

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Approved by the Regents

September 18, 2008

Subject: University of Michigan Hospitals and Health Centers
Domino's Farms Leasehold Improvements for the Division of Metabolism,
Endocrinology and Diabetes

Action
Requested: Approval to Proceed with Project

Background:

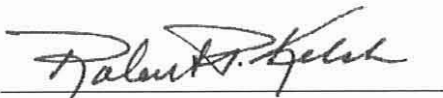
The Department of Internal Medicine's Division of Metabolism, Endocrinology and Diabetes (MEND) proposes to establish a clinic at Domino's Farms. Between 1980 and 2005, there has been a 120 percent increase in the prevalence of diabetes in the United States. Based on market analyses, patient activity projections suggest an opportunity to expand the program and provide access for incremental patient volume, ranging from approximately three thousand new and return clinic visits per year to ten thousand visits per year by the end of five years. This project will relocate the entire division, currently occupying space both at the Taubman Health Center and at the Briarwood Campus, into leased space located at Domino's Farms. The renovated facility will enable the MEND team to expand clinical, educational, research and community services. The space vacated in the Taubman Center will be programmed to increase access and activity in the Department of Internal Medicine's Gastroenterology, Rheumatology, Nephrology, Infectious Disease and Pulmonary Divisions.

The renovation of approximately 23,000 gross square feet at Domino's Farms will provide exam rooms, procedure and testing rooms, patient and family waiting areas, faculty and staff offices and support areas. The scope of this project includes the architectural, mechanical and electrical work necessary to accomplish these improvements. There will be no impact on parking from this project.


The estimated cost of the project is \$4,500,000. Funding will be provided from Hospitals and Health Centers' resources. 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 will be managed by the lessor and is scheduled to be completed in Summer 2009.

We recommend that the Regents approve the University of Michigan Hospitals and Health Centers Domino's Farms Leasehold Improvements for the Division of Metabolism, Endocrinology and Diabetes project as described.

Respectfully submitted,



Robert P. Kelch
Executive Vice President
for Medical Affairs



Timothy P. Slotow
Executive Vice President and
Chief Financial Officer

September 2008