

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: University of Michigan Hospitals and Health Centers (UMHHC)
Relocation of Clinical Labs Project – Traverwood II Leasehold Improvements

Action Requested: Approval to Proceed with Project

Background:

Due to increased demand for space, UMHHC has been requested to seek alternative space for the clinical laboratories located in the Medical Sciences I Building in order to return the space to the Medical School for research and training. UMHHC proposes to relocate the Tissue Typing laboratories, Molecular Diagnostics laboratories, a portion of the Chemical laboratories (Immunology) and their respective support functions from the Medical Sciences I Building to a leased site located within the Traverwood II complex at 2910 Huron Parkway. Space vacated by Immunology will also allow the Cytogenetics laboratory to move from the Medical Sciences I Building to University Hospital.

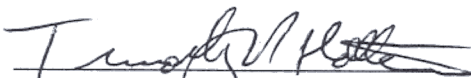
The renovation will involve 16,600 gross square foot of space in Traverwood II. The scope of this project includes the architectural, mechanical and electrical work necessary to accomplish these improvements. Parking at Traverwood II will be provided as part of the lease.


The estimated cost of the leasehold improvements is \$4,105,000. Funding will be provided from Hospitals and Health Centers' capital 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. Construction will be managed by the lessor and is scheduled to be completed in Winter 2004.

We recommend that the Regents approve the UMHHC Relocation of Clinical Labs Project as described.

Respectfully submitted,

Respectfully submitted,


Timothy P. Slottow
Executive Vice President and
Chief Financial Officer


Jazar J. Greenfield
Interim Executive Vice President
for Medical Affairs

September 2003

APPROVED BY THE REGENTS ON

SEP 18 2003