

June 28, 2012

ITEM 155-2001-C0612

Authorization to Execute New Lease for Safety & Risk Management; Montana State University

THAT

The Board of Regents authorizes MSU to execute a new lease for MSU's Safety & Risk Management operations.

EXPLANATION

1. Since 1998, MSU has leased a building from Advanced Technology Inc., (a wholly-owned subsidiary of the MSU Foundation), to house MSU's Safety & Risk Management (SRM) Department. This arrangement allowed MSU to consolidate the diverse elements of the SRM operations into a single ~9230 sf building that is located at 1160 Research Drive in the MSU Advanced Technology Park contiguous to MSU property.
 2. The SRM Dept includes the following programs: Environmental Health & Safety; Worker Compensation; Enterprise Risk Management/Insurance; Occupational Health/Industrial Hygiene; Radiation Safety; Chemical Safety and Disposal; Fire/Life Safety; Property Loss Prevention; Electronic Scrap Disposal; and Training & Development.
 3. In 1998, the lease rate for this facility was established at \$93,900/year and has not changed since the original leased was executed.
 4. A recent review of the local real estate lease market indicates that at reasonable rent would now be \$96,717/year, which represents a 3% increase. All other lease provisions remain in effect.
 5. The new lease will take effect on July 1, 2012. The term of the lease will be for an initial five (5) year period, with renewals for additional five (5) year periods at MSU's option.
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ATTACHMENTS

None