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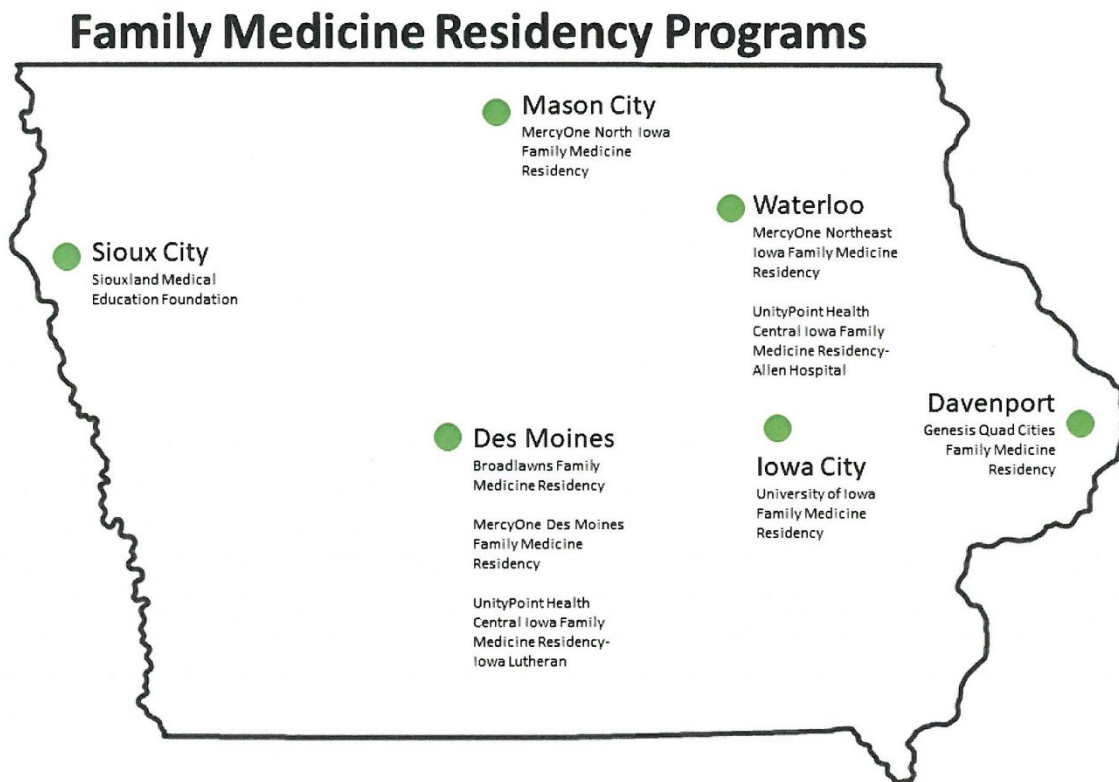
INSTITUTIONAL AGREEMENTS, LEASES AND EASEMENTS

Action Requested: The University of Iowa/UIHC requests Board approval of a proposed 10-year lease agreement with Siouxland Medical Education Foundation, Incorporated for the lease of the entire 33,500 square foot medical office building at 2501 Pierce Street, Sioux City, Iowa. The building has two floors above grade and one lower level below grade.

The initial lease term would commence in June 2023 and end on June 30, 2033. There are two five-year renewal options. In addition, the lease provides the University with both a right of first refusal and an option to purchase the building at any time during the lease term. The option to purchase provision follows the Board of Regents' policy for acquiring real property based on appraised valuation at the time the purchase option is exercised.

- *Iowa Code §262.9 (8)* authorizes the Regents to acquire real estate for the proper uses of the institutions and dispose of real estate, when not necessary for their purposes.
- *Policy Manual Chapter §2.3, part 2.E.iv.b* requires that leases over 10,000 gross square feet, more than \$150,000 in annual base rent or more than five years in duration receive Board approval.

Executive Summary: The Siouxland Medical Education Foundation is comprised of a family medicine practice and 3-year family medicine residency program accepting 6 residents every year. The practice and residency are supported by 4 physician faculty, 2 mental health providers, 2 pharmacists and 2 advanced practice providers. It is one of only 6 cities in Iowa providing a residency program in Family Medicine and the only program in Western Iowa. See map below.



The Siouxland program has been highly collaborative with the University of Iowa Family Medicine Residency. Maintaining the viability of the Siouxland program is vitally important to retaining physicians and supporting primary care access in the state. The program is one of three foundation programs that historically existed in Iowa. The other two have closed over the past three years secondary to the increasing financial burden of community-based residency programs. Without University of Iowa intervention, closure of the Siouxland program is likely. The previous two closures resulted in the state producing 12 fewer Family Physicians for Iowa's citizens per year. Siouxland's closure would increase that to 18 less per year.

The initial base lease rate is \$12 per square foot (\$33,549.00 per month) for the first three years of the lease, with a 2.5% increase every three years thereafter. In addition, UIHC would pay all utility, operating, and maintenance costs, including exterior lawn care and snow removal. The building is currently tax exempt from real estate taxes.