

BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

SECTION: 3

DATE:

April 23, 2020

RECOMMENDATION

SALE OF UNIVERSITY PROPERTY – 300 W. MICHIGAN

ACTION REQUESTED

It is recommended that the Board of Regents authorize the President or designee to negotiate and execute final documents for the sale of 300 W. Michigan Avenue. This property comprises the University's ownership interest in the current Owen College of Business building and parking garage.

STAFF SUMMARY

The University has obtained a letter of intent from River Caddis Development to purchase the 300 W. Michigan Property. The letter states a purchase price of \$2.7 million and allows River Caddis Development to perform due diligence for a period of 210 days, with up to four 30-day extensions. Closing is expected to occur 45 days from the end of the due diligence period.

The letter of intent is not a binding contract but is intended only to provide the basis for negotiations, preliminary to a formal Purchase and Sale Agreement between River Caddis Development and the University.

FISCAL IMPLICATIONS

Net funds realized from the sale will be directed to the University's financial reserves.

The Owen College of Business building is estimated to have \$13.2 million of deferred maintenance in the various building systems, for which the University will not be responsible after the sale.

ADMINISTRATIVE RECOMMENDATION

The proposed Board action has been reviewed and is recommended for Board approval.



University Executive Officer

April 23, 2020

Date