

March 11-12, 2021

ITEM 193-2005-R0321

Request for Authorization to Lease Land to Bozeman Fire Department; Montana State University

THAT

Consistent with BOR Policy 1003.6, the Board of Regents authorizes Montana State University to lease campus property for a new Bozeman Fire Station on MSU land.

EXPLANATION

1. Montana State University requests authority to enter into a lease with the City of Bozeman to lease land for a new, full-service fire station on MSU property near the Huffman Building (MSU Police Headquarters). The facility will be located along Kagy Boulevard, east of 7th Avenue.
2. MSU has requested a valuation for the land consistent with BOR Policy 1003.6.III.A and is awaiting the brokers appraisal to determine the fair market value of the land. Once the appraisal is completed, MSU will enter into formal negotiations with the City of Bozeman for a lease rate and term.
3. The proposed lease encompasses 1.1 acres of land and will accommodate a fire station approximately 13,500 square feet serving south Bozeman residential and commercial structures, as well as benefitting the MSU campus and the Montana University System.
4. Because this lease will be entered into with another public entity (City of Bozeman), MSU is requesting a one-time exception to BOR Policy 1003.6.III.A.2 and wishes to negotiate a lease for 20 years, with options to renew up to three ten-year terms for a total of 30 additional years.
5. The City of Bozeman will present concept development to MSU in late spring of 2021, followed by a formal bond issuance request to the City of Bozeman voters in fall 2021. Pending the outcome of the vote, MSU will finalize the lease terms of the agreement including rate, length and ancillary items such as triple net costs (custodial, landscaping, utilities).
6. The facility will reduce response times to under 1 minute for campus calls and will improve facilitating coverage at the Bobcat Stadium, Brick Breeden Fieldhouse and campus events. Additional benefits include potential fire cadet programs and/or full-time student interns in the fire station, as well as potential lower insurance premiums for the MSU campus.
7. BOR Policy 1003.6.III.A requires Regents approval when the lease is for a term in excess of two years.

ATTACHMENTS

None