

COMMITTEE MEMORANDUM

TO: Property and Facilities Committee Members
Board of Regents, State of Iowa

FROM: Jean Friedrich

DATE: June 1, 2005 *ASN*

SUBJ: Institutional Agreements, Leases and Easements

Recommended Action:

Recommend that the Board approve the leases for the benefit of the institutions as summarized below.

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 | <p>Lease agreement with Ramaanchar Technologies, Inc. for its use of business incubator space in the Technology Innovation Center at the Oakdale Campus.</p> <p>Lease agreement with the University of Nebraska Medical Center for the University's use of space to provide housing for the University of Iowa Anesthesia Nursing students in Omaha, Nebraska.</p> <p>Lease renewal with V. Warren Swayze for the University's use of office and clinic space for the UIHC Outreach Dialysis Program in Muscatine, Iowa.</p> |
| Iowa State University | Lease agreement with the Iowa State University Research Park for the University's use of space for the Center for Transportation Research and Education (CTRE) and for transportation-related research programs of the College of Design. |
| University of Northern Iowa | Tenant property rental rates for FY 2006 for the School's residences and sorority/fraternity rentals, reflecting proposed rate increases ranging from 2.1 percent to 2.8 percent. |

Background:

UNIVERSITY OF IOWA

LEASES

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| Tenant | Ramaanchar Technologies, Inc. (renewal) |
| Area/Location | 129 square feet of space in the Technology Innovation Center at the Oakdale Research Park. |
| Lease Term | One-year period commencing July 1, 2005, through June 30, 2006. |
| Lease Rate | \$64.50 per month (\$6 per square foot, \$774 per year). |
| Use of Space | Ramaanchar Technologies uses the space to provide information technology and software development services, including database management systems and software engineering. |
| Space/Rate Comparison | The square footage and lease rate are unchanged. |
| Liability | The tenant agrees to indemnify, defend, and hold harmless the University as customarily required. |
| Principal Information | Raman Aravamudhan, CEO, is an adjunct instructor in the Computer Science Department in the University's College of Liberal Arts and Sciences. |

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| Landlord | University of Nebraska Medical Center (new) |
| Area/Location | 645 square feet of apartment space located at 602 South 38 th Avenue, Apartment #307; Omaha, Nebraska. |
| Lease Rate | \$550 per month (\$10.23 per square foot, \$6,600 per year). |
| Lease Term | Twelve-month period commencing July 1, 2005, through June 30, 2005. |
| Use of Space | Housing for SUI Health Care Anesthesia Nursing students during their rotation at the University of Nebraska Medical Center in Omaha. This rotation provides obstetrical anesthesia experience which is not available at the UIHC medical facilities. |
| Principal Information | Esther Collins, Property Manager, has no affiliation with the University. |

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| Landlord | V. Warren Swayze (renewal) |
| Area/Location | 2,600 square feet of office and clinic space in the V. Warren Swayze Medical Building in Muscatine, Iowa. |
| Lease Term | Five-year period commencing July 1, 2005, through June 30, 2010, with one five-year renewal option. |
| Lease Rate | \$1,837 per month (\$8.48 per square foot, \$22,044 per year). |
| Use of Space | UIHC Outreach Dialysis Program in Muscatine, Iowa. |
| Space/Rate Comparison | Increase of \$0.40 per square foot; the square footage is unchanged. |
| Liability | The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with <u>Iowa Code Chapter 669</u> . |
| Principal Information | The Principal, V. Warren Swayze, has no affiliation with the University of Iowa. |

IOWA STATE UNIVERSITY

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| Landlord | Iowa State University Research Park Corporation (new) |
| Area/Location | 20,000 square feet of space in the ISU Research Park in Ames, Iowa. |
| Lease Term | Five-year period commencing June 1, 2006, through May 31, 2011. |
| Lease Rate | \$19,866.66 per month (\$11.92 per square foot, \$238,399.92 per year). Operating rents are estimated to be \$3 per square foot for the first year, to be adjusted annually for actual costs. The landlord agrees to pay tenant finish costs of \$35 per net square foot, for approximately 18,000 square feet of space. Tenant will pay finish costs in excess of this amount, not to exceed \$360,000. |
| Use of Space | The ISU Center for Transportation Research and Education (CTRE) and transportation-related research programs of the College of Design. |
| Additional Information | CTRE will relocate from its current location in 14,000 square feet of space in the Research Park to accommodate its current and projected growth in research activities. The College of Design programs will relocate from the Design Building to free up space for College of Design faculty. |

Based on the contracts in place and pending, CTRE will continue to add value to the university and the state's economic development efforts for the foreseeable future. College of Design transportation researchers have averaged \$1 million per year in sponsored research since 2001.

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| Liability | The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with <u>Iowa Code Chapter 669</u> . |
| Principal Information | The Principal, Steven T. Carter, is President of the ISU Research Park Corporation. |

UNIVERSITY OF NORTHERN IOWA

TENANT PROPERTY RENTAL RATES, FY 2006

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| Background | <p>The Board annually approves the fiscal year rental rates charged by the University for its tenant properties which include single family residences and sorority/fraternity rentals.</p> <p>The proposed rental rates are established based on market rates, residence hall rate increases, and operating costs.</p> <p>The University's lease agreements provide for annual increases of not more than 10 percent per year.</p> |
| Proposed FY 2006 Rental Rate Summary | A total of nine University residential properties will be rented in FY 2006; the University proposes rate increases ranging from approximately 2.1 percent to 2.8 percent for the units. |
| Faculty/Staff Rentals | <p>The University's tenant property rental schedule lists a total of three faculty/staff rental properties.</p> <ul style="list-style-type: none">• The long-term rental property located at 3204 Panther Lane would be rented at the rate of \$860 per month, an increase of 2.4 percent.• Two short-term rental properties, which are rented by the month for a period not to exceed one year, would be rented at the rate of \$725 and \$730 per month, increases of 2.1% and 2.8%, respectively. |
| Sorority/Fraternity Rentals | <p>The University's tenant property rental schedule lists a total of four sorority/fraternity rental properties.</p> <ul style="list-style-type: none">• The properties located at 1203 and 1209 West 23rd Street would be rented at the rate of \$1,210 per month, an increase of 2.5%.• The property located at 2115 Merner Avenue would be rented at the rate of \$2,300 per month, an increase of 2.2%. |

- The property located at 1215 West 23rd Street would be rented at the rate of \$1,210 per month, an increase of 2.5%.

Student Rentals

The University's tenant property rental schedule also lists two student rental properties.

- The property located at 1233 West 22nd Street would be rented at the rate of \$640 per month, an increase of 2.4 percent.

The property located at 2604 College Street would be rented at the rate of \$685 per month, an increase of 2.2 percent.

The agreement with each tenant is subject to approval of the Executive Director.

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