

January 7-8, 2013

**ITEM 158-301-R0113**

**Amendment of Previously Approved Authorization to Secure Intercap Loan from State of Montana Board of Investments – Campus Expansion; Flathead Valley Community College**

**THAT:**

The Board of Regents adopts an amendment to ITEM 155-304-R0512, approved May 25, 2012, to comply with the Board of Investment's requirement that Flathead Valley Community College pledge the revenue stream from its mandatory building and grounds fees as an additional funding source for the repayment of the \$2,400,000 bridge financing loan for the campus expansion project.

**EXPLANATION:**

The Board of Investments has requested this amendment to the language of the original authorization of the \$2,400,000 Intercap loan to facilitate construction of the Rebecca Chaney Broussard Center for Nursing and Health Sciences building. The Intercap loan will be for 10 years.

The Board of Investments recognizes the intent of this Intercap loan is to provide bridge financing for four years as the remainder of the \$4,000,000 donor gift is received, however, the Board is requiring an alternative funding source in addition to the donor pledge be identified and authorized.

\$1,600,000 of the Broussard family gift has been received and the remaining balance of \$2,400,000 will be collected over the next four years.

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. At the December 17, 2012 meeting, the Trustees approved the amendment pledging the building and grounds fees as an alternative funding source for repayment of the loan and the term of the Intercap loan to be 10 years.