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University of Michigan to buy former Pfizer Inc. site

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The **University of Michigan** will buy the 2 million-square-foot former **Pfizer Inc.** campus in Ann Arbor for \$108 million, said Jesse Bernstein, president of the **Ann Arbor Chamber of Commerce**.

The drug maker announced in January 2007 it was closing the site, which includes 25 buildings on 177 acres along Plymouth Road.

The school's **Board of Regents** approved the purchase at its Thursday meeting, and the acquisition is expected to close in June.

“(It gives me) great joy that the site is in play and it will be bringing jobs to our community,” Bernstein said. “Many of us would have preferred a private purchase, but UM is the biggest employer in our county. They’re the economic heart and soul of our community.”

He said the deal includes an additional \$12 million set aside by the university for environmental cleanup at the site.

UM President Mary Sue Coleman said about 2,000 new jobs will be created at the site over the next 10 years.

The site will be used by the **University of Michigan Medical School** and other departments for research in fields like biomedical sciences, health sciences, pharmaceutical, biotech, energy, nanotechnology and others. But no firm decisions have been made about the specific use of the site’s roughly 30 buildings.

UM plans to complete an extensive due diligence on the Pfizer site over the next 150 days, and a plan for what University departments and schools will use the site will be completed in the next 12-18 months.

"The purchase of these properties gives us for the first time the ability to do a planned expansion...to really do collaborative research in a new site," said Dr. Robert Kelch, CEO of the **University of Michigan Health System**. "Moreover it allows us to partner with the private sector."

The site could also house private businesses and startup companies seeking to commercialize technology and ideas created at UM.

Kelch said UM’s efforts to grow and attract advanced researchers has been hampered by the lack of available, high-quality lab and research facilities. The site will help UM recruit new researchers.

"It fits with growth and investment strategy for the medical school," Kelch said.

Departments could start occupying the buildings by late 2009, and the site is expected to be filled by 2018.

“What we're doing is sending a very powerful message – that we’re committed to the region and the state and we’re growing,” said Stephen Forrest, vice president for research at UM.

Ann Arbor Mayor John Hieftje expressed concern over the deal because the site will go off the tax rolls as part of the university.

The site generated about \$2.5 million in local taxes last year, of which 28 percent went to the city, Hieftje said.

“(The deal) has some troubling aspects to it for local government,” he said.

The mayor said he learned of the deal only recently, and didn’t know if the move of David Canter from head of the Pfizer Ann Arbor campus to director of health care of U-M’s nonprofit William Davidson Institute had anything to do with the sale.

Hieftje also issued a statement about the sale in which he added some positive comments.

“If the U-M is able to greatly expand life sciences research in Ann Arbor it will have far reaching, long-term economic benefits for the whole region,” he said.

Pfizer closed the Ann Arbor site as part of the company's \$2 billion global cost cutting.

The pharmaceutical giant had 2,100 employees in Ann Arbor, of whom more than 500 accepted transfer offers to other Pfizer locations.

The site has been marketed since July 2007, by brokers now with the Detroit office of **Jones Lang LaSalle**, formerly with **Staubach Co.**

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