

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: UM Health-Sparrow Ionia Ambulatory Expansion Project

Action Requested: Approval to Proceed with Project

Background:

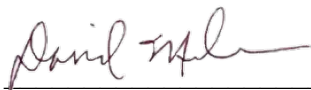
UM Health-Sparrow Ionia hospital was built in 2015. The decision was made at that time not to build a medical office building adjacent to the hospital. Over the past 10 years, the hospital has experienced tremendous patient activity growth in both inpatient and outpatient services, and as a result there is no additional space for program growth. Incremental space is needed for specialty clinics and primary care physicians, as well as to support planned growth in other clinical services.

UM Health-Sparrow Ionia is seeking approval to design and construct a 31,000 gross square foot ambulatory center to improve patient access to new healthcare capacity in the Ionia community. A new facility will address community need through growth of the following services: primary care, imaging, oncology, orthopedics and cardiology. This facility development will allow for the elimination of a current lease agreement and have a positive return on investment. The project is estimated to be completed in 30 months from design to completion.

The estimated cost of the project is \$28,000,000. Funding will be provided from UM Health-Sparrow resources. The construction cash flow may be provided, all or in part, by bond proceeds or increasing commercial paper issuance under the commercial paper program, secured by a pledge of General Revenues, and authorized by the Board of Regents. This proposal has been reviewed and recommended for approval by the U-M Health Board.

We recommend that the Board of Regents approve the U-M Health Sparrow Ionia Ambulatory 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,



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Robert A. Hewlett III
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