OSU, Goss Stadium Expansion

The 2007-2009 Legislatively approved capital budget includes $4.5 million in an Other Funds project for the expansion of Goss Stadium on the Oregon State University campus. This project is 100 percent funded from donations. Since the approval of the capital budget, project costs have increased primarily due to the need to upgrade the electrical systems to power the new lighting and inflation. OSU has successfully raised the additional donations to cover these increased costs and now has $6.0 million of donated funds in hand to complete the entire project.

Normally, seeking authority for an increase in the expenditure limitation for a project completely funded by private funds would involve approval by the interim Legislative Emergency Board. However, no Emergency Board meetings have been scheduled during the Fall, making it impossible for OSU to gain what would otherwise be a routine legislative approval in time to enable the project to be completed by the 2008 baseball season.

As a result, OSU is seeking Board approval for the expanded project on the consent agenda in a manner that will not require legislative approval. The proposal includes segmenting the expansion into two parts – first and third baselines – and contracting with the OSU Foundation for completion of the third baseline while OSU simultaneously undertakes the expansion of the first baseline. As proposed, the project continues to be completely funded by private donations, has been competitively bid resulting in a particularly favorable bid to accomplish the full project, and can be completed in time for the 2008 season. In developing this proposal, OSU has been proactive and forthright in working with OUS staff, the Department of Administrative Services, and the co-chairs of the Ways and Means Committee and the Legislative Fiscal Office.

All parties involved in discussions regarding the project agree that, due to the lack of a timely Legislative Emergency Board venue, this is an acceptable means to accomplish the project within the desired schedule and budget. Delaying this project would result in approximately $200-300,000 in higher costs due to inflation, the need to restage the second portion of the construction project next summer, and the requirement to rent temporary bleachers during the 2008 season. Subject to the OUS Board’s approval, OSU and OUS will report to the interim joint Ways and Means committee at a meeting scheduled for October 18-19, 2007. This report will be delivered to a body substantially similar to the Emergency Board, although the interim Ways and Means committee lacks the authority normally vested in an Emergency Board.

Elements of the Proposal:
OSU seeks to divide the project into two pieces, with one $4.5 million piece to be completed directly by OSU and the remaining $1.5 million piece to be completed by the OSU Foundation. This structure will be accomplished through a lease from OSU to the OSU Foundation such that:
• OSU will renovate the first baseline in Goss Stadium and the other work inside the stadium building.

• For nominal consideration, OSU will lease to the OSU Foundation the area encompassing the third baseline for the sole purpose of contracting for and completing the renovation.

• The lease will provide that upon completion of construction, the property and the renovated improvements revert to OSU.

• By agreement with the Foundation, the work will be done by the same contractor doing the first baseline work, will be based on OSU specifications, and will be done pursuant to a contract substantially similar to the form of agreement OSU would use for the same work.

• Also by agreement with the Foundation, OSU will provide construction administration and project management services for the third baseline renovation.

• This arrangement is similar to the way the OSU Alumni Center was constructed.

Staff Recommendation to the Board:
Staff recommends Board approval of this lease between OSU and the OSU Foundation for the purpose of having the OSU Foundation renovate the third base side of Goss Stadium using $1.5 million in donated funds in accordance with the structure outlined above and subject to the report being made to the Legislative Ways and Means Committee on October 18-19, 2007.

(Board action required.)