

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Institutional Agreements, Leases and Easements
Date: February 9, 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 renewals with Pharmacom Corporation, Applied Fullerene, Innovative Software Engineering, and Market Technology Systems for their use of business incubator space at the Oakdale Research Park. |
| | Farm lease renewals with Tom Williams and Scott Ogden for their use of University farm land at the Hawkeye Farm and Oakdale Farm in Johnson County, Iowa. |
| | Lease renewal with the International Machinist Union Local Lodge in West Burlington, Iowa, for the University's use of office space for a research survey. |
| Iowa State University | Lease extension with the ISU Research Park Corporation for the University's use of office space in Ames for the Center for Transportation Research and Education. |
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Background and Analysis:

UNIVERSITY OF IOWA

LEASES

Tenant	Pharmacom Corporation (renewal)
Area/Location	264 square feet of office space in the Technology Innovation Center at the Oakdale Research Park.
Lease Rate	\$132 per month (\$6 per square foot, \$1,584 per year).
Space/Rate Comparison	The amount of space and the rental rate are unchanged.
Lease Term	One-year period commencing February 1, 2004, through January 31, 2005.
Use of Space	Pharmacom, a semiconductor-based microelectronic biosensing technology company, uses the space to develop improved detecting and monitoring systems that have application for electronic, optical, chemical and biochemical technologies.
Liability	The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.
Principal Information	The principal, William Wang, has no affiliation with the University.

Tenant	Applied Fullerene (renewal)
Area/Location	362 square feet of space in the Technology Innovation Center at the Oakdale Research Park.
Lease Rate	\$181 per month (\$6 per square foot, \$2,172 per year).
Space/Rate Comparison	The amount of space and the rental rate are unchanged.
Lease Term	One-year period commencing February 1, 2004, through January 31, 2005.
Use of Space	Applied Fullerene develops new nanotechnology-based instruments for use in biotechnology and other fields requiring extremely precise measurements.
Liability	The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.
Principal Information	The principal, Thomas Bahns, has no affiliation with the University.

Tenant	Innovative Software Engineering (renewal)
Area/Location	953 square feet of space in the Technology Innovation Center at the Oakdale Research Park.
Lease Rate	\$476.50 per month (\$6 per square foot, \$5,718 per year).
Space/Rate Comparison	Increase of 240 square feet and \$120 per month (\$1,440 per year).
Lease Term	One-year period commencing March 1, 2004, through February 28, 2005.
Use of Space	Innovative Software Engineering provides custom software development and system integration services for the transportation, wireless communication, and education industries.
Liability	The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.
Principal Information	The principal, Hass Machlab, has no affiliation with the University.

Tenant	Market Technology Systems (renewal)
Area/Location	286 square feet of space in the Technology Innovation Center at the Oakdale Research Park.
Lease Rate	\$143 per month (\$6 per square foot, \$1,716 per year).
Space/Rate Comparison	The amount of space and the rental rate are unchanged.
Lease Term	One-year period commencing March 1, 2004, through February 28, 2005.
Use of Space	Market Technology Systems seeks commercial applications for and promotes prediction markets as a decision analysis tool; the development of prediction markets results from research on political futures markets conducted by the College of Business.
Liability	The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.
Principal Information	The principals, Forest Nelson, Joyce Berg, George Neumann, and Tom Rietz are professors in the Tippie College of Business.

Farm Operator Tenant **Tom Williams (renewal)**

Area/Location 59.2 acres of farm land known as the Hawkeye Area Farm.

Lease Rate Cash rent in the amount of \$4,825 per year (an average of \$81.50 per acre) payable in equal installments on or before March 1, 2004, and December 1, 2004.

All costs including operations, seed, fertilizer, lime and chemicals are to be paid by the tenant.

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>
Corn or set-aside	24.9	\$ 110	\$ 2,739
Soybeans	23.8	70	1,666
Hay	<u>10.5</u>	40	<u>420</u>
TOTAL	59.2		\$ 4,825

The quality of land at the Hawkeye Area Farm is below average for Johnson County.

Acreeage/Rate Comparison No changes in the total acres or the rental rate for each crop, but an increase in rental income of \$44 due to changes in the crop mix.

Changes in crop mix and total acres from 2003 to 2004 are summarized below:

	<u>2003 Acres</u>	<u>2004 Acres</u>
Corn or set-aside	23.8	24.9
Soybeans	24.9	23.8
Hay	<u>10.5</u>	<u>10.5</u>
TOTAL	59.2	59.2

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

Principal Information The principal, Tom Williams, has no affiliation with the University. Mr. Williams has been leasing land at the Hawkeye Area Farm since 1986.

Farm Operator Tenant **Scott Ogden (renewal)**

Area/Location 34.2 acres of farm land known as the Oakdale Farm.

Lease Rate Cash rent in the amount of \$1,150.50 per year (an average of \$33.64 per acre) payable on or before December 1, 2004.

All costs including operations, seed, fertilizer, lime and chemicals are to be paid by the tenant.

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>
Corn	12.9	\$ 60	\$ 774.00
Hay	5.7	25	142.50
Pasture	<u>15.6</u>	15	<u>234.00</u>
TOTAL	34.2		\$ 1,150.50

The quality of land at the Oakdale Farm is below average for Johnson County.

Acreage/Rate Comparison No changes in the total acres or the rental rate for each crop.

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

Principal Information The principal, Scott Ogden, has no affiliation with the University. Mr. Ogden has been leasing land at the Oakdale Farm since 1990.

Landlord **International Machinist Union Local Lodge (renewal)**

Area/Location 200 square feet of office space located in West Burlington, Iowa.

Lease Rate \$100 per month (\$6 per square foot, \$1,200 per year).

Space/Rate Comparison The amount of space and the rental rate are unchanged.

Lease Term One-year period commencing February 1, 2004, through January 31, 2005, with two additional one-year extensions through January 31, 2007.

Use of Space The space is used by the University's College of Public Health Department of Occupational and Environmental Health for a research survey of the Iowa Army Ammunition Plant in West Burlington. The study, which is funded by the U. S. Department of Energy, includes the identification, collection, and interpretation of existing historical exposure assessment and medical surveillance data associated with the handling of atomic weapons by former workers in the ammunition plant. The leased space is located near the ammunition plant, providing a convenient site to undertake the survey with former plant employees.

Liability 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.

Principal The principal, Dan Shacklett, President, has no affiliation with the University.

IOWA STATE UNIVERSITY

LEASE

Landlord **ISU Research Park Corporation (extension)**

Area/Location Approximately 14,156 square feet of office space at the ISU Research Park.

Lease Term Five-year period commencing June 15, 2004, through June 30, 2009.

Lease Rate \$14,568.88 per month (\$12.35 per square foot, \$174,826.56 per year).

Space/Rate Comparison The amount of space and the rental rate are unchanged. All other terms and conditions of the lease are to remain the same as stated in the original agreement.

Use of Space Iowa State University Center for Transportation Research and Education.

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

Principal Information The Principal, Steven T. Carter, is Director of the ISU Research Park.


Jean A. Friedrich

Approved: 
Gregory S. Nichols