UNIVERSITY OF IOWA PROPERTY TRANSFER

**Action Requested:** The University of Iowa requests Board approval the proposed:

1) termination of the master ground lease between the Board of Regents and the University of Iowa Research Park Corporation ("UIRP"); and the

2) transfer the real property within the designated UIRP boundary of the research park from the Board of Regents/University of Iowa to UIRP, similar to Iowa State University’s Research Park.

The transfer would be done at no cost to either party.

- *Iowa Code §262.11 and the Board’s Policy Manual Chapter 2.3 sections 2B and 2D require the Board approve all acts relating to the management, purchase, disposition, or use of land and property.*

**Executive Summary:** The University of Iowa Research Park (Park) was established in 1989 with the formation of the UIRP Corporation, with the now 185-acre tract of land being carved out of the University of Iowa’s Oakdale campus in Coralville. UIRP was established by a long-term ground lease of the land between the Board of Regents and UIRP Corporation. UIRP works with third party developers to build, own, lease and operate space that fits with UIRP’s mission.

UIRP having only a ground lease interest in the land presents challenges in working with developers as the only option for UIRP is to further sub-ground lease individual lots within the Park, with sub-lease terms not to extend past the term of the current master ground lease between the Board of Regents and UIRP. Developers and their lenders are often hesitant to enter into ground lease and sub-ground lease agreements to construct new privately owned research-based facilities, especially when the underlying ground remains State of Iowa property.

Under the current arrangement, there is no option for the UIRP to either sell land or lease land directly to potential developers. This structure is different than most other research parks, including at Iowa State University with the ISU Research Park Corporation owning their land.

The current arrangement often eliminates the UIRP from contention in location decision-making, as companies seek ownership opportunities and developers seek company leaseback agreements. This is particularly true of biotech companies, otherwise interested in resources and talent found proximate to the University of Iowa Hospitals and Clinics and the Carver College of Medicine. In some instances, land ownership is an essential component of the financial composition of a development project.

Enabling the sale of land under appropriate circumstances provides UIRP additional tools and flexibility to attract new businesses to locate operations on the Park. The result would grow our workforce, expand the existing industry presence, and enhance the biosciences industry reputation of the State of Iowa.

Such a move also would align the UIRP with other university research parks, who have more flexibility with their land development strategy, including expediency in land use decision-making and selling land for targeted business development. Granting the UIRP land control levels the playing field and enables UIRP to compete fairly for development projects in the medical industry.
The proposed changes provide another instrument and enhances opportunities for the Park Corporation management to grow the State of Iowa biosciences industry presence consistent with the long-term vision of the University of Iowa Research Park Corporation and the University of Iowa.