

Contact: Jean Friedrich

INSTITUTIONAL AGREEMENTS, LEASES, AND EASEMENTS

Action Requested: Consider recommending to the Board approval of: one lease and one lease amendment for the benefit of the University of Iowa; and one lease for the benefit of Iowa State University; 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 lease agreements have been reviewed by the Attorney General's Office. An indemnification clause is included in each.

University of Iowa with the Board as Tenant for the following lease:

IRL Properties L.C.

In August 2014, the Board approved a lease of approximately 43,532 square feet of space on the second floor (Suites 201A and 201B) of Iowa River Landing Commercial Condominiums located at 920 East 2nd Avenue, Coralville, for a term of ten years (September 1, 2014, to August 31, 2024) with two additional five-year renewal options at the lease rate of \$61,448.95 per month for the first year of the lease. Due to several changes in the terms of the lease, the University of Iowa now requests approval of a revised lease for the same facility rather than by adding amendments to the original lease. See Attachment A for map of location.

The following terms are revised from the original lease: Lease Rate, Lease Term, and the Interior Shell Space Fit-Out.

The lease rate would be \$61,589 per month for the first year of the lease. This rate is comprised of a base rent of \$10 per square foot for the shell space and the following amounts per square foot: \$2.75 for common area maintenance, \$3.85 for property taxes, and \$0.35 for insurance. The University would also pay for all utilities in the leased premises. Lease payments would be made from the University of Iowa Hospitals and Clinics' operating funds from patient revenues.

The revised lease term is for twenty years and seven months, commencing on September 1, 2014, and ending on March 31, 2036, with three additional ten-year extensions.

The shelled space will be fit-out to accommodate cardiology and family medicine clinical and administrative needs. The fit-out will be completed by the landlord on a "cost-plus" basis. The landlord anticipates these costs at \$175 per square foot. UIHC will amortize these expenses over the term of the lease and pay a monthly cost to the landlord in addition to rent.

The following items were not included in the original lease: Construction of an Exterior Skywalk, Parking Ramp Walkway and Entryway Fit-Out, a Purchase Option, and the Use of Space. (Specific UIHC user groups have now been identified.)

With the consent of the City of Coralville, UIHC has requested the landlord to construct a climate controlled skywalk bridge from the 2nd floor leased premises to the 2nd floor of the adjacent City-owned parking ramp, and also construct an enclosed climate controlled walkway within the 2nd floor of the parking ramp that will connect to the 2nd floor of UIHC's owned Iowa River Landing facility. This would allow patients being seen in the leased space to access the labs and other clinical space within UIHC's main Iowa River Landing facility without walking outside.

The revised lease includes a purchase option which may be to be exercised between April 1, 2031 and September 30, 2031. Each party to the lease would obtain an appraisal and the option price would be equal to the average of the two appraisals.

University of Iowa with the Board as Tenant for the following lease amendment:

CS-1 LLC

The University of Iowa requests approval to amend the lease with CS-1 LLC (previously known as College View Partners, College View LLC) for two additional one-year lease extensions for property located at 121/131 Davenport Street, Iowa City, Iowa.

The large 3-story brick apartment building built in 2000 consists of 22 five-bedroom units, 1 four-bedroom unit, and 2 one-bedroom units; it is located one block from three University residence halls, including Burge Hall, where University dining is available.

The University has leased this building continuously since August 2011 (the original lease was approved at the December 2010 Regents meeting). This amendment would add two additional one-year extensions: July 28, 2016 through July 27, 2017 at an annual rate of \$847,563 (a 1.75% increase); and July 28, 2017 through July 27, 2018 at a rate to be mutually agreed upon but not to exceed the CPI.

Funding for this lease extension would be from University Housing and Dining Operating Funds.

The University continues to experience record enrollment and currently does not have sufficient space to house students in the existing residence halls. The University seeks to continue to lease this building while the Madison Street Residence Hall is under construction or in the event that housing space is insufficient for academic year 2017-2108 even with the completion of the new residence hall.

Iowa State University with the Board as tenant for the following land lease:

Lauren D. Olson and Patricia A. Bush

Iowa State University requests approval of a land lease with Lauren D. Olson and Patricia A. Bush in Hamilton County, Iowa for approximately three acres of farmland for a five-year term (May 1, 2015 to April 30, 2020) to allow for the construction and operation of a research meteorological tower (400 feet tall) with guy wires. See Attachment B for map of location.

The estimated cost for one installed tower is \$254,000 with an annual operating cost of \$42,000 which includes the land lease payment of \$1,000 per month. Funds for this agreement are being provided by a National Science Foundation EPSCoR grant. The lease may be terminated with a 60-day notice from the University.

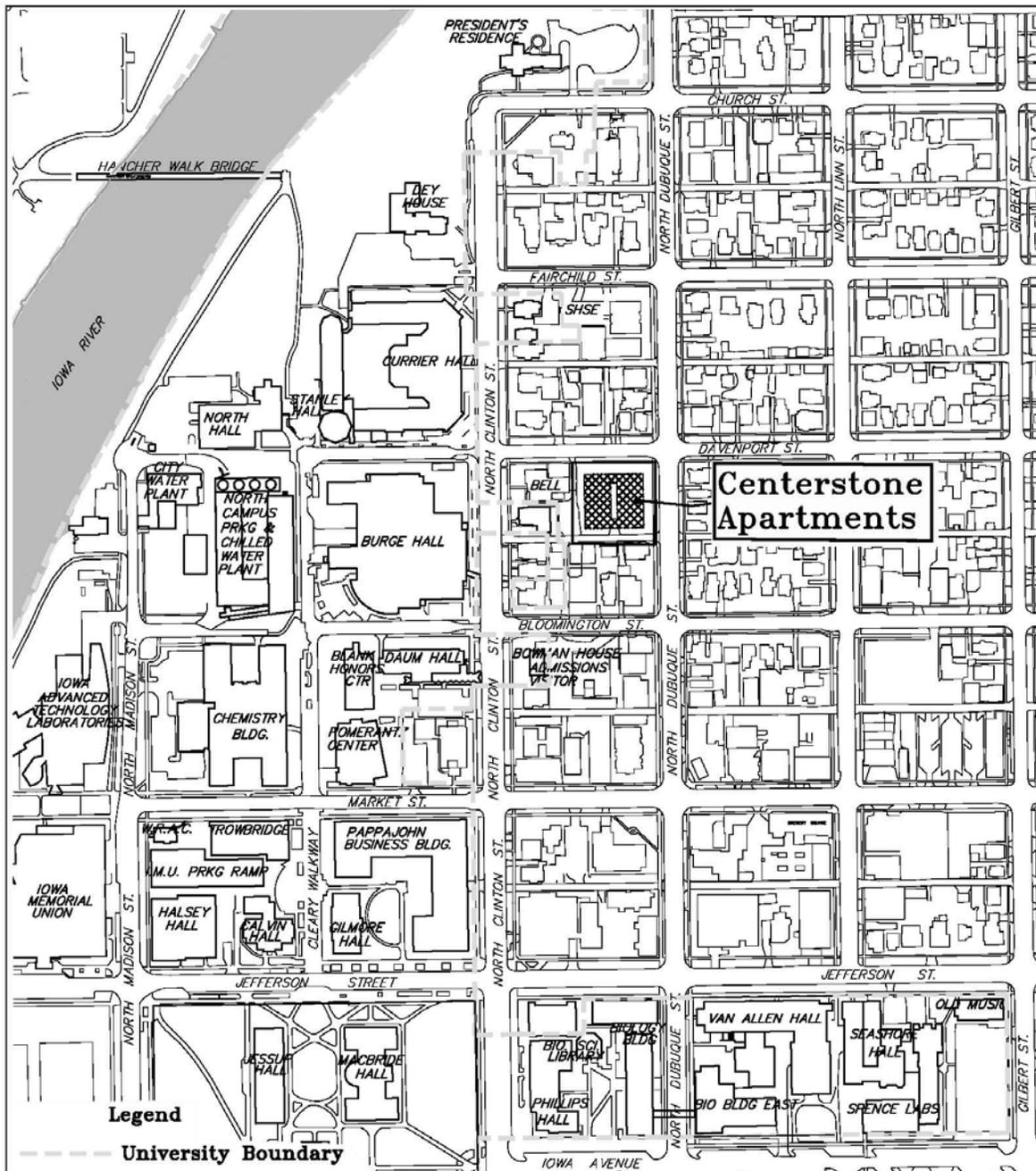
The research meteorological tower is part of the Crop/Wind-energy EXperiment (CWEX) designed to explore the relationship of large-scale wind farms to agricultural production in Iowa. This lease is for placement of the second of two towers.

CWEX is a multi-institutional project involving Iowa State University's College of Agriculture and Life Sciences, the Ames Laboratory (DOE), Center for Global and Regional Environmental Research (University of Iowa), the U. S. Department of Energy, IAWIND (State of Iowa), and EPSCoR (National Science Foundation), and other federal, state, and private sector partners.

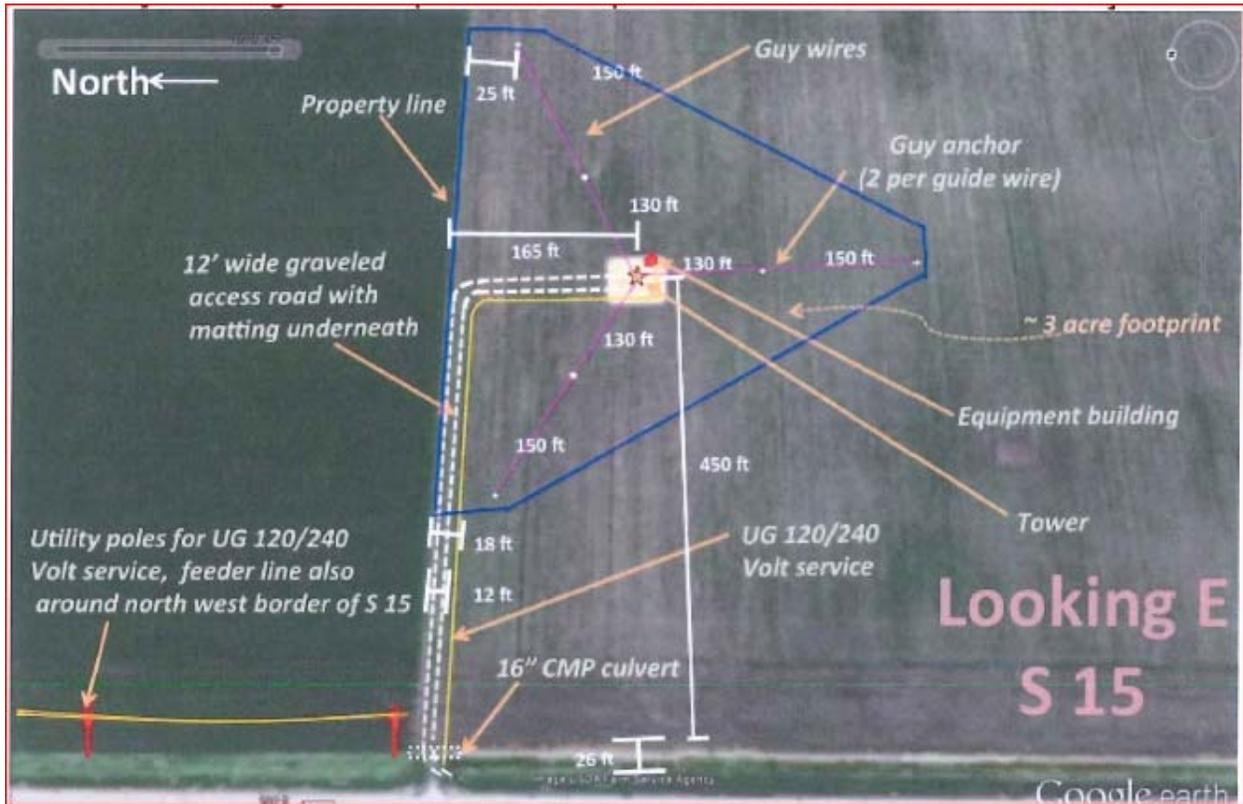
The 400 foot tower will enable measurements of wind, temperature and turbulence from the surface to the top of the blade to allow: development of more effective wind farm designs; the operation of existing wind farms more efficiently; and the reduction of the damaging impact of turbulence.

CWEX provides field measurements for comparisons with wind laboratory measurements at the University of Iowa and Iowa State University. As the only sustained wind farm field measurement program in the United States, CWEX also provides validation data for numerical models of wind farm aerodynamics being developed across the country. A growing number of undergraduates and graduate students are using CWEX data for research studies and class projects.

Additional information is available from the Board Office.



 <p>THE UNIVERSITY OF IOWA J-Exhibits\BOR\ Centerstone.dwg Plotted: October 28, 2013</p>		<p>Location Map Centerstone Apartments 121-131 Davenport Street</p>
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Sketch of proposed site located in the north half of the SW ¼ of Section 15 Lincoln Township in Hamilton County.