

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Multiple Leases per Attached Spreadsheet

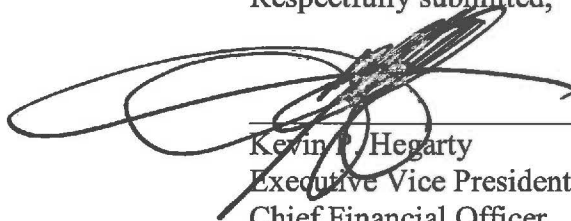
Action Requested: Approval of Lease Amendments

Background:

In accordance with the University of Michigan Real Estate Policy presented to the Board of Regents in April 2005, we are required to seek approval for leases or lease amendments when the lease term exceeds ten years. We recently reached agreement with Oxford Properties for the renewal of the leases listed on the attached spreadsheet. Currently, each of the properties are on separate leases and each of the leases have different terms and conditions. In an effort to simplify and have consistency across all of the properties, the intent is to use a standard boilerplate lease with the same terms and conditions for each property. In addition, each of the lease amendments will begin on January 1, 2017. A summary of the details of the lease terms for each property are summarized on the attached spreadsheet.

We recommend that the Board of Regents approve the lease amendments as described.

Respectfully submitted,



Kevin P. Hegarty  
Executive Vice President and  
Chief Financial Officer

December 2016  
Attachment

**Oxford Commercial properties**  
**Summary of negotiated lease terms**

BUILDING	ADDRESS	TERM (YRS)	SQ FT	ANNUAL RENT	PER SQ FT RATE (NNN*)	ANNUAL INCREASE	IMPROVEMENT (TI) ALLOWANCE	PER SQ FT TI RATE	USE
KMS Building	3621 S State St	10	125,815	\$ 1,509,780.00	\$ 12.00	2.5%	\$ 429,890.00	\$ 12.00	UMHS Revenue Cycle and Sleep Clinic
Burlington Office Center	325 E Eisenhower Pkwy	11	79,603	\$ 1,293,548.75	\$ 16.25	2.5%	\$ 676,625.00	\$ 8.50	PM&R and Anesthesiology
Northeast Corporate Center	2500 Green Rd, Suite 100 & 700	12	31,907	\$ 398,837.50	\$ 12.50	2.0%	\$ 207,395.00	\$ 6.50	Clinical Valuation and UMHS Procurement
Northeast Corporate Center	2600 Green Rd	12	22,696	\$ 287,112.50	\$ 12.50	2.5%	\$ 213,115.00	\$ 9.39	Ambulatory Administration
Eisenhower Corporate Park	2705-2725 S Industrial Hwy	11	43,095	\$ 564,975.00	\$ 13.11	2.0%	\$ 269,343.75	\$ 6.25	Medical Equipment and Home Med

\*Additional costs are paid by the tenant either as an additional payment to the landlord or directly to various service providers. Additional costs include operating expenses such as utilities, custodial, repair/maintenance for the premises; and common area maintenance, such as trash/recycling, lawn care/snow removal, taxes and insurance.