

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: 328 South Saginaw Street, Flint, Genesee County, Michigan

Action Requested: Authorization to Purchase Real Estate

Background:

An opportunity to acquire a 160,000-gross-square-foot office building strategically located adjacent to the University of Michigan-Flint campus is available through the purchase of FirstMerit North Building located at 328 South Saginaw Street, Flint, Genesee County, Michigan (see attached map).

FirstMerit Corporation owns a three-building office complex in downtown Flint immediately adjacent to the UM-Flint campus. The bank has offered the university the opportunity to purchase one of the three buildings in this complex, the North Building, as well as a north-south connector between the North Building and South Building and a skywalk between the North Building and an adjacent DDA parking structure. The purchase of this building will benefit UM-Flint by providing much-needed classroom and administrative space for growing student enrollments and educational support activities.

A purchase price of \$6,000,000 has been negotiated by the parties with a tentative closing no later than March 31, 2016. FirstMerit will undertake significant post-closing construction work to physically separate the North Building from the remainder of the complex. UM-Flint will contribute up to \$150,000 toward the construction of the demising walls and undertake utility separation for the North Building after closing. We will return to the board to seek approval for renovations to optimize use of the space for classrooms and offices. The acquisition cash flow may be provided, all or in part, by bond proceeds or increasing the commercial paper issuance under the commercial paper program, secured by a pledge of General Revenues, and authorized by the Board of Regents.

We recommend that the university acquire FirstMerit North at 328 South Saginaw Street in Flint, Genesee County, Michigan, at the price of \$6,000,000, subject to FirstMerit completing its closing contingencies and the university satisfying itself of the environmental condition of the site, the condition of the facilities and infrastructure, negotiating satisfactory post-closing agreements, and otherwise completing due diligence, and authorize the executive vice president and chief financial officer to take all appropriate and necessary steps to complete the transaction described above.

Respectfully submitted,






Kevin P. Hegarty
Executive Vice President and
Chief Financial Officer




**FirstMerit
North Building**

**University of Michigan:
Flint Campus**

-  Subject Property
-  FirstMerit Building
-  U-M Property

Real Estate Office
U-M AEC | 8.17.15



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community