

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 693

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.
5

6 The General Assembly of North Carolina enacts:

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

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

22 The Board in the resolution authorizing the issuance of revenue bonds under
23 this act may provide for a pledge to the payment of such revenue bonds and the interest
24 thereon of the revenue derived from the Project and also for a pledge of the revenues

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

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

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

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

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

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

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

42 Sec. 9. This act is effective upon ratification.