

Contact: John Nash

**UNIVERSITY OF IOWA PROPOSED ACCEPTANCE OF REAL ESTATE GIFT
AND PROPERTY SALE**

Action Requested: Recommend Board approval to both accept a gift of 39 acres of rural property 42 miles southeast of campus from the Estate of Wallace M. Feldman in Louisa County, and sell the same 39 acres to Oscar Hiller for \$168,000 (\$4,308 per acre). In addition, request that the Board waive policy that states that real estate should be conveyed based on appraisal.

- *Iowa Code* §262.9(8) authorizes the Regents to acquire real estate for the proper uses of the institutions and dispose of real estate, when not necessary for their purposes.
- *Policy Manual* §2.3, section 2C, part iiiia states that real estate should be conveyed for monetary consideration based on appraisal.

Executive Summary:

The University of Iowa is the beneficiary from the Estate of Wallace M. Feldman of a 39-acre parcel of land in rural Louisa County at 16745 O Avenue in Letts, Iowa. On June 9, 2020, the estate transferred the property into the name of the "Board of Regents, State of Iowa for the use and benefit of the University of Iowa." There are no future restrictions or contingencies on the property in the gift or deed documents.

It has been unoccupied and unmaintained for over 20 years.

The University has inspected the property and has determined to have no use for it. Retaining it does not serve any academic or research mission.

On the property, there is an abandoned farmhouse, no operating water or septic systems, and 15 heavily rusted cars and trucks. The remaining 39 acres are timber and prairie. In addition, the University has been made aware of repeated trespassers. Subsequently, retaining the property presents a significant liability to the University of Iowa and Board of Regents, hence this Board request to accept and sell the property simultaneously.

The buyer, Oscar Hiller, is interested in cleaning it up, while keeping it in a natural state for environmental stewardship and wildlife.



- **University Property Analysis**

The University analyzed the property's value based on Louisa County Assessor's 2020 "Assessed Land Value" of \$56,132, the property's condition and comparable land sales. Subsequently, the University and the buyer have negotiated a price of \$168,000, where the buyer would accept the property "as-is" and is fully aware of its poor condition. The University considers the \$168,000 price to be a fair market value.

- **Waiver of Board Policy**

The University is comfortable with its property valuation. It feels that spending funds to appraise a low valuation property like this, or fixing it up in order to list it with a real estate broker would not be a good use of University funds. As a result, the University requests Board approval to waive its policy stating that "...real estate should be conveyed for monetary consideration based on appraisal."