

May 22-23, 2019

ITEM 183-2015-R0519

Authorization to Execute a Lease for Research and Office Space at CFT 2; Montana State University

THAT

In accordance with Board of Regents Policy 1003.6, the Board of Regents of the Montana University System authorizes Montana State University to enter into an off-campus lease for space to accommodate research and office space.

EXPLANATION

1. The MSU TechLink Center is an integral part of the Office of the Vice President for Research and Economic Development. TechLink was established in 1996 to help technology companies in Montana and the surrounding states develop productive technology partnerships with the nation's ten NASA centers. In addition to its nationally prominent technology transfer activities for DoD, TechLink manages MSU's Technology Transfer Office, runs the university's Software Engineering and Analysis Laboratory involving computer science students and faculty, oversees a Procurement Technical Assistance Center that helps small businesses in Montana to successfully compete for government contracts, promotes Small Business Innovation Research (SBIR), and actively engages with other MSU entities to advance the state's innovation economy and foster economic development.
2. Research expenditures for Techlink have increased 97% since 2014 resulting in significant space constraints for continuing world-class research. MSU desires to continue relieving these space constraints by renewing and extending a lease at the CFT 2 Building, which already houses more than 50 MSU employees from five different units.
3. The lease renewal/extension will provide continued space for multiple research entities.
4. The proposed lease is for 20,400 square feet at a base lease rate not to exceed \$23.05/SF or \$470,304 annually. This rate is comparable to other research space leases in Bozeman. Tenant improvements will be MSU's responsibility. MSU will be responsible for triple net expenses such as utilities, insurance, maintenance, etc.
5. This new lease is projected to take effect July 1, 2019 pending completion of lease negotiations. The term of the lease will be for an initial ten (10) year period with no extensions. The lease will be held with South Campus, LLC.
6. BOR Policy 1003.6, III, B, requires Regents approval for leases that exceed five (5) years in duration or for which total lease payments will exceed \$25,000 per year. Therefore, no lease has been executed.

ATTACHMENTS

none