



Oregon

Kate Brown, Governor

Higher Education Coordinating Commission
Office of Community Colleges & Workforce Development
225 Capitol Street NE, Third Floor
Salem, OR 97310
www.oregon.gov/HigherEd

To: Oregon Community College Presidents and Business Officers
From: Patrick Crane, Director of Office of Community Colleges and Workforce Development
Re: Capitol Construction Review for 2019-21 Biennium
Date: February 22, 2018

This memo provides an overview of the process and timeline associated with the review of community college capital construction projects for inclusion in the HECC's Agency Request Budget (ARB) for 2019-21. A schedule of important dates is below:

Date	Activity Description
February 22, 2018	Due Diligence Report template and review information sent to eligible colleges
April 9, 2018	Due Diligence Reports due to HECC - CCWD
April 12, 2018	HECC staff present overview of review process and summary of proposals received to HECC.
May 2, 2018	Final docket items are prepared for HECC review and consideration.
May 10, 2018	HECC reviews final staff recommendation and considers list for approval and inclusion in 2019-21 Agency Request Budget.
May 15, 2018	Deadline for HECC to submit budget form 107BF15a to DAS.

Please consider when planning capital construction projects and requests for inclusion in the HECC ARB for 2019-21 that [SB 5505 \(2017\)](#) limits the eligibility of community colleges to request XI-G bonds. The relevant bill text is below:

SECTION 9. (1) A community college for which one project to be funded with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution is approved in this 2017 Act may not request approval of an additional project to be funded with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution until the beginning of the regular session of the Legislative Assembly held in 2021, unless the community college withdraws the project approved under this 2017 Act. (2) A community college for which two projects to be funded with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution is approved in this 2017 Act may not request approval of an additional project to be funded with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution until the beginning of the regular session of the Legislative Assembly held in 2025, unless the community college withdraws a project approved under this 2017 Act.

Due to this legislation, the only three colleges are eligible for funding in 2019: Central Oregon Community College, Klamath Community College and Tillamook Bay Community College. Two rules that continue to apply to community college capital as a result of the passage of SB 5506 in 2013: 1) Colleges may not have more than one project approved for XI-G bond funding that are



Oregon

Kate Brown, Governor

Higher Education Coordinating Commission
Office of Community Colleges & Workforce Development
225 Capitol Street NE, Third Floor
Salem, OR 97310
www.oregon.gov/HigherEd

awaiting matching funds, other than projects approved prior to January 1, 2013, and 2) for biennia beginning on or after July 1, 2015, the aggregate amount authorized for issuance XI-G bonds for projects at a single college may not exceed \$8 million. The first rule does not impact the three eligible colleges, but the second rule does.

As indicated in the timeline above, eligible colleges must submit their Due Diligence Reports no later than April 9, 2018 in order to be included in the review process for inclusion in the 2019-21 HECC Agency Request Budget. Please submit your college project to Shannon Ziglinski at shannon.ziglinski@state.or.us. The Community College Capital Construction Due Diligence Template, Capital Construction Review Sheet, and Higher Education Coordinating Commission Article XI-F and Xi-G Bond Finance Request Form (Form 107BF15a) are attached.

Should you or your staff have questions regarding the project submission process or deadline(s), please contact Shannon directly by email or by phone at: 503-373-0003. If you have technical questions regarding bond issuance or project eligibility, please contact Lora Carson via email at lora.carson@state.or.us or by phone at (503) 947-2408.

COMMUNITY COLLEGE CAPITAL CONSTRUCTION DUE DILIGENCE TEMPLATE

For consideration for inclusion in the Higher Education Coordinating Commission's Agency Request Budget for 2019-21, please provide requested information to shannon.ziglinski@state.or.us by April 9, 2018

I. Statement of the Need

- A. What is the nature of the problem to which this project is the solution?
- B. Who in the community college's Facilities Unit is primary point of contact? Please provide pertinent contact information including: e-mail, telephone number, fax, and the address of all involved.
- C. Why is this project required by the community college at this time?
- D. What is the program purpose to be served (varies by program -- academic justification for academic projects, auxiliary need for auxiliaries, etc.)?
- E. Is this project related directly to another project preceding or following it, to which an approval is tied?
- F. Are there external factors driving the need or timing (donor relations, community agreements, funding deadlines imposed by federal agencies, etc.)?

II. Statement of the Proposed Solution

- A. What is the final proposed solution to this need?
- B. What goals were set for the project and what criteria were used to examine alternatives?
- C. What alternatives were then examined, to what level of detail, and what were the conclusions the campus reached concerning them?
- D. At what stage of maturity is the solution, i.e., early concept, initial planning, schematic design, design development, construction drawings, and/or fund-raising and other implementation?
- E. If this is a phased project, with some approvals already in existence, please provide such information.

III. Legislative Considerations

- A. Identify any possible conflicts with existing statutes (ORS), policies, regulations, etc. If known.

IV. Facility Information

- A. Provide standard information on the physical characteristics of the project: location (with an accompanying map(s) showing the parcel in relation to any existing campus and/or city involved; building gross square feet and assignable square feet; height, design features.
- B. Provide detailed information on the academic (or other program) features of the project, such as amount of assignable square footage for major uses (classrooms, offices, athletic fields, conference rooms, etc).
- C. Provide estimated costs for the project, including planning and programming (if they will be

included in the funding request); refer to materials prepared. Include cost per net usable square foot.

- D. Summarize any particular campus-related facilities issues that are affected by the project (i.e., replacement parking, movement of existing facility, notice of hazardous material remediation, etc).
- E. Identify any architect and/or project development firms the community college has been working with to the analyze and develop the project.
- F. Provide a complete estimate of the total project budget, identify any consultants that participated in developing the project budget.

V. Schedule

- A. What is the expected schedule for beginning and completing this project?
- B. What elements are on the critical path for this project?

VI. Academic and Planning Considerations

- A. Has the proposal been examined in light of the following and received necessary approvals from appropriate campus or municipal jurisdictions?
 - 1. Community college master plan and/or campus planning committee
 - 2. Community college academic plan
 - 3. Community college enrollment projections
 - 4. City and/or county master plan and zoning
 - 5. City and/or county design requirements
 - 6. City and/or county environmental issues, including traffic/parking
 - 7. City and/or county public information
- B. For each, please identify significant issues that have been investigated and resolved (i.e., competing land use, high-cost campus or city requirements exacted in return for approvals, neighborhood/municipal public concerns. If legal documents have been filed, please provide information on each.

VII. Financial Considerations

- A. How will the community college's financial contribution to this project be funded? If any form of financing is expected to be used to fund the contribution describe the specific nature, amount, source of repayment and term of the financing.
- B. Please state amount of Article XI-G Bonds requested and the source of the required match funds. When will matching funds be secured?
- C. If an acquisition of a major property is desired, have you obtained:
 - 1. Tax assessor's statement
 - 2. Two independent appraisals
 - 3. Comparable sales information for similar facilities (if in rural areas, consider comparables from similarly-sized towns)
 - 4. If leasing of the space to others will be part of future stream of payment, identify

estimated rents and tag to market

5. Other considerations that may be required after this level of review
- D. List source(s) of repayment for all community college debt proposed. If you have a complex plan for repayment, offer detailed information by fund source for the entire period of the bond.
 - E. In cases where community college is leasing land to a Developer or third-party, over a long-term period, additional financial requirements will be placed, including, for example, the following:
 1. Review of Dunn and Bradstreet or similar ratings of financial performance.
 2. Review of past performance on related projects and any outstanding legal issues pertaining to them.

VIII. Legal Considerations

- A. Copies of all leases, easements, etc., will be required to be provided to the Higher Education Coordinating Commission for review prior to Ways and Means approval.

Review of Community College Projects

DATE _____

Reader # _____

Priority # _____

College: _____

OAR Criteria:

Criteria	Points
a. Clearly serves an instructional purpose (directly support classroom, shop or lab teaching, basic skills teaching, customized training, tutoring, student testing and assessment, student advising or counseling and library services)	/3
b. Clearly meets an important demonstrated service need of the college (described as part of the colleges capital plans documenting new construction, remodeling, maintenance, equipment and ADA project needs)	/3
c. Clearly meets a facilities need that cannot be adequately addressed through alternative, interim, or existing facilities (alternatives have been reviewed and found inadequate)	/3
d. Clearly serves to complete a comprehensive community college facility (see a & b)	/1
e. Clearly meets an important and articulated objective of the college (see b)	/1
f. Clearly reflects evidence of local planning and needs (see b)	/1
TOTAL POINTS	/12

Additional Criteria from Oregon Presidents Council:

Criteria	Points
Does the project upgrade, replace, or expand safety and security on campus	/5
Does the project meet a demand occupation, community, or economic need	/5
Does the project include other partners; K-12, university, CTE, workforce, industry, etc.	/5
Description of /or intention to meeting environmental sustainability standards	/5
Does the project support the upgrade, replacement, expansion of student services/spaces to increase completion and success	/5
TOTAL POINTS	/25

Due Diligence Criteria:

Criteria	Points
a. Statement of need (nature of the problem and purpose to be served)	/5
b. Statement of solution (goals set for the project and maturity of description)	/5
c. Facility (building gross square footage and detailed information on academic (or other) program features;	/5
d. Costs (estimated cost including planning and programming)	/5
e. Schedule (expected schedule for completion)	/2
f. Planning considerations (received necessary approvals from appropriate campus and/or municipal jurisdictions)	/1
g. Financial considerations (funding for the college share)	/2
TOTAL POINTS	/25
GRAND TOTAL	/62

