

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 693
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Short Title: UNC EPA Project.

(Public)

Sponsors: Senators Rauch and Royall.

Referred to: Finance.

March 30, 1989

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE CONSTRUCTION AND THE FINANCING OF A
2 SELF-LIQUIDATING RESEARCH FACILITY TO BE LEASED TO THE
3 UNITED STATES ENVIRONMENTAL PROTECTION AGENCY BY THE
4 UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL AND A SELF-
5 LIQUIDATING RESEARCH FACILITY FOR THE INSTITUTE OF MARINE
6 SCIENCES OF THE UNIVERSITY OF NORTH CAROLINA.

7 The General Assembly of North Carolina enacts:

8 Section 1. The purpose of this act is to authorize the design, construction and
9 equipping, by the University of North Carolina at Chapel Hill (" the Institution") of a
10 research facility (the "Project") to be located on the campus of the Institution, to be
11 leased by the Institution, as Lessor, to the United States Government or any agency
12 thereof as Lessee, to be used by the United States Environmental Protection Agency
13 pursuant to a lease (the "Lease") with a term not to exceed 30 years, and to be designed,
14 constructed, equipped and financed at a cost not to exceed thirty million dollars
15 (\$30,000,000) and to authorize the financing of the Project through the issuance of
16 bonds to be repaid solely from revenue derived from the Project.

17 Sec. 2. For the purpose of financing the Project, the Board of Governors of
18 The University of North Carolina (" the Board") is authorized to issue, subject to the
19 approval of the Director of the Budget, provided the Director of the Budget may consult
20 with the Advisory Budget Commission, revenue bonds, according to the procedures and
21 under the terms mandated by G.S. 116-41.1 through G.S. 116-41.12, except as those
22 terms are modified by this act.
23

1 The Board in the resolution authorizing the issuance of revenue bonds under
2 this act may provide for a pledge to the payment of such revenue bonds and the interest
3 thereon of the revenue derived from the Project and also for a pledge of the revenues
4 derived from any future improvements, betterments or extensions of the Project, without
5 regard to whether the operations involved are deemed governmental or proprietary, it
6 being the purpose hereof to vest in the Board broad powers which shall be liberally
7 construed. So long as any revenues mentioned in this paragraph are pledged for the
8 payment of the principal of or interest on the revenue bonds issued hereunder, such
9 revenues shall be deposited in a special fund and shall be applied and used only as
10 provided in the resolution authorizing such revenue bonds, subject, however, to any
11 prior pledge or encumbrance thereof.

12 Sec. 3. The Project hereby authorized to be designed, constructed, equipped
13 and financed by this act is a capital project for which the federal government is to be the
14 Lessee of the Project and in which the lease agreement is guaranteed by the federal
15 government. The Lease shall provide that the operating and maintenance expenses shall
16 be borne by the Lessee and that neither the State of North Carolina nor the Institution
17 shall be liable for any operating or maintenance expenses.

18 Sec. 4. The revenue bonds hereby authorized to be issued shall be secured
19 solely by the revenues received from and guarantees made by the United States
20 Government, or any agency thereof, pursuant to the Lease. The revenue bonds shall not
21 be deemed to constitute a debt of the State of North Carolina or a pledge of the faith and
22 credit of the State, but such revenue bonds shall be payable solely from the funds herein
23 provided therefor and a statement to that effect shall be recited on the face of the
24 revenue bonds.

25 Sec. 5. The Institution is hereby authorized to enter into the Lease, as
26 Lessor, of the Project with the United States Government or any agency thereof, as
27 Lessee. The Lease is subject to the approval process set forth in Article 7 of Chapter
28 146 of the General Statutes. All agreements relating to the financing of the Project are
29 subject to the approval of the Board as set forth in G.S. 116-41.1 through G.S. 116-
30 41.12, except as those terms are modified by this act.

31 Sec. 6. Pursuant to Chapter 587 of the 1987 Session of the General Assembly
32 of North Carolina and to this act, interest on the revenue bonds issued under this act
33 may be subject to federal income taxation, but shall maintain an exemption from State
34 income taxation, or any other State taxation, if any, including, but not limited to, the tax
35 on intangible personal property now imposed by the State.

36 Sec. 7. The Director of the Budget, provided the Director of the Budget may
37 consult with the Advisory Budget Commission, may, when in his opinion it is in the
38 best interest of the State to do so, and upon the request of the Board, authorize an
39 increase or decrease in the scope of the Project.

40 Sec. 8. For the purposes of contracting for the design, construction,
41 equipping and financing of the Project, the Institution shall be exempt from the
42 requirements of G.S. 143-128 and may enter into combined contracts for the design of
43 the Project, combined contracts for the construction of the Project or combined
44 contracts for the design, construction and construction management of the Project.

1 Sec. 9. The further purpose of this act is to authorize, as a capital
2 improvements project, construction by the University of North Carolina at Chapel Hill
3 of a Visiting Investigator Facility for its Institute of Marine Sciences on the Arendell
4 Street property of the Institute in Morehead City. Financing of the said capital
5 improvements project is authorized in the amount of \$106,000, to be met through sale of
6 that house and lot located at 704 Bridges Street, Morehead City, currently held by the
7 University of North Carolina at Chapel Hill for use by its Institute of Marine Sciences,
8 and application of the net proceeds thereof to the authorized capital improvements
9 project, along with application thereto of such other gifts, grants, receipts, self-
10 liquidating indebtedness, or other funds, or any combination of such funds, but not
11 including funds appropriated from the General Fund of the State, as may be available to
12 the University of North Carolina at Chapel Hill for such purpose.

13 Sec. 10. This act is effective upon ratification.