

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Central Campus Recreation Building Replacement

Action

Requested: Approval of Schematic Design, Revised Project Budget and Authorization to Proceed with Construction

Background:

At the September 2018 meeting, the Board of Regents approved the Central Campus Recreation Building Replacement project and the appointment of Integrated Design Solutions in association with the firm RDG Planning and Design as the firm for its design. The proposed new facility will contain 200,000 gross square feet and will include modern gymnasiums, a track for jogging and walking, spaces for weight and cardiovascular training, group exercise rooms, aquatics, climbing areas, courts for squash, and racquetball, locker rooms, support, and administration spaces. The project will allow greater access and opportunity for students, faculty, and staff to improve their health and well-being. 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.

In early 2020, the project design was paused due to university financial restrictions during the pandemic. The approximate two-year delay and change in market conditions have resulted in higher cost estimates for the project. We do not recommend decreasing the scope of the project to stay within the original budget; and therefore, we are requesting to increase the project budget from \$150,000,000 to \$165,000,000.

The revised total estimated cost of the project is \$165,000,000. Funding will be provided by reserves and Student Life Student Fee for Facility Renewal. 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 156 on-site construction jobs. The demolition of the existing building will begin in winter 2023, and the new building is scheduled to be completed in the spring of 2025.

We recommend that the Board of Regents approve the schematic design for the Central Campus Recreation Building Replacement project as presented at the meeting, approve the revised project budget, and authorize proceeding with construction provided that bids are within the approved budget.

Respectfully submitted,



Martino Harmon
Vice President for Student Life



Geoffrey S. Chatas
Executive Vice President and
Chief Financial Officer