



Project Proposal to
The Asset Management Board

Northern Essex Community College Health and Wellness Facilities

Haverhill, MA

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Proposed by:

Northern Essex Community College
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In Collaboration with

The Executive Office of Education
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The Department of Higher Education
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The Division of Capital Asset Management and Maintenance
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I. PROJECT SUMMARY

Proposing Agency:

Northern Essex Community College (NECC)

In collaboration with

The Executive Office of Education (EOE)

The Department of Higher Education (DHE)

The Division of Capital Asset Management and Maintenance (DCAMM)

Summary Description of the Project:

Northern Essex Community College was founded in 1961 and has campuses in Haverhill and Lawrence. Its Haverhill Campus (the “Campus”) sits on 106 acres bordered by residential neighborhoods and greenspace and is composed largely of buildings built in 1971. A 2007 Masterplan conducted by Sasaki (Appendix A) identified a general need for modernization of most of the Campus’s original buildings, including the Sports and Fitness Center (Building D).

Building D and the surrounding athletic fields face deficiencies which hamper the Campus’s ability to serve their students and offer high-quality health and wellness programming. Building D was determined to have approximately \$6 million in deferred maintenance needs in a 2017 DCAMM Building Assessment (Appendix B), including accessibility upgrades and out of date systems. The adjacent athletic fields, including a baseball field, softball field, and asphalt track, suffer from drainage issues and do not meet the Campus’s needs for field athletics, as outlined in the 2011 Baseball Field Restoration Study completed by Carol R. Johnson Associates, Inc. (Appendix C). These baseline upgrades to systems, deferred maintenance, accessibility, and field drainage are estimated to cost a total of approximately \$9 million across Building D and the fields.

NECC proposes to leverage a revenue stream from third-party operations of upgraded facilities to offset the cost of improvements to Building D and the Athletic Fields. By partnering with a third party, NECC and Commonwealth can achieve cost savings while improving offerings for students and maintaining primary rights of usage for the facilities. This approach will help not only to improve the Campus’s financial position and offerings for its existing students, but the interaction with third-party uses such as childcare, food service, community programming, and competitive third-party sporting events could serve to make

NECC a regional destination which attracts and retains new students while strengthening relationships with the surrounding community.

NECC's main goals in exploring a partnership at this site are to:

- I. Advance their mission by better serving their students of today and the future with health and wellness offerings;
- II. Enhance their facilities in a cost-effective way; and
- III. Foster better connectivity with the surrounding community to advance shared values and attract and retain students.

Description of Transaction

NECC proposes to offer a long-term ground lease of a portion of their Haverhill Campus to a development partner who will be responsible for planning, financing, permitting, and constructing the site's improvements as well as operating the end-state facilities. These improvements will, at a minimum, include updates / modernization to the fields and address the deferred maintenance backlog in Building D. They may also include substantial addition, renovations, or new facilities altogether. As a condition of its ground lease, the development partner will offer NECC rights to the facilities in a mutually agreeable format which improves offerings for students. The approximately 16-acre ground lease area will include Building D and the athletic fields and may include space for additional parking.

NECC expects the consideration for the lease to take the form of delivery and operations of the new facilities. Should additional proceeds arise from this transaction, such proceeds would be split between a trust fund to be established pursuant to this Project (see Section VII, "Trust Fund Information") and the Commonwealth's General Fund. NECC expects to use the trust fund to finance costs and expenses borne by the Campus. All expenditures from the trust fund would require the specific, prior written authorization of the Secretary of Administration and Finance.

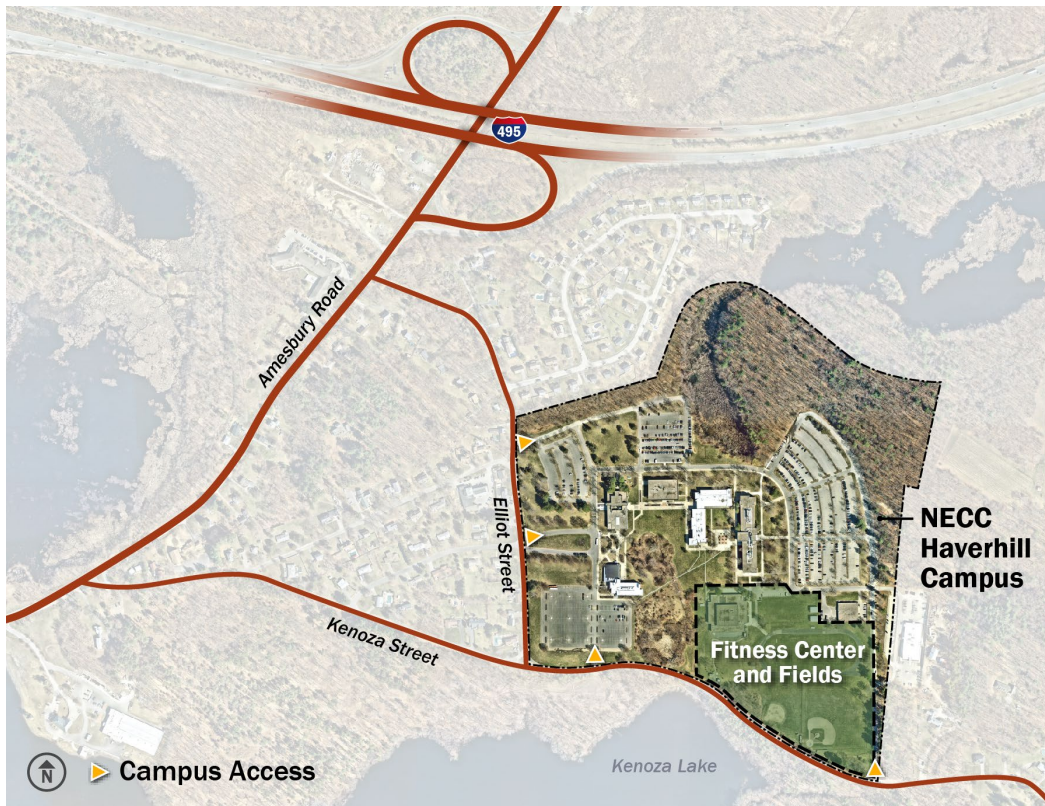


Figure 1. Campus context and approximate site boundary

II. DESCRIPTION OF THE PROJECT:

The Sports and Fitness Center (Building D) at Northern Essex Community College (NECC) is approximately 44,800 square feet and was constructed in 1971. Key deficiencies identified in prior studies include accessibility shortcomings, and mechanical, electrical, plumbing, and fire protection systems operating beyond their useful lives (Appendix D). It is anticipated that substantial building improvements may trigger various code reviews, including seismic, and associated upgrades costs.

The Athletic Fields, situated at the southeastern corner of the Campus, are rendered unusable for large portions of the season due to poor drainage. These deficiencies hamper NECC’s ability to offer competitive sports programming for their students and may represent a missed opportunity to capture a regional demand for quality athletic facilities that could attract and retain new students through increased health-related certificates and programming and a renewed emphasis on mental health through physical well-being. NECC

believes that increased synergies on Campus will enhance relationships with the community and generate revenue to offset the cost of upgrades and maintenance.

Through a feasibility study with Goody Clancy and Anser Advisory (Appendix E), DCAMM has examined several potential options for addressing the Campus's needs for capital upgrades. Scenarios considered ranged from addressing the baseline ADA and deferred maintenance issues only, to a complete replacement of Building D and creation of new artificial turf fields. The study suggested that a partnership with a development partner with the financial capability, fundraising experience, and an aligned mission could result in a cost-effective way to improve these facilities and meet NECC's goals.

This approach, which involves shared use of buildings and fields by NECC and a partner, will tap the potential of a partner to bring capital resources to improve existing facilities, and its ability to generate and capture new private revenue streams on site. Through this partnership, NECC will be able to benefit from improved facilities while offsetting both its capital costs and long-term operational burden. Third-party monetization of the improvements may include advertising and/or naming rights compatible with the primary athletic, health and wellness uses as further described in Section VI. This will help ensure that operations and capital reserves are adequately funded, provide greatly improved health and wellness amenities for the students, and enliven the site through community programming consistent with NECC's mission.



Figure 2. Aerial view of existing conditions of the site

III. PUBLIC PURPOSE

Public Purpose

The public purpose of this project is to reduce the Commonwealth's capital expenditure required to improve these facilities and minimize NECC's exposure to ongoing costs associated with maintenance and operations. The proposed approach will allow NECC to avoid funding all or most of the estimated \$9 million capital expenditure required to address the basic deficiencies of the facilities and shift ongoing costs to a third party.

In addition to the financial benefits of this partnership, students at NECC will have access to improved health and wellness facilities. NECC is planning to add new sports programming, including women's basketball, and is interested in potentially adding women's soccer, women's softball, men's volleyball, flag football, and wrestling as additional offerings in the upgraded facilities. With improved facilities to accommodate them, NECC may also explore adding certificate and degree programs in personal training, nutrition, sports management, physical therapy, and other hands-on health and wellness offerings at the Campus.

This approach will improve student services, generate activity on Campus that will help attract and retain students of all backgrounds, create partnerships with the surrounding community, and advance NECC's mission, which includes providing a welcoming environment dedicated to empowering their learners to meet their goals. As a community college serving a diverse community, NECC is committed to creating opportunities that encourage excellence and enhance the cultural and economic life of its region in an equitable way. NECC views vibrant athletic, health and wellness programming as integral to student retention, physical and mental health, and the success of the college and its users.

This project would allow NECC to fully capture these opportunities without significant additional capital investment from the Commonwealth.

IV. LAWS AND REGULATIONS TO BE WAIVED

NECC & DCAMM request that the AMB waive the following laws and regulations for this proposed transaction:

M.G.L. c. 7C, § 33 – Establishes the process for the disposition of surplus Commonwealth property. This section should be waived to make clear that state and local polling is not required for this transaction.

M.G.L. c. 7C, § 34 – Establishes the process for the disposition of surplus Commonwealth property when legislative authorization exists. This section should be waived to make clear that AMB approval is in lieu of express legislative authorization for the proposed project.

M.G.L. c. 7C, § 35 – Establishes a ten-year lease limit on properties outside of the state house. This section should be waived to the extent needed to confirm that the College’s right to use portions of the private facilities is not subject to the 10-year limit.

M.G.L. c. 7C, § 37 – Establishes a notification and hearing requirement for the lease of real property of more than one acre. This section should be waived to make clear that the AMB notification and hearing process is in lieu of this requirement.

M.G.L. c. 7C, § 41 – Prohibits certain private uses of public land without legislative authorization. AMB approval is requested in lieu of legislative approval.

M.G.L. Chapter 30, Sections 39F through 39R, inclusive (but not Section 39H)
M.G.L. Chapter 149, Sections 44A through 44J, inclusive, except for certification of noncollusion in contracting requirement – These laws govern competitive procurement of construction contracts by state authorities, departments and municipalities. While a competitive process will be required, the selection will be based on factors including, but not limited to, cost of construction and therefore the public construction laws will not apply. The noncollusion in contracting requirement would not be waived, nor would any laws pertaining to the payment of prevailing wages for improvements constructed on state-owned property.

810 CMR 2.06(2)(c) (Polling Requirement – Second Sentence Only) – The first sentence of this section requires the Commissioner of DCAMM to certify receipt of an inventory of the agency’s assets and that such inventory is accurate and correct. The inventory and the Commissioner’s certification is included in the Project Proposal. The second sentence of Section 2(c) requires the DCAMM Commissioner to also certify that the project does not conflict with the current and foreseeable needs of any agency of the Commonwealth. Since this transaction does not require state polling, the requirement in this second sentence should be waived to make it clear that the Commissioner’s certification is not required.

V. ALTERNATIVE DISPOSITION PROCESS

DCAMM and NECC are seeking AMB authorization to pursue an alternative disposition process which will result in a ground lease for up to the approximately 16-acre area to a development partner responsible for designing, permitting, financing, constructing, and operating the new or refurbished health and wellness facilities. In exchange for the lease, DCAMM and NECC expect the selected development partner to deliver primary or privileged use of some portion of the improvements which meet the Campus's space needs outlined below.

NECC and DCAMM anticipate a Request for Proposals (RFP) process which solicits information about responding teams to ensure that they have shared values, financial capability, and development capacity to deliver on NECC's goals. Respondents may be asked to describe their proposed program, provide renderings, propose financial terms, offer a community engagement plan, and outline a timeline and permitting strategy to execute the project. Proposals will be evaluated based upon numerous factors including how well each meets NECC's space needs and financial goals, and alignment with the NECC's vision for community engagement, student retention, and the success of their learners.

VI. ANTICIPATED PROGRAM

A successful development partner will need to address the following minimum requirements:

- Address deferred maintenance and accessibility needs of Building D and the fields either through renovation or replacement;
- Propose a feasible financial plan to design, permit, construct, operate, and maintain the improvements on Campus;
- Offer an acceptable timeline for initiation and completion of facility and fields upgrades, while identifying any assumptions regarding phasing of work; and
- Identify a strategy to manage shared uses of the facilities that is satisfactory to NECC;

Central to a successful partnership is a collaborative approach to sharing use of the improved facilities between various users, including campus users, third-party users, and the community at large. While the specifics of the program and the management of the users is for potential respondents to propose, DCAMM and

NECC have highlighted basic space needs for the Campus as well as potentially compatible third-party uses.

NECC Program Needs

Building D and the adjacent fields are used primarily by the Campus athletics department. The Campus also operates a Police Academy in conjunction with the Massachusetts Police Training Committee (“MPTC”), which uses the facilities for recruit training. The Police Academy serves NECC’s mission by providing workforce development opportunities to underrepresented demographics and supporting meaningful engagement with the surrounding communities.

The Campus has identified the following current use-patterns of the facilities. The successful development partner will develop a spatial and programmatic strategy to manage and accommodate these uses in addition to general student and campus-user access to the facilities when feasible. NECC will consider adjustments to these use patterns in the future.

Athletics Department

- Use of locker rooms, showers, fitness equipment, and training rooms
- Regulation Intercollegiate Basketball and Volleyball Court
 - August - April: 3pm-9pm for team practices and intercollegiate
 - January – March: 12pm-3pm for spring sports teams as needed
- Outdoor Fields
 - August – May: 12pm-6pm for soccer, baseball, and softball

Police Academy

- Use of fitness facility physical training equipment Monday-Friday 6am-9am
- Use of jogging track; occasional use of fields
- Use of locker rooms and showers

NECC is planning to add new sports programming, including women’s basketball, and is interested in potentially adding other athletic offerings such as women’s soccer, women’s softball, men’s volleyball, flag football, and wrestling in the upgraded facilities. With improved facilities to accommodate them, NECC may

also explore adding certificate and degree programs in personal training, nutrition, sports management, physical therapy, and other hands-on health and wellness offerings at the Campus.

Potential Third-Party Uses

As a public higher education campus, NECC is interested in improvements that align with NECC's mission and benefit the larger Haverhill and Merrimack Valley communities, such as offering publicly accessible greenspace and fitness facilities, field time for city and local youth leagues, healthy and sustainable food options, and/or affordable childcare.

In addition to meeting the primary needs of the Campus, potential types of compatible third-party services for this partnership may include, but are not limited to:

- Athletic facilities, gyms, fitness centers, and community centers
- Competitive sports programming including baseball, soccer, softball, etc.
- Childcare services and programs
- Healthy food services
- Advertising associated with the main athletic, health and wellness uses
- Physical therapy, sports medicine, and other health and wellness facilities

Uses that are *not* contemplated as compatible with the NECC's vision for the Project include, but are not limited to:

- Other commercial uses and office space, except as compatible with the primary athletic, health, and wellness uses
- Housing
- Hotels
- Industrial or manufacturing
- Hospital and clinical/medical facilities, except as described above

A successful development partner will bring a commitment to collaboration to serving the health and wellness needs of the Campus and community and help the Commonwealth achieve its three main goals.

VII. PUBLIC ENGAGEMENT

Prior to submitting this Project Proposal to the AMB, NECC & DCAMM engaged in a robust outreach campaign with students, staff, stakeholders, elected officials, and potentially interested third parties. In addition to the public hearing that is required by 810 CMR 2.05, NECC & DCAMM administered a Request for Information (RFI) to gauge market interest and solicit information related to potential financing mechanisms and conducted polls of the campus community related to usage of the existing facilities.

Request for Information

From March 8th to April 19th, a Request for Information (RFI) was made publicly available for response. It was advertised in the Haverhill Gazette, Eagle Tribune, Central Register, and on NECC's webpage. It was also circulated by email to the local Chambers of Commerce and a DCAMM general interest list.

The RFI was designed to determine the interest, potential partners, types of services, and funding mechanisms that would support the Commonwealth's vision for the Campus. Two responses were received from the following organizations:

- The Haverhill YMCA / YMCA of the North Shore (YMCA)
- Treadwell Franklin Infrastructure (TFIC)

Two approaches were described in the responses (which are included in Appendices H and I): (1) a 99-year lease to a community-based nonprofit organization and (2) a "Preliminary Development Agreement" (PDA) procurement with an institutional and municipal infrastructure development partner, with a separate operational company acting as the implementation partner.

The responses demonstrate that there is both interest in a partnership at this site and multiple approaches to achieving the Commonwealth's goals.

Campus Opinion Polls

In January and February, students were polled about this proposal using an internal campus communication tool. 1,474 students responded, reflecting a sample size of more than 35% of the total student body.

Overall, 72.6% of Haverhill-enrolled respondents said they would use new facilities more often or much more often if the facilities were upgraded and modernized.

Of the Haverhill-enrolled students polled, more than 57% reported never having used the athletic, wellness, and fitness facilities on Campus, including Building D and the fields. Of those, more than half said they would use these facilities more often or much more often if the facilities were upgraded and modernized.

Staff and faculty were also polled. More than 66% of those who responded had never used Building D or the fields, and three-quarters would use these facilities more often or much more often if they were upgraded and modernized. Approximately half thought that improved gym facilities and outdoor recreational spaces would improve life on campus.

Taken together these polls demonstrate an existing demand on campus for improved health and wellness offerings both indoors and outdoors.

VIII. FINANCIAL FEASIBILITY

NECC's planned approach to improving this site is financially feasible because it allows a development partner to create and capture new revenues streams on site to offset the capital costs of redevelopment and the operating costs for NECC. Through an analysis of various case studies, the Goody Clancy/Anser Study found that there may be organizations with the capacity to leverage fundraising, grants, and other sources that would allow them to deliver a project that meets the Campus's needs at little to no capital cost for NECC.

The Haverhill YMCA's response to the RFI includes a sample sources and uses table from a similar project in Gloucester which was successfully completed in 2021. The Y was able to finance the Gloucester improvements largely through donor contributions, New Market Tax Credits, and debt financing.

The TFIC RFI response describes an iterative "progressive development process" whereby the Commonwealth would be an active participant in the development of the project.

Together, the Goody Clancy/Anser Study and the two RFI responses demonstrate multiple potential partnership structures that may be financially feasible. Ultimately, NECC and DCAMM will select a proposal that presents the best value for the Campus while meeting the stated goals.

NECC & DCAMM have commissioned an appraisal of the site. Compliance with all applicable laws and regulations will be the responsibility of the selected developer.

IX. IMPLEMENTATION AND PERFORMANCE MONITORING

DCAMM, with assistance from NECC, will assist the AMB in monitoring the performance of the proposed transaction by reporting annually to the AMB pursuant to its regulations (810 CMR 2.08). Individuals from DCAMM and NECC will be responsible for this monitoring.

The successful performance of this transaction can be measured objectively by the following standards:

- The Procurement Process will yield improved athletic, health and wellness space for the Commonwealth that meets NECC's requirements;
- The lease will not result in windfall profits to any individual or group of individuals as per 810 CMR 2.02(1)(e);
- The lease will maximize the utilization of the Commonwealth's real estate assets at this location.
- The project will be financially feasible over the term of the lease.

The estimated timeline for the Project includes:

- RFP: fourth quarter 2023;
- Development partner designation: mid-2024;
- Permitting and Financing completed by redeveloper: 2025;
- Construction commencement: second quarter 2026; and

Construction completion: third quarter 2028

X. TRUST FUND INFORMATION

NECC's primary goal for the alternative disposition process and the resulting lease is to fund, with no or minimal public funding, the improvements to the Campus's health and wellness offerings for students.

However, there may be additional proceeds arising from the lease. The Proposing Agencies request that the AMB authorize the establishment of a Trust Fund for NECC in connection with this Project. The Trust Fund will be used to finance costs and expenses borne by the Campus. In accordance with M.G.L. c. 7B § 8 and 810 CMR 2.09, 50 percent of the proceeds derived from revenue generated from the Project would be deposited into the Trust Fund, and the remainder would

be deposited into the General Fund. All expenditures from the trust fund shall require the specific, prior written authorization of the Secretary for Administration and Finance.

In accordance with M.G.L. c. 7B § 8 and 810 CMR 2.09, the Secretary for Administration and Finance will submit to the AMB a recommendation for the establishment of a Trust Fund. In accordance with 810 CMR 2.06(2)(k)(4), the beneficiary of the Trust Fund will be NECC.

XI. CONCLUSION

NECC & DCAMM believe that this request for authorization to pursue a long-term lease with a development partner, through a competitive request for proposals process, is in the public interest and meets the standards as set forth in 810 CMR 2.02(1)(a) through (g). Should the AMB approve this Project Proposal, NECC & DCAMM will prepare for a competitive disposition process that meets the Commonwealth's goals for the site.

ATTACHMENT I
Appendices (See separate PDFs)

- A. Sasaki Masterplan (2007)
 - AA. Sasaki Appendix
- B. Sightlines Study (2017)
- C. Carol Johnson Study (2011)
- D. Conditions Studies (2021)
- E. Goody Clancy / Anser Study (2022)
- F. Sightlines Executive Summary (2015)
- G. Kessler ADA Study (2019)
- H. RFI Response: YMCA (2023)
- I. RFI Response: TFIC (2023)
- J. Site Survey (2023)

ATTACHMENT II
Letters of Support
[to be provided with Project Proposal]