

**MEMORANDUM**

**To:** Board of Regents  
**From:** Board Office  
**Subject:** Purchase and Lease of Property Located at 609 Melrose Avenue, Iowa City, Iowa  
**Date:** July 8, 2002

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**Recommended Actions:**

1. Approve the purchase of property located at 609 Melrose Avenue, Iowa City, Iowa, from the University of Iowa Facilities Corporation, at the purchase price of \$249,000, subject to approval of the Executive Council of Iowa.
  2. Authorize the University to add the dwelling to its tenant property inventory to be leased at the rate of \$850 per month for FY 2003.  
**(ROLL CALL VOTE FOR BOTH MOTIONS)**
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**Executive Summary:**

The property located at 609 Melrose Avenue consists of a single-family, two-story home in fair condition on a 1.55 acre lot.

The property is located near the University's west campus to the south of the Melrose Avenue Parking Facility. (A map showing the location of the property is included as Attachment A.)

The purchase price for the property of \$249,000 is consistent with Board policy for the purchase of property.

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

The University proposes to utilize Income from Treasurer's Temporary Investments for the property purchase.

Following acquisition, the University proposes to lease the property at the rate of \$850 per month for FY 2003.

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**Background and Analysis:**

The proposed purchase price of \$249,000 is based on two appraisals which estimated the value of the property at \$250,000 and \$257,000.

- The purchase price is consistent with Policy Manual §7.10, which requires that property be purchased at not more than 5 percent over the average of two appraisals.

Following acquisition, the University wishes to use the property as a rental unit.

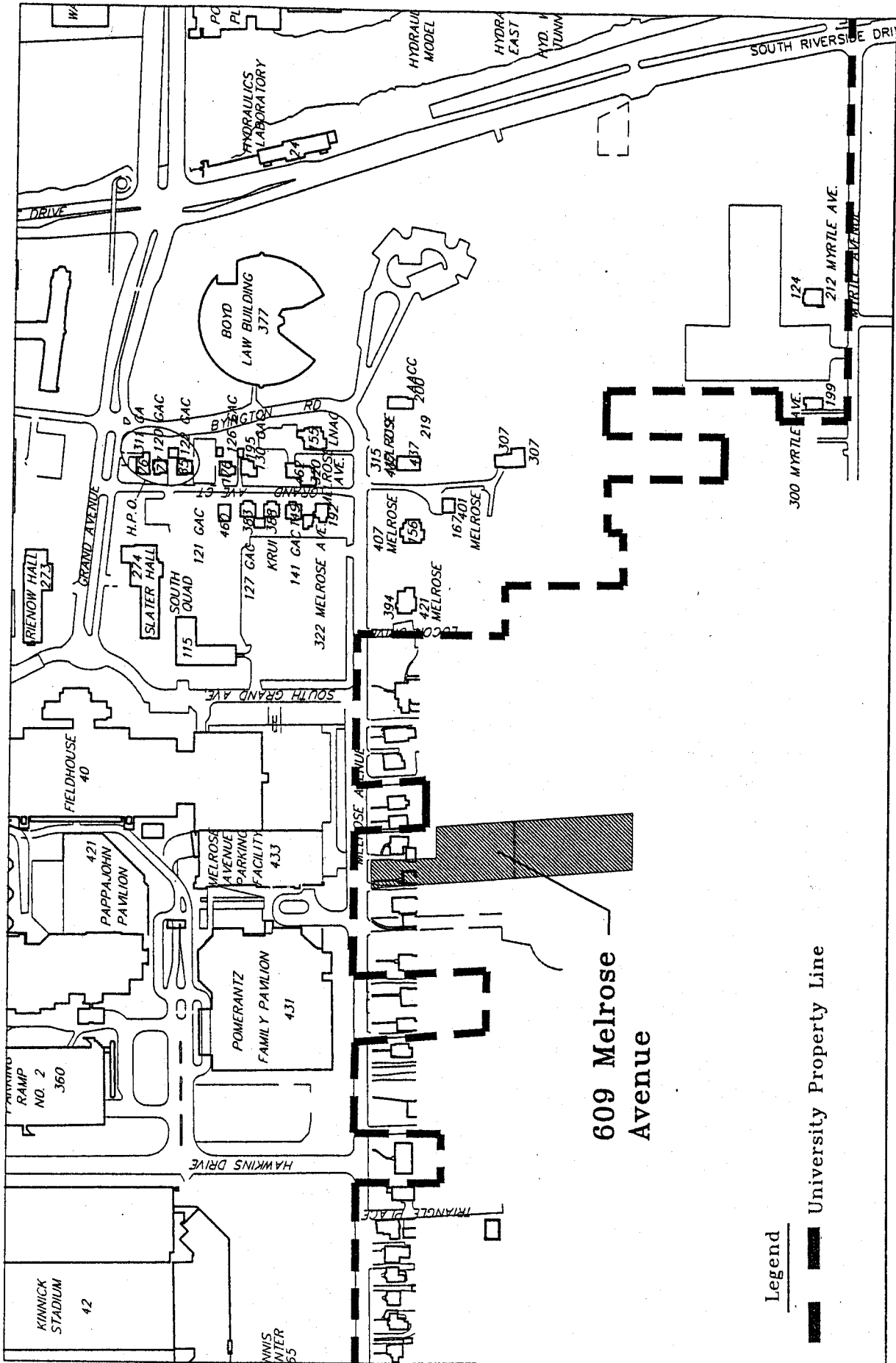
- The proposed rental rate of \$850 per month for FY 2003 is an increase of \$50 per month (6.3 percent) over the current rental rate for the property.

Since the property would be added to the University's tenant property inventory, the rental rate for each subsequent fiscal year would be presented for Board approval once a year (normally in May) along with the rental rates for the University's other tenant properties.

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Sheila Lodge

Approved:   
Gregory S. Nichols



Scale: 1" = 300'

THE UNIVERSITY OF IOWA - LOCATION MAP  
**609 Melrose Avenue**

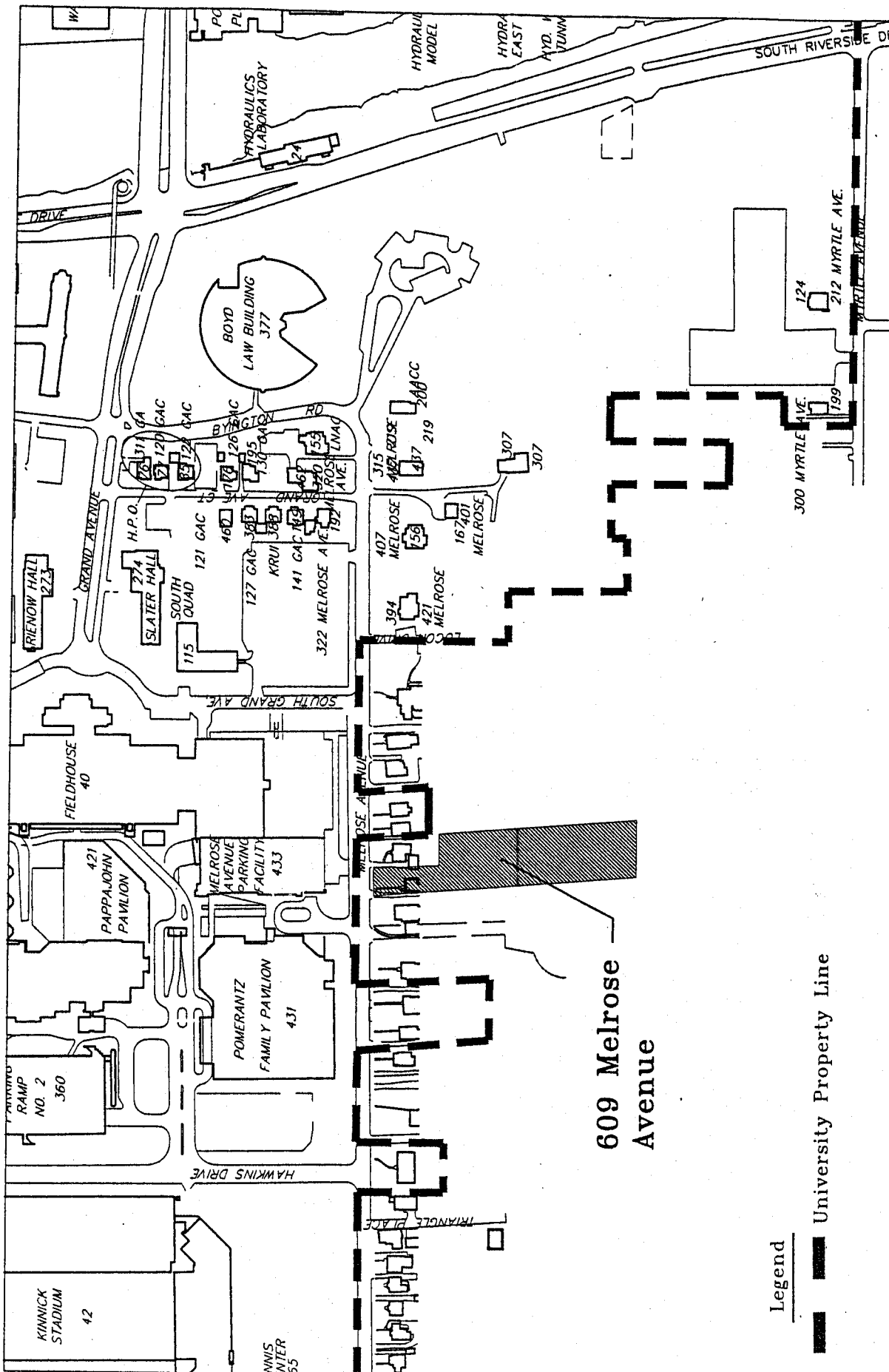
Mel-609.dwg

Legend

— University Property Line



PLOTTED 6-21-02




Scale: 1" = 300'

THE UNIVERSITY OF IOWA - LOCATION MAP  
**609 Melrose Avenue**

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Legend

 University Property Line



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**609 Melrose Avenue**