

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

Subject: University of Michigan Hospitals and Health Centers (UMHHC)  
Canton Health Center Shell Space Utilization Project

Action

Requested: Approval to Proceed with Project

Background:

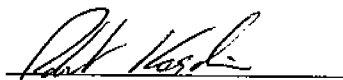
As part of the University of Michigan Health System (UMHS) strategic initiative to expand its regional healthcare network and ambulatory presence in the I-275 market, the Canton Health Center, located at the southwest corner of Saltz and Canton Center Roads, opened on June 24, 2000. Through the end of fiscal year 2001 site visits increased from 34,500 to 53,000 and obtained in one year much of the growth projected over five years. Primary care and specialty services occupy 40,000 square feet of the total 50,000 square feet allocated for the site. The remaining 10,000 square feet of shell space is available for development and lease.

Developing the shell space would allow the site to provide infusion center, physical therapy, ophthalmology and optical shop services to complement those activities currently located within the health center and community. It will not only increase UMHS' ability to meet its education and research goals, but also will contribute to the clinical mission. The project is based on market demand and was developed with recommendations made by University of Michigan physicians currently practicing at the Canton Health Center; a market analysis completed by Deloitte and Touche; and in conjunction with the departments of Internal Medicine, Physical Medicine & Rehabilitation, and Ophthalmology. A separate entrance on a highly visible street is planned to allow the services their own access and presence, with adequate parking.

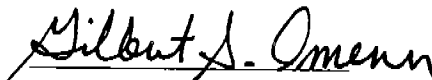
The total project is estimated to cost \$2,175,000. Funding will be provided from Hospitals and Health Centers' capital fund. Occupancy is anticipated in Fall of 2002.

We recommend that the Regents approve the UMHHC Canton Health Center Shell Space Utilization Project as described, and authorize issuing the project for bids and awarding construction contracts providing that bids are within the approved budget of \$2,175,000.

Respectfully submitted,



Robert Kasdin  
Executive Vice President  
and Chief Financial Officer



Gilbert S. Omenn  
Executive Vice President  
for Medical Affairs

September 2001

APPROVED BY THE REGENTS ON

SEP 20 2001