

January 14, 2014

MEMORANDUM

TO: State Board of Regents  
FROM: David L. Buhler  
SUBJECT: University of Utah Health Care System Remodeling Projects

Issue

The University of Utah (UU) has requested the opportunity to inform the Board about three impending UU Health Care System remodeling projects.

Background

The Board of Regents, in January of 2013, revised Policy R220 by delegating specific authority relative to the University of Utah Health Care System to the UU Board of Trustees. The exact language is as below:

**Policy R220, "Delegation of Responsibilities.....", Section 4.5.7.:**

**4.5.7. University of Utah Health Care System:** The Board delegates to the University of Utah Board of Trustees the authority to review, approve, and provide oversight with regard to the University of Utah Health Care budget, operations, and property transactions. However, this delegation of authority does not include the Board's revenue bonding authority granted by the legislature under Utah Code Title 53B, Chapter 21, Section 1010, Financing of projects or buildings.

This Regental delegation of authority notwithstanding, the University of Utah has requested the opportunity to make the Regents aware of three projects due to the interrelatedness of these facilities with the School of Medicine and their relevance to the approaching demolition of the aging School of Medicine Building (Building 512) and construction of the proposed Medical Education & Discovery (MED) and Rehabilitation Hospital facilities. The projects will be submitted to the State Building Board for final approval.

A summary of the projects is provided in the attached letter and PowerPoint slides from the University. University officials will be present at the meeting to present the information and respond to questions from the Regents.

Commissioner's Recommendation

This is an information item; no action is required.

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David L. Buhler  
Commissioner of Higher Education

DLB/GLS/WRH  
Attachment

December 29, 2014

David Buhler  
Commissioner  
Board of Regents Building, The Gateway  
60 South 400 West  
Salt Lake City, Utah 84101-1284

Dear Commissioner Buhler:

**RE:    *University of Utah  
Hospital West Pavilion, Building 522, Level 5  
Hospital West Pavilion, Building 522, Level B  
Madsen Surgery Center***

The three projects referenced above are being provided for your information, and to inform the Board of Regents at the January 23, 2015 meeting.

As part of the University of Utah's plan to demolish the current School of Medicine Building (Building #521) as noted in the updated Campus Master Plan, a series of projects will be constructed that will continue the decant of the School of Medicine Building. This will allow for the eventual construction of the Medical, Education and Discovery Building (MED) and the Rehabilitation Hospital.

The following three projects are:

**University Hospital West Pavilion, Building #522, Level 5**

The University constructed the West Pavilion of the Hospital (Building 522) with a shelled 5<sup>th</sup> floor. The original design for the space was intended to accommodate an additional patient care unit at the point it is required. The Hospital is now experiencing an increased shortage of acute care patient rooms. Apart from this, in order to facilitate the eventual demolition of Building 521, School of Medicine Building, the Rehabilitation Unit and Therapy Services need to be relocated out of Building 521.

This proposed project will convert the existing shelled space into usable space for inpatient care. It will provide needed acute care beds, and facilitate the relocation of the Rehabilitation Unit and Therapy Services out of Building 521.

The proposed total project budget is \$12,000,000 and will be funded by University Hospital and Clinics funds. State funds will not be used for the design or construction of this facility.

**University Hospital West Pavilion, Building #522, Level B**

The University constructed the West Pavilion of the Hospital (Building 522) with a shelled sub-basement level. The original design for the space was intended to accommodate the Facilities and Engineering (F&E) Department currently located in Building 521, but due to budget constraints was not constructed at that time. In order to facilitate the eventual demolition of Building 521, it recommended that the finish out of this shelled space for its intended purpose, housing the F&E Department and other Hospital services, be accomplished at this time.

The proposed total project budget is \$6,000,000 and will be funded by University Hospital and Clinics funds. State funds will not be used for the design or construction of this facility.

**Madsen Surgery Center**

In preparation for the demolition of Building 521, housing the School of Medicine, ambulatory clinical services, rehabilitation and hospital support functions, this proposed project will convert approximately 8,000 square feet of under-utilized, existing surgical services space into outpatient clinic space in HSC Madsen Surgery Center. It will provide space for clinics displaced from Building 521 and/or Building 525 as part of the demolition of Building 521. The renovated clinic space will accommodate 20,000 patient visits per year and relocate approximately 30 employees.

The proposed total project budget is \$5,000,000 and will be funded by University Hospital and Clinics funds. State funds will not be used for the design or construction of this facility.

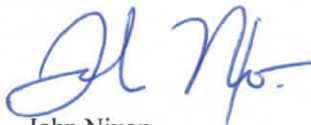
As an auxiliary operation, O&M for all three projects will be paid for by University Hospital and Clinics funds. The attached power point document further explains the benefits this project will have to the University, confirming no adverse impact to the state.

Lastly, these projects are consistent with the University of Utah's Campus Master Plan that was approved by the University's Board of Trustees, State Board of Regents, and the State Building Board.

The University of Utah respectfully seeks your support of this request and the opportunity to present these projects as an information item to the Board of Regents at January 23, 2015.

Thank you for your consideration and support.

Sincerely,



John Nixon  
Chief Business Officer

Attachments: Power Point Presentation "*PPT 522 Level B – 522 Level 5 – Madsen BB Jan 2015*"

Cc: Dr. David W. Pershing, President  
Dr. Vivian Lee, Senior Vice President  
John Nixon, Chief Business Officer  
David Browdy, Chief Financial Officer, Health Sciences  
Jason Perry, Vice President

# Board of Regents

January 2015



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- Seeking approval for 3 projects:**
    - 1. West Pavilion (522) – Level 5 Build Out**
    - 2. West Pavilion (522) – Level B Build Out**
    - 3. Madsen Surgery Center Remodel**
  
  - All 3 projects were approved by:**
    - Hospital Board in March 2014**
    - Board of Trustees in November 2014**
  
  - Total funding to be approved**  
**\$23 Million**
  
  - No State O&M requested**
-

## Seeking Approval for the following projects:

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### **1. West Pavilion (522) – Level 5 Build Out**

- Create 37 acute care patient rooms
- Build out existing shelled space
- Cost \$12 Million

### **2. West Pavilion (522) – Level B Build Out**

- Build out existing shelled space
- Relocate Facilities & Engineering Department from Building 521
- Cost \$6 Million

### **3. Madsen Surgery Center Remodel**

- Convert existing surgery center to outpatient clinic
  - Relocate clinic volumes from Hospital and School of Medicine buildings
  - Cost \$5 Million
-



**West Pavilion (522)**



## West Pavilion (522) – **Level 5** Build Out

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### ✓ **Scope**

- **Build out 30,000 SF of existing shelled space**
- **Create 37 acute care patient rooms**

### ✓ **Justification**

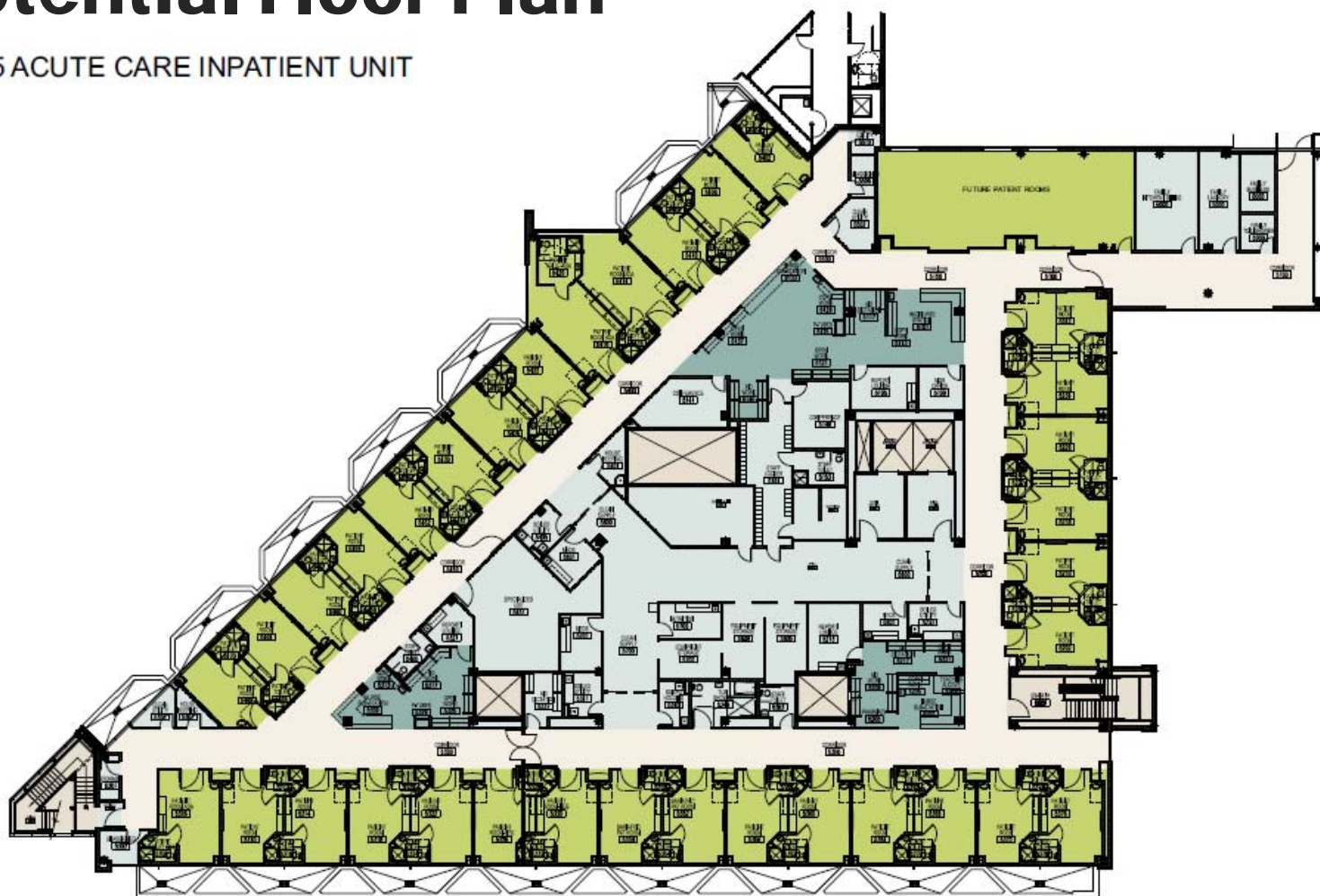
- **Hospital increasingly experiencing a shortage of acute care patient rooms**
- **Hospital has experienced a 3.7% growth this past year**
- **Nationally, academic health centers have experienced a 3.5% growth**
- **Part of the Health Sciences Master Plan**
- **Space originally designed to accommodate an additional patient unit**

### ✓ **Cost**

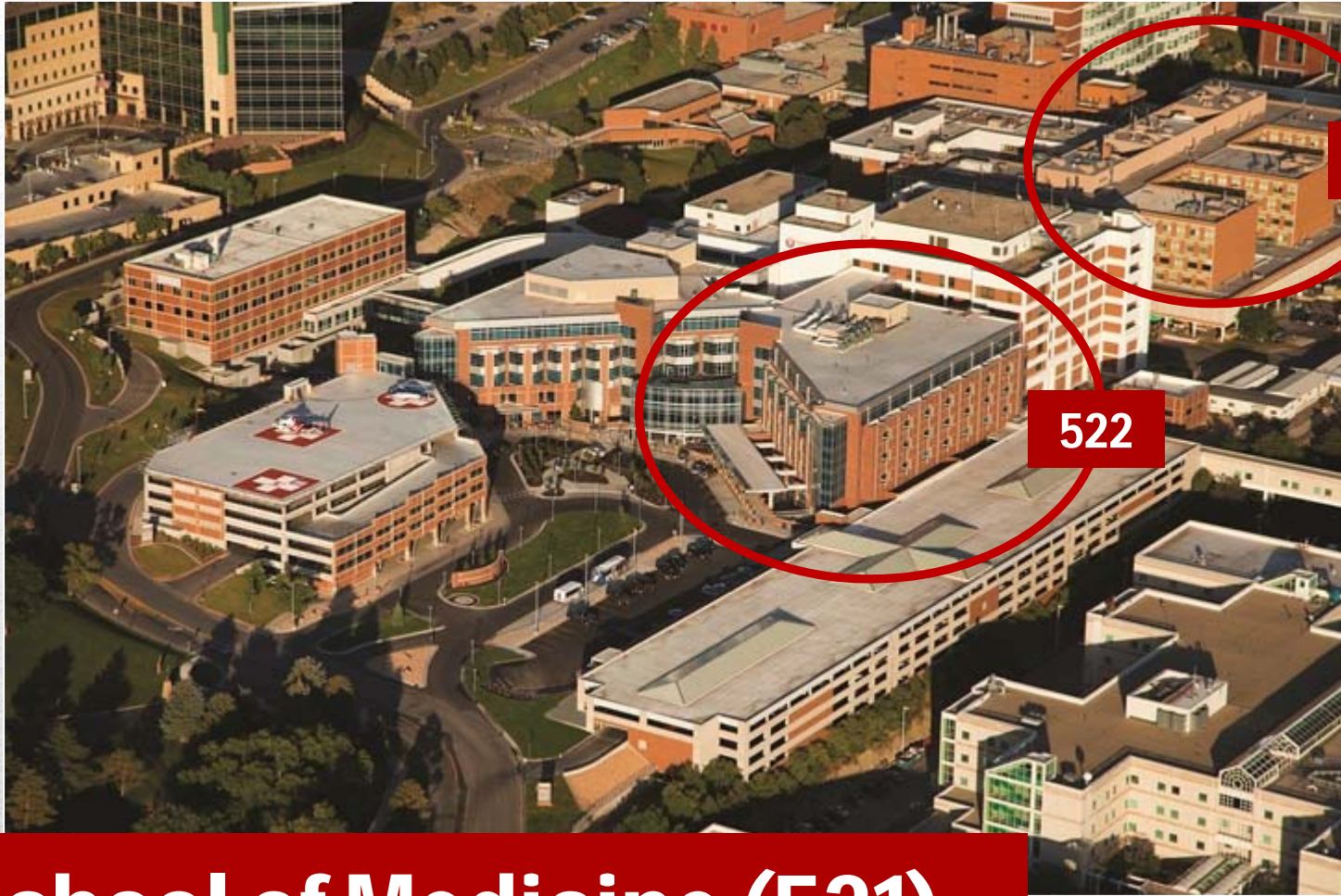
- **\$12 Million**
  - **Funded by Working Capital**
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# Potential Floor Plan

LEVEL 5 ACUTE CARE INPATIENT UNIT



BUILDING 522 LEVEL 5 BUILD OUT



**School of Medicine (521)  
& West Pavilion (522)**

## West Pavilion (522) – **Level B** Build Out

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### ✓ **Scope**

- **Build out 19,600 SF of existing shelled space**
- **Relocate Facilities & Engineering Department from Building 521**

### ✓ **Justification**

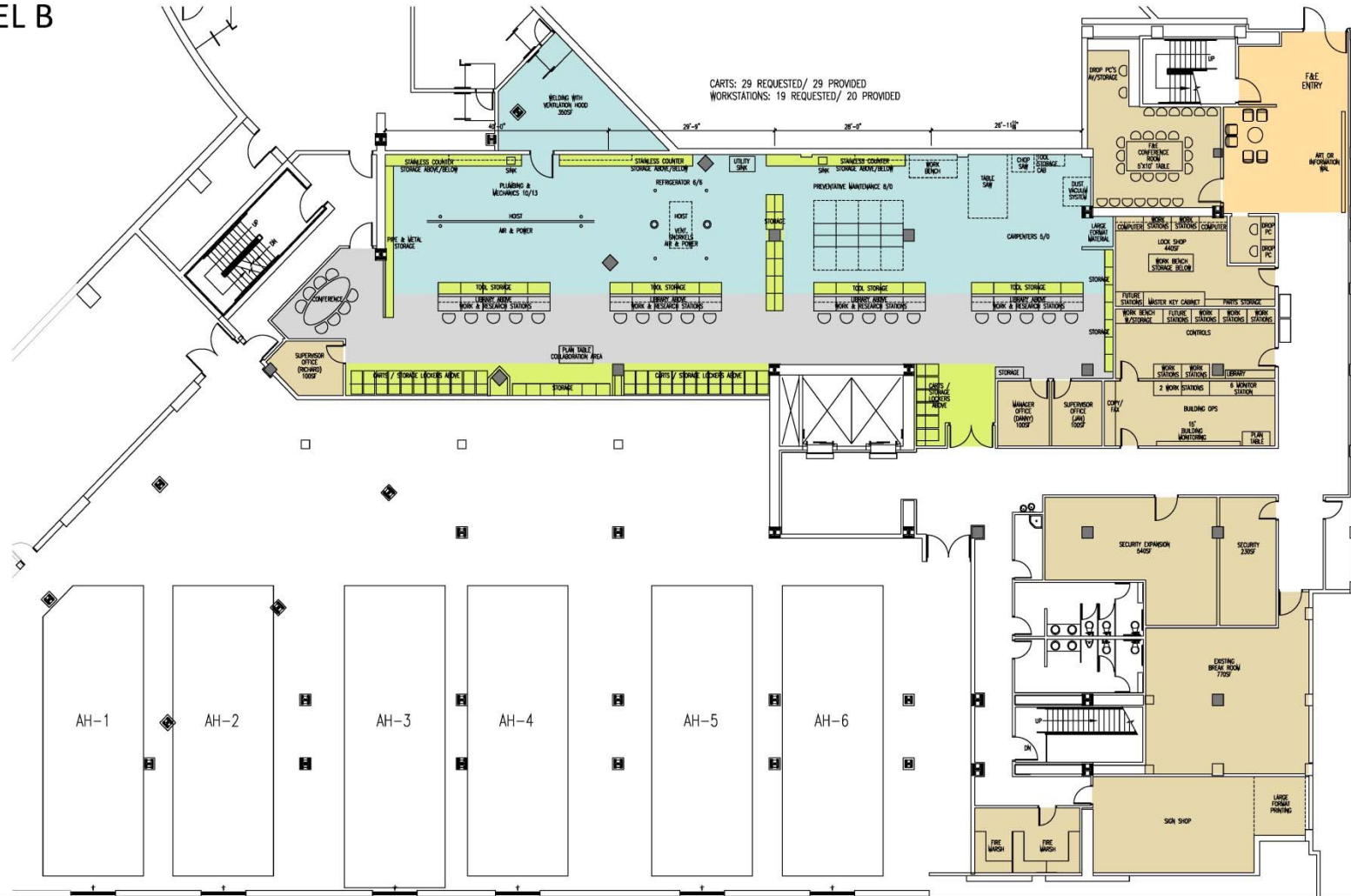
- **Part of the Health Sciences Master Plan**
- **Original design for the space was to accommodate the Facilities & Engineering Department**
- **Helps to decant Building 521 for eventual demolition**

### ✓ **Cost**

- **\$6 Million**
  - **Funded by Working Capital**
-

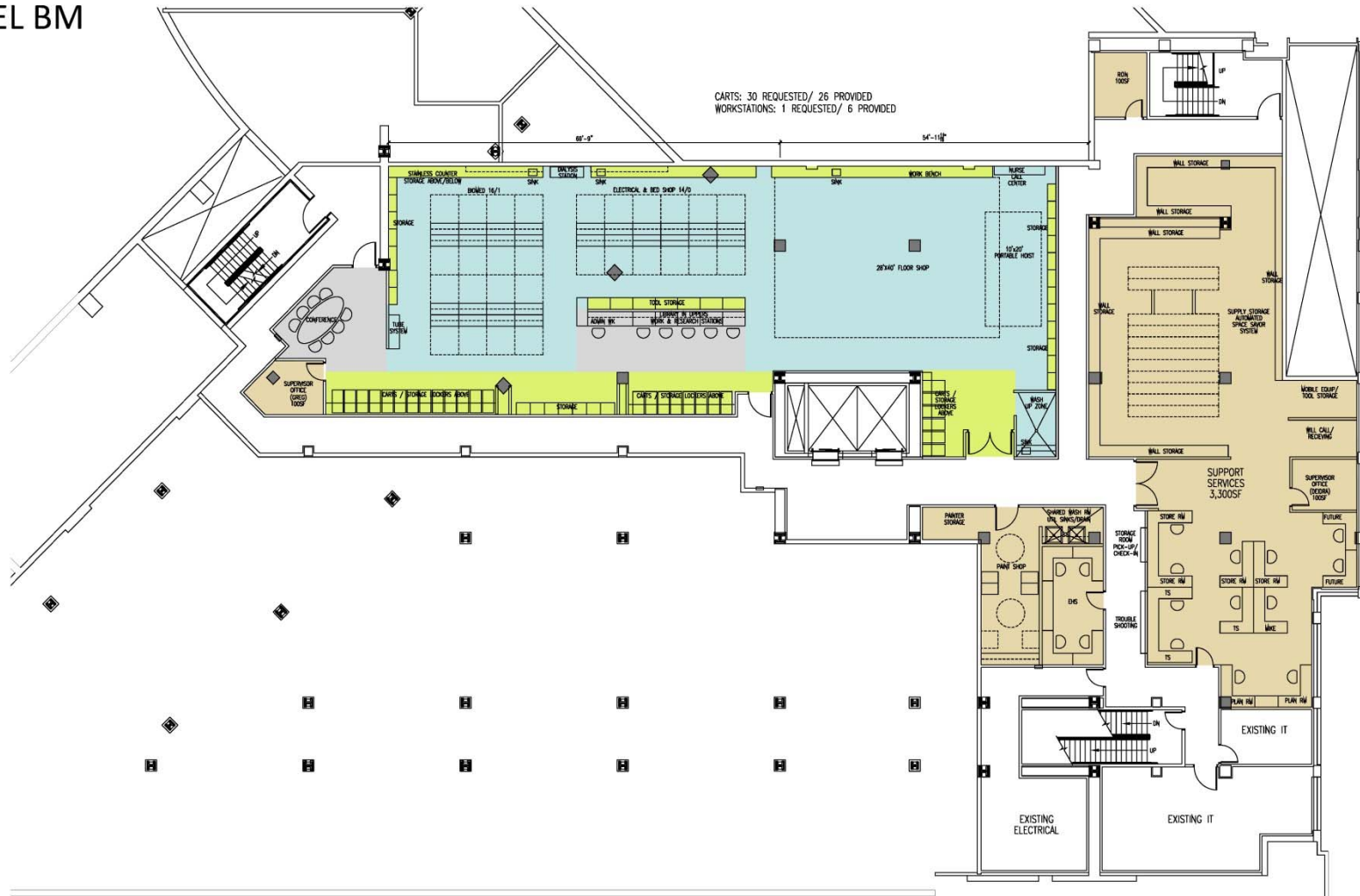
# Potential Floor Plan

LEVEL B



# Potential Floor Plan

LEVEL BM





# Madsen Health Center

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# Madsen Surgery Center Remodel

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## ✓ Scope

- Convert existing surgery center to outpatient clinic (8,300 SF)
- Relocate clinic services from the Hospital & School of Medicine

## ✓ Justification

- Surgery Center is currently under-utilized
- New clinic space will allow for 18,000 patient visits to be moved out of the Hospital to the Madsen Health Center
- This move will allow renovation of existing Hospital clinics to accommodate clinics to be moved out of the School of Medicine
- Helps to decant School of Medicine for eventual demolition

## ✓ Cost

- **\$5 Million**
  - **Funded by Cash**
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# Potential Floor Plan

