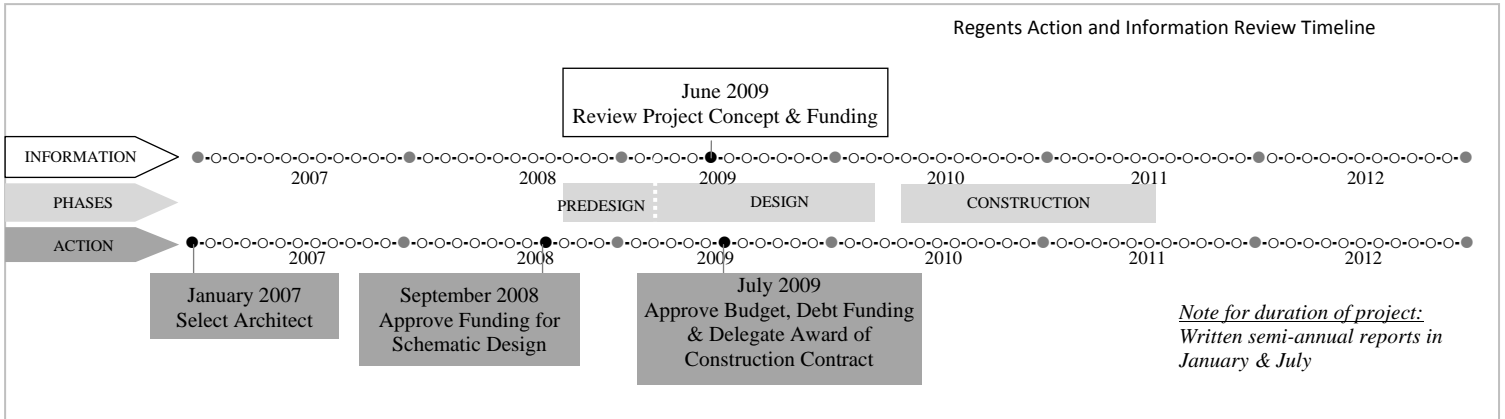


V. REPORT OF THE UNIVERSITY PRESIDENT

Hall Health Primary Care Center Remodel – Review Project Concept and Funding



INFORMATION:

The purpose of this presentation is to review the project concept and funding for the Hall Health Primary Care Center (HHPCC) Remodel project prior to the completion of the schematic design phase. We will return in July 2009 to request approval of the budget, debt funding, and delegation of the construction award.

BACKGROUND:

The mission of the HHPCC is “to facilitate the academic success of UW students and the well-being of all of our patients through a commitment to high quality patient-centered health care.” University of Washington students may receive services at HHPCC, and, furthermore, those who have paid the SAF fee receive a portfolio of subsidized services with no “out-of-pocket” expense. Non-students may also use HHPCC on a fee-for-service basis. This generates revenue that reduces the cost of care for the student population. In fiscal year 2008, HHPCC had 84,965 visits (10% more than FY 2007) of which 69% were by students.

In 2007-2008 a feasibility study was undertaken to assess how the existing building might be modified to better fulfill the goals of the HHPCC. The major programmatic goals for the remodel project are to enhance the quality of care, improve student access to care, allow for future growth, increase student access to mental health services, generate additional revenue, and provide adequate space for special programs. The feasibility study identified significant factors and deficiencies that currently inhibit HHPCC from achieving its goals. These include inadequate clinic space, inefficiencies in patient and staff flow, suboptimal privacy, an inability to accommodate changing operational care models, and general wear and tear on the facility leading to a suboptimal environment of care. This project will extensively renovate the ground floor, first

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floor, and a portion of the third floor of the existing building, and construct an addition of approximately 2,600 square feet on two floors in what is currently the south service court.

In September 2008, the Board of Regents approved funding for the predesign and schematic design phases for the Hall Health Primary Care Center Remodel project. The predesign and schematic design processes will determine the actual scope, timing, potential phasing, program and space needs, and project budget for the project.

During winter and spring quarters of 2009, this project along with the other two Student Life projects – HUB Renovation and Expansion and Ethnic Cultural Center Expansion – were presented to the Associated Students of University of Washington (ASUW), Graduate and Professional Student Senate (GPSS), and SAFC to determine whether or not the students would advocate for the issuance of bonds for project construction. With overwhelming support, the ASUW and GPSS endorsed the projects and SAFC voted on May 22, 2009 to recommend to the University administration that they issue bonds to pay for the construction for all of the Student Life projects.

SCHEDULE:

Architect Selection	September 2008
Predesign	October 2008 – March 2009
Design	March 2009 – March 2010
Bidding/Award	March 2010 – May 2010
Construction	May 2010 - July 2011
Completion	August 2011

PROJECT BUDGET AND FUNDING:

The preliminary project budget is \$10.1 million.

This project will be funded from a new student fee that will be used to pay off a 30-year loan from the University's Internal Lending Program (ILP). On May 22 SAFC approved a new student fee of up to \$95 per quarter for all three Student Life projects. The new fee for the Hall Health portion will take effect in the autumn quarter of the 2011-2012 academic year.

The ILP loan, including loan and accrued interest costs, is estimated at \$7.6 million. The project will also receive \$100,000 from Hall Health Primary Care Center, \$400,000 from Environmental Health & Safety, \$1.0 million from student fee reserves, and \$1.0 million from existing bond proceeds.

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<u>Sources</u>	<u>\$ Million</u>
Hall Health Primary Care Center	\$ 0.10
Environmental Health & Safety	0.40
Existing bond proceeds	1.03
SAF reserves	1.00
New student fee	0.20
Interest earnings	0.02
ILP loan (including loan & interest costs)	7.59
Total, Sources	\$ 10.34
 <u>Uses</u>	
Project design & construction cost	\$ 9.15
Revenue mitigation payment to Hall Health	1.00
ILP loan & interest costs	0.19
Total, Uses	\$ 10.34

PREVIOUS ACTION:

September 2008 – Funding approval for predesign and schematic design phases