

2015-2017

Capital Construction Project Request

For Submittal to the Higher Education
Coordinating Commission (HECC)

INTRODUCTION

Portland State University prepared its 2015-17 Capital Construction Project Request in accordance with the specifications provided by the Higher Education Coordinating Committee (HECC) in its instruction document entitled, “Development of Budget Requests for Capital Construction Projects.” PSU’s capital project request includes four distinct projects and a request for capital repair, replacement and renewal funds for education and general funded facilities throughout campus. The total request includes **\$161,500,000** in project costs, of which:

- \$92,900,000 is in state-paid debt*
- \$55,600,000 is in campus-paid debt
- \$13,000,000 is in matching funds

The request includes:

1. Neuberger Hall DM and Renovation –\$70,000,000 (includes \$10,000,000 match)*
2. Renovation and Expansion for the Graduate School of Education - \$20,000,000 (includes \$3,000,000 match)
3. Broadway Housing Purchase – \$53,000,000 (includes \$47,700,000 in campus-paid debt)
4. University Center Land Purchase - \$7,900,000 (all of which is campus-paid debt)
5. Capital Repair, Replacement and Renewal - \$10,600,000

BACKGROUND

Capital Planning Process

PSU’s capital planning process in preparation for this request began in spring 2013 and has included input from all of the university’s Vice Presidents, Associate Vice Presidents, Deans and administrative unit heads. The university’s Capital Advisory Committee (CAC) has reviewed over 30 potential projects totaling over \$1 billion and grouped them into the following three categories:

- A – Projects that are of high priority and require funding in the near term
- B – Valuable projects that are not the university’s priority in the next few years
- C – Potential projects that need more analysis before a determination on their priority can be made

*One alternative option for Neuberger Hall DM and Renovation which lowers the total amount of state-paid debt is presented in this proposal.

The table below includes the 13 priority ‘A’ projects, all of which are important to PSU, and any one of which would be valuable to the university if funding was received. The significant number and high dollar value of the priority ‘A’ list reflects both the intensity of use that PSU’s campus experiences, literally every day and night, and the fact that capital support for the university has not kept pace with that intense use.

<u>State Supported Projects (primarily)</u>	<u>Project Cost (in millions)</u>
Neuberger Hall (renovation)	\$60-\$70
Extended Studies Building (renovation/expansion)	\$20
Montgomery Court (renovation & repurpose)	\$15 - \$17.5
East Hall (renovation)	\$3.5 - \$8
Art & Design Building (new)	\$60 - \$100
Cramer Hall (renovation)	\$45 - \$90
Science One (renovation/expansion)	\$20 - \$80

<u>Campus Supported Projects (primarily)</u>	<u>Project Cost (in millions)</u>
Broadway Housing (purchase)	Up to \$53
University Center Building (land purchase)	Up to \$7.9
Honors Program Mixed-Use Building (new)	\$16.5 - \$19.25
Hotel and Conference Center (new)	\$25 - \$35
Ondine Housing (renovation)	\$19 - \$22
Student Union (renovation or new)	\$25 - \$120

In March 2014, the CAC recommended, and the PSU President approved, submitting a request to the HECC, and ultimately to the state legislature, for funding for the four projects shown in bold above and which follow as individual project requests.

Capital Repair, Replacement and Renewal

PSU began operations in its current location in 1952, and over the following thirty years, built and acquired a majority of the buildings that currently make up the PSU campus. The capital funds allocated to PSU from the state for deferred maintenance have not kept pace with the backlog of capital improvement needs. PSU currently has over \$387 million in deferred maintenance (DM) on its campus, over \$173 million of which is in its education and general (E&G) facilities. This does not include desired structural improvements, hazardous materials abatement, accessibility improvements, programmatic improvements or campus beautification.

PSU has more DM in its E&G facilities than any of the other institutions in what has been the Oregon University System (OUS), and has over twice as much DM per square foot as the average among the institutions. The amount of DM at PSU in E&G facilities steadily grows each year due to the limited amount of capital renewal funds allocated to PSU from the state through OUS, and has risen from \$60 per square foot in 2008 to \$78 per square foot today.

Portland State University requires approximately \$5.3 million per year, or \$10.6 million per biennium, just for its backlog of deferred maintenance (DM) to remain constant at its current estimated total amount of over \$173,000,000 in its education and general (E&G) facilities. The allocation of capital repair, replacement and renewal funds allocated in the last two biennia to PSU, \$4.8 and \$5.6 million respectively, has not been sufficient to keep PSU's DM backlog from growing.

CAPITAL PROJECT REQUESTS

There are four projects proposed and a request for capital repair, renewal and replacement funds totaling \$161,500,000, \$92,900,000 of which is in state-paid debt. Note that one project, Neuberger Hall DM and Renovation, includes a second option that would reduce the total request for state-paid debt to \$84,900,000.

The request includes two projects that are the university's top priorities, a major renovation of Neuberger Hall and a renovation and expansion for the Graduate School of Education. These projects will help ensure that students, faculty and staff work in a safe and accessible environment and will help the state meet its 40-40-20 goals by focusing on projects that are crucial to the university's ability to recruit, retain, and ensure the success of PSU's students. Two other proposed projects, both of which are acquisitions, are being pursued because each of them will lower the university's operating costs.

Below is a summary of each of the four capital construction projects. In addition, PSU is requesting adequate capital repair, renewal and replacement funds to maintain our current deferred maintenance backlog in E&G facilities at \$173 million. Please see the individual project request proposals for complete details.

Neuberger Hall DM and Renovation

For PSU students, Neuberger Hall is one of the most important and heavily used buildings on campus. Neuberger Hall is home to 37 classrooms and 18 class labs. 24,000 square feet of student services include financial aid, the registrar, and veterans' services. The renovation of Neuberger Hall has been a long standing priority for Portland State University. A request for \$83 million dollars to renovate the building was ranked sixth out of twenty-five projects on the Oregon University System's request for funding in the 2011 legislative session. During the session, legislative leadership indicated they would like to see smaller scale options for Neuberger Hall and that PSU should pursue strategies for campus supported funds for the project. PSU's current proposal for Neuberger Hall includes \$10 million dollars of campus support and presents two lower cost options for consideration. Both options address all of the building's critical and immediate accessibility, life and safety, and deferred maintenance needs to prevent a potential crisis, with one allowing the university to also make greater progress toward improving outcomes for transfer and Under Represented Minority (URM) students and meeting the goals of 40-40-20.

Renovation and Expansion for the Graduate School of Education

PSU's Graduate School of Education (GSE) is being displaced by the PSU School of Business expansion. During the 2014 legislative session, PSU requested funds to renovate and expand the Extended Studies Building (XSB) to create a permanent and functional home for the GSE and the new School of Gender, Race, and Nations (SGRN). The legislature chose to limit funding to the critical life and safety projects requested by the Oregon University System. PSU's GSE and SGRN are critical components to PSU's commitment to equity and diversity. The GSE is Oregon's leader in preparing bilingual/bicultural teachers for Oregon's K-12 classrooms, especially in the STEM fields. The newly created SGRN is an interdisciplinary approach to understanding our changing society and making changes for a more socially just future. As Oregon's most diverse university, PSU must provide excellence in studies and research of culture, race, ethnicity, sovereignty, nation, migration, class, gender and sexuality. PSU's current proposal builds upon our 2014 proposal by continuing to address all of the accessibility, life and safety, and deferred maintenance needs of the XSB, while also incorporating a new design to meet the Governor's Executive Order 12-16, regarding the innovative use of wood in capital projects.

Broadway Housing Purchase

The purchase of Broadway Housing from the PSU Foundation creates operational savings and allows for greater flexibility in maintaining PSU's housing portfolio. Cost savings will help balance the overall housing budget and decrease education and general fund support for the facility. The acquisition will allow for reinvestment in other housing buildings in need of capital improvements.

University Center Land Purchase

The purchase of the land beneath the University Center Building creates operational savings and secures the use of a PSU-owned building in a strategic location. The concrete, steel and glass building houses the Center for Student Health and Counseling, various College of Liberal Arts and Sciences departments, the Oregon Center for Career Development and the Intensive English Language Program. PSU has made some investments in the structure, and the purchase will allow long-term access to the building, beyond the end of the current lease in 2023.

The table below shows PSU's proposed funding source mix.

Project	State-Paid Debt			Campus-Paid Debt	Other	Total
	XI-G Bonds	XI-Q Bonds	Lottery Bonds	XI-F Bonds		
Neuberger Hall DM and Renovation	\$10,000,000	\$50,000,000			\$10,000,000	\$70,000,000
Renovation and Expansion for the Graduate School of Education	\$3,000,000	\$14,000,000			\$3,000,000	\$20,000,000
Broadway Housing Purchase			\$5,300,000	\$47,700,000		\$53,000,000
University Center Land Purchase				\$7,900,000		\$7,900,000
Capital Repair, Replacement and Renewal		\$10,600,000				\$10,600,000
Total	\$13,000,000	\$74,600,000	\$5,300,000	\$55,600,000	\$13,000,000	\$161,500,000
Total (state-paid debt combined)	\$92,900,000			\$55,600,000	\$13,000,000	\$161,500,000

NEUBERGER HALL DM & RENOVATION

Section 3: Development of Budget Requests for Capital Construction Projects

Institutions requesting cash or debt financing from the state for capital projects in the 2015-17 biennium, are requested to provide the information described below.

Project Information

For each project, provide the following:

1. A short working title for the project.

Neuberger Hall Deferred Maintenance & Renovation

2. A narrative description and justification for the project.

Neuberger Hall is located at the heart of PSU's campus. The building has 37 classrooms and 18 class labs and approximately 24,000 square feet of student services. This core building is one of the most heavily utilized on campus, and most students visit Neuberger Hall for administration or education purposes many times during their college career. Aside from being a core classroom building, Neuberger Hall serves as the students' "front door" to the PSU campus.

Neuberger Hall is in very poor condition. The building is in urgent need of significant upgrade or replacement of its major systems to remain operational and address safety issues. Built in two phases in the 1960's, the building's major systems are past the end of their normal life cycle. Operating costs of the building have skyrocketed as the university has fought to keep this critical building open for students. There is a growing concern of a catastrophic failure that would force a closure of the building and cause a major disruption for students. Despite being one of the most heavily used buildings on the central campus, several areas of the building remain inaccessible to students, faculty, and staff with disabilities. Finally, the roof of the building is failing and there are several large water leaks into faculty offices and classrooms. It is critical that PSU receive funding during the 2015-17 biennium to modernize Neuberger Hall.

The building currently houses the following schools and departments; Mathematics & Statistics, Speech & Hearing Sciences, Conflict Resolution, English, Philosophy, Art & Design (partial) and World Languages & Literature. The building's classrooms, labs, student study spaces, and faculty offices are outdated and do not meet the needs of modern instruction. Finally, student services such as Admissions, Registration and Financial Aid found on the first floor are undersized, poorly designed, and lead to major frustrations for students and their families, especially at the start of fall term.

The proposed renovations will result in a building that better meets the needs of PSU's students and supports the university's efforts to achieve Oregon's 40-40-20 goal. Two project scope options are presented. **Option 1** addresses all of the critical life and safety needs of the building and provides the most flexible and usable space to provide the greatest opportunities for PSU to improve outcomes for students, including better recruitment, retention, and graduation of underrepresented students and

better services for transfer students. **Option 2** addresses all of the critical life and safety needs of the building, but does not provide for many of the important student centered initiatives included in Option 1.

Option 1 is a \$70 million project to eliminate all life safety issues, major system needs, and deferred maintenance in the building. Significant structural improvements are included in this option as well as improvements to make the entire building accessible to all students, faculty, and staff.

Classrooms, offices, and the exterior envelope of the building are modernized to meet the needs of PSU's students and reduce operational costs. Replacement of the building façade and creation of a new entrance will create a more functional and welcoming "front door" for incoming PSU students. A modernized film and video studio will support students training to join the state's growing film industry. The functionality of the interior space of the building is improved to create room for student centers at the heart of campus that are focused on the unique needs of transfer and underrepresented students. Since 2010, Hispanic enrollment at PSU has grown 35% and PSU has significantly more transfer students than any other Oregon university. PSU needs additional space and resources to focus on the unique needs of these two student populations.

Option 2 is a \$60 million project to eliminate all life safety issues, major system needs, and deferred maintenance in the building. Significant structural improvements are included in this option as well as improvements to make the entire building accessible to all students, faculty, and staff.

Classrooms, offices, and the exterior envelope of the building are modernized to meet the needs of PSU's students and reduce operational costs. This option does not include modernizing the entrance to the building or creating a film and video studio to support the film industry. This option also does not include development of student centers focused on the comprehensive needs of PSU's large number of transfer and underrepresented students.

3. A detailed description of the nature of the project and what will be constructed, including appropriate metrics (acres, square feet, number of stories, classrooms, labs, etc.).

The existing building is 237,874 gross square feet and was constructed in two phases; the east portion in 1960, the west in 1969. The building is a composite of concrete and steel structures with glass and masonry facades. The building sits on an approximately 40,000 sq. ft. parcel adjacent to the South Park Blocks in the heart of the PSU campus.

Option 1

Life and Safety, ADA, Necessary Structural Improvements, Improved Building Functions, Better Outcomes for PSU Students

Project Total:	\$70 Million; <i>State support \$60 Million, PSU support \$10 Million</i>
Q Bonds:	\$50 Million
G Bonds:	\$10 Million
PSU Support:	\$10 Million

Option 1 eliminates all deferred maintenance in the building, including replacement of HVAC, electrical and fire prevention systems. The failing roof will be completely replaced eliminating the current significant rainwater leaks into faculty offices and classrooms. The building will be abated of most if not all hazardous materials including a significant amount of asbestos.

Exterior envelope deficiencies will be addressed to improve the energy efficiency of the building. The building will meet or exceed LEED Silver requirements. Structural improvements to the building will be made as well as significant accessibility improvements. Replacing the façade, opening up the building to the street and providing daylight to spaces throughout the building to significantly improve the learning environment would also be possible with this option.

Thirty-seven classrooms, labs, and the current film and video studio will be modernized. Space for individual departments will be improved to better serve student, faculty, and staff. Particular emphasis will be given to the first floor, the location of Admissions, Registration and Financial Aid, key resources for all students at PSU.

Most important for students, this option improves interior space within the building, creating room in the center of campus for cultural center(s) for underrepresented students, a modern film and video studio, and creation of a new transfer student center.

Option 2

Life and Safety, ADA, Necessary Structural Improvements, Improved Building Functions

Project Total:	\$60 Million; <i>State support \$52 Million, PSU support \$8 Million</i>
Q Bonds:	\$44 Million
G Bonds:	\$8 Million
PSU Support:	\$8 Million

Option 2 eliminates of all deferred maintenance in the building, including replacement of HVAC, electrical and fire prevention systems. The failing roof will be completely replaced eliminating the current significant rainwater leaks into faculty offices and classrooms. The building will be abated of most if not all hazardous materials including a significant amount of asbestos.

37 classrooms will be modernized and space for individual departments will be improved to better serve students and faculty. Particular emphasis will be given to the first floor, the location of Admissions, Registration and Financial Aid, key resources for all students at PSU.

Some exterior envelope deficiencies will be addressed to improve the energy efficiency of the building. The building will meet or exceed LEED Silver requirements. Structural improvements to the building will be made as well as significant accessibility improvements.

This option does not include modernization of the entrance to the building or creation of a film and video studio. Option 2 also not does not include a transfer or underrepresented student center.

4. A description of any clear and urgent life, health, and safety problems that will be addressed by the project and an indication of the degree to which the problems are resolved.

Fire & Life Safety would be addressed in the following ways:

- The building contains large amounts of asbestos-containing materials and lead paint which, when disturbed, can be hazardous to the occupants. Most if not all of this would be abated.
- The structural stability of the building would be improved, making it safer for occupants in the event of an earthquake.
- Indoor air quality would be improved as a result of upgrading the HVAC systems and the hazardous materials abatement.
- Fire protection systems and fire alarm systems would be modernized and extended, making the building safer during fire events.
- Drinking water quality would be improved due to the replacement of the domestic water system with cleaner and safer materials.
- Elevator rehabilitation along with improvements to restrooms and general building access would improve accessibility throughout the building.

5. An estimate of the total project cost regardless of funding request. Include design and planning, hard and soft construction costs, land and real property acquisition, infrastructure development, furnishings and fixtures, contingencies, etc.

A full reconstruction or replacement of Neuberger Hall is estimated to cost between \$80 and \$100 million dollars. Each of the proposed options in this request addresses all of the deferred maintenance and safety issues within the building. Programmatic improvements to improve outcomes for students are significantly reduced with the lower cost option.

- Option 1: \$70 million
- Option 2: \$60 million

6. A detailed funding request:

a) Complete the following table:

Option 1

	General Funds/Lottery Funds	Article XI-G bonds	Article XI-F (1) bonds	Lottery Bonds	SELP loans	Seismic Grants	Article XI-Q bonds	Total
Total		\$10 million					\$50 million	\$60 million
State-paid debt		\$10 million					\$50 million	\$60 million
Campus-paid debt								

Option 2

	General Funds/Lottery Funds	Article XI-G bonds	Article XI-F (1) bonds	Lottery Bonds	SELP loans	Seismic Grants	Article XI-Q bonds	Total
Total		\$8 million					\$44 million	\$52 million
State-paid debt		\$8 million					\$44million	\$52 million
Campus-paid debt								

b) For Article XI-G bonds, identify the amount and source of the constitutionally-required 50% match.

Approximately \$4.5 million would come from an asbestos settlement received in March 2014 and the remaining (\$5.5 million in Option 1 and \$3.5 million in Option 2) would come from private donations and other PSU sources.

c) For additional required project funding (beyond requested state funds and Article XI-G match), identify the amount and source of the funding. [This amount, combined amounts in items 6a and 6b should equal the total project cost in item 5.]

N/A

d) Identify the revenue sources that will be used to pay campus-paid debt.

N/A

7. The expected project start and completion dates.

Expected Project Start Date: July 2015
 Expected Project End Date: September 2018

8. The state and/or institutional goals that the project is intended to address (mark all that apply). Specify the goals and describe how the project’s impact on the goals will be measured and when the impacts can be observed.

40/40/20 goal (identify which parts of the goal will be addressed: 4 year degrees, 2 year degrees, certificates, GEDs, high school diplomas)

The project is focused on helping the state achieve the goal of 40% of adult Oregonians to hold a bachelor’s or advanced degree. Renovated classrooms and labs that allow faculty to use modern instructional methods will ensure that students are able to stay at PSU to complete their degree and are prepared to enter the workforce. Student centers located in the heart of campus that meet the unique needs of transfer and URM students (the majority of PSU students) will improve recruitment, retention and graduation rates. Improved facilities for PSU’s Admissions, Registration and Financial

Aid service areas are key ingredients to bringing more students into PSU.

This goal will be measured by continuous monitoring of enrollment, retention, and graduation rates.

☒ Statewide economic development or workforce goal (identify the goal or goals addressed)

The *Oregon Workforce Development Strategic Plan, 2012 – 2022* identifies three main goals

- Oregonians have the skills they need to fill current and emerging high-wage, high-demand jobs.
- Employers have the skilled workforce they need to remain competitive and contribute to local prosperity.
- The workforce system is aligned, provides integrated services, and makes efficient and effective use of resources to achieve better outcomes for businesses and job seekers.

This project addresses the first two workforce goals by educating the workforce necessary for emerging high-wage, high-demand jobs throughout the state and helping to place those newly educated workers with local companies.

The Neuberger Hall renovation project includes creating better instructional and advising spaces for many of the core subject offerings that all PSU students must take in order to earn a bachelor's degree. The College of Liberal Arts and Sciences, which has a number of departments in the building, graduates more students than any other college at PSU. In demand degrees such as Mathematics and Statistics and Speech & Hearing Sciences are also housed at Neuberger.

The Film Program in the School of Theatre and Film supports Oregon's growing film industry. The program has exceeded enrollment and graduation rate expectations since its start in Fall 2007. The program offers courses in Film Studies and in Production, and it has expanded its course offering each year since its inception. To support these program areas, investment is needed in the studio classroom spaces as the curriculum develops in relation to technological-industrial developments and shifts. The dean of the College of the Arts and film faculty members regularly meet with key industry leaders to discuss the role that PSU's Film Program plays in the industry's workforce development and to establish programmatic partnerships and internship opportunities for students.

☒ Other statewide goals (identify the goal or goals being address)

The 10-Year Plan for Oregon includes a 'Job and Innovation Outcome Area' with a goal that:

- Oregon has a diverse and dynamic economy that provides jobs and prosperity for all Oregonians (one metric being the creation of 25000 net new jobs per year)

This project is projected to create between 840 and 980 family wage construction jobs.

☒ Institutional goal (identify the goal or goals being addressed)

The project addresses a number of PSU goals, including the President's key themes:

- Providing civic leadership through partnerships
- Improving student success
- Achieving global excellence

- Enhancing educational opportunity
- Expanding resources and improving effectiveness

The project helps meet the following goals from PSU’s Strategic Plan:

Goal 2.3: Increase retention rate for first-time, full-time freshmen to 75 percent

Goal 2.5: Increase campus engagement and satisfaction for students

Goal 2.6: Produce graduates who can succeed and be leaders in a global community

Goal 3.3: Establish an environment at PSU that is welcoming, inclusive and diverse

Goal 5.4: Expand and upgrade campus facilities to meet current and future demands in the most cost-effective and sustainable manner possible

The project meets this goal from the University District Framework Plan:

1. Optimize land use in the University District and neighborhood to accommodate anticipated growth in a quality and livable learning environment.

These goals are measured through a variety of indicators, including retention, time to degree completion, overall cost of education and University operating costs. These indicators are assessed at least annually.

9. Describe the impact of the project on improving access and success for underrepresented, first generation, rural, and low income students. Describe how the impact of the project on these student groups will be measured and when the impacts can be observed.

PSU serves the most diverse student body among Oregon’s public four year universities. PSU has been working for many years to increase the number of Oregonians and in particular Underrepresented Minority Students (URMs) obtaining baccalaureate and advanced degrees. Over the past decade, PSU has been successful in nearly doubling enrollment of URM students and our retention rate for these students is better than that of Caucasian students.

In the 2015-2017 Biennial State Appropriations Request submitted to the HECC on March 31, 2014, PSU outlines seven strategies for achieving the state’s 40-40-20 goal with a specific emphasis on improving outcomes for URM students. The submission also includes proposed metrics and timelines for the impacts of these strategies. Several of those key strategies for improving outcomes for URM students require additional capital investments at Neuberger Hall: 1) emphasis on recruitment; 2) creation of a comprehensive transfer center; and 3) expansion of the university’s student cultural centers to support and retain URM students.

1) Better Recruitment

Neuberger Hall is the “front door” to the university for prospective and new students. All students pass through its doors as they enroll in PSU to access financial aid services, obtain a student ID, or register for classes. PSU needs a seamless and welcoming “first day” experience, especially for URM students who are often the first in their family to attend college. Improving Neuberger is also key to PSU improving access and success for other first generation, rural, and low income students. Focusing on the needs of these students is a priority for PSU.

2) A Comprehensive Transfer Student Center

PSU attracts more transfer students than any other university in Oregon. In the fall of 2011, 3,213 transfer students enrolled at PSU. Although transfer students at PSU benefit from our current advising support services, the research on transfer student success suggests a number of best practices that could improve outcomes for transfer students enrolled at PSU.

Creation of a comprehensive center focused on the unique needs of transfer students is one such best practice. The Center would serve as a main point of contact for all transfer students. The center will develop major specific degree maps with community colleges, ensure curricular alignment, provide orientation, major selection, ongoing acculturation, reverse transfer, seamless transition of student credit hours, etc. A comprehensive transfer center will also holistically guide students through advising, academic support, financial aid, and transfer of degree credits while supporting the needs of these nontraditional students.

3) Student Cultural Centers

PSU has established several campus cultural centers to focus on the unique needs of URM students. The Native American Youth Center, the Queer Resource Center, and La Casa Latina have all made significant contributions to providing a welcoming and positive environment for URM students at PSU. As the Hispanic student population at PSU continues to grow, so do the demands on La Casa Latina, Exito, and other similar initiatives. The space limitations at PSU currently do not meet the growing needs of students. Option 1 allows PSU to create more flexible and functional space within Neuberger Hall and relocate and expand some of these vital student cultural centers and services.

Institution Information

Any campus submitting a capital request should provide the following information:

1. An estimate of the institution's deferred maintenance backlog for education and general service facilities.

PSU has a current backlog of over \$173,000,000 in deferred maintenance in its education and general service facilities. This amount does not include structural improvements, hazardous materials abatement, accessibility improvements, programmatic improvements or campus beautification. PSU is requesting \$10.6 million through the Capital Repair and Renewal fund to avoid increasing the backlog during the 2015-17 biennium.

2. An estimate of the institution's seismic upgrade needs for educational and general service facilities.

PSU's current backlog of desired seismic upgrades for educational and general service facilities is estimated to be over \$51,000,000.

3. A description of the institution's facilities plan for managing facilities and reducing the deferred maintenance backlog.

PSU's budget for maintenance of its facilities and grounds is 21% below the average among its national peers. Therefore, PSU is forced to allocate the majority of this budget to address critical and immediate maintenance, landscaping, or custodial needs on campus. Only a small amount, 9% of the budget, was available this past year for preventative maintenance. There are no funds in this budget available for deferred maintenance, other capital improvements or cosmetic enhancements. Deferred maintenance in PSU E&G facilities is primarily funded with the state's capital repair and renewal funds.

The management of the deferred maintenance backlog is handled in the following manner:

- A consolidated list of all identified capital improvement needs on campus is maintained by PSU's Planning, Construction & Real Estate division. There are over 700 projects on this list, over 400 of which are deferred maintenance projects. Projects are prioritized first using a 5-tier lettered system (A for Highest Priority, B for High Priority, etc.). Then, for all A Priority level projects, projects are further ranked on a numerical basis.
- Each quarter, a team of personnel from Capital Projects & Construction (CPC), Facilities & Property Management (FPM), the Campus Sustainability Office and various auxiliary units meets to update this list. Newly-identified projects are added to the list and priorities are re-examined.
- Each biennium, PSU has received a 'Capital Repair and Renewal' allocation from the state through an allocation distributed to OUS. In recent years, PSU's typical biennial allocation has been between \$4 million and \$5 million. PSU believes it is critical to maintain a collective Capital Repair and Renewal request to the legislature for deferred maintenance needs at Oregon's universities. The request for this fund should be adequate to prevent further growth of the universities' deferred maintenance backlog during the 2015-17 biennium.
- Approximately 75% of the biennial allocation is allocated to the highest priority projects in the capital improvement database, primarily to deferred maintenance projects but sometimes to desired accessibility or life safety projects.
- Approximately 25% of the biennial allocation is retained for urgent needs, generally to replace a building system component that has failed or is in very poor condition. A Budget Allocation Committee, consisting of members of FPM, CPC, & Environmental Health & Safety (EHS), meets weekly to review urgent needs on campus and allocates the remaining funds as they deem appropriate.

4. Whether the institution has a master facilities plan and, if so, the date on which it was adopted and/or last amended.

In June 2010, PSU completed the PSU University District Framework Plan. The document provides a conceptual framework for physical development to support the mission of the University and create a vibrant neighborhood. The Plan seeks to foster:

- A model learning and research environment
- A model sustainable community
- A model economic environment
- Multiple partnerships between University, city and public and private enterprise
- An urban design that captures and enhances Portland's unique characteristics

The Plan notes deficiencies in space and the need to improve aging buildings, identifying the need “to retrofit or redevelopment of PSU buildings to address deferred maintenance and meet current code requirements and pedagogical needs.” The Plan specifically identifies Neuberger Hall as an important renovation project.

Project Information: Campus-backed Debt

For capital projects that request state bonds that will be repaid with campus-backed debt, please provide the following

1. A 10 year pro-forma that documents projected revenues, operations costs, and debt service payments to demonstrate the long term sustainability of the project.

N/A

2. An estimate of the institution’s debt load for the subsequent 10 years based on all projects on which campus funds will be used to pay the debt on state-issued bonds and Certificates of Participation and campus-issued debt. The calculations should all existing debt, all projects included in the current request, and any planned large future requests.

N/A

Identify any bond-funded projects that were authorized in prior biennia that will require reauthorization by the 2015 legislature. Include the name of the project, when it was authorized, the amount that needs to be reauthorized, and a description of any changes to the project since it was originally authorized (include changes in project cost and funding).

The 2013 legislature authorized \$10 million in XI-F bonds for the purchase of the University Center Building land. PSU was unable to execute a purchase of the land since the authorization and therefore requires the reauthorization of this debt. However, PSU is asking for less debt authorization this time to better reflect the maximum market value of the land.

Although not required at this time, institutions will need to submit six year capital plans to be included in the Governor’s Recommended Budget. Instructions will be provided in the near future.

RENOVATION AND EXPANSION FOR THE GRADUATE SCHOOL OF EDUCATION

Section 3: Development of Budget Requests for Capital Construction Projects

Institutions requesting cash or debt financing from the state for capital projects in the 2015-17 biennium, are requested to provide the information described below.

Project Information

For each project, provide the following:

1. A short working title for the project.

Renovation and Expansion for the Graduate School of Education

2. A narrative description and justification for the project.

This \$20 million project will provide critical life safety improvements, significantly improve accessibility in the Extended Studies Building (XSB) currently without an elevator, decrease the campus's deferred maintenance backlog, help the state achieve its 40-40-20 goal, modernize existing academic spaces and accommodate an urgent need to create a new home for the Graduate School of Education (GSE). The project will contribute to Oregon's focus on equity and diversity by improving the space for PSU's School of Gender, Race, and Nations (SGRN) and be designed to meet Executive Order 12-16 regarding the innovative use of wood in capital projects.

The renovation of XSB will address the building's major electrical and fire suppression system deficiencies, which have become more apparent over the last year, to avoid potential injury to occupants. The building is the largest building on campus without an elevator which leaves the second floor inaccessible to students, faculty, and staff who cannot climb the stairs. The project adds an elevator to provide access to six classrooms and department offices on the second floor, making all spaces accessible to all students. The project also creates a permanent home for the GSE at a time when the School will be displaced by the School of Business Administration project approved during the 2013 legislative session. The addition of office, classroom and student support spaces will also help avoid the long-term financial costs of leasing private space for the Graduate School of Education.

The proposed project will turn a poorly functioning building along the park blocks into a modern education resource with modernized general pool classrooms, the necessary space for GSE to meet its mission and improve its programs, and renovated space for important departments who serve diverse and traditionally underserved populations. The proposed project adds an additional 38,000 square feet of space to accommodate GSE programs, classrooms, labs, student study space, advising, faculty and staff. This central location for GSE will accommodate current and future needs, assist with recruitment and retention efforts and will facilitate coordination with other schools and colleges on campus.

The XSB project also improves space for the newly created School of Gender, Race, and Nations (SGRN) at PSU. SGRN is an interdisciplinary approach to understanding our changing society and making changes for a more socially just future. As Oregon's most diverse university, PSU must provide excellence in studies and research of culture, race, ethnicity, sovereignty, nation, migration, class, gender and sexuality. PSU's Black Studies, Indigenous Nations, Women, Gender, and Sexuality Studies departments are participants in the SGRN.

Finally, the use of innovative wood construction methods, including the use of cross laminated timber and other newer wood products, will highlight PSU's commitment to sustainability and our state's natural resources industry. Wood is a renewal resource with many structural benefits and Oregon is the national leader in softwood lumber, research and education. With this method of construction the new home to the GSE will become an opportunity for teaching the region about wood construction in institutional buildings.

3. A detailed description of the nature of the project and what will be constructed, including appropriate metrics (acres, square feet, number of stories, classrooms, labs, etc.).

The project will allow GSE to build upon its long history of success of educating and training current and future teachers, counselors and school administrators across the state. In addition to creating a new home for GSE, the project will modernize space for the School of Gender, Race, and Nations, which currently occupies the building. The project will upgrade seven general pool classrooms. The project will include a renovation of 30,246 square feet of space and an addition of approximately 38,000 square feet to fully accommodate the GSE, an urgent programmatic need.

The XSB was built in two phases in 1957 and 1964 and is now in very poor condition. The building has major electric and fire suppression system deficiencies along with a significant amount of deferred maintenance. Risks of continuing to occupy the building without significant improvement include contamination of the city's water supply and a greater likelihood of damage and injury in the event of a fire. The building is three stories and has offices and classrooms throughout the building, yet does not have an elevator. PSU accommodates a higher percentage of students with disabilities than any other OUS institution, and it is imperative that all of its buildings are accessible to all students. This project will address all of the building's deferred maintenance and improve its safety and accessibility significantly.

The project will be designed to meet at least four of the five criteria found in the Governor's Executive Order 12-16 promoting wood products as a green material, including:

- Innovative and creative application of wood within building elements
- Utilization of new technologies and materials to support new market development or expansion
- Utilization of locally harvested wood and or wood products
- Demonstrates and connects the use of wood with high performance buildings

The multi-story structure will highlight the benefits of wood construction methods in a prominent location on the PSU campus and will continue PSU's commitment to sustainability and our state's timber industry.

4. A description of any clear and urgent life, health, and safety problems that will be addressed by the project and an indication of the degree to which the problems are resolved.

Fire & Life Safety would be addressed in the following ways:

- The building contains large amounts of asbestos-containing materials and lead paint which, when disturbed, can be hazardous to the occupants. Most if not all of this would be abated.
- The structural stability of the building would be improved, making it safer for occupants in the event of an earthquake.
- Indoor air quality would be improved as a result of upgrading the HVAC systems and the hazardous materials abatement.
- Many areas of the building do not have any fire protection. Fire protection systems and fire alarm systems would be modernized and extended, making the building safer during fire events.
- Drinking water quality would be improved due to the replacement of the domestic water system with cleaner and safer materials.
- Elevator access would be provided along with improvements to restrooms and general building access. This would improve accessibility significantly throughout the building.

5. An estimate of the total project cost regardless of funding request. Include design and planning, hard and soft construction costs, land and real property acquisition, infrastructure development, furnishings and fixtures, contingencies, etc.

\$20,000,000

6. A detailed funding request:

a) Complete the following table:

	General Funds/ Lottery Funds	Article XI-G bonds	Article XI-F (1) bonds	Lottery Bonds	SELP loans	Seismic Grants	Article XI-Q bonds	Total
Total		\$3 million					\$14 million	\$17 million
State-paid debt		\$3 million					\$14 million	\$17 million
Campus-paid debt								

b) For Article XI-G bonds, identify the amount and source of the constitutionally-required 50% match.

\$3 million would come from private donations and other PSU sources.

c) For additional required project funding (beyond requested state funds and Article XI-G match), identify the amount and source of the funding. [This amount, combined amounts in items 6a and 6b should equal the total project cost in item 5.]

N/A

d) Identify the revenue sources that will be used to pay campus-paid debt.

N/A

7. The expected project start and completion dates.

Expected project start date: July 2015

Expected project completion date: September 2017

8. The state and/or institutional goals that the project is intended to address (mark all that apply). Specify the goals and describe how the project's impact on the goals will be measured and when the impacts can be observed.

40/40/20 goal (identify which parts of the goal will be addressed: 4 year degrees, 2 year degrees, certificates, GEDs, high school diplomas)

The project is focused on helping the state achieve the goal of 40% of adult Oregonians to hold a bachelor's or advanced degree. The project will do this by serving more students with renovated classrooms and by creating a new home for the Graduate School of Education. GSE not only educates teachers, counselors and administrators, providing advanced degrees, but provides more qualified educators than any other school of education in Oregon for K-12 schools across the state to help them meet the 40/40/20 goal.

The impacts of this project on the goal will begin immediately after completion of construction and will be measured by the number of GSE graduates and teachers that participate in GSE trainings and certificates.

The newly created SGRN is an interdisciplinary approach to understanding our changing society and making changes for a more socially just future. As Oregon's most diverse university, PSU must provide excellence in studies and research of culture, race, ethnicity, sovereignty, nation, migration, class, gender and sexuality. The programs within this school, Black Studies, Indigenous Nations, Women, Gender, and Sexuality Studies, serve many underrepresented and first generation students. Creating modern and accessible spaces for these critical programs will help better serve these students as well as attract additional students to the programs.

☒ Statewide economic development or workforce goal (identify the goal or goals addressed)

The *Oregon Workforce Development Strategic Plan, 2012 – 2022* identifies three main goals

- Oregonians have the skills they need to fill current and emerging high-wage, high-demand jobs.
- Employers have the skilled workforce they need to remain competitive and contribute to local prosperity.
- The workforce system is aligned, provides integrated services, and makes efficient and effective use of resources to achieve better outcomes for businesses and job seekers.

The project addresses the first two workforce goals by contributing to the further education of teachers and counselors in Oregon. Quality teachers provide the groundwork for an educated workforce that is necessary for businesses to become and stay competitive. The impacts of this project on these goals will begin immediately after completion of construction and will be measured by recruitment, retention and graduation indicators as well as the number of graduates, teachers, counselors and education administrators in the state that participate in GSE offered trainings, certifications and other programs.

☒ Other statewide goals (identify the goal or goals being address)

a) The State Board of Higher Education has a number of goals, including the following:

- A connected educational community: Strengthen relationships between schools, community colleges and local communities so that all students enter school / colleges ready to learn and have access to relevant life-long learning experiences.
- A corps of quality educators prepared and ready to take on new challenges: Train and support educators and organizing schools /community colleges to support excellent teaching for each student.

The project will address these goals by training more teachers and by creating a new building that serves as a state resource for connecting the teaching community and providing access to relevant life-long learning experiences. The impacts of this project on these goals will begin immediately after completion of construction and will be measured by recruitment, retention and graduation indicators as well as the number of graduates, teachers, counselors and education administrators in the state that participate in GSE offered trainings, certifications and other programs.

b) Increasing access to community based mental health services: Oregon is in great need of low-cost mental health services. The GSE offers programs to prepare individuals in five areas of mental health counseling: addictions, school, clinical mental health, marriage and family health, and clinical rehabilitation. As part of these programs, the GSE houses a community counseling clinic that provides low-cost mental health services. Last year the clinic provided over 3,000 hours of low-cost counseling to 1,100 people, while simultaneously providing excellent clinical experience for students in the counseling programs.

c) Executive Order 12-16 - Consideration of Capital Construction Projects and Criteria for Wood Utilization. As described above, the proposed project will be designed to meet the goals of this executive order through the innovative use of wood products and construction in an institutional building. The impact of the project on this goal will be measured through

documentation of the design, procurement and construction phases of the project and through the number of tours and inquires about the building over time.

- d) The 10-Year Plan for Oregon includes a 'Job and Innovation Outcome Area' with a goal that:
- o Oregon has a diverse and dynamic economy that provides jobs and prosperity for all Oregonians (one metric being the creation of 25,000 net new jobs per year)

This project is projected to create 280 family wage construction jobs.

Institutional goal (identify the goal or goals being addressed)

The project addresses a number of PSU goals, including the President's key themes:

- Providing civic leadership through partnerships
- Improving student success
- Achieving global excellence
- Enhancing educational opportunity
- Expanding resources and improving effectiveness

The project will also meet the following Goals from the Strategic Plan:

Goal 2.5: Increase campus engagement and satisfaction for students

Goal 2.6: Produce graduates who can succeed and be leaders in a global community

Goal 3.3: Establish an environment at PSU that is welcoming, inclusive and diverse

Goal 5.4: Expand and upgrade campus facilities to meet current and future demands in the most cost-effective and sustainable manner possible

And this Goal from the Framework Plan:

1. Optimize land use in the University District and neighborhood to accommodate anticipated growth in a quality and livable learning environment.

The impacts of this project on these goals will begin immediately after completion of construction and will be measured by recruitment, retention and graduation indicators as well as the number of graduates, teachers, counselors and education administrators in the state that participate in GSE offered trainings, certifications and other programs. It will also be measured by the efficiency of the new building and the survey of satisfaction of students, faculty and staff with the new facility.

9. Describe the impact of the project on improving access and success for underrepresented, first generation, rural, and low income students. Describe how the impact of the project on these student groups will be measured and when the impacts can be observed.

The Graduate School of Education at PSU prepares more educators than any other school of education in Oregon and it has the most diverse population of students (over 20%) and faculty members (25%). The GSE has nationally accredited and award-winning programs designed specifically to increase the diversity of teacher candidates. These programs include:

- Bilingual Teachers Pathways: recruits bilingual individuals, most of whom are working as assistants in local public schools
- Portland Teacher Program: a long-standing partnership with Portland Public Schools, Portland Community College, and Beaverton School District which recruits and supports diverse teacher candidates through their undergraduate and graduate programs.
- “Bridge” program: a new initiative with Portland Public Schools, North Clackamas School District, and David Douglas School District created as part of the school’s work with Chalkboard’s Teach Oregon project.

The GSE is also a major producer of STEM, ESOL, and ECE teachers and Portland State is among the leaders in our local STEM and ECE hubs. Much of this work involves creating pipelines of diverse students who can succeed in college; among those individuals will be students who seek careers in education. More diversity in the educator work force will lead to greater success for all students. Increased diversity among our college student population, business, and other career fields are also benefits of a more diverse educator work force.

The proposed project also improves the departmental home for the School of Gender, Race, and Nations (SGRN). The programs within this school, Black Studies, Indigenous Nations, Women, Gender, and Sexuality Studies, serve many underrepresented and first generation students. Creating modern and accessible spaces for these critical programs will help them better serve these students as well as attract additional students to the programs. The impact of the project on these students can be measured through the increased enrollment and degree completion of the students in these programs.

Institution Information

Any campus submitting a capital request should provide the following information:

1. An estimate of the institution’s deferred maintenance backlog for education and general service facilities.

PSU has a current backlog of over \$173,000,000 in deferred maintenance in its education and general service facilities. This amount does not include structural improvements, hazardous materials abatement, accessibility improvements, programmatic improvements or campus beautification. PSU is requesting \$10.6 million through the Capital Repair and Renewal fund to avoid increasing the backlog during the 2015-17 biennium.

2. An estimate of the institution’s seismic upgrade needs for educational and general service facilities.

PSU’s current backlog of desired seismic upgrades for educational and general service facilities is estimated to be over \$51,000,000.

3. A description of the institution’s facilities plan for managing facilities and reducing the deferred maintenance backlog.

PSU's budget for maintenance of its facilities and grounds is 21% below the average among its national peers. Therefore, PSU is forced to allocate the majority of this budget to address critical and immediate maintenance, landscaping, or custodial needs on campus. Only a small amount, 9% of the budget, was available this past year for preventative maintenance. There are no funds in this budget available for deferred maintenance, other capital improvements or cosmetic enhancements. Deferred maintenance in PSU E&G facilities is primarily funded with the state's capital repair and renewal funds.

The management of the deferred maintenance backlog is handled in the following manner:

- A consolidated list of all identified capital improvement needs on campus is maintained by PSU's Planning, Construction & Real Estate division. There are over 700 projects on this list, over 400 of which are deferred maintenance projects. Projects are prioritized first using a 5-tier lettered system (A for Highest Priority, B for High Priority, etc.). Then, for all A Priority level projects, projects are further ranked on a numerical basis.
- Each quarter, a team of personnel from Capital Projects & Construction (CPC), Facilities & Property Management (FPM), the Campus Sustainability Office and various auxiliary units meets to update this list. Newly-identified projects are added to the list and priorities are re-examined.
- Each biennium, PSU has received a 'Capital Repair and Renewal' allocation from the state through an allocation distributed to OUS. In recent years, PSU's typical biennial allocation has been between \$4 million and \$5 million. PSU believes it is critical to maintain a collective Capital Repair and Renewal request to the legislature for deferred maintenance needs at Oregon's universities. The request for this fund should be adequate to prevent further growth of the universities' deferred maintenance backlog during the 2015-17 biennium.
- Approximately 75% of the biennial allocation is allocated to the highest priority projects in the capital improvement database, primarily to deferred maintenance projects but sometimes to desired accessibility or life safety projects.
- Approximately 25% of the biennial allocation is retained for urgent needs, generally to replace a building system component that has failed or is in very poor condition. A Budget Allocation Committee, consisting of members of FPM, CPC, & Environmental Health & Safety (EHS), meets weekly to review urgent needs on campus and allocates the remaining funds as they deem appropriate.

4. Whether the institution has a master facilities plan and, if so, the date on which it was adopted and/or last amended.

In June 2010, PSU completed the PSU University District Framework Plan. The document provides a conceptual framework for physical development to support the mission of the University and create a vibrant neighborhood. The Plan seeks to foster:

- A model learning and research environment
- A model sustainable community
- A model economic environment
- Multiple partnerships between University, city and public and private enterprise
- An urban design that captures and enhances Portland's unique characteristics

The Plan notes deficiencies in space and the need to improve ageing buildings, identifying the need “to retrofit or redevelopment of PSU buildings to address deferred maintenance and meet current code requirements and pedagogical needs.” The Plan specifically identifies the benefits of renovating buildings along the South Park Blocks, such as XSB.

Project Information: Campus-backed Debt

For capital projects that request state bonds that will be repaid with campus-backed debt, please provide the following

1. A 10 year pro-forma that documents projected revenues, operations costs, and debt service payments to demonstrate the long term sustainability of the project.

N/A

2. An estimate of the institution’s debt load for the subsequent 10 years based on all projects on which campus funds will be used to pay the debt on state-issued bonds and Certificates of Participation and campus-issued debt. The calculations should all existing debt, all projects included in the current request, and any planned large future requests.

N/A

Identify any bond-funded projects that were authorized in prior biennia that will require reauthorization by the 2015 legislature. Include the name of the project, when it was authorized, the amount that needs to be reauthorized, and a description of any changes to the project since it was originally authorized (include changes in project cost and funding).

The 2013 legislature authorized \$10 million in XI-F bonds for the purchase of the University Center Building land. PSU was unable to execute a purchase of the land since the authorization and therefore requires the reauthorization of this debt. However, PSU is asking for less debt authorization this time to better reflect the maximum market value of the land.

Although not required at this time, institutions will need to submit six year capital plans to be included in the Governor’s Recommended Budget. Instructions will be provided in the near future.

BROADWAY HOUSING PURCHASE

Section 3: Development of Budget Requests for Capital Construction Projects

Institutions requesting cash or debt financing from the state for capital projects in the 2015-17 biennium, are requested to provide the information described below.

Project Information

For each project, provide the following:

1. A short working title for the project.

Broadway Housing Purchase

2. A narrative description and justification for the project.

The Broadway Housing Building is currently owned by the PSU Foundation. The purchase of the building by PSU would allow the University to reduce the overall operating cost of the building by eliminating the lease payments and switching to a lower interest debt payment. This reduction in operating cost on the building will help balance the overall housing budget and decrease education and general fund support for the facility and allow for reinvestment in other buildings in need of deferred maintenance, safety improvements and seismic upgrades. The purchase would also allow PSU greater flexibility in providing housing options to PSU students, as costs and revenue would be pooled among all housing buildings, allowing density to be increased where demanded. Campus-paid debt is being sought for the revenue generating components of the building, retail and housing, and state-paid debt is being sought for the education and general component of the building on the second floor.

3. A detailed description of the nature of the project and what will be constructed, including appropriate metrics (acres, square feet, number of stories, classrooms, labs, etc.).

The Broadway Housing Building is a ten story, 219,032 sq. ft. mixed-use residential building. The building includes ground floor retail and classrooms, offices and computer labs on the second floor. The Broadway Housing Building houses approximately 625 students, more than any other PSU campus housing building. The building was built in 2004 and is currently owned by the PSU Foundation and leased to PSU.

4. A description of any clear and urgent life, health, and safety problems that will be addressed by the project and an indication of the degree to which the problems are resolved.

N/A

5. An estimate of the total project cost regardless of funding request. Include design and planning, hard and soft construction costs, land and real property acquisition, infrastructure development, furnishings and fixtures, contingencies, etc.

The estimated cost to purchase the building from the PSU Foundation is \$53 million

6. A detailed funding request:

a) Complete the following table:

	General Funds/Lottery Funds	Article XI-G bonds	Article XI-F (1) bonds	Lottery Bonds	SELP loans	Seismic Grants	Article XI-Q bonds	Total
Total			\$47.7 million	\$5.3 million				\$53.0 million
State-paid debt				\$5.3 million				\$5.3 million
Campus-paid debt			\$47.7 million					\$47.7 million

b) For Article XI-G bonds, identify the amount and source of the constitutionally-required 50% match.

N/A

c) For additional required project funding (beyond requested state funds and Article XI-G match), identify the amount and source of the funding. [This amount, combined amounts in items 6a and 6b should equal the total project cost in item 5.]

N/A

d) Identify the revenue sources that will be used to pay campus-paid debt.

Housing revenue will be used to repay the XI-F debt.

7. The expected project start and completion dates.

Projected start date: July 2015

Projected completion date: January 2016

8. The state and/or institutional goals that the project is intended to address (mark all that apply). Specify the goals and describe how the project’s impact on the goals will be measured and when the impacts can be observed.

40/40/20 goal (identify which parts of the goal will be addressed: 4 year degrees, 2 year degrees, certificates, GEDs, high school diplomas)

Purchasing the Broadway Housing Building will improve the overall financial performance of the PSU Housing Department allowing for additional investment in other housing buildings. This additional investment will create a better campus experience, particularly for freshmen. Creating a better campus housing experience has shown to increase overall retention, thus increasing the number of students graduating and helping the state meet the goal of 40% of adult Oregonians to hold a bachelor's or advanced degree. This goal will be measured by retention rates.

Statewide economic development or workforce goal (identify the goal or goals addressed)

Other statewide goals (identify the goal or goals being address)

Institutional goal (identify the goal or goals being addressed)

The project addresses a number of PSU goals, including the following key themes from the President:

- Improving student success
- Enhancing educational opportunity
- Expanding resources and improving effectiveness

The project also meets the following Goal from the Strategic Plan:

Goal 5.4: Expand and upgrade campus facilities to meet current and future demands in the most cost-effective and sustainable manner possible

This goal will be measured by savings in operational costs.

And this Goal from the Framework Plan:

1. Optimize land use in the University District and neighborhood to accommodate anticipated growth in a quality and livable learning environment.

These goals are measured through a variety of indicators, including retention, time to degree completion, overall cost of education and University operating costs. These indicators are assessed annually.

9. Describe the impact of the project on improving access and success for underrepresented, first generation, rural, and low income students. Describe how the impact of the project on these student groups will be measured and when the impacts can be observed.

The Broadway Housing Building serves as the cornerstone of the First Year Experience at PSU. Building a solid campus experience and developing relationships in the first year on campus is proven to increase retention and success throughout the college experience. Housing and Residence Life at PSU serves a diverse set of students, including many underrepresented, first generation, rural and low income students. In addition, this project will increase the amount of resources available for the overall housing program, allowing Housing and Residence Life to improve other buildings on campus that cater to lower income students. Students who live on campus have greater access to resources and support services designed to promote the success of underrepresented, first generation, rural, and low income students

Housing and Residence Life tracks year over year retention as well as economic and minority status of the students they serve.

Institution Information

Any campus submitting a capital request should provide the following information:

1. An estimate of the institution's deferred maintenance backlog for education and general service facilities.

PSU has a current backlog of over \$173,000,000 in deferred maintenance in its education and general service facilities. This amount does not include structural improvements, hazardous materials abatement, accessibility improvements, programmatic improvements or campus beautification. PSU is requesting \$10.6 million through the Capital Repair and Renewal fund to avoid increasing the backlog during the 2015-17 biennium.

2. An estimate of the institution's seismic upgrade needs for educational and general service facilities.

PSU's current backlog of desired seismic upgrades for educational and general service facilities is estimated to be over \$51,000,000.

3. A description of the institution's facilities plan for managing facilities and reducing the deferred maintenance backlog.

PSU's budget for maintenance of its facilities and grounds is 21% below the average among its national peers. Therefore, PSU is forced to allocate the majority of this budget to address critical and immediate maintenance, landscaping, or custodial needs on campus. Only a small amount, 9% of the budget, was available this past year for preventative maintenance. There are no funds in this budget available for deferred maintenance, other capital improvements or cosmetic enhancements. Deferred maintenance in PSU E&G facilities is primarily funded with the state's capital repair and renewal funds.

The management of the deferred maintenance backlog is handled in the following manner:

- A consolidated list of all identified capital improvement needs on campus is maintained by PSU's Planning, Construction & Real Estate division. There are over 700 projects on this list, over 400 of which are deferred maintenance projects. Projects are prioritized first using a 5-tier lettered system (A for Highest Priority, B for High Priority, etc.). Then, for all A Priority level projects, projects are further ranked on a numerical basis.
- Each quarter, a team of personnel from Capital Projects & Construction (CPC), Facilities & Property Management (FPM), the Campus Sustainability Office and various auxiliary units meets to update this list. Newly-identified projects are added to the list and priorities are re-examined.
- Each biennium, PSU has received a 'Capital Repair and Renewal' allocation from the state through an allocation distributed to OUS. In recent years, PSU's typical biennial allocation

has been between \$4 million and \$5 million. PSU believes it is critical to maintain a collective Capital Repair and Renewal request to the legislature for deferred maintenance needs at Oregon's universities. The request for this fund should be adequate to prevent further growth of the universities' deferred maintenance backlog during the 2015-17 biennium.

- Approximately 75% of the biennial allocation is allocated to the highest priority projects in the capital improvement database, primarily to deferred maintenance projects but sometimes to desired accessibility or life safety projects.
- Approximately 25% of the biennial allocation is retained for urgent needs, generally to replace a building system component that has failed or is in very poor condition. A Budget Allocation Committee, consisting of members of FPM, CPC, & Environmental Health & Safety (EHS), meets weekly to review urgent needs on campus and allocates the remaining funds as they deem appropriate.

4. Whether the institution has a master facilities plan and, if so, the date on which it was adopted and/or last amended.

In June 2010, PSU completed the PSU University District Framework Plan. The document provides a conceptual framework for physical development to support the mission of the University and create a vibrant neighborhood. The Plan seeks to foster:

- A model learning and research environment
- A model sustainable community
- A model economic environment
- Multiple partnerships between University, city and public and private enterprise
- An urban design that captures and enhances Portland's unique characteristics

The Plan identifies deficiencies in space and the need to improve ageing buildings. The Plan notes that PSUs "successful Living/Learning Communities program provides a beneficial peer network and support system designed to help first-year students succeed." The Plan includes an implementation strategy, which identifies the need for PSU to "assemble strategic properties" in the district.

Project Information: Campus-backed Debt

For capital projects that request state bonds that will be repaid with campus-backed debt, please provide the following

1. A 10 year pro-forma that documents projected revenues, operations costs, and debt service payments to demonstrate the long term sustainability of the project.

See attached

2. An estimate of the institution's debt load for the subsequent 10 years based on all projects on which campus funds will be used to pay the debt on state-issued bonds and Certificates of Participation and campus-issued debt. The calculations should all existing debt, all projects included in the current request, and any planned large future requests.

See attached

Identify any bond-funded projects that were authorized in prior biennia that will require reauthorization by the 2015 legislature. Include the name of the project, when it was authorized, the amount that needs to be reauthorized, and a description of any changes to the project since it was originally authorized (include changes in project cost and funding).

The 2013 legislature authorized \$10 million in XI-F bonds for the purchase of the University Center Building land. PSU was unable to execute a purchase of the land since the authorization and therefore requires the reauthorization of this debt. However, PSU is asking for less debt authorization this time to better reflect the maximum market value of the land.

Although not required at this time, institutions will need to submit six year capital plans to be included in the Governor's Recommended Budget. Instructions will be provided in the near future.

Project Title: **Broadway Housing Building**
 Project & Debt Start Date: **1-Jul-15**
 Lender: **Internal Bank Loan**

Project/Program Analysis IRR Calculator (@ a maximum 40 year asset or program life):

Owners Leveraged Equity	47,700,000	<i>Enter total project cost</i>
Owners Non-leveraged Equity	-	
Total Project Cost	47,700,000	
Cost of Capital	5.25%	<i>Enter cost of capital (Weighted rate of interest for all financing implements)</i>
Project Risk	0.00%	<i>Enter analyst estimate of project risk</i>
Risk Adjusted Cost of Capital	5.25%	
Annual Debt Pmt on Leveraged Capital (P&I)	\$ 3,191,938	
Revenue Inflation	3.00%	<i>Enter simple revenue inflation estimate</i>
Expense Inflation	3.00%	<i>Enter simple expense inflation estimate</i>
Life of Project (Years)	30	<i>Enter asset life of project or expected life of program</i>

Year	1st Operations									
	Start Year	Year	<i>Enter only first year operations estimates</i>							
	1	2	3	4	5	6	7	8	9	10
Revenues										
Fines-Other	-	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534
Misc. Income	-	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900
Conference Incomes	-	474,600	488,638	503,503	518,608	534,166	550,191	566,697	583,698	601,209
Rental Income	-	4,015,496	4,135,961	4,260,040	4,387,841	4,519,476	4,655,060	4,794,712	4,938,554	5,086,710
Misc. Meal Plan Income	-	1,060,704	1,092,525	1,125,301	1,159,060	1,193,832	1,229,647	1,266,536	1,304,532	1,343,668
Lease Income	-	664,775	684,718	705,260	726,418	748,210	770,656	793,776	817,589	842,117
Student Damages/Tenant Damages	-	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534
rentals Internal Sales/Academic Space	-	392,522	404,298	416,427	428,919	441,787	455,041	468,692	482,753	497,235
Rentals Internal Sales/Lab Space	-	104,342	107,472	110,696	114,017	117,438	120,961	124,590	128,327	132,177
Total Revenue	-	6,717,939	6,919,477	7,127,061	7,340,873	7,561,100	7,787,933	8,021,570	8,262,218	8,510,084
Labor										
Total Labor	-	-	-	-	-	-	-	-	-	-
Expenses										
Equipment	-	62,739	64,621	66,560	68,557	70,613	72,732	74,914	77,161	79,476
Utilities (Gas, Water, Sewer, Garbage)	-	442,959	456,248	469,935	484,033	498,554	513,511	528,916	544,784	561,127
Telecom	-	131,130	135,064	139,116	143,289	147,588	152,016	156,576	161,273	166,112
Maintenance	-	97,928	100,866	103,892	107,009	110,219	113,525	116,931	120,439	124,052
Custodial Service	-	96,463	99,357	102,338	105,408	108,570	111,827	115,182	118,637	122,196
Fees & Assessments	-	78,282	80,630	83,049	85,541	88,107	90,750	93,473	96,277	99,165
Food Service	-	1,041,951	1,073,210	1,105,406	1,138,568	1,172,725	1,207,907	1,244,144	1,281,468	1,319,912
Property Mangement	-	21,300	21,939	22,597	23,275	23,973	24,693	25,433	26,196	26,982
Insurance & Taxes	-	185,380	190,941	196,670	202,570	208,647	214,906	221,353	227,994	234,834
Miscellaneous	-	101,573	104,620	107,759	110,992	114,321	117,751	121,283	124,922	128,670
Capital Expenses	-	72,408	74,580	76,818	79,122	81,496	83,941	86,459	89,053	91,724
Total Expenses	-	2,332,113	2,402,076	2,474,139	2,548,363	2,624,814	2,703,558	2,784,665	2,868,205	2,954,251
Transfers (including Debt)										
Transfers In	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	906,719	933,921	961,938	990,796	1,020,520	1,051,136	1,082,670	1,115,150	1,148,605
Total Transfers	-	906,719	933,921	961,938	990,796	1,020,520	1,051,136	1,082,670	1,115,150	1,148,605
Debt										
Total Debt	-	3,191,938	3,191,938	3,191,938	3,191,938	3,191,938	3,191,938	3,191,938	3,191,938	3,191,938
Net Project/Program Activity	-	287,169	391,542	499,047	609,776	723,828	841,301	962,298	1,086,925	1,215,291

PSU Estimated Debt

PSU Estimated 10YR Existing Debt				
	Total	XI-F	COP	SELP
2014-2015	19,589,042	15,045,292	2,511,908	2,031,842
2015-2016	19,242,935	15,018,464	2,196,227	2,028,244
2016-2017	19,026,179	14,876,134	2,126,533	2,023,512
2017-2018	18,644,745	14,568,504	2,124,913	1,951,328
2018-2019	18,575,170	14,606,068	2,034,102	1,935,000
2019-2020	17,439,762	13,875,924	1,906,344	1,657,494
2020-2021	17,141,923	13,804,671	1,906,612	1,430,640
2021-2022	16,814,961	13,563,753	1,908,660	1,342,548
2022-2023	16,525,519	13,281,315	1,901,656	1,342,548
2023-2024	16,104,403	12,804,907	1,886,166	1,413,331
2024-2025	16,115,404	12,904,517	1,867,339	1,343,548

2015-17 Projects Request				
	Total	XI-F	COP	SELP
UCB Land Purchase	7,900,000	7,900,000		
Broadway Housing Purchase	47,700,000	47,700,000		

PSU Estimated 10YR Debt Including 2015-17 Projects				
	Total	XI-F	COP	SELP
2014-2015	19,589,042	15,045,292	2,511,908	2,031,842
2015-2016	22,961,935	18,737,464	2,196,227	2,028,244
2016-2017	22,748,179	18,598,134	2,126,533	2,023,512
2017-2018	22,367,383	18,291,142	2,124,913	1,951,328
2018-2019	22,296,083	18,326,981	2,034,102	1,935,000
2019-2020	21,161,587	17,597,749	1,906,344	1,657,494
2020-2021	20,862,035	17,524,784	1,906,612	1,430,640
2021-2022	20,535,736	17,284,528	1,908,660	1,342,548
2022-2023	20,244,069	16,999,865	1,901,656	1,342,548
2023-2024	19,822,840	16,523,344	1,886,166	1,413,331
2024-2025	19,835,579	16,624,692	1,867,339	1,343,548

UNIVERSITY CENTER BUILDING LAND PURCHASE

Section 3: Development of Budget Requests for Capital Construction Projects

Institutions requesting cash or debt financing from the state for capital projects in the 2015-17 biennium, are requested to provide the information described below.

Project Information

For each project, provide the following:

1. A short working title for the project.

University Center Building Land Purchase

2. A narrative description and justification for the project.

PSU currently owns the University Center Building (UCB) but not the underlying land. PSU has a long-term land lease that expires in 2023 at which time the improvements revert back to the landlord. The lease rate is scheduled to increase from \$748,230/year to \$1,724,820/year in 2018. Debt service on the land, if owned by PSU, is anticipated to be less than the current lease rate until 2018 and significantly less beginning in 2018. PSU received authorization in the 2013 legislative session for \$10 million in XI-F bonds. This request is for a reauthorization of XI-F bonds, but a reduction to \$7.9 million which is the maximum amount of the land purchase.

The University Center Building was constructed in 1970 and is 185,389 gross sq. ft. The concrete, steel and glass building houses the Center for Student Health and Counseling, various College of Liberal Arts and Sciences departments, the Oregon Center for Career Development and the Intensive English Language Program. The building has one retail tenant and 207 parking spaces. PSU has made some improvements to the University Center Building, including a recent expansion of the Center for Student Health and Counseling. Due to the importance and location of this building on the PSU campus it is important that PSU control the land as well as the building. The purchase of the land allows for long-term use of the block by PSU, allows for greater investment in the facility which needs significant improvements and saves the university money starting in the first year after the land is acquired.

3. A detailed description of the nature of the project and what will be constructed, including appropriate metrics (acres, square feet, number of stories, classrooms, labs, etc.).

The funding for this project will be used to purchase the approximately 40,000 sq. ft. parcel that is home to the University Center Building.

4. A description of any clear and urgent life, health, and safety problems that will be addressed by the project and an indication of the degree to which the problems are resolved.

N/A

5. An estimate of the total project cost regardless of funding request. Include design and planning, hard and soft construction costs, land and real property acquisition, infrastructure development, furnishings and fixtures, contingencies, etc.

Maximum \$7.9 million (land valuation will be done at the appropriate time)

6. A detailed funding request:

a) Complete the following table:

	General Funds/Lottery Funds	Article XI-G bonds	Article XI-F (1) bonds	Lottery Bonds	SELP loans	Seismic Grants	Article XI-Q bonds	Total
Total			\$7.9 million					\$7.9 million
State-paid debt								
Campus-paid debt			\$7.9 million					\$7.9 million

b) For Article XI-G bonds, identify the amount and source of the constitutionally-required 50% match.

N/A

c) For additional required project funding (beyond requested state funds and Article XI-G match), identify the amount and source of the funding. [This amount, combined amounts in items 6a and 6b should equal the total project cost in item 5.]

N/A

d) Identify the revenue sources that will be used to pay campus-paid debt.

The current lease expense paid to the existing landowner will be used to pay the debt service. The revenue source used for that expense are a combination of education and general funds, parking revenue and health center revenue.

7. The expected project start and completion dates.

Expected project start date: July 2015

Expected project completion date: June 2016

8. The state and/or institutional goals that the project is intended to address (mark all that apply). Specify the goals and describe how the project’s impact on the goals will be measured and when the impacts can be observed.

40/40/20 goal (identify which parts of the goal will be addressed: 4 year degrees, 2 year degrees, certificates, GEDs, high school diplomas)

The project is focused on helping the state achieve the goal of 40% of adult Oregonians to hold a bachelor’s or advanced degree. Purchase of the University Center Building land provides a more stable financial outlook for PSU and protects the University’s investment in the building. The building contains The Center for Student Health and Counseling, a key resource to keep students healthy and thus focused on completing their degree. The building also includes the Intensive English Language Program, a program that assists non-native English speakers and allows them focus on completing their degree.

The impact of this goal can be measured through retention numbers for all students and for the subset of students where English is a second language. The impacts will be tracked over the duration of the debt service of the project.

Statewide economic development or workforce goal (identify the goal or goals addressed)

Other statewide goals (identify the goal or goals being address)

Institutional goal (identify the goal or goals being addressed)

The project addresses a number of PSU goals, including the following key themes from the President:

- Improving student success
- Enhancing educational opportunity
- Expanding resources and improving effectiveness

The project also meets the following Goal from the Strategic Plan:

Goal 5.4: Expand and upgrade campus facilities to meet current and future demands in the most cost-effective and sustainable manner possible

And this Goal from the Framework Plan:

1. Optimize land use in the University District and neighborhood to accommodate anticipated growth in a quality and livable learning environment.

These goals are measured through a variety of indicators, including retention, time to degree completion, overall cost of education and University operating costs. These indicators are assessed at least annually.

9. Describe the impact of the project on improving access and success for underrepresented, first generation, rural, and low income students. Describe how the impact of the project on these student groups will be measured and when the impacts can be observed.

The purchase of the University Center Building land would contribute towards the stability of programs that cater to all students, including underrepresented, first generation, rural, and low income students, and other programs that specifically support vulnerable students by decreasing university operating costs and freeing up funds to invest in the facility and in these programs.

UCB houses the Intensive English Language Program (IELP), which serves students learning English. The program offers English language classes, preparation for undergraduate and graduate level programs, and advising to promote long-term academic success. The impact of this program can be measured through the increased enrollment and degree completion of the students in the program.

UCB also houses the Center for Student Health and Counseling (SHAC). SHAC is a community-based health care organization that provides high quality, accessible mental health, physical health, dental, and testing services targeted to the needs of the PSU student population. SHAC serves a diverse set of students, including underrepresented, first generation, rural and low income students. The Testing Center, part of SHAC, provides additional accommodations for students with disabilities who are challenged by the classroom environment, ensuring that students of all abilities are able to succeed. Through the Testing Center, SHAC supports the University mission and collaborates with University staff and faculty to support student success. The ongoing impact of these programs can be measured by the number of students served.

In addition, this project will increase the amount of resources available for other campus functions, providing an opportunity to fund services that contribute towards the success of underrepresented, first generation, rural, and low income students.

Institution Information

Any campus submitting a capital request should provide the following information:

1. An estimate of the institution's deferred maintenance backlog for education and general service facilities.

PSU has a current backlog of over \$173,000,000 in deferred maintenance in its education and general service facilities. This amount does not include structural improvements, hazardous materials abatement, accessibility improvements, programmatic improvements or campus beautification. PSU is requesting \$10.6 million through the Capital Repair and Renewal fund to avoid increasing the backlog during the 2015-17 biennium.

2. An estimate of the institution's seismic upgrade needs for educational and general service facilities.

PSU's current backlog of desired seismic upgrades for educational and general service facilities is estimated to be over \$51,000,000.

3. A description of the institution's facilities plan for managing facilities and reducing the deferred maintenance backlog.

PSU's budget for maintenance of its facilities and grounds is 21% below the average among its national peers. Therefore, PSU is forced to allocate the majority of this budget to address critical and immediate maintenance, landscaping, or custodial needs on campus. Only a small amount, 9% of the budget, was available this past year for preventative maintenance. There are no funds in this budget available for deferred maintenance, other capital improvements or cosmetic enhancements. Deferred maintenance in PSU E&G facilities is primarily funded with the state's capital repair and renewal funds.

The management of the deferred maintenance backlog is handled in the following manner:

- A consolidated list of all identified capital improvement needs on campus is maintained by PSU's Planning, Construction & Real Estate division. There are over 700 projects on this list, over 400 of which are deferred maintenance projects. Projects are prioritized first using a 5-tier lettered system (A for Highest Priority, B for High Priority, etc.). Then, for all A Priority level projects, projects are further ranked on a numerical basis.
- Each quarter, a team of personnel from Capital Projects & Construction (CPC), Facilities & Property Management (FPM), the Campus Sustainability Office and various auxiliary units meets to update this list. Newly-identified projects are added to the list and priorities are re-examined.
- Each biennium, PSU has received a 'Capital Repair and Renewal' allocation from the state through an allocation distributed to OUS. In recent years, PSU's typical biennial allocation has been between \$4 million and \$5 million. PSU believes it is critical to maintain a collective Capital Repair and Renewal request to the legislature for deferred maintenance needs at Oregon's universities. The request for this fund should be adequate to prevent further growth of the universities' deferred maintenance backlog during the 2015-17 biennium.
- Approximately 75% of the biennial allocation is allocated to the highest priority projects in the capital improvement database, primarily to deferred maintenance projects but sometimes to desired accessibility or life safety projects.
- Approximately 25% of the biennial allocation is retained for urgent needs, generally to replace a building system component that has failed or is in very poor condition. A Budget Allocation Committee, consisting of members of FPM, CPC, & Environmental Health & Safety (EHS), meets weekly to review urgent needs on campus and allocates the remaining funds as they deem appropriate.

4. Whether the institution has a master facilities plan and, if so, the date on which it was adopted and/or last amended.

In June 2010, PSU completed the PSU University District Framework Plan. The document provides a conceptual framework for physical development to support the mission of the University and create a vibrant neighborhood. The Plan seeks to foster:

- A model learning and research environment
- A model sustainable community
- A model economic environment
- Multiple partnerships between University, city and public and private enterprise

- An urban design that captures and enhances Portland’s unique characteristics

The Plan identifies deficiencies in space and the need to improve ageing buildings. The Plan includes an implementation strategy, which identifies the need for PSU to “assemble strategic properties” in the district.

Project Information: Campus-backed Debt

For capital projects that request state bonds that will be repaid with campus-backed debt, please provide the following

1. A 10 year pro-forma that documents projected revenues, operations costs, and debt service payments to demonstrate the long term sustainability of the project.

See attached

2. An estimate of the institution’s debt load for the subsequent 10 years based on all projects on which campus funds will be used to pay the debt on state-issued bonds and Certificates of Participation and campus-issued debt. The calculations should all existing debt, all projects included in the current request, and any planned large future requests.

See attached

Identify any bond-funded projects that were authorized in prior biennia that will require reauthorization by the 2015 legislature. Include the name of the project, when it was authorized, the amount that needs to be reauthorized, and a description of any changes to the project since it was originally authorized (include changes in project cost and funding).

The 2013 legislature authorized \$10 million in XI-F bonds for the purchase of the University Center Building land. PSU was unable to execute a purchase of the land since the authorization and therefore requires the reauthorization of this debt. However, PSU is asking for less debt authorization this time to better reflect the market value of the land to be purchased.

Although not required at this time, institutions will need to submit six year capital plans to be included in the Governor’s Recommended Budget. Instructions will be provided in the near future.

Project Title: **University Center Building Land Purchase**
 Project & Debt Start Date: **1-Jul-15**
 Lender: **Internal Bank Loan**

Project/Program Analysis IRR Calculator (@ a maximum 40 year asset or program life):

Owners Leveraged Equity	7,900,000	<i>Enter total project cost</i>
Owners Non-leveraged Equity	-	
Total Project Cost	7,900,000	
Cost of Capital	5.25%	<i>Enter cost of capital (Weighted rate of interest for all financing implements)</i>
Project Risk	0.00%	<i>Enter analyst estimate of project risk</i>
Risk Adjusted Cost of Capital	5.25%	
Annual Debt Pmt on Leveraged Capital (P&I)	528,644	
Revenue Inflater	3.00%	<i>Enter simple revenue inflater estimate</i>
Expense Inflater	3.00%	<i>Enter simple expense inflater estimate</i>
Life of Project (Years)	30	<i>Enter asset life of project or expected life of program</i>

Year	1st Operations									
	Start Year	Year	3	4	5	6	7	8	9	10
Revenues										
Investments/Write Offs	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-
Fees	-	-	-	-	-	-	-	-	-	-
Leases and Rentals	-	-	-	-	-	-	-	-	-	-
Resale Items	-	-	-	-	-	-	-	-	-	-
Total Revenue	-	-	-	-	-	-	-	-	-	-
Labor										
Total Labor	-	-	-	-	-	-	-	-	-	-
Expenses										
Operating Supplies	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-
Natural Gas	-	-	-	-	-	-	-	-	-	-
Water & Sewer	-	-	-	-	-	-	-	-	-	-
Garbage & Recycling	-	-	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-	-	-	-	-
Land Lease Savings	-	(748,230)	(748,230)	(748,230)	(748,230)	(748,230)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)
Property Taxes	-	30,312	31,222	32,158	33,123	34,117	35,140	36,194	37,280	38,399
Fees & Assessments	-	-	-	-	-	-	-	-	-	-
Cost of Resale Items	-	-	-	-	-	-	-	-	-	-
Capital Expenses	-	-	-	-	-	-	-	-	-	-
Project Cost Non-Leveraged Equity	-	-	-	-	-	-	-	-	-	-
Total Expenses	-	(717,918)	(717,008)	(716,072)	(715,107)	(714,113)	(1,064,860)	(1,063,806)	(1,062,720)	(1,061,601)
Transfers (not including Debt)										
Transfers In	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-
Total Transfers	-	-	-	-	-	-	-	-	-	-
Debt										
Total Debt	-	528,644	528,644	528,644	528,644	528,644	528,644	528,644	528,644	528,644
Net Project/Program Activity	-	189,274	188,365	187,428	186,463	185,470	536,216	535,162	534,076	532,958

PSU Estimated Debt

PSU Estimated 10YR Existing Debt				
	Total	XI-F	COP	SELP
2014-2015	19,589,042	15,045,292	2,511,908	2,031,842
2015-2016	19,242,935	15,018,464	2,196,227	2,028,244
2016-2017	19,026,179	14,876,134	2,126,533	2,023,512
2017-2018	18,644,745	14,568,504	2,124,913	1,951,328
2018-2019	18,575,170	14,606,068	2,034,102	1,935,000
2019-2020	17,439,762	13,875,924	1,906,344	1,657,494
2020-2021	17,141,923	13,804,671	1,906,612	1,430,640
2021-2022	16,814,961	13,563,753	1,908,660	1,342,548
2022-2023	16,525,519	13,281,315	1,901,656	1,342,548
2023-2024	16,104,403	12,804,907	1,886,166	1,413,331
2024-2025	16,115,404	12,904,517	1,867,339	1,343,548

2015-17 Projects Request				
	Total	XI-F	COP	SELP
UCB Land Purchase	7,900,000	7,900,000		
Broadway Housing Purchase	47,700,000	47,700,000		

PSU Estimated 10YR Debt Including 2015-17 Projects				
	Total	XI-F	COP	SELP
2014-2015	19,589,042	15,045,292	2,511,908	2,031,842
2015-2016	22,961,935	18,737,464	2,196,227	2,028,244
2016-2017	22,748,179	18,598,134	2,126,533	2,023,512
2017-2018	22,367,383	18,291,142	2,124,913	1,951,328
2018-2019	22,296,083	18,326,981	2,034,102	1,935,000
2019-2020	21,161,587	17,597,749	1,906,344	1,657,494
2020-2021	20,862,035	17,524,784	1,906,612	1,430,640
2021-2022	20,535,736	17,284,528	1,908,660	1,342,548
2022-2023	20,244,069	16,999,865	1,901,656	1,342,548
2023-2024	19,822,840	16,523,344	1,886,166	1,413,331
2024-2025	19,835,579	16,624,692	1,867,339	1,343,548

CAPITAL REPAIR, REPLACEMENT AND RENEWAL

Section 3: Development of Budget Requests for Capital Construction Projects

Institutions requesting cash or debt financing from the state for capital projects in the 2015-17 biennium, are requested to provide the information described below.

Project Information

For each project, provide the following:

1. A short working title for the project.

Capital Repair, Replacement and Renewal

2. A narrative description and justification for the project.

According to Sightlines, a company hired by OUS to assess building conditions on OUS campuses, Portland State University requires approximately \$5.3 million per year, or \$10.6 million per biennium, in order for its backlog of deferred maintenance (DM) to remain constant at its current estimated total amount of over \$173,000,000 in its education and general (E&G) facilities. This amount does not include desired structural improvements, hazardous materials abatement, accessibility improvements, programmatic improvements or campus beautification. PSU has more DM in its E&G facilities than any of the other institutions in what has been the Oregon University System (OUS), and has over twice as much DM per square foot as the average among the other OUS institutions. The amount of DM at PSU in E&G facilities steadily grows each year due to the limited amount of capital renewal funds allocated to PSU from the state through OUS, and has risen from \$60 per square foot in 2008 to \$78 per square foot today. Although this request will not decrease the amount of DM on PSU's campus, it will for the first time stabilize the amount PSU's DM backlog.

3. A detailed description of the nature of the project and what will be constructed, including appropriate metrics (acres, square feet, number of stories, classrooms, labs, etc.).

This project would not construct any new buildings but rather would be used to address deferred maintenance around campus. The dollars would be allocated through PSU's current method of allocating deferred maintenance dollars as described in Question 3 under the Institutional Information section below.

4. A description of any clear and urgent life, health, and safety problems that will be addressed by the project and an indication of the degree to which the problems are resolved.

These funds will allow PSU to better respond to large emergency capital facility issues that occur, such as broken water mains, faulty air handlers or boilers in disrepair. There are many improvements to life safety on campus that would be made with these funds such as adding fire alarm connections to PSU's central communication system, improving lighting throughout campus, repair of buckled

sidewalks, significant improvements to the campus’s very old electrical infrastructure and improvements to the university’s access control system. The degree to which life safety issues will be addressed with these funds varies across projects.

5. An estimate of the total project cost regardless of funding request. Include design and planning, hard and soft construction costs, land and real property acquisition, infrastructure development, furnishings and fixtures, contingencies, etc.

\$10.6 million

6. A detailed funding request:

a) Complete the following table:

	General Funds/Lottery Funds	Article XI-G bonds	Article XI-F (1) bonds	Lottery Bonds	SELP loans	Seismic Grants	Article XI-Q bonds	Total
Total							\$10.6 million	\$10.6 million
State-paid debt							\$10.6 million	\$10.6 million
Campus-paid debt								

b) For Article XI-G bonds, identify the amount and source of the constitutionally-required 50% match.

N/A

c) For additional required project funding (beyond requested state funds and Article XI-G match), identify the amount and source of the funding. [This amount, combined amounts in items 6a and 6b should equal the total project cost in item 5.]

N/A

d) Identify the revenue sources that will be used to pay campus-paid debt.

N/A

7. The expected project start and completion dates.

Expected start date of projects: April 2017 (expected date of bond sale)

Expected end date of projects: October 2019

8. The state and/or institutional goals that the project is intended to address (mark all that apply). Specify the goals and describe how the project's impact on the goals will be measured and when the impacts can be observed.

40/40/20 goal (identify which parts of the goal will be addressed: 4 year degrees, 2 year degrees, certificates, GEDs, high school diplomas)

The project is focused on helping the state achieve the goal of 40% of adult Oregonians to hold a bachelor's or advanced degree. Portland State University has the largest deferred maintenance backlog of Oregon universities and also has the most intensely used buildings resulting in an increasingly higher amount of deferred maintenance. PSU is also in the best position of Oregon universities to help achieve the goal of increasing the number of Oregonians with bachelor's degrees since PSU has the highest transfer rates from community colleges and serves the largest urban population within the state. However, without adequate funding for deferred maintenance the deteriorating buildings are becoming a hindrance to meeting this important goal.

This goal will be measured by continuous monitoring of enrollment and retention rates.

Statewide economic development or workforce goal (identify the goal or goals addressed)

Other statewide goals (identify the goal or goals being address)

The 10-Year Plan for Oregon includes a 'Job and Innovation Outcome Area' with a goal that:

- Oregon has a diverse and dynamic economy that provides jobs and prosperity for all Oregonians (one metric being the creation of 25,000 net new jobs per year)

This project is projected to create 148 family wage construction jobs.

Institutional goal (identify the goal or goals being addressed)

The project addresses a number of PSU goals, including the President's key themes:

- Providing civic leadership through partnerships
- Improving student success
- Achieving global excellence
- Enhancing educational opportunity
- Expanding resources and improving effectiveness

The project meets the following goals from PSU's Strategic Plan:

Goal 2.3: Increase retention rate for first-time, full-time freshmen to 75 percent by 2013

Goal 2.5: Increase campus engagement and satisfaction for students

Goal 3.3: Establish an environment at PSU that is welcoming, inclusive and diverse

Goal 5.4: Expand and upgrade campus facilities to meet current and future demands in the most cost-effective and sustainable manner possible

These goals will be measured by continuous monitoring of enrollment and retention rates.

9. Describe the impact of the project on improving access and success for underrepresented, first generation, rural, and low income students. Describe how the impact of the project on these student groups will be measured and when the impacts can be observed.

PSU serves the most diverse student body among Oregon's public four-year universities. PSU is dedicated to improving access and success for underrepresented, first generation, rural, and low-income students, and serving these students well is an area of excellence and pride at PSU. To serve these students well the campus must be inviting and free of distractions caused by poor classrooms and study space since their lives are already full of competing demands and potential distractions from completing their degree. These students deserve the best facilities possible to help them complete their undergraduate degree quickly and successfully.

The impact of this project will be measured by continuous monitoring of enrollment and retention rates. PSU tracks enrollment and retention rates for underrepresented, first generation, rural and low-income students separately.

Institution Information

Any campus submitting a capital request should provide the following information:

1. An estimate of the institution's deferred maintenance backlog for education and general service facilities.

PSU has a current backlog of over \$173,000,000 in deferred maintenance in its education and general service facilities. This amount does not include structural improvements, hazardous materials abatement, accessibility improvements, programmatic improvements or campus beautification. PSU is requesting \$10.6 million through the Capital Repair and Renewal fund to avoid increasing the backlog during the 2015-17 biennium.

2. An estimate of the institution's seismic upgrade needs for educational and general service facilities.

PSU's current backlog of desired seismic upgrades for educational and general service facilities is estimated to be over \$51,000,000.

3. A description of the institution's facilities plan for managing facilities and reducing the deferred maintenance backlog.

PSU's budget for maintenance of its facilities and grounds is 21% below the average among its national peers. Therefore, PSU is forced to allocate the majority of this budget to address critical and immediate maintenance, landscaping, or custodial needs on campus. Only a small amount, 9% of the budget, was available this past year for preventative maintenance. There are no funds in this budget available for deferred maintenance, other capital improvements or cosmetic enhancements. Deferred maintenance in PSU E&G facilities is primarily funded with the state's capital repair and renewal funds.

The management of the deferred maintenance backlog is handled in the following manner:

- A consolidated list of all identified capital improvement needs on campus is maintained by PSU's Planning, Construction & Real Estate division. There are over 700 projects on this list, over 400 of which are deferred maintenance projects. Projects are prioritized first using a 5-tier lettered system (A for Highest Priority, B for High Priority, etc.). Then, for all A Priority level projects, projects are further ranked on a numerical basis.
- Each quarter, a team of personnel from Capital Projects & Construction (CPC), Facilities & Property Management (FPM), the Campus Sustainability Office and various auxiliary units meets to update this list. Newly-identified projects are added to the list and priorities are re-examined.
- Each biennium, PSU has received a 'Capital Repair and Renewal' allocation from the state through an allocation distributed to OUS. In recent years, PSU's typical biennial allocation has been between \$4 million and \$5 million. PSU believes it is critical to maintain a collective Capital Repair and Renewal request to the legislature for deferred maintenance needs at Oregon's universities. The request for this fund should be adequate to prevent further growth of the universities' deferred maintenance backlog during the 2015-17 biennium.
- Approximately 75% of the biennial allocation is allocated to the highest priority projects in the capital improvement database, primarily to deferred maintenance projects but sometimes to desired accessibility or life safety projects.
- Approximately 25% of the biennial allocation is retained for urgent needs, generally to replace a building system component that has failed or is in very poor condition. A Budget Allocation Committee, consisting of members of FPM, CPC, & Environmental Health & Safety (EHS), meets weekly to review urgent needs on campus and allocates the remaining funds as they deem appropriate.

4. Whether the institution has a master facilities plan and, if so, the date on which it was adopted and/or last amended.

In June 2010, PSU completed the PSU University District Framework Plan. The document provides a conceptual framework for physical development to support the mission of the University and create a vibrant neighborhood. The Plan seeks to foster:

- A model learning and research environment
- A model sustainable community
- A model economic environment
- Multiple partnerships between University, city and public and private enterprise
- An urban design that captures and enhances Portland's unique characteristics

The Plan notes deficiencies in space and the need to improve ageing buildings, identifying the need "to retrofit or redevelopment of PSU buildings to address deferred maintenance and meet current code requirements and pedagogical needs."

Project Information: Campus-backed Debt

For capital projects that request state bonds that will be repaid with campus-backed debt, please provide the following

1. A 10 year pro-forma that documents projected revenues, operations costs, and debt service payments to demonstrate the long term sustainability of the project.

N/A

2. An estimate of the institution's debt load for the subsequent 10 years based on all projects on which campus funds will be used to pay the debt on state-issued bonds and Certificates of Participation and campus-issued debt. The calculations should all existing debt, all projects included in the current request, and any planned large future requests.

N/A

Identify any bond-funded projects that were authorized in prior biennia that will require reauthorization by the 2015 legislature. Include the name of the project, when it was authorized, the amount that needs to be reauthorized, and a description of any changes to the project since it was originally authorized (include changes in project cost and funding).

The 2013 legislature authorized \$10 million in XI-F bonds for the purchase of the University Center Building land. PSU was unable to execute a purchase of the land since the authorization and therefore requires the reauthorization of this debt. However, PSU is asking for less debt authorization this time to better reflect the maximum market value of the land.

Although not required at this time, institutions will need to submit six year capital plans to be included in the Governor's Recommended Budget. Instructions will be provided in the near future.