

Contact: John Nash

INSTITUTIONAL AGREEMENTS, LEASES AND EASEMENTS

Action Requested: Recommend the Board approve one lease for the benefit of the University of Iowa, one easement for the benefit of Iowa State University and one agreement for the benefit of the University of Northern Iowa.

1. **SUI Lease:** SUI would lease 14,200 square feet of office/clinic space in Coralville from Professional Office Group, LC for \$11.00 per square foot for the first three years (\$156,200/year), \$11.50 for year four and \$12.00 for year five with two three-year renewal options.
2. **ISU Easement:** ISU would grant a permanent and temporary easement to the City of Ames to construct an extension of South Grand Avenue and a realignment of an embankment to Worle Creek for \$11,626.
3. **UNI Agreement:** The University of Northern Iowa requests Board approval to enter into an agreement with Des Moines Area Community College (DMACC) to enhance their partnership.

UNI would pay DMACC \$500,000 annually for the first five years for a total fee of \$2,500,000 for classroom space and offices to expand the UNI/DMACC pathways to higher education programs. This is a 20-year agreement with an option to renew annually.

- *Iowa Code §262.9(8)* authorizes the Regents to acquire real estate for the proper uses of the institutions and dispose of real estate, when not necessary for their purposes.
- *Policy Manual §2.3, section 2.B.ii* requires that leases over 10,000 gross square feet, over \$150,000 in base rent per year or more than five years in duration be approved by the Board.

Item #1 of 3
University of Iowa: Lease

Executive Summary: The University of Iowa requests Board approval of a lease agreement with Professional Office Group for 14,200 square feet of office space at 327 2nd Street, Suite 200 in Coralville to relocate UIHC's Specialty Pharmacy Services and other Pharmacy departments currently located throughout UIHC.

Background: Specialty Pharmacy Services has seen continued growth and has added staff. Relocating back-of-office staff to off-site facilities like this allows the patient prescription fulfillment area to expand and better serve patient needs. This lease fits into UIHC's strategic plan of focusing space within the main hospital complex on direct patient services.

Rent: \$11.00 per square foot for the first three years (\$156,200/year), \$11.50 per square foot for year four (\$163,300/year) and \$12.00 per square foot for year five (\$170,400/year). In addition to base rent, UIHC would also pay its proportionate share of Common Area Maintenance (CAM), taxes, insurance and utilities.

Term: Five years with two three-year renewal options



City of Coralville, southern end

Item #2 of 3
Iowa State University: Easement

Executive Summary: Iowa State University requests Board approval of a roadway easement with the City of Ames for an extension of South Grand Avenue.

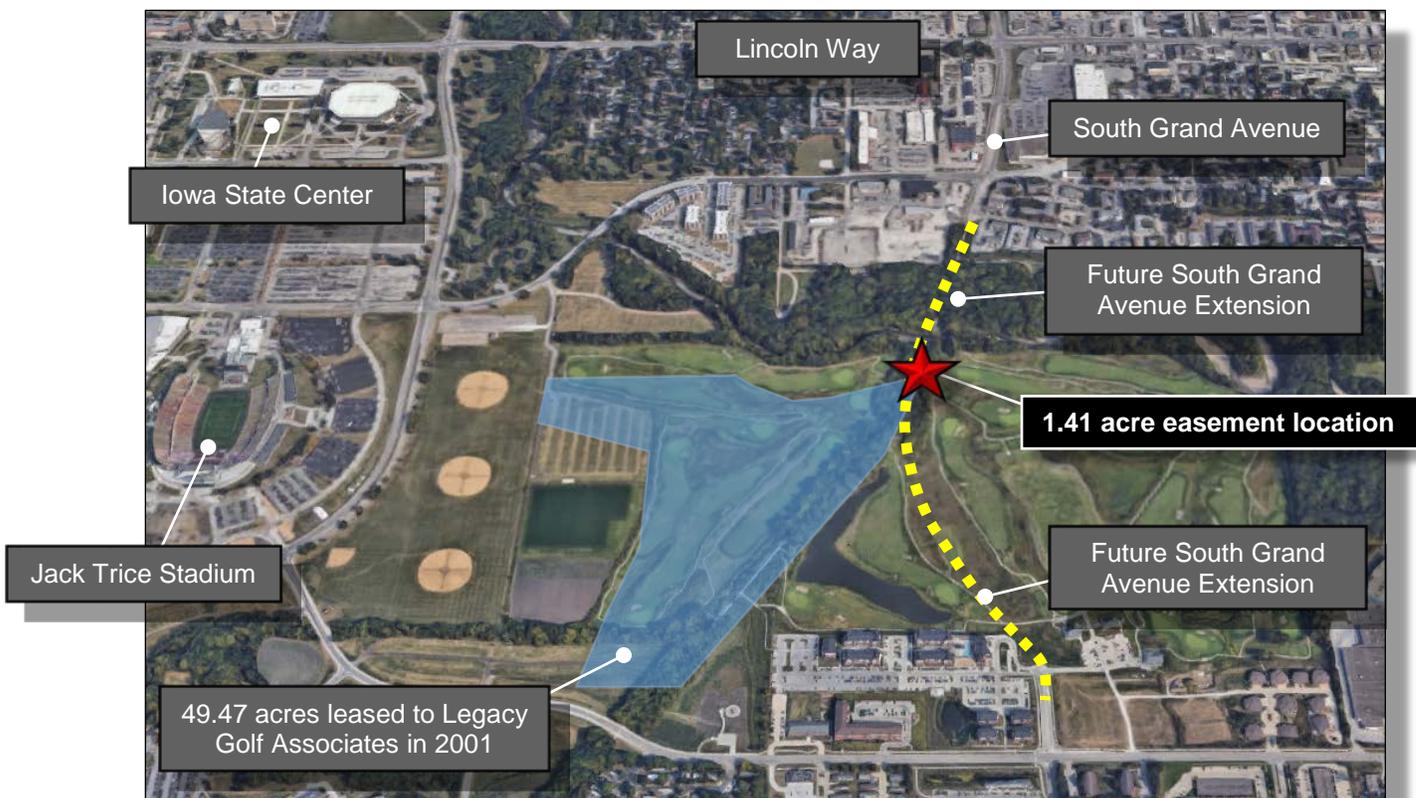
Background: To enhance north-south traffic through the Ames community, the City of Ames plans to extend South Grand Avenue from South 5th Street south to South 16th Street. This road extension is one mile east of ISU's campus. The road construction consists of building a roadway embankment and relocating a portion of Worle Creek.

In 2001, the University leased a tract of 49.47 acres to Legacy Golf Associates, Inc. (see below) for the construction of the western half of Coldwater Golf Course. Approximately, 1.41 acres of these 49.47 acres would be impacted by the proposed roadway extension; 0.908 acres would be a permanent easement and 0.501 acres would be a temporary construction easement.

While negotiating this easement with ISU, the City of Ames entered into a separate agreement with Legacy Golf Associates to take over 1.41 acres of their 49.47 acre lease with ISU, in lieu of using eminent domain. Because the terms of easement better align with the City's intended use of the property, the parties have agreed in the easement that the terms of the easement, rather than the lease, would apply to the City's use of the property.

Cost: \$11,626 would be paid from the City of Ames to ISU, based upon an appraisal process.

Construction: The City plans to bid the road extension in January 2020 and build thereafter.



Iowa State University easement with the City of Ames

Item #3 of 3
University of Northern Iowa: Agreement

Executive Summary: The University of Northern Iowa requests Board approval to enter into an agreement with Des Moines Area Community College (DMACC) to enhance their partnership.

Background: UNI would provide an academic curriculum in DMACC facilities sufficient to complete the last two years of a bachelor's degree, after students have completed the first two years at DMACC.

This would be a 20-year agreement where UNI would pay DMACC \$500,000 in annual installments for a total fee of \$2,500,000 over the first five years. In return, DMACC would provide UNI up to 10,000 square feet in classroom space, four faculty offices and two staff offices over those 20 years. UNI would be added to DMACC's Urban Campus signage and other campus signs as applicable.