

# STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

August 7, 2024

**TOPIC:** Authorizing a Resolution for Trinidad State College to Expend State COP Proceeds for the Valley Campus Project

**PRESENTED BY:** Mark Superka, Vice Chancellor for Finance and Administration; Fred Marienthal, Kutak Rock LLP

**RELATIONSHIP TO THE STRATEGIC PLAN:** Transform the student experience, transform our workforce experience, create education without barriers through transformational partnerships, and redefine our value proposition.

**EXPLANATION:**

In a prior Board meeting, the Board authorized the program plan and the authorization for TSC to pursue Capital Construction funding through the Colorado General Assembly to build an addition to the Valley Campus in Alamosa to increase capacity for the TSC nursing and health programs. Subsequent to the Board's approval, the Colorado General Assembly passed HB 24-1231 which authorizes the State Treasurer to finance the purchase of an asset through certificates of participation agreements ("COPs"), including lease-purchase agreements, on existing State facilities, or facilities to be constructed, for the purpose of funding health care and sciences related projects at four Colorado higher education institutions – The University of Northern Colorado; Metropolitan State University of Denver; Colorado State University; and, Trinidad State College ("TSC"). Under HB 24-1231 TSC will receive \$19,394,064 of State COP funds to expend on the Valley Campus project.

The TSC Project on the Alamosa campus will add a net 14,511 GSF to the existing building footprint for a total 66,999 GSF. An RFP for a design build general contractor is planned for the Summer of 2024. The TSC Project is projected to begin construction in the summer of 2025 and to complete construction in the summer of 2026.

The TSC Project plans include a two-story addition with a main building entrance and north wing entrance, moving critical allied health programs into the building and increasing TSC's capacity to deliver these programs--including nursing, emergency medical technicians, dental assisting, and medical assisting. The project will also relocate critical student services to a main entry ground level location, which will serve TSC students and visitors more visibly and effectively. The project will also add additional student life spaces, offices for administration and faculty, and create a large assembly space. The TSC Project will also address the critical need for mechanical upgrades, including building envelope and HVAC improvements, to provide a more comfortable learning environment for students, faculty and staff.

In this agenda item, the System and TSC are requesting approval from the Board to execute State documents to finance the TSC Project pursuant to HB 24-1231, including

a Board Resolution and Site Lease. Fred Marienthal, bond counsel from Kutak Rock LLP, will be available to answer any questions the Board has regarding the Resolution (attached in your Board packet), which delegates authority to the Board Chair, System Chancellor and Vice Chancellor for Finance and Administration to sign closing documents for the financing.

## **Summary of the Transaction Documents**

### **Resolution and Site Lease**

The Resolution authorizes the Board Chair, System Chancellor and Vice Chancellor for Finance and Administration to execute and deliver the Resolution and the Site Lease in substantially the forms presented to the Board. The COP financing and debt is the responsibility of the State of Colorado and neither the SBCCOE, System nor TSC have a responsibility for paying the debt service on the COPs. TSC is responsible for constructing the TSC Project, maintaining, insuring and operating the facility in accordance with the Site Lease.

The Site Lease grants a leasehold interest in the Valley Campus to the State Treasurer who then subsequently subleases the interest to the Trustee, US Bank, NA. The SBCCOE retains fee title to the Valley Campus. In the event the State of Colorado defaults on the COPs, TSC and the System would have the ability to refinance the remaining debt obligation on the TSC Project and obtain a release of the leasehold interest on the Valley Campus.

### **RECOMMENDATION:**

Staff is recommending that the Board approve the Resolution and authorize TSC to enter into construction contracts and spend COP proceeds for the TSC Project in the amount of \$19,394,064.

### **ATTACHMENTS:**

Attachment A: Resolution and Site Lease