

November 16-17, 2023

**ITEM 209-1902-R1123**

**Request for Authorization to Purchase Hangar at 3232 Airport Road for Instructional Use; Helena College University of Montana**

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**THAT**

Consistent with the Board's authority to manage and control the Montana University System, the provisions of BOR 1003.6, the Board of Regents authorizes Helena College University of Montana to purchase the airport hangar located at 3232 Airport Road, Helena, MT.

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**EXPLANATION**

1. Helena College (HC) received \$3,600,000 in House Bill 5 of the 68<sup>th</sup> Legislative Session to Acquire and Renovate an Airport Hangar for instructional purposes.
  2. HC requests authority for the purchase of the airport hangar located at 3232 Airport Road in Helena, MT for \$1,650,000.
  3. This project will purchase an existing 10,000 sq ft hangar and 27,000 sq ft cargo ramp to be used for the aviation program.
  4. The acquisition and future renovation of this property will allow Helena College to satisfy a need for skilled aviation technicians in this growing industry. It will also allow for opportunities to expand the program into many areas of the aviation industry that are currently unavailable due to lack of facilities.
  5. Helena College cannot expand the aviation program due to lack of facilities or space to build a new facility. The aviation program is poised to expand dramatically to include avionics and possibly flight instruction to satisfy an ever-increasing need in those industries.
  6. HC has received a valuation from one certified appraisal agency of \$1,650,000 for the structure consistent with BOR Policy 1003.6. Five other appraisers were requested to provide a valuation; due to the specialized nature of the property these firms did not accept as they were not comfortable evaluating the facility. The hangar is situated on the Helena Regional Airport Authority property, as a result, HC must lease the property on which the hangar is located. The estimated cost data provided by Elkhorn Appraisal Services to build a new hangar and cargo ramp is \$122/sq ft, for a total new build cost of more than \$4.5M. The appraisal value for the hangar and cargo ramp is well below the construction of a new facility.
  7. The request for the renovation of the facility will come at a later date in coordination with State A&E Division as part of the LRBP project process.
  8. Operations and maintenance funding in support of this project was allocated in House Bill 5 of the 68<sup>th</sup> Legislative Session.
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**ATTACHMENTS**

- Attachment #1: Property Map, Legal Description, and Hangar Image  
Attachment #2: Appraisal