WMU Board of Trustees

WMU Board of Trustees Special Meeting August 14, 2015

WMU Board of Trustees

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WESTERN MICHIGAN UNIVERSITY

BOARD OF TRUSTEES SPECIAL MEETING

CONFERENCE CALL - FRIDAY, AUGUST 14, 2015

CONNABLE BOARD ROOM, 9 A.M., BERNHARD CENTER

Acceptance of the Agenda – Chair Hettinger
Remarks by AFSCME

ACTION ITEMS – Vice President VanDerKley

1. Agreement with Local 1668 and Council 25 of the American Federation of State, County and Municipal Employees' Union AFL-CIO (AFSCME) – ROLL CALL

2. Property Purchase with Borgess Health Alliance, Inc. – ROLL CALL

3. Easement with Consumers Energy for Solar Garden – ROLL CALL

4. Extension of Cole-Gilmore Related Agreements – ROLL CALL
Agreement with Local 1668 and Council 25 of the American Federation of State, County and Municipal Employees' Union AFL-CIO (AFSCME)

Background

Western Michigan University and AFSCME reached a tentative agreement of a contract. This tentative agreement was ratified by AFSCME on August 11, 2015. Negotiations began in late spring and have continued throughout the summer. The new contract is for a three-year period.

The contract requires approval by the Board of Trustees before it can be finalized and implemented. The administration recommends that the contract be approved.

Recommended Motion

It is recommended that the Board of Trustees approve the contract and that administration be authorized to implement the 2015-2018 agreement between Western Michigan University and AFSCME.
Property Purchase with Borgess Health Alliance, Inc.

Background
The Administration is requesting authority from the Board of Trustees to enter into a purchase agreement with Borgess Health Alliance, Inc., for a building at 4200 South Westnedge Avenue, Kalamazoo, MI. The University is in the process of completing the title, survey, and environmental assessment work necessary to complete the transaction. The price of the building and land is $235,000.

The building will be used for Western’s Kalamazoo Autism Center which primarily provides evidenced based, gold standard interventions for children, adolescents, and adults with autism and other developmental disabilities and will provide parent support services and be a resource to the community on all aspects related to the treatment of autism.

The Office of Campus Planning developed an outlined facility program with Western’s Kalamazoo Autism Center group. This outline was used in a comprehensive search for available space on campus. While an on-campus site would be ideal, no so such appropriate or quantity of space is available. We have since reviewed several off-campus facilities over the last few months, none of which met the program needs and/or were affordable. This property, which previously housed a pediatric clinic, comes the closest to meeting the programmatic and affordability requirements.

Western Michigan University was awarded a $4,000,000 grant from the Michigan Department of Community Health to enhance and support its autism research and professional training initiatives.

Recommended Motion

It is recommended that the Board of Trustees approve the actions necessary by the Treasurer or the Assistant Treasurer to the Board of Trustees to enter into this purchase agreement between Western Michigan University and Borgess Health Alliance, Inc. and to, negotiate and execute any other documents necessary to effectuate and complete the transaction contemplated herein.
Westnedge Office Building  
Kalamazoo, Michigan

Office - For Sale  
4200 South Westnedge Avenue  
Kalamazoo | Michigan

**Property Overview:**
Freestanding, brick office building with Westnedge signage & visibility. This building was formerly used as a pediatrician office and has a full basement w/elevator and plenty of parking. The building can be used as medical or renovated for regular off with Westnedge exposure. This one won’t last long - call immediately.

![Property Overview Image](image-url)

**Property Information:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
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<tbody>
<tr>
<td>Gross Size</td>
<td>4,901 SF</td>
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<tr>
<td>Available Size</td>
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<tr>
<td>Acres</td>
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<td># Levels</td>
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<td>Multiple / Common Area</td>
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<tr>
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<tr>
<td>Elevators</td>
<td>1 Passenger</td>
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</tr>
<tr>
<td>Zoning Code / Description</td>
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</table>

**Sale Price:**

- $275,000.00
- $249,000.00

For More Information, Contact:  
Sandy Edwards, CCIM  
269.373.8102 [direct]  
269.207.0971 [mobile]  
sedwards@ccmichigan.com
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Western Michigan University
Board of Trustees

Agenda Item No. 3
ROLL CALL

**Easement with Consumers Energy for Solar Garden**

**Background**

The University and Consumers Energy have been in discussions to place a solar garden, consisting of a solar photovoltaic (PV) array, on Western’s Parkview Campus. These discussions have followed the recent approval of the Solar Gardens Program by the Michigan Public Service Commission. This Program allows public utilities to participate within their Renewable Energy Plan. The public utility owns and operates the solar gardens that are hosted at various sites.

The proposed solar garden at Parkview Campus is but one of several gardens that will be constructed by Consumers Energy. Once constructed, it is estimated that up to 1 MW of electrical capacity will be produced from this solar facility located on our campus. The electricity produced by the solar garden will be delivered to the Consumers’ distribution system where it will flow through the utility grid. Both Western and other private parties (individuals and/or businesses) can subscribe with Consumers to receive energy credits from the Solar Gardens Program to be reflected on the customer’s monthly bill.

WMU will enroll in the Solar Gardens Program by paying an upfront subscription fee of $2,622,000 minus a host credit of $76,500. This fee will be paid back to Western in the form of energy credits on its regular monthly electric bills. These credits will be received over the next 25 years. WMU calculates that the payback on its subscription fee will be approximately 17-19 years, with a total positive return on the remaining years of the 25 year contract.

Western’s Administration is seeking approval of the easement for placement of the solar garden if developed by Consumers Energy. Due to the complexity of the business relationships, a brief description is being provided of the three (3) individual agreements necessary to consummate this arrangement with Consumers Energy.

**OPTION AGREEMENT:** This agreement provides Consumers Energy with a predetermined term, initially two years, to exercise its option. If exercised, Consumers Energy will enter into a solar easement agreement with the University for a 4.13 acre parcel to construct and maintain the solar garden. The two-year option period provides Consumers sufficient time to complete their feasibility and engineering studies as well as any other due diligence requirements.

**SOLAR EASEMENT AGREEMENT:** If the above option is exercised by Consumers Energy, then the solar easement agreement between WMU and Consumers Energy will be executed. Consumers Energy will acquire this easement for a price of $57,720. The easement remains in place for twenty-five (25) years. The easement area encompasses approximately 4.13 acres. A site map is attached for easy reference.

**SOLAR GARDEN HOST AGREEMENT:** This agreement is executed in conjunction with
the solar easement agreement and contains the terms and conditions of the business arrangement between Western and Consumers Energy. In addition to the subscription fee and monthly energy credit already described, Consumers Energy has also committed to funding an education program labeled a Solar Learning Module. For the learning module, Consumers will provide Western with $20,000 in each of six (6) years for a total of $120,000. This funding will be used to educate WMU students, provide exposure to K-12 students and the community, and to train emergency first responders regarding solar arrays. Consumers will also provide $55,000 for WMU to design and construct up to three solar PV systems for a WMU PV Solar Educational System available to our faculty and students.

The fifth goal of the University’s strategic plan is to advance environmental sustainability practices. The first goal is to provide distinctive learning experiences for our students and the community. Our involvement with Consumers Energy in the development of the solar garden helps us to meet both of these strategic goals. Specific benefits are as follows:

- Clean Solar Energy with no negative impact to the area
- Promotes energy independence
- Promotes WMU’s image as a sustainable institution
- Helps meet climate and renewable energy goals
- Promotes job creation with Michigan made products
- Consumers Energy has been a trusted energy provider for more than 128 years
- Part of a 10 MW solar program available to all CE customers
- Funding to support University research, K-12 learning, and emergency first responder education

**Recommended Motion**

It is recommended that the Board of Trustees approve the actions necessary by the Treasurer or the Assistant Treasurer to the Board of Trustees to enter into these agreements between Western Michigan University and Consumers Energy, and to negotiate and execute any other documents necessary to effectuate and complete the transaction contemplated herein.
Extension of Cole-Gilmore Related Agreements

Background

In December 2001, the University took possession of property in downtown Kalamazoo, known as the Cole-Gilmore Property, subject to a $1,520,000 non-recourse mortgage. The property is located in a four (4) block area, and Downtown Tomorrow, Inc. ("DTI") also owns property adjacent to the Cole-Gilmore Property as shown in the attached map. At that time, DTI and the University entered into a number of related agreements for development of the property (the "DTI Agreements").

The DTI Agreements place restrictions prohibiting either the University or DTI from selling the parcels without the express consent of the other. The DTI Agreements further provide that if the University fails to commence construction of a significant development by an agreed upon date, then DTI has an option to purchase the University property at a price of $1.00, plus assumption of the $1,520,000 mortgage. The DTI Agreements were extended by action of the Board of Trustees taken on May 2, 2008, and were set to expire on September 30, 2014. A second extension was also approved by the Board of Trustees which expires on September 30, 2015.

Since executing this last extension, DTI and other participants have formed the Arcadia Commons West Task Force to seek a development partner and formulate a development plan for the property. Although not a member of the Task Force, the University remains interested in the development plans due to its property ownership. The task force has been actively engaged in this effort, but more time is needed for them to move towards identifying a final project.

To provide additional time for the task force to complete its work, it has been proposed that DTI and the University extend the DTI Agreements for an additional eighteen-month (18) period, until March 31, 2017.

In an effort to assure that the University does not lose the value associated with this gifted property, it is proposed that the Administration be authorized to negotiate and enter into with DTI, Inc., an extension of the DTI Agreements for up to an additional eighteen (18) months.

Recommended Motion

It is recommended that the Board of Trustees authorize the Treasurer or Assistant Treasurer to negotiate and execute an extension to the DTI Agreements for the Cole-Gilmore property as described above.