

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Institutional Agreements, Leases and Easements
Date: December 4, 2000

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 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 lease agreements with Solberg Investments III for the University's use of space in Rhinelander, Wisconsin, for a research project of the Department of Psychology; Quorum Sciences for its use of business incubator space in the Technology Innovation Center at the Oakdale Campus; and Redwood Square for the University's use of apartment space to provide housing for the University's surgical residents during their rotation at the R. Adams Cowley Shock Trauma Center in Baltimore, Maryland.

Iowa State University requests approval of lease agreements with Atlas Technologies for its use of business incubator space in the Iowa State Innovation System; Banner Investments for the University's use of space in Dubuque, Iowa, for the Child Welfare Research and Training Project; and the Iowa State University Research Park Corporation for the University's use of office and wet laboratory space for the Iowa State Innovation System.

Background and Analysis:

A. UNIVERSITY OF IOWA

1. **SOLBERG INVESTMENTS III (Landlord)**—The University requests approval to enter into a lease agreement as lessee with Solberg Investments III for the University's use of 684 square feet of office and laboratory space located in Rhinelander (Oneida County), Wisconsin. The space will be leased for approximately a four and one-half year period commencing January 1, 2001, through August 31, 2005. The space will be leased at the rate of \$684 per month (\$12 per square foot, \$8,208 per year) for the first year of the lease term. The rental rate will increase approximately 3.3 percent each year up to the rate of \$779.76 per month (\$13.68 per square foot, \$9,357 per year) beginning January 1, 2005 through the remainder of the lease term.

The space will be leased for a research project of the Department of Psychology. It will provide a regional site for the study of child neglect and the development of child aggression funded by a research grant from the National Institutes of Mental Health. The rent for the space will be paid by the grant funds.

The University has indicated that the Wisconsin site, which is one of three sites included in the study, was chosen since it will provide a more rural setting and a larger sample of native Americans than the other sites. The study's sample population needs to reflect a full range of urbanization and ethnicity.

The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with Chapter 669 of the Iowa Code.

2. **QUORUM SCIENCES, INC.**—The University requests approval to renew its lease as lessor with Quorum Sciences for its use of 1,236 square feet of business incubator space (1,029 square feet of laboratory space and 207 square feet of office space) in the Technology Innovation Center at the Oakdale Campus. The space will be leased at the rate of \$961 per month (\$10 per square foot for the laboratory space, \$6 per square foot for the office space, \$11,532 per year) for a ten-month period commencing January 1, 2001 through October 31, 2001. This is the same rate paid under the current lease agreement.

Quorum Sciences is a biomedical research company involved in the development of therapeutics to treat bacterial infections.

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

3. REDWOOD SQUARE (Landlord)—The University requests approval to enter into a lease agreement as lessee with Redwood Square for the University's use of 551 square feet of apartment space located in Baltimore, Maryland. The space will be leased at the rate of \$660 per month (\$14.37 per square foot, \$7,920 per year) for a one-year period commencing January 1, 2001, through December 31, 2001.

The space will provide housing for Department of Surgery residents during their rotation at the R. Adams Cowley Shock Trauma Center in Baltimore. This surgical rotation provides trauma experience in a large urban setting. This level of experience, which is required for certification of the surgical residents, is not available at the University's medical facilities.

The University reports that there is a high demand from across the country for the surgical rotation at the Baltimore trauma center due to the high number of urban traumas treated at this location. While host hospitals for the residency programs typically provide housing for the residents, this is not provided at the Baltimore location due to the demand for this particular program. The University believes that the rental of apartment space is an appropriate expense to allow the surgical residents to participate in this rotation.

The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with Chapter 669 of the Iowa Code.

B. IOWA STATE UNIVERSITY

1. **ATLAS TECHNOLOGIES (Tenant)**—The University requests approval to enter into a lease agreement as lessor with Atlas Technologies for its use of 129 square feet of business incubator space in the Iowa State Innovation System. The space will be leased at the rate of \$175 per month (\$16.28 per square foot, \$2,100 per year) for a six-month period commencing November 1, 2000, through April 30, 2001.

Atlas Technologies develops and produces CD-ROM yearbooks for K-12 students across the nation.

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

2. **BANNER INVESTMENTS (Landlord)**—The University requests approval to enter into a lease agreement as lessee with Banner Investments for the University's use of 130 square feet of office space in Dubuque, Iowa, for use by a staff person with the Child Welfare Research and Training Project of the Department of Human Development and Family Studies. The space will be leased at the rate of \$50 per month (\$4.62 per square foot, \$600 per year) for a nine-month period commencing October 1, 2000, through June 30, 2001.

The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with Chapter 669 of the Iowa Code.

3. **IOWA STATE UNIVERSITY RESEARCH PARK CORPORATION (Landlord)**—The University requests approval to enter into a lease agreement as lessee with the Iowa State University Research Park Corporation for the University's use of a total of 9,910 square feet of space (5,753 square feet of office space and 4,157 square feet of wet lab space) at the ISU Research Park to house the Iowa State Innovation System (ISIS). The space will be leased at the rate of \$10,256.42 per month (\$12 per square foot for the office space, \$13 per square foot for the laboratory space, \$123,077 per year) for a ten-year period commencing January 1, 2001, through December 31, 2010.

The proposed lease agreement revises the lease approved by the Board in November 2000 to include the wet laboratory space. This space will also be leased by ISIS to meet the increasing demand for the use of wet laboratory space by start-up companies.

The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with Chapter 669 of the Iowa Code.



Sheila Lodge

Approved: 

Frank J. Stork

Attachment

Listing of Principals for Leases
December 2000

<u>Lease</u>	<u>Principals</u>
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University of Iowa

Solberg Investments III

T. A. Solberg, Lee Guenther

The principals have no affiliation with the University.

Quorum Sciences

Dr. E. Peter Greenberg

Dr. Greenberg is a professor of microbiology at the University.

Redwood Square

Becky Myers, Property Manager

The principal has no affiliation with the University.

Iowa State University

Atlas Technologies

Michael Reese

The principal is not employed by the University. However, the University has made payments to Mr. Reese for miscellaneous expenses in accordance with established procedures.

Banner Investments

Mike Kielty

The principal has no affiliation with the University.

Iowa State University Research Park

Steven T. Carter, Interim Director

Mr. Carter has received reimbursement for travel-related expenses in accordance with University procedures.