

SPECIAL MEETING
SEPTEMBER 2001

The University of Michigan
Ann Arbor
Thursday, September 28, 2001

A special meeting of the Board of Regents convened at 9:00 a.m. in the Regents' Room. Present by means of a conference phone call were President Bollinger and Regents Brandon, Deitch, Horning, Maynard, McGowan, Taylor, and White. Also present were Executive Vice President Kasdin, Interim Provost and Vice President and Secretary Tedesco, and Vice President Wilbanks. Regent Newman was absent.

Sale of Real Property

President Bollinger called the meeting to order and announced that the issue before the board is the sale of up to 55 acres of land located on the University's North Campus to Pfizer, Inc. He noted that this land has been identified by Pfizer as very important to the company's plans for significant expansion of its Ann Arbor facility. From the University's point of view, the proposal provides the means for important academic collaborations--with students, with the Medical School, the College of Engineering, the College of Pharmacy, and the health system--that the University desires to develop with Pfizer. Thus both parties have strong reasons for proceeding with this initiative. He noted that Executive Vice President Kasdin and Vice President Wilbanks had put forth a tremendous effort to bring the transaction to fruition.

Executive Vice President Kasdin clarified that the board is being requested to approve the sale of up to 55 acres of land located east of Huron Parkway to Pfizer's subsidiary, Parke-Davis, at a price of \$27.6 million, adjusted depending on the variance in the size of the parcel

from 55 acres. He noted that the purchase agreement includes a restriction on use of the land to be consistent with its current use of property in Ann Arbor. The agreement also contains a “right of first opportunity,” so that if in the future Pfizer decides that it no longer wants to own the land or any part of it, the land will be appraised and the University will be given an opportunity to purchase the land from Pfizer.

Vice President Wilbanks reported that discussions regarding this property have been held with the city of Ann Arbor, and discussions will continue between Pfizer and the city about the treatment of this property. The recent discussions with the city regarding infrastructure needs have been very productive, and the partnership that exists among the city, the University, and Pfizer has been evident.

Regent Brandon moved approval of the sale of up to 55 acres of North Campus property to Parke-Davis, acknowledgement of the authority of the executive vice president and chief financial officer to execute the purchase agreement, and authorization for the executive vice president and chief financial officer to take the actions required under the purchase agreement and such other actions as may be necessary to consummate the sale. Regent Horning seconded the motion.

Regent Taylor inquired whether there has been any significant opposition to this proposal. Executive Vice President Kasdin responded that the University is not aware of any opposition, and that it is now Pfizer’s obligation to work with the city and the community in determining how the land will be developed. The University’s remaining involvement will occur in its role as owner of the abutting land.

Regent McGowan inquired about the remaining conditions pertaining to the sale. Executive Vice President Kasdin reported that there is a condition to the closing that Pfizer obtain

certain government approvals. Vice President Wilbanks commented that future discussions will revolve around requests that Pfizer is anticipated to make of the city, such as for a tax abatement or a tax financing district. It is expected that the state will also be involved in creating a package of inducements that is typical when additional job creation activities occur.

The vote was then taken, and the motion was approved unanimously in a roll call vote.

There being no further business, the meeting was adjourned at 9:08 a.m.