

A Rust Belt Oasis, the University of Michigan Is Spending Billions to Grow

By [KEITH SCHNEIDER](#)

ANN ARBOR, Mich. — An army of ironworkers, masons, carpenters and laborers are swarming the campus of the [University of Michigan](#) these days, as the university undertakes a construction campaign budgeted at \$2.5 billion, ranking it among the largest university building programs in the United States.

Nine major buildings for science, medicine, health, art, business, sports, food service and student housing are in various stages of construction here. They encompass nearly three million square feet, at a cost of about \$1.66 billion. Five others are in the design stage.

This comes after the completion in the last two years of 10 other buildings — for biomedical research, cardiovascular treatment, science, technology, engineering, public health, public policy and drama — covering 1.7 million square feet at a cost of \$836.4 million. The square footage in the new and renovated buildings comes to the equivalent of 105 acres.

“Having the right facilities is crucial to a thriving public research university,” said Philip J. Hanlon, vice provost for academic and budgetary affairs at the University of Michigan, where the first building was completed in 1840. “We are producing the work force of the future in the industries of the future. And we are doing that even as the help our state government provides is declining.”

Indeed, college campuses have emerged this decade as important centers of building design and construction, according to executives overseeing university buildings and operations across the country. As in Michigan’s case, university construction programs are often the largest capital projects in their states.



University administrators here and in other states say the burst of construction, which began at the start of the decade and accelerated in recent years, has enabled campuses to catch up with years of deferred maintenance and to add new installations that respond to fast-evolving economic priorities and markets.

Among the most important of those is attracting the best students and faculty to elite institutions like Michigan, which sees itself as competing with universities like

[Harvard](#), [Yale](#), Stanford, Columbia and Virginia and the major campuses of the University of California.

Universities are also racing to become leaders in new technologies to produce successful graduates and royalties from spin-off businesses that can contribute to revenue. Michigan is making a particular effort to be a leader in nanotechnology, medical science and new mechanical engineering applications.

The race for financing is particularly urgent now, development officers say. The national financial crisis has drained endowments and may affect fund-raising. Michigan’s endowment at the end of June was \$7.7 billion, but it has dropped by about 20 to 30 percent since then, the university said.

Still, its construction program proceeded apace even as state funds steadily diminished. For its 24 projects, the university says it has received just \$20 million from the state of Michigan for three of the projects. The rest were financed with donor gifts, bonds and operating revenue.

Other campus construction programs also have large price tags. The [University of North Carolina](#) at Chapel Hill, for example, is completing a 10-year, \$2.1 billion renovation and construction program that included a \$122 million genetic research center. The [University of Virginia](#) has \$1.51 billion in new buildings in the planning and construction stages, according to a report by C. A. Johannesmeyer, the director of facilities planning and construction.

At the University of Michigan, “two goals guide the program,” said Henry D. Baier, the associate vice president for facilities and operations. “We have to stay competitive. And we need to be good stewards of this campus and this state.”

The university is one of the most prominent institutions in a Rust Belt state saddled with a jobless rate of 9.3 percent, tied with [Rhode Island](#) for the nation’s highest. But Ann Arbor, with 114,000 residents, is holding its own, in large part because of its highly ranked university, which has a \$5.2 billion budget, 41,000 students and employs more than 30,000 people.

Nothing about the campus building program will harm its reputation. The biggest projects include a \$754 million, 1.1-million-square-foot medical facility to the C. S. Mott Children’s and Women’s Hospital.

The university, which already has more than 200 buildings, is also putting up its first dormitory in 40 years, the \$175 million, 360,000-square-foot North Quad, which also has classroom space.

The famed “Big House” football stadium is adding 450,000 square feet for luxury boxes, a new media center and more than 2,000 seats, which will give it more than 108,000 seats, surpassing [Penn State](#)’s Beaver Stadium as the nation’s largest. The cost: \$226 million.

The most significant architectural statement is made in the \$145 million, 270,000-square-foot Stephen M. Ross School of Business, designed by the New York-based architects Kohn Pedersen Fox Associates. The L-shaped building is six stories tall, with glass walls in the top stories. The exterior base is sandstone topped by terra cotta walls.



Michigan’s program also includes the \$132 million, 230,000-square-foot Kellogg Eye Center and Brehm Diabetes Center; the \$42 million, 96,000-square-foot renovation and expansion of the Alumni Memorial Hall Museum of Art; and the \$48 million, 41,000-square-foot Robert H. Lurie Nanofabrication Facility.

Jerry A. May, the vice president for development, led an eight-year capital campaign, recently completed, that raised \$3.11 billion, a record for public universities in the United States, according to The Chronicle of Higher Education. More than 360,000 of the university’s 439,000 living alumni contributed.

Mr. May, who headed a team of professional fund-raisers and volunteers, noted that many of the largest gifts for the construction projects came from prominent developers who graduated from Michigan.

The largest gift, \$100 million, was donated to the business school by Mr. Ross, a New York-based developer who is the chief executive of the Related Companies, which built the [Time Warner](#) Center at Columbus Circle.

Mr. Ross, a 1962 Michigan graduate, was co-chairman of the capital campaign. He also donated \$5 million more to help build a \$12 million, 38,000-square-foot academic center for university athletes; it was completed in 2006.