

Contact: Jean Friedrich

**UNIVERSITY OF IOWA PROPOSED PROPERTY PURCHASE AT
707 1ST AVENUE, CORALVILLE, IOWA**

Action Requested: Consider recommending to the Board approval of the purchase of two parcels of property at 707 1st Avenue, Coralville, Iowa, at a price of \$1,450,000 from Coral, Inc. for the benefit of the University of Iowa, 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 707 1st Avenue in Coralville, Iowa. The property consists of 30,921 square feet of land with a 2-story motel built in 1973 that is in fair condition. The second parcel is a vacant lot used for motel parking and consists of 17,183 square feet of land. A map showing the location is included as Attachment A.

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. This policy is not intended to limit negotiation for a price lower than the appraised value.

The purchase price of \$1,450,000 is consistent with Board policy based on two appraisals. Funds for the purchase of this property will be provided by UIHC capital funds from hospital earnings.

The University does not have an immediate need for the property, but wants to secure the property while the owner is willing to sell at appraised value. The University and Owner have agreed to a delayed closing. The University has paid the Owner earnest money of \$25,000 and will pay the Owner \$100,000 within 45 days of approval of the offer; both amounts would be fully credited to the purchase price. The Seller would then have until December 31, 2016 to close on the transaction with the University. There is no Consumer Price Index (CPI) adjustment for the delayed closing. The Owner would continue to own, operate and maintain the premises, and assume all liability for the property until the final closing date.

This property is in a key location near the University of Iowa Hospitals and Clinics' new ambulatory care facility (Iowa River Landing) and other recently acquired property, acquisition of which was approved by the Board of Regents in 2012.



THE UNIVERSITY
OF IOWA

Plotted: March 31, 2014
707_1st_Ave_Coralville.dwg



Scale:
1" = 600'

LOCATION MAP

707 1st Avenue, Coralville