

Contact: John Nash

IOWA STATE UNIVERSITY PROPOSED PROPERTY SALE

Action Requested: Recommend the Board approve the sale of 68.38 acres of farmland to the Iowa State University Research Park (see map below) at a price of \$2,190,200 (\$32,030 per acre) and a waiver of Board Policy 2.3/2/C/iii (conveyance of real estate for monetary consideration based on two appraisals), subject to approval of the final documents by the Board Office and Attorney General's Office.

Iowa Code §262.11 and the Board's Policy Manual Chapter 2.3/2/B/ii require the Board approve all acts relating to the management, purchase, disposition, or use of land and property.



Iowa State University Proposed Property Sale

Executive Summary: Iowa State University requests approval to sell 68.38 acres of farmland located immediately south of the Research Park's Core Facility (see map on previous page) to the Research Park to allow their continued expansion of the Phase III development.

The Research Park has interest from a major Iowa business to develop facilities in this area of the Research Park. In order for the Research Park to precede with their Phase III infrastructure, zoning, road, utility, and water retention projects, title to this land needs to transfer to the Research Park.

In December 2016, the Board approved the University's purchase of this land from Erben and Margaret Hunziker Apartments, LLC for \$2,190,200 for the future growth of the Research Park's Phase III development and possible agricultural operations by the College of Agriculture and Life Sciences. The price was based upon two appraisals per Board Policy 2.3/2/C/iii.

Under this agreement, the title for the 68.38 acres would be transferred to the Research Park. The Research Park would reimburse the University the same price of \$2,190,200 at a rate of \$32,030 per acre, based upon the two December 2016 appraisals, until the \$2,190,200 was paid. Payments would be made to the University as portions of the land are sold by the Research Park to future tenants and as rents were received. This would assist the Research Park in managing its cash flow, while supporting the economic development initiatives of Iowa State University.

Background: The Iowa State University Research Park was established in 1987 as an affiliated organization and is a critical part of Iowa State University's economic development initiatives. The Research Park has supported ISU researchers, businesses, and state economic development efforts. It has seen incredible growth and amazing innovation from its tenants. In addition to the support from the University, federal, state, county, and city governments have provided significant support as well.

To date, the Research Park has created over 1,700 jobs and developed more than 550,000 square feet of space. Phase III continues that growth. As a separate, nonprofit corporation, the Research Park is closely affiliated with the University. Should it cease to operate, its assets would transfer to the University.