

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Institutional Agreements, Leases and Easements
Date: May 10, 2004

Recommended Action:

Approve the leases 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 leases have been reviewed by the Attorney General's Office and are recommended for approval.

Approval is requested for the following:

University of Iowa	Lease agreements with InnoMatix, LLC; Digital Artefacts, LLC; Sebesta Blomberg and Associates; and Maverick Information Systems, Inc. for their use of business incubator space in the Technology Innovation Center at the Oakdale Campus.
Iowa State University	Lease renewal with AmerUs Group Company for the University's continued use of space in downtown Des Moines for its evening MBA program.
University of Northern Iowa	Tenant property rental rates for FY 2005 for the University's residences reflecting proposed rate increases ranging from 4.2 percent to 5.0 percent.
Iowa School for the Deaf	Lease renewals with Children's Choice Country, the University of Iowa, Southwest Iowa Resource Center, and West Pottawattamie County Extension District for their continued use of space on the Iowa School for the Deaf campus.
	Tenant property rental rates for FY 2005 for the School's residences and apartments, reflecting proposed rate increases ranging from 2.9 percent to 3.4 percent.

Background and Analysis:

UNIVERSITY OF IOWA

LEASES

Tenant	InnoMatix, LLC (renewal)
Area/Location	521 square feet of space in the Technology Innovation Center at the Oakdale Research Park.
Lease Term	One-year period commencing June 1, 2004, through May 31, 2005.
Lease Rate	\$260.50 per month (\$6 per square foot, \$3,126 per year).
Use of Space	InnoMatix is a software technology company that is developing creative and functional software applications for the transportation industry.
Space/Rate Comparison	Increase of 202 square feet of space; the rate per square foot is unchanged.
Liability	The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.
Principal Information	James C. Griffin, Jr., President, and Ronald Stahlberg, Director, have no affiliation with the University.

Tenant	Digital Artefacts, LLC (renewal)
Area/Location	1,056 square feet of space in the Technology Innovation Center at the Oakdale Research Park.
Lease Term	One-year period commencing June 1, 2004, through May 31, 2005.
Lease Rate	\$880 per month (\$10.00 per square foot, \$10,560 per year).
Use of Space	Digital Artefacts is an information visualization company which provides real-time graphics and simulation solutions for emerging non-traditional markets. The space is used primarily to develop visual databases, models, and modeling software and tools.
Space/Rate Comparison	Increase of 264 square feet of space and \$1.50 per square foot consistent with the rental rate schedule for the Research Park.
Liability	The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.
Principal Information	Joan Severson, President, is a graduate student in the Department of Computer Science.

Tenant	Sebesta Blomberg and Associates (previously known as Essential Sciences) (renewal)
Area/Location	275 square feet of space in the Technology Innovation Center at the Oakdale Research Park.
Lease Term	One-year period commencing June 1, 2004, through May 31, 2005.
Lease Rate	\$194.79 per month (\$8.50 per square foot, \$2,337.50 per year).
Use of Space	Sebesta Blomberg (which recently acquired Essential Sciences) will utilize the space to develop science-based solutions to environmental challenges faced by government, industry and agriculture. This part of the firm's work will focus on developing new techniques, processes, products and services that reduce gas emissions.
Space/Rate Comparison	Increase of \$2.50 per square foot consistent with the rental rate schedule for the Research Park; the amount of space is unchanged.
Liability	The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.
Principal Information	Dan Tollman, Chief Financial Officer, has no affiliation with the University.

Tenant	Maverick Information Systems, Inc. (new)
Area/Location	264 square feet of space in the Technology Innovation Center at the Oakdale Research Park.
Lease Term	One-year period commencing June 1, 2004, through May 31, 2005.
Lease Rate	\$132 per month (\$6.00 per square foot, \$1,584 per year).
Use of Space	Maverick Information Systems (MIS) is a software consulting company specializing in e-commerce, Internet, and client/server technologies. MIS will use the space for further development and marketing of Skills4U.com, an online matchmaker provider that connects information technology (IT) training buyers and service providers.
Liability	The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.
Principal Information	The principal, Manoj Nagaraj (President and CEO) has no affiliation with the University.

IOWA STATE UNIVERSITY

LEASE

Landlord	AmerUs Group Company (renewal)
Area/Location	AmerUs Conference Center, 699 Walnut Street, Des Moines, Iowa.
Lease Term	2004 Fall semester, then month-to-month, if needed.
Lease Rate	\$220 per evening, for an estimated 24 evenings for the academic semester (two evenings each week), for an estimated total of \$5,280 for the semester.
Use of Space	Evening MBA program; space includes main conference room which accommodates 50 individuals, creativity room, small meeting room, video conference room, lounge area, high technology audio-visual equipment, and computer connectivity capability.
Space/Rate Comparison	The proposed rental terms are identical to those in the existing lease agreement.
Additional Information	The University wishes to continue the use of this space for the evening MBA program until construction of the Pappajohn Higher Education Center, located in downtown Des Moines, is completed.
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> .
Principal Information	Aysun McConkey, Administrative Services Manager, has no affiliation with the University.

UNIVERSITY OF NORTHERN IOWA

TENANT PROPERTY RENTAL RATES, FY 2005

Background	<p>The Board annually approves the fiscal year rental rates charged by the University for its tenant properties which include single family residences.</p> <p>The proposed rental rates are established based on market rates, residence hall rate increases, and operating costs.</p> <p>The University's lease agreements provide for annual increases of not more than 10 percent per year.</p>
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Proposed FY 2005
Rental Rate Summary

A total of nine University residential properties will be rented in FY 2005; the University proposes rate increases ranging from approximately 4.2 percent to 5.0 percent for the units.

Single-Family
Residences

The University's tenant property rental schedule lists a total of three faculty/staff rental properties.

- The long-term rental property located at 3204 Panther Lane would be rented at the rate of \$840 per month, an increase of 5.0 percent.
- Two short-term rental properties, which are rented by the month for a period not to exceed one year, would be rented at the rate of \$710 per month, an increase of 4.4 percent.

The University's tenant property rental schedule lists a total of four sorority/fraternity rental properties.

- The properties located at 1203 and 1209 West 23rd Street would be rented at \$1,180 per month, an increase of 4.4%.
- The property located at 2115 Merner Avenue was previously classified as a faculty/staff rental property. The University plans to begin renting the property as a sorority house in FY 2005 at the rate of \$2,250 per month. Due to the cost of renovations needed to comply with rental property code requirements, the monthly rate is higher than other properties in this category.
- The property located at 1215 West 23rd Street was approved for purchase by the University at the April Board meeting, and the purchase is subject to approval of the Executive Council of Iowa. The University plans to rent the property at the rate of \$1,180 per month.

The University's tenant property rental schedule also lists two student rental properties.

- The property located at 1233 West 22nd Street would be rented at the rate of \$625 per month, an increase of 4.2 percent.
- The property located at 2604 College Street would be rented at the rate of \$670 per month, an increase of 4.7 percent. (This home is larger than the West 22nd Street property.)

The agreement with each tenant is subject to approval of the Executive Director.

IOWA SCHOOL FOR THE DEAF

LEASES

Tenant	Children's Choice Country (renewal)
Area/Location	5,289 square feet of space in the Infirmary Building (2,889 square feet of space on the first floor, 2,400 square feet of space on the basement level).
Lease Term	One-year period commencing July 1, 2004, through June 30, 2005.
Lease Rate	\$2,389 per month (\$6.36 per square foot for the first floor space, \$4.29 per square foot for the basement level space, \$28,670 per year).
Use of Space	Children's Choice Country is a day care provider which gives priority acceptance to the children of Iowa School for the Deaf staff.
Space/Rate Comparison	Rate increase of 3 percent per square foot; the amount of space is unchanged.
Liability	The tenant agrees to indemnify, defend, and hold harmless the School as customarily required.
Principal Information	Margaret Nielsen, owner, has no affiliation with the School.

Tenant	University of Iowa (renewal)
Area/Location	735 square feet of space on the second floor of the Infirmary Building.
Lease Term	One-year period commencing July 1, 2004, through June 30, 2005.
Lease Rate	\$780 per month (\$12.72 per square foot, \$9,360 per year).
Use of Space	Iowa Child Health Specialty Clinic.
Space/Rate Comparison	Increase of 150 square feet of space and rate increase of 6 percent per square foot.
Liability	The University agrees to indemnify, defend, and hold harmless the School as customarily required.
Principal Information	Bill Bowden, Administrative Assistant for the Iowa Child Specialty Clinics Southwest, has no affiliation with the School.

Tenant	Southwest Iowa Resource Center (renewal)
Area/Location	680 square feet of space on the second floor of the Careers Building.
Lease Term	One-year period commencing July 1, 2004, through June 30, 2005.
Lease Rate	\$721 per month (\$12.72 per square foot, \$8,652 per year).
Use of Space	Office space.
Space/Rate Comparison	The Center has relocated to a different space on the second floor with a decrease of 2,320 square feet of space and a rate increase of 96 percent per square foot.
Liability	The tenant agrees to indemnify, defend, and hold harmless the School as customarily required.
Principal Information	James Bodensteiner, the Interim Dean for Continuing Education at the University of Northern Iowa, has no affiliation with the School.

Tenant	West Pottawattamie County Extension (renewal)
Area/Location	3,000 square feet of space on the second floor of the Careers Building. The amount of space is unchanged, but the tenant has relocated to space previously occupied by the Southwest Iowa Resource Center.
Lease Term	Three-year period commencing July 1, 2004, through June 30, 2007.
Lease Rate	\$1,625 per month (\$6.50 per square foot, \$19,500 per year) for FY 2005; \$1,675 per month (\$6.70 per square foot, \$20,100 per year) for FY 2006; and \$1,725 per month (\$6.90 per square foot, \$20,700 per year) for FY 2007.
Use of Space	Office space.
Space/Rate Comparison	No rate increase for the first year, compared to the existing rate, and 3 percent rate increase in each of the second and third years; the amount of space is unchanged.
Liability	The tenant agrees to indemnify, defend, and hold harmless the School as customarily required.
Principal Information	Tom Jensen, County Extension Education Director, has no affiliation with the school.

TENANT PROPERTY RENTAL RATES, FY 2005

Background The Iowa School for the Deaf requests approval of its tenant property rental schedule for FY 2005.

Included are the rental rates for two single family residences which are leased to the Director of Facilities and the Director of Student Life.

- These individuals are key administrators for campus programs and are on call 24 hours a day, seven days a week.
- The School's experience has been that these individuals are contacted to resolve problems at all times.

Also included are the proposed rental rates for apartments, which are made available to staff personnel.

Proposed FY 2005 Rental Rates The rates and terms for the tenant property leases will remain in effect for all such leases the School initiates in FY 2005, with each agreement subject to approval of the Executive Director.

Single-Family Residences The two residences which are leased to the Director of Facilities and the Director of Student Life would lease at the rate of \$184 per month, an increase of 3.4 percent.

The residence leased by the High School Principal is proposed to lease at the rate of \$684 per month, an increase of 2.9 percent.

Apartments The apartments would lease at the rate of \$328 per month, an increase of 3.1 percent.

Garages, which are also available for rent with the apartments, are proposed to lease at the rate of \$22 per month, which is the same as the current lease rate.


Jean A. Friedrich

Approved: _____


Gregory S. Nichols