

BOARD OF HIGHER EDUCATION

REQUEST FOR COMMITTEE AND BOARD ACTION

COMMITTEE: Fiscal Affairs and Administrative Policy **NO.:** FAAP 12-06

COMMITTEE DATE: October 11, 2011

BOARD DATE: October 18, 2011

APPROVAL OF MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY ACADEMIC FACILITY PROJECT

MOVED: MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY
RENOVATION OF CENTER FOR DESIGN AND MEDIA
MASSACHUSETTS COLLEGE OF ART AND DESIGN

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 project 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 \$3,270,000.

Authority: Massachusetts General Laws Chapter 15A, Section 6

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

EXHIBIT A
CENTER FOR DESIGN AND MEDIA
MASSACHUSETTS COLLEGE OF ART AND DESIGN
MSCBA PROJECT NO. MART-0621-11

Description of Project

- (a) The Authority is authorized to implement this project by Chapter 703 of the Acts of 1963, as amended; by Section 156 of Chapter 131 of the Acts of 2010; and by Section 2 of Chapter 258 of the Acts of 2008;
- (b) The carrying out of preliminary work, including obtaining 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 to provide; and
- (c) The provision of furniture, fixtures, and equipment and the implementation of enabling and related projects to support the Center for Design and Media.

Project Overview

- The Center for Design and Media (CD+M) is a major academic facility initiative funded by the Commonwealth. The Authority is authorized, and has been requested, to fund the difference between the State appropriation and the current estimated total project cost (see below).
- The scope of work to be funded by the Authority includes the provision of furniture, fixtures, and equipment and the implementation of enabling and related facility renovation projects. The building site for the CD+M currently contains mission critical functions including the Public Safety Department, which must be relocated to allow the CD+M to proceed. These enabling moves must be made prior to June 1 when construction on the new project begins. In addition, areas adjacent to the CD+M are being considered for renovation to enhance the overall impact of the project. These include the studio and support areas in the Tower Building immediately adjacent to the CD+M which will be directly connected and contiguous to the new project.
- The project revenue source will be the current revenues of the institution.

Indicator:	Primary Reserve	Viability	Debt Burden	Return on Net Assets	Net Operating Revenues
Target:	25.0%	>1.0	< 5.0%	3.0 – 4.0%	2.0 – 4.0%
MASSART (FY10):	17.36%	0.69	1.98%	16.59%	7.00%

Project Budget and Schedule

<u>Budget</u>		<u>Schedule</u>	
Center for Design and Media	\$30,000,000	MCA/DCAM MOU	Fall 2011
Contingency/FF&E	1,500,000	Enabling Construction	Spring 2012
Enabling and Related Projects	<u>1,500,000</u>	CD+M Mobilization	Summer 2012
Total Project Cost	\$33,000,000	CD+M GMP	Fall 2012
Commonwealth Appropriation	<u>30,000,000</u>	FF&E Purchasing	Spring 2015
MSCBA Bond Funding	\$3,000,000	CD+M Occupancy	Fall 2015
Cost of Issuance/Reserves	<u>\$270,000</u>	Related Projects	Fall 2015
Total	\$3,270,000		