

BOARD OF HIGHER EDUCATION

REQUEST FOR BOARD ACTION

NO.: BHE 22-20

EXECUTIVE COMMITTEE DATE: December 6, 2021

BOARD DATE: December 14, 2021

APPROVAL OF MIDDLESEX COMMUNITY COLLEGE'S PROPOSED ACQUISITION OF THE POLLARD EXCHANGE BUILDING

MOVED: The Board of Higher Education hereby approves Middlesex Community College's proposed acquisition of the Pollard Exchange Building at 44 Middle St, Lowell, MA 01852.

VOTED:

Authority: Massachusetts General Laws Chapter 15A, Section 9(m)

Contact: Joe Wallerstein, Interim Deputy Commissioner for Administration and Finance

Background

Under its enabling legislation, the Board of Higher Education (BHE) has “overall responsibility for the property, real and personal, occupied or owned by the council, state universities and community colleges.” M.G.L. c. 15A, section 9(m).

Middlesex Community College (MCC) is seeking approval from the BHE to purchase the Pollard Exchange Building at 44 Middle St, Lowell, MA 01852. Middlesex Community College will renovate and repurpose the existing Pollard Exchange Building on the college’s downtown Lowell Campus into a state-of-the-art Science, Technology, Engineering, Art, and Mathematics (STEAM) teaching and learning facility.

The goal of the MCC STEAM Exchange is to provide students with a vibrant center that creates synergy between multiple disciplines and opportunities for hands-on and experiential learning by bringing together labs and classrooms, study spaces, faculty offices, and collaborative spaces for research, presentations and project-based learning. The renovation will scale up the existing campus facility and connects STEAM courses taught at MCC to the college’s Early College program at Lowell High School, as well as foundational University of Massachusetts Lowell coursework at the baccalaureate level.

The proposed project will allow MCC to grow with industry and workforce demand and labor market needs by increasing program seat capacity and creating a nexus in which lab courses in core STEAM disciplines are easily accessible to the diverse population of the city in a one block “STEAM corridor.” Guided by the principles to restore, rebuild, reimagine, and redesign, the project maintains an essential focus on STEAM, while looking forward to emerging new programs and a post-pandemic world of experiential learning.

On or about November 15, 2021, the Commissioner received notification of MCC’s proposed acquisition, along with documentation which outlined the intended purpose and anticipated benefits of the acquisition; the procedural history related to MCC’s interest in the property, including the involvement of the Division of Capital Asset Management and Maintenance (DCAMM); and the alignment of the proposed acquisition with MCC’s goals and mission. See [Attachment A](#). In response, the Commissioner asked MCC to supplement its submission with the following information, to address fiscal implications and facilities considerations:

- a. An independent assessment of current facility condition, including 15-year cost projection of deferred maintenance.

b. An appraisal of real property, current lease obligations, and total outstanding debt including current loan-to-value ratio.

c. Documentation of understanding from the Executive Office of Administration and Finance and the Division of Capital Asset Management & Maintenance (DCAMM) on ownership and perpetual stewardship of assumed facilities

MCC's responses to the Commissioner's request for additional information are attached as Attachment B.

Staff Recommendation

DHE staff have reviewed the materials submitted by MCC in support of this acquisition and have consulted with DCAMM. Staff recommendation is for approval.



Middlesex Community College

OFFICE OF THE PRESIDENT
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November 8, 2021

Carol Gladstone, Commissioner
Commonwealth of Massachusetts
Division of Capital Asset Management and Maintenance
1 Ashburton Place, 15th Floor
Boston, MA 02108

Re: Middlesex Community College – Request for Uniqueness Determination

Dear Commissioner Gladstone:

Over the last two years, Middlesex Community College (MCC) has been working with Division of Capital Asset Management and Maintenance (DCAMM) to acquire the Pollard Exchange Building. Located at 67 Middle Street in Lowell, the Pollard Exchange Building has great historical significance as the birthplace of higher education in Lowell,¹ and, as outlined in more detail below, is a current and ongoing integral component of MCC's urban campus.² Although our joint work on this acquisition was necessarily delayed in large part by the impact of COVID, our efforts were renewed in July 2021 and significant progress has been made towards this critical acquisition for MCC with the advice and assistance of the DCAMM representatives on among other things, the need for, and timing of our uniqueness determination request.³

¹ Built in 1891, the Pollard Exchange Building initially housed the Lowell Textile School for its first 11 years – a school that would later relocate and develop into the University of Massachusetts' Lowell campus.

² Since 2010, MCC has licensed 40% of the five-story Pollard Exchange Building for essential programming.

³ In November 2019 MCC submitted a Request for Uniqueness Determination related to MCC's acquisition of the Pollard Exchange Building and were informed by DCAMM representatives that they thought it to be in "good order" and "would begin the process of uniqueness determination." DCAMM representatives have advised us that we are at the stage in the process that we need to submit an updated request for uniqueness determination based on our prior submission with new information and/or changes as appropriate which we have attempted to do by way of today's submission.

Specifically, to acquire the Pollard Exchange Building without having to satisfy the advertising requirements established pursuant to Massachusetts General Laws Chapter 7C, Section 36, MCC must demonstrate, and the Commissioner must determine, “that such advertising will not be beneficial to the Commonwealth’s interest because of the *unique qualities or location of the property needed ...*” (Emphasis added). As outlined in more detail below, the unique qualities as well as location of the Pollard Exchange Building support MCC’s request for a waiver of the statute’s advertising requirements.

Presently, MCC owns or occupies seven facilities, including the Pollard Exchange Building, as part of its Lowell Campus including:

- **Cowan Center** – 33 Kearney Square (124,000 square feet)
This six-story building serves as the heart of the MCC Lowell Campus. This facility maintains a variety of academic and student support services, including Academic Tutoring and Support, Enrollment Center, Health Services, International Office, Multicultural Center, Student Activities, Veterans Center, Community Engagement, our food pantry, classrooms and a student cafeteria.
 - **Federal Building** – 50 Kearney Square (40,000 square feet)
This historic building is located directly across the street from the Cowan Center and contains MCC’s Library, Honors Center, Art Studio, classrooms and community space.
 - **Talbot Building** – 44 Middle Street (52,000 square feet)
The Talbot Building, along with the buildings directly next door (Talbot) and across the street (Pollard) comprise MCC’s Health, Science and Technology Center. Talbot contains the Dental Hygiene Clinic, Nursing Learning Center and laboratory classrooms, as well as the Medical Assisting, Dental Assisting and Dental Laboratory Technology programs. The distance between the Talbot Building and the Cowan Center is approximately 1,584 feet (0.3 miles).
 - **Derby Building** – 88 Middle Street (20,720 square feet)
Located directly next door to the Talbot Building, the Derby Building contains classrooms that compliment and support the health, science and technology programs offered in the Talbot and Pollard Exchange Buildings. Derby also includes the Campus Bookstore and MCC Law Center. The distance between the Derby Building and the Cowan Center is approximately 2,112 feet (0.4 miles).
 - **Pollard Exchange Building** – 67 Middle Street (54,500 square feet)
Located directly across the street from the Talbot and Derby Buildings, the Pollard Exchange Building houses MCC’s IT Cybersecurity Program, World Language Institute, Enrollment and Communication Support Services, classrooms, tutoring
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facilities, and office space.⁴ The distance between the Pollard Exchange Building and the Cowan Center is approximately 2,112 feet (0.4 miles).

- **Academic Arts Center** – 240 Central Street (22,060 square feet)
Opened by MCC in 2018, this facility houses the College's performing arts programs, including theater, dance, and music. The distance between the Academic Arts Center and the Cowan Center is approximately 15,840 feet (0.3 miles).
- **Facilities Management** – 24 Howe Street (34,000 square feet)
Located in this building is the Facilities Management Department, which supports the maintenance needs of our Lowell Campus. This facility is leased through the MCC Foundation.

The above background information is context for how the Pollard Exchange Building, currently an integral component of MCC's Lowell campus, is critical to its future and has the unique qualities and/or location that MCC needs and which would make advertising unnecessary.

First, the Pollard Exchange Building houses MCC's IT Cybersecurity Program and specialized classrooms were built out to accommodate the current enrollment of approximately 103 students. These specialized classrooms require the following unique instructional features and equipment: dedicated computers with separate servers operated independently of MCC's regular IT systems in order to protect the integrity of the College's systems; CISCO Networking and Security System bundles, VMware components, and a NETLab system (includes hardware and software that allows the instructor to configure a simulated lab environment for the classroom). Acquisition would permit MCC to expand its IT Cybersecurity Program as demand increases in both information technology as well as other industries that require secure systems and information.

Second, with over 12,000 square feet of unoccupied space, including 6,000 square feet that is currently occupied by LMACS tenants but would be available upon purchase, the Pollard Exchange Building is also critical to MCC's future through the ability to establish a new Science, Technology, Engineering Arts and Mathematics (STEAM) Exchange. The addition of the STEAM Exchange in the Pollard Exchange Building, directly across the street from the College's Health, Science and Technology Center in the Talbot and Derby Buildings, will create an academic, programmatic, and logistical synergy between MCC's Health Science programs. There

⁴ MCC occupies approximately 40% of the Pollard Exchange Building through a license with Lowell Middlesex Academy Charter School (LMACS). MCC has had a long and productive affiliation with LMACS since the latter's inception in 1995 which has benefitted MCC not only in terms of our space needs but also in the fulfillment of our mission by the creation and development of a more symbiotic pipeline for LMACS students to higher education. In 1995, MCC helped found LMACS and housed them at MCC's Lowell campus until 1999. Thereafter, LMACS relocated as a lessee to the Pollard Exchange Building occupying approximately 30% of the building until its purchase in 2010 at which time, MCC licensed space at the Pollard Exchange Building.

are no other downtown Lowell properties currently available that provide the proximity and synergistic opportunities to our operating science programs that the Pollard Exchange does. The MCC STEAM Exchange on Middle Street in Lowell will provide significant student opportunities with Lowell High School- Early College & Dual Enrollment, LMACS, UMass Lowell STEM Programs, and the Lowell Community. Lowell High School is located just one block away from the Pollard Exchange Building.

Third, by locating MCC's Health Science programs in three adjacent buildings (Talbot, Derby and Pollard), students and faculty will be able to move more easily and in less time between buildings, classrooms and labs. This will enhance the students' learning experience and afford faculty greater and more meaningful opportunities to engage in collaborative instruction between related disciplines. The close proximity of these buildings will also afford MCC greater flexibility when assigning courses and developing its master schedule, thereby maximizing the effective and efficient use of its facilities. The addition of our communications programs from our Humanities Division to solidify our STEAM offerings will allow us to explore partnership opportunities with nearby downtown media facilities, including the city's radio station and telecommunications studio, each of them located one block away from the Pollard Exchange.

Fourth, since the Pollard Exchange Building is located only approximately 2,112 feet (0.4 miles) from the Cowan Center and the Federal Building, students will have easy and direct access to the services and facilities located in those buildings, including the cafeteria and library.

Fifth, by acquiring and more fully utilizing the Pollard Exchange Building, which is directly across the street from the Talbot and Derby Buildings, MCC will be able to easily and efficiently expand existing services in those buildings to the Pollard Exchange Building, including, maintenance, cleaning and snow removal.

Sixth, campus safety and security is a primary responsibility and concern for MCC. Presently, our Public Safety Department maintains three patrol zones in Lowell: one around the Cowan Center; another around the Academic Arts Center; and a third around the Middle Street Buildings. Given the location of the Pollard Building within one of its existing patrol zones, MCC can easily expand its existing security presence on Middle Street to include the Pollard Building.

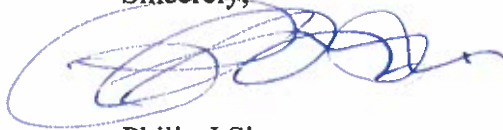
Lastly, MCC's interest in acquiring the Pollard Exchange Building is part of a cohesive and coordinated strategy for establishing a strong and lasting presence in Lowell, a Gateway City. By increasing its footprint on Middle Street, MCC will be expanding its "learning triangle" in downtown Lowell, which will enhance its students' educational experience. (see attached map) The STEAM Exchange on Middle Street in Lowell will provide STEAM teaching and learning that goes beyond the mere transfer of knowledge. It engages students and equips them with critical thinking, problem solving, creative and collaborative skills, and ultimately establishes connections between the school, work place, community, the global economy, which aligns with the College's programmatic and academic offerings, maximize the use of institutional resources, services, and facilities, and provide MCC with space to expand in the future.

MCC needs to acquire the Pollard Exchange Building for the further development, alignment and community collaboration of our Lowell Campus, and most significantly, to house

MCC's Lowell STEAM Exchange, as well as to address other essential components of our existing Strategic Directions Campus Master Plan as outlined above. There are no other available buildings currently on the market in proximity of the Lowell Campus, there is no space available on the Lowell campus to house the STEAM Exchange in its entirety and/or near the related programming on Middle Street,⁵ and MCC's space challenges exist now and will only increase with the return of students to more face to face course offerings, services, and activities, as a result of the Massachusetts Community Colleges' requirement that its community, including students, faculty and staff will be fully vaccinated by January 2022. Accordingly, for any or all of the reasons outlined above which demonstrate the unique qualities and/or location offered by the Pollard Exchange Building, MCC requests that you waive the advertising requirement established pursuant to Massachusetts General Laws Chapter 7C, Section 36.

Finally, I have served as MCC's Provost for more than a decade, and this past July, assumed the position of the College's fifth president. As MCC embarks on its second half century, I look forward to working with you regarding this critical priority for the College as part of my new administration. Thank you in advance for your consideration and assistance in this matter and should you have any questions or require additional information, please do not hesitate to contact me at 978-656-3100 or sissonp@middlesex.mass.edu, or Frank Nocella, Vice President of Administration and Finance and Chief Financial Officer at 781-280-3543 or nocellaf@middlesex.mass.edu.

Sincerely,



Philip J Sisson
President

Enclosure

⁵ The Lowell Campus is currently providing more than half of the College's face to face academic services. Additionally, as part our Master Plan review, we anticipate taking two Bedford Campus properties out of use due to High Dollar Deferred Maintenance, outdated student classrooms, and changing demographics. Bringing those programs into a central location at the Pollard Exchange Building will create new learning community opportunities for our students.

Middlesex Community College - Pollard Exchange Building

BHE 22-20- Attachment B

Middlesex Community College (MCC) has addressed the criteria for property acquisition and facilities considerations of the proposal, including, but not limited to:

a. An independent assessment of current facility condition, including 15-year cost projection of deferred maintenance.

- An independent assessment of the Pollard Building was conducted by Sightlines in 2017 and updated by William Sloan Associates in 2019, with deferred maintenance in the amount of \$7 million dollars.
- MCC will assume the responsibility for the essential deferred maintenance in the amount of \$3.5 million upon acquisition, the balance of the deferred maintenance will be addressed over time and is included in the MCC Major Capital Request to DCAMM, November 2021 for the build out of the STEAM Exchange.

b. An appraisal of real property, current lease obligations, and total outstanding debt including current loan-to-value ratio.

- An independent appraisal of the Pollard Building was coordinated by DCAMM and conducted by the Foster Company of Leominster, MA in the amount of \$3.2 million.
- The appraisal value of \$3.2 million was partially reduced for capital expenditures MCC invested in the Pollard Building to arrive at the \$2.5 million acquisition price.
- The Outstanding (LMACS) debt of \$2 million on the Pollard Building will be paid to the lender at the building closing.
- MCC will finance the acquisition of the Pollard Building of \$2.5 million, plus essential deferred maintenance of \$3.5 million with \$6 million by 20-year tax exempt bonds issued by Mass Development/Enterprise Bank. The financial health and strength of MCC will satisfy the financing covenants.
- The Economic Impact upon both organizations (MCC & LMACS) will be expense neutral with their operating budgets.

c. Documentation of understanding from the Executive Office of Administration and Finance and the Division of Capital Asset Management & Maintenance (DCAMM) on ownership and perpetual stewardship of assumed facilities.

- MCC and DCAMM have agreed to develop an MOU that indicates MCC will be responsible for the essential deferred maintenance of the building of \$3.5 million at acquisition, there after the perpetual stewardship will be assumed by DCAMM.