

**MEMORANDUM**

**To:** Board of Regents  
**From:** Board Office  
**Subject:** Purchase of Property from the Cedar Rapids and Iowa City Railway  
**Date:** November 6, 2000

**Recommended Action:**

Approve the purchase of three parcels of property located south of Burlington Street and adjacent to Front Street, in Iowa City, Iowa, from the Cedar Rapids and Iowa City Railway at the purchase price of \$942,240, subject to approval of the Executive Council of Iowa.

**(ROLL CALL VOTE)**

**Executive Summary:**

The University requests approval to purchase three parcels of property from the Cedar Rapids and Iowa City Railway (CRANDIC). The properties total 125,632 square feet and are located south of Burlington Street and adjacent to Front Street and the CRANDIC railroad tracks just east of the Iowa River. A map indicating the location of the properties is included as Attachment A.

Parcel #1 consists of a 31,422 square feet lot with a deteriorated structure located just east of the University Power Plant. Parcel #2 consists of a 42,245 square feet vacant lot located south of the Power Plant along the Iowa River. Parcel #3 consists of a 51,965 square feet vacant lot located west of the CAMBUS garage and northwest of the University's Motor Pool facility.

The majority of land in the three parcels has been leased by the University for many years, primarily for use by the University Power Plant and Motor Pool. In the near term, the University plans to continue to utilize Parcels #1 and #2 to accommodate these operations, and to develop Parcel #3 into a parking area to meet the heavy demand for parking in the south area of campus. In the long-term, Parcels #1 and #2 will facilitate a possible future expansion of the Power Plant.

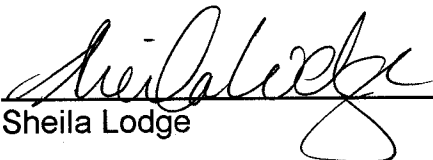
The purchase price of \$942,240 is consistent with Board policy for the purchase of property. The purchase agreement has been reviewed by the Attorney General's Office and is recommended for approval.

**Background and Analysis:**

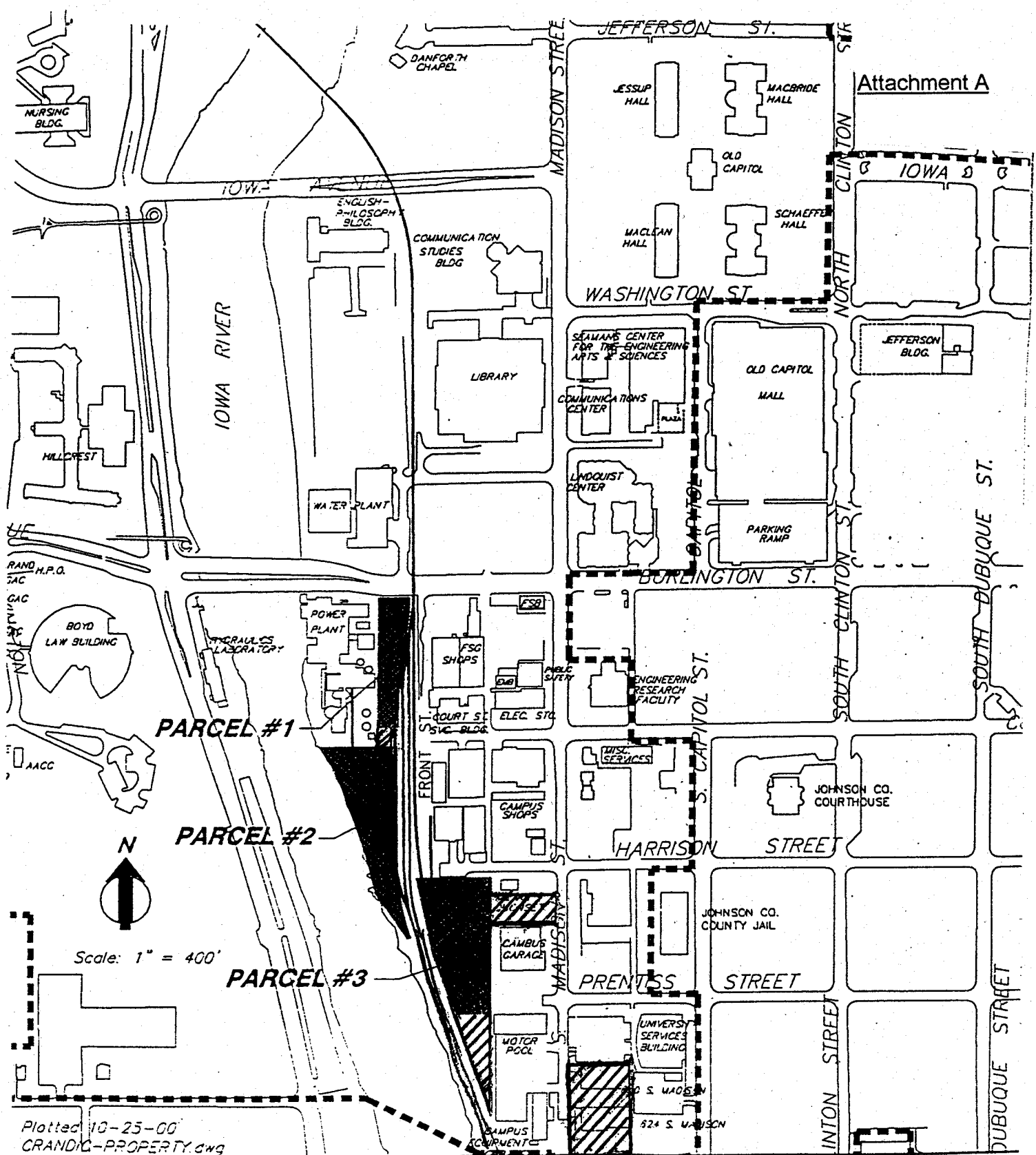
The properties are in a key location within the general campus boundaries and the University's land acquisition plan; most of the property in this area is owned by the University. The properties have been leased by the University for many years and have been used for the operations of the Power Plant, Motor Pool, Facilities Services Group and other miscellaneous uses. In FY 1999, the University's lease payments for these properties totaled approximately \$10,000.

The proposed purchase price of \$942,240 is based on two appraisals which estimated the value of the property at \$820,000 and \$979,073. The purchase price is consistent with Procedural Guide §7.10 which requires that property be purchased at not more than 5 percent over the average of two appraisals. The University proposes to utilize Parking and Transportation Improvement and Replacement Funds, Utility System Improvement and Replacement Funds, and/or Income from Treasurer's Temporary Investments to fund the property purchase.

The anticipated possession date for the property is December 15, 2000.

  
Sheila Lodge

Approved:   
Frank J. Stork



THE UNIVERSITY OF IOWA

LOCATION MAP

CRANDIC PROPERTIES

Legend

- = University Property Line
- = CRANDIC Property Parcels
- ▨ = non-University property

