

Contact: John Nash

REGISTER OF UNIVERSITY OF IOWA
CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS

Actions Requested: Recommend the Board approve:

1. Schematic Design, Project Description and Budget for the:
 - **UIHC at Forevergreen Road – Construct Facility** project, formerly the “UIHC - North Liberty Medical Office Building Development” project, (\$395,000,000) with the understanding that approval is authorization to proceed with construction.

UIHC at Forevergreen Road – Construct Facility

Executive Summary: The University requests Board approval of the proposed Schematic Design, Project Description and Budget to build a new UIHC facility on their 60-acre site along Forevergreen Road in North Liberty.

The proposed project budget of \$395,000,000 would be funded by three sources:

1. Hospital Revenue Bonds
2. Gifts
3. University Hospitals Building Usage Funds

- **Certificate of Need:** On August 31, 2021, the Iowa Department of Public Health's State Health Facilities Council approved this project's Certificate of Need (CON).
- **Moratorium note:** There are three exceptions to the Regents' moratorium on new net square footage from September 2020 through June 2022. Those exceptions include capital projects approved prior to September 2020, capital projects 100% funded by private gifts and healthcare capital projects.



UIHC at Forevergreen Road – Construct Facility project, Main Entrance
Looking south from Forevergreen Avenue

Background: This healthcare facility would be a 469,000 square foot medical, clinical, educational, and research office building, and extension of the UIHC. A central utility plant, dedicated to this facility, would also be constructed.

Specifically, the facility would include outpatient clinics, faculty offices, inpatient beds, surgical suites, radiology, laboratory, pharmacy, central sterile services, food services, an emergency treatment center, education and research space, and other support services.

UIHC is experiencing unprecedented demand for tertiary care for patients from all 99 Iowa counties and beyond. There are many factors contributing to this, including an aging population, an increased incidence of obesity and chronic disease, closure of services across many hospitals in the state, and an emerging shortage of community providers, due at least in part to their retirement.

Other Iowa hospitals are transferring substantial numbers of patients to UIHC for complex care and often experience delays in these transfers, because of limited bed availability. UIHC has the third highest rate of inpatient transfers compared to all other academic medical centers across the United States. UIHC also projects continued growth in the number of inpatient and ambulatory surgical procedures over the next decade, with rising levels of complexity and need for sophisticated space to support new, advanced technology.

Finally, as more and more patients travel to the UIHC main campus for outpatient care, the associated clinics and parking facilities have become more congested and difficult to navigate for older and medically-compromised patients.

Proposed Schematic Design



Main Entrance (north side), looking southeast

UIHC's priority is meeting the healthcare needs of Iowans in a safe, timely and high-quality manner, while also promoting the vital academic responsibilities for education, training, and research. As Iowans have asked UIHC to do more, this expands our master planning to address UIHC's future more comprehensively by including this Forevergreen Road site in North Liberty, that would serve as an extension of the UIHC.

The new facility is intended to optimally serve the needs of Iowans in a convenient and patient-centered setting, as there is almost no available space remaining at the main campus, which has been operating at maximal capacity. This facility at Forevergreen Road would allow UIHC

to deliver its highly specialized, inter-disciplinary model of care for Iowans and provide educational experiences for students and trainees.

Ultimately, this expansion would facilitate the recruitment of world-class physicians and trainees to the University of Iowa, improve patient access and satisfaction, and provide state-of-the-art care, technology, and facilities for the benefit of all Iowans.

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
1. Permissions to Proceed			
Permission to Proceed with Project Planning		Sept. 2016	Approved
Revised Permission to Proceed with Project Planning		Feb. 2020	Approved
2. Design Professional Agreements			
Design Professional Selection, seven proposals			
➤ Neumann Monson, Iowa City		Jan. 2017	Not Required*
Neumann Monson DP Agreement #1			
➤ Program & Site Development Study	\$ 1,256,670	Aug. 2019	Not Required*
Waiver of the Design Professional Selection Process			
➤ Neumann Monson, Iowa City was selected		Feb. 2020	Approved
Neumann Monson, Agreement #2			
➤ Programming and Site Development	21,887,700	Dec. 2020	Not Required*
Medical Equipment Planning, nine proposals			
➤ Ross and Baruzzi Inc., St. Louis, Missouri	866,700	Mar. 2021	Not Required*
Ancillary Consultant-Furniture, seven proposals			
➤ HKS, Dallas, Texas	343,594	Jun. 2021	Not Required*
3. Construction Manager @ Risk (CMR) Agreement			
Utilization of CMR Delivery Method		Feb. 2020	Approved
CMR Selection, three proposals			
➤ JE Dunn, Des Moines		Dec. 2020	Not Required*
JE Dunn Agreement			
➤ Preconstruction and Construction Phase Services	\$ 13,675,611	Jan. 2021	Not Required*
Medical Equipment Planning, nine proposals			
➤ Ross and Baruzzi Inc., St. Louis, Missouri	866,700	Mar. 2021	Not Required*
JE Dunn Amendment #1			
➤ Build Mock-Up	90,910	May 2021	Not Required*
JE Dunn Amendment #2			
➤ Mechanical, Electrical & Plumbing Precon. Services	217,120	Jul. 2021	Not Required*
4. Schematic Design, Project Budget			
Program Statement		Aug. 2021	Not Required*
Schematic Design		Sep. 2021	Requested
Project Description and Budget	395,000,000	Sep. 2021	Requested

* Approved by Executive Director, consistent with Board policy.

Proposed Project Budget

Planning, Design & Management	\$ 43,297,000
Construction	192,895,000
Construction – Central Utility Plant only	33,716,000
Construction – Sitework only	25,763,000
Furniture & Equipment	78,119,000
Contingency	21,210,000
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Total	\$ 395,000,000

Proposed Source of Funds

1. Hospital Revenue Bonds
2. Gifts
3. University Hospital Building Usage Funds

Proposed Schedule

Design: February 2020 through April-June 2022
Construction: October-December 2021 through April-June 2025

Building Program

313,516 NSF = Departments
92,226 NSF = Building Support
405,742 NSF = Total NSF *

405,742 NSF = Total NSF
469,050 GSF = Total Gross Square Feet **
86.5% = NSF to GSF ratio

* NSF = net square feet

** GSF = gross square feet

Proposed Schematic Design: Interior Views

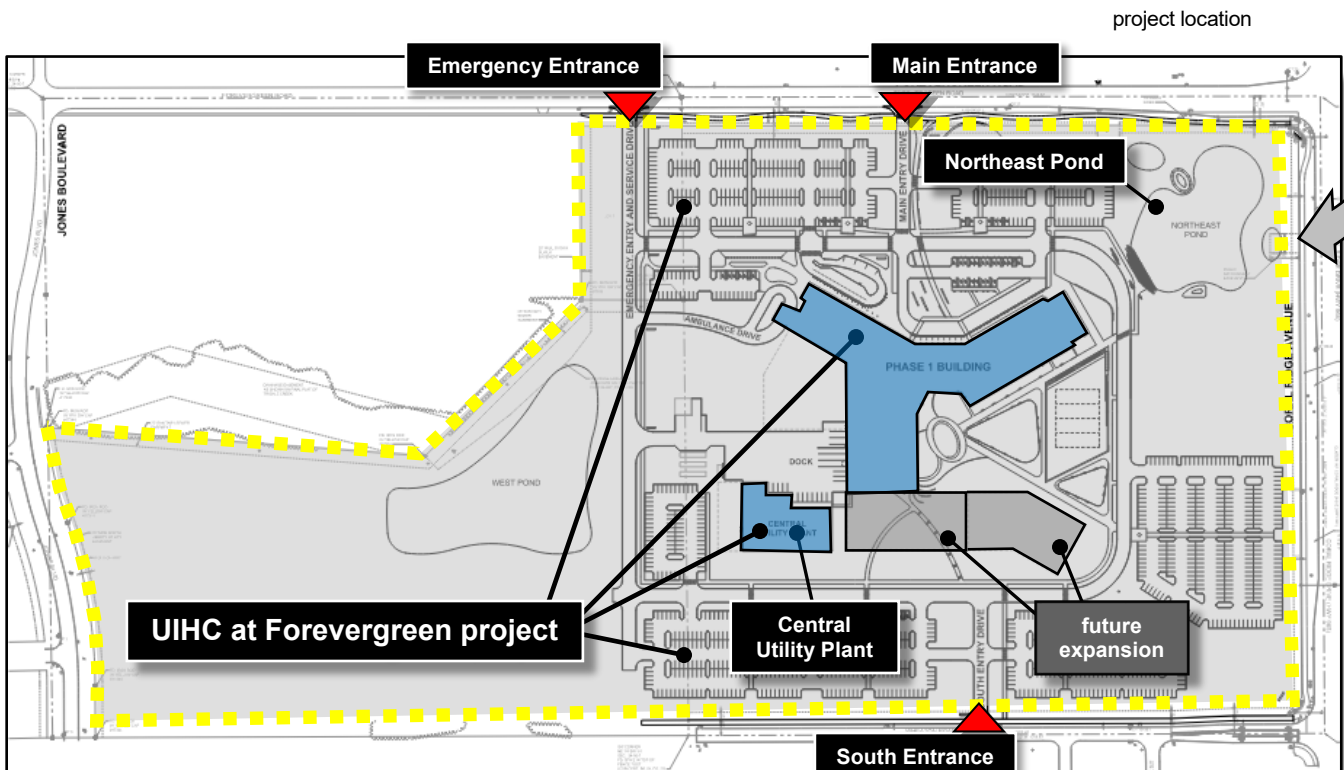
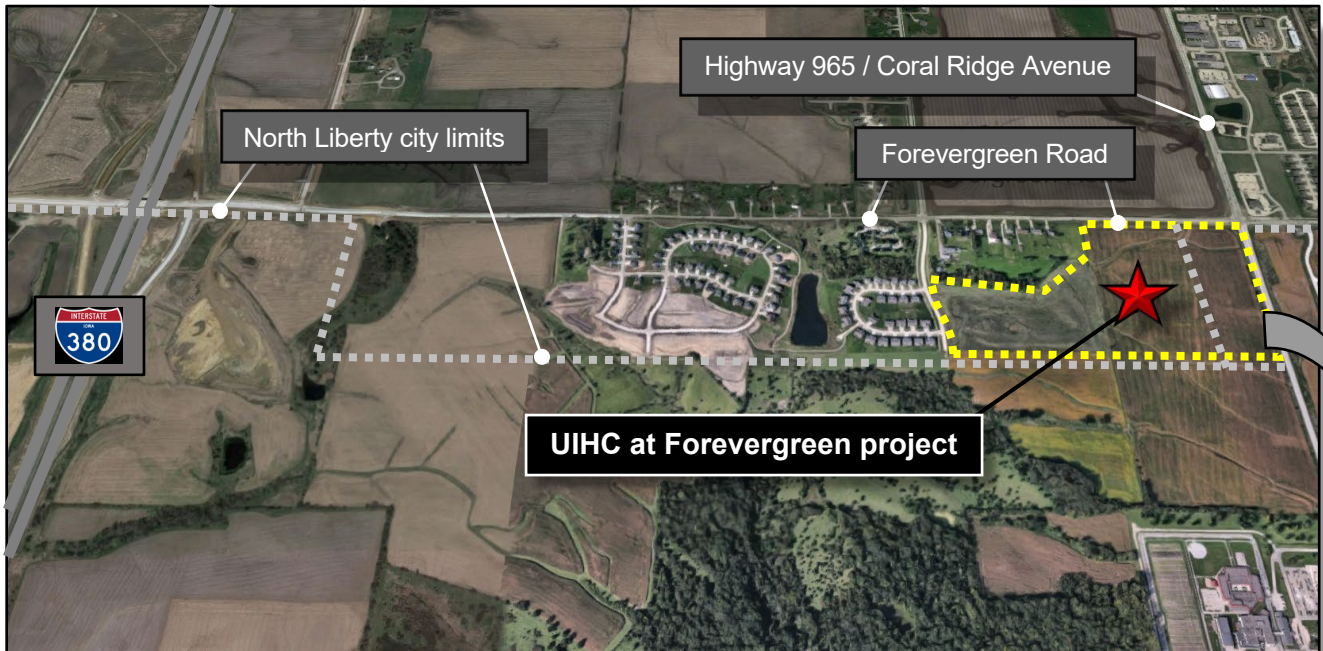


First Floor Lobby, inside Main Entrance: looking south



First Floor Clinic - Waiting Area: looking northeast

Proposed Schematic Design: Site Plan



site plan

North



Proposed Floor Plans

Lower Level
Floor Plan

Emergency
Entrance

Main Entrance

First Level
Floor Plan

North



- Outpatient Clinics
- Physical Therapy / Rehabilitation
- Emergency Department
- Inpatient Unit
- Surgery Services
- Diagnostic Imaging
- Pathology
- Pharmacy
- Food and Nutrition
- Public Amenities
- Research
- Education
- Central Sterilization / Supply Chain
- Building Support



Second Level
Floor Plan

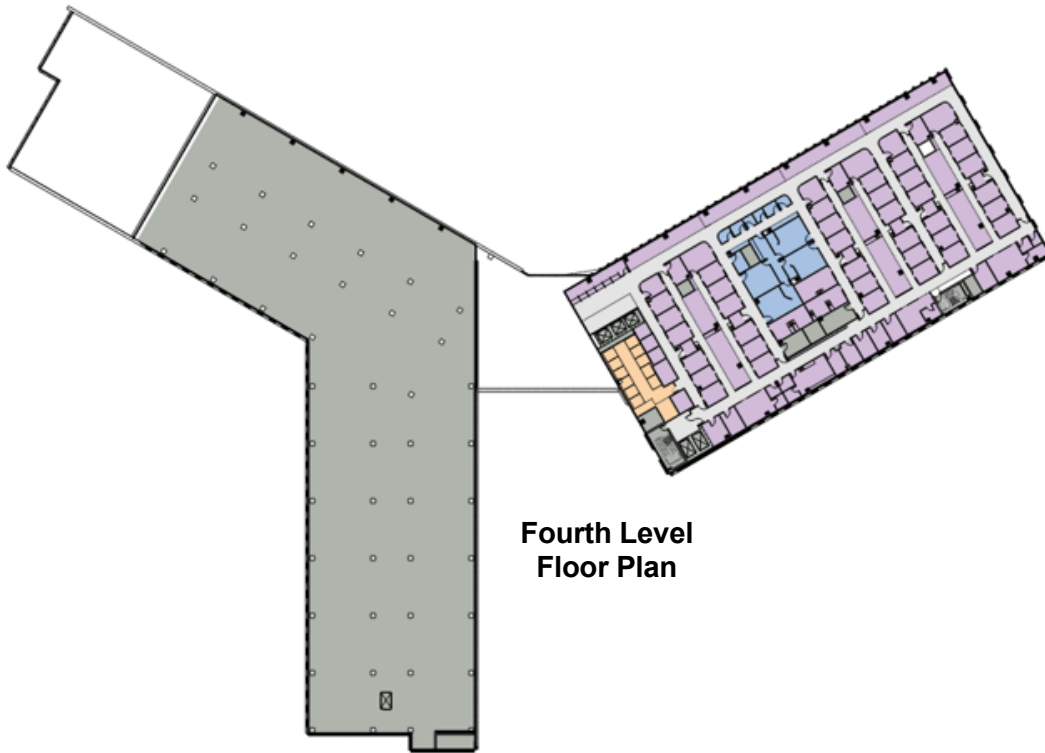


Third Level
Floor Plan

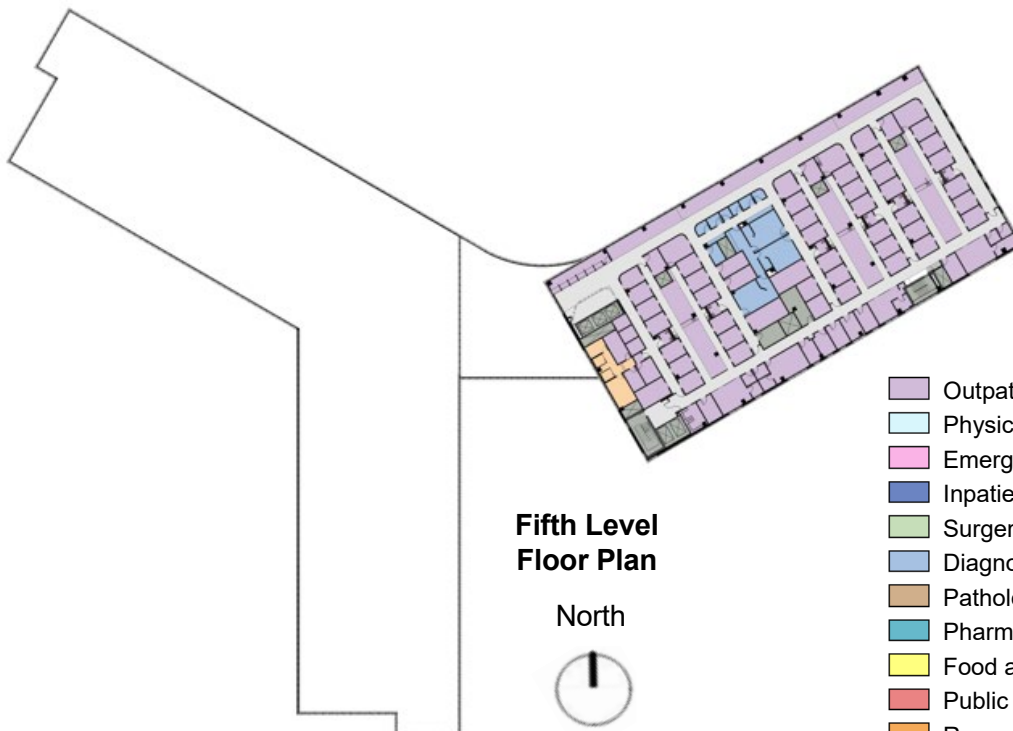
North



- Outpatient Clinics
- Physical Therapy / Rehabilitation
- Emergency Department
- Inpatient Unit
- Surgery Services
- Diagnostic Imaging
- Pathology
- Pharmacy
- Food and Nutrition
- Public Amenities
- Research
- Education
- Central Sterilization / Supply Chain
- Building Support



**Fourth Level
Floor Plan**

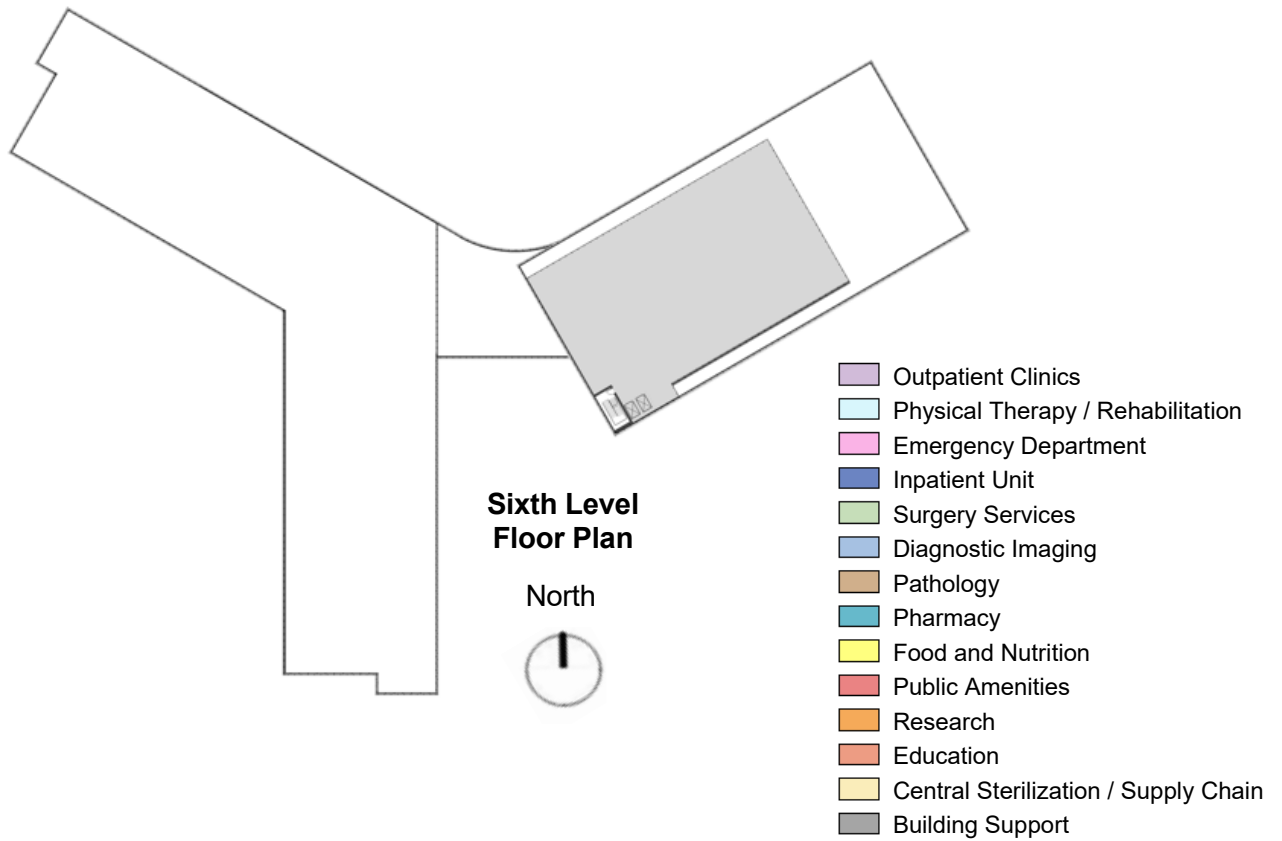


**Fifth Level
Floor Plan**

North



- Outpatient Clinics
- Physical Therapy / Rehabilitation
- Emergency Department
- Inpatient Unit
- Surgery Services
- Diagnostic Imaging
- Pathology
- Pharmacy
- Food and Nutrition
- Public Amenities
- Research
- Education
- Central Sterilization / Supply Chain
- Building Support



Cost Comparison
of 10 Similar
Health Care Facilities in the United States

North Liberty Campus: Benchmark Costs

Costs are below or similar to hospital builds by other leading health systems

University of
Minnesota
Minneapolis, MN

\$803/SF

Texas Health & UT
Southwestern
Frisco, TX

\$831/SF

Rush University
Medical Center
Chicago, IL
\$818/SF

Ohio State University
Medical Center
Columbus, OH
\$942/SF

Penn Medicine
Philadelphia, PA
\$1,000/SF

University of Michigan
Health System
Ann Arbor, MI
\$1,333/SF

Henry Ford
Health System
Detroit, MI
\$828/SF



Emory Health Care
Brookhaven, GA
\$1,180/SF

Stanford Health
Palo Alto, CA
\$2,427/SF

* \$842/gsf = \$395,000,000 / 469,050 gross square feet (gsf)