

Contact: Jean Friedrich

UNIVERSITY OF IOWA PROPOSED PROPERTY PURCHASE

Action Requested: Consider recommending to the Board approval of the purchase of one parcel of property at 815 1st Avenue, Coralville, Iowa, at a price of \$1,500,000 from Drury Development Corporation and a waiver of Board Policy 9.02 C.3 (purchase price based on appraisal), subject to approval of the final documents by the Board Office and Attorney General's Office.

Executive Summary: The University of Iowa requests approval for the purchase of property at 815 1st Avenue in Coralville, Iowa. The property consists of approximately 1.09 acres of vacant land (47,480 s/f) zoned for commercial purposes. A map showing the location is included as Attachment A.

Board policy provides that property purchased shall be purchased at no more than the highest appraisal, or not more than 5 percent over the average of two appraisals, whichever is the lower figure. This policy is not intended to limit negotiation for a price lower than the appraised value.

The University of Iowa requests a waiver of this policy and requests that the Committee recommend to the Board approval of the purchase at a price of \$1,500,000 (\$31.59 per square foot). The Board approved a real estate acquisition in the same block as this purchase in October, 2014, at \$30 per square foot and in October 2012, for \$27 per square foot. The Seller is also purchasing land in this same block from an unwilling seller at \$71 per square foot.

The closing date for the purchase would be no later than February 26, 2016. The University is requesting approval of the purchase at this time because Drury Development Corporation and the City of Coralville have a land purchase agreement with an adjoining property owner that must be completed by February 28, 2015. There are a number of contingencies listed in the property purchase agreement. Easements will be brought to the Board at a later date once the specifics are known and the easement agreements prepared.

The Purchase is also contingent upon:

Execution of Development Agreement. The University of Iowa, Drury Development Corporation, and the City of Coralville executing a development agreement setting forth certain rights and obligations of each party to enable Drury to operate its anticipated hotel in accordance with its business plan.

Purchase of Bandanas Property. The City of Coralville acquiring the adjoining parcel (1005157013) from Park Ridge Midwest Realty Group LLC and the Arlene Marie Sciortino Trust.

Hotel Site Plan Approval. The City of Coralville approving the site plan and elevations for Drury's planned hotel on the remaining portion of the property parcel.

City Notification. The City providing the appropriate notice to Drury of its intent to construct a parking facility for Drury as further described in the Development Agreement.

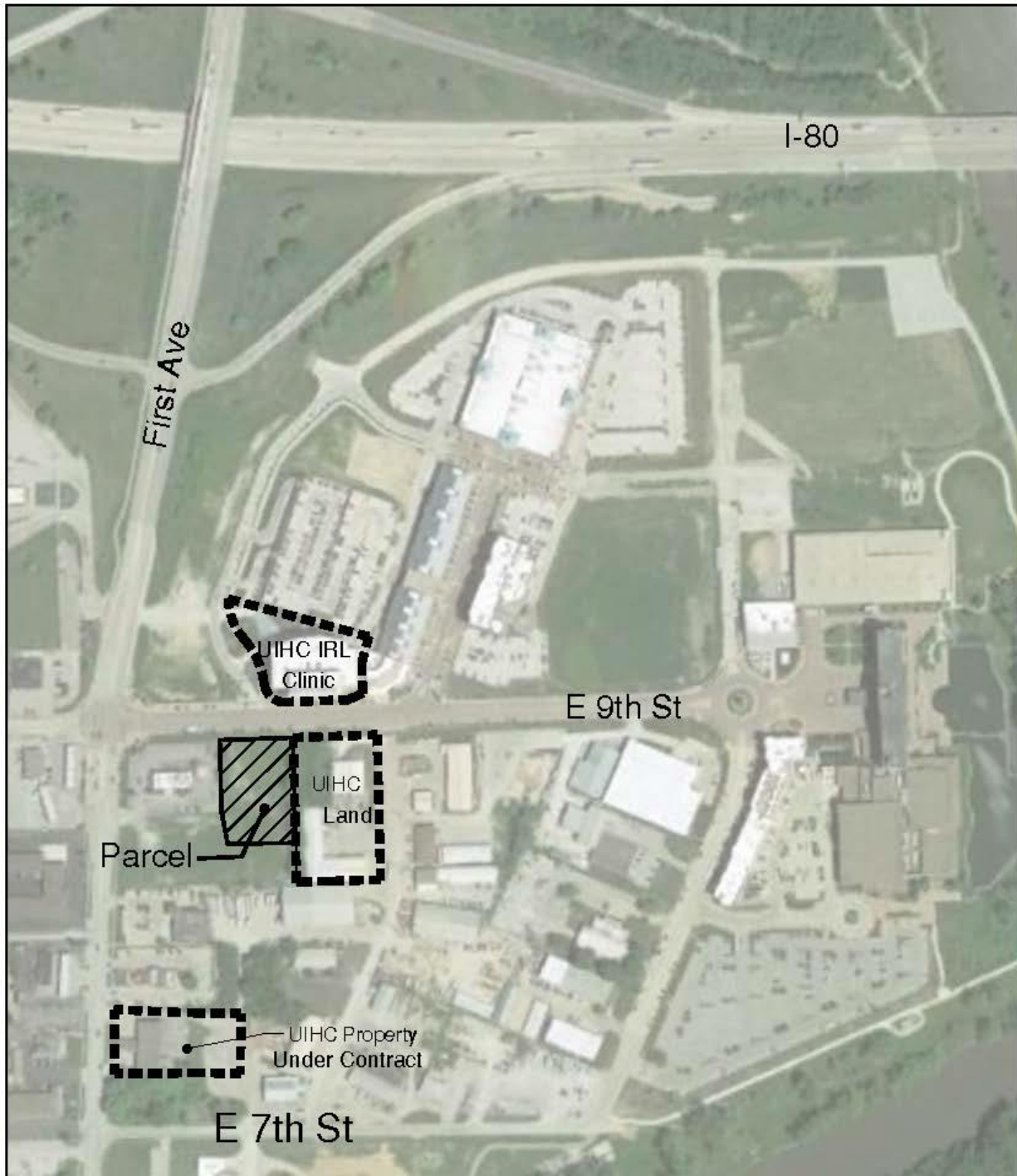
Permanent Access Easement. The City of Coralville, Drury, and the University agreeing on a non-exclusive curb cut and non-exclusive access driveway easement from 9th Street for use by Drury for hotel guests and employees.



Temporary Construction Staging Easement. The University and Drury entering into a temporary construction easement agreement to allow Drury to utilize the property for a construction staging area for its hotel with time frames defined which would enable the University to also construct the curb cut and access driveway set forth in the above paragraph.

Funds for the purchase of this property will be provided by UIHC capital funds from hospital earnings.

This property is in the Iowa River Landing development in Coralville near UIHC's new ambulatory care clinic facility and adjacent to newly acquired UIHC property (approved by the Board in 2012 and 2014).

Drury Development Corporation is a willing seller at this time; acquiring the property now allows it to be purchased at fair market value. This property and property UIHC already owns are important to UIHC as master planning for the area moves forward. UIHC, the City and adjoining property owners plan to create a new subdivision plat with new lot boundary lines that will allow UIHC to appropriately size and site a new patient care facility. UIHC will report back to the Board at a later date seeking permission to proceed on a specific, future building at this location.



 <p>THE UNIVERSITY OF IOWA</p> <p><i>Plotted: Dec. 29, 2014 IRL_Land.dwg</i></p>	<p>Legend</p> <p>----- University Property Line</p>	<p>N</p>  <p>Scale: 1" = 325'</p>	<p>LOCATION MAP</p> <p>Land Acquisition</p>
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