

BOARD MEMORANDUM

TO: Board of Regents, State of Iowa
FROM: Jean Friedrich
DATE: April 20, 2005 *ASN*
SUBJ: Institutional Agreements, Leases and Easements

Recommended Action:

Approve the leases for the benefit of the institutions as summarized below.

(ROLL CALL VOTE)

Executive Summary:

The Iowa Code requires that agreements, leases and easements involving real property be approved by the Board of Regents by roll call vote.

The leases have been reviewed by the Attorney General's Office and are recommended for approval.

Approval is requested for the following:

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| University of Iowa | Lease agreements with InnoMatix, LLC; Digital Artefacts, LLC; and K 2 Technologies for their use of business incubator space in the Technology Innovation Center at the Oakdale Campus.

Lease extension with U.S. Army Corp of Engineers for the Macbride Nature Recreation Area. |
| Iowa State University | Farm lease agreements with the Committee for Agricultural Development (CAD) and the Iowa State University Foundation for the College of Agriculture's use of various parcels of farm land located in Story and Boone counties. |
| Iowa School for the Deaf | Lease renewals with Children's Choice Country and the Southwest Iowa Resource Center for their continued use of space on the Iowa School for the Deaf campus.

Tenant property rental rates for FY 2006 for the School's residences and apartments, reflecting proposed rate increases ranging from 2.9 percent to 3.3 percent. |
| Iowa Braille and Sight Saving School | Lease agreements with the Vinton-Shellsburg Community School District and the Arc of East Central Iowa for their use of space on the Iowa Braille and Sight Saving School campus. |
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Background:

UNIVERSITY OF IOWA

LEASES

Tenant	InnoMatix, LLC (renewal)
Area/Location	674 square feet of space in the Technology Innovation Center at the Oakdale Research Park.
Lease Term	One-year period commencing June 1, 2005, through May 31, 2006.
Lease Rate	\$337 per month (\$6 per square foot, \$4,044 per year).
Use of Space	InnoMatix is a software technology company that is developing creative and functional software applications for the transportation industry.
Space/Rate Comparison	Increase of 153 square feet of space; the rate per square foot is unchanged.
Liability	The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.
Principal Information	James C. Griffin, Jr., President, and Ronald Stahlberg, Director, have no affiliation with the University.

Tenant	Digital Artefacts, LLC (renewal)
Area/Location	1,056 square feet of space in the Technology Innovation Center at the Oakdale Research Park.
Lease Term	One-year period commencing June 1, 2005, through May 31, 2006.
Lease Rate	\$880 per month (\$10.00 per square foot, \$10,560 per year).
Use of Space	Digital Artefacts is an information visualization company which provides real-time graphics and simulation solutions for emerging non-traditional markets. The space is used primarily to develop visual databases, models, and modeling software and tools.
Space/Rate Comparison	The amount of space and lease rate are unchanged.
Liability	The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.
Principal Information	Joan Severson, President, is a graduate student in the Department of Computer Science.

Tenant	K 2 Technologies (renewal)
Area/Location	443 square feet of space in the Technology Innovation Center at the Oakdale Research Park.
Lease Term	One-year period commencing June 1, 2005, through May 31, 2006.
Lease Rate	\$221.50 per month (\$6.00 per square foot, \$2,658 per year).
Use of Space	K 2 Technologies (formerly Maverick Information Systems, Inc.) is a software consulting company specializing in e-commerce, Internet, and client/server technologies. K 2 Technologies will continue to use the space for further development and marketing of Skills4U.com, an online matchmaker provider that connects information technology (IT) training buyers and service providers.
Space/Rate Comparison	Increase of 179 square feet of space; the rate per square foot is unchanged.
Liability	The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.
Principal Information	The principal, Manoj Nagaraj, President and CEO, has no affiliation with the University.

Landlord	U.S. Army Corp of Engineers (lease extension)
Area/Location	Approximately 415 acres of land at the Macbride Nature Recreation Area (MNRA) in Johnson County, Iowa.
Extension Term	Fifteen years commencing July 1, 2014, through June 30, 2029.
Lease Rate	No rental payment. The operation and maintenance of the premises by the University of Iowa is for the benefit of the United States and the general public.
Use of Space	Continued use by the University's recreational and wildlife summer camps and School of the Wild (SOW). <ul style="list-style-type: none"> • The University's camps at the MNRA have been extremely popular and are self supporting; the University has expanded its camp programs to include overnight camping, picnicking, hiking, and the Macbride Raptor Project. • The SOW is a special function school specifically accredited for Elementary Environmental Education; during each academic year, the MNRA teaching staff hosts and teaches a one-week environmental science program for fourth through six grade students.

- This program provides an excellent outlet for aspiring environmental educators within the University's Science Education Program; in addition, all undergraduate students in the Elementary Science Methods course spend at least one day with the SOW teaching staff each semester.

Justification for Extension

The current lease is in effect through June 30, 2014.

- The lack of indoor space at the MNRA limits the number of individuals who can be served by these programs.
- The lease extension is being requested at this time to facilitate fund raising by community benefactors for construction of an indoor learning facility to be used by the camps and the SOW program.

Principal Information

The principal, Karen J. Grizzle, Chief, Real Estate Division, has no affiliation with the University.

IOWA STATE UNIVERSITY

FARM LEASES

Background

Iowa State University seeks approval of cash rent farm leases as operator with the Iowa State University Committee for Agricultural Development (CAD) and the Iowa State University Foundation.

The leases provide for the College of Agriculture's use of various parcels of farm land in Story and Boone Counties.

The farm land, which is critical to the College of Agriculture programs, was acquired or leased by CAD and the Foundation for the specific use and benefit of the instructional and research activities of the College of Agriculture.

- The farms are located near University-owned farms and fit within the University's overall land and farm management plans.

The University's specific use of each farm depends upon established research protocols, crop rotation, conservation projects, and the College's current instructional, research and outreach programs.

The specific rental rate paid by the University at each farm is determined by a number of factors including the productivity of the land, programming use (research, teaching, or production), farming use (cropland, pasture, or hay), and current local rental rates.

- The University's total lease payments may vary from year to year depending on the amount of crop acres planted by the College.

Lease Terms

One-year period commencing March 1, 2005, through February 28, 2006.

Farm Owner The University is responsible for the maintenance of buildings, fences, and other improvements at the farms at its expense.

Farm Owner **Iowa State University Committee for Agricultural Development**

Area/Location Eight parcels of farm land totaling 698.1 acres located in Story and Boone Counties.

Lease Rate Cash rent in the amount of \$45,031 per year (an average of approximately \$64.50 per acre) payable on or before March 1, 2005.

Additional cropland acres may be rented and used for small isolation plot areas at the rental rate of \$100 per acre.

Principal Information The Iowa State University Committee for Agricultural Development is an affiliated organization of the University.

Farm Owner **Iowa State University Foundation**

Area/Location Seven parcels of farm land totaling 662.6 acres located in Story County.

Lease Rate Cash rent in the amount of \$57,160 per year (an average of approximately \$86.27 per acre) payable on or before March 1, 2005.

Principal Information The Iowa State University Foundation is an affiliated organization of the University.

IOWA SCHOOL FOR THE DEAF

LEASES

Tenant **Children's Choice Country (renewal)**

Area/Location 5,289 square feet of space in the Infirmary Building (2,889 square feet of space on the first floor, 2,400 square feet of space on the basement level).

Lease Term One-year period commencing July 1, 2005, through June 30, 2006.

Lease Rate \$2,459 per month (\$6.55 per square foot for the first floor space, \$4.42 per square foot for the basement level space, \$29,508 per year).

Use of Space Children's Choice Country is a day care provider which gives priority acceptance to the children of Iowa School for the Deaf staff.

Space/Rate Comparison	Rate increase of 3 percent per square foot; the amount of space is unchanged.
Liability	The tenant agrees to indemnify, defend, and hold harmless the School as customarily required.
Principal Information	Margaret Nielsen, owner, has no affiliation with the School.
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Tenant	Southwest Iowa Regents Resource Center (renewal)
Area/Location	680 square feet of space on the second floor of the Careers Building.
Lease Term	One-year period commencing July 1, 2005, through June 30, 2006.
Lease Rate	\$743 per month (\$13.11 per square foot, \$8,916 per year).
Use of Space	Office space.
Space/Rate Comparison	Rate increase of 3 percent per square foot; the amount of space is unchanged.
Liability	The tenant agrees to indemnify, defend, and hold harmless the School as customarily required.
Principal Information	James Bodensteiner, the Dean for Continuing Education and Special Programs at the University of Northern Iowa, representing the State Extension and Continuing Education Council, has no affiliation with the School.
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TENANT PROPERTY RENTAL RATES, FY 2006

Background	<p>The Iowa School for the Deaf requests approval of its tenant property rental schedule for FY 2006.</p> <p>Included are the rental rates for three single family residences which are leased to the Director of Facilities, the Director of Student Life, and the High School Principal.</p> <p>Also included are the proposed rental rates for apartments, which are made available to staff personnel.</p>
Proposed FY 2006 Rental Rates	The rates and terms for the tenant property leases will remain in effect for all such leases the School initiates in FY 2006, with each agreement subject to approval of the Executive Director.

Single-Family Residences

The two residences which are leased to the Director of Facilities and the Director of Student Life would lease at the rate of \$190 per month, an increase of 3.3 percent.

- These individuals are key administrators for campus programs and are on call 24 hours a day, seven days a week, and must live on School premises as a condition of employment.
- The School's experience has been that these individuals are contacted to resolve problems at all times.

The residence leased by the High School Principal is proposed to lease at the rate of \$704 per month, an increase of 2.9 percent.

Apartments

The apartments would lease at the rate of \$338 per month, an increase of 3.0 percent.

Garages, which are also available for rent with the apartments, are proposed to lease at the rate of \$22 per month, which is the same as the current lease rate.

IOWA BRAILLE AND SIGHT SAVING SCHOOL

LEASES

Tenant	Vinton-Shellsburg Community Schools (renewal)
Area/Location	3,118 square feet of office space on the ground floor west of Palmer Hall.
Lease Term	One-year period commencing July 1, 2005, through June 30, 2006.
Lease Rate	\$2,837.38 per quarter (\$3.64 per square foot, \$11,349.52 per year).
Use of Space	Office space for the school district.
Space/Rate Comparison	Rate increase of 4 percent per square foot; the amount of space is unchanged.
Liability	The tenant agrees to indemnify, defend, and hold harmless the School as customarily required.
Principal Information	Dr. Randy Braden, Superintendent, and Jo Sainsbury, Board of Education President, have no affiliation with the School.

Tenant	Arc of East Central Iowa (renewal)
Area/Location	2,198 square feet of room space and 191 square feet of storage space on the first floor of the Cottage
Lease Term	Six-week period commencing June 9, 2005, through July 22, 2005, for the room space and one-year period commencing July 1, 2005, through June 30, 2006, for the storage space.
Lease Rate	\$2,796.39 for the six-week lease term of the room space and \$695.24 per year (\$3.64 per square foot) for the storage space.
Use of Space	<p>The Arc of East Central Iowa is a not-for-profit agency which provides comprehensive services for individuals with developmental disabilities.</p> <p>The room space with the six-week lease term would provide a summer day care program for children in Benton County with mental retardation and related developmental disabilities. The smaller space would be used for storage of supplies for the summer day care program.</p>
Space/Rate Comparison	Summer school program – decrease of 114 square feet of space and increase of \$83.35 for lease term. Storage space – increase of 114 square feet of space and rate increase of 4 percent per square foot.
Liability	The tenant agrees to indemnify, defend, and hold harmless the School as customarily required.
Principal Information	Randy Rings, President, Doug Neumann, Vice President, Kristen Larson, Secretary, and Sam Houston, Treasurer, have no affiliation with the School.

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