

Contact: Sheila Doyle

UNIVERSITY OF IOWA PROPERTY PURCHASE

Action Requested: Consider recommending to the Board approval to exercise the option to purchase property located at 2660 Crosspark Road at the price of \$1,100,000 from Myriad Developers, in accordance with the terms of the Lease Amendment approved by the Board on February 3, 2005, with all further documentation subject to approval by the Board Office and the Attorney General's Office.

Executive Summary: The University requests approval to exercise the purchase option for 10,000 square feet of laboratory and office space which it currently leases from Myriad Developers at the Oakdale Research Park. The University wishes to develop biotechnology incubator space at this location for use by small start-up companies initiated at the University or attracted to Iowa by the University's academic research resources.

The proposed purchase price of \$1,100,000 is consistent with Board policy for the purchase of property, based on two appraisals. The purchase would be funded from a December 2004 allocation to the University from the State's Grow Iowa Values Fund which was previously approved by the Board for this purpose.

Subject to Board approval to exercise the purchase option, all documentation associated with the purchase, including any easements, would be subject to approval by the Board Office and the Attorney General's Office.

Additional Information: In March 2003, the Board approved the lease agreement with Myriad Developers for the University's use of 10,000 square feet of laboratory and office space located at 2660 Crosspark Road in the Oakdale Research Park. The lease was effective March 1, 2003, through November 30, 2005, at an annual rental rate of \$110,004 (\$11 per square foot). The lease has provided temporary space for the Carver College of Medicine and the College of Public Health.

In December 2004, the University presented to the Economic Development Committee its proposed plan for initiatives to be funded from the original Grow Iowa Values Fund; the plan includes the development of business incubator space at the Oakdale Research Park. The University also outlined its plan to amend the lease with Myriad Developers to incorporate an option for the University's purchase of the property for this purpose. The property, which is one of four buildings in an office/laboratory complex owned by Myriad Developers, is in close proximity to the University's anchor laboratories for industrial biotechnology, human health and medicine, and pharmaceutical development.

In February 2005, the Board approved an amendment to the Myriad lease agreement which granted the Board the option to purchase the property, at the specified amount of \$1,100,000, any time between January 1, 2005, and December 1, 2005. Accordingly, the University now requests Board approval to exercise the purchase option, which expires November 30, 2005.

Additional information and copies of the appraisals are available from the Board Office.