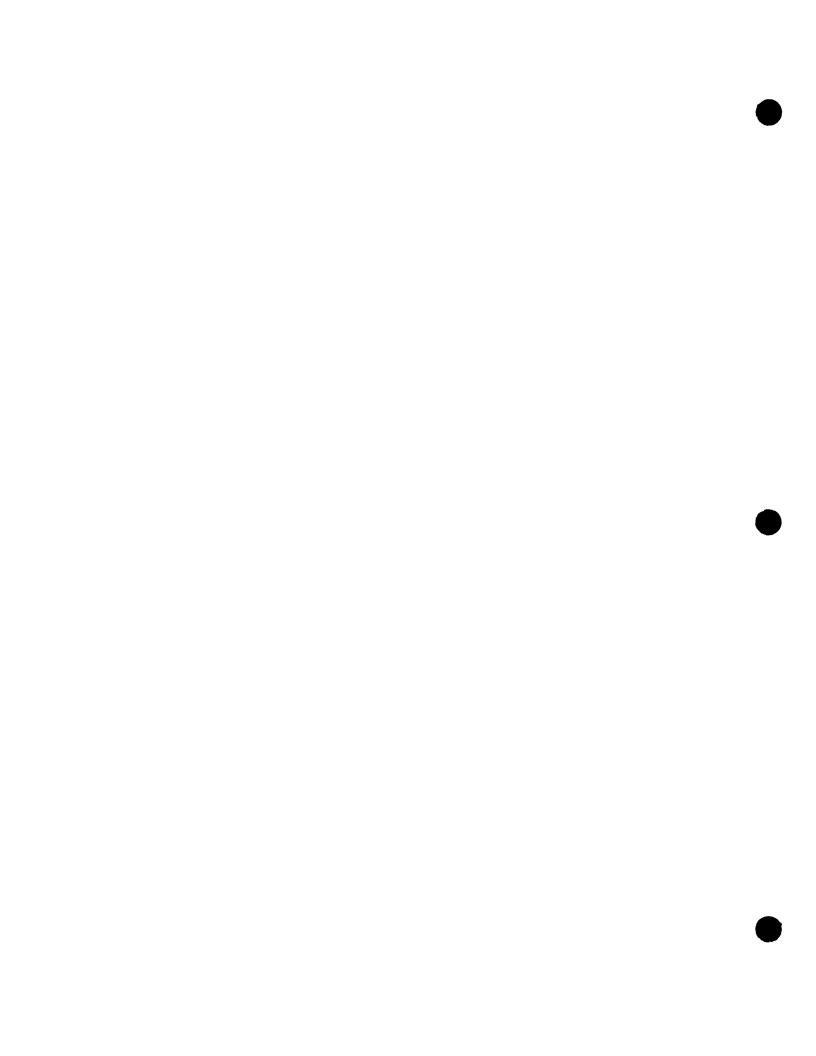
Chairman Arp opened the floor for questions. Hearing none, he recognized Representative Hardister for a motion. Representative Hardister made the following motion: "that the House Appropriations Committee on Capital adopt the Appropriations Subcommittee Report, as amended; and further moved that staff be authorized to make technical corrections and conforming changes and that the appropriate totals may be adjusted accordingly". The motion passed.

The meeting adjourned at 4:39 pm.

Representative Dean Arp

Presiding

Wendy Miller, Committee Clerk



ATTENDANCE

House Appropriations Committee on Capital

DATES	03-24-15	04-14-15	04-21-15	05-14-15					
Co-Chairs									
Representative Dean Arp	X	X	X	X					
Representative Justin Burr						1			
Representative Jon Hardister	X	X	X	X		-			
Members									
Representative Cecil Brockman	X	X	X	X					
Staff									
Mark Bondo, Fiscal Research	X	X	X	X					
Daniel Sater, Fiscal Research	X		X	X					
Ben Stanley, Bill Drafting				X					
Committee Clerks									
Dina Long	X								
Wendy Miller	X	X	X	X					
Jayne Nelson	X	X	X	X		-			
Ex Officio Member									
Representative Donny Lambeth				X					
						+			



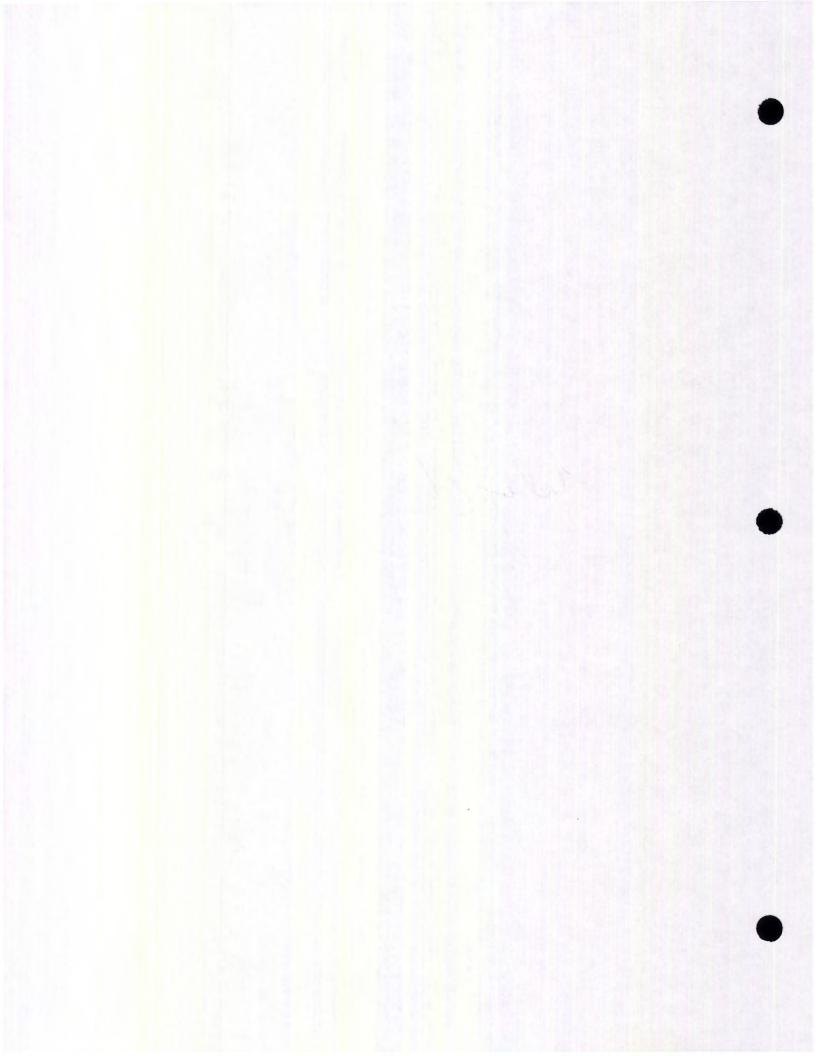


NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

House Bill 97

			MENDMENT NO
	H97-AMD-12 [v.1]		o be filled in by Principal Clerk)
			Page 1 of 1
	Amends Title [NO] CAP Provision Package	Date	,2015
	Representative Arp		
1 2 3	moves to amend the CAP Provision Provision Provision Provision (d) and the word "may" the subsection (d) of this section,". SIGNED Amendm		
	SIGNED Committee Chair if Sens	ate Committee Amendmen	t
	ADOPTED FA	ILED	TABLED







SPECIAL PROVISIONS HOUSE APPROPRIATIONS, CAPITAL REPORT

MAY 14, 2015

Report Last Updated: 5/14/15 2:22 PM

2015-CAP-H1-P1
GENERAL FUND CAPITAL APPROPRIATIONS/INTRODUCTION
2015-CAP-H2-P
CAPITAL PROJECTS/GENERAL FUND
2015-CAP-H3-P
2015-CAP-H4-P
NON-GENERAL FUND CAPITAL IMPROVEMENT AUTHORIZATIONS
2015-CAP-H5-P9
REPAIRS AND RENOVATIONS RESERVE ALLOCATION
2015-CAP-H6-P11
PROCEDURES FOR DISBURSEMENT OF CAPITAL FUNDS
2015-CAP-H8-P
REPORTING ON CAPITAL PROJECTS
2015-CAP-H9-P
NATIONAL GUARD PROJECTS
2015-CAP-H10-P
REQUIRE NON-GENERAL FUND RESOURCES TO BE USED FOR ADVANCED PLANNING OF UNIVERSITY CAPITAL PROJECTS
2015-CAP-H12-P
TRANSFER OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES OFF
OF THE DOROTHEA DIX CAMPUS
2015-CAP-H13-P
MODIFY SPECIAL INDEBTEDNESS PROVISIONS
2015-CAP-H14
TWO-THIRDS BONDS ACT OF 2015
2015-CAP-H15-P
DEBT AFFORDABILITY STUDY FOR THE UNIVERSITY OF NORTH CAROLINA

2015-CAP-H16-P	28
AUTHORIZE STATE AGENCIES TO UNDERTAKE SMALL REPAIRS AND	
RENOVATIONS PROJECTS WITH FUNDS AVAILABLE	
2015-CAP-H17-P	29
ADVANCE PLANNING/NEW SCHOOL OF SCIENCE AND MATHEMATICS	
2015-CAP-H18-P	30
CREATE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON CAPITAL	
IMPROVEMENTS	

Session 2015

DRAFT **SPECIAL PROVISION**



2015-CAP-H1-P

Capital House Appropriations, Capital

Requested by:

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Representative

GENERAL FUND CAPITAL APPROPRIATIONS/INTRODUCTION

SECTION #. The appropriations made by the 2015 General Assembly for capital 2 improvements are for constructing, repairing, or renovating State buildings, utilities, and other 3 capital facilities, for acquiring sites for them where necessary, and for acquiring buildings and 4 land for State government purposes.

Session 2015

DRAFT SPECIAL PROVISION



2015-CAP-H2-P

Capital House Appropriations, Capital

Requested by: Representative

CAPITAL PROJECTS/GENERAL FUND

SECTION #.(a) Of the funds appropriated in this act from the General Fund for the 2015-2017 fiscal biennium the following amounts shall be allocated for capital improvements:

3	2015-2017 fiscal biennium the following amounts shall be a	allocated for cap	ital improvements:
4 5	Capital Improvements – General Fund	2015-2016	2016-2017
6	Capital Improvements General I and	2010 2010	2010 2017
7	Department of Agriculture and Consumer Services		
8	Dorton Arena Roof Replacement	\$ 2,305,000	_
9		, _,, , ,	
10	Department of Cultural Resources		
11	USS North Carolina Hull Repair and Cofferdam	3,000,000	
12			
13	Department of Environment and Natural Resources		
14	Water Resources Development	5,083,000	_
15			
16	Department of Justice		
17	State Crime Laboratory Facilities	15,000,000	_
18	D III C C		
19	Department of Public Safety	(10,000	5.005.500
20	Armory and Facility Development Projects	618,000	5,087,500
21	0 14 11		
22	General Assembly		
23	Legislative Building Roof Replacement and	4 001 000	
24	Asbestos Abatement	4,001,000	_
25	W. C.		
26	University of North Carolina		
27	NCSU Engineering Building Planning	11,900,000	
28	NCSU Plant Sciences Building Planning	5,000,000	****
29	Western School of Science and Math Advance Planning	1,600,000	_
30	TOTAL CAPPELL INCODE CAPPAGE		
31	TOTAL CAPITAL IMPROVEMENTS -	0.40.40-000	
32	GENERAL FUND	\$ 48,507,000	5,087,500
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SECTION #.(b) The General Assembly authorizes planning of the Plant Sciences Building at North Carolina State University to be funded at a maximum cost of fourteen million dollars (\$14,000,000) in accordance with this section. The sum of five million dollars (\$5,000,000) allocated for this purpose in subsection (a) of this section shall be used for this purpose. The remainder shall be funded with receipts or from other non-General Fund sources

2	purpose.	to north	Caronna	state Offiv	cisity, and	those fun	ius are nei	coy approp	mated for	

Session 2015

DRAFT SPECIAL PROVISION



2015-CAP-H3-P

Capital House Appropriations, Capital

Requested by: Representative

WATER RESOURCES DEVELOPMENT PROJECTS

SECTION #.(a) The Department of Environment and Natural Resources shall allocate funds for water resources development projects in accordance with the schedule that follows. The amounts set forth in the schedule include funds appropriated in this act for water resources development projects and funds carried forward from previous fiscal years in accordance with subsection (b) of this section. These funds will provide a State match for an estimated forty-four million three hundred fifty-three thousand dollars (\$44,353,000) in federal funds.

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10	Name	e of Project	2015-2016
11		•	
12	(1)	Jordan Water Supply	\$ 200,000
13	(2)	Wilmington Harbor Study	225,000
14	(3)	Planning Assistance	25,000
15	(4)	Wilmington Harbor Deepening	600,000
16	(5)	Wilmington Harbor Maintenance	-
17	(6)	Morehead City Harbor Maintenance	-
18	(7)	Carolina Beach Storm Damage Reduction	1,400,000
19	(8)	Carolina Beach Storm Damage Reduction 15-Year Extension Study	81,000
20	(9)	Kure Beach Storm Damage Reduction	1,450,000
21	(10)	Wrightsville Storm Damage Reduction Reevaluation Report	81,000
22	(11)	Ocean Isle Storm Damage Reduction Reevaluation Report	81,000
23	(12)	Bogue Banks Storm Damage Reduction Preconstruction,	
24		Engineering, and Design	165,000
25	(13)	Surf City/North Topsail Preconstruction Activities	135,000
26	(14)	West Onslow Beach Preconstruction Activities	135,000
27	(15)	NRCS EQIP (65/35)	1,000,000
28	(16)	Planning for S.L. 2010-143	75,000
29	(17)	State-Local Projects	1,000,000
30	(18)	Lock and Dam #2 – Fish Ramp – Phase 1	250,000
31	(19)	Linville River Restoration	250,000
32	(20)	Assistance to Counties – EAP Preparation	250,000
33	(21)	North Topsail Shoreline Protection – Phase 2	500,000
34			
35	TOT	ALS	\$ 7,903,000

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SECTION #.(b) It is the intent of the General Assembly that funds carried forward from previous fiscal years be used to supplement the five million eighty-three thousand dollars (\$5,083,000) appropriated for water resources development projects in Section # of this act.

Therefore, the following funds carried forward from previous fiscal years shall be used for the following projects:

Name of Project Amount Carried Forward

6	(1)	Wilmington Harbor Study	\$ 225,000
7	(2)	Planning Assistance	25,000
8	(3)	Wilmington Harbor Deepening	600,000
9	(4)	Carolina Beach Storm Damage Reduction	727,000
10	(5)	Kure Beach Storm Damage Reduction	808,000
11	(6)	Bogue Banks Storm Damage Reduction Preconstruction,	
12		Engineering, and Design	165,000
13	(7)	Surf City/North Topsail Preconstruction Activities	135,000
14	(8)	West Onslow Beach Preconstruction Activities	135,000

TOTALS \$ 2,820,000

SECTION #.(c) Where the actual costs are different from the estimated costs under subsection (a) of this section, the Department may adjust the allocations among projects as needed. If any projects funded under subsection (a) of this section are delayed and the budgeted State funds cannot be used during the 2015-2016 fiscal year or if the projects funded under subsection (a) of this section are accomplished at a lower cost, the Department may use the resulting fund availability to fund any of the following:

- (1) U.S. Army Corps of Engineers project feasibility studies.
- (2) U.S. Army Corps of Engineers projects whose schedules have advanced and require State matching funds in the 2015-2016 fiscal year.
- (3) State-local water resources development projects.

Funds subject to this subsection that are not expended or encumbered for the purposes set forth in subdivisions (1) through (3) of this subsection shall revert to the General Fund at the end of the 2016-2017 fiscal year.

SECTION #.(d) The Department shall make semiannual reports on the use of these funds to the Joint Legislative Commission on Governmental Operations, the Fiscal Research Division, and the Office of State Budget and Management. Each report shall include all of the following:

- (1) All projects listed in this section.
- (2) The estimated cost of each project.
- (3) The date that work on each project began or is expected to begin.
- (4) The date that work on each project was completed or is expected to be completed.
- (5) The actual cost of the project.

The semiannual reports also shall show those projects advanced in schedule, those projects delayed in schedule, and an estimate of the amount of funds expected to revert to the General Fund.

SECTION #.(e) Notwithstanding any provision of law to the contrary, funds appropriated for a water resources development project shall be used to provide no more than fifty percent (50%) of the nonfederal portion of funds for the project. This subsection applies to funds appropriated in this act and to funds appropriated prior to the 2015-2017 fiscal biennium that are unencumbered and proposed for reallocation to provide the nonfederal portion of funds for water resources development projects. The limitation on fund usage contained in this

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		-									

Session 2015

DRAFT SPECIAL PROVISION



2015-CAP-H4-P

Capital House Appropriations, Capital

	Requested by: Representative		
1 2	NON-GENERAL FUND CAPITAL IMPROVEMENT SECTION #.(a) The General Assembly auti		
3	be funded with receipts or from other non-General Fur		-
4	department:		
5		Amount of Non-Ge	
6	Name of Project	Funding Au	thorized
7		EW 2015 2017	EW 2017 2017
8 9		FY 2015-2016	FY 2016-2017
10	Department of Agriculture and Consumer Services		
11	WNC Farmers Market Improvements/Robert		
12	G. Shaw Piedmont Triad Farmers Market		
13	Improvements	\$ 3,000,000	-
14	WNC Agricultural Center Events/Restroom Building		-
15	NC Forest Service Mountain Island Educational	,	
16	Forest-Visitor and Interpretive Center	4,000,000	-
17	Deer Fence on Research Stations	200,000	-
18	Aviary Egg Layer Research Building	1,750,000	-
19	State Fair Renovations/Infrastructure Improvements	2,500,000	-
20	State Fair Horse Complex	1,000,000	-
21	Animal Disease Diagnostic Laboratory Equipment	500,000	•
22			
23	Department of Environment and Natural Resources		
24	Fort Fisher Aquarium Seawall	590,000	590,000
25	Gorilla Expansion	450,000	-
26			
27	Department of Transportation		
28	Anson County Blacksmith Shop	-	195,000
29	Nash County Equipment Shop	-	194,200
30	Gaston County Equipment Shop	-	2,409,000
31	Greenville DMV Office	-	4,168,866
32			
33	Wildlife Resources Commission		2 = 40 000
34	Boating Access New Construction	3,750,000	3,750,000
35	Land Acquisition	900,000	900,000
36	Jordan Lake Depot	500,000	-
37	Fishing Access Construction	-	200,000
38			
39	TOTAL AMOUNT OF NON-GENERAL		

FUND CAPITAL PROJECTS AUTHORIZED

\$ 19,640,000

12,407,066

SECTION #.(b) From funds deposited with the State Treasurer in a capital improvement account to the credit of the Department of Agriculture and Consumer Services pursuant to G.S. 146-30, the sum of seventy-five thousand dollars (\$75,000) for the 2015-2016 fiscal year and the sum of seventy-five thousand dollars (\$75,000) for the 2016-2017 fiscal year shall be transferred to the Department of Agriculture and Consumer Services to be used, notwithstanding G.S. 146-30, by the Department for its plant conservation program under Article 19B of Chapter 106 of the General Statutes for costs incidental to the acquisition of land, such as land appraisals, land surveys, title searches, and environmental studies, and for the management of the plant conservation program preserves owned by the Department.

Session 2015

DRAFT SPECIAL PROVISION



2015-CAP-H5-P

Capital House Appropriations, Capital

Requested by: Representative

REPAIRS AND RENOVATIONS RESERVE ALLOCATION

SECTION #.(a) Of the funds in the Reserve for Repairs and Renovations for the 2015-2016 and the 2016-2017 fiscal years, the following allocations shall be made to the following agencies for repairs and renovations pursuant to G.S. 143C-4-3:

- One-third of the funds shall be allocated to the Board of Governors of The University of North Carolina.
- (2) Two-thirds of the funds shall be allocated to the Office of State Budget and Management.

The Office of State Budget and Management shall consult with or report to the Joint Legislative Commission on Governmental Operations, as appropriate, in accordance with G.S. 143C-4-3(e). The Board of Governors shall report to the Joint Legislative Commission on Governmental Operations in accordance with G.S. 143C-4-3(d).

SECTION #.(b) Notwithstanding G.S. 143C-4-3(d), of the funds allocated to the Board of Governors of The University of North Carolina in subsection (a) of this section, a portion shall be used each fiscal year by the Board of Governors for the installation of fire sprinklers in university residence halls. This portion shall be in addition to funds otherwise appropriated in this act for the same purpose. Such funds shall be allocated among the University's constituent institutions by the President of The University of North Carolina, who shall consider the following factors when allocating those funds:

- (1) The safety and well-being of the residents of campus housing programs.
- (2) The current level of housing rents charged to students and how that compares to an institution's public peers and other UNC institutions.
- (3) The level of previous authorizations to constituent institutions for the construction or renovation of residence halls funded from the General Fund or from bonds or certificates of participation supported by the General Fund since 1996.
- (4) The financial status of each constituent institution's housing system, including debt capacity, debt coverage ratios, credit rankings, required reserves, the planned use of cash balances for other housing system improvements, and the constituent institution's ability to pay for the installation of fire sprinklers in all residence halls.
- (5) The total cost of each proposed project, including the cost of installing fire sprinklers and the cost of other construction, such as asbestos removal and additional water supply needs.

The Board of Governors shall submit progress reports to the Joint Legislative Commission on Governmental Operations. Reports shall include the status of completed, current, and planned projects. Reports also shall include information on the financial status of each constituent institution's housing system, the constituent institution's ability to pay for fire

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36 37 38 protection in residence halls, and the timing of installation of fire sprinklers. Reports shall be submitted on January 1 and July 1 until all residence halls have fire sprinklers.

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SECTION #.(c) Notwithstanding G.S. 143C-4-3(d), of the funds allocated to the Board of Governors of The University of North Carolina in subsection (a) of this section, a portion shall be used each fiscal year by the Board of Governors for campus public safety improvements allowable under G.S. 143C-4-3(b).

SECTION #.(d) The Board of Governors shall consider the availability of non-General Fund resources in determining which projects to fund with funds allocated to the Board of Governors of The University of North Carolina in subsection (a) of this section.

Session 2015

DRAFT SPECIAL PROVISION



2015-CAP-H6-P

Capital House Appropriations, Capital

Requested by:

Representative

PROCEDURES FOR DISBURSEMENT OF CAPITAL FUNDS

SECTION #. The appropriations made by the 2015 General Assembly for capital improvements shall be disbursed for the purposes provided by this act. Expenditure of funds shall not be made by any State department, institution, or agency until an allotment has been approved by the Governor as Director of the Budget. The allotment shall be approved only after full compliance with the State Budget Act, Chapter 143C of the General Statutes. Prior to the award of construction contracts for projects to be financed in whole or in part with self-liquidating appropriations, the Director of the Budget shall approve the elements of the method of financing of those projects, including the source of funds, interest rate, and liquidation period. Provided, however, that if the Director of the Budget approves the method of financing a project, the Director shall report that action to the Joint Legislative Commission on Governmental Operations at its next meeting.

Where direct capital improvement appropriations include the purpose of furnishing fixed and movable equipment for any project, those funds for equipment shall not be subject to transfer into construction accounts except as authorized by the Director of the Budget. The expenditure of funds for fixed and movable equipment and furnishings shall be reviewed and approved by the Director of the Budget prior to commitment of funds.

Capital improvement projects authorized by the 2015 General Assembly shall be completed, including fixed and movable equipment and furnishings, within the limits of the amounts of the direct or self-liquidating appropriations provided, except as otherwise provided in this act. Capital improvement projects authorized by the 2015 General Assembly for the design phase only shall be designed within the scope of the project as defined by the approved cost estimate filed with the Director of the Budget, including costs associated with site preparation, demolition, and movable and fixed equipment.

Session 2015

DRAFT SPECIAL PROVISION



2015-CAP-H8-P

Capital House Appropriations, Capital

Requested by: Representative

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REPORTING ON CAPITAL PROJECTS

SECTION #.(a) Definitions. – The following definitions apply in this section:

- (1) Capital project. Any capital improvement, as that term is defined in G.S. 143C-1-1, that is not complete by the effective date of this section and that is funded in whole or in part with State funds, including receipts, non-General Fund sources, or statutorily or constitutionally authorized indebtedness of any kind. This term includes only projects with a total cost of one hundred thousand dollars (\$100,000) or more.
- (2) Construction phase. The status of a particular capital project as described using the terms customarily employed in the design and construction industries.
- (3) New capital project. A capital project that is authorized in this act or subsequent to the effective date of this act.

SECTION #.(b) Reporting. – The following reports are required:

- (1) By October 1, 2015, and every six months thereafter, each State agency shall report on the status of agency capital projects to the Joint Legislative Commission on Governmental Operations.
- (2) By October 1, 2015, and quarterly thereafter, each State agency shall report on the status of agency capital projects to the Fiscal Research Division of the General Assembly and to the Office of State Budget and Management.

SECTION #.(c) The reports required by subsection (b) of this section shall include at least the following information about every agency capital project:

- (1) The current construction phase of the project.
- (2) The anticipated time line from the current construction phase to project completion.
- (3) Information about expenditures that have been made in connection with the project, regardless of source of the funds expended.
- (4) Information about the adequacy of funding to complete the project, including estimates of how final expenditures will relate to initial estimates of expenditures, and whether or not scope reductions will be necessary in order to complete the project within its budget.
- (5) For new capital projects only, an estimate of the operating costs for the project for the first five fiscal years of its operation.

SECTION #.(d) In addition to the other reports required by this section, on October 1, 2015, and every six months thereafter, the Office of State Construction shall report on the status of the Facilities Condition Assessment Program (FCAP) to the Joint Legislative Commission on Governmental Operations. The report shall include (i) summary information about the average length of time that passes between FCAP assessments for an average State building; (ii) detailed information about when the last FCAP assessment was for each State

building complex; and (iii) detailed information about the condition and repairs and renovations needs of each State building complex.

SECTION #.(e) In addition to the other reports required by this section, on October 1, 2015, and quarterly thereafter, the State Construction Office shall report to the General Assembly on the status of plan review, approval, and permitting for each State capital improvement project and community college capital improvement project over which the Office exercises plan review, approval, and permitting authority. Each report shall include (i) summary information about the workload of the Office during the previous quarter, including information about the average length of time spent by the State Construction Office on each major function it performs that is related to capital project approval, and (ii) detailed information about the amount of time spent engaged in those functions for each project that the State Construction Office worked on during the previous quarter.

Session 2015

DRAFT SPECIAL PROVISION



2015-CAP-H9-P

Capital House Appropriations, Capital

Requested by: Representative

NATIONAL GUARD PROJECTS

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SECTION #.(a) The Department of Public Safety shall allocate the funds appropriated for armory and facility development projects in Section # of this act to projects designated by the Adjutant General of the North Carolina National Guard. The Adjutant General shall only provide for the allocation of funds to projects that were included in the latest Armory and Facilities Development Plan developed pursuant to G.S. 127A-210 and may determine which fiscal year of the biennium each designated project shall be funded. These funds will provide a State match for federal funds made available for this purpose.

SECTION #.(b) No later than June 1, 2017, and every two years thereafter, the Department shall report on the use of these funds to the Joint Legislative Commission on Governmental Operations, the Fiscal Research Division of the General Assembly, and the Office of State Budget and Management. Each report shall include all of the following:

- (1) The status of all projects undertaken pursuant to this section.
- 14 (2) The estimated total cost of each project.
 - (3) The date that work on each project began or is expected to begin.
 - (4) The date that work on each project was completed or is expected to be completed.
 - (5) The actual cost of each project, including federal matching funds.
 - (6) Facilities planned for closure or reversion.
- A list of projects advanced in schedule, those projects delayed in schedule, and an estimate of the amount of funds expected to revert to the General Fund.

Session 2015

DRAFT SPECIAL PROVISION



2015-CAP-H10-P

Capital House Appropriations, Capital

	Requested by:	Representative
1	REQUIRE NO	N-GENERAL FUND RESOURCES TO BE USED FOR ADVANCED
2		OF UNIVERSITY CAPITAL PROJECTS
3	SECT	FION #. G.S. 143C-3-3 reads as rewritten:
4	"§ 143C-3-3. Bu	idget requests from State agencies in the executive branch.
5		
6	(b) Unive	ersity of North Carolina System Request Notwithstanding the requirement in
7	G.S. 116-11 that	the Board of Governors prepare a unified budget request for all of the
8	constituent instit	cutions of The University of North Carolina, repairs budget requests of the
9	University shall l	be subject to all of the following:
10	(1)	Repairs and renovations, renovations requests, capital fund requests, and
11		information technology requests shall comply with subsections (c), (d), and
12		(e) of this section.
13	(2)	The University of North Carolina shall not make a capital funds request
14		proposing to construct a new facility, expand the building area (square feet)
15		of an existing facility, or rehabilitate an existing facility to accommodate
16		new or expanded uses unless the University has first completed advanced
17		planning of the project with funds other than General Fund appropriations
18		and other than funds carried forward from one fiscal year to another pursuant
19	•	to G.S. 116-30.3.
20	"	

Session 2015

DRAFT SPECIAL PROVISION



2015-CAP-H12-P

Capital House Appropriations, Capital

Requested by: Representative

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TRANSFER OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES OFF OF THE DOROTHEA DIX CAMPUS

SECTION #.(a) The Department of Administration, in consultation with the Department of Health and Human Services and any other relevant State agencies, shall develop a plan for moving the personnel and resources of the Department of Health and Human Services that currently reside on the Dorothea Dix campus to other space available to the State. The Department of Administration shall report the plan to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division no later than the earlier of October 1, 2016, or six months prior to the date on which the Department is required to move some or all of its personnel and resources from the Dorothea Dix campus under the terms of an agreement between the State and the City of Raleigh. The plan required by this section shall include at least the following information:

- (1) The location to which the personnel and resources of the Department of Health and Human Services will be relocated.
- (2) The square footage needed in order to accommodate the relocation.
- (3) A statement of anticipated costs or benefits associated with the relocation.
- (4) A schedule for implementation of the relocation plan.
 - (5) Identification of any potential obstacles to the relocation plan.
- (6) Options for financing the relocation plan, developed in conjunction with the State Treasurer and the State Controller.

SECTION #.(b) Notwithstanding any other provision of law, the Department of
Administration shall not enter into any lease or other agreement to move the personnel or
resources of the Department of Health and Human Services that currently reside on the
Dorothea Dix campus to other space until specifically authorized to do so by the General
Assembly.

Session 2015

DRAFT SPECIAL PROVISION



2015-CAP-H13-P

Capital House Appropriations, Capital

Requested by:

Representative

MODIFY SPECIAL INDEBTEDNESS PROVISIONS

SECTION #.(a) G.S. 143-128.1C reads as rewritten:

"§ 143-128.1C. Public-private partnership construction contracts.

Definitions for purposes of this section:

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- (4) Development contract. - Any contract between a governmental entity and a private developer under this section and, as part of the contract, the private developer is required to provide at least fifty percent (50%) of the financing for the total cost necessary to deliver the capital improvement project, whether through lease or ownership, for the governmental entity. For purposes of determining whether the private developer is providing the minimum percentage of the total financing costs, the calculation shall not include any payment made by a public entity or proceeds of financing arrangements by a private entity where the source of repayment is a public entity.
- State-supported financing arrangement. Any installment financing (10)arrangement, lease-purchase arrangement, arrangement under which funds are to be paid in the future based upon the availability of an asset or funds for payment, or any similar arrangement in the nature of a financing, under which a State entity agrees to make payments to acquire or obtain ownership or beneficial use of a capital asset for the State entity or any other State entity for a term, including renewal options, of greater than one year. Any arrangement that results in the identification of a portion of a lease payment, installment payment, or similar scheduled payment thereunder by a State entity as "interest" for purposes of federal income taxation shall automatically be a State-supported financing arrangement for purposes of this section. A true operating lease is not a State-supported financing arrangement.
- (k) Leases and other agreements entered into under this section are subject to approval as follows:
 - **(2)** If a capital lease is or other agreement entered into by a State entity that constitutes a State-supported financing arrangement and requires payments thereunder that are payable, whether directly or indirectly, and whether or not subject to the appropriation of funds for such payment, by payments from the General Fund of the State or other funds and accounts of the State that are funded from the general revenues and other taxes and fees of the

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State or State entities, not including taxes and fees that are required to be deposited to the Highway Fund or Highway Trust Fund, Fund to be used to make payments under capital leases or other agreements for projects covered under Article 14B of Chapter 136 of the General Statutes, that capital lease or other agreement shall be subject to the approval procedures required for special indebtedness by G.S. 142-83 and G.S. 142-84. This requirement shall not apply to any arrangement where bonds or other obligations are issued or incurred by a State entity to carry out a financing program authorized by the General Assembly under which such bonds or other obligations are payable from monies derived from specified, limited, nontax sources, so long as the payments under that arrangement by a State entity are limited to the sources authorized by the General Assembly.

SECTION #.(b) This section is effective when this act becomes law.

Session 2015

DRAFT SPECIAL PROVISION



2015-CAP-H14

Capital House Appropriations, Capital

Requested by: Representative TWO-THIRDS BONDS ACT OF 2015 1 2 **SECTION #.(a)** Short Title. – This section may be cited as the "Two-Thirds Bonds 3 Act of 2015." SECTION #.(b) Findings and Determinations. - It is the intent and purpose of the 4 5 General Assembly by this section to provide for the issuance of general obligation bonds or notes of the State in order to provide funds for the cost of State capital facilities. 6 **SECTION** #.(c) Definitions. – The following definitions apply in this section 7 8 unless the context otherwise requires: 9 Bonds. – Bonds issued under this section. (1) Cost. – The term includes all of the following: 10 (2)The cost of constructing, reconstructing, renovating, repairing, 11 enlarging, acquiring, and improving State capital facilities, including 12 the acquisition of land, rights-of-way, easements, franchises, 13 equipment, machinery, furnishings, and other interests in real or 14 personal property acquired or used in connection with a State capital 15 facility. 16 The cost of engineering, architectural, and other consulting services 17 b. as may be required. 18 Administrative expenses and charges. 19 c. The cost of providing personnel to ensure effective project 20 d. management. 21 The cost of bond insurance, investment contracts, credit enhancement 22 e. and liquidity facilities, interest-rate swap agreements or other 23 derivative products, financial and legal consultants, and related costs 24 of bond and note issuance, to the extent and as determined by the 25 26 State Treasurer. 27 f. Finance charges, reserves for debt service, and other types of reserves required pursuant to the terms of any bond or note or related 28 documents, interest before and during construction or acquisition of a 29 State capital facility and, if considered advisable by the State 30 Treasurer, for a period not exceeding two years after the estimated 31 date of completion of construction or acquisition. 32 The cost of bond insurance, investment contracts, credit enhancement 33 g. facilities and liquidity facilities, interest-rate swap agreements or 34 other derivative products, financial and legal consultants, and related 35

costs of the incurrence or issuance of any bond or note.

described in this subdivision.

The cost of reimbursing the State for any payments made for any cost

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- (3) Credit facility. An agreement entered into by the State Treasurer on behalf of the State with a bank, savings and loan association, or other banking institution, an insurance company, reinsurance company, surety company or other insurance institution, a corporation, investment banking firm, or other investment institution, or any financial institution or other similar provider of a credit facility, which provider may be located within or without the United States, such agreement providing for prompt payment of all or any part of the principal or purchase price (whether at maturity, presentment or tender for purchase, redemption, or acceleration), redemption premium, if any, and interest on any bonds or notes payable on demand or tender by the owner, in consideration of the State agreeing to repay the provider of the credit facility in accordance with the terms and provisions of such agreement.
- (4) Notes. Notes issued under this section.

- (5) Par formula. A provision or formula adopted by the State to provide for the adjustment, from time to time, of the interest rate or rates borne by any bonds or notes, including the following:
 - a. A provision providing for such adjustment so that the purchase price of such bonds or notes in the open market would be as close to par as possible.
 - b. A provision providing for such adjustment based upon a percentage or percentages of a prime rate or base rate, which percentage or percentages may vary or be applied for different periods of time.
 - c. Such other provision as the State Treasurer may determine to be consistent with this act and will not materially and adversely affect the financial position of the State and the marketing of bonds or notes at a reasonable interest cost to the State.
- (6) State. The State of North Carolina, including any State agency.
- (7) State agency. Any agency, institution, board, commission, bureau, council, department, division, officer, or employee of the State. The term does not include counties, municipal corporations, political subdivisions, local boards of education, or other local public bodies.

SECTION #.(d) Authorization of Bonds and Notes. – The State Treasurer is authorized, by and with the consent of the Council of State, to issue and sell at one time or from time to time general obligation bonds of the State to be designated "State of North Carolina General Obligation Bonds," with any additional designations as may be determined, or notes of the State, in the aggregate principal amount of up to two hundred sixty-nine million five hundred twenty-five thousand two hundred dollars (\$269,525,200), this amount being not in excess of two-thirds of the amount by which the State's outstanding indebtedness was reduced during the fiscal biennium that ended June 30, 2015, for the purpose of providing funds, with any other available funds, for the purposes authorized by this section. However, bonds shall only be issued under this section for projects listed in subsection (f) of this section that are not otherwise authorized during the 2015-2017 fiscal biennium to be financed with general obligation bonds.

SECTION #.(e) Uses of Bond and Note Proceeds. – The proceeds of bonds and notes shall be used for financing the cost of State capital facilities as provided in this section. Any additional moneys which may be received by grant from the United States of America or any agency or department thereof or from any other source to aid in financing the cost of any

State capital facilities authorized by this section may be placed by the State Treasurer in a separate fund or funds and shall be disbursed, to the extent permitted by the terms of the grant, without regard to any limitations imposed by this section.

The proceeds of bonds and notes may be used with any other moneys made available by the General Assembly for the cost of State capital facilities, including the proceeds of any other State bond or special indebtedness issues, whether heretofore made available or which may be made available at the session of the General Assembly at which this section is ratified or any subsequent sessions. The proceeds of bonds and notes shall be expended and disbursed under the direction and supervision of the Director of the Budget. The funds provided by this section shall be disbursed for the purposes provided in this section upon warrants drawn on the State Treasurer by the State Controller, which warrants shall not be drawn until requisition has been approved by the Director of the Budget and which requisition shall be approved only after full compliance with the State Budget Act, Chapter 143C of the General Statutes.

The Office of State Budget and Management shall provide semiannual reports to the Chairs of the Senate Appropriations Committees and the House Appropriations Subcommittees and to the Fiscal Research Division on the expenditure of moneys authorized by this section. The reports shall continue until the completion of the projects provided for in this section.

SECTION #.(f) Allocation of Proceeds. – The proceeds of bonds and notes shall be allocated and expended as provided in this subsection:

- (1) A maximum aggregate principal amount of seventy million seven hundred eighty-two thousand dollars (\$70,782,000) to finance the capital facility costs of a health sciences building at Appalachian State.
- (2) A maximum aggregate principal amount of sixty-five million one hundred thousand dollars (\$65,100,000) to finance the capital facility costs of an engineering building at North Carolina State University.
- (3) A maximum aggregate principal amount of ninety million dollars (\$90,000,000) to finance the capital facility costs of a new sciences building at the University of North Carolina Charlotte.
- (4) A maximum aggregate principal amount of twelve million nine hundred seventy-six thousand dollars (\$12,976,000) to finance the capital facility costs of a new DHHS medical examiner facility at Wake Forest University.
- (5) A maximum aggregate principal amount of thirty million six hundred sixty-seven thousand two hundred dollars (\$30,667,200) to finance the capital facility costs of Phase 1 of the Highway Patrol Training Academy.

SECTION #.(g) Issuance of Bonds and Notes. –

(1) Terms and conditions. – Bonds or notes may bear a date or dates, may be serial or term bonds or notes, or any combination thereof, may mature in such amounts and at such time or times, not exceeding 40 years from their date or dates, may be payable at such place or places, either within or without the United States of America, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts, may bear interest at such rate or rates, which may vary from time to time, and may be made redeemable before maturity, at the option of the State or otherwise as may be provided by the State, at such price or prices, including a price less than or greater than the face amount of the bonds or notes, and under such terms and conditions, all as may be determined by the State Treasurer, by and with the consent of the Council of State.

- (2) Signatures; form and denomination; registration. – Bonds or notes may be issued in certificated or uncertificated form. If issued in certificated form, bonds or notes shall be signed on behalf of the State by the Governor or shall bear the Governor's facsimile signature, shall be signed by the State Treasurer or shall bear the State Treasurer's facsimile signature, and shall bear the Great Seal of the State, or a facsimile of the Seal shall be impressed or imprinted thereon. If bonds or notes bear the facsimile signatures of the Governor and the State Treasurer, the bonds or notes shall also bear a manual signature which may be that of a bond registrar, trustee, paying agent, or designated assistant of the State Treasurer. Should any officer whose signature or facsimile signature appears on bonds or notes cease to be such officer before the delivery of the bonds or notes, the signature or facsimile signature shall nevertheless have the same validity for all purposes as if the officer had remained in office until delivery. Bonds or notes may bear the facsimile signatures of persons, who at the actual time of the execution of the bonds or notes shall be the proper officers to sign any bond or note, although at the date of the bond or note such persons may not have been such officers. The form and denomination of bonds or notes, including the provisions with respect to registration of the bonds or notes and any system for their registration, shall be as the State Treasurer may determine in conformity with this section.
- (3) Manner of sale; expenses. Subject to the approval by the Council of State as to the manner in which bonds or notes shall be offered for sale, whether at public or private sale, whether within or without the United States, and whether by publishing notices in certain newspapers and financial journals, mailing notices, inviting bids by correspondence, negotiating contracts of purchase, or otherwise, the State Treasurer is authorized to sell bonds or notes at one time or from time to time at any rates of interest, which may vary from time to time, and at any prices, including a price less than or greater than the face amount of the bonds or notes, as the State Treasurer may determine. All expenses incurred in the preparation, sale, and issuance of bonds or notes shall be paid by the State Treasurer from the proceeds of bonds or notes or other available moneys.

(4) Notes; repayment. –

- By and with the consent of the Council of State, the State Treasurer is hereby authorized to borrow money and to execute and issue notes of the State for the same, but only in the following circumstances and under the following conditions:
 - 1. For anticipating the sale of bonds, the issuance of which the Council of State has approved, if the State Treasurer considers it advisable to postpone the issuance of the bonds;
 - 2. For the payment of interest on or any installment of principal of any bonds then outstanding, if there are not sufficient funds in the State treasury with which to pay the interest or installment of principal as they respectively become due;
 - 3. For the renewal of any loan evidenced by notes authorized in this section;
 - 4. For the purposes authorized in this section; and
 - 5. For refunding bonds or notes as authorized in this section.

b. Funds derived from the sale of bonds or notes may be used in the payment of any bond anticipation notes issued under this section. Funds provided by the General Assembly for the payment of interest on or principal of bonds shall be used in paying the interest on or principal of any notes and any renewals thereof, the proceeds of which shall have been used in paying interest on or principal of the bonds.

- (5) Refunding bonds and notes. – By and with the consent of the Council of State, the State Treasurer is authorized to issue and sell refunding bonds and notes pursuant to the provisions of the State Refunding Bond Act for the purpose of refunding bonds or notes issued pursuant to this section. The refunding bonds and notes may be combined with any other issues of State bonds and notes similarly secured. Refunding bonds or notes may be issued at any time prior to the final maturity of the debt obligation to be refunded. The proceeds from the sale of any refunding bonds or notes shall be applied to the immediate payment and retirement of the bonds or notes being refunded or, if not required for the immediate payment of the bonds or notes being refunded, the proceeds shall be deposited in trust to provide for the payment and retirement of the bonds or notes being refunded and to pay any expenses incurred in connection with the refunding. Money in a trust fund may be invested in (i) direct obligations of the United States government, (ii) obligations the principal of and interest on which are guaranteed by the United States government, (iii) obligations of any agency or instrumentality of the United States government if the timely payment of principal and interest on the obligations is unconditionally guaranteed by the United States government, or (iv) certificates of deposit issued by a bank or trust company located in the State if the certificates are secured by a pledge of any of the obligations described in (i), (ii), or (iii) above having an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured. This section does not limit the duration of any deposit in trust for the retirement of bonds or notes being refunded but that have not matured and are not presently redeemable, or if presently redeemable, have not been called for redemption.
- (6) Tax exemption. Bonds and notes shall at all times be free from taxation by the State or any political subdivision or any of their agencies, excepting estate, inheritance, or gift taxes, income taxes on the gain from the transfer of bonds or notes, and franchise taxes. The interest on bonds or notes is not subject to taxation as income.
- (7) Investment eligibility. Bonds and notes are securities in which all of the following may invest, including capital in their control or belonging to them: public officers, agencies, and public bodies of the State and its political subdivisions, all insurance companies, trust companies, investment companies, banks, savings banks, savings and loan associations, credit unions, pension or retirement funds, other financial institutions engaged in business in the State, executors, administrators, trustees, and other fiduciaries. Bonds and notes are hereby made securities which may properly and legally be deposited with and received by any officer or agency of the State or political subdivision of the State for any purpose for which the deposit of bonds, notes, or obligations of the State or any political subdivision is now or may hereafter be authorized by law.

Faith and credit. – The faith and credit and taxing power of the State are (8) hereby pledged for the payment of the principal of and the interest on bonds and notes. The State expressly reserves the right to amend any provision of this section to the extent it does not impair any contractual right of a bond Other agreements. - The State Treasurer may authorize, execute, obtain, or (9) otherwise provide for bond insurance, investment contracts, credit and liquidity facilities, interest-rate swap agreements and other derivative products, and any other related instruments and matters the State Treasurer

Treasurer considers necessary. **SECTION #.(h)** Variable Rate Demand Bonds and Notes. – In fixing the details of bonds and notes, the State Treasurer may provide that any of the bonds or notes may:

(1) Be made payable from time to time on demand or tender for purchase by the owner, if a credit facility supports the bonds or notes, unless the State Treasurer specifically determines that a credit facility is not required upon a finding and determination by the State Treasurer that the absence of a credit facility will not materially and adversely affect the financial position of the State and the marketing of the bonds or notes at a reasonable interest cost to the State;

determines are desirable in connection with issuance, incurrence, carrying,

or securing of bonds or notes. The State Treasurer is authorized to employ and designate any financial consultants, underwriters, and bond attorneys to

be associated with any bond or note issue under this section as the State

(2) Be additionally supported by a credit facility;

- (3) Be made subject to redemption or a mandatory tender for purchase prior to maturity;
- (4) Bear interest at a rate or rates that may vary for any period of time, as may be provided in the proceedings providing for the issuance of the bonds or notes, including, without limitation, such variations as may be permitted pursuant to a par formula; and
- (5) Be made the subject of a remarketing agreement whereby an attempt is made to remarket bonds or notes to new purchasers prior to their presentment for payment to the provider of the credit facility or to the State.

If the aggregate principal amount payable by the State under a credit facility is in excess of the aggregate principal amount of bonds or notes secured by the credit facility, whether as a result of the inclusion in the credit facility of a provision for the payment of interest for a limited period of time or the payment of a redemption premium or for any other reason, then the amount of authorized but unissued bonds or notes during the term of such credit facility shall not be less than the amount of such excess, unless the payment of such excess is otherwise provided for by agreement of the State executed by the State Treasurer.

SECTION #.(i) Interpretation of Section. –

- (1) Additional method. The foregoing subsections of this section shall be deemed to provide an additional and alternative method for the doing of the things authorized under it and shall be regarded as supplemental and additional to powers conferred by other laws and shall not be regarded as in derogation of any powers now existing.
- (2) Statutory references. References in this section to specific sections or Chapters of the General Statutes or to specific acts are intended to be references to such sections, Chapters, or acts as they may be amended from time to time by the General Assembly.

- (4)
- (3) Broad construction. This section, being necessary for the health and welfare of the people of the State, shall be broadly construed to effect the purposes thereof.
 - (4) Inconsistent provisions. Insofar as the provisions of this section are inconsistent with the provisions of any general, special, or local laws, or parts thereof, the provisions of this section shall be controlling.
 - (5) Severability. If any provision of this section or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the section which can be given effect without the invalid provision or application, and to this end the provisions of this section are declared to be severable.
- **SECTION #.(j)** The State, upon the direction of the Director of the Budget, may finance with the proceeds of special indebtedness the capital facility costs of a project set forth in subsection (f) of this section, approved for financing with proceeds of bonds authorized pursuant to this section. If the financing is to be provided by special indebtedness, then such indebtedness may be issued or incurred before the enactment of this act or during or beyond the fiscal biennium ending June 30, 2017. The total amount of financing for a project from special indebtedness and the proceeds of two-thirds bonds issued pursuant to this section shall not exceed the applicable amount set forth in subsection (f) of this section.
 - **SECTION #.(k)** This section is effective when it becomes law.

Session 2015

DRAFT SPECIAL PROVISION



2015-CAP-H15-P

Capital House Appropriations, Capital

Representative Requested by: DEBT AFFORDABILITY STUDY FOR THE UNIVERSITY OF NORTH CAROLINA 1 2 SECTION #. Chapter 116D of the General Statutes is amended by adding a new 3 Article to read: 4 "Article 5. "Managing Debt Capacity. 5 6 "§ 116D-55. Purpose. The purpose of this Article is to provide tools for sound debt management at The University 7 of North Carolina by requiring each constituent institution to conduct an annual debt 8 affordability study, by requiring the establishment of guidelines for maintaining prudent debt 9 levels, and by establishing a system for prioritizing University capital needs when the needs 10 exceed the University's capacity for new debt. 11 "§ 116D-56. Debt affordability study required. 12 Study Required. - The Board of Governors shall annually advise the Governor and 13 (a) the General Assembly on the estimated debt capacity of The University of North Carolina for 14 the upcoming five fiscal years. The Board shall oversee the undertaking of an annual debt 15 affordability study and the establishment of guidelines for evaluating the University's debt 16 burden. The guidelines should include target and ceiling ratios of debt to obligated resources 17 and target and floor percentages for the five-year payout ratio. The Board shall also recommend 18 any other debt management policies it considers desirable and consistent with sound 19 management of the University's debt. 20 Board of Governors Reporting Required. - The Board shall report its findings and 21 recommendations to the Office of State Budget and Management, the Joint Legislative 22 Commission on Governmental Operations, the State Treasurer, and The University of North 23 Carolina General Administration by February 1 of each year. The report shall be accompanied 24 by each of the reports provided to the Board pursuant to subsection (c) of this section. 25 Constituent Institution Reporting Required. - No later than November 1 of each 26 year, each constituent institution shall report to the Board of Governors on its current and 27 anticipated debt levels. The report shall be made in a uniform format to be prescribed by the 28 Board of Governors. Each report shall include at least the following: 29 The amount and type of outstanding debt of the institution. 30 (1)The sources of repayment of the debt. 31 (2)The amount of debt that the institution plans to issue or incur during the next 32 (3)33 five years. A description of projects financed with the debt. 34 (4)The current bond rating of the institution and information about any changes 35 (5)to that bond rating since the last report was submitted. 36 Information about the constituent institution's debt management policies and 37 (6)

any recommendations for methods to maintain or improve the University's

bond rating.

1		(7)	Debt burden comparisons to comparable peer institutions.
2		(8)	Any other information requested by the Board of Governors.
3	(d)	Defin	itions. – The following definitions apply in this section:
4		(1)	Debt Debt incurred under this Chapter or any other debt that will be
5			serviced with funds available to the institutions from gifts, grants, receipts,
6			Medicare reimbursements for education costs, hospital receipts from patient
7			care, or other funds, or any combination of these funds, but not including
8			debt that will be serviced with funds appropriated from the General Fund of
9			the State.
10		(2)	Obligated resources. – As defined in G.S. 116D-22."

Session 2015

DRAFT SPECIAL PROVISION



2015-CAP-H16-P

Capital House Appropriations, Capital

	Requested by:	Representative
1	AUTHORIZE	STATE AGENCIES TO UNDERTAKE SMALL REPAIRS AND
2	RENOVATION	ONS PROJECTS WITH FUNDS AVAILABLE
3	SECT	FION #.(a) Notwithstanding G.S. 143C-8-7, a State agency may undertake
4	repairs and renov	rations projects so long as each project satisfies the following requirements:
5	(1)	Total project costs do not exceed three hundred thousand dollars (\$300,000).
6	(2)	The project satisfies the requirements of G.S. 143C-4-3(b).
7	(3)	The project is paid for with funds available to the agency.
8	SECT	FION #.(b) Projects undertaken pursuant to this section shall be reported to
9	the Fiscal Resear	ch Division on a quarterly basis. A report under this subsection shall include
10	information abou	at all of the following for each project:
11	(1)	The facility at which the project is being undertaken.
12	(2)	The nature and scope of the project.
13	(3)	The source of funds for the project.
14	(4)	The category of projects set forth in G.S. 143C-4-3(b) that the project falls
15		within.

Session 2015

DRAFT SPECIAL PROVISION



2015-CAP-H17-P

Capital House Appropriations, Capital

Requested by:

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 Representative

ADVANCE PLANNING/NEW SCHOOL OF SCIENCE AND MATHEMATICS

SECTION #.(a) Having considered the study conducted by the Board of Governors, the North Carolina School of Science and Mathematics and the Department of Public Instruction on the feasibility for a western campus of the North Carolina School of Science and Mathematics (School of Science and Math), the General Assembly finds that a western School of Science and Math located on the campus of the North Carolina School for the Deaf, vacated Broughton Hospital, or other State property adjacent to one of those tracts shall be established. The General Assembly further finds that the establishment of a western School of Science and Math at that location would be beneficial to the economic growth and workforce preparedness in western North Carolina and would extend the opportunity for the unique study experience provided by the School of Science and Math to a significant number of additional students with excellent academic records.

SECTION #.(b) No later than June 30, 2016, the Board of Governors shall do the following:

- (1) Determine the most appropriate location on any of the State property that is described in subsection (a) of this section, including the repurposing of property.
- (2) Begin advanced planning for the facility.

SECTION #.(c) The School of Science and Math shall consider opportunities to share services (such as maintenance) that may be available with any other State entity that is on, adjacent to, or near the property.

SECTION #.(d) The General Assembly authorizes advance planning of the western School of Science and Math to be funded at a maximum cost of two million four hundred thousand dollars (\$2,400,000) in accordance with this section. The sum of one million six hundred thousand dollars (\$1,600,000) allocated for this purpose in Section # of this act shall be used for this purpose. The remainder shall be funded by a non-State entity or combination of non-State entities.

SECTION #.(e) The Board of Governors and the School of Science and Math shall report to the Joint Legislative Education Oversight Committee regarding the progress on site selection and advanced planning for the western School of Science and Math by January 30, 2016.

Session 2015

DRAFT SPECIAL PROVISION



2015-CAP-H18-P

House Appropriations, Capital

	Requested by:	Representative
1	CREATE JOI	NT LEGISLATIVE OVERSIGHT COMMITTEE ON CAPITAL
2	IMPROVEM	MENTS
3	SECT	FION #.(a) Article 29 of Chapter 120 of the General Statutes is amended by
4	adding three new	sections to read:
5	"§ 120-261. C	reation and membership of Joint Legislative Oversight Committee on
6	Capit	tal Improvements.
7	The Joint Le	egislative Oversight Committee on Capital Improvements is established. The
8	Committee consi	ists of 16 members as follows:
9	(1)	Eight members of the House of Representatives appointed by the Speaker of
10		the House of Representatives.
11	<u>(2)</u>	Eight members of the Senate appointed by the President Pro Tempore of the
12		Senate.
13		e Committee are for two years and begin on the convening of the General
14		h odd-numbered year, except the terms of the initial members, which begin on
15		end on the day of the convening of the 2017 General Assembly. Members
16		term of service on the Committee even if they do not seek reelection or are not
17		General Assembly, but resignation or removal from service in the General
18		tutes resignation or removal from service on the Committee.
19		ontinues to serve until the member's successor is appointed. A vacancy shall be
20		lays by the officer who made the original appointment.
21		pose and powers of the Committee.
22		oint Legislative Oversight Committee on Capital Improvements shall have the
23	power to do all o	
24	(1)	Examine, on a continuing basis, capital improvements requested by,
25	(0)	authorized for, and undertaken by or on behalf of State agencies.
26	(2)	Have oversight over implementation of the six-year capital improvements
27	(2)	plan developed pursuant to G.S. 143C-8-5.
28	<u>(3)</u>	Make recommendations to the General Assembly on ways to improve the
29		planning, financing, design, construction, and maintenance of State capital
30	(4)	improvements.
31	<u>(4)</u>	Make reports and recommendations to the General Assembly regarding
32		which capital improvements requested by State agencies should be
33	(5)	authorized and how they should be funded.
34	(b) (5)	Examine any other topic the Committee believes to be related to its purpose.
35	(b) As us as in G.S. 143C-	ed in this section, the term "capital improvement" shall have the same meaning
36		
37	§ 120-203. Org	ganization of Committee.

- (a) The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair of the Joint Legislative Oversight Committee on Capital Improvements. The Committee shall meet upon the call of the cochairs.
- (b) A quorum of the Committee is nine members. No action may be taken except by a majority vote at a meeting at which a quorum is present. While in the discharge of its official duties, the Committee has the powers of a joint committee under G.S. 120-19 through G.S. 120-19.4.
- (c) Members of the Committee receive subsistence and travel expenses as provided in G.S. 120-3.1. The Committee may contract for consultants or hire employees in accordance with G.S. 120-32.02. The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Committee in its work. Upon the direction of the Legislative Services Commission, the Supervisors of Clerks of the Senate and of the House of Representatives shall assign clerical staff to the Committee. The expenses for clerical employees shall be borne by the Committee.
- 15 (d) The cochairs of the Committee may call upon other knowledgeable persons or experts to assist the Committee in its work."
 - **SECTION #.(b)** G.S. 120-76(9) is repealed.



House Appropriations Committee on Capital

Proposed Special Provisions for H.B. 97, 2015 Appropriations Act



May 14, 2015



SPECIAL PROVISIONS HOUSE APPROPRIATIONS, CAPITAL REPORT

MAY 14, 2015

Report Last Updated: 5/14/15 2:22 PM

2015-CAP-H1-P1 GENERAL FUND CAPITAL APPROPRIATIONS/INTRODUCTION
2015-CAP-H2-P
2015-CAP-H3-P4 WATER RESOURCES DEVELOPMENT PROJECTS
2015-CAP-H4-P
2015-CAP-H5-P9 REPAIRS AND RENOVATIONS RESERVE ALLOCATION
2015-CAP-H6-P
2015-CAP-H8-P
2015-CAP-H9-P
2015-CAP-H10-P
2015-CAP-H12-P
2015-CAP-H13-P
2015-CAP-H14
2015-CAP-H15-P26 DEBT AFFORDABILITY STUDY FOR THE UNIVERSITY OF NORTH CAROLINA

Session 2015

DRAFT SPECIAL PROVISION



2015-CAP-H1-P

Capital House Appropriations, Capital

Requested by:

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Representative

GENERAL FUND CAPITAL APPROPRIATIONS/INTRODUCTION

SECTION #. The appropriations made by the 2015 General Assembly for capital improvements are for constructing, repairing, or renovating State buildings, utilities, and other capital facilities, for acquiring sites for them where necessary, and for acquiring buildings and land for State government purposes.

2	purpose.

Therefore, the following funds carried forward from previous fiscal years shall be used for the following projects:

Name of Project

Amount Carried Forward

-			
6	(1)	Wilmington Harbor Study	\$ 225,000
7	(2)	Planning Assistance	25,000
8	(3)	Wilmington Harbor Deepening	600,000
9	(4)	Carolina Beach Storm Damage Reduction	727,000
10	(5)	Kure Beach Storm Damage Reduction	808,000
11	(6)	Bogue Banks Storm Damage Reduction Preconstruction,	
12		Engineering, and Design	165,000
13	(7)	Surf City/North Topsail Preconstruction Activities	135,000
14	(8)	West Onslow Beach Preconstruction Activities	135,000

 TOTALS

\$ 2,820,000

SECTION #.(c) Where the actual costs are different from the estimated costs under subsection (a) of this section, the Department may adjust the allocations among projects as needed. If any projects funded under subsection (a) of this section are delayed and the budgeted State funds cannot be used during the 2015-2016 fiscal year or if the projects funded under subsection (a) of this section are accomplished at a lower cost, the Department may use the resulting fund availability to fund any of the following:

- (1) U.S. Army Corps of Engineers project feasibility studies.
- (2) U.S. Army Corps of Engineers projects whose schedules have advanced and require State matching funds in the 2015-2016 fiscal year.
- (3) State-local water resources development projects.

Funds subject to this subsection that are not expended or encumbered for the purposes set forth in subdivisions (1) through (3) of this subsection shall revert to the General Fund at the end of the 2016-2017 fiscal year.

SECTION #.(d) The Department shall make semiannual reports on the use of these funds to the Joint Legislative Commission on Governmental Operations, the Fiscal Research Division, and the Office of State Budget and Management. Each report shall include all of the following:

- (1) All projects listed in this section.
- (2) The estimated cost of each project.
- (3) The date that work on each project began or is expected to begin.
- (4) The date that work on each project was completed or is expected to be completed.
- (5) The actual cost of the project.

The semiannual reports also shall show those projects advanced in schedule, those projects delayed in schedule, and an estimate of the amount of funds expected to revert to the General Fund.

SECTION #.(e) Notwithstanding any provision of law to the contrary, funds appropriated for a water resources development project shall be used to provide no more than fifty percent (50%) of the nonfederal portion of funds for the project. This subsection applies to funds appropriated in this act and to funds appropriated prior to the 2015-2017 fiscal biennium that are unencumbered and proposed for reallocation to provide the nonfederal portion of funds for water resources development projects. The limitation on fund usage contained in this

Session 2015

DRAFT SPECIAL PROVISION

Requested by:

Representative



2015-CAP-H4-P

Capital House Appropriations, Capital

	Requested by: Representative		
1	NON-GENERAL FUND CAPITAL IMPROVEMENT	<i>AUTHORIZATION</i>	S
2	SECTION #.(a) The General Assembly auth	orizes the following	capital projects to
3	be funded with receipts or from other non-General Fun	d sources available	to the appropriate
4	department:		
5		Amount of Non-Ge	neral Fund
6	Name of Project	Funding Au	thorized
7	Ť		
8		FY 2015-2016	FY 2016-2017
()			
1()	Department of Agriculture and Consumer Services		
11	WNC Farmers Market Improvements/Robert		
12	G. Shaw Piedmont Triad Farmers Market		
13	Improvements	\$ 3,000,000	-
14	WNC Agricultural Center Events/Restroom Building	500,000	-
15	NC Forest Service Mountain Island Educational		
16	Forest-Visitor and Interpretive Center	4,000,000	-
l 7	Deer Fence on Research Stations	200,000	-
18	Aviary Egg Layer Research Building	1,750,000	-
19	State Fair Renovations/Infrastructure Improvements	2,500,000	-
20	State Fair Horse Complex	1,000,000	-
21	Animal Disease Diagnostic Laboratory Equipment	500,000	-
22			
23	Department of Environment and Natural Resources		
24	Fort Fisher Aquarium Seawall	590,000	590,000
25	Gorilla Expansion	450,000	-
26			
27	Department of Transportation		105.000
28	Anson County Blacksmith Shop	-	195,000
29	Nash County Equipment Shop	•	194,200
30	Gaston County Equipment Shop	-	2,409,000
31	Greenville DMV Office	-	4,168,866
32	WILLIAM O		
33	Wildlife Resources Commission	2.750.000	2.750.000
34	Boating Access New Construction	3,750,000	3,750,000
35	Land Acquisition	900,000	900,000
36	Jordan Lake Depot	500,000	200.000
37	Fishing Access Construction	-	200,000
38	TOTAL AMOUNT OF NON-CENEDAL		
39	TOTAL AMOUNT OF NON-GENERAL		

Session 2015

DRAFT SPECIAL PROVISION



2015-CAP-H5-P

Capital House Appropriations, Capital

Requested by: Representative

REPAIRS AND RENOVATIONS RESERVE ALLOCATION

SECTION #.(a) Of the funds in the Reserve for Repairs and Renovations for the 2015-2016 and the 2016-2017 fiscal years, the following allocations shall be made to the following agencies for repairs and renovations pursuant to G.S. 143C-4-3:

- (1) One-third of the funds shall be allocated to the Board of Governors of The University of North Carolina.
- (2) Two-thirds of the funds shall be allocated to the Office of State Budget and Management.

The Office of State Budget and Management shall consult with or report to the Joint Legislative Commission on Governmental Operations, as appropriate, in accordance with G.S. 143C-4-3(e). The Board of Governors shall report to the Joint Legislative Commission on Governmental Operations in accordance with G.S. 143C-4-3(d).

SECTION #.(b) Notwithstanding G.S. 143C-4-3(d), of the funds allocated to the Board of Governors of The University of North Carolina in subsection (a) of this section, a portion shall be used each fiscal year by the Board of Governors for the installation of fire sprinklers in university residence halls. This portion shall be in addition to funds otherwise appropriated in this act for the same purpose. Such funds shall be allocated among the University's constituent institutions by the President of The University of North Carolina, who shall consider the following factors when allocating those funds:

- (1) The safety and well-being of the residents of campus housing programs.
- (2) The current level of housing rents charged to students and how that compares to an institution's public peers and other UNC institutions.
- (3) The level of previous authorizations to constituent institutions for the construction or renovation of residence halls funded from the General Fund or from bonds or certificates of participation supported by the General Fund since 1996.
- (4) The financial status of each constituent institution's housing system, including debt capacity, debt coverage ratios, credit rankings, required reserves, the planned use of cash balances for other housing system improvements, and the constituent institution's ability to pay for the installation of fire sprinklers in all residence halls.
- (5) The total cost of each proposed project, including the cost of installing fire sprinklers and the cost of other construction, such as asbestos removal and additional water supply needs.

The Board of Governors shall submit progress reports to the Joint Legislative Commission on Governmental Operations. Reports shall include the status of completed, current, and planned projects. Reports also shall include information on the financial status of each constituent institution's housing system, the constituent institution's ability to pay for fire

Session 2015

DRAFT SPECIAL PROVISION



2015-CAP-H6-P

Capital House Appropriations, Capital

Requested by:

Representative

PROCEDURES FOR DISBURSEMENT OF CAPITAL FUNDS

SECTION #. The appropriations made by the 2015 General Assembly for capital improvements shall be disbursed for the purposes provided by this act. Expenditure of funds shall not be made by any State department, institution, or agency until an allotment has been approved by the Governor as Director of the Budget. The allotment shall be approved only after full compliance with the State Budget Act, Chapter 143C of the General Statutes. Prior to the award of construction contracts for projects to be financed in whole or in part with self-liquidating appropriations, the Director of the Budget shall approve the elements of the method of financing of those projects, including the source of funds, interest rate, and liquidation period. Provided, however, that if the Director of the Budget approves the method of financing a project, the Director shall report that action to the Joint Legislative Commission on Governmental Operations at its next meeting.

Where direct capital improvement appropriations include the purpose of furnishing fixed and movable equipment for any project, those funds for equipment shall not be subject to transfer into construction accounts except as authorized by the Director of the Budget. The expenditure of funds for fixed and movable equipment and furnishings shall be reviewed and approved by the Director of the Budget prior to commitment of funds.

Capital improvement projects authorized by the 2015 General Assembly shall be completed, including fixed and movable equipment and furnishings, within the limits of the amounts of the direct or self-liquidating appropriations provided, except as otherwise provided in this act. Capital improvement projects authorized by the 2015 General Assembly for the design phase only shall be designed within the scope of the project as defined by the approved cost estimate filed with the Director of the Budget, including costs associated with site preparation, demolition, and movable and fixed equipment.

building complex; and (iii) detailed information about the condition and repairs and renovations needs of each State building complex.

 SECTION #.(e) In addition to the other reports required by this section, on October 1, 2015, and quarterly thereafter, the State Construction Office shall report to the General Assembly on the status of plan review, approval, and permitting for each State capital improvement project and community college capital improvement project over which the Office exercises plan review, approval, and permitting authority. Each report shall include (i) summary information about the workload of the Office during the previous quarter, including information about the average length of time spent by the State Construction Office on each major function it performs that is related to capital project approval, and (ii) detailed information about the amount of time spent engaged in those functions for each project that the State Construction Office worked on during the previous quarter.

Session 2015

DRAFT SPECIAL PROVISION



2015-CAP-H10-P

Capital House Appropriations, Capital

	Requested by:	Representative
1	REQUIRE NO	N-GENERAL FUND RESOURCES TO BE USED FOR ADVANCED
2	PLANNING	OF UNIVERSITY CAPITAL PROJECTS
3	SECT	TION #. G.S. 143C-3-3 reads as rewritten:
4	"§ 143C-3-3. Bu	dget requests from State agencies in the executive branch.
5	•••	
6	(b) Unive	rsity of North Carolina System Request Notwithstanding the requirement in
7	G.S. 116-11 that	the Board of Governors prepare a unified budget request for all of the
8	constituent instit	utions of The University of North Carolina, repairs budget requests of the
9	University shall be	be subject to all of the following:
10	<u>(1)</u>	Repairs and renovations, renovations requests, capital fund requests, and
11		information technology requests shall comply with subsections (c), (d), and
12		(e) of this section.
13	<u>(2)</u>	The University of North Carolina shall not make a capital funds request
14		proposing to construct a new facility, expand the building area (square feet)
15		of an existing facility, or rehabilitate an existing facility to accommodate
16		new or expanded uses unless the University has first completed advanced
17		planning of the project with funds other than General Fund appropriations
18		and other than funds carried forward from one fiscal year to another pursuant
19		to G.S. 116-30.3.
20	"	

Session 2015

DRAFT SPECIAL PROVISION



2015-CAP-H13-P

Capital House Appropriations, Capital

Requested by:

Representative

MODIFY SPECIAL INDEBTEDNESS PROVISIONS

SECTION #.(a) G.S. 143-128.1C reads as rewritten:

"§ 143-128.1C. Public-private partnership construction contracts.

(a) Definitions for purposes of this section:

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- (4) Development contract. Any contract between a governmental entity and a private developer under this section and, as part of the contract, the private developer is required to provide at least fifty percent (50%) of the financing for the total cost necessary to deliver the capital improvement project, whether through lease or ownership, for the governmental entity. For purposes of determining whether the private developer is providing the minimum percentage of the total financing costs, the calculation shall not include any payment made by a public entity or proceeds of financing arrangements by a private entity where the source of repayment is a public entity.
- (10) State-supported financing arrangement. Any installment financing arrangement, lease-purchase arrangement, arrangement under which funds are to be paid in the future based upon the availability of an asset or funds for payment, or any similar arrangement in the nature of a financing, under which a State entity agrees to make payments to acquire or obtain ownership or beneficial use of a capital asset for the State entity or any other State entity for a term, including renewal options, of greater than one year. Any arrangement that results in the identification of a portion of a lease payment, installment payment, or similar scheduled payment thereunder by a State entity as "interest" for purposes of federal income taxation shall automatically be a State-supported financing arrangement for purposes of this section. A true operating lease is not a State-supported financing arrangement.
- (k) Leases <u>and other agreements</u> entered into under this section are subject to approval as follows:
 - (2) If a capital lease is—or other agreement entered into by a State entity that constitutes a State-supported financing arrangement and requires payments thereunder that are payable, whether directly or indirectly, and whether or not subject to the appropriation of funds for such payment, by payments from the General Fund of the State or other funds and accounts of the State that are funded from the general revenues and other taxes and fees of the

Session 2015

DRAFT SPECIAL PROVISION



2015-CAP-H14

Capital House Appropriations, Capital

Requested by: Representative TWO-THIRDS BONDS ACT OF 2015 1 SECTION #.(a) Short Title. – This section may be cited as the "Two-Thirds Bonds 2 3 Act of 2015." 4 SECTION #.(b) Findings and Determinations. – It is the intent and purpose of the 5 General Assembly by this section to provide for the issuance of general obligation bonds or notes of the State in order to provide funds for the cost of State capital facilities. 6 SECTION #.(c) Definitions. - The following definitions apply in this section 7 8 unless the context otherwise requires: () Bonds. – Bonds issued under this section. (1)Cost. - The term includes all of the following: (2) 10 The cost of constructing, reconstructing, renovating, repairing, 11 enlarging, acquiring, and improving State capital facilities, including 12 the acquisition of land, rights-of-way, easements, franchises, 13 14 equipment, machinery, furnishings, and other interests in real or personal property acquired or used in connection with a State capital 15 facility. 16 17 The cost of engineering, architectural, and other consulting services b. as may be required. 18 Administrative expenses and charges. 19 C. 20 d. The cost of providing personnel to ensure effective project management. 2.1 22 The cost of bond insurance, investment contracts, credit enhancement e. 23 and liquidity facilities, interest-rate swap agreements or other derivative products, financial and legal consultants, and related costs 24 25 of bond and note issuance, to the extent and as determined by the 26 State Treasurer. Finance charges, reserves for debt service, and other types of 27 f. reserves required pursuant to the terms of any bond or note or related 28 documents, interest before and during construction or acquisition of a 29 State capital facility and, if considered advisable by the State 30 31 Treasurer, for a period not exceeding two years after the estimated date of completion of construction or acquisition. 32 The cost of bond insurance, investment contracts, credit enhancement 33 g. facilities and liquidity facilities, interest-rate swap agreements or 34 other derivative products, financial and legal consultants, and related 35 costs of the incurrence or issuance of any bond or note. 36 The cost of reimbursing the State for any payments made for any cost 37 h.

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described in this subdivision.

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48 49 State capital facilities authorized by this section may be placed by the State Treasurer in a separate fund or funds and shall be disbursed, to the extent permitted by the terms of the grant, without regard to any limitations imposed by this section.

The proceeds of bonds and notes may be used with any other moneys made available by the General Assembly for the cost of State capital facilities, including the proceeds of any other State bond or special indebtedness issues, whether heretofore made available or which may be made available at the session of the General Assembly at which this section is ratified or any subsequent sessions. The proceeds of bonds and notes shall be expended and disbursed under the direction and supervision of the Director of the Budget. The funds provided by this section shall be disbursed for the purposes provided in this section upon warrants drawn on the State Treasurer by the State Controller, which warrants shall not be drawn until requisition has been approved by the Director of the Budget and which requisition shall be approved only after full compliance with the State Budget Act, Chapter 143C of the General Statutes.

The Office of State Budget and Management shall provide semiannual reports to the Chairs of the Senate Appropriations Committees and the House Appropriations Subcommittees and to the Fiscal Research Division on the expenditure of moneys authorized by this section. The reports shall continue until the completion of the projects provided for in this section.

SECTION #.(f) Allocation of Proceeds. - The proceeds of bonds and notes shall be allocated and expended as provided in this subsection:

- A maximum aggregate principal amount of seventy million seven hundred (1)eighty-two thousand dollars (\$70,782,000) to finance the capital facility costs of a health sciences building at Appalachian State.
- A maximum aggregate principal amount of sixty-five million one hundred **(2)** thousand dollars (\$65,100,000) to finance the capital facility costs of an engineering building at North Carolina State University.
- A maximum aggregate principal amount of ninety million dollars (3) (\$90,000,000) to finance the capital facility costs of a new sciences building at the University of North Carolina Charlotte.
- A maximum aggregate principal amount of twelve million nine hundred (4) seventy-six thousand dollars (\$12,976,000) to finance the capital facility costs of a new DHHS medical examiner facility at Wake Forest University.
- A maximum aggregate principal amount of thirty million six hundred sixty-(5) seven thousand two hundred dollars (\$30,667,200) to finance the capital facility costs of Phase 1 of the Highway Patrol Training Academy.

SECTION #.(g) Issuance of Bonds and Notes. --

Terms and conditions. - Bonds or notes may bear a date or dates, may be (1) serial or term bonds or notes, or any combination thereof, may mature in such amounts and at such time or times, not exceeding 40 years from their date or dates, may be payable at such place or places, either within or without the United States of America, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts, may bear interest at such rate or rates, which may vary from time to time, and may be made redeemable before maturity, at the option of the State or otherwise as may be provided by the State, at such price or prices, including a price less than or greater than the face amount of the bonds or notes, and under such terms and conditions, all as may be determined by the State Treasurer, by and with the consent of the Council of State.



- b. Funds derived from the sale of bonds or notes may be used in the payment of any bond anticipation notes issued under this section. Funds provided by the General Assembly for the payment of interest on or principal of bonds shall be used in paying the interest on or principal of any notes and any renewals thereof, the proceeds of which shall have been used in paying interest on or principal of the bonds.
- Refunding bonds and notes. By and with the consent of the Council of (5)State, the State Treasurer is authorized to issue and sell refunding bonds and notes pursuant to the provisions of the State Refunding Bond Act for the purpose of refunding bonds or notes issued pursuant to this section. The refunding bonds and notes may be combined with any other issues of State bonds and notes similarly secured. Refunding bonds or notes may be issued at any time prior to the final maturity of the debt obligation to be refunded. The proceeds from the sale of any refunding bonds or notes shall be applied to the immediate payment and retirement of the bonds or notes being refunded or, if not required for the immediate payment of the bonds or notes being refunded, the proceeds shall be deposited in trust to provide for the payment and retirement of the bonds or notes being refunded and to pay any expenses incurred in connection with the refunding. Money in a trust fund may be invested in (i) direct obligations of the United States government, (ii) obligations the principal of and interest on which are guaranteed by the United States government, (iii) obligations of any agency or instrumentality of the United States government if the timely payment of principal and interest on the obligations is unconditionally guaranteed by the United States government, or (iv) certificates of deposit issued by a bank or trust company located in the State if the certificates are secured by a pledge of any of the obligations described in (i), (ii), or (iii) above having an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured. This section does not limit the duration of any deposit in trust for the retirement of bonds or notes being refunded but that have not matured and are not presently redeemable, or if presently redeemable, have not been called for redemption.
- (6) Tax exemption. Bonds and notes shall at all times be free from taxation by the State or any political subdivision or any of their agencies, excepting estate, inheritance, or gift taxes, income taxes on the gain from the transfer of bonds or notes, and franchise taxes. The interest on bonds or notes is not subject to taxation as income.
- (7) Investment eligibility. Bonds and notes are securities in which all of the following may invest, including capital in their control or belonging to them: public officers, agencies, and public bodies of the State and its political subdivisions, all insurance companies, trust companies, investment companies, banks, savings banks, savings and loan associations, credit unions, pension or retirement funds, other financial institutions engaged in business in the State, executors, administrators, trustees, and other fiduciaries. Bonds and notes are hereby made securities which may properly and legally be deposited with and received by any officer or agency of the State or political subdivision of the State for any purpose for which the deposit of bonds, notes, or obligations of the State or any political subdivision is now or may hereafter be authorized by law.

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- (3) Broad construction. This section, being necessary for the health and welfare of the people of the State, shall be broadly construed to effect the purposes thereof.
- (4) Inconsistent provisions. Insofar as the provisions of this section are inconsistent with the provisions of any general, special, or local laws, or parts thereof, the provisions of this section shall be controlling.
- (5) Severability. If any provision of this section or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the section which can be given effect without the invalid provision or application, and to this end the provisions of this section are declared to be severable.

SECTION #.(j) The State, upon the direction of the Director of the Budget, may finance with the proceeds of special indebtedness the capital facility costs of a project set forth in subsection (f) of this section, approved for financing with proceeds of bonds authorized pursuant to this section. If the financing is to be provided by special indebtedness, then such indebtedness may be issued or incurred before the enactment of this act or during or beyond the fiscal biennium ending June 30, 2017. The total amount of financing for a project from special indebtedness and the proceeds of two-thirds bonds issued pursuant to this section shall not exceed the applicable amount set forth in subsection (f) of this section.

SECTION #.(k) This section is effective when it becomes law.

1		<u>(7)</u>	Debt burden comparisons to comparable peer institutions.
2		(8)	Any other information requested by the Board of Governors.
3	<u>(d)</u>	Defin	itions. – The following definitions apply in this section:
4		<u>(1)</u>	Debt Debt incurred under this Chapter or any other debt that will be
5			serviced with funds available to the institutions from gifts, grants, receipts,
6			Medicare reimbursements for education costs, hospital receipts from patient
7			care, or other funds, or any combination of these funds, but not including
8			debt that will be serviced with funds appropriated from the General Fund of
9			the State.
10		(2)	Obligated resources. – As defined in G.S. 116D-22."

Session 2015

DRAFT SPECIAL PROVISION



2015-CAP-H17-P

Capital House Appropriations, Capital

Requested by: Representative

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ADVANCE PLANNING/NEW SCHOOL OF SCIENCE AND MATHEMATICS

SECTION #.(a) Having considered the study conducted by the Board of Governors, the North Carolina School of Science and Mathematics and the Department of Public Instruction on the feasibility for a western campus of the North Carolina School of Science and Mathematics (School of Science and Math), the General Assembly finds that a western School of Science and Math located on the campus of the North Carolina School for the Deaf, vacated Broughton Hospital, or other State property adjacent to one of those tracts shall be established. The General Assembly further finds that the establishment of a western School of Science and Math at that location would be beneficial to the economic growth and workforce preparedness in western North Carolina and would extend the opportunity for the unique study experience provided by the School of Science and Math to a significant number of additional students with excellent academic records.

SECTION #.(b) No later than June 30, 2016, the Board of Governors shall do the following:

- (1) Determine the most appropriate location on any of the State property that is described in subsection (a) of this section, including the repurposing of property.
- (2) Begin advanced planning for the facility.

SECTION #.(c) The School of Science and Math shall consider opportunities to share services (such as maintenance) that may be available with any other State entity that is on, adjacent to, or near the property.

SECTION #.(d) The General Assembly authorizes advance planning of the western School of Science and Math to be funded at a maximum cost of two million four hundred thousand dollars (\$2,400,000) in accordance with this section. The sum of one million six hundred thousand dollars (\$1,600,000) allocated for this purpose in Section # of this act shall be used for this purpose. The remainder shall be funded by a non-State entity or combination of non-State entities.

SECTION #.(e) The Board of Governors and the School of Science and Math shall report to the Joint Legislative Education Oversight Committee regarding the progress on site selection and advanced planning for the western School of Science and Math by January 30, 2016.

- (a) The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair of the Joint Legislative Oversight Committee on Capital Improvements. The Committee shall meet upon the call of the cochairs.
 - (b) A quorum of the Committee is nine members. No action may be taken except by a majority vote at a meeting at which a quorum is present. While in the discharge of its official duties, the Committee has the powers of a joint committee under G.S. 120-19 through G.S. 120-19.4.
- (c) Members of the Committee receive subsistence and travel expenses as provided in G.S. 120-3.1. The Committee may contract for consultants or hire employees in accordance with G.S. 120-32.02. The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Committee in its work. Upon the direction of the Legislative Services Commission, the Supervisors of Clerks of the Senate and of the House of Representatives shall assign clerical staff to the Committee. The expenses for clerical employees shall be borne by the Committee.
- (d) The cochairs of the Committee may call upon other knowledgeable persons or experts to assist the Committee in its work."
 - **SECTION #.(b)** G.S. 120-76(9) is repealed.

HOUSE APPROPRIATIONS COMMITTEE

<u>ON</u>

CAPITAL

REPORT
ON THE
CONTINUATION AND EXPANSION BUDGETS

House Bill 97

Capital	GE	NERAL	FUND	
	FY 15-16		FY 16-17	mmaar
Department of Agriculture and Consumer Services				
Dorton Arena Roof Replacement Funds the replacement of the Dorton Arena Roof at the State Fairgrounds in Raleigh	\$2,305,000	NR		
Department of Cultural Resources				
2 USS North Carolina Hull Repair and Cofferdam Provides additional funds to repair the USS North Carolina Hull and build a cofferdam. In FY 2014-15, \$3 million in General Funds were appropriated for this purpose. The funds will match donations raised by the Department.	\$3,000,000	NR		
Department of Environment and Natural Resources				
3 Water Resources Development Provides funds for the State's share of Water Resource Development Projects. State funds will match \$44.4 million in federal funds and \$5.8 million in local funds.	\$5,083,000	NR		
Department of Justice				
4 State Crime Lab Facilities Provides funding for increased State Crime Lab Facilities capacity.	\$15,000,000	NR		
Department of Public Safety				
5 Armory and Facility Development Projects Provides State funds over the fiscal biennium to expand and renovate National Guard Armories and Facilities located throughout the State. These funds will match \$6.7 million in federal funds.	\$618,000	NR	\$5,087,500	NR
General Assembly				
6 Legislative Building Roof Replacement and Asbestos Abatement				

Provides funds to replace the third floor roof of the Legislative Building in Raleigh and abate related asbestos.

\$4,001,000

NR

North Carolina State University

7 Plant Sciences Building

Funds full planning of the Plant Sciences Building at North Carolina State University. The building is estimated to be up to 190,000 sq. ft. and cost up to \$180 million. The building received \$350,000 in feasibility funds in FY 2014-15. The \$5 million of State funds will match \$9 million in non-State funds.

NR \$5,000,000

8 Engineering Building

Funds full planning for an Engineering Building at North Carolina State University (NCSU). The building will complete the Engineering Oval Complex at NCSU and will house the Departments of Industrial and Systems Engineering and Civil, Construction, and Environmental Engineering. The College of Engineering Administration will also occupy the building. The total estimated cost of this project will be \$154 million, of which \$77 million will be matched with NCSU funds.

\$11,900,000 NR

School of Science and Math

9 Western School of Science and Math

Funds advance planning for a Western School of Science and Math. The full project is expected to cost \$60.2 million. The \$1.6 million in State funds will match \$800,000 in non-State funds.

\$1,600,000

NR

Two-Thirds Bonds

10 Highway Patrol Training Academy Phase 1

Authorizes the issuance of Two-Thirds Bonds for the construction of the first phase of the Department of Public Safety's Highway Patrol Training Academy. The total amount of debt authorized for this phase will be \$30,667,200.

11 DHHS New Medical Examiner Lab

Authorizes the issuance of Two-Thirds Bonds to construct a new Medical Examiner Lab at Wake Forest University in Winston-Salem. The total debt authorized is \$12,976,000.

12 NC State Engineering

Authorizes the issuance of Two-Thirds Bonds to construct an Engineering Building at NC State. The total cost of the project is \$154 million, of which \$77 million will be matched with NCSU funds. The total amount of debt authorized is \$65,100,000.

13 UNC Charlotte New Sciences Building

Authorizes the issuance of Two-Thirds Bonds for the construction of the UNC Charlotte New Sciences Building. The total amount of debt authorized is \$90,000,000.

14 Appalachian State Health Sciences Building

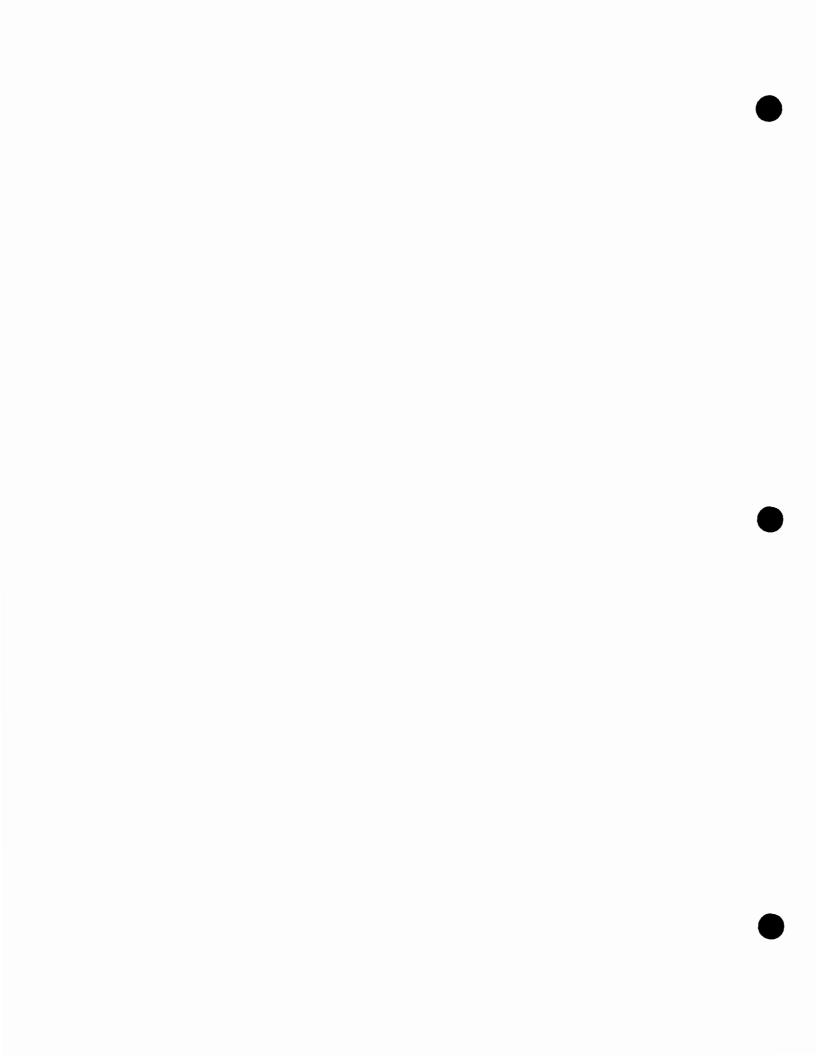
Authorizes the issuance of Two-Thirds Bonds to construct the Appalachian State Health Sciences Building. Planning funds for this project were appropriated in the FY 2013-15 biennium. The total amount of debt authorized is \$70,782,000.

House Appropriations Committee	FY 15-16	FY 16-17
Total Appropriation to Capital	\$48,507,000 NR	\$5,087,500 NR

Capital Page M 4



MOVE THAT THE HOUSE APPROPRIATIONS COMMITTEE ON CAPITAL ADOPT THE APPROPRIATIONS SUBCOMMITTEE REPORT, AS AMENDED; AND FURTHER MOVE THAT STAFF BE AUTHORIZED TO MAKE TECHNICAL CORRECTIONS AND CONFORMING CHANGES AND THAT THE APPROPRIATE TOTALS MAY BE ADJUSTED ACCORDINGLY.



Committee Sergeants at Arms

NAME OF	COMMITTEE	Appro Sub on Capital	
DATE:	5/14/15	Room: 415	
I. Name:	Marvin Lee	House Sgt-At Arms:	
5. Name:			· ·
		Senate Sgt-At Arms:	
. Name:			
% Name:		The second secon	
. Name:			
. Name:		•••••	
Mame:			

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VISITOR REGISTRATION SHEET

Appro	Sub	on	Ca	pital
	0.01			

5/14/15

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
FRY COHE	Nebor Mullins
Midulle Frazier	WE42
Hope Maringo	NCDNV
Kelly Thomas	Dm V
HILL JOHNEN	UNC GEN. ADMIN,
Jonathon Prott	VNZ Gen Admin
NEES ROSELAS	NC D05
Chris Ajaer	D0)
DI Daugheretys	DOA-
Ryanda Tood	70A.
Ada Stolac	014145

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VISITOR REGISTRATION SHEET

Appro Sub on Capital	5/14/15
Name of Committee	Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

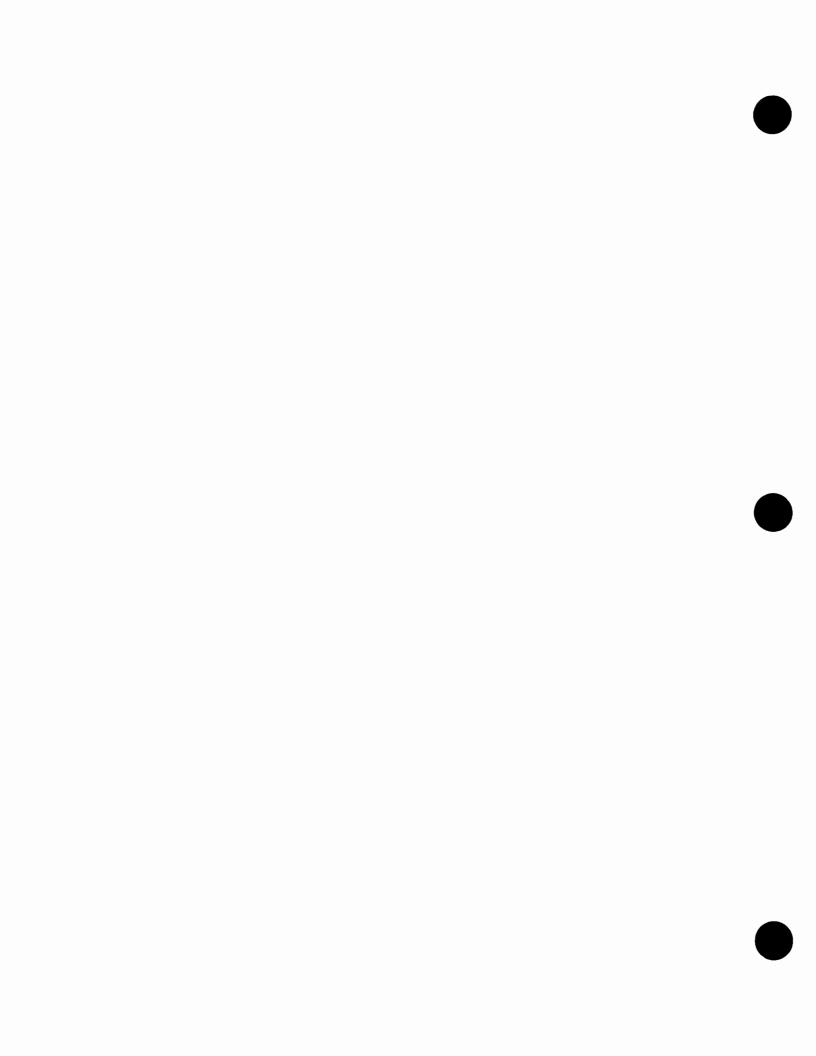
NAME	PIRM OR AGENCY AND ADDRESS
Joy Adir	NCOR
undi Pry	NCDA
Radney Bass	NCGA.
Greg Piner	OSBM
Kent Yelverton	·NCOATCS
Bethy Joske	UNC Chalotte
Mychille Brooks	ECU
Susan McCage	App Stile
1 Cen Hours	NC 50
Marh Lanier	una

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Jayne Nelson (Rep. Jon Hardister)

Wendy Miller (Committee Assistant)

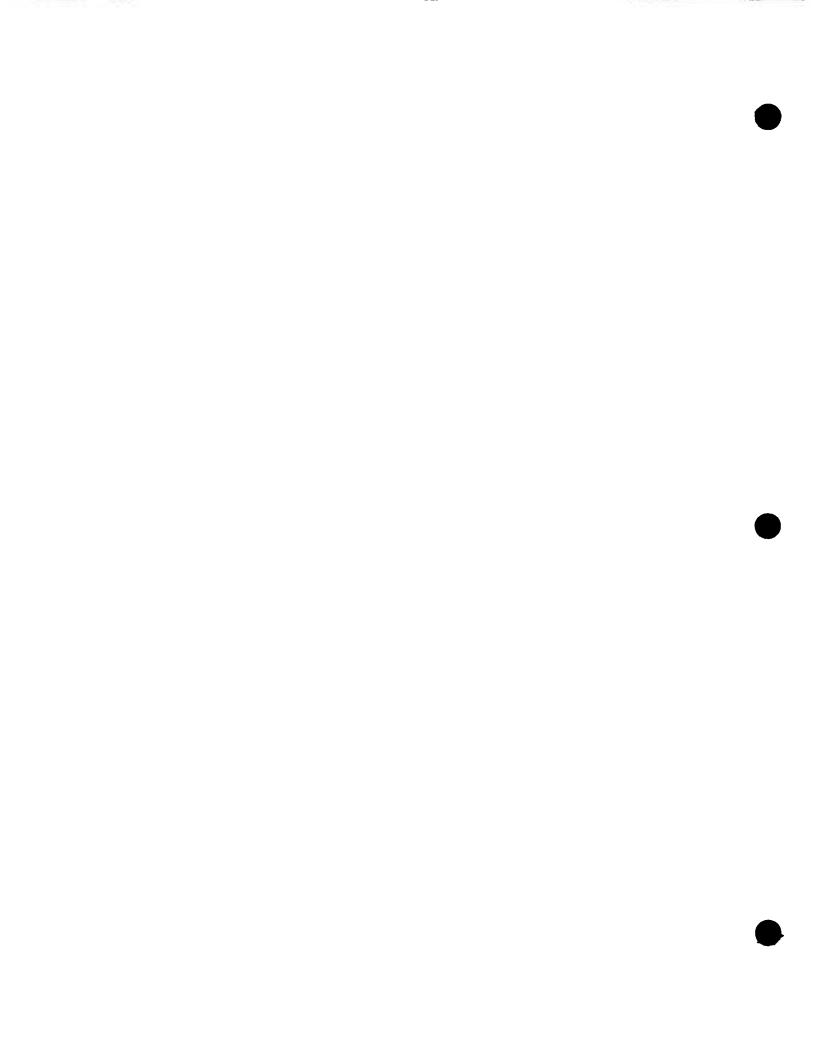
Notice for Wednesday,
'ES
at 5:24 PM on Monday
at S



NORTH CAROLINA HOUSE OF REPRESENTATIVES COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION 2015-2016 SESSION

You are hereby notified that the House Committee on Appropriations, Capital will meet as follows:

DAY & DATE: TIME: LOCATION: COMMENTS:	Wednesday, July 1, 2015 10:00 AM 423 LOB Representative Jon Hard	lister, Chairing
		Respectfully,
	,	Representative Dean Arp, Co-Chair Representative Justin P. Burr, Co-Chair Representative Jon Hardister, Co-Chair
I hereby certify the Monday, June 29		ommittee assistant at the following offices at 5:24 PM on
_	Principal Clerk Reading Clerk – House Cha	amber
Wendy Miller (C	ommittee Assistant)	



House Appropriations Committee on Capital

Rep. Dean Arp

Rep. Justin Burr

Rep. Jon Hardister

Wednesday, July 1, 2015 10:00am Room 423 Legislative Office Building

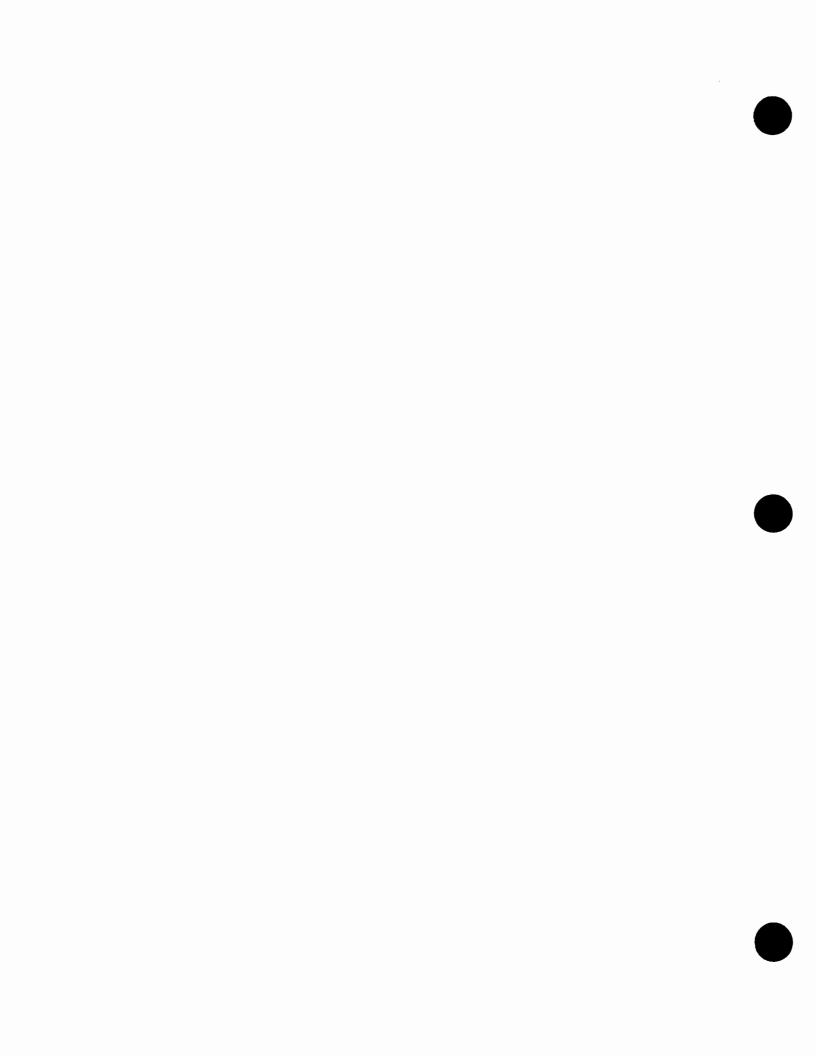
1. Welcome and Opening Comments:

Rep. Jon Hardister, Presiding

2. Staff Review of House and Senate Budgets

Fiscal Research Division Staff

- 3. Agency Comments
- 4. Committee Discussion
- 5. Adjourn



House Committee on Appropriations, Capital Wednesday, July 1, 2015 at 10:00 am Room LOB 423

MINUTES

The House Committee on Appropriations, Capital met at 10:00 am on July 1, 2015 in Room LOB 423. Representatives Arp, Co-chair, Hardister, Co-chair and Brockman attended. House Sergeant-at-Arms Joes Austin, Carlton Adams, Dean Marshbourne, and Chris McCracken attended (see attachment 1). House Pages were: Morgan Whitt, Lillie Wolff and Sarah Woolard (see attachment 2). A Visitors Sheet is attached and made a part of these minutes.

Representative Hardister, Co-chair, presided.

Representative Hardister called the meeting to order at 10:02 a.m. and welcomed members, staff and visitors in the gallery.

Mark Bondo (Fiscal Research) and Ben Stanley (Bill Drafting) were recognized by the Chair to give presentations on the differences in the Capital budget items between the House and Senate and answered committee members questions (see attachment 3 & 4).

John Pruitt of UNC-General Administration was recognized to speak and thanked the committee for inclusion of the UNC Board of Governors priorities in the budget. Mr. Pruitt added that the proposed Capital Planning Commission would create an added burden for the Administration trying to get things accomplished.

Lee Roberts representing North Carolina State Budget and Management was recognized to speak about Capital bonds and the proposed Capital Planning Commission. Mr. Roberts added that the Capital Planning Commission would help alleviate the lack of coordination between agencies regarding square foot price and space sharing. He welcomed the effort by the committee to create the Capital Planning Commission. He also stated discussion is needed on who would be appointed as members.

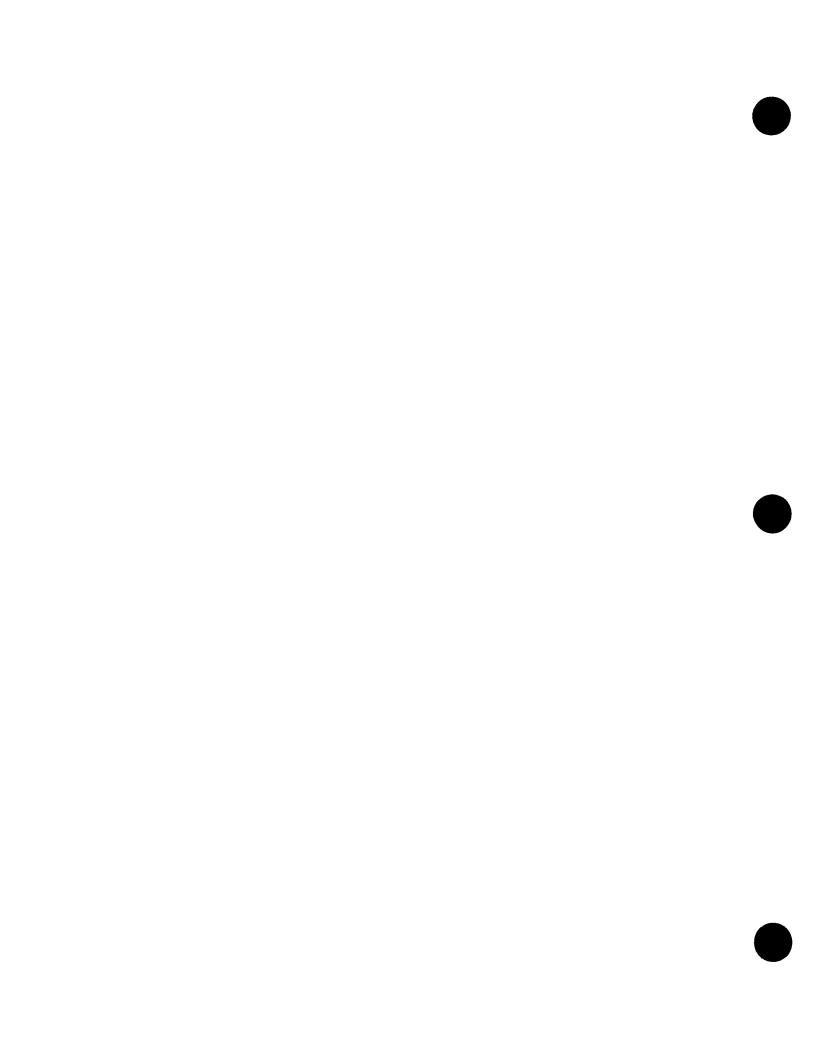
Representative Hardister thanked the staff and visitors.

The meeting adjourned at 10:33 a.m.

Representative Jon Hardister, Co-chair

Presiding

Jayne A. Nelson, Committee Assistant



Committee Sergeants at Arms

NAME OF	COMMITTEE House Committee on App Capital
DATE:	July 1 2015 Room: 423
	House Sgt-At Arms:
1. Name:	Joe Austin
2. Name:	Carlton Adams
	Dean Marshbourne
	Chris McCracken
5. Name:	
	Senate Sgt-At Arms:
. Name:	
Name:	
. Name:	
. Name:	
ame:	
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7-1-15 ATT#2

Wednesday, July 1

APPROPRIATIONS

JUSTICE AND

PUBLIC SAFETY

CAPITAL

Room 423 Time 10:00 am

Name	County	Sponsor
Morgan Whitt	Wake	Chris Malone
Lillie Wolff	Alamance	Stephen M. Ross
Sarah Woolard	Beaufort	Paul Tine

House Appropriations Committee on Capital
Comparison Report of the Base, Expansion, and Capital Budgets
July 1, 2015

House/Senate Comparison Report - Combined Budget

Budget Code/Department Name

Division Name (Code)

Description

Senate FY 15-16 Senate FY 16-17 House FY 15-16 House FY 16-17

40000/Capital

1 A. Department of Agriculture and Consumer Services Dorton Arena Roof

Replacement

\$2,305,000 NR

\$2,305,000 NR

Funds the replacement of the Dorton Arena Roof at the State Fairgrounds in Raleigh.

2 B. Department of Cultural Resources

USS North Carolina Hull Repair and Cofferdam

\$3,500,000 NR

Provides additional funds to repair the USS North Carolina's hull and build a cofferdam. In FY 2014-15, \$3 million in General Funds were appropriated for this purpose. The funds will match donations raised by the Department.

3 B. Department of Cultural Resources

USS North Carolina Hull Repair and Cofferdam

\$3,000,000 NR

Provides additional funds to repair the USS North Carolina Hull and build a cofferdam. In FY 2014-15, \$3 million in General Funds were appropriated for this purpose. The funds will match donations raised by the Department.

4 C. Department of Environment and Natural Resources Water Resources Development

\$5,083,000 NR

\$5,083,000 NR

Provides funds for the State's share of Water Resource Development Projects. State funds will match \$44.4 million in federal funds and \$5.8 million in local funds.



Division Name (Code)	Description	Senate FY 15-16	Senate FY 16-17	House FY 15-16	<u>House</u> FY 16-17
5 D. Department of Public Safety	Armory and Facility Development Projects				
		\$618,000 NR	\$5,087,500 NR	\$618,000 NR	\$5,087,500 NR
		ver the fiscal biennium to e hese funds will match \$6.7	xpand and renovate Nationa million in federal funds.	I Guard Armories and Fac	ilities located
6 E. General Assembly	Legislative Building Roof Replacement and Asbestos Abatement Provides funds to fully r	\$9,500,000 NR replace the third floor roof	and balconies of the Legislat	ive Building and abate rel	ated asbestos.
7 E. General Assembly	Legislative Building Roof Replacement and Asbestos Abatement			\$4,001,000 NR `	
	Provides funds to repla	ce the third floor roof of the	e Legislative Building in Rale	igh and abate related asb	estos.
8 F. North Carolina State University	Engineering Building	38	`		
		ŧ		\$11,900,000 NR	
	Engineering Oval Comp Construction, and Envir	plex at NCSU and will hou ronmental Engineering. T	North Carolina State Universe the Departments of Industrial to College of Engineering Activities of White \$77 millions	trial and Systems Engineed Iministration will also occu	ering and Civil, ipy the building.

The total estimated cost of this project will be \$154 million, of which \$77 million will be matched with NCSU funds.

Budget Code/Department Name

Division Name (Code)	Description	Senate FY 15-16	<u>Senate</u> FY 16-17	House FY 15-16	<u>House</u> FY 16-17		
9 F. North Carolina State University	Plant Sciences Building	AND THE STATE OF T			,		
				\$5,000,000 NR			
	Funds full planning of the Plant Sciences Building at North Carolina State University. The building is estimated to be up to 190,000 sq. ft. and cost up to \$180 million. The building received \$350,000 in feasibility funds in FY 2014-15. The \$5 million of State funds will match \$9 million in non-State funds.						
10 F. Repairs and Renovations Reserve	Repairs and Renovation		•				
	\$144,889,100 NR						
			·	1	£		
			novations Reserve. These f nt of funds for statewide rep				
11 G. Responsible Capital Planning Commission							
11 G. Responsible Capital Planning Commission	from the year end fun Advance Planning	the total amou	nt of funds for statewide rep	airs and renovations is \$30	00 million.		
	from the year end fun Advance Planning	\$5,000,000 NR Responsible Capital Plann		airs and renovations is \$30	00 million.		
Planning Commission 12 G. School of Science and	Advance Planning Provides funds to the planning of new capit	\$5,000,000 NR Responsible Capital Plann tal projects.	nt of funds for statewide rep	airs and renovations is \$30	00 million.		
	Advance Planning Provides funds to the planning of new capit	\$5,000,000 NR Responsible Capital Plann	nt of funds for statewide rep	airs and renovations is \$30	00 million.		



Division Name (Code)	Description	<u>Senate</u>	Senate	House	<u>House</u>
		FY 15-16	FY 16-17	FY 15-16	FY 16-17
G. School of Science and Math	Western School of Science and Math				
				\$1,600,000 NR	
			f Science and Mathematics. a \$800,000 in non-State fund		d to cost \$60.2
14 H. School of Science and Mathematics	Technology Upgrades ar Building Repair				
		\$4,000,000 NR			
		nnectivity improvements, up hool of Science and Mathe	ogrades for up to 5 distance matics in Durham.	education centers, and rep	pairs and
75 H. Western Carolina University	New Science/STEM				
				\$9,200,000 NR	
			The Building will be an into million. The expected total		
16 I. Two-Thirds Bonds	UNC Charlotte New Sciences Building	·		Hous	e Item
	Authorizes the issuand amount of debt author		r the construction of the UN	C Charlotte New Sciences	Building. The total

Budget Code/Department Name

Division Name (Code)	Description	Senate FY 15-16	Senate FY 16-17	<u>House</u> FY 15-16	House FY 16-17
7 I. Two-Thirds Bonds	NC State Engineering			Hous	e Item
			construct an Engineering Bu e matched with NCSU funds		
8 I. Two-Thirds Bonds	DHHS New Medical Examiner Lab			Hous	se Item
	Authorizes the issuance of Winston-Salem. The total		construct a new Medical Exa ,976,000.	aminer Lab at Wake Fores	t University in
19 I. Two-Thirds Bonds	Highway Patrol Training			Но	use Item
	Authorizes the issuance of Two-Thirds Bonds for the construction of the first phase of the Department of Public Safety's Highway Patrol Training Academy. The total amount of debt authorized for this phase will be \$30,667,200.				
20 I. Two-Thirds Bonds	Appalachian State Health Sciences Building			Н	ouse Item
			construct the Appalachian S -15 biennium. The total amo		
2	Department Total				
		\$174,895,100 NR	\$5,087,500 NR	\$48,507,000 N	\$5,087,500 N



Comparison of House and ate Special Provisions



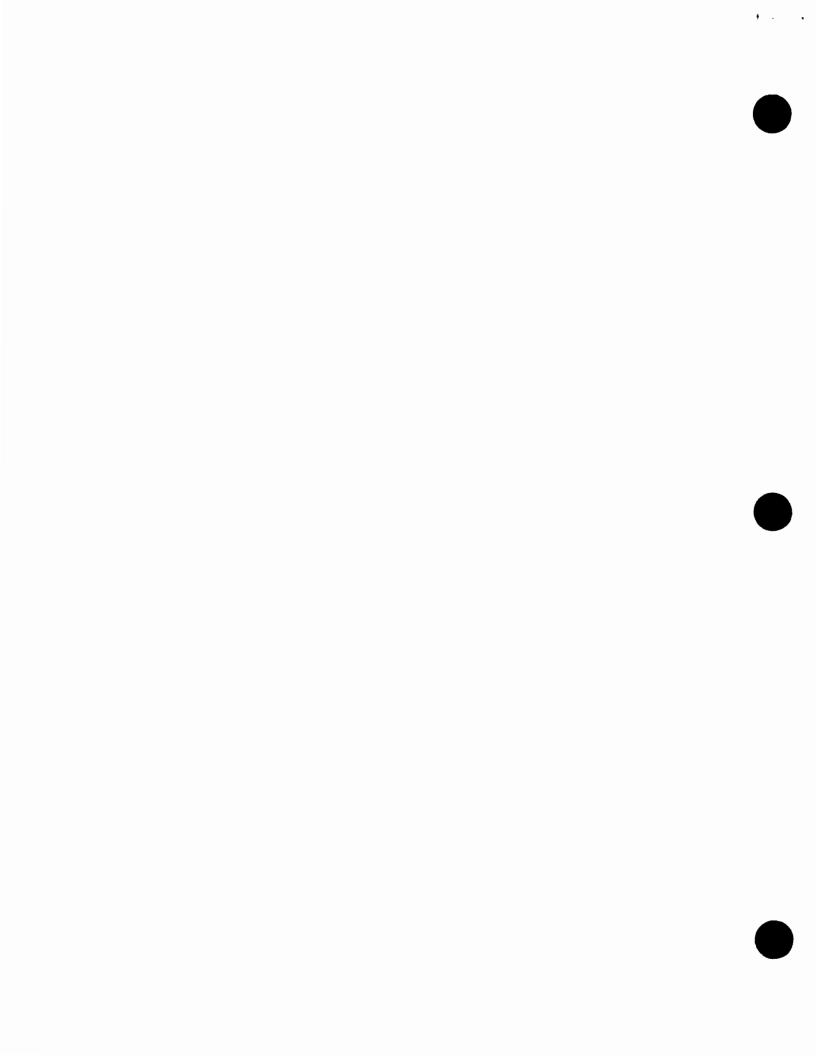
Section Number	Title	Status
31.1	General Funds Capital Appropriation/Introduction	Identical
31.2	Capital Projects General Fund	Different
31.3	Water Resources Development Projects	Different
31.4	Non-General Fund Capital Improvement Authorizations	Different
31.5	Repairs and Renovations Reserve Allocation	Different
31.6	Procedures for Disbursement of Capital Funds	Identical
31.7	Reporting on Capital Projects	Different
31.8	National Guard Projects	Different
31.9	Require Non-General Fund Resources to be used for Advance Planning of University Projects	House
31.10	Transfer of Department of Health and Human Services Off of the Dorothea Dix Campus	Different
31.11	Modify Special Indebtedness Provisions	Identical
31.12	Two Thirds Bonds Act of 2015	House
31.13	Debt Affordability Study for the University of North Carolina	Identical
31.14	Authorize State Agencies to Undertake Small Repairs and Renovations Projects with Funds Available	Different
31.15	Advance Planning/New School of Science and Mathematics	House
31.16	Create Joint Legislative Oversight Committee on Capital Improvements	Identical
31.17	Require UNC Carry Forward Funds to be Used for Repairs and Renovations	Senate
31.18	McGough Arena Repair Project Changes	Senate
31.19	Technical Correction Related to USS North Carolina Battleship Repairs	Identical
	Capital Improvement Reform	Senate

VISITOR REGISTRATION SHEET

House Committee on Appropriations Capital July 1 2015

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jen Willis	UNC-CH
Keurn Houell	NCSU
Josathan Kappler	UNCGA
Juy.	mwc
ANDY WALSH	· 5A
MARC FINLAYSON	Lirlays Consulting, LLC
Bety Bailey	CAGC
Betty Dostn	UNCC
Berly Je NELL	CA67
Michelle Frazier	MF4S
John Hand 2	MŦJ

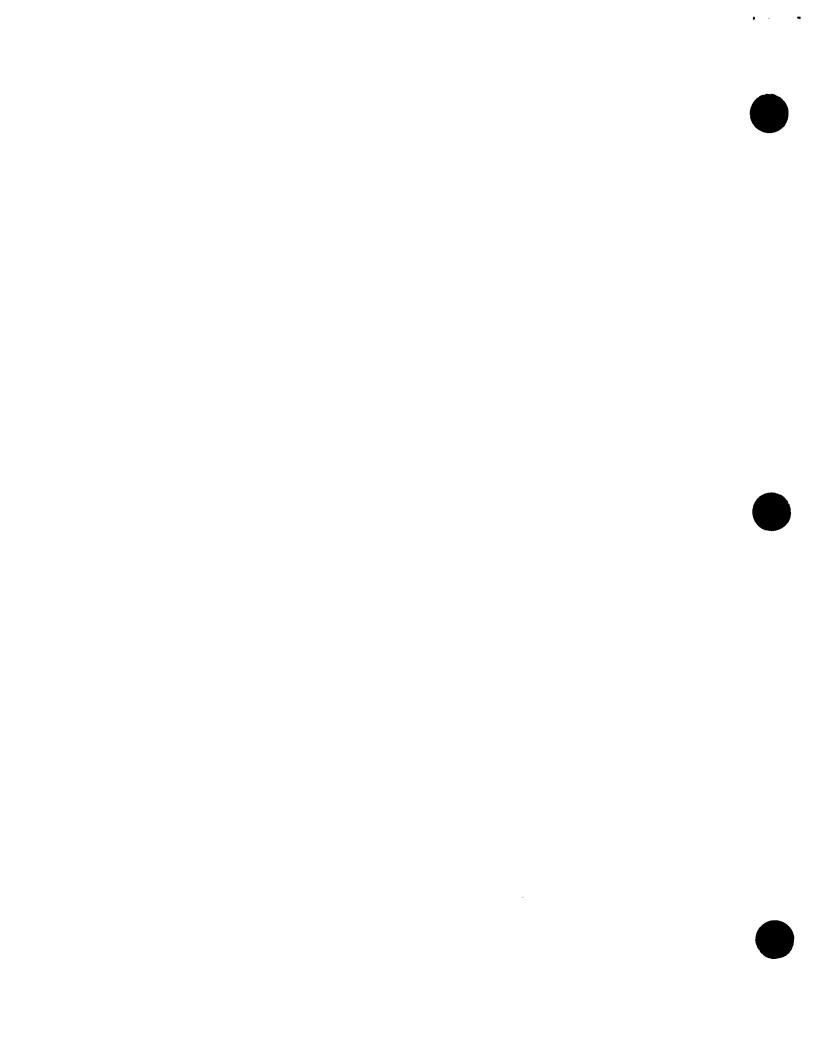


VISITOR REGISTRATION SHEET

House Committee on Appropriations Capital July 1 2015

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Markisha Baker	OSBM
Gres Piner	OSBM
Kasay Ginsborry	governor's office
LEE ROBERTS	053m
Fred Steen	· Gov's office
Dien Muct 7	U~ (GH
Joutha Prit	UNC BA
an	CAX
Elizabeth Biser	Brooks Pierce
Ony J. Mint	Govis Office



VISITOR REGISTRATION SHEET

House Committee on Appropriations Capital July 1 2015

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
WESTAYIA,	NCGA
Charlicath	NCGH
Austin Pruit	Perkinson Land
Kent Yelverton	NCDA+CS
MARK COONEY	. NC DCR
Madha Jenlins	DCE
Will Culpipper	MVA
Joy Hoers	NZOA
mary Shuping	NCCCS.
Emily Moe Hamrick	NCCCS
Stanbellrains	705
J. Grayen Sherrill	NCFB
Pul Sher m	NIFO.
TON BOWLIN	NCNG



House Committee on Appropriations, Capital Thursday, May 12, 2016 at 3:00 PM Room 423 of the Legislative Office Building

MINUTES

The House Committee on Appropriations, Capital met at 3:00 PM on May 12, 2016 in Room 423 of the Legislative Office Building. Representatives Arp, Brockman, and Hardister attended.

Representative Dean Arp, Chair, presided. Chairman Arp welcomed everyone, introduced and thanked the Sergeants-at-arms. Copies of the Agenda, Sergeants-at-arms, and Visitor Registration Sheets are attached, (Attachment 1, 2, and 3).

Chairman Arp introduced Mark Bondo, Fiscal Research, and Ben Stanley, Bill Drafting, to explain the following items:

- Review of Committee Rules and Process, (Attachment 4)
- Review of Capital Budget Adjustments, (Attachment 5)
- Review of Special Provisions, (Attachment 6)

Chairman Arp recognized Ben Stanley, Bill Drafting, to explain an amendment to the CAP provision package, (Attachment 7). Representative Hardister made a motion to adopt the amendment. The motion passed.

Chairman Arp opened the floor for discussion and/or questions. Representative Hardister was recognized and made the following motion:

"I move that the Capital Appropriations Subcommittee adopt the Appropriations Subcommittee Report, as amended; and further move that staff by authorized to make technical corrections and conforming changes, and that the appropriate totals may be adjusted accordingly."

The motion carried.

There being no further business before the committee, the meeting adjourned at 3:33pm.

Representative Dean Aip, Chair

Presiding



House Appropriations Committee on Capital

Rep. Dean Arp Rep. Justin Burr Rep. Jon Hardister

Thursday, May 12, 2016 1:00pm Room 423 Legislative Office Building

1.	Welcome and	l Opening	Comments:
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Rep. Dcan Arp, Presiding

2. Review of Committee Rules and Process

Mark Bondo, Fiscal Research Division Staff

3. Review of Capital Budget Adjustments

Mark Bondo, Fiscal Research Division Staff

4. Review of Special Provisions

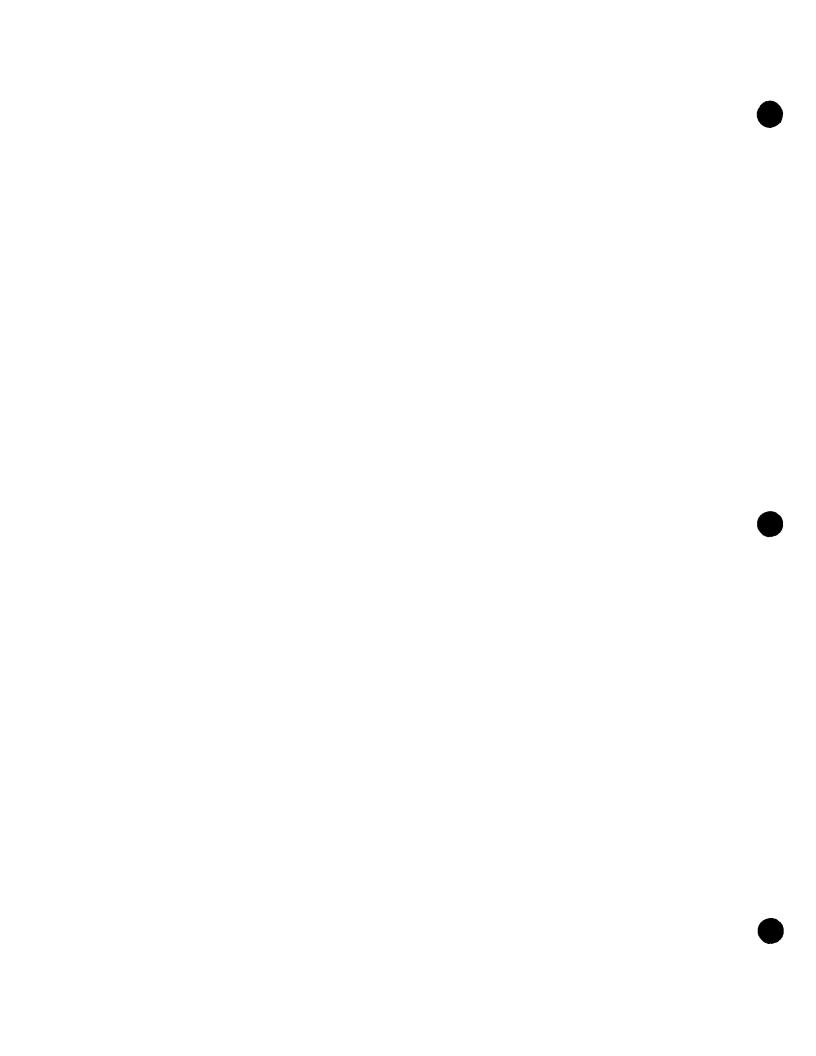
Mark Bondo, Fiscal Research Division Staff

5. Committee Questions, Discussion, and Amendments

- 6. Public Comments
- 7. Adjourn

Committee Sergeants at Arms

NAME O	F COMMITTEE	House Com	m Appro Capital
DATE: _	Mav 12 2016	Room:	423/424
		House Sgt-At A	rms:
1. Name:	Terry McCraw		
2. Name:	Billy Jones		
	Barry Moore		
4. Name:			
5. Name:			
		Senate Sgt-At Ar	ms:
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VISITOR REGISTRATION SHEET

House Comm Appro Capital

May 12 2016

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Carrine Daly	Governors office
KELSEY BYERLY	LAURIE ONORIO, LLC
LAURA PURYEAR	1. /,
Bethy Doster	UNC Charlotte
Betsy Barley	· CAGC
Agron Oxendine	NCDA
Allison Pits	NCDAZCS
Joythan	NZBAZCS
Kent Yelverton	NCDA+CS.

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House Comm Appro Capital

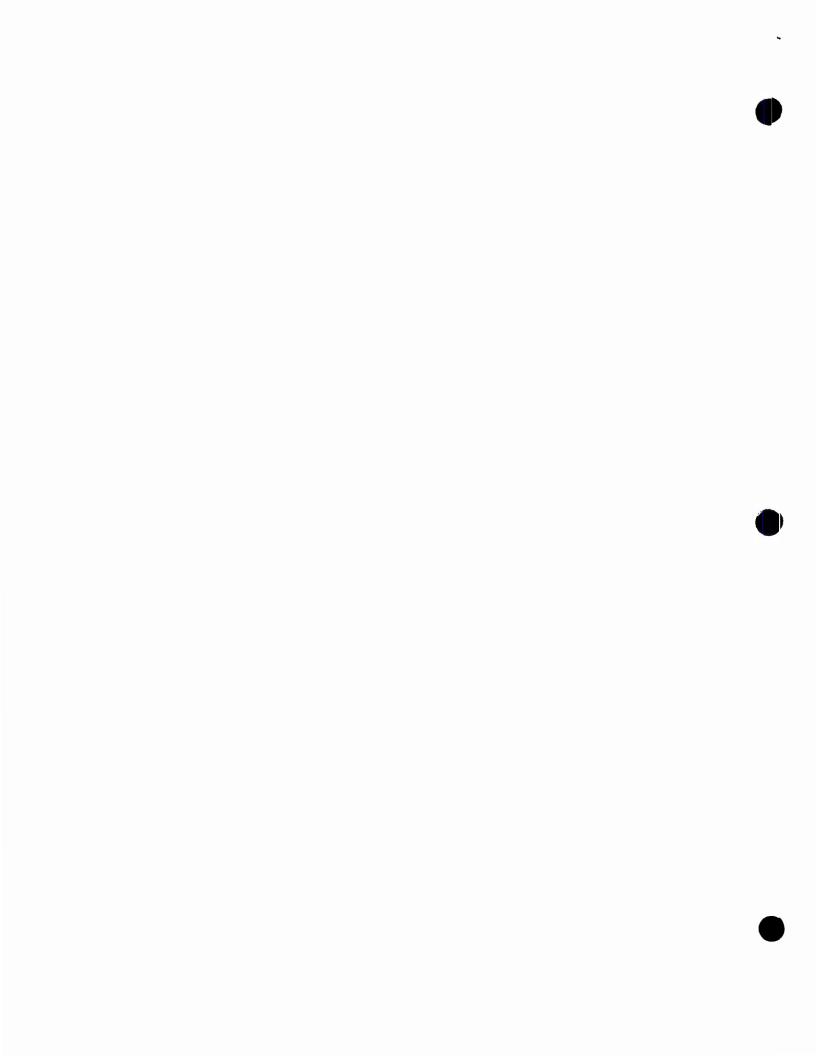
May 12 2016

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Lune Gillingstor	NC 42
Im Grant	NCON
LATIF KAIT	DOA/SCO
Rhonda Toold	DOA
Bryan Brannon	. /
John La Penta	



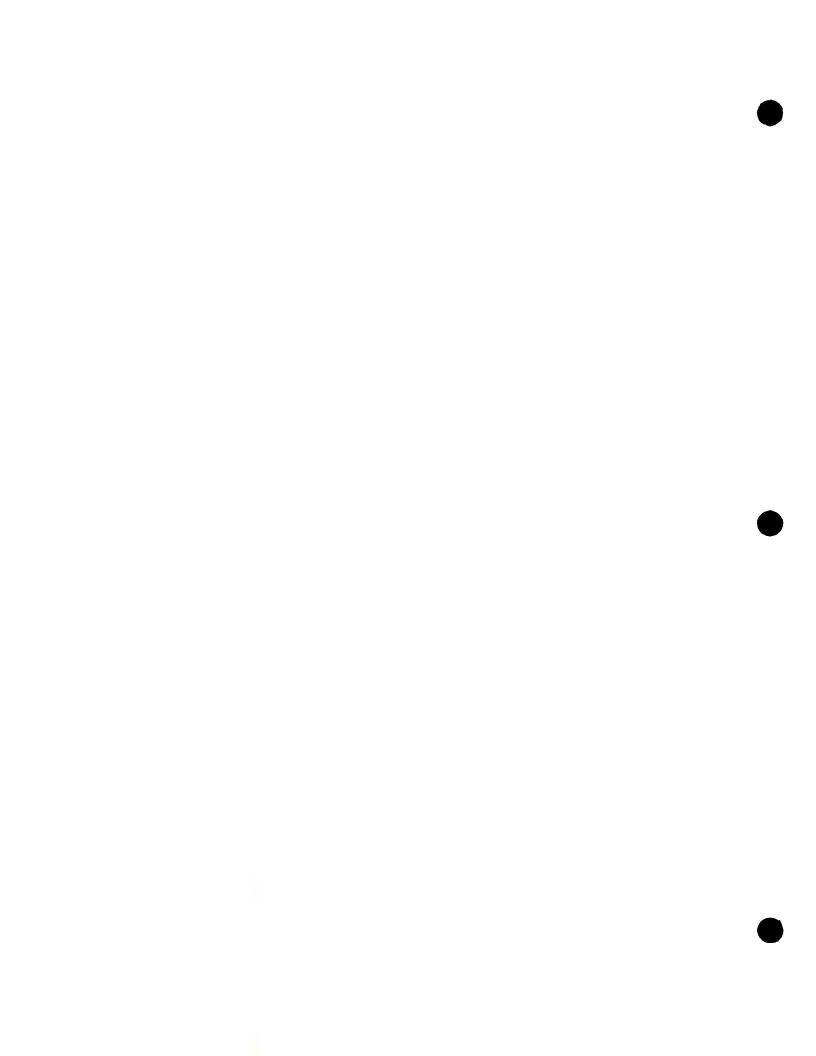
North Carolina House of Representatives Appropriations Committee

RULES FOR SUBJECT AREA COMMITTEE PROCEDURES

May 12, 2016

The following rules govern the eligibility of amendments to proposed committee reports:

- 1. Amendments must be offered by formal amendments.
- 2. Amendments cannot increase total spending within the proposed committee report.
- 3. Amendments can only affect appropriations within the departments, agencies, or programs within the jurisdiction of the committee and may not cause a change in another committee's appropriations.
- 4. Amendments cannot adjust salary and benefit appropriations for the departments, agencies, or programs within the committee report.
- 5. Amendments cannot spend reversions or include "shall not revert" or "carry forward" language.
- 6. Amendments cannot use nonrecurring reductions to fund recurring items.
- 7. Amendments cannot change the recurring and nonrecurring designation of funds.
- 8. Amendments cannot change substantive policy or law.
- 9. Amendments may not fund items with "management flexibility reductions."
- 10. Amendments may not affect agency or program transfers to other committees.
- 11. Amendments may not include fees or other Finance-related matters.



HOUSE APPROPRIATIONS COMMITTEE

 $\underline{\mathbf{ON}}$

CAPITAL

REPORT
ON THE
CONTINUATION AND EXPANSION BUDGETS

House Bill 1030

Capital Improvements Budget Code 19600

General Fund Bu	General Fund Budget					
Enacted Budget	FY 2016-17					
Requirements	\$12,175,000					
Receipts	\$6,087,500					
Net Appropriation	\$6,087,500					
Legislative Changes						
Requirements	\$62,572,000					
Receipts	\$53,552,000					
Net Appropriation	\$9,020,000					
Revised Budget						
Requirements	\$74,747,000					
Receipts	\$59,639,500					
Net Appropriation	\$15,107,500					
General Fund F	TE					
Enacted Budget	0.00					
Legislative Changes	0.00					
Revised Budget	0.00					

Summary of General Fund Appropriations Fiscal Year 2016-17 2016 Legislative Session

Capita	al Improvements									
	et Code 19600	Enacted Budget			Leg	Legislative Changes			Revised Budget	
Fund		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
	Dept. of Public Safety - National Guard Armories	11,175,000	6,087,500	5,087,500			-	11,175,000	6,087,500	5,087,500
	NC State University - Engineering Planning	1,000,000		1,000,000			-	1,000,000	-	1,000,000
	Dept. of Agriculture - DuPont Forest Bathrooms				3,000,000		3,000,000	3,000,000		3,000,000
dirates — t	Dept. of Environmental Quality - Water Resources	-		-	58,572,000	53,552,000	5,020,000	58,572,000	53,552,000	5,020,000
	Dept. of Health and Human Services - Planning	-	-	-	1,000,000		1,000,000	1,000,000	-	1,000,000
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Total		\$12,175,000	\$6,087,500	\$6,087,500	62,572,000	53,552,000	9,020,000	74,747,000	59,639,500	15,107,500

Capital

GENERAL FUND

Total Budget Enacted 2015 Session

FY 16-17 \$6,087,500

Legislative Changes

A. Department of Agriculture and Consumer Services

1 DuPont State Recreational Forest

Fund Code: 19600

\$3,000,000 NR

Provides funds for improved bathroom facilities, utility improvements, and parking lot improvements for the DuPont State Recreational Forest. The revised net appropriation for this item is \$3 million.

B. Department of Environmental Quality

2 Water Resources Development Projects

Fund Code: 19600

\$5,020,000

Provides funds for the State's share of Water Resources Development Projects. State Funds will match \$32.1 million in federal funds and \$5.4 million in local funds. The Department will also utilize \$5.5 million in carry-forward funds. The revised net appropriation for Water Resources Development Projects is \$5.0 million.

C. Department of Health and Human Services

3 Regional Medical Examiner Prototype Building Planning

Fund Code: 19600

\$1,000,000

NR

Provides planning funds to develop a prototype Regional Medical Examiner building for various locations throughout the State. Each building is expected to cost up to \$13.4 million. The proposed locations, in priority order, are in Forsyth, Buncombe, Pitt, and New Hanover Counties. The revised net appropriation for this item is \$1.0 million.

Total Legislative Changes

\$9,020,000

Total Position Changes

Revised Budget

\$15,107,500

Receipt Supported Capital Improvements Budget Code N/A

Special Fund Budget	
	FY 2 <u>016-17</u>
Enacted Budget	
Requirements	\$5,440,000
Receipts	\$5,440,000
Net Appropriation	\$0
Legislative Changes	
Requirements	\$2,057,000
Receipts	\$2,057,000
Net Appropriation	\$0
Revised Budget	
Requirements	\$7,497,000
Receipts	\$7,497,000
Net Appropriation	\$0
Special Fund FTE	
Enacted Budget	0.00
Legislative Changes	0.00
Revised Budget	0.00

Summary of General Fund Appropriations Fiscal Year 2016-17 2016 Legislative Session

Receipt Supported Capital Improvements Budget Code N/A		E	Enacted Budget Legislative			gislative Chang	es	R	Revised Budget		
Fund Code I	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	
1	Dept. of Natural and Cultural Resources			-			-	-	-		
	Fort Fisher Aquarium Seawall	590,000	590,000	-			-	590,000	590,000	_	
1	Wildlife Resources Commission			•			-	•	-	-	
	Boating Access New Construction	3,750,000	3,750,000	-			-	3,750,000	3,750,000	_	
	Land Acquisition	900,000	900,000	-			•	900,000	900,000	_	
	Fishing Access Construction	200,000	200,000	-			**	200,000	200,000	-	
	Dept. of Public Safety						-	-	-	-	
	Nash Correctional Inst. Print Plant Roof			-	1,508,000	1,508,000	-	1,508,000	1,508,000	-	
	Harnett Correctional Inst. Visitor Center			We We	549,000	549,000	-	549,000	549,000	-	
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Total	1 11 11 11 11 11 11 11 11 11 11 11 11 1	\$5,440,000	\$5,440,000	\$0	\$2,057,000	\$2,057,000	\$0	\$7,497,000	\$7,497,000	\$0	





House Appropriations Committee on Capital

Proposed Special Provisions for H.B. 1030, 2016 Appropriations Act



May 12, 2016



SPECIAL PROVISIONS HOUSE APPROPRIATIONS, CAPITAL REPORT

MAY 12, 2016

Report Last Updated: May 12, 2016 1:17 p.m.

2016-CAP-H2-PCAPITAL APPROPRIATIONS/GENERAL FUND	1
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2016-CAP-H11-P ENHANCE OVERSIGHT OF CERTAIN CAPITAL PROJECTS	11

Session 2016

Proofed SPECIAL PROVISION



2016-CAP-H2-P

Capital House Appropriations, Capital

Requested by

1	CAPITAL APPROPRIATIONS/GENERAL FUND				
2	SECTION #. Section 31.2 of S.L. 2015-241 reads as rewritten:				
3	"SECTION 31.2. There is appropriated from the General Fund for the 2015-2017 fiscal				
4	biennium the following amounts for capital improvements:				
5					
6	Capital Improvements – General Fund	2015-2016	2016-2017		
7					
8	Department of Agriculture and Consumer Services				
9	Dorton Arena Roof Replacement	2,305,000	_		
10	DuPont Forest-Bathroom, Utility, and Parking				
11	Lot Improvements		\$3,000,000		
12					
13	Department of Cultural Resources				
14	USS North Carolina Hull Repair and Cofferdam	3,500,000	_		
15					
16	Department of Environment and Natural Resources				
17	Water Resources Development	5,083,000	5,020,000		
18					
19	Department of Health and Human Services				
20	Chief Medical Examiner Office Planning		1,000,000		
21					
22	Department of Public Safety	0.60.000	5.005.500		
23	Armory and Facility Development Projects	868,000	5,087,500		
24					
25	University of North Carolina				
26	North Carolina School of Science and				
27	Mathematics – Technology Upgrades and	4 000 000			
28	Building Repair	4,000,000	_		
29	NC State University Engineering Building	1 000 000	1 000 000		
30	Advance Planning	1,000,000	1,000,000		
31	TOTAL CARTELL IMPROVED TOTAL				
32	TOTAL CAPITAL IMPROVEMENTS –	04 / 55 / 000 0 / 00	E 500015 105 500"		
33	GENERAL FUND	\$16,756,000 \$6,08	7,500 \$15,107,500"		

Session 2016

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2016-CAP-H3-P

2016-2017

\$10,524,000

Capital House Appropriations, Capital

Requested by

Name of Project

WATER RESOURCES DEVELOPMENT PROJECTS

SECTION #.(a) The Department of Environmental Quality shall allocate funds for water resources development projects in accordance with the schedule that follows. The amounts set forth in the schedule include funds appropriated in this act for water resources development projects and funds carried forward from previous fiscal years in accordance with subsection (b) of this section. These funds will provide a State match for an estimated thirty-two million one hundred fifty thousand dollars (\$32,150,000) in federal funds.

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7	Maine	e of I toject	2010 2017
10			
11	(1)	Neuse River – Goldsboro, Section 1135	\$ 150,000
12	(2)	Carolina Beach Coastal Storm Damage Reduction	75,000
13	(3)	Kure Beach Coastal Storm Damage Reduction	81,000
14	(4)	Wrightsville Beach Coastal Storm Damage Reduction	561,000
15	(5)	Ocean Isle Beach Coastal Storm Damage Reduction	1,535,000
16	(6)	Eastern NC Stream Debris Removal	500,000
17	(7)	State/Local Water Resources Development Grants	1,000,000
18	(8)	Cape Fear Lock & Dam #2 Fish Ramp – Phase 1	500,000
19	(9)	North Topsail Beach Shoreline Protection Project – Phase 2	500,000
20	(10)	Environmental Quality Incentives Program- NRCS	2,000,000
21	(11)	Town of Burgaw - Pender Hospital Drainage Improvements	347,000
22	(12)	Ararat River, Surry County	500,000
23	(13)	Town of Rutherfordton Stream Restoration	500,000
24	(14)	Wilmington Harbor Maintenance	-
25	(15)	Morehead City Harbor Maintenance	2,000,000
26	(16)	Water Resources Planning Assistance to Communities	25,000
27	(17)	Stream Database	250,000

28 29

30

31

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TOTALS

SECTION #.(b) It is the intent of the General Assembly that funds carried forward from previous fiscal years be used to supplement the five million twenty thousand dollars (\$5,020,000) appropriated for water resources development projects in Section # of this section. Therefore, the following funds carried forward from previous fiscal years shall be used for the following projects:

35 36

37	Name	e of Project	Amount Carried Forward
38	(1)	Morehead City Harbor Maintenance	\$ 2,000,000
39	(2)	Ocean Isle Beach CSDR	1,029,000
40	(3)	NRCS Equipment	2,000,000

(4)Planning Assistant to Communities25,000(5)Wrightsville Beach CSDR200,000(6)Stream Database250,000

TOTALS

\$ 5,504,000

SECTION #.(c) Where the actual costs are different from the estimated costs under subsection (a) of this section, the Department may adjust the allocations among projects as needed. If any projects funded under subsection (a) of this section are delayed and the budgeted State funds cannot be used during the 2016-2017 fiscal year or if the projects funded under subsection (a) of this section are accomplished at a lower cost, the Department may use the resulting fund availability to fund any of the following:

- (1) U.S. Army Corps of Engineers project feasibility studies.
- (2) U.S. Army Corps of Engineers projects whose schedules have advanced and require State-matching funds in the 2016-2017 fiscal year.
- (3) State local water resources development projects.

Funds subject to this subsection that are not expended or encumbered for the purposes set forth in subdivisions (1) through (3) of this subsection shall revert to the General Fund at the end of the 2017-2018 fiscal year.

SECTION #.(d) The Department shall make semiannual reports on the use of these funds to the Joint Legislative Commission on Governmental Operations, the Fiscal Research Division, and the Office of State Budget and Management. Each report shall include all of the following:

- (1) All projects listed in this section.
- (2) The estimated cost of each project.
- (3) The date that work on each project began or is expected to begin.
- (4) The date that work on each project was completed or is expected to be completed.
- (5) The actual cost of each project.

The semiannual reports also shall show those projects advanced in schedule, those projects delayed in schedule, and an estimate of the amount of funds expected to revert to the General Fund.

SECTION #.(e) Notwithstanding any provision of law to the contrary, funds appropriated for a water resources development project shall be used to provide no more than fifty percent (50%) of the nonfederal portion of funds for the project. This subsection applies to funds appropriated in this act and to funds appropriated prior to the 2015-2017 fiscal biennium that are unencumbered and proposed for reallocation to provide the nonfederal portion of funds for water resources development projects. The limitation on fund usage contained in this subsection applies only to projects in which a local government or local governments participate. This subsection shall not apply to:

- (1) The NRCS EQIP project, also referred to as the NRCS EQIP (65/35) project or the Environmental Quality Incentives Program NRCS project.
- (2) The Stream Database project.

SECTION #.(f) Section 31.3(a) of S.L. 2015-241 reads as rewritten:

"SECTION 31.3.(a) The Department of Environment and Natural Resources shall allocate funds for water resources development projects in accordance with the schedule that follows. The amounts set forth in the schedule include funds appropriated in this act for water resources development projects and funds carried forward from previous fiscal years in accordance with subsection (b) of this section. These funds will provide a State match for an estimated forty-four million three hundred fifty-three thousand dollars (\$44,353,000) in federal funds.

 1 Name of Project
2 ...
3 (20) Assistance to Counties EAP Preparation Stream Database
4"
2015-2016
250,000

Session 2016

Proofed SPECIAL PROVISION



2016-CAP-H10-P

Capital House Appropriations, Capital

Requested by

	requested by				
1	NON-GENERAL FUND CAPITAL IMPROVEMENT.		\mathbf{S}		
2	SECTION #. Section 31.4(a) of S.L. 2015-241 reads as rewritten:				
3	"SECTION 31.4.(a) The General Assembly authorizes the following capital projects to be				
4	funded with receipts or from other non-General Fur	nd sources available	to the appropriate		
5	department:				
6	Amount of Non-General Fund				
7	Name of Project	Funding Authorized			
8		FY 2015-2016	FY 2016-2017		
9					
10	Department of Agriculture and Consumer Services				
11	WNC Farmers Market Improvements/Robert				
12	G. Shaw Piedmont Triad Farmers Market				
13	Improvements	\$3,000,000			
14	WNC Agricultural Center Events/Restroom Building	500,000	_		
15	NC Forest Service Mountain Island Educational	4 000 000			
16	Forest-Visitor and Interpretive Center	4,000,000	_		
17	Deer Fence on Research Stations	200,000			
18	Aviary Egg Layer Research Building	1,750,000	_		
19	State Fair Renovations/Infrastructure Improvements	2,500,000	_		
20	State Fair Horse Complex	1,000,000	****		
21	Animal Disease Diagnostic Laboratory Equipment	500,000			
22	D				
23	Department of Environment and Natural Resources	500 000	500.000		
24	Fort Fisher Aquarium Salt Water Well	590,000	590,000		
25	Gorilla Expansion 450,000 –				
26	D				
27	Department of Public Safety	14.200.000			
28	National Guard – Wilmington Replacement	14,200,000			
29	Nash Print Plant Roof Replacement		1,508,000		
30	Harnett Visitor Center		<u>549,000</u>		
31	Wildlife Decourses Commission				
32	Wildlife Resources Commission	2.750.000	2.750.000		
33	Boating Access New Construction	3,750,000	3,750,000		
34	Land Acquisition	900,000	900,000		
35	Jordan Lake Depot	500,000	200.000		
36	Fishing Access Construction	_	200,000		
37	TOTAL AMOUNT OF NON CENEDAL				
38	TOTAL AMOUNT OF NON-GENERAL				
39	FUND CAPITAL PROJECTS	C22 040 200 5 4	40,0007,497,000"		
40	AUTHORIZED	555,840,200 5, 4	40,000 /,49/,000		

Session 2016

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2016-CAP-H12-P

Capital House Appropriations, Capital

Requested by

REPAIRS AND RENOVATIONS CHANGES

SECTION #. Section 31.5 of S.L. 2015-241 reads as rewritten:

"SECTION 31.5.(a) Of the funds <u>remaining</u> in the Reserve for Repairs and Renovations for the 2015-2016 and the 2016-2017 fiscal <u>years, years after the allocations required by subsection (f) of this section have been made, the following allocations shall be made to the following agencies for repairs and renovations pursuant to G.S. 143C-4-3:</u>

- (1) One-third of the funds for the 2015-2016 fiscal year and one-half (1/2) of the funds for the 2016-2017 fiscal year shall be allocated to the Board of Governors of The University of North Carolina.
- (2) Two-thirds of the funds for the 2015-2016 fiscal year and one-half (1/2) of the funds for the 2016-2017 fiscal year shall be allocated to the Office of State Budget and Management.

The Office of State Budget and Management shall consult with or report to the Joint Legislative Commission on Governmental Operations, as appropriate, in accordance with G.S. 143C-4-3(d). The Board of Governors shall report to the Joint Legislative Commission on Governmental Operations in accordance with G.S. 143C-4-3(d).

"SECTION 31.5.(b) Notwithstanding G.S. 143C-4-3(d), of the funds allocated to the Board of Governors of The University of North Carolina in subsection (a) of this section, a portion shall be used each fiscal year by the Board of Governors for the installation of fire sprinklers in University residence halls. This portion shall be in addition to funds otherwise appropriated in this act for the same purpose. Such funds shall be allocated among the University's constituent institutions by the President of The University of North Carolina, who shall consider the following factors when allocating those funds:

- (1) The safety and well-being of the residents of campus housing programs.
- (2) The current level of housing rents charged to students and how that compares to an institution's public peers and other UNC institutions.
- (3) The level of previous authorizations to constituent institutions for the construction or renovation of residence halls funded from the General Fund or from bonds or certificates of participation supported by the General Fund since 1996.
- (4) The financial status of each constituent institution's housing system, including debt capacity, debt coverage ratios, credit rankings, required reserves, the planned use of cash balances for other housing system improvements, and the constituent institution's ability to pay for the installation of fire sprinklers in all residence halls.
- (5) The total cost of each proposed project, including the cost of installing fire sprinklers and the cost of other construction, such as asbestos removal and additional water supply needs.

The Board of Governors shall submit progress reports to the Joint Legislative Commission on Governmental Operations. Reports shall include the status of completed, current, and planned

projects. Reports also shall include information on the financial status of each constituent institution's housing system, the constituent institution's ability to pay for fire protection in residence halls, and the timing of installation of fire sprinklers. Reports shall be submitted on January 1 and July 1 until all residence halls have fire sprinklers.

"SECTION 31.5.(c) Notwithstanding G.S. 143C-4-3(d), of the funds allocated to the Board of Governors of The University of North Carolina in subsection (a) of this section, a portion shall be used each fiscal year by the Board of Governors for campus public safety improvements allowable under G.S. 143C-4-3(b).

"SECTION 31.5.(d) In making campus allocations of funds allocated to the Board of Governors of The University of North Carolina in subsection (a) of this section, the Board of Governors shall negatively weight the availability of non-State resources and carryforward funds available for repair and renovations and shall include information about the manner in which this subsection was complied with in any report submitted pursuant to G.S. 143C-4-3(d).shall consider all of and only the following:

- (1) The amount of each campus's deficiencies documented pursuant to the Facilities Condition Assessment Program.
- (2) The availability of non-State resources and carryforward funds available for repair and renovations at each campus, which shall be negatively weighted in making allocation decisions.

"SECTION 31.5.(d1) The Board of Governors shall include information about the manner in which subsection (d) of this section was compiled within any report submitted pursuant to G.S. 143C-4-3(d).

"SECTION 31.5.(e) Of the funds allocated to the Office of State Budget and Management in subsection (a) of this section, the sum of nine million five hundred thousand dollars (\$9,500,000) shall be used for Legislative Building Roof Replacement and Asbestos Abatement.

"SECTION 31.5.(f) Notwithstanding G.S. 143C-4-3(d), of the funds in the Reserve for Repairs and Renovations for the 2016-2017 fiscal year, the following sums shall be allocated for the following projects:

- (1) Six hundred thousand dollars (\$600,000) shall be allocated to renovate and remodel portions of the State Library and Archives and History Building.
- (2) Four million five hundred thousand dollars (\$4,500,000) shall be allocated for repairs and renovations at the North Carolina Zoo.
- Nine hundred twenty-three thousand dollars (\$923,000) shall be allocated for repairs and renovations of the North Carolina State Capitol.
- (4) Three million dollars (\$3,000,000) shall be allocated for repairs and renovations to the Western North Carolina Agricultural Center."

Session 2016

Proofed **SPECIAL PROVISION**



2016-CAP-H5-P

Capital House Appropriations, Capital

Requested by

27

1	ALLOW REPA	AIRS &	RENOVATIONS	FUNDS	TO	BE	USED	FOR	BUILDING
2	DEMOLITI	ON							
3	SEC'	ΓΙΟΝ #. (G.S. 143C-4-3 reads	as rewritte	n:				
4	"(b) Use of	of Funds	 The funds in the F 	Repairs and	Reno	vatio	ns Reserv	e shall	be used only
5	for the repair and	d renovation	on of (i) State faciliti	ies and rela	ted in	frastrı	icture tha	at are su	ipported from
6	the General Fi	und or ((ii) Department of	Informati	on T	echno	ology fa	cilities	and related
7	infrastructure. F	unds fron	m the Repairs and	Renovation	ns Re	serve	shall be	used	only for the
8	following types	of projects	s:						
9	(1)	Roof rep	pairs and replacemen	nts;					
10	(2)	Structur	ral repairs;						
11	(3)	Repairs	and renovations to r	neet federa	l and	State	standards	3;	
12	(4)	Repairs	to electrical, plumb	bing, and h	eating	g, ven	tilating,	and air	-conditioning
13		systems	s;						
14	(5)	Improve	ements to meet the r	equirement	s of th	ne Am	nericans v	with Di	sabilities Act,
15		42 U.S.	C. § 12101, et seq., a	as amended	•				
16	(6)	Improve	ements to meet fire s	safety needs	3;				
17	(7)	Improve	ements to existing fa	cilities for e	energ	y effic	eiency;		
18	(8)		ements to remove			-			
19			ng the removal and re						ks;
20	(9)	Improve	ements and renovation	ons to impro	ove us	se of e	existing s	pace;	
21	(10)		cal restoration;						
22	(11)	-	ements to roads, wal			es infr	astructur	e; and	
23	(12)	_	ge and landscape imp	provements.					
24	<u>(13)</u>		g demolition.						
25			s and Renovations R						
26	expansion of the	building	area (sq. ft.) of an	existing fac	cility	unless	required	d in orc	ler to comply

with federal or State codes or standards."

1	<u>(c)</u> R	eporting Required The Department of Administration shall report to the Joint
2		Commission on Governmental Operations at least 30 days prior to entering or
3		y lease described in subdivision (b)(1) of this section or any lease or renewal that will
4	-	relocation of State personnel or State functions. The report shall include all of the
5	following:	
6	(1	1) If the lease or lease renewal will require State personnel or State functions to be
7		relocated, a statement of the legislation authorizing the lease or lease renewal or
8		a detailed statement of the operating funds that will be used to cover the cost of
9		both the relocation and the ongoing provision of State functions affected by the
10		relocation, as applicable.
11	(2	2) If the lease or lease renewal will have a term of more than 30 years, a statement
12		of the legislation authorizing the lease or lease renewal."
13		ECTION #.(c) G.S. 146-29.1 is amended by adding a new subsection to read:
14		any lease or rental entered into pursuant to this section shall be subject to the
15		s and limitations of G.S. 146-29."
16		ECTION #.(d) G.S. 146-29.2 is amended by adding a new subsection to read:
17		ny lease or rental entered into pursuant to this section shall be subject to the
18		s and limitations of G.S. 146-29."
19		ECTION #.(e) G.S. 146-32 reads as rewritten:
20	•	Exemptions as to leases, etc.
21		The Governor, acting with the approval of the Council of State, may adopt rules and
22	regulations:	
23	(1	Exempting from any or all of the requirements of this Subchapter such classes
24		of lease, rental, easement, and right-of-way transactions as he deems advisable;
25		and
26	(2	2) Authorizing any State agency to enter into and/or approve those classes of
27		transactions exempted by such rules and regulations from the requirements of
28		this Chapter.
29	(3	
30		provisions of G.S. 146-25.1 any class of lease or rental which has a duration of
31		more than 21 days, unless the class of lease or rental:
32		a. Is a lease or rental necessitated by a fire, flood, or other disaster that
33		forces the agency seeking the new lease or rental to cease use of real
34		property;
35		b. Is a lease or rental necessitated because an agency had intended to move
36		to new or renovated real property that was not completed when planned,
37		but a lease or rental exempted under this subparagraph may not be for a
38		period of more than six months; or
39		c. Is a lease or rental which requires a unique location or a location that
40		adjoins or is in close proximity to an existing rental location.
41		o rule or regulation adopted pursuant to subsection (a) of this section may exempt
42		m the provisions of G.S. 146-25(b) or G.S. 146-29(b) or (c)."
43		ECTION #.(f) G.S. 143C-8-4 reads as rewritten:
44	"§ 143C-8-4	. Agency capital improvement needs estimates.
45		
46		eal Property and New Construction or Facility Rehabilitation Needs Estimate. – The
47		of the capital improvement needs estimates shall include only proposals for real
48		quisition and projects involving construction of new facilities or rehabilitation of
49	_	lities to accommodate uses for which the existing facilities were not originally
50	designed. Ea	ch project included in this part shall be justified by reference to the needs evaluation

criteria established by the Office of State Budget and Management pursuant to G.S. 143C-8-3 and shall include the information required by G.S. 143C-3-3(d)(5).

For capital projects of The University of North Carolina and its constituent institutions, the Office of State Budget and Management shall utilize the needs evaluation information approved by the Board of Governors of The University of North Carolina developed pursuant to G.S. 116-11(9).G.S. 116-11(9) and shall include the information required by G.S. 143C-3-3(d)(5)."

SECTION #.(g) G.S. 143C-8-5 reads as rewritten:

"§ 143C-8-5. Six-year capital improvements plan.

c) Real Property Acquisition, New Construction, or Facility Rehabilitations. – The second part of the capital improvement plan shall set forth an integrated schedule for real property acquisition, new construction, or rehabilitation of existing facilities that, in the judgment of the Director of the Budget, should be initiated within each year of the six-year planning period. The plan shall contain for each project (i) estimates of real property acquisition, and construction or rehabilitation eostscosts, (ii) a means of financing the project, and project, (iii) an estimated schedule for the completion of the project, project, and (iv) an estimate of maintenance and operating costs, including personnel, for the project, covering the first five years of operation. Where the means of financing would involve direct or indirect debt service obligations, a schedule of those obligations shall be presented."

SECTION #.(h) G.S. 143C-8-6 reads as rewritten:

"§ 143C-8-6. Recommendations for capital improvements set forth in the Recommended State Budget.

(e) Other Capital Projects in the Budget Support Document. – The Budget Support Document shall contain for each capital project recommended in accordance with subsection (d) of this section: (i) a detailed project description and justification, (ii) a detailed estimate of acquisition, planning, design, site development, construction, contingency and other related costs, (iii) an estimated schedule of cash flow requirements over the life of the project, (iv) an estimated schedule for the completion of the project, (v) an estimate of maintenance and operating costs, including personnel, for the project, covering the first five years of operation, (vi)(v) an estimate of revenues, if any, likely to be derived from the project, covering the first five years of operation, and (vii)(vi) an explanation of the means of financing.

(f) All Recommended Capital Projects. – The Director of the Budget shall ensure that recommendations in the Recommended State Budget for repairs and renovations of existing facilities, real property acquisition, new construction, or rehabilitation of existing facilities include all of the following information:

- (1) An estimate of maintenance and operating costs, including personnel, for the project, covering the first five years of operation. If no increase in these expenditures is anticipated because the recommended project would replace an existing facility, then the level of expenditures for the previous five years of operation shall be included instead.
- (2) A recommended funding source for the operating costs identified pursuant to subdivision (1) of this subsection."

SECTION #.(i) No later than October 1, 2016, the Director of the Budget shall prepare and transmit to the General Assembly a preliminary six-year capital improvement plan that complies with the requirements of G.S. 143C-8-5, as amended by Section #(g) of this act, and G.S. 143C-8-3(b), as enacted by Section #(j) of this act. This plan shall be in addition to any other six-year capital improvement plan required by G.S. 143C-8-5.

SECTION #.(j) G.S. 143C-8-3 reads as rewritten:

"§ 143C-8-3. Capital improvement needs criteria.

Criteria. - The Office of State Budget and Management shall develop a weighted list of 1 (a) factors that may be used to evaluate the need for capital improvement projects. The list shall 2 3 include all of the following: Preservation, adequacy and use of existing facilities. 4 (1) 5 Health and safety considerations. (2) Operational efficiencies. (3) 6 7 Projected demand for governmental services. (4) Reporting. - The Office of State Budget and Management shall include the following 8 (b) in each six-year capital improvement plan submitted to the General Assembly pursuant to 9 G.S. 143C-8-5: 10 The list of factors developed pursuant to subsection (a) of this section. 11 (1) The most recent results of applying the factors developed pursuant to 12 (2) subsection (a) of this section to capital funds requests from State agencies." 13 14 **SECTION** #.(k) This section is effective when it becomes law and applies to leases entered into or renewed, and to budgets recommended by the Director of the Budget, on or after 15 that date. 16



NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT House Bill 1030

	H1030-AMD-101 [v.1]	AMENDME (to be filled Principal C	in by		
	Amends Title [NO] CAP Provision Package	Date	,2016		
	Representative Hardister				
1 2 3 4 5	moves to amend the CAP provision package on page 9, line 2, by rewriting the line to read: "DEMOLITION AND INSTALLATION OF ELECTRICAL, PLUMBING, AND RELATED SYSTEMS"; and on page 9, line 12, by inserting "or installation of" between the words "to" and "electrical".				
	SIGNED Amendment	Sponsor			
	SIGNED Committee Chair if Senate (Committee Amendment			
	ADOPTED FAILE	D TABL	ED		



