

ITEM 154-1003-C0312

Authorization for The University of Montana - Missoula to Enter into an Off Campus Lease with 110 Higgins Missoula, LLC; The University of Montana - Missoula

THAT

The Board of Regents of Higher Education authorizes The University of Montana - Missoula to enter into a five year lease to relocate spectrUM to 110 North Higgins Avenue, Missoula, MT. The first year lease amount is \$57,897.

EXPLANATION

SpectrUM is an interactive science center currently located in the Skaggs Building on The University of Montana campus and is committed to inspiring a culture of learning and discovery for all. This K-12 program offers a math and science demonstration operation that currently draws over 10,000 visitors a year.

A recent NIH grant provides opportunity for program expansion and growth of up to 50,000 prospective visitors per year. SpectrUM would relocate to the old Macy's building (being renamed the Mercantile) located in downtown Missoula. The leased space is comprised of 3,880 square feet. The Lessor, 110 HIGGINS MISSOULA, LLC, has recently purchased the building.

This expansion will create at least three full-time staff positions as well as dozens of part-time positions for Missoulians, UM students and local high school students. It is projected that spectrUM will contribute close to \$700,000 to the local economy.

Because of the significant impact to the Missoula downtown area, the City of Missoula, through its redevelopment agency, is working with the University and spectrUM to support the project. UM, spectrUM and the city are in conversations with the developer and hope to bring a package of financial support for infrastructure to the city council for approval within the next several months. The University of Montana will contribute \$10,000 annually and current NIH R25 and NSF EPSCoR funding is in place to pay the balance of the lease. The cost of the lease is \$57,897.36 per year (\$4,824.78 per month) which is \$14.922/square foot per year for the first year with annual increments of 3.0% on the anniversary Rent Commencement Date.

The Rent Commencement Date is estimated as April 1, 2013. The lease expiration date shall be on March 31, 2018. Tenant shall have the option to extend the term of the lease for two (2) successive additional periods of five (5) years each.

ATTACHMENTS

Proposed Lease Agreement