

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Acquisition of up to Forty-Nine Properties in an Area Bounded by S. Division Street, S. 5th Avenue, E Madison, and Hill Streets, Ann Arbor, Michigan, for the Purpose of the Phase 2 Residential Development

Action
Requested: Authorization to Purchase Real Estate

Background:

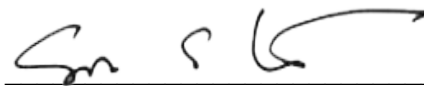
At the February 2023 meeting, the Board of Regents adopted resolutions to meet the needs of the University and its students to undertake the exploration of the suitability of the area bounded by S. Division Street, S. 5th Avenue, E Madison, and Hill Streets for Phase 2 of additional student housing and related university facilities. The Board of Regents also adopted a resolution as a step toward the potential exercise of its eminent domain powers, University representatives may enter into negotiations to acquire any properties necessary to complete Phase 2 of the student housing expansion. The area is suitable for the University's Phase 2 housing expansion and we have an opportunity to purchase up to 49 properties as shown on the attached map from limited liability corporations controlled or owned by Ron Weiser for a purchase price not to exceed \$75 million.

The properties will be purchased from Ron Weiser with zero profit to him. The purchase price will include the cost of acquisition, closing costs, broker fees, and other normal and customary costs related to the transaction of rental properties and will be subject to the discretion and oversight of the EVPCFO with funding provided from reserves.

The university intends to keep the approximately 300 beds active in the housing market by honoring existing tenant contracts and continuing to lease to tenants as long as reasonably practical until construction of the Phase 2 residential development needs to get underway. After the property ownership has transferred to the university, each property will be managed by a local property manager on behalf of the university.

We recommend that the University of Michigan acquire up to forty-nine properties as described for up to \$ 75,000,000 subject to due diligence and to the satisfaction and discretion of the EVPCFO.

Respectfully submitted,



Geoffrey S. Chatas
Executive Vice President and
Chief Financial Officer

