

## Capital Project Status Report

### BACKGROUND

Currently, there are just over 150 active major and minor capital projects in progress at the university. The Finance & Administration Committee reviews and recommends to the Board the approval of major capital projects (more than \$5 million).

### MAJOR CAPITAL PROJECTS

Table 1 in Attachment 1 provides a status report of all major capital projects approved by the Board of Trustees from FY2015 through FY2018. As shown in the table, one major capital project is substantially complete and within budget. Seven major capital projects are under construction. Another six major projects at OSU-Corvallis and two at OSU-Cascades are in the design phase. Three projects are in the pre-planning and project development stage.

Because of the close connection with capital improvement and construction projects, the progress report on research space needs is provided in Attachment 2. Research space needs is an area of risk assigned for oversight by the committee. As summarized in the report, there has been significant progress in assessing the condition of research space, and a number of capital improvements and major capital projects are complete or underway to address high priority needs identified.

### NEXT STEPS

The Finance & Administration Committee will discuss the annual status report at their October 25, 2018 meeting.

**Table 1.** Status of major capital projects (≥ \$5.0 million).

Project name	Stage of Development <sup>1</sup>	Estimated completion date	Board approved budget (million)	Projected cost (million)	Funding sources	Comments
<b>OSU-Corvallis</b>						
Utility tunnel and steam line replacement	Substantial completion	June 2018	\$ 7.80	\$ 7.78	OSU paid revenue bonds	
HP Building 11	Construction	Fall 2018	12.75	12.75	OSU funds, gifts or grants	
Oregon Forest Science Complex			79.50	79.50	State bond funding, gifts, OSU other	
George W. Peavy Forest Science Center	Construction	Winter 2020				
Advance Wood Products Laboratory	Construction	Fall 2019				
Magruder Hall Teaching Hospital and Classroom Expansion	Construction	Summer 2019	13.00	13.00	Gifts, OSU funds	
Finley Hall	Construction	Summer 2019	10.50	10.50	OSU other - UHDS	
IT Systems Infrastructure	Construction	May 2019	10.00	10.00	OSU paid revenue bonds	
Marine Studies building	Construction	Winter 2020	61.70	61.70	State paid bonds, OSU paid revenue bonds, gifts	
Upper Division and Graduate Student Housing	Design Development / Construction Docs	Summer 2020	30.00	50.00	OSU paid revenue bonds	Budget amendment request will be presented to the board on 25-26 Oct 2018
Cordley Hall- Phase I	Schematic design	Fall 2020	TBD	15.00	State paid bonds	3-phase project: phase 1 funding available May 2019
Research Way Laboratory building improvements	Programming	Spring 2020	TBD	10.00	OSU paid revenue bonds	

October 25-26, 2018 Board of Trustees Meetings

Project name	Stage of Development <sup>1</sup>	Estimated completion date	Board approved budget (million)	Projected cost (million)	Funding sources	Comments
Arts and Education Complex	Programming	TBD	TBD	70.00	State paid bonds, gifts	
Complex for Resilient Infrastructure and Safety	Schematic design	TBD	TBD	10.00	Gifts, OSU funds	Fundraising
Newport Housing	Programming	TBD	27.18	TBD	OSU paid revenue bonds	Seeking partners, capital budget approved 2 June 2017
Gilkey Hall	Pre-planning and project development	TBD	5.00	5.00	State paid bonds, OSU paid revenue bonds	Bond funding available May 2019, capital budget approved 17 Mar 2017
Fairbanks Hall	Pre-planning and project development	TBD	TBD	11.00	State paid bonds	Bond funding available May 2019
Oregon Quality Food and Beverage Center	Pre-planning and project development	TBD	18.00	18.00	State paid bonds, gifts	Fundraising, capital budget approved 17 Mar 2017
<b>OSU-Cascades</b>						
Site reclamation	Design	Winter 2019 / Spring 2020	TBD	9.00	State paid bonds	
Academic building 2	Programming	Spring / Summer 2021	TBD	49.00	State paid bonds, gifts	

<sup>1</sup> Main stages:

- 1) Pre-planning and project development: Initial determination of occupants, funding strategy, building size and functions, and risk/opportunity analysis.
- 2) Programming phase: The scope (building and user requirements) is determined, building area is established, and project cost estimating begins during this phase.
- 3) Schematic design phase: During schematic design, the project scope is translated into physical drawings of space that include floor plans, site plans and building elevations.
- 4) Design development phase: Schematic plans are expanded to include details and specifications required for construction. This includes size, function, configuration, equipment and materials for the building structure and systems. Construction documents are completed at the end of this phase to ensure compliance with codes, statutes, and university standards; and includes quality controls and estimates of all project costs.
- 5) Construction phase: Consists of two primary phases: pre-construction and bidding; and construction. The first phase procures labor, materials, and finalizes the budget, while the second completes the building and scope of the project.
- 6) Substantial completion (assume occupancy): When work is complete to allow satisfactory operation of the building and construction and other documents are completed to occupy and maintain the facility.

**Oregon State University  
University Risk Management  
2016-17 Priorities  
Research Space Needs**

Board Oversight Committee	Risk Topic	University Goal	Type(s) of Risks to be Prevented	Risk Owner(s)	Risk Mitigation Strategy(ies) <sup>1</sup>	Risk Mitigation Team
Finance & Administration Committee	Research Space Needs	Demonstrated leadership in research supported by state-of-the-art research facilities that meet short- and long-term research enterprise needs.	Operational, Compliance, Financial, Reputational	VP for Research, VP for Finance and Administration	Accept, Reduce	Associate VP for University Facilities, Infrastructure and Operations; Associate VP for Research, Director for Budget and Fiscal Planning, Infrastructure Working Group, Provost Council, Capital Planning Working Group
<b>Mitigation Plan</b>						
Objectives to Achieve	Actions to Satisfy Objectives			Status Report		
1. Provide an effective space-planning process that maximizes necessary resources, including long-term capital construction and renewal plans incorporating research needs	a. Complete campus-wide research space and condition assessment  b. Institute the Infrastructure Working Group (IWG) made up of Provost Council members and UHDS and Athletics			a. A comprehensive research space inventory was completed in August 2017 and linked principle investigator offices with the corresponding laboratory spaces. A space analyst is to be hired by January 2019 who will implement a new platform for space management and assessment.  b. The IWG prioritized projects for the ten-year capital forecast, which was accepted as part of the Ten-Year Business Forecast in January		

<sup>1</sup> Definitions of mitigation strategies:

Avoid: Discontinue the activities that present unacceptable risk

Share/Insure: Transfer the risk through insurance programs or 3<sup>rd</sup> party

Reduce: Implement controls, practices, programs to lessen the risk

Accept: Proceed with the activity because the benefit outweighs the risk

*October 25-26, 2018 Board of Trustees Meetings*

	<p>directors; establish protocol to determine priority investments; and require IWG approval of capital improvement and renewal projects</p> <p>c. Link IWG activities to biennial and decadal capital requests</p> <p>d. Leverage relationships with federal agencies and industry</p> <p>e. Develop alternative models for space allocation (e.g., incentives for relinquishing dead space, fee-based allocation)</p> <p>f. Develop short- and long-term plans for space maximization including existing and newly proposed space and space made available when defunct structures are demolished</p>	<p>2018. Criteria for capital improvement and renewal (CIR) projects were developed and used to prioritize projects. E&amp;G CIR for FY2018 and FY2019 funded roof replacement for four research intensive buildings (~\$5.5-6.0 million), mechanical systems replaced in three research facilities, and building controls replaced in nine research facilities (~\$6.6 million).</p> <p>c. Once state CIR funds are allocated, IWG will further approve a list of investments that will include improvements to research infrastructure.</p> <p>d. ATAMI is a recent example of a successful relationship between federal and industry partners. Construction at HP building 11 that houses ATAMI will be completed in fall 2018.</p> <p>e. Responsible offices are researching current models from other universities for space allocation and relationships to university budgets. (June 2019)</p> <p>f. Sightlines (a facility asset analysis consulting firm) completed its FY2017 analysis in spring 2018 and has begun its FY2018 analysis. The Phase 1 renovation of Cordley Hall, a major research building (~235K SF), is in schematic design. The ten-year forecast includes demolition of buildings with high Facility Condition Needs Index ratings (Snell Hall), building renovations (Cordley Hall, Gilbert Hall, Batcheller Hall, Covell Hall and Withycombe Hall), and construction of two new STEM buildings. Buildings will be designed and constructed for high efficiency, greater flexibility and resilience, and space optimization. (Ongoing)</p>
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<b>Performance Metrics</b>			
<b>Metric</b>	<b>Current Measure</b>	<b>Goal</b>	<b>Comments</b>
1. Space utilization metric		Research \$/square foot (SF)	Classroom utilization assessments were completed in Fall 2017. Principal investigators have been linked to research spaces. Research funding will be tied to spaces by January 2019. Baseline research space metrics are to be created and initial calculations completed by June 2019.
2. Quality of space metric		Create an assessment tool	Under development (Fall 2018)
3. User space satisfaction		Create survey tool	Under development (Fall 2018)
<b>Plan Review and Report Schedule</b>			
<b>Action</b>	<b>Oversight Group</b>	<b>Completion Date or Frequency of Action</b>	<b>Comments</b>
Progress report	Provost's Council	Semi-annually	
Annual progress report	Cabinet	Annually	
Review annual progress report; schedule educational and discussion items as identified in the committee's annual work plan	Finance & Administration Committee	Annually	