

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Purchase and Lease of Property Located at 124 Grand Avenue Court
Date: October 7, 2002

Recommended Actions:

1. Approve the purchase of the property located at 124 Grand Avenue Court, Iowa City, Iowa, from Leola Bergmann, at the purchase price of \$190,000, subject to approval of the Executive Council of Iowa.
2. Authorize the University to lease the property to Leola Bergmann for the one-year period commencing November 9, 2002, through November 8, 2003, for no rental fee.
3. Authorize the University to add the dwelling to its tenant property inventory at the end of the lease term with Leola Bergmann, with the rental rate to be determined and approved by the Board at a future date.

(ROLL CALL VOTE)

Executive Summary:

The University wishes to purchase the residential property located at 124 Grand Avenue Court, which is located west of the Boyd Law Building on the west campus. (A map showing the location of the property is included as Attachment A.)

- This is the only remaining property in this general area that is not owned by the University.

The property includes a two-story home in excellent condition on a 4,000 square foot lot.

The proposed purchase price of \$190,000, which would be financed by Income from Treasurer's Temporary Investments, 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.

Following acquisition, the University plans to lease the property to Leola Bergmann for a one-year period.

At the end of the lease term, the University plans to add the dwelling to its tenant property inventory; the rental rate would be determined and approved by the Board at a future date.

Background and Analysis:

The proposed purchase price for the property is based on two appraisals, which each estimated the value of the property at \$190,000.

- The purchase price for the property 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 plans to lease the property to Ms. Bergmann from November 9, 2002, through November 8, 2003, for no rental fee.

- This arrangement, which was a condition of the purchase agreement, would allow time for Ms. Bergmann to acquire a new residence in a retirement community.

Ms. Bergmann would be responsible for all maintenance, utilities, insurance, and janitorial services; the University would be responsible for the ground care and snow removal.

Ms. Bergmann would have the option to terminate the lease at any time by giving written notice and vacating the premises; the lease also provides automatic one-month renewal options.

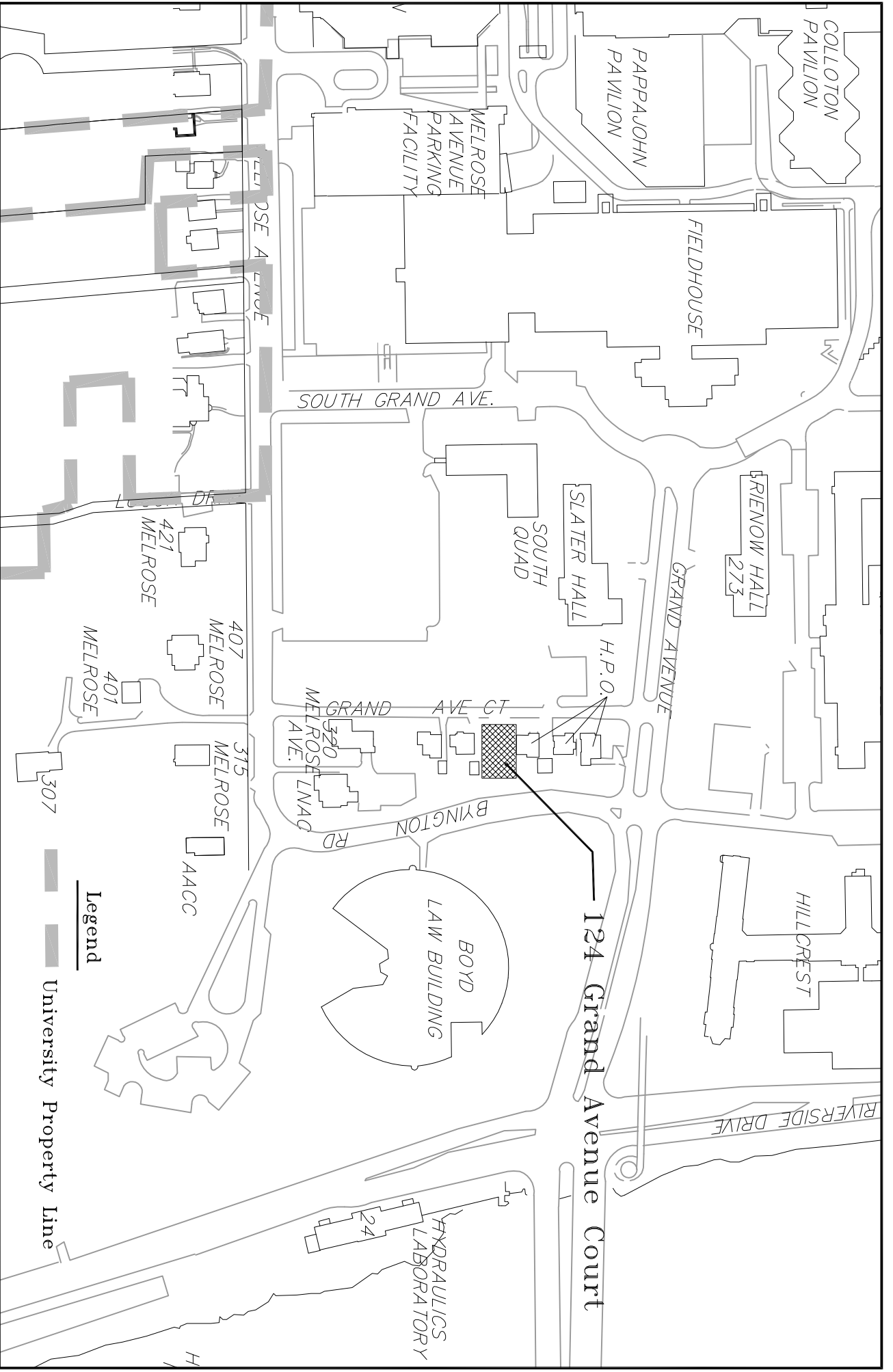
The lease agreement requires Ms. Bergmann to indemnify, defend, and hold harmless the University, as customarily required.

The University requests approval to add the dwelling to its tenant property inventory at the end of the lease term with Ms. Bergmann.

- The rental rate, to be determined by the University at a future date, would be presented for Board approval.

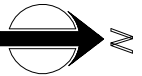

Sheila Lodge

Approved: 
Gregory S. Nichols



THE UNIVERSITY OF IOWA - LOCATION MAP
 124 Grand Avenue Court

Legend
 University Property Line



Scale: 1" = 200'

PLOTTED 10-04-02

