

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents
November 17, 2006

ACTION REQUEST

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

Action

Requested: Authorization to Issue the Project for Bids and Award Construction Contracts

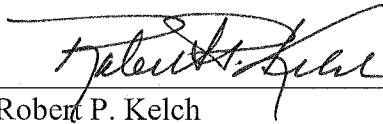
Background:

At the May 2006 meeting, the Regents approved the schematic design for the Eye Center Expansion Project. A 230,000 gross square foot building expansion will be constructed that will have eight floors plus penthouses for mechanical equipment and a basement for electrical equipment. The facility will house the Department of Ophthalmology and Visual Sciences, including clinics, surgery suites, research and support spaces, faculty offices, and a learning resource center. Additionally, the Eye Center Expansion will house the William K. and Delores S. Brehm Center for Type I Diabetes Research and Analysis, including research, office, vivarium and related support spaces.

The estimated cost of the project is \$121,000,000. Funding will be provided from Hospitals and Health Centers' and 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 authorize issuing the University of Michigan Hospitals and Health Center Eye Center Expansion Project for bids and awarding construction contracts providing that bids are within the approved budget.

Respectfully submitted,



Robert P. Kelch
Executive Vice President
for Medical Affairs



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

November 2006