

**MEMORANDUM**

**To:** Board of Regents  
**From:** Board Office  
**Subject:** Institutional Agreements, Leases and Easements  
**Date:** November 5, 2001

**Recommended Action:** Approve the leases for the benefit of the University of Iowa as summarized below. **(ROLL CALL VOTE)**

**Executive Summary:**

**Requirements** The Iowa Code requires that agreements, leases and easements involving real property be approved by the Board of Regents by roll call vote.

**Legal Review** The leases presented this month have been forwarded to the Attorney General's Office for review, and a report of this review will be provided at the Board meeting.

**Principal Information** A listing of lease principals is included as Attachment A to this docket memorandum.

**Requested Approvals** Approval is requested for the following leases for the University of Iowa:

Agreements with Short's Travel Service (renewal) and Winebrenner Red Carpet Travel for their use of office space in the General Hospital;

Agreement with R and R Investors for the use of office space in Urbandale, Iowa, by the Board Office;

Renewal with Goldfinch Diagnostics for its use of business incubator space in the Bowen Science Building; and

Renewal with the American Institute of Sustainable Science and Technology for its use of business incubator space at the Oakdale Research Park.

**Background and Analysis:**

A. UNIVERSITY OF IOWA LEASES

Tenant	<b>Short's Travel Service (renewal)</b>
Area/Location	400 square feet of office space, Suite CC-302, on the third floor of the General Hospital.
Lease Rate	\$950 per month (\$28.50 per square foot, \$11,400 per year) effective January 1, 2002, through March 31, 2003, and \$1,000 per month (\$30 per square foot, \$12,000 per year) effective April 1, 2003 through March 31, 2004.
Space/Rate Comparison	Rental rate increase of 8.6 percent per square foot over the rate paid under the current lease agreement. (The amount of space is unchanged.)
Lease Term	27 month period commencing January 1, 2002, through March 31, 2004.
Use of Space	Travel agency.
Liability	The tenant agrees to indemnify, defend, and hold harmless the University for damages or losses resulting from the tenant's use of the leased premises.
Additional Information	Short's Travel is one of three "preferred travel agencies" under contract with the University to provide travel services and has leased space at the General Hospital since 1989.

Tenant	<b>Winebrenner Red Carpet Travel</b>
Area/Location	400 square feet of office space, Suite CC-319, on the third floor of the General Hospital.
Lease Rate	\$950 per month (\$28.50 per square foot, \$11,400 per year) effective January 1, 2002, through March 31, 2003, and \$1,000 per month (\$30 per square foot, \$12,000 per year) effective April 1, 2003 through March 31, 2004.
Lease Term	27 month period commencing January 1, 2002, through March 31, 2004.
Use of Space	Travel agency.
Liability	The tenant agrees to indemnify, defend, and hold harmless the University for damages or losses resulting from the tenant's use of the leased premises.
Additional Information	Winebrenner Red Carpet Travel is one of three "preferred travel agencies" under contract with the University to provide travel services.

Landlord	<b>R and R Investors</b>
Background	<p>In early 1998, the Board Office relocated from the Ola J. Babcock Building (formerly known as the Old Historical Building) to its current location as part of the Department of General Services "Operation Bold Move," which included the complete renovation of the Ola J. Babcock Building.</p> <p>Although the Board Office had been scheduled to return to its former space when the renovation was complete, this space became unavailable and alternate space was not adequate.</p> <p>The Board Office, in conjunction with the University of Iowa, investigated a number of options for space, including continuing at the current location.</p> <p>The selected site provides sufficient space and free parking at a lower lease rate than the current location.</p>
Area/Location	6,185 square feet of office space located at 11260 Aurora Avenue, Urbandale, Iowa.
Lease Rate	The specifics of the lease rate (fixed rate plus utilities compared to base rent plus additional rent) are still being negotiated, but it is anticipated the rate will be approximately \$7,725 per month (\$15 per square foot, \$92,700 per year). The University requests that the Executive Director be authorized to sign the negotiated agreement on behalf of the Board.
Lease Term	Five-year period commencing January 1, 2002 (with an early occupancy), through January 31, 2007.
Use of Space	Board of Regents Office.
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.

Tenant	<b>Goldfinch Diagnostics (renewal)</b>
Area/Location	170.3 square feet of space in the Bowen Science Building (100.2 square feet of laboratory space and 70.1 square feet of office space), which serves as business incubator space for the firm.
Lease Rate	\$154.03 per month (\$12.50 per square foot for laboratory space, \$8.50 per square foot for office space, \$1,848.36 per year).
Space/Rate Comparison	<p>Rental rate increase of 25 percent per square for the laboratory space, and 41.7 percent per square foot for the office space, over the rate paid under the current lease agreement. (The amount of space is unchanged.)</p> <p>The rate increases for laboratory and office space are consistent with the University's rate schedule for business incubator tenants of the Technology Innovation Center.</p>
Lease Term	One-year period commencing December 1, 2001, through November 30, 2002.
Use of Space	Goldfinch Diagnostics is a biomedical research company which focuses on the development of diagnostic testing for infectious diseases, particularly parasitic infections.
Additional Information	The firm leases space in the Bowen Science Building since the Technology Innovation Center does not provide suitable equipment to support the firm's research initiatives.
Liability	The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.

Tenant **American Institute of Sustainable Science and Technology (renewal)**

Area/Location 308 square feet of office space in the Technology Innovation Center on the Oakdale Campus.

Lease Rate \$256.67 per month (\$10 per square foot, \$3,080.04 per year).

Space/Rate Comparison Rental rate increase of 17.6 percent per square foot over the rate paid under the current lease agreement. (The amount of space is unchanged.)

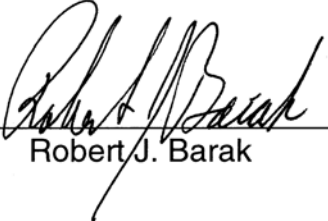
The rate increase is consistent with the University's rate schedule for business incubator tenants of the Technology Innovation Center.

Lease Term One-year period commencing December 1, 2001, through November 30, 2002.

Use of Space American Institute of Sustainable Science and Technology provides consulting services on engineering research, development, design, software and manufacturing. The firm promotes sustainability of finite resources and environmental balance through technological innovations.

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

  
Sheila Lodge

Approved:   
Robert J. Barak

Attachment A

Listing of Principals for Leases and Easements

November 2001

Lease

Principals

**University of Iowa**

American Institute of Sustainable Science  
and Technology

I. Al Khattat, Director

The principal is a former Adjunct Associate Professor in the Department of Civil and Environmental Engineering.

Goldfinch Diagnostics

Dr. Louis V. Kirchhoff, President

The principal is a professor of Internal Medicine at the University.

R and R Investors

Daniel P. Rupprecht, President

The principal has no affiliation with the University.

Short's Travel Service

David Le Compte  
Executive Vice President

The principal has no affiliation with the University.

Winebrenner Red Carpet Travel

Terry Tegen, Manager

The principal has no affiliation with the University.