

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Purchase of Property Located at 620 and 624 South Madison Street, Iowa City, Iowa
Date: December 1, 2004

Recommended Actions:

Approve the purchase of property located at 620 and 624 South Madison Street, Iowa City, Iowa, from Thomas and Marilyn Alberhasky, at the purchase price of \$850,000, subject to approval of the Executive Council of Iowa. **(ROLL CALL VOTE)**

Executive Summary:

The University of Iowa wishes to purchase the commercial property located at 620 and 624 South Madison Street in Iowa City.

The property is located in the southeast portion of campus, east of the Iowa River and southwest of the University Services Building. (A map of the properties is included as Attachment A.)

The University has leased the two metal framed warehouses on the property since 1983. The warehouse space currently provides storage for the Departments of Physics and Astronomy, and Information Technology. The Facilities Services Group uses a portion of the space for trade shop locations along with other warehouse and storage requirements.

The proposed purchase price is \$850,000, which is consistent with Board policy for the purchase of property.

The University proposes to utilize Income from Treasurer's Temporary Investments for the property purchase with the purchase being financed over a seven year period.

The University has had a long standing goal of acquiring this property. With the upcoming relocation and utility expansion needs to accommodate the proposed East Campus Recreation Center, it has become a more immediate objective to acquire this property.

The purchase agreement has been reviewed by the Attorney General's Office and is recommended for approval.

Background and Analysis:

General Description The land area totals approximately 31,125 square feet. The warehouse at 620 South Madison was constructed in 1963 and consists of 10,150 square feet of space. The warehouse at 624 South Madison was constructed in 1967 and consists of 9,336 square feet of space.

The property is in a key location within the general campus boundaries and is adjacent to other property owned by the University.

Purchase Price The proposed purchase price of \$850,000 is consistent with the Board's Policy Manual, which requires that property be purchased at not more than the highest appraisal or not more than 5 percent over the average of two appraisals; the two appraisals valued the property at \$860,000 and \$870,000.

The real estate contract with Thomas R. and Marilyn J. Alberhasky requires \$1,000 down on the signing of the contract, \$59,000 payable on June 1, 2005, and the balance (\$790,000) payable over seven years at 6.5% interest (\$11,731.05 per month, \$140,772.60 per year). The University will continue rental payments on a month-to-month basis until June 1.

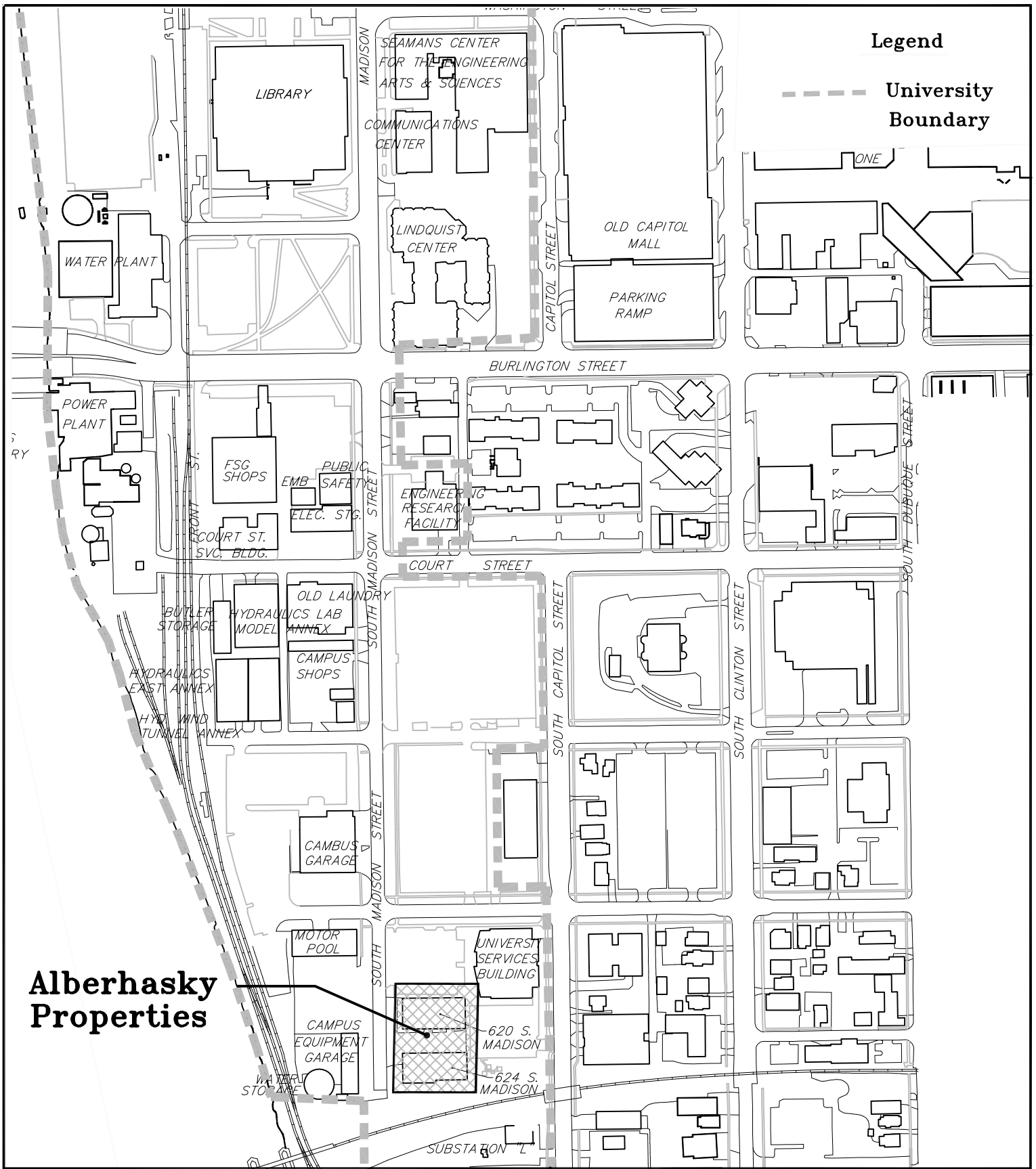
The University proposes to utilize Income from Treasurer's Temporary Investments for the property purchase, which would be offset through savings from present rental payments for the facilities which total \$118,200 annually.

Executive Council Approval The property purchase is also subject to approval of the Executive Council of Iowa.


Jean A. Friedrich

Approved: 
Gregory S. Nichols

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THE UNIVERSITY OF IOWA

3-Exhibits\BOR\Alberhasky.dwg
Plotted: November 30, 2004



Scale: 1" = 300'

Location Map:

**Alberhasky
Properties**