

November 17-18, 2022

**ITEM 203-2004-R1122**

**Request for authorization to enter into a lease for Gallatin College MSU; Montana State University**

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**THAT**

In accordance with the Board's authority to manage and control the Montana University System and BOR Policy 1003.6, § III, the Board of Regents authorizes Montana State University to enter into a lease agreement to support Gallatin College MSU welding fabrication, HVAC and carpentry trade programs.

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**EXPLANATION**

1. Gallatin College MSU currently leases 13,851 square feet at 705 Osterman Drive in Bozeman; in addition to utilizing space at Bozeman High School for welding and several other locations for HVAC.
  2. Gallatin College MSU enrollment is currently limited due to space constraints and difficulty of student travel between multiple sites where programs are offered.
  3. Entering into an additional lease may provide for some consolidation of instruction, reduce the need to share space at 4 private sector locations, reduce student travel between sites and allow for the following enrollment benefits (assuming a suitably large facility can be identified to lease):
    - Increasing the number of welding graduates and eliminate or greatly reduce the existing wait list
    - Increase 1<sup>st</sup> and 2<sup>nd</sup> year HVAC students from 15 to 30 or more
    - Double the Carpentry enrollment from 12 to 24
    - Add additional programming in Welding Fabrication and Construction Trades offerings
  4. A search for a suitable facility is underway for approximately 11,000 square feet with a lease rate up to \$15.00 per square foot for a term of up to 60 months. We expect this lease will include annual rent escalations.
  5. Tenant improvements and triple net costs will be the responsibility of Gallatin College MSU. Due diligence is underway to assess those costs.
  6. Before a lease is signed, MSU will work with Commissioner of Higher Education on final terms.
  7. Funding for this lease will come from a Gallatin County ARPA grant and the Gallatin County Mill Levy previously approved for Gallatin College MSU.
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**ATTACHMENTS**

None