

Contact: Jean Friedrich

**UNIVERSITY OF IOWA PROPOSED PROPERTY SALE AND EASEMENTS**

**Action Requested:** Consider recommending to the Board approval of agreements with the City of Iowa City in the amount of \$590,265.25 for the City's purchase of property and temporary and permanent easements for a highway extension near the Mossman Business Services Building.

**Executive Summary:** The City of Iowa City has received Federal funds to extend McCollister Boulevard between Old Highway 218 and Gilbert Street. The proposed highway extension bisects the parcel of land housing the Mossman Business Services building (see Attachment A for map).

The real estate purchase agreement and easements have been reviewed by the Attorney General's Office and are recommended for approval.

The amount of the agreements totaling \$590,265.25 includes:

Value of land (including easements)	\$316,522.25
Construction of University parking lot, access drive and loading dock*	166,683.00
Contingency	31,360.00
Reimbursement for lost opportunity cost for site development, appraisal, and cost of Crose Gardner study	65,700.00
Reimbursement for survey costs	5,000.00
Reimbursement for engineering costs	<u>5,000.00</u>
Total	\$590,265.25

\*If construction costs exceed this amount, the City has agreed to pay additional costs of up to \$169,028.

The City's valuation of the land to be taken, including the amounts offered for the temporary and permanent easement is \$316,522.25. The University will convey all of its interest in a cut off triangle (1.84 acres) to the City, along with the land within the new highway right-of-way (1.26 acres) and a temporary construction easement, which would be in effect for two years from commencement of construction. The City has agreed to pay \$12,620 to the University for the University's loss of said property during the construction.

In addition to the value placed on the land taken, the University is to be reimbursed for the costs the University incurred earlier for an appraisal and a study by Crose Gardner (\$15,700) to develop a layout of the site, as well as \$50,000 for the lost opportunity cost of developing a consolidated operation on the Mossman site.

The University is to be reimbursed for its anticipated boundary survey costs (\$5,000) and out-of-pocket engineering costs (\$5,000).

The City will convey to the University without compensation, 18,380 square feet of Old Riverside Drive adjacent to the University of Iowa parcel, and will maintain Old Riverside Drive right-of-way and pavement north of the creek so as to provide tractor-trailer access to the University of Iowa property from the north.

In a separate agreement, for which approval is not requested at this time, the City will grant a written option to the University permitting it to acquire within the City's nearby industrial park, land consisting of 4.5 acres plus or minus, at fair value for off-campus University activities.

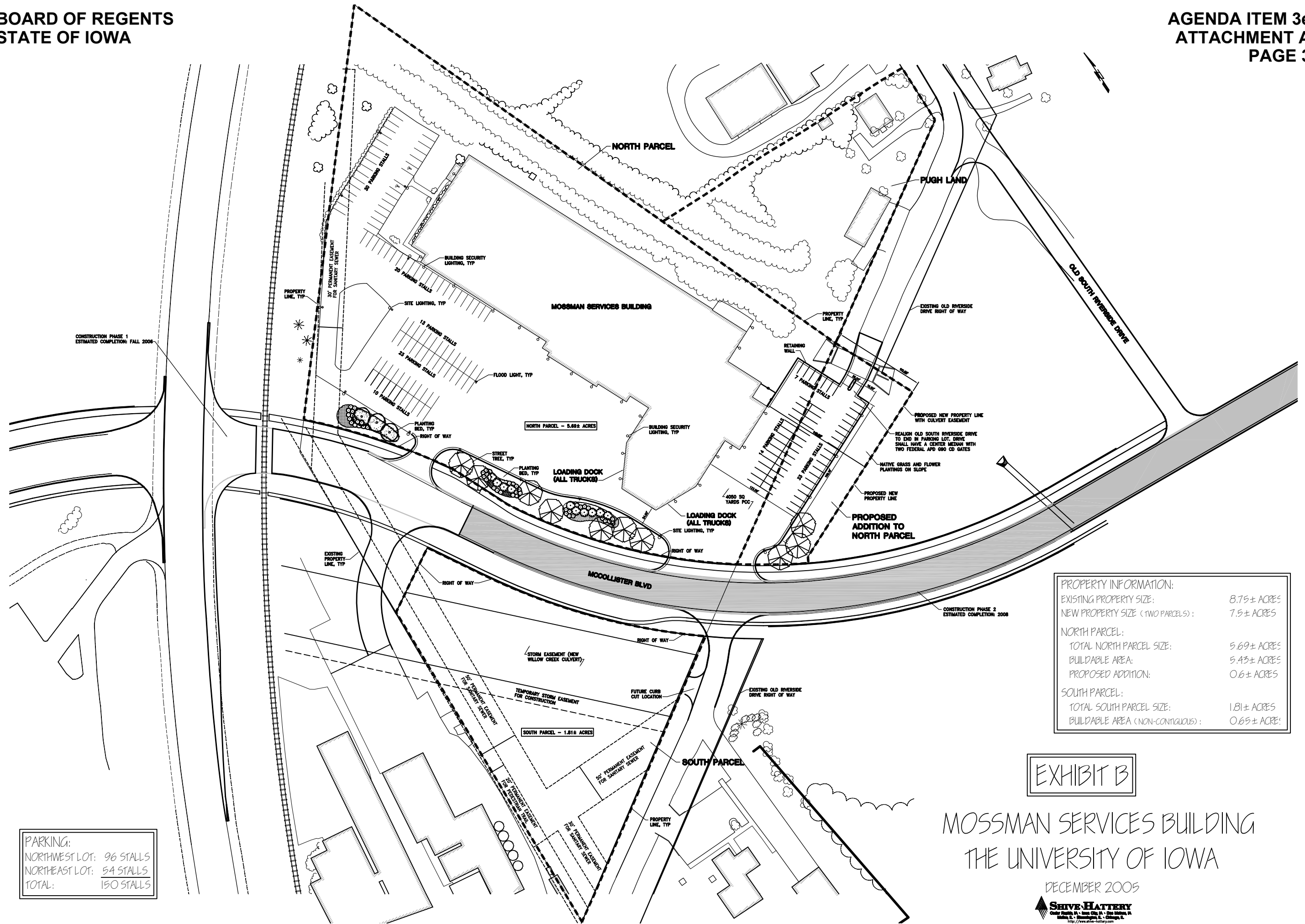
**Additional Information:** The City's construction schedule requires access to the Mossman site in early March 2006 in order to meet their established timeline; the University granted such access subject to the City's agreement to return the site to its original condition should the parties be unable to obtain Board approval of the proposed agreement.

The University of Iowa Mossman Business Services Building is located on approximately 9.11 acres, one mile south of the campus on the Iowa River. The address is 2222 Old Hwy 218 S, Iowa City. The 67,000 gross square foot facility currently houses Central Receiving, General Stores, Equipment Rental, Mail Services, Large Copy Services and Printing Services. The building has approximately 76,455 square feet. The source of funds used to purchase the Mossman property in 1993 was as follows:

Printing Department Improvement Fund	\$ 400,000
Flood Insurance Proceeds	300,000
Other User Departments	<u>700,000</u>
Total	\$1,400,000

The University engaged Crose Garder Associates of Des Moines as consultants in 1999 to design a layout of the Mossman site that would accommodate storage, surplus operations, and similar other operations on the site. Because the new highway will now preclude the University's use of the Mossman property for these and other purposes, a replacement site will be identified in the City's nearby industrial park and acquired with funds received per this agreement in a separate transaction. While the City's project will reduce the Mossman site, it is mitigated in part by the City's abandonment of Old Riverside Drive and enhancement of the east side parking area.

The two appraisals for the property were done to estimate market value of the property before and after the City's taking in order to provide fair compensation to the University. The appraisal amounts estimated the total compensation for the acquisition area, temporary and permanent easement at \$255,049 and \$271,000.



CONSTRUCTION PHASE 1  
ESTIMATED COMPLETION: FALL 2006

CONSTRUCTION PHASE 2  
ESTIMATED COMPLETION: 2008

PARKING:  
NORTHWEST LOT: 96 STALLS  
NORTHEAST LOT: 54 STALLS  
TOTAL: 150 STALLS

PROPERTY INFORMATION:	
EXISTING PROPERTY SIZE:	8.75± ACRES
NEW PROPERTY SIZE (TWO PARCELS):	7.5± ACRES
NORTH PARCEL:	
TOTAL NORTH PARCEL SIZE:	5.69± ACRES
BUILDABLE AREA:	5.43± ACRES
PROPOSED ADDITION:	0.6± ACRES
SOUTH PARCEL:	
TOTAL SOUTH PARCEL SIZE:	1.81± ACRES
BUILDABLE AREA (NON-CONTIGUOUS):	0.65± ACRES

EXHIBIT B

MOSSMAN SERVICES BUILDING  
THE UNIVERSITY OF IOWA

DECEMBER 2005

