

**TRUSTEE FINANCE COMMITTEE
AGENDA**

Thursday, January 18, 2007 (3:00 p.m.)
DeVos Place, Grand Rapids

I. Action Items

Authorization of Real Estate Purchase for Site of West Michigan Medical School Building

Attachment 1a

APPROVED


JAN 18 2007

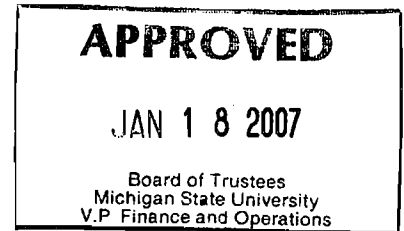
Board of Trustees
Michigan State University
V.P. Finance and Operations

MICHIGAN STATE
U N I V E R S I T Y

January 10, 2007

MEMORANDUM

To: Trustee Finance Committee
From: Fred L. Poston 
Subject: Authorization of Real Estate Purchase for Site of
West Michigan Medical School Building



RECOMMENDATION

The Finance Committee recommends to the Board of Trustees that it adopt the following resolution:

BE IT RESOLVED that the Board of Trustees authorizes the acquisition of Unit 5, Michigan Street Project Condominium (Kent County Condominium Subdivision Plan Number 773), City of Grand Rapids, Kent County, Michigan, for a price not to exceed \$15,750,000, and 100 to 360 parking spaces in the adjacent, lower level Unit 1 of the Michigan Street Project Condominium at a price not to exceed \$26,900 per space, in such manner and upon such terms and conditions as may be acceptable to the Vice President for Finance and Operations.

BACKGROUND

From time to time the administration has reported to the Board of Trustees the results of its review of various possible locations for construction of a building to house the MSU College of Human Medicine West Michigan medical school (Medical School). The administration believes that the best location for the Medical School building is a site condominium unit in the condominium association being developed by Michigan Street Development, LLC ("Developer").

The Developer owns property about three blocks long, on the north side of Michigan Street in downtown Grand Rapids, across from Spectrum Hospital and the Van Andel Institute. The Developer has started construction on a planned development to include ramp parking at below-ground and lower levels, four building sites above the parking ramp, and related infrastructure. The parking ramp and the four building sites comprise a five-unit master condominium (Michigan Street Project Condominium) that the Developer has established. The parking ramp, in addition to being one of the five master condominium units (Unit 1), has been further subdivided by the establishment of a separate condominium (Michigan Street Parking Condominium).

Spectrum Health Systems has purchased one of the four building site units in the Michigan Street Project Condominium to be the site of the new Lemmen-Holten Cancer Pavilion. Two other condominium building site units are expected to be used for a medical office building and a hotel-office building combination. Both Spectrum Health Systems and the Van Andel Institute will own Michigan Street Parking Condominium units. The administration recommends that the Board of Trustees acquire Unit 5 in the Michigan Street Project Condominium, the building site condominium unit at the far west end of the development, near the base of a hill, and adjacent parking in Unit 1.

The purchase is intended to be financed through a tax-exempt bond offering with initial funding and debt repayment from the General Fund and from community and private donor support.

cc: D. Brower, R. Flinn, P. Fowler, J. Kacos, G. Klein, W. Latta, K. Lindahl, J. Mumma,
R. Nestle, D. Quinney, M. Rappley, C. Reid, W. Beekman



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