

Contact: Jean Friedrich

**INSTITUTIONAL AGREEMENTS, LEASES, AND EASEMENTS**

**Action Requested:** Consider recommending to the Board approval of one easement and two leases for the benefit of the University of Iowa, subject to approval of the final documents by the Attorney General's Office and the Board 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 easement and lease documents are subject to approval by the Attorney General's Office and the Board Office. An indemnification clause is included in the leases.

The University of Iowa with the Board as Tenant for the following leases:

**Iowa Public Television**

The University of Iowa requests approval of a tower lease with Iowa Public Television for space on the West Branch, Cedar County, Iowa tower. The University is the license holder for KSUI, an FM radio station serving the Cedar Rapids/Iowa City/Quad Cities area. KSUI has been operating at this location since 2003 pursuant to a tower lease that expired on June 30, 2013. The lease provides space on the West Branch, Cedar County, Iowa tower for KSUI's radio antennas and building space for KSUI's transmitting equipment.

The proposed lease is for a ten year term commencing on July 1, 2013 and terminating on June 30, 2023. The lease may be extended for two additional five year periods upon mutual agreement of the parties. The rental rate is \$17,200 annually, payable in arrears. The lease provides for an annual increase of the greater of the Consumer Price Index for all Urban Consumers as published in November of the preceding year or two percent (2%). The annual increase commences on January 1, 2014 and occurs on the same date in subsequent years.

In 2007, the Board of Regents entered into a Public Service Operating Agreement (PSOA) with Iowa Public Radio to provide for the management of radio groups licensed to the Regent universities. In accordance with the PSOA, Iowa Public Radio will continue to manage KSUI at this location on behalf of the Board and the University.

**Iowa Cancer Cure, LLC**

The University of Iowa requests approval to lease approximately 30,200 square feet of space in the building located at 3010 Northgate Drive, Iowa City, Iowa, for a lease term of five years, commencing on March 1, 2014, with three additional five-year extensions. The building has three levels: 12,019 square feet of finished space on the first floor, 12,019 square feet of shell space on the second floor, and 6,160 square feet of unimproved space in the basement (see Attachment A for a map of the location).

The University would pay \$38,423 per month (\$461,076 annually) for the base rent (\$21.30 per square feet for the finished space, \$14.50 per square feet for the shell space, and \$5.00 per square feet for the unimproved space). In addition to the base rent, the University would pay all property taxes, insurance and operating expenses, including

the general maintenance, utilities, ground care, and snow removal expenses. The lease payments would be from University Hospitals and Clinics building usage funds.

This space would be used by the University of Iowa Health Care's Radiation Oncology Department to provide community based oncology services. University of Iowa Health Care's central missions include patient care, education and research.

The University intends to fit-out the now shelled 2<sup>nd</sup> floor space at a later date based on determining of "best fit" functions for use of this space. The University will submit a separate project description and budget to the Board Office for approval when this has been accomplished.

The University has the option to purchase the premises from the Landlord commencing on the 10<sup>th</sup> year of the lease term (assuming renewals after the initial term); the purchase would require Board approval. The purchase price would be based on appraisals at the time the option is exercised in accordance with Board of Regents policy.

The practice housed at the facility was initially started in 1985 by Drs. Hamed and Ferial Tewfik, former faculty members at the University of Iowa in Radiation Oncology. Over the past 15 years, they have provided outstanding community based oncology services and have developed close affiliations with the University of Iowa Health Care's Radiation Oncology Department. The Tewfiks plan to retire. The lease of the facility would allow the integration of the resident educational experience through the clinic, physician coverage of oncology services, the development of clinical trials, and the implementation of a clinical research program to continue.

The University of Iowa with the Board as Owner for the following easement:

**Benjamin Reinking and Lynn B. Geick**

The University of Iowa requests permission to grant a permanent utility easement across University property for the sum of one dollar, to Benjamin Reinking and Lynn B. Geick who are the owners of a vacant lot on Lucon Drive near the Melrose residential neighborhood and the College of Law. The easement would cross University property being used as a daycare. Lucon Drive is a private road with no public utilities and no public right of way (see Attachment B for a map of the location). For Reinking and Geick to build a private residence on their lot, they need water line easements across multiple parcels to connect with City water service on Melrose Avenue. The adjoining private property owners have already consented to an identical easement.

The permanent easement area would be non-exclusive, limited to ten feet in width (as compared to a standard 12' public utility easement), and would follow the property line along Lucon Drive. The water line will be bored under University property with very little surface disturbance and can be completed in 1-2 days. The granting of the easement does not impact University utilities in the area, does not diminish the value of the University property, and will not impact the University's ability to construct a building on this property at a future time.

University representatives will be present at the Committee meeting to answer questions. Additional information is available from the Board Office.



Location Map  
Lease of Property by the Board of Regents, State of Iowa  
3010 Northgate Drive, Iowa City, Iowa

  
THE UNIVERSITY OF IOWA  
northgate.3010.dwg  
Plotted: Feb. 14, 2014

