



February 23rd, 2018

TO: Joint Ways and Means Subcommittee on Capital Construction
FROM: Kevin Figueroa, OSA Legislative Associate
SUBJECT: EOU, SOU, UO, and OSU – Cascade Capital Investment Request

Co-Chair Girod, Co-Chair Holvey and members of the Committee:

The Oregon Student Association strongly encourage to move along with Capital Investments for universities as it will create many benefits for the future. These universities will put in demand for Cross Laminated Timber, an engineered wood building system designed to complement light and heavy framing options, which will provide stability, strength, and rigidity that will make it a viable alternative to concrete, masonry, and steel.

Internationally, it has propelled wood construction to new heights with more than 20 years of research to offer structural simplicity needed for cost-effective projects with some benefits that include design versatility, rapid installation, reduced waste, lighter weight (compared to concrete), and energy efficient. In using this timber, it will not rely on “perfect” or large logs and use smaller trees from forest restoration and fire hazard reduction projects. Expanding these opportunities will create demands for smaller logs which can be used as a means to manage forests and restore fire-adapted ecosystems.

University of Oregon will begin the project in spring of 2018 and scheduled to open early in 2020. With a minimum of 20,000 board feet in the building to be included in the public facing spaces to be showcased in one of the highest profile buildings in Oregon. The order will immediately create demand for the industry. The impact expected will bring in \$176 million in total economic output in the regional area, 1,300 jobs supported and \$70 million in labor income. Annual Operating impact will generate \$79 million total output with 750 full time jobs along with \$45 million in labor income. The fiscal impacts will include \$11 million of state and local tax revenue supported during peak construction and \$7 million in state and local taxes after ramp-up.

OSU-Cascades is committed to creating buildings that include technologies and materials developed and manufactured in Oregon and the PNW. Use of regional wood products would give aesthetic applications while supporting rural economic development initiatives in central and eastern Oregon and local mills. The impact being brought along includes \$197.8 million statewide with 2,083 jobs bringing in an additional \$3.43 million annual state income taxes. Along with this, there are rural challenges that will become overcome as the region lags behind the rest of Oregon in higher-educational attainment. A 2016 study by the American Council on Education shows most freshman students who attend a public university do so within 50 miles of home. OSU-

Ricardo Lujan Valerio | Legislative Director
TEL: 503.286.0447 | CELL: 760.810.2121 | FAX: 503.286.0924
635 NE Dekum St., Portland, OR 97211
ricardo@orstudents.org

Cascades then become a critical part for serving Central Oregon's rural families. Without the additional capacity, OSU-Cascades will be unable to serve these students, and most are unlikely to attend another university. As their student body demographics show that they have many underserved students where 67% are central Oregonians and one-third are first generation college students.

Eastern Oregon University will use a minimum level of 80,000 board feet of timber products which will constitute a significant construction methodology used in the building. For rural regions like EO that are deeply connected to the natural resources economy, utilization of laminated beams and CLT show a commitment to further communities and new opportunities for economic development. The field house will provide a significant economic impact for the entire rural eastern Oregon region. There are simply no other venue of this capacity within hundreds of miles from the university. It will come to support a variety of events from K-12 schools, community access, intercollegiate events, statewide or national athletic play offs for both high schools and universities, etc. Conferences, concerts, and tradeshow will also be granted access to further bring benefits economically to local communities. The targeted start date would be fall 2019 with an estimated of 120 jobs created through construction.

Lastly, Southern Oregon University is in dire need of a new boilers for their facilities. The current boilers have exceeded their life expectancy of 25 years. An evaluation from Evergreen Engineering, Inc. indicated the imminent failure of the boilers and recommends replacement measures. Southern Oregon University has a total of four boilers. This project would only target the 47-year-old and 52-year-old boilers. The other two were replaced in 2008. In addition to the age of the failing boilers, the systems they operate on are outdated and cannot perform at an adequate capacity. This 2.8 million dollar project would allow this institution to further develop its facilities and provide outstanding learning environments for its students. The cost-saving analysis of this project is estimated to be over \$90,000 a year.

Again, OSA strongly recommend the approval for this investment to benefit the school and the communities surrounding which look to only improve the region's economy and themselves for the greater good.

Sincerely,

Kevin Figueroa
Legislative Associate, OSA