

**MEMORANDUM**

**To:** Board of Regents  
**From:** Board Office  
**Subject:** Purchase of Property Located at 2421 James Street, Coralville, Iowa  
**Date:** March 3, 2003

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**Recommended Action:**

Approve the purchase of property located at 2421 James Street, Coralville, Iowa, from MTE Project Development (Michael Evans), at the purchase price of \$700,000, subject to Banking Committee approval of the use of master lease financing for the purchase and approval of the purchase by the Executive Council of Iowa.

**(ROLL CALL VOTE)****Executive Summary:**

The University wishes to acquire the property located at 2421 James Street in Coralville, Iowa.

The property consists of 15,000 square feet of commercial condominium space located west of the University's far west campus and south of Highway 6. (See Attachment A for map.)

The University wishes to purchase the property to house a model of the Priest Rapids Dam, Grant County, Washington, for a research project of the Institute of Hydraulics Research.

The research project is funded by grant funds from Public Utility District No. 2, Grant County, Washington.

The University proposes to fund the property purchase under the Board's master lease; funding for the semi-annual master lease payments would be from grant funds received from the Utility District.

- Banking Committee approval of the use of master lease financing for the property purchase is requested in B.C. 10.

The purchase price for the property is consistent with Board policy for acquiring property.

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

**Background and Analysis:**

General Description            The property consists of ten adjacent, newly-constructed commercial condominium units totaling 15,000 square feet.

Reason for Purchase            Since 1980, the University's Institute of Hydraulic Research has conducted research for Public Utility District No. 2, Grant County, Washington; the research is funded by grant funds from the Utility District.

The purpose of the research is to study how Pacific Northwest salmon can co-exist with hydroelectric dams on the Columbia River.

The University recently received an additional \$6.9 million from the Utility District to continue its research.

The Institute's research efforts for the Utility District will be expanded to include the Priest Rapids Dam which is located on the Columbia River.

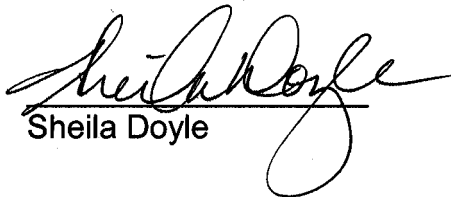
The study would be conducted utilizing a 12,600 square foot model of the Dam; this would require approximately 15,000 square feet of space to house the model and related test equipment.


The University reports that it has no space available of sufficient size to house the model.

Purchase Price            The purchase price for the property is \$718,800; the property would be sold to the University for \$700,000, and the remaining \$18,800 would be donated to the University by the seller.

The proposed purchase price of \$700,000 is consistent with the Board's Policy Manual, which requires that property be purchased at not more than 5 percent over the average of two appraisals.

- The two appraisals estimated the value of the property at \$775,000 and \$800,000.

  
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Sheila Doyle

Approved:   
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Gregory S. Nichols