

Contact: Jean Friedrich

INSTITUTIONAL AGREEMENTS, LEASES AND EASEMENTS

Action Requested: Consider approving the lease agreements for the benefit of the University of Iowa and Iowa State University as summarized below, 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 easements involving real property and certain leases be approved by the Board of Regents by roll call vote. The lease agreements have been 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. Indemnification clauses are included in the leases.

UNIVERSITY OF IOWA

With Board as Tenant for the following:

D and P Property (new)

7,800 square feet of space at 2650 Mormon Trek Boulevard in Iowa City, Iowa, for a three-year period commencing July 1, 2007, through June 30, 2010, (with three additional three-year extensions) at the rate of \$8,500 per month (\$13.08 per square foot, \$102,000 per year). The University will pay up to \$400,000 for the tenant improvements and will use the space for the Iowa Lions Eye Bank, which has been a part of the Department of Ophthalmology and Visual Sciences, Carver College of Medicine since 1955.

In 2000, the Federal Drug Administration (FDA) began regulating eye banks to prevent the transmission of communicable diseases. The Eye Bank is currently leasing space at 2346 Mormon Trek Boulevard that will not accommodate expansion. With the increased volume of tissue processing and additional FDA regulatory requirements anticipated later this year, relocating to an adequate facility is vital for operational efficiencies and compliance with FDA regulations. University funding for the tenant improvements will be provided from Carver College of Medicine grants and earnings, and funding for the lease will be provided from Eye Bank income.

For Board to Grant Consent for the following:

The Old Brick Church is an historic landmark located in the northeast area of the University Campus adjacent to the Pomerantz Center at the intersection of Clinton and Market Streets as shown on the map as Attachment A.

In the late 1970's, a District Court Stipulation of Settlement in the case of John Knox v. State of Iowa established certain covenants including placing a limitation on commercial use of the facility without the prior written consent of the Board of Regents. The limitation reads:

"No portion of the property shall be used, leased, rented, remodeled or otherwise converted for any commercial purpose whatsoever, including but not limited to housing and retail establishments of every kind and description, unless prior written consent therefor is obtained from said Board of Regents."

Old Brick Episcopal Lutheran Corporation, the owner of the property, has been contacted by Verizon Wireless regarding the installation of a cellular telephone antenna within the Church's tower. The University has reviewed the proposed installation plan and finds it acceptable. The installation of the antenna at this location will enhance cellular telephone usage by students, faculty, businesses, and residents in this area of the Campus.

With the Board as Tenant for the following:

Iowa Public Broadcasting Board (renewal)

Space on a television tower and in a transmitter building in Bradgate, Iowa, for a ten-year period commencing July 1, 2007, through June 30, 2017, (with optional renewals of two ten-year periods) at the rate of \$3,933.89 per quarter, \$15,735.56 per year). The space is for communication equipment for WOI and KTPR radio stations.

This lease continues a relationship with IPTV from 1987 when Iowa Central Community College (ICCC) owned station KTPR in Fort Dodge. The final renewal period of the original 25-year lease expires this year. In 2000, the license for KTPR and this lease were transferred from ICCC to Iowa State University.

ISU Research Park Corporation (addendum)

4,951 square feet of increased space, commencing approximately on October 1, 2007, at the rate of \$4,917.99 per month (\$11.92 per square foot, \$59,015.92 per year). Operating costs are estimated at \$34,657 per year for the additional 4,951 square feet of space. The University and the ISU Research Park will share the cost to finish 7,122 square feet of new space, which includes an additional 2,171 square feet which the University may lease upon 90 day notice. The current lease for CTRE is for 17,950 square feet for a five-year period from June 1, 2006, through May 11, 2011, at the rate of \$17,830.33 per month (\$11.92 per square foot, \$213,964 per year) plus operating costs. Funding for the lease addendum will come from increased indirect cost reimbursements generated by the expanded research programs.

The Iowa State University Center for Transportation Research and Education (CTRE) uses the space for programs including the National Concrete Pavement Technology Center. These programs have grown considerably and have been extremely successful in attracting extramural funding and national recognition for their excellence. CTRE needs extra space to house the additional scientists, staff, and students who will be working on the programs.

Additional information is available from the Board Office.

