

**May 15-16, 2024****ITEM 212-2003-R0524****Request for Authorization to Enter Into a New Lease Agreement with the MSU Bookstore; Montana State University**

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**THAT**

Consistent with BOR Policy 1003.6, the Board of Regents of the Montana University System authorizes Montana State University to enter into a new lease agreement with MSU Bookstore, Inc., a private and separate entity from the University.

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**EXPLANATION**

1. The MSU Bookstore is located in the Strand Union Building (SUB) at 751 W. Grant Street in Bozeman and consists of 26,273 square feet (SF).
  2. The MSU Bookstore has been operating in the SUB since 1956.
  3. The term of this lease shall be for twenty (20) years, commencing July 1, 2024, at a base rental rate of \$12.94 PSF (per square foot) or \$339,972/annually and includes 2% rent escalation every two (2) years, beginning July 1, 2025. If student enrollment decreases over a 2-year period during the term of this lease, then there will be no rent escalation on the next applicable date. If there should be more than a 5% decrease in enrollment, then the base rent will decrease by 1%.
  4. Tenant improvements and operating expenses are the responsibility of the MSU Bookstore.
  5. This lease benefits MSU by supporting the campus MSU Bookstore that serves students and satisfies the requirements in BOR Policy 1003.6 by requesting approval for leases that exceed (2) years in duration or for which total lease payments will exceed \$25,000 annually.
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**ATTACHMENTS**

Attachment 1-Lease Abstract