

PROPOSAL: Sale of Kalamazoo Downtown Property

Background

The Downtown Property (“Property”) is a parcel consisting of one City block located in Kalamazoo. The City block is bordered by North Park, Cooley, West Kalamazoo Avenue, and Eleanor streets. This land was obtained in 2017 after a rather complex transaction that involved land swaps between parties, extinguishment of a University nonrecourse promissory note, and a sale of land to a private party, ACW IN, LLC. WMU assumed ownership to the City block without any existing debt or purchase cost.

There is one standing building on this parcel that has been rented by the University to the Whitley Memorial Funeral Home, who was a tenant at the time the University obtained the Property. Whitley relocated to another business site prior to negotiation of this purchase agreement and the building is unoccupied.

Kalamazoo County (“County”) expressed an interest in the parcel. As a result of appraisals conducted by each party and recognizing the need to demolish the existing building, a purchase price of \$1,150,000 has been negotiated. The County has performed preliminary due diligence including a Phase I environmental assessment. A Phase II assessment still needs to be performed. The County retains the right to terminate the Purchase Agreement prior to closing, which is specified as November 18, 2022. The parties can mutually agree to extend the agreement.

The Administration is requesting the Board of Trustees’ approval to sell the Property for a price of \$1,150,000 and authorization to negotiate and enter into a Purchase Agreement for the Property and all other actions and documents necessary to close the sale.

Recommended Action

Pursuant to the retained powers of the Board regarding the transfer of real property, it is recommended the Board approve the sale of the Kalamazoo Downtown Property to Kalamazoo County according to the terms of the Purchase Agreement. It is also recommended the Board authorize the President, Treasurer or Assistant Treasurer (the “Authorized Officers”) to finalize and to negotiate and execute any deeds, easements, closing statements, agreements or documents (the “Property Sale Documents”), and to take such other actions, necessary or convenient to effectuate and complete the transactions contemplated herein, with such modifications as they or anyone of them may approve as reasonable or necessary and that said Property Sale Documents shall be reviewed by and be in a form acceptable to the 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 Office Legal Affairs, Risk and Compliance.