

Capital Construction at OUS 2009 Legislative Session

Key Investments Stimulate Local Economies, Address Access and Sustainability

Oregon University System (OUS) campus buildings and property represent **50% of all state-owned facilities** and have a \$3.5 billion replacement value. The 2009-2011 Governor's Recommended Budget (GRB) for OUS Capital Construction proposes to make significant increases in key areas that will improve student access, protect and enhance the value of its existing facilities, and create much-needed jobs on OUS campuses and facilities statewide.

Key features of the GRB for Capital Construction include total investment of **\$980 million** for 36 projects, including facilities repair, deferred maintenance, and new projects at all campuses; this amount includes \$18 million in General Fund. This compares to \$761 million in 2007-2009. Specifics include:

- Funding current **capital repair** needs through an investment of **\$51.4 million** and making major investments of **\$103.8 million in deferred maintenance** projects that will allow OUS to remain current with capital repairs, code compliance and safety issues - including seismic upgrades. This investment is **estimated to reduce the \$670 million deferred maintenance backlog by \$70 million.**

Student and campus community access is compromised when deferred maintenance of OUS facilities results in closure of facilities. By combining sustainable building practices and the latest seismic safety technology, the state will be able to retain the investments made by prior generations of Oregonians. The OUS will realize cost savings in the projects by doing the deferred maintenance and seismic work together.

- Providing Article XI-G and lottery bonding authority of about **\$115 million** for university Priority 1 **capital projects**; and \$85 million for debt service on outstanding capital bonds are additional capital construction provisions in the GRB that address student access and quality academic programs and facilities.

Research completed by faculty and students on OUS campuses fuels the Oregon economy by producing the innovations which lead to commercial applications, new companies, jobs for Oregonians, and highly skilled graduates who help build a strong, diverse workforce. But many of the classrooms, laboratories and research facilities are in critical need of upgrades and/or expansion in order to facilitate the student learning and the research work critical to complement Oregon's economic strengths and its diverse industries.

Effect of State Stimulus Package

The Oregon Legislature approved in February 2009 an almost \$88 million stimulus investment in OUS capital repair and deferred maintenance as part of a larger state economic stimulus package. The 91 projects funded through Oregon Senate Bill 338 are on the 7 OUS campuses and in the Statewide Public Services. This infusion will provide almost 800 jobs and economic stimulus in every part of the state beginning immediately.

- **\$250 million** to create an **interinstitutional Life Sciences Collaborative Complex** in Portland's South Waterfront development area, which will provide an instruction and research facility for bioscience, medical device/diagnostics, medical and pharmacy faculty from Oregon Health & Science University, Portland State University, Oregon State University, University of Oregon, and Oregon Institute of Technology working collaboratively on life and bioscience issues with private sector partners.
- **Oregon Sustainability Center, located in Portland, would receive \$80 million** in bonding authority, and will promote collaboration between universities, nonprofit organization and the private sector to provide services, programs and information on sustainable initiatives and investments in renewable energy and other areas.
- A third initiative of **\$165 million would house a South Waterfront Corporate Complex**, a collaboration between the private sector and Oregon high schools, community colleges and universities in math, science, engineering, and alternative energy.
- **Four renewable energy projects would be funded at \$74.9 million**, including projects to: upgrade the power station utilizing waste gases at University of Oregon; expand geothermal energy plant at Oregon Institute of Technology in Klamath Falls; and demonstration projects at Oregon State University involving bio-fuels and wind power statewide. The intent is to meet the Governor's renewable energy goals while also creating facilities where theory and practical application can intersect. The projects would allow student and faculty researchers to develop and test new technologies, thereby increasing the competitiveness of the university system's renewable energy curriculum as well as increasing the value of the research, prior to commercialization.

Investments in Capital Projects Translate into Jobs across Oregon

Capital Projects at OUS campuses in the 2009-2011 GRB are estimated to provide almost 9,000 new on-site construction jobs in the building trades across the state (approximately 9 new jobs per \$1 million dollars of construction spending), and additional jobs from the stimulus of the local building on materials manufacturing, retail, hospitality and the like.

Green Building Design and Construction an Oregon Hallmark

Green building design and construction is becoming an integral part of OUS Capital Construction, and something for which the state is becoming nationally and internationally recognized for its leadership. The Governors Executive Order 06-02 established the policy for LEED silver equivalency for all state buildings constructed after 12/31/2006. All OUS projects must at minimum meet the 'Leadership in Energy & Environmental Design' (LEED) Silver guidelines, which promote buildings that significantly reduce or eliminate the negative impact of buildings on the environment and occupants in five broad areas: Sustainable site planning; safeguarding water and water efficiency; energy efficiency and renewable energy; conservation of materials and resources, and indoor environmental.



Oregon University System

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