

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

Approved by the Regents

June 19, 2008

ACTION REQUEST

Subject: KMS Building  
Medical School Faculty Group Practice Billing Leasehold Improvements

Action  
Requested: Approval to Proceed with Project

Background:

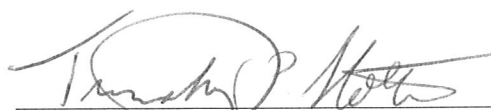
The University of Michigan Hospitals and Health Centers leases significant space at the KMS Building, located at 3621 South State Street, Ann Arbor, Michigan, primarily for financial and business functions. This project will reconfigure and update spaces for the Medical School Faculty Group Practice billing unit to improve efficiency and user comfort.

A renovation of approximately 30,000 square feet is planned that will convert laboratory space into office space, improve the existing cubicle layouts, and upgrades the finishes in the area. The renovation work will include upgrades to the electrical and heating, ventilation, and air conditioning 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 \$1,600,000. Funding will be provided from Medical School resources. 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. Construction will be managed by the lessor and is scheduled to be completed in Spring 2009.

We recommend that the Regents approve the KMS Building Medical School Faculty Group Practice Billing Leasehold Improvements project as described.

Respectfully submitted,



Timothy P. Slottow  
Executive Vice President and  
Chief Financial Officer

June 2008