

November 17-18, 2001

ITEM 153-2701-R1111

Authorization to Repair Mechanical & Electrical Systems in the Student Union Building; 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 repair mechanical/electrical systems in the Student Union Building (SUB). This request is for authority to complete a project totaling \$2,000,000.

EXPLANATION

1. In March 2011, we presented our Master Plan to the Board of Regents which outlined various phases of improvements to Auxiliary and Athletic facilities. The new roof on Rimrock Hall was completed last month and plans to renovate portions of the SUB to relocate the Academic Support Center and the Bookstore will be advertised in February 2012.
 2. The next major phase includes repairs to the mechanical/electrical systems for the majority of the SUB and portions of Rimrock Hall. The scope of the project includes a new chiller capable of expanding to support the demands for both Residence Halls as well as the SUB, replacement of the original 1960's air handling units and heat exchangers for the majority of the SUB and portions of Rimrock Hall.
 3. This project will be funded by a combination of INTERCAP loan funds (\$1,500,000) and Auxiliary Operations Revenue (\$500,000). MSU-Billings will seek an INTERCAP loan in the amount of \$1,500,000 to finance this project. INTERCAP loans bear interest at a variable rate, which is currently 1.95%. Projected annual loan payments at an interest rate of 4.67% would be \$141,308 for 15 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.
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ATTACHMENTS

Attachment #1 – Additional justification.