

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

*First Annual Report*

1972

LETTER OF TRANSMITTAL

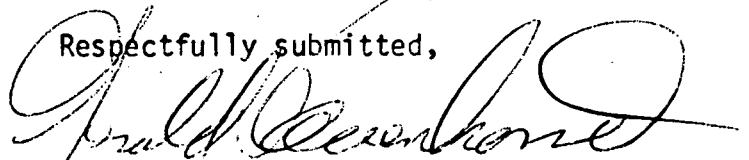
Mr. Jack Lynch, President, and Members of the  
Minnesota Higher Education Coordinating Commission

The Minnesota Higher Education Facilities Authority is pleased to submit its first Annual Report for the period July 1, 1971 to June 30, 1972. The report provides a general analysis of the activities during the past calendar year.

During the past year, the Authority has received preliminary applications from eleven institutions for financing \$21,890,800 of new construction, remodeling, or refinancing projects. Of these eleven institutions, seven have submitted formal applications and all other requested documents. Besides the eleven institutions submitting preliminary applications, another five colleges have made informal requests.

The Authority looks forward to being of continued service to the State of Minnesota and the higher education community.

Respectfully submitted,



Gerald A. Rauenhorst, Chairman

September 1, 1972

## THE AUTHORITY

The Minnesota Higher Education Facilities Authority is a state administrative agency created to provide additional educational opportunity for the people of the state and for the purpose of alleviating the pressing demands upon tax supported colleges and universities by assisting non-profit institutions of higher education in Minnesota to build needed facilities at a lower interest cost than might otherwise be available to them. The Authority was created by Chapter 868 of the Minnesota laws of 1971. It does not make any facility grants, and has access to capital improvement funds only through borrowing. All borrowed funds obtained by the Authority must be repaid through rentals charged the participating institution.

The academic and other facilities built by the Minnesota Higher Education Facilities Authority must be financed by the sale of revenue bonds by the Authority. In turn, the Authority will have to enter into lease agreements whereby an institution will pay rent to the Authority in the amount needed to retire the Authority's debt.

Since the Authority is an agency or instrumentality of the State of Minnesota, the interest paid by the Authority to bond holders is exempt from federal and Minnesota income tax under the present provisions of law. Bonds providing income tax free interest normally sell on the market at a lower rate of interest than other bonds.

The use of the financing arrangements for facility construction made possible by the existence of the Minnesota Higher Education Facilities Authority is entirely voluntary. No institution is required to enter into agreement with the Authority. The Authority desires to assist institutions of higher education to the extent each institution wishes to take advantage of its services.

MEMBERSHIP

The Authority is comprised of seven members, one of whom is the Executive Director of the Minnesota Higher Education Coordinating Commission and six of whom are appointed by the Governor with the advice and consent of the Minnesota Senate. The Directors are:

Gerald A. Rauenhorst, Chairman  
term of office expires January 1, 1977

Bernard P. Friel, Vice-Chairman  
term of office expires January 1, 1977

Richard C. Hawk  
ex officio Member and Secretary

Robert W. Freson, Member  
term of office expires January 1, 1975

Earl R. Herring, Member  
term of office expires January 1, 1973

Norman Perl, Member  
term of office expires January 1, 1975

Michael Sieben, Member  
term of office expires January 1, 1973

The Authority appointed Joseph E. LaBelle as its Executive Director, the law firm of Faegre & Benson as its bond counsel and Springsted, Incorporated as its fiscal agent.

## FINANCING FOR INSTITUTIONS OF HIGHER EDUCATION

During the last fiscal year the Authority has received requests from eleven institutions for financing \$21,890,800 of new construction, remodeling, or refinancing projects. Projects submitted from three colleges have been given formal approval and are progressing rapidly to the stage of bond sales. Projects from another four colleges are presently being formally reviewed. Refinancing projects from two institutions are being temporarily delayed. A project submitted by Villages Housing Association (an organization controlled and managed by a student group at Southwest State College in Marshall, Minnesota) was denied because the Association is not eligible to participate in the program. Only higher education institutions are eligible.

### Projects Formally Approved

#### \$2,075,000 Housing Project of Augsburg College

The project will provide apartment type housing for 300 students in 100 dwelling units. The project, which will be a part of a student housing program, will serve not only students at Augsburg College, but also of St. Mary's Junior College, St. Olaf College's four-year nursing program taking their clinical work at Fairview Hospital, and students in the Fairview Hospital three-year diploma program. \$1,925,000 is for construction of the building and \$150,000 for the completion of acquisition and demolition of properties required for the provision of related off-street parking. This project is required primarily to maintain the institution's ability to serve its existing student body through replacement of substandard facilities.

#### \$1,500,000 Housing Project of Bethel College

Bethel College is currently completing a move of its campus to a new 214-acre site in Arden Hills. The project being financed through the Authority consists of two clusters of seven townhouse type buildings housing 480 students in apartment type facilities. Each building has six apartments that provide space for six students per apartment, two per bedroom. One building will house a commons area as well as laundry facilities. Another will house a central student housing service. The buildings are all designed to blend esthetically with the hilly, heavily wooded landscape of the college campus.

### \$500,000 Housing Project of St. Mary's College

The project consists of a village of seven buildings, each containing four apartments. Each apartment contains a living room, two bedrooms, a three-compartment bathroom and an efficiency kitchen. Each apartment houses four students and each building houses sixteen students with the exception of a two-man apartment for faculty advisors. The total village capacity is 108 students, mostly upperclassmen. The need for additional housing is due primarily to an increased enrollment. The village type student housing was proposed to offer a viable alternative to the traditional dormitory structures presently housing the majority of the student residents.

### Projects Awaiting Formal Approval

#### \$1,276,000 Project for the College of St. Benedict

The project consists of four distinct building programs. The largest project consists of 30 units of two bedroom apartments for housing 120 students. The second part of the project consists of \$107,000 for renovation of the Home Economics Department serving 350 students. The third part is a \$171,000 renovation of the present dining facilities. The fourth building program is the construction of a new \$265,000 indoor swimming pool addition to the Physical Education building. These new facilities are needed to accommodate the dramatically increased enrollment as well as to improve the old substandard structures on the campus.

#### \$7,000,000 Project for the Minneapolis College of Art and Design

The project consists of a new teaching facility, remodeling existing facilities, land acquisition and equipment for the project. The new facility is being designed by Kenzo Tange of Tokyo, Japan, one of the world's foremost architects and urban designers, as a part of a major arts complex, which includes the Minneapolis Institute of Arts and a theater for the Children's Theatre Company of the Minneapolis Institute of Arts. The new building is comprised of three major zones of activities: (1) technical laboratory zone, (2) student work zone, and (3) academic zone. Each of these zones is linearly organized and are parallel to the others. The project will allow an increase in size of the student body from 475 to 600.

**\$415,000 Housing Project for the College of St. Scholastica**

The project consists of six four-plex housing units. Each unit will have four students in each apartment for a total of sixteen in each four-plex and a total of 96 students in all six housing units. The units will be built in a factory, brought to the site and assembled on the foundation. Each apartment unit will have approximately 800 square feet, or 200 feet per student.

**\$1,450,000 Project for Gustavus Adolphus College**

The project consists of two building programs. The first program involves a new \$425,000 Administration building and an additional \$175,000 for equipment including a Univac Computer. This building is a two-story, fully air-conditioned office building containing 18,500 square feet and will bring into one building all administrative offices previously dispersed throughout the campus. The second building phase involves a remodeling of the old library into a social science classroom. This remodeling will bring together all social science classrooms and faculty offices within one structure. When completed, the college will have classroom facilities in permanent type buildings for 2,200 students. The remodeled social science building and its refinancing will cost \$850,000.

MINNESOTA HIGHER EDUCATION

FACILITIES AUTHORITY

REPORT OF EXPENDITURES

FISCAL YEAR 1972

EXPENSES (November 1, 1971 to June 30, 1972)

Full-Time Employees	\$15,765.87	
Appointed Commission	770.00	
Sub-Total		\$16,535.87
Rents & Leases*	1,116.88	
Repairs & Maintenance	79.03	
Printing and Binding*	481.71	
Non-State Employee Service	267.94	
Tabulating Service	-	
Sub-Total		1,936.56
Communications	703.22	
Travel and Subsistence	265.95	
Other Contractual Services	-	
Sub-Total		969.17
Stationery & Office Supplies	239.86	
Scientific & Educational Supplies	185.12	
Sub-Total		424.98
Contributions	1,204.58	
Insurance	236.80	
Sub-Total		<u>1,441.38</u>

T O T A L - - - - - \$21,307.96

\*Estimates; Rents and Leases may be adjusted downward; Printing and Binding may be adjusted upwards.



