



May 10, 2013

To: Sen. Fred Girod, Co-Chair
Rep. Tina Kotek, Co-Chair
Sen. Peter Courtney
Sen. Richard Devlin
Rep. Val Hoyle
Rep. John Huffman
Rep. Nancy Nathanson
Rep. Greg Smith

From: Jamie Moffitt, Vice President for Finance and Administration & Chief Financial Officer,
University of Oregon

Re: SB 5506 | University of Oregon Article XI-G and XI-F Bonding Requests

Co-Chairs Kotek and Girod and Committee Members:

The University of Oregon supports the Governor’s capital construction budget as it relates to higher education and the University of Oregon. **We seek an amendment to include two additional projects, the Science Commons, backed by Article XI-G bonds, and the Erb Memorial Union, backed by Article XI-F revenue bonds.**

The University of Oregon appreciates the state’s historic commitment to supporting facilities for higher education. We are proud of the University’s record of completing projects **on time and within budget**, as validated by multiple external audits. We value the support of donors, students and facility patrons who through their charitable donations and user fees contribute mightily to improving student academic opportunities. **These private funds leverage the state’s investment and result in significant improvements to the campus and quality of education offered.**

The five projects prioritized by the University of Oregon for inclusion in the capital construction budget (two state backed and three revenue backed) are in this same spirit of leveraging taxpayer support with project-ready, high impact investments that will significantly enhance the quality of education offered by the University of Oregon and advance the state’s 40-40-20 goals. Our capital request addresses critical facility needs the campus is facing, including addressing deferred maintenance, expanding classrooms and facilities to accommodate increasing enrollment, and modernizing buildings to keep pace with academic excellence and preparing students for jobs.

In announcing his recommendations for capital construction in early February, the Governor described the UO Science Commons project as among “a number of other significant investment opportunities should the Legislature choose to allocate additional debt capacity for higher education, including PSU’s Peter W. Stott Center and the University of Oregon’s Research Library Expansion.” We appreciate the Governor’s support for investment at the University of Oregon and are delighted, thanks to the generosity of philanthropists, particularly Lorry Lokey, that the match for the Science Commons project is in hand. We seek an amendment to SB 5506 to include the Science Commons, enabling the university to meet the needs of our students, including a 71% increase in science majors since 2001. We also seek an amendment for the expansion and remodel of the Erb Memorial Union, which sits in the heart of our campus and was approved by a majority vote of UO students.

We hope that the committee will find that the university’s request for two G-bond backed projects (state match \$19.375 million) and three revenue-backed projects is meritorious, and we strongly support their inclusion in the final capital construction allocation. This document provides descriptions of each project that is a critical priority for the University of Oregon. We would also welcome the inclusion of other projects, such as Chapman, Huestis, or the Global Studies Building, as described by OUS in their testimony.

OVERVIEW OF ARTICLE XI-G AND ARTICLE XI-F BOND PROJECTS

Each description provided below highlights project details and costs. Please note several overarching pieces of information about each project:

- **Timeline:** Each of these projects has reached the final stage of planning that can be completed before the UO is granted the requested bonding capacity.
- **Debt Capacity:** The University of Oregon has sufficient capacity to manage the proposed debt. Approval of these projects will keep UO below its 7% cap.
- **40-40-20 Goals:** Projects for which we are requesting XI-G bonds increase classroom and learning spaces, and access to technology that enhance learning and prepare our students for professional careers.

Straub and Earl Halls Classroom Expansion *(Currently included in SB 5506)*

Bond Type	Article XI-G
State Component:	\$11,000
Private Funding: (gifts, grants, and/or other sources)	\$11,000
Total Cost	\$22,000
Cost Per Square Foot:	\$439
Estimated Number of Jobs Created:	198
Timeline (ready to begin construction):	Fall 2013

Project Overview: The project, located in the academic core of campus, consists of a two-story expansion and redevelopment of existing portions of Earl and Straub Halls and related site work. This expansion and remodel is currently planned to include 700 newly created and 300 renovated classroom seats dedicated to general University use, including a highly needed 500 plus seat lecture hall. The redevelopment will result in 20,500 GSF of new space and will replace or remodel 29,600 GSF of existing space. Straub Hall is currently undergoing a significant remodel aimed at relieving its overwhelming deferred maintenance issues, and this project will expand the deferred maintenance work to replace the existing classrooms with new ones. The newly created seats translate into an additional capacity for 2,800 students in all disciplines. In terms of the state’s 40-40-20 goals, by increasing the number of classroom seats, more class sections can be offered, which contributes to a shorter time to degree, and allows more classes to be offered during the most sought after teaching and learning times. The new classroom spaces will also be configured to take advantage of the latest best practices in teaching, including room configuration and technology infusion.

Science Commons and Research Library Expansion and Remodel *(Requires an amendment to SB 5506)*

Bond Type	Article XI-G
State Component:	\$8,375,000
Private Funding: (gifts, grants, and/or other sources)	\$8,375,000
Total Cost	\$16,750,000
Cost Per Square Foot:	\$424
Estimated Number of Jobs Created:	151
Timeline (ready to begin construction):	Spring 2014

Project Overview: The Science Commons and Research Library would significantly advance the quality of instruction available to UO students in the science disciplines by adding more than 3,500 gross square feet of new space and remodeling more than 30,000 gross square feet. This remodel and expansion would add more seating capacity, a new digital technology lab, classrooms, space for student advising, visualization capabilities to accelerate understanding of complex problems, and science discipline-specific rooms to support discovery and learning. The expansion and remodel would offer more opportunities and space to accommodate a 71% increase in science majors since 2001. Much to the generosity of Lorry Lokey’s foundation, one of UO’s most

generous benefactors, half of the project costs (\$8,375,000) would be funded from private sources. These private dollars can only be leveraged if the state authorizes \$8,375,000 of XI-G bonds to help fund the \$16,750,000 project.

OVERVIEW OF ARTICLE XI-F BOND PROJECTS

UO Student Recreation Center Expansion *(Currently included in SB 5506)*

Bond Type	Article XI-F
State Component:	\$50,250,000
Funding Source:	Student fees; revenue
Total Cost:	\$50,250,000
Student Fee Increase (per term):	\$38, brings fee up to \$471
Cost Per Square Foot:	\$353
Estimated Number of Jobs Created:	453
Timeline (ready to begin construction):	Summer 2013

Project Overview: In 2011 the students of the University of Oregon voted to approve a renovation of the Student Recreation Center (SRC). The SRC was built for daily use of about 3,000 students, but turn-style counts for the facility now frequently surpass 6,000 per day. This project as currently envisioned includes renovations to existing spaces and new spaces totaling approximately 142,000 gross square feet and will create a state of the art facility that fully meets the student recreation needs and academic course curriculum that generates over 15,000 credits annually. The updated facility will house a 12-lap swimming pool with two diving boards, and a recreational pool. The project will double the cardio and strength training space and add a three-court gymnasium. It will upgrade current mechanical, electrical, and plumbing system to ensure the safety and longevity of the new facility.

University Housing Expansion *(Currently included in SB 5506)*

Bond Type	Article XI-F
State Component:	\$84,750,000
Funding Source:	Revenue
Total Cost:	\$84,750,000
Cost Per Square Foot:	\$338
Estimated Number of Jobs Created:	764
Timeline (ready to begin construction):	Summer 2014

Project Overview: This project will create new on-campus residence hall beds and now on-campus apartment beds. The project is envisioned as four buildings located in the east campus. One building is a 500 bed residence hall and the other three buildings contain 300 beds in apartment style living units. The project allows the university to achieve an important metric of housing 25% of the undergraduates on campus and retain the residential nature of the university. A residential university ensures that students will thrive academically by including them in a community that supports educational and personal growth.

Erb Memorial Union Expansion and Remodel *(Requires an amendment to SB 5506)*

Bond Type	Article XI-F
State Component:	\$84,300,000
Funding Source:	Student facility fees (\$74,300,000) and Student building fee (\$10,0000)
Private Funding: (gifts, grants, and/or other sources)	\$5,000,000
Previously approved deferred maintenance funds:	\$2,300,000
In hand or anticipated student fees	\$2,900,000
Other university funds	\$500,000
Total Cost:	\$95,000,000
Student Building Fee Increase (per term):	\$67, brings fee up to \$538
Cost Per Square Foot:	\$444
Estimated Number of Jobs Created:	856
Timeline(ready to begin construction):	Winter 2014

Project Overview: The renovation and expansion of the Erb Memorial Union (EMU), the University of Oregon’s student union, was approved by a vote of UO students and approved by the State Board of Higher Education. These approval processes took place after the Department of Administrative Services (DAS) review of agency capital construction projects and the preparation of Governor Kitzhaber’s SB 5506, which allocates dollar amounts for various state bond activity. Since it first opened in 1950, the EMU has been the heart of campus, serving as a central gathering place for academic and cultural offerings, including over 250 student organizations ranging from student government and multicultural groups to club sports and student media.

While the EMU has served students proudly for over six decades, the building is past due for over \$12 million in critical deferred maintenance. Additionally, as enrollment at the UO is quickly approaching 25,000 students, the EMU lacks the space and structural capacity to serve the growing and changing needs of the student population. The current overcrowding is forcing students out of their union building to study, eat, socialize, and participate in student activities.

The EMU renovation and expansion has gone through a robust planning and collaboration process. The project will:

- Modernize the building to make it more efficient, including renovation to create more useable space and to integrate academic and co-curricular opportunities.
- Provide safety, structural and renovation upgrades to approximately 134,000 square feet of existing space (the 1950s structure).
- Create better-utilized new space to accommodate growing student population and activities (replacement of the 1970s wing).
- Provide a 250 seat multi-purpose room designed to be flexible for student programming, academic functions, and expanded space for conferences.