


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 836 Hopmeadow Street, Simsbury Clinical Practice Relocation (Revised Final: \$4,729,000)

RECOMMENDATION:

That the Board of Trustees approve the Revised Final Budget in the amount of \$4,729,000 and note a report of a Revised Final Budget in the amount \$4,491,000 per the approval of the Executive Vice President for Finance and Chief Financial Officer, for the UConn Health 836 Hopmeadow Street, Simsbury Clinical Practice Relocation Project.

RESOLUTION:

“Be it resolved that the Board of Trustees approve the use of \$4,729,000 and note the previous approval of \$4,491,000, 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.

The project is substantially complete and the clinic had a grand opening on June 13, 2023. Additional funds are required to address costs associated with; the replacement of furniture and equipment that was determined to be in poor condition and not suitable to relocate, construction change order work, and to cover a delay claim, that is expected to be reimbursed, associated with the landlords failure to complete the required core & shell work in a timely manner.

On July 26, 2023, the Executive Vice President for Finance and Chief Financial Officer approved an increase of \$212,000 (4.93% of the previous approved Final Budget) for an interim Revised Final Budget of \$4,491,000.

Board of Trustees policy permits the Executive Vice President for Finance and Chief Financial Officer to approve changes up to 5% of the project budget, providing that funding is available, and the BOT is subsequently notified of the revised project budget.

The Revised Final Budget is attached for your consideration. 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 - 836 HOPMEADOW STREET, SIMSBURY CLINICAL PRACTICE RELOCATION

<u>BUDGETED EXPENDITURES</u>	<u>APPROVED PLANNING 9/29/2021</u>	<u>APPROVED DESIGN 12/8/2021</u>	<u>APPROVED FINAL 4/26/2022</u>	<u>PROPOSED REVISED FINAL 9/27/2023</u>
CONSTRUCTION	\$ 2,730,000	\$2,730,000	\$ 2,830,000	\$ 3,175,000
DESIGN SERVICES	124,000	124,000	124,000	153,000
TELECOMMUNICATIONS	290,000	290,000	407,000	415,000
FURNITURE, FIXTURES AND EQUIPMENT	348,000	348,000	448,000	860,000
CONSTRUCTION ADMINISTRATION	-	-	-	-
OTHER AE SERVICES (including Project Management)	-	-	-	-
ART	10,000	10,000	10,000	20,000
RELOCATION	17,000	17,000	84,000	80,000
ENVIRONMENTAL	-	-	-	-
INSURANCE AND LEGAL	-	-	-	-
MISCELLANEOUS	3,000	3,000	3,000	1,000
SUBTOTAL	\$ 3,522,000	\$3,522,000	\$ 3,906,000	\$ 4,704,000
PROJECT CONTINGENCY	353,000	353,000	391,000	25,000
TOTAL BUDGETED EXPENDITURES	<u>\$ 3,875,000</u>	<u>\$3,875,000</u>	<u>\$ 4,297,000</u>	<u>\$ 4,729,000</u>
<u>SOURCE(S) OF FUNDING*</u>				
UCONN HEALTH CAPITAL FUNDS	\$ 3,530,000	\$3,531,290	\$ 3,953,290	\$ 4,385,290
LANDLORD TENANT FIT OUT ALLOWANCE	345,000	343,710	343,710	343,710
TOTAL BUDGETED FUNDING	<u>\$ 3,875,000</u>	<u>\$3,875,000</u>	<u>\$ 4,297,000</u>	<u>\$ 4,729,000</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 (Revised Final) \$4,729,000
September 27, 2023



PICTURE OF NEW WAITING ROOM



PICTURE OF TYPICAL EXAM ROOM

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>

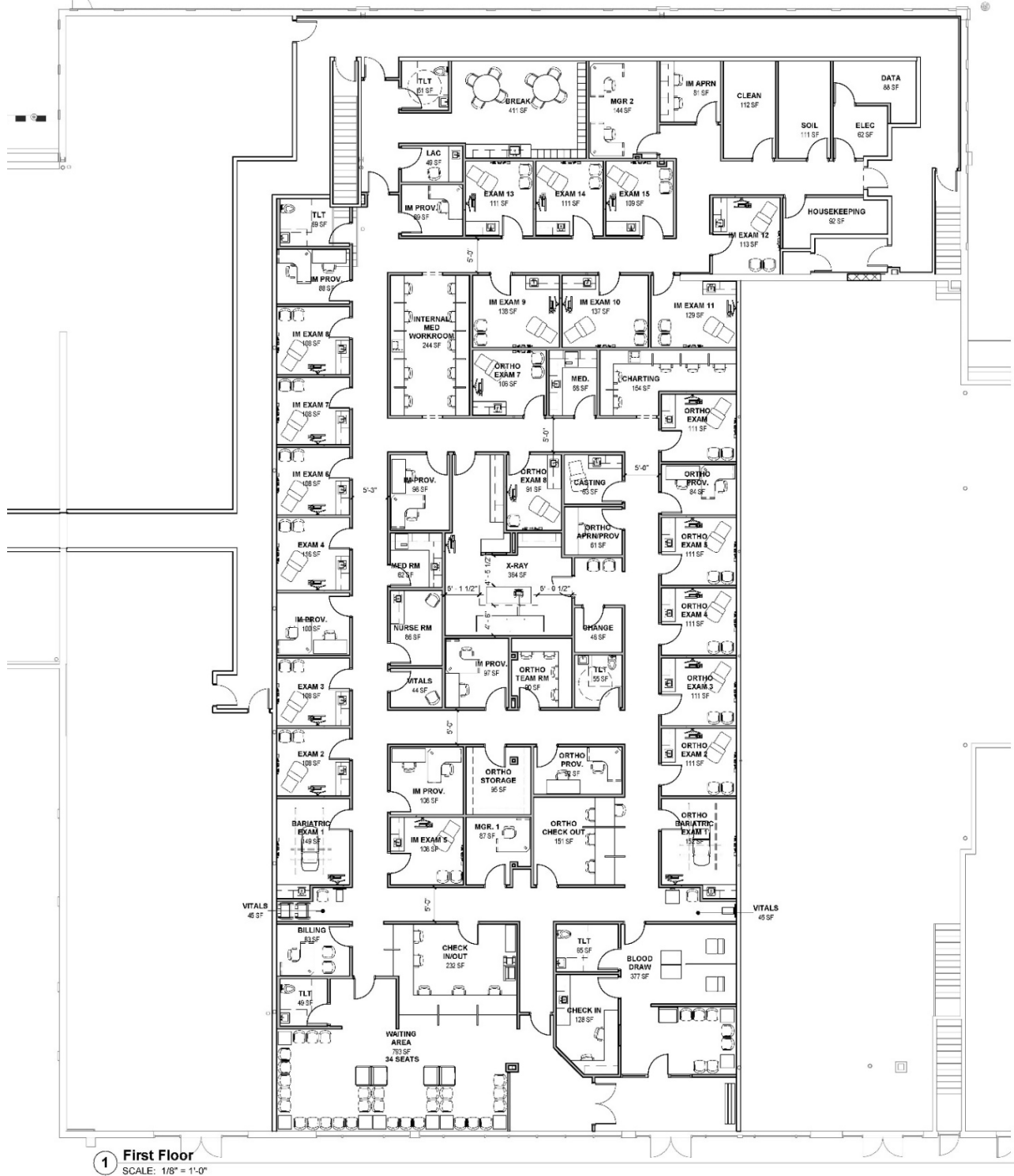
* This budget reflects the University's current intended source(s) of funding for the specified project. The University may adjust this funding plan in order to ensure compliance with applicable federal and state law(s) or to strategically utilize all fund sources, within the approved budget amount,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

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

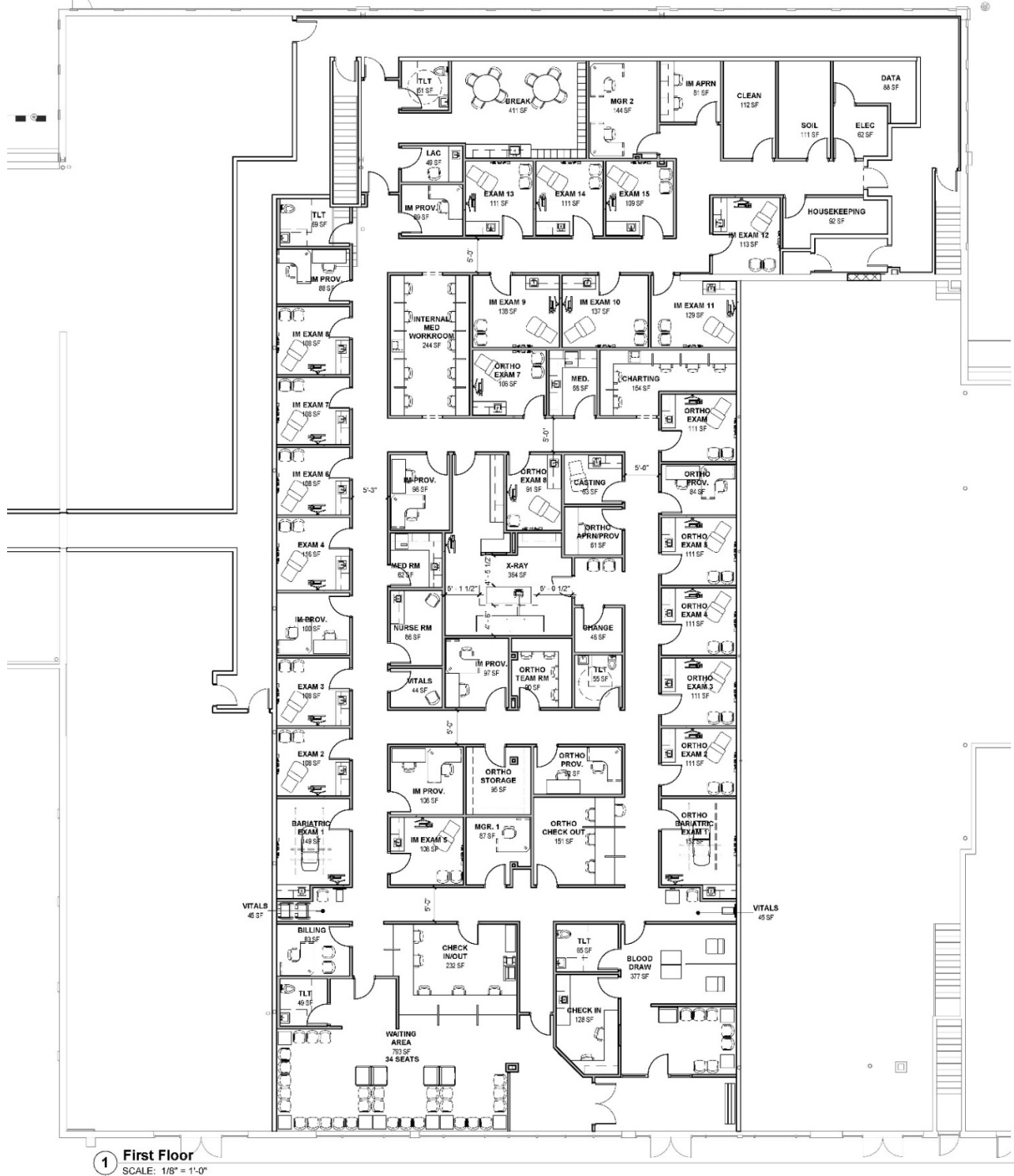
TYPE BUDGET: DESIGN

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
SUBTOTAL	\$ 3,522,000	\$ 3,522,000
PROJECT CONTINGENCY	353,000	353,000
TOTAL BUDGETED EXPENDITURES	\$ 3,875,000	\$ 3,875,000
 <u>SOURCE(S) OF FUNDING*</u>		
UCONN HEALTH CAPITAL FUNDS	\$ 3,530,000	\$ 3,531,290
LANDLORD TENANT FIT OUT ALLOWANCE	345,000	343,710
TOTAL BUDGETED FUNDING	\$ 3,875,000	\$ 3,875,000

* 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 836 Hopmeadow St, Simsbury Clinical
Practice Relocation
Project Budget (Design) \$3,875,000
December 8, 2021



FLOOR PLAN OF NEW SIMSBURY CLINIC

September 29, 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 Street,
Simsbury Clinical Practice Relocation (Planning: \$3,875,000)

RECOMMENDATION:

That the Board of Trustees approve the Planning Budget in the amount of \$3,875,000, as detailed in the attached project budget, for the UConn Health 836 Hopmeadow Street, 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 for the UConn Health 836 Hopmeadow Street, Simsbury Clinical Practice Relocation Project.”

BACKGROUND:

UConn Health (UCH) 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 11,500 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 \$25.00 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 \$345,000) to be used for tenant improvements / fit-out. UCH proposes to fit the space out as medical space for a total project cost of \$3,875,000. The conceptual estimate for the work is based upon square foot metrics and is subject to change based upon actual planning work.

The Planning Budget is attached for your consideration. The Planning Budget is anticipated to be approved by the UConn Health Board of Directors at their meeting on September 20, 2021.

Attachments

CAPITAL PROJECT BUDGET REPORTING FORM

TYPE BUDGET: PLANNING

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

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

* 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, 836 Hopmeadow St., Simsbury
Clinical Practice Relocation
Project Budget (Planning) \$3,875,000
September 29, 2021



EXTERIOR VIEW OF EXISTING CANTON CLINIC



EXTERIOR VIEW OF EXISTING SIMSBURY CLINIC



Department Legend

- EXAM
- EXAM ORTHO
- OFFICES
- OFFICES ORTHO
- ORTHO SUPPORT
- BLOOD DRAW
- RADIOLOGY
- STAFF
- SUPPORT
- MANAGER
- WAITING AREA

UCONN HEALTH
 SIMSBURY, CT
 OPTION 2 | 07/02/21



CONCEPTUAL FLOOR PLAN OF NEW SIMSBURY CLINIC