

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Ross School of Business Lease at The Grand in Los Angeles, California

Action

Requested: Approval of Lease and Approval to Proceed with Leasehold Improvements

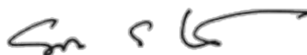
Background:

In accordance with the University of Michigan Real Estate Policy, we are required to seek approval to execute leases when the lease term exceeds ten years, the lease exceeds 50,000 square feet, or the leasehold improvements exceed \$3,000,000. The Ross School of Business wishes to enter into a lease for approximately 19,689 square feet of space for an initial term of ten years within The Grand mix-use development at 100 South Grand Avenue, Los Angeles, California. This new location will allow the Ross School of Business to create purpose-built educational facilities to support its Los Angeles based Executive MBA program, to expand the reach of its Executive Education programming, as well as to better serve the growing community of alumni on the West Coast. A leasehold improvement project will be necessary within the new premises to accommodate modern classrooms, team based breakout rooms, workspaces, and gathering and related support spaces.

The estimated cost of the leasehold improvements is \$12,000,000, with \$984,450 funded through the lease as a tenant improvement allowance and the remainder funding will be provided from Ross School of Business resources. Construction will be managed by the lessor and is scheduled to be completed in the fall of 2025.

We recommend the Board of Regents approve the lease and the leasehold improvements project as described.

Respectfully submitted,



Geoffrey S. Chatas
Executive Vice President
and Chief Financial Officer

September 2024
Attachment