

May 24-25, 2012

ITEM 155-1001-R0512

Authorization to Enter Into Off Campus Lease for the Department of Intercollegiate Athletics (Tennis); The University of Montana–Missoula

THAT

The Board of Regents of Higher Education ratifies the lease which has been entered into by The University of Montana–Missoula for use of indoor tennis facilities for the UM intercollegiate tennis program. The lease is a five-year lease, included in which is the option of two additional five-year terms, located off-campus at Peak Racquet Center at Peak Health and Wellness Center, LLC, 5000 Blue Mountain Road, Missoula, Montana, 59804. The cost of the first year of the lease is \$21,200.

EXPLANATION

1. Since 2010, The University of Montana intercollegiate tennis program has had to lease time on three indoor-tennis courts to provide its Division I tennis athletes a place to practice when bad weather prevents the athletes from practicing outdoors.
 2. The leased premises are located at the Peak Racquet Center at Peak Health and Wellness Center, LLC, 5000 Blue Mountain Road, Missoula, Montana, 59804, the only indoor tennis facility in Missoula, MT.
 3. The former lease ended December 31st, 2011 and The University of Montana tennis program would like to continue leasing the same premises. The new five year lease begins January 1st, 2012 and would end on December 31st, 2016. Two five-year term renewal options are included in the lease and require the mutual consent of both parties to be exercised.
 4. The lease also provides a detailed schedule of court times exclusively reserved for UM Tennis athletes. The lease further provides for no triple net fees or costs.
 5. The cost of lease includes annual rent of \$21,200 in year 1, \$25,000 in year 2, and adjusted annually thereafter by changes in the CPI. This cost is reasonable based upon the opportunity cost of the forfeited court times that could otherwise have been sold to public tennis memberships by the Lessor. Good faith negotiations between the University and the Lessor have resulted in a lease agreement which has been reviewed by campus legal counsel.
 6. The University of Montana has entered into a 5-year term lease for this facility. Through an oversight, the item was not presented to the Board of Regents. This item seeks ratification of the lease agreement.
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