

2025-27 Biennial Funding Request to HECC: Capital

BACKGROUND

Every other year, the Board of Trustees reviews and endorses the university’s biennial capital budget request to the Higher Education Coordinating Commission (HECC). Requests for the 2025-27 biennia are due to the HECC in April 2024. This docket provides a summary of the university’s prioritized proposed capital requests for the 2025-27 biennium for the board’s consideration.

The projects proposed for state funding are in accordance with the Ten-Year Business Forecast.

PROPOSED CAPITAL PROJECTS

Table 1 summarizes the proposed 2025-2027 capital request to the HECC based on preliminary project costs.

Description	Estimated total (million)	State-paid bonds (million)	OSU-Funds (million)	Gift or other funds (million)
OSU-Corvallis Major Capital				
Heat Plant Repurpose	\$101	\$73	\$18	\$10
OSU-Cascades Major Capital				
Student Health and Recreation Center	\$84	\$42	\$39	\$3
Total	\$185	\$115	\$57	\$13

Major Capital Projects for 2025-2027 Biennial Funding Request

Corvallis

Heat Plant Repurpose: \$101M (\$73M of state-paid bonds, \$18M of OSU Capital Improvement & Renewal funds, and \$10M of gifts)

The Heat Plant Repurpose project will transform a historic utility building into a modern physics teaching and research center for OSU’s Physics Department and the College of Science. The building will include physics centered classrooms, physics teaching laboratories and student research and support spaces. Modern research laboratories will support some of OSU’s most advanced research. Both underground and surface infrastructure for the area surrounding the Heat Plant and the recently completed Patricia Valian Reser Center for the Performing Arts will be modernized, along with landscape, street and parking improvement projects. The Heat Plant project will complete an accessible, functional, safe, and welcoming entry point to the Corvallis campus where industrial facilities, utility alleys and barbed wire once stood.

The Heat Plant was decommissioned in 2010 and has been vacant since. The classic façade, a contributing feature to the campus historic district will be retained with an essentially new 56,000 square foot building being created within the restored walls and into an expanded footprint. The renewal will include surface and underground infrastructure surrounding the building, and to include multiuse paths and functional outdoor spaces as well as building service and

infrastructure. The project will also improve some components of the adjacent and attached McAlexander Field House. The project is expected to remove approximately \$35,000,000 in deferred maintenance backlog.

This project is a companion to the Jen-Hsun and Lori Huang Collaborative Innovation Complex that will demolish the worn, inefficient, seismically vulnerable and economically un-renewable Weniger Hall where the Physics department is currently located.

OSU-Cascades

Student Health and Recreation Center and Associated Landfill Remediation: \$84M (State-paid bonds of \$42M, OSU-paid bonds and cash of \$39M and \$3M of gifts or other funds)

The Student Health and Recreation Center (SHRC) will create space dedicated to students to provide mental health counseling, clinical health services, physical therapy services, and exercise and recreation facilities. Holistic student health and wellness is essential to retention, timely academic progress, and successful degree completion. Access to health services (including multiple options for physical activity) for all students is also an important part of providing an equitable university experience. Many students arrive on campus without having had access to those services or learned how to access and apply those services to their personal health and progress.

The project will remediate 7 acres of demolition landfill to buildable land and create 16 acres of re-landfilled space (done to modern standards) usable for surface purposes like playing fields and parking. The university is providing \$22M in gifts, cash and debt financing to complete the land remediation part of the work which would provide land sufficient for the SHRC and the next five buildings. This would remove approximately \$22M of current liability from the OSU-Cascades campus site.

The Student Health and Recreation Center constructed on that remediated land will provide 40,000 square feet of space that will include a variety of physical activity spaces, dedicated spaces for clinical health services (nurse, physician assistant, physical therapist, etc.), and dedicated spaces for student mental health counseling services. This project will additionally include collaborative square footage for the development of a community-serving physical therapy clinic. OSU-Cascades students committed to a fee several years ago to support the construction of the building. That student approved fee revenue will provide \$3.9M in cash and support \$16.1M in debt financing for the project.

Access to health and recreation services is a major factor when students decide where they will pursue their education and OSU-Cascades is the only public four-year campus in the state without one. For many students, it will be essential to their wellness and academic success as well as essential to the continued development of the OSU-Cascades campus.

RECOMMENDATION

Staff recommend that the Board of Trustees approve the 2025-2027 Capital Funding Request as presented in Table 1 above to guide the development of the Capital Request for submittal to HECC.