

**Submitted by: Bethany Gielczyk, Senior Vice President for Finance and Business Affairs;  
Chief Financial Officer; Treasurer**

**Hilberry Gateway Performance Complex  
Project Authorization**

**Recommendation**

It is recommended that the Board of Governors authorize the President, or her designee, to approve spending for additional design services, materials, and labor costs for the renovation of the Gretchen C. Valade Jazz Center and Hilberry Gateway Performance complex, and to backfill unrealized philanthropic funding, in an amount not to exceed \$5,361,000 to be funded from the Reserve for Special Non-Recurring funds.

**Background and Project Description**

In March 2018, the Board of Governors approved the construction authorization for the Hilberry Gateway Performance Complex. The proposed plan renovated the existing Hilberry Theatre and constructed 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. Over three separate authorizations, the Board has approved a total of \$71.5 million.

Soon after contract award in the first quarter of 2020, the pandemic created unprecedented delays, uncertainty, and significant price increases in construction materials and labor. In addition, unforeseen site and building conditions that necessitated major design changes to separate the two buildings extended project duration. The delays led to fee escalation and additional design, construction, and construction administration time and effort. Final costs have exceeded total authorization by \$2,861,000.

Of the \$10 million in philanthropy originally appropriated for construction, just \$7.5 million was collected, necessitating an additional \$2.5 million in university funding to close the project.

**Project Budget**

<b>Funding Sources</b>	
Reserve for Special Non-recurring Funds	\$5,361,000
<b>TOTAL Sources</b>	<b>\$5,361,000</b>
<b>Expenditures</b>	
Materials and labor	\$1,961,000
Design Fees	\$900,000
Philanthropic funds replacement	\$2,500,000
<b>Total Expenditures</b>	<b>\$5,361,000</b>