

Contact: John Nash

UNIVERSITY OF IOWA PROPOSED PROPERTY PURCHASE

Action Requested: Consider recommending to the Board approval of the purchase of the property at 108 River Street, Iowa City, Iowa from GREK, L.C. at a purchase price of \$695,000 and a waiver of Board Policy 2.3.2 Ciii (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.

Executive Summary: The University of Iowa requests approval of the purchase of the building and land at 108 River Street, Iowa City, Iowa from GREK, L.C. Following the flood of 2008, the University has been continuously leasing this property since March 2009 to house University classrooms and offices. The 9,000 square foot, two-and-one-half-story brick building sits on 0.4 acres (17,500 square feet) of land on the University's Arts Campus, across the street from the new Visual Arts Building, near other University arts venues, north of the College of Public Health, and southwest of the new Hancher Auditorium (see Attachment A). The building is a former fraternity house that has been converted into an office and classroom building. It offers flexible spaces that work well for offices and classrooms that cannot be easily duplicated on the University's Arts Campus. It includes a wet sprinkler system, a four-stop elevator, an updated heating-ventilation-air conditioning (HVAC) system, and updated plumbing. The building is located well above the 500-year-plus-two-feet (500+2) flood plain.

The "Option to Purchase" clause in the lease provides the University with the option to purchase the building and land at \$695,000. This amount is significantly below a June 2016 independent appraisal obtained by the University of \$940,000 and below the Johnson County assessment of \$910,600 (both for the building and land). With the purchase price significantly below both the appraised value and assessed value, the University requests the Board waive the requirement of a second appraisal. The University would use Treasurer's Temporary Investment Income to purchase the property.

UNIVERSITY OF IOWA
PROPOSED PROPERTY PURCHASE MAP



 <p>THE UNIVERSITY OF IOWA</p> <p><small>Monday, July 25, 2016 Document Name: 20160721_BOR_108_River</small></p>	 <p>1" = 300'</p>	<p>Location Map: 108 River Street Iowa City</p>
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