

May 23-24, 2013

**ITEM 159-2009-R0513**

**Authorization to Execute Lease for the Information Technology Center; Montana State University**

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**THAT**

The Board of Regents authorizes MSU to execute a lease for MSU's Information Technology Center.

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**EXPLANATION**

1. In March, 2013, the Board of Regents authorized MSU to lease a facility for MSU's IT Center (ITEM 158-2002-R0313). Unfortunately, the facilities that were the focus of negotiations at that time are no longer available and MSU is forced to broaden its search to include other opportunities in the area under the parameters noted below.
2. MSU's IT Center currently resides in multiple locations: 11,453 SF in the basement of Renne Library and 1,493 SF on the 3rd floor of Montana Hall.
3. Lack of space is the gating factor constraining the IT Center's ability to effectively support the vision and strategy of the university mission and meet constituent needs for research computing, instructional support, student services, automation of administrative support, and effective stewardship of information and resources.
4. Infrastructure services occupy real estate in the campus core better used for student-and faculty services that require convenient access.
5. MSU plans to lease approximately 10,000 SF for use by the IT Center infrastructure services. This leased space is expected to be near but not on the MSU campus.
6. The IT Center will continue to occupy a reduced square footage on campus, possibly including administrative offices in Montana Hall and/or space for embedded infrastructure and student/faculty-support services in the basement of Renne Library.
7. The annual lease rate for the total potential leased area is expected to cost less than \$150,000 per year average, including ancillary costs, e.g. insurance taxes, maintenance, etc.
8. The term of the lease is expected be for an initial period of less than 10 years with renewals for additional annual periods at MSU's option.
9. 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.

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**ATTACHMENTS**

N/A