

March 9-10, 2017

ITEM 174-2006-R0317

Request for authorization to enter into off campus classroom lease by Gallatin College

THAT

In accordance with Board of Regents Policy 1003.6, the Board of Regents of the Montana University System authorizes Gallatin College Montana State University to enter into an off campus lease for classroom usage by the college.

EXPLANATION

1. Gallatin College Montana State University is in need of classroom space to teach students in applied workforce and transfer education certificate and degree programs.
 2. Gallatin College plans to lease approximately 16,712/sf of space at 705 Osterman Drive, Bozeman Mt 59715 from Frontage Road Commercial Properties, LLC. This is an increase of 10,104/sf over the previous lease at this location.
 3. The annual lease rate for the space is expected to be approximately \$236,734/year. This includes the triple net charges.
 4. Gallatin College had previously leased five classrooms in B-Wing of Bozeman High School. Only two of these classrooms will be available to Gallatin College for lease in fall 2017, as the High School's increasing enrollment required the return of three of the leased classrooms.
 5. The additional classrooms on Osterman Drive will provide additional classroom space for the new IT Networking Technician Program, for additional course sections to meet enrollment growth (18% increase Fall 2016) and to move the displaced programs and courses from the leased space at Bozeman High School.
 6. The initial term of the lease will be for 26-months with options for three additional one-year renewals. The incremental cost of this lease will be funded by existing Gallatin College revenues.
 7. 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

None