

BOARD OF HIGHER EDUCATION

REQUEST FOR COMMITTEE AND BOARD ACTION

COMMITTEE: Fiscal Affairs and Administrative Policy **NO.:** FAAP 09-05

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 WORCESTER
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 \$28,060,000.

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 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 Worcester, Massachusetts, on the Campus of Worcester State College as more fully described in the Feasibility Study, dated September 9, 2008;
- (b) the construction on such parcel and the furnishing and equipping of a facility primarily for use by Worcester State College (i) consisting generally of (A) living accommodations containing an aggregate of approximately 390 beds primarily for use by students of Worcester 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 Worcester State College and their dependents.

BACKGROUND INFORMATION

Project Overview

The Massachusetts State College Building Authority commissioned a study in April 2008 at the request of Worcester State College to examine the feasibility of replacing the Chandler Village underground heating loop, determine the extent of fire safety and architectural upgrades at Dowden Hall, and examine the feasibility of providing approximately 150 additional beds on the Worcester State College campus. Worcester State College presently houses 31 percent of their full-time undergraduate students (FY-06); with this additional capacity, this will increase to 35 percent. The MSCBA's 2008 Strategic Plan update indicates a need for additional beds at Worcester State College. The study recommends the renovation/addition to Dowden Hall to meet enrollment needs. In discussions with the College, it was determined that adding the new beds would help create the "freshman experience" for students by providing enhanced social space and amenities. These additional beds are critical to the continued success of the College's recruitment efforts.

Program

- 170 new beds, consisting of doubles, to match existing configuration of Dowden Hall.
- Complete replacement of the existing underground heating loop to Chandler Village from the mechanical room at Dowden.
- Installation of a sprinkler system at Dowden Hall along with fire alarm, architectural, and code compliance upgrades.
- Provision of student activity support space in lower level (debt service and operations funded by College)

Costs

Construction Cost New Capacity	\$12,225,708 (\$321/sf)
Exist. Dowden upgrade and Chandler heating loop repair and renewal	\$ 6,892,197
Project Cost Residence Space	\$24,400,000
Project Cost Student Activity	\$ 1,000,000
Total Project Cost	\$25,400,000
Cost of Issuance	\$ 3,600,000

Annual Revenue (FY11)

Dowden Hall	\$ 6,000
Chandler Village	\$ 6,266
Wasylean Hall	\$ 7,040

Market Data

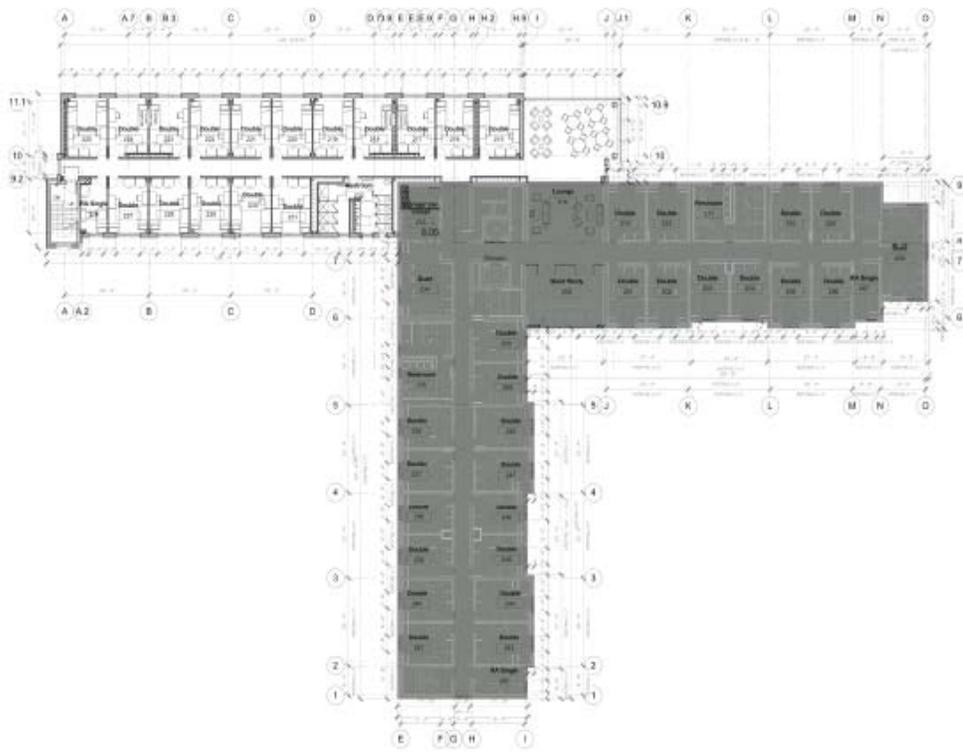
Worcester Comparable	\$ 7,728
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Schedule

Study Start:	April 2008
Design Start:	September 2008
Construction Start:	Spring 2009
Occupy Completed Facility:	September 2010



Ground Level



Typical Upper Level