

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

Subject University of Michigan Hospitals and Health Centers (UMHHC)  
Depression Center and Ambulatory Psychiatry

Action Requested: Approval of Schematic Design, Revised Budget, and Authorization to Issue Bids and Award Construction Contracts for Infrastructure Improvements

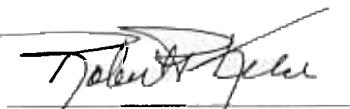
Background: At the July 2003 meeting, the Regents approved the Depression Center and Ambulatory Psychiatry project and the appointment of Albert Kahn Associates as the architect. The proposed budget of \$38,000,000 included an estimated \$5,500,000 for infrastructure improvements.

To foster the environment envisioned for the NIH grant, an additional 6,000 gross square feet of space has been added to the building that will further enhance the interaction and connectivity between the research and clinical functions within the building. In particular, the additional space will provide for the future expansion of clinical programs such as bi-polar treatment. The revised budget estimate of \$41,000,000 includes the additional space and associated equipment, and \$5,500,000 identified for site infrastructure improvements. The infrastructure improvements include the design and installation of stormwater and sanitary sewer facilities, the re-routing of existing underground utilities, and the removal and replacement of some existing surface parking spaces.

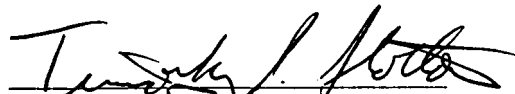
We are seeking approval to revise the project budget from \$38,000,000 to \$41,000,000, and authorization to issue for bids and award construction contracts for the infrastructure improvements package. Funding of \$25,500,000 will be provided from Hospitals and Health Centers' resources, \$4,000,000 from an NIH grant, and \$11,500,000 from gifts. An additional \$3 million in gifts has been directed toward this project since it was first brought to the Regents for project approval. 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 be completed in Spring 2006.

We recommend the Regents approve the revised budget and the schematic design as presented for the University of Michigan Hospitals and Health Centers (UMHHC) Depression Center and Ambulatory Psychiatry project, and authorize issuing the infrastructure improvements package for bids and awarding construction contracts providing that bids are within the approved budget.

Respectfully submitted,



Robert P. Kelch  
Executive Vice President for  
Medical Affairs



Timothy P. Slottow  
Executive Vice President and  
Chief Financial Officer

APPROVED BY THE REGENTS ON  
APR 22 2004