

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: University of Michigan Health- Sparrow V/L Scott Road, Saint Johns, Michigan

Action

Requested: Authorization to Sell Real Estate

Background:

Sparrow Clinton Hospital (“Sparrow”) owns 8.97 acres of vacant land located on Scott Road in Saint Johns, Michigan (“St. Johns Property”). The land has remained undeveloped and has no identified use in Sparrow’s current or future operational plans.

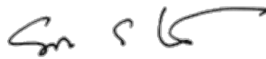
We propose selling the St. Johns Property for \$200,000 to the owner of an adjacent parcel, who also owns a restaurant to the West of the St. Johns Property. The buyer does not have immediate plans to develop or use the St. Johns Property, but is interested in acquiring it due to its proximity to his other properties in the area.

Sparrow acquired the St. Johns Property in December 2014 through donation. It has been publicly listed for sale since July 2024. Leveraging UM Health’s negotiation expertise, Sparrow entered into a purchase agreement with the buyer for the sum of \$200,000. From a high-level balance sheet perspective, this sale would result in an increase in cash of \$200,000, a decrease in net property, plant, and equipment of \$692,739, and recognition of a non-operating loss on sale of assets of \$492,739.

Given the Property’s current irrelevance to Sparrow’s operations and strategy, Sparrow is eager to progress towards closing the sale. The terms of this sale have been specified in the purchase agreement negotiated and agreed upon among the parties, subject to board approvals.

We recommend that the University of Michigan sell the property located at V/L Scott Road, St. Johns, Michigan for \$200,000, upon terms and conditions acceptable to the University.

Respectfully submitted,



Geoffrey S. Chatas
Executive Vice President and
Chief Financial Officer

September 2025
Attachment