

Office of the President

TO MEMBERS OF THE FINANCE AND CAPITAL STRATEGIES COMMITTEE:

ACTION ITEM

For Meeting of May 17, 2017

APPROVAL OF BUDGET, STANDBY FINANCING, INTERIM FINANCING, AND DESIGN FOLLOWING ACTION PURSUANT TO CALIFORNIA ENVIRONMENTAL QUALITY ACT, WARNER GRADUATE ART STUDIO RENOVATION AND ADDITION, LOS ANGELES CAMPUS

EXECUTIVE SUMMARY

The proposed project would renovate an existing 21,000-gross-square-foot (gsf) building and construct an 18,500-gsf addition to the Warner Graduate Art Studio for use by the UCLA Department of Art. The project would also provide 4,200 gsf of covered-unenclosed space for the production of art, and a commons/garden space on the exterior of the building. The project will be funded by gift funds; a lead gift of \$20 million has been pledged and is tied to the donor's commitment to improving the existing facility for the graduate art program at the current location.

The facility is located at 8535 Warner Drive in Culver City, approximately seven miles southeast of the UCLA campus. The property, used for the graduate art program since it was acquired by the University in 1985, is located in an industrial area that is rapidly evolving into a creative business and arts district.

The parcel currently accommodates a total of 30,000 gsf in a 21,000 gsf warehouse structure originally built as a factory in the 1940s, and two smaller additions totaling 9,000 gsf. The additions would be demolished to create a site for the new construction. Upon completion, the facility would increase by approximately 13,700 gsf, to 43,700 gsf. The new gallery will be able to host public openings, lectures and screenings.

Little has been done to improve the property since its acquisition. The vision, combined with the financial support, of a benefactor has created a unique opportunity for the campus to renovate and improve the facility. The existing building has raw, unfinished, high-ceiling space with character defining bow-trusses, and is an appropriate creative environment for the making of art. Studies determined that there are cost benefits of retaining the shell structure of the warehouse, and the design of the new adjoining addition will complement these elements. The proposed project would also replace infrastructure, correct life safety and accessibility deficiencies, and improve space utilization. The project would reconfigure individual studios for graduate art

students; provide the facility with appropriate shops, labs, gallery, work areas and commons space; replace building and telecommunications systems at the end of their useful life; and improve lighting and ventilation in the facility.

At the September 2016 meeting the Regents approved preliminary plans funding of \$2 million using gift funds. In this item the Regents are being asked to: (1) approve the project budget of \$30 million to be funded by gift funds; (2) approve the project scope; (3) approve standby financing (\$19.5 million); (4) approve interim financing (\$9 million); (5) find that the project is categorically exempt in accordance with the California Environmental Quality Act; (6) approve the design; and (7) authorize the President of the University to execute documents related to these actions.

RECOMMENDATION

The President of the University recommends that the Finance and Capital Strategies Committee recommend to the Regents that:

- A. The 2016-17 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Los Angeles: Warner Graduate Art Studio Renovation and Addition – preliminary plans – \$2 million to be funded from gift funds.

To: Los Angeles: Warner Graduate Art Studio Renovation and Addition – preliminary plans, working drawings, and construction – \$30 million to be funded from gift funds.
- B. The scope of the Warner Graduate Art Studio Renovation and Addition project shall renovate and expand a 30,000-gross-square-foot (gsf) building at 8535 Warner Drive in Culver City for use by the UCLA Department of Art. The completed project will include studios; provide shops, labs, gallery, work areas and commons space; replace building systems at the end of their useful life; and improve lighting and ventilation in the facility. Upon completion, the facility will comprise approximately 43,700 gsf.
- C. The President be authorized to obtain standby financing not to exceed \$19.5 million for the project. The President shall require that:
 - (1) Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
 - (2) Repayment of any debt shall be from gifts funds. As gifts are received, the campus will reimburse the standby financing in a timely fashion. If gift funds are insufficient and some or all of the debt remains outstanding, then the campus

reserves shall be used to pay the debt service and to meet the related requirements of the authorized financing.

- (3) The general credit of the Regents shall not be pledged.
- D. The President be authorized to obtain interim financing not to exceed \$9 million for the project. The President shall require that:
 - (1) Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
 - (2) To the extent additional gifts are received as documented by legally binding pledges, the interim financing will be converted to standby financing.
 - (3) As long as the debt is outstanding, general revenues from the Los Angeles campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
 - (4) The general credit of the Regents shall not be pledged.
- E. Following review and consideration of the environmental consequences of the proposed Warner Graduate Art Studio Renovation and Addition project, as required by the California Environmental Quality Act (CEQA), the Regents:
 - (1) Find that the project is categorically exempt under Article 19, Section 15301, Class 1, Existing Facilities and Section 15332, Class 32, In-Fill Projects.
 - (2) Approve the design of the Warner Graduate Art Studio Renovation and Addition project, Los Angeles campus.
- F. The President, in consultation with the General Counsel, be authorized to execute all documents necessary in connection with the above.

BACKGROUND

Renovation and expansion of the existing Warner Graduate Art Studio is necessary to provide graduate art students with productive studio and lab space; improve the utilization of space within the existing facility; upgrade mechanical and ventilation systems to support the making of art with contemporary materials and equipment; and provide natural lighting in the studio and exhibition spaces. Removal of the additions and ad hoc shed structures in the adjacent exterior yard will allow for expansion of the facility to better serve the needs of the graduate arts program.

The graduate art studios have been located in this former warehouse space in the Hayden Tract of Culver City since the University acquired the property in 1985. The Hayden Tract provides the graduate art program with immediate access to the leading-edge design and technology community in Culver City as well as to creative resources in the greater Los Angeles area. The facility currently houses arts production and exhibition space for approximately 40 students enrolled in the Master of Fine Arts program. It accommodates graduate student art studios; photography, sculpture, ceramics, and computer labs; exhibition space; and open teaching space used for lectures and classes. The Hayden Tract is evolving from an industrial area to a creative business and arts district. A renovated and expanded studio art facility in this area will support the leading role of this UCLA program within the local and national arts communities. Currently, the facility hosts Open Studios, an event which gives the public a behind-the-scenes look at the practice of art making and attracts up to 250 guests twice a year in the winter and spring. The new gallery will be used for openings, lectures, and screenings, expanding on the program's connection with the public.

Master of Fine Arts Program

The Master of Fine Arts (MFA) program offers six areas of specialization: ceramics, interdisciplinary studio, new genres, painting and drawing, photography, and sculpture. Studios in these areas are supplemented by seminars and lectures in contemporary critical theory. Encouragement is given to explore a wide range of media, with group critique and peer review as integral components of the program. The MFA program is currently ranked number two in the nation for 2016 by *U.S. News and World Report*.¹

Graduate students are taught by a faculty headed by internationally recognized artists as well as distinguished visiting lecturers from the art world who provide professional art training in the context of a liberal arts education. Two to three years of residency, culminating in a graduate exhibition, is typically required to complete the program. Community-oriented programs that provide opportunities for student interactions with a wide range of arts communities throughout the greater Los Angeles area, including open studio events, and the ability to offer public exhibitions at the Warner facility, will be enhanced by the renovations.

Existing Conditions

The Warner Graduate Art Studio building is a raw, unfinished, high-ceiling space with character defining bow-trusses, and is an appropriate creative environment for the making of art. The facility has not received significant upgrades since it was acquired 32 years ago. Studio space is inadequate for the number of students; upgrades to the studios are needed to accommodate current materials and practices; labs are undersized and equipped with obsolete technology; changes in floor levels between the main building and the additions result in inefficient circulation and workflow; old mechanical and ventilation systems limit the use of materials and equipment; and the studios and exhibition spaces lack natural lighting. The exterior yard is not

¹ <https://www.usnews.com/best-graduate-schools/top-fine-arts-schools/fine-arts-rankings>

fully utilized due to the location of the additions and shed structures; the lack of covered work areas, exhibition space, and commons space for students; and unclear points of entry to the site. Removal of the obsolete additions and upgrades to the main building are needed to improve the facility for the next generation of use. Studies determined that there were cost benefits of retaining the shell structure of the warehouse, and complementing that with new space to accommodate specific programmatic functions.

Project Drivers

The project is needed to provide facilities appropriate to a top-ranked art school, and will support the following goals:

- Provide state-of-the-art graduate art studios and related support facilities commensurate with the talented artists who teach and study there.
- Establish a new artist-in-residence program with an on-site apartment unit that will allow students to engage and receive feedback from visiting artists who can live and work in the facility for extended stays.
- Establish a gallery for exhibition and curatorial programming of student work, open to the public, to create an important link to the design/fashion/architecture/technology community in Culver City and the greater Los Angeles area.

PROJECT DESCRIPTION

The proposed project will renovate the 21,000-gross-square-foot (gsf) existing warehouse building; demolish the two 9,000-gsf additions; construct an 18,500-gsf addition, and build 4,200 gsf of covered-unenclosed space to provide additional program area on the exterior of the building. The project will use existing equipment in the renovated space. Upon completion, the facility will accommodate up to 48 artist studios and related support in approximately 43,700 gsf. The table below summarizes existing and proposed building areas.

Existing and Proposed Building Areas

Areas	Existing GSF	Proposed GSF	Change GSF
Original Warehouse	21,000	21,000	0
Existing Additions	9,000	0	(9,000)
New Addition	0	18,500	18,500
Subtotal	30,000	39,500	9,500
Covered-Unenclosed at 50%*	0	4,200	4,200
Total	30,000	43,700	13,700

*Represents useable outdoor areas for the production of art and a commons/garden space.

The project will provide individual student artist studios; labs for ceramics, photography, digital media, woodworking, and metals; a central area for critiques/meetings; gallery/exhibition space open to the public; a classroom; a residential apartment unit for visiting artists; equipment storage for equipment and supplies; and related building support. Covered-unenclosed space will provide useable outdoor areas for the production of art, and a commons/garden space for the exchange of ideas and social interaction among students, and interactions with the public. Approximately 12 of the 14 existing parking spaces will be retained on the site.

The main entrance will be at the north of the property, with direct access to the public gallery through the covered commons/garden space. The existing building will accommodate the student artist studios and the central critique/meeting space. The addition will house the public gallery/exhibition space, a photography/video shoot room, woodworking and metal shops, the ceramics lab, and covered work yards on the main level. The addition will also accommodate a digital media lab, classroom, and the residential apartment unit for visiting artists/instructors on the second level. The facility will be designed to maximize useable wall surface area for the making and display of art.

Space type descriptions and a space allocation table are provided below.

Proposed Space Allocations

Space Type	Assignable-Square-Foot (ASF)
Artist Studios	12,225
Labs	6,525
Critique/Meeting Space	2,200
Gallery/Exhibition	1,800
Classroom	510
Artist-in-Residence Unit	515
Storage	1,225
Building Support	700
Subtotal	25,700
Covered-Unenclosed at 50%*	4,000
Total	29,700

*Represents useable outdoor areas for the production of art and a commons/garden space.

Artist Studios (approximately 12,225 asf): Graduate student artists will be accommodated in naturally lit, private studios that range in size from approximately 275 asf to 400 asf. The studios will be clustered to facilitate interaction with the larger community of artists in the facility.

Labs (approximately 6,525 asf): Open labs will support the production of art in a variety of mediums and materials. These will include a ceramics lab designed to support the mixing, throwing, glazing, and firing of clay in multiple kilns; a multi-functional photography/video

black-box shoot room that also serves as an adjunct exhibition space for the public gallery; a digital media lab with computer video/photo editing bays and a sound recording studio; and a woodworking/metal shop designed for a wide variety of stationary wood- and metal-working tools, and welding, digital fabrication, and spray painting equipment.

Critique/Meeting Space (approximately 2,200 asf): A centrally-located space with pin-up walls, natural light, and audio/visual capability is needed for critiques and meetings proximate to the studio clusters. It will include a main 1,500-asf space and two ancillary rooms sized for smaller groups.

Gallery/Exhibition (approximately 1,800 asf): A public gallery with natural light and audio/visual capability will be provided for exhibitions and curatorial experimentation.

Classroom (approximately 510 asf): A classroom for up to 20 people will be equipped for multi-media presentations and seminars by faculty and visiting artists.

Artist-in-Residence Unit (approximately 515 asf): A private living unit will allow for visiting artists from around the world to teach and work within the studio environment. The unit will include living and sleeping areas, a kitchen and bathroom. Workspace for visiting artists will be provided in the labs.

Storage (1,225 asf): Storage space, distributed throughout the facility, will be provided for art-making equipment and supplies.

Building Support (700 asf): Building support will include a central breakroom, communal sinks proximate to the studios, an administrative office, and a network server room.

Covered-Unenclosed (4,000 asf): Covered outdoor space, represented at 50 percent of actual area, will provide work yards for the production of art adjacent to the ceramics lab and woodworking/metal shop, and a commons/garden space for students.

The extensive renovation work will include demolition and grading; upgrades and connections to existing on-site utilities; design of the building's mechanical, electrical and plumbing systems to support the program; lighting fixtures and controls; provision of finishes; installation of conduit for telephone/data, paging, audio/visual, and security systems; and hardscape and landscape improvements, including site drainage, paving, site lighting, fences, ramps, irrigation systems, and planting.

Related Scope

The existing facility will be vacated and the occupants relocated to leased space under a separate Chancellor-approved project prior to the commencement of construction.

Schedule and Delivery Method

Approval of this action will allow the campus to commence the working drawings phase. Construction is estimated to begin in January 2018, with completion anticipated in August 2019. The project is being delivered using the Construction Manager (CM)-at-Risk approach.

FINANCIAL FEASIBILITY

The total project cost of \$30 million, including \$1.1 million of capitalized interest during construction, will be funded with gift funds. To bridge the timing between the receipt of gifts and pledges the project will include standby financing (\$19.5 million) and interim financing (\$9 million). The interim financing period will be no longer than seven years and the project will not utilize external financing; it will be funded entirely from philanthropic gifts for the School of Arts and Architecture or back-stopped by campus reserves (specifically from a centrally managed pool of unrestricted funds (non-State, non-tuition)) if the anticipated gifts are not realized in this timeframe. The Summary of Financial Feasibility is provided in Attachment 3.

Status of Fundraising

The campus received a signed pledge in July 2016 for a lead gift totaling \$20 million. Since the gift funds are expected to be collected over time, approval of standby financing is requested in order to have funds on hand at the time of bid award, as well as to have finances for project expenditures prior to gift receipt.

As of April 2017, the status of gifts for this project is as follows:

In Hand	\$1.5 million
Pledged (committed)	\$19.5 million
To be Raised	\$9.0 million
Total	<u>\$30.0 million</u>

DESIGN ELEMENTS

Location

The Warner Graduate Art Studio is located approximately seven miles southeast of the UCLA campus at 8535 Warner Drive in Culver City. This UC-owned property is in the Hayden Tract, an area that provides the graduate art program with immediate access to the leading-edge design and technology community in Culver City as well as to creative resources in the greater Los Angeles area. The Hayden Tract has become more connected with the rest of the metropolitan area due to the recent extension of the Expo light rail transit line that runs from downtown Los Angeles to Santa Monica. An Expo line station is less than a block from the property.

Building Design

The proposed Warner Graduate Art Studio building is comprised of a renovated one-story building, square in plan, and a new partial two-story “L-shaped” addition that wraps the existing building on the south and west sides. The addition features a luminous barrel-shaped roof of translucent materials and sloped skylights. Controlled natural daylight is provided to the new space through the luminous roof and to the existing warehouse space by new skylights. New double-height work yards and commons/garden space are covered by skylights with operable awnings to provide natural light and ventilation. The student artist studios are clustered around the centrally-located critique/meeting and gallery/exhibition spaces, with convenient access to the commons/garden space.

Materials

The proposed design utilizes materials consistent with industrial warehouse buildings in the Hayden Tract. The exterior walls of the addition are cast-in-place concrete columns and tilt-up concrete panels, similar to the original structure. The addition features a modern interpretation of an industrial-style bow-truss roof that utilizes corrugated metal, translucent corrugated polycarbonate, and laminated glass skylights. High-efficiency glazing is incorporated into the design, and controlled natural lighting is provided to all new spaces. Interior finishes have a raw and unfinished character to encourage creative interface. They include floors of polished cast-in-place concrete, walls of exposed concrete, wood framing and drywall, and ceilings with exposed wood glulam beams and plywood decking.

Seismic Safety

This project will comply with the University of California Seismic Safety Policy, including an independent structural engineering peer review. The proposed project will improve the seismic performance rating of the existing building from Level IV (formerly “Fair”) to Level III (formerly “Good”).

Sustainable Practices

The Warner Graduate Art Studio Renovation and Addition project will comply with the University of California Sustainable Practices Policy. Project sustainability targets and goals include Leadership in Energy and Environmental Design (LEEDTM) minimum building certification level of Silver, with a target for Gold or Platinum. The project will participate in the Southern California Edison Savings by Design energy conservation program and will outperform the California Energy Code by 20 percent as required by University policy. The project will incorporate mandatory sustainable features outlined in the California Green Building Standards Code.

CEQA Compliance

UCLA has analyzed the environmental impacts of the proposed Project and recommends a finding that the Project is categorically exempt from the California Environmental Quality Act under Article 19, Section 15301, Class 1, Existing Facilities and Section 15332, Class 32, In-Fill Projects. Attachment 5 provides the analysis and justification for the recommendation.

Key to Acronyms

CEQA	California Environmental Quality Act
GSF	Gross-Square-Foot
ASF	Assignable-Square-Foot
MFA	Master of Fine Arts

ATTACHMENTS:

Attachment 1: Project Sources and Uses

Attachment 2: Comparable Project Information

Attachment 3: Summary of Financial Feasibility

Attachment 4: Alternatives Considered

Attachment 5: Environmental Impact Summary

Attachment 6: Project Graphics

**PROJECT SOURCES AND USES
WARNER GRADUATE ART STUDIO RENOVATION AND ADDITION
CCCI 6585**

PROJECT SOURCES

Source	Total	% of Total
Gifts	\$30,000,000	100.0
Total Sources	\$30,000,000	100.0

PROJECT USES

Category	Total	% of Total
Site Clearance	\$828,000	2.8
Building	\$19,588,000	65.3
Exterior Utilities	\$551,000	1.8
Site Development	\$875,000	2.9
A/E Fees[1]	\$2,169,000	7.2
Campus Administration[2]	\$970,000	3.2
Surveys, Tests, Plans	\$555,000	1.9
Special Items[3]	\$1,364,000	4.5
Capitalized Interest	\$1,100,000	3.7
Contingency	\$2,000,000	6.7
Total before Equipment	\$30,000,000	100.0
Group 2&3 Equipment	\$0	
Total Uses	\$30,000,000	

Project Statistics	Total
Gross-Square-Foot (GSF)	43,700
Assignable-Square-Foot (ASF)	29,700
Efficiency Ratio ASF/GSF	0.68
Building Cost/GSF	\$448
Project Cost/GSF	\$686

[1] A/E fees include the executive architect/engineer's basic services contract fee.

[2] Campus Administration includes project management and inspection.

[3] Special Items include: CEQA documentation, specialty consultants, hazardous materials survey and documentation, and agency fees.

COMPARABLE PROJECT INFORMATION

Construction Mid-Point	Project Name	GSF	Building Cost/GSF ¹
	Proposed Project	43,700	\$448
April 2011	Cal Arts - Arts Building Expansion	7,500	\$510

Cost Drivers

The proposed project includes design elements that respond to the unique program housed in this facility. Working artists' studios have space needs that are not replicated in other campus classrooms or labs. The project is comprised of two main components; the renovation of the existing artists' studios and the construction of new space.

The estimated building cost of the renovation (21,000 gsf) is \$310/gsf, and will upgrade the project from seismic Level IV ("Fair") to Level III ("Good") as well as replace major building and fire/life safety systems. This facility has not received significant upgrades since it was originally acquired and converted from a standard warehouse into artists' studios. As a result there is a significant need for life safety and building system upgrades including heating, ventilation, electrical systems, fire safety, and elevators.

The estimated building cost of the addition (18,500 gsf of new construction and 8,400 gsf of covered work yards counted at 50 percent) is \$576/gsf. It would be designed with durable materials to complement the existing studios and integrate with the character of the surrounding area. Similar to the existing building, the new interior space and covered work yards would include high-bay space. These large interior volumes are needed to facilitate the various workshops and art production areas and bring natural light into the building. The addition will conform to the L-shaped site area and abut the existing building on two sides. The exterior walls, roof, and related structural elements required to achieve these design criteria involve more materials and complex construction than those for a building with more typical office or warehouse functions, or one built with a more rectilinear shape.

¹ Comparable project has been adjusted to reflect the Project's CCCI of 6957.

SUMMARY OF FINANCIAL FEASIBILITY

LOS ANGELES CAMPUS	
Project Name	Warner Graduate Art Studio Renovation and Addition
Project ID	947265
Total Estimated Project Cost	\$30,000,000
Anticipated Interest During Construction (included in total estimated project cost)	\$1,100,000*

* A portion of the STIP earnings on the unspent gifts will offset the IDC cost.

PROPOSED SOURCES OF FUNDING ¹	
Gift Funds in Hand	\$1,500,000
Gifts Pledged - Standby Financing	\$19,500,000
Gifts to be Raised - Interim Financing	\$9,000,000
Total	\$30,000,000

SECTION I. Standby Financing

Approval for standby and/or interim financing is sought in order to bridge the timing difference between project expenditures and receipt of gift or other specified funds. Standby financing is requested for gifts (or other funds as specified below) pledged, but not yet in hand.

Information below is for standby financing related to gifts. The campus will provide periodic status reports on the gift campaign and collection.

CAMPAIGN SUMMARY	
Cash on Hand	\$1,500,000
Pledged Gifts	\$19,500,000
Secondary Repayment Source for Pledged Gifts	Campus Funds (specifically from a centrally managed pool of unrestricted funds (non-State, non-tuition))
Additional Gifts To be Raised	\$9,000,000
Total Approved Gift Campaign	\$30,000,000
Term of Standby Request (# of years)	7 years

SECTION II. Interim Financing

Interim financing is requested for gifts (or other specified funds) that have yet to be raised (not pledged and not in hand). Interim financing must demonstrate a back-up repayment source and be included in the campus' Debt Affordability Model assuming either a conversion of interim financing to long-term external financing or as a seven-year interim financing with level amortization. This project will not utilize external financing; it will be funded entirely from philanthropic gifts or back-stopped by campus reserves (specifically from a centrally managed pool of unrestricted funds (non-State, non-tuition) if the anticipated gifts are not realized. To the extent additional gifts are received as cash, the amount of interim financing will be reduced. To the extent additional gifts are received as documented pledges, the amount of interim financing will be converted to standby financing.

¹ Fund sources for external financing shall adhere to University policy on repayment of capital projects.

INTERIM FINANCING ASSUMPTIONS	
Interim Financing Amount	\$9,000,000
Anticipated Repayment Source	General Revenues of the Los Angeles campus
Anticipated Fund Source	Gift Funds for School of Arts and Architecture
Financial Feasibility Rate	4%
First Year of Repayment (e.g. FY 20XX)	2020
Term (e.g. 30 years; indicate if any years interest only)	7 Years
Final Maturity (e.g. FY 20xx)	2026
Estimated Average Annual Debt Service	\$1,500,000

Below are results of the financial feasibility analysis for the proposed project using the campus' Debt Affordability Model. The model includes projections of the campus' operations and planned financings. A new Debt Affordability Model with revised metrics was implemented August 1, 2015.

CAMPUS FINANCING BENCHMARKS			
Measure	10 Year Projections	Approval Threshold	Requirement
Modified Cash Flow Margin ¹	1.9% (min), 2025 (yr)	$\geq 0.0\%$	Must Meet
Debt Service to Operations ¹	3.9% (max), 2023 (yr)	$\leq 6.0\%$	Must Meet 1 of 2
Expendable Resources to Debt ¹	N/A	$\geq 1.00x$	

¹ Modified Cash Flow Margin, Debt Service to Operations, and Expendable Resources to Debt are campus metrics.

ALTERNATIVES CONSIDERED

Five project alternatives were considered: 1) a no project alternative; 2) renovation of existing facilities; 3) new construction; 4) sale of property; and 5) renovation and addition.

No Project: This alternative would not renovate the existing warehouse building and not construct an addition. While long-term maintenance investments would continue, the functional issues of the existing warehouse studio space would not be addressed. The graduate students would not benefit from new studio, lab, classroom, and exhibition spaces.

Renovation of Existing Facilities: This alternative would make incremental improvements to the existing warehouse and additions over time. While upgrades would improve the use of individual studios and labs, and the mechanical and ventilation systems could be repaired and updated, major improvements to address space and building system deficiencies would not be addressed. Existing lab functions would remain in improvised shed structures in the exterior yard.

New Construction: This alternative would clear the site and construct a new facility for the graduate art program on the property. Studies determined that this approach was not desirable due to cost benefits of retaining the shell structure of the warehouse, and the advantages of re-using this raw, unfinished, high-ceiling space with character defining bow-trusses as an appropriate creative environment for the making of art. Replacement of the warehouse would result in a total project cost exceeding the available financial resources committed to the project.

Sale of Property: This alternative would involve selling the property and relocating the graduate art program to a new location. This was not considered to be a viable alternative due to the donor's commitment to improving the existing facility for the graduate art program at the current location proximate to the leading-edge art, design, and technology community in Culver City's Hayden Tract. The sale of the property would result in the loss of the lead gift, and selling the property would not provide sufficient resources to purchase another property and permanently relocate the graduate art program to a new location. There is no location on campus that can accommodate the program's studios, shops, and exterior work yards. Additionally, private development would be subject to existing Culver City industrial zoning, which could limit the potential value of the site.

Renovation and Addition: The preferred option is renovate the existing warehouse building and construct a new addition of approximately 18,500 gsf that will provide additional studio, lab, classroom, and exhibition space. The overall utilization of the site would be optimized by the removal of obsolete building additions and construction of a covered and unenclosed area to provide functional outdoor space for the production of art and commons space for collaboration and social interactions on the exterior of the building. The site would be redeveloped consistent with underlying industrial zoning and the character of Culver City's emerging arts district.

ENVIRONMENTAL IMPACT SUMMARY

Environmental Review Process

In accordance with the California Environmental Quality Act (CEQA) Guidelines and University of California Procedures for Implementation of CEQA, a Categorical Exemption determination for the Warner Art Studio Renovation and Addition project is recommended.

Environmental Impacts

The proposed Warner Art Studio Renovation and Addition project is recommended to be determined to be Categorically Exempt under Article 19, Section 15301, Class 1, Existing Facilities because it consists of the restoration of deteriorated structures, facilities, and mechanical equipment to meet current standards of public health and safety; will construct an addition of less than 10,000 net new gsf, where all public services and facilities are available, and is located in an area that is not environmentally sensitive; adds safety and health protection devices; and demolishes individual accessory structures at an existing facility with negligible expansion of use beyond existing conditions.

The project also independently qualifies for a Categorical Exemption under Article 19, Section 15332, Class 32, In-fill Development Projects. The project is consistent with applicable general plan designations and applicable zoning (Industrial). The project is located within Culver City and is on a site of less than 5 acres (1.09 acres). The site is fully developed and provides no habitat for endangered, rare or threatened species and is currently adequately served by all required utilities and public services. Further approval of the project would not result in any significant and unavoidable impacts relating to traffic, noise, air or water.

In accordance with CEQA Section 15300.2, none of the following exceptions to a Categorical Exemption apply: the project is not located in a sensitive environment; the project is not located on a designated scenic highway, or hazardous waste site; and the project would not have a substantial adverse change in the significance of a historic resource or create a cumulative impact or a significant effect on the environment due to unusual circumstances.