

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

Agenda Item Summary Sheet

Committee: Finance and Facilities

Date of Meeting: March 21, 2012

Agenda Item: Revenue Fund Reallocation - Alexandria Technical and Community College

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

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

The Board is obligated by master bond indenture to identify the projects that it is authorizing for revenue bond proceeds.

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

Outline of Key Points/Policy Issues:

The purpose of this report is to seek Board of Trustees approval to reallocate \$500,000 of 2009 Series B taxable revenue bonds to the Alexandria Technical and Community College for the purpose of renovating the main campus surface parking lots.

Background Information:

The Board authorized a \$35 million revenue bond sale in May 2009 to finance several revenue fund projects, and included \$1,000,000 of taxable bonds to be used to advance design and planning for future projects. \$500,000 has not been utilized for advanced planning. Bond counsel recommends that bond proceeds should be fully committed within three (3) years of a bond sale.

Alexandria Technical College can leverage the revenue fund along with its parking lot reserves to complete the updating and refurbishing of their existing surface parking lots surrounding their campus buildings this year instead of next year. The college's entry into the revenue fund will place the remaining system level revenue fund taxable debt with a worthwhile project.

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

ACTION ITEM
Revenue Fund Reallocation Alexandria Technical and Community College

PURPOSE

The purpose of this report is to seek Board of Trustees approval to reallocate \$500,000 of 2009 Series B taxable revenue bonds to the Alexandria Technical and Community College for the purpose of renovating the main campus parking lots.

BACKGROUND

The Board authorized a \$35 million revenue bond sale in May 2009 to finance several revenue fund projects. The sale included \$1,000,000 of taxable bonds to be used to advance design and planning for future projects. Of the taxable amount, Bemidji State University used \$500,000 for advanced planning of the Birch Hall renovation (a 2011 project). The remaining \$500,000 has not been utilized for advanced planning. Bond counsel recommends that bond proceeds should be fully committed within three (3) years of a bond sale.

After discussions commenced for a 2013 revenue bond sale, the college discussed a small revenue bond project to help update and refurbish the existing surface parking lots that surround the main campus building. Eventually, a proposal emerged to update the campus parking lots in the summer of 2012. The benefit to the college is that it can leverage the revenue fund along with its parking lot reserves to complete the update this year instead of next year, and the college's entry into the revenue fund will place the remaining system level revenue fund taxable debt with a worthwhile project.

The Board is required by master bond indenture to identify the project that it is authorizing for revenue bond proceeds.

PROJECT DESCRIPTION

The project refurbishes the college's six main parking lots containing 470 stalls out of a total of 1369. The project includes the North Lot, South Lot (Diesel), West Lot (visitor), East Lots (staff and 600 building). An aerial showing the subject parking lots is provided as **Attachment A**. All of the areas are surfaced with bituminous asphalt paving and striped for parking. The project will result in a negligible increase in stalls, and is primarily designed to refurbish the primary lots, which have deteriorated badly.

The college currently estimates a total project cost of approximately \$800,000, of which \$500,000 will be from the 2009 taxable revenue fund bonds and \$300,000 will be contributed from the campus's parking reserves.

The initial student fee impact is projected to be \$2.40 per credit in FY13 (\$72/year full time), increasing to \$2.50 (\$75/year full time) in FY14 and \$2.60 (\$78/year full time) in FY15. A student consultation letter is attached in this package as **Attachment B**.

RECOMMENDED COMMITTEE ACTION:

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

The Board authorizes the Chancellor or his designee to reallocate the approximately \$500,000 plus any earned interest of 2009 Series B taxable revenue bond proceeds to Alexandria Technical and Community College for renovating its campus surface parking lots.

RECOMMENDED MOTION:

The Board of Trustees approves the following:

The Board authorizes the Chancellor or his designee to reallocate the approximately \$500,000 plus any earned interest of 2009 Series B taxable revenue bond proceeds to Alexandria Technical and Community College for renovating its campus surface parking lots.

ATTACHMENT A



ATTACHMENT B



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On January 17, 2012 Student Senate meeting a presentation was given regarding the parking lot improvements. The improvements would provide for better traffic flow, lighting, landscaping, and pedestrian safety. Presenters David Bjelland, CFO, and Tim Tougas, Director of Facilities, gave an overview of the bonding request, proposed improvements, as well as the Parking Fund Pro-Forma and anticipated increase to parking fees. All information was presented through a handout which was provided for all members.

The Student Senate at Alexandria Technical and Community College is satisfied with the level of consultations we have received. We are supportive of the proposed parking lot improvements. The Student Senate looks forward to continuing with consultations as we move forward into the final design and construction phases.

A handwritten signature in black ink, appearing to read "Adam Klinkner".

Adam Klinkner

Student Senate President

Alexandria Technical and Community College

Received in system office February 9, 2012 via email