

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Purchase and Lease of Property Located at 511 South Madison Street, Iowa City, Iowa
Date: May 7, 2001

Recommended Actions:

1. Approve the purchase of property located at 511 South Madison Street, Iowa City, Iowa, from William, Marilyn and Harvey Laschke, at the purchase price of \$234,000, effective June 15, 2001, subject to approval of the Executive Council of Iowa.
(ROLL CALL VOTE)
2. Approve the lease agreement with Harvey Laschke for his use of the property located at 511 South Madison Street, effective June 15, 2001, through June 14, 2002, subject to University purchase of the property.
(ROLL CALL VOTE)

Executive Summary:

The University requests approval to purchase property located at 511 South Madison Street in Iowa City. The property consists of a two-story frame house of approximately 1,400 square feet, and a shop building, on a 9,000 square foot lot within the southern portion of the campus. (A map showing the location of the property is included as Attachment A.) The purchase price of \$234,000 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 also requests approval to lease the property to Harvey Laschke for continued use as his personal residence for a one-year period. At the end of the lease term, the University plans to demolish the house and shop building, which are in poor condition, and develop a parking area on the property to serve the south area of campus.

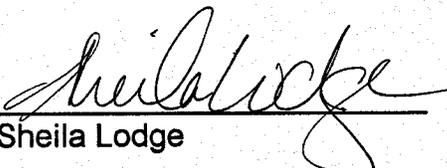
Background and Analysis:

The property is located immediately north of the Cambus garage in a transitional neighborhood within the southern portion of the campus; most of the property in the area is owned by the University. The property is in a key location within the general campus boundaries and the University's land acquisition plan as noted on the attached map.

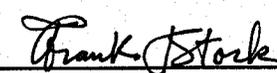
The proposed purchase price of \$234,000 is based on two appraisals, which estimated the value of the property at \$225,000 and \$234,000. The purchase price is consistent with Procedural Guide §7.10 which requires that property be purchased at not more than 5 percent over the average of two appraisals. The University proposes to utilize Parking System Improvement and Replacement Funds for the purchase, since the University plans to develop a parking area on the property.

The purchase agreement allows the sellers to lease the property from the University rent-free for up to one year from the date of closing. Accordingly, the University plans to lease the property to Harvey Laschke for continued use as his personal residence for a one-year period at no cost. This lease arrangement will allow Mr. Laschke sufficient time to acquire a new residence.

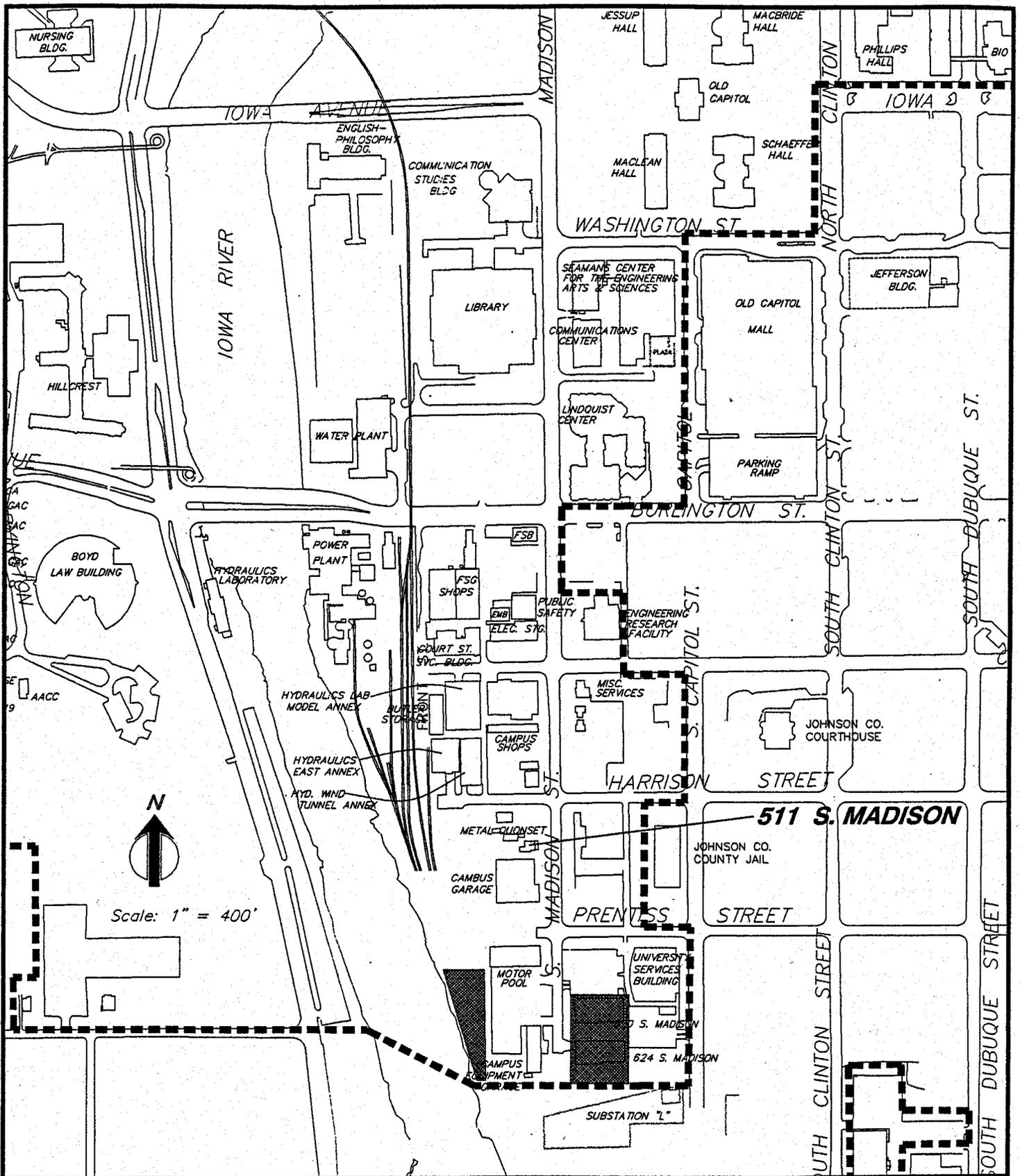
The lease agreement requires the tenant to be responsible for all maintenance, utilities, insurance, ground care and janitorial services for the property. In addition, the lease agreement requires the tenant to indemnify, defend, and hold harmless the University as customarily required.



Sheila Lodge

Approved: 

Frank J. Stork



THE UNIVERSITY OF IOWA
 LOCATION MAP
 511 SOUTH MADISON

Legend

- = University Property Line
- = non-University property within Property Line

