

January 7, 2014

ITEM 162-2001-R0114**Authorization to Execute Lease for Gallatin College Montana State University**

THAT

The Board of Regents authorizes Gallatin College MSU to execute a lease for designated classroom and lab space for additional programs being offered by Gallatin College.

EXPLANATION

1. Gallatin College needs to create lab space for the development of the Advanced Manufacturing (Computer Numerical Controlled Machining) program that is part of the TAACCCT Grant funded by the US Department of Labor. This grant funding will pay for 67% of the lease cost for the next three years. The college will cover the rest of the cost of the lease through existing resources.
 2. The classroom space that Gallatin College is already leasing for evening classes at Bozeman High School is operating at full capacity. This space is not available before 4:00pm. Additional classroom space is needed for Gallatin College's Small Business Management Certificate Program which is starting in the fall of 2014 and other workforce related programs that are being developed.
 3. The increasing number of Gallatin College students that are taking general education courses and working towards Associate of Arts and Associate of Science Degrees requires that the college provide additional course sections during daytime hours. Currently, the college only offers evening sections of these courses. The proposed lease space would provide a number of additional classrooms which could be utilized for both day and evening classes. The leased space has plenty of parking for the students.
 4. Gallatin College and MSU Facilities Services staff have looked at a number of other properties in the community and were unable to find any that would fit the needs of the college as well as the identified property. The proposed property (6,608 square feet) rents for \$10-\$12 per square foot with little to no renovation costs required. The monthly lease cost of \$7,003.50 (Triple Net) was determined to be fair market value for this type of space in Bozeman.
 5. The lease will take effect on February 1, 2014. The term of the lease will be for an initial three (3) year period, with one year renewals at Gallatin College's option.
-

ATTACHMENTS

None.