

## BOARD OF HIGHER EDUCATION

### REQUEST FOR COMMITTEE AND BOARD ACTION

**COMMITTEE:** Fiscal Affairs and Administrative Policy      **NO.:** FAAP 09-03

**COMMITTEE DATE:** November 14, 2008

**BOARD DATE:** November 21, 2008

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#### APPROVAL OF MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY PROJECTS PERTAINING TO STUDENT LIFE FACILITIES

**MOVED:** MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY  
REPAIR, RENOVATION, AND CONSTRUCTION OF STUDENT LIFE  
FACILITIES – 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 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 \$11,700,000.

**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 Boston, Massachusetts, on the Campus of Massachusetts College of Art and Design as more fully described in the Feasibility Study dated August 22, 2007;
- (b) renovation of the dining, bookstore, and student activity areas of the building, including building systems, furniture, and equipment; and
- (c) the renovation and furnishing and equipping of existing projects of the Authority for use for housing primarily by students of Massachusetts College of Art and Design and their dependents.

## BACKGROUND INFORMATION

### Project Overview

- Project includes renovations to the lower three levels of this 156,000 SF campus center built in 1965. The dining facility requires additional capacity to accommodate the expected on-campus population growth in the near future.
- Scope of work: expansion of second floor student development space and dining area to add 92 seats to the existing 325; upgrades to the main dining hall; relocation of the bookstore and game room; addition of a new art store and espresso café; renovation to the student development area; replacement of all windows on the second floor; installation of a new chilled water HVAC system; associated upgrades to the existing MEP systems.
- Construction is estimated to cost \$9 million and the total project cost is \$11.2 million. Construction must be phased carefully in the occupied student center spaces from May 2009 to August 2010.
- Student fees will support approximately 15% of the debt service. The project's revenue sources are:
  - A new pledged student dining fee of \$88/year;
  - Annual support for debt service from the College of \$490,000;
  - Annual support for debt service on \$3 million from the Massachusetts College of Pharmacy and Health Sciences (estimated at \$265,000); and
  - An equity contribution from the College of \$1,075,000.