

September 18-19, 2024

ITEM 214-2006-R0924

Request for Authorization to Renew a Lease on Behalf of MilTech in the AED Building; Montana State University

THAT

Consistent with BOR Policy 1003.6, the Board of Regents of the Montana University System authorizes Montana State University to renew a lease agreement with AED Building LLC for MSU - MilTech.

EXPLANATION

1. The AED Building is located at 2928 Technology Blvd. in Bozeman, which currently provides 10,160 SF of office/design space for MilTech's innovative technology programs.
 2. The original lease for Suites 101 & 102 commenced on March 1, 2020, for a 5-year term through 2/28/2025. Current lease rate is \$22.51/PSF.
 3. MilTech has requested to add Suite 202 to their lease, which provides an additional 2,935 SF to accommodate their growing space needs.
 4. An early lease renewal will allow for the addition of Suite 202, with the new lease commencing 10/1/2024, for up to a 5-year term through 9/30/2029. New rates and options will be analyzed before another extension is granted after this 5-year term.
 5. The new lease rate will be \$25/PSF for Suites 101 & 102, and \$28/PSF for Suite 202, which has higher end finishes and glass walls. The rental rate is within the parameters of fair market value.
 6. Tenant improvements and NNN costs are the responsibility of MilTech.
 7. The lease benefits MSU by supporting the space needs of MilTech and satisfies the requirements in BOR Policy 1003.6 by requesting approval for leases that exceed (2) years in duration or for which total lease payments will exceed \$25,000 annually.
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ATTACHMENTS

Attachment #1: Lease Abstract