

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: 7300 West Joy Road, Dexter, Michigan

Action Requested: Authorization to Purchase Real Estate

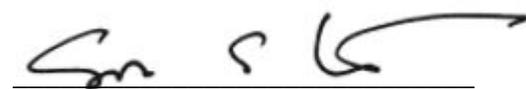
Background:

An opportunity to acquire property that is strategically well located and uniquely suited to meet the needs of Michigan Medicine Specialty Pharmacy is available through the purchase of 7300 West Joy Road, City of Dexter, County of Washtenaw. The subject site includes a 144,300 square foot industrial building that is situated on 23.57 acres of land. The acquisition of this property will help consolidate and expand Michigan Medicine's Specialty Pharmacy operations. We will seek approval to renovate the facility in a separate Action Request.

A purchase price of \$6,000,000 has been established, and closing will take place within 75 days of the fully executed purchase agreement, all subject to approval by the Board of Regents. The current owner intends to enter into a lease with the University that would allow them to continue to use 42,000 square feet of warehouse space, with a monthly lease payment of \$25,000 and a term of up to three (3) years from the date of the closing.

We recommend that the University of Michigan acquire the property at 7300 West Joy Road, Dexter, Michigan, at the negotiated price of \$6,000,000, subject to the University satisfying itself with the environmental condition of the site and otherwise completing due diligence. University of Michigan Health resources will be used to complete the purchase.

Respectfully submitted,



Geoffrey S. Chatas
Executive Vice President and
Chief Financial Officer

March 2022