

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: University of Michigan Hospitals and Health Centers (UMHHC)
Depression Center and Ambulatory Psychiatry
New Facility and Infrastructure Improvements

Action Requested: Approval of Project and Authorization to Appoint an Architect

Background

The University of Michigan Hospitals and Health Centers (UMHHC) is proposing to construct a new facility at the East Ann Arbor Properties for the purpose of research, education, training and treatment of those suffering from depression, and to provide other ambulatory psychiatry specialty services. The new building will provide an integrated environment and include Child and Adolescent Psychiatry, Adult Psychiatry and Substance Abuse, resulting in the co-location of the majority of ambulatory psychiatry services. The new facility is anticipated as a 110,000 gross square foot building. The facility will have three floors and will be constructed southwest of the existing East Ann Arbor Health Center. Approximately 60,000 net square feet of space will house research areas, clinics, and consult rooms/offices.

In accordance with the University's master plan for this site, the increased activity resulting from this project will require the relocation of the main entrance off Plymouth Road to align with Whitehall Drive. Infrastructure improvements include the demolition and replacement of some existing surface parking spaces, construction of 440 new parking spaces required to support the new facility, stormwater and sanitary sewer facilities, and the re-routing of existing underground utilities.

The estimated cost of the project is \$38,000,000, including an estimated \$5,500,000 for the infrastructure improvements. Funding of \$25,500,000 will be provided from Hospitals and Health Centers' capital resources and funding of \$12,500,000 will be from gifts. 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 Albert Kahn Associates will design the project and we will return with proposed building layout addressing infrastructure improvements when we seek approval for schematic design.

We recommend that the Regents approve the Ambulatory Psychiatry and Depression Center New Facility and Infrastructure Improvements project as described, and authorize commissioning Albert Kahn Associates for its design.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President
and Chief Financial Officer

Respectfully submitted,



Lazar J. Greenfield
Interim Executive Vice President
for Medical Affairs

July 2003

APPROVED BY THE REGENTS ON
JUL 17 2003