

Contact: John Nash

UNIVERSITY OF IOWA PROPOSED PROPERTY PURCHASE

Action Requested: Consider recommending to the Board approval of the purchase of the property at 109 East Market Street and 128 North Clinton Street in Iowa City from Gloria Dei Lutheran Church of Iowa City (see page 2 for location) at a purchase price of \$2,677,387 for both properties. Approval of a waiver of Board Policy 2.3.2 Ciii (conveyance of real estate for monetary consideration based on two appraisals) is also requested, subject to approval of the final documents by the Board Office and Attorney General's Office.

Executive Summary: These two properties are connected, are in a key location immediately adjacent to the University of Iowa campus, and have a total area of 9,394 square feet. Each parcel has a structure on it. One is an older rooming house and the other is a building used by the Church for offices. Neither building has value to the University so the structures would be razed upon closing on the properties.

The purchase price is \$2,677,387 (\$285 per square foot). In July 2018, the University will close on the purchase of the two other properties immediately south of these two proposed properties at a purchase price of \$308 per square foot, based on two appraisals per Board policy and approved by the Board. The current \$2,677,387 (\$285 per square foot) contract was negotiated using the appraisals of these other two properties given their proximity and similarity. The expense of obtaining two additional appraisals for the two proposed properties is unlikely to provide any new land valuation information to the University or the Board. Subsequently, the University requests the Board waive its policy for obtaining appraisals for this property purchase.

These two proposed properties along with the two other previously approved properties are adjoining and would provide the University with a good footprint on which to develop and construct a new academic building. The land is directly across from the University's Pappajohn Business Building that serves as the main academic and administrative building for the Tippie College of Business. The University has begun an initial feasibility study for an entrepreneurial center associated with the Tippie College of Business on this site. This facility was included in the FY 2018 Annual Capital Plan submitted to the Board in June 2017. As a separate action, the University would return to the Board at a future meeting with a formal Permission to Proceed with Planning for this new academic building.

The University would use Treasurer's Temporary Investment Income to purchase these two proposed properties.

UNIVERSITY OF IOWA
PROPOSED PROPERTY PURCHASE MAP

