

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: University of Michigan Hospitals and Health Centers (UMHHC)
Child and Adolescent Psychiatry Ambulatory Services Relocation and
Leasehold Improvements

Action

Requested: Approval to Proceed with Project

Background:

The University of Michigan Hospitals and Health Centers has experienced steady long-term growth in specialty ambulatory clinic visits. Several of these, in Cardiovascular Care, Transplant, and Orthopedics, are located in the Taubman Health Center (THC). In an effort to support this clinical growth activity and to address clinical faculty office needs, UMHHC proposes to move certain functions and programs to alternate locations. This communication addresses the relocation of the Child and Adolescent Psychiatry Program to 21,000 gross square feet of off-site leased space at 2101 Commonwealth, Suite C, in northeast Ann Arbor. An Action Request for the Regental Action Required Under the State of Michigan Conflict of Interest Statute is being presented as a separate item this month.

The Child and Adolescent Psychiatry Program is a self-contained program that does not typically require any adjacencies to other clinical support services within the same building. The new location will provide space for offices, consult rooms, psychological testing rooms, interview facilities, conference rooms, storage and support spaces. In addition, space has been reserved for educational and clinical research activities.

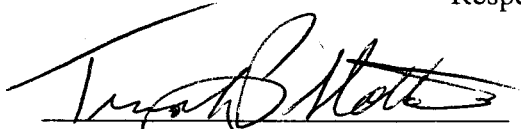
The total project cost is \$3.9 million, including \$1.8 million for furnishings and equipment. The planned tenant improvements will be generic in order to minimize changes required for prospective Health System tenants should the Child and Adolescent Psychiatry program be relocated from this leased space in the future. The furniture and furnishings will be selected to allow flexibility and promote reuse in that event.

Funding will be provided from the Hospital and Health Centers' resources. 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. The architectural firm of SSOE, Inc. will design the project. Construction is expected to be complete this winter.

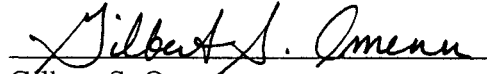
APPROVED BY THE REGENTS ON
JUN 20 2002

We recommend that the Regents approve the University of Michigan Hospitals and Health Centers' Child and Adolescent Psychiatry Ambulatory Services Relocation Leasehold Improvement project as described, and authorize proceeding with the project providing the cost is within the approved budget.

Respectfully submitted,



Timothy P. Slottow
Interim Chief Financial Officer



Gilbert S. Omenn
Executive Vice President
for Medical Affairs

June 2002