



UNIVERSITY OF OREGON

**Board of Trustees of the University of Oregon
Finance and Facilities Committee Meeting
September 10, 2014**

12:30 PM – Public Meeting – Ford Alumni Center, Room 403

1. Convene
 - Call to Order (Chair)
 - Roll Call (Secretary)
 - Introductory comments and review of agenda (Chair)
2. Approval of June 2014 FFC meeting minutes (Chair) (Action)
3. Public comment
4. Quarterly financial report (Chair, Treasurer)
5. Quarterly treasury report and discussion of certain treasury transactions (Treasurer, Director of Treasury Operations) (Actions)
6. Overview of UO facilities and property (Treasurer, Associate Vice-President for Campus Planning and Real Estate)
7. Discussion of real property transactions (Chair, Treasurer) (Actions)
8. Adjourn

BOARD OF TRUSTEES

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**Board of Trustees of the University of Oregon
Finance and Facilities Committee Meeting
September 10, 2014**

Agenda Item #1

There are no materials for this section

**Board of Trustees of the University of Oregon
Finance and Facilities Committee Meeting
September 10, 2014**

Agenda Item #2

Connie Ballmer	Present
Peter Bragdon	Absent
Andrew Colas	Present
Susan Gary	Absent
Joseph Gonyea III	Present
Michael Gottfredson	Present
Ross Kari, Chair	Present

The University of Oregon Board of Trustees, Finance and Facilities Committee (FFC) met in the Ford Alumni Center on the UO campus on June 3, 2014. Below is a summary of committee discussions, and actions.

Chair Ross Kari called the meeting to order and took roll. There was no public comment. Trustee Joseph Gonyea III moved to accept minutes from the May 6, 2014 meeting; Trustee Connie Ballmer seconded. All trustees present voted in favor.

Management of Retirement Plans

Vice President for Finance and Administration (VPFA) Jamie Moffitt summarized plans for UO to host administration of three retirement plans for all Oregon University System (OUS) schools. She outlined the shared services structure which has been put in place to transition the administration of the plans from OUS, and then run the plans with UO staff. The three plans are:

- Optional Retirement Plan (ORP)
- Tax-Deferred Investment 403(b) Plan (TDI)
- Supplemental Retirement Plan (SRP)

Moffitt introduced Denise Yunker, formerly of OUS, who manages the staff in charge of the plans. Yunker provided details and answered questions from trustees. Marcia Kelson, outside counsel from K&L Gates, also provided feedback about the health of the plans and spoke favorably regarding the transition to UO's administration of the plans. Trustee Kari suggested the investment committee meet quarterly which was supported by Yunker. No motion was required by the committee. However, it was moved by Trustee Gonyea that the members of the FFC endorse to the full UO Board of Trustees (Board) the direction the University is taking with regard to management of retirement plans. All members voted in favor.

Review and Approve Proposed Policies on Tuition, Mandatory Enrollment Fees and Other Charges, Fines and Fees

Moffitt briefed the committee on the process by which tuition and fees have historically been adopted. This year is the last year that tuition and fees will be approved by the State Board of Higher Education; in the future tuition and fees will be approved by the UO Board. Historically, the State Board has also

approved a Tuition and Fee Policy book each year. This book contains references to the Oregon University System and policies and issues related to all seven campuses. UO leadership put a cross-functional team in place to update the Tuition and Policy Fee Book to remove references to the other campuses and to better structure and organize the document. The draft was reviewed by the Tuition and Fee Advisory Board, comprised of faculty, students and staff, who provided further feedback on the document. The structure of the Tuition and Fee Policy Book was reviewed by the Committee and it was moved that the proposed policies be presented as a seconded motion to the Board. All present voted in favor.

Proposed Repeal of Legacy Treasury Related Policies

Moffitt gave an overview of treasury related policies requiring repeal prior to the Board adopting UO treasury policies. She explained that the UO was moving forward under the president's authority to bring this about. No action was required of the committee, but feedback from members was welcomed. The purpose of the repeal is to make it clear that there are not competing policies with regard to the treasury functions. Notice was sent out regarding the plan to repeal the old policies and a public hearing in early June will be held to provide opportunity to give feedback.

Summary of Proposed Board Resolutions Related to Treasury Operations

Moffitt introduced Karen Levear, Director of Treasury Operations, who reviewed three resolutions that will be presented to the Board related to treasury operations.

- 1) ***Delegation of Authority to make an "Official Declaration of Intent to Reimburse."*** Authorizes the University Treasurer (or her designee) to declare that it is the University's official intent to reimburse itself for certain project costs with tax-exempt bond proceeds at a future date. This will allow capital projects to proceed before tax-exempt bonds have been issued.
- 2) ***Delegation of Authority for Borrowing Activity Less than \$5 Million.*** Authorizes the University Treasurer (or her designee) to approve and execute borrowing transactions, provided that they do not exceed \$5 million.
- 3) ***Delegation of Authority for Treasury Activities and of Authorization of Certain Treasury Activities.*** Authorizes University Treasurer (or her designee) to carry out activities needed to invest the University resources as outlined in policy, to select financial institutions, select State Treasury as depository and for investment management services, and to enter into forward foreign currency contracts.

Levear summarized there is nothing about the resolutions that is unusual compared to prior operations under the OUS system.

Related Questions from Trustees

Trustee Chuck Lillis asked Moffitt about the timing of obtaining an institutional credit rating. She responded that independent audited financial statements are needed and the UO is moving forward with that process and is expected to be ready with statements by November 1, 2014.

Projected Budget FY15

Under SB270 the Board of Trustees will annually review and approve the University budget, giving the University authority to expend funds. Moffitt and Vice Provost for Budget and Planning Brad Shelton provided a review of the FY15 projected financials; it included expenditures, revenue and a summary of capital projects.

The Meeting adjourned at 10:13am.

DRAFT

**Board of Trustees of the University of Oregon
Finance and Facilities Committee Meeting
September 10, 2014**

Agenda Item #3

There are no materials for this section

Board of Trustees of the University of Oregon
Finance and Facilities Committee Meeting
September 10, 2014

Agenda Item #4

FY13 Year End Report - All Funds except Agency

	Designated		Restricted				Plant Funds	Total
	Education and General	Ops and Service Center	Auxiliaries	Grant Funds	Gift Funds	Other Funds		
State Appropriation	\$ 46,483,995	\$ 1,216,032	\$ 813,332	\$ 127,083	\$ -	\$ -	\$ -	\$ 48,640,442
Tuition and Fees	\$ 356,652,968	\$ 12,998,016	\$ 29,292,426	\$ -	\$ -	\$ -	\$ 3,401,846	\$ 402,345,256
Gifts Grants & Contracts	\$ 347,726	\$ 3,883,565	\$ 51,345	\$ 115,978,455	\$ 57,756,710	\$ 2,556	\$ 23,053,072	\$ 201,073,429
ICC Revenue	\$ 17,010,913	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,134,022	\$ 18,144,936
Federal Student Aid	\$ -	\$ -	\$ -	\$ 24,778,597	\$ -	\$ -	\$ -	\$ 24,778,597
Interest and Investment	\$ 4,081,591	\$ 11,437,803	\$ 304,504	\$ 20,101	\$ 1,222,034	\$ 2,596,371	\$ 3,917,918	\$ 23,580,322
Internal Sales	\$ 67,403	\$ 33,863,435	\$ 10,135,146	\$ 23,722	\$ 9,015	\$ -	\$ -	\$ 44,098,722
Sales & Services	\$ 2,459,429	\$ 9,670,025	\$ 118,013,263	\$ 1,851,812	\$ 1,512,398	\$ 6	\$ 9,000	\$ 133,515,933
Other Revenues	\$ 1,135,824	\$ 1,314,374	\$ 5,416,008	\$ 30,633	\$ 317,018	\$ 2,660	\$ 392,209	\$ 8,608,725
Transfers From Ore State Agencies	\$ -	\$ -	\$ -	\$ 7,106,460	\$ -	\$ -	\$ 2,897,043	\$ 10,003,503
Total Revenue	\$ 428,239,850	\$ 74,383,250	\$ 164,026,023	\$ 149,916,864	\$ 60,817,174	\$ 2,601,594	\$ 34,805,110	\$ 914,789,865

	Designated		Restricted				Plant Funds	Total
	Education and General	Ops and Service Center	Auxiliaries	Grant Funds	Gift Funds	Other Funds		
Personnel Services								
Salaries and Wages	\$ 206,459,492	\$ 19,873,598	\$ 48,128,440	\$ 36,984,596	\$ 12,411,687	\$ -	\$ -	\$ 323,857,813
OPE Health Benefits	\$ 44,390,090	\$ 5,039,690	\$ 10,907,913	\$ 7,673,853	\$ 1,181,418	\$ -	\$ -	\$ 69,192,964
OPE Retirement	\$ 33,009,825	\$ 3,421,111	\$ 6,640,552	\$ 5,319,549	\$ 1,555,592	\$ -	\$ -	\$ 49,946,629
OPE Other	\$ 16,614,781	\$ 1,814,604	\$ 3,570,935	\$ 2,252,972	\$ 2,734,828	\$ -	\$ -	\$ 26,988,120
OPE GTF Remissions	\$ 19,387,591	\$ 437,182	\$ 89,813	\$ 2,390,247	\$ 190,361	\$ -	\$ -	\$ 22,495,194
Total Personnel Services	\$ 319,861,779	\$ 30,586,185	\$ 69,337,653	\$ 54,621,217	\$ 18,073,886	\$ -	\$ -	\$ 492,480,720
Service & Supplies	\$ 88,863,921	\$ 29,662,198	\$ 65,530,783	\$ 26,360,060	\$ 22,719,008	\$ 89,979	\$ 6,317,038	\$ 239,542,986
Merchandise-Resale/Redistribution	\$ 1,367	\$ 15,560,837	\$ 10,930,940	\$ 487,191	\$ -	\$ -	\$ -	\$ 26,980,335
Internal Sales Reimbursements	\$ (16,953,832)	\$ (3,892,038)	\$ (10,130)	\$ (26,302)	\$ (40,387)	\$ -	\$ -	\$ (20,922,689)
Indirect Costs	\$ 2,435	\$ 2,442,578	\$ 6,504,454	\$ 19,043,757	\$ -	\$ 262,787	\$ -	\$ 28,256,010
Depreciation/Amortization Expense	\$ -	\$ 3,800,978	\$ 19,074,925	\$ -	\$ -	\$ -	\$ 24,093,246	\$ 46,969,149
Student Aid	\$ 1,956,489	\$ 784,360	\$ 1,655,414	\$ 37,978,726	\$ 20,529,326	\$ 335,113	\$ -	\$ 63,239,428
Total General Expense	\$ 73,870,379	\$ 48,358,913	\$ 103,686,386	\$ 83,843,431	\$ 43,207,947	\$ 687,879	\$ 30,410,283	\$ 384,065,218
Net Transfers	\$ 26,338,805	\$ (4,254,277)	\$ 7,884,931	\$ 8,616,566	\$ (360,627)	\$ (2,200)	\$ (44,436,452)	\$ (6,213,254)
Total Expense	\$ 420,070,963	\$ 74,690,821	\$ 180,908,970	\$ 147,081,214	\$ 60,921,206	\$ 685,679	\$ (14,026,169)	\$ 870,332,684
Net	\$ 8,168,887	\$ (307,571)	\$ (16,882,947)	\$ 2,835,650	\$ (104,032)	\$ 1,915,915	\$ 48,831,279	\$ 44,457,181

Beginning Fund Balance	\$ 62,854,217	\$ 53,682,062	\$ 186,649,147	\$ 1,596,936	\$ 11,275,016	\$ 53,727,287	\$ 312,033,220	\$ 681,817,885
Capital Expenditures	\$ 8,147,625	\$ 178,562	\$ 28,997	\$ 3,869,966	\$ 1,088,924	\$ -	\$ 60,219,099	\$ 73,533,173
Net (from above)	\$ 8,168,887	\$ (307,571)	\$ (16,882,947)	\$ 2,835,650	\$ (104,032)	\$ 1,915,915	\$ 48,831,279	\$ 44,457,181
Fund Additions/Deductions *	\$ -	\$ (2,665,356)	\$ 30,829,484	\$ -	\$ -	\$ -	\$ 45,377,242	\$ 73,541,370
Ending Fund Balance	\$ 62,875,481	\$ 50,530,572	\$ 200,566,687	\$ 562,619	\$ 10,082,059	\$ 55,643,202	\$ 346,022,642	\$ 726,283,262
Year-End Accounting Entries **	\$ (5,973,599)	\$ (2,470,392)	\$ (17,862,861)	\$ (579,885)	\$ (4,315,609)	\$ (2,863,864)	\$ (22,373,741)	\$ (56,439,951)
Net Capital Assets	\$ -	\$ 29,400,860	\$ 179,587,264	\$ 22,625	\$ -	\$ -	\$ 269,983,761	\$ 478,994,509
Other Restricted Net Assets	\$ -	\$ -	\$ -	\$ (39,890)	\$ 5,766,450	\$ 52,256,973	\$ 50,236,775	\$ 108,220,308
Unrestricted Net Assets	\$ 56,901,882	\$ 18,659,319	\$ 3,116,563	\$ -	\$ -	\$ 522,364	\$ 3,428,366	\$ 82,628,494
Total Net Assets	\$ 56,901,882	\$ 48,060,179	\$ 182,703,826	\$ (17,266)	\$ 5,766,450	\$ 52,779,338	\$ 323,648,901	\$ 669,843,311

* - Due to Capital Improvements and Debt Accounting entries

** - Year-End Accounting - e.q. Allocate Pension Liability, Reclass Cash to Investments, Allocate Debt

FY13 Year End Report Revenue Definitions

State Appropriation

- Education and General – Enrollment based funding and Targeted funds
- Designated Operations and Service Centers – State paid SELP loan for Utility Service Center
- Auxiliaries and Grant Funds – Sports Action Lottery Funds

Tuition and Fees

- Education and General – Undergraduate and Graduate Tuition and Fees
- Designated Operations and Service Centers – American English Institute, AHA International, etc.
- Auxiliaries – Health Fee, Incidental Fee, Recreation Center Fee and Other Fees
- Plant Fund – Building Fee

Gifts, Grants and Contracts

- Education and General – State and Local Grants
- Designated Operations and Service Centers – Foundation and Private Gifts related to DO funds
- Grant Funds – Federal, State, Local and Private Grants
- Restricted Gift Funds – Foundation Operating Gifts
- Plant Funds – Foundation Capital Gifts

ICC Revenue

- Education and General – Facilities and Administrative Recovery from Sponsored Activity

Federal Student Aid

- Grant Funds – US Federal Financial Aid Programs (i.e., PELL, SEOG, Federal Work Study)

Interest and Investment

- Education and General – Interest Earnings, Interest on Loans and Royalty income/other
- Designated Operations and Service Centers – Interest Earnings, Interest on Loans and Royalty income/other
- Auxiliaries – Interest Earnings
- Restricted Gift Funds – Interest Earnings and Distribution from State Side Endowment
- Other Funds – Interest Earnings and Change in Value - State Side Endowment
- Plant Funds – Interest Earnings

Internal Sales

- Education and General – Unit Internal Sales
- Designated Operations and Service Centers – Utility Power Station, Unit Service Centers, Telephone Services and Other
- Auxiliaries – Housing and Catering

Sales and Services

- Education and General – Fees, Fines and Sales & Services
- Designated Operations and Service Centers – Research Sales, Conference Income, Rental Income, Unit Sales and Services and Ticket Sales
- Auxiliaries – Athletic Tickets, Housing Room & Board, Health Center and Sponsorship Income, Recreation Center passes, parking fees, and membership income
- Grant Funds – Grant-related Program Income, Conference Income and misc. income
- Restricted Gift Funds – Camp & Clinic Income, Banquet Income, and misc. sales and service income
- Other Funds – Payroll deductions

Other Revenues

- Education and General – Insurance Recoveries and outside UO reimbursements
- Designated Operations and Service Centers – OWEN Technology revenue, sale of asset and other outside revenue
- Auxiliaries – Conference allocations, reimbursements from outside
- Restricted Gift Funds – Conference income and reimbursement from outside entities
- Plant Funds – Campus operations minor repairs

Transfers from Oregon State Agencies

- Grant Funds – Financial Aid from State Assist Commission
- Plant Funds – Debt Proceeds from the State of Oregon

FY14 Year End Report - All Funds except Agency

	Designated Ops					Restricted Gift Funds	Other Funds	Plant Funds	Total
	Education and General	and Service Center	Auxiliaries	Grant Funds					
State Appropriation	\$ 49,104,143	\$ 1,216,032	\$ 440,000	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 50,820,175
Tuition and Fees	\$ 371,310,700	\$ 14,211,039	\$ 33,815,963	\$ 135	\$ (38,600)	\$ -	\$ 3,402,193	\$ -	\$ 422,701,429
Gifts Grants & Contracts	\$ 360,994	\$ 3,180,953	\$ 14,113	\$ 108,204,511	\$ 64,486,128	\$ 10,000	\$ 104,473,149	\$ -	\$ 280,729,848
ICC Revenue	\$ 18,354,414	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,224,107	\$ -	\$ 19,578,520
Federal Student Aid	\$ -	\$ -	\$ -	\$ 24,645,596	\$ -	\$ -	\$ -	\$ -	\$ 24,645,596
Interest and Investment	\$ 4,243,557	\$ 11,890,838	\$ 373,140	\$ 11,486	\$ 1,191,941	\$ 4,801,799	\$ 1,744,088	\$ -	\$ 24,256,850
Internal Sales	\$ 4,890,977	\$ 34,146,799	\$ 10,983,499	\$ 19,034	\$ 6,830	\$ -	\$ -	\$ -	\$ 50,047,139
Sales & Services	\$ 2,406,902	\$ 9,557,767	\$ 124,238,652	\$ 2,222,595	\$ 1,573,355	\$ -	\$ 4,767	\$ -	\$ 140,004,039
Other Revenues	\$ 1,184,293	\$ 951,967	\$ 3,317,468	\$ 19,682	\$ 345,663	\$ -	\$ 1,226,267	\$ -	\$ 7,045,339
Transfers From Ore State Agencies	\$ 4,578	\$ -	\$ -	\$ 7,335,473	\$ -	\$ 109,877	\$ 445,872	\$ -	\$ 7,895,800
Total Revenue	\$ 451,860,558	\$ 75,155,396	\$ 173,182,834	\$ 142,518,512	\$ 67,565,318	\$ 4,921,676	\$ 112,520,442	\$ -	\$ 1,027,724,736

	Designated Ops					Restricted Gift Funds	Other Funds	Plant Funds	Total
	Education and General	and Service Center	Auxiliaries	Grant Funds					
Personnel Services									
Salaries and Wages	\$ 222,608,462	\$ 20,741,342	\$ 49,622,815	\$ 37,778,645	\$ 12,515,270	\$ -	\$ -	\$ -	\$ 343,266,535
OPE Health Benefits	\$ 47,844,892	\$ 5,086,990	\$ 11,610,757	\$ 7,868,962	\$ 1,315,226	\$ -	\$ -	\$ -	\$ 73,726,826
OPE Retirement	\$ 36,488,423	\$ 3,608,959	\$ 7,381,773	\$ 5,554,447	\$ 1,576,478	\$ -	\$ -	\$ -	\$ 54,610,080
OPE Other	\$ 19,722,274	\$ 1,461,930	\$ 2,805,213	\$ 2,461,604	\$ 2,972,415	\$ -	\$ -	\$ -	\$ 29,423,436
OPE GTF Remissions	\$ 20,511,551	\$ 393,205	\$ 80,321	\$ 2,590,211	\$ 205,240	\$ -	\$ -	\$ -	\$ 23,780,529
Total Personnel Services	\$ 347,175,602	\$ 31,292,427	\$ 71,500,878	\$ 56,253,869	\$ 18,584,629	\$ -	\$ -	\$ -	\$ 524,807,405

Service & Supplies	\$ 88,257,685	\$ 27,619,023	\$ 71,997,324	\$ 25,029,442	\$ 27,279,769	\$ 1,027,214	\$ 19,371,605	\$ -	\$ 260,582,061
Merchandise-Resale/Redistribution	\$ 1,821	\$ 14,853,103	\$ 11,635,261	\$ 447,137	\$ 1,421	\$ -	\$ -	\$ -	\$ 26,938,742
Internal Sales Reimbursements	\$ (16,399,583)	\$ (2,678,293)	\$ -	\$ (31,316)	\$ (50,245)	\$ -	\$ (1,024)	\$ -	\$ (19,160,461)
Indirect Costs	\$ 408,552	\$ 1,980,379	\$ 5,316,448	\$ 20,424,850	\$ -	\$ 297,638	\$ -	\$ -	\$ 28,427,868
Depreciation/Amortization Expense	\$ -	\$ 4,294,350	\$ 22,455,449	\$ -	\$ -	\$ -	\$ 26,091,170	\$ -	\$ 52,840,970
Student Aid	\$ 2,524,270	\$ 652,210	\$ 7,452,501	\$ 38,015,452	\$ 16,893,700	\$ 292,630	\$ -	\$ -	\$ 65,830,763
Total General Expense	\$ 74,792,746	\$ 46,720,772	\$ 118,856,983	\$ 83,885,565	\$ 44,124,645	\$ 1,617,481	\$ 45,461,752	\$ -	\$ 415,459,944
Net Transfers	\$ (4,436,730)	\$ (707,525)	\$ 989,854	\$ 521,561	\$ 78,349	\$ 4,995	\$ (103,814,413)	\$ -	\$ (107,363,909)
Total Expense	\$ 417,531,618	\$ 77,305,674	\$ 191,347,716	\$ 140,660,996	\$ 62,787,623	\$ 1,622,476	\$ (58,352,661)	\$ -	\$ 832,903,440
Net	\$ 34,328,941	\$ (2,150,278)	\$ (18,164,882)	\$ 1,857,517	\$ 4,777,695	\$ 3,299,200	\$ 170,873,104	\$ -	\$ 194,821,296

Beginning Fund Balance	\$ 62,875,481	\$ 50,530,572	\$ 200,566,687	\$ 562,619	\$ 10,082,059	\$ 55,643,202	\$ 346,022,642	\$ -	\$ 726,283,263
Capital Expenditures	\$ 4,345,158	\$ 54,213	\$ 5,519	\$ 1,985,398	\$ 432,527	\$ -	\$ 155,198,110	\$ -	\$ 162,020,926
Net (from above)	\$ 34,328,941	\$ (2,150,278)	\$ (18,164,882)	\$ 1,857,517	\$ 4,777,695	\$ 3,299,200	\$ 170,873,104	\$ -	\$ 194,821,296
Fund Additions/Deductions*	\$ (4,645,438)	\$ 4,441,981	\$ 93,582,059	\$ -	\$ -	\$ -	\$ (39,952,452)	\$ -	\$ 53,426,150
Ending Fund Balance	\$ 88,213,826	\$ 52,768,061	\$ 275,978,345	\$ 434,738	\$ 14,427,227	\$ 58,942,402	\$ 321,745,183	\$ -	\$ 812,509,783

Year-End Accounting Entries **	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Net Capital Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Other Restricted Net Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Unrestricted Net Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Total Net Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

* - Due to Capital Improvements and Debt Accounting entries

** - Year-End Accounting - e.q. Allocate Pension Liability, Reclass Cash to Investments, Allocate Debt

Board of Trustees of the University of Oregon
Finance and Facilities Committee Meeting
September 10, 2014

Agenda Item #5

Finance and Facilities Committee of the Board of Trustees of the University of Oregon
Summary of Treasury-related Resolution
September 10, 2014

The Finance and Facilities Committee will consider a resolution containing two key treasury-related provisions. If approved by the Committee, the resolution will go to the full Board as a seconded motion. The first provision relates to certain treasury activities. The second conveys certain assets to the University of Oregon Foundation that were previously managed by the Oregon State Treasury.

Treasury Activities

- **Substance:** Authorizes the university's Treasurer or designee to select the University of Oregon Foundation for depository and investment management services.
- **Why Needed:** The Board's Treasury Management Policy requires that the Board approve any investment depository that cannot collateralize deposits and any investment manager that is not registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940.
- **Considerations:** Accepting this relationship means that not all the fiduciary responsibilities normally associated with these roles are explicitly available from UOF. However, UOF was established to operate for the benefit of the University of Oregon and has significant expertise in managing a broad spectrum of investments. The university is interested in leveraging this expertise by engaging UOF to manage portions of its Cash & Investment pool including, but not limited to, the quasi-endowment portion of the Tier 3 portfolio. UOF plans to manage the funds in a segregated account according to the investment policy and practices established by the UO Board of Trustees and will provide routine performance reports to the university.

Conveyance of Assets

- **Substance:** Authorizes the university's Treasurer or designee to convey the value of approximately 120 endowment and quasi-endowment funds (worth approximately \$33 million) to the University of Oregon Foundation where they will be incorporated into the foundation's endowment fund.
- **Why Needed:** The Board's Delegation of Authority requires that the Board approve any transaction in excess of \$5 million.
- **Considerations:** These endowments have previously been managed as public funds by the investment division of the Oregon State Treasury for the benefit of the university and will be transferred to the university on October 1, 2014. Funds of this type are typically invested in complex long-term investment vehicles that require a significant level of expertise and time to manage. Since the expertise already exists within the Foundation, the university would like to leverage this expertise for the benefit of this group of endowments. The Foundation has a strong governance structure with an active and experienced investment committee. The Foundation also has a strong internal control structure that ensures proper oversight for restricted gift expenditures. In addition, the Foundation's returns have, historically, compared favorably to its peers.

**Finance and Facilities Committee
Board of Trustees of the University of Oregon**

Resolution: Authorization of Certain Treasury Activities

Whereas, the University of Oregon (the "University") benefits from a collaborative relationship with the University of Oregon Foundation (the "Foundation");

Whereas, the Foundation was established to operate for the benefit of the University, and has the knowledge, experience and ability to effectively hold and manage assets for the benefit of the University;

Whereas, the University is interested in leveraging the Foundation's expertise by engaging the Foundation to manage portions of the University's Cash & Investment pool including, but not limited to, the quasi-endowment portion of the Tier 3 portfolio, and the Foundation will manage these funds in a segregated account according to the investment policy and practices established by the University's Board of Trustees and will provide routine performance reports to the university;

Whereas, the University wishes to convey endowment and quasi-endowment funds currently managed by the Oregon State Treasury to the Foundation for incorporation into the Foundation's endowment fund and management by the Foundation;

Whereas, the Retention and Delegation of Authority requires Board approval of certain transactions in excess of \$5,000,000;

Whereas, the University's Treasury Management Policy requires Board approval of certain investment depositories; and

Whereas, the Board's Policy on Committees authorizes the Finance and Facilities Committee to refer matters to the full Board of Trustees as a seconded motion;

Now, therefore, the Finance and Facilities Committee of the Board of Trustees of the University of Oregon hereby refers to the Board, as a seconded motion for approval:

1. The authorization for the Treasurer, or her designee, to select the University of Oregon Foundation for depository and investment management services; and
2. The approval of a conveyance of University of Oregon endowment and quasi-endowment funds held by the Oregon State Treasury to the University of Oregon Foundation.

-Vote Recorded on Following Page-

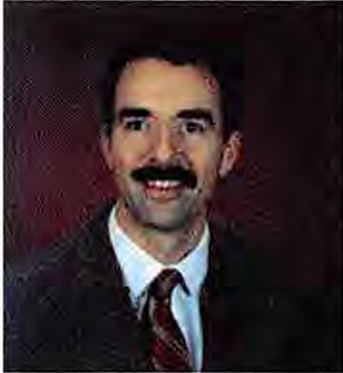
Trustee	Yes	No
Ballmer		
Bragdon		
Colas		
Coltrane		
Gary		
Gonyea III		
Kari		

Dated: _____ of _____, 2014.

Initials: _____

**Board of Trustees of the University of Oregon
Finance and Facilities Committee Meeting
September 10, 2014**

Agenda Item #6



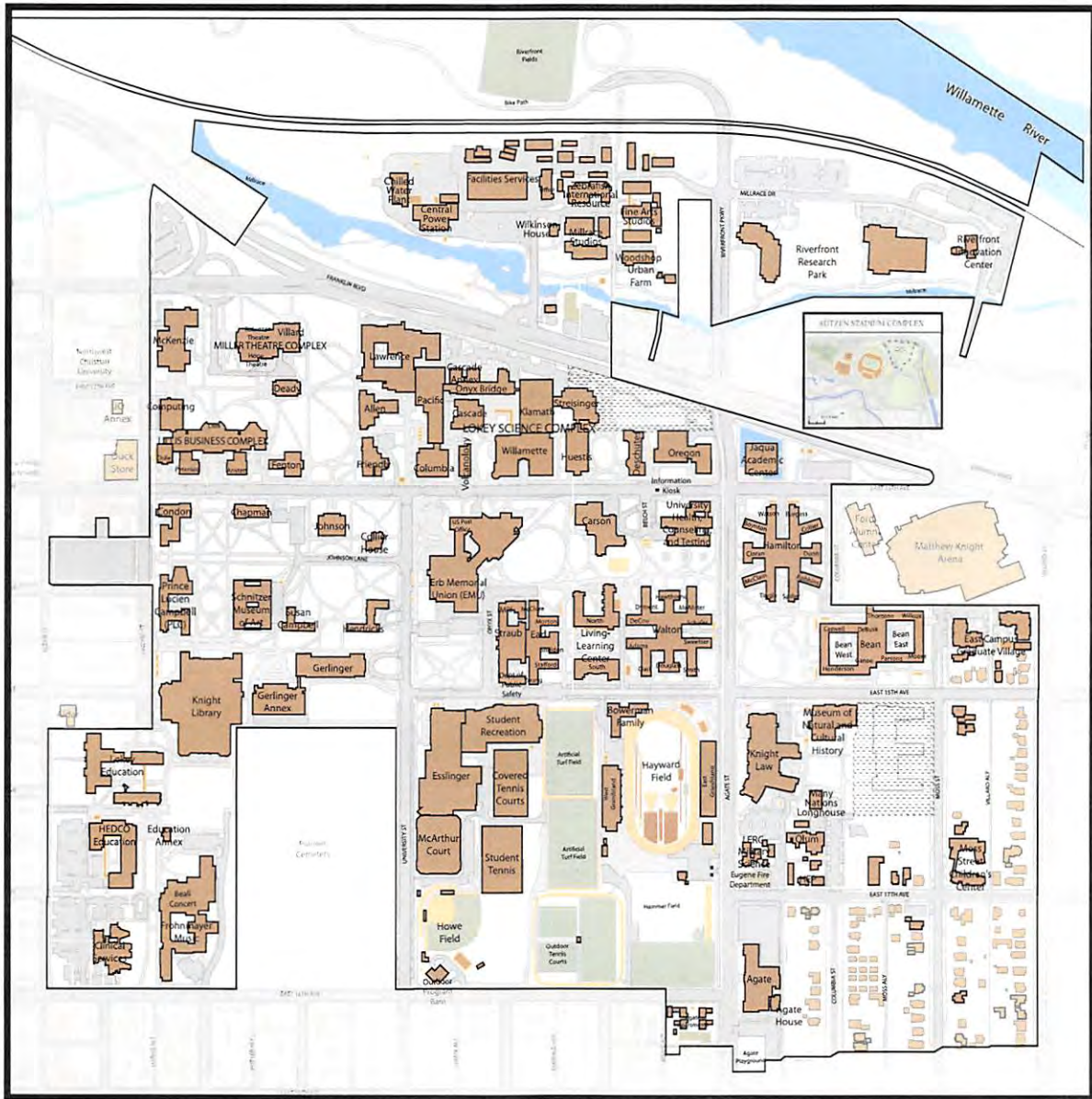
Christopher Ramey AIA joined the University of Oregon as a Planning Associate in the University's Planning Office in 1988. He became University Architect and Director in 1992 and in 2008 he was named Associate Vice President for the newly created Campus Planning and Real Estate division. Most recently, in the Fall of 2103, Chris assumed leadership of the newly created Campus Planning Design & Construction division. During his tenure with the office it has completed over \$1 billion of construction projects representing nearly 4 million gross square feet of space. Currently, the office is working on about \$300 million worth of work in various stages of design and construction.

Chris has been a member of the prestigious Association of University Architects since 1996. The association's members have bestowed upon Chris four awards of merit for projects that have made significant contributions to the campus environment. He has presented at national and regional conferences, and the UO campus is perhaps best known for its ground breaking work in process based facilities planning -- the subject of a 1975 book, *The Oregon Experiment*, by Christopher Alexander. In 2010, Chris and the campus were cited in the book "The Owner's Dilemma" as employing "some of the most sophisticated planning principals and guidelines of any American university campus".

The recently adopted Oregon Model for Sustainable Development has been noted as the next step in campus sustainability efforts for its campus-wide approach to energy efficiency. Ramey is a Past President of the Southwestern Oregon Chapter of the American Institute of Architects, and founded its architects-in-schools program. He is an active participant in Eugene area planning issues, having served on numerous citizen-planning committees and for eight years on the Historic Review Board. Chris recently completed service on the board of the Portland based Architecture Foundation of Oregon.

Christopher C Ramey AIA is the University Architect and Associate Vice President for Campus Planning and Real Estate at the University of Oregon. He holds architectural registrations in two states and is a 1981 graduate of the University of Oregon. In 20 years in this role Chris has overseen the planning of over \$1 billion dollars of campus development representing some 4 million gross square feet of space. Chris has won several national awards for his work and the campus is perhaps best known for its innovations in process-based planning which began in the 1970's and continue under his leadership today..

UNIVERSITY OF OREGON FACILITIES FACT SHEET



Campus Planning and Real Estate
 1276 University of Oregon
 Eugene, OR 97403-1276
 (541) 346-5562
<http://uplan.uoregon.edu/>
 Fall 2013 (FY13) space

Major E&G Buildings	Opening/Additions/Remodels	Net Assign	Gross SF
AAA Fine Arts	1968	18,659	26,620
AAA Millrace Studios 1, 2, 3, 4	1986, 1986, 1990, 2012	25,157	37,508
Agate Hall	acq. 1984	26,348	42,851
Alder Building	acq 2006	7,830	13,227
(Eric W.) Allen Hall	1922/1954/2001/2012	30,204	62,266
Anstett Hall	1921/2006/2011	12,237	19,219
Baker Downtown Center	acq. 2007	62,170	87,378
Bowerman Family Building	1991	9,275	18,842
Cascade Hall	1990	27,711	51,406
Chapman Hall	1939/1966	13,771	23,079
(Earle A.) Chiles Business Center	1986/2011	8,053	14,280
Clinical Services Building	1969	25,024	46,475
Collier House	1886	5,497	7,987
Columbia Hall	1960	17,028	29,038
Computing Center	1967/1970/2001/2012	13,356	22,746
Condon Hall	1925/1966	25,162	42,495
Deady Hall	1876/1953	13,483	25,985
Deschutes Hall	1990	16,610	31,368
(Arthur A.) Esslinger Hall	1936/1999	19,876	33,913
F.S. Central Power Plant+Chiller+Switch	1949/2009/2012	39,252	46,658
F.S. Warehouse/Shops	1948/2010	29,456	35,720
Fenton Hall	1906/1915/1923/2011	17,290	27,978
Ford Alumni Center	2011	43,709	62,346
Friendly Hall	1893/1903/1914/1951	24,182	40,941
Gerlinger Annex	1969	39,600	56,233
Gerlinger Hall	1921	39,333	66,468
HEDCO Education Building (excl pkg level)	2009	37,800	66,613
Hendricks Hall	1918	16,637	28,567
Huestis Hall	1973	34,415	68,732
Jaqua Acad Ctr for Student Athletes (part)	2010	3,032	15,557
Johnson Hall	1915/1952	18,013	32,174
Jordan Schnitzer Museum of Art	1930/2004	36,392	71,305
Klamath Hall & Science Library	1967	107,381	159,220
(Wilm. W.) Knight Law Center	1999	86,972	147,453
Knight Library	1937/1950/1966/1994	280,504	398,815
Lawrence Hall	1901/1915/1924/1956/1970/1991	92,427	154,142
Lewis Integrative Science Building	2012	50,546	103,000
Lillis Hall	2004	64,202	142,004
Lorry I. Lokey Education Building A/B/C	1921/1980	32,515	55,375
Lorry I. Lokey Laboratories	2007	17,749	26,006
MarAbel B. Frohnmayer Music Building	1924/1949/1955/1978/2008	55,850	110,719
McArthur Court (part)		40,325	78,623
McKenzie Hall	1970/2000	43,898	85,286
Museum of Natural & Cultural History	1987/1997/2009	15,257	20,138
Olum Child Development Ctr + Annex	1996/2000/2007	8,281	11,437
Onyx Bridge/Environmental Health	1962/1981	32,349	59,756
Oregon Hall	1974	46,035	78,646
Pacific Hall	1949/1977	68,296	125,973
Peterson Hall	1916/2006	12,254	19,637
Prince Lucien Campbell Hall	1963/1969	60,383	106,710
(John) Straub Memorial Hall	1929/2001	44,225	82,545
Streisinger Hall	1990	28,912	54,196
Susan Campbell Hall	1921	13,436	21,308
Villard Hall/Miller Theatre Complex	1886/1949/2008	42,831	69,358
Volcanology	1936/1969	12,677	19,617
Willamette Hall	1990	63,903	128,349
Zebrafish International Resource Ctr	2000	7,432	12,332
1600 Millrace (master lease)		39,888	61,376
1715 Franklin (master lease)		25,512	43,657
<i>Miscellaneous Holdings (E&G)</i>		286,992	372,702
	Total E&G local holdings (on & off)	2,437,594	4,004,355
Athletic Facilities			
Autzen Stadium Complex	1967/2003	119,418	303,937
(Len) Casanova Athletic Center	1991/2002	71,218	113,950
Hayward Field Complex	1925/2002; 1919/1974/2000/2008	55,423	86,762
Howe Field Complex	1973	1,219	1,363
Jaqua Acad Ctr for Student Athl (part)	2010	6,772	8,772

Matthew Knight Arena	2011	200,263	399,328
McArthur Court (part)	1928	14,464	28,200
(Ed) Moshofsky Sports Center	1998/2000	119,213	135,301
P.K. Park + Player Development	2009/2010/2012	15,921	28,538
Randy & Susie Papé Complex	2012	4,517	13,799
Total holdings Athletics		608,428	1,119,950
Housing Facilities			
(H.P.) Barnhart Hall	1975	76,972	125,020
Bean Hall Complex	1963	103,153	161,575
Carson Hall	1949	59,623	96,099
(Virgil D.) Earl Hall Complex	1954	49,477	83,128
East Campus Graduate Village	2001	27,437	40,358
Global Scholars Hall	2012	110,768	186,852
Hamilton Hall Complex	1961	136,276	224,565
Living-Leaning Center	2006	70,016	122,337
Riley Hall	1987	25,953	42,719
Spencer View Family Housing	1997	198,294	270,397
(Joshua J.) Walton Hall Complex	1958	96,183	161,454
<i>Miscellaneous Holdings</i>		121,805	148,779
Total holdings Housing		1,075,957	1,663,283
Student Services/Activities			
Erb Memorial Union	1950/1961/1974/1998	129,754	217,855
Jaqua Acad Ctr for Student Athl (part)	2010	14,742	19,096
Many Nations Longhouse	2004	2,524	3,077
McArthur Court (excluding basement)	1928	16,956	33,060
Moss Street Children's Center	2003	10,004	17,502
Student Recreation Center	1999	106,853	152,721
Student Tennis Center	2000	40,998	42,743
Univ Health, Counseling, & Testing Ctr	1966, 2006	26,529	50,212
<i>Miscellaneous Holdings</i>		35,692	38,723
Total Student Services/Activities		384,052	574,989
Parking/Transportation Auxiliary		169,097	184,620
Owned, Distant			
OIMB, Charleston	1941-2002	59,737	78,320
Pine Mountain	1968-1979/2011	3,324	4,221
The Shire Dugout, Washington	2003	531	663
Geroge Cottrell House		6,500	7,089
Aubrey Watzek House	1937	7,543	12,069
		77,635	102,362
Owned On Campus (assignable sf and gross sf)		3,774,234	6,147,182
Owned Local Off Campus		797,747	1,253,996
Owned Distant Off Campus		77,635	102,362
Leased Local		106,531	149,314
Leased Distant		81,395	131,263
TOTAL OWNED (on and off campus):		4,649,616	7,503,540
TOTAL ALL HOLDINGS (owned and leased)		4,837,542	7,784,117

Age of Existing Physical Plant (owned):	GSF	% of total
Prior to 1900	106,086	1%
1900-1909	148,426	2%
1910-1919	80,378	1%
1920-1929	470,119	6%
1930-1939	196,846	3%
1940-1949	267,208	4%
1950-1959	616,558	8%
1960-1969	1,316,417	18%
1970-1979	536,494	7%
1980-1989	618,080	8%
1990-1999	1,084,354	14%
2000-2009	1,041,731	14%
2010-	1,020,843	14%

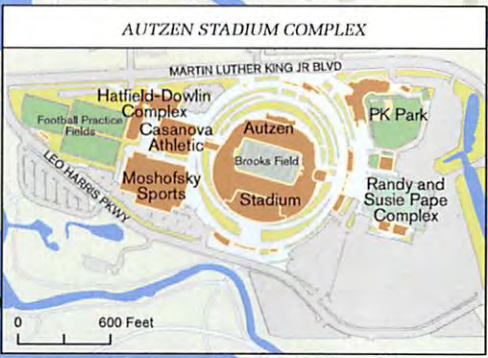
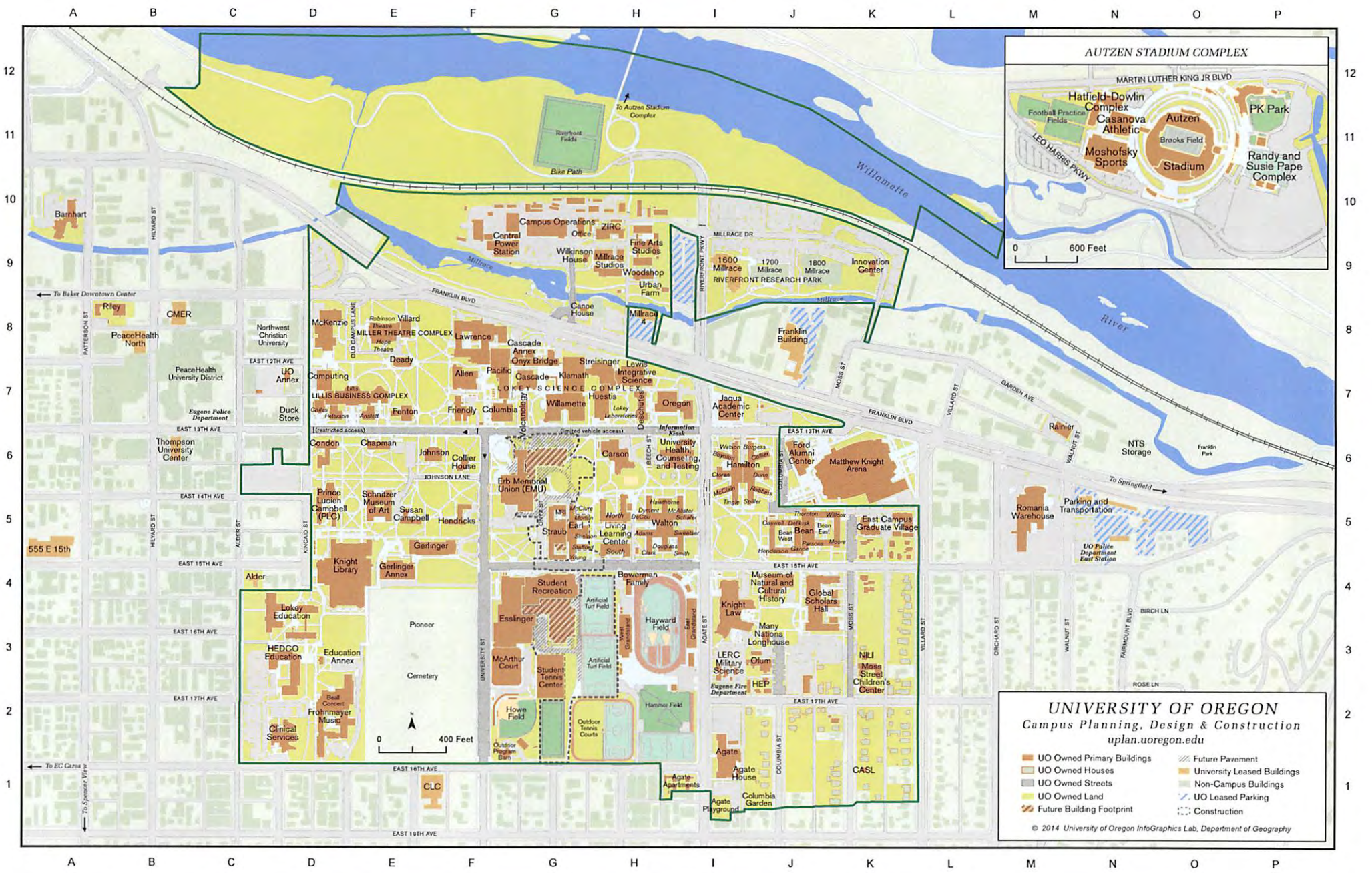
Eugene campus boundaries (owned property only): 294.091 acres [295]. Source: OUS Land Inventory.

Net Assignable Spaces by College FALL 2013 (SF from FY13 Space Inventory; includes owned and leased).			
Source for Students, Percentages: <i>Profile of Students at the University of Oregon, Fall 2013</i>			
	Space (NASF)	Students	% of Enrollment
Architecture & Allied Arts	212,091	1,552	6.3%
Arts & Sciences	520,898	13,891	56.6%
Lundquist College of Business	79,847	3,752	15.3%
Education	123,341	1,547	6.3%
Honors College (students listed in major areas)	11,153		0.0%
Journalism	44,524	2,126	8.7%
Law	55,609	498	2.0%
Music & Dance	85,216	456	1.9%
Interdisciplinary Studies		46	0.2%
Unclassified, non-matric, Community Ed		680	2.8%
Subtotal	1,132,679	24,548	100.0%
Administration	444,886		
General University Classrooms	118,969		
Libraries	380,976		
Museums	59,091		
Research/Grad Studies	300,201		
Academic Resources & Student Services	217,692		
Subtotal	1,521,815		
Auxiliaries			
Athletics	612,469		
Housing	1,067,699		
Student Health/Counseling	26,395		
Student Recreation Center	104,910		
Student Union/Activities	148,503		
Parking Structures	169,061		
Subtotal	2,129,037		
Leased to outside agencies	54,011		
TOTAL assignable square footage (by dept.)	4,837,542		
Bldg Ops/Circulation/Rest Rooms	1,810,198		
Inactive	11,604		
Total Net Square Feet	6,659,344		

Student Enrollment - Fall 2013		2013 Employees (part- and full-time; not including student employees)	
Undergraduate Enrollment		Faculty	2,031
Admitted/Other	20,808	Officers of Administration	1,321
Undergraduate Total	20,808	Classified Staff	1,665
Graduate Enrollment		TOTAL EMPLOYEES	5,017
Admitted/Other	3,297		
Law	443	Parking Spaces	
Graduate Total	3,740	Cars, on campus 3,762; off 229	3,991
TOTAL ENROLLMENT	24,548	Permit cost/year:	
		students	\$300
		Faculty/staff	\$384
		Bicycles	
		Covered & secured, general	1,819
		Covered and secured, dorms	1,480
		Uncovered, general	3,150
		Uncovered, dorms	199
			6,648

Tuition & Fees 2013-2014 (3-term academic year; subject to change)					
Undergraduate (15 hrs)		Graduate (9 hrs)		Law (9 hrs/semester)	
Resident	Non-Resident	Resident	Non-Resident	Resident	Non-Resident
\$9,763	\$29,788	\$15,307-25,516	\$23,839-\$34,735	\$29,692	\$36,747

Residence Halls, 2013-2014	
Bed Capacity: 4,198	
Room and Board	(double/yr): \$10,774 - \$15,690 (single): \$11,861 - \$18,654



UNIVERSITY OF OREGON
 Campus Planning, Design & Construction
uplan.uoregon.edu

UO Owned Primary Buildings	Future Pavement
UO Owned Houses	University Leased Buildings
UO Owned Streets	Non-Campus Buildings
UO Owned Land	UO Leased Parking
Future Building Footprint	Construction

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UO Campus Physical Framework Vision Project

Campus Planning, Design & Construction - August 2014

Project Goal:

To create a comprehensive physical framework vision of open spaces and buildings, which will bring greater specificity to the *Campus Plan*, better inform decisions on how to accommodate growth and change, and preserve the beauty and functionality of the campus.

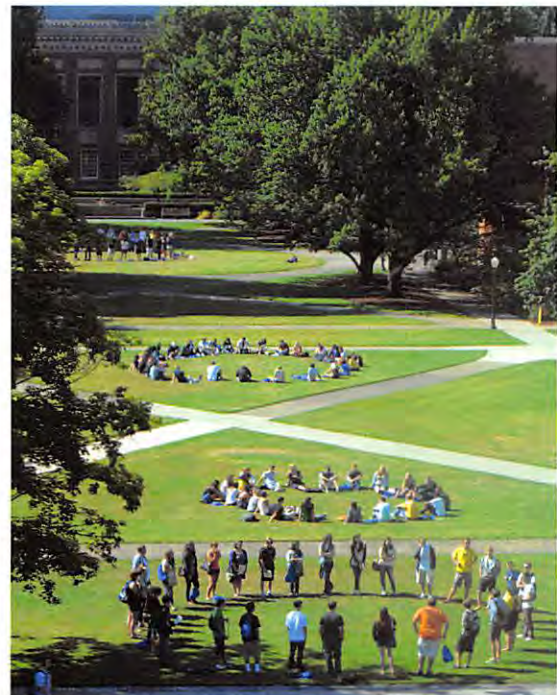
What is the *Campus Plan*?

The 2005 *Campus Plan* (3rd edition, 2014) provides the policies and patterns that define the type and extent of future campus development to that such development is "...responsive to the needs of the occupants, adaptable to emerging opportunities, and beautiful to behold." The *Campus Plan* establishes processes to protect, enhance and extend the essential character defining elements of the campus while allowing for a range of possible future space needs. It contains 12 policies that apply to all campus construction projects.



What is the Physical Framework Vision Project?

The Framework Vision Project (FVP) will create a UO Campus Physical Framework Vision. That document will supplement the Campus Plan by bringing specificity to improvements in the open-space framework, indicating where uses should occur, delineating the placement of future buildings, suggesting the further development of open spaces and creating new open-space components. Recommendations from the FVP may result in updates to the *Campus Plan*.



How long will the FVP take?

The FVP is estimated to be finished in 12-18 months – likely early in 2016.

Will other projects stop until the FVP is completed?

While the FVP allows the university to be better informed about where to locate future buildings, there is also a need to immediately identify locations for three major construction projects: a 500-bed residence hall, a 1500-seat softball stadium, and a 100,000-square foot research laboratory building. The site selection process for the three projects will be completed by January 2015. The university has hired consultants to analyze site options for each of these projects; the site selection process is part of and will run concurrently with the FVP. It is likely each selected site for these projects will require an area plan – a more refined design plan for the portion of the campus each project will occupy.

Who will be involved?

An appointed 14-member Advisory Group will advise the university president regarding the creation of the UO Campus Physical Framework Vision and the site selection for the three projects. The project will be managed by staff of the Campus Planning office of Campus Planning, Design & Construction. Professional consultants will be hired to complete the tasks of the FVP, create the area plans, and provide expert opinion on the site selection process.

How can I be involved?

Multiple opportunities for feedback and consultation will be established during the course of the FVP. An on-campus outreach program in fall 2014 will solicit input on a short-list of sites considered for the three projects. Other opportunities for campus involvement will be provided once the FVP process is fully engaged, in the winter term 2015. Multiple opportunities for feedback and consultation will be established during the course of the vision project.

Who makes the final decision on site locations?

Following the campus outreach process, the Advisory Group will recommend to the president a preferred site for each project. In accordance with standard campus processes, the president will then ask the Space Advisory Group (SAG) and Campus Planning Committee (CPC) to review the preferred sites for each project. These groups will present their recommendations to the president, who will make the final decision.

Where can I get further information?

For additional information please visit: <http://uplan.uoregon.edu/projects/projects.html> or contact Philip Farrington, AICP at Campus Planning, Design & Construction at (541) 346-5566 or ptf@uoregon.edu.

Board of Trustees of the University of Oregon
Finance and Facilities Committee Meeting
September 10, 2014

Agenda Item #7

**Finance and Facilities Committee
Board of Trustees of the University of Oregon**

Resolution: Authorization to Enter Into Certain Lease and MOU Transactions (1600 Millrace)

Whereas the University of Oregon currently leases space at 1600 Millrace Drive in Eugene, Oregon, a building recently acquired by the University of Oregon Foundation (the "Foundation");

Whereas, the University and the Foundation have proposed a new master lease and associated MOU for the building that would freeze lease payments at their FY14 level (net of ground lease revenue) (the "1600 Millrace Lease");

Whereas, the University would pay rent to the Foundation for only so long as it takes to pay off the existing mortgage and recoup invested Foundation funds, at which time the Foundation would gift the building to the University;

Whereas, ORS 352.107(1)(j) grants the University of Oregon the authority to enter into lease agreements for real property;

Whereas, University of Oregon policies authorize the President to execute leases of real property in excess of five million dollars only upon receiving prior approval of the Board of Trustees; and

Whereas, the Board's Policy on Committees authorizes the Finance and Facilities Committee to refer matters to the full Board of Trustees as a seconded motion;

Now, therefore, the Finance and Facilities Committee of the Board of Trustees of the University of Oregon hereby authorizes the President and the Chief Financial Officer to enter into the 1600 Millrace Lease and associated MOU, and further authorizes the officers of the University to take all actions necessary and proper to execute such lease agreements, and refers this item to the Board of Trustees as a seconded motion, recommending its approval.

-Vote Recorded on Following Page-

Trustee	Yes	No
Ballmer		
Bragdon		
Colas		
Coltrane		
Gary		
Gonyea III		
Kari		

Dated: _____ of _____, 2014.

Initials: _____

Exhibit A
Summary of the Proposed Millrace Lease and Proposed Associated MOU

The University of Oregon owns 67 acres of land north of Franklin Boulevard in Eugene, which is designated as the Riverfront Research Park. Since May 20, 1992, the University has ground leased the 4.01 acres of land located at 1600 Millrace Drive ("1600 Millrace), within the Riverfront Research Park, to GreenHornet Space Agency, LLC, a Utah-based private company ("GreenHornet").

In February 2012, the University entered into a whole building master lease with GreenHornet for a 60,200 square foot building located on the 1600 Millrace property. The building is used primarily for research activities, housing both University and outside research entities. The triple net lease with GreenHornet ran for 12 years, expiring in January 2024.

This lease included an annual escalation of rent based on the Consumer Price Index, which has averaged two percent over the past three years. Base rent in FY2014 was \$840,783, not including the operations and building triple net expenses.

This past year, at the request of the University, the University of Oregon Foundation (the "Foundation") purchased the building from GreenHornet. To finance the transaction, the Foundation assumed an existing mortgage on the building and invested some Foundation funds. As part of the transaction, the Foundation assumed the existing master lease with the University. At this point in time, the University is obligated to pay the Foundation rent under the original GreenHornet master lease terms.

The University and the Foundation are working together on a proposed new master lease, and proposed new MOU associated with the building that would provide the University with both short- and long-term benefits. The proposed lease would freeze the University's lease payments at the FY14 level (minus ground lease revenues which the Foundation will recoup as an operating expense through the new lease; this total will be around \$762,000). These payments would continue until the Foundation pays off the existing mortgage and recoups its investment of Foundation funds. At that point, the Foundation would gift the building to the University and the University would own the property without any ongoing financial obligation.

**Finance and Facilities Committee
Board of Trustees of the University of Oregon**

Resolution: Authorization to Enter Into Certain Lease Transaction (Portland)

Whereas the University of Oregon's current lease for space housing the Oregon Executive MBA (OEMBA) program expires next year;

Whereas; the Portland-based program has the opportunity to lease new, state of the art facilities adjacent to other UO facilities in Portland as outlined in the summary attached hereto as Exhibit A (the "Portland Lease");

Whereas, ORS 352.107(1)(j) grants the University of Oregon the authority to enter into lease agreements for real property;

Whereas, University of Oregon policies authorize the President to execute leases of real property in excess of five million dollars only upon receiving prior approval of the Board of Trustees; and

Whereas, the Board's Policy on Committees authorizes the Finance and Facilities Committee to refer matters to the full Board of Trustees as a seconded motion;

Now, therefore, the Finance and Facilities Committee of the Board of Trustees of the University of Oregon hereby authorizes the President and the Chief Financial Officer to enter into the Portland Lease, and further authorizes the officers of the University to take all actions necessary and proper to execute such lease agreements, and refers this item to the Board of Trustees as a seconded motion, recommending its approval.

-Vote Recorded on Following Page-

Trustee	Yes	No
Ballmer		
Bragdon		
Colas		
Coltrane		
Gary		
Gonyea III		
Kari		

Dated: _____ of _____, 2014.

Initials: _____

Exhibit A
Summary of the Portland Lease

Since 1985, the University of Oregon's Executive MBA (OEMBA) Program has operated in the Portland area. Since September 2005 the program has been in a suite of offices and classrooms located downtown, in the 200 Market Building. As the lease for this space expires on December 21, 2015, the Business School has been exploring an alternate site to house this program, as well as the emerging Product Design and Sports Product Management programs. Both programs are affiliated with the Sports Product Institute umbrella and are collaboration between the Lundquist College of Business and the School of Architecture & Allied Arts (AAA).

The Business School and the Chief Financial Officer recommend that the University of Oregon enter into a proposed fifteen-year lease at a new space in Portland. This fifteen-year lease would provide the University approximately 11,500 square feet on the ground floor of a to-be-constructed building located at NW Naito Parkway, NW Couch Street and NW Davis Street in downtown Portland. The building is being constructed by Gerdling Edlen Development and its projected completion is January 1, 2016.

The facility will include state-of-the art classrooms, student learning spaces, and offices to house OEMBA and Sports Product operations. As the OEMBA program will primarily offer classes on Fridays and Saturdays, the facilities can be used by the emerging Product Design and Sports Product Management programs during the other days of the week, maximizing utilization.

Importantly, this is an ideal location to house both programs as the new building will be located across the street from the UO's existing Bridge Innovation Lab allowing for easy access for students and faculty. The Bridge Innovation Lab will include spaces for collaboration, ideation and implementation. It will house high-end manufacturing equipment students can use to make prototypes of new products including athletic footwear, apparel and equipment. Furthermore, the new facility's location, adjacent to the White Stag building, also provides opportunities for synergies and cross-collaboration with UO programs operating out of that building including the School of Journalism and Communications and the School of Law.

Executing this lease will ensure that the University has the appropriate physical facilities to house three critical Portland-based business school and AAA programs. Total lease obligations over the 15-year period are currently estimated to be \$5,500,000; operating costs over the same period are currently estimated to \$1,300,000. The UO will also incur costs for tenant improvements.

**Board of Trustees of the University of Oregon
Finance and Facilities Committee Meeting
September 10, 2014**

Agenda Item #8

There are no materials for this section