

Contact: Jean Friedrich

**INSTITUTIONAL AGREEMENTS, LEASES AND EASEMENTS**

**Action Requested:** Consider recommending to the Board approval of two easements and one lease for the benefit of the University of Iowa, subject to approval of the final documents by the Board Office and Attorney General's Office.

**Executive Summary:** Iowa Code §262.11 requires that certain agreements, leases and easements be approved by the Board of Regents by roll call vote. The easements and lease, which each include an indemnification clause, have been reviewed by the Attorney General's Office.

The University of Iowa with the Board as Owner for the following easements:

**CITY OF CORALVILLE**

The University of Iowa requests Board approval to enter into a sidewalk/trail easement agreement with the City of Coralville for a .77 acre area across parts of the University's Oakdale campus. An extensive network of walking and biking trails exists within the cities of Iowa City, Coralville and North Liberty, as well as the University. This trail network is used extensively by the public, including University students, faculty and staff. Part of the trail network crosses the Oakdale Campus and University Research Park in Coralville. The City of Coralville is completing the widening of State Route 965 adjacent to University property, and part of the construction includes the installation of the remaining part of the trail system across the Oakdale campus to connect with other existing parts of the trail network. The City of Coralville is solely responsible for all costs of constructing the trail and for all maintenance and upkeep of the trail and embankments across a hilly portion of the Oakdale campus. The easement area is wider than typical in this area to accommodate the grade differential to comply with both Americans with Disabilities Act (ADA) and Iowa Department of Transportation (IDOT) regulations. IDOT has approved the design of this portion of the trail network. See Attachment A for map of location.

**MIDAMERICAN ENERGY**

The University of Iowa requests Board approval to enter into a standard 8-foot underground electric easement agreement with MidAmerican Energy Company to relocate certain existing overhead electric lines across parts of its campus to underground locations. As the University worked with MidAmerican Energy to improve the visual appearance of the University campus, the two parties have reached an agreement to relocate overhead lines between the Power Plant and the Campus Recreation and Wellness Center to an underground location at the edge of the parking lot in front of the main library. The easement would be limited to 8 feet in width and would not negatively affect the parking lot operation or any University function. See Attachment B for map of location.

The University of Iowa with the Board as Owner for the following lease:

**KGRD GREEN BAY, LLC**

The University of Iowa requests Board approval to lease a large vacant warehouse building (former manufacturing plant) in an industrial park on the far east side of Iowa City from KGRD Green Bay, LLC. The University wishes to lease 84,917 square feet of the 149,000 square foot building, which is in excellent condition and is partially conditioned (heated but not cooled). The building sits on 13.25 acres which would provide the University with ample on-site parking. See Attachment C for map of location.

The lease is for 15 years with two additional five-year renewal options at \$3.95 per square foot base rent, with no CPI adjustment until the beginning of year 4. The commencement date would be the earlier of December 1, 2015 or the date that the University, with the Landlord's written permission, actually occupies the premises. The annual base rents would increase on the first day of Lease Years 4, 7, 10 and 13 and at the beginning of each exercised renewal period by an amount equal to the expiring base rent rate multiplied by one plus the percentage increase in CPI.

The landlord will fit-out the facility to meet the University user groups' unique needs including: HVAC upgrades for the specific temperature and humidity control needs for storing library material and archives, fire protection upgrades, building walls to separate each of the University occupants, and establishing a large common area break room to be utilized by staff and students working at this facility. Improvements to the building will be completed in two phases. The initial fit-out space will consist of approximately 24,817 square feet of the building with the remaining 60,100 square feet of space for the Library/Law Library completed in the second phase. The University has the option to pay for the tenant improvements upon occupancy, or to amortize the fit-out costs over the initial term of the lease. The total project costs are estimated at \$975,000.

The University is responsible for all utilities, property taxes, insurance and maintenance on the leased premises. The Landlord is responsible for the roof, walls and overall structure of the building.

The lease includes an Option to Purchase clause that allows the University to acquire the entire warehouse facility at the end of the first 15 year lease term at a price to be agreed upon at that time. The lease also includes a Right of First Refusal if the Landlord elects to sell at any time during the lease term.

The 84,917 square feet (s/f) of space will be allocated and divided among four University users: (1) Library/Law Library (60,100 s/f); (2) University Bookstore/Hawkshop (12,500 s/f); (3) Scene/Prop Storage for Theater, Opera and Dance (10,200 s/f); and (4) common area (2,117 s/f). This consolidated warehouse space would allow the University to terminate leases at three other locations and to move additional library material out of the main library to accommodate future learning commons space.

The University would take advantage of the high-bay ceilings (27 feet to the eave) to utilize high capacity static storage for the library materials which would allow a greater efficiency of material to be stored in a smaller footprint, resulting in substantial cost savings for leased premises. As an example, the law library currently occupies 17,000 s/f of leased warehouse space which utilizes traditional height shelving. That lease would be terminated, and the same volume of material will fit into 4,000 s/f in this new

facility at a lower cost per square foot base lease rate. The timing of this relocation of materials coincides with the ending of a FEMA sponsored lease for library material displaced by the 2008 flood. That lease ends next summer.

This building would also house the UI Bookstore/Hawkshop warehouse. That unit, along with the Scene Shop/Prop Shop, has been housed in a warehouse building the University has leased for the past 20+ years. That building is in poor condition and the University has given the landlord notice it intends to vacate at the end of 2015. The University Bookstore utilizes the space as its main delivery and staging area for not only books, but the large volume of "Iowa" and "Hawkeye" clothing (t-shirts, sweatshirts, jackets, etc.) and other Hawkeye branded items sold in the University Bookstore. The unit employs over 30 students who would work at this location.

Additional information is available from the Board Office.

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Wednesday, September 16, 2015  
Document Name: 20150916\_BOR\_Coral\_Ridge\_Trail\_Easement



1" = 200'

Location Map:  
Coralville  
Bike Trail Easement



 **THE UNIVERSITY  
OF IOWA**

Thursday, September 10, 2015  
Document Name: 20150909\_BOR\_WaterPlant\_Easement\_B

  
**1" = 200'**

**Location Map:  
Utility Easement  
Across From Water Plant**



 <p><b>THE UNIVERSITY OF IOWA</b></p> <p><small>Friday, September 18, 2015 Document Name: 20150918_BOR_2515_IndependenceRoad</small></p>	 <p><b>1" = 400'</b></p>	<p><b>Location Map:</b> <b>2515 Independence Road,</b> <b>Iowa City</b></p>
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