

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: The University of Michigan Medical School
Medical Research Laboratory Facility Project

Action Requested: Approval of Project and Site

Background:

The Medical School Kresge Medical Research Complex, built in the 1950's and 1960's, currently houses significant research functions in the Medical School. The buildings have systems and components that have reached the end of their useful lives and can no longer adequately support contemporary biomedical research. The Medical School also requires additional space in which to support growing programs and changes in medical research support functions. Therefore, we are proposing the replacement of portions of the complex in a facility large enough to accommodate existing and new research initiatives.

The Zina Pitcher Street site, located on the block bounded by Huron Street on the south, Zina Pitcher on the east, E. Ann Street on the north and Glen Avenue on the west is the recommended site for two connected medical research buildings. The attached drawing indicates the proposed block where the facilities would be placed, just east of the existing Neuroscience Building. The development, as we envision it, is consistent with the campus master plan principles that are evolving simultaneously. The location of the development will eliminate 238 parking spaces, but could allow razing of the Neuroscience Building for a parking structure in the future. In addition, the Palmer Drive structure will have almost 1100 spaces.


We are in the process of completing a program for the project that describes the facilities – two connected buildings. It would include approximately 430,000 gross square feet (GSF). Although we are very early in the project's development and costs are preliminary, we are estimating a construction component of \$105 million; fixed and moveable equipment (including lab benches) component of \$35 million; and a fees and contingency component of \$40 million.

We now are positioned to complete the program and commit to initiate the project and are seeking approval to do so. We are currently involved in evaluating architects and expect to be prepared to forward a recommendation for your approval in an upcoming meeting.

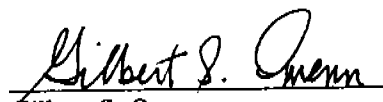
Funding for the project will be provided by Medical School unrestricted revenue, reserves, and gifts. The construction cash flow may be financed, all or in part, by the issuance of tax-exempt debt secured by a pledge of patient revenues of the Medical School.

We recommend the Regents approve the project and the site for the Medical Research Laboratory Facility Project.

Respectfully submitted,



Robert Kasdin
Executive Vice President

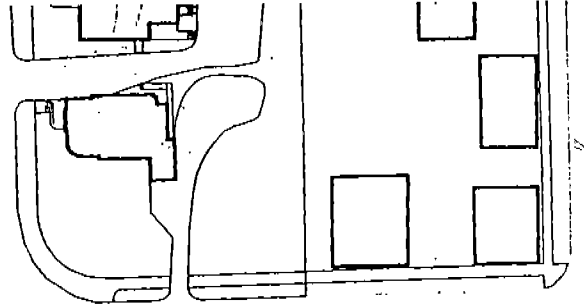
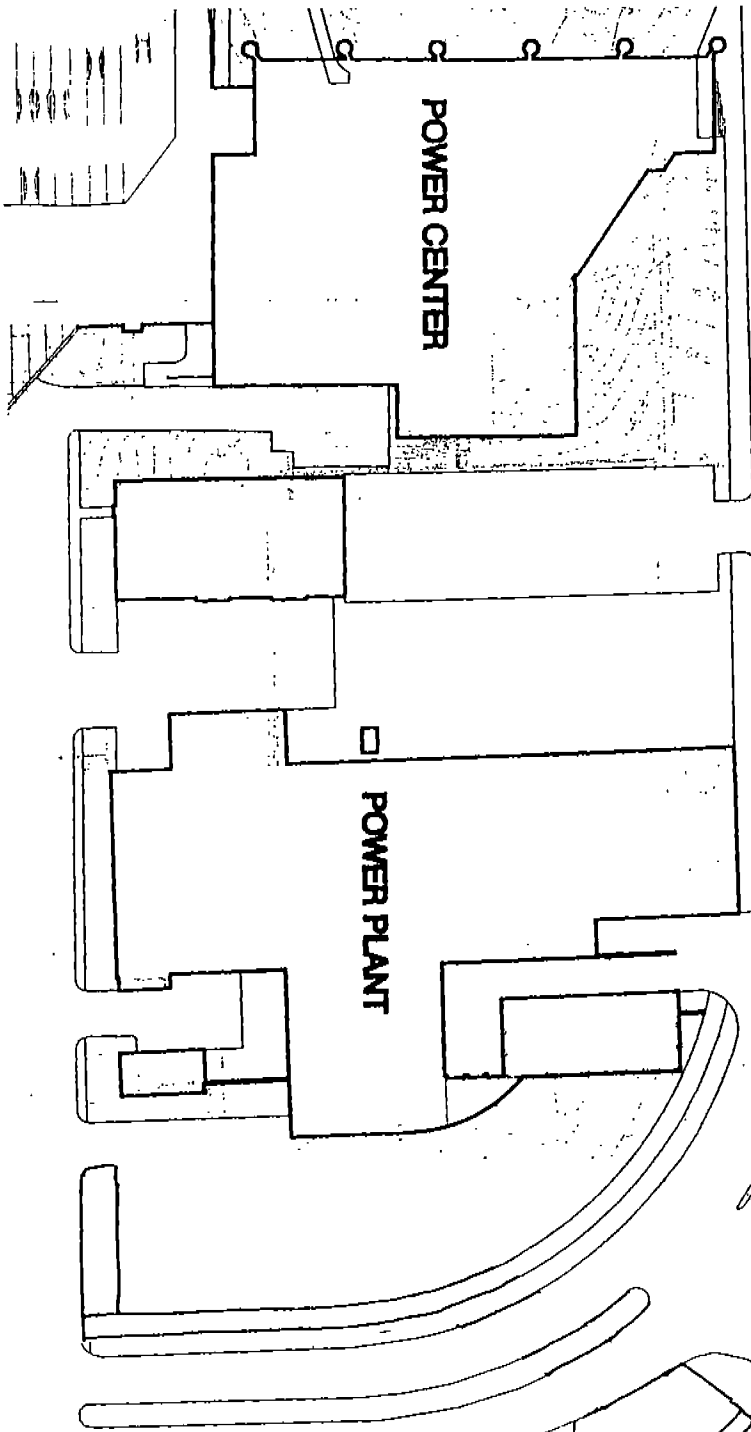


Gilbert S. Omenn
Executive Vice President for Medical Affairs

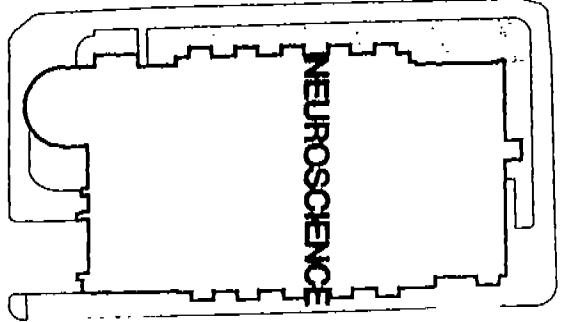
April 2000
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APPROVED BY THE REGENTS ON

APR 13 2000

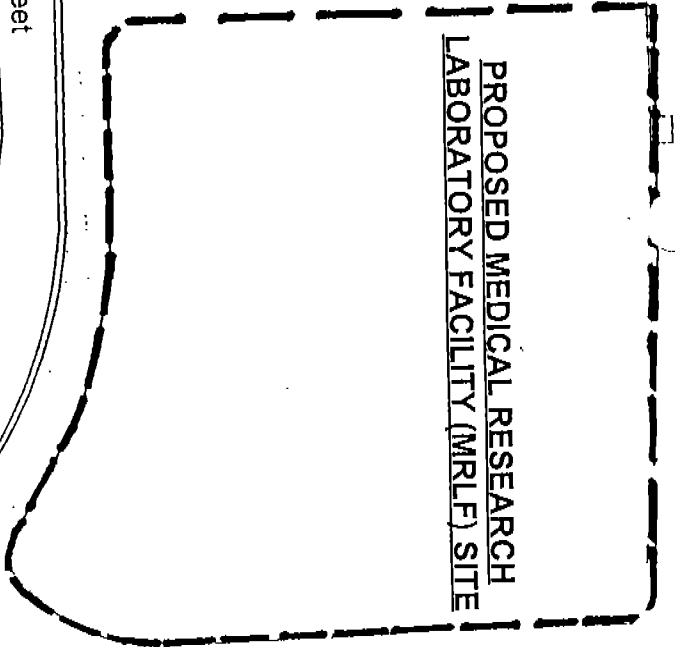


Glen Avenue



E. Ann Street

Huron Street



Zina Pitcher Place

