

Attachment B

Project Summary

Background

In February 2023, after a year of community outreach and planning, University Hospital released its vision for a decade-long, \$1.8 billion master plan—a series of sequential major capital projects that would both meet existing needs and establish a path for the next several decades. In order to accomplish the long-term development plan, the master plan proposed an enabling phase (demolition of buildings), replacement buildings, a new hospital tower addition to the existing UH building, and, as the final phase, renovations and infrastructure upgrades to UH. An estimated cost was offered, and this set in motion conversations regarding financial strategy and development tactics.

Rutgers has a significant interest in the strategic and capital plan of its Newark healthcare partner, University Hospital. As the primary teaching hospital of New Jersey Medical School (NJMS), the success of UH is linked to the success of NJMS and Rutgers Health. Additionally, the UH plan contemplates the use of Rutgers owned buildings and land currently controlled and occupied by Rutgers, so close coordination is required. Finally, the commitment of UH to the health of the City of Newark and the greater region goes hand in hand with Rutgers' own commitment.

Development Strategy

As the plans for development of the UH Master Plan and Rutgers Health Newark campus unfolded, a two-building strategy was developed as the logical first phase of the revitalization and modernization of University Hospital. Construction of these two buildings, the Administrative Building and Parking Deck (ADMB) and the Medical Office Building (MOB) would happen in anticipation of the UH master plan's signature improvement: a new hospital tower, connected to the existing University Hospital building, to allow for a replacement Emergency Department, operating rooms, and intensive care beds, as well as a subsequent major renovation of the original hospital building, which still relies on infrastructure from the late 1970s.

The new hospital tower cannot be constructed until land on the campus is cleared, requiring the demolition of two Rutgers-owned structures—an aging medical office building (“Doctors Office Center” or “DOC”) and its connected parking deck (“Deck P3”). In turn, these structures cannot be demolished until the new/replacement facilities are in place and functioning. The construction of the new/replacement facilities cannot proceed until eight (8) additional Rutgers buildings and three (3) UH buildings are vacated and demolished. Hence, Phase I of the UH Master Plan—development of the new ADMB, with

some clinical space and parking and interconnected with the new state-of-the-art medical office building, the MOB—is an essential enabling phase.

Phase I, comprising two structurally independent buildings that are connected through a walkway to move patients, must be viewed as a single, interconnected and interdependent development, as one building cannot function properly without the other. Most patients seen in the new MOB will arrive by car and require parking, and the clinicians, faculty, and staff who support the clinical and research activities of the MOB and campus require offices near the patients. This parking and office space exists on campus today but is in RU-owned structures that the UH master plan proposes to be razed.

Facilities and Site Planning

Preliminary planning of the development established footprint, approximate height and size, siting, stormwater management, and utilities for both buildings. The above-grade connection of the buildings and main entrance locations have been established as well, as these key components become fixed elements that inform detailed planning, site engineering, and architectural design.

The design of the ADMB is moving at a much faster rate than the programmatically complicated and healthcare-licensed MOB. The ADMB, with a single clinical area, approximately 875 parking spaces, and four floors of non-complex administrative and support spaces, requires little detailed medical planning and has no complicated infrastructure design.

Current conversations among Rutgers, the Hospital, and EDA propose that the ADMB would ultimately be operated and owned under a condominium or air-rights arrangement, with Rutgers University having operation and ownership of the new parking deck, Rutgers would own three of the four floors of the new ADMB and be responsible for the capital improvements, maintenance, and operations of the same, and the Hospital would own a unit that included one floor and the clinical space on the ground level.

The MOB will require detailed medical planning, closely coordinated with Rutgers Health and University Hospital. It can be anticipated that strategic planning and detailed medical space programming would take at least a year. Detailed architectural/engineering design of the MOB would commence upon completion of programming. Considering regulatory reviews required during design, an 18-month period for design and bid-ready construction documents can be expected.

Next Steps

UH will engage an Owner's Representative to assist in managing of Phase I of the UH master plan by:

1. Working with Rutgers, DevCo and their consultants, on completing design, construction, fit out, turnover, and move in of the two UH areas (Floor 7 and the 10,000 sf Ground Floor Clinic) in the ADMB, plus coordinating site preparation and utilities for the MOB.
2. Working with the (yet to be awarded) Developer, Rutgers staff, and UH staff on the programming, design, construction, fit out, turnover, and move-in of the MOB.