

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

EXH

MOTION

Newman

SEC. 2

White

ACTED

APPROVED BY THE REGENTS

ACTION REQUEST

NOTE

NOV 17 2005

Subject: Regental Action Required Under the State of Michigan
Conflict of Interest Statute

Action

Requested: Authorization for the University to Enter into a Lease Agreement with William C. Martin (University of Michigan Athletic Director William C. Martin, owner)

Background:

The University of Michigan wishes to enter into a lease agreement for 1,385 square feet of property located at 540 East Liberty Street, Ann Arbor, Michigan to be leased from William C. Martin. The space will be utilized as office space for the Dental School.

The proposed lease agreement falls under the State of Michigan Conflict of Interest Statute as William C. Martin is a University employee and would be a party to the lease agreement by virtue of his ownership of the property. However, the Statute allows University employees to participate in such lease agreements, if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the lease agreement to the official body that has power to approve the lease agreement, which disclosure shall be a matter of record in its official proceedings.
- b) The lease agreement is approved by a vote of not less than 2/3 of the full membership of the approving body in open session without the vote of the public servant making the disclosure.
- c) The official body discloses the following summary information in its official minutes:
 - i) The name of each party involved in the lease agreement.
 - ii) The terms of the lease agreement, including duration, financial consideration between the parties, facilities or services of the public entity included in the lease agreement, and the nature and degree of assignment of employees of the public entity for fulfillment of the lease agreement.
 - iii) The nature of any pecuniary interest.


The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the lease agreement are the Regents of the University of Michigan and William C. Martin.
- ii) The service to be provided is the lease of 1,385 square feet within a building at 540 East Liberty Street, Ann Arbor, Michigan for five years, beginning November 1, 2005 through October 31, 2010, at a beginning monthly rental rate of \$2,308.00 for the first year (2005) with annual increases of 3.5% for the remainder of the term. Tenant is responsible for gas and electric usage plus janitorial service.
- iii) The pecuniary interest arises from the fact that William C. Martin, a University of Michigan employee, is the owner of the property being leased.

William C. Martin has met state law requirements with the disclosure of his pecuniary interest, and his formal appointment arrangements with the University of Michigan.

We recommend that the Regents approve the lease agreement between the University of Michigan and William C. Martin.

Respectfully submitted,


Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

November 2005