

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: 3100 W. Big Beaver Road, Troy, Michigan

Action

Requested: Authorization to Purchase Real Estate

Background:

After completing a thorough Request for Proposal process, an opportunity to acquire property that is well located and uniquely suited to meet the strategic goals of University of Michigan Health is available through the purchase of 3100 W. Big Beaver Road, City of Troy, County of Oakland, Michigan. The subject site is vacant land consisting of 7.28 acres and will be centered within a planned 28-acre development. The property will further University of Michigan Health's ambulatory care strategic plan for the Oakland County market, including development of a multi-specialty ambulatory facility with a focus on advanced specialty and diagnostic services. An ambulatory surgery and procedures center is also planned, all of which will expand the University of Michigan Health in a key market and allow Michigan Medicine to improve access to its specialty services, bringing clinical expertise closer to the patients in these communities. This purchase and development will demonstrate a long-term presence and commitment to the patients in the Oakland County market.

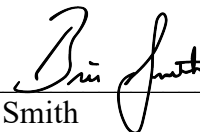
A fair market value purchase price of \$4,425,098.06, along with a mutual master declaration of covenants, easements and restrictions between the university and the developer regarding the overall site development have been established, with closing to occur no later than thirty (30) days of the inspection period expiration, and the parties are negotiating right-of-first-refusal purchase options on three surrounding parcels all subject to approval by the Board of Regents. Funding is anticipated to be provided principally via General Revenue debt authorized by the Regents.

We recommend that the University of Michigan acquire the property at 3100 W. Big Beaver Road, City of Troy, Michigan at the negotiated price of \$4,425,098.06, subject to standard environmental and real estate due diligence; and authorize the associate vice president for finance to take all appropriate and necessary steps to complete the transaction described above.

Respectfully submitted,



Marschall S. Runge
Executive Vice President for Medical Affairs and
Dean, Medical School



Brian Smith
Associate Vice President for Finance