

BOARD OF HIGHER EDUCATION

REQUEST FOR COMMITTEE AND BOARD ACTION

COMMITTEE: Fiscal Affairs and Administrative Policy **NO.:** FAAP 09-02

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
LAND ACQUISITION, SITE PREPARATION, AND PARKING
RELOCATION – FRAMINGHAM 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 \$7,130,000.

Authority: Massachusetts General Laws Chapter 15A, Section 6

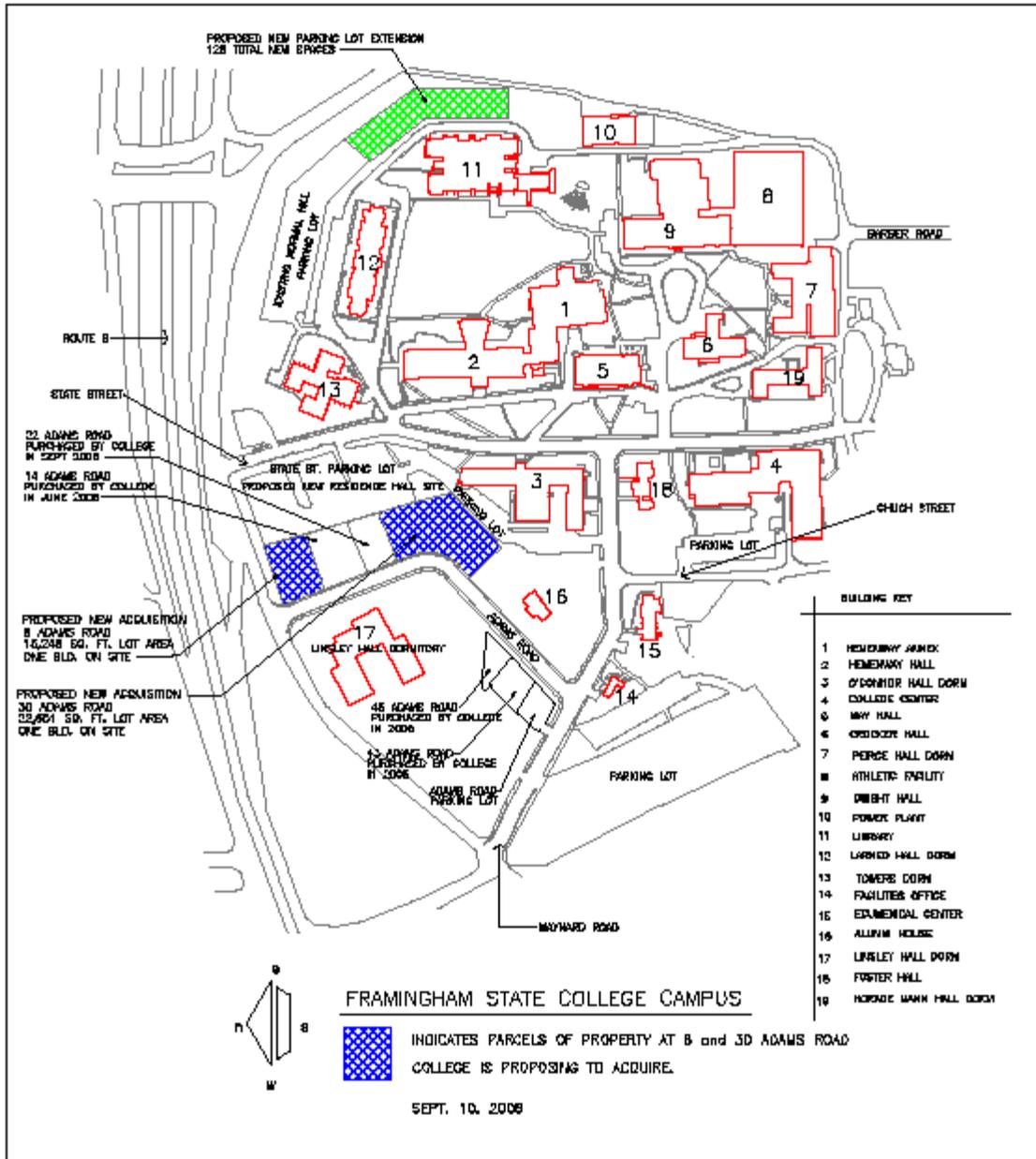
Contact: Dale Hamel, Acting Associate Commissioner for Fiscal and Administrative Policy

EXHIBIT A

Description of Project

- (a) The purchase by the Authority of the parcel(s) of land and any improvements thereon located at 6 and 30 Adams Road, Framingham, Massachusetts, and the construction thereon and equipping for use by Framingham State College;
- (b) 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 Framingham, Massachusetts, on the Campus of Framingham State College, as more fully described in the parking study entitled Strategic Parking Plan prepared by Walker Parking Consultants, dated May 9, 2008;
- (c) the construction on such leased parcel and the furnishing and equipping of a facility primarily for use by Framingham State College consisting generally of approximately 130 vehicle spaces;
- (d) the carrying out of improvements, renovations, and other work on other buildings, structures, or facilities owned or leased by the Authority;
- (e) 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, the approximate size, scope, purposes, location, and other characteristics of any building, structure, or facility the Authority is authorized by the Enabling Act to provide; and
- (f) The advance of funds from the College to the Authority sufficient to acquire land and improvements thereon as shown in the attached Exhibit B, and the reimbursement of the advance by the Authority to the College from the future sale of revenue bonds.

EXHIBIT B



BACKGROUND INFORMATION

Prior Board Action

On September 7, 2007, in preparation for the 2008A bond issue, the Authority approved a project consisting of a preliminary phase of work to develop additional parking at Framingham State College. This project scope included design and construction of subsurface foundation systems, site drainage, and access drives, at an estimated project cost of \$1.5 million. This project scope anticipated a future bond to fund the construction of the parking structure itself. In order to permit the time necessary to complete a comprehensive campus parking study, and to coordinate with the College's separate master planning efforts, this project was not advanced and was not included in the 2008A bond issue.

Project Description

The completed Framingham State College parking study indicated that no additional parking capacity is necessary to support current campus vehicular traffic. The siting of the proposed residence hall, however, will necessitate the relocation of existing surface parking spaces from the center of the campus to its periphery. Further, the site identified in the College master plan for a new residence hall is enhanced through the acquisition of adjacent residential properties to support the construction of the new hall and to link the existing residential population of Linsley Hall with the core academic campus. The parking relocation and land acquisition must proceed in advance of the construction of the new residence hall, which is presently in the study phase and is anticipated for construction in 2010-2011. The project consists of the following:

- Acquisition of property located at 6 Adams Road and/or 30 Adams Road, Framingham, Massachusetts, and summer site utility work in streets (steam, electric, water and sewer lines and connections) to allow for campus streets to be fully useable during the academic year (property acquisition options shown in blue on the attached site drawing).
- To secure property in support of design development for a new residence hall, the Authority will acquire property in 2008 using funds advanced by the College. The College will be reimbursed by the Authority from the proceeds of the 2009A bond issue.
- Replace surface parking lot on site to be developed for new residence hall by expanding the Normal Hill lot behind Larned Hall (shown in green on the attached site drawing).
- Total cost of the parking project is estimated to be \$5.0 million; land acquisition is estimated to cost \$1.2 million; cost of issuance and debt service reserve is estimated at \$0.9 million. Total project cost is estimated at \$7.1 million with annual debt service estimated at approximately \$550,000-\$600,000.

The project revenue source is a proposed commuter parking fee of \$25 per semester anticipated to generate \$150,000 annually. Further, the College pledges to fund the remaining annual debt service from its General Purpose Trust Fund-General Reserve property acquisition account that has been budgeted at \$600,000 annually (revenue sources include bookstore and vending commissions, program fees, and dividends and interest on a \$7.0 million account balance). The Adams Road property acquisitions meet the College's anticipated expansion needs through the immediate future thereby negating the need to budget for annual property acquisition.