

Contact: Brad Berg

**PROPOSED ABANDONMENT AND DEMOLITION OF REMAINING SECTION OF
HAWKEYE COURT APARTMENTS - UNIVERSITY OF IOWA**

Actions Requested: Consider recommending to the Board approval of the following:

1. A Resolution directing the abandonment of the remaining portions of the Hawkeye Court Apartment Complex at the State University of Iowa.
2. Demolition of the remaining portions of the Hawkeye Court Apartment Complex to be abandoned under the above requested action.

Executive Summary:

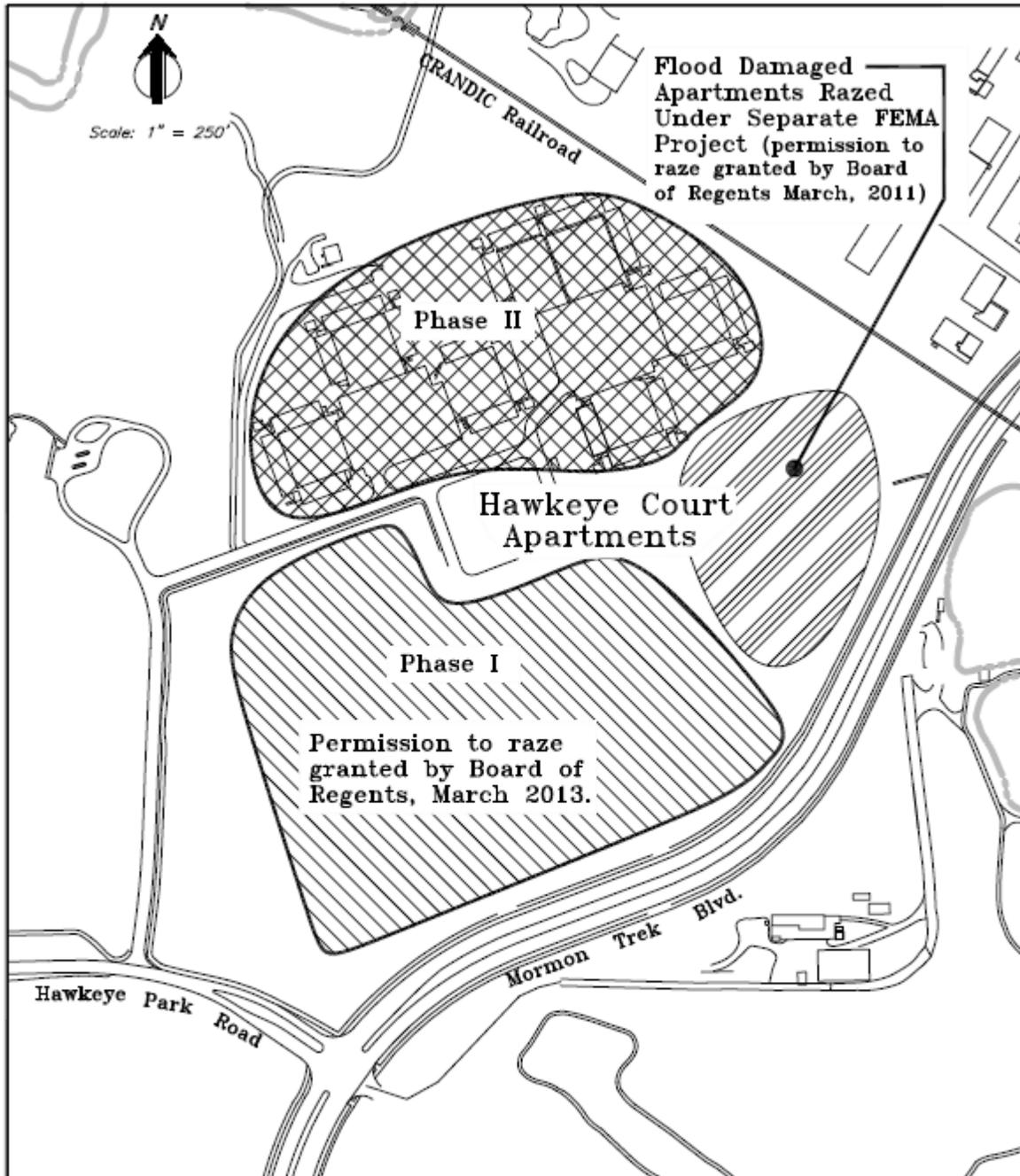
Background

In March 2013, the Board approved a ground lease with Balfour Beatty Campus Solutions, LLC (BBCS) of Dallas, Texas, to construct, own, operate, and maintain 444 beds within 270 apartment units to replace a portion of the Hawkeye Court apartments. The Board also approved a resolution directing the abandonment and demolition of a portion of the Hawkeye Court Apartments to make room for the new units. Those structures were razed and BBCS has constructed a new apartment complex which opened this August. The project has been very successful and student demand/interest in the units extremely high. All of the units were pre-leased by this past spring for the August occupancy and there is a waiting list for new units.

The ground lease grants BBCS an option for a Phase II project which would raze the remaining portions of Hawkeye Court, and for BBCS to construct, own, operate, and maintain the second part of the development in the same manner as Phase I. With the success of Phase I, and with still anticipated demand for new units, BBCS has notified the University it intends to exercise its option. The University and BBCS are now moving forward with plans to enter into a Phase II agreement. The parties anticipate this agreement will be finalized in late winter/early spring 2015. The property is located on the Hawkeye Campus, west of the central University campus, as shown in Attachment A.

The remaining 19 Hawkeye Court buildings (containing 180 apartment units) are vacant and University Housing has abandoned the premises. The University seeks the Board's permission to raze the remaining sections of Hawkeye Court now, so as not to create additional costs and safety issues for the University by having to maintain abandoned buildings on its campus.

Bond resolutions for the University of Iowa's Residence System require specific approval of the Board of Regents prior to the abandonment of any units in the system. The University requests that the units be removed from the system and demolished. The resolution for the abandonment of the facilities, prepared by the Board's bond counsel, also includes a determination that the net rents, profits, and income of the Residence System, after abandonment of the facilities, are sufficient to meet the specific financial requirements of the bond covenants.



THE UNIVERSITY OF IOWA

PLOTTED August 1, 2014
HCA_RazePhase2.dwg

LOCATION MAP

Hawkeye Court Apartments Raze Structures - Phase II