

Contact: Jean Friedrich

INSTITUTIONAL AGREEMENTS, LEASES AND EASEMENTS

Action Requested: Consider ratification of Executive Director approval of two leases for the benefit of the University of Iowa as summarized below, subject to approval of the final documents by the Board Office and Attorney General's Office.

(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. On March 25, 2009, and April 8, 2009, the University requested Executive Director approval of two leases related to the flood recovery and requests Board ratification of these leases. The leases have been reviewed by the Attorney General's Office and are subject to approval of the final documents by the Board Office and Attorney General's Office. Indemnification clauses are included in the leases.

University of Iowa

The University requests approval of two leases with the Board as Tenant to provide temporary offices, classrooms, and studios for the University's Department of Theatre Arts, Division of Performing Arts, and School of Music, replacing facilities devastated by last summer's Iowa River flooding.

It is anticipated that funding for leasehold improvements and the lease payments will be reimbursed by FEMA

GREK, LC

Approximately 9,000 square feet of space located at 108 River Street in Iowa City, Iowa. See map showing location (Attachment).

The term is for three years commencing April 1, 2009, and ending March 31, 2012. The lease includes renewal options for seven additional terms of one year each, allowing for the lease through March 31, 2019, at the rate of \$9,375 per month for the first year (\$12.50 per square foot, \$112,500 per year). The annual rental rate for any term extensions will increase by the percentage equal to the CPI Index in March preceding the April 1 adjustment. The University will also be responsible for operating costs including property taxes, insurance, utilities and maintenance.

The landlord will install leasehold improvements as required by the University. The cost for the improvements is estimated at \$1,100,000.

The landlord gives the tenant the option to purchase the property for \$695,000 at any time beginning on April 1, 2011 until the expiration of the lease and all exercised renewal periods.

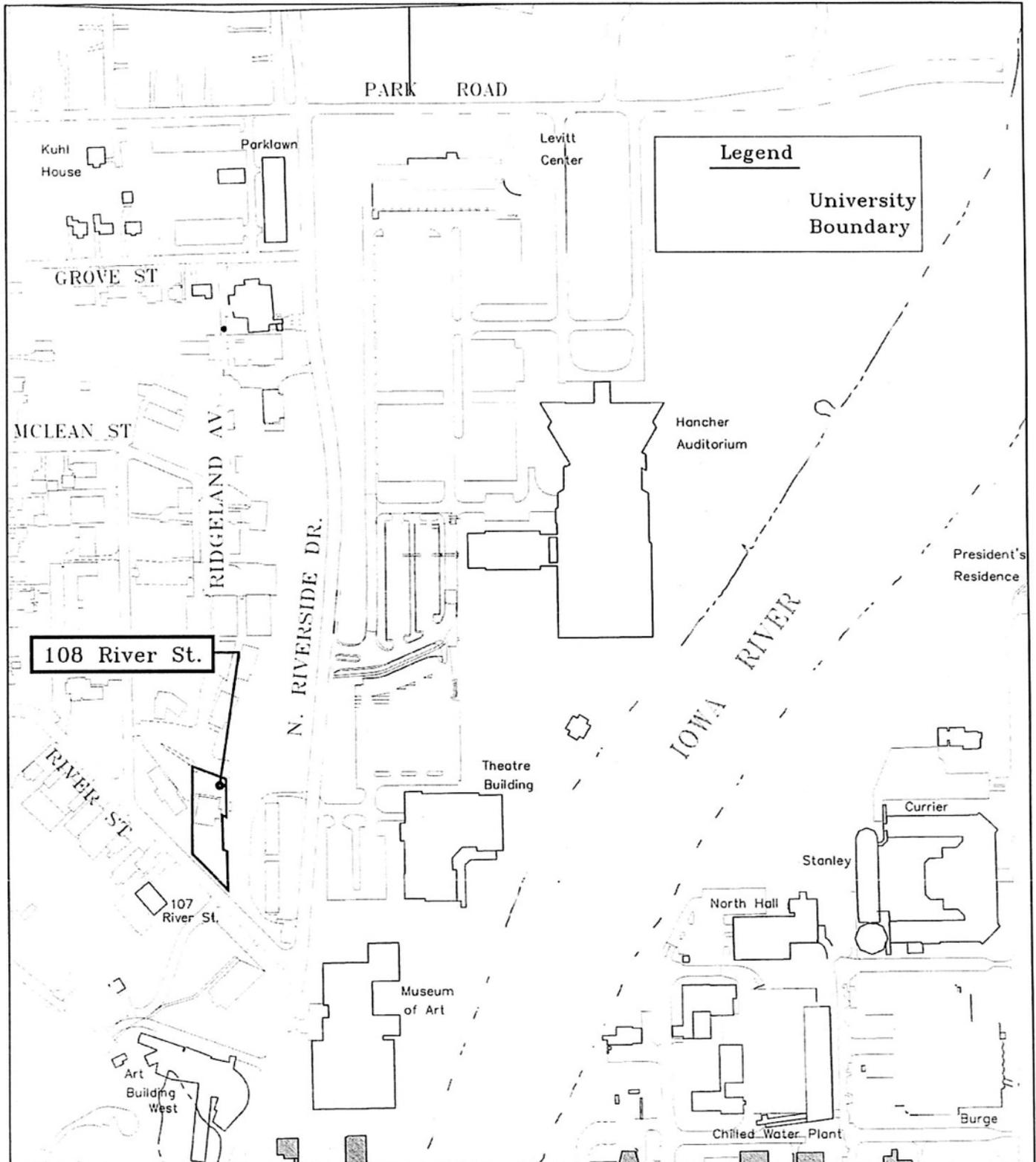
OC Group, LC

Approximately 3,600 square feet of space located on the first floor, Clinton Street side, of the Old Capitol Town Center (Suite 167) in Iowa City, Iowa. The space will provide temporary classroom, large-group rehearsal, and recital space for the University's School of Music, replacing facilities devastated by Iowa River flooding.

The term is for five years commencing May 1, 2009, and ending March 31, 2014. The lease includes renewal options for three additional sequential terms of two years each, allowing for the lease through March 31, 2020, at the rate of \$5,100 per month for the first year (\$17.00 per square foot, \$61,200 per year). The annual rental increase shall not exceed the CPI index. The University will also be responsible for operating costs including property taxes, insurance, utilities and maintenance.

The landlord will install leasehold improvements as required by the University. The cost for the improvements is estimated at \$430,000.

Additional information is available from the Board Office.



108 River St.

107 River St.



THE UNIVERSITY OF IOWA

108_River_St.dwg
Plotted: March 9, 2009



Scale: 1" = 300'

Location Map:
108 River Street
Iowa City, Iowa