OSU, Request for Technical Adjustment in the 2009-2011 Capital Budget

**Background:**
The Hatfield Marine Science Center in Newport has proposed a $22.8 million building to house the Marine Mammal Institute and Marine Genomics Program at the Hatfield Marine Science Center in Newport, Oregon.

NIST (National Institute of Standards and Technology) support for this project has been proposed in the amount of $13.8 million. OSU has been notified by NIST that its proposal is one step further along the route to direct funding without further competition, subject to several provisions and answers to a few outstanding questions. First, there has been added a provision on the "shovel readiness" of our project, meeting the recovery act provisions for rapidly creating jobs; this should not be a major concern. Second, they are asking whether there have been any changes in the amounts or source of the required cost-share. Most of the other items are largely administrative detail and forms.

OSU is proposing to use $9 million of deferred maintenance funds already designated for OSU Strand Hall to match the federal grant and is seeking Board support to authorize the Chancellor or designee to seek a technical adjustment to the 2009-2011 capital budget to obtain this match and to demonstrate the State’s commitment to this project.

**Proposed Changes:**
Currently, the Strand Hall deferred maintenance project is included in the Governor’s Recommended Budget as follows:
- Article XI-G Bonds $6,586,000
- Lottery Bonds 6,586,000
- SELP Loans 6,851,000
- COPs 4,847,000
- Total $24,870,000

OSU has requested the following change to the Strand Hall project that would free up $9 million in bonds, currently committed to Strand Hall in the Governor’s budget, to be used to match the NIST grant for the Marine Mammal and genomics Building:

Strand Hall:
- Article XI-G Bonds $0
- Lottery Bonds 4,172,000
- SELP Loans 6,851,000
- COPs 4,847,000
- Total $15,870,000
Marine Mammal and Genomics Building:
- Article XI-G Bonds $6,586,000
- Lottery Bonds 2,414,000
- Other Funds (Federal) $13,800,000
- Total $22,800,000

Staff Recommendation to the Board:
Staff recommends that the Board approve this request and authorize the Chancellor or designee to seek a technical adjustment to the proposed 2009-2011 capital budget to incorporate the changes as outlined above.

(Board action required.)