

Contact: Joan Racki

**REGISTER OF UNIVERSITY OF IOWA**  
**CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS**

**Actions Requested:** Consider recommending approval of:

1. The following actions for the **Medical Laboratories – Renovate 3<sup>rd</sup> Floor South** project, a major capital project as defined by Board policy:
  - a. Acknowledge receipt of the University's initial submission of information to address the Board's capital project evaluation criteria (see Attachment A);
  - b. Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
  - c. Authorize permission to proceed with project planning, including the design professional selection process.
  
2. The following actions for the **Iowa River Landing Procedure Suite Development** project, a major capital project as defined by Board policy:
  - a. Acknowledge receipt of the University's final submission of information to address the Board's capital project evaluation criteria (see Attachment B);
  - b. Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
  - c. Approve the schematic design, and project description and budget (\$8,310,000), with the understanding that approval will constitute final Board approval and authorization to proceed with construction.

**Executive Summary:**

The University requests permission to proceed with project planning for the **Medical Laboratories – Renovate 3<sup>rd</sup> Floor South** project, which would modernize approximately 5,000 square feet of research laboratories and offices on the third floor south of the facility. In recent years, the Medical Laboratories Building, which was constructed in 1927, has undergone renovations to meet modern scientific research needs and to provide more efficient research space. A mouse metabolic phenotyping core facility is needed to support increased diabetes-related research resulting from the establishment of the Fraternal Order of Eagles Diabetes Research Center. The estimated project cost of \$3 million would be funded by Treasurer's Temporary Investment Income and Indirect Cost Recovery Funds from grants and contracts. A map showing the location of the Medical Laboratories facility is included as Attachment C.

The Iowa River Landing facility was constructed with a portion of its fourth level and the entire fifth level shelled-in for future development. The University requests approval of the schematic design and project and description budget for the **Iowa River Landing – Procedure Suite Development** project, which would develop a multidisciplinary procedure suite in the eastern section of level 5 by finishing approximately 20,000 gross square feet of shelled-in space. Included would be the development of five procedure rooms, one of which would be completed but not equipped. It would be made operational when justified based on patient volume and clinical need. In addition to the procedure rooms, the project would provide necessary facilities for patient reception and waiting, preparation and recovery, instrument and equipment storage, and other

clinical support services. The project will also include installation of a second service elevator to better accommodate the provision of services and movement of staff, supplies and equipment in the building. The remaining 13,000 square feet of level 5 shelled-in space would be finished at a later date as a separate project. A significant number of the procedures to be performed in this new space would be endoscopic procedures directed towards the early diagnosis and prevention of colorectal cancer. The project budget of \$8,310,000 would be funded by University Hospitals Building Usage Funds. The schematic design booklet, which includes the location of the Iowa River Landing facility, is included with the Board's agenda materials.

**Details of the Projects:**

**Medical Laboratories – Renovate 3<sup>rd</sup> Floor South**

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed with Project Planning		Dec. 2013	Requested
Initial Review and Consideration of Capital		Dec. 2013	Receive
Project Evaluation Criteria			Report

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The current and projected growth of the Fraternal Order of Eagles Diabetes Research Center will significantly increase the quantity and quality of diabetes-related research at the University of Iowa. A mouse metabolic phenotyping core facility needs to be in place to support these efforts. The facility would also be instrumental in competing for a National Institutes of Health funded Diabetes Research Center grant, and would consolidate an array of metabolic phenotyping resources that would support the activities of the Diabetes Center investigators. The facility will need to be IACUC (Institutional Animal Care and Use Committee) approved for the short-term housing of experimental animals.

The demolition and construction would include walls, ceiling, HVAC, plumbing, electrical and data services, and installation of laboratory casework. Removal of skylights and a new roof structure would also be included.

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Iowa River Landing Procedure Suite Development

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed with Project Planning		Feb. 2013	Approved
Initial Review and Consideration of Capital Project Evaluation Criteria		Feb. 2013	Received Report
Selection of Design Professional (Neumann Monson Architects; Iowa City)		Feb. 2013	Approved
Design Professional Agreement	\$ 545,600	July 2013	Not Required*
Program Statement		Oct. 2013	Not Required*
Schematic Design		Dec. 2013	Requested
Project Description and Budget	8,310,000	Dec. 2013	Requested
Final Review and Consideration of Capital Project Evaluation Criteria		Dec. 2013	Receive Report

\*Approved by Executive Director, consistent with Board policies

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A significant number of the procedures to be performed in the completed space would be endoscopic procedures directed towards the early diagnosis and prevention of colorectal cancer, which is the second most common cause of cancer-related death in the United States. Gastroenterologists and surgeons at the University of Iowa currently perform these tests in UIHC's Center for Digestive Diseases Procedure Unit (Center); there is currently a significant backlog for screening colonoscopies. The development of a procedure suite at the IRL building would provide a comfortable environment for these tests, while reducing congestion at the Center, and enhancing access and convenience. Other procedures to be performed in the new procedure unit include upper gastroenterology procedures and urology procedures, including placement of stents, vasectomies and prostate biopsies. The new procedure rooms will be designed with the flexibility to accommodate outpatient procedures that may be performed at this location in the future by the Departments of Ophthalmology and Gynecology.

Construction is scheduled to commence in the third quarter of FY 2014, with completion during the second quarter of FY 2015.

The following summarizes the spaces included in the building program and schematic design:

<b>Function</b>	<b>Net Assignable Square Feet</b>
<b>Reception:</b>	
Lobby	906
Registration, Waiting and Checkout	2,182
Public Restrooms	<u>187</u>
<b>Subtotal</b>	<b>3,275</b>
<b>Patient Care and Support:</b>	
Examination and Consultation	402
Procedure Rooms	1,590
Preparation and Recovery	3,246
Dictation	114
Supply and Storage	<u>306</u>
<b>Subtotal</b>	<b>5,658</b>
Clinical Support:	
Instrument and Supply Sterilization	420
Supply and Soiled Holding	445
Housekeeping and Recycling	232
Restrooms	316
Elevator (level 5)	581
Renovated Space to Accommodate Elevator (lower level – level 4)	<u>1,513</u>
<b>Subtotal</b>	<b>3,507</b>
Staff:	
Offices	1,350
Conference Room	303
Lockers	<u>202</u>
<b>Subtotal</b>	<b>1,855</b>
<b>Total</b>	<b>14,295</b>

Project Budget

Construction	\$6,648,000
Professional Fees	664,800
Project Contingencies	664,800
Planning and Supervision	<u>332,400</u>
<b>TOTAL</b>	<b><u>\$8,310,000</u></b>

Source of Funds: University Hospitals Building Usage Funds

Medical Laboratories – Renovate 3<sup>rd</sup> Floor South  
Evaluation Criteria

Since the project meets the Board's definition of a major capital project, the University has provided the following information in response to the Board's evaluation criteria.

Institutional Mission / Strategic Plan: The current and projected growth of the Fraternal Order of Eagles Diabetes Research Center will significantly increase the quantity and quality of diabetes-related research at the University of Iowa. An important resource that needs to be in place to support these efforts is a mouse metabolic phenotyping core facility. Such a facility will also be instrumental in the plans to compete for an NIH-funded Diabetes Research Center grant. This facility will consolidate an array of metabolic phenotyping resources that will support the activities of Diabetes Center Investigators. The facility will need to be IACUC approved for the short-term housing of experimental animals.

Research activities are one element of the Carver College of Medicine's threefold mission of providing patient care, education, and research. Bench-to-bedside research is an integral component of the Carver College of Medicine strategic plan and is also aligned with the UI Provost's vision of increasing extramural funding.

Other Alternatives Explored: The Medical Laboratories Building was constructed in 1927. Much of the infrastructure has been modified and upgraded over the years and improvements continue. The University is committed to the maintenance and care of this facility. This project will not expand beyond the existing suite, only reconfigure it.

The research animals in this lab will be under the care of the Animal Research department, which is adjacent to this lab on the fourth floor. Due to this required adjacency, relocating to another building was not an option.

Impact on Other Facilities and Square Footage: This project will not result in the abandonment, transfer or demolition of existing facilities.

Financial Resources for Construction Project: Treasurer's Temporary Investments (TTI) Income and Indirect Cost Recoveries from grants and contracts.

Financial Resources for Operations and Maintenance: The space is currently being maintained by Facilities Management, Building and Landscape Services from General Education Fund resources.

External Forces Justifying Approval: It is a stated goal of the Carver College of Medicine to rank in the top 20 research colleges of medicine in the country. To do this will require a significant increase in federally funded research programs. The quality of research space is critical for the College to recruit and retain high quality faculty with the capability to compete for limited extramural funding.

Iowa River Landing Procedure Suite Development  
Evaluation Criteria

Since the project meets the Board's definition of a major capital project, the University has provided the following information in response to the Board's evaluation criteria.

Institutional Mission / Strategic Plan: Completion of this project will contribute to UI Hospitals and Clinics' efforts in meeting all elements of the UI Health Care mission, "Changing Medicine, Changing Lives." It will greatly enhance the UI Hospitals' capabilities for delivering superb patient care, innovative educational programs and facilitating pioneering discoveries. The project is also supportive of each of the six major goals that have been established in UI Health Care's Strategic Plan for FY 2010-2013 by providing the facilities that are required to assist UI Health Care's efforts 1) to provide world class healthcare services to optimize health for everyone, 2) to advance world class discovery through excellence and innovation in biomedical and health services research, 3) to develop world class health professionals and scientists through excellent, innovative and humanistic educational curricula for learners at every stage, 4) to foster a culture of excellence that values, engages and enables our workforce, 5) to create an environment of inclusion where individual differences are respected and all feel welcome, and 6) to optimize a performance-driven business model that assures financial success.

Completion of this project will be of significant benefit to UI Health Care in meeting its patient care mission by providing space to assist in accommodating the continued growth in outpatient services at the Iowa River Landing location. Since this facility became operational in October, 2012, it has become evident that the addition of a procedure suite would provide a significant service enhancement.

Other Alternatives Explored: An alternative to expand UIHC's Center for Digestive Diseases Diagnostic and Therapeutic Unit, on level 4 of John Colloton Pavilion, was evaluated but determined not to be viable due to the lack of adequate space to accommodate the needed procedure rooms and support facilities that will be required by gastroenterology and other clinical services that will utilize these procedure rooms. The development of this procedure suite in UIHC's Iowa River Landing medical office building will provide the necessary space to accommodate the needed facilities, facilitate their use for procedures performed by gastroenterologists, urologists and physicians from other clinical services, and provide for enhanced patient access and convenience.

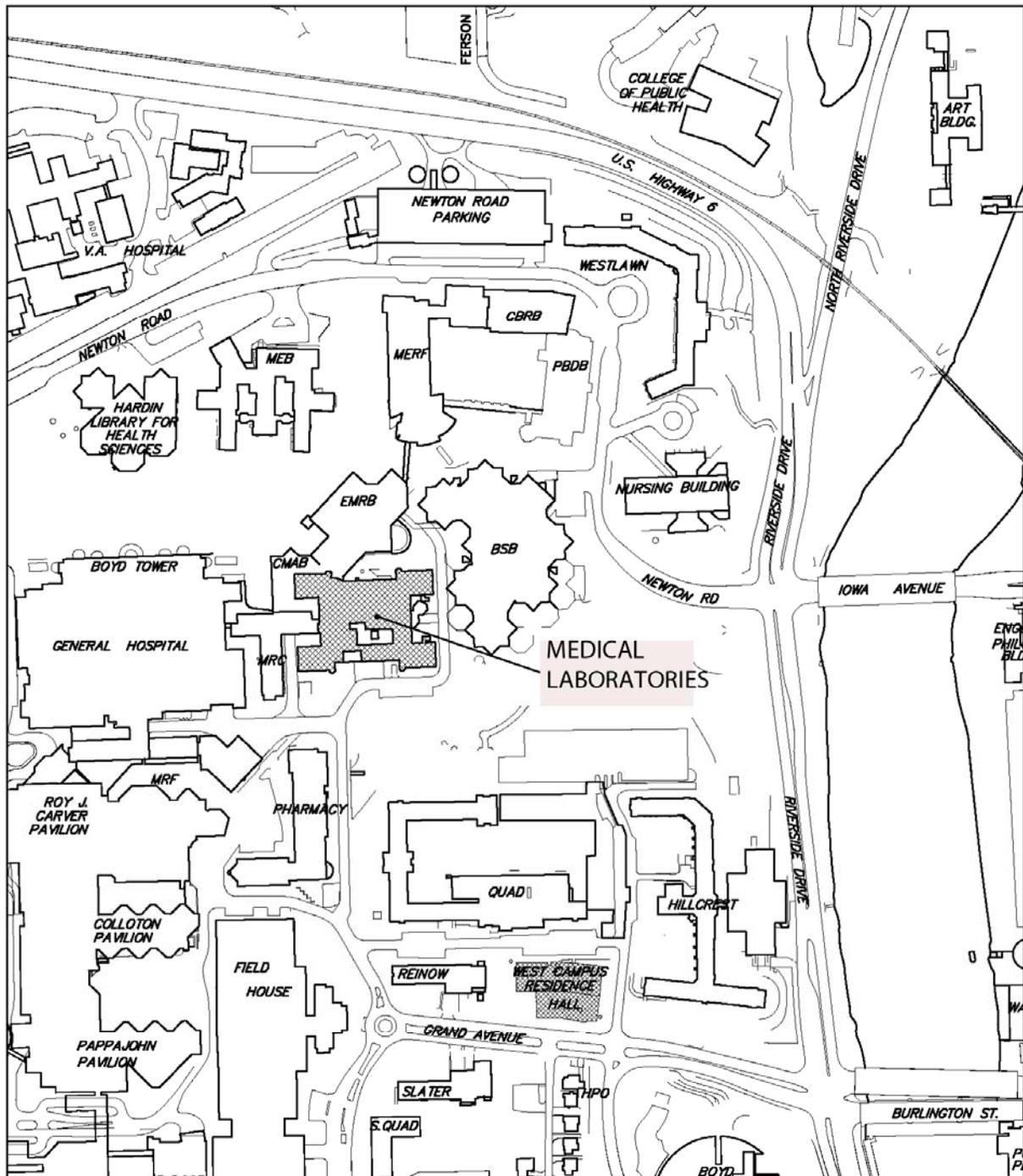
Impact on other Facilities and Square Footage: This project will not result in the abandonment or demolition of existing facilities. The existing Center for Digestive Diseases Procedure Unit's facilities will continue to be used for inpatient procedures and as a location for outpatient procedures where it would be more clinically efficacious to do so in a hospital setting.

Financial Resources for Construction Project: The project will be funded through University Hospitals Building Usage Funds acquired from depreciation allowances of third parties underwriting the cost of patient care plus hospital net earnings from paying patients. No state capital appropriated dollars will be involved. The preliminary estimate for the internal rate of return over the life of the project is 34%.

Financial Resources for Operations and Maintenance: The source of funds to cover the additional operating costs associated with the incremental increase in building space will be hospital operating revenues derived from providing patient care services.

External Forces Justifying Approval: Currently, there are approximately 200,000 men and women over the age of 45 residing within the 10-county primary service area surrounding UIHC. This population is expected to increase by 9% over the next 5 years. According to the Centers for Disease Control and Prevention, 2007-2009, the Colorectal Cancer Screening Prevalence among adults aged 50 and older in Iowa is 60.5%, a ranking of 26<sup>th</sup> in the country. The Medicare Shared Savings Program, regulations for Accountable Care Organizations (ACO) includes a screening colonoscopy for *all* enrolled members between the ages of 50 and 75. As previously indicated, UIHC's endoscopic procedure rooms are not adequate to meet the current demand, let alone the demand generated by these ACO regulations. Development of additional procedure rooms and support facilities at the Iowa River Landing medical office building will accommodate the projected future need and do so in a more convenient, accessible and patient-friendly manner.

The project's design will meet all building codes and standards, as well as the most recently published 2010 Edition of the Guidelines for Design and Construction of Hospital and Healthcare Facilities, published by the Facility Guidelines Institute. These guidelines regulate hospital licensing and construction in Iowa and most other states and are used by Medicare and the Joint Commission to develop new regulations and standards. The design will also meet Health Insurance Portability and Accountability Act (HIPAA) requirements for patient privacy and confidentiality.



 <p><b>THE UNIVERSITY OF IOWA</b> Plotted: Sept. 25, 2013 MedLab_3rdFloorSouth.dwg</p>	<p>N</p>  <p>Scale: 1" = 300'</p>	<p>LOCATION MAP</p> <p><b>Medical Laboratories - Renovate 3rd Floor South</b></p>
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