

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Institutional Agreements, Leases and Easements
Date: December 1, 2004

Recommended Action:

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

Approval is requested for the following:

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| University of Iowa | Lease agreement with Homesafe for its use of business incubator space in the Technology Innovation Center at the Oakdale Campus. |
| | Lease amendment with 108 Third Street, Des Moines, Iowa, for the University's use of additional space for the Iowa Creative Employment Option. |
| Iowa State University | New lease with Cory Eldridge, State Center, Iowa, for his use of Iowa State University's farmland in Marshall County. |

Background and Analysis:

UNIVERSITY OF IOWA LEASES

Tenant	J&M Associates, LLC dba Homesafe (new)
Area/Location	144 square feet of space in the Technology Innovation Center at the Oakdale Research Park.
Lease Term	One-year period commencing January 1, 2005, through December 31, 2005.
Lease Rate	\$72 per month (\$6 per square foot, \$864 per year).

Use of Space	Homesafe is a nurse case–management healthcare and support service designed to enhance the health and quality of life for older persons living in their homes. Homesafe was organized as a faculty practice business by the University of Iowa College of Nursing in 2000. On July 1, 2004, J&M Associates assumed ownership of the business.
Liability	The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.
Principal Information	The principal, Janet Specht, is an Associate Professor in the College of Nursing.
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Landlord	108 Third L.C. (amendment)
Area/Location	2,542 square feet of space at 108 Third Street, Des Moines, Iowa.
Terms of Amendment	Three–year term commencing October 1, 2004, through September 30, 2007.
Lease Rate	\$2,352.60 per month (\$11.11 per square foot, \$28,231.20 per year). Storage is \$35 per month. Parking spaces are \$35 each month, subject to change.
Use of Space	The space will be used by the Iowa Creative Employment Option, a service of the Center for Disabilities and Development. In consultation with businesses, community rehabilitation programs, and counties throughout Iowa, this program promotes workforce opportunities for individuals with disabilities.
Space/Rate Comparison	Space increase of 1,006 square feet; rate decrease of \$1.78 per square foot. The additional space is needed due to receipt of a new grant and the associated increase in the number of staff. The rate decrease is due to the removal of parking fees from the monthly rent; parking spaces will now be available at an additional charge of \$35 per month per space.
Liability	The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.
Principal Information	The principal, John McRoberts, is not affiliated with the University.
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IOWA STATE UNIVERSITY LEASES

Farm Operator Tenant	Cory Eldridge (new)
Area/Location	1,018.2 acres of farm land, plus 27.2 acres of building site land, at the ISU Rhodes Research Farm.
Lease Term	One–year period commencing March 1, 2005, through February 28, 2006, with the option to automatically renew for additional one–year periods thereafter.

Lease Rate Cash rent in the amount of \$110,622.74 per year (\$140 per acre for crop land, \$50.62 per acre for pasture land, and \$28,585 annually for building site for a total annual cost of \$110,622.74) payable in two equal installments on or before March 1, 2005, and September 1, 2005.

Crop Mix/Lease Rate The mix of the crop land and rental rates per acre are as follows:

	<u>Acres</u>	<u>Rate</u>	<u>Amount</u>
Crop land	341.2	\$140.00	\$ 47,768.00
Pastureland	677.0	50.62	34,269.74
Building Site	<u>27.2</u>		<u>28,585.00</u>
TOTAL	1,045.4		\$110,622.74

Additional Information In June 2003, the College of Agriculture announced that the Rhodes Research Farm operations would be closed due to reduced funding to the Agriculture Experiment Station; the beef cattle research at the Rhodes Farm would be relocated to the McNay Research Farm near Chariton, Iowa.

With the closing of the Rhodes Farm operations, the University wishes to lease a portion of the farm land.

The University conducted a publicly advertised written competitive bid process to determine the highest cash rent offered for this land. The land was divided into three individual tracts, which allowed bidders to bid on the individual tracts or the combined total acreage.

The proposed lease with Cory Eldridge represents the highest bid, which was for the combined total acreage.

The College of Agriculture will utilize the lease revenue to help pay for the relocation of the beef cattle research to the McNay Farm and salaries of ISU staff relocated to other ISU farm operations.

The lease does not include an additional 900 acres of land at the Rhodes Farm that the University will use to complete existing research commitments and land adjacent to the research areas that are being retained due to logistics, overflow grazing, and timber.

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

Principal Information The principal, Cory Eldridge, has no affiliation with the University.


Jean A. Friedrich

Approved: 
Gregory S. Nichols

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