



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Finance and Facilities Committee

DATE: November 14, 2023

TITLE: Contracts Requiring Board Approval

- a. Crawford B. Hall Restroom Renovation, Minnesota State University, Mankato
- b. Twin Cities Graduate Center Lease Extension, St. Cloud State University

Action

Review and Discussion

This item is required by policy

PRESENTERS

Bill Maki, Vice Chancellor for Finance and Facilities

Brian Yolitz, Associate Vice Chancellor for Facilities

Paul Corcoran, Associate Vice President, Facilities Management, Minnesota State University, Mankato

Cynthia Janney, Director of Residential Life/Dean of Students, Minnesota State University, Mankato

Larry Lee, Vice President for Finance and Administration, St. Cloud State University

Dr. William Collis-Prather, Associate Professor & Director, Applied Clinical Research (ACR), College of Science and Engineering, St. Cloud State University

PURPOSE

Board Policy 5.14, Contracts, Procurements, and Supplier Diversity, requires Board of Trustees approval of any procurement, lease agreement, or professional, technical, or consulting service contract with a value in excess of \$1,000,000 or contract amendment that would increase the total value of a contract to more than \$1,000,000.

Contract Requiring Board Approval: Crawford B. Hall Restroom Renovation, Minnesota State University, Mankato

BACKGROUND

Minnesota State University, Mankato (MSU) seeks board approval of a construction contract to renovate all four student bathroom suites in Crawford B Hall, one of the university’s residential halls. The existing bathrooms do not meet current accessibility standards and have failing plumbing infrastructure and finishes. The new bathroom suite layout will be accessible and inclusive providing a semiprivate bathroom with individual toilet and shower rooms and a combination of both. These rooms will feature full height lockable doors for privacy. The bathrooms will be completely remodeled and include the complete replacement of the failing plumbing infrastructure and tile floor.

The board of trustees previously reviewed this project back in January 2023, and granted approval at that time for a construction contract not to exceed \$1,700,000. The campus bid out the project in March and received only one bid of \$2,298,000. They have since reduced the scope slightly and are now rebidding the project. This request is for approval for an additional \$800,000 from the previously approved amount of \$1,700,000.

FINANCIAL TERMS

This construction contract will be funded through MSU Residential Life operating funds within the university’s Revenue Fund for an amount not to exceed \$2,500,000. Subject to board approval the construction contract will be awarded to the lowest responsible bidder. The construction is planned to occur in the summer of 2024.

RECOMMENDED ACTION

The Finance and Facilities Committee recommends that the Board of Trustees authorize the chancellor or the chancellor’s designee to enter into a construction contract not to exceed \$2,500,000 to renovate Crawford B Hall restrooms at Minnesota State University, Mankato. The Board of Trustees directs the chancellor or their designee to execute all necessary documents.

<i>Date Presented to the Finance and Facilities Committee</i>	<i>11/14/2023</i>
<i>Date Presented to the Board of Trustees:</i>	<i>11/15/2023</i>
<i>Date of Implementation:</i>	<i>11/15/2023</i>

Contract Requiring Board Approval: Twin Cities Graduate Center Lease Extension, St. Cloud State University

BACKGROUND INFORMATION

The strategic framework for St. Cloud State University (SCSU), *It's Time*, continues long-standing efforts to build a portfolio of affordable, competitive, professional graduate programs to serve the needs of the growing tech and IT, business, and healthcare labor markets in the Twin Cities and beyond. The Twin Cities Graduate Center location provides face-to-face instruction and advising, administrative services, personalized support for academic work and career development, industry fairs, library resources access student affairs support such as international student services, and secure access to the internet and spaces for homework and group projects in a safe environment that does not require additional expenses, purchases or permissions to use. The Twin Cities Graduate Center is utilized by other University stakeholders to connect with Twin Cities audiences in activities through Continuing Education, Strategic Enrollment Management, and Alumni Relations.

With close proximity to several major employers in the Medical Technology industry, accessibility via the Interstate 494 and U.S. Highway 169 corridors, safe location, and its immediate connection to public transport at the front of the door, the Plymouth location allows working professionals, many of whom are also parents or have other care obligations, and many of whom come from historically marginalized backgrounds, to access education in a convenient and safe manner.

Free parking right additionally reduces the cost of attendance; anxiety, especially among women and students of color; provides complete disability access; and reduces time investment and cost of childcare for those attending evening classes, while a congenial and welcoming atmosphere - and two kitchen areas - allow time and space to relax and get ready for class after a day of work.

In April of 2016, SCSU received Board approval for the original lease with 918 Plymouth Partners, LLC for approximately 12,687 square feet of office space at 9750 Rockford Road, Plymouth, Minnesota for continuing their Twin Cities Metropolitan area presence for graduate programming. These programs include Master of Business Administration (MBA), Master of Engineering Management, and master's degree programs in Applied Clinical Research, Medical Technology Quality and Regulatory Affairs and Services.

Before 2016, SCSU occupied space in Maple Grove for similar purposes going back to 2009. The April 2016 board action approved a lease for a five (5) year term (January 1, 2017 through December 31, 2021). The lease was then extended for two years from January 1, 2022 through December 31, 2023 for a total cost of \$748,787 (Calendar Year (CY) 2022 = \$370,714 and CY2023 = \$378,073).

In August of 2023, SCSU began planning for an extension to the lease for one (5) year term, effective January 1, 2024. The new lease term lowers the annual cost by \$41,867 to reset the base expense by 11 percent as compared to the most recent lease terms.

Five-year lease terms are as follows:

Renewal Term	Usable Square Feet	Cost per SF	Gross Annual Rent Amount
01/01/2024-12/31/2024	12,687	\$26.50	\$336,206
01/01/2025-12/31/2025	12,687	\$27.03	\$342,930
01/01/2026-12/31/2026	12,687	\$27.57	\$349,781
01/01/2027-12/31/2027	12,687	\$28.12	\$356,758
01/01/2028-12/31/2028	12,687	\$28.65	\$363,483
		Total	\$1,749,157

Revenues have grown steadily at the Twin Cities Graduate Center and have strongly rebounded after the disruption to face-to-face instruction during the pandemic.

Revenue Source	FY2022	FY2023	Totals
Tuition	\$1,859,561	\$2,288,577	\$4,148,138
Other revenues (rental revenue)	\$9,866	\$15,510	\$25,376
Total Revenues	\$1,869,427	\$2,304,087	\$4,173,514

Rental revenue is used to assist in marketing the programs.

Academic programs currently offered:

- Applied Clinical Research, M.S., Graduate Certificate
 - Fall of 2022 to Spring of 2023 81 enrolled
- Medical Technology Quality, M.S., Graduate Certificate
 - Fall 2022 to Spring 2023 42 enrolled
- Regulatory Affairs and Services, M.S., Graduate Certificate
 - Fall 2022 to Spring 2023 102 enrolled
- Master of Engineering Management, M.E.M
 - Fall 2022 to Spring 2023 143 enrolled

Academic programs planned for 2024-2025 Academic Year:

- Clinical Mental Health Counseling M.S.
- Master of Social Work (MSW)

The Greater Minneapolis St. Paul region has won the designation as U.S. Tech Hub for Medical Technology, and Minnesota State is one of 30 partners in that collaboration. Our site in Plymouth is in a prime location to benefit from that designation and this benefit cannot be realized as well in other locations.

St. Cloud State’s Twin Cities programs have also won many accolades; our Master of Engineering Management has been ranked #62 in the nation, and our Applied Clinical Research master’s

program has just received accreditation through the Committee on Accreditation of Academic Programs in Clinical Research (CAAPCR), a subcommittee of the Commission on Accreditation of Allied Health Education Programs (CAAHEP), while our MBA received an award for its curricular design.

FINANCIAL TERMS

The proposed Lease Extension is for 12,687 square feet commencing on January 1, 2024. A full five (5) year extension would end and end December 31, 2028. The cost obligation for a full five (5) year extension is \$1,749,156.72.

This lease is funded with SCSU general operating funds.

RECOMMENDED ACTION

The Finance and Facilities Committee recommends that the Board of Trustees authorize the Chancellor or the Chancellor’s designee to enter into a Lease Extension for up to five (5) years or an additional \$1.8 million providing St. Cloud State University continued operation of their Twin Cities Graduate Center.

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