

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents
May 14, 2009

ACTION REQUEST

Subject: Regental Action Required Under the State of Michigan Conflict of Interest Statute

Action

Requested: Authorization for the University of Michigan to Enter into a Lease Amendment Agreement with Milcom, Inc. (University of Michigan Medical School Clinical Lecturer in Ophthalmology and Visual Sciences Robert C. Arends, owner)

Background:

The University of Michigan wishes to enter into a lease amendment agreement for 2,523 square feet of property located at 320 West Commerce Road, Milford, Michigan, to be leased from Milcom, Inc. The space will be utilized for ophthalmology services patient care.

The proposed lease amendment agreement falls under the State of Michigan Conflict of Interest Statute as Robert C. Arends is a University of Michigan employee and would be a party to the lease amendment agreement by virtue of his ownership of Milcom, Inc. However, the Statute allows university employees to participate in such lease agreements, if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the lease amendment agreement to the official body that has power to approve the lease amendment agreement, which disclosure shall be a matter of record in its official proceedings.
- b) The lease amendment agreement is approved by a vote of not less than 2/3 of the full membership of the approving body in open session without the vote of the public servant making the disclosure.
- c) The official body discloses the following summary information in its official minutes:
 - i) The name of each party involved in the lease amendment agreement.
 - ii) The terms of the lease amendment agreement, including duration, financial consideration between the parties, facilities or services of the public entity included in the lease amendment agreement, and the nature and degree of assignment of employees of the public entity for fulfillment of the lease amendment agreement.
 - iii) The nature of any pecuniary interest.

The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the lease amendment agreement are the Regents of the University of Michigan and Milcom, Inc.
- ii) The service to be provided is the lease of 2,523 square feet in a building at 320 West Commerce Road, Milford, Michigan for three years, beginning February 1, 2009 through January 31, 2012, at a monthly rate of \$5,271.32 for the first two years and \$5,429.13 for the third year. Tenant will be responsible for gas and electric usage plus janitorial service.
- iii) The pecuniary interest arises from the fact that Robert C. Arends, a University of Michigan employee, is an owner of Milcom, Inc.

Robert C. Arends has met state law requirements with the disclosure of his pecuniary interest, and his formal appointment arrangements with the University of Michigan.

We recommend that the Board of Regents approve the lease amendment agreement between the University of Michigan and Milcom, Inc.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

May 2009