

The University of Michigan
REGENTS COMMUNICATION

REQUEST FOR ACTION

Subject: University of Michigan Health –Sparrow - Grand Ledge Health Center Project

Action

Requested: Approval of Project, Budget and Authorization to Proceed with Construction

Background:

University of Michigan Health (UMH) and University of Michigan Health - Sparrow (UMH-Sparrow) continue to evaluate strategic growth opportunities in and around UMH-Sparrow's primary service area. UMH-Sparrow has identified Grand Ledge as a strategic market to grow both primary and specialty care access and urgent care. As part of these efforts, UMH Sparrow proposes to develop a new ambulatory care center in Grand Ledge, Michigan, to meet the growing patient care needs of the Grand Ledge community. This project advances our strategic goals of increasing access to comprehensive care services in UMH-Sparrow's service area.

We are proposing a new 45,000 square foot health center, relocating existing patient care services (urgent care, laboratory, and retail pharmacy), as well as providing new primary care, specialty care and advanced imaging services at the new location. A certificate of need will be required from the State of Michigan for CT and mobile MRI services. The facility design will emphasize environmental sustainability principles, with the expectation to achieve Leadership in Energy and Environmental Design (LEED) certification.


The total cost of the project is \$32,000,000 and is estimated to be completed in the winter of 2027. Funding will be provided by UMH-Sparrow resources as part of the strategic capital investments outlined in the Affiliation Agreement between UMH and UMH-Sparrow. The Board of Regents previously authorized the purchase of real estate for this proposed project on May 16, 2024, for a negotiated price of \$1,995,000.

We recommend that the Board of Regents approve the University of Michigan Health - Sparrow - Grand Ledge Health Center project and authorize proceeding with construction in accordance with the approved budget, as well as authorize the Executive Vice President for Medical Affairs to take all appropriate and necessary steps to complete the project as described.

Respectfully submitted,



Marschall S. Runge
Executive Vice President for Medical Affairs and
Dean, Medical School



Geoffery S. Chatas
Executive Vice President and
Chief Financial Officer

October 2024

Attachment

