The University of Michigan Regents Communication

Request for Action

Subject: New Palmer Field Geoexchange Facility

Action Requested: Approval of Project and Authorization to Appoint an Architect

Background:

The new Palmer Field Geo Exchange project is an integral part of the university's path towards carbon neutrality. The project proposes to construct an approximately 4.6 acre closed loop geothermal bore field and a 16,000 gross square foot plant utility building to house all associated equipment including water sourced heat pumps, heat recovery chillers, pumps, piping and controls equipment. The plant building will also include areas where mechanical equipment can be viewed to support engagement with geoexchange technology. The project will provide source heating and cooling for seven buildings including four residence halls, Hill Dining Facility, the Judy & Stanley Frankel Detroit Observatory Addition, and the Hadley Family Recreation & Well-Being Center. The project scope includes limited renovations in those buildings to facilitate their connections to the new geothermal plant. There will be no permanent impact on parking from this project.

The estimated cost of the project is $145,000,000. Funding will be provided by bond proceeds, with debt service recovered through internal utility rates. The construction cash flow may be provided, all or in part, by bond or note proceeds, secured by a pledge of General Revenues, and authorized by the Board of Regents. The architectural firm of SmithGroup will design the project. Design is scheduled to begin immediately and we will return with a construction schedule, when we seek approval of schematic design.

We recommend that the Board of Regents approve the New Palmer Field Geoexchange Facility project as described and authorize commissioning SmithGroup for its design.

Respectfully submitted,



Robert A. Hewlett III
Executive Vice President
and Chief Financial Officer

November 2026

Attachment: Project Area Map

Attachments: New Palmer Field Geoexchange Facility Project Area Map

