



MICHIGAN STATE UNIVERSITY
BOARD OF TRUSTEES
Executive Action Summary

Budget and Finance-Attachment 1

Committee Name Budget and Finance

Date February 2, 2024

Agenda Item: Long-term leases of 4660 and 4700 Hagadorn Road

Information

Review

Action

Resolution:

BE IT RESOLVED, that the Board of Trustees of Michigan State University hereby authorizes the Administration to enter into long-term leases for the properties located at 4660 Hagadorn Road and 4700 Hagadorn Road, upon such terms and conditions as may be acceptable to the President or designee.

Recommendation:

The Trustee Committee on Budget and Finance recommends that the Board of Trustees authorize the Administration to negotiate and enter into long-term leases of the properties located at 4660 Hagadorn Road and 4700 Hagadorn Road.

Prior Action by BOT:

On February 10, 2023, the Board of Trustees of Michigan State University authorized the purchase of the properties at 4660 and 4700 Hagadorn Road. The primary purpose of the acquisition was to enable the consolidation of the clinical practices of MSU Health Care, Inc. (HCI).

Responsible Officers:

Daniel Bollman, Vice President for Strategic Infrastructure Planning and Facilities

Lisa Frace, Senior Vice President, Chief Financial Officer, and Treasurer

Norman Beauchamp, Executive Vice President, Health Sciences

Norman Hubbard, Senior Associate Vice President, Health Sciences

Summary:

- MSU entered an offer to purchase the above referenced properties from the George F. Eyde Family, LLC, in March 2023.
- MSU completed the purchase of the property on June 21, 2023.
- HCI will consolidate and brand their clinical practices as well as expand and grow the practice offerings in the Mid-Michigan healthcare market.
- The 4660 Hagadorn property is a multi-tenant office building and there are currently non-HCI tenants at the property. It is expected that there will be future non-HCI tenants whose location at one or both properties would be beneficial to HCI and MSU operations.
- MSU and HCI anticipate that it might be advantageous for HCI to become the master tenant of one or both properties.

Background Information:

HCI has been a long-term tenant of the multi-tenant building at 4660 Hagadorn Road, under the former ownership of the George F. Eyde Family, LLC. To implement HCI's vision of developing an MSU health care campus, MSU purchased the properties in June. The properties' location in the south academic district provides an asset that allows the university to continue its expansion of health science teaching and research.

This resolution will allow the MSU Administration to enter into one or more leases of the properties, which might include a master lease of one or both properties with HCI. This flexibility will allow the Administration to manage these recently acquired properties in an expeditious manner.

