

SSU BOLD: A Campus Unification and Modernization Project

Project Update & Funding Discussion

Finance & Facilities Committee 9/25/19

Karen House

Science Labs... and more

- DCAMM Proposal Process
- Readiness Project Results
- Bold
- Total Project Cost
- SSU Cash & Debt
- SSU Financial Readiness
- Next Steps

DCAMM Proposal Process

- Similar to two years ago
- Pre-formatted template
- Peer review (10/16/19)
- Final submission (12/20/19)
- SSU executive task force preparing the proposal, led by Adria Duijvesteijn
- Decision anticipated Spring 2020

Commonwealth Priorities

- Address deferred maintenance
- Programmatic collaborations
- Regional or statewide occupational needs
- Minimize space requirements, improve student outcomes

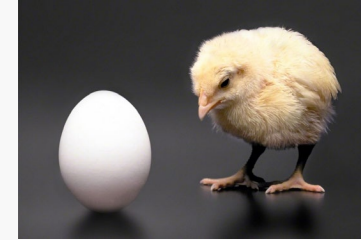
Other Decision Considerations

- BHE equity priority:

Significantly raise the enrollment, attainment and long-term success outcomes among under-represented student populations.

- Comparative need across all proposals
- Business case & implementation strategy, incl. ability to leverage non-state funds

Funding Requirements (from DCAMM proposal template) Attachment F



H.2 Total funding:

Identify the \$ amount being requested from DCAMM and indicate what other sources of funding are being used for this project. Under “Timing and Constraints” describe whether these are matching funds, grants, loans or gifts and clarify timing and other constraints on the funding \$.

Confirm timing constraints of financial commitment. Please note: all \$ (including fundraising \$ that have not yet been committed) must be committed and confirmed prior to completion of Study/Schematic Design Certification.

If the IHE is providing funding to support completion of the project, indicate amount and timing of confirming the availability of cash resources of institution. If the IHE has secured private sector funding to support completion of the project, indicate the name of the provider (s) amount and timing of the availability of cash resources of institution. Provide a letter from the Trustees confirming a commitment to providing IHE’s resources and indicating the availability of funding timing.

H.3 Potential revenue from sale of state-owned property

If the project involves the potential sale of state-owned property, include the name of the building or asset that will be sold, and the estimated total amount of revenue that would be deposited to the Commonwealth’s General Fund as a result of the sale, pursuant to current state law. While the revenue would not be used directly to fund the project, it could be considered as an offset to the overall cost to the Commonwealth.

Readiness Study

- 4 options emerged from study
 - 1 bad, 2 similar
- 2 options costed, both in Meier Hall
 - \$60.4 million
 - \$67.7 million
- 21 science labs (16 teaching, 5 research)
- Cost estimates refined; still unaffordable
- What could be built for \$40M?
 - Science labs (7)
 - \$42.2 million
 - Only \$2.8 million in Deferred Maintenance
 - Unlikely to be funded by Commonwealth

Unlikely to be funded by Commonwealth

Attachment F



Time to “Be Bold”



SSU BOLD: A Campus Unification and Modernization Project

- Exit South Campus
- Renovate Horace Mann (incl. sim labs)
- Build 7 new science labs connected to Meier Hall
- Create 4 new tech-friendly classrooms in library
- Add parking spaces on North Campus
- Payoff Bates debt; avoid future investment

Exit South Campus



Appraisal: \$11-15 Million
Harrington Building
Bates Complex
Upper South
8 Harrison



Renovate Horace Mann



GSF: 37,830

Program:

- CJ (perhaps)
- Health Care Studies
- Nursing
- Occupational Therapy

Notable Spaces:

- Simulation Labs
- Occupy: 2023

Gain 26% classroom efficiency based on North Campus location

Sim Labs increase capacity in healthcare programs



Tech friendly classrooms contribute to workforce readiness



Build 7 new labs-Meier Hall

GSF: 16,730

Program:

- Biology
- Chemistry

Occupy: 2023

Easier collaboration with STEM, health science programs in Horace Mann



Continue incrementally renovating remaining science labs & addressing deferred maintenance (such as recent & current roof projects)

MEIER HALL | CONNECTIVE ADDITION: LITE INTERVENTION; LOOP CIRCULATION

- Vacated classroom space
- Vacated offices
- Vacated labs

- Ceramics lab
- 1 Classroom

- 2 Offices
- 2 Computer Labs (can stay)
- 1 Classroom

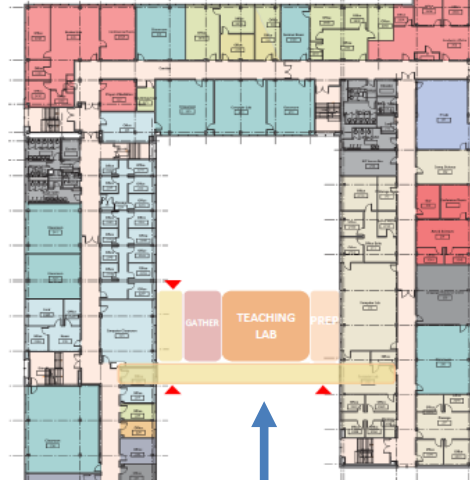
- Geology Lab Prep (storage)
- 3 Geology Offices
- 1 Classroom

- 2 Biology Teaching Labs
- 1 Biology Teaching Lab Prep

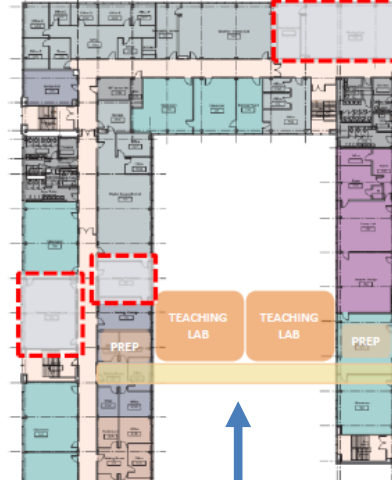
Level 1



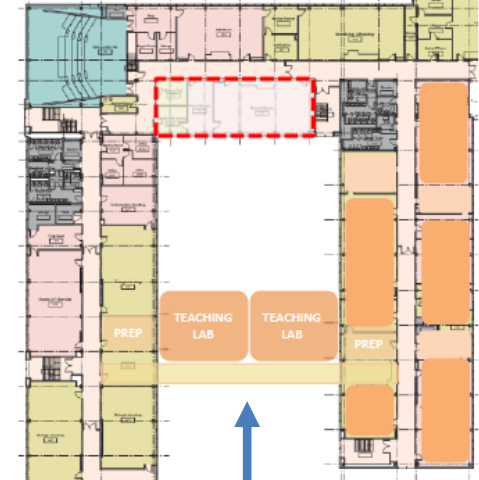
Level 2



Level 3



Level 4



Approximate 4,650 SF remains vacated for future growth at end of phasing.

The new labs as currently envisioned; connected to Meier Hall

- DEPARTMENT LEGEND
- BIOLOGY related
 - ART + DESIGN
 - BIOLOGY
 - BLOG SUPPORT
 - CHEMISTRY & PHYSICS
 - COMPUTER SCIENCE
 - ECONOMICS
 - ENGLISH
 - GEOGRAPHY
 - GEOLOGY
 - POLITICAL SCIENCE
 - PSYCHOLOGY
 - SOCIOLOGY
 - Registrar
 - Building Shared
 - Dean of Arts & Sciences
 - Arts & Sciences
 - First Year Experience
 - FYE
 - Instructional Media Center
 - Academic Affairs
 - Student Life
 - President's Office
 - Circulation
 - Unassigned

New Classrooms in Library



- Swing Space if needed
- Permanent Classrooms
- Repurpose underutilized space
- Tech friendly classroom opportunity → North Shore region workforce impact
- Potential faculty teaching innovation collaboration space







Project Budget & DM Impact

Component	Cost	Elimination of Deferred Maintenance
Sell South Campus	Generates funds	\$67.1M
Pay off Bates (MSCBA held debt) – payoff amt pending MSCBA	Est. \$4.6M	Incl. above
Renovate Horace Mann for South Campus programs	\$28.5M	\$3.6M
Build 7 labs Meier Hall & 4 classrooms in Library	\$32.5M	n/a
Build parking on North Campus	\$500K	n/a
Total Cost	\$66.0M	\$70.7M

Project Funding (\$66.0 needed)

Sources:

- DCAMM \$25 – 30M
- Property sale \$11-15M
- Parking funds on hand \$500K
- SSU Cash + Debt \$10-15M
- Gifts & Grants \$10-15M

Commonwealth Criteria	SSU Bold Project	Our Sense
Deferred Maintenance	\$70.7 million eliminated	
Programmatic Collaborations	Health sciences partners, MLS, Mass Bio, employers	
Regional workforce needs	Health Care, IT	
Minimize space requirements, improve student outcomes	26% efficiency in space use; takes 257,177 GSF offline (includes Bates)	
Equity	SSU is most diverse of the state U's; only one without modern science labs; largest nursing program	
Business Case & implementation strategy; ability to leverage outside \$	Innovative real estate strategy; leveraging grants & gifts to fund; avoid investment in Bates; ongoing operational savings	

PROS:

- Right size facilities
 - Vacate South and consolidate to North
 - Reduce operating costs
 - A positive for recruiting students & STEM faculty
- Improves STEM/health science facilities (workforce programs) by 2023
 - adjacencies
- Revitalizes now-vacant Horace Mann;
- Garner space efficiencies due to location
- Allows continued use of Meier Hall
- 4 new classrooms, opportunity to increase tech-friendly
- Avoids investing in Bates

CONS:

- Risks - two major construction projects simultaneously & a land sale with rezoning considerations
- Funding gap requires significant gifts and grants

Quotes from Commonwealth partners (DCAMM, DHE, MSCBA)

- “Super creative... great proposal... Selling South Campus is a big deal...this is very strong”
- “Shrinking the campus footprint is very compelling... obvious impact on workforce needs”
- “Innovative... informed by previous planning... how can we help you to deliver this?”

DCAMM proposal process requires evidence of funding

- DCAMM money (proposal in process)
- Sale of South Campus (legislation, zoning, & sale)
- Gifts and Grants (active discussions)
- SSU Cash & Debt (authorization in December; don't issue until necessary)
- Parking (funds on hand with MSCBA)

Bold: SSU Cash & Debt \$10-15M

- Cash on Hand
 - 6/30/19: \$27.0 million (+\$8.4)
 - 6/30/18: \$18.6 million
- Investments
 - 6/30/19: \$16.5 million (+\$1.7)
 - 6/30/18: \$14.8 million

Debt

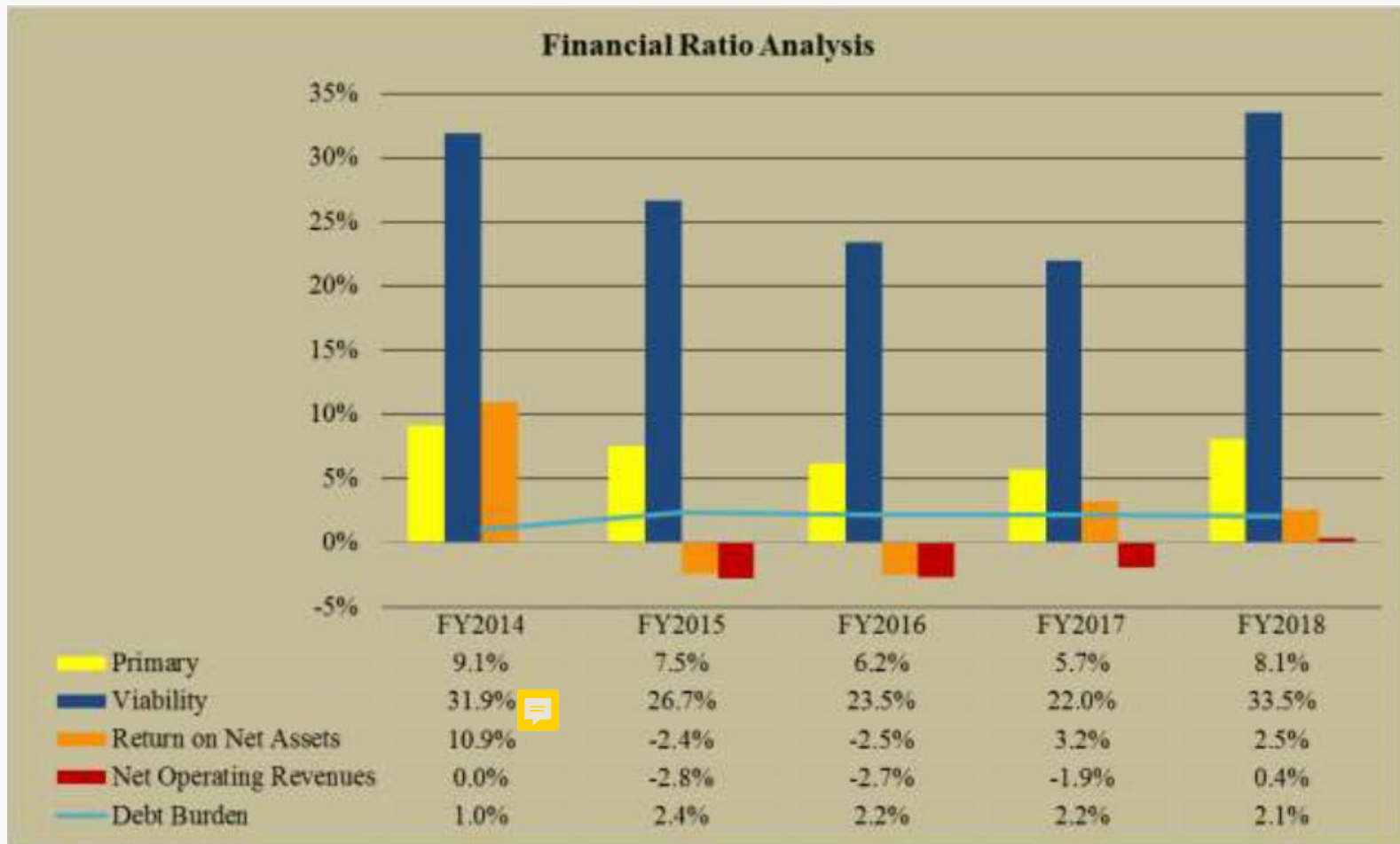
- Bonds, Loans & Note Payable (on book)
 - 6/30/19: \$43.5 million (-\$1.7)
 - 6/30/18: \$45.2 million
- MSCBA held debt (off book)
 - 6/30/19: \$187.5 million (+\$4.2)
 - 6/30/18: \$183.3 million
- Total
 - 6/30/19: \$231 million (+2.5)
 - 6/30/18: \$228.5 million

MSCBA would issue the debt for SSU Bold

- Authorization based on 2008 Bond Bill
 - Chapter 703 Acts of 1963; Section 156 of Chapter 131 of Acts of 2010; Section 2 of Chapter 258 of Acts of 2008
- Credit evaluation process is TBD but based on standard ratios
- Identify the source of repayment (i.e. student fees and/or reallocation of other expenses)
- For \$10M debt, debt service w/b \$800K
 - 1.1% of FY20 UG Tuition & Fees
 - \$125.00 per student

SSU Financial Health – FY18 Ratio Analysis

(update is pending FY19 audit)



Next Steps

- Peer review (Oct. 16)
- DCAMM & City - South Campus sale
- Continue advocacy for gifts & grants
- Update ratio analysis & debt capacity
- Nov. 20 Finance & Facilities Committee meeting – recommend authorization for debt **NTE \$X**
- Dec. 13 BOT vote on debt motion
- Dec. 20 submit DCAMM proposal
- Spring 2020 notification regarding DCAMM funds

Occupy by 2023

			SUMMER			SUMMER			SUMMER							
Sub-Project	Plan B - Bold: Decant South Campus: Reno Horace Mann, Battery Pack for Science	Who's Money, from where	Fall 2019	Dec 2019	Jan - May 2020	June - Aug 2020	Fall 2020	Dec 2020	Jan - May 2021	June - Aug 2021	Fall 2021	Jan - May 2022	June - Aug 2022	Fall 2022	Dec 2022	Jan - May 2023
General	Due diligence - is Plan B feasible, affordable, attractive	DCAMM (Readiness Project)														
South/HM	City to Rezone South Campus	DCAMM (Readiness Project)														
South/HM	Design additional North Campus Parking	SSU (MSCBA held funds)														
South/HM	Construct additional North Campus Parking	SSU (MSCBA held funds)														
South/HM	Plan for Bates decommissioning	soft costs														
South/HM	Sell South Campus (leaseback & pay off MSCBA debt?)	n/a														
South/HM	Design the Library classrooms	SSU														
South/HM	Construct the Library classrooms	SSU														
South/HM	Move identified functions to Library classrooms	SSU														
South/HM	Design Horace Mann renovations	Commonwealth				\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$						
South/HM	Renovate Horace Mann	Commonwealth								\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$		
South/HM	Move programs from South Campus to Horace Mann	Commonwealth														
South/HM	Decommission South Campus (end leaseback period)	Commonwealth														
General	Work with MSCBA regarding credit analysis	soft costs				update										
General	Submit Funding Proposal	soft costs														
General	Learn results of funding proposal	n/a														
Sci/Meier	(Sci/Meier) Issue bonds for funding SSU piece	SSU; MSCBA to issue					*									
Sci/Meier	Design Meier Battery Pack addition	SSU; MSCBA to issue bonds				\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$						
Sci/Meier	Build the Battery Pack	SSU; MSCBA to issue bonds								\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$		
Sci/Meier	Move into Battery Park science labs	SSU; MSCBA to issue bonds													*	
General	Fundraising	SSU														
						Funding window										
Notes:																
1 South Campus Sightlines Deferred Maintenance: \$80.5 Million includes Bates of \$36.7 Million (\$43.8M Commonwealth bldgs.)																
2 Horace Mann Sightlines Deferred Maintenance: \$9.9 Million																

Why Be Bold?

SSU Bold: A Campus Unification and Modernization Project

