

UNIVERSITY CAPITAL FUNDING REQUESTS

INSTRUCTIONS

2019-2021 Biennium



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SUBMISSION DEADLINE: MONDAY OCTOBER 21, 2019

Email all documents to:

hecc.capconstructreimb@hecc.oregon.gov, and bruce.johnson@hecc.oregon.gov

Should the submission be too large a file size for routine e-mail, please use our file transfer utility: <https://ccwd.hecc.oregon.gov/filetrans/default.aspx>

Call (503) 947-0004 for any questions or assistance.

INTRODUCTION

PROCESS OVERVIEW

The goal of this process is to assist the Legislature to “determine strategic investments in the state’s public universities and student access programs necessary to achieve state post-secondary education goals, (ORS 350.075).”

Because funding is limited, a prioritization process must occur. Project submissions are collected in order to meet Department of Administrative Services (DAS) Capital Budget requirements and to provide the necessary data for consideration. The Commission’s recommendations are based upon a prioritization process that incorporates the criteria detailed below.

All capital project submissions will be evaluated by HECC staff, and may include a campus site visit to review project plans and discuss details with institution representatives. HECC will compile information and evaluator feedback on the project proposals submitted from the seven governing boards, which will then be used to establish a statewide priority list.

The Commission will establish the priority ranking of governing board recommended projects that are consistent with the state’s goals. Projects that are recommended, but not funded, can be resubmitted the following budget cycle if the project remains a priority for the institution. Previously recommended, but unfunded, projects are not guaranteed recommendation in the following cycle.

HECC strongly suggests institutions engage their academic and institutional research teams to assist in the development and completion of the submittal.

HECC University Capital Principles

The prioritization of capital projects will focus on aligning economic incentives of the institutions with the state's strategic capital plan. The prioritization process is not a distribution model. All state-backed debt will support E&G space and program needs for the 21st century, extend the capacity of existing facilities to support student success, and align capital investments with workforce and economic development needs.

Projects that demonstrate the following will be prioritized:

- Capital renewal approach that repurposes existing space
- Operational cost savings along with safety and security
- Public-private and multi-party collaborations
- Leveraging of private resources and institutional funds

Strategic Capital Development Plan (SCDP)

Over the last six months, the Higher Education Coordinating Commission has worked to develop a 10-year strategic capital plan for all seven public universities, in partnership with the public universities and a panel of experts in strategic capital and higher education planning. This project provides a target public university capital portfolio through 2029 and will be used to guide the HECC in prioritization of capital projects and recommendations to the Governor and the Legislature on the critically important need for strategically driven capital investments for years to come. The 10-year strategic capital plan is a high-level summary of capital needs based on demographic, economic, industrial, and other environmental factors, dividing the targeted portfolio by region of the state. It divides the existing and potential future capital portfolio according to ideal usage and utilization, estimating the space needed for different academic disciplines and functions. By design, the Capital Prioritization Rubric ties to the Strategic Capital Development Plan and reflects the State's goals and interests.

STATUTORY AUTHORITY/RULES

Authority for this work is included in ORS 350.075.

The Higher Education Coordinating Commission shall:

- (a) Develop state goals for the state post-secondary education system, including community colleges and public universities listed in ORS 352.002 (Public universities), and for student access programs.
- (b) Determine strategic investments in the state's community colleges, public universities and student access programs necessary to achieve state post-secondary education goals.

(c) Coordinate the post-secondary elements of data collection and structure, with the advice and recommendation of the state's independent institutions, community colleges and public universities, as appropriate, in order to construct a state longitudinal data system.

(d) Adopt a strategic plan for achieving state post-secondary education goals, taking into consideration the contributions of this state's independent institutions, philanthropic organizations and other organizations dedicated to helping Oregonians reach state goals. State post-secondary education goals as described in this section should include, but need not be limited to:

- a) Increasing the educational attainment of the population;
- b) Increasing this state's global economic competitiveness and the quality of life of its residents;
- c) Ensuring affordable access for qualified Oregon students at each college or public university;
- d) Removing barriers to on-time completion; and
- e) Tracking progress toward meeting the state's post-secondary education goals established in the strategic plan.

The related rules are included in Oregon Administrative Rule 715-013-0070 which identifies the capital improvement and renewal distribution formula.

TIMELINE

For the 2019-21 biennium, institutions must submit project proposals to HECC by October 21, 2019. This means some of the prior packages submitted during 2018 must be reconstituted to meet the new capital rubric requirements. HECC Staff Evaluations will be conducted using the criteria in this instructions guide. After evaluation, HECC staff will present the prioritized statewide list to the Commission for action at the December 2019 commission meeting.

- October 21, 2019: Submission Deadline
- October 21-December 11, 2019: HECC Staff Evaluations
- December 11, 2019: Presentation to HECC F&A
- December 13, 2019: Submission of the prioritized list to the Legislative Fiscal Office (LFO) and the Department of Administrative Services (DAS)

PROJECT SUBMISSION

INSTITUTION CAPITAL PLAN INFORMATION

Institutions requesting cash or debt financing from the state for capital projects in the 2019-21 biennium, are expected to provide the information described below. **This information is required once, regardless of how many projects are being submitted.**

1. Identify whether the institution has a master facilities plan and, if so, the date on which it was adopted and/or last amended.
2. Provide a description of the institution's plan for managing facilities, reducing any deferred maintenance backlog and addressing future deferred maintenance needs.
3. Provide an estimate of the institution's deferred maintenance backlog for education and general service facilities.
4. Provide an estimate of the institution's seismic upgrade needs for educational and general service facilities.
5. Identify any bond-funded projects that were authorized in prior biennia that will require reauthorization by the 2019-21 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).
6. The SCDP recommends embracing a broader definition of capital assets including those that are not bondable (SCDP, p. 19, 2019). If funding were available, would you be interested in demolishing any facilities? If so, please indicate which facilities and why.

PROJECT SUMMARY

For each project, please provide the following information.

- Project Data
 - Short working title for the project
 - Project location address or campus location
 - Academic programs served
 - Total project cost
 - State funding request
 - Committed external funds

- Gift amount
 - Plant funds amount
 - Specify amount and source of other fund sources
- Total gross square feet
- Total net square feet
- Identify the project start and completion dates
- Complete the appropriate DAS required bond Forms 107BF11a and/or 107BF12 for each project. (Appendix A)
- Describe how this project will address the following: (1) resolve an unmet capacity need, (2) raise facility quality, (3) improve campus infrastructure, (4) fulfill special need (e.g. shared performing arts facility)
- Complete HECC Capital Project Cost Summary form (appendix C)
- Optional – photo or graphic, or additional text if needed
- Appendix Document List
- Executive Summary of the Proposed Project
 - Provide a brief description of the project
 - Summarize how the project supports HECC Strategic or State Goals
 - Identify why the project is a critical need for the institution.

BUSINESS PLAN

Define ongoing costs to maintain the building and its academic programs/research.

A. Operations Overview

- a. Provide an overview of the financial plan associated with the operations of the programs and facility described in the project. Costs may be defined by previously approved or existing expenses and revenue, and new expenses and revenue needed as a result of the proposed project.
- b. Summarize the annual net additional costs for programs, staffing, operations, utilities and maintenance costs. Costs should be consistent with planned student enrollment increases, staffing increases, and additional net area created from the project.

- c. Describe financial efficiencies achieved with the project. How will they be realized (demolitions, shared spaces, funding sources, etc.)? If this is a new planned replacement building for planned demolition(s), quantify the financial benefits, or describe other opportunities created with the project. Does this project represent a new “replacement building” that is no more than 10% more square feet than a building proposed to be demolished?

B. Revenue Sources, Fundraising and Partnerships

- a. Will there be a fundraising campaign or other community/industry partners that will be specifically associated with this project, and what are the specific funding goals? If there are unique features of the campaign, please describe.
- b. What are the revenue sources expected to defray additional ongoing costs, such as estimated additional tuition, grants, or other sources? Anticipated funding and tuition income should be supported by the academic strategic plan for credential production and enrollment increases.

C. Review of Alternatives (Page 21 of the SCDP)

- a. Discuss a review of project alternatives and less capital intensive options that were considered to meet the identified space need.

CAPITAL PROJECT EVALUATION

All project types, whether major renovations, new construction, or building replacements, regardless of sector or CIR formula/non-formula status, will be reviewed on the basis of the submitted project proposal and the scoring criteria.

Once HECC receives your project submittal, it will be evaluated using the following criteria:

1. Capital projects will be linked to state goals, including the following objectives:
 - Increasing degree production, particularly at the undergraduate level
 - Enhancing research and/or workforce development
 - Identifying and addressing education and workforce needs of local and regional economies
 - Projects are based on the focus or expected impact of the project on student success, with special emphasis on those underserved populations that are similarly emphasized in the Student Success and Completion Model such as, clear links to higher degree and certificate attainment tied to the following targeted populations:
 - Low income

- Underrepresented minority
 - Rural
 - Veteran
2. Capital projects should enhance campus mission and distinction and should be envisioned in the institution’s current Master Plan.
 3. Institutions should develop project proposals that include academic planning and architectural programs, which may include early design ideas regarding the uses and layout of buildings impacted by each project.
 4. Institutional facility needs and condition, as analyzed by the HECC Space Planning Guidelines, are a factor in determining institutional priorities.
 5. External funding should be a factor in project priority, but should not inappropriately determine institutional or system priorities. The capital match component identifies a minimum percentage of project costs to be borne by the institution, ideally from private fundraising. Non-state funds raised above the minimum percentage garner additional points in the scoring process.

CAPITAL SCORING RUBRIC

The points assigned to each evaluation criteria are detailed below.

Prioritization Criteria	Points
A. Strategic Capital Development Plan Alignment (52 points total)	
Part 1: Space renewal, workforce or completion priorities	24
Part 2: Addressing deferred maintenance issues	12
Part 3: Supports research and economic development	8
Part 4: Collaboration with interested parties	8
B. Operational Savings and Sustainability	8
C. Life Safety, Security, Code Compliance and/or Loss of Use	10
D. Institutional Priority	5
E. Student Success for Underserved Populations	10
F. Leveraging Institutional Resources	15
TOTAL	100

COMPONENT A: STRATEGIC CAPITAL DEVELOPMENT PLAN (SCDP) ALIGNMENT

Component A, Part 1: Space renewal, workforce or completion priorities

Proposals that increase the efficiency and effectiveness of educational and general space, address workforce needs pursuant to the SCDP, or support student success and degree completion numbers pursuant to the 40-40-20 Strategic Plan.

- Proposal increases the capacity and effectiveness of instructional space
 - Academic Space Surplus or Deficit (SCDP, page 9)
 - Academic Support Space Surplus or Deficit (SCDP, page 9)
 - Reference the institutional specific section of the report, (SCDP, pages 57 – 62 and “Space Analysis” sections of institutional data).
- Addresses workforce needs by providing clear pathways to aligning the educational supply with employment demand (SCDP, pages 40-47 or within the institutional specific data section)
 - Fills occupations that have postsecondary credential and university-based requirements, reference institutional section of the report for your specific institution.
 - Institution requires an internship with industry for the career track.
 - Reference the institutional specific section of the report, “Program Completion Rates”, and “Gaps at the bachelor and above degree level” chart.
- Proposal brings business and industry to campus by core sectors for research collaboration or economic development projects or to assist in an educational capacity.

Component A, Part 2: Addressing deferred maintenance issues

This component relates to either the reduction of deferred maintenance at an institution or the creation of a university-funded deferred maintenance set aside account to proactively address future deferred maintenance needs (SCDP, pages 10 – 13).

- Deferred Maintenance Reduction – proposal eliminates deferred maintenance, demolishes a non-usable asset or repurposes an existing under-utilized asset to a much higher academic use (cross check the building in the CIR Table 2019-2021). For DM projects, identify the expected source of funding as internal to institution or a general fund State budget request.
- Deferred Maintenance Account – proposal establishes a university-funded depreciation account for the new/upgraded facility.

Component A, Part 3: Supports the research and economic development capacity of the institution

Proposals should identify that they are supporting degree programs that are important to employers, or that they support economic development as defined by creating or renovating space for workforce partnerships and collaborations. Projects could also demonstrate that they lead to the development of additional research capabilities or help the institution earn additional, external research grant funding (SCDP, pages 69-73).

Proposals could support innovation with industry partners or create innovation districts and/or co-labs. Proposals could optimize resources on campus in support of industry partnerships, support entrepreneurial degree programs or address community and workforce needs (SCDP, pages 40-47 or within the institutional specific data section).

Component A, Part 4: Collaboration between the public universities and interested parties

Proposals should encourage collaborative efforts between the university and other interested parties or the creation of consortia (SCDP, page 9).

Public service entities could include but are not limited to public universities, community colleges, public school districts, regional consortiums or private institutions.

COMPONENT B: OPERATIONAL SAVINGS AND SUSTAINABILITY

Projects are scored based on the cost savings generated by operational savings and/or sustainability savings. The project plan should demonstrate understanding of lifecycle costs. Savings are demonstrated by the inclusion of a pro forma detailing future operational costs of the facility compared to current operational costs. See Appendix B for an example of a project cost summary.

Points could be earned for any positive return of operational savings continuously applied after construction which could include net additional savings from staffing, operations, utilities and maintenance costs. Points could also be earned for the more efficient execution of existing programs through higher utilization of student stations or a lower cost per unit of student stations.

Sustainability could mean the sustainability of program operations demonstrated through more efficient execution as mentioned above. Or sustainability could mean LEED certification in which a project demonstrates a more efficient use of energy resources. Points could be awarded for a project that includes a LEED or equivalent sustainability level certification.

COMPONENT C: LIFE SAFETY, SECURITY, OR LOSS OF USE

Proposals are scored based on the project's ability to address life safety, promote security, or remediate a potential loss of use issue. All are deemed mission critical. The institution should be prepared to explain how a project accomplishes these elements.

Documentation of a code violation could be included. A consultant's recommendation, and inclusion as a design element, of recommended safety upgrades to a facility could be included. Other evidence of a potential loss of use could be presented. See Appendix E for recent examples of safety elements as noted in the HECC Staff 2018 review.

Of the ten total points available, the inclusion and explanation of supporting evidence related to any one of these elements can garner a base score of eight points. Two additional points can then be added for verification by an independent, professionally certified expert.

It is possible the scoring for this component of the rubric will use a comparative approach across projects to assign points based on the relative number of elements addressed by each project submitted. Projects that address more elements might garner more points for this component relative to other projects.

1. **Life Safety.** For a project to be considered critical, the project must predominantly address facility deficiencies (code compliance) related to the health, safety, and welfare of the occupants and the public. The request will be considered as to the significance of the hazard or risk the facility conditions pose and the immediacy of the period requested to address those concerns.
2. **Security.** The proposal supports a safe and secure environment in all buildings and grounds owned, leased and/or operated by the universities. The proposal promotes safety through policies and programs. The proposal safeguards the university's property and physical assets.
3. **Loss of Use.** A project may be considered critical if it addresses imminent loss of use due to facility deficiencies. These can include mechanical, electrical, or structural systems as well as the accreditation requirements of a program. Critical loss of use projects would directly result in the inability of that program to function in the related area and/or maintain the funding necessary to sustain that program.

COMPONENT D: INSTITUTIONAL PRIORITY

Each institution will identify the top three projects from only the tier one category as defined by the university presidents. The institution's first priority will receive 5 points, second priority will receive 3 points, and the third priority will receive one point. Subsequent project proposals will receive no points for this component.

COMPONENT E: STUDENT SUCCESS FOR UNDERSERVED POPULATIONS

Proposals should clearly communicate the expected increases in success for underserved populations. The underlying data used in the calculations of the Student Success and Completion Model (SSCM) provide a baseline for degree attainment by underrepresented minorities, rural, and veteran populations. Institutions should review that data and then describe how this project will improve outcomes in any of the aforementioned categories. The baseline data is included in Appendix C for reference.

Points will be awarded for documenting the integration of the project with academic plans and by incorporating greater collaboration among institutions to serve underrepresented students. Proposals should document a clear, intended purpose of the project to meet the needs of underserved students. Proposals could also document additional support services for underserved students. Project submissions could also propose new targets for underserved student achievement resulting from the completion of the project.

It is possible the scoring for this component will use a comparative approach across projects to assign points based on the relative magnitude of the proposed increase in student success by each project submitted. Projects that include a greater projected increase in student success might garner more points for this component relative to other projects.

COMPONENT F: LEVERAGING INSTITUTIONAL RESOURCES

External funding should be a factor in prioritizing projects, but should not inappropriately determine institutional or HECC priorities. The campus match component identifies a minimum percentage of project costs to be borne by the institution, ideally from external funding which could include grants, donations or other funds not derived from institutional or state resources. Technical and Regional institutions have an adjusted matching schedule to acknowledge a smaller private funding base in the rural communities of the state. The match expectation is differentiated by type of project as well.

Ten points are based on the level of matching and five points are based on the availability of funds according to the schedule below:

OSU, UO, and PSU Matching		
% Match	New Construction	Major Renovation
25% or over	10	10
24%	8	10
15%	6	10
10%	5	9
5%	4	5

OR

Technical Regional Matching		
% Match	New Construction	Major Renovation
5% or more	10	10
4%	8	10
3%	6	10
2%	4	7
1%	2	5

AND

Majority pledged or in hand. (Verified in proposal)	
% Match	Points
100% add	5
75% add	4
50% add	3
25% add	2
0% >=10% add	1
0%	0

DRAFT

APPENDIX A: DAS REQUIRED FORMS

In accordance with the Department of Administrative Services' Capital Instructions, send HECC the following files by October 21, 2019. Please do not alter these forms as we are using them in a rollup or summary function.

- HECC Public University Major Construction Project Narrative 107BF11a
- Six Year Capital Plan – DAS Capital 107BF12
- XI-F (1) Revenue Sufficiency - Solely for self-funded projects, the project will not be graded and will be separately submitted in a cluster of similar project requests.

DRAFT

Higher Education Coordinating Commission - Public University / Community College Major Construction/Acquisition Project Narrative

Note: Complete a separate form for each project.

Public University or Community College:	Western Oregon University	Project Type - indicate percent of budget in each category; total should add to 100%:	
Project Name:	Physical Education Building Addition & Rem	Planning/design	10%
Estimated Start Date:	Summer 2020	Land/real property acquisition	
Estimated Completion Date:	Spring 2021	New construction	
Total Estimated Project Cost:	\$ 15,000,000	Addition	50%
Cost per net usable square foot added or renovated:		Remodel	40%
		Total	100%

¹Include all costs regardless of proposed funding model, such as design and planning, hard and soft construction costs, land and real property acquisition, infrastructure development, furnishings and fixtures, contingencies, etc.

Project Summary (describe the nature and purpose of the project):

Constructed in 1971 the "New" Physical Education (NPE) building is located on the western edge of the academic core approximately five minutes (walking) from the Administration Building. It houses WOU's indoor varsity athletic courts and team/training/locker rooms, two multipurpose classrooms, as well as athletic department offices. Its gymnasium and multipurpose courts are scheduled each term to support the demand for Health and Physical Education division classes. As the largest venue on campus (the main gym can seat over 3,000 spectators), NPE is used for various campus and community activities including the Cesar E. Chavez Conference, the Multicultural Student Native American Pow-Wow, the Bike MS charity event, and various high school sport camps. Classes, activities, and sports events are heavily scheduled year-round in New PE making it difficult to schedule routine maintenance. During WOU's New Student Week the gymnasium is used daily for the week-long orientation process and an increasing number of culturally-themed events. Underrepresented students and their communities, also utilize the gym. As a result of heavy use and tight scheduling, NPE has numerous maintenance issues that can no longer be deferred, the need for additional space for team rooms, locker rooms, weight room, smart G & E classrooms, offices, and ADA issues that must be addressed. Since there is no elevator in NPE, the faculty offices and gymnasium, located on the second floor, are not accessible to people with disabilities.

Facility Details (describe specific details such as number of stories, square feet, type and number of components such as classrooms and labs):

NPE is a two-story, cast-in-place, concrete structure with a gross area of 62,468 sq. ft. Athletic courts and gymnasium space account for approximately 60% of useable space. The remaining area is made up of 20 offices, 2 classrooms, 2 restrooms, training and locker rooms, circulation, mechanical and ancillary space. It has an occupancy capacity of 4,321.

Funding Request			
Type of Funding Requested	Project Funding Amount Requested	Estimated Biennial Debt Service⁵	Debt Service⁵ Funding Source
General Funds/Lottery Funds			N/A
Article XI-F(1) Bond Proceeds ^{2,4}			Other Funds
Article XI-G Bond Proceeds ^{3,4}	\$ 3,000,000		General Fund
Article XI-Q Bond Proceeds ⁴	\$ 9,000,000	\$ 2,095,528	General Fund
Lottery Revenue Bonds			Lottery Funds
Total	\$ 12,000,000	\$ 2,095,528	

For Article **XI-F(1)** bond requests, indicate the revenue sources for university loan repayments to be used by HECC to pay debt serv:

For Article **XI-G** bond requests, indicate the source(s) and amounts of matching funds:

WOU will use E&G funds internal to the institution

For additional required project funding (i.e. beyond requested state funds and Article XI-G matching funds), indicate sources and amounts:

Notes:

SIX YEAR CAPITAL PLAN

Update the six year capital plan with your new changes and save file with your validations and footnotes. HECC Staff will provide DAS Capital with the rollup of the system-wide and summary tabs. An example from EOU illustrates how these forms are completed below:

Biennia	Rank	EOU - Project Name	Xi-G	Xi-Q	Lottery	State Paid Total	Xi-F	Gifts/Other Fund
2019-21	1	Inlow Hall Seismic Renovation, Phase II	\$0	\$9,500,000	\$0	\$9,500,000	\$0	\$0
2019-22	2	Inlow Hall Grand Staircase Replacement		\$3,000,000		\$3,000,000		
2019-21	3	New Residence Hall	\$0	\$0	\$0	\$0	\$14,000,000	\$0
2019-21 Biennial Totals			\$0	\$12,500,000	\$0	\$12,500,000	\$14,000,000	\$0
2021-23	1	Inlow Hall Grand Staircase Replacement	\$0	\$35,000,000	\$0	\$35,000,000	\$0	\$0
2021-23	2	Loso Hall Renovation Phase II	\$0	\$12,000,000	\$0	\$12,000,000	\$0	\$0
2021-23	3	Safety, Security, & Access Renovation	\$0	\$7,000,000	\$0	\$7,000,000	\$0	\$0
2021-23 Biennial Totals			\$0	\$19,000,000	\$0	\$19,000,000	\$0	\$0
2023-25	1	New Academic Bldg.	\$0	\$35,000,000	\$0	\$35,000,000	\$0	\$0
2023-25	2	Ackerman Hall Renovation	\$0	\$8,500,000	\$0	\$8,500,000	\$0	\$0
2023-25	3	TBD	\$0	\$0	\$0	\$0	\$0	\$0
2021-23 Biennial Totals			\$0	\$43,500,000	\$0	\$43,500,000	\$0	\$0

XI-F (1) REVENUE SUFFICIENCY

Include any board resolutions for the project with the revenue sufficiency analysis and include a pro forma in a standard format annotating business assumptions about the project like the following examples:

Western Oregon University February 2018 Legislative Session Request for \$3.5M in Article XI-F Bonds for Natural Science Building Renovation Financial Proforma for Revenue Sufficiency												
Description	Actual* 2015-16	Actual* 2016-17	Projected 2017-18	Projected 2018-19	Projected 2019-20	Projected 2020-21	Projected 2021-22	Projected 2022-23	Projected 2023-24	Projected 2024-25	Projected 2025-26	Projected 2026-27
Student Tuition and Fees (net of allow:	\$30,065,000	\$30,952,000	\$31,880,560	\$32,836,977	\$33,822,086	\$34,836,749	\$35,881,851	\$36,958,307	\$38,067,056	\$39,209,068	\$40,385,340	\$41,596,900
Educational Department Sales and Serv	\$911,000	\$786,000	\$809,580	\$833,867	\$858,883	\$884,650	\$911,189	\$938,525	\$966,681	\$995,681	\$1,025,552	\$1,056,318
Other Operating Revenues	\$2,321,000	\$3,317,000	\$3,416,510	\$3,519,005	\$3,624,575	\$3,733,313	\$3,845,312	\$3,960,671	\$4,079,492	\$4,201,876	\$4,327,933	\$4,457,771
Total Revenues	\$33,297,000	\$35,055,000	\$36,106,650	\$37,189,850	\$38,305,545	\$39,454,711	\$40,638,353	\$41,857,503	\$43,113,228	\$44,406,625	\$45,738,824	\$47,110,989
Debt Service for \$3.5M XI-F Bonds (see attached Schedule from Mary Hatfield) (Assumes 20 year amortization and 4% interest rate)					\$260,000	\$255,200	\$255,400	\$255,400	\$260,200	\$259,600	\$258,800	\$257,800
* Source: WOU Audited Financial Statements												
Note: at 6/30/17 WOU's Debt Burden Ratio was 3.87%. Adding this debt service would only increase this to ~4.0%. The WOU Board of Trustees has established a ceiling on debt burden at 7.0%, thus we are well below that threshold at this time. Renovating this building will also allow WOU to glean some level of efficiencies from updated mechanical and electrical systems, etc. Renovating this building will also provide improved ADA access, improved life safety (removing asbestos, sprinkler systems, etc.), labs better suited to today's pedagogy and will redress some of the deferred maintenance backlog on this campus.												
	Growth Rates											
					3%	3%	3%	3%	3%	3%	3%	3%
					3%	3%	3%	3%	3%	3%	3%	3%
					3%	3%	3%	3%	3%	3%	3%	3%

The estimated debt service should use a projected market interest rate when the bonds are expected to be sold. DAS-Capital Finance can provide an estimate using current budgeted interest rates that, with the help of its municipal advisor, can reasonably be expected to be in effect when the bonds are projected to be issued. The DAS projections are the debt service rates that will be used by HECC, DAS and the Legislative Fiscal Office as the project moves through the legislative approval process.

OR

4th & Montgomery Building
Nov-18

Project Summary

	Total	
Total Retail Gross SF	10,124	Total including common area = 12,500
Number of Floors	Seven	9
Total Retail Component Cost	\$ 6,000,000	
Total Retail Component Cost per Square Foot	\$ 481	
Cash Match/Gift Contribution	\$ -	
Total Bond Proceeds Required	\$ 6,000,000	
Bond Type: Article XI-G Tax Exempt	\$ -	
Tax Exempt Maximum Maturity (Years)	30	
Interest Rate Assumption	4.0%	
Annual Debt Service - one payment per year	\$ -	
Bond Type: Article XI-Q Tax Exempt	\$ -	
Tax Exempt Maximum Maturity (Years)	30	
Interest Rate Assumption	5.0%	
Annual Debt Service - one payment per year	\$ -	
Bond Type: Article XI-F(1) Tax Exempt	\$ -	
Tax Exempt Maximum Maturity (Years)	30	
Interest Rate Assumption	4.0%	
Annual Debt Service - one payment per year	\$ -	
Bond Type: Article XI-F(1) Taxable	\$ 6,075,000	
Tax Exempt Maximum Maturity (Years)	10	
Interest Rate Assumption	5.13%	
Annual Debt Service - one payment per year	\$ 791,715	
Total Bond Proceeds Summary	\$ 6,075,000	
Weighted Maximum Maturity (Years)	10.00	
Weighted Interest Rate Assumption	5.1%	
Total Annual Debt Service	\$ 791,715	Debt Schedule utilized from Mark Meidema Tab XI DS Estimate
PSU Portion of Debt Service	\$ 791,715	
State Portion of Debt Service	\$ -	
Income Inflation Estimate	2.5%	
Expense Inflation Estimate	2.5%	
Replacement Reserves Assumption per year	1.3%	\$ 75,000
Capital Asset Life (Years)	30	

Notes:
1. Initial required allowances for lease negotiated tenant improvements are included in cost per square foot construction estimates.

10 Year Operations Proforma

		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Income	Assumptions:											
Lease Income Base	\$35.00 per sf.	-	354,340	363,199	372,278	381,585	391,125	400,903	410,926	421,199	431,729	442,522
Additional Rent OPX	Actuals	-	23,768	24,363	24,972	25,596	26,236	26,892	27,564	28,253	28,959	29,683
Property Tax Allocation Reimbursements	Actuals	-	62,632	64,198	65,803	67,448	69,134	70,862	72,634	74,450	76,311	78,219
Other Revenues		-	-	-	-	-	-	-	-	-	-	-
Total Income		-	440,740	451,759	463,053	474,629	486,495	498,657	511,124	523,902	536,999	550,424
Expenses	Assumptions:											
Operating Service & Supplies	\$0.04 per sf. CAA	-	427	438	449	460	472	484	496	508	521	534
Utilities	\$0.21 per sf. CAA	-	2,081	2,133	2,186	2,241	2,297	2,355	2,413	2,474	2,536	2,599
Custodial & Grounds	\$0.05 per sf. CAA	-	472	484	496	509	522	535	548	562	576	590
Repair, Maintenance, & Services	\$0.12 per sf. CAA	-	1,215	1,245	1,276	1,308	1,341	1,375	1,409	1,444	1,480	1,517
TI Allocations	\$50.00 per sf.	-	-	-	-	-	-	506,200	-	-	-	-
Telecom	\$480.00 Annual	-	480	492	504	517	530	543	557	571	585	599
Professional Services	Comp Contract	-	20,000	20,500	21,013	21,538	22,076	22,628	23,194	23,774	24,368	24,977
Property Tax	Comps	-	62,632	64,198	65,803	67,448	69,134	70,862	72,634	74,450	76,311	78,219
Insurance & Assessments	\$0.01 per sf. CAA	-	56	58	59	61	62	64	65	67	69	70
Total Expenses		-	87,364	89,548	91,787	94,082	96,434	98,844	101,316	103,848	106,445	109,106
Depreciation	30 Year	-	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Net Operating Income		-	153,376	162,211	171,266	180,548	190,061	(306,387)	209,808	220,053	230,555	241,319
Distributions												
Debt Service 10 Year		285,094	765,094	771,687	771,687	772,187	772,187	772,062	772,062	770,562	770,562	-
Replacement Reserves		-	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Real Estate Support		(285,094)	(486,718)	(484,476)	(475,421)	(466,639)	(457,126)	(447,249)	(437,254)	(425,509)	(415,007)	366,319
TI Draw on Reserves	\$50.00 6th Year TI	-	-	-	-	-	-	(506,200)	-	-	-	-
Distribution Total		-	353,376	362,211	371,266	380,548	390,061	(106,387)	409,808	420,053	430,555	441,319
Cash Flow		-	0	(0)	(0)	(0)	0	(0)	0	0	(0)	(0)

APPENDIX B: HECC CAPITAL PROJECT COST SUMMARY



CAPITAL PROJECT COST SUMMARY

Institution: _____

Project Title: _____

Priority Number: _____

Capital Construction/Capital Renewal Project Cost Summary/Cost Savings

	First Year	Second Year	Third Year	Fourth Year	Fifth Year	Total Project Costs
Land/Building Acquisition						
Professional Services						
Architectural Services						
Engineering Services						
Planning Services						
Other Expenses						
Construction Services						
Site Improvements						
Utility Improvements						
Cost of Construction						
Other Const. Services						
Equipment and Furnishings						
Equipment						
Furnishings						
Communications + IT						
Operational Savings						
Staffing						
Utilities						
Other						
Net Project Total:	0	0	0	0	0	0

* Note that bonded projects have a three year project spend plan.

APPENDIX C: BASELINE FOR UNDERSERVED STUDENTS

Capital Guide Baseline: Awards to Underrepresented Groups									
Baseline Year: 2017-18									
Awards to Underrepresented Ethnic Minorities (URM)									
Award Category	EOU	OIT	OSU	OSU-CASC	PSU	SOU	UO	WOU	Grand Total
1. Res Bachelors	47	58	488	35	759	104	430	155	2,076
2. Res Masters	15		39	5	194	12	73	16	354
3. Res Doctoral			1		7		2		10
4. Res First Professional			3						3
5. Res Graduate Certificates	13		20	1	118	16	17	12	197
6. Non-Res Doctoral			12		3		17		32
Res Associates		2							2
Res Undergraduate Certificates		1					2		3
Non-Res, Non-Doctoral	47	42	300	3	187	113	364	37	1,093
Total	122	103	863	44	1,268	245	905	220	3,770
Awards to Rural Oregonians									
Award Category	EOU	OIT	OSU	OSU-CASC	PSU	SOU	UO	WOU	Grand Total
1. Res Bachelors	70	102	664	14	131	64	317	173	1,535
2. Res Masters	22	1	40	3	10	4	32	17	129
3. Res Doctoral			2				3		5
4. Res First Professional			15						15
5. Res Graduate Certificates	16		35	1	7	7	12	9	87
6. Non-Res Doctoral			1						1
Res Associates									-
Res Undergraduate Certificates		1					3		4
Non-Res, Non-Doctoral	2	1	6	1	3	1	2	2	18
Total	110	105	763	19	151	76	369	201	1,794
Awards to Veterans									
Award Category	EOU	OIT	OSU	OSU-CASC	PSU	SOU	UO	WOU	Grand Total
1. Res Bachelors	6	13	11		21	15	32	11	109
2. Res Masters	1				3		9		13
3. Res Doctoral									-
4. Res First Professional							2		2
5. Res Graduate Certificates	1				1	3	1		6
6. Non-Res Doctoral									-
Res Associates									-
Res Undergraduate Certificates									-
Non-Res, Non-Doctoral	1		9		33	5	11	1	60
Total	9	13	20	-	58	23	55	12	190
Awards to Pell Recipients									
Award Category	EOU	OIT	OSU	OSU-CASC	PSU	SOU	UO	WOU	Grand Total
1. Res Bachelors	240	271	1,625	161	2,306	372	1,175	498	6,648
2. Res Masters									-
3. Res Doctoral									-
4. Res First Professional									-
5. Res Graduate Certificates	24		69	1	45	51	1		191
6. Non-Res Doctoral									-
Res Associates		9							9
Res Undergraduate Certificates		2					7		9
Non-Res, Non-Doctoral	124	63	372	1	252	148	241	59	1,260
Total	388	345	2,066	163	2,603	571	1,424	557	8,117
Awards to URM, Rural, Vet, or Pell Students									
Award Category	EOU	OIT	OSU	OSU-CASC	PSU	SOU	UO	WOU	Grand Total
1. Res Bachelors	273	343	2,124	175	2,572	415	1,463	583	7,948
2. Res Masters	35	1	74	8	204	15	108	32	477
3. Res Doctoral			2		7		5		14
4. Res First Professional			18				2		20
5. Res Graduate Certificates	41		102	3	151	64	28	20	409
6. Non-Res Doctoral			13		3		17		33
Res Associates		10							10
Res Undergraduate Certificates		4					8		12
Non-Res, Non-Doctoral	148	88	591	5	377	208	523	79	2,019
Total	497	446	2,924	191	3,314	702	2,154	714	10,942

APPENDIX D: DEFINITIONS

A project qualifies for HECC capital construction review and inclusion in the capital construction budget if it meets the criteria set out below:

1. Capital Asset means:
 - a. Life of more than one year
 - b. A cost of at least \$5,000
 - c. Real property;
 - d. Information technology;
 - e. Fixed equipment;
 - f. Movable equipment; or
 - g. Instructional or scientific equipment with a cost that exceeds \$50,000
2. Capital Asset does not include:
 - a. Instructional or scientific equipment purchased by a State institution of higher education if the institution uses moneys other than those appropriated
3. Capital Construction includes:
 - a. Must be capital costs with a life of more than one year and a cost of at least \$5,000 (State's threshold)
 - b. Acquisition of a capital asset or disposition of real property.
 - c. Construction, demolition, remodeling, or renovation of real property necessitated by changes in the program. Changes in the program may also incorporate the need to meet standards required by applicable codes; to improve energy conservation; to save costs for facility staffing, operations, or maintenance; or to improve appearance.
 - d. Demolition costs are only capitalizable as part of a new building or asset being added in its place.
 - e. Site improvements or development of real property (landscaping, upgraded utilities, signage etc.) that are capitalizable.
 - f. Installation of the fixed or moveable equipment necessary for the operation of new, remodeled, or renovated real property, if the fixed or movable equipment is initially housed in or on the real property upon completion of the new construction, renovation or remodeling. The equipment must be capitalized as part of the construction project.

- g. Installation of the fixed or movable equipment necessary for the conduct of programs in or on real property upon completion of the new construction, remodeling, or renovation. The equipment must be capitalized as part of the construction project.
 - h. Contracting for the services from architects, engineers and other consultants to prepare plans, program documents, life-cycle cost studies, energy analyses and other studies associated with any capital construction project and to supervise construction or execution of such capital construction.
 - i. Installation, development, or upgrade of information technology, including the purchase of services for the office of information technology on the condition that the use of such services is the most cost beneficial option or falls within the duties and responsibilities of the office of information technology or the office's chief information officer. Only the application development stage of IT systems are capitalizable, per GASB 51.
 - j. Preliminary planning including initial review of proposed projects for a) conformity with long-range development plans; b) technical and economic feasibility of the project; c) preparation of outline plans and specifications; or d) preparation of preliminary cost estimates. The State allows these costs if the asset location has been identified, as costs must be directly identifiable with a specific asset. A feasibility study to determine the best location would not be capitalizable.
 - k. A new construction or renovation, including the cost of initial design has the total cost normally of more than \$500,000.
 - l. Capital construction projects arise out of an institution's need to create, expand, relocate, or alter a program due to growth, advances in technology or changes in methods or program delivery. Requests addressing physical space requirements needed to accommodate particular functions, such as those traditionally included in facility programs, would constitute a "program-driven" request, and therefore, be considered a capital construction request.
 - m. Capital Renewal requests are classified and prioritized as capital budget requests. Capital Renewal requests have costs normally exceeding \$2.0 million in a fiscal year and include projects that that are more cost-effective or better addressed by corrective repairs.
4. Completion: University completion rates show the percentage of first-time, full-time freshmen in the fall 2012 cohort who earn a bachelor's degree within 6 years at any of the public universities. Community college completion rates show the percentage of students who earned an associate degree or career certificate or who transferred to any 4-year university nationwide, among students who were new to the institution in fall 2013, were not enrolled in dual credit/accelerated learning, and earned at least 18 quarter credits over 2 years or earned an award requiring fewer than 18 credits. This cohort reflects the degree-seeking cohort of the Voluntary Framework of Accountability (VFA) but with 4-year outcomes.

5. Race/Ethnicity: The completion rate among those with more than one racial/ethnic group is 51 percent and among those not reporting a racial/ethnic group is 44 percent.
6. Strategic Capital Development Plan (SCDP): The 10-year strategic capital development plan or SCDP is a high-level summary of capital need based on demographic, economic, industry, and other environmental factors, dividing the targeted portfolio by region of the state. It divides the existing and potential future capital portfolio according to ideal usage and utilization, estimating space need for different academic disciplines and functions.

DRAFT

APPENDIX E: EXAMPLES OF SAFETY ELEMENTS

Safety Elements in Universe of Proposals 2019-2021 Capital Proposals
ADA - numerous accessibility barriers
Asbestos hazard, lead, PCB and other hazardous material and chemical
Chemistry labs not ADA accessible/usable
Electrical Systems failures
Elevator not meeting code
External chemical water filtration not up to code
Eye-wash stations not meeting OSHA standards
Fire safety - Fire suppression sprinkler system inadequate or not functional to code
Fire safety - HVAC system lacks fire dampers and smoke detectors
Fire safety - lack of area of refuge for individuals with disabilities
Fire safety - Lack of visible strobes for hearing impaired
Fire safety - fire exit wayfinding is difficult
Gas taps unused and still pressurized in selected classrooms
Inadequate HVAC systems
Inadequate bathroom ventilation
Inadequate electrical systems or capacity to meet code
Inadequate plumbing to meet code or plumbing systems failures
Industrial site remediation
Internal/secondary doors between foyers and hallways not ADA accessible
Laboratory ventilation failures - Air extraction not meeting code
Lack of ADA access to lower level
Lack of back-up power sources for communications and power-actuated doors
Lack of emergency lighting in basement or stairwells
Lack of storage for hazardous chemicals
Mechanical systems inadequate to meet code
Need for other structural improvements
Parapet heights and fall protection systems on the roof not OSHA compliant
Raised flooring wear creating tripping hazard
Ramp safety hazard
Seismic deficiency
Shock hazard in chemistry lab outlets below work surfaces when exposed to spills
Tripping hazards
Water intrusion in ceilings causing mold
Other Campus Safety

