

ITEM 158-1009-R0113

Authorization for The University of Montana - Missoula to Enter into an Off Campus Lease for spectrUM located in Missoula, MT; The University of Montana - Missoula

THAT

The Board of Regents of Higher Education authorizes The University of Montana - Missoula to enter into a four-year lease agreement on behalf of spectrUM, with JB Production, LLC at 6155 Wildcat Road, Missoula, MT 59802 to relocate the spectrUM program to 218 East Front Street, Suite 100, Missoula, MT.

EXPLANATION

In March of 2012, the Board of Regents approved a request to relocate spectrUM to the Missoula Mercantile Building located at 110 North Higgins Avenue, Missoula, MT on board item #154-1003-C0312. The Mercantile group has been unable to secure financing to complete construction modifications to the originally proposed building leaving spectrUM unable to move forward with their original plans to relocate to the North Higgins location.

The Board of Regents original approval was based on a lease rate of \$14.922/sq. ft. or \$4,825 per month which was a flat rate not including insurance, taxes, Common Area Maintenance, HVAC and all utilities plus a 3% annual rent increase.

spectrUM has identified an optional location in downtown Missoula to accommodate the expansion and proposes to relocate to the Maya building at 218 East Front Street, Suite 100 in Missoula, Montana. The Initial Lease Agreement term shall commence on February 1, 2013 and end on January 31, 2017 for a period of 48 months. Lessee shall have an option to renew the lease for two successive periods of four (4) years each.

The all-inclusive leased space is comprised of 4,200 square feet at a cost of \$23/sq. ft. or \$8,050 per month (\$96,600 per year). The University of Montana-Missoula will contribute \$10,000 annually and the NIH R25 and NSF EPSCoR funding is in place to pay the balance of the lease.

The City of Missoula, through its Missoula Redevelopment Agency (MRA), unanimously voted at their November 2012 meeting to fund a request by spectrUM to cover improvement expense of a build out of the identified space for a total of \$97,787 to better serve the Missoula community.

ATTACHMENTS

Attachment 1 - Proposed Lease Agreement