

**Hilberry Gateway Performance Complex
Project Authorization**

Recommendation

It is recommended that the Board of Governors authorize the President, or his designee, to increase the current budget for the renovation and construction of the Hilberry Gateway Performance Complex. In March 2018, the Board of Governors authorized \$65,000,000 in construction spending. It is recommended that the Board of Governors authorize additional spending up to \$4,500,000 to for a total project cost of \$69,500,000. Funding will be provided from philanthropic gift contributions, Designated Fund Account for Nonrecurring Projects, and bond proceeds secured for the purpose of implementing this project.

Background and Project Description

In March 2018, the Board of Governors approved the construction authorization for the Hilberry Gateway Performance Complex. The proposed plan renovates the existing Hilberry Theatre and construct a 71,000 square foot addition. The new complex includes a new 400 seat theatre, a 150 seat performance lab, new back of house production facilities, combined lobby and box office, and the 380 seat Gretchen Valade Jazz Center. As part of this project the historic Mackenzie House was moved to the corner of Forest and Second Avenue. At the completion of the project, both the Bonstelle Theatre on Woodward Avenue and the shop building at 95 West Hancock will be decommissioned.

The Hilberry Gateway Performance Complex will serve theatre, dance and music programs well into the future with flexible, appropriate space for a 21st century education. This project creates a performance destination that will work to strengthen the Wayne State University strategic plan goals of leading Detroit's revitalization. With the project, Wayne State will engage the community with accessible, visible, highly regarded theatrical, dance and music productions and outreach.

In March 2018 the project architect's estimate was in line with the project funding request approved by the Board. In August of 2019 a competitive selection process was completed resulting in nine proposals, all of which came in over the estimated project cost. The current Detroit construction market poses major challenges to estimating projects due to the increased costs of construction including the lack of available manpower, cost fluctuations of materials and equipment which reflect the current industry uncertainty related to future market swings.

All contracts for this project will be awarded in accordance with University policies and procedures.

Project Budget

Funding Sources	
Philanthropic Gifts	\$10,000,000
Bond Funding	\$55,000,000
Designated Fund Account for Nonrecurring Projects	\$4,500,000
TOTAL Sources	\$69,500,000
Expenditures Plan	
Design Fees	\$6,300,000
Construction	\$55,790,000
Furniture, Fixture and Equipment	\$1,505,000
Project Management Fee	\$980,000
Development Administrative Fee	\$200,000
Contingency	\$4,725,000
TOTAL Expenditures	\$69,500,000