

GENERAL ASSEMBLY OF NORTH CAROLINA  
1989 SESSION

CHAPTER 745  
SENATE BILL 693

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

The General Assembly of North Carolina enacts:

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

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

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

Sec. 3. The Project hereby authorized to be designed, constructed, equipped and financed by this act is a capital project for which the federal government is to be the

Lessee of the Project and in which the lease agreement is guaranteed by the federal government. The Lease shall provide that the operating and maintenance expenses shall be borne by the Lessee and that neither the State of North Carolina nor the Institution shall be liable for any operating or maintenance expenses.

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

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

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

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

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

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

Sec. 10. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 9th day of August, 1989.