

Contact: Jean Friedrich

INSTITUTIONAL AGREEMENTS, LEASES AND EASEMENTS

Action Requested: Consider recommending to the Board approval of three easements and one lease for the benefit of the University of Iowa and one lease for the benefit of the University of Northern 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 leases each include an indemnification clause and are being reviewed by the Attorney General's Office.

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

CITY OF IOWA CITY

The University of Iowa requests Board approval to enter into a permanent roadway right-of-way and utility easement with the City of Iowa City for the realignment of Park Road and a new Park Road bridge crossing the Iowa River. When the Iowa River reaches flood stage, one of the first areas of roadway affected in Iowa City is Dubuque Street, adjacent to the University's Mayflower Residence Hall. The flooding of Dubuque Street also has significant impact on the ability of University faculty, staff and students who live north of downtown Iowa City to commute to and from campus. Campus operations are likewise seriously impacted. See Attachment A for map of location.

Following the 2008 flood, the City embarked on a plan using federal funds to significantly raise the roadway elevation of Dubuque Street. The plan also calls for the construction of a new Park Road bridge (which intersects with Dubuque Street) and the realignment of Park Road near the University's new Hancher Auditorium now under construction. The City requests the following easements from the University:

- An approximate 10-foot roadway right-of-way and utility easement for the area along Park Road in front of the University's Levitt Center for University Advancement and Hancher Auditorium to facilitate the realignment of Park Road as it approaches the new Park Road bridge; and
- Approximately 37,887 square feet of roadway right-of-way and utility easement across University land between Hancher and the Iowa River to become the new Park Road approach from the west to the new Park Road bridge. This area of University land is currently green space and marsh land along the Iowa River. The City will realign and reconstruct a new walking/biking trail that currently crosses part of this area as part of the roadway project.

There is no monetary consideration being paid to the University for these easements. The University is receiving a direct benefit from the granting of these easements by having Dubuque Street, Park Road and the Park Road bridge all reconstructed and improved at the City's (and federal government) expense. The improvements will alleviate future high water concerns around Mayflower Residence Hall and disruption to traffic flows to and from campus.

MIDAMERICAN ENERGY

As the roadway is realigned and a new bridge constructed, MidAmerican Energy Company will relocate the overhead electric lines to underground. These lines will fit into the City's blanket utility easement; however, the University may need to grant small easement areas to MidAmerican for vault placements. The University requests approval to work with MidAmerican and the Board Office to finalize the specific areas for the vaults and easements as the roadway projects go to bid this winter. Relocating the overhead lines underground will also improve the sightline appearance along Park Road in front of the new Hancher Auditorium.

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

HD CAPITAL PARTNERS, LLC

The University of Iowa requests Board approval to lease approximately 25,500 gross square feet of medical clinic and office space for the University of Iowa Hospital and Clinics in a new facility to be constructed by HD Capital Partners at the corner of Westbury and Middlebury Drives in Iowa City, Iowa. The facility will include ample surface parking to meet City code and the needs and expectations of patients. The location was chosen by UIHC after an extensive search of available building lots in the northeast side of Iowa City. The clinic will be on the corner lot of a mixed use, community commercial area with retail, restaurants, offices, a bank and a wide range of residential housing units. See Attachment B for a map of the location.

The lease term is for 20 years, commencing upon final completion of the new building and certificate of occupancy, with three additional five-year extension options.

The University would have an option to purchase the property at the end of the 10th and 15th lease years at a price to be mutually agreed upon by the parties at the time the option is exercised.

This building is being designed jointly by Landlord and UIHC, the sole tenant, and would be constructed to UIHC specifications to meet specific clinical needs and functions. Since the building design and the fit and finishes are still being developed, the University and HD Capital Partners have agreed to a cost plus contract. Each major building component would be competitively bid, and the University would pay a lease rate based on the actual building cost, land costs, architect, engineering, and site development fees all factored with a rate of 8.25% of all in project costs as the annual base lease payment. The annual base lease payment would be divided by twelve and paid per month. Beginning one year after the lease commencement date, the payment would be adjusted annually by 2% from the previous year base rent. The amount of project costs to be amortized under the lease terms is capped at \$10,750,000. Any project costs exceeding this amount would be paid directly by UIHC to HD Capital Partners within 30 days of the issuance of a certificate of occupancy of the facility.

UIHC will be responsible for all real estate taxes, insurance and maintenance on the facility in addition to the base rent. UIHC intends to self-perform the janitorial and routine maintenance.

This space would be used as a primary care clinic for the Department of Family Medicine. The clinic location on the northeast side of Iowa City provides UIHC with a strategically located clinic adjacent to a thriving neighborhood known as the Olde Towne

Village. It is also convenient for existing patients who live on the east side of Iowa City and eastern and northern parts of Johnson County and western Cedar County.

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

CEDAR VALLEY TECH WORKS, INC. (CVTW)

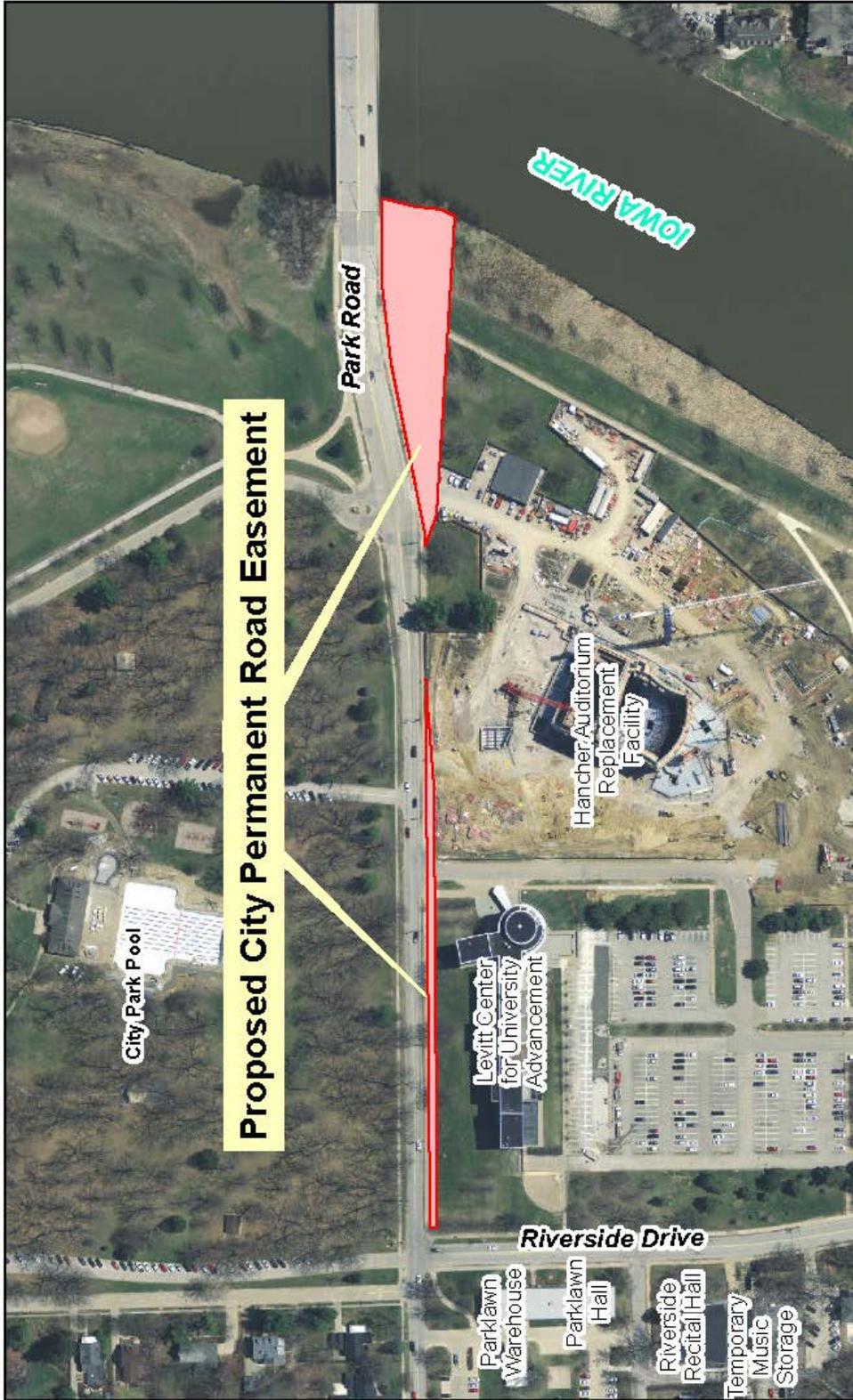
The University of Northern Iowa requests approval to lease approximately 7,290 square feet of the 1st floor of the CVTW Tech-1 facility, 360 Westfield Avenue, Waterloo, Iowa (formerly John Deere Component Works "R" building) for a five-year term commencing on November 1, 2015, through December 31, 2020 with the option to renew for two additional five-year terms. The initial base rent would be \$3,645 per month (\$6.00 per square foot) with an annual increase in years 2-5 based on the percentage increase in the Producer Price Index (PPI) in the previous calendar year. The leased premises consist of 5,766 square feet of shop/mechanical room space, 800 square feet of lab space, 400 square feet of classroom space and 324 square feet of office space.

The space would be used by the UNI Metal Casting Center which operates as an incubation and business acceleration center for the development, experimentation and testing of cast metal molds, cores and other industrial application items by use of 3-D printers and related advanced manufacturing technologies. The office space would be used for visiting faculty, graduate students, the program director, the project manager, other program staff and student helpers. Research meetings, data collection and publication services would also take place in the office areas. Sufficient parking space is available.

In addition to the base rent, the University would be responsible for paying all utility costs for its leased space. The University would also pay its appropriate share of the building insurance, real estate taxes and reasonable maintenance for the common areas. The total annual expenses for the common area maintenance assessments and any other associated expenses cannot exceed ten percent of the total annual lease payment. The net charges for the prorated share of expenses the first year of the lease are estimated at \$1.16 per square foot or \$704.70 per month.

The lease payments would be paid from a combination of funds, including fee for service revenues, state funding and allocations from the Regents Innovation Fund.

Additional information is available from the Board Office.



Proposed City Permanent Road Easement

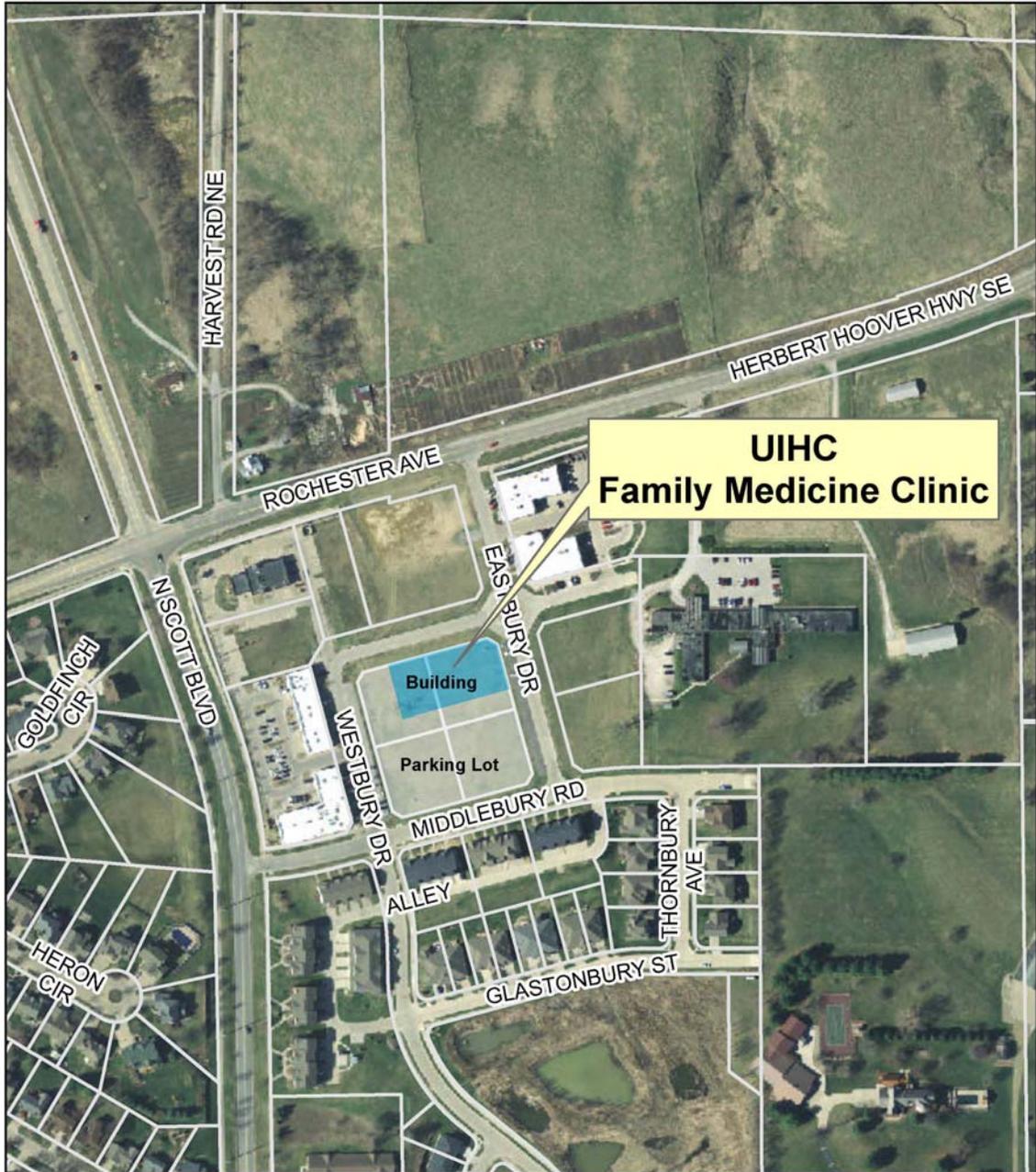
Location Map:
Proposed City Permanent Road Easement
City of Iowa City Project
Reconstruct Park Road and Bridge



1" = 200'



Monday, October 26, 2015
Document Name: 20151026_BOR_Park_Road



Friday, October 23, 2015
Document Name: 20151023_BOR_UIHC_FamilyMedicineClinic1



1" = 250'

Location Map:
**UIHC
Family Medicine Clinic**