



**FINANCE AND FACILITIES COMMITTEE
NOVEMBER 16, 2011
10:30 A.M.**

**McCORMICK ROOM
30 7TH STREET EAST
SAINT PAUL, MN**

Please note: Committee/Board meeting times are tentative. Committee/Board meetings may begin up to 45 minutes earlier than the times listed below if the previous committee meeting concludes its business before the end of its allotted time slot.

Committee Chair Dan McElroy calls the meeting to order.

- (1) Minutes of October 18, 2011** (pp 1-9)
- (2) Finance and Facilities Update
- (3) Board Committee Goals (pp 10-12)
- (4) FY2012 Capital Projects Update (pp 13-16)
- (5) Revenue Fund Issuance Ceiling (pp 17-24)
- (6) Acceptance of Gift of Real Estate from Minnesota State University Moorhead Foundation** (pp 25-28)

Members

Dan McElroy, Chair
Michael Vekich, Vice Chair
Jacob Englund
Clarence Hightower

Phil Krinkie
Thomas Renier
James Van Houten

Bolded items indicate action required.

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
FINANCE AND FACILITIES COMMITTEE
MEETING MINUTES
October 18, 2011**

Finance and Facilities Committee Members Present: Dan McElroy, Chair; Trustees Jacob Englund, Clarence Hightower, Phil Krinkie, Tom Renier, James Van Houten and Michael Vekich

Other Board Members Present: Trustees Brett Anderson, Duane Benson, Cheryl Dickson, Alfredo Oliveira, David Paskach, Christina Rice, Louise Sundin, Scott Thiss

Leadership Council Representatives Present: Vice Chancellor Laura King, President Richard Davenport

The Minnesota State Colleges and Universities Finance and Facilities Policy Committee held its meeting on October 18, 2011, 4th Floor, McCormick Room, 30 East 7th Street in St. Paul. Chair McElroy called the meeting to order at 12:07 p.m.

1. MINUTES OF JUNE 15, 2011

The minutes of the June 15, 2011 meeting were approved as published.

2. MINUTES OF JUNE 21, 2011

The minutes of the June 21, 2011 meeting were approved as published.

3. MINUTES OF AUGUST 4, 2011

The minutes of August 4, 2011 were amended to reflect Trustee Thiss and Chancellor Rosenstone as present. The minutes were approved as corrected.

4. FINANCE AND FACILITIES UPDATE

Vice Chancellor King began her update with a copy of a news release prepared by the Office of Research, Planning and Effectiveness concerning a slight downward trend in fall 2010 to fall 2011 enrollment at Minnesota State Colleges and Universities. She will be working with presidents and CFOs to identify any budget challenges that have occurred due to changes in enrollment.

The finalization of the Finance division workplan awaits the Chancellor's work with the Board on the Strategic Framework and action plan. Trustee McElroy requested it be added to a future agenda and Vice Chancellor King stated she will be prepared to give an update at the November meeting.

The Finance division has been working on Project 2022 which is a 10-year financial modeling tool that looks at the impact of tuition rates, enrollments, appropriations, financial aid, compensation, debt service and other operating expenses.

Associate Vice Chancellor Dougherty recapped the tracking sheet of the Campus Service Cooperative that outlined the functions that are offered and the campuses' participation. He noted that Direct Lending at Pine Technical College and Accounts Payable at Dakota County Technical College are in a pilot phase. He added that Chancellor Rosenstone is a strong supporter of the project.

Trustee Englund inquired about the buy-in of the campuses in regards to the Campus Service Cooperative (CSC). Vice Chancellor King responded that there are three components to it: people, real estate, and technology. The challenge has been the people component because growth has been dependent on how fast the services can be staffed. Trustee Dickson asked about the nine areas on the handout with nothing in the columns. Vice Chancellor King replied that the CSC is growing one area at a time and clarified that those indicating expressed interest means that negotiations are actually underway. Trustee Van Houten asked if the CSC is meant to have regional centers or a centralized location. Mr. Dougherty responded that the CSC is flexible and the human capacity will determine the location that will make the most sense. Chancellor Rosenstone added that there has been enthusiasm from the campuses and their incentive to use the CSC has been that their cost savings remain at the campus so the CSC should continue to experience growth.

Audit work is moving along nicely and SWIFT is up and running, replacing MAPS. Vice Chancellor King acknowledged that the conversion has been a burden to the campuses and commended them for their work during the transition.

The System Office is reviewing spending, organization structure, services and delivery methods. A revised 2012 budget will be in place by January, 2012.

Copies of the Capital Bonding books are published and have been distributed to campuses, legislators and trustees. Associated Vice Chancellor Brian Yolitz has been visiting many of the campuses that have projects underway. The campuses have moved fast on many of the projects which will make good stories for legislators.

September was Campus Fire Prevention Month which coincided with the start of fall semester. The focus was on apartments and residence halls. The System Office provided literature and recommendations to the campuses.

The consolidation at Wells Fargo Place is complete and the 7th floor has been vacated. The Campus Service Cooperative is up and running at Harmon Place. In all, 180 employees were relocated.

St. Cloud Technical, Normandale, and Mesabi Range all celebrated grand openings. There are many more grand openings scheduled for spring.

5. **HOBSONS CONTRACT APPROVAL**

Vice Chancellor King reported that Minnesota State Colleges and Universities seeks Board approval to renew the Hobsons contract to Dec. 23, 2015 and at the same time, amend the contract to synchronize the term for all colleges and universities.

Vice Chancellor King asked Associate Vice Chancellor for Student Affairs Mike Lopez and President John O'Brien from North Hennepin Community College to take the floor. Mr. Lopez explained that Hobsons enrollment management technology assists admissions and enrollment officers with managing the recruitment, retention, and completion process. The solutions create operational efficiencies by providing automated tracking, communications, interventions, and reporting for prospective and current students. He reported that Minnesota State Colleges and Universities entered into a contract with Hobsons beginning in December 24, 2008. The contract was amended on May 6, 2010 to extend the contract to December 23, 2013, including an option to renew for an additional two (2) years. Currently nineteen institutions are using Hobsons. Hobsons products are not seen as competing with Minnesota State Colleges and Universities communication module. The synchronization of those covered under the contract will save the campus a combined approximate savings of \$3,000,000.

President O'Brien endorsed the renewal of the Hobsons contract. He fully supports operating collectively particularly when campuses will experience cost savings. He also compared collaborative efforts to that of Students First and the Campus Service Cooperative. President O'Brien stated that Hobsons is the key to communication and campuses have not been efficient in following up with students who do not return. Trustee Dickson concurred that campuses have not been good at tracking non-returning students. President O'Brien further stated that Hobsons has two modules – "Connect" which is geared at marketing and prospects and "Retain" which focuses on student retention. With 70% of North Hennepin's students being first generation college students and 40% being low income, he emphasized the importance of how Hobsons can watch attributes such as a withdrawal and automatically send an email or text to the student that explains what the withdrawal means to them. It can also send reminders to register for the next semester as well as send congratulatory notes on students' successes.

Trustee Oliveira asked for a comparison of ISRS to Hobsons and also if Hobsons was the best software on the market. Mr. Lopez replied that ISRS does not have the features and capabilities of Hobsons in regards to the generation of automatic texts and emails. Many of the new prospects come from high schools and college fairs and there have been issues in ISRS with duplicates when trying to upload those prospects. 10 RFP's were received and of those, three gave presentations and it was deemed that Hobsons was the best product.

Trustee Krinkie inquired about the comfort level with the data security compliance of the software. Vice Chancellor Huish responded that due diligence was done with Hobsons and he is confident in the product's security protocols.

Trustee Renier moved that the Finance and Facilities Committee recommend adoption of the following motion. Trustee Vekich seconded the motion which carried with no dissent.

RECOMMENDED COMMITTEE ACTION

The Finance and Facilities Committee recommends that the Board of Trustees adopt the following motion:

The Board of Trustees approves amending and extending the current contract until December 23, 2015 between Minnesota State Colleges and Universities and Hobsons for estimated total expenditures not to exceed \$5,000,000. The Board directs the Chancellor or his designee to execute all necessary documents.

6. LEARNING MANAGEMENT SYSTEM CONTRACT AWARD

Vice Chancellor Laura King reported that ASA and ITS staff have been working with the campuses for many months to examine the marketplace for learning management systems and best practices. Based upon the analysis, and after review by the ITS – Information Security office, the staff recommends award of a new contract with the current vendor, Desire2Learn, Ltd. The costs of the contract are supported by the MnOnline program budget. Vice Chancellor King asked Vice Chancellor Huish to present this action to the Board.

Vice Chancellor Huish requested Board of Trustees approval of a proposed license and support agreement with Desire2Learn Ltd. for the delivery of Minnesota State Colleges and Universities Learning Management System. The contract includes the cost of licensing and support for the initial term of six years with four options to renew in one year increments. The estimated cost is approximately \$1.4 million annually with a total cost of \$14.5 million for the projected ten year investment. It is estimated that an enterprise wide licensing saves the system approximately \$1,000,000 annually. He also noted that software is only 20% of the investment and there are significant switchover costs with selecting a different vendor.

Trustee Englund inquired about Open Class (a Google product) as a content provider, which is free. Mr. Huish responded that he has been following information on the product and it is his understanding that it is being beta tested. He has concerns with student data privacy and response time in addition to possible restrictions to content that can be posted. There are 25,000 courses currently on D2L with an incredible amount of intellectual property that would take a considerable amount of time to convert. Another learning management system would need to coexist with D2L for 30-36 months, however he keeps his eyes on emerging technologies and will advocate for the best products out there. He went on to say the RFP process used in

selecting D2L is valid and all vendors were accountable in proving they were a good match for our needs.

Trustee McElroy asked if there was a way to shorten the commitment of the D2L contract to less than six years. Vice Chancellor King responded that there is a pricing structure involved based on the six years and there is no obligation to renew for the subsequent four one-year periods. Trustee Krinkie said he realized that systems change at lightning speed but a process for out-migration should be looked at if the cost to the system becomes a threat.

Trustee Anderson feels that as an end user, D2L has been stagnant. Vice Chancellor Huish responded that competing technologies will leapfrog each other. D2L is just rolling out an analytics engine. There is value in continuity, which both the faculty and students need. D2L is the vehicle to learning and reminded that D2L is not the learning or the content. Trustee Van Houten agreed that there is value of continuity throughout the campuses in that the faculty are trained on the same tool and that all students get a similar experience. He added that he feels the financial risks are small and the experts should not be second guessed.

Chancellor Rosenstone advocated for approval of the contract. He reminded that a migration period of 30-36 months and horrendous transition costs, and with only 20% of the cost being in the software, the ability for the system to offer online education should not be put at risk. In addition it would be a tremendous burden to faculty and a difficult transition to students.

Trustee McElroy asked that with a current expiration date of September of 2012, if there would be time to renegotiate the length of the contract. He also asked if there would be a penalty for not renewing now and what would be the impact of delaying it for a month or more. Vice Chancellor Huish clarified that this is a new contract and does not extend the length of the current contract. He replied that there is no way to know the implication of delaying signing the contract. New negotiations could begin in subsequent months but there is a risk of losing ground.

Trustee Englund stated that his earlier statement was not meant to derail D2L by starting over with a new RFP process, but rather to see if there is flexibility in the length of the contract presented today.

Trustee Krinkie's expressed concern about the ongoing mission of the system and being left with a continued contract. He said he would have a serious issue with any vendor wanting a contract commitment of that length due to unforeseeable circumstances such as bankruptcy. Time should not be the largest issue here and there should be concern for vulnerability in a long term migration.

Don Larson, President of the Inter Faculty Organization (IFO) was in the audience asked to speak. He shared that there is nervousness among the IFO members and the IFO endorses the continuation of the D2L contract. Faculty feel D2L has proven

itself to be the best online tool available. Mr. Larson strongly agreed with Chancellor Rosenstone's statement.

During the course of the discussion, Trustees Dickson, Renier, Hightower and Oliveira expressed support for the renewal of the contract.

Trustee Renier moved that the Finance and Facilities Committee recommend adoption of the following motion. Trustee Veckich seconded the motion. Motion carried with Englund, Krinkie, and McElroy voting in dissent.

RECOMMENDED MOTION:

The Board of Trustees approves entering into a contract with Desire2Learn Ltd., as the enterprise Learning Management System solution for the Minnesota State Colleges and Universities for the cost of licensing and support with the initial term of six years with four options to renew in one year increments not to exceed \$14,500,000 dollars as described herein. The Board directs the Chancellor or his designee to execute all necessary documents.

7. TUITION WAIVER REQUEST – NORTHLAND COMMUNITY AND TECHNICAL COLLEGE

Vice Chancellor Laura King requested Board approval for a tuition waiver for courses in the Unmanned Aerial Systems program at Northland Community and Technical College (NCTC). The college has identified a conflict between board policy and federal grant requirements and approval of the tuition waiver request is necessary to conform college practice with the grant's expectations. NCTC requests a waiver of tuition for fall and spring semesters of academic year 2012, fall semester of academic year 2013, and a portion of spring semester 2013. For spring semester 2013, the college would charge prorated tuition.

Under the specific provisions of this grant, there are some allowable types of program income. Initially, NCTC believed that tuition would qualify as allowable program income. However, NCTC's Federal Project Officer (FPO) has issued a final determination that courses funded by this Department of Labor grant may not generate tuition—only the tuition from non-UAST credits may qualify as program income. Conversely, fees other than tuition are allowable as program income. She noted the request has been reviewed by the General Counsel's office.

Trustee Van Houten moved that the Finance and Facilities Committee recommend adoption of the following motion. Trustee Vekich seconded the motion which carried with no dissent.

RECOMMENDED MOTION:

The Board of Trustees approves a tuition waiver for courses in Northland Community and Technical College's Unmanned Aerial Systems (UAS) program that have a prefix of UAST. This waiver is approved for fall and spring semesters of academic year

2012, fall semester of academic year 2013, and a prorated portion of spring semester 2013.

8. **MINNESOTA STATE UNIVERSITY, MANKATO HOUSING LEASE**

Associate Vice Chancellor of Facilities Brian Yolitz presented to the Board Minnesota State University Mankato's request to receive approval to enter into a 252-bed off-campus apartment building lease to start in fall semester 2012. The terms of the lease include a one year term with four (4) x 1 year options to renew in favor of the university. If all renewal options were exercised, the total cost would be approximately \$6.9 million. The university would provide the furnishings.

President Davenport added that the university plans to decommission the 1150-bed Gage Residence Hall and wishes to lease off-campus beds to maintain a portfolio size that will continue to meet expected student demand. He stated that the university's enrollment is growing and retention is at 77% (the highest in the system). He is confident that the beds will be filled.

Trustee Vekich moved that the Finance and Facilities Committee recommend adoption of the following motion. Trustee Van Houten seconded the motion which carried with no dissent.

RECOMMENDED MOTION:

The Board of Trustees approves the lease at 755 Heron Drive, Mankato, Minnesota, consistent with the business terms as described in this narrative, subject to final approval of the lease terms by the Chancellor or his designee.

9. **CONSTRUCTION PROJECT, RIVERLAND COMMUNITY AND TECHNICAL COLLEGE**

Associate Vice Chancellor of Facilities Brian Yolitz presented The Hormel Foundation's proposal to finance the renovation of 22,000 sq. ft. at the Riverland Community College in Austin for an early childhood education center that would be operated by a day care provider. The approximately \$3 million project would be financed from a \$2 million grant from the Hormel Foundation and the Foundation's efforts to coordinate matching grants from other community businesses and funding sources for the remaining capital needed. The college seeks Board approval to continue working with the Hormel Foundation and eventually executing the necessary agreements to accomplish this project. At the end of the day care center's lease, it will be up to the campus to decide whether to renew the lease or use it for other purposes.

Trustee McElroy inquired if the day care would be open to both students and community. President Leas responded that it would be open to both. It is the Hormel Foundation's desire to have affordable childcare in the community and there is definitely a market for it along with a waiting list at the current facility. The children

that would be served at the new facility would increase from 190 to 300. He noted that the proposal has not been publicized yet due to ongoing negotiations.

Trustee Van Houten asked if there was a risk that college's name could be implied as owners in recruiting/advertising and if there would be a hold harmless clause. Vice Chancellor Laura King replied that documents will be drafted that are similar to Worthington/YMCA relationship. All topics of concerns will be addressed in the contract including risk management and adhering to the system's design and construction standards. The documents will be reviewed by the Office of the General Counsel. Gail Olson from the Office of the General Counsel acknowledged the involvement of her office.

Trustee Vekich moved that the Finance and Facilities Committee recommend adoption of the following motion. Trustee Krinkie seconded the motion which carried with no dissent.

Trustee Van Houten asked that the minutes reflect an assignment to the staff to address the risk management issue mentioned previously.

RECOMMENDED MOTION:

The Board of Trustees approves the lease at 755 Heron Drive, Mankato, Minnesota, consistent with the business terms as described in this narrative, subject to final approval of the lease terms by the Chancellor or his designee.

10. REALLOCATION OF REVENUE BOND PROCEEDS, ST. CLOUD STATE UNIVERSITY

Associate Vice Chancellor of Facilities Brian Yolitz reported that St. Cloud State University is seeking approval to restructure the way it is proposing to finance a portion of construction for Phase I of the National Hockey and Events Center. The university proposes to declare the Phase I addition of the National Hockey and Events Center as a revenue fund asset, and to use approximately \$5.2 million of revenue fund monies toward a portion of overall construction costs. The \$5.2 million capital contribution will include the use of \$3 million of existing taxable revenue bonds, and the surplus and loan of approximately \$2.2 million of revenue fund reserves from the university's residential life program. The remaining cost of Phase I will be supplied by the St. Cloud State University Foundation. The university intends to replenish the residential life reserves during the course of this arrangement. The university expects to generate sufficient revenues to both pay the debt service and replenish the residential life reserves from the operation of the hockey store, suite, and concessions revenue.

President Potter hopes to break ground yet this fall and maintain the momentum of the fund raising campaign. Additionally, there is confidence that the university's revenue fund program can absorb this change without material adverse impact on the long range housing program.

Vice President of Administration Steve Ludwig reported that to date, \$1.5 million has been raised and another \$4.1 million has been received in pledges toward the project. \$12.5 million is expected to be raised in philanthropy five years out and he has been working on arranging financing with three banks. In order to pay off the bonds, the operating lease would allow income from operations including concessions and the pro shop. He is confident sufficient revenue would be generated to cover the payment.

Trustee McElroy asked if there would be a delay or reduction in other Revenue Bond issues. Mr. Yolitz responded that there would be approximately \$500,000 left to jumpstart other projects and there would be no impact on campus sustainability.

Trustee Hightower inquired about the \$1.7 million already spent. Vice Chancellor King replied that the \$1.7 million was spent from GO bond proceeds.

Mr. Yolitz added that he is reviewing the recommended projects for the 2013 bond sale including a SCSU residential life plan for \$13.5 million that went into the viability of this project.

Trustee Vekich moved that the Finance and Facilities Committee recommend adoption of the following motion. Trustee Englund seconded the motion which carried with Trustee Krinkie voting in dissent.

RECOMMENDED MOTION:

The Board hereby adds the Phase I National Hockey and Events Center as identified on **Attachment A** to the revenue fund, and

- a) Authorizes the use of up to \$3 million of taxable bond proceeds available from the 2009 and/or 2011 revenue bond sales and related university contributions as described herein to complete Phase I work, and
- b) All other terms and conditions of the Board's original action in March 2010 are continuing including the St. Cloud State University Foundation financial commitment to providing the remainder of funding necessary for the completion of the Phase I project in the National Hockey and Events Center.

Chair McElroy adjourned the meeting at 2:07 p.m.

Respectfully submitted,
Laury Anderson, Recorder

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Committee: Finance and Facilities

Date of Meeting: November 16, 2011

Agenda Item: Board Committee Goals

- Proposed Policy Change Approvals Required by Policy Other Approvals Monitoring
- Information

Cite policy requirement, or explain why item is on the Board agenda:

Each committee of the Board of Trustees is asked to articulate one or two achievement goals for FY2012. The committee will periodically review progress on its goals.

Scheduled Presenter(s): Laura M. King, Vice Chancellor – Chief Financial Officer

Outline of Key Points/Policy Issues:

The Finance division has an extensive 2012 workplan for division and system wide work. Several of its activities are high priorities in alignment with the system's strategic plan and the chancellor's 2012 action plan. System-wide coordinated administrative solutions and long term financial planning are identified as high priority activities with strong policy implications and would benefit from strong Board participation. These two activities are recommended to the committee for consideration as FY2012 goals.

Background Information:

The goal of the campus service cooperative is to substantially reduce administrative overhead costs. Long term financial planning build a modeling engine for system level operating budget modeling from 2013-2022.

Date Presented to the Board of Trustees: November 16, 2011

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

INFORMATION ITEM
Board Committee Goals

BACKGROUND

Each committee of the Board of Trustees is asked to articulate one or two achievement goals for FY2012. The committee will periodically review progress on its goals. The Finance division has an extensive 2012 workplan for division and system wide work. Several of its activities are high priorities in alignment with the system’s strategic plan and the chancellor’s 2012 action plan. System-wide coordinated administrative solutions and long term financial planning are identified as high priority activities with strong policy implications and would benefit from strong Board participation. These two activities are recommended to the committee for consideration as FY2012 goals.

Goal # 1 – System-Wide Coordinated Administrative Solutions

Description: The Board and the chancellor have strongly endorsed the preliminary work of the Campus Service Cooperative and other administrative collaboration efforts. The goal of the Campus Service Cooperative is to substantially reduce administrative overhead costs. Work in 2012 will concentrate on the administrative opportunities for collaborative execution including the areas of human resources, finance, financial aid, purchasing, payroll, institutional research and information technology.

Outcome: The 2012 workplan will establish an implementation plan, benchmarks, and milestones to be met.

Targeted Completion: 2012 accomplishments contemplate establishment of the overall governance structure, adoption of the core activities by a substantial portion of the colleges and universities, articulation of best practices and information technology improvements and determination of the 2013 implementation plan.

Goal # 2 - Long Term Financial Planning

Description: The Board has adopted “Fiscal Sustainability” as one of its overall 2012 goals in support of the system’s Strategic Plan. This project will build a modeling engine for system level operating budget modeling from 2013-2022.

Outcome: An Excel-based forecast and modeling tool to analyze how changes in operating budget revenue and expense items impact MnSCU's financial viability over a ten-year time horizon. The financial framework will analyze the relationship and interaction between key budget drivers, such as financial aid, enrollment, tuition and operating costs. The model will also incorporate capital investment impact analytics to model capital reinvestment scenarios. The initial modeling will be based on analysis of system level data, with additional complexity and nuance built-in over time. The system level model will serve as a foundation for use by individual colleges and universities.

Targeted Completion: Version 1.0 targeted for completion in January 2012. Field testing and board feedback will lead to version 2.0 in the late spring of 2012. The timetable is related to the timing of the development of the 2014 biennial budget request due to the executive branch in the late fall of 2012.

Date Presented to the Board of Trustees: November 16, 2011

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Committee: Finance and Facilities

Date of Meeting: November 16, 2011

Agenda Item: FY2012 Capital Projects Update

<input type="checkbox"/>	Proposed	<input type="checkbox"/>	Approvals	<input type="checkbox"/>	Other	<input type="checkbox"/>
	Policy Change		Monitoring Required by Policy		Approvals	
<input checked="" type="checkbox"/>	Information					

Cite policy requirement, or explain why item is on the Board agenda:

This report updates Board members on the status of the FY2012 capital budget request and execution of capital projects approved and funded in July 2011 as part of the FY2011 special legislative session.

Scheduled Presenter(s): Brian Yolitz – Associate Vice Chancellor of Facilities

Outline of Key Points/Policy Issues:

The Legislature and Minnesota Management and Budget (MMB) have received the Board of Trustees approved Minnesota State Colleges and Universities capital budget request for FY2012.

Background Information:

The capital budget request totals \$278.7 million for higher education asset preservation and replacement (HEAPR) work, 22 capital projects and 3 initiatives to address requirements for science, technology, engineering and math (STEM), energy and classroom renovation and construction. Ten of the 22 capital projects received initial funding in prior year capital programs. User financing would fund \$56.2 million of the requested program with state financing providing the balance of \$222.5 million.

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

INFORMATION ITEM
FY2012 Capital Projects Update

CAPITAL BUDGET UPDATE

This report updates Board members on the status of the FY2012 capital budget request and execution of capital projects approved and funded in July 2011 as part of the FY2011 special legislative session.

FY2012 CAPITAL BUDGET REQUEST

The Legislature and Minnesota Management and Budget (MMB) have received the Board of Trustees approved Minnesota State Colleges and Universities capital budget request for FY2012. It totals \$278.7 million for higher education asset preservation and replacement (HEAPR) work, 22 capital projects and 3 initiatives to address requirements for science, technology, engineering and math (STEM), energy and classroom renovation and construction. Ten of the 22 capital projects received initial funding in prior year capital programs. User financing would fund \$56.2 million of the requested program with state financing providing the balance of \$222.5 million.

The bonding book *“Building Futures: Renewing and Protecting Minnesota’s Assets”* has been published and distributed to provide stakeholders an overview the requested program.

Campus visits are underway providing state senators and representatives and their staffs; MMB leadership and staff; and Office of Higher Education representatives’ insights to requirements in the capital request. Participants at each campus have varied, but have included the chancellor, presidents, vice presidents of finance, academic deans and faculty, facilities staff, students, workforce partners, and local legislators.

Senator Michelle Fischbach, Higher Education Chair has visited the multiple campuses and has had a number of different senators and representatives in attendance including Senators Bill Ingebriksen, John Carlson and Jeremy Miller. Her visits to the following campuses have touched on an array of higher education issues beyond capital projects: North Hennepin Community College, Anoka Technical College, Anoka Ramsey Community College -Coon Rapids, St. Cloud Technical and Community College, St Cloud State University, Central Lakes College - Brainerd, Minneapolis Community and Technical College, Inver Hills Community College, Dakota County Technical College, Metropolitan State University, Saint Paul College, Century College, Hennepin Technical College - Brooklyn Park, Alexandria Technical and Community College, Bemidji State University, Northwest Technical College -

Bemidji, Minnesota State University Moorhead, Winona State University, and Minnesota State College - Southeast Technical at Winona.

Representative Larry Howes, Chair of the House Capital Investment Committee, has been touring with a number of representatives and staff. They have attended: St Cloud Technical and Community College, Central Lakes College - Brainerd, Itasca Community College, Pine Technical College, Metropolitan State University, Saint Paul College, Century College, Minnesota West Community and Technical College - Worthington, South Central College - Faribault and Ridgewater College - Willmar.

The commissioner of MMB, Office of Higher Education staff, House of Representative staff, Senate staff and MMB staff attended tours led by System Office staff to Metropolitan area capital projects on two separate days: Century College, Inver Hills Community College, Dakota County Technical College, Minneapolis Community and Technical College, Saint Paul College, and Metropolitan State University.

In addition, presidents and staff from Minnesota West Community and Technical College - Worthington, Ridgewater College – Willmar, and South Central College – Faribault traveled to St Paul and made presentations to leadership from MMB, the Office of Higher Education, and legislative staff.

At the time of this writing, additional tours are planned for mid-November at Bemidji State University, Hibbing Community College, Lake Superior College and other locations to be determined. The chancellor and staff from the System Office will participate with other state agencies in capital program presentations to MMB leaders and the governor's staff.

The governor is expected to make his statewide recommendation to the legislature in January 2012. The legislative session begins on Tuesday January 24, 2012 and is scheduled to end on Monday May 21, 2012.

FY2011 CAPITAL PROJECT EXECUTION

The FY2011 special session included \$131.6 million for HEAPR and capital projects for the system. At the time of this report \$6.4 million or 21% of the \$30 million provided for HEAPR requirements has been encumbered. Nearly \$57 million or 56% of the \$101.6 million provided for the 7 capital projects has been encumbered. Additional details are below:

Systemwide

Higher Education Asset Preservation and Replacement - \$30,000,000

Status: Projects in both design and construction, 21% funds encumbered

Anoka Ramsey Community College

Fine Arts Building renovation - \$5,357,000

Status: Under design

Hennepin Technical College

Learning Resource Center & Student Service Center renovation - \$10,566,000
Status: Under Construction

Minnesota State University Moorhead

Livingston Lord Library & Information Technology renovation - \$14,901,000
Status: Under design

St. Cloud State University

Integrated Science & Engineering Laboratory Facility - \$42,334,000
Status: Under Construction

Normandale Community College

Academic Partnership Center & Student Services Building - \$21,984,000
Status: Under Construction

Metropolitan State University

Science Education Center design & property acquisition - \$3,444,000
Status: State Designer Selection Board complete, design negotiation underway

NHED Mesabi Range Community and Technical College

Iron Range Engineering Program Addition and Renovation - \$3,000,000
Status: State Designer Selection Board complete, design negotiation underway

Date presented to the Board of Trustees: November 16, 2011

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Committee: Finance and Facilities

Date of Meeting: November 16, 2011

Agenda Item: Revenue Fund Issuance Ceiling

- Proposed Policy Change Approvals Required by Policy Other Approvals Monitoring
- Information

Cite policy requirement, or explain why item is on the Board agenda:

There are currently 12 campuses that participate in the Revenue Fund. This report will recap the participating campuses' projects, the total amount of revenue bonds that have been used by each campus, discuss future capacity constraints and the actions in advance of a FY2013 Revenue Bond sale.

Scheduled Presenter(s): Brian Yolitz – Associate Vice Chancellor of Facilities

Outline of Key Points/Policy Issues:

The campuses are delegated the responsibility to manage the Revenue Fund programs at their institutions. The Board is required to approve revenue fund fees and long term financial commitments. Annual finance plans for each institution's portion of the Revenue Fund are submitted to the system office for review. Each institution is required to present a financially sustainable plan for revenue fund facilities that meets all bond covenants. While operating revenues normally produce enough funds for operations and R&R, reinvestment funds have typically come from the sale of Revenue Fund bonds. The fees to support the operations and facilities are approved by the Board prior to the beginning of each fiscal year.

Background Information:

State colleges became eligible to participate in the Revenue Fund starting in 2008. Current statute provides for the Board to issue revenue bonds to finance all dormitory, residence hall, food service, student union, and other revenue-producing facilities at any system college or university. Debt obligations of the Revenue Fund are not debt obligations of the State of Minnesota. Revenue Fund debt is backed solely by the pledge of revenues generated from Revenue Fund facilities. The Revenue Fund is subject to a statutory debt ceiling, which is currently established at \$300 million pursuant to Minnesota Statutes §136F.98. The Revenue Fund currently carries outstanding debt of approximately \$265 million.

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

INFORMATION ITEM
Revenue Fund Issuance Ceiling

BACKGROUND

Legislation created the Revenue Fund in 1955 primarily as a means to finance residence halls and student unions at state university campuses. State colleges became eligible to participate in the Revenue Fund starting in 2008. Current statute provides for the Board to issue revenue bonds to finance all dormitory, residence hall, food service, student union, and other revenue-producing facilities at any system college or university. Debt obligations of the Revenue Fund, unlike capital appropriations for academic facilities, are not debt obligations of the State of Minnesota. Revenue Fund debt is backed solely by the pledge of revenues generated from Revenue Fund facilities. The Revenue Fund is subject to a statutory debt ceiling, which is currently established at \$300 million pursuant to Minnesota Statutes §136F.98. The Revenue Fund currently carries outstanding debt of approximately \$265 million.

There are currently 12 campuses that participate in the Revenue Fund. **Attachment A** lists the participating campuses and the total amount of revenue bond funding issued for each campus. Each participating campus operates their revenue fund programs as self-supporting enterprises. Collectively, the Revenue Fund is viewed as a single entity from the perspective of the outside world, primarily bond investors. The system office on behalf of the Board manages the revenue bond program (including bond ratings), legislative strategies, capital planning, and tax and securities requirements for the Revenue Fund. Individual campuses manage their own finances and operations of Revenue Fund facilities. This includes management of revenues, programs, operations, and the maintenance and repair of Revenue Fund facilities at each institution

Revenue bond sales are bundled into taxable and tax-exempt series. During preparations for each bond sale, system staff coordinate with a financial advisory firm to appropriately size the revenue bond sale and determine the appropriate allocation of taxable and tax exempt debt. The analysis includes an evaluation of the amount of private use that is expected to occur in the facility and the anticipated need for advanced design that may be funded by taxable revenue bonds in the future. Independent bond counsel is used to properly structure the sale, develop the appropriate documents, and provide any necessary bond counsel opinions.

The system's tax exempt revenue fund bonds are typically issued for 20 year terms. The system's taxable debt is usually structured for 10 year terms. Taxable bonds are issued

primarily when private use is a concern in a facility, such as in dining services and student unions, where there may be a sandwich or coffee shop franchise that operates in the facility.

All system revenue bonds are sold in a competitive process and are generally purchased by financial institutions and brokers. The Board is required to obtain advisory recommendations of the chair of the House Ways and Means Committee and the Senate Finance Committee prior to sale of revenue bonds.

All Revenue Fund construction projects follow similar planning, design and construction processes as academic capital projects.

DELEGATION AND FINANCIAL RESPONSIBILITIES

Dedicated fees to support the operations of revenue fund facilities are approved by the Board prior to the beginning of each fiscal year. The Board also is required to approve long term financial commitments. Annual finance plans for each institution's portion of the Revenue Fund, including fees to support these plans, are submitted to the system office for review. Each institution is required to present a financially sustainable plan for revenue fund facilities that meets all bond covenants and management objectives. Finance plans must include funds for operations, repair and replacement (R&R), debt service (as required), and operating reserves, as prescribed by Minnesota State Colleges and Universities. Plans are also required to reflect adequate reinvestment funding. While operating revenues normally produce enough funds for operations and R&R, major reinvestment funds often come from the sale of Revenue Fund bonds.

REVENUE FUND REINVESTMENT PROGRAM

A facility condition assessment was undertaken in 1998-99 to quantify the physical condition of all facilities within the system. An estimated \$165 million maintenance and repair backlog was identified within the Revenue Fund facilities. The backlog, when coupled with out-dated facilities prompted the development of the Reinvestment Program. The Board approved the Reinvestment Program in January 2000. The overarching goal of the Reinvestment Program was to maximize available financial resources to achieve the greatest improvements and reduce deficiency backlogs in the Revenue Fund facilities.

Each institution is responsible for developing a plan that works within their programmatic and financial parameters. Reinvestment plans may use a variety of approaches including renovation, decommissioning/demolition, and building of new facilities.

In 2005, the Office of the Chancellor contracted with a national facilities consulting firm, Pacific Partners Consulting Group, to work with the system's colleges and universities in developing a new facilities data base and reinvestment model. A base line report as of the end of fiscal year 2006 shows the Revenue Fund backlog has dropped to about \$100 million system-wide but is concentrated at three universities. However, modernization is not included in this backlog number, and so a direct comparison to the 1999 data is not entirely equivalent. In addition to monitoring backlog reduction, the model also predicts building

systems replacement or renewal scheduling, and associated costs on a building, campus, and system-wide basis.

The campuses use operating funds for some remodeling projects, but primarily bond proceeds for large renovation projects or new construction. While backlog reduction is an important part of the Reinvestment Program, equally important is the cyclical planning for building component replacement so that the backlog does not increase. The institutions usually use Repair and Replacement funds for this purpose.

2013 BOND SALE PROCESS

A revenue bond sale is tentatively scheduled to take place in early calendar year 2013. A proposed project list is included as **Attachment B**. Preliminary predesign work suggests a bond size of approximately \$125 million is needed to accommodate the projects under consideration. The list, while tentative, is based on campus facilities master plans, residential life master plans, and consultation with campuses during the past several months. Campuses supplied the system office with preliminary predesigns and proformas that have been used to develop basic project scope and definitions, costs, and feasibility for the 2013 projects.

With student fees serving as the primary source of repayment of Revenue Fund debt, students are expected to be consulted on project planning. The student consultation process is ongoing for the 2013 projects. Under ordinary circumstances, an institution's student senate, residence hall association or related organization is formally consulted on the project and its financial impact. Student consultation letters for all projects are supplied prior to final Board approval of a revenue bond sale. The campuses follow the Board's student consultation policy when introducing revenue fund fees.

The proposed 2013 revenue bond sale will require an increase in the revenue bond debt ceiling. The Revenue Fund currently has outstanding principal debt of \$265 million and a \$300 million debt ceiling. After an additional principal payment in 2012, the outstanding debt will be approximately \$255 million. That leaves approximately \$45 million available for projects in 2013 without an increase in the debt ceiling. The debt ceiling was last increased from \$200 million to \$300 million during the 2010 legislative session in anticipation of the 2011 revenue bond sale. A simplified spreadsheet comparing the revenue bond debt ceiling and project amounts is contained below the project list on **Attachment B**.

REVENUE FUND FORECASTING

This year, the facilities staff undertook a survey of all projected capital needs, including the needs in revenue fund facilities. The survey elicited feedback from all campuses and took into account facilities master plans and/or residential life master plans. Based on the survey results, staff are forecasting an approximately \$125 million revenue fund bond request in 2012, \$53 million in 2015 and a possible \$105 million revenue bond request in 2017.

Regarding the 2013 bond sale projects, staff are working with the colleges and universities now in the fund and the proposed 2013 project candidates to model debt capacity at the

program and campus level. When staff evaluated the current revenue bond program, including all debt issued in 2011, the revenue fund is projected to have the financial capacity to support approximately \$430 million of total debt outstanding. Before the addition of any new income producing properties, the fund could currently support up to an additional \$165 million. This estimate is based on conservative assumptions of bond interest rates and debt service coverage ratios. Note that the financial capacity of the fund to support \$430 million is distinguishable from the current debt ceiling of \$300 million.

Given the analysis, system staff would like to seek legislative authority to increase the revenue fund debt ceiling during the 2012 legislative session from \$300 million to \$430 million. The desired increase is predicated on several factors: 1) the ability to accommodate all projects proposed in the 2013 sale, 2) to provide the Board flexibility in addressing off-cycle revenue bonding requests, and manage their debt capacity accordingly, and 3) to provide adequate authority to potentially accommodate the projected 2015 project forecast without further revisions to the revenue bond debt ceiling.

Staff continues to work with the proposed 2013 program additions to underwrite and analyze new projects to seek the most effective use of revenue bonding, balancing the needs for reinvestment and renewal at campuses with the realities of funding strains on our student populations. Similar ongoing analysis is occurring to further refine the projections of revenue fund capital needs. The final project sizes and bond sale requirements are expected to decline slightly before final board approval is sought next winter.

The Board has final review and approval authority prior to the sale of any new revenue fund bonds. The updated timeline for the 2013 revenue bond sale is included for reference in **Attachment C**.

Attachments

- A. Revenue Fund Participants and Bond Amounts**
- B. Proposed Projects for the 2013 Revenue Bond Sale**
- C. Timeline for 2013 Bond Sale**

Presented to the Board of Trustees: November 16, 2011

Attachment A

Total Revenue Fund Bond Appropriation by Campus
(Total Bonds Sold 2002-2011)

<i>Campus</i>	<i>Par Amount of Bonds</i>	<i>%Total</i>
1 Minnesota State University, Mankato	\$ 82,417,703	27.59%
2 Winona State University	\$ 47,054,283	15.75%
3 St. Cloud State University	\$ 33,752,270	11.30%
4 Minnesota State University Moorhead	\$ 29,619,275	9.92%
5 Normandale Community College	\$ 27,965,392	9.36%
6 Southwest Minnesota State University	\$ 19,046,788	6.38%
7 Bemidji State University	\$ 17,820,000	5.97%
8 Minneapolis Community & Technical College	\$ 17,014,290	5.70%
9 Saint Paul College	\$ 11,730,000	3.93%
10 Anoka Ramsey Community College	\$ 6,420,000	2.15%
11 Century College	\$ 4,330,000	1.45%
12 M-State Moorhead	\$ 1,560,000	0.52%
<i>Total Par Amount of Bonds</i>	\$ 298,730,000	100.00%
<i>Total Outstanding Principal</i>	\$ 264,985,000	

**Attachment B
2013 Revenue Bond Sale Projects
as of November 2011**

Campus	Location	Project Description	Total Project Cost	Revenue Fund Portion	With Bond Costs (add 11%)
*Alexandria Technical and Community College	Alexandria	Renovation of existing parking lots (*may be financed out of existing taxable bonds)	500,000	500,000	
Inver Hills Community College	Inver Grove Heights	Construction of Student Center	9,800,000	9,800,000	10,878,000
Metropolitan State University	St. Paul	Construction of Student Center	10,500,000	10,500,000	11,655,000
Metropolitan State University	St. Paul	Construction of Parking Ramp	15,500,000	15,500,000	17,205,000
Minnesota State University Mankato	Mankato	Construction of Health Clinic and Dining Hall and funding the demolition of Gage Hall	32,000,000	32,000,000	35,520,000
Minnesota State University Moorhead	Moorhead	Renovation of West Snarr Hall	7,000,000	7,000,000	7,770,000
St. Cloud State University	St. Cloud	Renovation of East and West Shoemaker	13,350,000	13,350,000	14,818,500
St. Cloud State University	St. Cloud	Renovation of Atwood Student Center	15,000,000	15,000,000	16,650,000
Winona State University	Winona	Renovation of Krysko Commons	4,000,000	2,000,000	2,220,000
Planning/Taxable Bonds	Various Campuses	Planning: Design funding for future projects	0	3,000,000	3,330,000
Grand Total			107,650,000	108,650,000	120,046,500

*Candidate for Taxable Bonds from a prior sale

Project Cost = Total overall cost of project, including design, construction and soft costs.

Revenue Fund Portion = Amount to be financed using Revenue Fund Bonds

With Bond Costs = the cost of bond issuance, which adds about 11% to the cost of the bonds and includes one-year debt service reserve, bond counsel costs (variable), financial advisor costs (in preparation for the sale), underwriting costs (in preparation for marketing the bonds), trustee fees, printing of the official statements (securities requirement), rating agencies fees to rate the bonds, and miscellaneous fees that may be applicable to a particular sale

This list reflects the projects after 50% predesign and proforma.

Summary of Current Revenue Bonding Authority	
Current Bond Ceiling	\$ 300,000,000
Current Outstanding Bonds	\$ 264,985,000
Current authority	\$ 35,015,000 November 2011
Additional principal payoff	\$ 11,575,000 by January 1, 2013
Available authority	\$ 46,590,000 as of 2013
Calculating the Increase in Revenue Bonding Authority	
Proposed 2013 Projects	\$ 120,046,500
Available authority	\$ 46,590,000
Above current authority	\$ 73,456,500
Desired increase in current bond ceiling	\$ 130,000,000
Proposed New Revenue Bond Debt Ceiling	\$ 430,000,000

The project amounts are subject to change.

ATTACHMENT C

TIMELINE FOR 2013 REVENUE BOND SALE

February 2011 – December 2011

Project Identification

- November 15/16 – Board of Trustees meeting - revenue fund information item (increase in revenue fund debt ceiling)
- November 30 – 100% predesign and pro formas due; obtain letters of preliminary support for the projects from student leadership
- December - Develop legislative approach for bond authority increase, including student support

January 2012 – Mid-August, 2012

Legislative Authority and Project Feasibility

- January – student consultation – garner support for projects
- February – May - Obtain bond authority increase for revenue fund; continue student consultation on anticipated fees and project
- May/June – Revenue fund facility fees considered by Board for next fiscal year (including fees for 2013 projects, if applicable)
- June – August - If bond authority increased = prepare for Board approvals in fall
- June – August - If Authority increase not granted = evaluate projects for alternative financing availability and projects for phased delivery or deferral.
- August - Finalize pro forma and presentations to students in the fall – review student impact; student consultation plan

Mid-Aug 2012 – December 31, 2012

Prep for Rating Agencies/Board Approval

- August/September – Final student consultations on projects; collect updated student consultation letters
- September – preparation for Board submissions and rating agency visits
- October or November – First reading at the Board of Trustees
- November/December – Rating agency visits
- November/December – Preliminary statements prepared
- November or January – Second/final Board of Trustees reading requesting sale approval

January – February 2013

Final Board approval and bond sale

- January – Notice to legislature of Board approval
- January - Official statements published
- February - Sale date
- Late February – Funds available to campuses
- Spring – Design or construction begins

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Committee: Finance and Facilities

Date of Meeting: November 16, 2011

Agenda Item: Acceptance of Gift of Real Estate from Minnesota State University
Moorhead Foundation

- Proposed Policy Change Approvals Required by Policy Other Approvals Monitoring
- Information

Cite policy requirement, or explain why item is on the Board agenda: Board policy 7.7 provides that all gifts and grants of real property shall be formally accepted by the Board of Trustees subject to appropriate due diligence and conformance with a campus facilities master plan.

Scheduled Presenter(s): Brian Yolitz, Associate Vice Chancellor of Facilities

Outline of Key Points/Policy Issues: Minnesota State University Moorhead Foundation acquired these properties over the past several years and are well within the campus master facility plan boundaries. The university foundation purchased these properties with the expectation that they would eventually be transferred to university ownership.

Background Information: The purpose of this request is to seek Board of Trustees approval for acceptance of four gifts of real property, as follows:

- 811 11th Street South, Moorhead, MN 56560 (land and house)
- 1026 7th Avenue South, Moorhead, MN 56560 (land and house)
- 615 11th Street South, Moorhead, MN 56560 (land)
- 1120 6th Avenue South, Moorhead, MN 56560 (land)

The properties will be transferred to the university for the cost of conveyance only. Nevertheless, the total appraised value of the four properties is \$350,925. Environmental due diligence has been completed and the university anticipates no significant environmental problems.

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD ACTION

**Acceptance of Gift of Real Estate from Minnesota State University
Moorhead Foundation**

Board policy 7.7 provides that all gifts and grants of real property shall be formally accepted by the Board of Trustees subject to appropriate due diligence and conformance with a campus facilities master plan. The Board is asked to formally accept the gift of four properties located adjacent to the Minnesota State University Moorhead campus from the university's foundation. See **Attachment A** for the location of the properties in relationship to the university.

BACKGROUND

The Minnesota State University Moorhead Foundation owns four properties located as follows:

- **811 11th Street South, Moorhead, MN 56560** (land and house). 3-story, 2,682 sq. ft. house with detached garage and 15,480 sq. ft. lot, currently used as the Continuing Studies House
- **1026 7th Avenue South, Moorhead, MN 56560** (land and house). 2-story, 1872 sq. ft. house that has been used in the past as a sorority house, alumni offices, and related university office space, located on 7500 sq. ft. lot. The building is known as the Alumni House. The university intends to allow the foundation's continued use of the building after conveyance as an interim use until demolition occurs.
- **615 11th Street South, Moorhead, MN 56560** (land) parking lot A-1, 7500 sq. ft.
- **1120 6th Avenue South, Moorhead, MN 56560** (land) parking lot W-4, 6000 sq. ft. parcel.

The total acquisition involves 0.83 acres.

The foundation originally purchased these properties in contemplation of gifting them to the Minnesota State University Moorhead. Two of the four properties interim use has been for surface parking. The long range plan had been to demolish the two remaining houses and construct parking lot(s).

In 2010, the university completed its Comprehensive Facilities Master Plan update, which called for targeted demolition of the remaining single family residential properties within the

*Acceptance of Gift of Real Estate from
MSU Moorhead Foundation*

campus boundaries, primarily clustered along its westerly side, and convert the parcels to additional surface parking. After further review, the campus determined that the subject properties were appropriate for conversion to surface parking. The university expects to demolish the remaining buildings using their campus operating funds.

The university has obtained Phase I environmental reports for each of the four properties, and no major recognized environmental issues were identified. The university foundation will not charge the university for the properties, and the university will only pay the cost of conveyance to accept them. Nevertheless, the total combined appraised value of the four properties is \$350,925.00. Provided the Board accepts the properties and title is found marketable, the foundation is prepared to convey the properties to the university as soon as possible.

RECOMMENDED COMMITTEE ACTION:

The Finance and Facilities Committee recommends that the Board of Trustees adopt the following motion.

The Board of Trustees approves the acceptance of the four properties located at:

811 11th Street South, Moorhead, MN 56560 (land and house)
1026 7th Avenue South, Moorhead, MN 56560 (land and house)
615 11th Street South, Moorhead, MN 56560 (land)
1120 6th Avenue South, Moorhead, MN 56560 (land)

and directs the Chancellor or his designee to execute all necessary documents and fulfill the processes necessary to complete the conveyance of the properties from the Minnesota State University Moorhead Foundation.

RECOMMENDED MOTION:

The Board of Trustees approves the acceptance of the four properties located at:

811 11th Street South, Moorhead, MN 56560 (land and house)
1026 7th Avenue South, Moorhead, MN 56560 (land and house)
615 11th Street South, Moorhead, MN 56560 (land)
1120 6th Avenue South, Moorhead, MN 56560 (land)

and directs the Chancellor or his designee to execute all necessary documents and fulfill the processes necessary to complete the conveyance of the properties from the Minnesota State University Moorhead Foundation.

Date presented to the Board: November 16, 2011

