

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: University of Michigan Hospitals and Health Centers (UMHHC)
Canton Health Center Infusion Treatment and Computed Tomography (CT) Services
Leasehold Improvements

Action

Requested: Approval to Proceed with Project

Background:

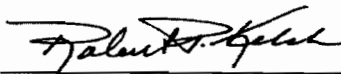
Consistent with national trends, cancer services at the University of Michigan Health System continue to grow. Outpatient migration will continue due to improved cancer drugs, minimally invasive surgeries, and improved outpatient care management. New pharmacological protocols now allow for care to be safely administered in satellite infusion centers closer to patients' homes. With the expected increase in clinical trials and management of highly complex cancer outpatients, additional clinical capacity is required. UMHHC proposes a strategy of expanding cancer services in the Cancer Center Building through a series of relocations and renovations and by providing new cancer services at the Canton Health Center.

The project includes leasehold improvements renovating approximately 4,300 gross square feet of space within the Canton Health Center to accommodate nine infusion treatment chairs, expansion of laboratory services, and placement of a CT scanner to provide additional radiology services. The scope of the project includes the architectural, mechanical, and electrical work necessary to accomplish these improvements. A Certificate of Need is required for this project. There will be no impact on parking from this project.

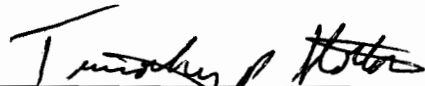
The estimated cost of the project is \$4,705,000 including \$3,713,000 for moveable equipment and furnishings. Funding will be provided from Hospitals and Health Centers' resources. The construction cash flow may be provided, all or in part, by increasing the commercial paper issuance under the commercial paper program, secured by a pledge of General Revenues, and authorized by the Regents. Construction will be managed by the lessor and is expected to be completed in Summer 2006.

We recommend that the Regents approve the Canton Health Center Infusion Treatment and Computed Tomography Services Leasehold Improvements project as described.

Respectfully submitted,



Robert P. Kelch
Executive Vice President
for Medical Affairs



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

July 2005

APPROVED BY THE REGENTS ON

JUL 21 2005