

MICHIGAN STATE UNIVERSITY

February 15, 2019

APPROVED

FEBRUARY 15, 2019

BOARD OF TRUSTEES
MICHIGAN STATE UNIVERSITY

MEMORANDUM

To: Trustee Committee on Budget and Finance

From: Satish Udpa *Satish Udpa*
Acting President and Executive Vice President for Administration

Subject: Long-Term Lease of Space in Grand Rapids Research Center
Phase II

RECOMMENDATION

The Trustee Committee on Budget and Finance recommends that the Board of Trustees authorize the Administration to enter into leases for space and parking in new facilities being developed as part of Grand Rapids Research Center Phase II.

RESOLUTION

BE IT RESOLVED, the Board of Trustees of Michigan State University hereby authorizes the Administration to negotiate and execute leases for space and parking in Grand Rapids Research Center Phase II, for terms that may exceed 10 years, and upon such other terms and conditions as may be acceptable to the Executive Vice President for Administration.

BACKGROUND

At its December 14, 2018 meeting, the Board of Trustees authorized the Administration to proceed with the Grand Rapids Research Center Phase II project (GRRC Phase II). GRRC Phase II comprises a public private partnership to develop the remainder of the site owned by MSU on which the Grand Rapids Research Center is located. MSU will enter into a ground lease with a developer and the developer will design, finance, construct, and operate a facility that supports the University's Research/Healthcare Innovation Cycle, along with a parking structure on the site. At the December meeting, the College of Human Medicine expressed its intent to lease space in the new facility.

The College of Human Medicine (CHM) anticipates that the lease will be approximately 25,000 square feet in a building which will be located immediately east of the GRRC Phase II. The building is anticipated to open in the fourth quarter of 2021. First year rent will not exceed \$25.41 per square foot NNN with an annual escalation not to exceed 3% per year. MSU tenant parking will be available in the new onsite parking structure and rates will be



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comparable to those currently paid at the Secchia Center parking structure. The initial lease term will be 11 years with options to extend.

MSU wet lab bio-medical research will remain in the GRRC Phase II. The GRRC will support future wet lab growth on the fifth floor. The CHM lease space in the new building will support research office administration, computational research\machine learning\AI space, office hoteling space for visiting faculty and research partners, along with conferencing and non-wet lab collaboration space for other MSU colleges.

The square footage of the CHM lease will be finalized in 2021 based on needs and partnership synergies that develop during the three-year construction period.

cc: Board of Trustees, J. Youatt, N. Barr, M. Zeig, B. Quinn,
D. Bollman, V. Gore, M. Haas, J. Gaboury, B. Kranz, M. McCabe,
J. Mumma, J. Rayis, L. Adams, D. Temple, J. Kooiman, C. Reid,
N. Beauchamp

Long-Term Lease of Space in Grand Rapids Research Center Phase II

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