

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: University of Michigan Hospitals and Health Centers
North Campus Research Complex Buildings 30, 35, 36 and 60, University Hospital, and
University Hospital South
Clinical Pathology Laboratories Relocation and Renovation

Action
Requested: Approval of Schematic Design

Background:

At the April 2015 meeting, the Board of Regents approved the North Campus Research Complex (NCRC) Buildings 30, 35, 36 and 60, University Hospital, and University Hospital South Clinical Pathology Laboratories Relocation and Renovation project and the appointment of Tsoi/Kobus and Associates as the architect for its design. The goals of the project are to enhance the clinical laboratory functions necessary to meet present and future growth in test volumes, improve operational efficiency, and reduce the expense of having laboratories in multiple locations. Pathology laboratories currently located within University Hospital, University Hospital South, Medical Science Unit I, North Ingalls Building, and leased space will be relocated to NCRC Buildings 30, 35, 36 and 60. The Michigan Medical Genetics Laboratory of the Department of Pediatrics will also be relocated to NCRC. The relocation will also provide faculty offices and space for resident training, and laboratories will be designed to provide flexibility to meet future education, research, and technology requirements. After the NCRC construction work is complete, laboratories at University Hospital and University Hospital South will be renovated to allow for increased throughput and the expansion of capacity for automated sample processing. In total, approximately 186,000 gross square feet of space will be renovated at NCRC, University Hospital and University Hospital South. The scope of this project includes the architectural, electrical, and mechanical work necessary to accomplish these improvements. There will be no impact on parking from this project. A Certificate of Need will be required from the State of Michigan Department of Community Health for this project.

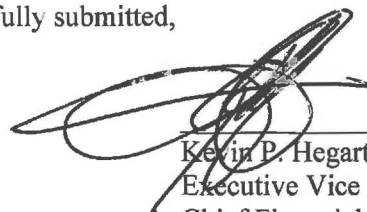
The estimated cost of the project is \$160,000,000. Funding will be provided from Hospitals and Health Centers' resources. The construction cash flow may be provided, all or in part, by bond proceeds or increasing the commercial paper issuance under the commercial paper program, secured by a pledge of General Revenues, and authorized by the Board of Regents. The project is expected to provide an average of 118 on-site construction jobs. Construction is scheduled to be completed in the summer of 2019.

We recommend that the Board of Regents approve the schematic design for the University of Michigan Hospitals and Health Centers North Campus Research Complex Buildings 30, 35, 36 and 60, University Hospital, and University Hospital South Clinical Pathology Laboratories Relocation and Renovation project as presented at the meeting.

Respectfully submitted,



Marschall S. Runge
Executive Vice President for
Medical Affairs



Kevin P. Hegarty
Executive Vice President and
Chief Financial Officer

December 2015