

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Sale of University Land to Ames Community School District
Date: July 7, 2000

Recommended Action:

Authorize the sale of 83.38 acres of Iowa State University land located north of Mortenson Road and west of State Street in Ames, Iowa, to the Ames Community School District at the purchase price of \$25,000 per acre, for a total sale of \$2,084,500, subject to approval of the Executive Council of Iowa.

(ROLL CALL VOTE)

Executive Summary:

In March 2000, the Board authorized Iowa State University to begin the process for selling a total of 122.75 acres of land located southwest of the Main Campus in an area north of Mortenson Road and west of State Street. The parcel, which is no longer needed for University use, includes 83.38 acres of University-owned land and 39.37 acres owned by the ISU Foundation. The University was authorized to sell the land for cash through a public auction process. The University indicated its intent to sell the land at a price equal to or greater than the appraised value, and use the proceeds from the sale of the University-owned land in a manner consistent with the Iowa Code. The Foundation's share of the proceeds would be placed in its endowment.

The public auction was held on June 30, 2000. There were two active bidders. The high bid was received from the Ames Community School District, which bid a price of \$20,500 per acre for the total parcel of 122.75 acres, for a total bid of \$2,516,375 (the equivalent of \$1,709,290 for University land and \$807,085 for Foundation land). However, the School District's bid was below the appraised value of \$25,000 per acre. As a result, the University made a counteroffer to the School District for its purchase of the land at the appraised value of \$25,000 per acre, which the School District has agreed to accept.

Therefore, the University and the Foundation wish to sell the 122.75 acre parcel to the Ames Community School District at the purchase price of \$25,000 per acre, a total of \$3,068,750. Accordingly, the University requests Board approval