

September 20-21, 2023

ITEM 208-2013-R0923

Request for Authorization to Execute a Lease on Behalf of Applied Quantum CORE at the INDUSTRY Building Located at 2425 Technology Boulevard; Montana State University

THAT

Consistent with the Board's authority to manage and control the Montana University System and in accordance with the Board of Regents Policy 1003.6, the Board of Regents of the Montana University System authorizes Montana State University to enter into a lease agreement with INDUSTRY BOZEMAN PROPERTY, LLC.

EXPLANATION

1. The INDUSTRY building is located at 2425 Technology Blvd., Bozeman, MT, and is in the final stages of construction.
 2. MSU, on behalf of Applied Quantum CORE, desires to lease approximately 12,200 SF of turnkey R+D and showcase facility space for building quantum devices, quantum computing, and telecommunications systems, attracting industry investment and further developing research capabilities. The finished space will include a visitors' center, interactive quantum exhibit room, mixed lab, office, and conference room meeting space.
 3. The initial lease term is five years, with an estimated commencement date in Q1 2024 at a base rental rate of \$35 PSF or \$439,810 annually and 3% annual escalations. Third-party fair market evaluation supports this PSF price point.
 4. Tenant improvements and NNN costs will be the responsibility of Applied Quantum CORE. Due diligence is underway to assess those costs.
 5. Applied Quantum CORE requires this build to suit space to attract industry investment and develop research capabilities that will ensure long-term competitiveness in this growing DoD priority technology area while supporting the establishment of a geographically diverse quantum supply pipeline and workforce.
 6. Funding for this lease will come from the Applied Quantum Core research grant from the Air Force Research Laboratory (AFRL). No State funding will be utilized.
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ATTACHMENTS

Attachment #1: Lease Abstract