


## Capital Project Stage Gate II: OSU-Cascades Student Success Center

### BACKGROUND

The OSU-Cascades Student Success Center project is included in the Ten-Year Capital Forecast. At its May 2021 meeting, the Finance and Administrative Committee advanced the project to the design development phase, which the university has now completed. 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;">Architectural rendering of Student Success Center</p>	<b>Gross Square Feet Renovated</b>	<b>17,500</b>
	<b>Estimated project budget</b>	<b>\$21,600,000</b>
	State-paid bonds	\$13,800,000
	OSU Revenue Bonds – Retired by E&G and Student funds	\$7,800,000
	<b>Deferred maintenance reduction</b>	<b>N/A</b>
	<b>Estimated project completion</b>	<b>December 2024</b>
	<b>Location</b>	<b>Cascades Campus, Bend</b>

Development of the Student Success Center (SSC) will improve learning outcomes and facilitate student engagement at OSU-Cascades. The Higher Education Coordinating Commission's Strategic Capital Development Plan showed that OSU-Cascades has an academic support space deficit of 28,165 square feet; this project will help fill that gap for students.

The building will include a combination of flexible use spaces for study and tutoring, advising and counseling, informal gathering, multi-cultural and student involvement as well as a small coffee bar. It will also provide staff offices for student success, health and wellness, student clubs, career counseling, and internship support. OSU-Cascades is striving to ensure every student participates in at least one type of engagement activity prior to graduation. The Student Success Center will help to facilitate this goal.

The construction contract to build the Student Success Center will also include approximately \$3.5M of scope to expand the Campus Energy Transfer Station (CETS) and associated utilities, which is the first of several nodal plants planned for the campus-wide geothermal heating and cooling system. The CETS expansion will serve the Student Success Center and other future buildings in the planned OSU-Cascades innovation district. The CETS expansion will be funded with innovation district project funds and not from the SSC project funding summarized here. The CETS expansion can be postponed or eliminated should the innovation district project not

proceed. The work is being included in the SSC construction contract for several reasons: The CETS is adjacent to the SSC site near the center of campus, so including this work in the SSC construction contract minimizes the overall construction impacts on the campus. Doing this work with the SSC construction also avoids costs for temporary utility connections for SSC that would be necessary for a very short time before being abandoned if the CETS expansion happened after the SSC construction.

### ADVANCING OSU'S STRATEGIC GOALS

<b>Goal 1 Preeminence in Research, Scholarship and Innovation</b>	<b>Goal 2 Transformative Education That is Accessible to All Learners</b>	<b>Goal 3 Significant and Visible Impact in Oregon and Beyond</b>	<b>Goal 4 A Culture of Belonging, Collaboration and Innovation</b>
The SSC will provide innovative and distinctive space for student support services on the OSU-Cascades campus. The building will create space for students to engage with faculty and plan for experiential opportunities with academic advisors.	The SSC will be the future home for OSU-Cascades career counseling, academic advising, TRIO (low income, first generation and BIPOC) student programming, and other services to prepare students for successful academic pathways.	The project is a manifestation of strategic plan action to expand pathways to an OSU education and continue development of OSU-Cascades.	A design principle for this building is inclusive excellence. The SSC will provide spaces for physical and mental health support and be the core gathering space for the campus, including a multi-cultural center and affinity group spaces.

### IDENTIFICATION OF RISKS AND MITIGATION STRATEGIES

The following risks have been identified for the project. Given these risks, the construction, owner, and design contingencies have been set at 3%, 7%, and 10%, respectively.

<b>Risks</b>	<b>Consequences</b>	<b>Mitigation Strategy</b>
<i>Labor and materials availability</i>	Availability of resources presents risk to cost, schedule, and possible scope.	Early identification, buyout and procurement of critical components has reduced this risk. Continued attention on supply chain risks is a priority for the team.
<i>Higher than expected construction market escalation</i>	Construction market escalation will erode scope development in buyout minimizing the amount of work delivered relative to commitments.	We have carried a substantial escalation contingency through the design process, reducing over time. GMP will transfer remaining risk to the design builder.

<b>Risks</b>	<b>Consequences</b>	<b>Mitigation Strategy</b>
<i>Project delay</i>	Funding, permitting, logistical, contractual, or any cause of substantial delays in construction affect not only schedule, but also expose the project to further escalation in material and labor costs. Delays also increase contractor general conditions cost.	Early effort to develop a procurement/buyout plan that highlights the possibilities for delay and the options to mitigate has been a team priority.
<i>As-yet-unidentified risks</i>	A wide variety of risks can significantly impact project execution affecting budget, schedule, quality or all three.	This project has maintained a risk register that recognizes possible risks, develops mitigation ideas, and highlights the cost of the risks, so the correct amount of attention can be devoted to risk mitigation. Additionally, the team will make decisions collaboratively that are in the best interest of the project.

### TOTAL COST OF OWNERSHIP

The estimated life cycle ownership costs for the OSU-Cascades Student Success Center are summarized in the following table.

<b>Education and General Fund – Forecasted Total Cost of Ownership OSU-Cascades Student Success Center</b>	
<b>ITEM</b>	<b>COST</b>
Total project cost	\$21,600,000
Total debt service for the improvements (30 years - 4.99%)	\$9,699,000
Operations and maintenance (30 yrs - escalated 3% annually)	\$11,736,157
Capital renewal (30 yrs at 1% of direct construction costs – escalated 2%)	\$6,185,984
<b>Total cost of ownership</b>	<b>\$27,621,141</b>
Student Incidental and Building Fees (30 yrs at projected contributions)	(\$12,779,836)
<b>Net cost of ownership*</b>	<b>\$14,841,305</b>

*\*Included in OSU-Cascades E&G operating budget*

### RECOMMENDATION

Staff recommend that the Finance & Administration Committee recommend to the board approval of a capital project budget of \$21.6M for the OSU-Cascades Student Success Center project and advancing of the project to the construction phase.