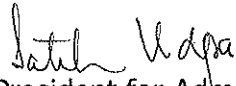


MICHIGAN STATE UNIVERSITY

January 22, 2014

MEMORANDUM

To: Trustee Finance Committee

From: Satish Udpa 
Executive Vice President for Administrative Services

Subject: Purchase of Lansing Property - MBI Building

RECOMMENDATION

BE IT RESOLVED that the Trustee Finance Committee recommends that the Board of Trustees authorize the purchase of real property located at 3815 Technology Blvd., Lansing, Michigan for \$8,500,000 and upon other terms and conditions as may be acceptable to the Executive Vice President for Administrative Services.



BACKGROUND

The property recommended for purchase, comprising a 129,286 sq. ft. building on a 15 acre site, is intended to be used for multiple research and economic development purposes, including an evolving combination of:

- academic research surge space,
- the MSU University Research Organization (URO),
- state economic development-related tenancy of spin-off businesses and not-for profit research institutes affiliated or collaborating with the University.

Current tenants in the Building include MSU and the Michigan Biotechnology Institute (MBI), a wholly owned subsidiary of the MSU Foundation, which together occupy the majority of the building. There are also other tenants in the building whose leases will be assumed by MSU with the acquisition.

Of the \$8,500,000 purchase price, \$5,000,000 will be a cash payment at the time of acquisition and \$3,500,000 will be paid via rent forgiveness to MBI.

Formerly designated 3900 Collins Road, the site consists of property once owned by Michigan State University and now owned by the MSU

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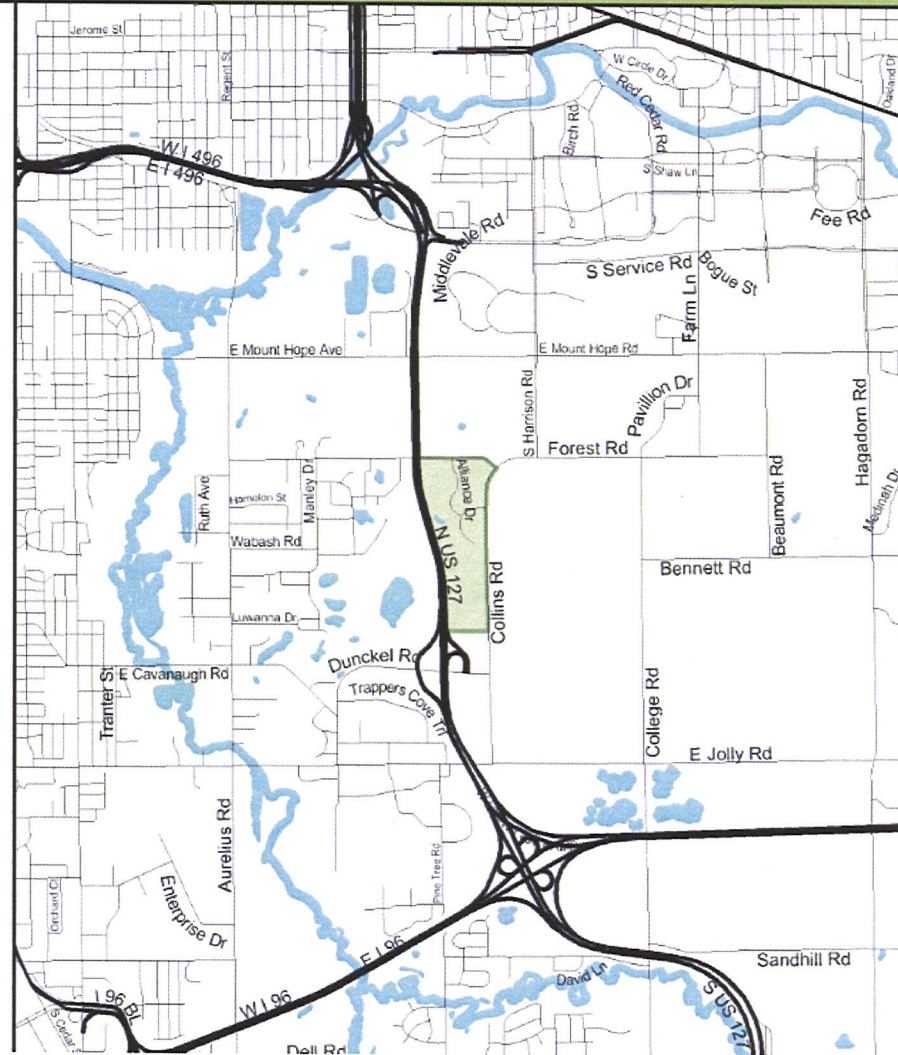
Foundation. The building was constructed in 1989. An October 2013 assessment by the MSU Maintenance Just-In-Time Evaluation Team concluded, "The overall quality of construction is good, the current condition of the building is good, and the day-to-day maintenance is excellent." Approximately \$194,000 in building renovations have been identified for completion over a period of one to five years.

In addition to permitting optimization of space assignment for University purposes, the envisioned purchase would also simplify the legal details entailed in current and future site utilization.

The purchase of this property is intended to be funded from the Infrastructure Reserve. The administration is recommending that the Board of Trustees approve the purchase of this property.

cc: L. Simon, J. Youatt, S. Hsu, P. Hunt, D. Byelich, K. Dawkins, V. Gore, M. Haas, J. Kacos, G. Klein, B. Kranz, B. Latta, M. McCabe, J. Mumma, R. Nestle, D. Quinney, C. Reid

Lansing Township, Sections 25 and 36



Research Park

Ingham County, Lansing Township, Sections 25 and 36

Image Year: 2009



Purchase of Lansing Property – MBI Building

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