

Contact: Jean Friedrich

INSTITUTIONAL AGREEMENTS, LEASES, AND EASEMENTS

Action Requested: Consider recommending to the Board approval of two leases for the benefit of the University of Iowa and one lease for the benefit of Iowa State University, subject to approval of the final documents by the Board Office and Attorney General's Office.

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 documents have been reviewed by the Attorney General's Office. An indemnification clause is included in each lease.

University of Iowa with the Board as Tenant for the following leases:

The University is experiencing record enrollment and currently does not have sufficient space to house students in its existing residence halls. The University seeks to lease two buildings to house approximately 82 students (one person per bedroom). Both buildings are approximately one block from three eastside University residence halls, including Burge Hall, where University dining is available. Both buildings would house returning and transfer students, not first year students. Both leases would be for a two-year period, commencing on a mutually agreeable date established by the parties between August 5 and August 14, 2015 and ending July 31, 2017 with a renewal option for one additional year. See map of locations on Attachment A.

120 E. Davenport Street Inc.

The building located at 120 E. Davenport Street in Iowa City, Iowa is a large 3-story apartment building built in 1990 with 11 three-bedroom units and 1 two-bedroom unit (35 bedrooms), plus 16 parking spaces. The annual lease rate for the first year is \$220,500, plus \$9,600 for the parking spaces and \$226,012.50 (2.5% increase) with no change in the parking rate for the second year.

527 N. Dubuque Street Inc.

The building located at 527 N. Dubuque Street, Iowa City, Iowa is a large 3-story brick apartment building built in 1992 with 3 four-bedroom units, 11 three bedroom units, and 1 two-bedroom unit (47 bedrooms), plus 22 parking spaces. The annual lease rate for the first year is \$295,380, plus \$13,200 for the parking spaces and \$302,764.50 (2.5% increase) with no change in the parking rate for the second year.

The rental rates calculates to \$525 per bed for the two and three bedroom apartments, \$520 per bed for the four bedroom apartments, and \$50 per month for each parking space. Funding for both leases will be from University Housing and Dining Operating Funds.

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

Harrisvaccines

The University requests approval of the lease with Harrisvaccines for space in the University Surplus and Storage Facility at 1102 Southern Hills Drive for approximately 15,990 square feet of space for a five year term beginning January 1, 2015 and ending December 31, 2019. Harrisvaccines, an Iowa-based vaccine producer, has been granted United States Department of Agriculture (USDA) licensure to market vaccines for the Porcine Epidemic Diarrhea Virus (PEDv).

The lease rate for 9,761 square feet of warehouse space, which during the term of the lease will be partially renovated to create laboratory space at the tenant's expense, would be \$12 per square foot for the first year, with increases annually to reach \$13.60 per square foot by year five of the lease.

The lease rate for 6,139 square feet of combined office space and basement laboratory space previously renovated by the tenant, with ISU's approval and at the tenant's expense, would be \$2.50 per square foot for the first year of the lease, increasing to \$3.85 per square foot by year five of the lease.

Additional information is available from the Board Office.

