

**Agendum  
Oakland University  
Board of Trustees Formal Session  
August 12, 2019**

**APPROVAL FOR PURCHASE OF PROPERTY  
AT 3300 UNIVERSITY DRIVE, AUBURN HILLS**  
**A Recommendation**

1. **Division and Department:** Academic Affairs Division, Chief Operating Officer, Research Department and Facilities Management Department.
2. **Introduction:** The property at 3300 University Drive consists of approximately 9.58 acres of land with an approximate 50,000 square foot of office building, attached to an approximate 78,000 square foot warehouse. The remainder of the property is developed with paved parking and landscaped areas (collectively the Property). The bordering property to the east is primarily used as the City of Auburn Hills municipal campus. Serviced by DTE for electricity and Consumers Energy for natural gas, the Property has existing municipal water and sanitary sewer. The current Property owner is IP-BK, 3300 University Drive LLC.

Due diligence is nearing completion, including building inspections, preliminary use plans, and desired building upgrades and renovations. Phase I, II and Supplemental Vapor Intrusion Environmental Assessments were conducted by SME in the building and the associated property. The final environmental reports and subsequent Baseline Environmental Assessment are in progress. Currently, no remediation is anticipated.

The estimated total Project cost to acquire and renovate the Property is \$18,600,000. The estimated total Project cost includes the: purchase price; anticipated repairs that include a shingled roof, HVAC, fire/security/lighting/signage flat roof, elevator, and parking lot paving; anticipated building renovations to accommodate desired users including a back-up generator, paint, carpet, interior lighting, IT connection and complete IT wiring update; and moving intended users into the building such as UTS and data center, research space, OU INC, storage and swing space (collectively the Project).

The estimated total Project cost includes a 10% contingency for repairs and renovation costs but does not include any renovation cost of the vacated areas on campus. The estimated total Project cost also does not include projected annual operating costs for the building, such as utilities, maintenance and repair, insurance and service contracts.

The estimated total Project cost is approximately \$145 per square foot. Recently approved new building projects on campus have ranged in cost from \$350-400 per square foot.

**Approval for Purchase of Property  
At 3300 University Drive, Auburn Hills  
Oakland University  
Board of Trustees Formal Session  
August 12, 2019  
Page 2**

The Oakland University Board of Trustees (Board) Policy and Procedure for Disposal, Acquisition, Lease and Other Transfer of Real Property Interests ("Board Policy") requires that the Board authorize by specific action all transactions involving the acquisition of any real property or real property interest. All requirements of the Board Policy have or will be satisfied prior to acquisition of the Property, except that only one qualified appraisal was obtained instead of three, which is now acceptable industry practice.

3. **Previous Board Action:** At the June 10, 2019 Board of Trustees (BOT) meeting, a bonding proposal was approved for \$78,000,000.
4. **Budget Implications:** The funding source for this \$18,600,000 Project is the 2019 Bonds.
5. **Educational Implications:** It is expected that a significant portion of the space will be dedicated to faculty-led research and the training of graduate and undergraduate students through research, including both federally sponsored research and partnerships with industry.
6. **Personnel Implications:** Incremental 3300 University Drive maintenance personnel will be identified based on needs and integrated into the management and operations of the existing building. Using the estimated square feet and projected use of the addition, the property will require approximately two custodians, one groundskeeper, and two skilled-trades workers to operate the facility. The exact staffing type and skills required will be determined following the renovation planning stage.
7. **University Reviews/Approvals:** This recommendation was formulated by the Associate Vice President for Facilities Management and reviewed by the Senior Vice President for Academic Affairs and Provost and the Chief Operating Officer.

8. **Recommendation:**

RESOLVED, that the Oakland University Board of Trustees authorizes the Chief Operating Officer to acquire the Property and complete the Project at a cost not to exceed \$18,600,000; and, be it further

RESOLVED, that the Oakland University Board of Trustees waives the requirement for three qualified appraisals in connection with the purchase of the Property; and, be it further

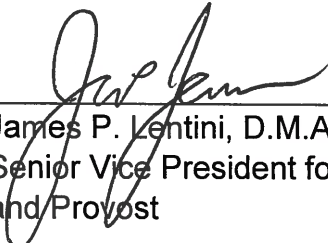
Approval for Purchase of Property  
At 3300 University Drive, Auburn Hills  
Oakland University  
Board of Trustees Formal Session  
August 12, 2019  
Page 3

RESOLVED, that the Oakland University Board of Trustees authorizes the President, the Chief Operating Officer, and their respective designees, to perform all acts and deeds and to execute and deliver all contracts, instruments, and documents required by this resolution that are necessary, expedient, and proper in connection with the purchase of the Property and completion of the Project; and, be it further

RESOLVED, that said contracts, instruments and documents shall be reviewed by and be in a form acceptable to the Vice President for Legal Affairs and General Counsel prior to execution, and be in compliance with the law and with University policies and regulations and conform to the legal standards of the Vice President for Legal Affairs and General Counsel.

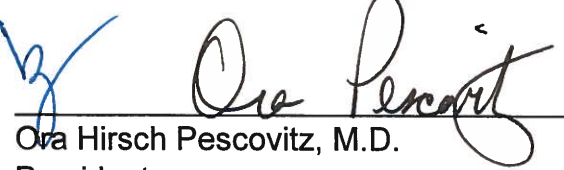
9. **Attachments:** None.

Submitted to the President  
on Aug 12, 2019 by

  
James P. Lentini, D.M.A.  
Senior Vice President for Academic Affairs  
and Provost

  
Scott G. Kunselman  
Chief Operating Officer

Recommended on 8/12, 2019  
to the Board of Trustees for Approval by

  
Ora Hirsch Pescovitz, M.D.  
President