

THE UNIVERSITY OF MICHIGAN EXH
REGENTS COMMUNICATION

ACTION REQUEST

EXH	MOTION <i>Brandon</i>
	SECOND <i>Whe</i>
	ACTION APPROVED BY THE REGENTS
NOTE:	APR 21 2005

Subject: Regental Action Required Under the State of Michigan
Conflict of Interest Statute

Action

Requested: Authorization for the University to Enter into a Lease with William C. Martin
(University of Michigan Athletic Director William C. Martin, owner)

Background:

The University of Michigan wishes to enter into a lease for 3,410 square feet of property located on the third level of 330 East Liberty Street, to be leased from William C. Martin. The space will be utilized as surge space to accommodate displaced occupants of the College of Literature, Science, and the Arts Office of Student Academic Affairs during renovation of their offices in Angell Hall.

The proposed lease falls under the State of Michigan Conflict of Interest Statute as William C. Martin is a University employee and would be a party to the lease by virtue of his ownership of William C. Martin. However, the Statute allows University employees to participate in such leases, if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the lease to the official body that has power to approve the lease, which disclosure shall be a matter of record in its official proceedings.
- b) The lease is approved by a vote of not less than 2/3 of the full membership of the approving body in open session without the vote of the public servant making the disclosure.
- c) The official body discloses the following summary information in its official minutes:
 - i) The name of each party involved in the lease.
 - ii) The terms of the lease, including duration, financial consideration between the parties, facilities or services of the public entity included in the lease agreement, and the nature and degree of assignment of employees of the public entity for fulfillment of the lease.
 - iii) The nature of any pecuniary interest.

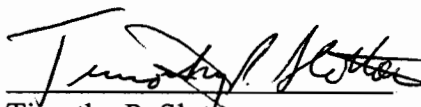
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the lease are the Regents of the University of Michigan and William C. Martin.
- ii) The service to be provided is the lease of 3,410 square feet in a building at 330 East Liberty Street for fourteen months, beginning May 1, 2005 through June 30, 2006, at a monthly rate of \$6,251.66. Tenant will be responsible for gas and electric usage plus janitorial service. In addition, approximately \$5,000.00 of leasehold improvements will be needed, to be constructed by the landlord and reimbursed by the University.
- iii) The pecuniary interest arises from the fact that William C. Martin, a University of Michigan employee, is the owner of William C. Martin.

William C. Martin has met state law requirements with the disclosure of his pecuniary interest, and his formal appointment arrangements with the University of Michigan.

We recommend that the Board of Regents approve the lease between the University of Michigan and William C. Martin.

Respectfully submitted,



Timothy P. Slotow
Executive Vice President and
Chief Financial Officer

April 2005