

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Institutional Agreements, Leases and Easements
Date: June 1, 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:

- Sublease amendment for the School of Social Work with the Quad Cities Graduate Study Center which leases space on the Augustana College campus in Rock Island, Illinois;
- Permanent easement and lease agreement with Digital Teleport, Inc. (DTI) which is constructing telecommunications facilities from Kansas City to Chicago through University property; as consideration, DTI would provide fiber optic connections between the Main Campus, and the Hawkeye Area and the Oakdale Campus;

Iowa State University requests approval of the following:

- Renewal of Memoranda of Agreements with the Iowa State University Book Store and University Copy Center for their use of space in the Union;
- Renewal of agreement with AmerUs Life Holdings for the University's continued use of space in the AmerUs Conference Center located at 699 Walnut Street, Des Moines, Iowa for the MBA program; and
- Cooperative agreement among Iowa State University, the Government of the Student Body of Iowa State University, and the City of Ames in support of transit services in the City of Ames, commonly known as Cy-Ride.

The University of Northern Iowa requests approval of a sublease agreement with College Hill Neighborhood Association for the University's use of space for the Students Against a Violent Environment Center.

The Iowa Braille and Sight Saving School requests approval of renewal of lease agreements for space on the School's campus with:

- Happy Time Child Development Center for its use of space as a day care center;
- Iowa Department of Public Health for its use of office space; and
- Vinton-Shellsburg Community School District for its use of space for offices and an early childhood program.

Background and Analysis:

A. UNIVERSITY OF IOWA

1. QUAD CITIES GRADUATE STUDY CENTER (Landlord) - The University requests approval of an amendment to its sublease, as sublessee, with the Quad Cities Graduate Study Center, which leases space on the Augustana College campus in Rock Island, Illinois. The sublease provides for the use of 140 square feet of office space. The amendment will extend the lease for a one-year period commencing September 1, 2001, through August 31, 2002, at the rental rate of \$135.08 per month (\$11.64 per square foot, \$1,629.60 per year), which is an increase of approximately 2.8 percent over the current lease rate.

The space is used by the School of Social Work's Education Center at the Quad Cities Graduate Center. This location is advantageous for the coordination of the practicum placement of students in the Master of Social Work program.

All other terms of the existing agreement will remain in effect including the requirement for the University to be responsible for claims arising from its use and occupancy of the space in accordance with Iowa Code Chapter 669.

2. DIGITAL TELEPORT, INC., EASEMENT AND LAND LEASE (Tenant) – Digital Teleport Inc. (DTI), a Missouri Corporation, is constructing telecommunications facilities along a route from Kansas City to Chicago. The facilities will pass through University of Iowa property. DTI's facilities will include underground duct bank, fiber optic cable, and ancillary structures. The University wishes to use DTI's facilities as a connection between the Main Campus, Hawkeye Area and the Oakdale Campus. The University has stated that this will not change the University's use of the ICN in any way.

In exchange for granting a land lease and accompanying easement, DTI will provide the University with ownership of approximately six miles of fiber conduit connecting the Main Campus, Hawkeye Area and Oakdale Campus. The University will use the conduit to install fiber to provide communication and data connection between the facilities.

The term of the lease is 25 years, commencing July 1, 2001, with two five-year renewal options. The property consists of two parallel strips of land, one that is approximately 29 feet by 85 feet and one that is approximately 29 feet by 75 feet. The property will be used to construct, operate, and maintain the DTI equipment building(s). The property is located west of the intersection of Mormon Trek Road and the bicycle path as shown on Attachment B. The lease includes standard indemnification language.

The proposed easement (also shown on Attachment B) will consist of a 10 feet wide strip of land approximately 13,422 feet long – 134,220 square feet. The easement includes Digital Teleport, Inc.'s agreement to indemnify, defend and hold harmless, the University, the Board of Regents, and the State of Iowa, from damages resulting from use of said premises except such as may be due to unavoidable casualty beyond Digital Teleport Inc.'s control and without its fault or such as Digital Teleport Inc. may be exempt from under the laws of Iowa.

B. IOWA STATE UNIVERSITY

1. MEMORIAL UNION MEMORANDA OF AGREEMENT - The University seeks renewal of Memoranda of Agreement between the Memorial Union (landlord) and the University Book Store and University Copy Center (tenants) for FY 2002. The Memorial Union provides utilities and standard building maintenance, and the tenants provide their own fixtures, equipment, and associated maintenance. The agreements include standard indemnification language.
 - a. IOWA STATE UNIVERSITY BOOK STORE - The University Book Store occupies 20,000 square feet of space on the ground and basement levels of the southeast addition of the Memorial Union. The agreement will be renewed at the rate of \$8.35 per square foot (\$167,000 per year) to be paid in 11 monthly installments of \$13,916.67 and one monthly installment of \$13,916.63. This is an increase of 2.5 percent over the current agreement.
 - b. UNIVERSITY COPY CENTER - The University Copy Center currently occupies a total of 2,299 square feet of space in the basement games area of the Memorial Union. This amount includes 1,400 square feet of space for the Copy Center's operations and 899 square feet of semi-finished storage space adjacent to the Copy Center.

The lease of 1,400 square feet of unfinished space will be renewed at the rate of \$3.80 per square foot (\$5,320 per year), which is an increase of 5.6 percent over the current agreement. The 899 square feet of semi-finished storage space will be leased at the rate of \$4.20 per square foot (\$3,775.80 per year), which is an increase of 5.0 percent over the current rate. The total space for the Copy Center will be leased at the rate of \$9,095.80 per year to be paid in 11 monthly installments of \$757.99 and one monthly installment of \$757.91.

The University Copy Center provides space for one of the University Printing Department's satellite copy centers. It provides service for faculty and staff on the southeast corner of the campus and accommodates many student needs. This is the only cash copy center which the Printing Department operates.

2. AMERUS LIFE HOLDINGS (Landlord) - The University requests approval to renew its agreement with AmerUs Life Holdings for the University's continued use of space in the AmerUs Conference Center located at 699 Walnut Street, Des Moines, Iowa. The University began utilizing the space for its evening MBA program during the 2001-2002 academic year. The renewal will provide use of the space for the MBA program during the 2001-2002 academic year.

The University will continue to utilize the space two evenings each week (Tuesday and Thursday), at the rate of \$220 per evening which, which is the same rate as paid during the 2000-2001 academic year. Based on the estimated use of 72 evenings for the academic year, the cost under the proposed agreement would total \$15,840. This amount is a reduction from the 2000-2001 academic year which was based upon the same evening rental rate but use of 140 evenings for the academic year. As the Des Moines Higher Education Center will not be able to accommodate all of the University's MBA classes, the University has stated that it will be necessary to continue the use of space in the AmerUs Group Conference Center.

The AmerUs space provides a main conference room which accommodates 50 individuals, high technology audio-visual equipment, and computer connectivity capability. In addition, the conference center includes a creativity room, small meeting room, video conference room, and a lounge area with telephone access. Catering, fax, and photocopying are also available on the site. In addition to the highly accessible downtown location on the skywalk, the facility provides a high quality, excellent learning environment.

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

3. TRANSIT SERVICES AGREEMENT - In 1981, the University, the Government of the Student Body, and the City of Ames entered into a joint agreement to support transit services, commonly referred to as CyRide. The cooperative agreements have continued since that time, with the current agreement expiring June 30, 2001. The program is funded by these three entities in addition to federal funds and revenue from user fees.

The transit system is administered by an Ames Transit Agency Board of Trustees consisting of representatives of the University (including students) and the City. The cooperative agreement has resulted in a successful program which has provided significant cost savings and expansion of the public transit services within the City. The new agreement would be in effect for a five-year period beginning July 1, 2001, through June 30, 2006.

C. UNIVERSITY OF NORTHERN IOWA

1. COLLEGE HILL NEIGHBORHOOD ASSOCIATION (Landlord) - The University requests approval to enter into a sublease agreement with College Hill Neighborhood Association (CHNA) for the University's use of space located at 2222 College Street, Cedar Falls, for use by the Students Against a Violent Environment Center. The location of the property is shown on Attachment C to this memorandum.

The sublease would be for one year, July 1, 2001 to June 30, 2002, at \$2,400 per year for use of 30% of the property 100% of the time. The property is approximately 1,100 gross square feet (approximately \$7.27 per gross square foot per year). Other tenants include the CHNA (20% of the space) and the City of Cedar Falls (50% of the space), which also leases space from CHNA.

The facility will house the SAVE (Students Against a Violent Environment) Center, which will be staffed by the SAVE Center Director who will coordinate campus violence prevention efforts in collaboration with the Family Services League, the Cedar Falls Police Department, the College Hill Neighborhood Association, and the University's Department of Public Safety. The center will function as a hub, linking the campus community to agencies currently serving the campus in the area of victim services and law enforcement. Funding for the office and its programming would be provided by a \$500,000 grant awarded to UNI Women's Studies by the United States Justice Department, Campus Violence Prevention Program. Several student-centered prevention programs will be run from the office including the Mentors in Violence Prevention Program, a men's violence prevention program; and SAVE Frontline, a peer-to-peer violence prevention program.

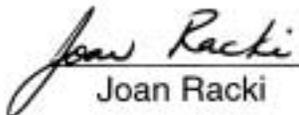
The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with Iowa Code Chapter 669.

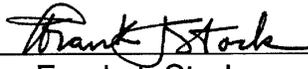
D. IOWA BRAILLE AND SIGHT SAVING SCHOOL

1. The School requests approval to renew agreements with the following tenants for their use of space on the Iowa Braille and Sight Saving School campus. The agreements will be renewed for a one-year period commencing July 1, 2001, through June 30, 2002. The proposed rental rates reflect increases of approximately 10 percent per square foot for all tenants.

The tenants agree to indemnify, defend and hold harmless the school as customarily required.

- a. HAPPY TIME CHILD DEVELOPMENT CENTER - The lease will be renewed for 5,084 square feet of space located in the Cottage Building at the rate of \$1,309.13 per month (\$3.09 per square foot, \$15,709.56 per year).
- b. IOWA DEPARTMENT OF PUBLIC HEALTH - The lease will be renewed for 222 square feet of office space located in the Old Hospital Building at the rate of \$685.98 per year (\$3.09 per square foot).
- c. VINTON-SHELLSBURG COMMUNITY SCHOOL DISTRICT -The lease for office space will be renewed for 3,118 square feet beginning July 1, 2001, increasing to 5,673 square feet effective August 1, 2001, (additional square footage to be used for an early childhood program), through the remainder of the lease term at the rate of \$3,724.48 for the first quarter, and increasing to \$4,382.39 per quarter for the second, third and fourth quarters (\$3.09 per square foot, \$16,871.65 per year).


Joan Racki

Approved: 
Frank J. Stork

Attachment A

Listing of Principals for Leases
June 2001

<u>Lease</u>	<u>Principals</u>
University of Iowa	
<u>Quad Cities Graduate Study Center</u> The principal has no affiliation with the University.	<u>Charles E. Laws, Director</u>
<u>Digital Teleport, Inc.</u> The principal has no affiliation with the University.	<u>Paul Pierron, CEO</u>
Iowa State University	
<u>Memorial Union</u> The principals are not affiliated with the University.	<u>Mary Jo Mertens</u> <u>Peter G. Kaser</u>
<u>AmerUs Life</u> The principal is not affiliated with the University.	<u>Jonna M. La Toure</u>
<u>City of Ames</u> The principal is not employed by the University. The University reports that payments have been made to the City in accordance with established purchasing procedures.	<u>Ted Tedesco, Mayor</u>
University of Northern Iowa	
<u>College Hill Neighborhood Association</u> The principal has no affiliation with the University.	<u>Terry Beck, President</u>

Attachment A
(continued)

Iowa Braille and Sight Saving School

Happy Time Child Development Center

Laura Worthen, Director

The principal has no affiliation with the School.

Iowa Department of Public Health

Stephen Gleason, Director
David Fries, Deputy Director

The principals have no affiliation with the School.

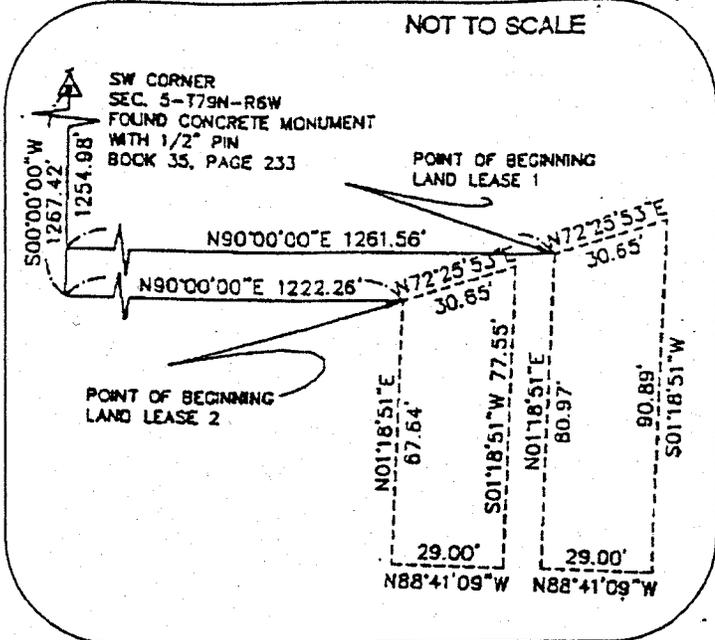
Vinton-Shellsburg Community School District

Dr. Randy Braden, Superintendent
Thomas J. Husnik, President

The principals have no affiliation with the School.

NOT TO SCALE

Attachment B

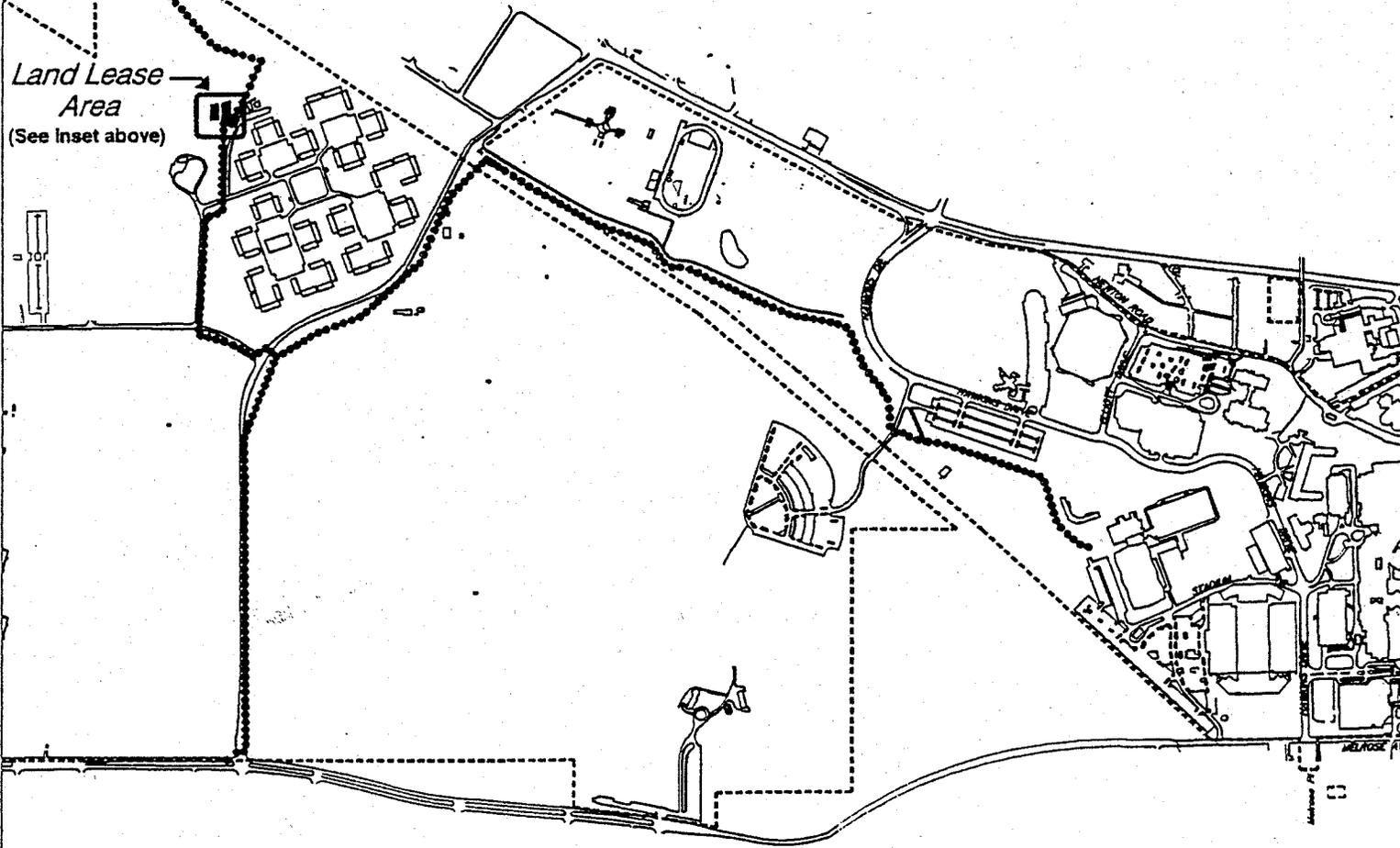


Scale: 1" = 1100'

LEGEND

- University Boundary
- Proposed Telecommunications Easement

Land Lease Area
(See inset above)



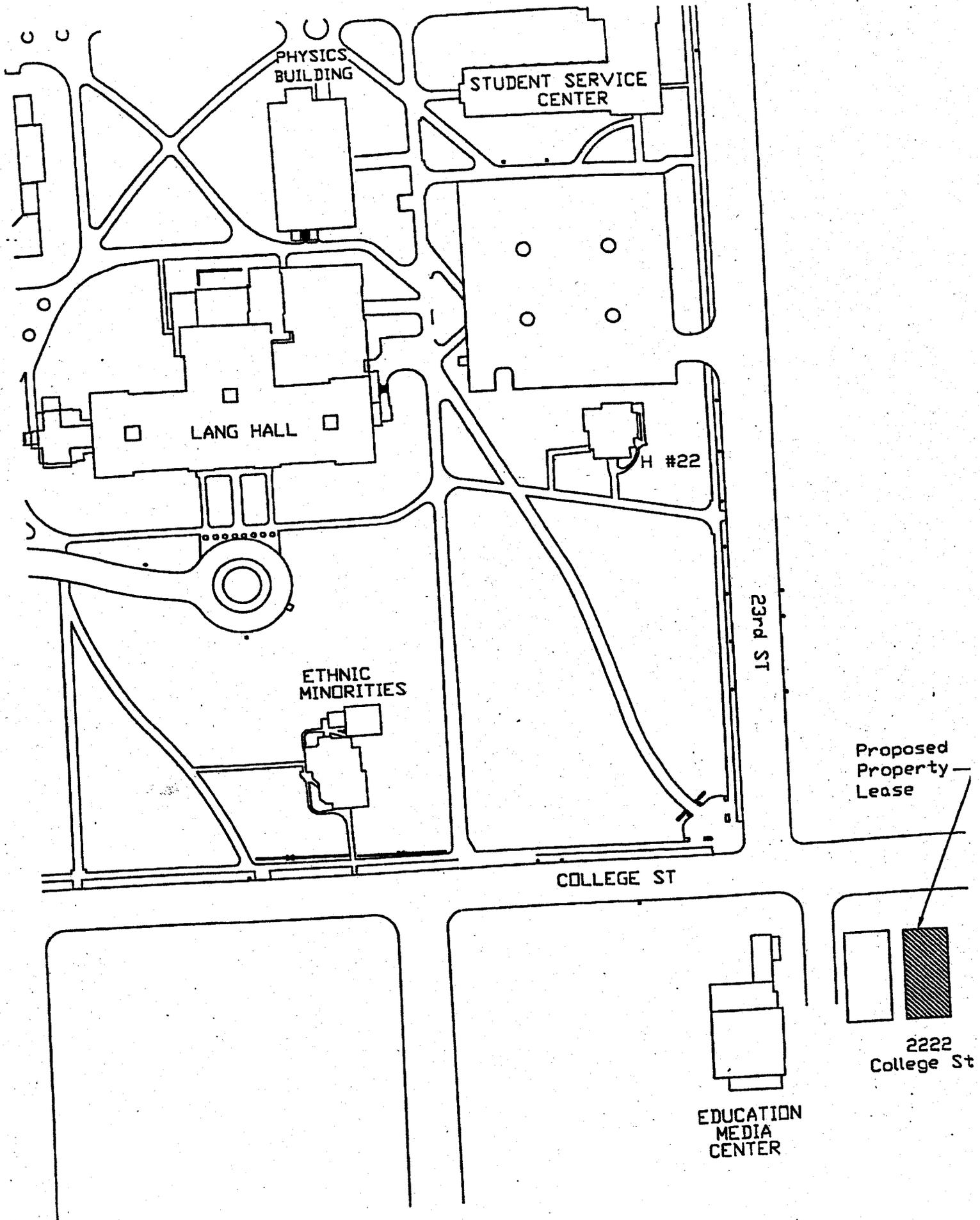
Plotted 5-21-01

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THE UNIVERSITY OF IOWA

PROPOSED EASEMENT AND LAND LEASE AREA FOR TELECOMMUNICATIONS LINES
CORALVILLE SEWER PLANT TO IOWA INTERSTATE RAILROAD PROPERTY



Proposed
Property
Lease

2222
College St