

ITEM 151-2704-R0511

Attachment #1

Authorization to Remodel the Bookstore; Montana State University Billings
Board of Regents Policy: Physical Plant – Section 1003.7

This authority request is for an amount greater than \$150,000, which requires the following additional justification:

Project description - The work performed under this authority remodels the Bookstore to meet the students' needs as outlined in the Brailsford & Dunlavey survey of February 2010. The remodel is consistent with the recommendations of the 2011 Athletics and Auxiliaries Master Plan.

a. Cost Estimate and Funding Sources –

Estimated Project Costs:	
Construction	\$415,000
A&E Fees	\$100,000
Contingency	\$ 65,000
Furniture and Fixtures	\$120,000
Project Total	\$700,000

Funding sources:	
Bookstore operating funds	\$120,000
INTERCAP loan	\$580,000

The MSU Billings bookstore is an auxiliary self-supporting operation. INTERCAP loan payments financed at 1.95% for 10 years would equate to annual payments of \$64,401. The loan will be repaid with net pledged auxiliary revenues in excess of debt service obligations, which includes bookstore revenues.

Projected annual net bookstore revenues available to pay debt service for FY11 through FY14 are as follows:

FY11	\$ 83,000
FY12	\$190,000
FY13	\$267,000
FY14	\$264,000

- b. Programs Served, Enrollment Data, Projected Enrollments** – This work will not directly impact university programs although it will enhance the services provided.
- c. Space Utilization Data** – Space utilization essentially remains the same although the pedestrian circulation is enhanced.
- d. Projected use for available residual space** – There is no residual space available.
- e. Projected O&M Costs and proposed funding sources** – The associated O&M costs remain unchanged and are borne by Auxiliaries Operations Revenues.