

REPAYMENT PLAN

A. \$5.0 Million Financing for Purchase of Lab/Office Facilities

Approximately \$265,000 per year in debt service

The University currently leases approximately 90,000 square feet of space for its research activities, which are paid by funds generated by Facility and Administrative Indirect Cost Recoveries. Purchasing a building will allow the enterprise to give up a portion of that space as its leases come due, and re-direct lease expenses to debt service.

The current occupant of the building desires to occupy it for approximately two years, paying rent to the University which exceeds the amount of debt service, while its operations are moved out of state. This timeline will allow for the orderly exit of certain leases, the soonest of which expires in 2018 and which costs approximately \$1 million annually. Although the square footage of the anticipated building is less than the currently leased space, the configuration of labs and offices facilitates better usage of the space and will be adequate for the research enterprise's space needs.

B. \$6.5 Million Financing for University Contribution to Parking Facility
Approximately \$330,000 per year in debt service

The parking enterprise currently has no debt service commitments. The following schedule demonstrates the capacity for debt, in addition to meeting current operating and renewal/replacement needs.

MSU Bozeman Parking Enterprise Financial Projections										
	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	
SB/E Permit Price	\$ 164	\$ 169	\$ 177	\$ 185	\$ 190	\$ 195	\$ 201	\$ 207	\$ 215	
Net Parking Revenue	\$ 2,144,071	\$ 2,230,943	\$ 2,320,168	\$ 2,595,843	\$ 2,656,789	\$ 2,717,974	\$ 2,788,565	\$ 2,861,200	\$ 2,957,080	
Investment and Miscellaneous Income	1,344	2,121	1,424	19,800	19,800	19,800	19,800	19,800	19,800	19,800
Activities Use of Parking Garage	-	-	-	62,500	62,500	62,500	62,500	62,500	62,500	62,500
TOTAL PLEDGED REVENUE	2,145,415	2,233,064	2,321,592	2,678,143	2,739,089	2,800,274	2,870,865	2,943,500	3,039,380	
Expenses										
Personnel	1,218,112	1,377,245	1,411,189	1,445,982	1,481,644	1,518,199	1,555,667	1,594,071	1,633,436	
Operating	394,706	495,256	507,637	520,328	533,337	546,670	560,337	574,345	588,704	
TOTAL EXPENSE	1,612,819	1,872,501	1,918,827	1,966,310	2,014,981	2,064,869	2,116,003	2,168,416	2,222,140	
Excess of revenues over expenditures	532,596	360,563	402,765	711,832	724,108	735,406	754,862	775,084	817,240	
R&R-- Annual and Long-term Maintenance	(339,532)	(868,230)	(300,000)	(350,000)	(375,000)	(400,000)	(400,000)	(425,000)	(450,000)	
Anticipated Parking Garage Debt Service	-	-	(75,000)	(330,000)	(330,000)	(330,000)	(330,000)	(330,000)	(330,000)	
Increase (decrease) in Fund Balance	193,064	(507,667)	27,765	31,832	19,108	5,406	24,862	20,084	37,240	
Beginning Fund Balance, July 1	573,505	766,569	258,902	286,668	318,500	337,608	343,014	367,875	387,959	
Ending Fund Balance, June 30	\$ 766,569	\$ 258,902	\$ 286,668	\$ 318,500	\$ 337,608	\$ 343,014	\$ 367,875	\$ 387,959	\$ 425,199	

Garage permits have been approved at a rate of \$475 per year, which is similar to other reserved lot pricing. In addition to permitted parking, hourly pay parking will be available in the garage. Because the garage will be located where current surface parking is, only the net increase in revenues from the garage as compared with surface parking has been projected in the schedules below. Note also that athletic and other activities will contribute \$62,500 per year to allow for garage space to be made available to patrons throughout the year for specific events.

C. The Big Picture

The University’s four-campus anticipated debt service schedule, assuming the additional proposed debt, is as follows. The University’s financial advisors have compared MSU debt with other institutions in our same credit rating category, and do not believe our financial position will be adversely affected through the issuance of this debt.

