

BOARD OF HIGHER EDUCATION

REQUEST FOR COMMITTEE AND BOARD ACTION

COMMITTEE: Fiscal Affairs and Administrative Policy **NO.:** FAAP 09-04
COMMITTEE DATE: November 14, 2008
BOARD DATE: November 21, 2008

**APPROVAL OF MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY
PROJECTS PERTAINING TO RESIDENCE HALLS**

MOVED: MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY
CONSTRUCTION OF A NEW RESIDENCE HALL AT
SALEM STATE COLLEGE

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 (Secretary of the Executive Office of Administration and Finance) 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 Colleges) 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 \$66,100,000.

Authority: Massachusetts General Laws Chapter 15A, Section 6

Contact: Dale Hamel, Acting Associate Commissioner, Department of Higher Education

EXHIBIT A

Description of Project:

- (a) The leasing by the MSCBA, as lessee, from The Commonwealth of Massachusetts (the "Commonwealth") (or an entity authorized to act therefore), as lessor, of a parcel of land owned by The Commonwealth of Massachusetts in Salem, Massachusetts, on the Campus of Salem State College as more fully described in the Feasibility Study dated June 2007;
- (b) the construction on such parcel and the furnishing and equipping of a facility primarily for use by Salem State College (i) consisting generally of (A) living accommodations containing an aggregate of approximately 523 beds primarily for use by students of Salem State College 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), (B) common space, and (ii) which may also contain space for retail food service and other retail and commercial, 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]); and
- (c) the renovation and furnishing and equipping of existing projects of the Authority for use for housing primarily by students of Salem State College and their dependents.

NEW RESIDENCE HALL SALEM STATE COLLEGE

BACKGROUND INFORMATION

Project Overview

Salem State College (the College) and the Massachusetts State College Building Authority (the Authority), commissioned a comprehensive “Student Housing Study” in June 2006. This study (June 2006), prepared by Stegman and Associates in collaboration with Anderson, Strickler, LLC, supported new freshman and sophomore on-campus housing of between 400 and 700 beds in order to meet the College’s goal of housing 50 percent of its student population. In June 2007, the team of Dimella Shaffer Architects, with Walsh Brothers, prepared a feasibility study for a 400-bed residence hall and related support facilities at the College. The team analyzed four different campus sites before focusing on the Central Campus site as the location for a new residence hall.

It is proposed that a new five- story residence hall be constructed on Central Campus, north of the existing residence hall, which was completed in 2004. Through careful analysis of the design, building height, program, and cost, it has been determined that an additional 523 beds will satisfy all program requirements in the most cost effective manner possible. Salem State College presently houses 25 percent of their full-time undergraduate students (FY-06); with this additional capacity, this will increase to 33 percent. The new building will reinforce the existing courtyard, partially defined by the present Central Campus residence hall, and will include a dining and conference facility to support all students residing on Central Campus. Further, the new facility will create a residential community made up of sophomores and upper-class students in close proximity to the College’s North Campus.

Costs

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|------------------------------|------------------------------|
| Estimated Construction Cost: | \$ 47,105,053 (\$290/SF) |
| Total Project Cost: | \$ 57,445,187 (\$97,132/bed) |
| Cost of Issuance: | \$ 8,600,000 |

Annual Revenue (FY11)

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|--------------------|----------|
| Bowditch Hall | \$ 5,682 |
| Peabody Hall | \$ 5,682 |
| Bates Complex | \$ 6,524 |
| Central Campus | \$ 8,035 |
| New Residence Hall | \$ 8,100 |

Schedule

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|----------------------------|---------------------|
| Study Start: | November 2007 |
| Design Start: | January 2008 |
| Construction Start: | January/ March 2009 |
| Occupy Completed Facility: | September 2010 |

Market Data

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|------------------|----------|
| Salem Comparable | \$10,372 |
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Central Campus Site Plan

