

Contact: Jean Friedrich

IOWA STATE UNIVERSITY PROPOSED PROPERTY SALE

Action Requested: Consider recommending to the Board ratification of the proposed sale of the Iowa State University warehouse property located at 205 Southeast 5th Street in Ames, Iowa, to Scott Development LLC of West Des Moines, Iowa.

Executive Summary: All real estate transactions require specific Board approval by roll call vote. In February 2006, the Board authorized Iowa State University, in consultation with the Board Office, to implement a competitive process for the possible sale of the warehouse property located at 205 Southeast 5th Street in Ames, Iowa. The site consists of approximately 3.89 acres and a 23,140 square foot building. Although this site has worked well for the University for the past 20 years, it is not part of the campus, and the retail development in the area has increased the traffic congestion. Additionally, a number of repairs and improvements, including a new roof, painting, and possible exterior repairs, would need to be done should the building continue to be used as a warehouse.

Two bids were received for the purchase of the property. Scott Development, LLC of West Des Moines, Iowa, submitted the best offer of \$1.6 million. The proposed sale is consistent with Board policy.

The offer required acceptance by 5:00 p.m. Friday, September 8, 2006. After consultation with the Board Office and the concurrence of the Board President, the Purchase and Sale Agreement was signed by all authorized parties on September 7, 2006.

This property was acquired in 1986; revenue for the purchase came from charging University users for storage space. Because the University continues to have a need for warehouse storage space, the proceeds from the sale will be used to improve and develop alternative warehouse space in a more suitable location, consistent with the Board's capital procedures.

The Purchase and Sale Agreement was reviewed by the Attorney General's office prior to the issuance of the Request for Proposal (RFP) for this sale.