

**BOARD OF HIGHER EDUCATION**

**REQUEST FOR COMMITTEE AND BOARD ACTION**

**COMMITTEE:** Fiscal Affairs and Administrative Policy      **NO.:** FAAP 13-03

**COMMITTEE DATE:** October 09, 2012

**BOARD DATE:** October 16, 2012

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

**MOVED:** MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY  
NEW RESIDENCE/ DINING HALL PROJECT, WORCESTER 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 \$62,400,000.

**Authority:** Massachusetts General Laws Chapter 15A, Section 6

**Contact:** Stephen Lenhardt, Deputy Commissioner of Administration & Finance  
Fiscal and Administrative Policy

## **EXHIBIT A**

### **MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY**

#### **WORCESTER STATE UNIVERSITY NEW RESIDENCE / DINING HALL**

##### Description of Project:

1. The leasing by the Authority, as lessee, from the Commonwealth of Massachusetts (the “Commonwealth”) (or an entity authorized to act therefor), as lessor, of a parcel of land in Worcester, Massachusetts on the campus of Worcester State University (the “University”).
2. The carrying out of preliminary work, including the obtaining of 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.
3. The construction on such parcels and the furnishing and equipping of a facility primarily for use by the University consisting generally of
  - a. student residential facilities, including living accommodations containing an aggregate of approximately 400 beds primarily for use by students and staff of the University, and their dependents, and a portion of which may be for use (pursuant to one or more leases or other contractual arrangements) by persons affiliated with one or more other institutions, as well as associated common spaces, and
  - b. associated parking areas if required, and ancillary facilities, which may contain space for retail food service and other retail and commercial purposes, non-profit and/or governmental uses (any of which uses and the operation and maintenance of all or any part of which facility may be pursuant to one or more leases or other contractual arrangements with appropriate persons or entities (including persons or entities engaged in for-profit enterprises)).
4. The carrying out of improvements, renovations, and other work on and the provision and installation of furniture, fixtures, and other equipment for other buildings, structures, or facilities now or hereafter owned or leased by the Authority, or used primarily by the students and staff of the University, and their dependents, and which the Authority is authorized by Chapter 703 of the Acts of 1963, as amended, to provide.

### Project Overview

Worcester State University (the “University”) and the Massachusetts State College Building Authority (the “Authority”), commissioned a market feasibility study (Stegman Associates with Anderson Strickler dated December 2011) that verified the demand for 400 new bed, which aligned with the University’s goal of housing a greater percentage of its undergraduate students. To serve the entire resident population on campus, the current project anticipates a 600-seat facility with appropriate kitchen and support facilities. The proposed site was selected as an update to the 2008 Campus Master Plan in collaboration with the Massachusetts Division of Capital Asset Management (DCAM). The Authority retained the architecture firm Goody Clancy and the construction management firm Consigli Construction to begin design and preconstruction services. A portion of the first level of the building (approximately 2,500 sf) will house the University’s Offices for Health Services.

### Costs

Residence Hall Total Project Cost	\$48,000,000
Dining Hall Total Project Cost	<u>12,000,000</u>
Subtotal	60,000,000
Campus Contribution	<u>( 7,000,000)</u>
Project Fund Deposit	53,000,000
CapI/Financing Cost/Reserves	<u>9,400,000</u>
Total Bond Proceeds	\$62,400,000

### Annual Rents (FY15)

Other Halls Doubles	\$7,553
New Res Hall Doubles	\$7,800

### Schedule

Study Completion	July 2012
Design Completion	January 2013
Construction Start	March 2013
Occupy Facility	September 2014

### Market Data

Off-Campus (Average)	\$7,980
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