

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the
Regents
February 20, 2014

ACTION REQUEST

Subject: 2500 and 2550 South State Street, Ann Arbor, Michigan

Action

Requested: Authorization to Purchase Real Estate

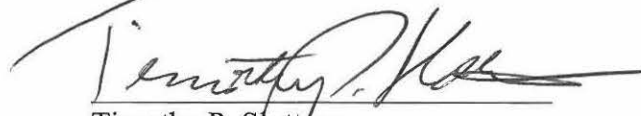
Background:

An opportunity to acquire property strategically located next to the Donald R. Shepherd Women's Gymnastic Center, Varsity Tennis Center, and Bahna Wrestling Center and contiguous to other University of Michigan property is available through the purchase of 2500 and 2550 South State Street in the city of Ann Arbor. The subject site is commonly known as Edwards Brothers Malloy and includes a 193,607 square foot light industrial and office building, parking lot, and cellular tower. The property is situated on approximately 17 acres of land as shown on the attached map. The property has no known historical significance.

A purchase price of \$12,800,000 has been established with a tentative closing date the week of March 3, 2014, all subject to approval by the Board of Regents. The current owner will enter into a lease with the university that will allow it to continue to operate its business at this location until December 31, 2014, for a payment to the university of \$250,000 per month for ten months.

We recommend that the University of Michigan acquire the property at 2500 and 2550 South State Street, Ann Arbor, Michigan, at the negotiated price of \$12,800,000, subject to the university satisfying itself with the environmental condition of the site and otherwise completing due diligence. Investment proceeds will be used to complete the purchase.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

February 2014
Attachment

University of Michigan: Ross Athletic Campus

-  U-M property
-  U-M buildings
-  Subject parcels

Real Estate Office
U-M AEC | 1.14.14

