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Eastern Oregon University  
Portland State University  
Oregon Institute of Technology  
Oregon State University  
Southern Oregon University  
University of Oregon  
Western Oregon University

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Oregon **TECH**



# Building Opportunity for Oregon Students

**O** Public University Capital Construction

Joint Ways and Means Subcommittee on  
Capital Construction

May 3, 2019



Oregon **TECH**

# Presenters

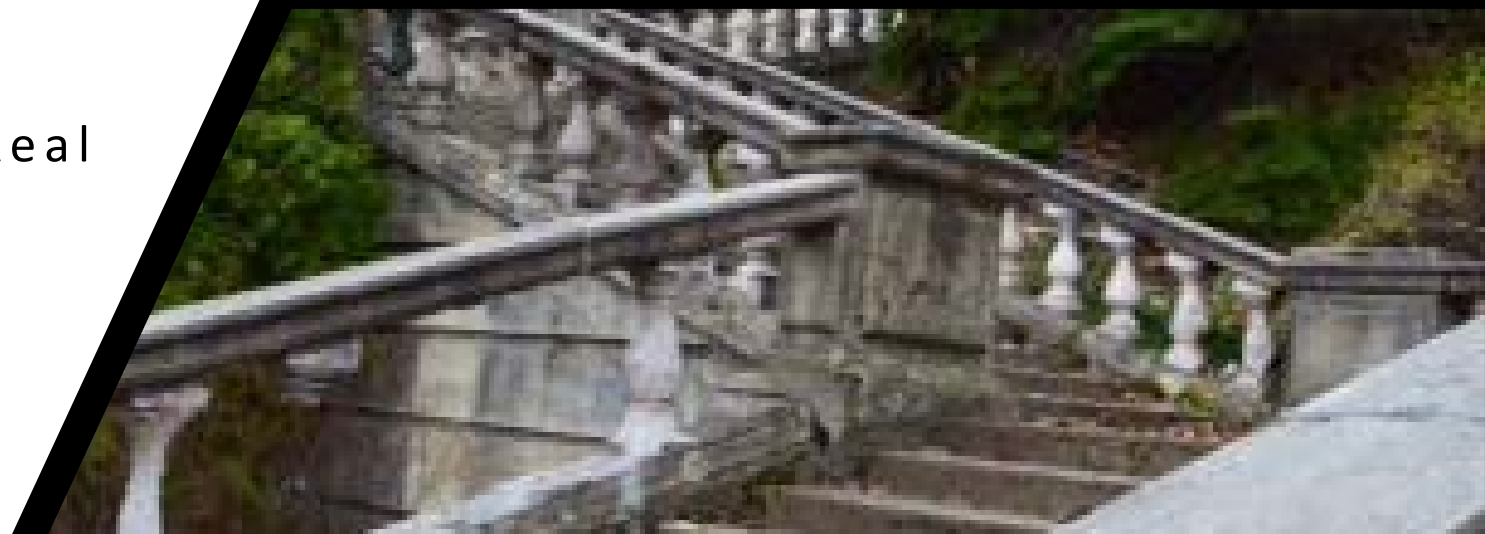


## Ana Karaman

- Vice President of Finance and Administration
- Western Oregon University

## Dan Zalkow

- Associate Vice President for Planning, Construction, and Real Estate
- Portland State University



# University Campus Planning



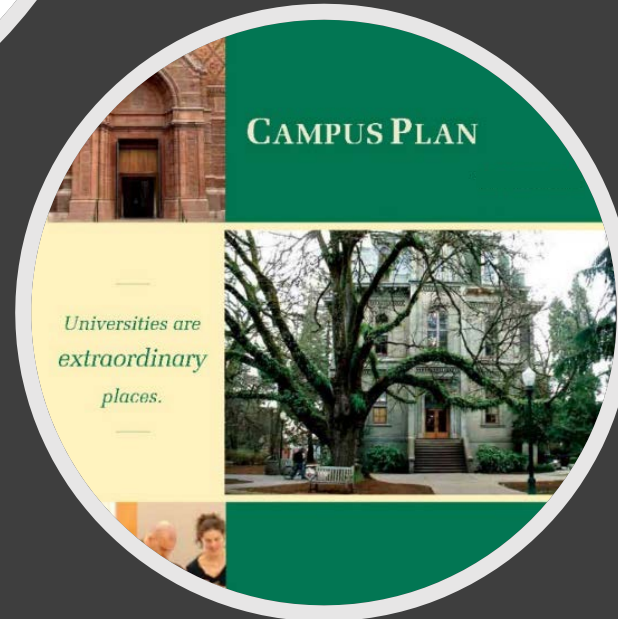
**OREGON STATE**  
U n i v e r s i t y

CAMPUS MASTER PLAN



# Strategic Planning

- Different planning processes
- Dynamic environment on campuses
- Internal and external stakeholders
- Local and state requirements
- Campus initiatives (e.g. sustainability, retention, accessibility, equity and diversity)



PORTLAND STATE UNIVERSITY  
University District Framework Plan



JUNE  
Portland



# Strategic Planning

## PSU Example

	Adds Space?	General Pool Classrooms	Research Space Created	Promotes Student Success	Addresses Programmatic Needs	Recruitment/ Retention	Addresses DM	Improves Accessibility	Helps Consolidate or Align Units	Improves Adaptability	Improves Space Efficiently
	Y	M	M	H	H	M	H	H	H	M	M
	Y	M	L	H	H	H	H	H	H	H	H
	N	L	L	M	M	M	L	L	L	M	L
N	Y	M	M	H	H	H	L	L	H	M	

- Two-year planning cycle
- Campus Planning Office analysis
- Deferred maintenance backlog (list of 600 items in 50 buildings)
- Stakeholder interviews
- Other funding opportunities (e.g. grants, philanthropy)
- External partnerships
- Capital Advisory Committee
- Project Prioritization
- President and Board of Trustees
- Integration with HECC



# Types of Bonds

- **Article XI-G Bonds**
  - Must be used only on buildings, structures, land, and projects to benefit higher education
  - **Funds issued must be matched**
- **Article XI-Q Bonds**
  - Must be used to acquire, construct, remodel, repair, equip, or furnish property owned or operated by the State of Oregon
- **Article XI-F Bonds**
  - Must be used to acquire, construct, remodel, repair, equip, or furnish property to benefit Higher Education. The receiving institution must demonstrate the ability to **repay the bonds**

# Share of State Assets at Public Universities



# State Agencies

29.2M GSF

Owned and Leased



# Higher Education

28.8M GSF

Owned and Leased



# Judicial/Legislative

450K GSF

Owned and Leased



Source: Department of Administrative Services, Presentation to Joint Ways and Means Subcommittee on Capital Construction, 2017





## Decade of Investment (2009-2019)

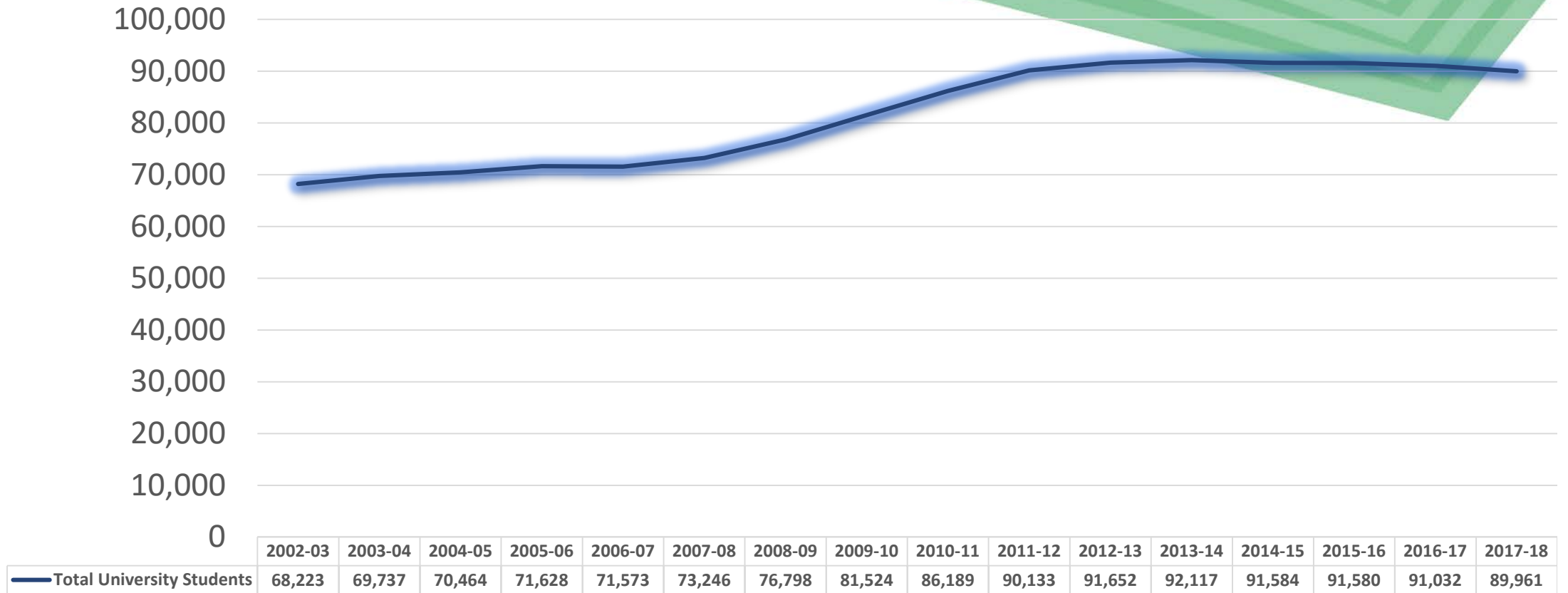
- \$824 million in university capital construction
- \$462.5 million in matching funds
- 13,890 jobs created
- 4.5 million new gross square feet of LEED certified space
- \$690 million in reduced deferred maintenance backlog



# Enrollments Have Levelled Off Since A Sharp Increase During the Recession



Total University Students



Source: Higher Education Coordinating Commission, 2019

# Capital Improvement & Renewal





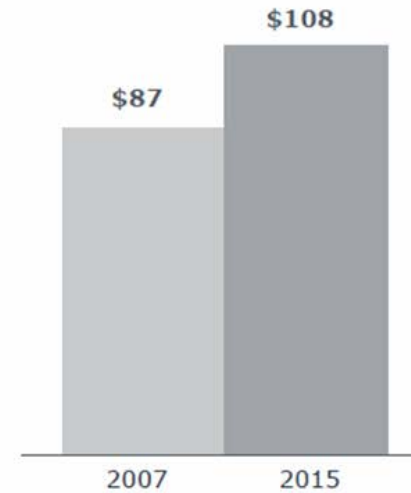
Capital Improvement and Renewal

### Capital Improvement and Renewal

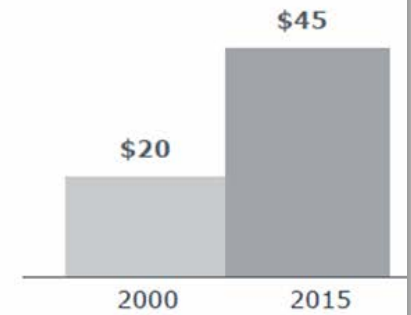
*U.S. Private Institutions*



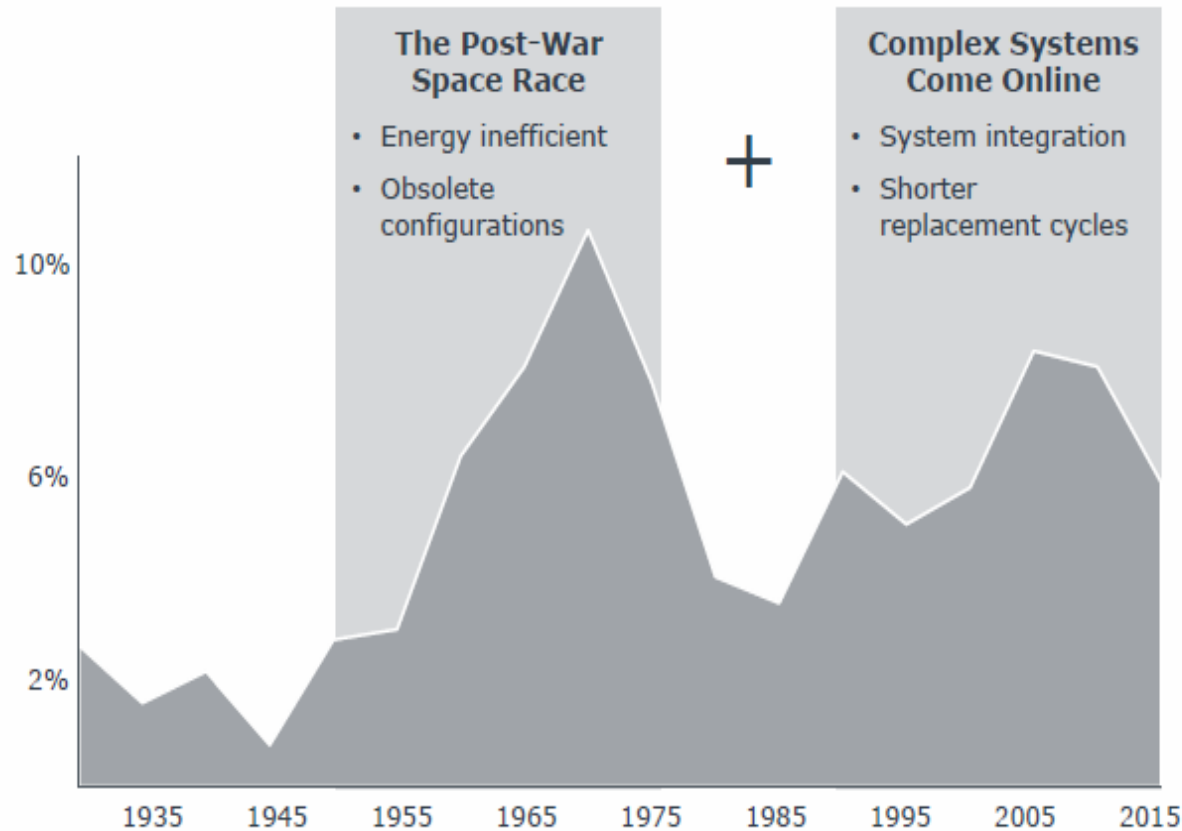
*U.S. Public Institutions*



*Canadian Institutions*



Percentage of Total Higher Ed Space by Year of Construction  
*National Trends*



**Crisis in  
Capital  
Improvement  
and Renewal  
Backlog**

## Capital Improvement and Renewal

- Total Operating Funding
- Balancing Requirements with Cost
- Policy
- Age and Condition
- Efficiency



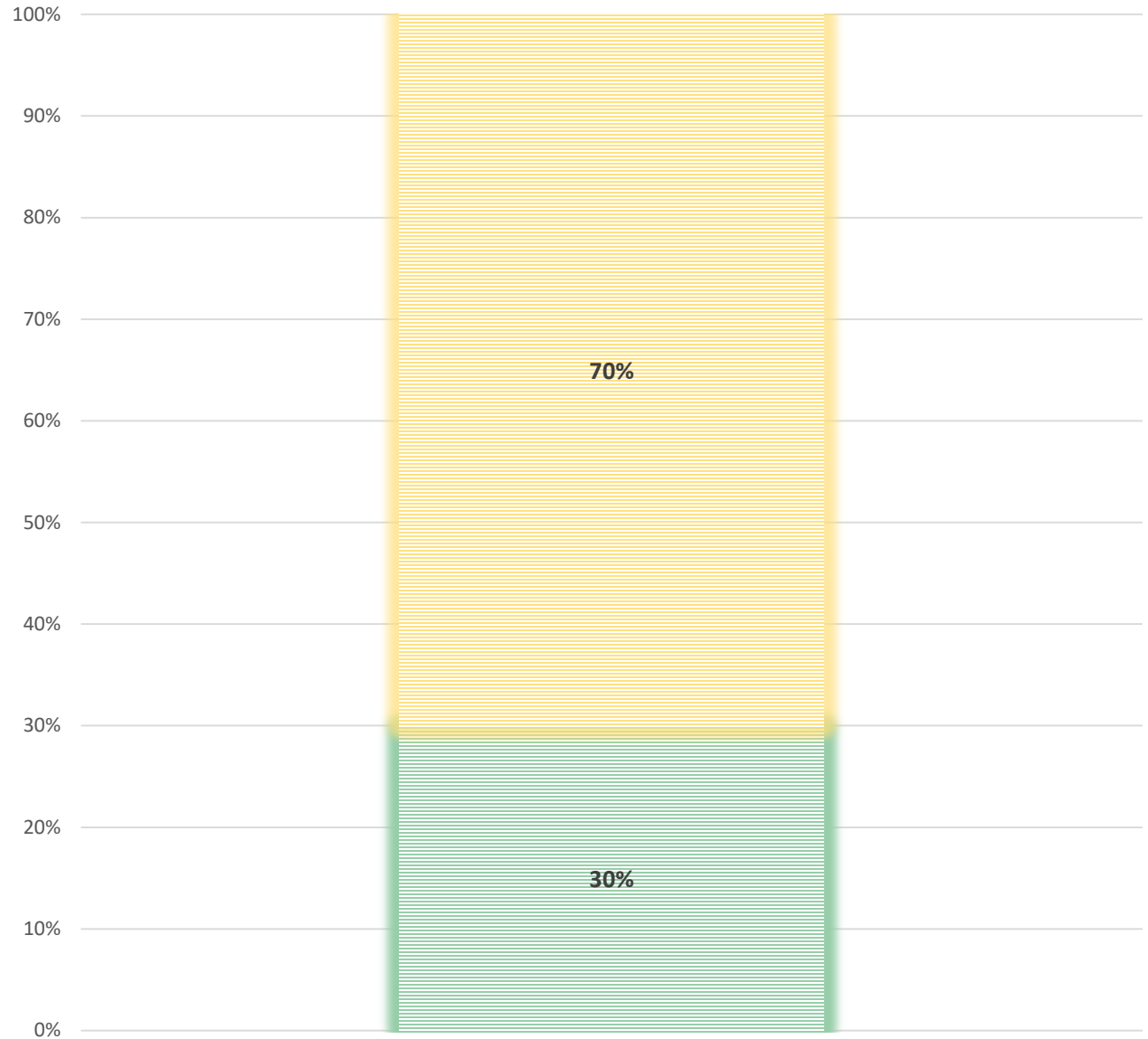


# Aging Facilities

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70% of Oregon Public  
University E&G Buildings  
are > 25 years old

Oregon Public Universities  
E&G Buildings 25 years and older vs Buildings under 25 years

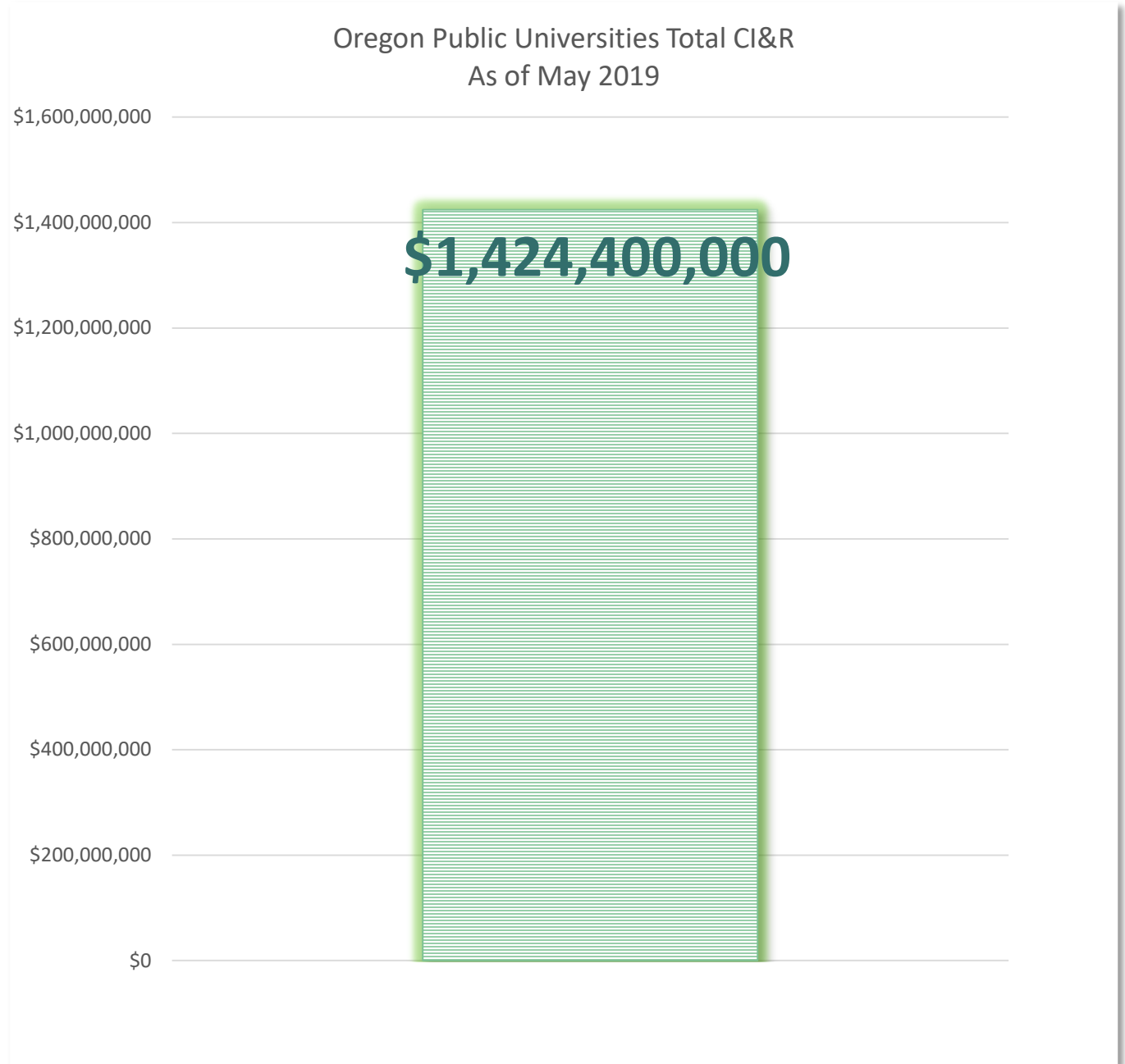




# Capital Improvement and Renewal

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Over \$1.4 Billion in Capital  
Improvement and Renewal



Source: Higher Education Coordinating Commission, 2019

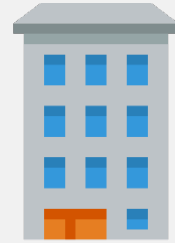


\$65 Million

for Capital

Improvement and

Renewal



Capital improvement and renewals, compliance with building codes, safety and security improvements, accessibility improvements, and academic space modernization.

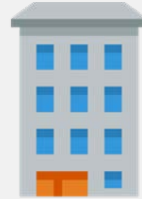


This funding provides universities the opportunity to upgrade building systems and reduce operational costs, reduce a building's environmental footprint, and reduce the significant backlog of deferred maintenance.





Reserve up to  
\$300 Million for  
2020



The HECC has approved nearly \$300 Million in Capital Projects for this biennium in addition to CI&R.



Growing and maintaining capital infrastructure benefits students, families, and the state.

**PRIORITIZED 2019-21 PUBLIC UNIVERSITY CAPITAL PROJECT REQUESTS**

Institution	Project	HECC Rubric Score	State-Paid Debt			Campus Match		Project Total - All Funding
			XI-G	XI-Q	Project Total	Gifts/Other	Project Total	
All	Capital Improvement & Renewal	N/A	\$ -	\$ 65,000,000	\$ 65,000,000	\$ -	\$ -	\$ 65,000,000
OSU	Cordley Hall Renovation, Phase II	75.14	\$ 28,000,000	\$ -	\$ 28,000,000	\$ 28,000,000	\$ 28,000,000	\$ 56,000,000
OIT	Boivin Hall Rehabilitation	74.00	\$ 1,760,000	\$ 15,840,000	\$ 17,600,000	\$ 1,760,000	\$ 1,760,000	\$ 19,360,000
WOU	Student Success Center	72.00	\$ 2,000,000	\$ 10,000,000	\$ 12,000,000	\$ 3,000,000	\$ 3,000,000	\$ 15,000,000
UO	Huestis Hall Deferred Maintenance	71.22	\$ 6,000,000	\$ 48,000,000	\$ 54,000,000	\$ 6,000,000	\$ 6,000,000	\$ 60,000,000
OSU	Arts and Education Complex	69.14	\$ 35,000,000	\$ -	\$ 35,000,000	\$ 35,000,000	\$ 35,000,000	\$ 70,000,000
EOU	Inlow Hall Renovation, Phase II	69.00	\$ -	\$ 9,500,000	\$ 9,500,000	\$ -	\$ -	\$ 9,500,000
PSU	SB1 Renovation & Expansion	67.29	\$ 10,000,000	\$ 63,000,000	\$ 73,000,000	\$ 10,000,000	\$ 10,000,000	\$ 83,000,000
WOU	Physical Education Building Addition & Remodel	66.33	\$ 3,000,000	\$ 9,000,000	\$ 12,000,000	\$ 3,000,000	\$ 3,000,000	\$ 15,000,000
SOU	Music Hall - Mechanical & ADA	61.00	\$ -	\$ 8,000,000	\$ 8,000,000	\$ -	\$ -	\$ 8,000,000
OSU-CC	Student Success Center	60.00	\$ 5,000,000	\$ 7,000,000	\$ 12,000,000	\$ 5,000,000	\$ 5,000,000	\$ 17,000,000
SOU	Britt Hall - Mechanical	57.00	\$ -	\$ 4,000,000	\$ 4,000,000	\$ -	\$ -	\$ 4,000,000
SOU	Cascade Hall Demolition	45.00	\$ -	\$ 2,500,000	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000
EOU	Inlow Hall Grand Staircase Replacement	43.00	\$ -	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000
OSU-CC	Land Development	38.91	\$ -	\$ 17,500,000	\$ 17,500,000	\$ -	\$ -	\$ 17,500,000
<b>Average/Total:</b>		<b>62.07</b>	<b>\$ 90,760,000</b>	<b>\$ 262,340,000</b>	<b>\$ 353,100,000</b>	<b>\$ 91,760,000</b>	<b>\$ 91,760,000</b>	<b>\$ 444,860,000</b>



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# Thank You

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Questions? Contact:  
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