

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Institutional Agreements, Leases and Easements
Date: April 9, 2001

Recommended Action:

Approve the leases and easements 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 and easements presented this month have been reviewed by the Attorney General's Office and are recommended for approval. A listing of principals is included as Attachment A to this docket memorandum.

The University of Iowa requests approval of the following:

- Lease agreement with Essential Sciences, Inc., for its use of business incubator space at the Oakdale Research Park;
- Permanent easement agreement with MidAmerican Energy and temporary easement agreement with the City of Iowa City to accommodate the widening and reconstruction of Mormon Trek Boulevard by the City; and
- Permanent and temporary easement agreements with the City of Coralville for construction of the Clear Creek Recreation Trail by the City.

Iowa State University requests approval of the following:

- Lease agreement with U. S. Cellular for its use of space on the roof of the Town Engineering Building for the installation of cellular communication equipment.

The Iowa School for the Deaf requests approval of the following:

- Tenant property rental rates for FY 2002; and
- Lease renewals with Children's Choice County, the Iowa Association of the Deaf, and the West Pottawattamie County Extension District for their use of space on the Iowa School for the Deaf campus.

Background and Analysis:

A. UNIVERSITY OF IOWA

1. ESSENTIAL SCIENCES, INC. (Tenant)—The University requests approval to enter into a new lease as lessor with Essential Sciences, Inc., for its use of 275 square feet of space in the Technology Innovation Center at the Oakdale Campus. The space would be leased at the rate of \$137.50 per month (\$6 per square foot, \$1,650 per year) for a one-year period commencing May 1, 2001, through April 30, 2002.

Essential Sciences, Inc., will use the space to develop science-based solutions to environmental challenges faced by government, industry and agriculture. The firm's work will focus on developing new techniques, processes, products and services that reduce gas emissions.

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

2. EASEMENT AGREEMENTS FOR MORMON TREK BOULEVARD RECONSTRUCTION/EXPANSION PROJECT—The University requests approval to enter into a permanent easement agreement with MidAmerican Energy Company and a temporary easement agreement with the City of Iowa City to accommodate the reconstruction and expansion of Mormon Trek Boulevard from Highway 6 south to Melrose Avenue. (A map of the project area is included as Attachment B.) The City will upgrade the current two-lane boulevard to a four-lane divided highway to accommodate the roadway's heavy traffic volume. Mormon Trek Boulevard is a major arterial roadway and the only paved connection between Iowa City and Coralville on the west side of the metropolitan area.

The permanent easement agreement with MidAmerican Energy would relocate an existing electric transmission line approximately ten feet to the east of its current location along the east side of Mormon Trek Boulevard. The relocation of the electrical line would be completed prior to initiation of the construction project to accommodate the roadway expansion. The easement area, which is identified on Attachment B, consists of a 15 foot wide strip of land approximately 2,463 feet in length.

Since the majority of the roadway project is located on University property, the temporary easement agreement with the City of Iowa City is needed to provide the City with access to the construction area. The easement area consists of a strip of land which generally follows the existing roadway alignment. The temporary easement area, which is also identified on Attachment B, is approximately 4,300 feet long, ranging in width from 180 feet to approximately 500 feet.

The easement agreements require MidAmerican Energy and the City of Iowa City to indemnify, defend and save the University, the Board of Regents, and the State of Iowa, harmless from damages resulting from use of the easement areas, except that which may be unavoidable and beyond the control of MidAmerican Energy, the City of Iowa City, or which may be exempt under Iowa law.

The improvements to Mormon Trek Boulevard will be beneficial to the University and the Iowa City community. The University is proposing to dedicate the easements to MidAmerican Energy and the City of Iowa City at no cost.

Due to the arterial status of Mormon Trek Boulevard, it has been the long-term objective of the City and the University for the roadway to be dedicated to the City upon completion of this project. Accordingly, the University plans to return to the Board following completion of the project for approval of a permanent easement agreement with the City.

3. EASEMENT AGREEMENTS FOR CONSTRUCTION OF CLEAR CREEK RECREATIONAL TRAIL—The University requests approval to enter into permanent and temporary easement agreements with the City of Coralville for the City's construction of the Clear Creek Recreational Trail, which will connect Highway 6 in Coralville to Hawkeye Park Road on the University's far west campus. The trail will provide a much-needed route from Coralville residential and business areas to University Family Housing and Iowa City West High School. The construction project is scheduled for the spring of 2001.

Since the proposed site for the recreation trail is located on University property, the City of Coralville has requested one permanent and two temporary easements for the construction project. A map of the project area with the location of the easement areas is included as Attachment C.

The permanent easement area consists of a continuous 30 feet wide strip of land approximately 4,428 feet in length. Temporary Easement #1, which consists of a continuous 50 feet wide strip of land 4,555 feet in length, includes an access road with an area at the north for the storage of construction materials and vehicle turn-around. This easement will be used primarily for delivering equipment and materials to the project site.

Temporary Easement #2, which consists primarily of a continuous 50 feet wide strip of land approximately 4,428 feet in length, covers the permanent easement area and includes an additional ten feet of land along each side of the length of the permanent easement. The additional area will allow the City to maneuver equipment and materials during the construction project.

The recreation trail will be beneficial to the University and the Iowa City/ Coralville community. The University is proposing to dedicate the easements to the City of Coralville at no cost.

The easement agreements require the City of Coralville to indemnify, defend and save the University, the Board of Regents, and the State of Iowa, harmless from damages resulting from use of the easement areas, except that which may be unavoidable and beyond the control of the City of Coralville, or which may be exempt under Iowa law.

B. IOWA STATE UNIVERSITY

1. U. S. CELLULAR OPERATING COMPANY (Tenant)—The University requests approval to enter into a new lease agreement as lessor with U. S. Cellular Operating Company for its use of a 12 foot by 20 foot area on the roof of the Town Engineering Building on the Iowa State University campus. The space will be leased for a five-year period commencing May 1, 2001, through April 30, 2006, at the rate of \$9,600 per year.

The space will be used to house a cellular communication antennae network, consisting of a small, lightweight equipment shelter and 12 panel antennas. According to the University, the equipment consists of flat panel antennas which would blend with the building architecture and would not damage the building roof. The University reports that a similar lease arrangement with another vendor for the installation of communications equipment on the roof of Ross Hall has been very successful.

The University has indicated that the roof of the Town Engineering Building was last replaced in 1987 and is not expected to require replacement during the lease period. The University plans to set aside the rental income from this lease for the future replacement of the entire roof area of the building.

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

C. IOWA SCHOOL FOR THE DEAF

1. TENANT PROPERTY RENTAL SCHEDULE, FY 2002—The Iowa School for the Deaf requests approval of its tenant property rental schedule for FY 2002. The rental rate for the residences leased by the Director of Facilities and the Director of Student Life will increase 5.3 percent from \$152 per month to \$160 per month. Rates for the apartments, which are made available to staff personnel, will increase 5.2 percent from \$273 per month to \$287 per month. The rental cost for garages will remain at \$20 per month.

The Director of Facilities and the Director of Student Life are key administrators for campus programs and are on call 24 hours a day, seven days a week. The school's experience has been that these individuals are contacted to resolve problems at all times. The tenants pay for electricity while the school provides heat and water.

The rates and terms for the tenant property leases will remain in effect for all such leases the school initiates in FY 2002, with each agreement subject to approval of the Executive Director.

2. CHILDREN'S CHOICE COUNTRY (Tenant)—The School requests approval to renew its lease as lessor with Children's Choice Country for its use of 2,889 square feet of space on the first floor and 2,400 square feet of space on the basement level for a day care center in the Infirmary Building on the Iowa School for the Deaf campus. The space will be leased at the rate of \$2,180 per month, or \$26,160 annually, for a one-year period commencing July 1, 2001 through June 30, 2002. The space on the first floor will be leased at the rate of \$5.80 per square foot, and the space on the basement level will be leased at the rate of \$3.92 per square foot. The proposed rental rates for each level represent increases of approximately 3.6 percent and 3.7 percent over the current lease rates.

Children's Choice Country is a day care provider which gives priority acceptance to the children of Iowa School for the Deaf staff. The School has indicated that it has not proposed a larger rate increase at this time in an effort to keep the tenant and maintain the lease revenue. The School further reports that the proposed rental rate is consistent with current rates in the Council Bluffs area.

The tenant agrees to indemnify, defend, and hold harmless the School

3. WEST POTTAWATTAMIE COUNTY EXTENSION DISTRICT (Tenant)—The School requests approval to renew its lease as lessor with the West Pottawattamie County Extension District for its use of 3,000 square feet of space on the second floor of the Careers Building on the Iowa School for the Deaf campus. The lease will be renewed for a three-year term commencing July 1, 2001, through June 30, 2004, at the rate of \$1,500 per month for FY 2002 (\$6 per square foot, \$18,000 per year). The FY 2002 rate is the same as the rate for FY 2001. This is the same rate paid under the current lease agreement. The lease provides for rental rates of \$1,563 per month for FY 2003 (\$6.25 per square foot, \$18,756 per year), and \$1,625 per month for FY 2004 (\$6.50 per square foot, \$19,500 per year).

The School has indicated that it has not proposed a larger rate increase at this time in an effort to keep the tenant and maintain the lease revenue. The School further reports that the proposed rental rate is consistent with current rates in the Council Bluffs area.

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

4. IOWA ASSOCIATION OF THE DEAF (Tenant)—The School requests approval to renew its lease as lessor with the Iowa Association of the Deaf for its use of 1,120 square feet of space located on the first floor of the Administration Building. The space will be leased for a one-year period commencing July 1, 2001 through June 30, 2002.

In lieu of rental payments, the Iowa Association of the Deaf will continue to provide various in-kind services for the school. The services provided by the Iowa Association of the Deaf include the following: co-sponsoring a summer student leadership program on campus; overseeing the operation of the ISD Hall of History; assisting with the development of a Hall of Fame; providing for an ISD column in each issue of its publication, Sign Language; facilitating positive public relations for the School through various activities including the President's Sign Language Article and Iowa Association of the Deaf board meetings; and maintaining an ongoing dialogue with the School superintendent through a liaison.

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


Sheila Lodge

Approved: 
Frank J. Stork

Attachment A

Listing of Principals for Leases

April 2001

Lease

Principals

University of Iowa

Essential Sciences

Richard Ney, Founder

Mr. Ney is a graduate student in the Department of Civil and Environmental Engineering.

MidAmerican Energy

James Averweg, Vice President

The principal has no affiliation with the University.

City of Iowa City

Ernest Lehman, Mayor

The principal has no affiliation with the University.

City of Coralville

Jim L. Fausett, Mayor

The principal has no affiliation with the University.

Iowa State University

U. S. Cellular Operating Company

Steven Clark

The principal has no affiliation with the University.

Iowa School for the Deaf

Children's Choice Country

Margaret Nielsen

The principal has no affiliation with the School.

Iowa Association of the Deaf

Lester Ahls

The principal has no affiliation with the School.

West Pottawattamie County Extension District

Tom Jensen

The principal has no affiliation with the School.

Scale: 1" = 600'
PLOTTED 04-02-01

THE UNIVERSITY OF IOWA
WEST CAMPUS



Legend

- University boundary
- ||||| Mormon Trek Roadway Temporary Easement
- MidAmerican Electric Easement



ease-west.dwg

Hwy. 6

HAWKEYE COURT
APARTMENTS

HAWKEYE PARKING
SERVICE BLDG.

Hawkeye Park Rd

FACULTY
ART

STUDIOS

HOSPITAL
RECORDS
STORAGE

HAWKEYE STG.

HOUSING SERVICES

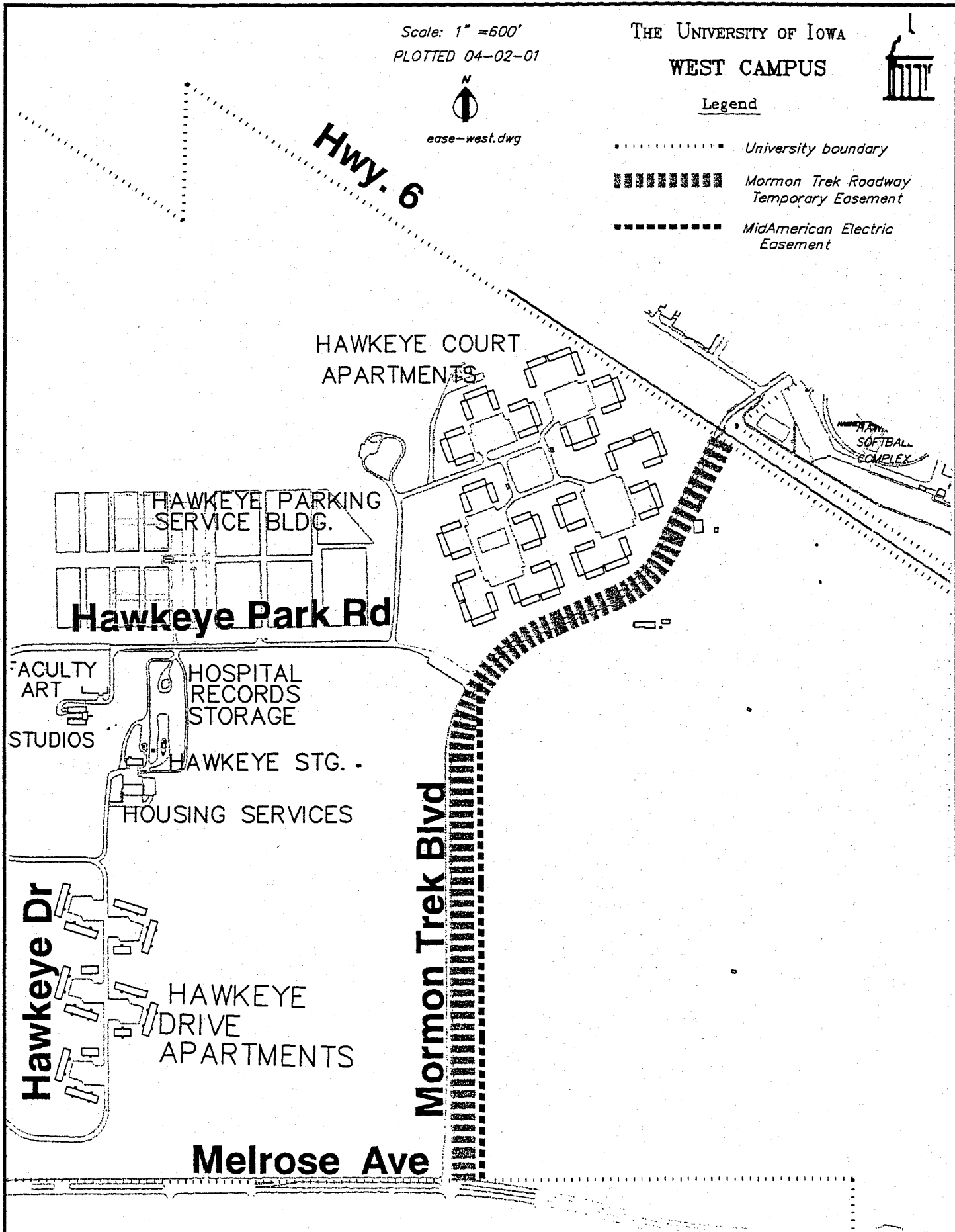
Hawkeye Dr

HAWKEYE
DRIVE
APARTMENTS

Mormon Trek Blvd

Melrose Ave

SOFTBALL
COMPLEX



Scale: 1" = 500'
PLOTTED 04-02-01



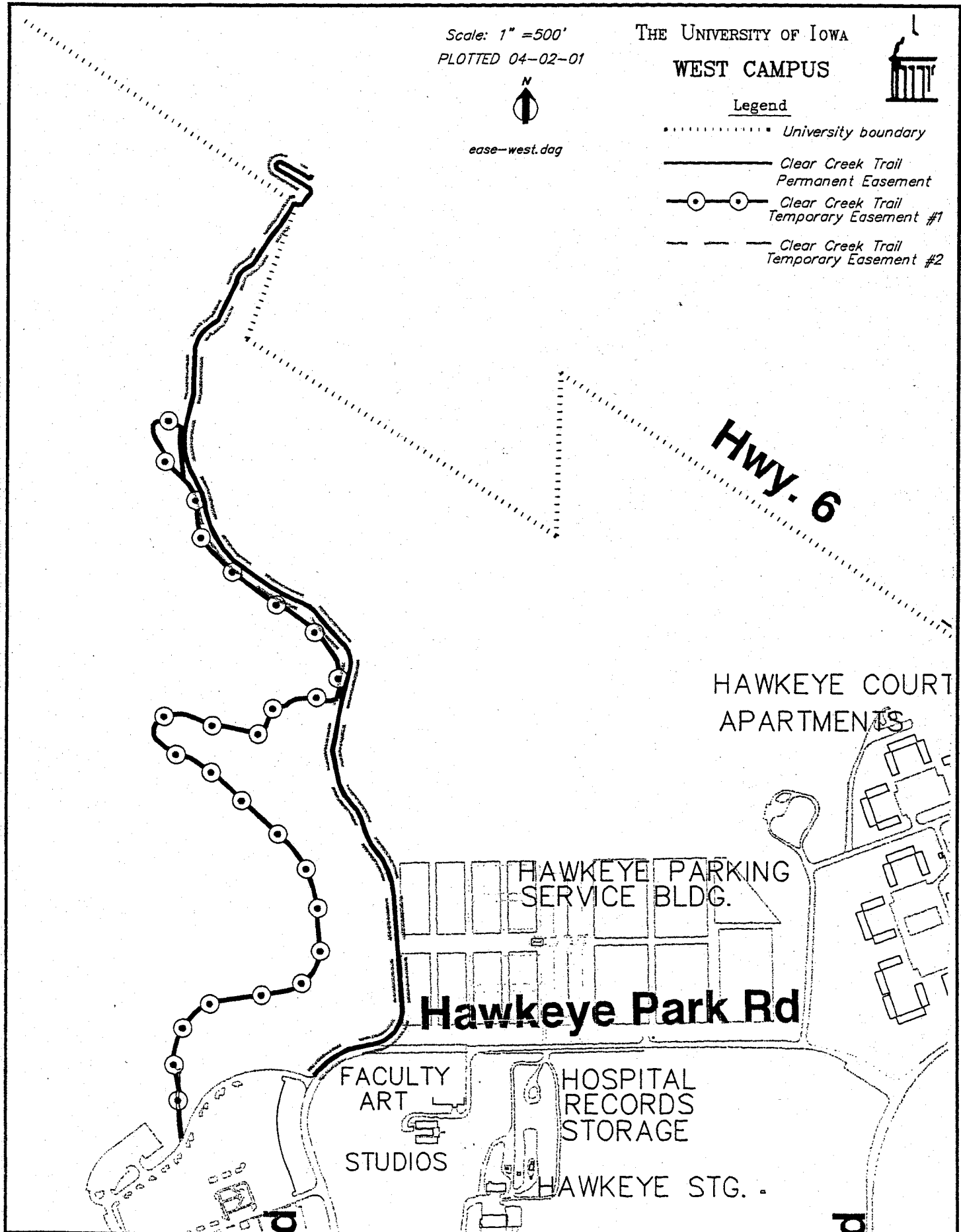
ease-west.dwg

THE UNIVERSITY OF IOWA
WEST CAMPUS



Legend

- University boundary
- Clear Creek Trail
Permanent Easement
- Clear Creek Trail
Temporary Easement #1
- — — Clear Creek Trail
Temporary Easement #2



Hwy. 6

HAWKEYE COURT
APARTMENTS

HAWKEYE PARKING
SERVICE BLDG.

Hawkeye Park Rd

FACULTY
ART
STUDIOS

HOSPITAL
RECORDS
STORAGE

HAWKEYE STG.