

Contact: Jean Friedrich

**UNIVERSITY OF IOWA PROPOSED PROPERTY PURCHASE**

**Action Requested:** Consider approval of the purchase of 3 parcels at 120 E. 9<sup>th</sup> Street, 808 East 2<sup>nd</sup> Street, and 116 E. 9<sup>th</sup> Street in the Iowa River Landing District in Coralville, Iowa, from the City of Coralville at a price of \$1,800,000 plus relocation costs of tenants in an amount not to exceed \$475,000 for the benefit of the University of Iowa, subject to approval of the final documents by the Board Office and Attorney General's Office.

**(ROLL CALL VOTE)**

**Executive Summary:** The University of Iowa requests approval for the purchase of 1.74 acres of industrial warehouse property (3 parcels) in the Iowa River Landing District in Coralville, Iowa, immediately south of the University of Iowa Hospitals and Clinics (UIHC) Iowa River Landing Ambulatory Clinic which opened in October 2012, from the City of Coralville. A map showing the location is included as Attachment A.

The proposed purchase price is \$1,800,000 which is consistent with Board policy for the purchase of property, based on two appraisals (the University also received an independent assessment of the appraisals and overall valuation). The amount does not exceed the costs incurred by the City of Coralville in acquiring the land. The purchase would be funded from University Hospitals Building Usage Funds. In addition to the purchase price, the University will pay relocation costs of tenants when they are displaced in an amount not to exceed \$475,000, as further specified in the purchase agreement. (The City of Coralville is required by statute to provide tenant relocation.)

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.

These parcels provide an available site for a future building similar to the Iowa River Landing Ambulatory Clinic (Clinic); the new facility would be connected to the Clinic by an existing tunnel passing under East Ninth Street. Future development would require coordination with the City of Coralville for site development, roadway right of way and a parking structure.

This property is industrial/commercial and some of the existing buildings are leased to commercial tenants. The existing leases all have less than a year remaining or are month-to-month leases and will be assigned to the University by the City of Coralville. The University will collect rent from tenants until the site is master-planned and developed.

Additional information is available from the Board Office.

