

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

Subject: New Building for the College of Pharmacy

Action

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

Background:

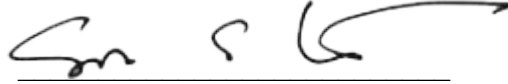
At the May 2019 meeting, the Board of Regents approved the New Building for the College of Pharmacy project and the appointment of RDG Planning and Design as the architect for its design. The College of Pharmacy Building was constructed in 1960, with a major addition built in 1992. The building's narrow structural bays and shallow floor-to-floor heights do not allow for the reconfiguration needed for modern research and teaching laboratory spaces or modern classrooms. In addition, the building is not large enough to meet the College of Pharmacy's space needs. As such, the college's teaching, research, and office spaces are distributed across seven campus locations. The College of Pharmacy is proposing the construction of a new teaching and research facility that will address its need to modernize and increase its physical space for academic, research, and student support functions. A new 142,000-gross-square-foot building located on the corner of Glen Avenue and East Huron Street is proposed that will house active learning-style classrooms, laboratories, associated support spaces, faculty and administrative offices, and student-focused areas. There will be an increased demand of approximately 30 parking spaces due primarily to the loss of 24 spaces on the building site.

In early 2020, the project design was paused due to financial measures put in place during the pandemic, and the project recently resumed design. The approximate two-year delay has impacted the project's cost due to additional escalation as well as current market conditions. In response, we are requesting to increase the project budget for the New Building for the College of Pharmacy from \$121,000,000 to \$141,000,000.

The estimated cost of the project is \$141,000,000. Funding will be provided from reserves and gifts. 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 116 on-site construction jobs. Construction is scheduled to be completed in the fall of 2025.

We recommend that the Board of Regents approve the schematic design for the New Building for the College of Pharmacy project as presented at the meeting and authorize proceeding with construction provided that bids are within the approved budget.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "G. S. Chatas", written above a horizontal line.

Geoffrey S. Chatas  
Executive Vice President and  
Chief Financial Officer

October 2022

