

POTENTIAL DORM QUESTIONS AND ANSWERS

1. Why is Montana Tech looking at a 200 bed dorm instead of the 100 bed as originally proposed in the board item?

- Based on national data presented by the architects, the average at a campus is available housing for 20% to 25% of the students. We currently have 286 beds in the dorms and 140 potential beds in the apartment housing for a total of 426 possible beds. This represents housing for approximately 15% of our students. Based on current year enrollment, to meet the 20% to 25% available rooms, we need between 135 and 225 beds. (UM houses approx. 30% of its student population)
- With the limited quality housing available in Butte, we believe we can fill the dorm at 200 beds even with the slight decrease in our enrollment during the current fiscal year. Living on campus could be very attractive to non-freshman students.
- Even with the decline in the fall enrollment, our first time freshman numbers are relatively consistent with last fall. That number is 474 this fall as compared to 488 last fall.
- Based on information provided by the Butte Housing Authority, the vacancy rate in this area is only 1½% and there is a waiting list of 137 for one bedroom apartment and 64 for two bedroom apartments. They also reported that many of our students are on the wait lists or looking for housing for next year because they will need to move out of the dorms.
- Based on conversations with the Silver Bow Planning Office, we are not aware of any new large scale private sector housing projects. There are plans for a few four plexes but nothing of significance at this time.
- If we are to go out on a bond for this project alone, it might not be feasible to bond a 100 bed facility but would be feasible for a 200 bed facility. Regardless, we would be looking at a 25 year payback on the bonds.

2. Does Montana Tech feel it can fill a 200 bed facility?

- We believe a need exists for quality housing for our non-freshman students.
- This type of housing could fill a niche for the foreign students who currently move off campus for a greater degree of privacy. The suite style would be more enticing than current options available to these students.
- Because we are a strong engineering campus, there exists a population of dedicated students who are interested in the convenience of living on campus in a semi-private environment. These students generally occupy research lab space, library and computer labs well into the evening.
- This dorm would provide an on campus living option for student athletes who previously moved off campus due to lack of space associated with freshman on campus living requirements.
- We continue to have applications for dorm rooms in excess of the space available. This past fall we had 360 applications for 286 dorm rooms. Freshman currently have first priority due to our freshman on campus living requirement.

3. What would Montana Tech need to charge per bed to make the bond payment?

The following table shows the construction cost per bed in the titles and the amount Montana Tech would need to charge per room per month to cover the repayment of bonds based on that construction cost. The final column represents the monthly amount that will be charged for a suite style room in Centennial Hall during Fiscal Year 2013.

	100 Bed \$50k	200 Bed \$50k	100 Bed \$70k	200 Bed \$70k	06/30/13 Rates
Suite (Two Singles)	\$844	\$688	\$1,039	\$875	\$503
Suite (Four Singles)	\$675	\$550	\$831	\$700	\$503
Single	\$1,013	\$825	\$1,247	\$1,050	\$503

These are monthly rates required to meet the debt load at each level of construction cost and corresponding number of beds. Montana Tech could charge the higher rates for the rooms in the new dorm based on the fact that they will have either a private bathroom or a bathroom shared with one other person instead of the gang showers which are part of normal dorm facilities. As evidenced by the above information, the 200 bed type facility would provide a more affordable option for students.

4. How would you pay if you don't fill right away?

- We would use revenue from auxiliaries in general to cover the bond payment until the dorm is full.
- We currently have auxiliary profits each year that are normally designated for deferred maintenance that could be diverted to assist in making the bond payment until the dorm reaches capacity.

5. Why a new dorm in declining enrollment?

- Our overall enrollment declined by 69 (headcount) this year but was up 178 (headcount) last year. In order to sustain the higher level of enrollment, we need housing options available for our students.
- On campus housing is a draw for students and will aid us in growing to our targeted enrollment. Students are demanding more and seem to be willing to pay for better facilities, greater technology and more privacy.
- The student government is in support of this dorm but Montana Tech is more than willing to ask students to complete a survey as to whether the costs mentioned above are affordable and whether or not they support and would take advantage of living in the dorm. This can be done during the design development phase in order to keep this project on course and in line with our projected timeline.