


## Capital Project Stage Gate I: Corvallis Campus Housing & Dining Vision Phase I

**EXECUTIVE SUMMARY**

Board approval is required for capital projects when the projected budget exceeds the \$10 million (M) threshold. The Corvallis Campus Housing & Dining Vision, Phase I project begins with the construction of a new student living center, improvements to area infrastructure, and the development of a dining support facility located off campus. The total estimated budget for the project is \$190M, including about \$169M for the student living center and \$21M for the dining support facility. The new student living center has fully completed the schematic design phase and is about to enter the design development phase. The dining support facility is in concept development but given the timing and its connection with this new housing project, it is being included in this larger project.

 <p style="text-align: center;">DRAWING OF UHDS VISION PHASE I</p>	<b>Student Living Center</b> <b>186,000 sq. ft</b>	\$168,900,000
	<b>Dining Support Facility</b> <b>20,000 sq. ft</b>	\$21,000,000
	<b>Total Estimated project budget</b>	\$189,900,000
	<b>Funding</b>	OSU Revenue Bond Retired by UHDS revenue \$189,900,000
	<b>Deferred maintenance reduction</b>	~\$5,000,000
	<b>Estimated project completion</b>	Summer 2027
	<b>Location</b>	OSU main campus and off-site in Corvallis

**BACKGROUND**

The first phase of the Corvallis Campus Housing & Dining Vision is included in the Ten-Year Capital Forecast. The following information is provided for consideration by the Finance & Administration Committee to advance this project to the Stage Gate II design development phase pursuant to the [Approval of Capital Projects policy](#). The design development phase includes the completion of construction documents in preparation for bid and construction.

**PROJECT SUMMARY**

The Corvallis Campus Housing & Dining Vision Phase I project begins with the construction of a new student living center, improvements to area infrastructure, and the development of a dining support facility located off campus. The total estimated budget for the project is \$190M, including \$169M for the student living center and \$21M for the dining support facility. The new student living center will add 680 student beds to the campus inventory and will be approximately 186,000 square feet. The site work involved with this building includes the removal of three buildings adjacent to Cascade Hall – the Cascade Industrial Annex, the Group Custodial Services House and Adams Hall. This allows for the improvement and expansion of the parking lot in this area to make up for the parking spaces lost for the student living facilities footprint.

The site improvements will also involve improving access to the OSU Parking Garage from Western Boulevard and repairing part of a failing steam line. The dining support facility will centralize and streamline dining hall production, allowing the overall dining operation to run more efficiently and effectively with a higher resident count on campus. It also provides a new location for the OSU Catering operation, creating additional capacity for on campus food preparation and patron seating.

**ADVANCING OSU’S STRATEGIC GOALS**

<p><b>Goal 1</b>  <b>A university focused on big discoveries that drive big solutions</b></p>	<p><b>Goal 2</b>  <b>A university where every student graduates</b></p>	<p><b>Goal 3</b>  <b>A university that fuels a thriving world</b></p>
<p>The facility design uses mass timber and modern utilities for sustainability, reflecting OSU's focus on collaboration and public impact. The new offsite Dining Support Facility increases operational capacity for a growing residential system. By consolidating the commissary kitchen and bakery, it standardizes production, improves efficiency, and ensures consistent food quality, aligning with institutional goals to modernize systems for strategic growth.</p>	<p>Expanding on-campus housing enhances retention and graduation, resolving capacity issues and improving the first-year experience. Inclusive design features such as study spaces and ADA improvements support a more welcoming environment, reflecting a commitment to student success.</p> <p>The offsite kitchen boosts dining reliability and student wellbeing by better meeting dietary needs. It also supports events and future residence hall expansions, contributing to a more positive student experience.</p>	<p>Increasing on-campus housing relieves pressure on the local rental market and offers affordable, university-managed options. Facility updates reflect changing student needs, contributing to local economic and workforce development.</p> <p>The offsite Dining Facility utilizes a nearby industrial food site, maintaining local economic ties and efficiently scaling services as enrollment grows.</p>

## IDENTIFICATION OF RISKS AND MITIGATION STRATEGIES

The following risks have been identified for the project. Given these risks, the owner, design, and construction contingencies have been set at 10%, 5% and 3%, respectively.

<b>Risks</b>	<b>Likelihood</b>	<b>Severity</b>	<b>Consequences</b>	<b>Mitigation Strategy</b>
<i>Discovery of unforeseen site and design issues</i>	High	Medium	Use of contingency funds.	An assessment of the site was completed at the start of the project. This is a concern in any new construction project.
<i>Code Amendment required from city for SF allocation and height is delayed or denied</i>	Medium	High	Delay to scheduled construction start and opening.	Alternate construction schedule prepared to allow partial building opening on time.
<i>Systems and materials manufacturing delays</i>	Medium	Low	Delayed schedule due to long lead items.	We are planning to procure all long lead items early to reduce the risk of delay.
<i>Cost escalation due to market conditions</i>	Medium	High	Use of contingency funds.	Monitoring of market conditions and timing of procurement.
<i>Timing of electrical service upgrades</i>	Medium	Medium	Delayed schedule due to long lead and utility scheduling.	Continued engagement with Pacific Power.
<i>Tariffs on imported construction materials could increase the cost of construction projects.</i>	High	Medium	The effects of tariffs and when they might occur is yet unknown. Tariffs may drive up the availability and cost of construction materials.	Consider source of materials specified. Early purchase of as many construction materials as possible. Extra contingency has been added to the project in anticipation.

**TOTAL COST OF OWNERSHIP**

The estimated life cycle ownership costs for the Corvallis Campus Housing & Dining Vision Phase I project are summarized in the following table. The debt service related to the OSU-paid bonds, along with projected material impacts to utilities and maintenance costs, are detailed in the project *pro forma* in Attachment 1.

<b>Forecasted Total Cost of Ownership Corvallis Campus Housing &amp; Dining Vision Phase I</b>	
<b>ITEM</b>	<b>COST</b>
<b>Total Project Cost</b>	<b>\$189,900,000</b>
OSU Revenue Bond Retired by UHDS revenue	\$189,900,000
<b>Total Cost Avoidance</b>	<b>(\$5,000,000)</b>
Removal of Deferred Maintenance (Demolition of 3 structures)	(\$5,000,000)

**RECOMMENDATION**

Staff recommend that the Finance & Administration Committee approve advancing the Corvallis Campus Housing & Dining Vision Phase I Project to the design development phase.

The debt service related to the OSU-paid bonds, along with projected material impacts to utilities and maintenance costs, are detailed in the project *pro forma* below.

<b>Corvallis Campus Housing and Dining Vision - Phase 1 - Site 1</b>							
<b>Total Cost: \$168,913,453</b>							
<b>30 Year Cashflow NPV* through Final Debt Service Payment: \$68,835,199</b>							
	<b>Years 1-5</b>	<b>Years 6-10</b>	<b>Years 11-15</b>	<b>Years 16-20</b>	<b>Years 21-25</b>	<b>Years 26-30</b>	<b>30 Year Total</b>
Cash Inflows (Revenue)	\$ 65,012,904	\$ 79,098,139	\$ 96,234,980	\$ 117,084,568	\$ 142,451,279	\$ 173,313,763	\$ 673,195,633
Cash Outflows (Operating and Debt Services Expenses)	65,139,068	68,023,000	70,196,403	72,840,679	76,057,845	6,957,470	421,831,695
<b>Net Cashflows Before Reinvestment</b>	(126,164)	11,075,139	26,038,578	44,243,889	66,393,434	103,739,062	251,363,939
Cash Outflows (Capital Expenditures/Reinvestment)	-	-	1,383,609	17,457,084	19,587,087	-	38,427,781
<b>Net Cashflows After Reinvestment</b>	(126,164.00)	11,075,139.00	24,654,968	26,786,805	46,806,347	103,739,062	212,936,158
<b>Project Cumulative Cashflows</b>	\$ (126,164)	\$ 10,948,975	\$ 35,603,943	\$ 62,390,749	\$ 109,197,096	\$ 212,936,158	

<b>Corvallis Campus Housing and Dining Vision - Phase 1 - Site 1 and Offsite Kitchen</b>							
<b>Total Cost: \$189,888,453</b>							
<b>30 Year Cashflow NPV* through Final Debt Service Payment: \$51,086,908</b>							
	<b>Years 1-5</b>	<b>Years 6-10</b>	<b>Years 11-15</b>	<b>Years 16-20</b>	<b>Years 21-25</b>	<b>Years 26-30</b>	<b>30 Year Total</b>
Cash Inflows (Revenue)	\$ 70,429,227	\$ 85,687,923	\$ 104,252,461	\$ 126,839,059	\$ 154,319,109	\$ 187,752,792	\$ 673,195,633
Cash Outflows (Operating and Debt Services Expenses)	77,078,594	81,154,932	84,613,261	88,820,846	93,940,018	88,479,855	541,087,505
<b>Net Cashflows Before Reinvestment</b>	(6,649,367)	4,532,991	19,639,200	38,018,213	60,379,092	9,927,293	215,193,066
Cash Outflows (Capital Expenditures/Reinvestment)	-	-	1,383,609	19,271,608	21,401,611	-	42,056,828
<b>Net Cashflows After Reinvestment</b>	(6,649,367)	4,532,991	18,255,591	18,746,605	38,977,481	99,272,937	173,136,238
<b>Project Cumulative Cashflows</b>	\$ (6,649,367)	\$ (2,116,376)	\$ 16,139,215	\$ 34,885,820	\$ 73,863,300	\$ 173,136,238	

\*NPV = Net Present Value, an analysis to help determine the value of future cash flows over the life of the investment, discounted to the present time