



MICHIGAN STATE UNIVERSITY
BOARD OF TRUSTEES
Executive Action Summary

Committee Name Budget and Finance

Date: June 28, 2024

Information

Review

Action

Agenda Item: Authorization to Proceed - Renovations to Building at 4660 Hagadorn

Resolution:

BE IT RESOLVED, that the Board of Trustees of Michigan State University hereby authorizes the Administration to complete renovations to the building at 4660 Hagadorn Road, upon such terms and conditions as may be acceptable to the President or designee.

Recommendation:

The Trustee Committee on Budget and Finance recommends that the Board of Trustees authorize the Administration to implement building modifications and renovations as specified in design documents.

Prior Action by BOT: On February 10, 2023, the Board of Trustees of Michigan State University authorized the purchase of the properties at 4660 and 4700 Hagadorn Road for the purpose of consolidating the clinical practices for MSU Health Care Inc. Additionally, on November 28, 2023, the Board of Trustees of Michigan State University authorized the Administration to negotiate and enter into a long-term lease on terms acceptable to the President or designee.

Responsible Officers: Norman Hubbard, Senior Associate Vice President for Health Sciences

Summary: In April 2024, MSU approved the use of Century Bond proceeds to cover both the purchase price of 4660 and 4700 Hagadorn Road and the initial phase of renovations at 4660 Hagadorn Road being approved by this Resoution.

Renovations to occur in the initial phase for 4660 Hagadorn include life and safety upgrades and renovations to vacant space which will allow Neurology to occupy the space.

Background Information:

- MSU Health Care, Inc. (HCI) was seeking a site to consolidate and brand their clinical practices as well as allow for space to expand and grow the clinical practice offerings in the evolving Mid-Michigan healthcare market.
- By largely consolidating on one site, HCI will be able to leverage operational and space efficiencies in a long-term facility solution and can be branded as an MSU clinical destination immediately adjacent to campus.
- MSU purchased the buildings located at 4660 and 4700 Hagadorn Road in June 2023 to meet HCI's programmatic needs.
- The Century Bond funding for the purchase and initial phase of renovations of the properties has been approved. Required upgrades were considered and included in the funding approval along with the initial purchase cost.

Source of Funds:

- \$1.58M from Century Bond funds for facility updates to bring the building to code and safety standards.
- \$3.39M from Century Bond funds for renovation of current space to move clinics from other sites into the new location and to expand clinical offerings.
- \$1.53M from HCI's auxiliary accounts.
- Total Project Costs: \$6.5M

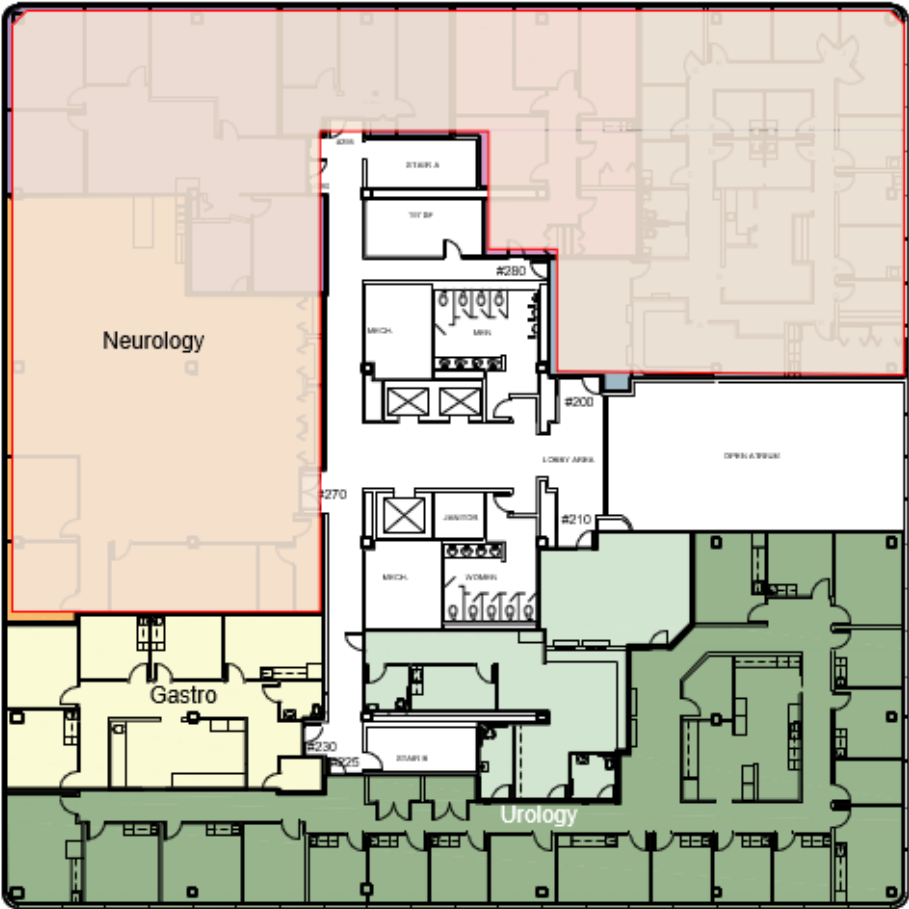
Resource Impact:

- By consolidating on one site, HCI will be able to leverage operational and space efficiencies in a long-term facility solution and can be branded as an MSU clinical destination immediately adjacent to campus.
- Renovations to vacant space allow HCI to relocate Neurology from its current location in the Clinical Center, which allows this space to be returned to the University for future utilization.
- Renovations, which include life and safety improvements, provide a safer environment for staff, patients, and visitors.
- In addition to the planned renovations, this project includes design work that will help HCI determine future space utilization as they continue building out the space.



MSU Healthcare Inc. Renovations to 4660 Hagadorn – Tenant Fit-out

Norman Hubbard, Senior Associate Vice President for Health Sciences



SECOND FLOOR

GROSS FLOOR AREA: 24,146 SF