Finance and Administration Committee April 16, 2012

OUS 2013-15 CAPITAL CONSTRUCTION PROGRAM - DRAFT

EDUCATION AND ECONOMIC DEVELOPMENT

Alice Wiewel, Dir. Capital Planning and Construction, Oregon University System
Scope of Presentation

- OUS Facilities Summary
- Challenges
- 2013-23 Request Summary
- 2013-15 Capital Project Request
OUS Facilities Summary

- 1,020 Buildings
- +25 million gross Square Feet
- $7.4 billion replacement value
- Over 100,000 Students, Faculty & Staff
OUS Facilities Summary

- **OUS Building Functions**
  - Instruction, Administration & Research, 55%
  - Residence, 25%
  - Student Activities, 8%
  - Agriculture, 4%
  - Athletics, 4%
  - Parking Structures, 4%
Capital Program Priorities Measures

1. Master Plan (5pts)
2. Board Priorities (30pts *prev. 20pts*)
3. Cost Savings (10pts)
4. Critical Need (10pts)
5. Campus Priority (20pts *prev. 5pts*)
6. Finish What We Started (5pts)
7. Use of Leveraged Dollars (10pts *prev. 5pts*)
8. Sustainability (10pts)

- Total Possible = 100 pts
Roles in Capital Construction

**Campus Role:**
- Master Plan + Define projects
- Secure internal and OUS Board approval
- Deliver projects

**Chancellor’s Office Role:**
- 10-Year OUS Consolidated Capital Plan
- Due Diligence for current Biennium
- Prioritize requests for Board
- Submit Plan to Governor and Legislature
- Set up project financing

**Board Role**
- Review and Prioritize Projects
- Approve 10-Year Capital Plan
Challenges: Debt Capacity Limits

State of Oregon – bonds repaid with State General Fund revenues

- Debt burden State limit = 5%
- Today State = 5.025%

Debt Advisory Commission - 2013-15:

- General Fund debt capacity = $1.7B
- Lottery Fund debt capacity - $167M

Competition for Limited Funding
Challenges: 40-40-20 Goal to Reality – SB 253

40% with Bachelor’s
- Increase from 29%

Capital Need Drivers
- Grow enrollment
- Current E&G Gaps
- New Capacity
- Maintain Existing Capacity
Challenges: Existing Facility Conditions

- Average age of facilities 46 years
- $715 million Backlog of Renewal Projects (Deferred Maintenance)
- $600 million in seismic remediation needs (Cascadia Subduction Zone)
2013-2023 Capital Request Summary: All Projects

- 2013-2015
  - 40 Projects totaling $966M

- 2015-17
  - 47 Projects totaling $892M

- 2017-23
  - 65 Projects Totaling $1,800M
2013-2015 Capital Request Summary: All Projects

- 3 System Wide Programs -
  - Capital Renewal Projects
  - Student Building Fee Projects
  - Oregon Best

- 6 Deferred Maintenance E&G Projects

- 8 Auxiliary Projects
  - 5 New
  - 3 Additions + Renovations
  - 1 Acquisition

- 23 Education and General Projects
  - 10 New
  - 5 Acquisitions, Acquisition + Renovations
  - 8 Additions, Renovations + DM
System-wide Projects

- Capital Renewal, Code and Safety Projects
  - $75M Current need pool distributed to Campuses

- Student Building Fee Projects
  - $40M SBF debt pool distributed to Campuses

- 6 Deferred Maintenance E&G Projects
  - $108M Tier 1 Projects (Highest FCNI index)

- Oregon Best
### 2013-15 CP Request - Project List

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Project Type</th>
<th>Project Costs</th>
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</thead>
<tbody>
<tr>
<td>SBA</td>
<td>Addition/Renovation/DM</td>
<td>$50M</td>
</tr>
<tr>
<td>City Tower</td>
<td>Acquisition/Renovation</td>
<td>$26M</td>
</tr>
<tr>
<td>Land Acquisition (UCB)</td>
<td>Acquisition</td>
<td>$10M</td>
</tr>
<tr>
<td>Neuberger Hall</td>
<td>DM</td>
<td>$40M</td>
</tr>
<tr>
<td>East Hall</td>
<td>DM</td>
<td>$3.3M</td>
</tr>
<tr>
<td>Peter Stott Center</td>
<td>Addition/Renovation/DM</td>
<td>$38M</td>
</tr>
</tbody>
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- **TOTAL CAPITAL PROJECT REQUEST**: $167.3M
School of Business Administration
Addition & Building Renovation

New 42K square foot addition and major renovations and deferred maintenance to existing 106K sf SBA building (School of Education will be relocated).

Total Project Cost: $50M

Funding Sources:
- $25M XI-G, $14M Lottery,
- $1M SELP, $10M Gifts

Importance of project:
- Creates a fully dedicated SBA
- Provides capacity to serve 20%-30% more graduate & undergraduate students
- Adds 400 classroom seats & 4 center spaces
- Addresses over $24M in DM
City Tower Purchase and Tenant Improvement

Provides the authority to purchase of the City Tower from the City of Portland for approximately $20M (2010 appraised between $22.5M and $22.9M) and complete a $6M renovation to create academic space.

**Total Project Cost:** $26M

**Funding Sources:**
- $13M XI-G, $13M OUS Revenue Bonds

**Importance of project:**
- Provides 165,267 GSF for academic classroom and faculty offices
- Adds high quality asset strategically located for PSU’s growth
- Provides opportunity for gradual occupancy by PSU through lease back to existing tenants
Land Acquisition (UCB)

Provides the authority to purchase the land under University Center Building (currently leased).

Total Project Cost: $10M

Funding Sources: $10M XI-F

Importance of project:
- Saves PSU over $70K/year in the first 5 years & over $400K/year in subsequent years
- Provides control of land
- Strategic to PSU’s growth
238K sf deferred maintenance project to a prominent classroom and student services buildings. Includes upgrades to all major building systems.

**Total Project Cost:** $40M

**Funding Sources:**
- $19.55M XI-G, $19.55M Lottery,
- $.75M SELP, and $150K Other

**Importance of project:**
- Creates new space by improving underutilized areas
- Maintains a major academic asset in the center of campus
East Hall Historic Preservation and Modernization

29K sf deferred maintenance of a historic building. Includes the installation of a new elevator system.

Total Project Cost: $3.3M

Funding Sources:
- $1.65M XI-G, $1.65M Lottery

Importance of project:
- Serves growing International Studies student population
- Preserves an active historic building in the heart campus
- Provides ADA access to all building floors
Renovation and reuse of approximately 20K sf of existing athletic facility for academic use, addition of a new 4000-5000 seat arena, and DM to the existing 202K sf building.

**Total Project Cost:** $38M

**Funding Sources:** $15M XI-G, $2M XI-F, $21M Gifts

**Importance of project:**
- Provides new academic space
- Maintains critical PSU community asset
- Addresses over $10M in DM
- Provides new large campus venue
Oregon BEST – OUS Capital Request

David Kenney, Oregon BEST
April 16, 2012
Past capital investments

In 2005, Oregon Legislature approved $20 million in capital to support development of three ONAMI-affiliated lab facilities at UO, OSU and PSU.

Oregon BEST has carved ~$2 million out of our Oregon InC operating funds during previous biennia (’07-’09 and ‘09-’11) to develop a network of 7 labs, but they represent a very small capability compared with the potential that exists.

This proposal aims to build the infrastructure that will help Oregon BEST achieve some of the same university research & commercialization success that ONAMI has had and that would serve our 200+ member faculty.
Four capital investments that would build on Oregon BEST university partner capabilities & industry demand

Concept #1: Green Building Materials Characterization, Processing, Fabrication & Test Facility
Concept #2: Bioenergy Center
Concept #3: Grid Connectivity Test Center
Concept #4: Solar PV Development, Characterization & Test Facility
Technology Center- Phase 1
(Live and Learn Center)

- Area of highest concern for EOU stakeholders
- Increasing online student enrollment
- Internal Audit Compliance
- Availability/Security

Funding Sources:
- XI-G Bonds – 50%
- Lottery Bonds – 43%
- SELP – 7%

Total Project Cost: $ 20,000,000
Live and Learn Center Phase 2 - Housing

- Replace the outdated and partially defunct Hunt Hall
- Replace 100 displaced student beds and add 50 additional student beds
- Relocate data center in above-grade location to prevent flood damage
- Provide new multi-purpose technology-rich classrooms
- Provide a new, energy efficient, affordable and safe residence hall

Funding Source: XI-F Bonds 100%

**Total Project Cost:**

$9,000,000.
Inlow Hall Renovation – Phase II

- Improve seismic safety for students, faculty and staff
- Improve energy efficiency and thermal comfort
- Improve access to essential student services and EOU administration
- Preserve historic integrity of the building as a campus, local, state and national asset

Funding Sources: XI-G Bonds 45%, Lottery Bonds 45%, SELP 10%

Total Project Cost: $3,861,880
Engineering and Technology Laboratory
Building Modernization

Major Renovation of Cornett Hall Ensures:

- Oregon Renewable Energy Center
  - Mission: Engage in renewable energy systems engineering and applied research
  - Interdisciplinary Lab Space for College of Engineering Technology and Management departments
  - Sponsored Projects with Industry

Proposed Cost & Funding Sources:

- Estimated Cost to Renovate: $25 million
- Potential Funding Sources = Lottery Funds: $11M; SELP Loans: $1.5M; Xi-G Bonds: $6.25M; Donations: $6.25M
Wilsonville Campus

Purchase Price & Funding (Purchase Date January 2013)

- Purchase Price $21,500,000
- Related Costs $8,500,000
- **TOTAL** $30,000,000

Revised Funding Sources

- IX-F Bonds $10,000,000
- East Campus Sale Delayed
- Other Funds Delayed
- Lottery Bonds $20,000,000
- **TOTAL** $30,000,000

<$250/ft^2
✓ 500+ Parking
✓ 6+ Acres
✓ Silver Leed
✓ I-5 Visibility

Academic Programs

Clinical Laboratory Science w/OHSU; Electronics Engineering Technology; Information Technology; Manufacturing Engineering Technology; Mechanical Engineering Technology; Operations Management; Paramedic Program; Renewable Energy Engineering; Software Engineering Technology
Classroom Building Project Summary

- **Sponsor**
  - University Administration

- **Scope**
  - Provide general purpose classrooms of various sizes to meet growing enrollment needs, new home for Honors College and Testing Center for Disability Access Center

- **Size**
  - 130,000 square feet

- **Cost**
  - $65,000,000

- **Funding Sources**
  - 50% XI-G, 50% OUS Rev
Chemical, Biological and Environmental Engineering Building Project Summary

- **Sponsor**
  - College of Engineering

- **Scope**
  - Consolidation and expansion for CBEE program

- **Size**
  - 60,000 square feet

- **Cost**
  - $35,000,000

- **Funding Sources**
  - 50% XI-G, 50% Gift
Center for Clean Energy and Green Materials Project Summary

- **Sponsor**
  - College of Engineering and College of Science

- **Scope**
  - Technology incubator for teaching and research that encourages collaborative efforts on campus and with the private sector related to materials science, microfluidic systems, computational simulation and energy storage and transmission relevant to the development of clean energy and green materials for energy.

- **Size**
  - 110,000 square feet

- **Cost**
  - $75,000,000

- **Funding Sources**
  - 50% XI-G, 50% Gift
Cascades Campus Expansion
Project Summary

- **Sponsor**
  - University Administration

- **Scope**
  - Purchase and renovation of 5 buildings for development of branch campus in central Oregon.

- **Size**
  - 87,883 square feet

- **Cost**
  - $21,600,000

- **Funding Sources**
  - 67% Lottery, 33% XI-F
Housing and Dining Services
Facilities Upgrades Project Summary

- **Sponsor**
  - University Housing and Dining

- **Scope**
  - Installation of new windows and sprinkler systems in 5 residence halls.

- **Size**
  - 348,000 square feet

- **Cost**
  - $9,500,000

- **Funding Sources**
  - 100% XI-F
Modular Data Center Facilities
Project Summary

- **Sponsor**
  - Information Services

- **Scope**
  - Add data center space throughout campus to support the growing number of computers and complex computational analysis for research, instructional and administrative purposes.

- **Size**
  - 5,000 square feet

- **Cost**
  - $7,000,000

- **Funding Sources**
  - 100% Q-bonds
Underground Communications Infrastructure
Project Summary

- **Sponsor**
  - Information Services

- **Scope**
  - Expand underground cable, copper and fiber-optic network and electronics throughout campus to ensure adequate availability and capacity for internet and other communications systems to support research, instructional and administrative activities.

- **Size**
  - 7,700+ linear feet

- **Cost**
  - $10,000,000

- **Funding Sources**
  - 100% Q bonds
Fairbanks Hall Major Deferred Maintenance Project Summary

- **Sponsor**
  - University Administration

- **Scope**
  - Major deferred maintenance of 4 story wood frame structure including seismic, energy and ADA code compliance.

- **Size**
  - 37,946 square feet

- **Cost**
  - $8,000,000

- **Funding Sources**
  - 100% Tier 1 Deferred Maintenance
SOU Co-Generation Project

- $6 – 12M
- Biomass vs natural gas
- 50% G-Bonds
- 50% Lottery Bonds
SOU Theatre Project

- $5.5M G-Bond Match
- Lottery Bonds
McNeal Hall DM & Seismic Renovation

- $15.875M
- 50% G- Bonds, 50% Lottery Bonds
Straub & Earl Halls
Classrooms Expansion

- Helps address critical classroom needs
  - Provides 1,000 new classroom seats in the academic center of campus
  - Adds large (550 seat) lecture hall
  - Allows renovation of existing 550 seat hall

- Supports enrollment growth

- Speeds graduation rates

- Aids retention

- Funding
  - $11,000,000 G-bonds, $11,000,000 gifts

Classroom learning is at the heart of the higher education experience
Chapman Hall Renovation
Seismic Update & Deferred Maintenance

- Strengthens and expands Honors College opportunities for top students (av GPA: 3.9)
- Supports the recruitment and retention of high achieving students
- Repairs aging building (36% ‘worn out’)
- Provides affordable high-level academic option for Oregonians

Funding

- $2,750,000 g-bonds, $2,750,000 gifts, $4,500,000 lottery bonds
- $1,100,000 gifts/grants in hand

This project will create an appropriate home for the University’s Clark Honors College
Science Library Expansion & Remodel

- Enhances access to information in physical and life sciences
- Expands services related to digital media
  - Creates Digital Commons, Visualization Labs, and other spaces for collecting, analyzing, and displaying data
- Supports interdisciplinary research
- Improves recruitment and retention of students and faculty

**Funding**

$7,875,000 g-bonds, $7,875,500 gifts
Global Studies Building

- Creates critical capacity in classrooms and offices
- Speeds graduation rate
- Supports language mastery
- Creates synergies between internationally focused research centers
- Creates focus for international education
- Attracts diverse students

- Funding
  - $8,500,000 g-bonds, $8,500,000 gifts/grants

Serves Oregonians studying world cultures, the global economy, and international affairs.
Supports cross disciplinary research and learning
Begins to reunite School in one location
Creates capacity in classrooms, offices, labs/studios
Speeds graduation rate
Supports enrollment growth in high-demand majors
Supports ongoing visionary programs
  Sustainable Cities
  Product Design
  Non-profit management

Funding
$25,000,000 g-bonds, $25,000,000 gifts

98 years ago the School was founded on the then radical idea of cross disciplinary collaboration.
Condon Hall
Seismic Upgrade & Deferred Maintenance

- Building is highest need, ranks ‘very poor’
- Significant historic building in Academic Center
- Improves retention and recruitment of faculty and students
- Creates greater operational efficiencies
- Supports ongoing research in Geography and Anthropology

- **Funding**
  $15,250,000 lottery bonds or other state funds
Huestis Hall, Second Floor Renovation

- Modernizes 40 year old life science research labs
- Significantly increases capacity for research and graduate education
- Supports cross disciplinary research and learning
- Repairs dilapidated systems, addresses seismic issues

**Funding**
$3,625,000 g-bonds, $3,625,000 gifts
Supports 75 year old institution

Serves state-wide research and learning communities

Continues 2006 master plan

- Consolidates scattered activities, frees up space for other uses
- Promotes cross disciplinary research

Funding

$2,000,000 g-bonds, $5,250,000 gifts
Student Recreation Center Expansion & Renovation

- Addresses severe overcrowding due to enrollment growth

- Adds significantly to capacity for physical educational offerings

- Supports Healthy Campus Initiatives

- Increases retention and benefits recruitment

- Speeds graduation rate

- **Funding**
  - $50,250,000 f-bonds
University Housing Expansion

- Addresses capacity needed to retain status as Residential Campus
- Creates ‘surge space’ for renovation of existing aging stock.
- Supports recruitment and enhances retention
- Speeds graduation rate

**Funding**
$84,750,000 f-bonds
College of Education Facility

The proposed COE building remains WOU’s top capital priority from the 2011 Camus Master Plan & is strategically aligned with the core mission of the University

- 57,000 square foot building provides a consolidated and modern location for the College of Education.
- Enhances nationally acclaimed teacher education programs, Oregon PK-12 partnerships, and advances programs focused on achieving 40-40-20 goals.
- Allows WOU to begin addressing a backlog of campus wide deferred maintenance and seismic upgrades, which require buildings to be entirely vacated.
- Estimated Total Cost - $17M. 2013-15 funding request as follows:
  - XI-G Bonds: $8.5 Million
  - Lottery Bonds: $7.0 Million
  - Other Funds: $1.5 Million
Revise based on Friday’s DAS
Instructions for Next Steps

- Preliminary Prioritization
- Admin Council Presentation May 5th
- F+A Committee May 11th
- OUS Draft Budget Submission June 1st
- Comments returned July/August
- Full Submission September 1st