THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: University of Michigan Hospitals and Health Centers (UMHHC)
2101 Commonwealth Building
Ambulatory Adult Psychiatry Services Leasehold Improvements

Action Requested: Approval to Proceed with Project

Background:

Ambulatory Adult Psychiatry Services currently resides primarily in the Riverview building on Wall Street. The Riverview building, a former motel acquired by the University in 1974, is inefficient and no longer meets the needs of the program. In addition, the Riverview building’s age, condition and construction type preclude its reconfiguration for alternative future use. Relocation of Ambulatory Adult Psychiatry Services from the Riverview building will vacate the building for future demolition.

The proposed project will include renovations associated with relocating the program adjacent to space currently occupied by Child and Adolescent Psychiatry Ambulatory Services in the 2101 Commonwealth Building. The co-location of services will allow for shared spaces and efficiencies between the two programs. The renovation of approximately 10,000 gross square feet of space will provide office and consultation rooms, group interview facilities and support spaces.

The estimated cost of the project is $1,900,000 million, including $685,000 for movable equipment and furnishings. Funding will be provided from Hospitals and Health Centers’ reserves. 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 construction will be managed by the lessor and is scheduled to be completed in Fall 2003.

We recommend that the Regents approve the University of Michigan Hospitals and Health Centers Ambulatory Adult Psychiatry Services Leasehold Improvements project as described.

Respectfully submitted,

Timothy P. Slottow
Interim Chief Financial Officer

Lazar J. Greenfield
Interim Executive Vice President
for Medical Affairs

February 2003

APPROVED BY THE REGENTS ON FEB 20 2003