

Contact: Jean Friedrich

INSTITUTIONAL AGREEMENTS, LEASES AND EASEMENTS

Action Requested: Consider approval of two leases for the benefit of the University of Iowa, 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 agreements are being reviewed by the Attorney General's Office and are subject to approval of the final documents by the Board Office and Attorney General's Office.

University of Iowa

In March 2007, the Board of Regents approved a lease with Ryan Companies US, Inc. for approximately 35,000 gross square feet in the new 80,000 gross square foot facility constructed by Ryan on Lot One of the University's Research Park in Coralville, Iowa.

This space has been fit-out as the University's BioVentures Center, a business incubator, and includes wet and dry laboratories, as well as offices and support spaces, all providing space for start-up companies who sub-lease the space from the University. The Board later approved an amendment to this lease adding another 10,000 square feet.

This request to lease additional square footage is in conjunction with a companion request in the University's Capital Register for Permission to Proceed with Project Planning for razing Oakdale Hall (see Agenda Item 5). Oakdale Hall, constructed in 1917, has approximately 108,000 square feet of assignable space of which about 66,000 (sixty-one percent) will be vacated when two major construction projects are complete—buildings for the University Hygienic Laboratory (completion date late spring 2010) and College of Public Health Academic Building (late 2011, with subsequent Public Health projects following in Westlawn).

The remaining 42,000 square feet of assigned space in Oakdale Hall is occupied by several smaller University units. The University proposes to lease space on the first and second floors in the west wing of the Ryan building to accommodate a portion of these uses as shown below. The balance of the Oakdale Hall units will be relocated to leased space on the Research Park, as well as University owned space on the Main Campus. The University requests approval of two separate leases for space in the west wing of the Ryan Building as follows:

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

Ryan Companies US, Inc. – First Floor

Lease with Ryan Companies for a fifteen-year term, commencing on the Site Commencement Date (the first day of the month that the build-out of the space is completed) consisting of approximately 15,478 gross square feet at the rate of \$17 per square foot for Years 1-5 (\$21,927 per month or \$263,126 per year); \$18.45 per square foot for years 6-10 and \$20 per square foot for years 11-15. The University would have the option to extend the lease for one additional five-year period.

In addition, the University would be responsible for the cost of the tenant improvements (estimated at \$465,000), which would be constructed by the landlord prior to the Site Commencement Date.

The lease would provide space for the Labor Center, Center for Health Effects of Environment, and the College of Pharmacy's Division of Drug Information.

Ryan Companies US, Inc. – Second Floor

Lease with Ryan Companies for a five-year term, commencing on the Site Commencement Date (the first day of the month that the build-out of the space is completed) consisting of approximately 16,107 gross square feet at the rate of \$12 per square foot (\$16,107 per month or \$193,284 per year). The University would have the option to extend the lease for two additional five-year periods.

In addition, the University would be responsible for the cost of the tenant improvements (estimated at \$1,140,000), which would be constructed by the landlord prior to the Site Commencement Date.

The lease would provide space for the College of Public Health for the units of Agricultural Health, Radon, Department of Defense grant supported work, the Birth Defects Register, and other Public Health laboratories.

The University would be responsible for its share of common area space and normal operating costs (taxes, utilities, insurance, and routine maintenance) for both leases.

Additional information is available from the Board Office.