

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: University of Michigan Hospitals and Health Centers (UMHHC)
East Ann Arbor Ambulatory Surgery and Medical Procedures Center

Action

Requested: Approval of Project and Authorization to Appoint an Architect

Background:

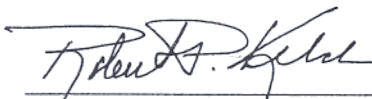
The University of Michigan Hospitals and Health Centers (UMHHC) is proposing to construct an Ambulatory Surgery and Medical Procedures Center at the East Ann Arbor properties in response to the increased demand for outpatient surgical and medical procedures and to address current capacity constraints. Between FY01 and FY03, UMHHC experienced a 12.5% increase in outpatient surgical activity at University Hospital and a 10.5% increase at Mott Children's Hospital. The demand for medical endoscopies, performed by University Hospital's Medical Procedures Unit, increased by 25% during this same time period. Despite operational changes implemented in order to increase capacity, UMHHC continues to face capacity constraints.

A 46,000 gross square foot building is proposed to address the need for six operating rooms, four medical procedures rooms, and related support areas. The facility will have one floor with rooftop screening for mechanical equipment. The proposed site is located adjacent to the existing East Ann Arbor Health Center as shown on the attached map. External and internal pedestrian links will be provided to access the existing Health Center. To address the need for an estimated 185 additional parking spaces, the adjacent on-site surface parking lot will be expanded. A Certificate of Need will be required from the Michigan Department of Consumer and Industry Services for the new operating rooms.

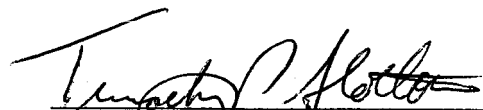
The estimated cost of the project is \$30,000,000. Funding will be provided from Hospitals and Health Centers' resources and Medical School resources. The construction cash flow may be provided, all or in part, from tax-exempt debt secured by a pledge of Hospital Gross Revenues. Initially, the project 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 Albert Kahn Associates will design the project. Design is scheduled to begin in January 2004 and we will propose a construction schedule in a subsequent Action Request.

We recommend that the Regents approve the East Ann Arbor Ambulatory Surgery and Medical Procedures Center project as described and authorize commissioning Albert Kahn Associates for its design.

Respectfully submitted,



Robert P. Kelch
Executive Vice President
for Medical Affairs

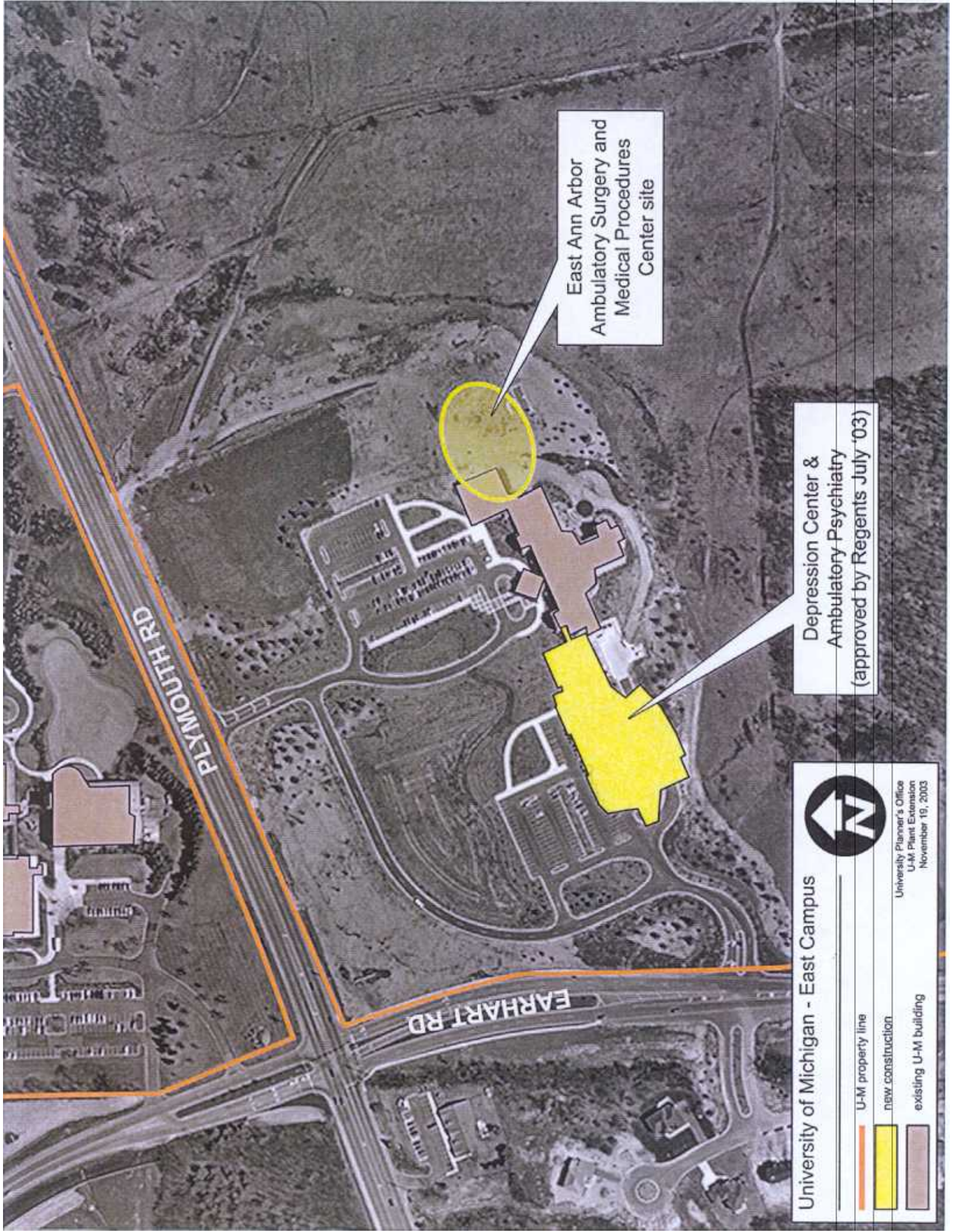


Timothy P. Slottow
Executive Vice President
and Chief Financial Officer

December 2003
Attachment

APPROVED BY THE REGENTS ON

DEC 18 2003



East Ann Arbor
Ambulatory Surgery and
Medical Procedures
Center site

Depression Center &
Ambulatory Psychiatry
(approved by Regents July '03)

University of Michigan - East Campus

U-M property line

new construction

existing U-M building

University Planner's Office
U-M Plant Extension
November 19, 2003

