

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Institutional Agreements, Leases and Easements
Date: July 6, 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 the Board of Regents approve, by roll call vote, agreements, leases and easements involving real property. The leases and easements presented for approval this month have been reviewed by the Attorney General's Office (with the exception of the Iowa State University sublease with Ramaanchar Technologies which was received late and for which a report of the review will be provided at the Board meeting) 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 agreements with AudioNet International, LLC; AMRI Biocatalysis Division (formerly EnzyMed); and Optimal Electronics Corporation) for their use of business incubator space in the Technology Innovation Center at the Oakdale Campus; and
- Lease agreement with M & L Partners for storage space for building materials and equipment for use by the University of Iowa Hospitals and Clinics.

Iowa State University requests approval of the following:

- Easement agreements with the City of Ames for a bike path on the ISU campus, east of Elwood Drive, and an electric substation and water pumping substation at the southeast corner of Mortenson Road and State Avenue in Ames;
- Lease agreement extension with Dayton Road Development Corporation for office space used by Iowa State University's Small Business Development Center;
- Lease renewal with Indian Hills Community College (Ottumwa) for office space to be used by the Iowa State University Extension Service for the Area Extension Office/Outreach Center; and
- Lease agreement with Ramaanchar Technologies for its use of business incubator space in the Iowa State Innovation System (ISIS) at the ISU Research Park.

The University of Northern Iowa requests approval of the following:

- Lease agreement with the City of Waverly, Iowa, for space to be used by the UNI Ag-Based Industrial Lubricants (ABIL) Research Program; and
- Lease amendment with the Team Property Management, L.C. for an additional 900 square feet of office space for use by the Iowa Waste Reduction Center.

The Iowa School for the Deaf requests approval of a new lease with Loess Hills Alliance for its use of office space on the School's campus.

Background and Analysis:

A. UNIVERSITY OF IOWA

1. The University requests approval of the following lease agreements as lessor for business incubator space in the Technology Innovation Center at the Oakdale Campus. In all cases the tenants agree to indemnify, defend, and hold harmless the University as customarily required.
 - a. AUDIONET INTERNATIONAL, LLC (Tenant)—The University requests approval to renew its lease with AudioNet International, LLC, for its use of 1,133 square feet (1,041 square feet of office space and 92 square feet of storage space) at the rate of \$551.17 per month (\$6.00 per square foot office space and \$4.00 per square feet for storage space, \$6,614 per year) for a one-year period commencing August 1, 2001, through July 31, 2002. This is the same rate as the current lease term.

AudioNet combines telephone communication with specially designed web sites on the Internet 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 to a wide range of professions.

- b. AMRI BIOCATALYSIS DIVISION (formerly EnzyMed) (Tenant)—The University requests approval to renew its lease agreement with AMRI Biocatalysis Division (formerly EnzyMed) for its use of 3,418 square feet of space (2,250 square feet of laboratory space and 1,168 square feet of office space) at the rate of \$4,168 per month (\$16 per square foot for the laboratory space, \$12 per square foot for office space, \$50,016 per year) for a one-year period commencing August 1, 2001, through July 31, 2002. The space to be leased is 804 square feet less (665 less square feet of laboratory space and 139 less square feet of office space) than leased under the current lease. The proposed rate per square foot for both spaces is \$2 more per square foot than under the current agreement; the rate increases are consistent with the University's rate schedule for tenants of the Technology Innovation Center.

AMRI Biocatalysis Division will continue to use the space for offices and research; specifically, development of potential new therapeutic drugs. AMRI Biocatalysis Division is a drug discovery company that uses proprietary technology to identify potential new therapeutic pharmaceuticals through biocatalytic processes.

- c. OPTIMAL ELECTRONICS CORPORATION (Tenant)—The University requests approval to renew its lease with Optimal Electronics Corporation, for its use of 944 square feet of space at the rate of \$668.67 per month (\$8.50 per square foot, \$8,024 per year) for a one-year period commencing August 1, 2001, through July 31, 2002. The lease renewal reflects an increase of 331 square feet of space. The rate per square foot will increase \$2.50 per square foot (42%); this rate increase is consistent with the University's rate schedule for tenants of the Technology Innovation Center.

The property will continue to be used for the purpose of research and development of computer-aided, concurrent, and logistics engineering and related software development, marketing and consulting services.

2. M & L PARTNERS (Landlord)—The University requests approval to renew its lease with M & L Partners, for the University's use of 9,702 square feet of warehouse space located at 1223 Highland Court, Iowa City, Iowa. The space will be leased at the rate of \$2,977.30 per month (\$3.68 per square foot, \$35,727.62 per year) for a two-year period commencing September 1, 2001, through August 31, 2003. The square footage is unchanged from the current lease, while the proposed rate reflects an increase of \$.07 per square foot (1.9%) over the current lease term.

The space, which has been leased since 1993, will continue to be used by the University Hospitals and Clinics as storage space for building materials and equipment.

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

B. IOWA STATE UNIVERSITY

1. CITY OF AMES - The University requests approval to enter into a bike path easement with the City of Ames for property on the Iowa State University campus, east of Elwood Drive. (A map indicating the location of the area is included as Attachment B.)

Bike paths are important to providing for alternative forms of transportation and recreation in the Ames and Iowa State University community. This path is part of a greater network of paths in the Ames community linking parks and the University with commercial and residential areas. University students and employees will benefit from this path connection to two city parks, Lied Recreation Center and campus. The City of Ames has funded the project through a Resource Enhancement and Protection (REAP) grant. The easement will also be subject to approval by the City of Ames Council and will require approval of the Executive Council of Iowa.

The easement agreement requires the City of Ames to indemnify and save the University harmless from any damages resulting from use of the easement area. The City would be required to promptly compensate the University for any property damage that may result during the construction, maintenance, repair and use of the bike trail.

2. CITY OF AMES - The University requests approval of a utility easement with the City of Ames for the southeast corner of Mortenson Road and State Avenue in Ames for the purpose of constructing, operating, maintaining and repairing a water pumping station, water storage facility and electric substation. (A map indicating the location of the area is included as Attachment C.)

The City of Ames has had an electrical substation easement with the University for the southeast corner of Mortenson Road and State Avenue since 1970. The substation serves the south side of the city and University facilities in this area. The University also cooperates with the city in providing potable water to the campus, and a number of years ago connected the University and city well fields to provide increased capacity to deal with potential drought conditions.

To continue to meet the community and University demands, there is a need for additional land for a water pumping substation and eventual storage facility. The land adjacent to the current electrical substation appears to be the best location to serve both University and city needs. The proposed easement, which will replace the 1970 easement, will provide the area necessary to provide utility services to the University community. The easement will require the approval of the Executive Council of Iowa.

The easement agreement requires the City of Ames to indemnify and hold the University harmless from any damages resulting from use of the easement area. The City would be required to promptly compensate the

University for any property damage that may result during the construction, maintenance, repair and use of the facilities in the easement area.

3. DAYTON ROAD DEVELOPMENT CORPORATION (Landlord) - The University requests approval of an extension to its lease agreement with Dayton Road Development Corporation for 2,401 square feet of space located at 137 Lynn Avenue, Ames, Iowa. The space will be leased at the rate of \$2,601 per month for a one-year period commencing October 1, 2001, through September 30, 2002. The square footage is unchanged from the current lease agreement while the proposed rate is an increase of \$50 per month (1.9%) over the current rate.

Iowa State University's Small Business Development Center (SBDC) for offices will use the space.

The terms and conditions of the original lease, including the University agreeing to be responsible for claims arising from its use and occupancy of the space in accordance with Iowa Code Chapter 669, remain in effect.

4. INDIAN HILLS COMMUNITY COLLEGE (Landlord) - The University requests approval to renew its lease with Indian Hills Community College for its use of approximately 2,036 square feet of space located in the Video Conference and Training Center, Indian Hills Community College campus, Ottumwa, Iowa. The space will be leased at the rate of \$1,391.27 per month from September 1, 2001, through August 31, 2004 (\$8.20 per square foot, \$16,695.20 per year). The proposed rate is an increase of \$.79 per square foot (10.7%) over the current rate, which has been in effect for five years.

The space will continue to be used by the Iowa State University Extension Service for office space for the Area Extension Office/Outreach Center.

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

5. RAMAANCHAR TECHNOLOGIES (Tenant) - The University requests approval to enter into a lease agreement as lessor with Ramaanchar Technologies for its use of approximately 129 square feet of business incubator space in the Iowa State Innovation System (ISIS) at the ISU Research Park. The space would be leased at the rate of \$200 per month (\$18.60 per square foot, \$2,400 per year) for a six-month period, commencing July 1, 2001 and ending December 31, 2001. The tenant

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

Ramaanchar Technologies is a software application developer. Applications in the design process include e-commerce infrastructure software and an enterprise application for portfolio management.

C. UNIVERSITY OF NORTHERN IOWA

1. CITY OF WAVERLY (Landlord) - The University requests approval to renew its lease with the City of Waverly, Iowa, for its use of 20,000 total square feet (15,439 square feet of industrial area, 1,480 square feet of classroom area, and 3,081 square feet office area of office space) located at 400 Technology Place, Waverly, Iowa. The space will be leased at the rate of \$1,360 per month (approximately \$0.612 per square foot, \$12,240 per year) for a three-year period commencing August 1, 2001, through July 31, 2004.

The space will continue to be used for applied research and industrial services by the UNI Ag-Based Industrial Lubricants (ABIL) Research Program using a variety of industrial research equipment. The industrial and warehouse area will be used for testing lubricants, studying biodegradability of lubricants, and conducting hands-on training programs. Office space will be used for visiting faculty, graduate students, program staff, and student helpers. Research meetings and data collection and publication will also take place in the office areas.

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

2. TEAM PROPERTY MANAGEMENT (Landlord) - The University requests approval of a lease addendum to its lease, for the period of November 1, 1997, to October 31, 2002, with Team Management for its use of space for commercial office and applied research for the Iowa Waste Reduction Center (IWRC). The addendum will increase the square footage leased from 7,514 sq. ft. (6,700 square feet of commercial office and applied research space and 814 square feet of common space) to 8,414 square feet (7,600 square feet of commercial and applied research space and 814 square foot of common space). The original lease was \$6,105.00 per month (\$9.75 / square foot / year). Effective with the addendum, the lease payment will be \$6,930 per month or \$9.88 /square foot / year, an increase of 1.3%.

The Iowa Waste Reduction Center (IWRC) will continue to use the space for applied research. The industrial and warehouse/work area is used to conduct research and store equipment. The office space is used to collect and analyze data and hold research meetings. IWRC has experienced a 30% increase in staff since the original lease was approved in May 1997.

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 School for the Deaf

1. LOESS HILLS ALLIANCE (Tenant) - The School requests approval to enter into a new lease with Loess Hills Alliance for its use of 312 square feet of office space on the 2nd floor of the Old Infirmary Building at Iowa School for the Deaf. The space will be leased at the rate of \$312 per month (\$12 per square foot, \$3,744 per year) for an 11-month period commencing August 1, 2001, through June 30, 2002.

Loess Hills Alliance provides educational services for the purpose of preserving and protecting the Loess Hills along the Missouri River, and enhancing the life of the people living in the Hills.

The Loess Hills Alliance agrees to indemnify, defend, and hold harmless the School as customarily required.


Joan Racki

Approved: 
Frank J. Stork

Attachment A

Listing of Principals for Leases

July 2001

<u>Lease</u>	<u>Principals</u>
University of Iowa	
<u>Optimal Electronics Corporation</u>	Ernie Rudolph
Ernie Rudolph (President) has no affiliation with the University of Iowa.	
<u>AudioNet International, LLC</u>	John Beck and Michael Garvin
John Beck (President and CEO) has no affiliation with the University. Michael Garvin (CCO) is a safety engineer with the University of Iowa Hospitals and Clinics.	
<u>AMRI Biocatalysis Division</u> (formerly EnzyMed)	David Waldek
David Waldek (CFO) has no affiliation with the University of Iowa and AMRI Biocatalysis Division does not have a purchasing relationship with the University of Iowa. However, the Division has a long-term research collaboration with the University and licenses intellectual property and biological materials from it.	
<u>M & L Partners</u>	Michael Maher
Michael Maher (Owner) has no affiliation with the University of Iowa.	

Iowa State University

City of Ames

Ted Tedesco, Mayor

The principal is not affiliated with the University.

Dayton Road Development Corporation

Marvin J. Walter

Marvin J. Walter (Owner) is not affiliated with the University. According to established procurement procedures, a payment was made to the Small Business Development Center.

Indian Hills Community College

Keith Sasseen
Vice President of Finance

The principal is not affiliated with the University.

Ramaanchar Technologies

Raman Aravamudhan, CEO
R. Subathra Arvamudhan,
President

The CEO and President are not affiliated with the University.

University of Northern Iowa

City of Waverly

Ivan J. Ackerman, Mayor

The principal is not affiliated with the University.

Team Property Management, L.C.

Mark A. Kittrell, President/Manager

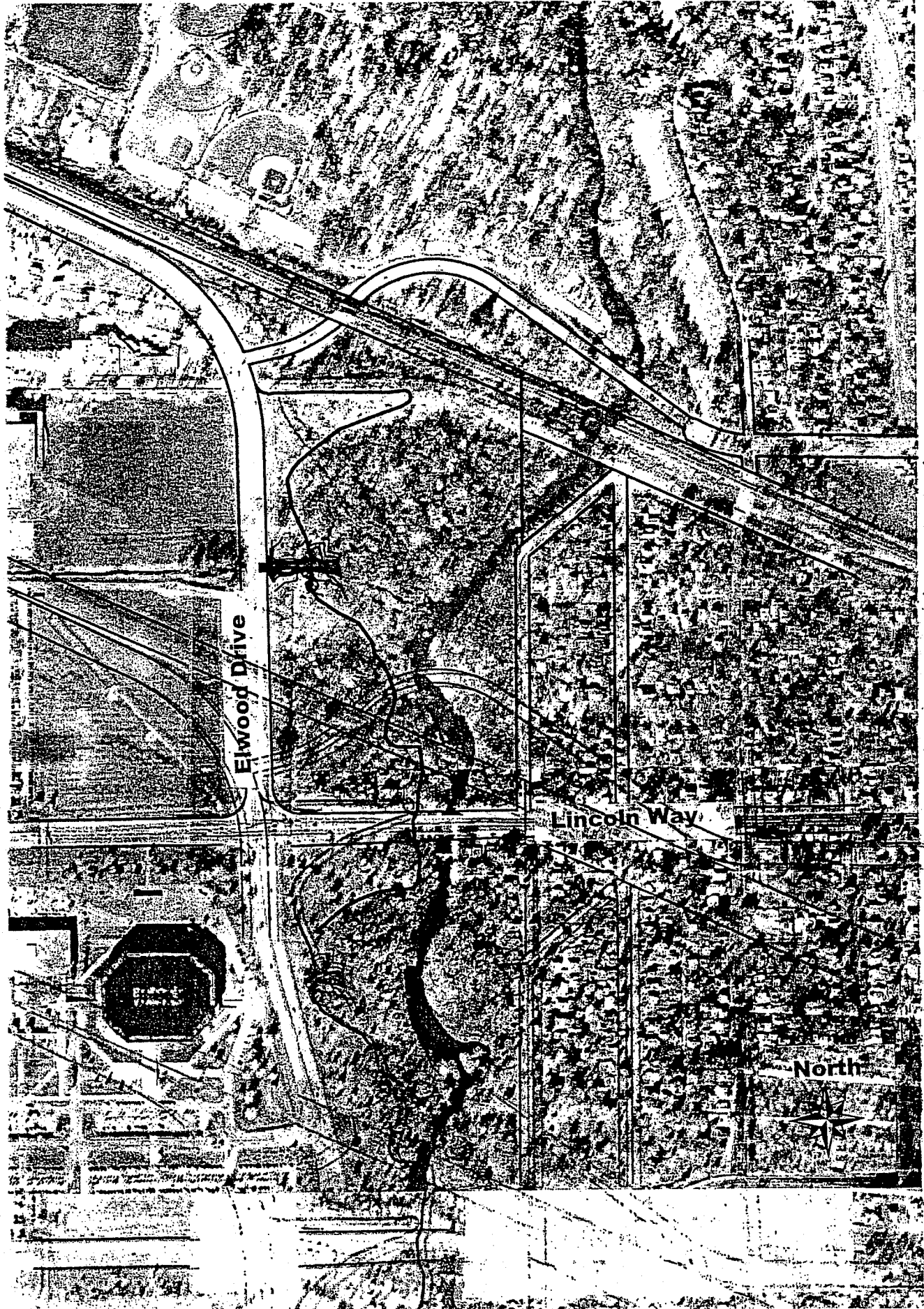
The principal is not affiliated with the University.

Iowa School for the Deaf

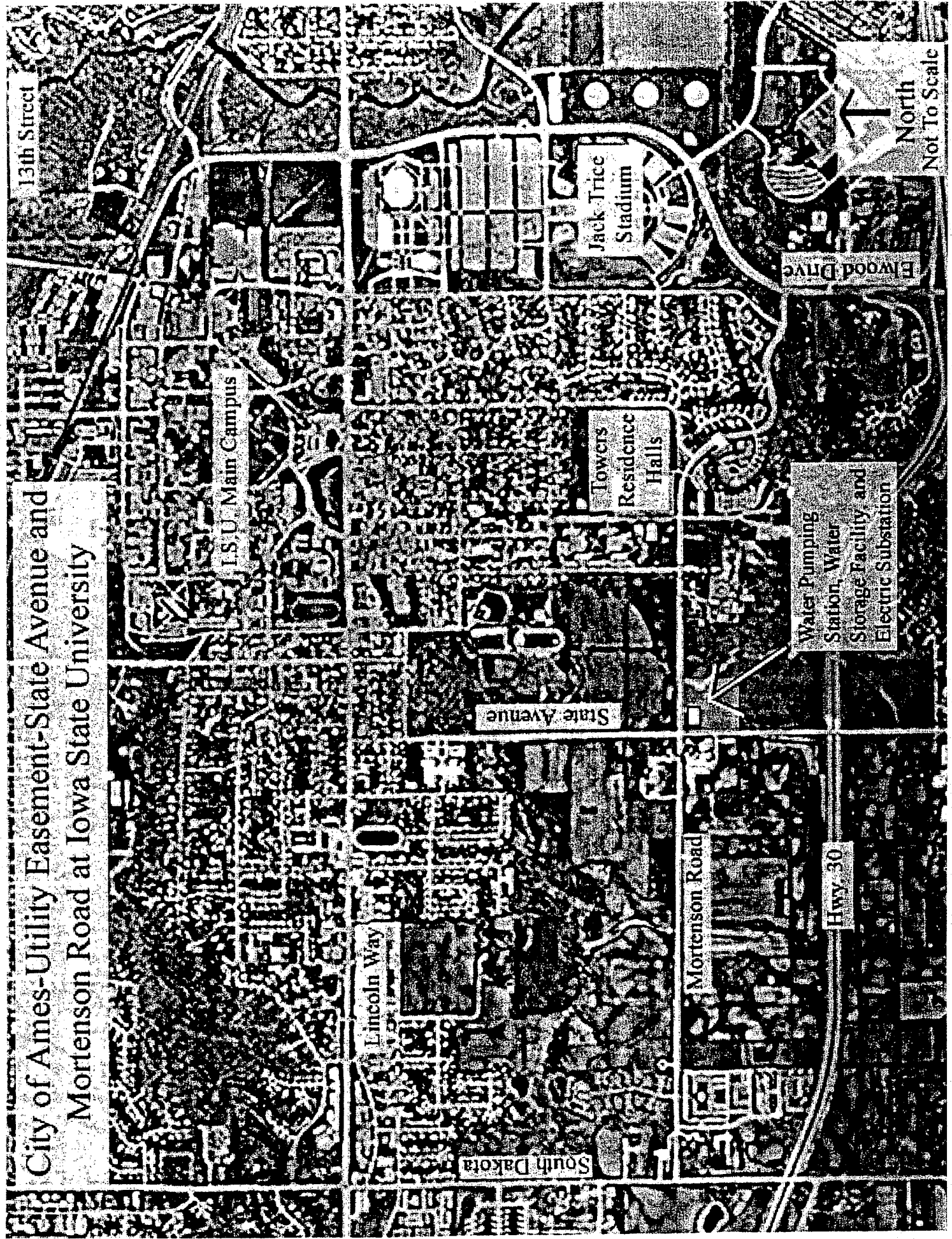
Loess Hills Alliance

Lynn G. Ford, Chairman

The principal is not affiliated with the School.



City of Ames-Utility Easement-State Avenue and
Mortenson Road at Iowa State University



13th Street

I.S.U. Main Campus

Jack Trice Stadium

Towers Residence Halls

State Avenue

Lincoln Way

Mortenson Road

Hwy 30

Water Pumping Station, Water Storage Facility and Electric Substation

EMWOOD DRIVE

North
Not To Scale

South Dakota