THE UNIVERSITY OF MICHIGAN REGENTS COMMUNICATION

ACTION REQUEST

Approved by the Regents June 18, 2009

Subject: Kresge Complex Demolition

Action Requested: Approval to Proceed with Project

Background:

The Kresge Complex, located at the northeast corner of Ann Street and Zina Pitcher Place, was constructed primarily in the 1950s and early 1960s and includes approximately 260,000 gross square feet of space (see attached map). The complex includes seven interconnected buildings: Kresge Medical Research Buildings I, II, and III, Kresge Hearing Research Institute, Kresge Temporary Animal Facility, Alice Crocker Lloyd Radiation Therapy Center, and Upjohn Center for Clinical Pharmacology. The facilities have become outdated and are at the end of their useful life. Over the last several years, the Medical School has completed several renovation projects in other buildings that allowed the occupants of the complex to be relocated. The complex is currently vacant and ready for demolition. The scope of the project will include the appropriate removal of hazardous materials including asbestos, laboratory decommissioning, disconnecting utilities, removing building foundations and associated structures, demolition of the buildings, and removal of debris. The project will also include site restoration that will provide sidewalks, landscaping and on-grade storm water management. There will be no impact on parking from this project.

The estimated cost of the project is \$9,700,000. 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 Board of Regents. The architectural firm of SmithGroup will design the project. Construction is scheduled to be completed in the winter of 2011.

<u>We recommend</u> that the Board of Regents approve the Kresge Complex Demolition 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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Timothy P. Slottow Executive Vice President and Chief Financial Officer

June 2009 Attachment

