

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Michigan Medicine
Clinical Inpatient Tower

Action

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

Background:

The adult inpatient hospitals of Michigan Medicine have consistently experienced high demand for inpatient rooms and surgical suites. This high demand has led to capacity constraints, impacting access for patients with high acuity and complex care needs. At the March and December 2018 meetings, the Board of Regents authorized the appointment of HOK Group Inc. as architect to initiate design of the Clinical Inpatient Tower (CIT) project along with pre-construction planning. The proposed 690,000-gross-square-foot CIT project accommodates an inpatient care program with 264 single-occupancy patient rooms and 23 surgical/interventional radiology suites. This patient care expansion supports the clinical strategy of Michigan Medicine, increasing capacity to accommodate tertiary and quaternary care needs. Specifically, the patient program emphasizes improved access to clinical neurosciences and cardiac care services. Relocation of existing clinical services from University Hospital will allow for future redesign and growth for patient programs remaining in that facility.

The facility design will emphasize sustainability with the expectation to achieve Leadership in Energy and Environmental Design (LEED) Gold certification. When completed, the building is expected to exceed current energy efficiency standards by approximately 20 percent as compared to the State of Michigan building code for energy performance.

The estimated cost of the project is \$920,000,000. Funding will be provided from Health System 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 projected to provide an average of 370 on-site construction jobs with substantial completion planned for the spring of 2024. We plan to open for patient care in the fall of 2024. Planning for incremental parking, transportation, and roadway improvements is underway.

We recommend that the Board of Regents approve the project, budget, and schematic design for the Michigan Medicine Clinical Inpatient Tower project as presented at the meeting, and authorize proceeding with construction provided that bids are within the approved budget.

Respectfully submitted,



Marschall S. Runge
Executive Vice President for Medical Affairs and
Dean, Medical School



Kevin P. Hegarty
Executive Vice President and
Chief Financial Officer