

Contact: Jean Friedrich

INSTITUTIONAL AGREEMENTS, LEASES, AND EASEMENTS

Action Requested: Consider recommending to the Board approval of: Iowa State University entering into additional off-campus housing agreements for the 2015-17 academic years; and one agreement, including delegation of approval of service schedules and exhibits to the Executive Director, and one easement for the benefit of the University of Northern Iowa; subject to approval of the final documents by the Board Office and Attorney General's Office.

Executive Summary: Iowa Code §262.11 requires that certain agreements, leases, and easements be approved by the Board of Regents by roll call vote. The agreement and easement have been reviewed by the Attorney General's Office. An indemnification clause is included in each.

Iowa State University with the Board as tenant:

Iowa State University requests approval to enter into additional off-campus housing agreements for the 2015-17 academic years, subject to working out satisfactory terms and conditions similar to those currently in place for other off-campus housing leases, and subject to approval of the final documents by the Board Office and Attorney General's Office.

The University wishes to rent nine apartment buildings (395 beds) located on Steinbeck, Dickenson, Twain Circle and Mayfield Streets in west Ames from Jensen Properties (Steinbeck LC, Jensen Development Corporation Ltd, Dickson & Luann Jensen, and Alexander, L.C.) from August 1, 2015 to July 31, 2017 for an amount not-to-exceed \$2,156,320.80 per year. The University also requests approval to pay \$89,846.70 as a security deposit for the properties.

The rental rates for the units would follow the academic year student apartment rates and would be included in the Department of Residence (DOR) rate schedules that are separately approved by the Board. These are scheduled to be presented to the Board for its initial consideration at the March 2015 meeting.

The University is forecasted to receive over 1,800 requests for residence system beds above the Department of Residence's permanent capacity. Historically, the University has accommodated all students requesting University operated housing. The existing requests above the capacity of the system have resulted in the continued use of dens and other residence system gathering spaces for housing students. In response to student requests, the University would like to remove temporary housing from these spaces.

The 700 bed Buchanan Residence Hall Building #2 project, approved by the Board in December 2014, will not be available before the Fall of 2017. The University reports that even with the previously approved leases for 1,059 beds, the University will not meet the existing demand for space. Historically, DOR has a mix of approximately 75% freshman and 25% upper-class students residing in the halls; this arrangement provides leadership and mentoring for new students, contributing to student success--a model the University would like to continue.

To address the need for additional University operated housing until the Buchanan Residence Hall Building #2 is completed, the University proposes to rent 395 additional beds. With the previously approved leases for 1,059 beds, the total of 1,454 beds should substantially meet the demand for University operated housing.

The University is proposing a two year agreement for these complexes which are adjacent to existing leased units; they meet University requirements for beds that can be operated efficiently to warrant staffing. They are located where campus access can be provided by CyRide.

The University is completing agreements with the owners of these apartments. They follow the terms previously approved by the Board for other off-campus housing. It is anticipated that negotiations will have been completed by the time of the February Board meeting.

University of Northern Iowa for the following agreement.

City of Cedar Falls

The University's co-generation capability is insufficient to meet all of the campus electrical needs. The University has been operating under an interconnection agreement that was approved by the Board in February 1994 with Cedar Falls Utilities (CFU) for the additional electrical load. Consistent with the agreement, CFU issued a letter of intent to terminate the 1994 agreement.

Since 1994, there have been changes to the electrical industry, specifically CFU entered the Midcontinent Independent System Operator (MISO) market in 2008. The new agreement will allow UNI to purchase electricity at MISO market pricing. UNI's daily purchases will be included with the CFU purchase. The electricity will be passed to UNI through CFU's infrastructure. This will allow UNI to maximize the use of its electric turbine generator by adjusting production based on fluctuations in the electric market.

The University is requesting approval of the 2015 Electric Retail Service Agreement between the Board of Trustees of the Municipal Electric Utility of the City of Cedar Falls, Iowa and the Board of Regents, State of Iowa for the use and benefit of the University of Northern Iowa.

Service Schedules and Exhibits that will be a part of this agreement are currently being negotiated, and the University requests that the Board delegate the approval of the negotiated costs to the Executive Director. The service Schedules and Exhibits will include all charges to facilitate the purchase and delivery of the electricity to UNI. Negotiations are expected to be completed in Spring 2015.

University of Northern Iowa with the Board as Owner for the following easement.

City of Cedar Falls

The City of Cedar Falls is making improvements to the University Avenue Bridge. The University requests approval of a temporary construction easement through December 31, 2015 for the purpose of placing rip rap protection adjacent to the bridge to protect the bridge from continued scouring. The consideration is \$1.00. (See Attachment A for location of easement.)

Additional information is available from the Board Office.

TEMPORARY CONSTRUCTION EASEMENT

UNI

