

May 24 -25, 2012

ITEM 155-304-R0512

Authorization to Secure INTERCAP Loan from State of Montana Board of Investments – Campus Expansion; Flathead Valley Community College

THAT

The Board of Regents authorizes Flathead Valley Community College to secure an INTERCAP Loan from the State of Montana Board of Investments to provide bridge financing for a campus expansion project. The amount of the loan is \$2,400,000.

EXPLANATION

According to Board of Regents Policy 950.1, “Municipal Finance Consolidation Act Participation,” any financing through the State Board of Investments in excess of \$500,000 must be approved by the Board of Regents.

The College is requesting approval to obtain an INTERCAP loan for \$ 2,400,000 to facilitate construction of the Rebecca Chaney Broussard Center for Nursing and Health Sciences building. A portion of the Broussard family gift has been received and the remaining balance will be collected over the next four years. This bridge financing will provide near term liquidity for construction expenses.

The term of the loan will be for four years and will be repaid as the remaining proceeds from the gift are received. Interest expense for this bridge financing is included in the overall project cost.

At the April 30, 2012 meeting, the Flathead Valley Community College Board of Trustees authorized the \$2,400,000 INTERCAP loan conditional upon the approval of the Board of Regents and the Montana Board of Investments.

ATTACHMENTS

None