

January 12, 2017

ITEM 174-1002-R0117

Amendment of previously approved authorization of \$5 Million for the Washington-Grizzly Champions Center –University of Montana-Missoula

THAT

The Board of Regents adopts amendments to ITEM 165-1001-R1114, approved November 21, 2014, to comply with Montana Board of Investments' (MBOI) requirements for agency authorization for an INTERCAP Loan, as indicated below.

EXPLANATION

The original item authorized the University of Montana-Missoula (UM) to construct the new Washington – Grizzly Champions Center with a total value of up to \$14 million, of which approximately \$8,600,000 has been received through donations to the UM Foundation. Additionally, \$400,000 of fund balance derived from athletic ticket revenue was committed to the project. The item also authorized UM to finance the remaining \$5 million of the project through the issuance of either a MBOI INTERCAP or Revenue Bond (private placement) Loan. The University chose to obtain financing through the INTERCAP Loan Program.

The MBOI Board has approved the loan application, but prior to releasing funds, the MBOI Board requires the following actions, authorizations and acknowledgements:

- The Board of Regents (BOR) reaffirms its support of the Project financing plan. See attachment #1.
- The \$5 million MBOI INTERCAP Loan will be secured by and payable from Surplus Net Revenues in excess of current debt requirements, as defined in and in accordance with the INTERCAP Program Agreements dated January 2, 2007 by and between the MBOI and the Board of Regents of Higher Education for the State of Montana.
- The BOR acknowledges that though it is the intent not to raise student fees in relation to the Project, the BOR maintains the right to do so giving the Associated Students of the University of Montana Senate opportunity to express student opinion regarding the fee in accordance with BOR Policy 506.1.
- The BOR direct UM staff that any future pledges from donors for the Project other than individuals that involve naming rights, such as meeting rooms within the facility, must be discussed with the MBOI Board's bond counsel in advance to ensure the naming right does not affect the way the MBOI Board considers the facility as it pertains to private activity use.
- The BOR direct the Office of the Commissioner of Higher Education (OCHE) staff to consult with MBOI Board staff on available program funds for any future BOR Items contemplating INTERCAP financing greater than the OCHE approval level of \$500,000 provided by the BOR Policy 950.1 prior to approaching the BOR for approval.

ATTACHMENTS

Attachment #1 – Project Financing Plan