



**JOINT  
WARREN and WASHINGTON  
COUNTY  
COMMUNITY COLLEGE  
MEETING**



**AGENDA**

**May 26, 2011  
1:30 P.M.**

- I. Student Housing
- II. 2011-2012 Operating Budget



## Student Housing Questions and Answers

### Acronyms used in this FAQ:

Adirondack Community College:	"College"
ACC Foundation:	"Foundation"
Board of Trustees:	"BOT"
Faculty-Student Association:	"FSA"
George K. Baum, Inc.:	"GKB"
JMZ Architects & Planners, P.C.:	"JMZ" or "Consultant"
Warren and Washington Counties:	"the Counties" or "the Sponsors"

### THE INCEPTION OF STUDENT HOUSING

#### **Why did student housing first get started?**

Student housing was thought of as a way to maintain or increase enrollment at the College over two years ago. The Board of Trustees authorized College administration to proceed with a feasibility study.

#### **Who did the feasibility study and what were the results?**

A request for proposal (RFP) was put out which the College received two responses from two well-versed companies, Anderson Strickler (Baltimore) and The Scion Group (Chicago). After presentations to the College, The Scion Group was chosen to conduct the student housing study.

The results from the study, provided to the College in February, 2010, concluded that there is a significant need for student housing at Adirondack Community College. The study further determined the College's needs could support 800+ beds.

#### **What was the next step?**

The College Administration provided the information from the study to the Board and requested the Board to approve looking into student housing further including the ability for the College to put out a request for proposal for student housing. The approval included the hiring of an experienced student housing consultant.

### THE REQUEST FOR PROPOSAL FOR STUDENT HOUSING

**The consultant was asked to develop a RFP based upon the needs of the College. The College requested the RFP include three elements: a) design build; b) financing; and c) management. Who did this go out to and when?**

Prior to the RFP being issued, the word had gotten out that the College was considering student housing. Any entity that contacted the College or the Consultant was placed on a list. The RFP was sent out initially to over 36 contractors, architects, banks, and management companies. The final number of sent RFPs was near 50 along with a publication in the College's official paper, *The Post Star*. The RFP was issued on January 19, 2011 and responses were due on February 18, 2011.

**Do the Counties have any additional general liability associated with granting a ground lease for the purpose of building housing?**

No, it is the same as currently exists.

**Is there any financial responsibility for the Counties?**

No. The Counties are not involved in the financing in any way. The College is not responsible for the debt either. The responsibility is with the LLC and FSA.

**Do the Counties have to pay for any of the construction cost or provide any money at any time for this project?**

No. The Counties only responsibility is to provide a ground lease for the property the student housing will be built on. The Counties will not have to provide any money during this project.

**Do the Counties have to pay for any operational costs or any shortfall in the project?**

No. These costs are covered by the LLC and FSA.

#### MISCELLANEOUS

**Why is the College not able to do this project?**

NYS Education Law does not permit a Community College to build, finance, or operate student housing.

**What are the best case and worst case scenarios?**

The best case is additional revenue to the College, the FSA, and the Foundation. The worst case is that the debt will have to be restructured or have an alternate use of the building.

**Are the College's classes crowded?**

No. The recent update to the Facilities Master Plan performed by JMZ contained a classroom utilization study which showed the College has some classrooms being underutilized and others over utilized. This is due to the scheduling of classrooms and addition of or deletion to students enrolled in classes. A comprehensive room scheduling software program will be reviewed to see if it can be purchased to aide in this problem.

The Facility Master Plan denotes if student housing is to come to the College campus that from the 400+ beds, approximately one-half will be new students to the College, versus all being new to the College. Some of these new students will be from other counties, thus increasing chargeback revenue.

**Are there other NYS Community Colleges who have student housing?**

Yes. Of the 30 Community Colleges, the following 15 have student housing: Clinton CC; Dutchess CC; Fashion Institute; Finger Lakes CC; Fulton-Montgomery CC; Genesee CC; Herkimer County CC; Jamestown CC; Mohawk Valley CC; Monroe CC; Niagara County CC; North Country CC; Onondaga CC; Sullivan County CC; and Tompkins-Cortland CC.



# SUNYADIRONDACK

**What is the approximate amount being financed for this capital project?**

The approximate amount to be financed is \$20-24 million. A more definite amount will be known after further talks with the builder and solicitation of lenders.

**Where will the money come from to pay for the building and the operational cost?**

Rental payments by students.

**Where does the excess revenue go?**

Excess revenue (after reserves) will be divided by the FSA, the College, and the Foundation.

**What is the number of rooms that have to be rented to cover the debt?**

It is estimated with the current pro forma that breakeven is at 87% capacity. This could change due to interest rates and other factors.

**DETAILS ON THE STRUCTURE OF THE STUDENT HOUSING FACILITIES**

**How many beds is the College looking to have?**

With the two remaining responses, the College anticipates there will be just over 400 beds in the initial facility. The design and location provide for an additional 200 bed future expansion, if needed.

**Where will the student housing be located?**

As you enter the College campus from the light on Bay Road, when you come over the crest of the hill, you will be able to enter through the proposed roundabout and go into the student housing. It is anticipated that there will be a separate "exit" for parking in the existing south lot and a separate "exit" for entering the student housing.

The buildings, which include classrooms, security office, and fitness center, will be located to the right of the existing Adventure Sports ropes course. The treed area will not be disturbed.

**What entity will be responsible for the Student Housing debt functions?**

A single member LLC will be created with the FSA as the parent. The LLC will be responsible for the debt and the operations of the student housing, and will be operated by a board of managers.

**Who will operate / manage the Student Housing?**

We are evaluating doing this ourselves or through an outside company. The FSA will provide services such as food service, security, accounting, cleaning and maintenance, etc. Employees of the LLC will provide services for marketing, room registration and academic learning programs, etc., and will report to College personnel but be paid by the LLC.

**SPONSORING COUNTIES INFORMATION**

**What do the Counties need to do?**

The Counties need to approve a ground lease for the purpose of building residential dormitories. The property will be leased for \$1 per year for at least 30 years.



### **How many responses did the College receive and what happened upon opening?**

The College received a total of 10 responses to the RFP. A committee consisting of the BOT, College Administration and the Consultant reviewed the 10 proposals. Four proposers were chosen to do formal presentations to the Board's Committee and the College Administration. The College Community was made aware of the presentation dates and were invited to attend and ask questions.

### **Where is the College now in the process?**

The College Administration and the Board of Trustees' Committee have narrowed the proposals to two contractors and are in the process of reviewing the responses and making a recommendation to proceed to the next step. The Committee has opted to choose only a design/build contractor and **not** the package which includes the financing and management company. These areas will be addressed separately.

The Board of Trustees will be making a decision on the contractor at the June 26<sup>th</sup> Board meeting. There will be continued negotiations to obtain a guaranteed maximum price. Although the contractor will be chosen, this does not automatically mean the project has been approved.

The College has hired George K. Baum as its investment banker to assist the college in obtaining financing for the project. In order to proceed with this we need the Counties to grant a ground lease for the land to be used for housing.

## **FINANCIAL INFORMATION**

Once the contractor and a guaranteed maximum cost have been secured between the College and the Contractor, the financing will be sought. A firm amount must be in place before any type of financing can be looked at. Financing options will have to be obtained and once preliminarily approved, the entire project, including the means to finance, will have to be approved by the College's Board of Trustees. This is needed at this time in order to solicit lenders.

### **Is there any financial responsibility for the Counties?**

No. The Counties are not involved in the financing in any way. The College is not responsible for the debt either. The responsibility is with the LLC and FSA.

### **How will this be financed?**

Financing will be in the form of tax-exempt revenue bonds.

### **Who will do the work for the financing of the project?**

The College has entered into a contract with George K. Baum, Inc. to seek out financing for the student housing project. GKB has requested and the College has provided the information necessary to prepare a financing packet which will be sent to prospects. There is no upfront cost for this contract and should the College not go through with the student housing project, the College will not owe GKB any sum of money.

