


December 8, 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 St, Simsbury Clinical Practice Relocation (Design: \$3,875,000)

RECOMMENDATION:

That the Board of Trustees approve the Design Budget in the amount of \$3,875,000, as detailed in the attached project budget for the UConn Health 836 Hopmeadow St, 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 and a Fit-out Allowance from Twenty Two GC 2012 (the “Landlord”) for the UConn Health 836 Hopmeadow St, Simsbury Clinical Practice Relocation Project.”

BACKGROUND:

UConn Health 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 11,457 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 \$24.00 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 \$343,710) to be used for tenant improvements / fit-out. The Design Budget to fit-out the space as a medical clinic is based upon the Architect's construction estimate.

The Design Budget is attached for your consideration. The Design Budget is anticipated to be approved by the UConn Health Board of Directors at their meeting on December 6, 2021.

#### Attachments

## CAPITAL PROJECT BUDGET REPORTING FORM

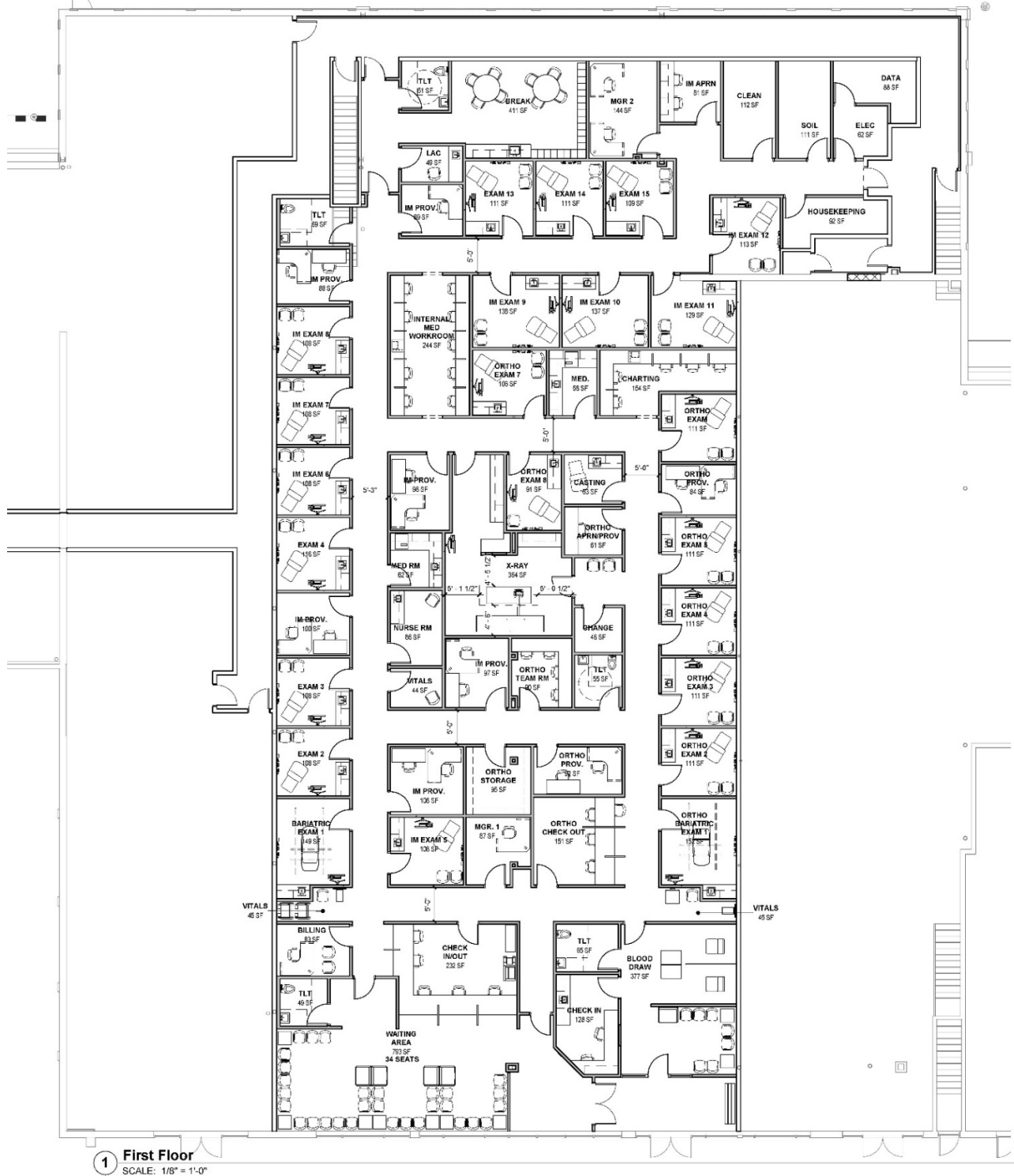
**TYPE BUDGET: DESIGN**

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

<u>BUDGETED EXPENDITURES</u>	<u>APPROVED PLANNING 9/29/2021</u>	<u>PROPOSED DESIGN 12/8/2021</u>
CONSTRUCTION	\$ 2,730,000	\$ 2,730,000
DESIGN SERVICES	124,000	124,000
TELECOMMUNICATIONS	290,000	290,000
FURNITURE, FIXTURES AND EQUIPMENT	348,000	348,000
CONSTRUCTION ADMINISTRATION	-	-
OTHER AE SERVICES (including Project Management)	-	-
ART	10,000	10,000
RELOCATION	17,000	17,000
ENVIRONMENTAL	-	-
INSURANCE AND LEGAL	-	-
MISCELLANEOUS	3,000	3,000
<b>SUBTOTAL</b>	<b>\$ 3,522,000</b>	<b>\$ 3,522,000</b>
PROJECT CONTINGENCY	353,000	353,000
<b>TOTAL BUDGETED EXPENDITURES</b>	<b>\$ 3,875,000</b>	<b>\$ 3,875,000</b>
 <b><u>SOURCE(S) OF FUNDING*</u></b>		
UCONN HEALTH CAPITAL FUNDS	\$ 3,530,000	\$ 3,531,290
LANDLORD TENANT FIT OUT ALLOWANCE	345,000	343,710
<b>TOTAL BUDGETED FUNDING</b>	<b>\$ 3,875,000</b>	<b>\$ 3,875,000</b>

\* 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 (Design) \$3,875,000**  
**December 8, 2021**



**FLOOR PLAN OF NEW SIMSBURY CLINIC**