

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: University of Michigan Hospitals and Health Centers (UMHHC)
Cardiovascular Center Project – Phase I

Action

Requested: Approval of Project and Authorization to Appoint an Architect

Background:

The Health System recognized that the further investment in centers of excellence is one key to future success of the Medical Center. In April 2000, the Health System's new strategic plan included the pursuit of excellence and growth in cardiovascular disease research, education and clinical care as a high institutional priority. In September 2000 the Regents of the University of Michigan approved the "Center" designation, with anticipation of a proposed state-of-the-art facility to realize programmatic objectives. Presently, cardiovascular services are located in multiple locations throughout the main Medical Campus. As part of the Health System's strategic plan, it is highly desirable to provide a consolidated physical facility setting.

We propose the construction of a new Cardiovascular Center (CVC) that will embrace the service, education, and research missions of the University and the Health System's strategic plan. The complex, as envisioned, would be constructed in two phases. Phase I includes the design and construction of a state-of-the-art adult clinical care facility. Phase II includes the construction of a basic science research facility to promote the discovery and practice of new treatments for cardiovascular disease. The Phase II project will be submitted for consideration at a future time.

Phase I includes a 350,000 gross square foot clinical building and parking deck. The clinical building will include ambulatory care clinics, non-invasive diagnostic and testing suites, invasive procedures areas (including cardiac catheterization/electrophysiology labs and operating rooms), intensive care beds for post-operative inpatient care, as well as offices for clinical faculty and support staff and modest educational space. Certificates of Need will be required from the Michigan Department of Consumer and Industry Services (MDCIS).

The proposed site is the previous location of the "Old Main" Hospital, located directly south of the Cancer and Geriatric Centers. The main entrance for CVC will be at the south end of the site facing Observatory Street. We plan to work with the City to seek approvals necessary to allow changes to Observatory and Ann Streets for convenient pedestrian and vehicle access into the CVC and parking deck. We anticipate connecting the CVC and parking deck to adjacent buildings such as University Hospital, Cancer & Geriatrics Center and / or Children and Women's Hospital.

The site can accommodate 400 structure spaces to cover the approximately 250 spaces lost to building and parking structure footprints, and an anticipated demand of 150 spaces needed for patients and visitors. We will work through the design phase to maximize parking on this site to address faculty and staff parking needs. We plan to return to the Regents at the schematic design phase with a detailed plan that reflects increased parking spaces for this project to the extent feasible and with a revised budget, if necessary. This additional parking capacity will be needed to accommodate the eventual growth in faculty and staff. The growth in faculty and staff will not be realized until the project is completed and existing accommodations are back filled to allow growth. We will also continue to develop and enhance parking and transportation initiatives on the Medical Center campus and throughout the University.

APPROVED BY THE REGENTS ON
SEP 19 2002

The total estimated budget for Phase I of the CVC is \$196 million, including unfinished, or shelled space of approximately 40,000 gross square feet; a 400 space parking structure; moveable equipment and furnishings; roadway improvements; and the demolition of the existing Clinical Faculty Office Building. Funding will be provided from Hospitals and Health Centers' resources. The construction cash flow may be provided, all or in part, from tax-exempt debt secured by a pledge of Hospital Gross Revenues. Initially, the project may be financed by increasing the commercial paper issuance under the commercial paper program, secured by a pledge of General Revenues, and authorized by the Regents.

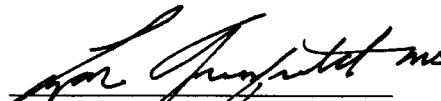
The architectural firm of Shepley Bulfinch Richardson and Abbott will design the project. The design is scheduled to begin in October 2002, allowing construction to start in the fall of 2003 and for the project to be completed in the fall of 2006.

We recommend that the Regents approve the University of Michigan Hospitals and Health Centers' Cardiovascular Center Project as described and authorize commissioning Shepley Bulfinch Richardson and Abbott for its design. We will return to the Board at schematic design with a revised budget necessary to accommodate additional parking if feasible.

Respectfully submitted,



Timothy P. Slottow
Interim Chief Financial Officer

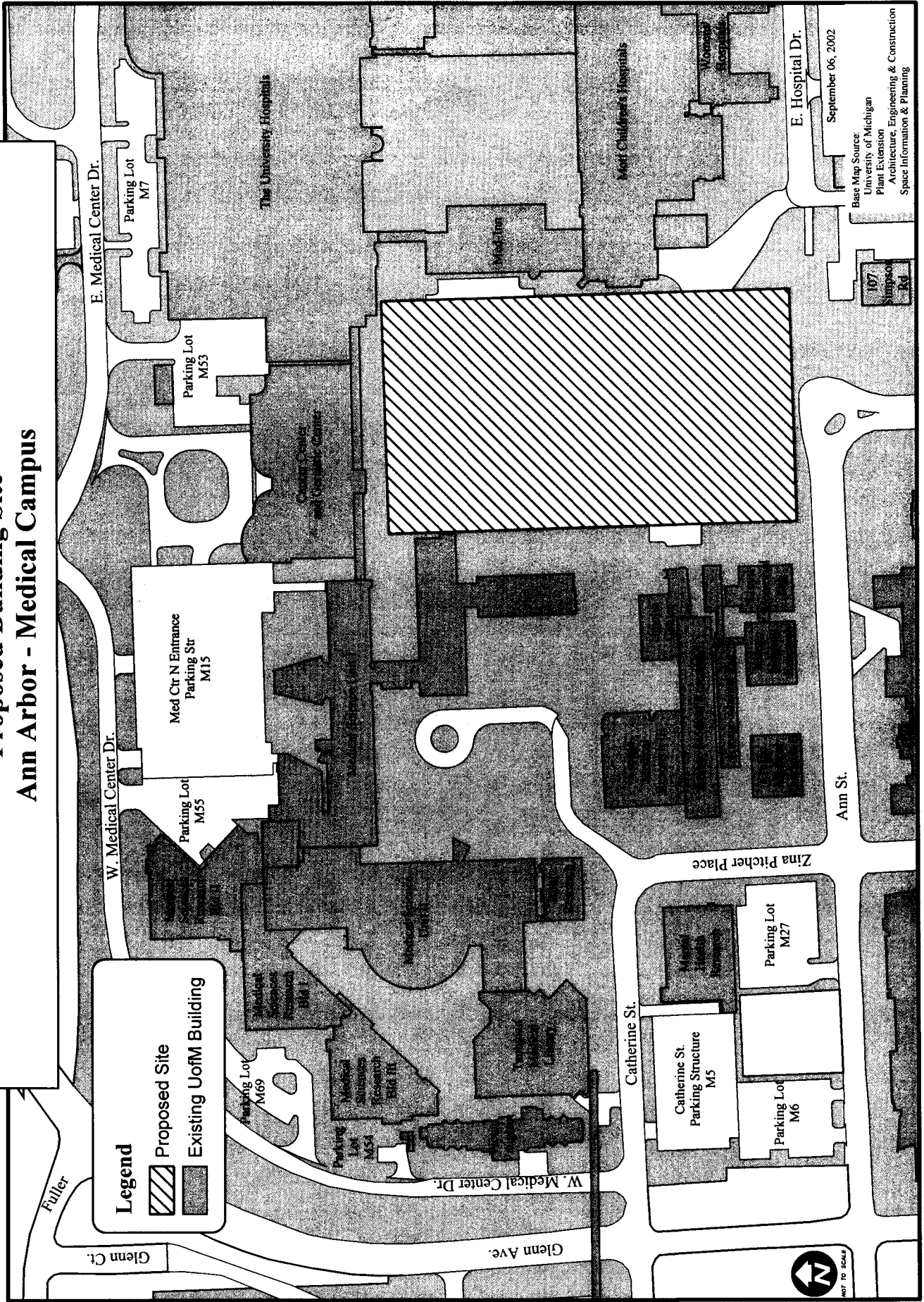


Lazar J. Greenfield
Interim Executive Vice President
for Medical Affairs

September 2002

Attachment

Cardiovascular Center University Hospitals and Health Centers Proposed Building Site Ann Arbor - Medical Campus



Legend

- Proposed Site
- Existing UoM Building



Base Map Source:
University of Michigan
Plant Extension
Architecture, Engineering & Construction
Space Information & Planning
September 06, 2002