

Contact: Jean Friedrich

INSTITUTIONAL AGREEMENTS, LEASES AND EASEMENTS

Action Requested: Consider recommending to the Board approval of the leases and easements for the benefit of the institutions as summarized below.

Executive Summary: Currently, the Iowa Code requires that agreements, leases, and easements involving real property be approved by the Board of Regents by roll call vote. The Governor has signed SF 2358, which amends Iowa Code 262.11. Effective July 1, 2006, the Board may delegate authority to the universities to approve leases. The Board will be asked to consider revisions to the Regent Policy Manual regarding leases at an upcoming meeting.

The leases and easements have been reviewed by the Attorney General's Office and are recommended for approval. Indemnification clauses are included in the leases, and the affiliations of the tenant or landlord are identified.

UNIVERSITY OF IOWA

With Board as Landlord for space in the Technology Innovation Center at the Oakdale Research Park for the following:

Ramaanchar Technologies, Inc. (renewal)

888 square feet of space for a one-year period commencing July 1, 2006, through June 30, 2007, at the rate of \$629 per month (\$8.50 per square foot, \$7,548 per year). Ramaanchar Technologies provides information technology and software development services.

With Board as Tenant for the following lease, lease renewal, and lease amendment:

Jerry Abell (new)

3,300 square feet of office and clinic space at 806 Wyoming in Creston, Iowa, for a one-year period commencing June 1, 2006, through May 31, 2007, at the rate of \$1,500 per month (\$5.45 per square foot, \$18,000 per year). The space, which will replace facilities previously leased at the Greater Community Hospital Medical Center in Creston, will be used by the University Hospitals Child Health Specialty Clinics in Iowa's Title VI Program for children with special health care needs.

Phyllis E. Swails (renewal)

22,759 square feet of office and warehouse space at 2860 Industrial Park Road in Iowa City, Iowa, for a two-year period commencing July 1, 2006, through June 30, 2008, at the rate of \$7,500 per month (\$3.95 per square foot, \$90,000 per year). The space will provide warehouse facilities for the University Hospitals Environmental Services Department.

Towncrest Investment Associates, L.P. (lease amendment)

6,750 square feet of office space in Iowa City, Iowa, for a one-year period commencing July 1, 2006, through June 30, 2007, at the rate of \$7,587 per month (\$13.49 per square foot, \$91,044 per year). The space is used for research by the University's Preventive Intervention Center, which is hosted by the Department of Epidemiology in the College of Public Health. The amendment reduces the leased space by 2,250 square feet and decreases the lease rate by \$1,788 per month (the space is no longer needed for the study).

With Board as Owner of real property for the following easement:

South Slope Cooperative Communication Company

A permanent construction easement, generally consisting of a five foot wide strip of land approximately 2,400 feet long generally following the alignment of Cross Park Road, for the

use of a portion of land on the University's Oakdale Campus by the South Slope Cooperative Communication Company for construction, operation, and maintenance of telecommunications facilities. The University considers the granting of this easement favorable to the University as it provides an independent redundant fiber optic opportunity for the Oakdale Campus and Oakdale Research Park.

IOWA STATE UNIVERSITY

With Board as Tenant for the following lease agreement and amendment:

Iowa State Research Park (new)

15,800 square feet of space in the Iowa State Research Park in Ames, Iowa, for a three-year period commencing July 1, 2006, through June 30, 2009, at the rate of \$10,704.50 per month (\$8.13 per square foot, \$128,454 per year) for the first two years, increasing to \$13,825 per month (\$10.50 per square foot, \$165,900 per year) for the third year. The University will use the space for the Nutrition and Wellness Research Center.

Wallace Foundation for Rural Research and Development (lease amendment)

1,620 square feet of office space in Lewis, Iowa, for a period of two and one-half years commencing May 1, 2006, through October 31, 2008, at the rate of \$1,025 per month (\$7.59 per square foot, \$12,300 per year). The amendment adds 120 square feet of office space and increases the lease rate by \$150 per month for ISU's Southwest Iowa Area Extension Office.

With Board as Owner of real property for the following easements:

Xenia Rural Water District

A permanent water pipeline easement for Xenia's use of a portion of University land in Story County for construction of a new water pipeline to serve the University's new dairy facilities. Costs for the construction of the pipeline are to be assessed to ISU in the amount of \$32,777.

Interstate Power and Light Company

A permanent electric line easement for Interstate Power and Light Company's use of portions of University farmland in Story and Boone Counties to upgrade and relocate electrical distribution lines through the counties. The new electrical lines are not anticipated to have an adverse affect on the farm activities. The easement contains compensation for the land value of \$22,602 and crop damages, if required.

UNIVERSITY OF NORTHERN IOWA

With Board as Tenant for the following lease renewal:

City of Waverly, Iowa (renewal)

18,498 total square feet at 400 Technology Place, Waverly, Iowa (13,248 square feet of shop space and 5,250 square feet of office space) for a three-year period commencing July 1, 2006, through June 30, 2009, at the rate of \$3,083 per month for the first year (\$2 per square foot, \$36,996 per year), \$4,624.50 per month for the second year (\$3 per square foot, \$55,494 per year), and \$6,166 per month for the third year (\$4 per square foot, \$73,992 per year). The space will be used by the University's National Ag Based Lubricants (NABL) research program for the study and testing of lubricants, and to conduct research and training programs. The lease includes an option to purchase subject to Board policies.

Tenant Property Rental Rates, FY 2007

The University requests approval of its FY 2007 tenant property rental schedule. Included are the rental rates for four residences which are leased to sororities and fraternities and five residences which are leased to faculty, staff, and students. The rate increases range from 2.3% to 6.3% except for one property with a 17.8% increase due to the addition of a fourth bedroom.

The rates and terms for the tenant property leases will remain in effect for all FY 2007 leases, with each agreement subject to approval of the Executive Director.

IOWA SCHOOL FOR THE DEAF

With Board as Landlord for the following lease renewals:

Children's Choice Country (renewal)

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) for a one-year period commencing July 1, 2006, through June 30, 2007, at the rate of \$2,523 per month (\$6.70 per square foot for the first floor, \$4.55 per square foot for the basement level, \$30,276 per year). Children's Choice Country is a day care provider which gives priority acceptance to the children of Iowa School for the Deaf staff.

Southwest Iowa Regents Resource Center (renewal)

680 square feet of office space on the second floor of the Careers Building for a one-year period commencing July 1, 2006, through June 30, 2007, at the rate of \$766 per month (\$13.52 per square foot, \$9,192 per year). Area residents can utilize the Center to access a variety of undergraduate and graduate degree programs and other resources from the Regent universities.

University of Iowa (renewal)

735 square feet of office space on the second floor of the Infirmary Building for use by the University Hospitals Child Health Specialty Clinics for a one-year period commencing July 1, 2006, through June 30, 2007, at the rate of \$805 per month (\$13.14 per square foot, \$9,660 per year).

Iowa State University (renewal)

150 square feet of office space in Giangreco Hall for use by the ISU West Pottawattamie County Extension staff for a one-year period commencing July 1, 2006, through June 30, 2007, at the rate of \$163.50 per month (\$13.08 per square foot, \$1,962 per year).

Tenant Property Rental Rates, FY 2007

The School requests approval of its FY 2007 tenant property rental schedule. Included are the rental rates for two single-family residences which are leased to the Director of Facilities and the Director of Student Life, and the proposed rental rates for apartments, which are made available to staff personnel. The rate increases are 3%.

The rates and terms for the tenant property leases will remain in effect for all leases the School initiates in FY 2007, with each agreement subject to approval of the Executive Director.

Additional information is available from the Board Office.