



Capital Project Stage Gate I: OSU-Cascades Student Health and Recreations Center (SHRec)

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), included in the 2026 Oregon Legislative session, is one of two closely integrated projects alongside Phase III landfill remediation and infrastructure. While advanced separately for Board consideration, the SHRec project depends on Phase III to provide the buildable site and supporting infrastructure. The project is being presented for Stage Gate I approval to proceed to the design development phase. I.

The SHRec project is included in the Ten-Year Capital Forecast and represents a critical investment in student success and campus development. The proposed 40,000 square foot facility will serve as a central hub for student wellbeing, integrating health services, counseling, recreation, and fitness in a single, accessible location. Currently, OSU-Cascades is the only public university in Oregon without a dedicated health and recreation facility, limiting equitable access to essential services and requiring many students to rely on off-campus providers.

With a total project budget of \$40 million and anticipated completion in fall 2029, the SHRec is designed to enhance student retention, academic success, and overall campus experience by addressing physical, mental, and social wellbeing. The facility will provide flexible, inclusive spaces that foster connection, support diverse student needs, and adapt to future growth.

The project will utilize a Design-Build delivery method to promote innovation, cost control, and schedule efficiency, with a guaranteed maximum price to be brought forward at Stage Gate II. Key risks, including site readiness, scope changes, and procurement-related delays, are being actively managed through early coordination, stakeholder alignment, and proactive planning.

Overall, the SHRec project is a foundational investment in student wellbeing and success, and a key component of OSU-Cascades' continued growth as a full-service campus supporting Central Oregon.

BACKGROUND

The OSU-Cascades Student Health and Recreation Center 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 design development phase (Stage Gate I) 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

Project Budget	\$40,000,000
OSU E&G-backed Debt	1,150,000
Student Fee-backed Debt	20,000,000
Student Fee Cash	700,000
State Bonds	8,150,000
Gifts	10,000,000

Floor Area (square feet): **40,000**
 Estimated project completion: **Fall 2029**
 Location: **Bend, Oregon**



Artist's rendering: Proposed Student Health and Recreation Building

STUDENT HEALTH AND RECREATION CENTER

A substantial body of literature documents the relationship between students' physical and mental health and their academic success, including persistence and graduation rates. The Student Voice Survey on health and wellness from Inside Higher Ed and College Pulse noted that "Half of students say their physical health and wellness adversely impacts their academic success. The number is higher for certain groups of students, including those with physical disabilities or chronic illnesses, those with mental health conditions, and even two-year college students relative to four-year students." (<https://www.insidehighered.com/news/student-success/health-wellness/2023/05/31/how-college-students-rate-campus-health-and#>)

OSU-Cascades is the only public university in Oregon without a dedicated student health and recreation facility. Students currently only have access to a small hotel-style gym-like space without locker rooms that is located in the residence hall. The majority of students who can afford it rely on off-campus facilities in Bend—a reality that creates inequitable access for many students. In addition, the OSU-Cascades campus lacks purpose-designed counseling environments which may discourage students from seeking needed mental health services due to discomfort or lack of privacy. Similarly, the absence of on-campus clinical space requires students to seek routine medical care from community providers or the emergency room. The SHRec will address these important gaps by providing safe, and accessible spaces that ensure all students, regardless of their background, abilities, or identities, feel valued, respected, and welcomed to those spaces.

The 40,000 square foot Student Health and Recreation Center (SHRec) was conceived as a central on-campus anchor for comprehensive wellbeing, integrating the physical, social, and mental dimensions of student life. It is imagined as a campus community hub where students develop a sense of belonging, connection, and inspiration. The building is designed for adaptability, with spaces that flex and transform to support a diverse range of activities while anticipating future growth and change. The SHRec will serve as a hub for both wellness and recreation, as it will weave together a health clinic, gymnasium, fitness training spaces, an indoor climbing wall, and an outdoor activity rental center for the OSU-Cascades Outdoor Program. Collectively, these elements will support the daily rhythms of campus life while embodying the values of inclusivity, resilience, and lifelong wellbeing.

DELIVERY METHOD

OSU-Cascades is utilizing the traditional Design Build (DB) delivery method for this project, an approach to design and construction that seeks to increase competitive pressure on design creativity and pricing while reducing the risks of cost overruns. OSU-Cascades has worked through a conceptual design for the project, clearly outlining our programmatic goals and will, in our solicitation, ask General Contractors and Design professionals to create teams that will submit a design and Guaranteed Maximum Price (GMP) for that design. The selection committee will then select the submission that presents the best value for the university. OSU-Cascades expects to bring that GMP to the October 2026 Board meeting for Stage Gate II approval.

ADVANCING OSU'S STRATEGIC GOALS

PWS Goal 1: A university focused on big discoveries that drive big solutions. The Student Health and Recreation Center will enable students to more fully engage in the rigorous academic and expanding research activities at the OSU-Cascades campus. By supporting student well-being, it enhances student retention, focus, and collaboration, thereby supporting cultivation of the diverse, high-performing talent necessary for advancing innovative ideas and solutions that benefit Central Oregon and beyond..

PWS Goal 2: A university where every student graduates. On-campus access to integrated health, counseling, and recreation services will support student retention by reducing the risk of withdrawal associated with physical and mental health challenges.

PWS Goal 3: A university that fuels a thriving world. By supporting student success and degree completion, the Student Health and Recreation Center will help OSU-Cascades fuel a resilient local workforce and drive the region's long-term economic and community vitality.

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 9%, respectively.

RISK: Building Site not ready in time.

Likelihood: Medium

Severity: Low

Consequences: Delays drive increased costs

Mitigation Strategy: Early collaboration on pad design, elevation, and timing will support schedule success.

RISK: Change Constraints.

Likelihood: Medium

Severity: Low

Consequences: OSU-driven changes will drive increased project costs.

Mitigation Strategy: Increased early education of project stakeholders will help keep OSU changes from driving project costs higher.

RISK: Project delays due to procurement and processes.

Likelihood: Medium

Severity: Medium

Consequences: Increased project costs from escalation during delays.

Mitigation Strategy: Outline the cost and possible causes of project impacts early so all OSU teams can work together to mitigate them.

TOTAL COST OF OWNERSHIP

The estimated life cycle ownership costs for the Student Health and Recreation Center project are summarized in the following table.

Cascades Student Health and Recreation Center						
Cascades Student Health and Recreation Center Operating Pro Forma						
	Years 1-5	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Years 26-30
Revenues	FY29-FY33	FY34-FY38	FY39-FY43	FY44-FY48	FY49-FY53	FY54-FY58
Cascades E&G Funds	\$371,640	\$371,640	\$371,640	\$371,640	\$371,640	\$371,640
Cascades Student Services Fee Funds	\$5,445,339	\$5,445,339	\$5,445,339	\$5,445,339	\$5,445,339	\$5,445,339
Sales & Services	\$1,093,680	\$1,267,874	\$1,469,814	\$1,703,917	\$1,975,306	\$2,289,922
Cascades Fees (Building & Student Services Fees)	\$2,075,662	\$3,369,558	\$4,217,317	\$4,656,259	\$5,140,886	\$5,675,954
Total Revenues	\$8,986,321	\$10,454,411	\$11,504,110	\$12,177,155	\$12,933,172	\$13,782,855
Expenses						
Programmatic Costs	(\$518,660)	(\$601,269)	(\$697,036)	(\$808,056)	(\$936,758)	(\$1,085,959)
Debt Service Requirements	(\$5,816,979)	(\$5,816,979)	(\$5,816,979)	(\$5,816,979)	(\$5,816,979)	(\$5,816,979)
Operations & Maintenance Requirements	(\$1,617,874)	(\$1,875,559)	(\$2,174,287)	(\$2,520,594)	(\$2,922,060)	(\$3,387,468)
Capital Renewal Needs	(\$1,032,808)	(\$2,160,604)	(\$2,815,808)	(\$3,031,526)	(\$3,246,708)	(\$3,300,000)
Total Expenses	(\$8,986,321)	(\$10,454,411)	(\$11,504,110)	(\$12,177,155)	(\$12,922,505)	(\$13,590,406)
Net Resources / (Net Expenditures)	\$0	\$0	\$0	\$0	\$10,667	\$192,449
Accumulated Balance	\$0	\$0	\$0	\$0	\$10,667	\$203,116

RECOMMENDATION

Staff recommend that the Finance & Administration Committee approve advancing the Student Health and Recreation center to the design development phase (Stage Gate I).