MEMORANDUM

TO:    NC State Board of Trustees
FROM:  W. Randolph Woodson, Chancellor
SUBJECT: Student Fee Review Committee Recommendation on Carmichael Addition and Renovation Indebtedness Fee
DATE: October 15, 2015

The Student Fee Review Committee (FRC) co-chaired by Vice Chancellor and Dean for Academic and Student Affairs Mike Mullen and Student Senate President Cody Long met on October 13, 2015. The purpose of the meeting was to consider a proposed indebtedness fee to fund an addition and renovation to the Carmichael Complex.

Our current Carmichael Complex is outdated and not large enough to support the size of our student body. In Fall 2010, NC State engaged a team of strategic facility planners and architects to guide the University’s development of a Recreational Sports Master Plan to assess and address demand for indoor and outdoor recreation space over the next 20 years. The planning process resulted in an implementation strategy that maximizes the use of the University’s existing facilities prior to recommending new space to be constructed and included an addition and renovation to the Carmichael Complex.

The goals of the Carmichael Addition and Renovation project are to connect the Carmichael Gym and Recreation Center to create one primary entrance; address more than $7.5 million of deferred maintenance projects; correct health, safety and code deficiencies, including ADA accessibility; and provide much needed fitness spaces. This project, if approved, would result in a $44.5 million, 82,823 square ft. addition and renovation project beginning 2016-17. This would require a new debt service fee of $92.50 to fund the project, however, the current $45.00 Carmichael Recreation Center debt service fee is being retired during the 2015-16 fiscal year resulting in a net increase of $47.50 in debt service fees from this year to next.

The attached memorandum from the SRC Committee outlines the timeline as well as review process for this proposed fee. The Committee is recommending a $92.50 indebtedness fee to begin in the 2016-2017 academic year and continuing for 24 years thereafter with the understanding that this will result in a net increase of $47.50 in debt service fees from this year to next. I concur with this recommended indebtedness fee and recommend it to you for your consideration.

cc: Executive Vice Chancellor and Provost Warwick Arden
Vice Chancellor and Dean for Academic and Student Affairs Mike Mullen
Interim Vice Chancellor for Finance and Administration Mary Peloquin-Dodd
CARMICHAEL ADDITION & RENOVATION

The Future of NC State Recreation & Wellness

Board of Trustees
University Affairs Committee
Thursday, November 12, 2015
RECREATIONAL SPORTS FACILITY MASTER PLAN

• Initiated Fall 2010, strategic planners and architects hired to assess and address demand for indoor and outdoor recreation space for next the 20 years and beyond

• Developed strategy to maximize use of existing facilities prior to constructing new ones

• Data collected via strategic asset valuation; focus groups with students, faculty, staff and affiliates; competitive context analysis; web based survey; and demand projections

• Plan includes 8 projects with comprehensive financial model
UNIVERSITY RECREATION IMPACT & VALUE

- **25,006 unique students** utilized in 2014-15
- **1,130,600 visits** to Carmichael Complex
  - 66% of enrolled students
    - 80% of all undergraduates
    - 44% of all graduate students
  - 80% of students living on-campus
  - 93% of international students
- Largest employer of students on-campus
- Participation linked to *increased student success and satisfaction*
- UREC’s important and expanding role in the *health and well-being* of students and the NC State community
PROJECT GOALS

• Connects Gym and Recreation Center to create one primary entrance
• Addresses more than $7.5 million of deferred maintenance projects
• Addresses significant health, safety and code deficiencies, including ADA accessibility
• Provides much needed fitness spaces
STUDENT VOICES DRIVING THE PROJECT

• Hired HOK Architects to analyze project
• Informed and engaged students throughout the process
• Facilitated visioning sessions with faculty, staff and students (February 2015)
• Validated support of the project via 2015 Recreation & Wellness Survey
• Student Government input and support
FACILITY FEATURES

✔ 12,000 sq. ft. Fitness Center Addition
✔ 8,000 sq. ft. Functional Training Area with Sprint Ramp
✔ Carmichael Gym Code & Infrastructure Upgrades
✔ Small Group/Personal Training Space
✔ Multipurpose Rooms (replace existing)
✔ Storage and Administrative (replace existing)
✔ New recreation spaces that may include: rock wall, wellness outreach, teaching kitchen, fitness space, etc.*

*Specific facility elements will be determined via student input if/once the fee is approved and the project design formally begins.
STUDENT EXPECTATIONS

• Continued student involvement
• Equitable non-student membership rates
• Fee reductions whenever possible
• Fundraising
FINANCIAL STRATEGY

• **IMPORTANT** to minimize financial impact to student fees
• $45/annual Recreation Center capital debt fee is “paid in full” (2015/16) and applied to the Carmichael Addition
• Requesting a $47.50/annual capital debt service fee increase beginning Fall 2016

New Capital Debt Service Fee: $92.50 ($47.50 increase) to fund 82,823 sq. ft., $44.5 million Carmichael Addition & Renovation Project