

**APPLICATION FOR PUBLIC BENEFIT ALLOWANCE ACQUISITION OF SURPLUS
FEDERAL REAL PROPERTY FOR EDUCATIONAL PURPOSES**

Public Law 81-152

August 19, 2005

Identification of applicant

Montana State University - Northern (MSUN)
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Authorized representative:

Dr. Alex Capdeville, Chancellor MSUN or designee.

All acquisition of real property by purchase or gift must be approved by the Montana Board of Regents (BOR). MSUN will be presenting to the BOR at the September 21-23, 2005 meeting a request to acquire this property. See BOR Policy 1003.6 V. (Attachment 1)

Private, non-profit organizations must additionally provide copies of the Internal Revenue Service's tax-exempt status determination letter.

N/A -- MSUN is a component unit of the State of Montana.

1) **Description of property requested**

The BLM Lewistown Field Office is located at 80 Airport Road, Lewistown, Fergus County, Montana 59457. The property consists of a 15,232 square foot office building, a heated warehouse of approximately 6,000 square feet, a multiple vehicle parking garage, a fuel storage shed, and several paved lots situated on 3.6562 acres of land. Maps of the location and property are Exhibits 2 and 3.

MSUN certifies that program usage will comply with all state and local planning and zoning regulations and building codes after acquiring title to the property.

No related personal property is requested.

2) **Applicant's current facilities**

The MSUN campus is located in Havre Montana. The campus is comprised of 113.3 acres with a total of 21 instructional, administration and residential buildings. Gross square footage of 371,082 with a replacement value of \$59,088,207. MSUN has no facilities leased to other organizations.

3) **Proposed program and plan of use**

In cooperation with Educational Opportunities for Central Montana (EOCM), MSUN currently coordinates and provides adult education offerings, college coursework, and professional training for a six-county area that totals 12,367 square miles in land area. The nearest colleges are over 120 miles away. EOCM is located in Lewistown, Montana, which is centrally located and serves a six county area for shopping, financial, medical, educational and other services.

Since 1985, EOCM in cooperation with MSUN has provided educational offerings at night, utilizing rented classrooms at school district buildings and in the basement of the local hospital. If MSUN were to acquire the vacated BLM property, it would be remodeled (using current private donations and grants) into classroom and office space that would facilitate a Central Montana Education Center. Obtaining the BLM property would allow course offerings during both the day and in the evenings and allow for expansion of course offerings by expanding classroom, lab, and office facilities.

The acquisition of the BLM property would not create another college, but rather provide adequate space to better serve our existing students, programs and course/workshops. EOCM has partnered with MSUN for several years to provide these offerings. Coursework is available for general education core requirements, a transferable Associate of Arts degree, an associates or bachelors degree in Nursing, computer technology, and course work leading to a bachelors or masters degree in Education. Courses are taught either through the interactive-TV classroom at the local hospital or through adjunct faculty using classroom space in local school district buildings. The BLM property would provide needed space for existing programs and also allow for some expansion into areas such as technology, business, and agricultural science.

Due to community and state demand, MSUN created another nursing program site in Lewistown in 1997 and to date has graduated over 116 Registered Nurses at this site. There is a higher than average need for nurses in the Lewistown area due to the local hospital, a smaller hospital sixty miles away, five nursing homes, the State Mental Health Nursing Care Center, doctors' clinic, and home health care system.

The acquisition of the building would also mean that professional training could be provided for businesses and individuals in need of computer technology, carpentry and welding skills, mechanical and diesel technologies, and office assistant/secretarial skills. Customized training could also be developed to meet area business needs and requests. A number of groups that may use the facility on an intermittent basis to meet training and professional development needs. For example, potential users include:

- Professional Organizations (Attorneys, Accountants, Engineers needing continuing education and recertification)
- Hospital (First Responders/EMT's, Certified Nurses Aide training, etc.)
- Government Agencies (City, County, State and Federal workers requiring policy and legislative updates, meetings, and professional development)
- Agricultural Organizations (Cooperative Extension, Farm Bureau, Ag industry providing training on current practices and new products)
- Finance, Insurance, Real Estate (Training and continuing education)
- Community Groups, Service Clubs, and Civic Organizations (seminars, workshops and broadcasts through interactive-TV classroom venue)
- Senior Citizens (classes in collaboration with Council on Aging to address estate planning, social security, aging issues, and other senior concerns)
- Educators (Recertification, continuing education credits, training seminars)
- Community Safety (Fire, Police, Public Health seminars and workshops)
- One Stop Workforce Development System

There will be approximately four full-time staff members (one administrator, two secretarial, one custodian), four full-time faculty members and 30 part-time faculty/instructors, and approximately 1,000 students (predominately part-time) served each year by a variety of educational offerings.

The property will be utilized daily, excluding Sundays and major holidays.

Because MSUN is a state government entity, all construction and/or remodeling projects would need to be coordinated through the State of Montana Architectural and Engineering Division. A project of this size would take an estimated 18 months to remodel after the property had been conveyed. If, for example, conveyance were to be completed by the end of December 2005, full utilization of the facility would be Fall Semester 2007 (September 1, 2007). In view of this timeframe, this proposal requests the project be reviewed for designation as a "major construction or renovation" project.

No buildings are proposed for demolition. The renovation of the interior of the office building will accommodate 6 classrooms/laboratories and 8-10 offices/work areas.

List of buildings and structures which will be required to implement your proposed program.

<u>Bldg. #</u>	<u>Name/Description</u>	<u>Proposed Use</u>	<u>Date Use to Begin</u>	<u>Approximate Cost</u>
1	Office Building	Classrooms & Offices	Within 18 mos.	\$1 million
2	Shop Building	Vocational/Ag classes	Within 24 mos.	Equipment only

MSUN intends to use all of the BLM property for educational purposes. Please refer back to section *4) A. Proposed Program and Plan of Use* for details. No research or experimentation is proposed for this site.

See Exhibits 3 and 4 for the plot map of the property and the proposed floor plan.

I. Public benefit allowance.

MSUN is accredited by the Northwest Commission on Colleges and Universities (NWCCU). The nursing program is accredited by the National League for Nursing Accrediting Commission (NLNAC) and the Montana State Board of Nursing. All education programs are accredited by the Montana Board of Public Education and the National Council of Accreditation for Teacher Education (NCATE). Other academic programs that are currently offered in Lewistown are also accredited by their respective academic accrediting bodies.

MSUN does not receive any Federal assistance as the result of Federal activities upon the community.

If government entities wish to collaborate to provide professional development or training for their personnel, MSUN would make every attempt to work with them and meet their needs.

MSUN feels utilization of this property for instructional programs would help address the educational and training needs of people living in this rural location in Montana. While the need for the property does not arise from such issues as fire or disaster, classes are currently being offered in various locations in Lewistown. The local high school has been accommodating in allowing MSUN to use their classrooms – but only after normal school hours which limits class offerings to evenings and weekends. The local hospital has allowed use of space in the basement of one wing of the hospital. While use of this space has been appreciated, it has very limited functionality for the capacity-enrolled nursing program.

The BLM space would allow MSUN to consolidate all course offerings into one location and establish a defined presence in the community. Services to students would be greatly enhanced as all staff and faculty would be located together. Additional resources such as student computer labs and study areas would also be available for use.

The property will be utilized initially to consolidate current instructional programs into one location, improve classroom and lab space especially for the nursing and science courses. The space provided by the BLM building will also allow MSUN to explore new instructional programs which cannot be provided with existing facilities. For example, possibilities include converting the warehouse into a vocational classroom to provide agricultural science and other career and technical workshops or courses. The expanded and enhanced instructional space would also allow MSUN to enhance and possibly expand current curriculum offerings.

The additional space provided by this property will allow MSUN to offer additional services to area students. These services may include (among other things) expanded tutoring and counseling services. The property will also provide the space for enhanced student study and meeting areas, faculty offices, and enhanced computer, chemistry/biology and nursing labs.

The property will be used only for instructional program purposes.

The property will be ADA compliant, but the property will not be used primarily for special education or handicapped purposes.

4) **Proof of need**

EOCM was formed in 1985 to provide college courses and professional training to people in the region. The purpose of EOCM is to offer a rural educational outreach program to provide accessible quality training, higher education, and life-long learning opportunities that meet the needs of individuals and groups within a six county area. EOCM's predominate target population is the older, non-traditional place-bound student who probably never had the chance to receive any education or training.

In 1995, MSUN began a formal partnership with EOCM to provide post secondary educational opportunities to people in and around Lewistown, Montana. Methods of instructional delivery include local faculty, visiting professors and adjunct, as well as distance learning via interactive video conferencing and computer-assisted coursework.

Currently, MSUN in partnership with EOCM coordinate adult educational offerings in a six county area. The counties total 12,367 square miles of land. (This is an area larger than eight states in the Union). Yet in a region larger than Vermont there is no post-secondary institution of learning. The nearest colleges are over 120 miles away. Due to lack of four-lane highways and unpredictable weather, commuting is not an option. The only way to take classes beyond high school is to move out of the region.

MSUN and EOCM pride themselves on access, which simply means there is access to an institution where anyone with a high school diploma or equivalency can enroll. For the partnership between MSUN and EOCM, the term "access" encompasses both access to college and access through college to expanded opportunities, including further education and productive rewarding work.

Over the last twenty years, the number of educational offerings (courses, workshops, seminars) in Lewistown has grown from 19 to 136. Enrollments have grown annually from 56 in 1985 to over 700 in 2004. An additional 200 students enroll each year for other types of professional training. Currently classes are scheduled at night and are held in the high school and in the unfinished basement of Lewistown's hospital where lighting is poor and noise is high. Many of the borrowed classrooms (especially for courses requiring labs) are inadequate and inappropriate. Programs and/or courses that MSUN currently offers in Lewistown include nursing, elementary education, computer technology, and general education courses.

With an expanded campus at the BLM site, MSUN in cooperation with EOCM could offer additional classes in business, agricultural science, and other areas with identified need. All courses offered by MSUN are transferable to all Montana University units. In addition, the improvement and expansion of the curriculum would assist in:

- Increase student competence by developing and implementing new integrated student and program certifications, technical preparation strategies and effective instruction methodologies.
- Promote the development and use of curriculum, instructional materials, and instructional strategies in all aspects of higher education that foster critical thinking, problem solving, leadership and academic/technical skill attainment.
- Increase linkages between secondary and post-secondary institutions by offering agricultural education to local communities.

Acquisition of the BLM property will establish MSUN and EOCM as a catalyst for change in a region that is historically economically distressed. The region is tied to the boom and bust cycle of agriculture. Educational levels are low. A sense of powerlessness derives from absentee ownership of land and resources with a one-industry economy. There are low levels of entrepreneurship and little in the way of amenities to attract new businesses. With ownership of a building, an identity of

stable educational offerings will develop. As a “common ground” institution, respected by the public, private and non-profit sectors, the Center can be a safe neutral meeting place for forging collaborative approaches to community and economic development.

Currently, class enrollments must be capped and students turned away because everyone cannot be seated in the space available. Materials to be used in science labs must be hauled to the rented classroom at the high school from the professor’s basement storage in his own home. Office space is non-existent for full-time or part-time faculty. For example, currently three nursing faculty share an office space in the basement of the hospital that is 5’ X 10’.

The acquisition of the vacated BLM property will allow MSUN and EOCM to offer all classes, workshops, seminars and programming in one facility. In addition, modern classroom facilities will provide much needed space for more effective instruction. The additional classroom and office space will allow for program expansion and serve more students, day or night. The BLM warehouse could also be converted to a vocational classroom where agricultural science and other career and technical courses and workshops could be offered that simply are not possible under the current situation.

In 2003, 25% of the student application pool was turned down due to classroom space constrictions. Five science courses are offered in sequence, primarily to meet the Nursing students needs, and are limited to 30 students in each class due to space constrictions for both classroom seating and lab configurations. However, thirty students in those classes also present extreme overcrowding issues. However, if Nursing students miss enrollment in a sequential course, it can delay their entire education program for one school year. All science courses must be offered in the evening at the high school; MSUN supplies much of the needed science equipment.

In 2004, same as 2003 plus ten potential nursing students are put on a waiting list. Again, enrollments in science and pre-nursing courses were capped due to lack of space.

In 2005, same as 2003 and 2004 plus the Lewistown program is the first nursing program to fill—all available slots were filled with the first round of applications submitted in January.

The plan is to fully utilize every aspect of the vacated BLM property. The office building will be remodeled into classroom and office space, the warehouse would provide space for vocational courses and workshops, and the paved areas will be used for parking lots and outdoor coursework demonstration areas. The garage bays will be used for storage of equipment. This entire property will be used to enhance the current curriculum, which has been stifled by lack of space and access.

MSUN and EOCM are not proposing a new, untried project; there is a proven track record of success dating back to 1985. Over the last twenty years, the number of educational offerings offered each year has grown from 19 to 136 and enrollments have grown from 56 to over 700 in the year 2004. An additional 200 students enroll each year in other types of professional training (non-credit). The ability to provide a wider variety of training opportunities has been stifled by the lack of available space to grow and expand the program. Currently, most classes must be scheduled at night and are held in our high school and the unfinished basement of the local hospital. Many of the borrowed classrooms are inappropriate for adult students and do not have proper lab facilities and other needed components for instruction. Additional space is needed.

The additional space would also allow for an area that could be used for professional training needed for businesses and other individuals who seek need updated skills in areas such as computer technology, carpentry and welding, mechanical and diesel technologies, and office assistant/secretarial skills.

The vacated BLM property would give Central Montana an accessible and identifiable building that would be used to offer a variety of educational offerings. The size and location of the property is ideally suited. As noted from the architect's footprint, classroom needs fit perfectly inside of the office building (see Exhibit 4). The heated warehouse would also serve the needs for vocational courses and workshops. Currently, MSUN and EOCM do not own any property to meet the educational needs of the Lewistown area. Currently, all courses are offered by renting School District classrooms at night and by using part of the basement of the local hospital.

5) **Financial information demonstrating the ability to implement the proposed program**

The total cost to prepare the property for our current programs is estimated at \$1,000,000. To date, EOCM has obtained a grant from HUD for \$498,900 and has pledges from individuals and businesses for \$632,500. These funds will provide the funding necessary to renovate the property to a point in which it would serve the needs of our current programs. We are confident we can use the funds already raised to renovate the facility to serve our current needs.

MSUN will be responsible for the ongoing operating and maintenance expenses of the facility. MSUN estimates O & M expenses for the facility to be approximately \$159,000 per year. This includes utilities, custodial, phone, data connections, maintenance, and insurance expenses. All current instructional costs (faculty, support staff and supply expense) incurred in Lewistown by MSUN are covered by current tuition and fees paid by Lewistown students.

The new O & M costs will be funded from two revenue sources: current tuition paid by students and the addition of a new "Lewistown Building Fee" in the amount of \$60 per credit. This new fee will generate approximately \$117,000 per year. The remaining \$42,000 will be funded from tuition.

Educational Opportunities for Central Montana has been awarded a HUD grant of \$498,900 and has \$632,500 in five year pledges from individuals and businesses from the surrounding area for the renovation of this property.

MSUN will financially support the project with funding for the educational infrastructure (such as faculty, administration, site maintenance, general operating costs, classroom furniture and technology).

MSUN is a unit of the Montana University System with an annual general operating budget of approximately \$12,000,000. MSUN receives 60% of its funding from the State of Montana and the remaining 40% from student tuition and fees. MSUN has provided a campus financial statement for review (see Exhibit 5).

Funding will not be obtained through outside bonding or loans. MSUN will use internal resources to provide funding in advance of receiving pledged amounts from donors.

MSUN will generate tuition and fee revenue from students enrolled in post-secondary education programs and will charge participants of non-credit training programs user fees.

6) **Period of use**

MSUN certifies that the requested property is needed at the time of the application for the educational purposes described in our proposed program and plan and will be utilized for such purposes for a period of thirty (30) years. The proposed program and plan will not be modified during the thirty-year period without the prior written consent of the United States Department of Education.

7) **Assurance of compliance with nondiscrimination requirements**

MSUN does not discriminate due to race, color, national origin, sex or disability in the use of the property, in keeping with Section 606 of the Federal Property and Administrative Services Act of 1949, Title VI of the Civil Rights Act of 1964 (P.L. 88-352), Title IX of the Education Amendments of 1972 (P.L. 92-318), and section 844 of the Education Amendments of 1974 (P.L. 93-380) (in relation to education), and Section 504 of the Rehabilitation Act of 1973 (P.L. 93-112), Title II of the Americans

with Disabilities Act of 1990, and the Department's Regulations issued pursuant to such Acts (34 CFR Parts 12, 80, 84, 86, 100, 104, and 106).

8) **Insurance provision**

MSUN agrees, for itself, its successors and assigns, that if any conveyed improvements are insured against loss, damage, or destruction and if such loss, damage or destruction should occur during the period the grantee holds title to the requested property while under the period of restricted usage specified in the deed of transfer, said insurance and all moneys received therefrom by the Grantee, its successors or assigns shall be held in trust by the Grantee, its successor or assigns, and shall be promptly utilized by the Grantee for the purpose of repairing such improvements and restoring the same to their former condition and use, or for the purpose of replacing said improvements with equivalent or more suitable facilities; or, if not so used, shall be paid over to the Treasurer of the United States in an amount equal to the unamortized public benefit allowance of the buildings, structures, or improvements lost, damaged or destroyed.

9) **Environmental analysis**

The environmental analysis is Exhibit 6.

10) **Protection and maintenance of the property**

MSUN states and agrees for itself, its successors and assigns, that in the event Grantor exercises its option to revert all right, title and interest in the requested property to the Grantor, or the Grantee voluntarily returns title to the requested property in lieu of reverter, then the Grantee shall provide protection to and maintenance of the requested property at all times until such as the title is actually reverted and returned to and accepted by the Grantor. Such protection and maintenance shall, at a minimum, conform to the standards prescribed by the General Services Administration in its regulations at FPMR 101-47.4913 (41 CFR Part 101) in effect as of the date of the conveyance instrument, a copy of which is attached to the application and labeled as an exhibit to said application.

11) **Exhibits**

Exhibits are as follows:

1. Montana Board of Regents policy 1003.6
2. Map – Location of Property in Lewistown
3. Map – Plot Map of Property
4. Proposed Floor Plan for Renovated Office Building
5. Montana State University-Northern Financial Statements
6. Environmental Analysis

12) **Certification of signing official**

I certify by signature hereto, that I am duly authorized by the Governing body of this organization or institution to act on behalf of the governing body to do any and all things necessary to acquire the Federal surplus real property identified and requested herein, including the preparation of this application and payment of such sums as may be necessary toward the purchase price of the requested property, and that all information given herein, and in exhibits hereto, are true and correct to the best of my knowledge.

By: Alex Capdeville

Title: Chancellor

Date: Aug 18, 2005