MEMORANDUM

To: Board of Regents

From: Board Office

Subject: Proposed Sale of University Property

Date: September 5, 2000

Recommended Actions:

1. Authorize Iowa State University to proceed with negotiations for the sale of 1.77 acres of University property located northwest of the main campus to Hunziker and Associates Realtors, at the sale price of $41,000, to be dedicated as a public right-of-way to the City of Ames for the construction of a public road to serve a proposed residential development;

2. Subject to authorization to proceed with the sale, authorize Iowa State University also to proceed with development of an easement to the City of Ames for construction of a sewer line across the University property to serve the proposed residential development.

Executive Summary:

The University requests Board authorization to proceed with the sale of 1.77 acres of University property, located northwest of the main campus and southwest of the Applied Science Center, to Hunziker and Associates Realtors. The sale of the land has been requested by the realty company to provide for development at the current site of the Judge Farm. The proposed roadway, which would extend west from Scholl Road to the site of the proposed development, would be dedicated as a public right-of-way to the City of Ames. The University believes this will provide the best method to ensure that the land will be developed as a City right-of-way rather than as a private roadway. A map which indicates the site of the proposed roadway is included as Attachment A on page 4.

The University is not requesting Board approval of the property sale or the easement at this time. Board authorization to proceed with these arrangements as proposed will allow Hunziker and Associates to enter into further negotiations with the City of Ames for the roadway construction project. The University did not wish to proceed with these arrangements without input from the Board.
The proposed sale price for the property of $41,000 represents the higher amount of two appraisals for the property. Since the university has been asked to cooperate in this development and has not initiated the project, the University believes the higher sale price is appropriate.

The University also requests Board authorization to proceed with development of an easement agreement with the City of Ames for construction of a sewer line to serve the proposed development. The sewer line would be installed across a second parcel of University property which is located to the east of Scholl Road.

The University will return to the Board for approval of both the property sale and easement agreement; both will also require approval of the Executive Council of Iowa.

**Background and Analysis:**

Hunziker and Associates Realtors have been in discussions with Iowa State University and the City of Ames regarding the development of the property known as the Judge Farm, which consists of 200 acres located northwest of the main campus and southwest of the Applied Science Center. The sale of 1.77 acres of University property west of Scholl Road has been requested by the realty company for construction of an access road to serve the proposed development. Since the Judge Farm lies immediately north of the Union Pacific Railroad line, construction of the roadway appears to be the only option for providing the necessary access to the proposed development at the site. The easement agreement for the City’s use of University property to the east of Scholl Road will be necessary for construction of a sewer line to serve the development.

The University reports that the proposed residential development would not have a detrimental impact on its operations. The proposed road right-of-way is located on the south end of the university property adjacent to the railroad right-of-way. The University currently has no development plans for its remaining property in the area; however, the University plans to continue ownership as part of its land use plan. The City will provide the University with reasonable access to these areas to accommodate any future development of the adjacent property. In addition, the University believes that development of additional residential housing in this area will assist in attracting and retaining faculty, staff, and students.
The University wishes to proceed with the sale with the understanding that Hunziker and Associates would finance the sale, and the deed to the property would be transferred to the City of Ames for development of the public street. The transaction would occur only if the City of Ames approves the re-zoning and development of the Judge Farm, and agrees to the following: (1) accepting title of the road right-of-way; (2) constructing, maintaining and improving the street as a public roadway; and (3) agreeing to no additional university obligations or institutional road assessments for further improvements or maintenance. If the transaction is not completed by June 30, 2003, the University’s offer to sell will be withdrawn.

The City of Ames will agree to construct an acceptable fence to the north of the road right-of-way along the adjacent university property, and assume all responsibility for the maintenance of Scholl Road from the proposed new intersection south to the intersection with Ontario Street. This will relieve the University and the Institutional Roads program of responsibility for the maintenance of this area of Scholl Road (including the railroad crossing), which will become more heavily traveled as a city street with the new development.

Subject to Board authorization to proceed with the sale and the easement, the University will work with the Board Office and Attorney General’s Office staff to complete the necessary legal documents for the transactions.

Sheila Lodge

Approved: Frank J. Stork

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