

BOARD OF HIGHER EDUCATION

REQUEST FOR BOARD ACTION

NO.: BHE 23-13

DATE: October 18, 2022

APPROVAL OF BUNKER HILL COMMUNITY COLLEGE'S PROPOSED ALTERNATIVE DISPOSITION LEASING PROCESS FOR THE CURRENT CHARLESTOWN CAMPUS

MOVED: The Board of Higher Education (Board) hereby approves Bunker Hill Community College's (BHCC) proposed alternative disposition leasing process for the Charlestown Campus, in accordance with the institution's proposal (Attachment A), ~~and~~ subject to the completion of the public comment process required pursuant to Asset Management Board regulations, and further subject to the Commissioner, or his designee, participating in the procurement evaluation and selection process.

The Board further delegates to the Commissioner the authority to act, in consultation with the Board Chair, on requests to approve non-substantive changes made to the proposal as a result of the public comment process; and to take such other actions as the Commissioner deems necessary or desirable to carry into effect the proposal hereby authorized.

VOTED: Motion approved and advanced to the full BHE by the Executive Committee on 10/11/2022; and adopted by the BHE, as amended above, on 10/18/2022.

Authority: Massachusetts General Laws Chapter 15A, Section 9(m)
Contact: Joe Wallerstein, Interim Deputy Commissioner for Administration and Finance

Background

Program objectives and strategy

In 2020, the Bunker Hill Community College embarked on a visioning process with its Board of Trustees, administrators, and faculty to examine how best to educate the next generation of learners and to assess the programmatic organization and space priorities of a new, future campus. The themes that emerged from the conversation centered on online instruction, dual enrollment, and career pathways in allied-health and information technology.

These concepts informed the development of several high-level square footage reallocation scenarios illustrating the types of flexible, collaborative, and dynamic teaching and learning spaces that the college aims to provide.

Following Board of Higher Education (the Board) and Asset Management Board approval of an alternative disposition leasing process, the college would pursue a long-term ground lease with a qualified developer(s)/partner(s) for the phased redevelopment of the college's 32-acre campus at 250 New Rutherford Avenue in Charlestown, Massachusetts to replace its outmoded facilities with state-of-the art higher education facilities

Description of current need at the Charlestown campus site

The current Charlestown campus site is bounded by New Rutherford Avenue to the west, commercial and residential uses to the north, Interstate 93 and the MBTA tracks to the west, and Austin Street/Gilmore Bridge to the south. It totals approximately 32 acres: the campus buildings along with open space, driveways, and parking facilities are located on the southern portion of the campus; while recreational facilities, in the form of a baseball field, a basketball court, and tennis courts are located on the northern portion.

The campus building are approximately 50 years old and require significant repairs. A 2017 Division of Capital Asset and Management and Maintenance (DCAMM) report rated the buildings as either in "Fair" to "Fail" condition. These issues are compounded by the fact that the current Charlestown campus serves 16,000 students as opposed to the 5,000 students they were initially designed to support. In addition, the current campus suffers from issues such as the lack of pedestrian access, internal orientation of the buildings and poor campus visibility.

In addition to replacing buildings at the Charlestown campus, the college seeks to develop a master plan detailing a master plan concept which includes, at a minimum, the site layout, pedestrian, bicycle, and vehicular circulation, massing, uses, open space both active (athletic fields) and passive, connections to the surrounding neighborhood, and an implementation phasing plan.

Description of Board of Higher Education authority and role:

Section 9(m) of the Board's enabling legislation provides that the Board shall "have overall responsibility for the property, real and personal, occupied or owned by the state universities and community colleges." M.G.L. c. 15A, § 9(m). Bunker Hill Community College (BHCC) is seeking the Board's approval pursuant to Section 9(m) to allow it to pursue an alternative disposition process of real property with the Asset Management Board (AMB). Board approval would allow BHCC to seek a ground lease for up to the entire subject acreage at the Charlestown campus to a partner for the phased redevelopment. As consideration for the lease, the college expects the selected Tenant to deliver fully constructed new facilities and open space, including athletic fields, in turn-key fashion.

Description of the alternative disposition leasing process

Upon approval by the Board and the AMB, DCAMM would undertake an open, competitive selection process whereby the college would provide minimum requirements, e.g., building square footage and site improvements, to ensure all respondents are informed of the college's needs and to create an equal playing field for all respondents. A partner would be selected resulting from a process what would likely consist of written responses, evaluations, and interviews. The college believes this alternative transparent, competitive process will preserve the public trust via different means.

It is anticipated that most, if not all construction would be undertaken and financed from private sources. The competitive selection process will likely elicit responses from private developers and perhaps institutions with substantial experience in master planning and/or mixed-use development. Preliminary comparable analysis and conceptual cost estimating suggests, the current land value of the Site, estimated between \$145-\$210 per buildable square foot could fund, with minimal or no public funding, the college's future campus, estimated between \$463-\$484 million dollars, with the market determining the specifics during the competitive process. Such funding would be subject to the Partner pursuing mechanisms under

the City of Boston zoning ordinance with the BPDA. The selected mechanism, along with all other entitlements necessary to implement the master plan, as well as securing all requisite financing and funding, would be obligations of the Partner.

Procedural Timeline

Following Board approval, Bunker Hill Community College will hold a public hearing for public comment on October 20, 2022, as required pursuant to 810 CMR 2.05(3). The comment period will close on October 24, 2022, ahead of the presentation of the project to the Asset Management Board on November 3, 2022.

Recommendation

The AMB regulations require a Board of Higher Education review and approval of the final project proposal as part of a community college's submission to the AMB. To ensure the effective management and stewardship of the Commonwealth's assets, the DCAMM Commissioner is required to execute real estate documents (e.g., long-term leases) on behalf of the Commonwealth.

For this project, the College has led a visioning process and programmatic assessment resulting in pedagogical, physical, and social goals for this project. The College will continue to provide the programmatic vision and lead all outreach for the project. It is acknowledged by the College and DCAMM that joint project stewardship will enable the DCAMM Commissioner to exercise the disposition authority found in MGL Chapter 7C, Sections 32 and 33 as signatory to any Ground Lease(s) for a project seeking AMB authorization. DCAMM, in consultation with BHCC, will lead the development of the Request for Proposals, the evaluation of proposals, proposal selection, and negotiation of development agreements that govern the structure and commitment of a lease(s).

Department staff have reviewed the materials submitted by Bunker Hill Community College in support of this proposed alternative lease and have consulted with DCAMM.

Staff Recommendation

Staff recommendation is for approval, subject to the completion of the public comment process with the understanding that any substantive changes to the proposal will be brought to the Board for approval. A determination of whether a proposed change is substantive will be made by the Commissioner, in consultation with the Board Chair.