

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Dean Road Transportation Facility

Action

Requested: Approval of Schematic Design and Authorization to Proceed with Construction

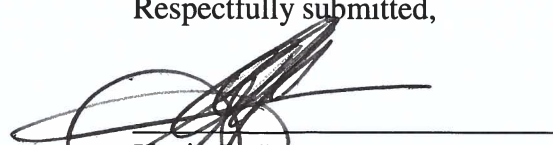
Background:

At the December 2018 meeting, the Board of Regents approved the Dean Road Transportation Facility project and the appointment of AECOM Great Lakes Inc. as the architect for its design. This project has been significantly changed from a project that was canceled in 2016. The Transportation Services Building on the Stephen M. Ross Athletic Campus houses the bus and motor pool vehicle maintenance functions of Logistics, Transportation and Parking (LTP). Since its construction in 1974, the LTP bus fleet has grown 45 percent and we now transport more than seven million riders per year on U-M buses. LTP proposes the construction of a new approximately 70,000-gross-square-foot operations and maintenance building that can accommodate larger articulated buses, and heavy equipment, and meet current safety guidelines for vehicle maintenance, circulation, and appropriate work zones. The design will include the capability to maintain electric buses for sustainability improvements if desired in the future. The new facility will be located at the site of the University Laundry Building that serves patient care facilities of Michigan Medicine. That building will be demolished after Michigan Medicine has a fully operational laundry at an off-campus location. The university's auto and truck fleet maintenance will remain on the Stephen M. Ross Athletic Campus. There will be no additional bus traffic on Green Road resulting from this project. We anticipate this new location will save approximately \$100,000 per year from increased bus operational efficiency since many routes begin on North Campus. Although there will be a temporary loss of some adjacent parking spaces during construction, there will be no permanent impact on parking from this project.

The estimated cost of the project is \$39,000,000. Funding will be provided from Logistics, Transportation and Parking 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 54 on-site construction jobs. Construction is scheduled to be completed in the summer of 2022.

We recommend that the Board of Regents approve the schematic design for the Dean Road Transportation Facility project as presented at the meeting and authorize proceeding with construction provided that bids are within the approved budget.

Respectfully submitted,



Kevin P. Hegarty
Executive Vice President and
Chief Financial Officer