

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Institutional Agreements, Leases and Easements
Date: July 7, 2003

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.

A report of the Attorney General's Office review of the leases will be made at the July meeting.

Approval is requested for the following:

University of Iowa	<p>Lease agreement with Plaza Centre One Owners Association for the University's use of 325 square feet of storage space in the Plaza Centre One Building in Iowa City.</p> <p>Lease agreements with Ramaanchar Technologies, Optimal Electronics Corporation, Vertex, and AudioNet International, for their use of business incubator space at the Oakdale Research Park.</p> <p>Sublease amendment with the Quad Cities Graduate Study Center for the University's continued use of space at Augustana College, Rock Island, Illinois, by the School of Social Work.</p> <p>Lease amendment with the U. S. Government, Department of Veterans Affairs Medical Center, for its continued use of laboratory research space in the Carver College of Medicine facilities.</p>
Iowa State University	<p>Lease agreement with NDE Technologies for its use of business incubator space at the ISU Research Park.</p> <p>Lease renewal with Dayton Road Development Corporation for the University's continued use of space in Ames for the Small Business Development Center.</p>
Iowa School for the Deaf	<p>Lease renewal with School employee Michelle Konvalin for her continued use of a residence on the Iowa School for the Deaf campus.</p>

Background and Analysis:

UNIVERSITY OF IOWA

LEASES

Landlord	Plaza Centre One Owners Association (new)
Area/Location	Approximately 325 square feet of storage space located in Suite 85 of the Plaza Centre One Building, 125 Dubuque Street, Iowa City, Iowa.
Lease Term	Five-year period commencing July 1, 2003, through June 30, 2008.
Lease Rate	\$125 per month (\$4.61 per square foot, \$1,500 per year).
Use of Space	Record storage space for the University Purchasing and Accounts Payable Departments; these offices are located on the second and third floors of the Plaza Centre One Building.
Additional Information	The University of Iowa Facilities Corporation, which is a member of the Plaza Centre One Owners Association, owns the second and third floors of the building and leases this space to the University.
Liability	The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with <u>Iowa Code Chapter 669</u> .
Principal Information	The principals, Gerry Ambrose and David Biancuzzo, have no additional affiliation with the University.

Tenant	Ramaanchar Technologies (new)
Area/Location	129 square feet of space in the Technology Innovation Center at the Oakdale Research Park.
Lease Term	One-year period commencing July 1, 2003, through June 30, 2004.
Lease Rate	\$64.50 per month (\$6 per square foot, \$774 per year).
Use of Space	Ramaanchar Technologies would utilize the space to provide information technology and software development services, including database management systems and software engineering.
Liability	The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.
Principal Information	The principals, Raman Aravamudhan, CEO, and R. Subathra Aravamudhan, President, have no affiliation with the University.

Tenant	Optimal Electronics Corporation (renewal)
Area/Location	542 square feet of space in the Technology Innovation Center at the Oakdale Research Park.
Lease Term	One-year period commencing August 1, 2003, through July 31, 2004.
Lease Rate	\$451.67 per month (\$10 per square foot, \$5,420 per year).
Use of Space	The property will continue to be used for research and development of computer-aided, concurrent, and logistics engineering and related software development, marketing and consulting services.
Space/Rate Comparison	Decrease of 677 square feet of space; the rental rate per square foot is unchanged.
Liability	The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.
Principal Information	The principal, Ranko Vujosevic, has no affiliation with the University.

Tenant	Vertex, L.L.C. (renewal)
Area/Location	1,816 square feet of space (1,560 square feet of laboratory space and 256 square feet of office space) in the Multi-Tenant Facility at the Oakdale Research Park.
Lease Term	One-year period commencing August 1, 2003, through July 31, 2004.
Lease Rate	\$1,806.33 per month (\$12.50 per square foot for the laboratory space, \$8.50 per square foot for the office space, \$21,676 per year).
Space/Rate Comparison	The amount of space and rental rate are unchanged.
Use of Space	Vertex is a biomedical research company involved in the development of therapeutics to treat bacterial infections.
Liability	The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.
Principal Information	Al Vaz, Vice President of Operations. Vertex has licensed several patents from the University of Iowa Research Foundation and maintains a collaborative relationship with Professor E. P. Greenberg of the Department of Microbiology of the College of Medicine.

Tenant	AudioNet International (renewal)
Area/Location	1,272 square feet of space (1,180 square feet of office space and 92 square feet of storage space) in the Technology Innovation Center at the Oakdale Research Park.
Lease Term	One-year period commencing August 1, 2003, through July 31, 2004.
Lease Rate	\$866.50 per month (\$8.50 per square foot office space and \$4.00 per square feet for the storage space, \$10,398 per year).
Use of Space	AudioNet combines telephone communication with specially designed Internet web sites to deliver speeches, seminars or presentations to business associates and/or organization members. The AudioNet system was developed as a convenient, efficient, cost-effective and user-friendly approach for delivering high-quality training and professional/continuing education programs for a wide range of professions.
Space/Rate Comparison	<p>Rate increase of \$2.50 per square foot for the office space (the rate for the storage space is unchanged); the amount of space is unchanged.</p> <p>The increase is consistent with the rental rate schedule for the Research Park.</p>
Liability	The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.
Principal Information	<p>Michael Garvin, Chief Operating Officer, is employed as a safety engineer with the University of Iowa Hospitals and Clinics.</p> <p>John Beck, President and CEO, has no affiliation with the University.</p>

Landlord	Quad Cities Graduate Study Center (sublease amendment)
Area/Location	140 square feet of space on the Augustana College campus in Rock Island, Illinois. (The Quad Cities Graduate Study Center leases the space from Augustana College.)
Terms of Amendment	Extension of lease for one-year period commencing September 1, 2003, through August 31, 2004.
Lease Rate	\$140 per month (\$12 per square foot, \$1,680 per year).
Use of Space	School of Social Work's Education Center at the Quad Cities Graduate Center.
Space/Rate Comparison	Rate increase of \$0.19 per square foot; the amount of space is unchanged.

Additional Information	All other terms of the existing agreement would remain in effect.
Liability	The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with <u>Iowa Code</u> Chapter 669.
Principal Information	The principal, Charles E. Laws, Director, has no affiliation with the University.

Tenant	U. S. Government, Department of Veterans Affairs Medical Center (amendment)
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Area/Location	Approximately 8,140 square feet of laboratory space in the Carver College of Medicine facilities (Medical Research Center, Medical Laboratories, Eckstein Medical Research Building, Westlawn and Medical Research Facility).
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The total square footage, which may vary as room assignments change, will not exceed 10,000 square feet.

Terms of Amendment	Extension of lease for two additional two-year periods commencing July 1, 2003 through June 30, 2005, and July 1, 2005 through June 30, 2007.
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Lease Rate	The space would continue to be leased to the tenant at no cost.
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Use of Space	Laboratory research space for the Department of Veteran Affairs. <ul style="list-style-type: none">• The College of Medicine and the Department of Veterans Affairs coordinate the assignment of space for research activities among their respective facilities.• The Carver College of Medicine includes faculty with staff appointments with the Department of Veterans Affairs; in addition, the University receives research funding from the Department.
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Space/Rate Comparison	The lease terms are unchanged.
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Additional Information	All other terms of the existing agreement would remain in effect.
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Liability	The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.
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Principal Information	The principal, Patricia Parker, has no affiliation with the University.
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IOWA STATE UNIVERSITY

LEASES

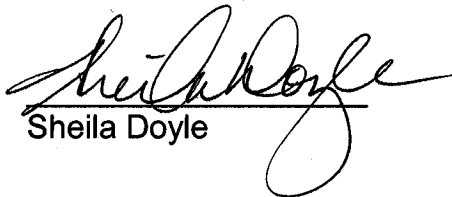
Tenant	NDE Technologies (new)
Area/Location	272 square feet of space in the Iowa State Innovation System at the ISU Research Park.
Lease Term	Six-month period commencing June 1, 2003, through November 30, 2003.
Lease Rate	\$450 per month (\$19.85 per square foot, \$5,400 per year).
Use of Space	NDE Technologies develops and markets physics-based simulation and modeling software focusing on non-destructive evaluation, testing and inspection applications.
Liability	The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.
Principal Information	Dr. Joseph Gray is employed as an adjunct associate professor in the Center for Nondestructive Evaluation and has received reimbursements for travel-related expenses. Mr. Irving Gray has no affiliation with the University.


Landlord	Dayton Road Development Corporation (extension)
Area/Location	2,401 square feet of office space located at 137 Lynn Avenue, Ames, Iowa.
Terms of Extension	A month-to-month basis effective October 1, 2003, not to extend beyond September 30, 2004. (The Center plans to relocate to the Gerdin Business Building, which is scheduled for completion in late fall 2003.)
Lease Rate	\$2,706 per month (\$13.52 per square foot, \$32,472 per year).
Use of Space	Small Business Development Center.
Space/Rate Comparison	Rate increase of \$53 per month; the amount of space is unchanged.
Additional Information	All other terms of the existing agreement would remain in effect.
Liability	The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with <u>Iowa Code</u> Chapter 669.
Principal Information	The principal, Bill Woodward, has no affiliation with the University.

IOWA SCHOOL FOR THE DEAF

LEASE

Tenant	Michelle Konvalin (renewal)
Area/Location	Iowa School for the Deaf residence located at 2901 Valley View Drive, Council Bluffs, Iowa.
Lease Rate	\$665 per month (\$7,980 per year).
Lease Term	One-year period commencing July 1, 2003, through June 30, 2004.
Use of Space	Residence for School employee Michelle Konvalin.
Space/Rate Comparison	Rate increase of \$15 per month; the amount of space is unchanged.
Liability	The lease agreement requires the tenant to indemnify, defend, and hold harmless the School.
Principal Information	Ms. Konvalin is employed by the School as a house parent in the Girls Residence.


Sheila Doyle

Approved: 
Gregory S. Nichols