UNIVERSITY OF IOWA PROPOSED PROPERTY PURCHASE

Action Requested: The University of Iowa for the benefit of University of Iowa Health Care requests Board approval to purchase real estate property owned by Dr. Farida Rajput and located at 1351 Kimberly Road, Suite #1 in Bettendorf. The purchase price of $1,887,500 would be funded by University Hospitals Building Usage Funds.

In accordance with Board of Regents policy, the University of Iowa acquired two appraisals for the property that value Suite #1 at $2,100,000 and $1,675,000.

- 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.
- Board’s Policy Manual §2.3.2.C.iii.b states “Property purchased shall be purchased at no more than the high appraisal ($2,100,000) or not more than 5 percent above the average of two appraisals ($1,981,875), whichever is less. This policy is not intended to limit negotiation for a price lower than the appraised value.”

Background: The approval before the Board is solely for the real estate portion, Suite #1, and includes no land or parking areas. UI Health Care already leases the adjoining space in the same medical office building where it currently operates a hematology oncology practice.

The acquisition of Dr. Rajput’s practice would enable UI Health Care patients to have better access to a high standard of cancer care closer to home. Having a UI Health Care hematology oncology practice co-located with a radiation oncology practice would allow patients to receive a broad spectrum of cancer services in one convenient location.

Suite #1 is an 8,810 square foot commercial condominium in a medical office building built in 1999. Suite #1, which has a 56 percent interest in the common area of the medical office building, is one of two suites in the building, which sits on 1.4 acres with parking.
This real estate purchase is part of an overall healthcare practice acquisition whereby Dr. Rajput is retiring and selling her radiation oncology medical practice.

This acquisition fits with UI Health Care’s long-term goals of increasing overall access to cancer services in the Quad Cities and extending UI Health Care’s cancer clinical programs of excellence to Eastern Iowans.