



# BHCC Redevelopment Proposal

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Board of Higher Education  
October 18, 2022



# Goals of BHCC Proposal

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**Create a new campus that can adapt to the College's changing educational needs by replacing some or all the campus buildings:**

- Provide **mission-critical and essential programs** that meet workforce training demands and foster public-private industry partnerships.
- Provide **equitable access** to spaces and resources for the College's diverse body of learners through new campus buildings and site improvements.
- Leverage the Site's land value to **facilitate and fund redevelopment** of the campus buildings, thereby increasing employment opportunities and tax revenues.
- Elevate the future campus as a community-based, **social service hub** connected to the Charlestown community



# Outgrowth of Strategic Planning Process

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- ❑ In 2020, the College embarked on a **2-year visioning process** to assess the programmatic organization and space priorities of a new, future campus, which revealed several themes:
  - Online instructional delivery models resulting in campus spaces designed to support maker space and collaboration.
  - Dual enrollment and community-based partnerships will remain important gateways.
  - The College will provide a gateway to careers in allied health, information technology, and creative sectors.
  - Understanding students face other challenges other than academics, e.g., food security, housing stability, and transportation.
  
- ❑ These themes, plus lessons learned during the pandemic, informed the development of several high-level square footage reallocation scenarios – all of which propose less dedicated office space, more study collaboration and student-centered spaces, increased flexible space, and increased access to technology.
  
- ❑ The College’s selected scenario **right-sizes its gross square footage** from 510,000 to about 385,000 to 415,000 gross square feet by incorporating the following goals:
  - Create an efficient layout with programmatic adjacencies
  - Right-size class labs and new maker spaces
  - Create flexible, tech-enabled learning spaces



# Current Condition of the BHCC Buildings is Poor

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- ❑ The campus **buildings reflect their age**. Infrastructure is embedded in masonry walls with significantly limited access, envelopes are failing and do not meet energy codes, as evidenced by windows that leak water and air. Exterior walls are original uninsulated masonry with deteriorating block and mortar. Significant inequity exists due to accessibility challenges that limit access to interior spaces.
- ❑ Even with significant reinvestment, the buildings' **structural grid prevents creating open, flexible spaces** common in contemporary learning environments.
- ❑ In 2017, the College in coordination with DCAMM, conducted an audit of the College's buildings. The audit indicated the **buildings are in "Fair" to "Fail" condition** with a substantial capital improvements backlog.
- ❑ Compounding these issues is the simple fact that the College was originally envisioned to support 5,000 students, while over 16,000 are enrolled today.



# Core Elements of the Sale-Lease Back Proposal

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- ❑ The College plans to enter into a long-term **ground lease of up to 99 years**. As consideration for the lease, the development partner would be required to provide at least 385,000 to 415,000 gross square feet of floor area to serve as the College's future campus.
- ❑ The College expects the Partner to **deliver the College's capital improvements in turn-key fashion**. Once complete, the College plans to own and maintain the facility(s) and the site improvements dedicated for the College's exclusive use.
- ❑ The College expects all other buildings and site improvements to be owned and maintained by the Partner.

**Based on preliminary financial analysis, the value of the lease could support the cost of the College's improvements (\$463-\$484 million) with no or minimal public funding**



# Aligns to Major Capital Projects Criteria

| COMMONWEALTH CRITERIA  | CONSIDERATIONS  | BHCC STRATEGY   |
|--|---|---|
| <b>Expand and deepen programmatic collaborations</b>   | Strength of alignment with the MA Public Higher Education System strategic priority relating to the Equity Agenda | Build new facilities to support mission critical and essential programs integrating K16 – Early College, BA/BS completion; partner with a developer to build private space for workforce training and internships   |
| <b>Align investments to statewide industry priorities and quantifiable occupational needs</b>  | Comparative need across all the proposals based on data   | Propose new programmatic models for active, hands-on collaborative lab spaces for workforce training in Health and Life Sciences, IT, and Emerging Tech such as AI and VR   |
| <b>Develop more flexible and innovative program delivery models; incorporate impacts and best practices learned from the COVID-19 pandemic</b> | Cost effectiveness and feasibility of the project’s business case and implementation strategy                     | Propose increase in hands on and hybrid instructional model via maker spaces, tech-enabled learning environments, distributed study and collaboration spaces while reducing office space consistent with DCAMM Future of Work Standards; results in ~30% smaller footprint  |
| <b>Leverage partnerships and resources for investing in, repairing, renovating, demolishing, or replacement current facilities</b>             | Where applicable, demonstration of strategies to address climate resilience, low carbon emissions, and energy     | Replace deficient, non-functioning facilities to remove \$95M in capital backlog liability with smaller building footprint with new facilities that incorporate new technology and strategies to meet net zero carbon goals; Leverage unutilized land to finance the new construction without use of Commonwealth funds |



# Alternative Financing of State Capital Investments

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- ❑ Public-Private Partnerships are used for certain **underutilized state properties** where the Commonwealth has an ongoing interest.
- ❑ These transactions **leverage the value of state real estate** to access private funding and capital to **reinvest in public facilities, support economic development, and achieve policy objectives**.
- ❑ Working with the Asset Management Board, these transactions typically involve **long-term ground leases** (e.g., 99 years) with a private developer who is obligated to **meet the State's policy requirements** for the site throughout the lease term.
- ❑ Examples of Higher Ed Alternative Financings and P3s:
  - ✓ Univ. Massachusetts Boston - Dormitories
  - ✓ Univ. Massachusetts Dartmouth - Dormitories
  - ✓ Salem State University South Campus
  - ✓ Springfield Technical CC – Technology Park
  - ✓ Holyoke Community College – Culinary Center



## Next Steps following BHE Approval

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- ❑ The college seeks AMB authorization to pursue an alternative disposition process leading to a ground lease for up to the entire acreage to a Partner for the phased redevelopment of the Site.
- ❑ Following AMB approval this Project Proposal, DCAMM, in consultation with the college will undertake an open, competitive selection process to identify a Partner and a master plan proposal.
- ❑ The Commissioner will select the Partner with the approval of the President of the college, based on a recommendation from a review panel.
- ❑ DCAMM staff will then negotiate the necessary real estate documents in consultation with the college to allow the Commissioner to execute the agreements on behalf of the Commonwealth.



# Criteria for BHE Approval

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- ❑ BHE has “**overall responsibility**” for State University and Community College campus facilities and property, but DCAMM and the Asset Management Board have specific authority to manage Commonwealth real estate.
- ❑ Although not clearly defined in law or regulation, BHE has exercised its responsibility only with regard to major transactions, such as land sales or purchases (e.g., Salem State’s consideration of purchasing Montserrat College of Art), in collaboration with DCAMM.
- ❑ Criteria that has been used in the past includes:
  - ✓ Is the proposal’s purpose consistent with BHCC’s mission and strategic plan?
  - ✓ Will the proposal strengthen BHCC’s educational programs and have a positive impact on student needs and rights?
  - ✓ Does the proposal create a significant financial risk to BHCC or the Commonwealth and is there sufficient need/demand to justify the project?