

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Institutional Agreements, Leases and Easements
Date: June 10, 2002

Recommended Action:

Approve the agreements, leases and easements for the benefit of the institutions as summarized below. **(ROLL CALL VOTE)**

Executive Summary:

The Iowa Code requires that agreements, leases and easements involving real property be approved by the Board of Regents by roll call vote.

The agreements, leases and easements presented this month have been reviewed by the Attorney General's Office and are recommended for approval.

A listing of principals is included as Attachment A to this docket memorandum.

Approval is requested for the following:

University of Iowa Lease amendment with U. S. Bank National Association for the University's use in downtown Iowa City of an additional 261 square feet of office space (18,331 square feet total), for transitional space for functions from the Health Sciences Campus.

Lease agreement with MVL Properties, LLC, for the Department of Pediatrics' use of office space in Iowa City for a substance abuse treatment study.

Iowa State University Lease agreement with Ensoft Corporation for its use of business incubator space at the ISU Research Park.

Memorial Union Memorandums of Agreement for FY 2003 with the University Book Store, Printing Services Document Center, and International Education Services Department.

Easement agreements with the Xenia Rural Water District for the installation of water pipeline on four University farms.

Amendment to the agreement with the Muscatine Island Research Farm Association which extends the agreement on a year-to-year basis, incorporates an additional 66 acres of land, and reflects the new name of the Association.

Amendment to the agreement with the Northwest Iowa Experimental Association which incorporates an additional 120 acres of land acquired by the Association.

Background and Analysis:

UNIVERSITY OF IOWA

LEASES

Landlord	U. S. Bank National Association (formerly Firststar Bank) (amendment)
Area/Location	An additional 261 square feet of office space (18,331 square feet total) located at 204 East Washington Street, Iowa City, Iowa.
Amendment Term	July 1, 2002, through the remainder of the lease term, March 31, 2006.
Lease Rate	Amendment will increase rental rate to \$18,331 per month (\$12 per square foot, \$219,972 per year).
Space/Rate Comparison	An additional 261 square feet of space at the same rate per square foot.
Use of Space	Transitional space for the relocation of functions of the Colleges of Medicine and Public Health to accommodate the construction projects on the Health Sciences Campus (specifically demolition of the Steindler Building and remodeling of the Medical Education Building). The University has been in need of the additional space, which is now available for lease.
Liability	The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with <u>Iowa Code Chapter 669</u> .

Landlord	MVL Properties, LLC (new)
Area/Location	2,460 square feet of office space located at 509 Kirkwood Avenue, Iowa City, Iowa.
Lease Term	Five-year period commencing July 1, 2002, through June 30, 2007.
Lease Rate	\$1,900 per month (\$9.27 per square foot, \$22,800 per year).
Use of Space	Substance abuse treatment study by the College of Medicine Department of Pediatrics. Volunteers for the program will be provided by Juvenile Court Services, which is located in the same building.
Additional Information	Funding for the lease payments will be provided by a five-year grant from the Substance Abuse and Mental Health Services Administration of the U.S. Department of Health and Human Services.
Liability	The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with <u>Iowa Code</u> Chapter 669.

IOWA STATE UNIVERSITY

LEASE

Tenant	Ensoft Corporation (new)
Area/Location	129 square feet of space in the Iowa State Innovation System at the ISU Research Park.
Lease Rate	\$225 per month (\$20.93 per square foot, \$2,700 per year).
Lease Term	Six and one-half month period commencing May 15, 2002, through November 30, 2002.
Use of Space	Ensoft Corporation will provide innovative software reengineering products and services to the networking software industry, and provide reengineering services for high performance computing operations.
Liability	The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.

MEMORIAL UNION MEMORANDUMS OF AGREEMENT

Background The University requests approval of Memorandums of Agreement between the Memorial Union (landlord) and the University Book Store, Printing Services Document Center, and International Education Services Department (tenants) for FY 2003.

The agreements will be in effect for a one-year period commencing July 1, 2002, through June 30, 2003.

The tenants agree to indemnify, defend, and hold harmless the Memorial Union as customarily required.

Tenant **University Book Store (renewal)**

Area/Location 20,000 square feet of space on the ground and basement levels of the southeast addition of the Memorial Union.

Lease Rate \$8.40 per square foot (\$168,000 per year) to be paid in monthly installments of \$14,000.

Use of Space University Book Store operations.

Space/Rate Comparison Rental rate increase of 0.6 percent (\$.05 per square foot); the amount of space is unchanged.

Tenant **Printing Services Document Center (formerly University Copy Center) (renewal)**

Area/Location 2,299 square feet of space in the basement games area of the Memorial Union (1,400 square feet of unfinished space for operations and 899 square feet of semi-finished storage space).

Lease Rate \$3.85 per square foot for the unfinished space (\$5,390 per year), \$4.25 per square foot for the semi-finished storage space (\$3,820.75 per year).

Total annual rent of \$9,210.75, to be paid in 11 monthly installments of \$767.60, and one monthly installment of \$767.15.

Use of Space Printing Services satellite copy center.

Space/Rate Comparison Rental rate increase of 1.3 percent for the unfinished space and 1.2 percent for the semi-finished space (\$.05 per square foot for each); the amount of space is unchanged.

Tenant	International Education Services Department (new)
Area/Location	7,076 square feet of office space on the second floor of the Memorial Union.
Lease Rate	\$8.15 per square foot (\$57,669.40 per year) to be paid in 11 monthly installments of \$4,805.80, and one monthly installment of \$4,805.60.
Use of Space	Office of International Education Services, which provides resources for international and study abroad students, and international visiting scholars.
Space/Rate Comparison	<p>Increase from 4,600 square feet of space which the Department currently occupies in the basement of Hamilton Hall.</p> <p>The additional 2,476 square feet of space in the Memorial Union will accommodate the growth in the study abroad programs and international student services, and will relocate these functions closer to other student service organizations to improve significantly student access.</p>

EASEMENTS

Grantee	Xenia Rural Water District
Description/ Location	Four permanent easements, each 30 feet in width, at the University's Ag 450 Farm, Animal Science Teaching Farm, Brooks Farm, and the North Woodruff Farm, Story County, Iowa.
Purpose	<p>Construction, operation and maintenance of water pipelines for expanded service by the Xenia Rural Water District.</p> <p>Installation of the pipelines would not adversely affect University farm operations.</p>
Consideration	<p>The Xenia Rural Water District would compensate the University in the amount of \$.09 per lineal foot of pipeline. (The pipeline would be installed at no cost to the University.)</p> <p>The University would be given priority eligibility for future water service at the sites.</p> <ul style="list-style-type: none">• The University would be allowed to connect water lines onto the existing systems, for up to a five-year period, at the rate of \$600 for each site. <p>The Xenia Rural Water District would also reimburse the University for any crop damage in the easement areas.</p>
Liability	The easement agreements require the Xenia Rural Water District to indemnify and save the Board of Regents and the University from

damages resulting from use of the easement area.

UNIVERSITY FARM ASSOCIATIONS MEMORANDUMS OF UNDERSTANDING

Background The University leases farm land from the Muscatine Island Research Farm Association and the Northwest Iowa Experimental Association for research by the Agriculture and Home Economics Experiment Station.

Muscatine Island Research Farm Association (formerly Muscatine Island Truck Growers Association) (amendment)

Acreage/Location Since 1931, the University has leased farm land in Fruitland, Iowa (near Muscatine) from the Muscatine Island Truck Growers Association.

Currently, 40 acres of land, which are used by the University for horticulture research, are leased.

Need for Amendment The Association has recently acquired 66 acres of land west of the existing farm; the additional land will accommodate the growth in research activities and buffer the farm from subdivision development in the area.

The Association has restated its Articles of Incorporation and changed its name to the Muscatine Island Research Farm Association.

Amendment The amendment would extend the relationship between the University and the Association on a year-to-year basis, incorporate the additional 66 acres of farm land, and identify the Association under its new name.

Additional Information The operating costs for the additional land will be paid by the Association, with the exception of those costs related to research and demonstration, which will be paid by the Experiment Station and revolving funds.

All other terms of the agreement will remain in effect.

Northwest Iowa Experimental Association (amendment)

Acreage/Location Since 1955, the University has leased farm land in O'Brien and Lyon Counties in northwest Iowa (the Northwest Iowa Research Farm) from the Northwest Iowa Experimental Association.

This currently consists of a total of 220 acres of land (160 acres in O'Brien County and 60 acres in Lyon County) which is used by the University for crop and soils research.

Because of the low rainfall and distinct soil types in these counties, there is a continuing need for land for research in this part of the state.

Need for Amendment The Association has purchased 120 acres of additional land in O'Brien County adjacent to the existing research farm for expanded research activities.

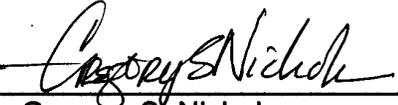
The additional land is needed to provide large plot areas to support more mechanized research and systems and environmental research and demonstration.

Amendment The amendment would incorporate the additional 120 acres of farm land.

Additional Information The operating costs for the additional land will be paid by the Experiment Station and revolving funds.

All other terms of the agreement will remain in effect.


Sheila Lodge

Approved: 
Gregory S. Nichols

Attachment A

Listing of Principals for Leases

June 2002

Lease

Principals

University of Iowa

U. S. Bank National Association

Joseph G. Ullrich, Real Estate Officer

The principal has no affiliation with the University.

MVL Properties

Michael and Vicki Lensing

The principal has no affiliation with the University.

Iowa State University

Ensoft Corporation

Suraj C. Kothari

The principal is employed as a professor in the Department of Electrical and Computer Engineering and has received reimbursement for travel and other miscellaneous expenses.

Memorial Union

Mary Jo Mertens
Andrew C. Tofilon

Andrew Tofilon is employed in the Campus Organizations Office and has received reimbursement for travel and other miscellaneous expenses.

Xenia Rural Water District

Dan Miller

The principal has no affiliation with the University. The University has made payments to the Xenia Rural Water District for water usage.

Muscatine Island Research Farm Association

Ronald Shepard

The principal has no affiliation with the University. The University has made payments to the Association for research farm supplies.

Northwest Iowa Experimental Association

Jim Hultgren

The principal has no affiliation with the University.