

May 20, 2020

ITEM 188-2005-R0520

**Request for Authorization to Execute a Lease for a Shop/Warehouse on Behalf of MSU-MilTech;
Montana State University**

THAT

In accordance with Board of Regents Policy 1003.6, the Board of Regents of the Montana University System authorizes Montana State University to enter into an off-campus lease for space to accommodate required university Research and Development functions.

EXPLANATION

1. MSU-MilTech provides critical support and research to the Department of Defense (primarily the US Army and Marine Corps) as well as the Department of Homeland Security. MilTech currently has a staff position in Ft. Lauderdale, FL that requires a shop facility to successfully house the equipment and materials to perform his work.
 2. 1,750 SF of available and acceptable flex space has been identified by MilTech in the greater Ft. Lauderdale area. The increased amount of work that MilTech is doing with armor, garments and load bearing necessitates their need for shop space to perform prototyping.
 3. The proposed lease is for 1,750 square feet at a base lease rate of \$16/psf or \$28,000 annually for the first year and \$16.48/psf or \$28,840 annually for the second year. These rates are within the comparable market range for the greater Ft. Lauderdale area. No tenant improvements will be required. MSU/MilTech will be responsible for their proportionate share of operating expenses and maintenance.
 4. This new lease is projected to take effect June 1, 2020 for a period of 24 months. MilTech currently has the funds to pay for the 24-month lease term.
 5. 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