

Contact: Jean Friedrich

**UNIVERSITY OF IOWA PROPOSED PROPERTY ACQUISITION AND DEMOLITION,  
SURFACE PARKING – MELROSE AVENUE AND MELROSE PLACE**

**Action Requested:** Consider approval of the following for the benefit of the University of Iowa, subject to approval of the final documents by the Board Office and Attorney General's Office:

1. The purchase of two properties located at 711 Melrose Avenue and 1 Melrose Place in Iowa City, Iowa, from Oceanview Investments, LLC at the price of \$1,100,000 for both properties
2. Leaseback of the property at 711 Melrose Avenue to the sellers for five years at \$600 per year.
3. Demolition of the structures located at: 1,2,3,4,5,6,7 and 8 Melrose Place.
4. Permission to proceed with project planning, including the design professional selection process, for the **Melrose Avenue – Surface Parking** project.

**(ROLL CALL VOTE)**

**Executive Summary:**

**Property Purchase and Lease:**

The University of Iowa requests approval for the purchase of two properties located at 711 Melrose Avenue and 1 Melrose Place in Iowa City, Iowa, from Oceanview Investments, LLC. The owners of Oceanview Investments, LLC are Roy Browning, Swen Larson, Timothy J. Dwight Jr., Jason Birt, Mindee Birt, Wade Shriver, and Melissa Shriver. Mr. Browning's spouse (Jo Ellen Browning) is employed at the University of Iowa Hospital and Clinics. None of the other owners or their spouses is affiliated with the University of Iowa or UIHC. A map showing the location of the property to be purchased is included as Attachment A.

The property at 711 Melrose Avenue consists of a two-story rental house in fair condition, and the property at 1 Melrose Place consists of a single story rental house in good condition. The University owns the land directly adjacent to both properties which are in a key location within the general campus boundaries, across Melrose Avenue from University of Iowa Hospitals and Clinics. The University will lease back to the Sellers the residence on 711 Melrose (defined as the physical structure extending 8 feet beyond the existing east-west backyard fence line) for a term of 60 months commencing on January 1, 2012, and ending on December 31, 2016, at the rate of \$600 per year. The University retains the right to terminate the lease if the University has any other institutional use for the property, with a 60 day notice to Sellers.

The proposed purchase price of \$1,100,000 is consistent with Board policy for the purchase of property, based on three appraisals which used the sales comparison approach. The purchase would be funded from Treasurer's Temporary Investment Income.

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.

### Demolition of Properties

The University requests permission to raze the following University-owned structures (subject to Board approval of Requested Action 1):

- 1 Melrose Place
- 2 Melrose Place
- 3 Melrose Place
- 4 Melrose Place
- 5 Melrose Place
- 6 Melrose Place
- 7 Melrose Place
- 8 Melrose Place

Each University-owned building is currently used as temporary/rental housing and the condition of these aging wood frame structures is increasingly difficult and costly to address. None of the structures listed above are included within the Historic Neighborhood District.

### Permission to Proceed with Project Planning for the Melrose Avenue-Surface Parking Project

The University requests permission to proceed with project planning for the **Melrose Avenue-Surface Parking** project, subject to approval of the demolition of the facilities above. After demolition, the property would be used for UIHC staff and physician parking (approximately 250 spaces) that will be displaced with the construction of the West Campus Transportation Center and the University of Iowa Children's Hospital. A map showing the location of the facilities to be demolished and the surface parking are included as Attachment B.

To address appropriately the proximity of established Melrose neighborhood residences, primarily to the east of the proposed site, the University will design physical/landscaped buffers and will modify standard parking lot lighting standards to minimize potential light-pollution from the site. In addition to maximizing control of the on-site lighting implications, the University will work to establish operating hours for the lot that will limit or eliminate late-night hour usage, during which lighting would typically be needed.

The project estimated cost of \$3 million would be paid from parking enterprise earnings with cash contributions from UIHC to the Parking System to cover a portion of the project costs; and Treasurer's Temporary Investment income.

### Melrose Avenue-Surface Parking Project

#### Project Summary

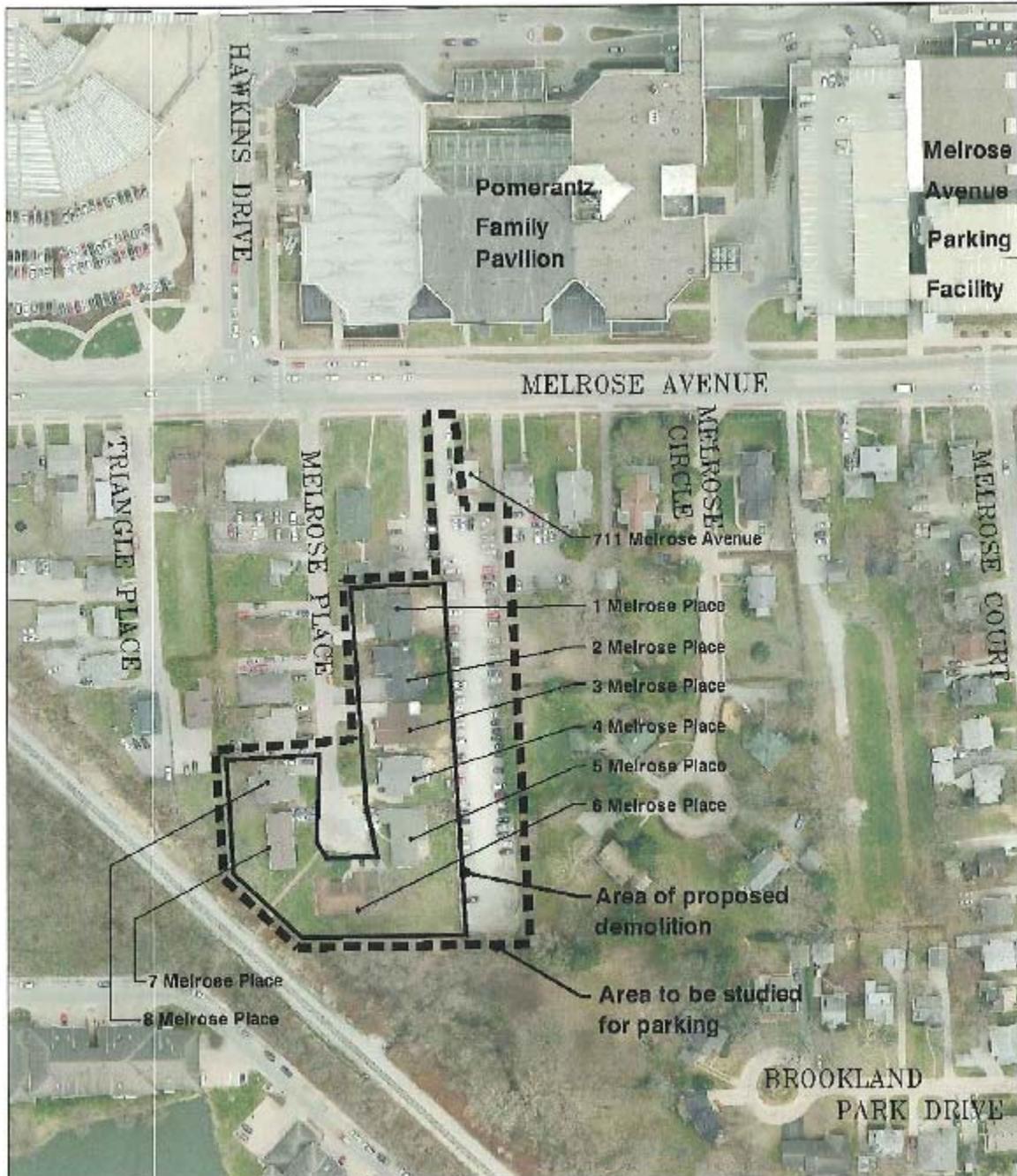
	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed		December 2011	Requested

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Based on the size of the project, the University intends to initiate a standard consultant search process.



 <p><b>THE UNIVERSITY OF IOWA</b> 711MelroseAve.dwg tab: 711 Melrose Plotted: Oct. 24, 2011</p>	<p>N</p>  <p>Scale: 1" = 150'</p>	<p>Location Map</p> <p>711 Melrose Avenue and 1 Melrose Place</p>
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 THE UNIVERSITY OF IOWA  
711MelroseAve.dwg  
tab: Expanded Lot  
Plotted: Nov. 7, 2011

  
Scale:  
1" = 150'

Location Map  
Melrose Avenue Parking