

Oregon's Public Universities

Emergency Capital Request

Oregon's seven public universities request legislative support for the emergency capital projects summarized below.

The universities worked with the Higher Education Coordinating Commission (HECC) through the fall of 2015 to identify projects that meet the criteria established by the Governor's Office and the HECC of emergency in nature or which require technical adjustments to previously approved projects.

Scope Changes

Portland State University

During the 2015 session, the Legislature authorized issuance of \$53.68M of Article IX-F Bonds for PSU to purchase the Broadway Housing Project. The debt service for these bonds is paid with PSU revenues and not the state's general fund. PSU now seeks an adjustment to the authorization. The total will remain \$53.68M, but the authorization will include authority to also purchase the Portland State University Business Accelerator. Both of these properties are currently leased by the university and purchasing the buildings will reduce overall costs.



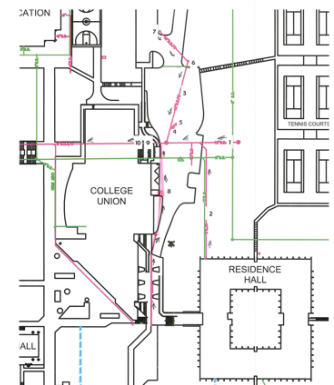
New Projects

Oregon Institute of Technology

North Utility Corridor and Storm Drainage Project.

Oregon Tech is requesting \$5.0M in XI-Q bonding authority, not inclusive of bond issuance costs. Oregon Tech suffered significant, imminent life-safety infrastructure failures within the past 60 days around its College Union building relating to water drainage and electrical systems. The two separate incidents are affecting critical student services facilities involving the 1) North Utility Corridor Electrical Supply Feed, and 2) College Union Building Storm Drainage System.

The North Utility Corridor that provides electricity from Oregon Tech's solar field experienced a power failure. This power failure necessitated the immediate closure of the College Union, which serves as a student support hub and kitchen for students living on campus. The College Union Storm Drainage System lies directly below the Campus Union Building. In October 2015, the drainage system was compromised and exposed, leading to the discovery that the drainage system is severely corroded and



contains voids. The severity of the engineering findings necessitate immediate action or we risk major disruptions to educational programs, greater future damage costs, campus closures, and serious injury.

Southern Oregon University

SOU/Jefferson Public Radio Addition

SOU is requesting \$1.5M XI-F authority for an addition to SOU's theatre building to house Jefferson Public Radio's production studios. The total cost of the JPR studio addition is \$2.5 million. \$1 million has been raised for this project by the JPR Foundation, a non-profit support group established in 1998 as an affiliate SOU foundation to support JPR's public service mission. The remainder of the funding needed to complete the project is included in this bond financing request. The JPR Foundation passed a resolution at its December 11, 2015 meeting to cover all debt service payments, including bond issuance costs, assumed by SOU for this project.



SOU McNeal Hall Building Project

SOU is seeking support for an additional \$2M allocation of XI-Q bonds for SOU McNeal Hall Building Project. This SOU project has the full support of all seven university presidents. The project was brought forward in February 2014 for emergency funding and approved as follows: *McNeal Hall deferred maintenance and seismic upgrades: approved \$21.3M of Article XI-Q bonds to remedy failing structural steel columns and concrete walls, address fire and HVAC deficiencies, replace and upgrade external and internal systems, fixtures, and other building components. Debt service on the Article XI-Q bonds will be paid with General Fund.*

When the project got underway, it was determined by architects/engineers that due to the deteriorating concrete walls and further code compliance needs that were previously unknown, the building would need to be torn down and completely rebuilt. The additional allocation is urgently needed at this time as the building remains unsafe as it stands; and the University has a sensitive construction timeline to ensure completion by Fall 2017.

Action Requested

The following statutory changes are needed to take the actions requested by the Oregon Public

Universities: Amend Chapter Law 685 Section(1)(9)(a)(B) to allow the Broadway Housing Purchase project to be reduced to \$48.5M in XI-F authorization.

Include the following projects in the 2016 Session bond bill:

- **PSU** – 2828 Corbett Building Purchase project be approved for \$5.1M in XI-F authorization.
- **OIT** – North Utility Corridor and Storm Drainage Project be approved at \$5.0M in XI-Q authorization of state paid debt. This XI-Q authorization would be state funded debt service.
- **SOU** - SOU/Jefferson Public Radio Addition project be approved at \$1.5M in XI-F authorization.
- **SOU** – SOU McNeal Building project be approved for an additional \$2M in XI-Q bond authorization of state paid debt. This additional authorization would be state funded debt service.

For more information

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