

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 Schematic Design and Revised Budget

Background:

At the September 2002 meeting, the Board of Regents approved the \$196 million Cardiovascular Center Project-Phase I and the appointment of Shepley Bulfinch Richardson and Abbott as the architect. A 350,000 gross square foot state-of-the-art clinical building, connectors to existing facilities, and parking deck are proposed. The facility will be 5 floors with a mechanical penthouse extending above the 5th level. The building will house ambulatory care clinics, non-invasive diagnostic and testing suites, invasive procedures areas, intensive care beds for post-operative inpatient care, as well as offices for clinical faculty and support staff. As discussed in the September 2002 Regents meeting, site capacity and utilization were studied extensively during schematic design in order to maximize parking on the site. As a result, a larger parking deck is currently planned to accommodate 465 spaces instead of the original 400 spaces. In addition, comprehensive planning has resulted in additional scope refinements to incorporate coordinated landscape elements throughout the site and to allow for the creation of pedestrian and vehicular access paths linking the east and west sides of the Medical Campus. The 65 additional parking spaces and other site-related scope refinements have led to the revised project budget estimate of \$199,000,000.

We are seeking approval to revise the project budget from \$196,000,000 to \$199,000,000. Funding will be provided from the Hospitals and Health Centers' capital resources and Parking Services. 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. Construction is scheduled to begin in the Fall 2003 and be completed in late Fall 2006.

We recommend the Regents approve the schematic design and revised budget for the University of Michigan Hospitals and Health Centers (UMHHC) Cardiovascular Center Project-Phase I as presented at the meeting.

Respectfully submitted,



Timothy P. Slotow
Interim Chief Financial Officer



Lazar J. Greenfield
Interim Executive Vice President
for Medical Affairs

May, 2003

APPROVED BY THE REGENTS ON

MAY 15 2003