

BOARD OF HIGHER EDUCATION

REQUEST FOR COMMITTEE AND BOARD ACTION

COMMITTEE: Fiscal Affairs and Administrative Policy **NO.:** FAAP 17-01

COMMITTEE DATE: 10/04/2016

BOARD DATE: 10/11/2016

**APPROVAL OF MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY
RESIDENCE HALL NEW CAPACITY**

MOVED: MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY
RESIDENCE HALL ACQUISITION AND RENOVATION
FITCHBURG STATE UNIVERSITY

1. The Commissioner of the System of Public Higher Education (the “Commissioner”) is authorized and directed in the name and on behalf of the Board of Higher Education (the “Board”) to make a written request to the Massachusetts State College Building Authority (the “Authority”) that the Authority initiate the projects described in EXHIBIT A attached hereto.

2. Bonds issued by the Authority to finance the projects for which a request is hereby authorized may be issued together with or separately from bonds issued to carry out other projects of the Authority for which the Board authorizes a request.

3. The Commissioner and all other officers of the Board, each acting singly, are authorized to request the Commissioner of Administration to approve in writing the initiation by the Authority of the projects for which a request is hereby authorized, and to do such other things and to take such other action as the officer so acting shall, as conclusively evidenced by the taking of such action, deem necessary or desirable to be done or taken to carry into effect the matters hereby authorized.

4. The Board and the Commonwealth of Massachusetts, acting by and through the Board, declare their official intent under §1.150-2(d)(1) and (e) of the Treasury Regulations as follows:

The Board reasonably expects that there shall be reimbursed from the proceeds of bonds issued by the Authority, expenditures (including expenditures made within the last 60 days) temporarily advanced by the Commonwealth (including within such term the Board and the State Universities) for the projects for which a written request is hereby authorized, the maximum principal amount of such bonds expected to be issued, all or a portion of the proceeds of which are reasonably expected to be used for such reimbursement purposes, being **\$10,110,000**.

Authority: Massachusetts General Laws Chapter 15A, Section 6

Contact: Sean P. Nelson, Deputy Commissioner for Administration &
Finance

MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY
EXHIBIT A

FITCHBURG STATE UNIVERSITY
RESIDENCE HALL ACQUISITION AND RENOVATION
MSCBA PROJECT NO. FIT-0782-16

Description of Project

- (a) The carrying out of preliminary work, including obtaining cost estimates, revenue estimates, preliminary design specifications, feasibility studies, surveys, and site analyses to determine the feasibility, approximate size, scope, purposes, location and other characteristics of any building, structure or facility the Authority is authorized by Chapter 703 of the Acts of 1963, as amended, to provide; and
- (b) The carrying out of property acquisition, as well as, improvements, renovations, and other work on and the provision and installation of furnishings, fixtures and other equipment for other buildings, structures, or facilities the Authority is authorized by Chapter 703 of the Acts of 1963, as amended, to provide.

Project Overview

Fitchburg State University and the Massachusetts State College Building Authority (MSCBA) propose the acquisition of a student housing facility located within walking distance of the university campus. The additional housing capacity is required to reduce over-crowding and to meet current unmet demand. The facility is constructed to accommodate 153 students in apartments of four to six students in single rooms. The building was completely renovated in 2012 as student housing and is configured and furnished in a comparable style to what the University and MSCBA would build if new construction were warranted. Upon acquisition of the property, additional common lounge space would be provided by reconfiguring some of the student rooms on the ground floor resulting in a net new capacity of 132 beds. Stegman & Associates and Anderson Strickler, LLC were retained to update the findings of their 2014 Market Study. Current data conservatively supports the rationale for an additional 156 students.

Project Budget and Schedule

<u>Budget</u>		<u>Annual Rents (FY17)</u>	
Purchase price	\$ 8,000,000	Apartment Singles	\$ 7,900
Renovations	<u>1,000,000</u>	Herlihy Singles	6,840
Total Project Cost	<u>\$9,000,000</u>	Mara Singles	7,210
		Russell Singles	7,120
Project Fund Deposit		New Singles Proposed	\$7,500
from 2017A Bonds (maximum)*			
Cost of Issuance/Reserves	<u>1,110,000</u>		
Total Funded by 2017A Bonds	<u>\$10,110,000</u>		

Schedule

Offer to Purchase	December 2016
Complete Due Diligence	March 2016
Close on Property	April 2016
Occupy Facility	August 2016

Market Data

Off-Campus (Average)	\$ 7,790
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