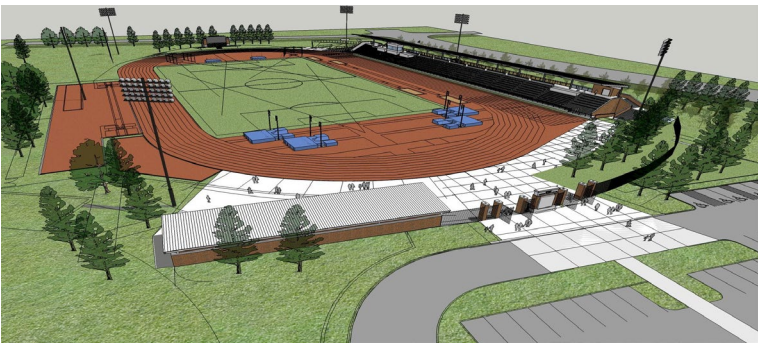


Capital Project Stage Gate II: Whyte Track and Field Center Grandstands

BACKGROUND

The Whyte Track and Field Center Grandstands project was originally assumed to not reach the \$5M cost threshold required for Board of Trustees review. An increase in expected cost and the possibility of added scope from the City of Corvallis’ review of the project compelled OSU to include the project in the Ten-Year Capital Forecast approved by the Board of Trustees at its April 2022 meeting. The following information is provided to inform the Board’s consideration of whether to advance this project to the construction phase pursuant to the [Approval of Capital Projects policy](#).

PROJECT SUMMARY

| | | |
|---|-------------------------------------|--|
|  <p style="text-align: center;">WHYTE TRACK AND FIELD CENTER GRANDSTANDS</p> | Square feet (Grandstands) | 6,000 |
| | Estimated project budget | \$7,300,000 |
| | Gifts | \$3,500,000 |
| | OSU-Paid Bonds | \$1,700,000 |
| | E&G Funds | \$2,100,000 |
| | Estimated project completion | Winter 2023 |
| | Location | 2200 SW Western Blvd, Corvallis |

Oregon State University’s Intercollegiate Athletics division seeks to make facility improvements for its track program at the Whyte Track and Field Center. Women’s track and cross-country sports are a deep tradition at OSU. In the past, the program produced fifteen Olympians and four world record holders, as well as achieved OSU’s first national championship. The project also advances the university’s gender equity goals.

Work includes a 1,200-seat, partially covered pre-manufactured grandstand with a press box and restrooms, completion of the facility site work with ADA access, city-required sidewalk upgrades to 15th street, and the relocation of an existing city sewer line running under the proposed grandstand location.

Since inclusion of the project in the Ten Year Capital Forecast, reviewed by the Board in April of 2022, disruptions in construction materials and labor markets have increased the expected cost to \$7.3M,

Donations toward this project, and OSU bonds, repaid by new revenue from Reser Stadium West Grandstands project, will provide \$5.2M in funding for the grandstand and the associated site improvements. The relocation of the city sewer line will be funded from Education and General (E&G) funds.

Preliminary discussions with City of Corvallis officials indicate that the city will likely require OSU to improve the adjacent gravel parking lot and make other circulation improvements as a condition of approval of this project. Staff will continue to work with the City to define these requirements and treat additional improvements as separate projects since this work is not directly attributable to this project alone.

ADVANCING OSU'S STRATEGIC GOALS

| <p>Goal 1 Preeminence in Research, Scholarship and Innovation</p> | <p>Goal 2 Transformative Education That is Accessible to All Learners</p> | <p>Goal 3 Significant and Visible Impact in Oregon and Beyond</p> | <p>Goal 4 A Culture of Belonging, Collaboration and Innovation</p> |
|---|--|--|--|
| <p>The state of Oregon is the home of innovation in track and field. OSU's own Dick Fosbury revolutionized the sport of track and field on the Corvallis campus when he developed the Fosbury Flop high jump. These grandstands will give the public an opportunity to view track events featuring some of the world's greatest athletes.</p> | <p>The grandstands will give students, staff and visitors a place to watch both collegiate and international track and field events without leaving campus. Additionally, this facility is used by Recreation Sports for intramural competitions and other events.</p> | <p>Track and field is one of the state's most historic and visible sports. The lack of grandstands at the track facility prevents OSU from hosting or televising major track events. This project will increase visibility of OSU's track program both locally and nationally.</p> | <p>The women's track and field program has not had any fan experience infrastructure and therefore, hosts limited home events. This project will provide state-of-the-art seating and will provide fan amenities that most other OSU men's and women's programs already have. The lack of this amenity has been identified as a significant gender equity concern.</p> |

IDENTIFICATION OF RISKS AND MITIGATION STRATEGIES

The following risks have been identified for the project. Given these risks, the owner and design contingencies have been set at 10% and 15%, respectively.

| <p>Risks</p> | <p>Likelihood</p> | <p>Severity</p> | <p>Consequences</p> | <p>Mitigation Strategy</p> |
|---|--------------------------|------------------------|---|--|
| <p><i>Higher than expected material availability and construction market escalation</i></p> | <p>High</p> | <p>High</p> | <p>Market disruptions due to COVID shutdowns in China, the war in Ukraine, disruption to the world fuel market and significant inflation have caused contractors and suppliers to add</p> | <p>This risk is mitigated by a significant increase in expected project cost based on a recent estimate as well as a further escalation factor to the midpoint of construction. Scope reduction will be considered if necessary.</p> |

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|--------------------------------|--------|--------|---|---|
| | | | significant escalation factors for materials. | |
| <i>Labor availability</i> | Medium | Medium | Limited availability of resources in the saturated construction market presents a risk to cost and schedule. | This risk is mitigated by the contingencies stated above and contractual language as well as advanced planning with our trade partners. |
| <i>Undiscovered conditions</i> | Medium | Low | Earthwork carries an inherent risk of the actual construction or conditions being different from archived documents or even explorative inspection and testing. | The contingencies noted above will be in place to cover unexpected costs. |
| <i>Project delay</i> | Low | Low | Delays in funding, permitting, logistics, or contract disputes present a risk to schedule and the costs associated with an extended construction period. | This risk is mitigated by having a team in place that considers critical activities, appropriate timelines, and measures to avoid and accommodate delays. |

TOTAL COST OF OWNERSHIP

The estimated life cycle ownership costs for the Whyte Track and Field Grandstands Project are summarized in the following table. The original Reser Stadium West Grandstands project *pro forma* (see the [May 2021 Finance and Administration Committee](#) materials, Attachment 2) indicated net revenues sufficient to cover this incremental debt service and a key *pro forma* financial element that is now known, premium seat sales, is performing well above the conservative projections included. The anticipated material impacts to utilities and maintenance costs are included in projected E&G budget projections in the Ten-Year Capital Forecast.

| Forecasted Total Cost of Ownership Whyte Track and Field Grandstands Project | |
|---|--------------------|
| ITEM | COST |
| Total Project Cost | \$7,300,000 |
| Gifts | \$3,500,000 |
| OSU Paid Bonds – repaid by new revenues from Reser Stadium | \$1,700,000 |
| E&G Funds | \$2,100,000 |

RECOMMENDATION

Staff recommend that the Finance & Administration Committee recommend to the Board approval of a capital project budget of \$7.3M for the Whyte Track and Field Center Grandstands project and advancing the project to the construction phase.