

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: University of Michigan Hospitals and Health Centers (UMHHC)
Eye Center Expansion Project

Action

Requested: Approval of Project and Authorization to Appoint an Architect

Background:

The University of Michigan Health System (UMHS) proposes to construct a new clinical and research tower to be located on the west side of the existing Kellogg Eye Center Building (see attached map). The facility will provide expansion space for the Department of Ophthalmology and Visual Sciences, and space for the proposed Brehm Center for Type I Diabetes Research.

An activity assessment of the Medical School Department of Ophthalmology and Visual Sciences was prepared in 2001. This assessment concluded that present and future demands for clinical ophthalmology services and medical research are much greater than can be supported within space presently available. In the fall of 2004, William and Dolores Brehm donated \$30 million to the University to construct the Type 1 Diabetes Research Center. Due to the strong relationship between the fields of ophthalmology and diabetes, and to the availability of a site that could be developed quickly, the Brehm Diabetes Research Center will be included in the project.

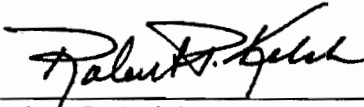
A 215,000 gross square foot building is planned. The facility will have eight floors and a penthouse for mechanical equipment. Approximately 72,000 net square feet will house Ophthalmology and Visual Sciences programs including clinics, surgery suites, research space, faculty offices, a learning resource center, and support spaces. About 33,000 net square feet will house the Brehm Diabetes Research Center activities including research, office, vivarium, and related support spaces. Approximately 11,000 net square feet within the building will house general Health System research and vivarium activities. A common lobby, atrium and general building services will support the three functional occupants of the building.

Fifty-eight existing parking spaces will be displaced by the new building. It is anticipated that parking spaces lost for construction can be accommodated through the use of surface lots in the Wall Street area, including the addition of 40 parking spaces after the Riverview Building is demolished this summer. In addition to the replacement spaces, upon full occupancy there is anticipated incremental demand of up to 390 parking spaces for faculty, staff, and patients. A long-term parking strategy is included in the UMHS Master Plan and the Parking and Transportation Strategic plan. Those plans address transportation and parking in the area, including the addition of a parking structure on Wall Street that would be completed soon after opening of the new facility.

The estimated cost of the Eye Center Expansion Project is \$120 million. Funding will be provided from Hospitals and Health Centers' and Medical School resources and gifts. 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 TSA of Massachusetts LLP 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 Eye Center Expansion project as described and authorize commissioning TSA of Massachusetts LLP for its design.

Respectfully submitted,



Robert P. Kelch
Executive Vice President
for Medical Affairs



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer





July 2005
Attachment

APPROVED BY THE REGENTS ON

JUL 21 2005

Eye Center Expansion Proposed Building Site Ann Arbor - Medical Campus

Legend

-  Proposed Building
-  Existing UM Building
-  UM Parking
-  UM Property

