

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents

April 19, 2007

ACTION REQUEST

Subject: University of Michigan Hospitals and Health Centers (UMHHC)
Eye Center Expansion Project

Action

Requested: Approval of Revised Project Scope and Budget

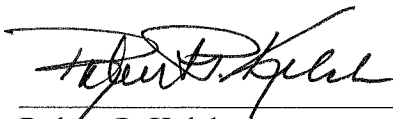
Background:

At the November 2006 meeting, the Regents approved issuing for bids and awarding construction contracts for the Eye Center Expansion Project, estimated to cost \$121,000,000. The project includes new construction of approximately 230,000 gross square feet to house clinical and research space, including approximately 25,000 gross square feet of shelled research space on levels 5 through 8. UMHHC now proposes to complete the build-out of the shelled space to be utilized by the Department of Ophthalmology and the Brehm Center for Type I Diabetes Research.

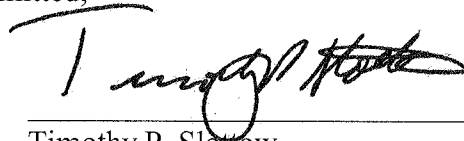
We are seeking approval to revise the budget from \$121,000,000 to \$132,000,000 to allow completion of the shelled space. Funding will be provided from Hospital and Health Centers resources, Medical School resources and gifts. The construction cash flow may be provided, all or in part, by increasing the commercial paper issuance under the commercial paper program, secured by a pledge of General Revenues, and authorized by the Regents. Construction is scheduled to be completed in Winter 2010.

We recommend that the Regents approve the revised project scope and budget for the University of Michigan Hospitals and Health Centers Eye Center Expansion Project as presented at the meeting.

Respectfully submitted,



Robert P. Kelch
Executive Vice President
for Medical Affairs



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

April 2007