

Contact: Jean Friedrich

**INSTITUTIONAL AGREEMENTS, LEASES AND EASEMENTS**

**Action Requested:** Consider approval of one amendment and one lease for the benefit of the University of Iowa.

**(ROLL CALL VOTE)**

**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 lease and amendment for the University of Iowa have been reviewed and approved by the Attorney General's Office. An indemnification clause is included in the lease.

**University of Iowa**

Due to higher than expected enrollment in August 2010, the University received approval to lease Building 3 of The Lodge except for eight apartments for the period of August 1, 2010 through May 24, 2011. The University now requests an amendment to the current lease with Raycal Iowa to extend the term of the original lease until July 31, 2011, and to add the remaining eight units in Building 3 to the extended term. The University also requests approval to lease the entire Building 3 of The Lodge (27 four bedroom units, 30 two bedroom units and 12 one bedroom units) from August 1, 2011 until July 31, 2013. Additional housing is necessary until a new on-campus residence hall is designed and constructed.

**RAYCAL IOWA, LTD.**

The amendment extends the original lease from May 24, 2011 to July 31, 2011. The eight units not included in the lease are included effective with the amendment without additional consideration.

The lease is for a two-year period August 1, 2011 through July 1, 2013, and includes all of Building 3 of The Lodge located at 100 Hawk Ridge Drive in Iowa City, Iowa, excluding all but one parking space.

Under the terms of the lease, the University agrees to pay \$1,000,000 (\$500,000 on September 15, 2011, and \$500,000 on January 15, 2012) for the term commencing on August 1, 2011, through July 31, 2012. The University has the option to renew this Agreement for two additional one-year periods. The fee for year two and any subsequent renewals will be at the above fee adjusted for the Consumer Price Index (minimum of 2%, maximum of 5%). Funding for this lease will be from University Housing and Dining Operating Funds. Under terms of the lease, the University has the right to enter into contracts with University of Iowa students for residential occupancy of the premises, and the University may provide services in the form of Resident Assistants.

The University will provide scheduled Campus service to campus destinations and downtown Iowa City. The service will require no pass or fare to University students assigned by contract to Building 3.

Additional information is available from the Board Office.