

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: University of Michigan Hospitals and Health Centers (UMHHC)
Sleep Disorders Center Expansion Project Leasehold Improvements

Action Requested Approval to Proceed with Project

Background

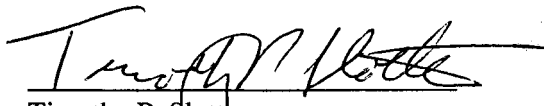
The University of Michigan Hospitals and Health Centers (UMHHC) is proposing to expand its Sleep Disorders Center from nine beds to eighteen beds. The Sleep Disorders Center currently occupies a nine-bed unit on the 8th level of University Hospital and has experienced a 60% increase in the number of sleep studies conducted over the past three years. The Center operates seven days per week and temporary measures are now being used to increase capacity by scheduling sleep studies in the EEG laboratory several evenings per week. Even with these temporary measures, the wait time for new patients to schedule a study with the Sleep Disorders Center is six months.

The proposed project will expand the bed capacity of the Sleep Disorders Center by nine beds at an off-site leased location at 3621 South State Street. Approximately 5,275 gross square feet of space will be renovated to accommodate the nine beds and required support space. The relocation of this program to off-site space will have no net effect on central campus parking since the vacated space will be backfilled at a future date.

The estimated cost of the project is \$1,180,000, including \$599,000 for moveable equipment and furnishings. Funding will be provided from Hospitals and Health Centers' capital resources. The construction cash flow may be provided, all or in part, from tax-exempt debt secured by a pledge of Hospital Gross Revenues. Initially, the project may be financed 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 scheduled to be completed in Fall 2003.

We recommend that the Regents approve the UMHHC Sleep Disorders Center Expansion Project Leasehold Improvements as described.

Respectfully submitted,


Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

Respectfully submitted,


Lazar J. Greenfield
Interim Executive Vice President
for Medical Affairs

July 2003

APPROVED BY THE REGENTS ON
JUL 17 2003