

Contact: Jean Friedrich

**INSTITUTIONAL AGREEMENTS, LEASES, AND EASEMENTS**

**Action Requested:** Consider approval of the conveyance of right of way and easement for the benefit of the University of Iowa and one a lease plus a land lease and power purchase 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 right of way conveyance and easement for the University of Iowa and the lease s and power purchase agreement for Iowa State University have been reviewed by the Attorney General's Office. An indemnification clause is included in the conveyance, easement, ~~and~~ lease s, and power purchase agreement.

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

**City of Coralville**

The University of Iowa requests approval to convey a permanent right of way to the City of Coralville for the design, construction, maintenance and ownership of public streets across parts of the University of Iowa Research Park campus. This right-of-way includes both the extension of an existing street (University Parkway) and a new roadway as fully described in the Right-of-Way Acquisition Plat (see Attachment A). The City of Coralville will be responsible for holding the construction contract for the roadway installation and improvements. Upon completion, the roadways will be dedicated public streets, with the City being responsible for all maintenance and liability of the streets.

The City, with cooperation from the University, has applied for and successfully been granted RISE (Revitalize Iowa's Sound Economy) funding for this project from the Iowa Department of Transportation; the grant funding will cover approximately 80% of the roadway construction costs, including a necessary railroad crossing. When completed, University Parkway will extend over the Crandic Railway line into an undeveloped part of the Research Park. An additional RISE application is being prepared for the final phase of the roadway improvements that will extend University Parkway to Oakdale Boulevard.

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

**City of Coralville**

The University of Iowa requests permission to enter into a permanent Sanitary Sewer Easement Agreement with the City of Coralville, to enable the City to construct an extension of an existing sanitary sewer across parts of the University of Iowa Research Park. The easement, limited to thirty feet (30') in width, is for accessing, repairing, reconstructing, operating, and maintaining the sanitary sewer lines by the City. The installation and extension of the sanitary sewer will facilitate additional land on the research park campus becoming suitable for development. See map of location on Attachment B.

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

**Des Moines Area Community College (DMACC)**

Iowa State University requests approval to enter into a lease with the Des Moines Area Community College (DMACC) for space for the Iowa Energy Center. Iowa State University is the administrative home of the Iowa Energy Center, which was created by statute and receives funding from a tax paid by utilities. While the Center has an independent advisory board, the staff members are ISU employees, and the University provides administrative support.

The University has leased all of Building 23 (9,500 square feet) from DMACC since 1994 at \$1 per year; the lease expires on July 31, 2013. DMACC needs additional space to accommodate its own programs and has requested that the Energy Center vacate the current space at the end of the lease term or execute a new lease with a one-time payment equal to the value of the existing building.

The latter option would provide DMACC with the resources to assist in constructing a new building. The proposed lease would be for a period of 100 years commencing on January 1, 2013 thru December 31, 2113 for one lease payment of \$1,362,450, which is the estimated value of the building. The Energy Center has sufficient funds to make the payment from its resources. In addition to the above rental payment due on or before the execution date, the University would also pay an annual service fee (includes snow removal and general lawn care) of \$5,000 plus metered utility costs for heating, cooling, electricity, water, and sewer. The University facilities staff have inspected the building and reviewed the calculation of the estimated value.

The building houses a portion of the Energy Center staff and specialized demonstration equipment. The University has evaluated alternatives including moving operations housed in Building 23 to other sites including the ISU campus or ISU Research Park. No space is available at these locations, and the Energy Center's customers and clients find the current location on the DMACC campus an optimal location. Relocation of the specialized equipment in the building would add \$500,000 to \$1,000,000 to the relocation costs.

This unusual transaction meets the needs of both DMACC and the Energy Center for the foreseeable future at a fair price. Iowa State University estimates that rent payments for the space at current market rates for 5 to 7 years would equal the initial investment. The Energy Center could terminate the lease at any time with no further obligations after making the initial payment.

Representatives of the University and Iowa Energy Center will be present to answer questions at the Board meeting.

[Iowa State University with the Board as Owner for the following land lease and power purchase agreement:](#)

[PUREnergy Partners LTD dba SUREnergy](#)

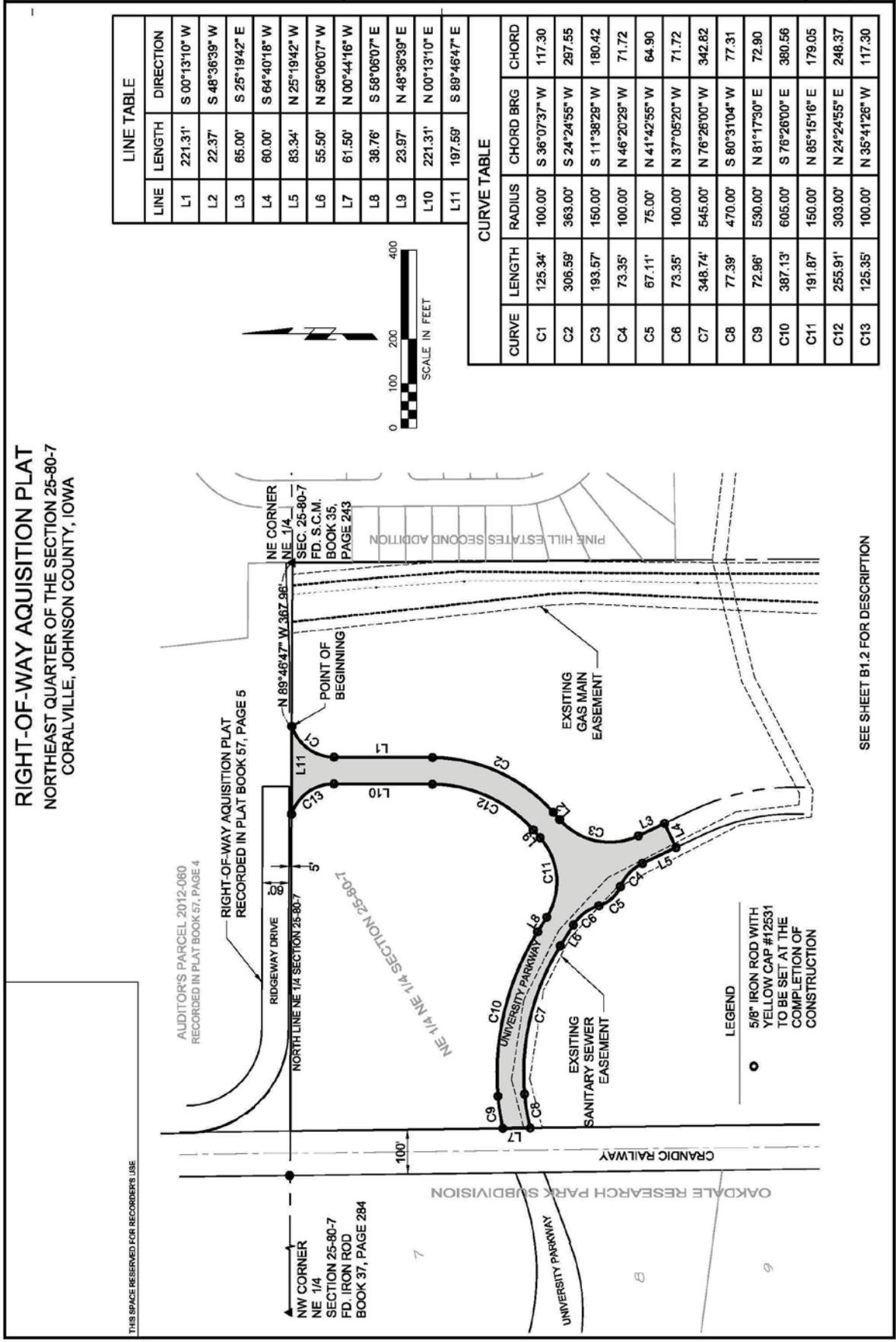
[The University requests approval of a land lease and purchase agreement for a wind turbine to be located on the campus of Iowa State University in Ames, Iowa. The land lease is for a small parcel of land \(approximately 2,500 square feet\) located just east of](#)

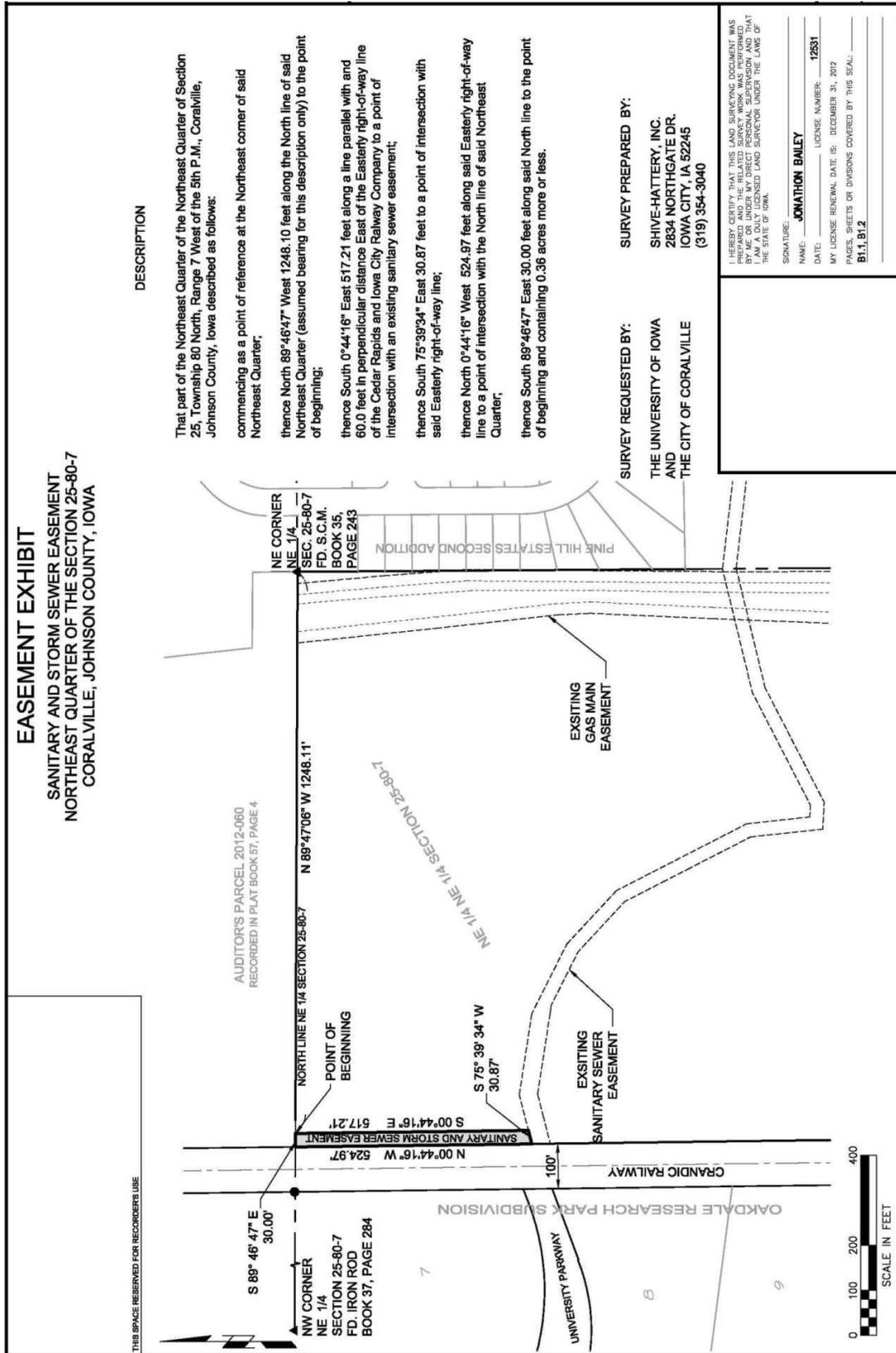
the Power Plant (see Attachment C) to be leased at no cost to the vendor for the location of the wind turbine. The University accepted bids for a small 100 Kw wind turbine to be erected on campus and to provide all of the operations and maintenance on the unit for a period of 10 years. The project was awarded to PUREnergy Partners. PUREnergy is responsible for all of the operating and maintenance costs, and the University has exclusive rights to purchase all of the output of the wind turbine at the bid price of ten cents for each kWh of Purchased Energy. The University would pay a use fee of \$250,000 to PUREnergy within thirty days of the completion date of the construction, installation and testing of the Wind Turbine, and the Wind Turbine is capable of producing and delivering electrical energy. The University would have the ability to use the wind turbine for instructional, research and demonstration purposes. In the event the lease is terminated prior to the end of the term for reasons other than the University's failure to cure a material breach, a prorated portion of the use fee will be returned to the University.

This lease/purchase arrangement was the most economical option for the University because the bidder/supplier retains ownership of the wind turbine and can take advantage of currently available tax credits and renewable energy certificates, which as a public entity, the University could not do. In order to take advantage of the tax credits which are set to expire by December 31, 2012, the project needs to move forward by November 1. This project is an example of a partnership arrangement in the wind energy field which is an Iowa economic development area.

Additional information is available from the Board Office.

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**EASEMENT EXHIBIT**  
SANITARY AND STORM SEWER EASEMENT  
NORTHEAST QUARTER OF THE SECTION 25-80-7  
CORALVILLE, JOHNSON COUNTY, IOWA

**DESCRIPTION**

That part of the Northeast Quarter of the Northeast Quarter of Section 25, Township 80 North, Range 7 West of the 5th P.M., Coralville, Johnson County, Iowa described as follows:  
commencing as a point of reference at the Northeast corner of said Northeast Quarter;  
thence North 89°46'47" West 1248.10 feet along the North line of said Northeast Quarter (assumed bearing for this description only) to the point of beginning;  
thence South 0°44'16" East 517.21 feet along a line parallel with and 60.0 feet in perpendicular distance East of the Easterly right-of-way line of the Cedar Rapids and Iowa City Railway Company to a point of intersection with an existing sanitary sewer easement;  
thence South 75°39'34" East 30.87 feet to a point of intersection with said Easterly right-of-way line;  
thence North 0°44'16" West 524.97 feet along said Easterly right-of-way line to a point of intersection with the North line of said Northeast Quarter;  
thence South 89°46'47" East 30.00 feet along said North line to the point of beginning and containing 0.36 acres more or less.

**SURVEY REQUESTED BY:**  
THE UNIVERSITY OF IOWA  
AND  
THE CITY OF CORALVILLE

**SURVEY PREPARED BY:**  
SHIVE-HATTERY, INC.  
2834 NORTHGATE DR.  
IOWA CITY, IA 52245  
(319) 354-3040

I HEREBY CERTIFY THAT THIS LAND SURVEYING DOCUMENT WAS PREPARED BY ME OR UNDER MY DIRECT PERSONAL SUPERVISION AND THAT I AM A DULY LICENSED LAND SURVEYOR UNDER THE LAWS OF THE STATE OF IOWA.

SIGNATURE: JONATHAN BAILEY  
NAME: \_\_\_\_\_ LICENSE NUMBER: 12531  
DATE: \_\_\_\_\_ MY LICENSE RENEWAL DATE IS: DECEMBER 31, 2022  
PAGES, SHEETS OR DIVISIONS COVERED BY THIS SEAL: B1, B1.2

THIS SPACE RESERVED FOR RECORDERS USE



Outer circle is a 200 foot radius  
Inner circle is a 150 foot radius



Site is approximately 50 feet x 50 feet centered on  
Latitude: 42.028447, Longitude: -93.636587