

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents
March 29, 2018

ACTION REQUEST

Subject: W.K. Kellogg Institute and Dental Building
Expansion and Renovation

Action

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

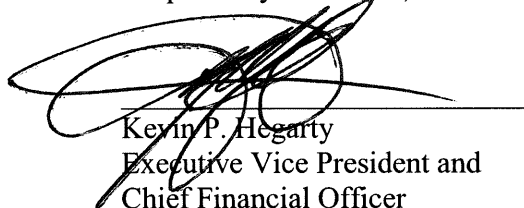
Background:

At the September 2016 meeting, the Board of Regents approved the W.K. Kellogg Institute and Dental Building Expansion and Renovation project and the appointment of SmithGroupJJR as the architect for its design, and in April 2017 approved a revised budget of \$140,000,000. The W.K. Kellogg Institute and Dental Building were built in 1940 and 1969 respectively, and with additions total approximately 379,000 gross square feet of space housing research laboratories, classrooms, clinics, and offices for the School of Dentistry. The buildings require a major renovation to support the school's academic, research, and clinical programs into the future. The proposed project includes renovation of approximately 176,000 gross square feet and addition of approximately 48,000 gross square feet. The project will address deferred maintenance and create a more welcoming and accessible facility with a new patient entrance, new modern teaching clinics including a special care clinic to treat patients with complex medical conditions and disabilities, new flexible research space to support the school's world class research, and student study and collaboration space. The scope of this project includes the architectural, electrical, and mechanical work necessary to accomplish these improvements. 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 \$140,000,000. This project is part of the Fiscal Year 2017 Capital Outlay Request to the State of Michigan. Construction was authorized by the State legislature in Public Act 107 of 2017. The State will fund \$30,000,000 of the project and the university will fund the balance with Office of the Provost resources, School of Dentistry resources, and investment proceeds. 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 85 on-site construction jobs. A phased construction schedule is planned in order to minimize disruption to the academic calendar and dental patient visits with construction to be completed in the spring of 2022.

We recommend that the Board of Regents approve the schematic design for the W.K. Kellogg Institute and Dental Building Expansion and Renovation 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

March 2018