

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Replacement of Tunnel and Associated Utilities Located
Between Hill Auditorium and Edward H. Kraus Building

Action
Requested: Approval to Proceed with Project

Background:

One of the University's major underground steam tunnel sections runs between Hill Auditorium and the Edward H. Kraus Building, under both lanes of North University. A portion of the tunnel runs beneath the southwest corner of Hill Auditorium and is being relocated as part of the Hill Auditorium Renewal project approved by the Regents in June 1999.

Tunnel sections located under the street and sidewalks, where salt is used in the winter months, are subject to accelerated structural deterioration. These tunnels are monitored and maintained with temporary repairs as required. As part of the routine maintenance of the steam tunnel system, the span from the Kraus Building to Hill Auditorium is due to be replaced by the year 2005. We propose upgrading the portion of the tunnel between Kraus and Hill now, in conjunction with the tunnel work associated with the Hill Auditorium Renewal project. As we have developed the design of the utility work in the Hill Auditorium project, it has become apparent that to accomplish the subject tunnel replacement at this time will avoid duplication of work in the future.

The estimated cost for this project is \$2,500,000. Funding will be provided from Utilities reserves. 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. The University of Michigan, Plant Extension - Architecture, Engineering and Construction will oversee the design of the project. Construction will occur within the timeframe of the Hill Auditorium project, between May 2002 and Fall of 2003.

We recommend that the Regents approve the Replacement of Tunnel and Associated Utilities Located Between Hill Auditorium and Edward H. Kraus Building project as described, and authorize issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Respectfully submitted,



Robert Kasdin
Executive Vice President
and Chief Financial Officer

APPROVED BY THE REGENTS ON

DEC 13 2001

December 2001