

ITEM 151-2704-R0511

Authorization to Remodel the Bookstore; Montana State University Billings

THAT

Consistent with the provisions of MCA 20-25-302, the Board of Regents of Higher Education authorizes Montana State University Billings to renovate the Bookstore within the Student Union Building (SUB). This request is for a total of \$700,000.

EXPLANATION

A recommendation of the Athletics and Auxiliary Master Plan is to provide a greater variety of services and alter pedestrian circulation within the Bookstore.

The Brailsford & Dunlavey survey (Feb 2010) identified the following SUB initiatives as: #5) Convenience Store; #6) Copy/Print Center; and #10) Bookstore. The proposed remodel will accommodate all of these and provide much needed foot traffic in support of Auxiliary Operations.

This project will be funded by a combination of INTERCAP loan funds (\$580,000) and Auxiliary Operations Revenues (\$120,000). MSU-Billings will seek an INTERCAP loan in the amount of \$580,000 to finance the project. INTERCAP loans bear interest at a variable rate, which is currently 1.95%. Projected annual loan payments at the current interest rate of 1.95% would be \$64,401 for 10 years. The loan will be repaid with Net Pledged Revenues, in excess of current debt requirements, in accordance with the INTERCAP Program Agreement dated January 2, 2007 by and between BOI and the BOR. Net Pledged Revenues include, but are not limited to, a combination of non-state funds from Auxiliary Operations Revenues.

ATTACHMENTS

Additional justification