

# THE COST OF DOING NOTHING

"WHEN YOU FIND YOURSELF IN A HOLE, STOP DIGGING!" WILL ROGERS

## DEFINE THE SCOPE

- 12,000 - NUMBER OF BUILDINGS THE STATE OWNS
- 118,145,712 - TOTAL SQUARE FOOTAGE OF STATE OWNED BUILDINGS
- \$21 BILLION - INSURED VALUE OF NORTH CAROLINA'S BUILDING ASSETS
- 1.1 MILLION (11%) - PROJECTED NORTH CAROLINA POPULATION INCREASE IN NEXT 10 YEARS.



DOA - CASWELL SQUARE - BUILDING NEEDS TO BE DEMOLISHED AS ROOF IS COLLAPSING AND IT IS A HAZARD



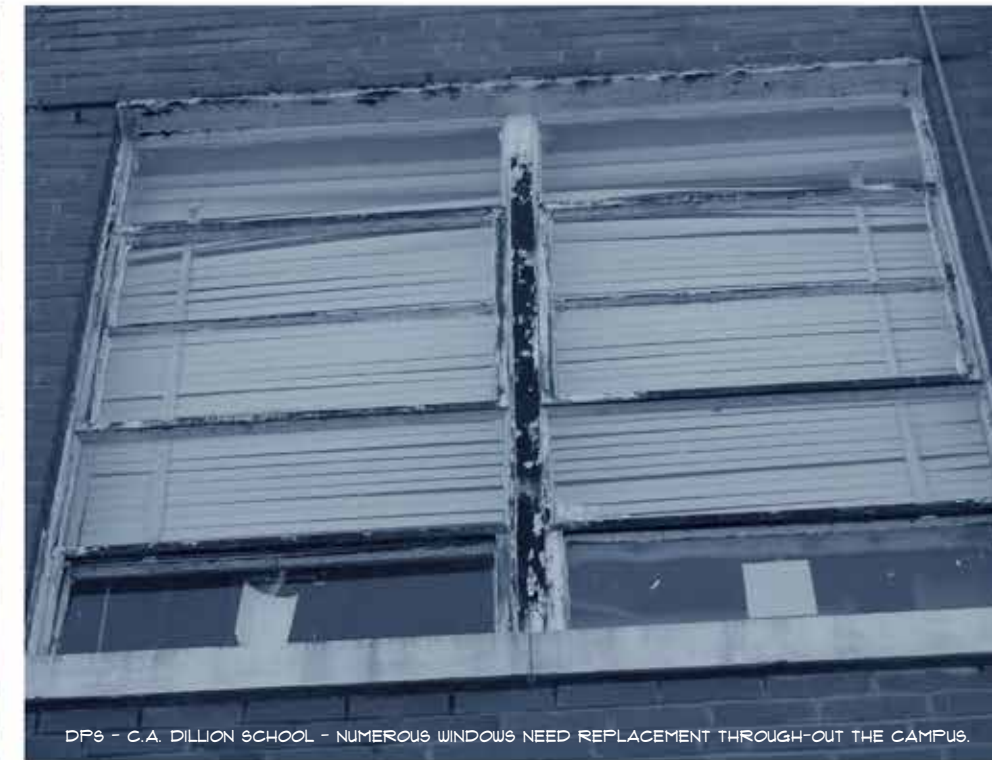
DHS - CHERRY GROUNDS BUILDING - BRICK AND MORTAR DETERIORATION

## REPAIR, RENOVATE & COMPETE

- \$3.9 BILLION - AMOUNT THE STATE CONSTRUCTION OFFICE ESTIMATES IS NEEDED FOR CURRENT STATE FACILITY DEFICIENCIES, REPAIRS AND RENOVATIONS.
- \$BILLIONS NEEDED - TO ACCOMMODATE POPULATION GROWTH, STUDENT GROWTH AND STATE SERVICES.
- WE'LL NEED AN ACCURATE PROJECTION FOR OUR FUTURE CAPITAL NEEDS AND CURRENTLY WE HAVE NO CLEAR PICTURE OF WHAT THOSE ARE.



UNC - CH - MACNDER HALL - HVAC SYSTEM IS DEFICIENT AND POOR SHAPE



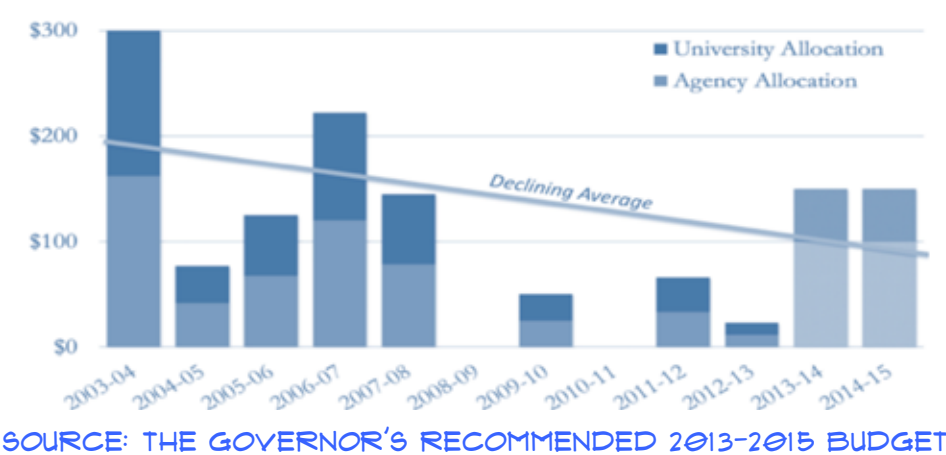
DPB - C.A. DILLON SCHOOL - NUMEROUS WINDOWS NEED REPLACEMENT THROUGH-OUT THE CAMPUS.

THE RECOVERY COALITION STANDS READY TO WORK WITH THE GENERAL ASSEMBLY TO ADDRESS OUR STATE'S LONG-TERM INFRASTRUCTURE NEEDS:

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## CHANGE THE TREND

### FUNDING FOR STATE BUILDING REPAIRS & RENOVATIONS



## WHAT'S AT STAKE

NORTH CAROLINA'S PUBLIC INFRASTRUCTURE HAS A MAJOR IMPACT ON ATTRACTING NEW BUSINESS TO THE STATE AND ON GROWING OUR EXISTING BUSINESSES. THE EFFICIENT OPERATION OF GOVERNMENT SERVICES, THE QUALITY OF PUBLIC EDUCATION, THE ABILITY TO MOVE ABOUT, ADEQUATE UTILITY SYSTEMS AND RECREATIONAL RESOURCES, ALL CONTRIBUTE TO BUSINESS AND EMPLOYMENT GROWTH. ESSENTIAL PUBLIC INFRASTRUCTURE INVESTING ENSURES AN IMMEDIATE IMPACT IN DESIGN AND CONSTRUCTION EMPLOYMENT AND LONG-TERM NEW JOB CREATION AND GROWING EXISTING BUSINESSES.

## SAVE \$\$\$

IT COSTS THE STATE 40% MORE ANNUALLY FOR NEGLECTED BUILDINGS THAT ARE NOT ADEQUATELY REPAIRED AND RENOVATED. FUNDING TO INDUSTRY STANDARD LEVELS WOULD SAVE THE STATE OVER \$100 MILLION A YEAR.

\$ 1.4 B	COST OF DOING NOTHING
\$630 M	COST TO FIX PROBLEM
\$170 M	SAVING TO STATE

THE COST OF DOING NOTHING  
 GREAT STATE OF NORTH CAROLINA

MAY 28, 2014  
 ISSUED FOR: GENERAL ASSEMBLY



A BLUEPRINT FOR ECONOMIC RECOVERY

# A BLUEPRINT FOR ECONOMIC RECOVERY

FROM THE NORTH CAROLINA DESIGN & CONSTRUCTION RECOVERY COALITION

## STATE BUILDING FUND BANK

CREATE A STATE BUILDING FUND BANK TO GROW PUBLIC FACILITY INVESTMENT STATEWIDE. NOW IS THE TIME TO UTILIZE ALLOWABLE DEBT CAPACITY TO SEED A NEW REVOLVING BUILDING FUND. STATES LIKE OHIO, VIRGINIA, GEORGIA, KANSAS, FLORIDA AND CALIFORNIA HAVE ALL CREATED STATE-FINANCED BANKS.



## AMAZING FINANCING CLIMATE

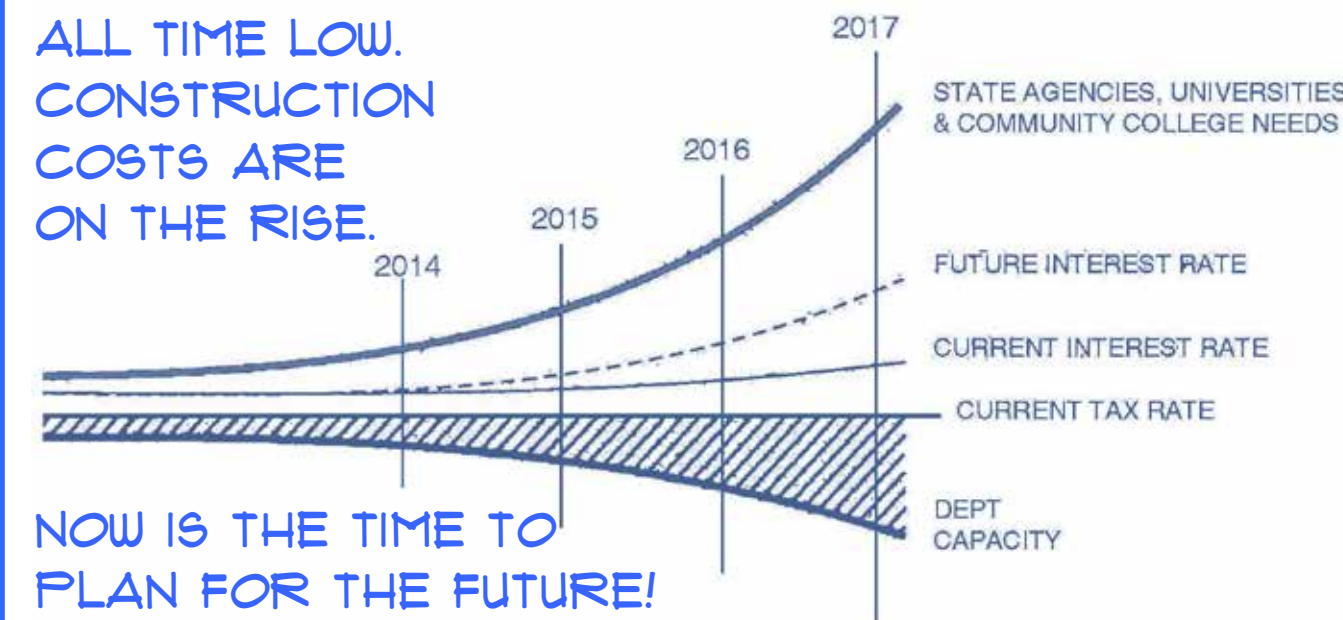
THERE'S NEVER BEEN A BETTER TIME FOR US TO BUILD. TREASURY BONDS ARE AT AN ALL TIME LOW. WE'RE PAYING BETTER RATES THAN



WHEN GEORGE WASHINGTON WAS PRESIDENT. INFRASTRUCTURE SPENDING IS NOT OPTIONAL YOU EITHER FIX YOUR BUILDINGS OR THEY FALL APART - PERIOD!

## NO ADDITIONAL DEBT

THE LATEST DEBT AFFORDABILITY STUDY SHOWS THE STATE HAS \$570 MILLION A YEAR, FOR THE NEXT 10 YEARS, IN CAPITAL CONSTRUCTION CAPACITY WITHOUT INCURRING ANY TAX INCREASES. INTEREST RATES ARE AT AN ALL TIME LOW.



## THE COALITION URGES ACTION ON

- 1) A COMPREHENSIVE INTERIM STUDY ON STATE BUILDING NEEDS. THE RECENT PASSAGE OF THE MOBILITY FUND SELECTION PROCESS FOR TRANSPORTATION CAN SERVE AS A MODEL FOR VERTICAL INFRASTRUCTURE FUNDING.
- 2) CREATE A STATE BUILDING FUND BANK (SBF BANK) FOR NON-TRANSPORTATION INFRASTRUCTURE.
- 3) DEDICATE AVAILABLE DEBT CAPACITY FOR BUILDING NEEDS THROUGH 1 & 2 ABOVE.

## BUILDING = JOBS

- FOR EVERY \$1 BILLION IN CONSTRUCTION INVESTMENT, 28,500 JOBS ARE CREATED OR SUSTAINED.
- TOTAL NUMBER OF NC JOBS HAVE REMAINED FLAT SINCE 2008. STATE POPULATION HAS INCREASED 7% IN THAT TIME.
- ADDRESSING OUR REPAIR & RENOVATION NEEDS WOULD CREATE MORE THAN 140,000 JOBS.



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