

Contact: Joan Racki

**UNIVERSITY OF IOWA PROPOSED PROPERTY PURCHASE –
OLD CAPITOL MALL THEATRE SPACE**

Action Requested: Consider approving the purchase and financing for the University of Iowa of the former theatre space (Unit 100D) of the Old Capitol Mall (Old Capitol Town Center) in Iowa City as outlined below.

(ROLL CALL VOTE)

Executive Summary: At its June 2005 and February 2006 meetings, the Board authorized the University of Iowa to enter into leases with the University of Iowa Facilities Corporation (Facilities Corporation) for space it was acquiring within the Old Capitol Mall. These actions provided the University with use of most of the Mall's second floor with the exception of two areas leased to outside entities; one of these two spaces housed the Mall's Campus Theatres.

Included in the Facilities Corporation's previous purchases were options to acquire additional space as the outstanding leases expired. The Central States Theatre Corporation elected not to renew its lease, which expired on July 31, 2007. The option to acquire the theatre space held by the Facilities Corporation would be assigned to the Board of Regents, State of Iowa, on behalf of the University of Iowa. The University considers this space to be of high value.

Unit 100D (the unit proposed to be purchased) consists of approximately 12,623 gross square feet. At the option price of \$90 / gross square foot, the total approximate option price would be \$1,136,070; the square footage and final price would be verified before closing.

Due to the high floor to ceiling height in this section of the building, the University plans to maximize the amount of assignable space by adding a third floor or mezzanine (approximately 6,900 gross square feet) within the space.

The space would be fit-out by the current owners to meet the University's needs prior to the transfer of the property. The University anticipates housing the Center for Diversity & Enrichment, Units of the Office of the Vice President for Research, Information Technology Services Classroom Technology Services Equipment Services, and possibly the Women's Resource & Action Center in the space. The fit-out cost estimate of \$4.7 million includes the third floor addition. With this addition, there would be a total of approximately 19,500 gross square feet after the fit-out.

The total cost of the purchase and the fit-out of approximately \$5.8 million would be borrowed through the Regents Master Lease agreement with Banc of America and an internal loan from Treasurer's Temporary Investments. The University reports that loan payments would be made from sources of support directly related to the functions being housed. Based upon the programs anticipated to occupy the space, fund sources would be General Education Fund building renewal, facilities and administrative reimbursements from sponsored research, enterprise revenues and new General Education Fund leasing allocations.

Additional Information: The University envisions that the property to be acquired would be fit-out to provide office space for relocating:

- Center for Diversity & Enrichment (approximately 5,800 GSF) - In spring 2007, the University created the Center for Diversity & Enrichment (CDE) by bringing together a variety of programs, offices and services that work to create a welcoming climate for students, staff and faculty from communities of persons underrepresented in higher education. While these mergers created a stronger organization, the offices are located in three separate locations. Moving the Center to the theatre area will provide the truly unified effort envisioned, while relieving crowded conditions in its current locations. Space now used by CDE programs would be reallocated.
- Units of the Office of the Vice President for Research (approximately 8,700 GSF) - The Human Subjects Office, Clinical Trials Office, Institutional Review Board, and Conflict of Interest in Research Office are currently housed in the College of Medicine Administrative Building (CMAB). With the new administrative structure for medical affairs, there is a need for reorganized office space in CMAB. Relocating the research support offices to the Mall will allow them to be near the Iowa Centers for Enterprise and the University Research Foundation, with which they have significant daily interaction related to federal and accreditation compliance requirements.
- Information Technology Services Classroom Technology Services (approximately 2,000 GSF) - While the majority of Campus Technology Services is located at the Mall, the Equipment Services unit is currently located several blocks away in the Old Music Building. This facility will be renovated, as authorized by the 2007 bonding authorization, into academic space. To vacate the Old Music building for renovation and to improve administration of Campus Technology Services, Equipment Services would be relocated to the Campus Theatres space.
- Women's Resource & Action Center (approximately 3,000 GSF) - The Women's Resource & Action Center (WRAC) has served as a resource center for women in the University community for over thirty-six years. The house in which it is currently located (southeast corner of Madison and Market streets) has long exceeded its useful life and will be demolished when vacated. WRAC will be relocated to the former theatre space or to a recently acquired house near campus.
- Unassigned space will be used for swing space to enable renovation of Jessup Hall, MacBride Hall and other university buildings that were approved for renovation during the 2007 legislative session.