THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Approved by the Regents
April 15, 2010

Subject: University of Michigan-Dearborn
        Henry Ford Estate–Fair Lane

Action
Subject: Authorization to Transfer Real Estate and Related Property

Background:

In 1957, the University of Michigan (U-M) acquired the Henry Ford Estate–Fair Lane as a gift from the Ford Motor Company along with $6.5 million from the Ford Motor Company Fund, allowing the university to establish the “Dearborn Center” that has grown to become the University of Michigan-Dearborn (UM-D). In 1966, the Henry Ford Estate was designated a National Historic Landmark, and UM-D has met its stewardship responsibilities not only by maintaining the structure and grounds, but also by telling the story of Henry and Clara Ford. The UM-D provides annual support of over $300,000 to the Henry Ford Estate and anticipates more than $12 million will be required over the next ten years to repair and restore the estate’s infrastructure and core architectural features. We have an opportunity to transfer the Henry Ford Estate to the Edsel and Eleanor Ford House (Ford House), a tax-exempt, non-profit private operating foundation that will assume stewardship responsibilities for the estate.

The U-M and the Ford House share the vision that by transfer of the Henry Ford Estate to the Ford House, the estate can become a cultural jewel immediately adjacent to the UM-D campus, meeting the full standards of museum practice with enhanced service to the public, similar to the Ford House’s operation of Gaukler Pointe. Gaukler Pointe is the family home of Edsel and Eleanor Ford and their four children located in Grosse Pointe Shores, Michigan. The transfer of the Henry Ford Estate to the Ford House is expected to enhance program partnerships and to promote shared initiatives of the university and the Ford House. In addition, the Ford House will commit to raising sufficient funds to enhance the stewardship of the property and to achieve this level of museum practice.

The real estate to be transferred includes the main house, power house, dam, garage, greenhouse, boathouse, and other supporting structures and surrounding property; however, the property north of Fair Lane Drive, constituting the main campus of UM-D, is excluded (see attached map). In addition, personal property related to the Henry Ford Estate and university funds restricted to the estate, including endowment funds, are to be included in the transfer. The university will not receive monetary compensation for the transaction. The conveyance will be subject to the existing historic preservation easement. The university shall retain a right of reverter and right of first refusal and first offer for the property. The UM-D will provide large-scale mowing and general snow removal for a period of ten years on adjacent roads and grounds. The UM-D will also operate and maintain an existing parking lot near the estate and allow the estate to share use of this lot for ten years. After ten years, the estate would pay for its share of the use of the parking lot.
We recommend that the executive vice president and chief financial officer be given authority to execute a quit claim deed for the real property and execute agreements and other actions as necessary to consummate the transfer of Henry Ford Estate real estate, property and university funds currently restricted to estate use to the Ford House, or affiliated tax-exempt entity created for the purpose of owning and operating the Henry Ford Estate.

Respectfully submitted,

[Signature]

Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

April 2010
Attachment