



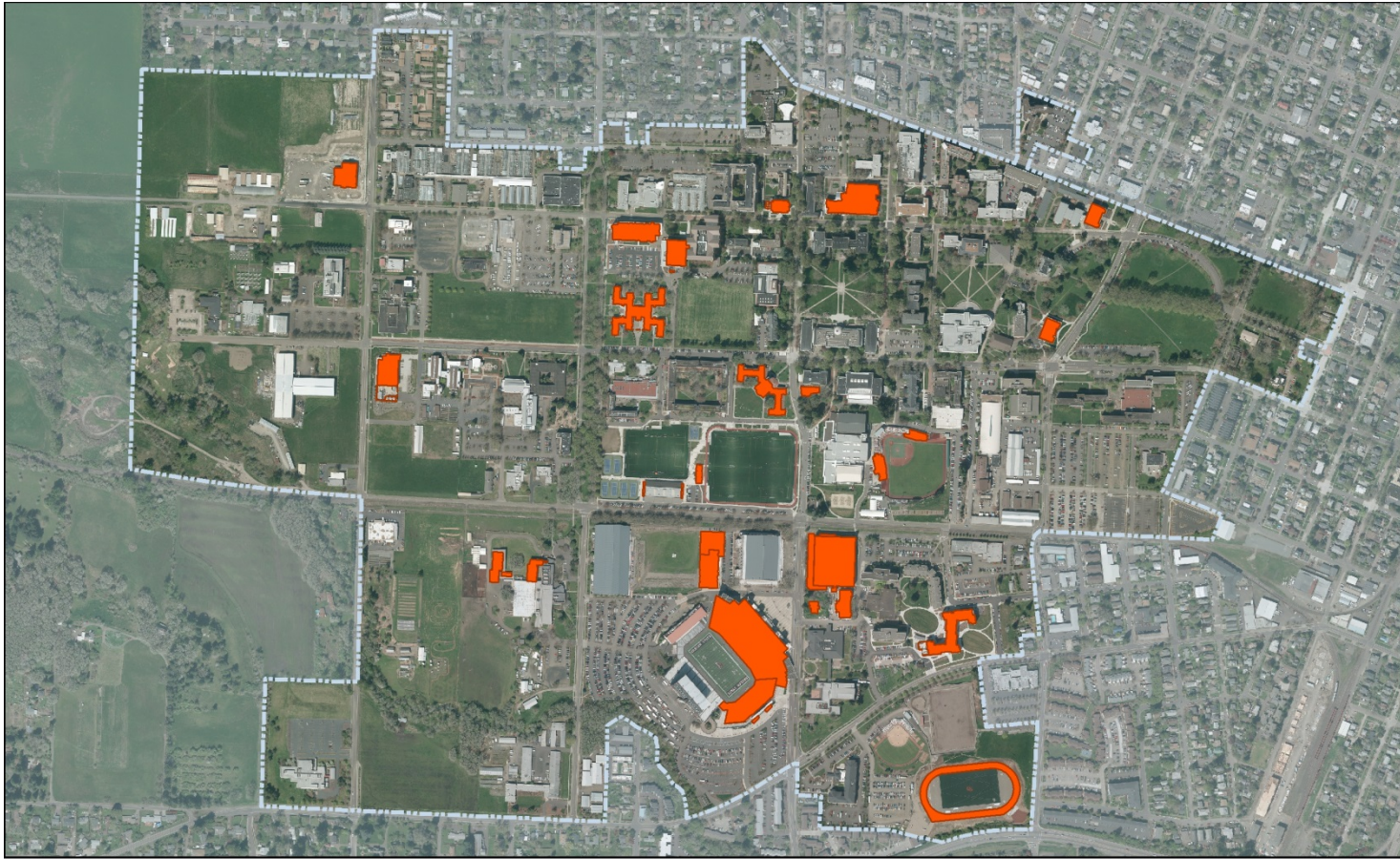
'Capital Planning 101'

OSU Board of Trustees

July 18, 2014



Major Capital Investments 2004-2013



 Completed

 Geospatial
Information
Services
Data Source: Jun 17, 2014

Slide 1
July 18, 2014

Oregon State
UNIVERSITY

Major Capital Investments 2004-2013

- A. 2013 Oldfield Animal Teaching Facility
\$8.0M 19,200 GSF
- B. 2011 Energy Center
\$86.3M 32,419 GSF
- C. 2008 Vet Med Large Animal Hospital
\$12.0M 24,573 GSF
- D. 2011 Linus Pauling Science Center
\$62.5M 102,000 GSF
- E. 2012 Nash Hall Systems Refit
\$16.4M 100,361 GSF
- F. 2006 Sackett Energy Savings
\$7.0M 142,272 GSF
- G. 2012 Student Legacy Park
\$7.75M 5,513 GSF 12.9 acres
- H. 2013 Sports Performance II
\$16.0M 40,798 GSF
- I. 2008 Sports Performance Center I
\$11.5M 31,544 GSF
- J. 2006 Reser Stadium Phase I
\$80.0M 304,597 GSF
- K. 2008 Reser Stadium Phase II
\$22.0M 83,941 GSF
- L. 2012 Hallie Ford Center
\$10.0M 22,235 GSF
- M. 2006 Kelley Engineering Center
\$45.8M 152,427 GSF

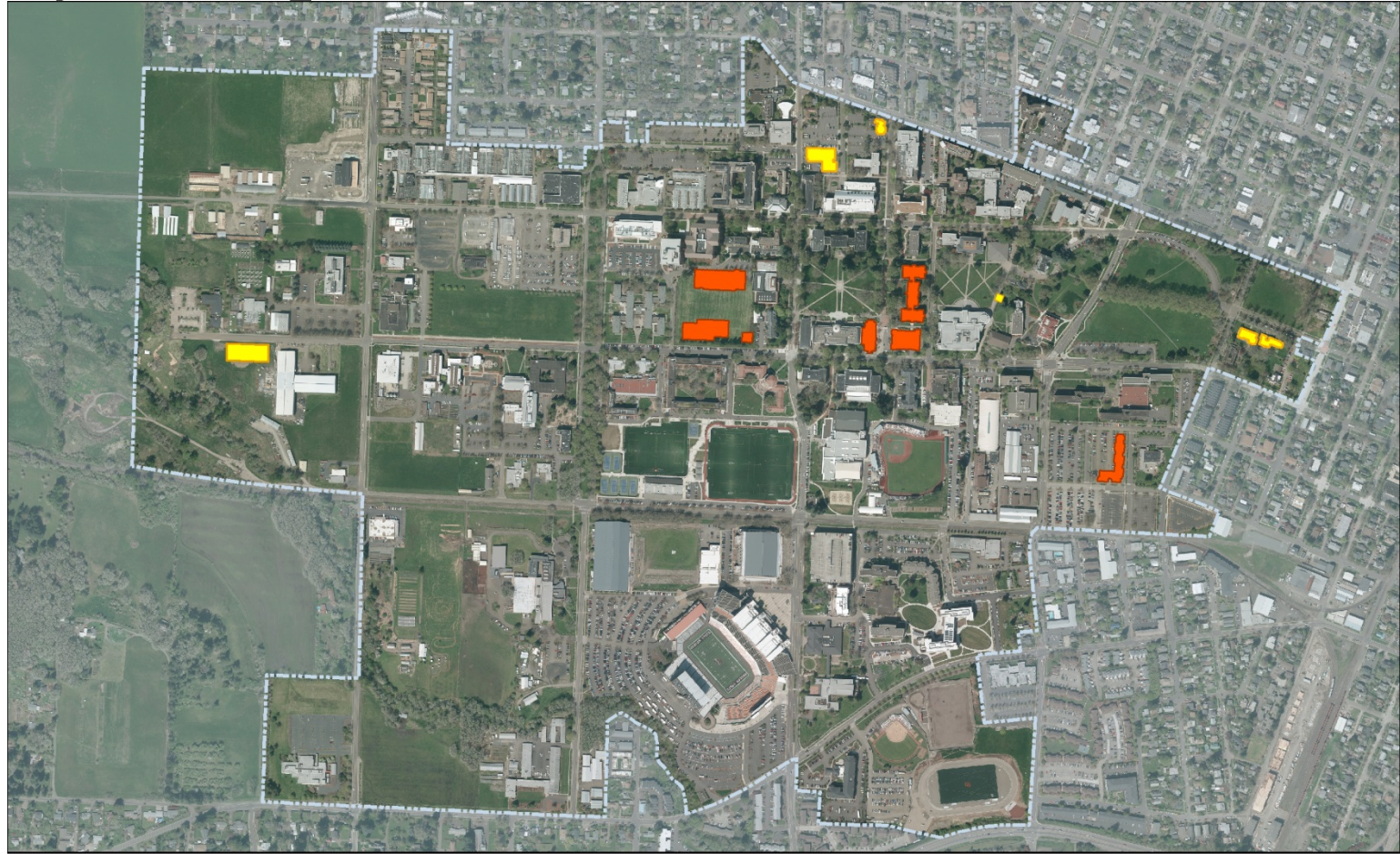
- N. 2004 Weatherford Renovation
\$17.0M 105,090 GSF
- O. 2014 Native American Longhouse
\$2.8M 3,926 GSF
- P. 2009 Goss Stadium Expansion
\$5.9M 21,408 GSF
- Q. 2013 OSU Beaver Store
\$2.4M 48,713 GSF
- R. 2006 Parking Structure I
\$17.0M 399,418 GSF
- S. 2014 Centro Cultural Cesar Chavez
\$2.4M 3,264 GSF
- T. 2013 Beth Ray Center for Academic Success
\$14.0M 39,826 GSF
- U. 2012 Int'l Living-Learning Center
\$52.0M 152,245 GSF
- V. 2009 Kearney Renovation
\$12.0M 29,426 GSF
- W. 2013 Joyce Collin Furman Hall
\$18.0M 40,032 GSF
- X. 2013 Whyte Track & Field I
\$7.0M 6.8 acres
- 2011 ONAMI MBI @ HP B11
\$9.53M 65,000 GSF

 Completed

 Geospatial
Information
Services

Data Source: Jun 17, 2014

Major Capital Investments 2013-2015

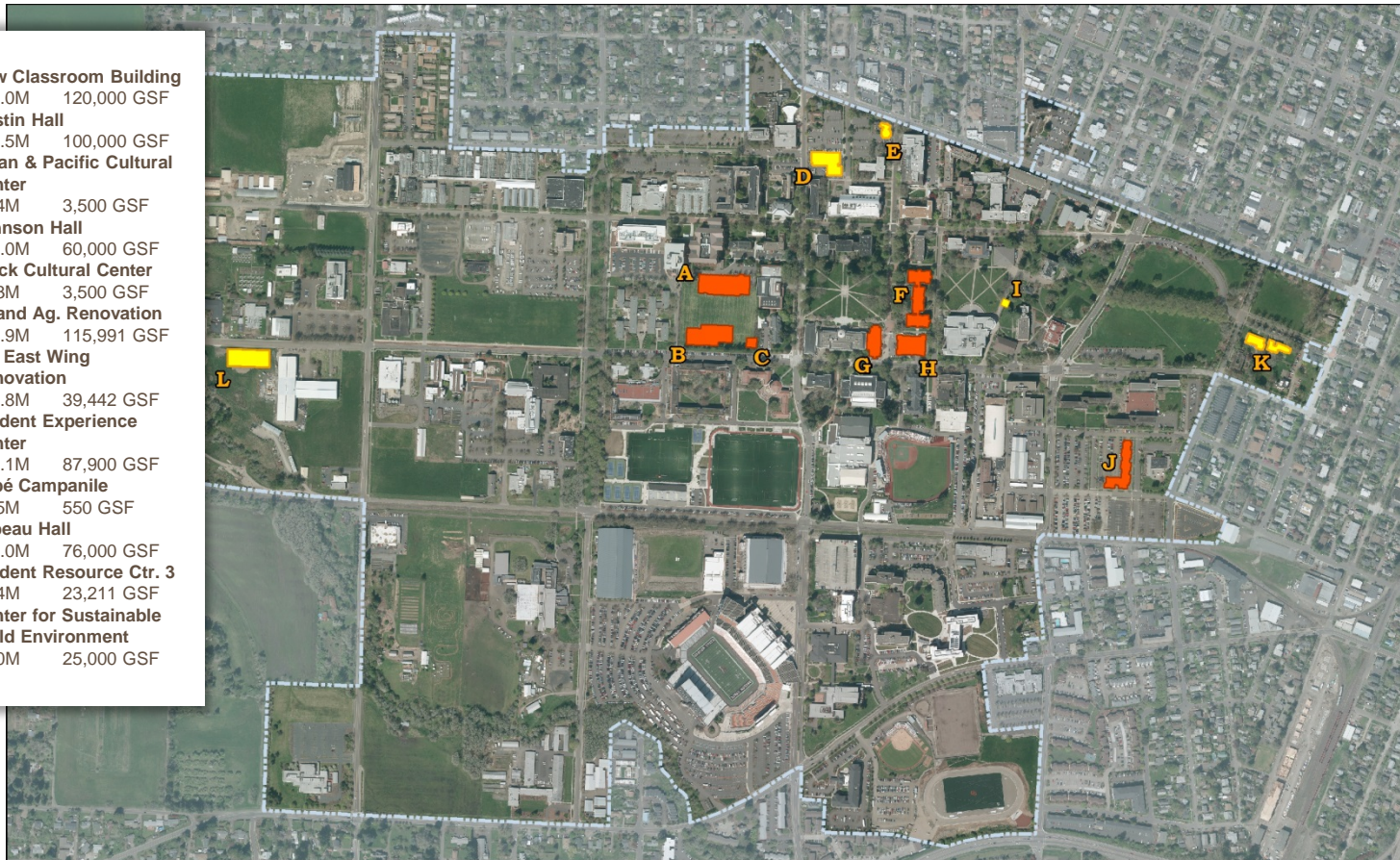


 Current Construction  Pending Construction

 **Geospatial
Information
Services**
Data Source: Jul 01, 2014

Major Capital Investments 2013-2015

- A. 2015 New Classroom Building
\$65.0M 120,000 GSF
- B. 2015 Austin Hall
\$50.5M 100,000 GSF
- C. 2015 Asian & Pacific Cultural Center
\$2.4M 3,500 GSF
- D. 2016 Johnson Hall
\$40.0M 60,000 GSF
- E. 2014 Black Cultural Center
\$2.3M 3,500 GSF
- F. 2015 Strand Ag. Renovation
\$24.9M 115,991 GSF
- G. 2015 MU East Wing Renovation
\$11.8M 39,442 GSF
- H. 2014 Student Experience Center
\$45.1M 87,900 GSF
- I. 2015 Papé Campanile
\$0.5M 550 GSF
- J. 2014 Tebeau Hall
\$30.0M 76,000 GSF
- K. 2016 Student Resource Ctr. 3
\$4.4M 23,211 GSF
- L. TBD Center for Sustainable Build Environment
\$4.0M 25,000 GSF



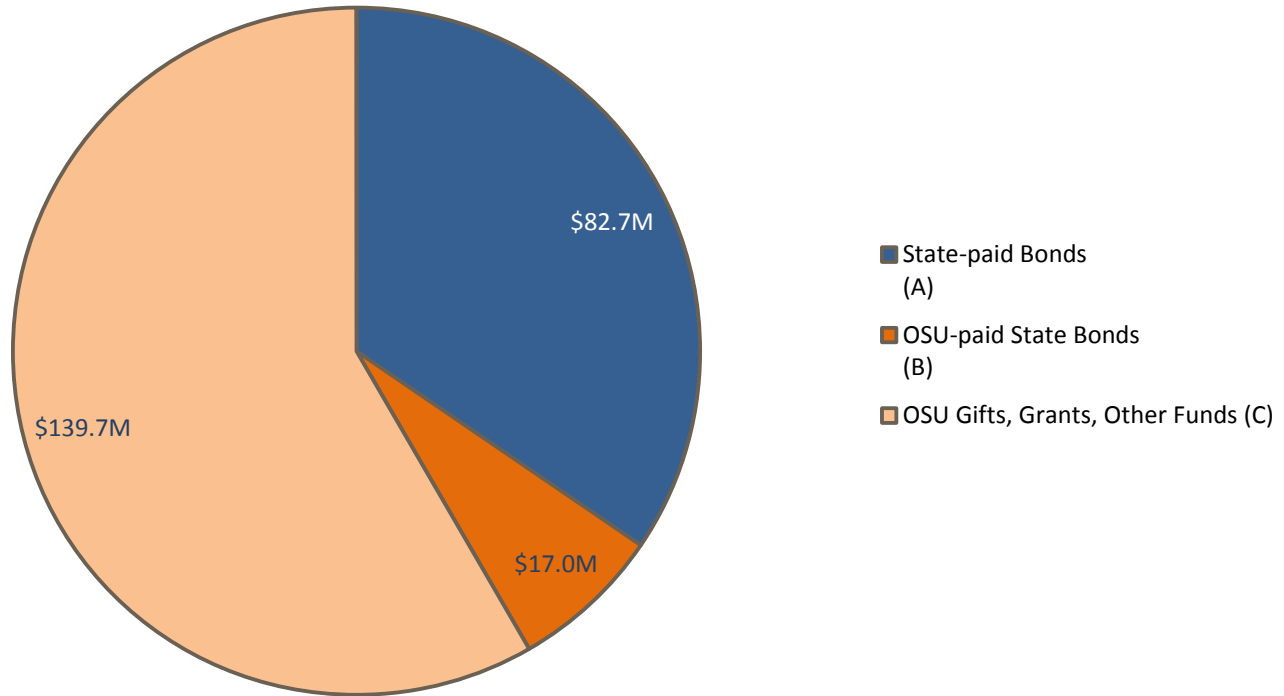
 Current Construction  Pending Construction

 **Geospatial Information Services**
Data Source: Jun 18, 2014

OSU Capital Plan: FY 2014-15

OSU Capital Projects	State-paid Bonds (A)	OSU-paid State Bonds (B)	OSU Gifts, Grants, Other Funds (C)	Subtotal OSU Contributions (B+C)	Total Projected Costs (A+B+C)
Nypro Building - Real Estate Acquisition	\$ -	\$ -	\$ 5,880,000	\$ 5,880,000	\$ 5,880,000
IT Systems Infrastructure Phase I	\$ -	\$ 10,000,000	\$ -	\$ 10,000,000	\$ 10,000,000
Minor Capital - Building / Program Renewal	\$ 10,304,000	\$ -	\$ -	\$ -	\$ 10,304,000
Modular Data Centers	\$ -	\$ 7,000,000	\$ -	\$ 7,000,000	\$ 7,000,000
Space Improvement Program	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
OSU Cascades Development	\$ 19,850,000	\$ -	\$ 11,850,000	\$ 11,850,000	\$ 31,700,000
UHDS Minor Capital Renewal	\$ -	\$ -	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000
Valley Football Center Renovation	\$ -	\$ -	\$ 42,000,000	\$ 42,000,000	\$ 42,000,000
Student Resource Center 3	\$ -	\$ -	\$ 4,400,000	\$ 4,400,000	\$ 4,400,000
Engineering Center for a Sustainable Build Environment	\$ -	\$ -	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
Indoor Golf Facility	\$ -	\$ -	\$ 600,000	\$ 600,000	\$ 600,000
Track Phase II	\$ -	\$ -	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Classroom Building	\$ 32,500,000	\$ -	\$ 32,500,000	\$ 32,500,000	\$ 65,000,000
Johnson Hall - College of Engineering	\$ 20,000,000	\$ -	\$ 20,000,000	\$ 20,000,000	\$ 40,000,000
Total	\$ 82,654,000	\$ 17,000,000	\$ 139,730,000	\$ 156,730,000	\$ 239,384,000

OSU Capital Plan: FY 2014-15

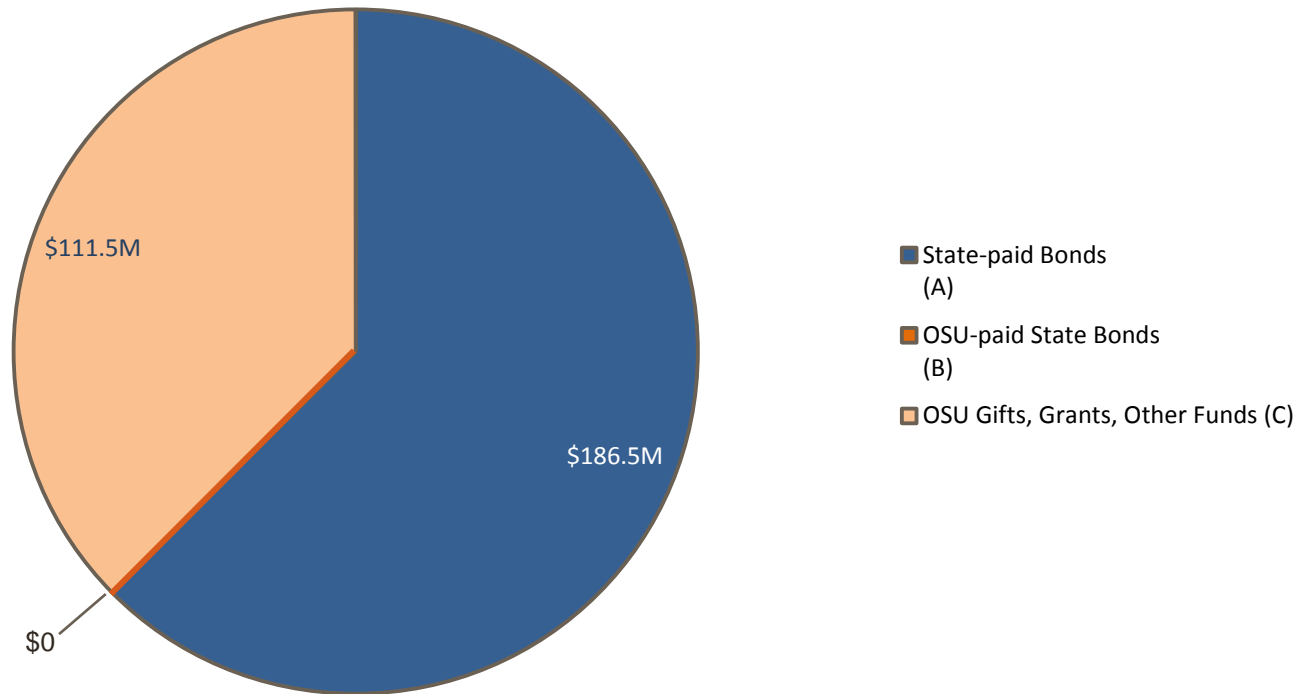


OSU Legislative Capital Funding Request: 2015-17 Biennium

Oregon State University Legislative Funding Request - Capital Construction Projects - 2015-17 Biennium

OSU Capital Projects 2015-17	State-paid Bonds (A)	OSU-paid State Bonds (B)	OSU Gifts, Grants, Other Funds (C)	Subtotal OSU Contributions (B+C)	Total Projected Costs (A+B+C)
Accessibility Improvements	\$ 10,000,000	\$ -	\$ -	\$ -	\$ 10,000,000
IT Systems Infrastructure Phase II	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 5,000,000
Building and Program Renewal	\$ 30,000,000	\$ -	\$ -	\$ -	\$ 30,000,000
Fairbanks Hall Renovation	\$ 10,000,000	\$ -	\$ -	\$ -	\$ 10,000,000
Magruder Hall	\$ 7,500,000	\$ -	\$ 7,500,000	\$ 7,500,000	\$ 15,000,000
Center for Advanced Wood Materials	\$ 30,000,000	\$ -	\$ 30,000,000	\$ 30,000,000	\$ 60,000,000
College of Engineering I	\$ 39,000,000	\$ -	\$ 39,000,000	\$ 39,000,000	\$ 78,000,000
OSU Cascades Academic Building II	\$ 30,000,000	\$ -	\$ 10,000,000	\$ 10,000,000	\$ 40,000,000
Marine Studies Campus Phase I	\$ 25,000,000	\$ -	\$ 25,000,000	\$ 25,000,000	\$ 50,000,000
Total	\$ 186,500,000	\$ -	\$ 111,500,000	\$ 111,500,000	\$ 298,000,000

OSU Legislative Capital Funding Request: 2015-17 Biennium



OSU Capital Planning and Development Process Definitions

Capital Renewal: Major activities that involve the repair or reworking of a building and the supporting infrastructure that will result in maintaining the expected useful life of building systems and/or transforming outdated program areas into new and improved uses. Capital renewal does not include new building additions, new infrastructure additions, landscaping and area beautification, routine maintenance, or demolition and removal of a building.

Building Renewal – Renewal of existing buildings and infrastructure systems defined within the following broad categories: 1) Building Repair and Renewal, 2) Mechanical and Electrical Systems, 3) Utilities and Site Work, 4) Roads and Pathways 5) Fire and Life Safety Improvements.

Program Renewal – Renewal of targeted classrooms, laboratories, faculty and faculty support, and administrative areas to enhance the culture of innovative learning through improved space utilization, instruction and research programs.

Construction Delivery Methods

- Design-Bid-Build
- Construction Manager-At-Risk (CM/GC –Construction Manager/General Contractor)
- Design-Build
- Public Private Partnership Models (P3)

Deferred Maintenance (DM): Facility condition deficiencies identified through physical inspections where deterioration and/or life safety concerns are evident and affect the proper functioning of the facility. Typical building components with deficiencies include heating, cooling, and ventilation systems; building envelopes including roofs, exterior walls, and exterior door and window assemblies; interior flooring, walls, ceiling and lighting; and electrical and plumbing distribution. Deferred maintenance is acknowledged to be the result of deficiencies in performance of routine building maintenance. **'DM Backlog'** refers to the accumulated dollar amount of building and campus-wide infrastructure systems and/or subsystem components that have exceeded the end of their useful life.

OSU Capital Planning and Development Process Definitions

Current Replacement Value (CRV): Calculated value for total building replacement based on using the same construction and systems.

Facilities Conditions Index (FCI): Relative measure of overall building condition derived by dividing the deferred maintenance backlog amount by the calculated CRV (%). The higher the percentage, the lower the building systems conditions.

Infrastructure: University capital assets that directly support operating a facility but are located outside of the facility being served. Infrastructure distribution systems including, but not limited to, roadways and walkways; information technology distribution and central operating areas; steam and chilled water distribution and generation systems; campus pedestrian and roadway lighting systems; formal landscape and landscape irrigation systems; campus open spaces and natural areas; surface parking, storm water and sanitary water systems; power and natural gas distribution and generation systems.

Major Capital Projects: Buildings, structures, facilities, infrastructure constructed, renovated, or improved for the use or benefit of Oregon State University with projected cost >\$5,000,000.

Minor Capital Projects: Buildings, structures, facilities, infrastructure constructed, renovated, or improved for the use or benefit of Oregon State University with projected cost <\$5,000,000.

OSU Capital Plan: OSU's comprehensive ten-year capital investment program includes potential individual capital investments and proposed capital fiscal management strategies.

OSU Capital Planning and Development Process Definitions

Predesign Process: The predesign process is a more detailed, approved next step following a capital investment feasibility assessment. The process includes a detailed discussion with all identified building or infrastructure system users and analysis of standards and guidelines. The predesign process identifies the following minimum requirements:

- **Space Program:** Size, use, and occupancy requirements for all space. Identification of relationships of all spaces. Identification of net assignable square feet, net unassignable square feet, gross square feet, and other space utilization metrics for the proposed project.
- **Infrastructure:** Identification of all infrastructure required for all spaces, assessment of existing infrastructure capacity, and design solutions to meet required needs.
- **Environmental Conditions:** Thermal and energy requirements for all spaces.
- **Human, Logistics and Material Distribution:** Vehicular, fire response, delivery, and pedestrian accessibility assessment of the proposed project.
- **Fixed and Movable Equipment and Furnishings** needs assessment.
- **Uniform Building Code** analysis.
- **Site and Neighborhood Assessment:** Including area infrastructure, pedestrian and vehicular circulation, exhaust streams from research facilities, adjacent structures, geotechnical conditions, environmental conditions, and climatological factors associated with orientation to weather and solar conditions.
- **Alternative Analysis** including a “No Action” option.
- **Identification of Key Performance Metrics** to be addressed by the proposed project.
- **Preliminary Total Project Cost Model.**
- **Preliminary Project Schedule:** Including projected design, entitlement/permit processes, and construction durations.
- **Fiscal Management Plan:** A plan that identifies and justifies the source of funds, financing instruments, term and approaches, annual debt service, source of funds for debt service coverage, impact on tuition and annual operations and maintenance costs (including source of funds) for the proposed project. The plan will also address the potential impact of the project on OSU debt capacity and bonding authority (if applicable).

OSU Capital Planning Policy

Over the past ten years, OSU has engaged members of our community in a strategic planning process, with updates every five years, to create a roadmap for the University's evolution and growth. The OSU Capital Plan supports OSU's most current plan: Strategic Plan 3.0.

OSU Vision

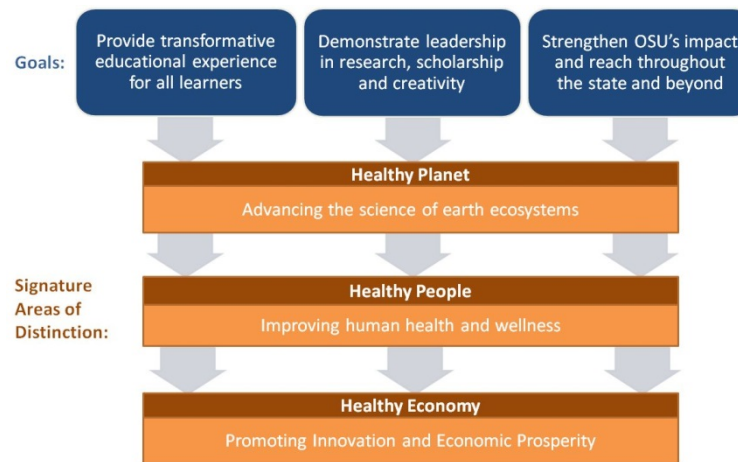
To best serve the people of Oregon, Oregon State University will be among the Top 10 land grant institutions in America.

OSU Mission

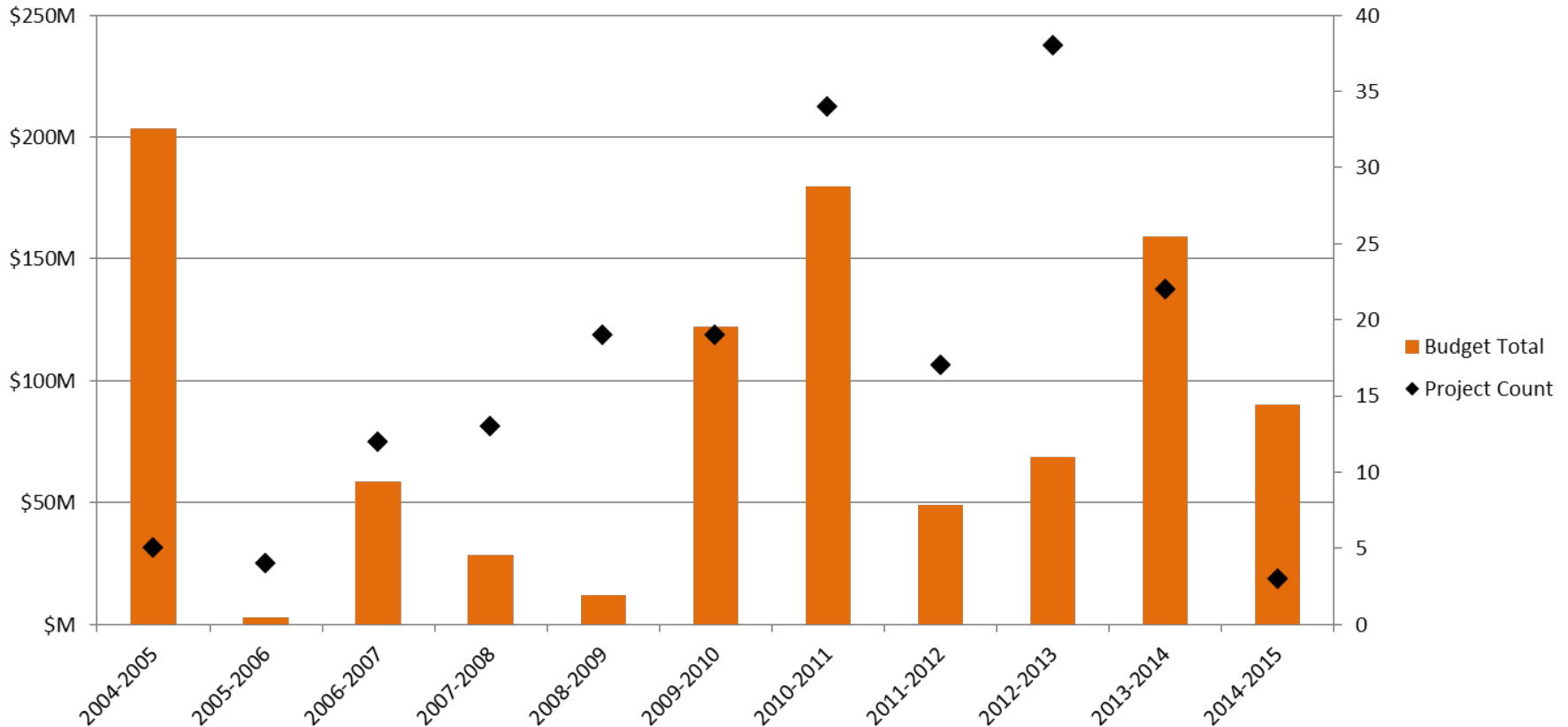
As a land grant institution committed to teaching, research, and outreach and engagement, Oregon State University promotes economic, social, cultural and environmental progress for the people of Oregon, the nation and the world. This mission is achieved by producing graduates competitive in the global economy, supporting a continuous search for new knowledge and solutions, and maintaining a rigorous focus on academic excellence, particularly in three Signature Areas: Advancing the Science of Sustainable Earth Ecosystems; Improving Human Health and Wellness; and Promoting Economic Growth and Social Progress.

Strategic Goals and Signature Areas of Distinction

Oregon State University's Strategic Plan lays out overarching goals to enable OSU to achieve our mission, and identifies three interdisciplinary signature areas of distinction that provide OSU a competitive edge, offer a stronger assertion of institutional identity nationally and internationally, and enhance our greatest possible opportunities to have a strong impact.

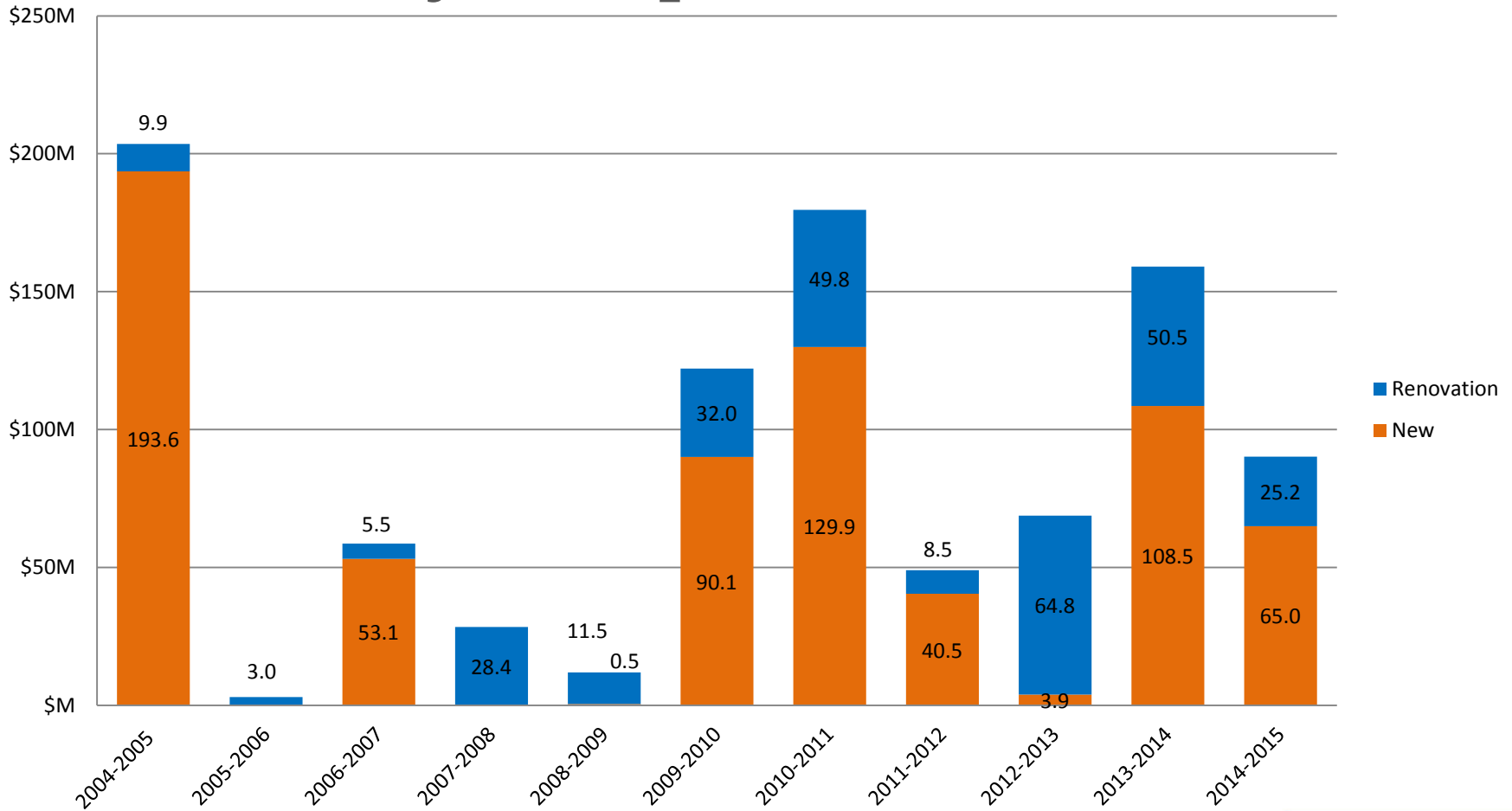


Background - OSU Capital Investments by Completion Date

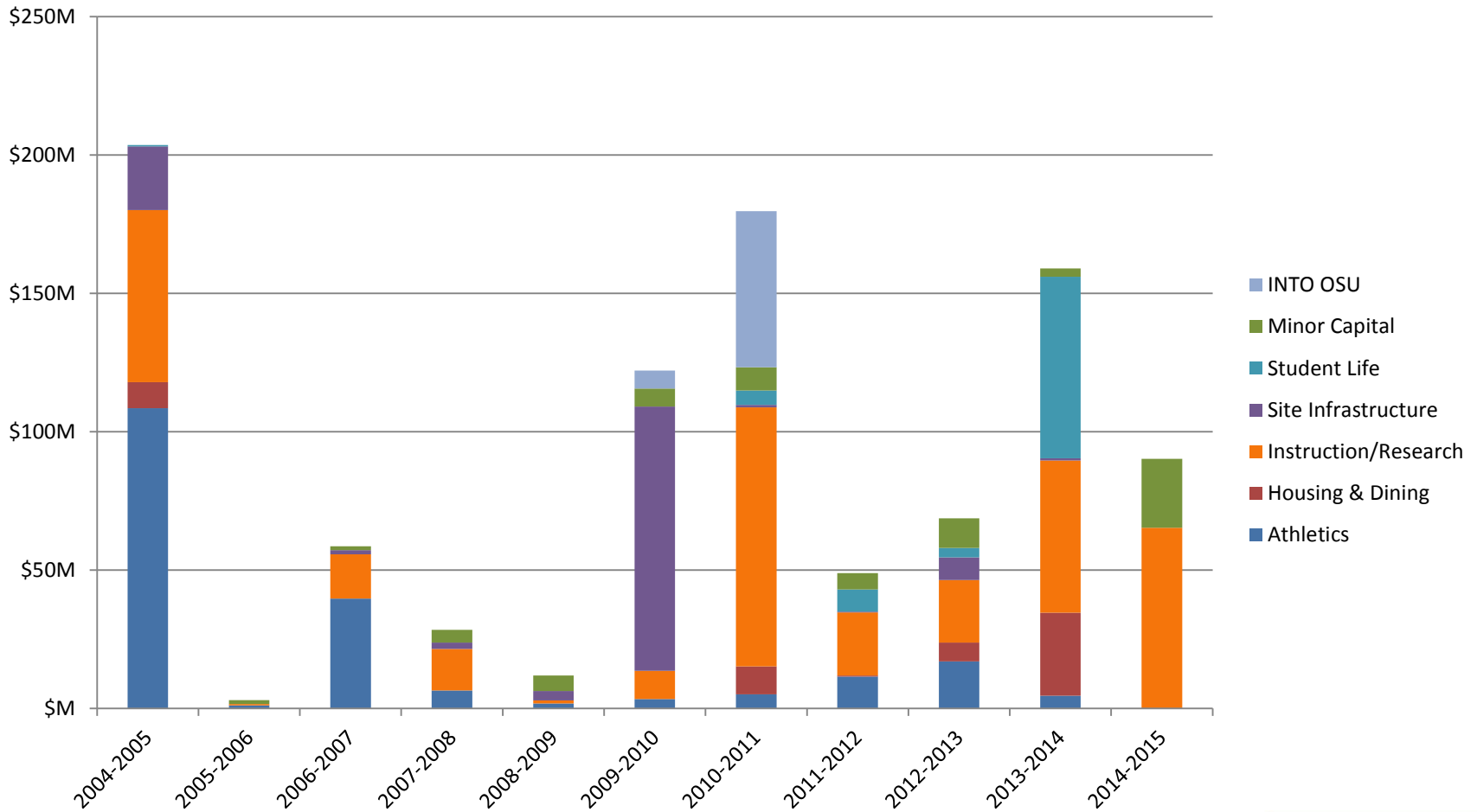


Budget figures in 2014 dollars, projects > \$250K

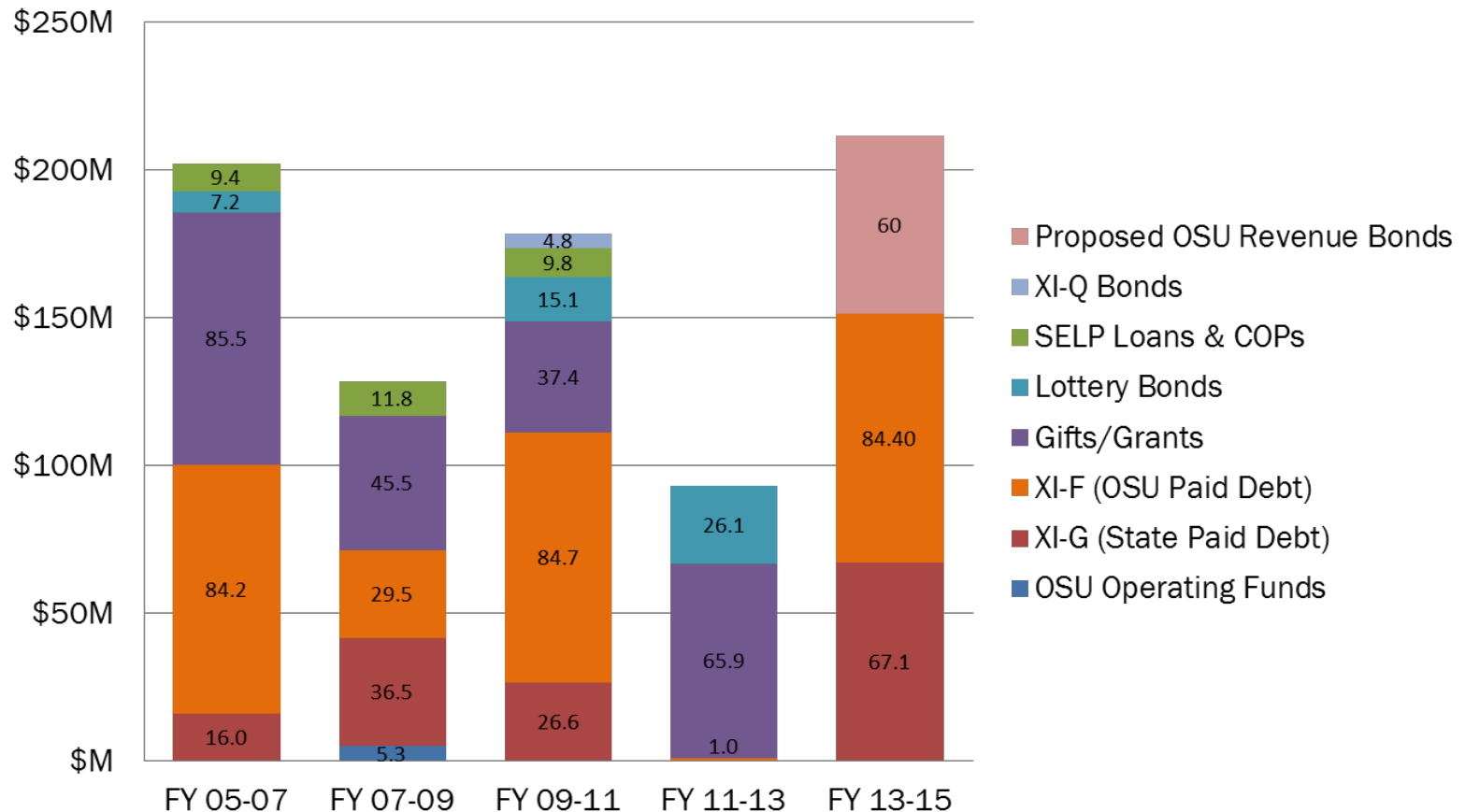
Background - OSU Capital Investments by Completion Date



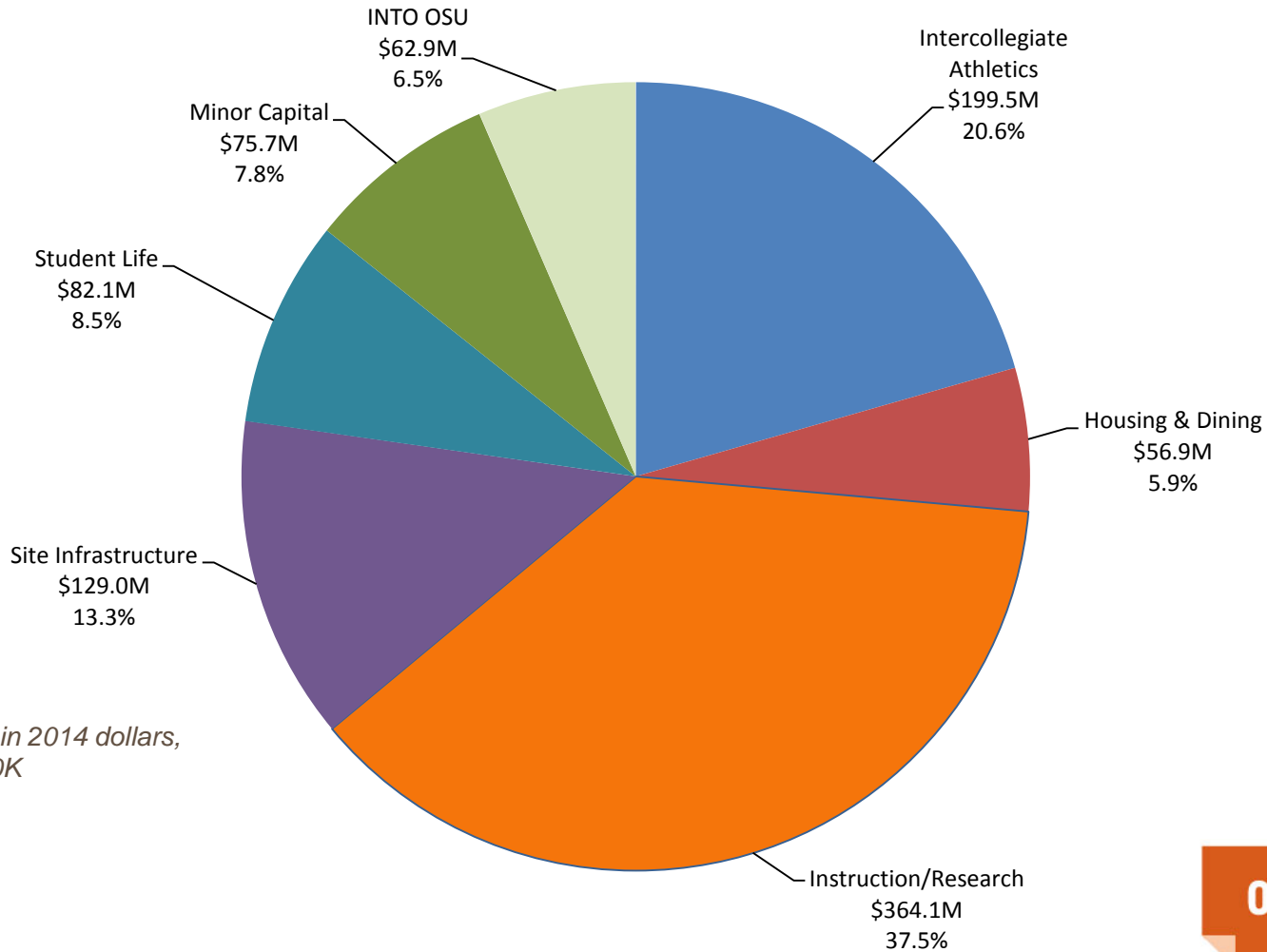
Background - OSU Capital Investments



Background – OSU Capital Investments by Fund Source



Background - OSU Capital Investments: FY05-FY15



Total \$970M
Budget figures in 2014 dollars,
projects > \$250K

'Capital Planning 101'

Key Investment Tools

The OSU Capital Plan is dynamic. Evaluation of available capital financial instruments and administrative processes including investment prioritization are essential to OSU's continued success. Key capital financial tools include the following:

Gifts - Philanthropy, both large and small, in support of Oregon State University.

Current Revenue – Pay-As-You-Go from OSU revenues.

Reserve Funds – Accumulated in advance for capital investments (construction or real property acquisition).

General Obligations Bonds – State of Oregon credit pledged to pay interest and principal to retire the debt.

Revenue Bonds – Borrowing in the public marketplace and financed by OSU revenue sources.

Lease/Purchase – OSU prepares specifications for a needed capital improvement that is then constructed by a private-sector entity. The improvement is then leased to OSU. At the end of the lease term the title can be conveyed to the university without future payments. The lease rate over the term of the lease will have paid the initial capital cost plus interest. Public Private Partnerships (P3) are tools available to OSU under this description.

State and Federal Grants or Loans – Grants-in-Aid or low-cost loan agreements with the capital improvement cost funded completely by the Grant or with proportional OSU cost participation required for the grant and/or loan.

Questions?



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