

Contact: Jean Friedrich

**UNIVERSITY OF IOWA PROPOSED PROPERTY PURCHASE AND LEASE**

**Action Requested:** Consider: 1) Approval of the purchase, for the benefit of the University of Iowa, of a property located at 107 Grove Street in Iowa City, Iowa, from Timothy Negro at the price of \$170,000. 2) Approval of a lease with Mr. Negro for his use of the property for a one-year term beginning August 15, 2010. The purchase agreement and lease have been reviewed by the Attorney General's Office and are recommended for approval.

**(ROLL CALL VOTE)**

**Executive Summary:** The University of Iowa requests approval for the purchase of property located at 107 Grove Street in Iowa City from Timothy Negro. The property owner wishes to remain in the property for a one-year term (August 15, 2010 to August 14, 2011). This property consists of a single-family one-story house and land located on Grove Street, across from the Parklawn Residence Hall. The land is in a strategic location for future campus expansion. The University owns several other homes and the former St. Thomas More Church on this street. A map showing the location of the property is included as Attachment A.

The proposed purchase price of \$170,000 is consistent with Board policy for the purchase of property, based on two appraisals which used the sales comparison approach. The purchase would be funded from Treasurer's Temporary Investment Income.

The Board policy is 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.

Subsequent to possession, the University requests approval to lease back the house to Mr. Negro, the owner, for one year, commencing August 15, 2010, and ending August 14, 2011. In lieu of monthly cash rental, the tenant would perform maintenance and repairs to the rental premises and pay reimbursements for property taxes and insurance.

At the conclusion of the proposed lease with Mr. Negro, the residence would be used as a tenant property. Tenant properties are traditionally used for transitional housing for new faculty and staff.

Additional information is available from the Board Office.

