

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents
May 19, 2006

ACTION REQUEST

Subject: Michigan Memorial Phoenix Laboratory Renovation

Action

Requested: Approval of Project and Authorization to Appoint an Architect

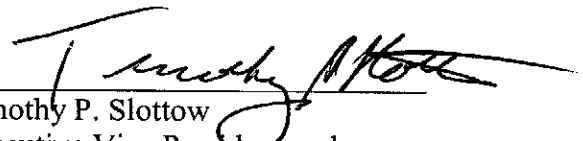
Background:

The University proposes to renovate the Michigan Memorial Phoenix Laboratory. The facility was constructed in 1955 in honor of Michigan alumni who died during World War II, and was dedicated to providing research into peaceful uses for nuclear energy. In 2004, its mission was expanded to include all forms of energy. The renovation will create a state-of-the-art research facility for a broad range of energy-related initiatives in both engineering and the sciences. A renovation of approximately 25,000 gross square feet is planned that will create new research laboratory space and provide extensive infrastructure upgrades to the building's electrical, mechanical and life-safety systems. The scope of this project includes the architectural, mechanical and electrical work necessary to accomplish these improvements. There will be no impact on parking from this project.

The estimated cost of the project is \$9,500,000. This project is part of a Fiscal Year 2005 Supplemental Capital Outlay Request to the State of Michigan. Once the funds are appropriated by the State legislature, the State will fund approximately two-thirds of the project and the University will fund the balance with investment proceeds. 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 architectural firm of Lord Aeck & Sargent, Inc. will design the project. Design is scheduled to begin immediately, and we will return with a construction schedule when we seek approval of schematic design.

We recommend that the Regents approve the Michigan Memorial Phoenix Laboratory Renovation project as described, and authorize commissioning Lord Aeck & Sargent, Inc. for its design.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

May 2006