

JANUARY MEETING, 2010

*The University of Michigan
Ann Arbor
January 21, 2010*

The regents convened at 3:00 p.m. in the Regents' Room. Present were President Coleman and Regents Darlow, Deitch, Ilitch, Maynard, Newman, Richner, Taylor, and White. Also present were Vice President and Secretary Churchill, Vice President Lampe, Chancellor Little, Vice President May, Chancellor Person, Executive Vice President Pescovitz, Vice President Scarnecchia, Executive Vice President Slottow, Provost Sullivan, and Vice President Wilbanks.

Call to Order and President's Opening Remarks

President Coleman called the meeting to order. She began her remarks by noting that many students, faculty, and staff are involved in activities surrounding the Haitian earthquake relief and recovery effort.

President Coleman congratulated Provost Terry Sullivan on having been appointed president of the University of Virginia, and noted that the agenda includes the proposed appointment of Regent Emeritus David Brandon as the Donald R. Shepherd Director of Intercollegiate Athletics. She also commented on the campus memorial service for President Emeritus Robben Fleming that had been held the previous day.

Public Comments (agenda-related topic)

The Regents heard comments from James D'Amour, alumnus, representing the Sierra Club of Huron Valley, on the proposed Fuller Road intermodal transportation station.

Annual Report on Research

Vice President Forrest announced that in FY2009, total research expenditures at the University of Michigan had exceeded \$1 billion, and that the University had received additional funding of approximately \$220 million in federal stimulus grants. This, combined with the University's investment in and establishment of the North Campus Research Complex (NCRC), and the campus culture that embraces innovation and entrepreneurship, provides a "truly unusual opportunity for the University of Michigan to be a leader among universities world-wide."

Vice President Forrest displayed charts summarizing the annual growth of University of Michigan research expenditures. In a year when the gross domestic product of the United States dropped by over 3 percent, the University's research expenditures grew by 9.4 percent, he noted. Industry-funded research, in the form of both direct grants and subcontracts, also grew by about 6 percent, to \$65 million. During FY2009, a year in which financing was very hard to obtain, the University disclosed a record-breaking 350 inventions, and 8 start-up companies were launched based on University of Michigan technology. In addition, \$82 million in venture capital was invested in previously-established UM spin-offs.

Vice President Forrest pointed out that with over \$1 billion in expenditures, research represents the third largest enterprise at the University, behind the health system and education, and ranked third nationally among the ten largest research universities. He concluded by commenting on the transformational opportunity presented by the NCRC. It will allow the University to reinvent how research is used to solve the largest problems facing humankind, creating a new research paradigm involving partnerships among academia, industry, and government, nationally and internationally. He recognized the efforts of the Division of

Research Development and Administration and Associate Vice President Marvin Parnes for their work in assisting faculty in their research efforts.

Committee Reports

President Coleman noted that committees had not met that morning, and turned to the consent agenda.

Consent Agenda

Minutes. Vice President Churchill submitted for approval the minutes of the meeting of December 17, 2009.

Reports. Executive Vice President Slottow submitted the Investment Report, the Plant Extension Report, the University Human Resources Report, and the Regents Report on Non-competitive Purchases over \$5,000 from Single Sources, September 16, 2009-December 15, 2009.

Litigation Report. Vice President Scarnecchia submitted the Litigation Report.

Research Report. Vice President Forrest submitted the Report of Awards Established, December 1 – December 31, 2009. He also announced that Victor Strecher has been named the University of Michigan Distinguished University Innovator for 2010. Professor Strecher is professor of health behavior and health education in the School of Public Health, where he also directs the Center for Health Communications Research and professor of family medicine in the Medical School.

University of Michigan Health System. Executive Vice President Pescovitz reported on some of the efforts undertaken by the Health System to respond to the devastation caused by the recent earthquake in Haiti.

Division of Student Affairs. There was no additional report from the Division of Student Affairs.

University of Michigan-Dearborn. Chancellor Little reported that enrollment as measured by credit hours is up 4.4% this semester compared to the same period in 2009, and that applications and admissions for the fall term are at record levels. He also commented on the campus's Martin Luther King Jr. Day activities, along with other campus initiatives.

University of Michigan-Flint. Chancellor Person reported on the Flint campus's efforts with respect to Martin Luther King Jr. Day, and noted that the campus's enrollment was up about 8%. She announced that the UM-Flint Chamber Singers would be performing at the Pentagon in February as part of its celebration of Black History Month.

Michigan Student Assembly Report. Mr. Abhishek Mahanti reported on recent activities of the Michigan Student Assembly.

Voluntary Support. Vice President May submitted the report of voluntary support for December, 2009.

Personnel Actions/Personnel Reports. Provost Sullivan submitted a number of personnel actions and personnel reports. She highlighted the reappointment of a number of deans and the director of the Institute for Social Research.

Retirement Memoirs. Vice President Churchill submitted memoirs for 2 retiring faculty members.

Memorials. Vice President Churchill submitted memorial statements for Professor Katherine Terrell and for President Emeritus Robben W. Fleming.

Degrees. There are no actions with respect to degrees this month.

Approval of Consent Agenda. On a motion by Regent White, seconded by Regent Richner, the regents unanimously approved the consent agenda.

Fiscal Year 2011 Capital Outlay Submission, All Campuses

Executive Vice President Slottow submitted the annual capital outlay request for the Ann Arbor, Dearborn, and Flint campuses to the State of Michigan.

Naming of the Michigan Wrestling Center in Honor of Ralph and Dorothy Bahna

On a motion by Regent Darlow, seconded by Regent Ilitch, and in recognition of a leadership gift by alumnus and former student wrestler Ralph Bahna and his wife, Dorothy, the regents unanimously approved designating the Michigan Wrestling Center as the Bahna Wrestling Center.

Fuller Road Station

Executive Vice President Slottow reported that the University has negotiated a memorandum of understanding with the City of Ann Arbor for a project to be located on city-owned property on Fuller Road that could eventually lead to a major intermodal transportation complex. The University plans to lease the land from the city, and the University will manage the construction project. Regent Darlow noted that the site in question appears on the map to be a parking lot, but that the public comments speaker had claimed it is city parkland. Associate Vice President Hank Baier noted that the property had been leased from the city for at least two decades for use as a parking lot, and while the University is not aware of any restrictions on the use of this property, its status would be thoroughly investigated before the project is undertaken.

On a motion by Regent Darlow, seconded by Regent Richner, the regents unanimously approved proceeding with the design of the Fuller Road Station Project and authorized

commissioning Walker Parking Consultants for its design. It was noted that Walker Parking Consultants is a Michigan-based company.

Crisler Arena Renovation

Executive Vice President submitted for approval a project to address the highest priority infrastructure needs of Crisler Arena, as well as replacing seats in the lower bowl and making other renovations to comply with the requirements of the Americans with Disabilities Act (ADA). In response to a question from Regent Darlow for further details about compliance with the ADA, Associate Vice President Hank Baier stated that as the designs are developed, they will be shared with community members concerned with these issues as well as with consultants, architects, and legal experts. On a motion by Regent White, seconded by Regent Maynard, the regents unanimously approved the Crisler Arena Renovation Project as described and authorized commissioning TMP Architecture for its design. TMP Architecture is a Michigan-based firm.

Conflict of Interest Items

President Coleman announced that the agenda includes seven conflict of interest items, each of which requires 6 votes for approval. On a motion by Regent Newman, seconded by Regent Taylor, the regents unanimously approved the following seven agreements:

Lease Amendment Agreement with 330 East Liberty LLC

The Regents approved a lease amendment agreement with 330 East Liberty LLC for property located at 330 East Liberty Street, fourth floor, Ann Arbor, Michigan. Because William C. Martin, a University of Michigan employee, is also a member in 330 East Liberty LLC, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the lease amendment agreement are the Regents of the University of Michigan and 330 East Liberty LLC.
2. The service to be provided is the lease amendment of 6,604 square feet in a building at 330 East Liberty Street, fourth floor, Ann Arbor, Michigan for eighteen months, beginning January 1, 2010 through June 30, 2011, at a monthly rate of \$9,355.00. Tenant will be responsible for gas and electric usage plus janitorial service.
3. The pecuniary interest arises from the fact that William C. Martin, a University of Michigan employee, is a member of 330 East Liberty LLC.

Lease Amendment Agreement with 2401 LLC

The regents approved a lease amendment agreement with 2401 LLC for 6,740 square feet of property located at 2401 Plymouth Road, Suites A and B, Ann Arbor, Michigan. Because William C. Martin, a University of Michigan employee, is also a member of 2401 LLC, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and 2401 LLC.
2. The service to be provided is the lease amendment agreement of 6,740 square feet in a building at 2401 Plymouth Road, Suites A and B, Ann Arbor, Michigan, for two years, beginning July 1, 2010 through June 30, 2012, at a monthly rate of \$11,514. Tenant will be responsible for gas and electric usage plus janitorial service. Tenant will be responsible for a portion of the operating expenses of the building.
3. The pecuniary interest arises from the fact that William C. Martin, a University of Michigan employee, is a member of 2401 LLC.

Lease Agreement with 520 East Liberty LLC

The regents approved a lease agreement with 520 East Liberty LLC for 4,272 square feet of property located at 520 East Liberty Street, Suite 300, Ann Arbor, Michigan. Because William C. Martin, a University of Michigan employee, is also a member of 520 East Liberty LLC, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and 520 East Liberty LLC.
2. The service to be provided is the lease agreement of 4,272 square feet in a building at 520 East Liberty Street, Suite 300, Ann Arbor, Michigan for twelve months,

beginning January 1, 2010 through December 31, 2010, at a monthly rate of \$9,256.00. Tenant will be responsible for gas and electric usage.

3. The pecuniary interest arises from the fact that William C. Martin, a University of Michigan employee, is a member of 520 East Liberty LLC.

Lease Amendment Agreement with First Properties

The regents approved a lease amendment agreement with First Properties for 63,920 square feet of property located at 2301 Commonwealth, Ann Arbor, Michigan. Because William C. Martin, a University of Michigan employee, is also the owner of First Properties, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and First Properties.
2. The service to be provided is the lease amendment agreement of 63,920 square feet in a building at 2301 Commonwealth for two years, beginning July 1, 2011 through June 30, 2013, at a monthly rate of \$109,197. Tenant will be responsible for all utilities plus janitorial service. Tenant will be responsible for a portion of the operating expenses of the building and tenant improvements not to exceed \$50,000.
3. The pecuniary interest arises from the fact that William C. Martin, a University of Michigan employee, is an owner of First Properties.

Lease Amendment Agreement with 555 South Forest LLC

The regents approved a lease amendment agreement with 555 South Forest LLC for 3,850 square feet of property located at 1301 South University Avenue, Ann Arbor, Michigan. Because William C. Martin, a University of Michigan employee, is also a member of 555 South Forest LLC, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and 555 South Forest LLC.
2. The service to be provided is the lease amendment of 3,850 square feet in a building at 1301 South University Avenue, Ann Arbor, Michigan for twenty-four months, beginning upon execution of the lease amendment through June 30, 2011, at a monthly rate of \$7,060.77. Tenant will be responsible for gas and electric usage plus janitorial service.

3. The pecuniary interest arises from the fact that William C. Martin, a University of Michigan employee, is a member of 555 South Forest LLC.

Authorization for payment to David S. Rosen Photographs

The regents approved a payment by the Department of Pediatrics to David S. Rosen Photographs for photography services and custom prints. Because David S. Rosen, a University of Michigan employee, is also the sole proprietor of David S. Rosen Photographs, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and its Health System's Department of Pediatrics and David S. Rosen Photographs.
2. The payment is for photography services and eight canvas prints ranging in size from 24"x24" to 30"x40". Dr. Rosen offered a 15% discount and the total due is \$3,468.00.
3. The pecuniary interest arises from Dr. David S. Rosen's status as a University of Michigan employee and sole proprietor of David S. Rosen Photographs.

Non-disclosure Agreement between the University of Michigan and Tissue Regenerative Systems, Inc.

The regents approved a non-disclosure agreement with Tissue Regenerative Systems, Inc. ("Company"), to enable the Company to evaluate new technologies being developed at the University of Michigan while maintaining the information provided to them as confidential. Because Scott Hollister, Frank LaMarca, Stephen Feinberg, Suman Das, and Chia-Ying Lin, University of Michigan employees, are also partial owners of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the University of Michigan and Tissue Regenerative Systems, Inc.
2. The terms of the agreement provide for how the information is disclosed to the parties, who may review the information at both parties and for what purposes the information may be used.
3. The pecuniary interests of Drs. Hollister, LaMarca, Feinberg, Das, and Lin arise from their ownership interest in the Company.

Public Comments

The regents heard comments from Alex O'Dell, student, on the topic, "TEDxUofM."

There being no further business, the meeting was adjourned at 4:05 p.m. The next meeting is scheduled for February 18, 2010.