

Contact: Jean Friedrich

**IOWA STATE UNIVERSITY PROPOSED PROPERTY SALE**

**Action Requested:** Consider approval of the sale for the benefit of Iowa State University of approximately 38 acres of land located approximately four miles south of campus and one mile west of Kelley on the north side of 280<sup>th</sup> Street to the Committee for Agricultural Development (CAD), at the sale price of \$280,000.

**(ROLL CALL VOTE)**

**Executive Summary:** Iowa State University wishes to sell approximately 38 acres of land known as the Norman Farm located four miles south of campus to the Committee for Agricultural Development. This farm land has been used by the College of Agriculture and Life Sciences as part of the Ag 450 course which provides a realistic farm management experience for students. The location of the farm land is shown in Attachment A.

In 1993, the Board of Regents approved an agreement between the ISU Foundation and the University for the Foundation to purchase the Norman Farm for \$76,000. The Ag450 program repaid the purchase price over a ten-year period from the revenues of the Ag450 farm operations. The title to the Norman Farm was transferred to the State of Iowa for the benefit of Iowa State University. No direct state funds were used for the acquisition since it was purchased with Ag450 farm revenues.

In August 2009, the Board approved the purchase of 40 acres of land adjacent to the ISU Animal Science Teaching Farm and other University properties. The University intended to sell the 38-acre Norman Farm (to eliminate travel time) and apply the proceeds of the sale to the purchase of the 40 acres. Because the 40 acres were part of a larger development within the Ames city limits, it took several months to work out a revised developer agreement and obtain the necessary city approvals.

Two appraisals for the Norman Farm property of \$232,000 and \$239,000 (average of the two appraisals is \$235,500) were completed in June and early July 2009. There have not been significant changes in land values since the appraisals were completed. The sale price is 19% above the Norman Farm's market value of \$235,000. The proposed sale is consistent with Board policy which requires that real estate be conveyed for monetary consideration based on appraisal.

The Committee for Agricultural Development is a nonprofit affiliated organization, originally established in 1943, with a board consisting of University and independent representatives with agricultural backgrounds. It has a history of distributing new seed and plant materials developed by University scientists and assisting the College of Agricultural and Life Sciences by providing funds and access and management of land for research and instructional purposes. CAD plans to utilize the Norman Farm for these purposes.

The sales agreement has been reviewed by the Attorney General's Office and is recommended for approval.

