

SOUTH DAKOTA BOARD OF REGENTS

Full Board

AGENDA ITEM: 8 – B
DATE: August 3-5, 2021

SUBJECT

FY22 HEFF Bonding

CONTROLLING STATUTE, RULE, OR POLICY

[SDCL 5-12-10](#) – Transfer of State Property to Authority

[SDCL 5-12-13](#) – Lease of Facilities and Sites to State Agencies Authorized

[SDCL 5-12-20](#) – Resolutions for Revenue Bonds Authorized

BACKGROUND / DISCUSSION

In August or September of 2021, the South Dakota Building Authority will issue Series 2021 Revenue Bonds to provide \$10,500,000 of funding for construction costs on the following Projects:

Project	Bonded Amount
BHSU	
E.Y. Berry Library Renovations	\$3,000,000
USD	
Allied Health Sciences Facility	\$7,500,000
TOTAL	\$10,500,000

The E.Y. Berry Library Renovation was approved as part of the Board’s ten-year capital improvement plan and authorized by HB1051 in 2012. The Board approved the Preliminary Facility Statement for this project in May 2012. The project was expanded with its Facility Program Plan, which the Board approved in December of 2019. The South Dakota Legislature authorized the project during the 2020 legislative session with HB1045.

Total funding for the E.Y. Berry Library project is as follows:

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INFORMATIONAL ITEM

Fund Source	Amount	Comments
FY20, FY21, and FY22 Campus M&R Funds	\$3,917,245	Approved by BOR in December 2018, 2019, and 2020 Meetings.
FY22 HEFF Bonds	\$3,000,000	HB1051 in 2012
Performance Contract	\$30,000	Approved by BOR June 2019
M&R Bond	\$2,400,000	SB43 in 2020
Black Hills Energy	\$25,000	Donation to Foundation
TOTAL COST	\$9,372,245	

The USD Allied Health Sciences Facility received approval for its Preliminary Facility Statement in October of 2019, the Facility Program Plan in April of 2020, and its Facility Design Plan in October of 2020. The project supports the anticipated growth and demand for healthcare workforce professionals in South Dakota by providing hands-on experiences in healthcare simulation, lab settings, and collaborative/inter-professional endeavors. The South Dakota Legislature authorized the project during the 2020 legislative session with SB40.

Total funding for the Allied Health Sciences Facility is as follows:

Fund Source	Amount	Comments
Private/Local	\$4,500,000	
FY22 HEFF Bonds	\$7,500,000	HB1051 in 2012/modified with SB40 in 2020
One-Time State Funds	\$5,000,000	SB40 in 2020
M&R Bond	\$5,000,000	SB43 in 2020
TOTAL COST	\$22,000,000	

South Dakota Building Authority Bonding

The Building Authority, at the request of the Board of Regents, has agreed to finance a portion of the costs of the Projects through the issuance of revenue bonds (the “*Revenue Bonds*”) of the Building Authority. The Building Authority advised the Board staff that the Revenue Bonds are expected to be priced and sold within the following parameters:

The Revenue Bonds shall be issued in an aggregate principal amount such that not more than \$10,500,000 of the proceeds of the Revenue Bonds shall fund a portion of the costs of

the construction, completion, furnishing, equipping, and maintaining of, including heating, air conditioning, plumbing, water, sewer, electric facilities, sidewalks, parking, landscaping, architectural and engineering services, and any other services or actions required, to address deferred maintenance and repair of the Projects.

IMPACT AND RECOMMENDATIONS

At such time as the South Dakota Building Authority issues the Series 2021 Revenue bonds, the Board will be asked to adopt a single resolution on a roll call vote, that will (1) request the Building Authority to go forward with the issuance of the Revenue Bonds to finance a portion of the costs of the Projects, (2) authorize the formal transfer of jurisdiction over the necessary property or structures to the Building Authority, and (3) amend the lease agreement between the Board and the Building Authority to reflect the new transactions.

Property transferred to the Building Authority as collateral for the Revenue Bonds will be reconveyed to the Board once the construction bonds, or refinancing instruments, have been discharged.

ATTACHMENTS

None