ITEM  158-2004-R0313
Authorization to Renovate Strand Union Ballrooms; Montana State University

THAT

Consistent with the provisions of MCA-18-2-102(2)(b), the Board of Regents of Higher Education authorizes MSU to renovate the ballrooms of the Strand Union Building at MSU-Bozeman and obtain related financing for a portion of the project. This request is for a total project authorization of $1,600,000.

EXPLANATION

1. The programs, services and amenities provided to students and the university community by MSU’s Strand Union Building contributes to student success and retention; however, ballroom facilities within the facility need to be upgraded to meet current student, university and community demands. Renovations will improve services, functionality and aesthetics.

2. The Strand Union Building continues to be one of the most heavily utilized buildings on the MSU campus with constituents ranging from students and their various groups to faculty and staff functions to outside patrons needing large gathering spaces within the Bozeman community.

3. With the exception of general maintenance, the ballrooms have not been upgraded since originally built/renovated in 1981.

4. MSU plans to upgrade the ballroom facilities for a total project value of $1,600,000.

5. This project will be funded by the following:
   a. $250,000 Auxiliary Operations Revenue (Renewal and Replacement Budget) in excess of debt service obligations
   b. $350,000 in Student Facilities Enhancement Project Fees in excess of debt service obligations and
   c. Up to $1,000,000 INTERCAP loan funds

6. The INTERCAP loan will be paid from excess pledged revenues from the Student Facilities Enhancement Project debt service fund.

7. ASMSU & Strand Union Advisory Committee comprised of students, faculty and staff representation support this project and its desired outcomes.

8. All operations & maintenance costs will be paid from Auxiliary Operations Revenue.

9. This Item authorizes MSU to negotiate the financial agreements, with a term of no more than 10 years, as necessary to finance up to $1M of the work. The borrowed funds are intended to be secured through the Board of Investments (BOI) INTERCAP Loan Program and repaid with Net Pledged Revenues, in excess of current debt requirements, in accordance with the INTERCAP Program Agreement dated January 2, 2007 by and between BOI and the BOR. Net Pledged Revenues include, but are not limited to, non-state funds from Auxiliary Operations Revenue.

ATTACHMENT: Information Require by BOR Policy 1003.7