

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: 1224 Washtenaw Court and 1700 Geddes Avenue, Ann Arbor, Michigan

Action

Requested: Authorization to Purchase and Sell Real Estate

Background:

The university was recently approached by a national broker with an opportunity to acquire, under a competitive bidding scenario, 1224 Washtenaw Court and 1700 Geddes Avenue in the city of Ann Arbor, Washtenaw County and only on a joint basis. The subject properties include a total of 84 apartment units containing 171 bedrooms. The property located at 1224 Washtenaw Court is situated on a 0.40-acre parcel of land, while the property located at 1700 Geddes Avenue is situated on a 0.80-acre parcel of land. 1224 Washtenaw Court is strategically located near the Central Campus Classroom Building and the Central Campus Recreation Building.

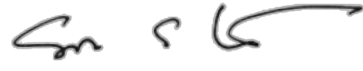
Given the short timeframe and the competitive nature of this sale, the purchase agreement, with a negotiated sales price of \$31,650,000, was executed by Regent Ron Weiser to preserve this strategic opportunity for the University. Subject to approval by the Board of Regents, the university will take an assignment of the executed purchase agreement from Regent Ron Weiser and will close the purchase transaction directly with the third-party seller with a tentative closing date in June 2024. The purchase price will include the negotiated sales price, third-party broker fees, closing costs, and other customary costs for a real estate transaction, including the reimbursement of any out-of-pocket expenses, or deposits with the seller, incurred by Regent Ron Weiser to execute the purchase agreement and begin property due diligence.

Since the 1700 Geddes site does not represent a strategic need for the institution, the University plans to sell the property after the close of the referenced purchase transaction. A prospective third-party buyer has already been identified.

We recommend that the University of Michigan acquire the properties at 1224 Washtenaw Court and 1700 Geddes Avenue, Ann Arbor, Michigan at the negotiated sales price of \$31,600,000, subject to environmental and real estate due diligence and to the satisfaction and discretion of the Executive Vice President and Chief Financial Officer (EVPCFO).

We further recommend the subsequent negotiated sale of 1700 Geddes and delegate authority to the EVPCFO to execute a sales transaction at the satisfaction and discretion of the EVPCFO. Reserves and bond proceeds will be used to fund the purchase.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'G. S. Chatas', written in a cursive style.

Geoffrey S. Chatas
Executive Vice President and
Chief Financial Officer

May 2024
Attachment

