

FY2018 Capital Budget and Bond Resolution



FY2018 Capital Budget Request

Location, fund type, and project	Total (\$M)	State-paid bonds (\$M)	OSU-paid bonds (\$M)	Gift funds (\$M)	OSU funds (\$M)
OSU Corvallis					
E&G					
Gilkey Hall Renovation – Undergraduate and International Studies	\$5.00	\$3.00	\$2.00	\$0	\$0
Steam Line Replacement and Tunnel Extension	7.80	0	7.80	0	0
Minor Capital Programmatic Improvements (Snell Hall/Research Way Building)	5.30	0	5.30	0	0
Magruder Expansion (Supplement)	3.00	0	0	0	3.00
Oregon Quality Food and Beverages Center	18.00	9.00	0	9.00	0
Subtotal E&G	\$39.10	\$12.00	\$15.10	\$9.00	\$3.00
Auxiliaries– Housing and Dining					
Upper Division and Graduate Housing	\$30.00	\$0	\$30.00	\$0	\$0
Newport Housing	27.18	0	27.18	0	0
Subtotal Auxiliaries	\$57.18	\$0	\$57.18	\$0	\$0
Total OSU capital budget request	\$96.28	\$12.00	\$72.28	\$9.00	\$3.00

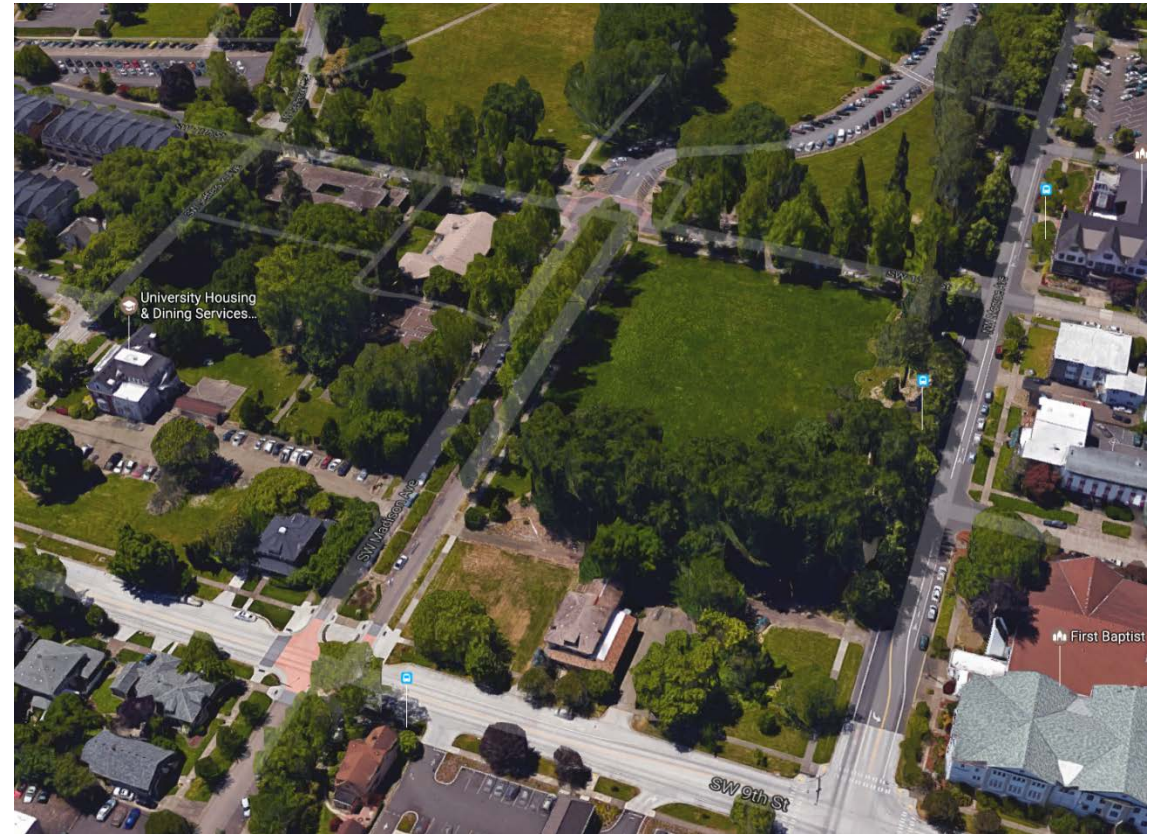
OSU Corvallis – Magruder Expansion (Teaching Hospital and Classroom)

- Originally \$10.0 M
- Supplement \$3.0 M (OSU funds)
- Construction costs rising (5-26%)
- Refined scope
 - Hands-on surgery, teaching of clinical skills, crucial elective classes
- *Pro forma* (10-yr, \$13.0M) (Table 4)
 - Positive accumulated cash flow in year 5



OSU Corvallis – Upper Division and Graduate Student Housing

- 150–250 units, 200-400 additional beds
- *Pro forma* (30-yr, \$30.0M) (Table 5)
 - Positive accumulated cash flow in year 7
 - 10/90 taxable/tax exempt bonds



OSU Corvallis – Upper Division and Graduate Student Housing

- History
- Outreach and engagement
- Alternate site



OSU Newport Housing

- Built safely out of the tsunami zone at a location adjacent to the Oregon Coast Community College
- 130 units, ~180 bedrooms
- Upper division undergraduates, graduate students
- Less certain & shorter duration housing demand
- Pro forma (30-yr, \$27.18M)(Table 6)
 - Positive accumulated cash flow in year 18
 - E&G commitment to fund the depreciation expense
 - 50/50 taxable/tax exempt bonds

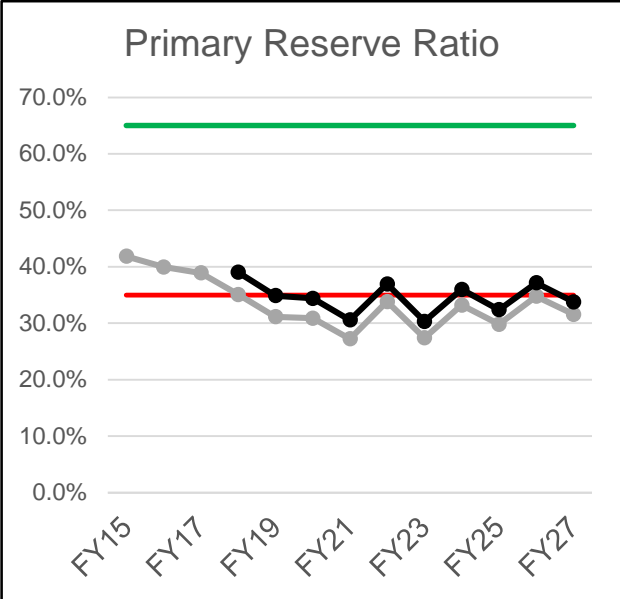
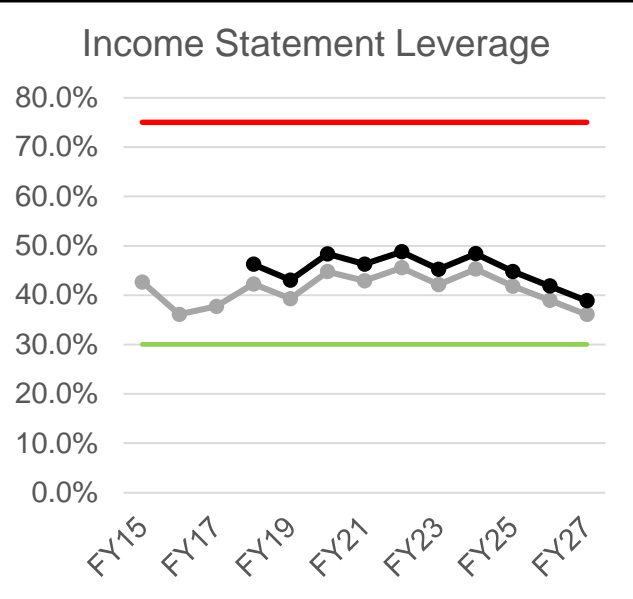
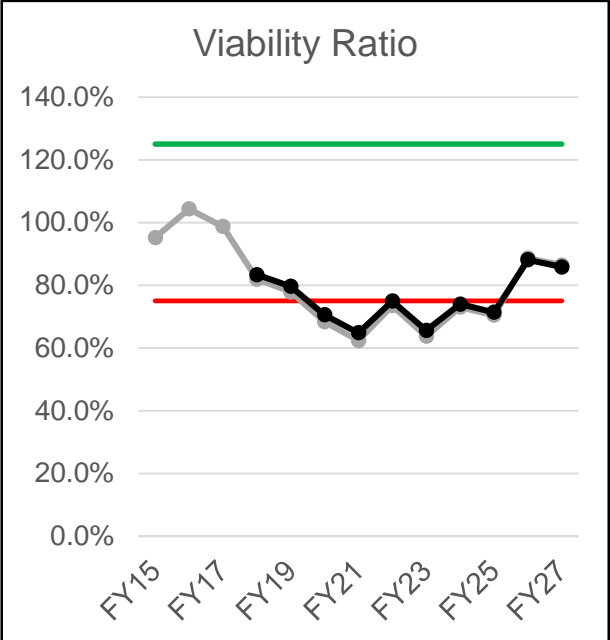
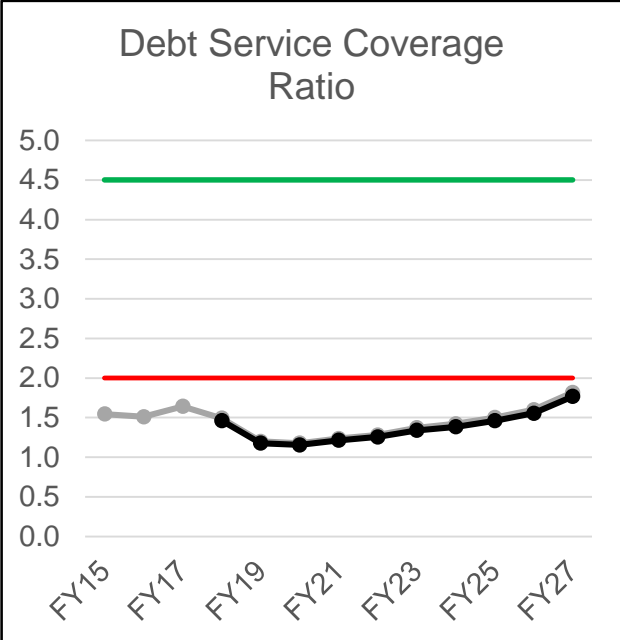
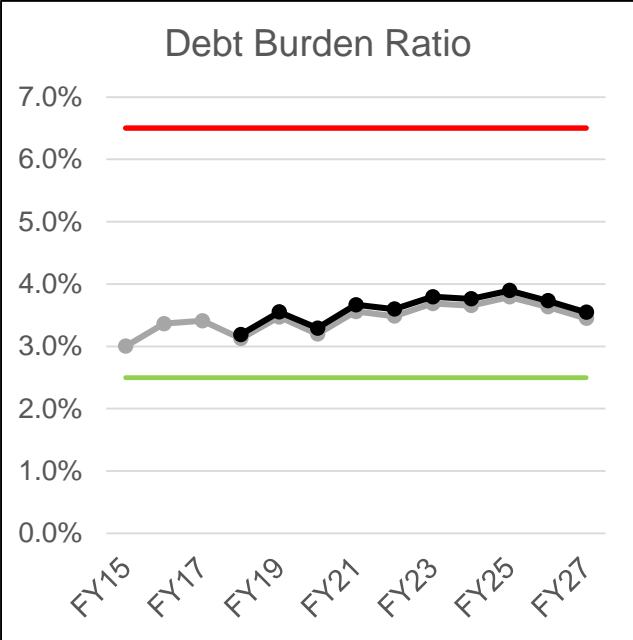


OSU Revenue Bond Funding Request

Project Name	Total Project Cost	Revenue Bond Request	Estimated Debt Service	Repayment Source
Gilkey Hall Renovation	\$5,000,000	\$2,000,000	\$240,000	E&G
Steam Line Replacement and Tunnel Extension	7,800,000	7,800,000	938,000	E&G
Minor Capital Programmatic Improvement	5,300,000	5,300,000	637,000	E&G
Upper Division & Graduate Student Housing	30,000,000	30,000,000	1,918,000	UHDS
Newport Housing	<u>27,180,000</u>	<u>27,180,000</u>	<u>1,922,000</u>	UHDS
Total	<u>\$75,280,000</u>	72,280,000	<u>\$5,655,000</u>	
Reserve for Estimated Bond Costs		900,000		
Original Issue Discount (2% maximum) ⁽¹⁾		<u>1,495,000</u>		
Total Issuance		<u>\$74,675,000</u>		

(1) Tax-exempt bonds may be sold at a discount.

Debt Policy Ratios



- Upper bound
- Lower bound
- Ratio with phased in funding
- Ratio with Line of Credit (LOC)

Recommendation

Staff recommend that the Finance & Administration Committee recommend to the Board that it adopt the FY2018 Capital Budget and the Bond Resolution provided in Attachment 1.