

July 10, 2019

**ITEM 184-2002-R0719**

**Request for authorization to lease Bobcat Stadium to the MSU Alumni Foundation (MSUAF) for the construction of Bobcat Athletic Complex, and to enter into an MOU with MSUAF for this project, and approval of related financing plan**

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**THAT**

Consistent with the provisions of MCA § 20-25-309, the Board of Regents of the Montana University System authorizes MSU to (1) lease the Bobcat Stadium and surrounding area to the MSU Alumni Foundation for the purpose of constructing the Bobcat Athletic Complex, (2) enter into an MOU with MSUAF for this project and (3) finalize the MOU and lease with MSUAF to be consistent with the project financing and draft documents provided.

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**EXPLANATION**

1. The 2007 Legislature promulgated MCA § 20-25-309, which permits leasing land and facilities to a private non-profit foundation for the purpose of constructing or renovating athletic facilities. The MSU Alumni Foundation (MSUAF) is a private non-profit foundation as contemplated by MCA § 20-25-309.
  2. MSU is requesting Regent approval of the draft project MOU and lease. When funding and donor commitments are in place, MSU will seek approval of the final MOU and lease from the Montana Commissioner for Higher Education before executing the MOU and lease. If the MOU or Lease documents change substantially from the draft presented with this Board Item, MSU will come back to the Board for review and approval before proceeding. See Attachment 1 - Draft MOU.
  3. Following the execution of the MOU, the lease will be executed. The lease represents MSU's official request of the MSU Alumni Foundation to take ownership and move forward as mutually agreed upon to negotiate a final contract with a general contractor/construction manager to construct the Bobcat Athletic Complex. See Attachment 2 - Draft Lease Agreement.
  4. The Bobcat Athletic Complex project will provide new space for all student athletes and related operations including training and rehab areas, strength training and nutrition spaces, individual and group study and advising rooms, locker rooms and team lounge, football operations and staff offices, conference/meeting rooms, an auditorium/lobby area, and ancillary spaces. An additional space will be available for a health provider to deliver health services for student-athletes, faculty and staff only.
  5. The proposed project will be financed with non-state funds including gifts, donations and in-kind contributions.
  6. We are requesting up to \$18,000,000 in authority, to include design and other non-construction costs. Up to \$3,000,000 will be financed by the University, which will be repaid with non-state revenues generated by MSU Athletics. The remainder of the project, approximately \$15,000,000, will be funded from external gifts (donations) to this project.
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**ATTACHMENTS**

- Attachment #1: Draft MOU
- Attachment #2: Draft Lease Agreement