

UConn HEALTH

April 27, 2022

TO: Members of the Board of Trustees

FROM: Bruce T. Liang, MD, FACC *Bruce T. Liang*
Interim Executive Vice President for Health Affairs
Dean, UConn School of Medicine

Lloyd A. Blanchard *L.A. Blanchard*
Interim Executive Vice President for Administration and Chief Financial Officer

RE: Project Budget for the UConn Health 836 Hopmeadow St, Simsbury Clinical Practice Relocation (Final: \$4,297,000)

RECOMMENDATION:

That the Board of Trustees approve the Final Budget in the amount of \$4,297,000, 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 \$4,297,000 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. On February 10, 2022 the UConn Finance Corporation executed the lease for the space (approximately 11,457 sq. ft). The lease terms provide the Health Center use of the space for 15 years plus two, five-year extensions. 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 Final Budget is attached for your consideration and upon approval will allow this project to proceed into construction. The budget is based upon estimates and may be subject to change when bids are received. This Final Budget is anticipated to be approved by the UConn Health Board of Directors at their meeting on June 13, 2022.

Attachments

CAPITAL PROJECT BUDGET REPORTING FORM

TYPE BUDGET: FINAL

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

<u>BUDGETED EXPENDITURES</u>	APPROVED PLANNING 9/29/2021	APPROVED DESIGN 12/8/2021	PROPOSED FINAL 4/27/2022
CONSTRUCTION	\$ 2,730,000	\$2,730,000	\$ 2,830,000
DESIGN SERVICES	124,000	124,000	124,000
TELECOMMUNICATIONS	290,000	290,000	407,000
FURNITURE, FIXTURES AND EQUIPMENT	348,000	348,000	448,000
CONSTRUCTION ADMINISTRATION	-	-	-
OTHER AE SERVICES (including Project Management)	-	-	-
ART	10,000	10,000	10,000
RELOCATION	17,000	17,000	84,000
ENVIRONMENTAL	-	-	-
INSURANCE AND LEGAL	-	-	-
MISCELLANEOUS	3,000	3,000	3,000
SUBTOTAL	\$ 3,522,000	\$3,522,000	\$ 3,906,000
PROJECT CONTINGENCY	353,000	353,000	391,000
TOTAL BUDGETED EXPENDITURES	<u>\$ 3,875,000</u>	<u>\$3,875,000</u>	<u>\$ 4,297,000</u>
<u>SOURCE(S) OF FUNDING*</u>			
UCONN HEALTH CAPITAL FUNDS	\$ 3,530,000	\$3,531,290	\$ 3,953,290
LANDLORD TENANT FIT OUT ALLOWANCE	345,000	343,710	343,710
TOTAL BUDGETED FUNDING	<u>\$ 3,875,000</u>	<u>\$3,875,000</u>	<u>\$ 4,297,000</u>

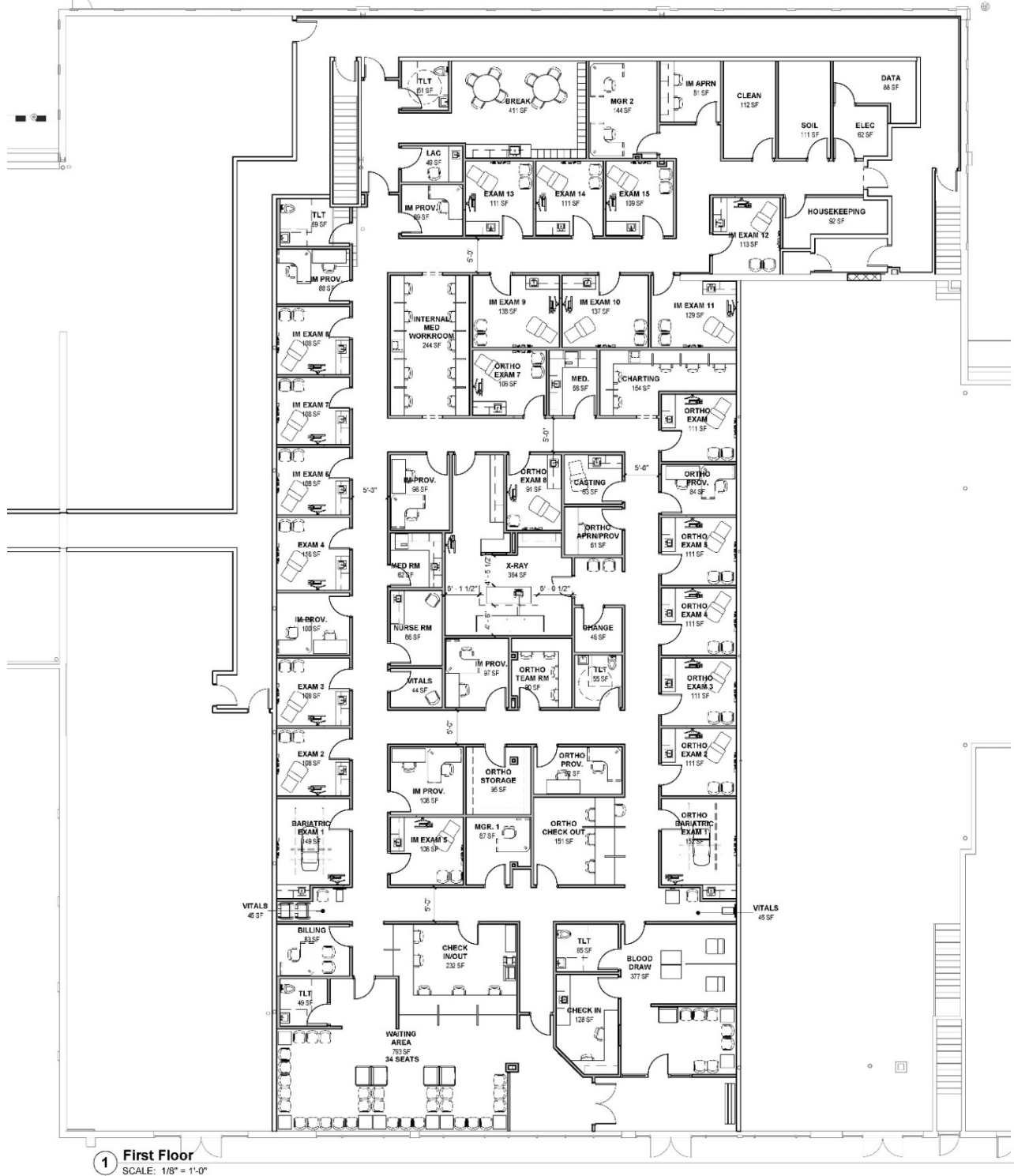
* This budget reflects the University's current intended source(s) of funding for the specified project. The University may adjust this funding plan in order to ensure compliance with applicable federal and state law(s) or to strategically utilize all fund sources, within the approved budget amount,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

UCONN HEALTH/IMPROVEMENTS

UConn Health 836 Hopmeadow St, Simsbury Clinical Practice Relocation

Project Budget (Final) \$4,297,000

April 26, 2022



FLOOR PLAN OF NEW SIMSBURY CLINIC