

Contact: John Nash

IOWA STATE UNIVERSITY PROPOSED PROPERTY SALE

Action Requested: Recommend the Board approve the proposed sale of 6.06 acres of land, including five buildings totaling over 22,000 gross square feet and other site improvements, to **Frontline BioEnergy, LLC of Ames** for \$1,200,000.

- *Iowa Code* §262.11 and the Board's *Policy Manual* Chapter 2.3.2.B.ii require the Board approve all acts relating to the management, purchase, disposition or use of land and property.

Executive Summary: The property is located at 1521 West F Avenue one mile west of Nevada and 13 miles east of Iowa State University's central campus.



Proposed Property Sale of ISU's 6.06 acre BECON facility to Frontline BioEnergy, LLC



BECON facility, one mile west of Nevada

North



Property History

	Amount	Date	Board Action
Property purchased by ISU		1998	
Property developed by ISU into the "Iowa Energy Center"		1999-2003	
Iowa Energy Center utilized the facility as the Biomass Energy Conversion (BECON) facility		2003-2018	
Board approval for ISU to lease the BECON facility to the ISU Research Park	\$78,000/ year for two years	Jun. 2019	Approved
Proposed Property Sale from ISU to Frontline BioEnergy, LLC	\$1,200,000	Nov. 2022	Requested

The land was purchased in 1998 and developed by Iowa State University from 1999-2003 for use by the Iowa Energy Center, who utilized the property as a “Biomass Energy Conversion” (BECON) facility through 2018, when the Center closed.

Following the Board’s approval in June 2019, the property was then leased from the University to the Iowa State Research Park (ISURP), which in turn subleased the facility to Frontline BioEnergy, LLC. Frontline BioEnergy provided support to a university research project. The research project has ended, and the University and ISURP now have no future need for the property.

Frontline BioEnergy, LLC wishes to acquire the property for continued research and business development.



BECON facility, Nevada

Per the Board’s *Policy Manual*, two independent appraisals for the BECON Facility were completed in February 2022. Both utilized a sales comparison and income capitalization approach with final market values of \$1,000,000 and \$1,250,000. The proposed sales price is within the two appraisals, plus the estimated value of in-place Iowa State University owned equipment to be sold with the property.