

March 10-11, 2022

ITEM 199-2008-R0322

Request for Authorization to Purchase and Finance the Molecular Biosciences Building at 960 Technology Boulevard within the Montana State University Innovation Campus; Montana State University

THAT

Consistent with the provisions of MCA 20-25-108 – Research Programs and BOR Policy 1003.6, the Board authorizes the Montana State University to purchase and finance real property at 960 Technology Boulevard, Bozeman, Montana.

EXPLANATION

1. MSU's Office of Research, Economic Development and Graduate Education (REDGE) is the largest research and development entity of any kind in the state. The office is committed to embracing opportunity and groundbreaking research with annual research expenditures exceeding \$193 million annually, an increase of 72% over the past five years.
2. Space constraints pertaining to biomedical and specialized chemistry labs have prevented further expansion of biomedical research that could benefit MSU, the State of Montana, and private industries throughout the region.
3. MSU desires to purchase the building and accompanying land to house laboratories and offices, located at 960 Technology Boulevard in Bozeman, for a price of up to \$9 million for the land and building plus up to an additional \$500,000 for financing and closing costs. The property was recently appraised at \$12 million, and the owner has offered MSU a sale at less than the appraised value.
4. MSU will execute a Buy-Sell agreement, which is contingent upon property inspection, appraisal results and title report. The project will be financed with F&A (IDC) funds, as well as non-state funds from private financing. No new O&M costs will be requested.
5. The building is approximately 39,145 gross square feet divided evenly over two levels. The facility contains multiple lab spaces on both the first and second floors, along with an appropriate mix of office space. A classroom/training space is located on the first floor.
6. MSU is already leasing 2,512 square feet at this property for research purposes. Purchase of this property will help MSU avoid leasing this space and additional square footage in the future.
7. Students will benefit from this facility, as the research programs in biomedical and bioengineering require more space, in order to enable greater student participation (at both the undergraduate and graduate levels) in research efforts.
8. This item also authorizes MSU to obtain financing necessary to fund up to \$9.5 million in acquisition and financing / closing costs for this purchase transaction. Bank bids for a private loan through an RFP will provide an opportunity for Montana banks to participate. Principal and interest payments will be over a period of up to 20 years. Fixed-rate interest will not be greater than 5.25%.

ATTACHMENTS

- Attachment #1: Financing Resolution
- Attachment #2: Property Map