

ITEM 147-1901-R0510

Authorization to Execute Purchase of Property; University of Montana-Helena College of Technology

THAT

The Board of Regents of Higher Education authorizes an increased purchase amount from \$115,000 to \$200,000 for the acquisition of properties located in the acquisitions zone of the UM-Helena College of Technology approved in Board of Regents Item 105-1901-R1199.

EXPLANATION

1. Board of Regent Item 105-1901-R1199 approved in January 2000 established an acquisition zone comprising the city block immediately east of the UMH Donaldson building located at 1115 North Roberts, Helena, MT. Item 105-1901-R1199 authorized UMH to purchase property for up to \$115,000.
 2. Two pieces of property, 1535 Livingston and 1539 Livingston are currently advertised for sale.
 3. UMH contracted to have two appraisals conducted on each of the properties. The appraisals on 1535 Livingston Ave. came in at \$140,000 and \$140,000. The appraisals on 1539 Livingston Ave. came in at \$170,000 and \$190,000
 4. UMH currently owns and leases three other properties on the 1500 block of Livingston and Townsend avenues. An outstanding State of Montana InterCap loan related to those properties was paid off in full during fiscal year 2010.
 5. UMH can utilize a combination of existing plant funds and new State of Montana InterCap loans to purchase the properties. The InterCap loan will be serviced by the rental income from all the properties owned on the 1500 block.
 6. In order to facilitate the pursuit of acquiring these properties as they enter the market, UMH is requesting that the campus level of authority be increased to cover current market values. Purchases will be executed in accordance with the plan approved in Board of Regent Item 105-1901-R1199 including review and approval by UM Legal Counsel, the President of UM, and the Commissioner of Higher Education as appropriate.
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ATTACHMENTS

Copy of Board of Regent Item 105-1901-R1199
Copy of appraisals