

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

SUPPLEMENTAL ACTION REQUEST

Subject: New Central Campus Residential Development

Action Requested: Approval to Proceed with Site Work and Development Agreement

Background:

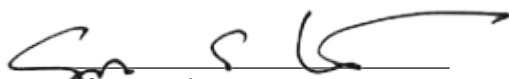
The planned South Fifth Residential Development will add 2,300 undergraduate beds and a 900-seat dining hall on Central Campus. We originally planned to seek final budget approval in May 2023, however we now plan to seek final approval in September 2023 to allow more time to finalize the design and complete the bidding process.

To keep the project on schedule, there is critical sitework and other activities that must begin this summer. Those activities include drilling of geothermal borings, ordering materials with long lead times and early site work. We recommend that the Board delegate authority to the Executive Vice President and Chief Financial Officer (EVPCFO) to oversee this early work, with expenditures not to exceed \$30 million to advance this project. All expenses will be rolled into the final project budget.

In addition, we also recommend that the Board delegate authority to the EVPCFO to finalize and execute a development agreement with American Campus Communities (ACC) to continue to leverage their expertise to manage the project and to ensure it is delivered on time and on budget. The development agreement will be contingent on final board approval of the project budget in September.

We recommend that the Board of Regents delegate authority to the Executive Vice President and Chief Financial Officer to enter into a development agreement with American Campus Communities as described above, and to oversee the advancement of this project with expenses not to exceed \$30 million.

Respectfully submitted,



Geoffrey S. Chatas
Executive Vice President and
Chief Financial Officer



Martino Harmon
Vice President for Student Life

May 2023