Western Michigan University Agenda Item No. 6

BOARD OF TRUSTEES *March 10, 2026*

PROPOSAL: Newell Rubbermaid Property Purchase

Background

Newell Rubbermaid is located at 3300 Research Way, a site within Western's Business Technology Park 1.0. The university originally sold the site to Southwest Michigan First, who then sold it to Newell. With each sale, Western retained the right to purchase with the same terms and conditions negotiated with the intended buyer. We were notified February 13th of Newell's intent to sell to a private party for $6M with the ask of whether we wanted to exercise our right to purchase. The University had 14 days to exercise its right and provide a $100,000 deposit to Newell.

The building is approximately a 62,000 square foot facility. Purchase price is $6M and Newell will be leaving some high end furniture and equipment. Newell has the right to lease the property for up to a year after closing to provide adequate time to complete move out. It is a simple lease with rent of $41,667 per month.

Western Michigan University has long recognized the Physical Plant building located at the juncture of Oakland and Stadium is an unattractive gateway to campus. Its location is also problematic to the future plans of the City to redesign the infamous "spaghetti bowl" of roads congregating in the area. This need has only increased with the upcoming opening of the Event Center.

The Physical Plant houses our facilities team. It was built in 1921 and its last significant renovation occurred in 1954 and is 48,352 square feet. Our master campus plan identified this building to be decommissioned and demolished. Currently there is $7.6M of backlog deferred maintenance with a net asset value of 52%, which means it requires significant repairs, major building components are in jeopardy of failure, and large-scale capital infusions or renovations are inevitable. Annual operating costs are approximately $200,000.

During the 14-day notice period, our facilities and business team did a walk through of Newell to affirm facility condition. We obtained floorplans, confirmed insurance coverage, received the ALTA survey, obtained the clean Phase I Environmental Site Assessment, Zoning affirmation, and the Deed. Annual operating costs for this facility also run approximately $200,000 based on information provided by Newell. No issues were found with any of the documented conditions and circumstances.

Our intent is to purchase Newell Rubbermaid to house our facilities team currently located in the Physical Plant, as well as the design team located in the Campus Services Buildings. With the additional space, we also plan to explore if the building can address some of the needs of our soccer teams. We know the parking availability will help on game days. Closing will occur either April 2 or 3.

If we do not move forward with purchase, external legal counsel advised we would forfeit the deposit and Newell could argue for specific performance at Court. If this occurred, we would be forced to purchase the building and Newell could argue for damages for the difference between the $6M and the ultimate selling price. Although this scenario is unlikely, we did want to understand our level of risk.

Recommended Motion

It is recommended the Board approve the University to take all necessary action to effectuate the purchase of Newell Rubbermaid to be completed no later than April 3, 2026 and authorize the President, Treasurer or Assistant Treasurer (the "Authorized Officers") to sign on behalf of the University.