


September 29, 2021

TO: Members of the Board of Trustees

FROM: Andrew Agwunobi, MD, MBA 
Interim President | University of Connecticut
Chief Executive Officer | UConn Health

RE: Project Budget for the UConn Health 836 Hopmeadow Street,
Simsbury Clinical Practice Relocation (Planning: \$3,875,000)

RECOMMENDATION:

That the Board of Trustees approve the Planning Budget in the amount of \$3,875,000, as detailed in the attached project budget, for the UConn Health 836 Hopmeadow Street, Simsbury Clinical Practice Relocation Project.

RESOLUTION:

“Be it resolved that the Board of Trustees approve of the use of \$3,875,000 of UConn Health Capital Funds for the UConn Health 836 Hopmeadow Street, Simsbury Clinical Practice Relocation Project.”

BACKGROUND:

UConn Health (UCH) plans to combine the outpatient clinical sites of Simsbury Primary Care and Avon Orthopedic into one larger, new location in the center of Simsbury. This move facilitates program expansion and mitigates deteriorating operating conditions at the current Simsbury site.

The Medical services will include expanded Internal Medicine and Orthopedic offerings, on-site lab and x-ray and an expansion of outreach specialty services to include OB, MFM, Cardiology, Vascular Surgery, Neurology and Pulmonary. The new clinic will offer extended hours to the community.

This project is anticipated to raise contribution margin attributed to activity at this site and downstream revenue from \$1.5M (current practices) to near \$4.5M annually at maturity.

The plan calls for the lease of approximately 11,500 gross sq. ft. of space. A non-binding letter of intent for the space has been signed providing the Health Center use of the space for 15 years plus two, five-year extensions.

The 15 year lease will be executed through the UConn Finance Corporation. The base lease rate is \$25.00 per sq. ft. with a 2% annual increase. The lease does not include the tenant fit-out of the space. However, the lease does include a landlord fit-out allowance of \$30/rentable square foot (approximately \$345,000) to be used for tenant improvements / fit-out. UCH proposes to fit the space out as medical space for a total project cost of \$3,875,000. The conceptual estimate for the work is based upon square foot metrics and is subject to change based upon actual planning work.

The Planning Budget is attached for your consideration. The Planning Budget is anticipated to be approved by the UConn Health Board of Directors at their meeting on September 20, 2021.

Attachments

CAPITAL PROJECT BUDGET REPORTING FORM

TYPE BUDGET: PLANNING

**PROJECT NAME: UCONN HEALTH - 836 HOPMEADOW STREET, SIMSBURY
CLINICAL PRACTICE RELOCATION**

<u>BUDGETED EXPENDITURES</u>	<u>PROPOSED PLANNING 9/29/2021</u>
CONSTRUCTION	\$ 2,730,000
DESIGN SERVICES	124,000
TELECOMMUNICATIONS	290,000
FURNITURE, FIXTURES AND EQUIPMENT	348,000
CONSTRUCTION ADMINISTRATION	-
OTHER AE SERVICES (including Project Management)	-
ART	10,000
RELOCATION	17,000
ENVIRONMENTAL	-
INSURANCE AND LEGAL	-
MISCELLANEOUS	3,000
SUBTOTAL	\$ 3,522,000
PROJECT CONTINGENCY	353,000
TOTAL BUDGETED EXPENDITURES	\$ 3,875,000
<u>SOURCE(S) OF FUNDING*</u>	
UCONN HEALTH CAPITAL FUNDS	3,530,000
LANDLORD TENANT FIT OUT ALLOWANCE	\$ 345,000
TOTAL BUDGETED FUNDING	\$ 3,875,000

* This budget reflects the University's current intended source(s) of funding for the specified project. The University may adjust this funding plan in order to ensure compliance with applicable federal and state law(s) or to strategically utilize all fund sources, within the approved budget amount, as appropriate.

UCONN HEALTH/IMPROVEMENTS
UConn Health, 836 Hopmeadow St., Simsbury
Clinical Practice Relocation
Project Budget (Planning) \$3,875,000
September 29, 2021



EXTERIOR VIEW OF EXISTING CANTON CLINIC



EXTERIOR VIEW OF EXISTING SIMSBURY CLINIC



UCONN HEALTH
 SIMSBURY, CT
 OPTION 2 | 07/02/21



CONCEPTUAL FLOOR PLAN OF NEW SIMSBURY CLINIC