

A. \$8.0 million private fundraising by the Montana Tech Foundation

The Montana Tech Foundation has pledged \$8.0 million towards the construction of a Living Learning Center on Montana Tech campus. To date, the Foundation has been very successful in raising those funds. Additionally, the Foundation has secured a bridge loan to cover pledges that will be received beyond the construction period. Montana Tech is not liable for any payments of the bridge loan.

B. \$2.0 million in Montana Tech plant funds

In planning for the Living Learning Center, Montana Tech has funded a reserve account in plant funds. The purpose of the account is to contribute \$2.0 million to the project and to cover debt service payments on the Living Learning Center during the construction period. This reduces the size of the bonded indebtedness and annual bond payments.

C. \$14.2 million in proceeds from the issuance of bonds

The \$14.2 million borrowing sought in this item will fund the remainder of the construction and related costs, and will be re-paid from new net revenues (both residence life and dining) generated by the Living Learning Center. Debt Service payments for the new facility are estimated at \$1.0 million each year for 20 years. Revenues committed towards the payment of debt are currently generating significant funds in excess of recurring operating and debt service requirements. This allows for the re-direction of these funds to the new debt. The existing debt is fully paid in fiscal year 2024 providing additional revenues to commit to the \$14.2 million debt.