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September 3, 2002

**ACTION UNDER PRESIDENT'S AUTHORITY--AMENDMENT OF THE BUDGET FOR
CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM FOR
BARBARA AND ART CULVER CENTER OF THE ARTS, RIVERSIDE CAMPUS**

It is recommended that:

Pursuant to Standing Order 100.4(q)

The President amend the 2002-03 Budget for Capital Improvements and the 2002-05 Capital Improvement Program to include the following project:

Riverside: Barbara and Art Culver Center of the Arts – preliminary plans -
\$400,000 to be funded from gift funds.

A Key to abbreviations and the project description are attached.

KEY

Capital Improvement Program Abbreviations

S	Studies
A	Acquisition
P	Preliminary Planning
W	Working Drawings
C	Construction
A/C	Augmentation for Construction
E	Equipment
A/E	Augmentation for Equipment
-	State (no abbreviation)
F	Federal Funds
G	Gifts
HR	Hospital Reserve Funds
I	California Institute for Science and Innovation
LB	Bank Loans or Bonds
LR	Regents' Loans
N	Reserves other than University Registration Fee
R	University Registration Fee Reserves
U	Regents' Appropriations
X	Others (Source known, but not included above, e.g., campus discretionary funds)
Q	Funds from sources yet to be determined
CCCI	California Construction Cost Index
EPI	Equipment Price Index

Budgets for Capital Improvements
And Capital Improvement Program
Scheduled for
Regents' Allocation, Loans, Income Reserves,
University Registration Fee Reserves, Gift Funds,
And Miscellaneous Funds

Campus and Project Title (Total Cost)	<u>Prefunded</u>	<u>Proposed</u> <u>2002-03</u>	<u>Projected</u> <u>After 2002-03</u>
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Riverside

Barbara and Art Culver

Center of the Arts

P \$400,000 G

(\$400,000)

DESCRIPTION

The Riverside campus proposes to renovate the historic Rouse Building, approximately 31,325 asf/41,800 gsf, in downtown Riverside to create the Barbara and Art Culver Center of the Arts housing graduate level arts programs in the College of Humanities, Arts, and Social Sciences (CHASS). The Rouse Building is a former department store originally constructed circa 1889 and is located at 3834 Main Street, Riverside, immediately adjacent to the UCR California Museum of Photography (CMP). The CHASS renovation project would be funded in part by a gift from the late Anthony Culver in memory of his parents, Barbara and Art Culver. In January 2002, \$1.724 million of Mr. Culver's \$5.0 million gift was used to purchase the Rouse Building, two adjacent properties, and pay the 5% gift tax. The balance of Mr. Culver's gift is designated to fund this renovation project.

Background

In January 2002, the campus acquired three contiguous properties at the northeast corner of Ninth and Main Streets in Riverside: the Rouse Building, the Wurm's Building, an approximately 2,500 gsf vacant commercial building, and a 35-space parking lot. The Center of the Arts would be developed in two phases. In the first phase the subject of this budget the proposed project scope of work and budget described in this Presidential action concerns the first phase of the overall project. The campus would renovate and seismically upgrade the Rouse Building to serve graduate programs and interdisciplinary efforts in dance, music, theatre, art, film, and other arts programs. Additionally, it would house the CMP's Keystone-Mast collection, the largest collection of stereographic images in the world. In the second phase when funded, a 250-seat performance auditorium, sculpture garden, and limited parking would be developed on the Wurm's Building site and the existing 35-space parking lot.

Project Description

The Culver Center of the Arts would provide high technology/digital media spaces for the University to support new and existing graduate programs in the arts, and support research performance and practice by arts faculty and graduate students. Its location adjacent to the CMP in downtown Riverside would create

unique synergies among these UCR programs and facilities, as well as foster development of additional programs and outreach opportunities with established Riverside arts and educational institutions, most of which are located in the downtown urban setting. The Center is envisioned to provide the following spaces: media computer studio, screening room, art studios, dance studios, gallery, research offices/studios, museum collection, exhibition storage, and fabrication workshop.

Construction for the proposed renovation project would begin in June 2003 and would be scheduled for completion in November 2004.

Project Cost

The proposed project cost is estimated at \$6,500,000 for the renovation, new construction, and seismic upgrade of the Rouse Building. This item seeks approval of \$400,000 in funding for the preliminary plans ("P") phase only of the project. "P" approval is proposed in order to proceed with the appointment of an executive architect and to refine the project scope and budget. The source of funds will be gift funds (\$400,000) already received by the campus.

CEQA Classification

In accordance with the California Environmental Quality Act, the City of Riverside adopted a Mitigated Negative Declaration on the sale and redevelopment of the three subject properties. In accordance with CEQA and University procedures for implementation of CEQA, an initial study would be prepared to analyze any further potential environmental impacts of this project not adequately addressed in the city's Mitigated Negative Declaration. The environmental documentation would be presented to The Regents for review and consideration at the time of project design approval.

Financial Feasibility

The major gift donor for this project is Mr. Anthony Culver with a total pledge of \$5,000,000. In FY 01-02, the campus expended \$1,724,000 from Mr. Culver's gift to pay the 5% campus gift tax and to purchase the Rouse Building along with two adjacent properties from the City of Riverside. The remainder of Mr. Culver's gift will be applied to the current project for renovation and seismic upgrade of the Rouse Building. The estimated project cost of \$6,500,000 would be funded from a combination of gifts, campus funds, and, to the extent needed, external financing. The College of

Humanities, Arts, and Social Sciences will be seeking additional gift funds for the currently unpledged balance of \$3,224,000. The current status of the gift is as follows:

Mr. Culver's Gift	\$5,000,000	
Less: 5% Gift Tax	(\$250,000)	
Less: Property Acquisition	<u>(\$1,474,000)</u>	
Net Gift Funds Available:	\$3,276,000	(represents a combination of gifts in hand & gifts pledged)
Gifts in hand	\$1,916,000	
Gifts pledged	\$1,360,000	
Gifts to be raised	<u>\$3,224,000</u>	
Total	\$6,500,000	

In the event that sufficient gifts are either not received by the time of bid or have a remaining pledge payment period, the campus will request approval of an authorization for standby and/or interim financing for the outstanding amount. If financing is required, the campus is prepared to pledge the campus' share of Opportunity Funds as a source of repayment. As gift funds are received, the campus will prepay principal amounts outstanding on the interim financing.

Future Action

Prior to or concurrent with the campus' seeking design approval, the campus will submit to the President a subsequent item to request amendment of the Budget for Capital Improvements and the Capital Improvement Program for the total project cost (PWC: Preliminary Plans, Working Drawings, and Construction) as well as to request financing approval, if required.

Approved by:

 9/3/02
Richard C. Atkinson Date
President of the University