

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Observatory Lodge Renovation

Action

Requested: Approval of Schematic Design

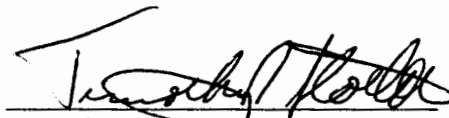
Background:

At the April 2005 meeting, the Regents approved the Observatory Lodge Renovation project and the appointment of Einhorn Yaffee Prescott as the architect. The project involves a complete renovation of the building's 30,600 gross square feet. The renovated building will provide approximately 18,000 net square feet of classroom, office, and research space for the Division of Kinesiology. The renovation will be sensitive to the building's historic character and will include restoration of many of the buildings character-defining features. The project will also address deferred maintenance items as well as existing code and accessibility requirements. The scope of this project includes the architectural, mechanical, and electrical work necessary to accomplish these improvements. We anticipate the impact on parking from this renovation project to be the loss of three parking spaces due to the need to locate mechanical and electrical equipment outside the building.

The estimated cost of the project is \$11,500,000. This project is part of the Fiscal Year 2005 Supplemental Capital Outlay from the State of Michigan. The State will fund approximately two-thirds of the project, and the University will fund the balance with Division of Kinesiology resources and investment proceeds. The construction cash flow may be provided, all or in part, 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 Fall 2007.

We recommend the Regents approve the schematic design for the Observatory Lodge Renovation project as presented at the meeting.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

June 2005

APPROVED BY THE REGENTS ON
JUN 16 2005