

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Subject: State Building Authority Financing of University of Michigan Project

Action Requested: Approval of Resolution Requesting and Accepting Conveyance of Property to the University of Project Financed by the State Building Authority

Background and Summary:

The State Building Authority (SBA) financed the construction of the Clarence Cook Little Science Building Renovation project at the University of Michigan Ann Arbor Campus. As required by the SBA, the subject property was deeded to the SBA and the University leased the facility during the term of the bonds issued by the SBA. The bonds which financed the facility have now been paid in full. In accordance with the terms of the lease agreement, upon the request of the University, the SBA will convey all property back to the University. The attached resolution requests the SBA to reconvey the property to the University.

The Clarence Cook Little Science Building is located on the east side of the Central Campus and is one of a group of buildings that forms the eastern boundary and entrance into Central Campus. Since being constructed in the 1920s, the Building has undergone renovations that have varied in scope and resulted in significant variations in the quality of space and the environmental systems. At the time of the SBA project which concluded in 1997, the building housed teaching, research, and office space for Geological Sciences, the College of Pharmacy, and the College of Literature, Science, and Arts. The SBA renovation provided an infrastructure update and design to accommodate the building's program including program space renovations, ADA enhancements and a new centralized mechanical space housing mechanical and electrical equipment. The new space included a five story, fireproofed structural steel frame with masonry and precast concrete enclosure.

We recommend the Regents approve the attached resolution for the conveyance of the project and authorize the appropriate officers to execute:

- The quitclaim deed for the conveyance of the property back to the University
- Any other documentation required for the conveyance of the project back to the University.

Respectfully submitted,



Kevin P. Hegarty
Executive Vice President
and Chief Financial Officer

A RESOLUTION OF THE BOARD OF REGENTS
OF THE UNIVERSITY OF MICHIGAN REQUESTING CONVEYANCE OF PROPERTY
FOR THE CLARENCE COOK LITTLE SCIENCE BUILDING RENOVATION,
ACCEPTANCE OF SAME AND ACCEPTING OBLIGATIONS FOR THE FACILITIES

A RESOLUTION of the Board of Regents of the University of Michigan (the "Educational Institution") requesting and approving the conveyance of property and to provide matters relating thereto.

WHEREAS, the State Building Authority (the "Authority"), a statutory body corporate created under provisions of 1964 PA 183, as amended, is authorized to acquire, construct, furnish, equip, own, improve, enlarge, operate, mortgage and maintain buildings, necessary parking structures or lots and facilities and sites therefore for use by the State or any of its agencies including institutions of higher education created pursuant to Sections 5, 6 and 7 of Article VIII of the Michigan Constitution of 1963; and

WHEREAS, the Educational Institution has been created and is maintained pursuant to Sections 4 and 5 of Article VIII of the Michigan Constitution of 1963; and

WHEREAS, the Authority has previously acquired the Clarence Cook Little Science Building Renovation and the site upon which it was constructed (the Clarence Cook Little Science Building Renovation and the site together are the "Facilities") and the Authority leased the Facilities to the Educational Institution and the State of Michigan (the "State") pursuant to a lease dated as of February 1, 1997 (the "Lease"); and

WHEREAS, under the terms of the Lease, the Authority agreed to convey title to the Facilities to the Educational Institution upon request by the Educational Institution after the Bonds which financed the Facilities (the "Bonds" as defined in the Lease) and any additional bonds or other obligations as provided in the Lease are paid in full or provision for the payment thereof is made as provided in the Lease for consideration of one (\$1.00) Dollar and the assumption by the Educational Institution of all monetary obligations and legal responsibilities for the operation and maintenance of the Facilities; and

WHEREAS, the Bonds have been paid in full and all conditions established by the Lease as conditions precedent to conveyance of title to the Facilities by the Authority to the Educational Institution have occurred.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE EDUCATIONAL INSTITUTION THAT:

1. The Educational Institution hereby requests that the Authority convey title to the Facilities by Quitclaim Deed to the Educational Institution.

2. The consideration for the conveyance of the Facilities shall be one (\$1.00) Dollar and the assumption by the Educational Institution of all monetary obligations and legal responsibilities for the operation and maintenance of the Facilities.

3. The conveyance of the Facilities pursuant to the terms and conditions set forth above is approved and each of the President and Executive Vice President and Chief Financial Officer of the Educational Institution is authorized and directed to execute any documents to accomplish the conveyance in such form as may be requested by the Authority and approved by counsel for the Educational Institution.

4. All ordinances, resolutions and orders or parts thereof in conflict with this resolution are, to the extent of such conflict, repealed.

5. This resolution shall be effective immediately upon its adoption.