

Contact: Jean Friedrich

INSTITUTIONAL AGREEMENTS, LEASES, AND EASEMENTS

Action Requested: Consider approval of the ground lease amendment and lease for the benefit of the University of Iowa, and the lease and operating agreement for the benefit of Iowa State University, 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. The lease amendment and lease for the University of Iowa, and the lease for Iowa State University have been reviewed by the Attorney General's Office. An indemnification clause is included in the leases.

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

University of Iowa Research Park Corporation

The University of Iowa requests approval for an Amendment to the Master Ground Lease Agreement between the Board of Regents and the University of Iowa Research Park Corporation (UIRPC) to remove land currently under the control of the UIRPC.

The UIRPC was established in 1989 and leases building sites and space to growing technology companies that require sustained research relationships with the University. The Research Park now contains 234.03 acres of land on the University's Research campus in Coralville, Iowa. The Board of Regents and the University of Iowa Research Park Corporation entered into a master Ground Lease Agreement on March 1, 1989. The Ground Lease Agreement set forth and defined the land to be leased by the Board of Regents to the UIRPC. The Ground Lease Agreement was amended in 1998, 2006, 2011, and 2013 to add additional acreage. See Attachment A for map of location.

Lot 25 (containing 4.889 acres of land) and Lot 26 (containing 5.903 acres of land) on the UI Research Park campus are part of the existing master ground lease between the Board of Regents and the UIRPC. Both lots are undeveloped parcels. The proposed master ground lease amendment removes Lot 25 and Lot 26 from the control of the Research Park Corporation, thus reverting control of the two lots to the Board of Regents, for the use and benefit of the University of Iowa. This transaction is needed in order to facilitate a ground lease between the Board of Regents on behalf of the University of Iowa and Kirkwood Community College, and to enable Kirkwood to construct and operate a STEM education facility on this site (as outlined in the proposed lease on page 2).

The removal of the 10.792 acres will bring the total acreage of the University of Iowa Research Park to 223.238 acres.

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

Kirkwood Community College

The University of Iowa seeks approval of a 50-year ground lease between the Board of Regents, State of Iowa, and Kirkwood Community College for Lots 25 and 26 if the Board approves the removal of the two lots from the control of the UIRPC. The two lots acres would be used by Kirkwood to construct, operate and maintain an approximately 100,000 square foot building designated as a Science, Technology, Engineering and Math (STEM) education facility to be known as the Kirkwood Regional Center at the University of Iowa.

The value of the land is approximately \$2.35 million. The agreement calls for an annual lease payment of \$1 per year in recognition of Kirkwood's investment in the overall project and space that would be provided to the University of Iowa within the facility (approximately 5,000 square feet).

The Kirkwood Regional Center at the University of Iowa is a partnership among The University of Iowa (UI), Kirkwood Community College (KCC), and six school districts in the region to strengthen Iowa K-12 science and math education, stimulate interest in STEM and STEM careers. The program also will develop and assess new models in a unique setting for teaching and learning in the STEM fields and prepare teachers. The partnership will provide high-quality, cost-effective instruction for students in the South Corridor region, and will help prepare those students to be competitive in a global, 21st century work environment.

UI and KCC will work closely with high school superintendents, principals, and teachers in the Iowa City and surrounding school districts to develop programs that add value in STEM education and career preparation.

Some key offerings of the regional center will include:

- Innovative programming to provide high school students with hands-on technical experiences and college-level arts and sciences courses that local districts cannot provide individually.
- The potential for high school students to earn valuable college credit at no cost to their families.
- Certificate programs, continuing education, and all of the other programming offered through Kirkwood's campuses.
- Targeted, field-specific training in the arts and sciences, automotive engineering, medicine, and other areas of high demand.

This project coincides with the Governor's emphasis on STEM education reform. The Southeast Regional STEM Hub will be jointly managed by UI and Kirkwood and will be co-located in the Center.

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

Iowa State University Foundation

Iowa State University requests approval for the lease agreement with the ISU Foundation for the lease and operating agreement for the Carl F. Vondra Geology Field Station located in Wyoming for a period of twenty five years, commencing on July 1, 2013 through June 30, 2038, with automatic one (1) year renewals as spelled out in the agreement. ISU would pay an annual rent of \$1,000 to the Foundation, which owns the Field Station.

For 55 years, the Department of Geological and Atmospheric Sciences has operated the ISU Geology Field Station, re-named in honor of long-time director and faculty member Carl Vondra in 2007. At the foot of the Bighorn Mountains in north central Wyoming, the field station provides the infrastructure for a six-week summer field course (late May through early July) that is a formative learning experience for ISU geology and earth science majors.

Over the years, there have been various improvements to the facilities and the University and ISU Foundation anticipate the receipt of another major gift for further improvements. The University is requesting approval of the lease and operating agreement which would have the ISU Foundation continue to own the field station, but the operation, liability and other issues associated with the field station would be the University's responsibility, specifically managed by the College of Liberal Arts and Sciences.

Iowa Braille and Sight Saving School with the Board as Landlord for the following lease renewal:

AmeriCorps NCCC

In 2008, the Board of Regents entered into a lease agreement with the United States Government for space on the campus of the Iowa Braille and Sight Saving School to be utilized by AmeriCorps National Civilian Community Corps (NCCC) as a regional campus. AmeriCorps NCCC is a residential national service program operated by the Corporation for National and Community Service.

AmeriCorps NCCC currently leases approximately 120,196.5 square feet of space at an annual rental rate of \$605,031.67. Twice a year, AmeriCorps NCCC temporarily leases an additional 3,510 square feet of space at a monthly rental rate of \$1,491.75. The lease provides that the rent shall be adjusted annually based on the Consumer Price Index.

The initial lease provided for a one year term commencing on June 10, 2008, and included four one-year options to renew. The lease is currently in its fourth option period and is set to terminate on June 9, 2013. The parties have agreed to renew the lease upon the same terms and conditions for an additional one year term commencing on June 10, 2013, and including four additional one-year options to renew. The remaining terms of the lease will remain in full force and effect.

Additional information is available from the Board Office.

