

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Institutional Agreements, Leases and Easements
Date: July 21, 2004

Recommended Action:

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

Approval is requested for the following:

- University of Iowa
- Lease agreement with Condor Business Journal for its use of business incubator space in the Technology Innovation Center at the Oakdale Campus.
 - Lease renewals with Vertex L.L.C. and AudioNet International, LLC, for their use of business incubator space in the Technology Innovation Center at the Oakdale Campus.
 - Lease renewal with Village Court Associates for the University's use of apartment space in the Des Moines area for residents of the Carver College of Medicine Department of Ophthalmology.
 - Sublease agreement with Iowa Workforce Development for the University's use of office space in Mason City, Iowa, for the Center for Disabilities and Development.
 - Lease amendment with Solberg Investments III for the University's use of additional office space in Rhinelander, Wisconsin, for a research project of the Department of Psychology.
 - Lease amendment with Aurora Business Park Associates, L.P. for the use of additional space for the Board of Regents Office in Urbandale, Iowa.

Sublease amendment with the Quad Cities Graduate Study Center for the University's continued use of space at Augustana College, Rock Island, Illinois, by the School of Social Work.

Easement agreements with the City of Iowa City, Iowa, for the City's use of University property for construction of a recreational trail.

Iowa State University

Lease renewal with Indian Hills Community College, Ottumwa, Iowa, for the University's use of office space for the Southeast Iowa Area Extension Office/Outreach Center.

Lease extensions with Determan Investments and Banner Investments for the University's use of space in Mason City and Dubuque for the Child Welfare Research and Training Project.

Lease amendment with the United States Department of Agriculture (USDA) Agricultural Research Service for its use of an additional 0.22 acres of land at the Plant Introduction Station in Story County, Iowa.

Iowa School for the Deaf

New agreement with Loess Hills Area Education Agency 13 for its use of space in Long Hall at Iowa School for the Deaf.

Background and Analysis:

UNIVERSITY OF IOWA

LEASES

Tenant	Corridor Business Journal (new)
Area/Location	825 square feet of space in the Technology Innovation Center at the Oakdale Research Park.
Lease Term	One-year period commencing September 1, 2004, through August 31, 2005.
Lease Rate	\$412.50 per month (\$6 per square foot, \$4,950 per year).
Use of Space	The Corridor Business Journal is a new, weekly publication that will cover business news and offer stories and other features for the Iowa City-Cedar Rapids Corridor. The Corridor Business Journal website will provide current business coverage from national wire services, as well as local business news.
Liability	The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.

Principal Information The principals, Mr. John and Mrs. Aspen Lohman, are not affiliated with the University.

Tenant **Vertex L.L.C. (renewal)**

Area/Location 1,816 square feet of space (1,560 square feet of laboratory space and 256 square feet of office space) in the Technology Innovation Center at the Oakdale Research Park.

Lease Term One-year period commencing August 1, 2004, through July 31, 2005.

Lease Rate \$2,033.33 per month (\$14 per square foot for the laboratory space and \$10 per square foot for the office space, \$24,400 per year).

Use of Space Vertex is a biomedical research company involved in the development of therapeutics to treat bacterial infections.

Space/Rate Comparison Rate increase of \$227 per month; the amount of space is unchanged.

Liability The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.

Principal Information Al Vaz, Vice President of Operations.

The company licenses several patents from the University of Iowa Research Foundation and maintains a collaborative relationship with E.P. Greenberg, UI Professor in the Department of Microbiology.

Tenant **AudioNet International (renewal)**

Area/Location 1,272 square feet of space (1,180 square feet of office space and 92 square feet of storage space) in the Technology Innovation Center at the Oakdale Research Park.

Lease Term One-year period commencing August 1, 2004, through July 31, 2005.

Lease Rate \$1,014 per month (\$10 per square foot for the office space and \$4.00 per square foot for the storage space, \$12,168 per year).

Use of Space	AudioNet combines telephone communication with specially designed Internet web sites to deliver speeches, seminars or presentations to business associates and/or organization members. The AudioNet system was developed as a convenient, efficient, cost-effective and user-friendly approach for delivering high-quality training and professional/continuing education programs for a wide range of professions.
Space/Rate Comparison	Rate increase of \$1.50 per square foot for the office space (the rate for the storage space is unchanged); the amount of space is unchanged.
Liability	The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.
Principal Information	Michael Garvin, Chief Operating Officer, was formerly employed as a safety engineer with the University of Iowa Hospitals and Clinics. John Beck, President and CEO, has no affiliation with the University.
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Landlord	Village Court Associates (renewal)
Area/Location	875 square feet of apartment space (Apartment #201) located at 5963 Greendale Circle, Johnston, Iowa.
Lease Term	One-year period commencing September 1, 2004, through August 31, 2005.
Lease Rate	\$795 per month (\$10.90 per square foot, \$9,540 per year).
Use of Space	Housing for a Carver College of Medicine Department of Ophthalmology resident while on rotation at the Veterans Administration Hospital in Des Moines.
Space/Rate Comparison	The square footage and lease rate are unchanged.
Additional Information	Funding for the lease would be provided by patient revenue generated from the Carver College of Medicine Faculty Practice Plan.
Liability	The medical resident would be required to obtain renters insurance for use of the space.
Principal Information	The principal, Sarah Hosier, Property Manager, has no affiliation with the University.
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Landlord	Iowa Workforce Development (new sublease)
Area/Location	120 square feet of space at the Iowa Work Force Development Office at 600 South Pierce, Mason City, Iowa.
Terms of Lease	Two-year period commencing September 1, 2004, through August 31, 2006, with two additional two-year extension options: September 1, 2006, through August 31, 2008, and September 1, 2008, through August 31, 2010.
Lease Rate	\$203 per month (\$20.30 per square foot, \$2,436 per year).
Use of Space	Office space for the University's Center for Disabilities and Development to accommodate the Mason City Employment Policy Group Program. Funding will be provided by a Department of Human Services grant.
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	Sandra Gobeli, Vice President. Ms. Gobeli and other principals have affiliations with the University's College of Business, the College of Nursing, and the University of Iowa Hospitals and Clinics.

Landlord	Solberg Investments III (amendment)
Area/Location	1,324 square feet of office space located at Riverwalk Centre, Rhinelander, Wisconsin.
Terms of Amendment	Effective July 1, 2004, an additional 640 square feet of space (1,324 square feet total) and extension of the lease through May 31, 2009. (The lease was previously in effect through August 31, 2005.)
Lease Rate	\$1,460.76 per month (\$13.24 per square foot, \$17,529.12 per year) through December 31, 2004; thereafter, an increase of approximately 3.3% per year through May 31, 2009.

Use of Space The space is used for a research project of the Department of Psychology. It provides a regional site for the study of child neglect and the development of child aggression. The lease is funded by a research grant from the National Institute of Mental Health.

The University indicated that the Wisconsin site, which is one of three sites included in the study, was chosen since it will provide a more rural setting and a larger sample of native Americans than the other sites. The study's sample population needs to reflect a full range of urbanization and ethnicity.

Space/Rate Comparison Increase of 640 square feet; the rate per square foot is unchanged.

Additional Information All other terms of the existing agreement would remain in effect.

Liability The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with Iowa Code Chapter 669.

Principal Information The principals, T.A. Solberg and Lee Guenther, have no affiliation with the University.

Landlord **Aurora Business Park Associates L.P. (amendment)**

Area/Location 6,865 square feet of office space located at 11260 Aurora Avenue, Urbandale, Iowa.

Lease Rate \$7,184.87 per month (\$12.56 per square foot, \$86,218.44 per year) for August 31, 2004 – August 30, 2005. \$7,974.71 per month (\$13.94 per square foot, \$95,696.52 per year) for September 1, 2005 – August 30, 2006. For the remaining years of the lease agreement (September 1, 2006 – August 30, 2009), the lease terms allow for annual increases of the operating expenses portion of the monthly lease rates.

Terms of Amendment Effective August 31, 2004, an additional 680 square feet of space (6,865 square feet total) and extension of the lease through August 30, 2009.

Use of Space Board of Regents Office.

Space/Rate Comparison Increase of 680 square feet; the rate per square foot is unchanged from the provisions of the lease.

Additional Information Because of tenant improvements to the space, there will be no rent charged for the additional 680 square feet for the first year of the extension (August 31, 2004 through August 30, 2005).

Liability The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with Iowa Code Chapter 669.

Principal Information The principal, Daniel P. Rupprecht, President of R&R Investors, Ltd., a general partner of Aurora Business Park Associates LP, has no affiliation with the University.

Landlord **Quad Cities Graduate Study Center (sublease amendment)**

Area/Location 140 square feet of space on the Augustana College campus in Rock Island, Illinois. (The Quad Cities Graduate Study Center leases the space from Augustana College.)

Terms of Amendment Effective September 1, 2004, extension of the lease for a two-year period through August 31, 2006.

Lease Rate \$145 per month (\$12.43 per square foot, \$1,740 per year).

Use of Space School of Social Work's Education Center at the Quad Cities Graduate Center.

Space/Rate Comparison Rate increase of \$0.43 per square foot; the amount of space is unchanged.

Additional Information All other terms of the existing agreement would remain in effect.

Liability The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with Iowa Code Chapter 669.

Principal Information The principal, Charles E. Laws, Director, has no affiliation with the University.

EASEMENTS

Grantee **City of Iowa City, Iowa**

Description/ Location Permanent easement 1,700 long and 20 feet wide, and temporary construction easement 1,700 feet long and 50 feet wide, located on the University's far west campus from Prairie Meadow Drive south to Melrose Avenue. (A site map is included as Attachment A.)

Purpose Construction of an extension to an existing recreational trail by the City of Iowa City.

Cost/Consideration	The easements would be provided to the City of Iowa City at no cost. The trail extension would benefit the University by providing a link from Iowa City/Coralville residential and business areas to the University campus, including housing and athletic facilities.
Additional Information	For several years, the University has worked with the Cities of Coralville and Iowa City on the development of a trail system along Clear Creek. The Board previously approved easements for this trail project in April 2001 and April 2002.
Liability	The easement agreements require the City to indemnify, defend and hold harmless the University, the Board of Regents, and the State of Iowa from damages resulting from the City's use of the easement areas.

IOWA STATE UNIVERSITY

LEASES

Landlord	Indian Hills Community College (renewal)
Area/Location	2,036 square feet of office space located at Indian Hills Community College, Ottumwa, Iowa.
Lease Term	Three-year term commencing September 1, 2004, through August 31, 2007.
Lease Rate	\$1,537.18 per month (\$9.06 per square foot, \$18,446.16 per year).
Use of Space	Iowa State University Southeast Iowa Area Extension Office/Outreach Center.
Space/Rate Comparison	Rate increase of \$0.86 per square foot; the amount of space is unchanged.
Principal Information	The principal, Keith Sasseen, Executive Vice President of Finance and Records, has no affiliation with the University.

Landlord	Determan Investments (lease extension)
Area/Location	1,400 square feet of office space located in Suite 206, Mohawk Square, 22 North Georgia, Mason City, Iowa.
Lease Term	One-year term commencing July 1, 2004, through June 30, 2005.
Lease Rate	\$721 per month (\$6.18 per square foot, \$8,652 per year).

Use of Space	Child Welfare Research and Training Project of the Department of Human Development and Family Studies.
Space/Rate Comparison	The square footage and lease rate are unchanged.
Additional Information	All other terms of the existing agreement would remain in effect.
Principal Information	The principal, J.D. Determan, has no affiliation with the University.

Landlord	Banner Investments (lease extension)
Area/Location	130 square feet of office space located at Suite 200 A, Nestler Centre, 799 Main, Dubuque, Iowa.
Lease Term	One-year term commencing July 1, 2004, through June 30, 2005.
Lease Rate	\$100 per month (\$9.23 per square foot, \$1,200 per year).
Use of Space	Child Welfare Research and Training Project of the Department of Human Development and Family Studies.
Space/Rate Comparison	Increase of \$50 per month; the square footage is unchanged.
Additional Information	All other terms of the existing agreement would remain in effect.
Principal Information	The principal, Mike Kielty, has no affiliation with the University.

Tenant	U.S. Department of Agriculture/Agricultural Research Service (amendment)
Area/Location	1.4281 acres (includes the additional 0.22 acres) of land at the ISU Plant Introduction Station in Story County, Iowa.
Lease Term	Long-term lease originating July 26, 1989.
Lease Rate	Land provided at no cost to the tenant.
Terms of Amendment	An additional 0.22 acres (1.4281 acres total).
Use of Space	The Plant Introduction Station is a cooperative research facility between the USDA and the ISU Agricultural Experiment Station; this is one of a limited number of USDA facilities in the United States that maintains germ plasma varieties that can be grown in this area. The USDA has requested an additional 0.22 acres for construction of a machine storage shed for the equipment used at the farm.

Space/Rate Comparison Increase of 0.22 acres; the lease rate is unchanged.

Principal Information The Principal, Linda D. Theesfeld, USDA Real Estate Warrant Office, Midwest Area, has no affiliation with the University.

IOWA SCHOOL FOR THE DEAF

AGREEMENT

Tenant **Loess Hills Area Education Agency 13 (new)**

Area/Location 3,255 square feet of space in Long Hall on the Iowa School for the Deaf campus.

Lease Term Two-year period commencing July 1, 2004, through June 30, 2006.

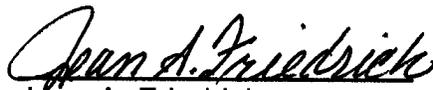
Lease Rate Services will be provided to the Iowa School for the Deaf in consideration for use of the premises by Loess Hills Area Education Agency 13 (AEA 13). No rental fee for space usage will be assessed.

Use of Space Education services including Educational Physical and Occupational Therapy, Special Education, and School Psychology.

Additional Information The agreement outlines the provisions for specific services and costs for both AEA 13 and the School. Services that AEA 13 provides for any local education agency are available for students at Iowa School for the Deaf.

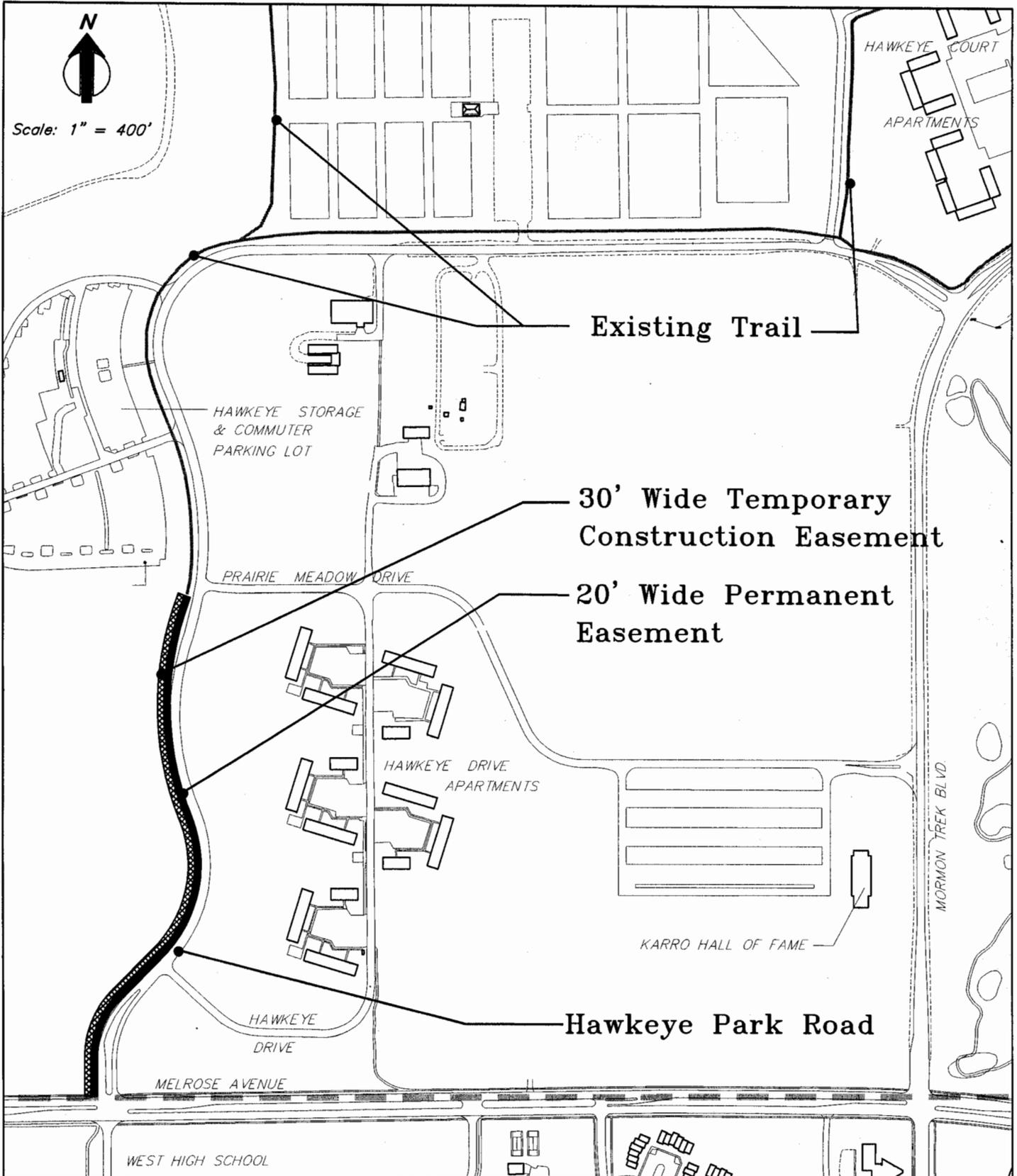
Liability The tenant agrees to indemnify, defend, and hold harmless the School as customarily required.

Principal Information Karen Thomsen, Board President of AEA 13 Board of Directors, has no affiliation with the School.


Jean A. Friedrich

Approved: 
Gregory S. Nichols

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THE UNIVERSITY OF IOWA

PLOTTED June 30, 2004

Legend

University Property Line

LOCATION MAP

Clear Creek Trail Easement

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