MEMORANDUM

TO: W. Randolph Woodson, Chancellor

FROM: Mike Mullen, Vice Chancellor and Dean, Co-Chair
       Cody Long, Student Senate President, Co-Chair

DATE: October 19, 2015

SUBJECT: 2015 Student Fee Review Committee Recommendation on the Proposed Carmichael Addition and Renovation Indebtedness Fee

The Student Fee Review Committee met on October 13, 2015 to consider the proposed indebtedness fee increase to fund the Carmichael Complex Addition and Renovation project. A brief summary of the project and the process is provided below followed by the recommendation:

Efforts to improve our aging recreation infrastructure have been ongoing with the completion of the Carmichael Recreation Center in 2007, improvements in fitness areas in Carmichael Gymnasium, and the current renovation of the locker rooms in the gymnasium. 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 be constructed. We are now at the point in time to proceed with the Carmichael Complex Addition and Renovation project. It is now time to replace the Carmichael Administrative Building that was built in 1961 and is not meeting the needs of students and staff.

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 significant health, safety and code deficiencies, including ADA accessibility; and provide much needed fitness spaces. This project, if approved, will result in a $44.5 million, 82,823 sq. ft. Carmichael Addition & Renovation project that will commence in 2016-17. This would require a new debt service fee of $92.50 to fund the project.

The current $45.00 Carmichael Recreation Center debt service fee is being retired during the 2015-16 fiscal year. Based on advice from the Strategic Debt & Real Estate Management office and members of the project steering team, the Carmichael Addition & Renovation debt service fee of $92.50 would become effective in 2016-17, resulting in a net increase of $47.50 in debt service fees from this year to next.

The following timeline details the steps taken prior to the Student Fee Review Committee’s recommendation:

- Spring 2015 – NC State hired HOK Architects, a leading collegiate recreation and wellness architecture firm to review, verify and update the Carmichael Addition and Renovation Project space planning assumptions and student needs based on the original master plan findings.
• January and February 2015 – University Recreation staff presented the project to Student Senate, Student Presidents' Round Table, University Graduate Student Association, Inter-Residence Council, University Recreation Advisory Board and other student leadership organizations requesting their participation and feedback in the planning process.

• February 12, 2015 – HOK Architects facilitated three visioning sessions throughout the day to solicit input and feedback from students, faculty and staff about the project.

• March 18, 2015 – The project steering team presented a draft of recommendations for the project to Charles Leffler, Vice Chancellor, Finance and Administration, Mike Mullen, Vice Chancellor and Dean, Academic and Student Affairs and others for feedback and guidance related to the debt service fee.

• May 12, 2015 – The steering team presented the project to the Chancellor’s Executive Officers council to update them on project scope, student involvement, and support and to solicit additional feedback.

• September 2015 – University Recreation staff presented the following two fee options to Student Senate, Student Presidents' Round Table, University Graduate Student Association, Inter-Residence Council, University Recreation Advisory Board and other student leadership organizations to solicit feedback in preparation for the formal Fee Review Committee proposal:
  o Option 1: 82,823 sq. ft., $44.5 million, $92.50/year ($47.50/year net increase)
  o Option 2: 99,746 sq. ft., $51.0 million, $102.50/year ($57.50/year net increase)

• September 30, 2015 – Student Senate passed the Carmichael Addition and Renovation Fee Act supporting the indebtedness fee of $92.50 ($47.50/year increase over the current $45 fee) that will fund the 82,823 sq. ft. project starting in 2016-17. This fee will begin in the 2016-17 academic year and continue for 25 years. The resolution passed with 34 Yes votes, 6 No votes, 5 Abstentions, and 3 Absents.

**Student Fee Review Committee Recommendation:**

Prior to the Fee Review Committee meeting, the members had been sent a copy of the Student Senate Resolution 09 ("An Act to Express the NC State Student Senate Position on the Proposed Carmichael Addition and Renovation Indebtedness Fee") supporting a $92.50 indebtedness fee to begin in the 2016-17 academic year and continuing for 24 years thereafter. The committee had also been provided the NC State University Budget Office Proposed Student Fee Summary Sheet for FY 2016-2017 reflecting this Carmichael Complex Addition and Renovation Fee as passed by the Student Senate.

The Committee met with Daniel Harper, Chair of the Student Senate Tuition and Fees Committee, Eric Hawkes, Director of University Recreation, and Dr. Lisa Zapata, Vice Provost for Academic and Student Affairs, who provided a short presentation on the Carmichael Addition and Renovation Project. There was a brief period of questions and answers.

Paul Williams made a motion to vote to accept the indebtedness fee for the Carmichael Addition and Renovation project as proposed in the Student Senate Resolution 09. Khari Cyrus seconded that motion. A brief period of discussion of the student fee process followed, with no objections to the fee
being presented. The committee passed the recommended fee with 8 yes votes and 0 no votes with one member being absent.

Jacob Majikes made a motion to adjourn and it was seconded by Mike Mullen.

The members of the Student Fee Review Committee members are:

Cody Long, Co-Chair, Student Senate President
Mike Mullen, Co-Chair, Vice Chancellor and Dean, Academic and Student Affairs
Trevor Jenkins, Undergraduate Student Representative
Krista Domnick, Director, Scholarships and Financial Aid
Jacob Majikes, Graduate Student Association President
Barbara Moses, Interim Assoc. Vice Chancellor, Finance and Resource Management
Jerome Lavelle, Associate Dean, Academic Affairs, College of Engineering - ABSENT
Khari Cyrus, Student Body President
Paul Williams, Professor, Accounting, Poole College of Management
Vicki Pennington, Provost’s Office (non-voting)

Michael D. Mullen, Co-Chair
Vice Chancellor and Dean, DASA

Cody Long, Co-Chair
Student Senate President

Attachments

cc: Dr. Warwick Arden, Provost and Executive Vice Chancellor
Ms. Mary Peloquin-Dodd, Interim Vice Chancellor for Finance and Administration
Members of Student Fee Review Committee