

November 17-18, 2017

ITEM 177-1007-R1117

Request for authorization to enter into off-campus lease for the Department of Intercollegiate Athletics - (Tennis) – University of Montana–Missoula

THAT

In May 2012, The Board of Regents of Higher Education approved The University of Montana–Missoula to enter a lease for the use of indoor tennis facilities for the UM intercollegiate tennis program. In accordance with Board of Regents policy 1003.6, Transfer of Interest in Real Property, this is a request for Regent authority to enter into a one-year lease addendum to the prior lease, 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 lease is \$25,668.

EXPLANATION

1. Since 2010, the University of Montana intercollegiate tennis program has needed to lease 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 addendum ends December 31, 2017 and the University of Montana tennis program would like to continue leasing the same premises. Under a one-year addendum beginning January 1, 2018 and terminating December 31, 2018.
 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 is \$25,668. 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 and addendum, which has been reviewed by campus legal counsel. A longer-term lease is currently being discussed with facility owners.
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ATTACHMENTS

- Attachment #1 – Original Lease Agreement
- Attachment #2 – Lease Addendum