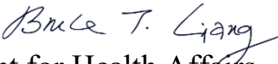



UConn HEALTH

September 27, 2023

TO: Members of the Board of Trustees

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

Jeffrey P. Geoghegan, CPA 
Executive Vice President for Finance and Chief Financial Officer

RE: Project Budget for the UConn Health 5 Munson Road Clinical Fit-Out
(Revised Final: \$9,344,000)

RECOMMENDATION:

That the Board of Trustees approve the Revised Final Budget in the amount of \$9,344,000, as detailed in the attached project budget for the UConn Health Main Building 5 Munson Road Clinical Fit-Out Project.

RESOLUTION:

“Be it resolved that the Board of Trustees approve of the use of \$9,344,000 from UConn Health Capital and a Fit-out Allowance from Metro Realty (the “Landlord”) for the UConn Health 5 Munson Road Clinical Fit-Out Project.”

BACKGROUND:

UConn Health plans to create a Brain and Spine Institute by relocating and combining the specialty practices of Neurology, Neurosurgery/Cranial and the Comprehensive Spine (Orthopedics & Neurosurgery) from the Outpatient Pavilion into leased space located at the newly constructed building known as 5 Munson Road. The relocation of these practices will also allow for much needed expansion of clinical programs within the Outpatient Pavilion located on the Main Campus in Farmington, CT.

On March 25, 2022 the UConn Finance Corporation executed the lease for the space (approximately 23,000 sq. ft. on the first and second floors and 6,400 sq. ft. on the lower level). The lease terms provide the UConn Health use of the space for 20 years and one month (the “original term”) plus two, five-year extensions. The base lease rate for the space on the first and second floors is \$40.00 per sq. ft. with a 1.3% annual increase during the original term. The base

lease rate for the space on the lower level is \$11.00 per sq. ft. during the original term. The Landlord will be responsible for the tenant fit-out of the space. The Landlord has provided an allowance to UConn Health of \$150/square feet of useable space on the first and second floors (approximately \$3,262,000) to be used for the tenant fit-out. UConn Health is responsible for all construction costs in excess of the allowance.

The fit-out construction is underway and is on schedule for an end of December completion. The Final Budget was submitted in June of 2022 based on preliminary information regarding the Furniture, and Medical and Information Technology equipment required for the clinics. Additional funds are required to cover the actual calculated costs for these items.

The Revised Final Budget is attached for your consideration. The Revised Final budget is based upon actual bids received. This Revised Final Budget is anticipated to be approved by the UConn Health Board of Directors at their meeting on September 11, 2023.

Attachments

CAPITAL PROJECT BUDGET REPORTING FORM

TYPE BUDGET: REVISED FINAL

PROJECT NAME: UCONN HEALTH - 5 MUNSON ROAD CLINICAL FIT-OUT

<u>BUDGETED EXPENDITURES</u>	APPROVED FINAL 6/29/2022	PROPOSED REVISED FINAL 9/27/2023
CONSTRUCTION	\$ 5,880,000	\$ 6,000,000
DESIGN SERVICES	-	104,000
TELECOMMUNICATIONS	623,000	1,110,000
FURNITURE, FIXTURES AND EQUIPMENT	950,000	1,320,000
CONSTRUCTION ADMINISTRATION	-	-
OTHER AE SERVICES (including Project Management)	-	-
ART	50,000	45,000
RELOCATION	115,000	115,000
ENVIRONMENTAL	-	-
INSURANCE AND LEGAL	-	-
MISCELLANEOUS	-	-
SUBTOTAL	\$ 7,618,000	\$ 8,694,000
PROJECT CONTINGENCY	762,000	650,000
TOTAL BUDGETED EXPENDITURES	\$ 8,380,000	\$ 9,344,000
<u>SOURCE(S) OF FUNDING*</u>		
UCONN HEALTH CAPITAL FUNDS	4,930,000	6,081,350
LANDLORD TENANT FIT-OUT ALLOWANCE	\$ 3,450,000	\$ 3,262,650
TOTAL BUDGETED FUNDING	\$ 8,380,000	\$ 9,344,000

* 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 5 Munson Road Clinical Fit-Out
Project Budget (Revised Final) \$9,344,000
September 27, 2023



1st Floor and 2nd Floor Plans