

ITEM 143-1008-R0509

**Authorization to Execute the Purchase of Property; The University of Montana-Missoula**

**THAT:**

The Board of Regents of the Montana University System authorizes The University of Montana-Missoula, following appropriate reviews and approvals, to execute the purchase of property at 820 Arthur, Missoula, Montana.

**EXPLANATION:**

This property resides within the University's current property acquisition zone (Attachment A) and includes West 55' of Lots 1, 2, and 3 of Block 57 of Hammond Addition No. 2 and the West 55' of Lot 20 of Block 36 of Montana Addition in Missoula, Montana.

Appraisals have been obtained by both the buyer and seller. The seller's property appraiser valued the subject property at \$850,000. The appraisal that the University's agent conducted valued the property at \$600,000. The seller has agreed to sell the property to the university for \$640,000.

The University of Montana-Missoula currently has authority to purchase property within the acquisition zone up to \$190,000 (BOR Item 114-1002-R0102-Attachment B). Due to the substantial increase in property values in the Missoula area, the current limit is no longer a realistic value for the properties within the acquisition zone.

The University plans to seek an InterCap loan in the amount of \$640,000 to be amortized over 15 years. Current InterCap loans are being assessed a 4.25% interest rate.

This purchase requires authorization from the Board of Regents both to purchase the property and to secure an InterCap loan through the Montana Board of Investments.

**ATTACHMENTS:**

"A" – Acquisition Zone Map  
"B" – Item 114-1002-R0102