

# The University of Michigan Regents Communication

## Item for Action

**Subject:** University of Michigan Health – Sparrow Sale of Ownership Interest in the Woodlands of DeWitt

### Background

Sparrow Development Inc. (SDI) is a wholly owned subsidiary of University of Michigan Health – Sparrow. SDI holds a 35% ownership interest in both DeWitt ALC, LLC and DeWitt Real Estate, LLC which together own and operate The Woodlands of DeWitt, a senior living community which opened in 2020 and offers independent living, assisted living, and memory care housing.

The Woodlands of DeWitt does not represent a core component of our services and the services offered by this site are not part of the continuum of care for patients within the health system. Several market factors and a lack of operational experience in this industry pose risks to University of Michigan Health.

A proposed \$2,200,000 sale of the 35% stake in this enterprise has been negotiated with one of the existing partners in this venture. The sale price was determined through a third-party valuation, performed in March of 2025, and an internal evaluation of the present value of future cash flows to SDI.

Accordingly, we request that the Board of Regents authorize the Executive Vice President for Medical Affairs and CEO, Michigan Medicine and the Executive Vice President and Chief Financial Officer, and such other officers as they may designate (the “Designated Officers”) to: (a) execute and deliver definitive agreements for the proposed sale of our minority interest, all as approved by the Designated Officers; (b) take any other actions necessary or desirable to consummate the transactions described in this action request and in the transaction agreements; and (c) to obtain or make, as applicable, all governmental and third-party approvals, consents, notices and authorizations that may be necessary.

Respectfully submitted:



**David C. Miller, M.D., M.P.H.**  
Executive Vice President for Medical Affairs  
CEO, Michigan Medicine



**Robert A. Hewlett III**  
Interim Executive Vice President  
and Chief Financial Officer

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