



Capital Project Stage Gate II: OSU-Cascades Campus Development & Remediation Phase III (Phase III Project)

EXECUTIVE SUMMARY

The [Capital Projects Policy](#) requires prior approval of the Finance and Administration Committee to advance a capital project with an anticipated budget of over \$10M to the next phase of design development. The Student Health and Recreation Center (SHRec) project, included in the 2026 Oregon Legislative session, consists of two closely integrated projects: (1) Phase III landfill remediation and infrastructure to create buildable land in the campus core, and (2) construction of the approximately 40,000 square foot SHRec facility to support student wellness, retention, and degree completion. These are being advanced as separate projects for Board consideration. Phase III specifically enables the site and infrastructure needed for SHRec and broader academic development. Stage Gate I of the Phase III project was approved by the board in January 2025.

The Phase III Project is part of OSU-Cascades’ long-term development strategy to transform acquired “brownfield” properties, primarily a former landfill and pumice mine, into a fully buildable campus through phased remediation. This approach minimizes upfront land costs while leveraging state, federal, and external funding to support sustainable development. Phase III will remediate approximately 7 acres of landfill and create 17 acres of buildable land to support future academic facilities, housing, and campus infrastructure.

With a total budget of \$44M and anticipated completion in summer 2028, the project advances key university priorities by enabling future growth, improving student success through integrated health and recreation services, and supporting Central Oregon’s continued economic and community development.

Key risks (such as availability of suitable fill, potential discovery of hazardous materials, environmental conditions, and uncertainty in external funding) are being actively mitigated through design flexibility, regulatory agreements, experienced contractors, and contingency planning.

Overall, the Phase III Development project is an enabling investment that completes the core land development necessary for the long-term buildout and success of the OSU-Cascades campus.

BACKGROUND

The OSU-Cascades Phase III Project 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 construction phase (Stage Gate II) pursuant to the [Approval of Capital Projects policy](#).

PROJECT SUMMARY

Project Budget	\$44,000,000
Student-provided Cash	1,150,000
Business Oregon Loan	5,000,000
EPA Grant	4,000,000
State Bonds	33,850,000

Estimated project completion: **Summer 2028**

Location: **Bend, Oregon**



Artist's rendering: Cascades Campus Development Phase III

CAMPUS DEVELOPMENT BACKGROUND

The development strategy for the 128-acre OSU-Cascades campus, as described in the [January 2025 Stage Gate I docket](#), is driven by the condition of the land. In summary, a relatively low-cost acquisition of underutilized “brownfield” properties is followed by phased remediation to create fully buildable land. The campus includes 118 acres of land acquired below market value—a 72-acre former construction and demolition landfill and a 46-acre pumice mine—along with an initial 10-acre site, forming a contiguous campus near downtown Bend.

Rather than paying upfront for fully developable land, OSU’s approach spreads costs over time through targeted cleanup projects. These efforts leverage state, federal, and private funding to reduce overall cost while transforming the site into a safe, usable campus. An Analysis of Brownfield Cleanup Alternatives (ABCA) evaluated multiple development options. Building directly on the landfill without remediation was technically feasible but cost-prohibitive and carried long-term risks, requiring deep foundations and gas mitigation systems. Similarly, developing only the pumice mine would require importing significant fill and would result in a campus too small to support long-term growth.

The selected strategy—remediating both the landfill and pumice mine—provides the most cost-effective and sustainable solution. Clean material from the landfill is reused to fill and stabilize the pumice mine, creating a largely self-contained system that minimizes cost and community impact. This approach has been successfully implemented in earlier phases, including sites now supporting Ray Hall and the Student Success Center. This strategy has received regional and national recognition, including the [2025 EPA Brownfields Phoenix Award Regional Winner](#).

A previous phase of the project was supported by a \$2M EPA grant; OSU-Cascades is pursuing an additional \$4M EPA grant for Phase III.

As illustrated in Figure 1 below Phase III will remediate 7 acres of landfill while creating 17 acres of buildable land and infrastructure for the Student Health and Recreation Center, future residence halls, and academic buildings supporting decades of campus growth.

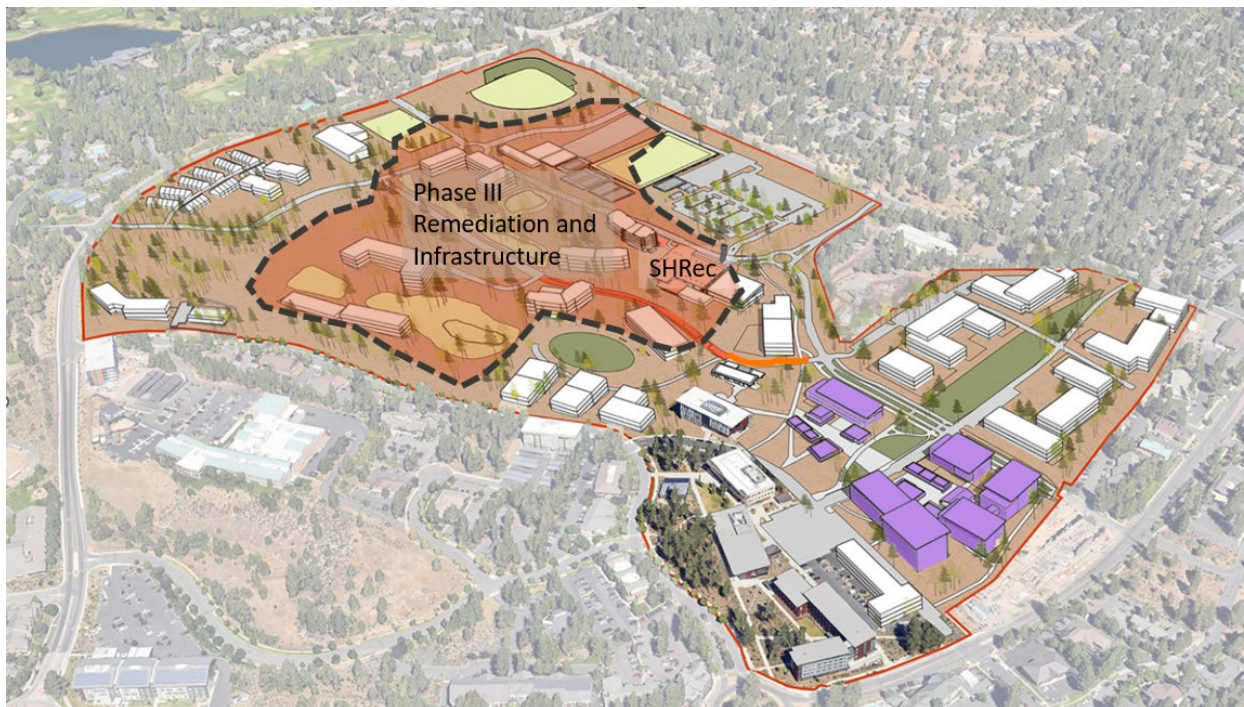


Figure 1: Drawing of Phase III scope

ADVANCING OSU’S STRATEGIC GOALS

PWS Goal 1: A university focused on big discoveries that drive big solutions. This Phase III Project creates buildable land in the heart of the OSU-Cascades campus to support decades of future academic and research focused buildings as the campus enrollment grows.

PWS Goal 2: A university where every student graduates. The landfill present in the middle of campus is a physical and visual impediment to the continued growth of the campus. The Phase III project will remove that landfill and install infrastructure to support the Student Health and Recreation Center. Access to integrated health, counseling, and recreation services will support student retention by reducing the likelihood of withdrawal associated with physical or mental health challenges.

PWS Goal 3: A university that fuels a thriving world. Oregon State University-Cascades has become a significant driver of economic, educational, and community impact in Central Oregon since its establishment as a four-year campus in 2015. Its influence continues to expand alongside the region's rapid population and economic growth and this project supports that expansion.

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%, 3% and 3%, respectively.

RISK: Availability of fill.

Likelihood: Medium

Severity: Medium

Consequences: The amount of material in the landfill and mine suitable for structural backfill may not be enough to meet the elevations necessary for future use of the land.

Mitigation Strategy:

1. Utilize adjustable elevations to fine tune the amount of material needed
2. Identify additional sources of fill from onsite.
3. Identify additional sources of fill from offsite.

RISK: Discovery of prohibited waste in landfill.

Likelihood: Low

Severity: High

Consequences: Although significant due diligence has been done, full understanding of waste cannot be known until it is uncovered.

Mitigation Strategy:

1. Prospective Purchaser Agreement in place with DEQ to limit OSU liability.
2. Utilize the PSA with Deschutes County as one source of mitigation.
3. Choose GC with solid background in landfill remediation to minimize costly delays.
4. Align with DEQ/Deschutes County and other stakeholders on what we would do in certain circumstances before those items arise.
5. Utilize ~5% contingency set aside specifically for hazardous waste.
6. Consider design changes to defer cleanup of any heavily contaminated areas and keep overall project on schedule.

RISK: Unforeseen environmental conditions create air, water, soil quality impacts during work.

Likelihood: Low

Severity: High

Consequences: Hazardous waste encountered needs to be handled (according to specific safety measures) in order to remove chances of migration.

Mitigation Strategy:

1. Utilize lessons learned during previous projects.
2. Hire a General Contractor experienced with this type of work.
3. Utilize recommendations of DEQ/Design Team/EHS/Construction team in developing material handling plans.
4. Develop hazardous material execution plan and team that will engage when hazardous material is encountered.
5. Setup perimeter monitoring that aligns to DEQ and EHS best-known methods for this type of work.

RISK: OSU is not selected for EPA grant or Gift funds do not meet expectations.

Likelihood: Medium

Severity: Medium

Consequences: The project design obligates the institution to scope that is not within budget causing waste and additional cost of re-designing to meet the updated budget.

Mitigation Strategy: Utilize flexible approach to our project plan such that we can reduce the scope of work to meet reduced budget without schedule or redesign impacts.

TOTAL COST OF OWNERSHIP

The estimated life cycle ownership costs for Phase III of the Student Health and Recreation Center, including land remediation, are summarized in the following Table 1. A project *pro forma* is not included, as the project is not utilizing revenue financing.

Table 1: A summary of the estimated life cycle ownership costs for Phase III of the Student Health and Recreation Center, including land remediation.

Cascades Phase 3 Land Development

Cascades Phase 3 Land Development Operating Pro Forma

	Years 1-5	Years 6-10	Years 11-15	Years 16-20	Years 21-25
Revenues	FY29-FY33	FY34-FY38	FY39-FY43	FY44-FY48	FY49-FY53
Cascades E&G Funds	\$1,559,174	\$1,559,174	\$1,559,174	\$1,559,174	\$0
Cascades Student Services Fee Funds	\$0	\$0	\$0	\$0	\$0
Sales & Services	\$0	\$0	\$0	\$0	\$0
Fees	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$1,559,174	\$1,559,174	\$1,559,174	\$1,559,174	\$0
Expenses					
Programmatic Costs	\$0	\$0	\$0	\$0	\$0
Debt Service Requirements	(\$1,559,174)	(\$1,559,174)	(\$1,559,174)	(\$1,559,174)	\$0
Operations & Maintenance Requirements	\$0	\$0	\$0	\$0	\$0
Capital Renewal Needs	\$0	\$0	\$0	\$0	\$0
Total Expenses	(\$1,559,174)	(\$1,559,174)	(\$1,559,174)	(\$1,559,174)	\$0
Net Resources / (Net Expenditures)	\$0	\$0	\$0	\$0	\$0
Accumulated Balance	\$0	\$0	\$0	\$0	\$0

RECOMMENDATION

Staff recommend that the Finance & Administration Committee recommend to the board approval of a capital project budget of \$44M for the OSU-Cascades Campus Development and Remediation Phase III project and advancement of the project to the construction phase (Stage Gate II).