

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: 423 E. Main Street, Carson City, Michigan

Action

Requested: Authorization to Sell Real Estate

Background:

Sparrow Carson City Hospital (Sparrow) owns a single-story medical office building located at 423 E. Main Street, Carson City, Michigan (the Property). This Property is in a rural area and the building is outdated in aesthetic. There is no near-term or future plan by Sparrow to use or develop this Property.

Sparrow purchased the building in May 2003 for \$440,000. It has been available for sale under CBRE's listing since August 2023. The prospective buyer submitted an offer for a non-medical use (adult foster care) for the building. There will be no conflict with medical practices in the area. The buyer offered to purchase the Property for the fair-market value price of \$490,000. This sale would result in an increase in cash of \$490,000, a decrease in net Property Plant and Equipment of \$137,000, and an increase in non-operating gain on sale of asset of \$353,000. Given the building's current vacancy and its irrelevance to Sparrow's operations and future strategy, Sparrow is prepared to progress towards closing the sale.

We recommend that the University of Michigan sell the property located at 423 E. Main Street, Carson City, Michigan for \$490,000 upon terms and conditions acceptable to the University.

Respectfully submitted,



Geoffrey S. Chatas
Executive Vice President and
Chief Financial Officer

February 2024
Attachment



423 E. Main St.

Carson City

MAIN ST

57


CLEVE


W COUNTY LINE RD

S DIVISION ST

S GARLOCK RD

Sparrow Carson City Hospital
Carson City, Michigan

 Subject parcel

 1,000 Feet

