

Contact: John Nash

### **INSTITUTIONAL AGREEMENTS, LEASES AND EASEMENTS**

**Action Requested:** Recommend the Board approve two leases:

- **Lease #1:** ISU would lease the 22,000 square foot BECON (Biomass Energy Conversion) facility in Newton to the ISU Research Park Corporation for \$78,000 per year for two years to allow for research on bio-based products.
- **Lease #2:** Executive Director Braun would execute a successor lease with the United States government (AmeriCorps) for 114,767 square feet across seven buildings at the IBSSS campus at \$8.09 per square foot for a total of \$928,465 per year for 10 years (five years firm with one, five-year automatic renewal) for the use and benefit of AmeriCorps.

*Iowa Code* §262.11 and the Board's *Policy Manual* Chapter 2.3.2.B.ii require the Board approve all acts relating to the management, purchase, disposition or use of land and property.

*Policy Manual* Chapter 2.3.2.B.ii further states that leases over 10,000 gross square feet, over \$150,000 in base rent per year or more than five years in duration require Board approval.

#### **Lease #1 of 2 ISU Research Park**

**Executive Summary:** Authorize ISU to execute a lease of the four-building, 22,000 square foot BECON facility in Newton to the ISU Research Park for \$78,000 per year for two years. In turn, the ISU Research Park would sublease the BECON facility to Frontline Bioenergy, LLC to perform research on bio-based products.



BECON facility, Nevada, Iowa

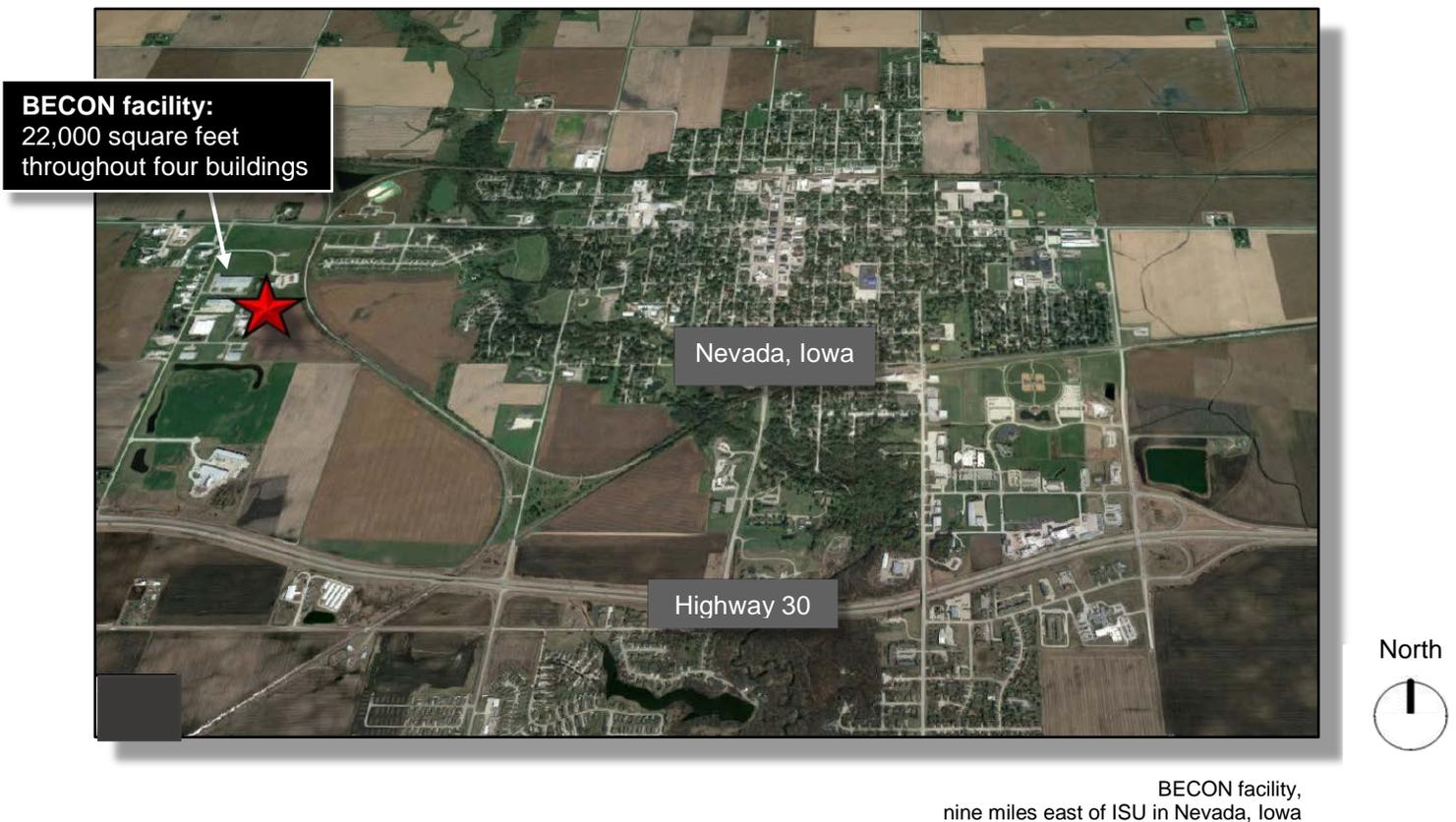
**Background:** The BECON facility was established in 1995 to support the research of biorenewable fuels. It has four buildings consisting of laboratories, offices and storage facilities that sit on six acres in an industrial park setting with similar facilities adjacent to it.

Until 2017, the BECON facility was managed and operated by the Iowa Energy Center, a center created by the legislature and administered by Iowa State University. In 2017, the state legislature transferred administration of the Iowa Energy Center to the Iowa Economic Development Authority. Pursuant to the legislation, administration and ownership of the BECON facility remains with Iowa State University.

Iowa State University now desires to enter into a lease with the ISU Research Park Corporation to assume the role the Iowa Energy Center had of managing and operating the BECON facility. Subsequently, the ISU Research Park would then sublease the BECON facility to a non-university tenant, Frontline Bioenergy, LLC. Frontline Bioenergy, LLC, a firm specializing in bio-based products, is currently using the BECON facility and would be collaborating with the ISU Research Park on the development of a modular unit to process bio-based products 'in the field' as part of a two-year research project.

**Rent:** \$78,000 per year. Utilities and routine maintenance are paid by the ISU Research Park.

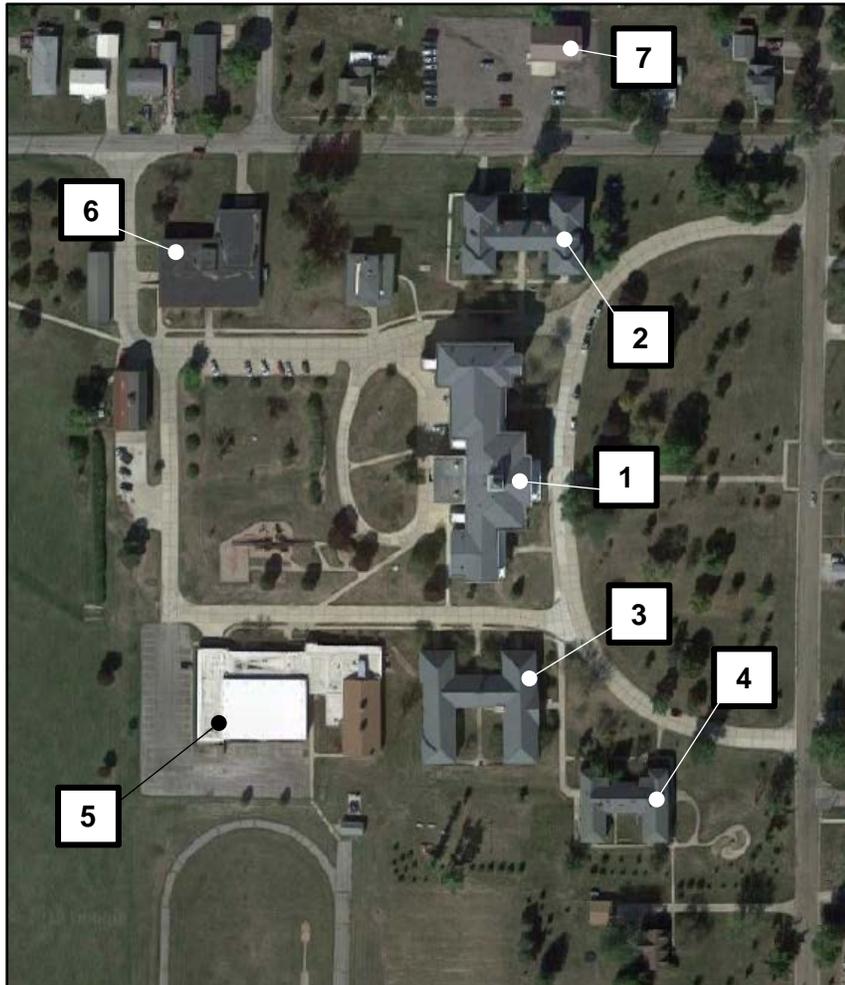
**Term:** Effective July 1, 2019, the lease duration would be two years.



Lease #2 of 2  
AmeriCorps

**Executive Summary:** The Board Office is requesting the Board to authorize Executive Director Braun to execute a successor lease with the United States government (AmeriCorps) for 114,767 square feet of the IBSSS campus. The base rent would be \$8.09 per square foot for a total of \$928,465 per year for 10 years (five years firm with one, five-year automatic renewal). It is for the use and benefit of AmeriCorps, who would occupy the following seven buildings.

IBSSS buildings	square feet	% of building
1. Old Main	14,677	21
2. Palmer Hall	27,486	100
3. Rice Hall	35,910	100
4. Cottage	12,120	100
5. Recreation Building	12,424	50
6. Service Building	9,750	100
7. North Parking Lot Building	2,400	100
Total	114,767	60% of campus



Iowa Braille and Sight Saving School campus, Vinton, Iowa

**Background:** Since 2008, the Board of Regents has leased approximately 60% of the IBSSS campus to the United States government in order to provide a regional AmeriCorps site.

**Lease history:**

- **2008:** First lease was established with AmeriCorps, a five-year term.
- **2013:** Second lease was for five more years.
- **2018:** Third lease was for one-year. This was a “stand alone” lease ending on June 9, 2019 to help facilitate the transfer of IBSSS to the City of Vinton.
- **2019:** Fourth lease (this lease) would be for 10 years, starting June 10, 2019.

The execution of this 10-year lease would be key to finalizing the separate, ongoing negotiations to transfer the IBSSS campus to the City of Vinton.

**Rent:** \$928,465 base rent per year. Utilities, custodial and building maintenance would continue to be paid by IBSSS.

**Term:** 10-year term June 10, 2019 through June 9, 2029, includes five years firm with one, five-year automatic renewal.

**Conditions of the lease:**

- Certificate of Occupancy has already been provided to AmeriCorps.
- Termination for convenience requires a twelve-month notice.
- Change of Ownership: Requires a Novation Agreement, where AmeriCorps would agree to substitute the Regents for the City of Vinton.
- Any AmeriCorps rental payments beyond the cost to maintain and operate the entire IBSSS campus would be held in escrow to improve areas occupied by AmeriCorps.

**About AmeriCorps<sup>1</sup>**

AmeriCorps is a voluntary civil society program managed by the United States government's Corporation for National and Community Service (CNCS). It is not only supported by the federal government, but foundations, corporations, and other donors engaging adults in public service work with a goal of "helping others and meeting critical needs in the community."

Members commit to full-time or part-time positions offered by a network of nonprofit community organizations and public agencies, to fulfill assignments in the fields of education, public safety, health care and environmental protection. The program is often seen as a domestic Peace Corps.

AmeriCorps employs more than 75,000 Americans in intensive service each year.

<sup>1</sup> Wikipedia