

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: University of Michigan Hospitals and Health Centers (UMHHC)
Cardiovascular Center Project – Phase I
Bed Shell Expansion Project

Action

Requested: Approval to Proceed with Project


Background:

The Cardiovascular Center project (CVC), currently under construction, was initially approved by the Regents at the September 2002 meeting and included approximately 40,000 gross square feet of shelled space. UMHHC proposes to complete the build-out of 27,000 gross square feet of this unfinished space to accommodate the addition of 28 inpatient beds for cardiac, thoracic and vascular patients. The addition of beds is part of UMHHC's comprehensive strategy to improve inpatient access in response to increasing demand and current high utilization. There will be no impact on parking from this project. A Certificate of Need will be required from the Michigan Department of Consumer and Industry Services.

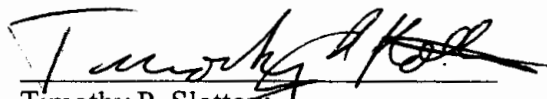
The estimated cost of the project is \$13,000,000. The project will be managed and tracked as part of the CVC project, and therefore its \$13,000,000 budget will be added to the previously approved CVC project budget of \$199,000,000, for a total project budget of \$212,000,000. Funding will be provided from the Hospitals and Health Centers' resources. 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. Shepley, Bulfinch, Richardson and Abbott will continue as architect for the CVC project. This project will require a two month extension of the CVC's construction schedule, with a revised construction completion date of Spring 2007.

We recommend that the Regents approve the UMHHC Cardiovascular Center Project – Phase I - Bed Shell Expansion 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 P. Kelch
Executive Vice President
for Medical Affairs



Timothy P. Slottow
Executive Vice President
and Chief Financial Officer

January 2005

APPROVED BY THE REGENTS ON

JAN 26 2005