

NOTICE OF PUBLIC MEETING

The Finance and Facilities Committee of the Board of Trustees of the University of Oregon will hold a meeting on the date and at the location set forth below. Subjects of the meeting will include: quarterly finance and treasury reports; authorization of FY24 expenditure and capital authority; an update on East campus housing planning efforts; and authorization for certain capital expenditures projects, including full authorization for the Heritage project, lease approval for the Romania property, authorization to purchase property at 1700 Millrace Drive, and construction related approval of a new football practice facility.

The meeting will occur as follows:

Monday, June 5 at 9:00 a.m. Pacific Time
Ford Alumni Center, Giustina Ballroom

The meeting will be webcast, with a link available at <https://trustees.uoregon.edu/meetings>.

Sign language for the deaf or hard of hearing should be requested at least 48 hours in advance of the posted meeting time by contacting Jennifer LaBelle at (541) 346-3166 or emailing trustees@uoregon.edu. Please specify the sign language preference.

BOARD OF TRUSTEES

6227 University of Oregon, Eugene OR 97403-1266 T (541) 346-3166 trustees.uoregon.edu

An equal-opportunity, affirmative-action institution committed to cultural diversity and compliance with the Americans with Disabilities Act

Board of Trustees | Finance and Facilities Committee
Public Meeting | June 5, 2023 | 9:00 a.m.
Ford Alumni Center Ballroom | Eugene Campus

Convene

- Call to order, roll call

- 1. Quarterly Financial and Treasury Reports (Action).** Brian Fox, Associate Vice President for Budget, Financial Analysis, and Data Analytics; Jeff Schumacher, Director of Treasury Operations.
- 2. FY24 Expenditure Authorization (Action).** Brian Fox, Associate Vice President for Budget, Financial Analysis, and Data Analytics.
- 3. East Campus Housing.** Roger Thompson, Vice President of Student Support and Enrollment Management; Michael Harwood, Associate Vice President and University Architect; Michael Griffel, Associate Vice President for Enrollment Management and Director of Housing.
- 4. Capital Project Approval (Action).**
 - 4.1** Heritage Project Full Expenditure Authorization. Michael Harwood, Associate Vice President and University Architect; Darin Dehle, Director of Design and Construction.
 - 4.2** Romania Property. Michael Harwood, Associate Vice President and University Architect.
 - 4.3** 1700 Millrace Drive Property Acquisition. Michael Harwood, Associate Vice President and University Architect.
 - 4.4** Football Practice Facility. Michael Harwood, Associate Vice President and University Architect.

Meeting Adjourns –

Agenda Item #1

Quarterly Finance and Annual Treasury Reports



Finance Summary: Education and General Qtr3 FY2023

Key Takeaways

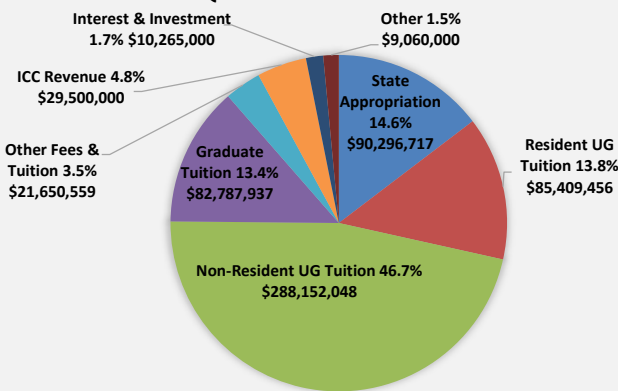
- Projected tuition and fee revenue up due to stronger Spring term carrying loads
- Personnel Services cost forecast down from Q2, estimate includes significant compensation cost savings due to unprecedented level of faculty and staff vacancies
- Service & Supplies forecasted costs down due to reductions in travel and general supplies expenses
- Transfers forecasted up due to construction cost escalation on academic building projects
- Q3 projection shows an estimated gain of \$15.5 million. This compares to the Q2 projected gain of \$9.1 million
- Projected year-end fund balance for FY23 is \$109.0 million (9.4 weeks of operating expenses)

Education and General Fund Qtr3 - Projection Status

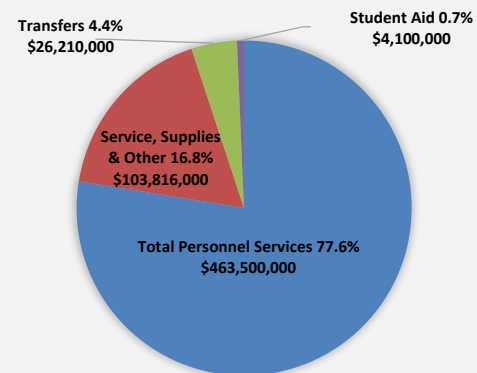
Category	FY23 Q2 Projection	FY23 Q3 Projection	FY23 Q2 Projection vs FY22 Act	FY23 Q3 Actuals vs FY22 Q3 Act	Projection Adjustment	FY23 Q3 Projection vs FY22 Act	Notes
State Appropriation	\$90,296,717	\$90,296,717	4.2%	5.6%	Unchanged	4.2%	
Tuition and Fees	\$476,000,000	\$478,000,000	7.1%	7.4%	Up	7.6%	• Projected tuition and fee revenue up due to stronger Spring term carrying loads
ICC Revenue	\$29,500,000	\$29,500,000	2.9%	3.4%	Unchanged	2.9%	
Personnel Services	\$467,529,000	\$463,500,000	7.5%	6.4%	Down	6.6%	• Personnel Services cost forecast down from Q2, estimate includes significant compensation cost savings due to unprecedented level of faculty and staff vacancies
Service & Supplies	\$127,345,000	\$124,000,000	15.9%	11.5%	Down	12.8%	• Due to reductions in travel and general supplies expenses
Student Aid	\$4,100,000	\$4,100,000	7.2%	16.0%	Unchanged	7.2%	
Transfers	\$22,000,000	\$26,210,000	-19.3%	63.2%	Up	-3.8%	• Due to construction cost escalation on academic building projects

Education & General Funds - Total Dollars

FY23 E&G Q3 REVENUE PROJECTIONS

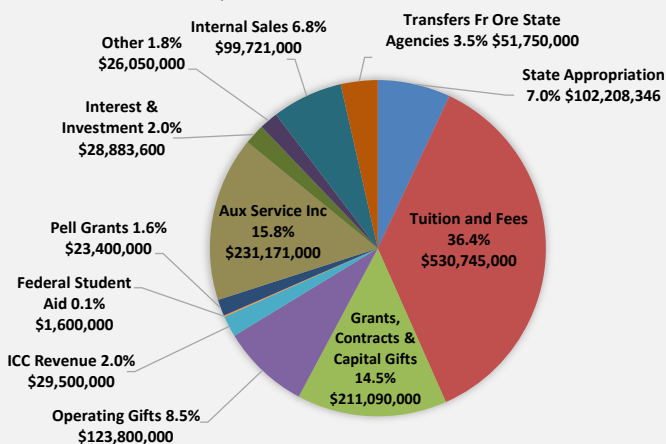


FY23 E&G Q3 EXPENSE PROJECTIONS

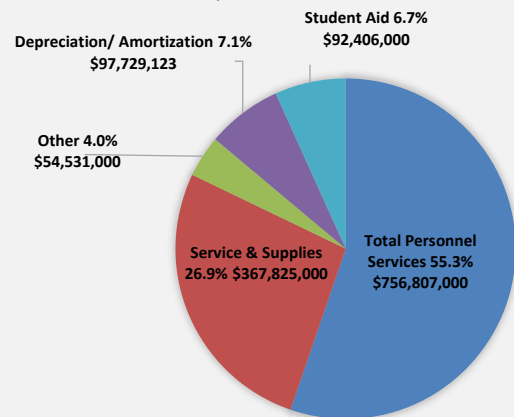


All Funds - Total Dollars

FY23 Q3 REVENUE PROJECTIONS



FY23 Q3 EXPENSE PROJECTIONS



Student Aid Expense does not include \$76.5M of fee remissions awarded to students. Remissions are booked as negative revenue.

Capital Expenditures not included

FY22 Actuals Quarter 4 Report	All Funds except Agency and Clearing										Year-End Reporting Adj.	Total
	Designated Ops					Restricted Gift						
	Education and General	and Service Center	Auxiliaries	Grant Funds	Funds	Other Funds	Plant Funds	Internal Bank	Total			
State Appropriation	\$ 86,620,558	\$ 1,158,297	\$ 530,816	\$ 72,384	\$ -	\$ -	\$ -	\$ -	\$ 88,382,055			
Tuition and Fees	\$ 444,343,185	\$ 1,676,604	\$ 45,308,600	\$ -	\$ -	\$ -	\$ -	\$ 3,124,235	\$ 494,452,624			
Gifts Grants & Contracts	\$ 159,843	\$ 4,588,629	\$ -	\$ 203,690,735	\$ 105,053,487	\$ -	\$ 84,762,562	\$ -	\$ 398,255,256			
ICC Revenue	\$ 28,676,144	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,676,144			
Federal Student Aid	\$ -	\$ -	\$ -	\$ 23,510,874	\$ -	\$ -	\$ -	\$ -	\$ 23,510,874			
Interest and Investment	\$ 9,609,350	\$ 13,256,162	\$ 215,678	\$ (7,108)	\$ -	\$ 99,831	\$ 387,357	\$ (4,723,464)	\$ 18,837,806			
Internal Sales	\$ 908,643	\$ 55,392,306	\$ 19,308,741	\$ -	\$ -	\$ -	\$ -	\$ 39,402,208	\$ 115,011,897			
Sales & Services	\$ 4,436,976	\$ 8,959,455	\$ 190,878,471	\$ 376,570	\$ -	\$ 3	\$ 280,655	\$ -	\$ 204,932,130			
Other Revenues	\$ 2,473,372	\$ 866,353	\$ 14,733,141	\$ -	\$ -	\$ -	\$ (19,132)	\$ -	\$ 18,053,734			
Transfers From Ore State Agencies	\$ -	\$ -	\$ -	\$ 11,329,867	\$ -	\$ -	\$ 17,967,052	\$ -	\$ 29,296,919			
Total Revenue	\$ 577,228,069	\$ 85,897,808	\$ 270,975,445	\$ 238,973,323	\$ 105,053,487	\$ 99,834	\$ 103,378,495	\$ 37,802,979	\$ 1,419,409,439			
Total Personnel Services	\$ 434,891,343	\$ 39,049,442	\$ 102,667,799	\$ 80,762,973	\$ 40,703,921	\$ -	\$ 13,417	\$ 362,018	\$ 698,450,912			
Service & Supplies	\$ 109,884,107	\$ 18,393,700	\$ 107,885,809	\$ 34,923,573	\$ 25,133,103	\$ 2,438	\$ 13,263,395	\$ 32,828,511	\$ 342,314,635			
Merchandise-Resale/Redistribution	\$ 9,869	\$ 16,556,418	\$ 13,229,029	\$ 127,437	\$ -	\$ -	\$ -	\$ -	\$ 29,922,754			
Internal Sales Reimbursements	\$ (16,518,752)	\$ (41,603)	\$ (1,461,517)	\$ (33,999)	\$ (12,750)	\$ -	\$ (5,985,490)	\$ -	\$ (24,054,110)			
Indirect Costs	\$ 4,677	\$ 2,751,408	\$ 8,392,173	\$ 28,833,126	\$ -	\$ -	\$ -	\$ -	\$ 39,981,384			
Depreciation/Amortization Expense	\$ -	\$ 4,364,886	\$ 47,039,762	\$ -	\$ -	\$ -	\$ 43,874,233	\$ -	\$ 95,278,881			
Student Aid	\$ 3,826,346	\$ 4,442,842	\$ 12,468,976	\$ 63,652,044	\$ 25,377,590	\$ 27,811	\$ -	\$ -	\$ 109,795,610			
Total General Expense	\$ 97,206,247	\$ 46,467,652	\$ 187,554,231	\$ 127,502,182	\$ 50,497,943	\$ 30,249	\$ 51,152,138	\$ 32,828,511	\$ 593,239,154			
Net Transfers Out/(In)	\$ 27,254,440	\$ 6,620,146	\$ (4,145,662)	\$ 8,525,416	\$ 10,688,582	\$ -	\$ (49,513,169)	\$ 570,245	\$ (0)			
Total Expense	\$ 559,352,030	\$ 92,137,241	\$ 286,076,368	\$ 216,790,570	\$ 101,890,446	\$ 30,249	\$ 1,652,387	\$ 33,760,775	\$ 1,291,690,066			
Net before CapEx	\$ 17,876,039	\$ (6,239,433)	\$ (15,100,923)	\$ 22,182,752	\$ 3,163,041	\$ 69,585	\$ 101,726,108	\$ 4,042,205	\$ 127,719,373			
Beginning Fund Balance	\$ 61,285,476	\$ 56,287,961	\$ 609,955,416	\$ (756,751)	\$ 28,096,981	\$ 5,527,086	\$ 761,935,960	\$ 62,244,519	\$ 1,584,576,649	\$ -		
Capital Expenditures	\$ (5,101,140)	\$ (146,635)	\$ (701,731)	\$ (2,580,726)	\$ (3,043,100)	\$ -	\$ (162,376,097)	\$ -	\$ (173,949,428)	\$ -		
Net (from above)	\$ 17,876,039	\$ (6,239,433)	\$ (15,100,923)	\$ 22,182,752	\$ 3,163,041	\$ 69,585	\$ 101,726,108	\$ 4,042,205	\$ 127,719,373	\$ -		
Fund Additions/Deductions*	\$ 548,976	\$ 967,872	\$ 17,578,871	\$ (112,200)	\$ (1,573,366)	\$ -	\$ 156,658,841	\$ -	\$ 174,068,995	\$ (277,813,496)		
Federal COVID-19 Relief One-Time Funds	\$ 18,700,000	\$ -	\$ 1,179,457	\$ (19,879,457)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Ending Fund Balance	\$ 93,309,351	\$ 50,869,764	\$ 612,911,091	\$ (1,146,381)	\$ 26,643,556	\$ 5,596,672	\$ 857,944,812	\$ 66,286,724	\$ 1,712,415,588	\$ (277,813,496)	\$ 1,434,602,092	
Year-End Accounting Entries	\$ 166,978	\$ (150)	\$ (2,590,612)	\$ (241)	\$ (422,411)	\$ -	\$ 205,522	\$ (6,956,516)	\$ (9,597,430)		\$ (9,597,430)	
Adjusted Ending Fund Balance	\$ 93,476,329	\$ 50,869,614	\$ 610,320,479	\$ (1,146,622)	\$ 26,221,145	\$ 5,596,672	\$ 858,150,334	\$ 59,330,207	\$ 1,702,818,158	\$ (277,813,496)	\$ 1,425,004,661	
Net Capital Assets	\$ -	\$ 24,182,479	\$ 565,174,648	\$ -	\$ -	\$ -	\$ 735,150,647	\$ (12,411,444)	\$ 1,312,096,331	\$ -	\$ 1,312,096,331	
Other Restricted Net Assets	\$ -	\$ -	\$ -	\$ (1,146,622)	\$ 26,221,145	\$ 5,596,672	\$ 60,041,162	\$ -	\$ 90,712,357	\$ (9,271,891)	\$ 81,440,466	
Unrestricted Net Assets	\$ 93,476,329	\$ 26,687,135	\$ 45,145,831	\$ -	\$ -	\$ -	\$ 62,958,525	\$ 71,741,651	\$ 300,009,470	\$ (268,541,605)	\$ 31,467,865	
Total Net Assets	\$ 93,476,329	\$ 50,869,614	\$ 610,320,479	\$ (1,146,622)	\$ 26,221,145	\$ 5,596,672	\$ 858,150,334	\$ 59,330,207	\$ 1,702,818,158	\$ (277,813,496)	\$ 1,425,004,661	

FY23 Updated Projection

All Funds except Agency and Clearing

	Designated Ops									Year-End Reporting	
	Education and General	and Service Center	Auxiliaries	Grant Funds	Restricted Gift Funds	Other Funds	Plant Funds	Internal Bank	Total	Adj.	Total
State Appropriation	\$ 90,296,717	\$ 1,170,784	\$ 528,000	\$ 70,000	\$ -	\$ -	\$ 10,142,845	\$ -	\$ 102,208,346		
Tuition and Fees	\$ 478,000,000	\$ 2,000,000	\$ 47,595,000	\$ -	\$ -	\$ -	\$ -	\$ 3,150,000	\$ 530,745,000		
Gifts Grants & Contracts	\$ 400,000	\$ 5,640,000	\$ -	\$ 165,050,000	\$ 123,800,000	\$ -	\$ 40,000,000	\$ -	\$ 334,890,000		
ICC Revenue	\$ 29,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,500,000		
Federal Student Aid	\$ -	\$ -	\$ -	\$ 25,000,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000,000		
Interest and Investment	\$ 10,265,000	\$ 11,656,000	\$ 112,600	\$ -	\$ -	\$ 100,000	\$ 400,000	\$ 6,350,000	\$ 28,883,600		
Internal Sales	\$ 960,000	\$ 57,761,000	\$ 12,267,000	\$ -	\$ -	\$ -	\$ -	\$ 41,000,000	\$ 111,988,000		
Sales & Services	\$ 4,950,000	\$ 17,000,000	\$ 214,292,000	\$ (200,000)	\$ -	\$ -	\$ 250,000	\$ -	\$ 236,292,000		
Other Revenues	\$ 2,750,000	\$ 1,000,000	\$ 4,612,000	\$ -	\$ -	\$ -	\$ 300,000	\$ -	\$ 8,662,000		
Transfers From Ore State Agencies	\$ -	\$ -	\$ -	\$ 15,000,000	\$ -	\$ -	\$ 36,750,000	\$ -	\$ 51,750,000		
Total Revenue	\$ 617,121,717	\$ 96,227,784	\$ 279,406,600	\$ 204,920,000	\$ 123,800,000	\$ 100,000	\$ 87,842,845	\$ 50,500,000	\$ 1,459,918,946		
Total Personnel Services	\$ 463,500,000	\$ 45,000,000	\$ 110,300,000	\$ 89,000,000	\$ 48,600,000	\$ -	\$ -	\$ 407,000	\$ 756,807,000		
Service & Supplies	\$ 124,000,000	\$ 20,000,000	\$ 114,720,000	\$ 37,200,000	\$ 35,700,000	\$ 5,000	\$ 4,000,000	\$ 32,200,000	\$ 367,825,000		
Merchandise-Resale/Redistribution	\$ 10,000	\$ 16,800,000	\$ 16,840,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,650,000		
Internal Sales Reimbursements	\$ (20,200,000)	\$ -	\$ (1,450,000)	\$ (36,000)	\$ -	\$ -	\$ (200,000)	\$ -	\$ (21,886,000)		
Indirect Costs	\$ 6,000	\$ 3,000,000	\$ 10,261,000	\$ 29,500,000	\$ -	\$ -	\$ -	\$ -	\$ 42,767,000		
Depreciation/Amortization Expense	\$ -	\$ 4,285,183	\$ 48,967,109	\$ -	\$ -	\$ -	\$ 44,476,831	\$ -	\$ 97,729,123		
Student Aid	\$ 4,100,000	\$ 1,811,000	\$ 7,080,000	\$ 45,000,000	\$ 34,400,000	\$ 15,000	\$ -	\$ -	\$ 92,406,000		
Total General Expense	\$ 107,916,000	\$ 45,896,183	\$ 196,418,109	\$ 111,664,000	\$ 70,100,000	\$ 20,000	\$ 48,276,831	\$ 32,200,000	\$ 612,491,123		
Net Transfers Out(In)	\$ 26,210,000	\$ 1,050,000	\$ (13,035,000)	\$ 1,200,000	\$ 9,000,000	\$ -	\$ (26,292,904)	\$ 1,867,904	\$ -		
Total Expense	\$ 597,626,000	\$ 91,946,183	\$ 293,683,109	\$ 201,864,000	\$ 127,700,000	\$ 20,000	\$ 21,983,927	\$ 34,474,904	\$ 1,369,298,123		
Net before CapEx	\$ 19,495,717	\$ 4,281,601	\$ (14,276,509)	\$ 3,056,000	\$ (3,900,000)	\$ 80,000	\$ 65,858,918	\$ 16,025,096	\$ 90,620,823		
Beginning Fund Balance	\$ 93,476,329	\$ 50,869,614	\$ 610,320,479	\$ (1,146,622)	\$ 26,221,145	\$ 5,596,672	\$ 858,150,334	\$ 59,330,207	\$ 1,702,818,158	\$ (277,813,496)	\$ 1,425,004,661
Capital Expenditures	\$ (4,000,000)	\$ (100,000)	\$ (140,000)	\$ (1,850,000)	\$ (5,000,000)	\$ -	\$ (162,000,000)	\$ -	\$ (173,090,000)		
Net (from above)	\$ 19,495,717	\$ 4,281,601	\$ (14,276,509)	\$ 3,056,000	\$ (3,900,000)	\$ 80,000	\$ 65,858,918	\$ 16,025,096	\$ 90,620,823		
Fund Additions/Deductions*	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 160,500,000	\$ -	\$ 162,000,000		
Federal COVID-19 Relief One-Time Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Ending Fund Balance	\$ 108,972,046	\$ 55,051,215	\$ 597,403,970	\$ 59,378	\$ 17,321,145	\$ 5,676,672	\$ 922,509,252	\$ 75,355,303	\$ 1,782,348,981	TBD	TBD
Year-End Accounting Entries **	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Net Capital Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Other Restricted Net Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Unrestricted Net Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Total Net Assets	TBD	TBD	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

Notes:

- In the Internal Bank Funds, Unrestricted Net Assets include primarily unrealized and realized gains in the investment portfolio, unspent bond proceeds, and funds collected to meet obligations of the Student Building Fee debt pool and other long-term obligations. This number will grow increasingly positive as the principal payment dates on UO revenue bonds get closer.

FY23 Actuals Q3 Report

All Funds except Agency and Clearing

	Designated Ops				Restricted Gift						Year-End	
	Education and	and Service									Reporting Adj.	Total
	General	Center	Auxiliaries	Grant Funds	Funds	Other Funds	Plant Funds	Internal Bank	Total			
State Appropriation	\$ 76,018,034	\$ 868,723	\$ 398,112	\$ 54,288	\$ -	\$ -	\$ 7,607,134	\$ -	\$ 84,946,291			
Tuition and Fees	\$ 471,057,818	\$ 1,607,057	\$ 47,212,102	\$ -	\$ -	\$ -	\$ -	\$ 3,120,291	\$ 522,997,267			
Gifts Grants & Contracts	\$ 169,700	\$ 2,894,926	\$ -	\$ 115,450,819	\$ 99,397,230	\$ -	\$ 36,158,842	\$ -	\$ 254,071,517			
ICC Revenue	\$ 22,022,214	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,022,214			
Federal Student Aid	\$ -	\$ -	\$ -	\$ 22,475,229	\$ -	\$ -	\$ -	\$ -	\$ 22,475,229			
Interest and Investment	\$ 7,318,561	\$ 9,433,462	\$ 263,939	\$ 20,114	\$ -	\$ 75,617	\$ 277,973	\$ (670,567)	\$ 16,719,099			
Internal Sales	\$ 558,711	\$ 42,336,833	\$ 9,333,900	\$ (105)	\$ -	\$ -	\$ -	\$ 25,272,415	\$ 77,501,754			
Sales & Services	\$ 3,614,890	\$ 13,863,284	\$ 162,229,976	\$ (620,752)	\$ -	\$ -	\$ 39,194	\$ -	\$ 179,126,593			
Other Revenues	\$ 1,735,442	\$ 884,054	\$ 3,679,175	\$ (13,216)	\$ -	\$ -	\$ 294,125	\$ -	\$ 6,579,579			
Transfers From Ore State Agencies	\$ -	\$ -	\$ -	\$ 9,997,192	\$ -	\$ -	\$ 31,824,770	\$ -	\$ 41,821,962			
Total Revenue	\$ 582,495,369	\$ 71,888,339	\$ 223,117,205	\$ 147,363,570	\$ 99,397,230	\$ 75,617	\$ 76,202,038	\$ 27,722,138	\$ 1,228,261,506			
Total Personnel Services	\$ 335,917,779	\$ 32,076,828	\$ 82,708,278	\$ 63,885,815	\$ 33,881,063	\$ -	\$ -	\$ 271,769	\$ 548,741,533			
Service & Supplies	\$ 89,955,885	\$ 12,713,194	\$ 78,768,243	\$ 22,096,214	\$ 22,603,628	\$ 831	\$ 1,940,626	\$ 12,315,190	\$ 240,393,810			
Merchandise-Resale/Redistribution	\$ (68,815)	\$ 11,617,591	\$ 11,698,696	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,247,472			
Internal Sales Reimbursements	\$ (14,531,474)	\$ (26,089)	\$ (1,300,917)	\$ (35,200)	\$ -	\$ -	\$ (78,462)	\$ -	\$ (15,972,141)			
Indirect Costs	\$ 1,415	\$ 2,218,113	\$ 7,060,510	\$ 22,179,477	\$ -	\$ -	\$ -	\$ -	\$ 31,459,515			
Depreciation/Amortization Expense	\$ -	\$ 3,235,997	\$ 36,652,564	\$ -	\$ -	\$ -	\$ 32,658,378	\$ -	\$ 72,546,939			
Student Aid	\$ 3,166,038	\$ 434,639	\$ 5,787,475	\$ 40,492,085	\$ 30,838,319	\$ (271)	\$ -	\$ -	\$ 80,718,286			
Total General Expense	\$ 78,523,048	\$ 30,193,446	\$ 138,666,572	\$ 84,732,576	\$ 53,441,947	\$ 560	\$ 34,520,542	\$ 12,315,190	\$ 432,393,880			
Net Transfers Out/(In)	\$ 9,582,437	\$ 62,346	\$ (13,201,466)	\$ 1,485,713	\$ 7,401,821	\$ -	\$ (7,198,754)	\$ 1,867,904	\$ -			
Total Expense	\$ 424,023,264	\$ 62,332,620	\$ 208,173,385	\$ 150,104,104	\$ 94,724,830	\$ 560	\$ 27,321,788	\$ 14,454,863	\$ 981,135,413			
Net before CapEx	\$ 158,472,105	\$ 9,555,719	\$ 14,943,820	\$ (2,740,534)	\$ 4,672,400	\$ 75,057	\$ 48,880,250	\$ 13,267,276	\$ 247,126,093			
Beginning Fund Balance	\$ 93,476,329	\$ 50,869,614	\$ 610,320,479	\$ (1,146,622)	\$ 26,221,145	\$ 5,596,672	\$ 858,150,334	\$ 59,330,207	\$ 1,702,818,158	\$ (277,813,496)	\$ 1,425,004,661	
Capital Expenditures	\$ (2,286,292)	\$ (97,545)	\$ (6,672)	\$ (1,707,118)	\$ (4,337,241)	\$ -	\$ (80,356,210)	\$ -	\$ (88,791,078)			
Net (from above)	\$ 158,472,105	\$ 9,555,719	\$ 14,943,820	\$ (2,740,534)	\$ 4,672,400	\$ 75,057	\$ 48,880,250	\$ 13,267,276	\$ 247,126,093			
Fund Additions/Deductions*	\$ (11,780)	\$ 2,375,196	\$ (542,741)	\$ -	\$ -	\$ -	\$ 8,157,438	\$ -	\$ 9,978,113			
Federal COVID-19 Relief One-Time Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Ending Fund Balance	\$ 249,650,362	\$ 62,702,984	\$ 624,714,886	\$ (5,594,274)	\$ 26,556,304	\$ 5,671,729	\$ 834,831,812	\$ 72,597,483	\$ 1,871,131,286	TBD	TBD	
Year-End Accounting Entries **	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	
Net Capital Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	
Other Restricted Net Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	
Unrestricted Net Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	
Total Net Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	

* - Due to Capital Improvements and Debt Accounting entries, Includes Elimination of State Paid Debt from UO Books

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

Notes:

- In the Internal Bank Funds, Unrestricted Net Assets include primarily unrealized and realized gains in the investment portfolio, unspent bond proceeds, and funds collected to meet obligations of the Student Building Fee debt pool and other long-term obligations. This number will grow increasingly positive as the principal payment dates on UO revenue bonds get closer.

FY23 Actuals Q3 Report

Education and General

	FY23 Updated		FY23 Q3		FY23 Q3		FY23 Q2		FY23					
	Projection Q2		Actual as		inc/(dec)		Proj. vs		Updated					
	FY23 Actual Q3		% of Proj.		from FY22		FY22 Total		Proj. vs. FY22					
	FY22 Actual Q3		FY22 Actual Q3		Q3		as %		Total as %					
State Appropriation	\$	90,296,717	\$	76,018,034	84.2%	\$	71,994,148	5.6%	\$	86,620,558	4.2%	\$	90,296,717	4.2%
Tuition and Fees	\$	476,000,000	\$	471,057,818	99.0%	\$	438,419,314	7.4%	\$	444,343,185	7.1%	\$	478,000,000	7.6%
Gifts Grants & Contracts	\$	400,000	\$	169,700	42.4%	\$	159,843	6.2%	\$	159,843	150.2%	\$	400,000	150.2%
ICC Revenue	\$	29,500,000	\$	22,022,214	74.7%	\$	21,290,685	3.4%	\$	28,676,144	2.9%	\$	29,500,000	2.9%
Federal Student Aid	\$	-	\$	-	-	\$	-	-	\$	-	-	\$	-	-
Interest and Investment	\$	10,265,000	\$	7,318,561	71.3%	\$	6,860,884	6.7%	\$	9,609,350	6.8%	\$	10,265,000	6.8%
Internal Sales	\$	960,000	\$	558,711	58.2%	\$	619,885	-9.9%	\$	908,643	5.7%	\$	960,000	5.7%
Sales & Services	\$	4,950,000	\$	3,614,890	73.0%	\$	3,349,576	7.9%	\$	4,436,976	11.6%	\$	4,950,000	11.6%
Other Revenues	\$	2,750,000	\$	1,735,442	63.1%	\$	1,337,754	29.7%	\$	2,473,372	11.2%	\$	2,750,000	11.2%
Transfers From Ore State Agencies	\$	-	\$	-	-	\$	-	-	\$	-	-	\$	-	-
Total Revenue	\$	615,121,717	\$	582,495,369	94.7%	\$	544,032,089	7.1%	\$	577,228,069	6.6%	\$	617,121,717	6.9%
Salaries and Wages	\$	280,109,551	\$	201,333,669	71.9%	\$	187,956,006	7.1%	\$	257,985,698	8.6%	\$	276,984,678	7.4%
OPE Benefits	\$	163,679,929	\$	118,411,044	72.3%	\$	112,205,463	5.5%	\$	153,841,863	6.4%	\$	162,415,322	5.6%
OPE GTF Remissions	\$	23,739,686	\$	16,173,066	68.1%	\$	15,508,173	4.3%	\$	23,063,782	2.9%	\$	24,100,000	4.5%
Total Personnel Services	\$	467,529,000	\$	335,917,779	71.8%	\$	315,669,642	6.4%	\$	434,891,343	7.5%	\$	463,500,000	6.6%
Service & Supplies	\$	127,345,000	\$	89,955,885	70.6%	\$	80,696,537	11.5%	\$	109,884,107	15.9%	\$	124,000,000	12.8%
Merchandise-Resale/Redistribution	\$	10,000	\$	(68,815)	-688.2%	\$	(62,334)	10.4%	\$	9,869	1.3%	\$	10,000	1.3%
Internal Sales Reimbursements	\$	(19,000,000)	\$	(14,531,474)	76.5%	\$	(11,811,889)	23.0%	\$	(16,518,752)	15.0%	\$	(20,200,000)	22.3%
Indirect Costs	\$	6,000	\$	1,415	23.6%	\$	3,802	-62.8%	\$	4,677	28.3%	\$	6,000	28.3%
Depreciation/Amortization Expense	\$	-	\$	-	-	\$	-	-	\$	-	-	\$	-	-
Student Aid	\$	4,100,000	\$	3,166,038	77.2%	\$	2,729,001	16.0%	\$	3,826,346	7.2%	\$	4,100,000	7.2%
Total General Expense	\$	112,461,000	\$	78,523,048	69.8%	\$	71,555,118	9.7%	\$	\$97,206,247	15.7%	\$	107,916,000	11.0%
Net Transfers Out(In)	\$	22,000,000	\$	9,582,437	43.6%	\$	5,871,757	63.2%	\$	27,254,440	-19.3%	\$	26,210,000	-3.8%
Total Expense	\$	601,990,000	\$	424,023,264	70.4%	\$	393,096,516	7.9%	\$	559,352,030	7.6%	\$	597,626,000	6.8%
Net before CapEx	\$	13,131,717	\$	158,472,105	1206.8%	\$	150,935,573	5.0%	\$	17,876,039	-26.5%	\$	19,495,717	9.1%
Beginning Fund Balance	\$	93,476,329	\$	93,476,329	100.0%	\$	54,401,248	71.8%	\$	61,285,476	52.5%	\$	93,476,329	52.5%
Capital Expenditures	\$	(4,000,000)	\$	(2,286,292)	57.2%	\$	(2,997,325)	-23.7%	\$	(5,101,140)	-21.6%	\$	(4,000,000)	-21.6%
Net (from above)	\$	13,131,717	\$	158,472,105	1206.8%	\$	150,935,573	5.0%	\$	17,876,039	-26.5%	\$	19,495,717	9.1%
Fund Additions/Deductions*	\$	-	\$	(11,780)	-	\$	(14,400)	-18.2%	\$	548,976	-100.0%	\$	-	-100.0%
Federal COVID-19 Relief One-Time Funds	\$	-	\$	-	-	\$	8,000,000	-100.0%	\$	18,700,000	-100.0%	\$	-	-100.0%
Ending Fund Balance	\$	102,441,068	\$	249,650,362	243.7%	\$	210,325,096	18.7%	\$	93,309,351	9.8%	\$	108,972,046	16.8%
Year-End Accounting Entries **	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Net Capital Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Other Restricted Net Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Unrestricted Net Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Total Net Assets	TBD	TBD	TBD	TBD	TBD	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



FY23 Q3 Financial Update

June 2023

Board of Trustees of the University of Oregon

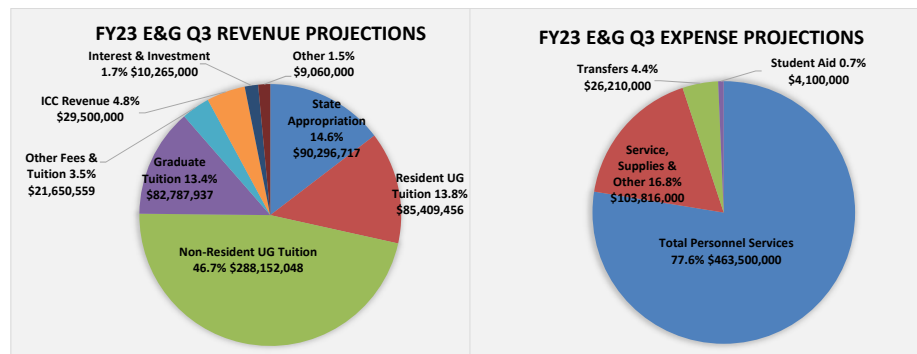
E&G Fund FY2023 Q3 – Key Takeaways

- Projected tuition and fee revenue up due to stronger Spring term carrying loads
- Personnel Services cost forecast down from Q2, estimate still includes significant compensation cost savings due to unprecedented level of faculty and staff vacancies
- Service & Supplies forecasted costs down due to reductions in travel and general supplies expenses
- Transfers forecasted up due to construction cost escalation on academic building projects
- Q3 projection shows an estimated gain of \$15.5 million. This compares to the Q2 projected gain of \$9.1 million.
- Projected year-end fund balance for FY23 is \$109.0 million (9.4 weeks of operating expenses)

E&G Fund FY2023 Q3 – Projection Status

Category	FY23 Q2 Projection	FY23 Q3 Projection	FY23 Q2 Proj vs FY22 Act	FY23 Q3 Actuals vs FY22 Q3 Act	Projection Adjustment	FY23 Q3 Proj vs FY22 Act	Notes
State Appropriation	\$90,296,717	\$90,296,717	4.2%	5.6%	Unchanged	4.2%	
Tuition and Fees	\$476,000,000	\$478,000,000	7.1%	7.4%	Up	7.6%	• Projected tuition and fee revenue up due to stronger Spring term carrying loads
ICC Revenue	\$29,500,000	\$29,500,000	2.9%	3.4%	Unchanged	2.9%	
Personnel Services	\$467,529,000	\$463,500,000	7.5%	6.4%	Down	6.6%	• Hiring returning but did not pick back up until second half of the year. Estimate still includes significant compensation cost savings due to unprecedented level of faculty and staff vacancies
Service & Supplies	\$127,345,000	\$124,000,000	15.9%	11.5%	Down	12.8%	• Due to reductions in travel and general supplies
Student Aid	\$4,100,000	\$4,100,000	7.2%	16.0%	Unchanged	7.2%	
Transfers	\$22,000,000	\$26,210,000	-19.3%	63.2%	Up	-3.8%	• Due to construction cost escalation on academic building projects

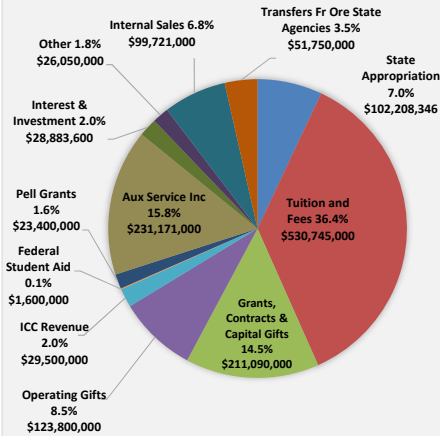
Education & General Funds



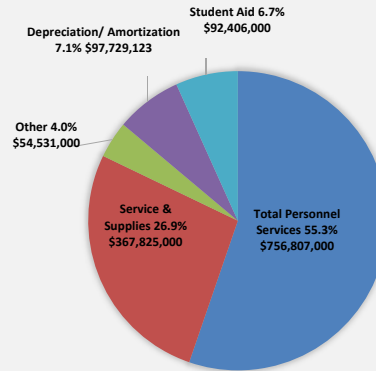
Student Aid Expense does not include \$76.5M of fee remissions awarded to students. Remissions are booked as negative revenue. Capital Expenditures not included.

All Funds

FY23 Q3 REVENUE PROJECTIONS



FY23 Q3 EXPENSE PROJECTIONS



Student Aid Expense does not include \$76.5M of fee remissions awarded to students. Remissions are booked as negative revenue. Capital Expenditures not included.

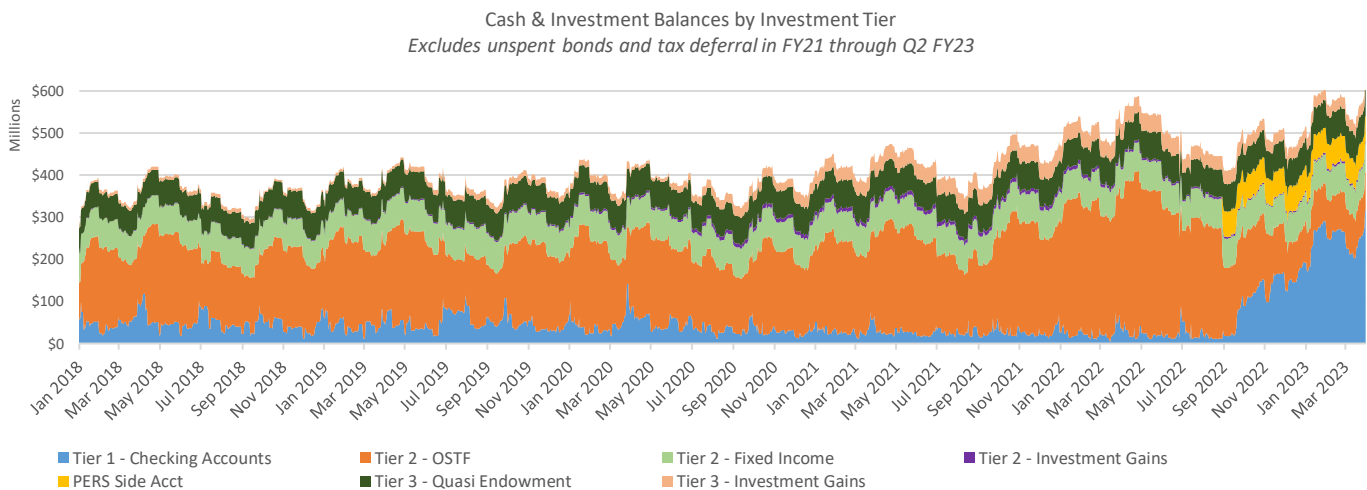
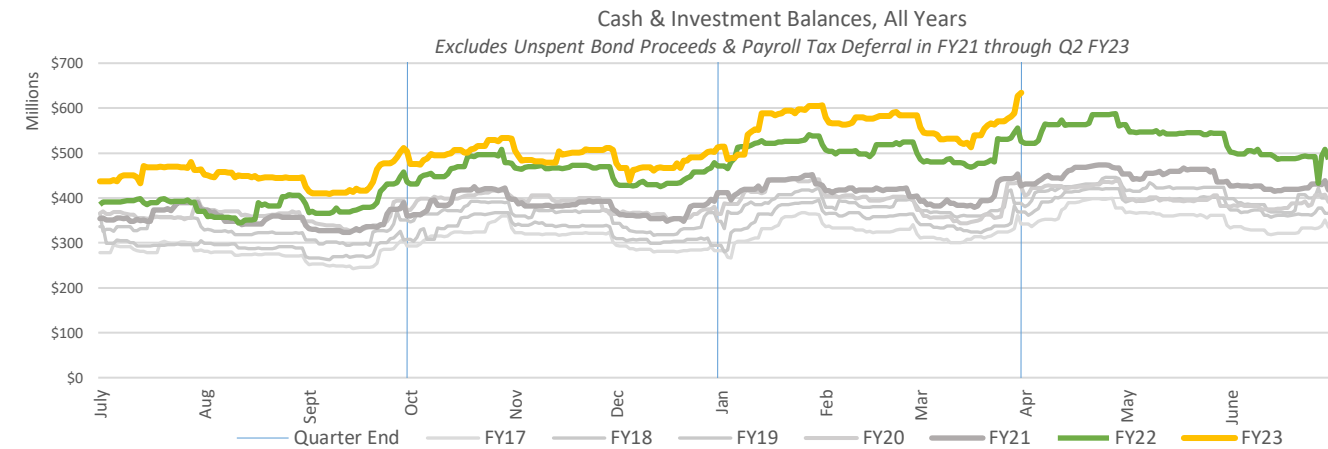
<div> <div>UNIVERSITY OF OREGON</div> <div>FY23 Actuals Q3 Report</div> <div>Education and General</div> <div>Page 4</div> </div>									
	FY23 Updated Projection Q2	FY23 Actual Q3	FY23 Q3 Actual as % of Proj.	FY22 Actual Q3	FY23 Q3 Inc/Dec from FY22	FY22 Total Actual Q3	FY23 Q2 Proj. vs FY22 Total as %	FY23 Updated Proj. Q3	FY23 Updated Total as %
State Appropriation	\$ 90,296,717	\$ 76,018,034	84.2%	\$ 71,994,148	5.6%	\$ 86,620,558	4.2%	\$ 90,296,717	4.2%
Tuition and Fees	\$ 476,000,000	\$ 471,057,818	99.0%	\$ 438,419,314	7.4%	\$ 444,343,185	7.1%	\$ 478,000,000	7.6%
Gifts Grants & Contracts	\$ 400,000	\$ 169,700	42.4%	\$ 159,843	6.2%	\$ 159,843	150.2%	\$ 400,000	150.2%
ICC Revenue	\$ 29,500,000	\$ 22,022,214	74.7%	\$ 21,290,685	3.4%	\$ 28,676,144	2.9%	\$ 29,500,000	2.9%
Federal Student Aid	\$ -	\$ -	-	\$ -	-	\$ -	-	\$ -	-
Interest and Investment	\$ 10,265,000	\$ 7,318,561	71.3%	\$ 6,860,884	6.7%	\$ 9,609,350	6.8%	\$ 10,265,000	6.8%
Internal Sales	\$ 960,000	\$ 558,711	58.2%	\$ 619,885	-9.9%	\$ 908,643	5.7%	\$ 960,000	5.7%
Sales & Services	\$ 4,950,000	\$ 3,614,890	73.0%	\$ 3,349,576	7.9%	\$ 4,436,976	11.6%	\$ 4,950,000	11.6%
Other Revenues	\$ 2,750,000	\$ 1,735,442	63.1%	\$ 1,337,754	29.7%	\$ 2,473,372	11.2%	\$ 2,750,000	11.2%
Transfers From Ore State Agencies	\$ -	\$ -	-	\$ -	-	\$ -	-	\$ -	-
Total Revenue	\$ 615,121,717	\$ 582,495,369	94.7%	\$ 544,032,089	7.1%	\$ 577,228,069	6.6%	\$ 617,121,717	6.9%
Salaries and Wages	\$ 280,109,551	\$ 201,333,669	71.9%	\$ 187,956,006	7.1%	\$ 257,985,698	8.6%	\$ 276,964,678	7.4%
OPE Benefits	\$ 183,879,929	\$ 118,411,044	72.3%	\$ 112,205,463	5.5%	\$ 153,841,863	6.4%	\$ 182,415,322	5.6%
OPE GTF Remissions	\$ 23,739,686	\$ 16,173,066	68.1%	\$ 15,508,173	4.3%	\$ 23,063,782	2.9%	\$ 24,100,000	4.5%
Total Personnel Services	\$ 467,529,000	\$ 335,917,779	71.8%	\$ 315,669,642	6.4%	\$ 434,891,343	7.5%	\$ 463,500,000	6.6%
Service & Supplies	\$ 127,345,000	\$ 89,955,885	70.6%	\$ 80,696,537	11.5%	\$ 109,884,107	15.9%	\$ 124,000,000	12.8%
Merchandise-Resale/Redistribution	\$ 10,000	\$ (68,815)	-688.2%	\$ (62,334)	10.4%	\$ 9,869	1.3%	\$ 10,000	1.3%
Internal Sales Reimbursements	\$ (19,000,000)	\$ (14,531,474)	76.5%	\$ (11,811,889)	23.0%	\$ (16,518,752)	15.0%	\$ (20,200,000)	22.3%
Indirect Costs	\$ 6,000	\$ 1,415	23.6%	\$ 3,802	-62.8%	\$ 4,677	28.3%	\$ 6,000	28.3%
Depreciation/Amortization Expense	\$ -	\$ -	-	\$ -	-	\$ -	-	\$ -	-
Student Aid	\$ 4,100,000	\$ 3,166,038	77.2%	\$ 2,729,001	16.0%	\$ 3,826,346	7.2%	\$ 4,100,000	7.2%
Total General Expense	\$ 112,461,000	\$ 78,523,048	69.8%	\$ 71,555,118	9.7%	\$ 97,206,247	15.7%	\$ 107,916,000	11.0%
Net Transfers Out(In)	\$ 22,000,000	\$ 9,582,437	43.6%	\$ 5,871,757	63.2%	\$ 27,254,440	-19.3%	\$ 26,210,000	-3.8%
Total Expense	\$ 601,990,000	\$ 424,023,264	70.4%	\$ 393,096,516	7.9%	\$ 559,352,030	7.6%	\$ 597,626,000	6.8%
Net before CapEx	\$ 13,131,717	\$ 158,472,105	1206.8%	\$ 150,935,573	5.0%	\$ 17,876,039	-26.5%	\$ 19,495,717	9.1%
Beginning Fund Balance	\$ 93,476,329	\$ 93,476,329	100.0%	\$ 54,401,248	71.8%	\$ 61,285,476	52.5%	\$ 93,476,329	52.5%
Capital Expenditures	\$ (4,000,000)	\$ (2,286,292)	57.2%	\$ (2,997,325)	-23.7%	\$ (5,101,140)	-21.6%	\$ (4,000,000)	-21.6%
Net (from above)	\$ 13,131,717	\$ 158,472,105	1206.8%	\$ 150,935,573	5.0%	\$ 17,876,039	-26.5%	\$ 19,495,717	9.1%
Fund Additions/Deductions*	\$ -	\$ (11,780)	-	\$ (14,400)	-18.2%	\$ 548,976	-100.0%	\$ -	-100.0%
Federal COVID-19 Relief One-Time Funds	\$ -	\$ -	-	\$ 8,000,000	-100.0%	\$ 18,700,000	-100.0%	\$ -	-100.0%
Ending Fund Balance	\$ 102,441,068	\$ 249,650,362	243.7%	\$ 210,525,096	18.7%	\$ 93,309,351	9.8%	\$ 108,972,046	16.8%
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.g. Allocate Pension Liability, ReClass Cash to Investments, Allocate Debt



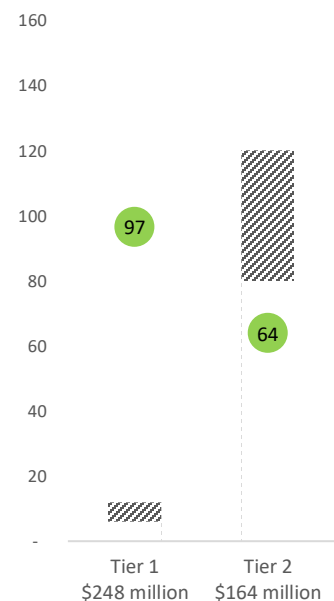
Cash & Investment Pool



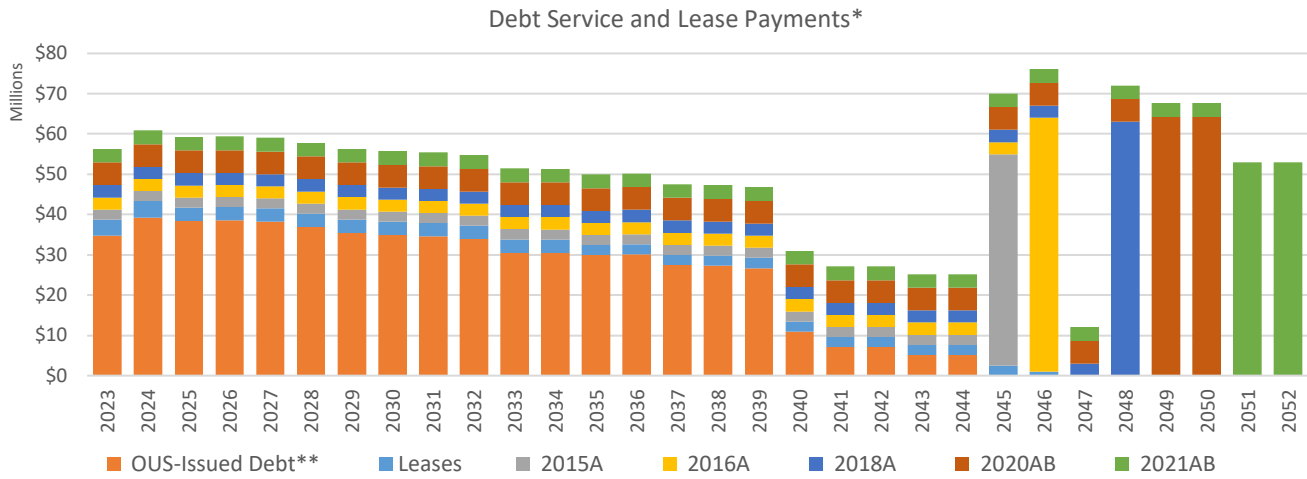
- The cash & investment pool averaged \$564 million during Q3 FY23, excluding bond proceeds. Average balances for the quarter, excluding bond proceeds and the FY22 payroll tax deferral, were approximately \$57 million higher than the same quarter in FY22. Major factors contributing to the increased balance are: (1) increased E&G balances (\$17 million primarily due to transfers of one-time HEERF funds and increased tuition revenue) and (2) increased balances in plant/replacement reserve funds (up \$38 million).
- UO participated in the federal program to defer 2020 payroll tax deposits and accumulated approximately \$13 million in cash balances (excluded from the charts above). \$5.5 million was paid on December 31, 2021, the remainder was paid December 31, 2022.
- At March 31, 2023, there was approximately \$93 million of unspent bond proceeds (average \$102 million for the quarter), excluded from the charts above. It is expected that all bond proceeds will be allocated to capital projects, with the Housing Transformation project the primary recipient.
- Checking account balances remained elevated above historical levels during the quarter due to attractive investment rates in deposit accounts and money market funds. U.S. Bank checking account balances are swept each night into a government obligations money market fund to capture additional investment returns while remaining liquid with very low risk.
- Estimated average accounting yield for the cash & investment pool was 3.26% for Q3 FY23 compared to 1.19% for Q3 FY22. Fiscal YTD average accounting yield for FY23 is 2.56% compared to 1.25% in FY22.

Days Cash on Hand

Average for quarter, Excludes Unspent Bond Proceeds, Target Range in Stripes



Debt Activities



*Does not include Right-of-Use payments

**OUS-issued debt includes SELP but is net of expected SELP appropriations and Build America Bond subsidies

Significant projects funded with debt and capital leases

UO 2021AB

- Housing Trans. Ph 2 & 3
- Thermal Storage

UO 2020AB

- Housing Trans. Ph 1 & 2
- Millrace Parking Garage

UO 2018A

- Bean Hall
- Oregon Hall
- Health Center

UO 2016A

- Kalapuya Ilihi Hall
- Pacific Hall
- Klamath Hall

UO 2015A

- Erb Memorial Union

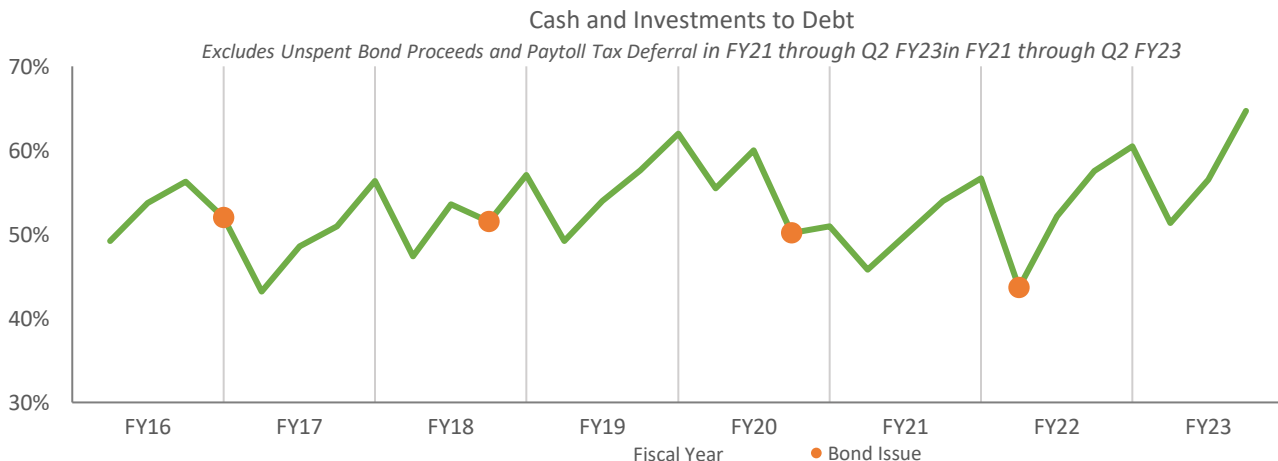
Capital Leases

- White Stag (Portland)
- 1600 Millrace

OUS-Issued Debt

- Autzen Stadium
- Central Power Station
- Erb Memorial Union
- Family Housing Projects
- Ford Alumni Center
- Global Scholars Hall
- Knight Law Center
- Living Learning Center
- Parking Projects
- Student Rec Center
- Matthew Knight Arena
- Williams Bakery Land

- The current principal balance of outstanding debt, including capital leases, is approximately \$872 million.
- Bond proceeds are loaned internally for capital projects. Borrowers are scheduled to repay their loans prior to the corresponding bullet payments due in 2045 and beyond to ensure the Internal Bank will have sufficient cash for the bullets.



- This ratio is a measure of the quarterly average cash and investments compared to total outstanding debt. A lower ratio indicates a higher debt load relative to cash and investments.
- When compared to the same quarter in FY16, UO has added \$240 million of cash and investments and \$295 million of debt.
- The Q3 FY23 ratio, at 65%, has modestly broken out from the historical range of 43% to 62%.

Rating Agency Update

Moody's Investor Service recently completed a review of the University of Oregon's credit, updating their opinion as follows:

- Moody's affirmed UO's issuer and revenue bond ratings of Aa2.
- The outlook has been revised from negative to stable.
- Moody's supported its revision to stable citing expense discipline, enrollment gains, and recovery of auxiliary revenue.
- Moody's noted that credit challenges include a highly competitive Northwest student market which limits the university's pricing power and the prospect for sustained growth in net tuition revenue.
- Other credit considerations include the university's modest liquidity relative to peers and an elevated adjusted pension liability.



UNIVERSITY OF OREGON

Treasury Operations Quarterly Update

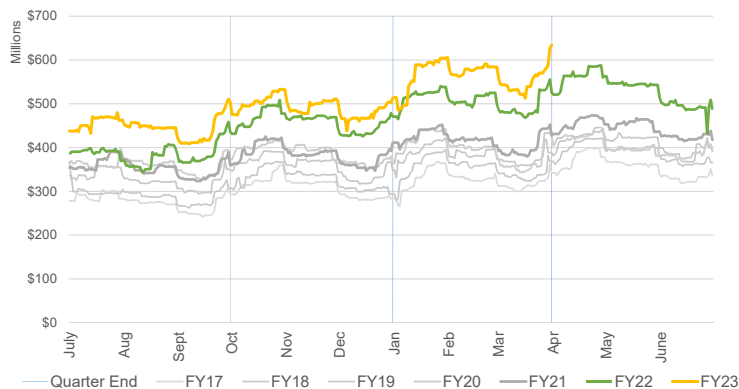
June 2023

Jeff Schumacher, Director of Treasury Operations

Board of Trustees of the University of Oregon

Cash & Investment Balances

Cash & Investment Balances, All Years
Excludes Unspent Bond Proceeds & Payroll Tax Deferral in FY21 through Q2 FY23

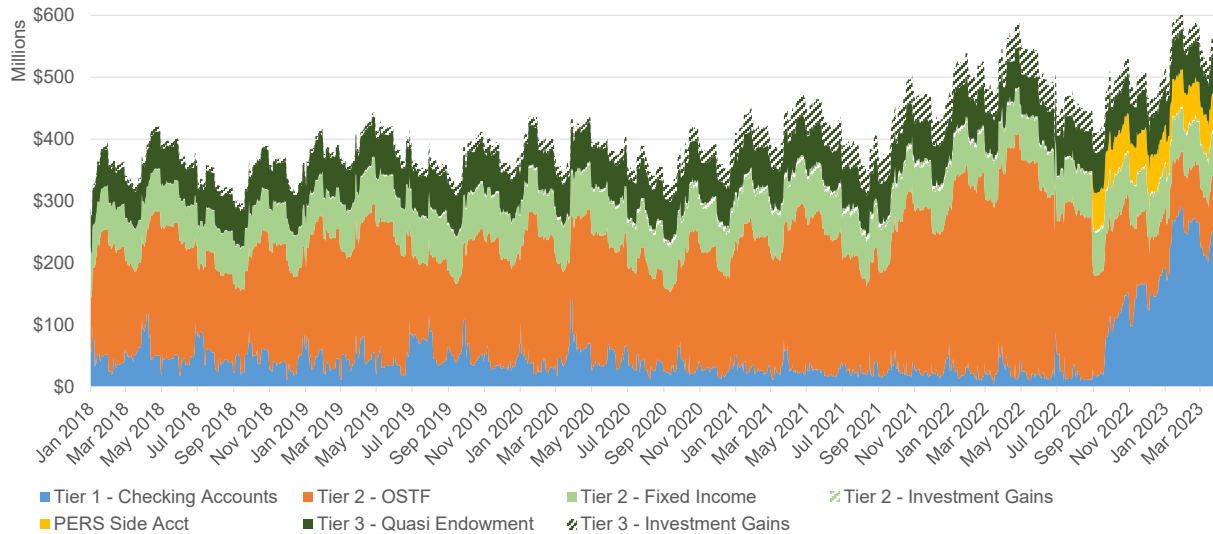


- Average balances for the third quarter, excluding bond proceeds and the FY22 payroll tax deferral, were \$564 million and approximately \$57 million more than the same quarter in FY22.
- Major factors contributing to the increased balance are:
 1. Increased E&G balances (\$17 million primarily due to transfers of one-time HEERF funds and increased tuition revenue)
 2. Increased balances in plant/replacement reserve funds (up \$38 million)

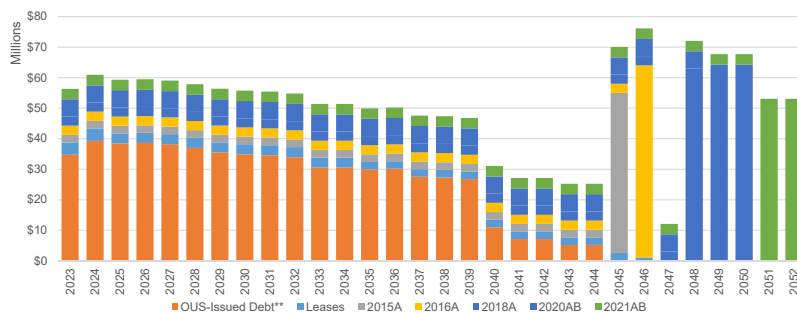
- Estimated average accounting yield for the cash & investment pool was 3.26% for Q3 FY23 compared to 1.19% for Q3 FY22. Fiscal YTD average accounting yield for FY23 is 2.56% compared to 1.25% in FY22.

Cash & Investment Balances By Tier

Cash & Investment Balances by Investment Tier
Excludes unspent bonds and tax deferral in FY21 through Q2 FY23



Debt Service and Lease Payments*



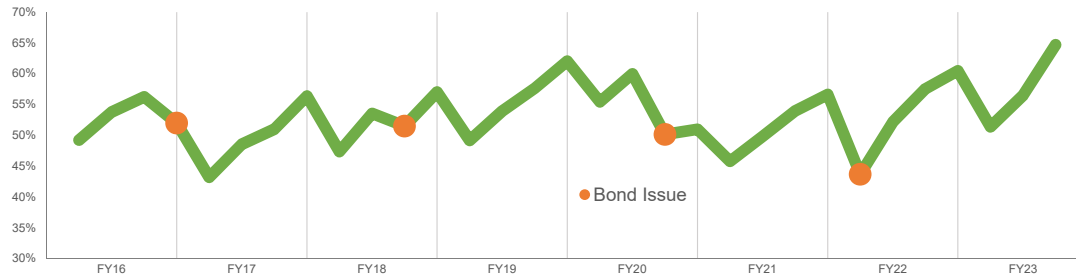
*Does not include Right-of-Use payments

**OUS-issued debt includes SELP but is net of expected SELP appropriations and Build America Bond subsidies.

- The current principal balance of outstanding debt, including capital leases, is approximately \$872 million
- Bond proceeds are loaned internally for capital projects. Borrowers are scheduled to repay their loans prior to the corresponding bullet payments due in 2045 and beyond to ensure the Internal Bank will have sufficient cash for the bullets

Cash & Investments to Debt

Excludes Unspent Bond Proceeds and Payroll Tax Deferral in FY21 through Q2 FY23



- This ratio is a measure of the quarterly average cash and investments compared to total outstanding debt. A lower ratio indicates a higher debt load relative to cash and investments.
- When compared to the same quarter in FY16, UO has added \$240 million of cash and investments and \$295 million of debt.
- The Q3 FY23 ratio, at 65%, has modestly broken out from the historical range of 43% to 62%.

Rating Agency Update

Moody's Investor Service recently completed a review of the University of Oregon's credit, updating their opinion as follows:

- Moody's affirmed UO's issuer and revenue bond ratings of Aa2.
- The outlook has been revised from negative to stable.
- Moody's supported its revision to stable citing expense discipline, enrollment gains, and recovery of auxiliary revenue.
- Moody's noted that credit challenges include a highly competitive Northwest student market which limits the university's pricing power and the prospect for sustained growth in net tuition revenue.
- Other credit considerations include the university's modest liquidity relative to peers and an elevated adjusted pension liability.

Investment of Assets Under Management

- Jasper Ridge Partners (JRP) is managing the endowment assets for the Foundation, including the University of Oregon's T3 portfolio (T3) and University of Oregon Alumni Association (UOAA) funds.
- JRP manages over \$32 billion in assets for select endowments, foundations, families, and pension and sovereign wealth funds.
- JRP is comprised of 93 team members, including:
 - 33 investment partners, with an average tenure of 13 years.
 - Experienced legal, accounting, and investment compliance professionals.
- Total assets of \$1.4 billion include endowment assets as well as T3 and UOAA invested assets.
 - Assets for T3 total \$90.7 million, as of December 31, 2022.
 - Assets for UOAA total \$18.8 million, as of December 31, 2022.
- For purposes of this presentation, asset allocation and performance benchmarks are for all invested assets under management.



UNIVERSITY OF OREGON FOUNDATION (UOF) PORTFOLIO UPDATE AS OF 12/31/2022

May 2023

This document is confidential and intended solely for the University of Oregon Foundation (UOF). This document may not be published, reproduced or distributed without the prior written consent of Jasper Ridge Partners, L.P. Past performance of any investments described herein are for illustrative purposes only and are not necessarily indicative of future results. Opinions and estimates offered herein are subject to change as are statements about market trends. This presentation is not intended to be an offer to sell or a solicitation of an offer to purchase any security or investment product.

UOF PORTFOLIO ASSET ALLOCATION

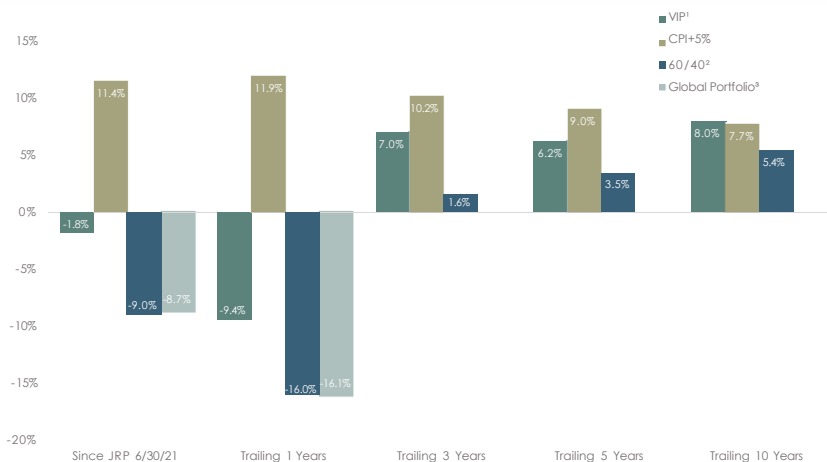


ASSET CLASS	NAV (\$M) ON 12/31/2022	% NAV ON 12/31/2022
Public Equity	\$324.2	22.5%
Fixed Income	\$204.9	14.2%
Hedge Funds	\$258.2	17.9%
Cash & Other	\$72.3	5.0%
Marketable Securities	\$859.7	59.6%
Private Equity/Venture Capital	\$473.6	32.8%
Real Assets	\$109.7	7.6%
Private Assets	\$583.3	40.4%
TOTAL	\$1,442.9	100.0%

The above asset allocation is net of any amounts attributable to the GP. Such amounts are netted against Cash & Other.
Excludes notional amounts of futures.
Numbers may not sum visually due to rounding.

2

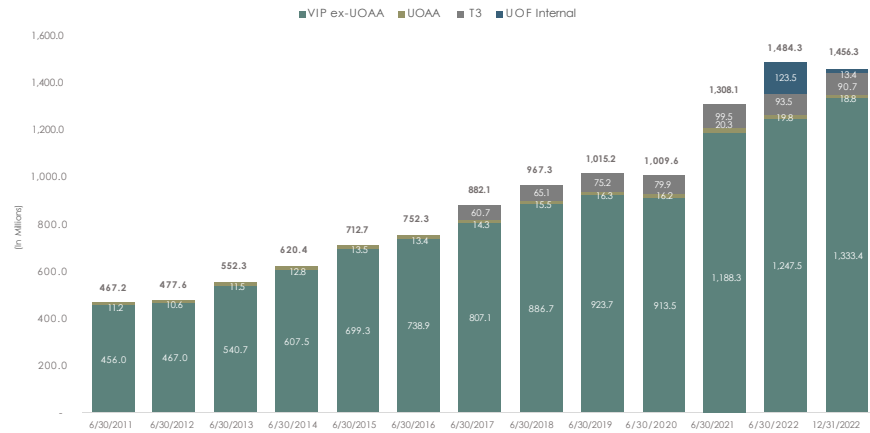
UOF PERFORMANCE VS. BENCHMARKS AS OF 12/31/2022



1 VIP represents the endowment portfolio, formerly known as Willamette Investment Pool "WIP" through 6/30/21 until investment management outsourced and is now called the Willard Investment Pool "VIP".
2 60/40 benchmarks consists of the weighted average of iShares MSCI ACWI ETF at 60% and iShares Core U.S. Aggregate Bond ETF at 40%, geometrically linked monthly.
3 Beginning as of 6/30/21, a comparison is shown to the Global Portfolio, a benchmark JRP manages to which initially consisted of 70% equity (iShares MSCI ACWI ETF), 25% fixed income (iShares Core U.S. Aggregate Bond ETF) and 5% cash, geometrically linked monthly and with portfolio weights set as of June 30, 2021 (the inception date). The Global Portfolio is a floating allocation structure and consequently the weights do not rebalance but instead change with the market prices of the underlying securities. As of December 31, 2022, the weights of the Global Portfolio were: 70.1% equities, 25.2% fixed income and 4.7% cash.

3

BALANCE COMPOSITION EVOLUTION December 31, 2022



UOF Internal primarily relates to endowed gifts received but not yet invested in the portfolio.

4

Agenda Item #2

FY24 Budget and Expenditure Authorization

The Board of Trustees has the responsibility of approving a budget expenditure authorization each fiscal year. The 2024 fiscal year (FY24) begins July 1, 2023 and runs through June 30, 2024. Following is a resolution proposed by Interim President Jamie Moffitt and Associate Vice President for Budget, Financial Analysis and Data Analytics Brian Fox for capital and operating expenditure limitations for FY24. Below is a summary of key points related to the proposal.

Overview:

- The University is requesting that the Board approve the following expenditure budgets for FY24:
 - Operating expenditure budget: \$1,345,300,000
 - Capital expenditure budget: \$228,600,000.
- FY24 operating expenditures in the E&G fund are expected to increase 6.3%. Total institutional FY24 operating expenditures are projected to increase 5.9%.
- Expected operating revenue for the institution is projected to cover expected operating expenditures.
- As has been the case in previous cycles, this analysis and authorization excludes plant funds, internal bank funds and depreciation.
- The proposed resolution would allow the university to expend or authorize the expenditure of funds at these levels plus three percent. Any additional expenditures would require the University to seek further expenditure limitation authorization from the Executive and Audit Committee.

Education & General:

Education & General expenses are projected to increase \$37.9 million (6.3%) on a year-over-year basis, while revenues are expected to increase by \$27.3 million (4.4%). FY24 revenues are projected to cover FY24 expenditures.

Revenue and projected FY24 fund balance could increase or decrease depending upon actual enrollment in the fall, as well as changes to other revenue and expense assumptions.

- In the E&G fund, major cost drivers, analyzed on a year-over-year basis for FY24 include:
 - Salary and OPE (benefits) up \$34.5 million (7.4%). This increase is due to labor/salary

increases (primarily based on collective bargaining agreements with university labor unions), as well as increased employee FTE counts as employee vacancies are filled and rehiring during FY23 is annualized.

- Supplies and services (S&S) up \$9.2 million (8.8%). This is based on activity levels returning to pre-pandemic levels, with costs adjusted for inflation. This includes significant increases to travel costs and re-normalization of supplies and service expenditures.
- Capitalized equipment is flat, while student aid is up \$400k (9.8%). Both projections reflect more regularized university operations post-pandemic.
- Net transfer expenditures are projected to decrease by \$6.2 million (-23.7%) at this time. In FY23 significant transfers were needed to cover unprecedented levels of construction cost inflation for academic building projects.
- In the E&G fund, major FY24 incremental revenue includes:
 - State appropriation up \$500k (0.6%). This estimate is based on the ending of one-time appropriations received during FY23 for a study within the College of Education totaling \$700K and the Public University Support Fund (PUSF) funded at the Co-Chairs' budget framework level. As the legislature has not yet completed its biennial budget process, this figure could change. State funds are generally distributed 49% in the first year and 51% in the second year.
 - Tuition and fee revenue up \$25 million (5.2%). This is due to tuition rate increases as well as projected growth of the undergraduate student population as larger incoming cohorts in recent years replace small graduating cohorts.

Other Funds:

Other Funds expenses are projected to increase \$36.7 million (5.5%) on a year-over-year basis, while revenues are expected to increase by \$20.9 million (3.0%). FY24 revenue is projected to cover FY24 expenditures.

Revenue is projected to drop in Sales and Services due to significant one-time Oregon22 cost reimbursements during FY23. Expenditures are expected to increase as staffing and activities continue to return to more regular operations.

- In the Other Funds, major FY24 incremental expenditures changes include:
 - Salary and OPE (benefits) OPE (benefits) up \$20.1 million (6.9%). This increase is due to increasing employee FTE from low levels in FY23 and labor/salary increases (primarily based on collective bargaining agreements with university labor unions).
 - Supplies and services (S&S) are projected to increase \$9.5 million (3.3%). This increase assumes the resumption of more normal campus activity, particularly in housing, merchandise for resale and utility increases. The percentage increase is not as high as it would otherwise be due to one-time expenses relating to Oregon22

occurring in FY23.

- Student aid is projected to be down \$1.3 million (-1.5%) due to lower activity on foundation funds. FY24 Student Aid is projected to drop due to a larger than normal FY23 distribution.
- Net transfer expenditures are projected to increase by \$8.8 million (-492.2%). This figure varies year-to-year, primarily based on construction projects.
- In the Other Funds, major FY24 incremental revenues changes include:
 - Gifts, grants and contracts revenue is projected to increase \$17.5 million (5.9%). This is due to University of Advancement ramping up their activity on Foundation funds, and overall Grants activity projected to continue to increase. This is due to both increased grants and gift activity.
 - Internal sales revenue is projected to increase \$4.8 million (6.8%). This is projected to increase mainly due to the addition of the Institution's Communications and Collaboration Technologies Service Center for Telecom operations.
 - Sales & services revenue is projected to decrease \$5.1 million (-2.2%). This is due to receiving significant one-time Oregon22 cost reimbursements (\$10M) and OHAZ Wildfire Camera funding (\$4.5M) in FY23.

Capital budget:

- Total FY24 capital expenditures are projected to be \$228.6 million. Please note that the figures on the report represent the expenditures expected during FY24, not the total budget for each project.



FY24 Projected Expenditures	E&G Funds	Annual Growth	Other Funds*	Annual Growth	Total	Annual Growth
Salary and OPE (Benefits)	\$498,000,000	7.4%	\$313,000,000	6.9%	\$811,000,000	7.2%
Supplies and Services	\$113,000,000	8.8%	\$292,000,000	3.3%	\$405,000,000	4.8%
Capitalized Equipment	\$4,000,000	0.0%	\$6,800,000	-4.1%	\$10,800,000	-2.6%
Student Aid	\$4,500,000	9.8%	\$87,000,000	-1.5%	\$91,500,000	-1.0%
Net Transfers	\$20,000,000	-23.7%	\$7,000,000	-492.2%	\$27,000,000	10.5%
Total	\$639,500,000	6.3%	\$705,800,000	5.5%	\$1,345,300,000	5.9%

FY23 Projected Expenditures	E&G Funds	Annual Growth	Other Funds*	Annual Growth	Total	Annual Growth
Salary and OPE (Benefits)	\$463,500,000	6.6%	\$292,900,000	11.3%	\$756,400,000	8.4%
Supplies and Services	\$103,816,000	11.2%	\$282,540,000	10.9%	\$386,356,000	11.0%
Capitalized Equipment	\$4,000,000	-21.6%	\$7,090,000	9.5%	\$11,090,000	-4.2%
Student Aid	\$4,100,000	7.2%	\$88,306,000	-16.7%	\$92,406,000	-15.8%
Net Transfers	\$26,210,000	-3.8%	(\$1,785,000)	-108.2%	\$24,425,000	-50.1%
Total	\$601,626,000	6.6%	\$669,051,000	2.6%	\$1,270,677,000	4.5%

FY22 Actual Expenditures	E&G Funds	Annual Growth	Other Funds	Annual Growth	Total	Annual Growth
Salary and OPE (Benefits)	\$434,891,000	-0.7%	\$263,184,000	14.8%	\$698,075,000	4.6%
Supplies and Services	\$93,380,000	15.4%	\$254,678,000	26.0%	\$348,058,000	23.0%
Capitalized Equipment	\$5,101,000	34.6%	\$6,472,000	-45.5%	\$11,573,000	-26.2%
Student Aid	\$3,826,000	-18.8%	\$105,969,000	20.1%	\$109,795,000	18.1%
Net Transfers	\$27,254,000	713.8%	\$21,688,000	355.6%	\$48,942,000	503.6%
Total	\$564,452,000	5.2%	\$651,991,000	21.5%	\$1,216,443,000	13.3%

*- These figures do not include plant funds, internal bank funds, or depreciation.

FY24 Projected Revenue	E&G Funds	Annual Growth	Other Funds*	Annual Growth	Total	Annual Growth
State Appropriation	\$90,800,000	0.6%	\$1,800,000	1.8%	\$92,600,000	0.6%
Tuition and Fees	\$503,000,000	5.2%	\$51,300,000	3.4%	\$554,300,000	5.1%
Gifts Grants & Contracts	\$200,000	-50.0%	\$312,000,000	5.9%	\$312,200,000	5.9%
ICC Revenue	\$30,400,000	3.1%	\$0		\$30,400,000	3.1%
Federal Student Aid	\$0		\$25,500,000	2.0%	\$25,500,000	2.0%
Interest and Investment	\$11,000,000	7.2%	\$12,200,000	2.8%	\$23,200,000	4.8%
Internal Sales	\$1,000,000	4.2%	\$74,800,000	6.8%	\$75,800,000	6.8%
Sales & Services	\$5,000,000	1.0%	\$226,000,000	-2.2%	\$231,000,000	-2.1%
Other Revenues	\$3,000,000	9.1%	\$5,700,000	1.6%	\$8,700,000	4.0%
Transfers From Ore State Agencies	\$0		\$16,100,000	7.3%	\$16,100,000	7%
Total	\$644,400,000	4.4%	\$725,400,000	3.0%	\$1,369,800,000	3.6%

FY23 Projected Revenue	E&G Funds	Annual Growth	Other Funds*	Annual Growth	Total	Annual Growth
State Appropriation**	\$90,297,000	4.2%	\$1,769,000	0.5%	\$92,066,000	4.2%
Tuition and Fees	\$478,000,000	7.6%	\$49,595,000	5.6%	\$527,595,000	7.4%
Gifts Grants & Contracts	\$400,000	150.0%	\$294,490,000	-6.0%	\$294,890,000	-5.9%
ICC Revenue	\$29,500,000	2.9%	\$0		\$29,500,000	2.9%
Federal Student Aid	\$0		\$25,000,000	6.3%	\$25,000,000	6.3%
Interest and Investment	\$10,265,000	6.8%	\$11,869,000	-12.5%	\$22,134,000	-4.5%
Internal Sales	\$960,000	5.6%	\$70,028,000	-6.3%	\$70,988,000	-6.1%
Sales & Services	\$4,950,000	11.6%	\$231,092,000	15.4%	\$236,042,000	15.3%
Other Revenues	\$2,750,000	11.2%	\$5,612,000	-64.0%	\$8,362,000	-53.7%
Transfers From Ore State Agencies	\$0		\$15,000,000	32.4%	\$15,000,000	32.4%
Total	\$617,122,000	3.6%	\$704,455,000	3.2%	\$1,321,577,000	3.4%

FY22 Actual Revenue	E&G Funds	Annual Growth	Other Funds	Annual Growth	Total	Annual Growth
State Appropriation	\$86,621,000	4.7%	\$1,761,000	0.6%	\$88,382,000	4.6%
Tuition and Fees	\$444,343,000	7.7%	\$46,985,000	11.3%	\$491,328,000	8.0%
Gifts Grants & Contracts	\$160,000	-58.1%	\$313,333,000	3.7%	\$313,493,000	3.6%
ICC Revenue	\$28,676,000	10.5%	\$0		\$28,676,000	10.5%
Federal Student Aid	\$0		\$23,511,000	0.6%	\$23,511,000	0.6%
Interest and Investment	\$9,609,000	23.0%	\$13,565,000	12.9%	\$23,174,000	16.9%
Internal Sales	\$909,000	30.8%	\$74,701,000	3.1%	\$75,610,000	3.3%
Sales & Services	\$4,437,000	56.2%	\$200,214,000	99.0%	\$204,651,000	97.9%
Other Revenues	\$2,473,000	20.6%	\$15,599,000	297.5%	\$18,072,000	202.5%
Transfers From Ore State Agencies	\$0		\$11,330,000	18.2%	\$11,330,000	18.2%
HEERF Lost Revenue One-Time Transfers	\$18,700,000	189.5%	(\$18,700,000)	189.5%	\$0	
Total	\$595,928,000	10.0%	\$682,299,000	21.5%	\$1,278,227,000	15.9%

* Revenue Report does not include Plant Funds or Internal Bank Funds

**This does not include state one-time funding of \$15.2M

FY24 Capital Project Expenditures

The budgets represent the FY24 expenditure budget not the full budget for each project

Project	FY24 Budget	Expected Source of Project Funds
Housing Transformation Project	\$ 22,600,000	Department (\$2.6M) / UO Bonds (\$20M)
UO Portland Renovations	\$ 10,000,000	Gifts (\$10M)
Huestis Deferred Maintenance	\$ 25,000,000	State Bonds (\$18M) / Matching Funds (\$7M)
Knight Campus Ph2	\$ 105,000,000	Gifts (\$105M)
Heritage Project	\$ 45,000,000	State Bonds (\$41M) / Matching Funds (\$4.0M)
Thermal Storage Tank	\$ 3,500,000	Departmental (\$3.5M)
Oregon Acoustic Research Lab(OARL)	\$ 2,000,000	Grant (\$2M)
State Funded - Capital Projects	\$ 9,500,000	State Bonds (\$9.5M)
Misc. Departmental Projects	\$ 6,000,000	TBD (\$6M)
	\$ 228,600,000	



FY24 Expenditure Authorization

June 2023

Board of Trustees of the University of Oregon

1

FY24 Operating and Capital Expenditure Authorization

Expenditure Authorization Request:

- Projected operating budget for FY24 of \$1,345,300,000
- Projected capital budget for FY24 of \$228,600,000
- Expected operating revenue for the institution is projected to cover expected operating expenditures.

2

FY24 Expenditure Authorization

FY24 Projected Expenditures	E&G Funds	Annual Growth	Other Funds*	Annual Growth	Total	Annual Growth
Salary and OPE (Benefits)	\$498,000,000	7.4%	\$313,000,000	6.9%	\$811,000,000	7.2%
Supplies and Services	\$113,000,000	8.8%	\$292,000,000	3.3%	\$405,000,000	4.8%
Capitalized Equipment	\$4,000,000	0.0%	\$6,800,000	-4.1%	\$10,800,000	-2.6%
Student Aid	\$4,500,000	9.8%	\$87,000,000	-1.5%	\$91,500,000	-1.0%
Net Transfers	\$20,000,000	-23.7%	\$7,000,000	-492.2%	\$27,000,000	10.5%
Total	\$639,500,000	6.3%	\$705,800,000	5.5%	\$1,345,300,000	5.9%

*- These figures do not include plant funds, internal bank funds, or depreciation.

3

FY24 Expenditure Authorization

FY24 Projected Expenditures	E&G Funds	Annual Growth	Other Funds*	Annual Growth	Total	Annual Growth
Salary and OPE (Benefits)	\$498,000,000	7.4%	\$313,000,000	6.9%	\$811,000,000	7.2%
Supplies and Services	\$113,000,000	8.8%	\$292,000,000	3.3%	\$405,000,000	4.8%
Capitalized Equipment	\$4,000,000	0.0%	\$6,800,000	-4.1%	\$10,800,000	-2.6%
Student Aid	\$4,500,000	9.8%	\$87,000,000	-1.5%	\$91,500,000	-1.0%
Net Transfers	\$20,000,000	-23.7%	\$7,000,000	-492.2%	\$27,000,000	10.5%
Total	\$639,500,000	6.3%	\$705,800,000	5.5%	\$1,345,300,000	5.9%

FY23 Projected Expenditures	E&G Funds	Annual Growth	Other Funds*	Annual Growth	Total	Annual Growth
Salary and OPE (Benefits)	\$463,500,000	6.6%	\$292,900,000	11.3%	\$756,400,000	8.4%
Supplies and Services	\$103,816,000	11.2%	\$282,540,000	10.9%	\$386,356,000	11.0%
Capitalized Equipment	\$4,000,000	-21.6%	\$7,090,000	9.5%	\$11,090,000	-4.2%
Student Aid	\$4,100,000	7.2%	\$88,306,000	-16.7%	\$92,406,000	-15.8%
Net Transfers	\$26,210,000	-3.8%	(\$1,785,000)	-108.2%	\$24,425,000	-50.1%
Total	\$601,626,000	6.6%	\$669,051,000	2.6%	\$1,270,677,000	4.5%

FY22 Actual Expenditures	E&G Funds	Annual Growth	Other Funds	Annual Growth	Total	Annual Growth
Salary and OPE (Benefits)	\$434,891,000	-0.7%	\$263,184,000	14.8%	\$698,075,000	4.6%
Supplies and Services	\$93,380,000	15.4%	\$254,678,000	26.0%	\$348,058,000	23.0%
Capitalized Equipment	\$5,101,000	34.6%	\$6,472,000	-45.5%	\$11,573,000	-26.2%
Student Aid	\$3,826,000	-18.8%	\$105,969,000	20.1%	\$109,795,000	18.1%
Net Transfers	\$27,254,000	713.8%	\$21,688,000	355.6%	\$48,942,000	503.6%
Total	\$564,452,000	5.2%	\$651,991,000	21.5%	\$1,216,443,000	13.3%

*- These figures do not include plant funds, internal bank funds, or depreciation.

4

FY24 Projected Revenues

FY24 Projected Revenue	E&G Funds	Annual Growth	Other Funds*	Annual Growth	Total	Annual Growth
State Appropriation	\$90,800,000	0.6%	\$1,800,000	1.8%	\$92,600,000	0.6%
Tuition and Fees	\$503,000,000	5.2%	\$51,300,000	3.4%	\$554,300,000	5.1%
Gifts Grants & Contracts	\$200,000	-50.0%	\$312,000,000	5.9%	\$312,200,000	5.9%
ICC Revenue	\$30,400,000	3.1%	\$0		\$30,400,000	3.1%
Federal Student Aid	\$0		\$25,500,000	2.0%	\$25,500,000	2.0%
Interest and Investment	\$11,000,000	7.2%	\$12,200,000	2.8%	\$23,200,000	4.8%
Internal Sales	\$1,000,000	4.2%	\$74,800,000	6.8%	\$75,800,000	6.8%
Sales & Services	\$5,000,000	1.0%	\$226,000,000	-2.2%	\$231,000,000	-2.1%
Other Revenues	\$3,000,000	9.1%	\$5,700,000	1.6%	\$8,700,000	4.0%
Transfers From Ore State Agencies	\$0		\$16,100,000	7.3%	\$16,100,000	7%
Total	\$644,400,000	4.4%	\$725,400,000	3.0%	\$1,369,800,000	3.6%

* Revenue Report does not include Plant Funds or Internal Bank Funds

5

FY24 Projected Revenues

FY24 Projected Revenue	E&G Funds	Annual Growth	Other Funds*	Annual Growth	Total	Annual Growth
State Appropriation	\$90,800,000	0.6%	\$1,800,000	1.8%	\$92,600,000	0.6%
Tuition and Fees	\$503,000,000	5.2%	\$51,300,000	3.4%	\$554,300,000	5.1%
Gifts Grants & Contracts	\$200,000	-50.0%	\$312,000,000	5.9%	\$312,200,000	5.9%
ICC Revenue	\$30,400,000	3.1%	\$0		\$30,400,000	3.1%
Federal Student Aid	\$0		\$25,500,000	2.0%	\$25,500,000	2.0%
Interest and Investment	\$11,000,000	7.2%	\$12,200,000	2.8%	\$23,200,000	4.8%
Internal Sales	\$1,000,000	4.2%	\$74,800,000	6.8%	\$75,800,000	6.8%
Sales & Services	\$5,000,000	1.0%	\$226,000,000	-2.2%	\$231,000,000	-2.1%
Other Revenues	\$3,000,000	9.1%	\$5,700,000	1.6%	\$8,700,000	4.0%
Transfers From Ore State Agencies	\$0		\$16,100,000	7.3%	\$16,100,000	7%
Total	\$644,400,000	4.4%	\$725,400,000	3.0%	\$1,369,800,000	3.6%

FY23 Projected Revenue	E&G Funds	Annual Growth	Other Funds*	Annual Growth	Total	Annual Growth
State Appropriation**	\$90,297,000	4.2%	\$1,769,000	0.5%	\$92,066,000	4.2%
Tuition and Fees	\$478,000,000	7.6%	\$49,595,000	5.6%	\$527,595,000	7.4%
Gifts Grants & Contracts	\$400,000	150.0%	\$294,490,000	-6.0%	\$294,890,000	-5.9%
ICC Revenue	\$29,500,000	2.9%	\$0		\$29,500,000	2.9%
Federal Student Aid	\$0		\$25,000,000	6.3%	\$25,000,000	6.3%
Interest and Investment	\$10,265,000	6.8%	\$11,869,000	-12.5%	\$22,134,000	-4.5%
Internal Sales	\$960,000	5.6%	\$70,028,000	-6.3%	\$70,988,000	-6.1%
Sales & Services	\$4,950,000	11.6%	\$231,092,000	15.4%	\$236,042,000	15.3%
Other Revenues	\$2,750,000	11.2%	\$5,612,000	-64.0%	\$8,362,000	-53.7%
Transfers From Ore State Agencies	\$0		\$15,000,000	32.4%	\$15,000,000	32.4%
Total	\$617,122,000	3.6%	\$704,455,000	3.2%	\$1,321,577,000	3.4%

FY22 Actual Revenue	E&G Funds	Annual Growth	Other Funds	Annual Growth	Total	Annual Growth
State Appropriation	\$86,621,000	4.7%	\$1,761,000	0.6%	\$88,382,000	4.6%
Tuition and Fees	\$444,343,000	7.7%	\$46,985,000	11.3%	\$491,328,000	8.0%
Gifts Grants & Contracts	\$160,000	-58.1%	\$313,333,000	3.7%	\$313,493,000	3.6%
ICC Revenue	\$28,676,000	10.5%	\$0		\$28,676,000	10.5%
Federal Student Aid	\$0		\$23,511,000	0.6%	\$23,511,000	0.6%
Interest and Investment	\$9,609,000	23.0%	\$13,565,000	12.9%	\$23,174,000	16.9%
Internal Sales	\$909,000	30.8%	\$74,701,000	3.1%	\$75,610,000	3.3%
Sales & Services	\$4,437,000	56.2%	\$200,214,000	99.0%	\$204,651,000	97.9%
Other Revenues	\$2,473,000	20.6%	\$15,599,000	297.5%	\$18,072,000	202.5%
Transfers From Ore State Agencies	\$0		\$11,330,000	18.2%	\$11,330,000	18.2%
HEERF Lost Revenue One-Time Transfers	\$18,700,000	189.5%	(\$18,700,000)	189.5%	\$0	
Total	\$595,928,000	10.0%	\$682,299,000	21.5%	\$1,278,227,000	15.9%

* Revenue Report does not include Plant Funds or Internal Bank Funds

**This does not include state one-time funding of \$15.2M

6

FY24 Capital Budget

Project	FY24 Budget	Expected Source of Project Funds
Housing Transformation Project	\$ 22,600,000	Department (\$2.6M) / UO Bonds (\$20M)
UO Portland Renovations	\$ 10,000,000	Gifts (\$10M)
Huestis Deferred Maintenance	\$ 25,000,000	State Bonds (\$18M) / Matching Funds (\$7M)
Knight Campus Ph2	\$ 105,000,000	Gifts (\$105M)
Heritage Project	\$ 45,000,000	State Bonds (\$41M) / Matching Funds (\$4.0M)
Thermal Storage Tank	\$ 3,500,000	Departmental (\$3.5M)
Oregon Acoustic Research Lab(OARL)	\$ 2,000,000	Grant (\$2M)
State Funded - Capital Projects	\$ 9,500,000	State Bonds (\$9.5M)
Misc. Departmental Projects	\$ 6,000,000	TBD (\$6M)
	\$ 228,600,000	

The budgets represent the FY24 expenditure budget not the full budget for each project

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

Resolution: FY24 Budget and Expenditure Authorizations

WHEREAS, ORS 352.087(1)(a) provides that the Board of Trustees may acquire, receive, hold, keep, pledge, control, convey, manage, use, lend, expend and invest all moneys, appropriations, gifts, bequests, stock and revenue from any source;

WHEREAS, ORS 352.087(1)(i) provides that the Board of Trustees may, subject to limitations set forth in that section, spend all available moneys without appropriation or expenditure limitation approval from the Legislative Assembly;

WHEREAS, ORS 352.102(1) provides that the Board of Trustees may authorize, establish, collect, manage, use in any manner and expend all revenue derived from tuition and mandatory enrollment fees;

WHEREAS, 352.087(3) provides that the Board of Trustees may perform any other acts that in the judgment of the Board of Trustees are required, necessary or appropriate to accomplish the rights and responsibilities granted to the Board and the University by law;

WHEREAS, ORS 352.087(2) requires, and the Board of Trustees finds, that the budget of the University of Oregon be prepared in accordance with generally accepted accounting principles;

WHEREAS, the 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 refers the following actions to the Board as a second motion, recommending adoption:

1. An operating budget in the sum of \$1,345,300,000 is adopted for fiscal year 2024 (FY24). During FY24, the Treasurer of the University may expend or authorize the expenditure of this sum plus three percent, subject to applicable law. In the event that such expenditure authority is insufficient, the Treasurer may seek additional expenditure authority from the Executive, Audit, and Governance Committee of the Board of Trustees.
2. A capital budget in the sum of \$228,600,000 is adopted for FY24. During FY24, the Treasurer of the University may expend or authorize the expenditure of this sum plus three percent, subject to applicable law. In the event that such expenditure authority is insufficient, the Treasurer may seek additional expenditure authority from the Executive, Audit, and Governance Committee of the Board of Trustees.
3. The Treasurer may provide for the further delegation of the authority set

forth in paragraphs 1 and 2.

Moved: _____ Seconded: _____

Trustee	Vote	Trustee	Vote
Aaron		Kari	
Boyle		Moses	
Evans Jackman		Seeley	

Dated: _____ Recorded: _____

PAGE INTENTIONALLY LEFT BLANK

Agenda Item #3

East Campus Housing

OVERVIEW OF EAST CAMPUS

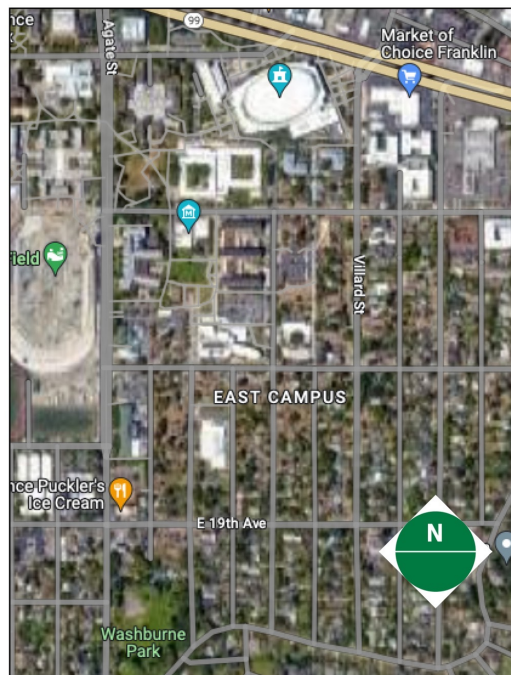
AT THE UNIVERSITY OF OREGON

Roger Thompson, Vice President of Student Services and
Enrollment Management



1

EAST CAMPUS



2

QUESTIONS?

Dr. Roger J . Thompson, Vice President for Student Services and Enrollment Management

rjt@uoregon.edu | 541-346-2541



PAGE INTENTIONALLY LEFT BLANK

Agenda Item #4

Capital Authorization

Agenda Item #4.1

Heritage Project - Full Authorization

**HERITAGE DEFERRED MAINTENANCE PROJECT (University and Villard Halls): Full Project
Authorization June 2023**

The Heritage Project is a large-scale deferred maintenance project involving both University and Villard Halls; the two founding and most historic buildings on the University of Oregon campus. The project will replace all mechanical, plumbing, and electrical systems, mitigate building code and life/safety deficiencies, seismically stabilize the buildings, and dramatically improve the teaching and learning experience for faculty and students. The state legislature approved the project in 2021 and allocated \$58.5M in bond funding towards the initiative. In order to secure this state funding, the university committed to a \$5.85 million match. To address further institutional needs, the project is also consolidating the Cinema Studies program from various locations on campus into Villard Hall to build synergies with the Theater Arts program. Due to both the scope change and significant inflationary construction cost pressures, the total anticipated budget is \$87.82M.

The University is requesting authorization to proceed with the full project (budgeted at \$87.82M) to complete the design and renovation of both University and Villard Halls. As you recall, in March 2023 the BOT previously approved \$10M of the \$87.82M budget towards continuing the design and funding the displacement projects associated with vacating the buildings in preparation for construction.

Status & Timeline: The project is currently in the Design Development phase with design completion in the Fall 2023. Both buildings will need to be full vacated as subsequent demolition is slated to occur in late summer/fall. Construction will start later in the Fall 2023 with completion projected to occur during the summer of 2025.

Costs & Sources of Funds: Full project authorization is being requested at this Board meeting for \$87.82M. The entire project is supported by state and university funds in the following manner: \$58.5M State Bond Funds, \$5.85 UO Match, \$18.47M UO Funds, and \$5.0M State Capital Improvement Funds. The FY2023 Q3 E&G Fund projections include the transfer of required UO funds to complete the project.



Campus Heritage Project: University and Villard- Deferred Maintenance

PROJECT DESCRIPTION

University and Villard Halls are the two oldest buildings at the University of Oregon. In 1876 University Hall was the first building constructed followed by Villard Hall in 1885. Both buildings are listed on the National Register for Historic Places and designated as National Historic Landmarks.

University Hall encompasses multiple math classrooms supporting approximately 5,000 students annually. The building also contains faculty and staff offices. Villard Hall is currently the home of the Theater Arts Department and the Comparative Literature Program supporting approximately 5,000 students in a typical academic year.

Since legislative approval in 2021, UO increased both the scope and funding of the project in an effort to consolidate a fast-growing Cinema Studies program (from various campus locations) into Villard Hall to build programmatic synergies with the Theater Arts program.

Objectives

- Replace all building systems (mechanical, electrical, plumbing, fire protection, computer network, access controls, and security). These new systems will meet energy performance requirements of the Oregon Model for Sustainable Development and LEED Gold certification.
- Improve building exterior envelope conditions, including historic preservation

treatments as well as energy efficiency improvements.

- Provide corrective life/safety and accessibility measures to the building.
- Upgrade the building structural systems to comply with current building code to ensure a structurally sound building in a seismic event.
- Provide corrective improvements to building utility systems (storm water, sanitary sewer, domestic water, fire protection water, and natural gas), and capitalize on the connection to the Central Power Station.
- Revitalize building spaces to meet current campus standards and improve the student experience. Improvements to the building interior environment will include finishes, layouts, lighting, and quality of space.
- Improve the south entrance to Villard Hall as it has become the primary entrance to the building. This in turn will improve accessibility for individuals entering and navigating the building.

Project Status

In Design Development design phase. Anticipate vacating both buildings late July 2023.

PROJECT STATS

Project Type: Renovation, Restoration and Deferred Maintenance

Space Type: Classrooms, Offices, Cinema, Theater, and Support Functions

Square Footage:

University Hall: 26,616

Villard Hall: 32,000

Robinson Theater: 19,153

Budget: \$87.82M

Funding Source(s):

Q Bonds: \$52.65M

G Bonds: \$5.85M

UO Match: \$5.85M

UO Funds: \$18.47M

State CIP: \$5.0M

Project Duration: 4 years

Initial Approval March 2023: \$10M

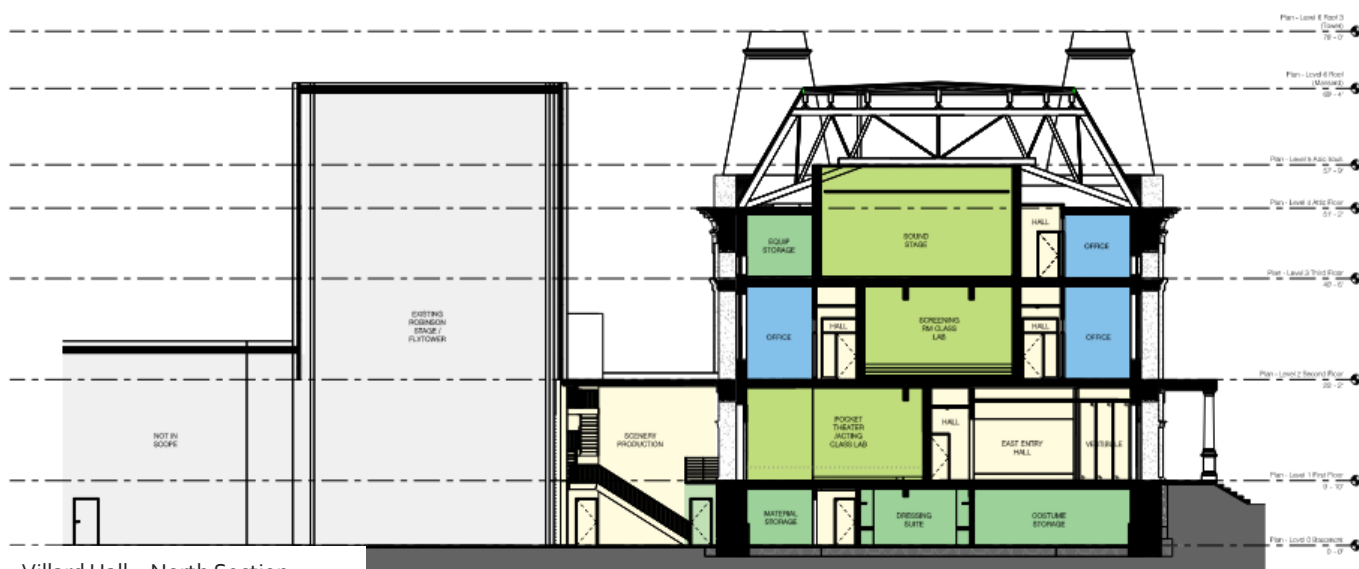
Current Request: Full Project Approval



University Hall



Villard Hall



Villard Hall – North Section



University Hall – East Section



University Hall – Math Classroom Rendering

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

Resolution: Authorization for Certain Capital Expenditures (Heritage Deferred Maintenance Project – Full Project Authorization)

WHEREAS, the Heritage Project is a large-scale deferred maintenance project involving both University and Villard Halls; the two founding and most historic buildings on the University of Oregon campus;

WHEREAS, the project will replace all mechanical, plumbing, and electrical systems, mitigate building code and life/safety deficiencies, seismically stabilize the buildings, and dramatically improve the teaching and learning experience for faculty and students;

WHEREAS, state legislature approved the project in 2021 and allocated \$58.5 million in bond funding towards the initiative, which is currently projected to cost \$87.82 million;

WHEREAS, in March 2023 the Board approved expenditure authorization to complete the design for both buildings along with the construction of both temporary and permanent displacements that will support the main construction for University and Villard Halls in an amount not to exceed \$10 million;

WHEREAS, after extensive due diligence and making adjustments to project estimates due to scope changes and significant inflationary adjustments the university has arrived at a total project cost of \$87.82 million;

WHEREAS, the cost of the construction project would exceed \$5,000,000, a threshold requiring Board authorization;

WHEREAS, the Policy on Committees authorizes the Finance and Facilities Committee to submit items to the full Board as a seconded motion, recommending passage.

Now, therefore, the Finance and Facilities Committee of the Board of Trustees of the University of Oregon hereby refers to the full Board of Trustees the recommendation authorizing the President or their designee(s) to execute contracts and expend resources to complete the Heritage project in an amount not to exceed \$87.82 million.

Moved: _____ Seconded: _____

Trustee	Vote	Trustee	Vote
Aaron		Kari	
Boyle		Moses	
Evans Jackman		Seeley	

Dated: _____ Recorded: _____

Resolution: Authorization for Certain Capital Expenditures (Heritage Deferred Maintenance Project – Full Authorization)

5 June 2023

Agenda Item #4.2

Romania Lease Agreement

Romania Property: Lease Agreement Authorization

The university is requesting authorization from the Board of Trustees for the President (or designee) to negotiate and execute a ground lease agreement, that is consistent with the terms outlined in the attached Term Sheet for the proposed development of the Romania lot. This non-binding term sheet has been prepared to establish a framework of terms for future negotiations. This term sheet's terms and conditions would also provide the developer with a project outline to present to potential equity investors and to secure debt financing.

The attached resolution includes the proposed non-binding term sheet (see Exhibit A to the resolution). A summary of the project and non-binding term sheet follows.

Project Overview

The university proposes to lease the Romania lot for a mixed-use commercial development to generate rent revenue for the university and to revitalize the area on Franklin Boulevard between I-5 and the University campus. The proposed development would provide a range of housing options for the community and be located on a four-acre lot south of Franklin Boulevard between Orchard and Walnut streets known as the former Lew Williams or Joe Romania car dealership or the Romania lot.

The plan for the project includes residential apartments, retail stores, and parking facilities. The project would be a "first class" mixed-use development geared toward high value services, spaces, and accommodations in a location closer to the campus than other comparable options. The project and the university's community, visitors, and guests would all benefit from an improved set of facilities, as well as housing units that are priced at different levels to accommodate a broader set of potential occupants.

In addition, development at this location would invigorate an area that has been identified by the US Treasury Department and the Eugene City Council as an Opportunity Zone that warrants new commercial investment. This project would improve the gateway corridor connecting I-5 to the university's campus.

Brief History of the Project

In the fall of 2017, the university began exploring options for private development to revitalize the Romania property and provide a new revenue stream to the institution. In a collaboration involving Campus Planning and Facilities Management, Purchasing and Contracting Services, Business Affairs, and the Office of the General Counsel, the university published a nationwide request for qualified

developers to submit proposals for a mixed-used commercial development. The university selected the developer who met the university's pre-established requirements for experience and financial stability to deliver a successful project.

Selected Developer

The university selected Project^, based in Portland, Oregon, and led by Tom Cody, as the developer for the project. Project^ has constructed numerous successful development projects throughout Oregon, including projects in Portland, Eugene, Bend, and Corvallis. Project^ is familiar with the market forces of the Eugene area with three previously completed projects close to campus, including two near the Romania property.

On June 4, 2020, the Board approved a non-binding term sheet between the university and Project^ related to this property. The original project concept, which included a hotel and commercial office space, was rendered infeasible due to COVID and the resultant shifts in work arrangements and the increased need for housing in the Eugene community. This revised proposal focuses on the housing and retail services that would benefit the university and the surrounding community.

Negotiated Terms

The following highlights key non-binding terms in the term sheet attached to the Board's resolution in the docket:

Lease Term: The initial lease term would be for 55 years starting on substantial completion of construction. The developer would have unilateral options to extend the initial term for up to two (2) periods of ten (10 years each (20 years total)).

Rent:

- Inspection/Initial Period Rent.** Monthly rent of \$2,500 is forgiven for the first eight months while the developer secures permits and finishes any remaining inspection of the property ("the Entitlements"). This period cannot exceed twenty months. While the developer could terminate the lease before the expiration of the Inspection/Initial Period, it would forfeit a portion of the \$250,000 deposit if it elected to do so.

- Construction Period Rent.** Monthly rent of \$5,000 while the developer constructs the project according to a pre-established schedule. If construction continues beyond the pre-established date of substantial completion, monthly rent would escalate to \$15,000 until substantial completion of the project.

- Base Rent and Stabilization Period Rent.** Monthly rent of \$49,114 totaling \$589,368 annually. This annual amount is five and a half (5.5%) percent of appraised land value of \$10,715,760. Base Rent would

begin at a discounted rate and gradually increase over the first 18 months after substantial completion while the project's operations stabilize. After that period, the full monthly rent would begin.

•**Rent Increases.** The base rent would increase by two and a half (2.5%) percent annually beginning with the date of substantial completion of construction.

Construction Timeline: Construction is anticipated to last up to four years after the execution of a final ground lease with the developer.

Preservation of the Historic Structure: The developer would be required to preserve and incorporate the former Romania car dealership showroom into the project. The showroom is an example of so-called "googie" architecture that was popular in the late 1950s and early 1960s. The showroom is designated as a historic site by the City of Eugene and included in the National Register of Historic Places. The developer must comply with the City's regulations for preservation of historic sites.

University Approval Rights: The university would have the right to approve the following elements of the project to ensure the quality of the project: the project architect (subject to pre-approved architects included in the term sheet), the design of the project (including schematic design and the appropriateness of the developer's proposed use of modular construction), the general contractor (subject to pre-approved general contractors included in the term sheet), the construction schedule, any material alterations to the project's plan (including material changes to the original site plan, building exterior, building structure, building mix, or project scope), any future purchaser of the project (subject to the rights of the developer's proposed equity investor), and the identity of any commercial tenant in ground floor retail space.

Right of First Offer to Purchase: The university and developer would each possess the right of first offer to purchase (the University for the improvements to the land and the developer for the land). Offers will be based upon fair market value, as established by a licensed appraiser.

Referral Arrangement: The university would, pursuant to a written agreement, refer potential residential tenants to the apartments.

Prohibited Uses and Additional Clauses. The university and developer agree to address, among other language in the ground lease, prohibited uses for the project, indemnity, insurance, and the use of the university's intellectual property and marks.

Romania Development

Proposed Ground Lease Terms & Conditions

June 5, 2023

Presentation to the Board of Trustees

Michael Harwood, FAIA
AVP for Campus Planning and Facilities Management

1

Overview

- Purpose - University desires to enter into a long term ground lease for a mixed-use development on the Romania lot that provides a new revenue stream to the institution and develops more housing options for our community closer to campus
- Project uses - Includes residential apartments at different levels of affordability, retail spaces, restaurant, and parking to support all uses
- Location - 4.1 acres on Franklin Blvd between Walnut St and Orchard St
- History - Solicited proposals through a national competitive process. Board previously approved a Term Sheet in June 2020, but the project stalled due to the pandemic and then reimagedined
- Developer - Project^ led by Tom Cody, located in Portland with experience in Eugene

2

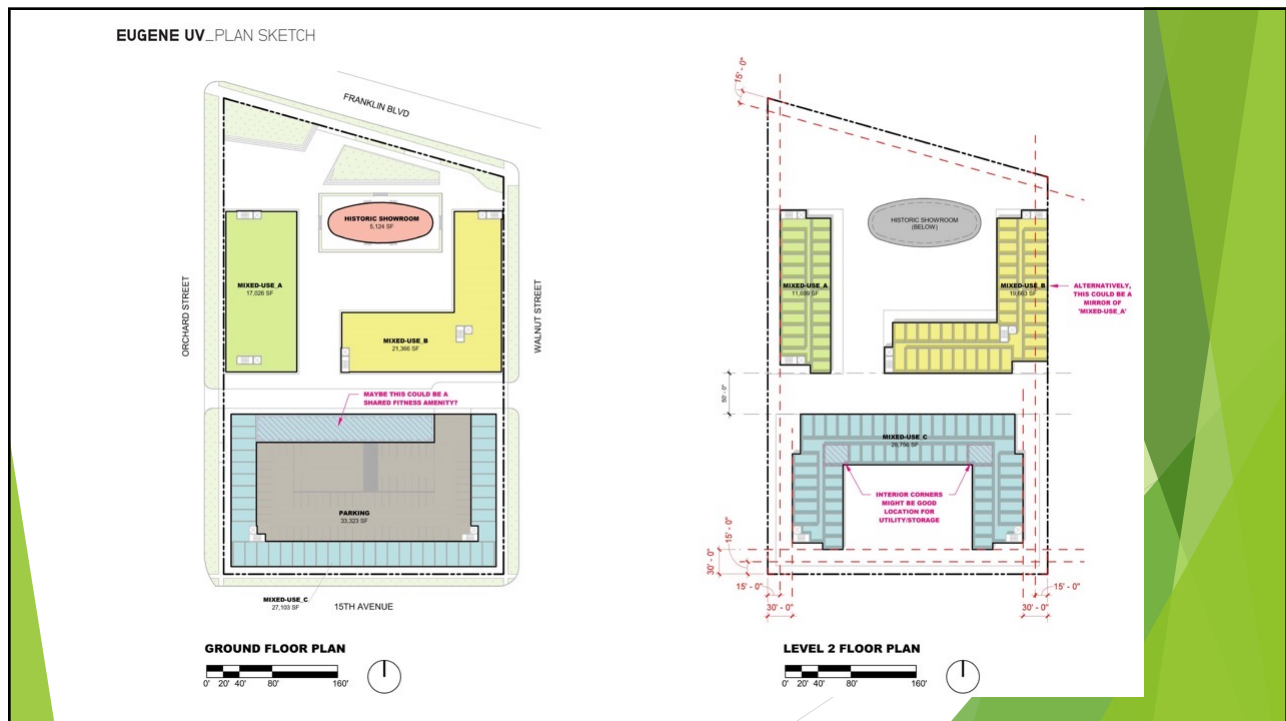
Terms & Conditions

- Lease Duration - 55 years with two 10 year renewals
- Income to University - Nominal rent during construction, base rent of \$589,368 per year, with annual increases, begins after construction
- Timing - Construction is expected to begin in mid 2024 and take up to 3 years to complete
- Prevailing Wage - Will be required for all construction contracts
- Historic preservation - City has already approved the developer's plan to save the historic Romania showroom
- Referral Arrangement - University will refer visitors, guests, and others to apartments for accommodations

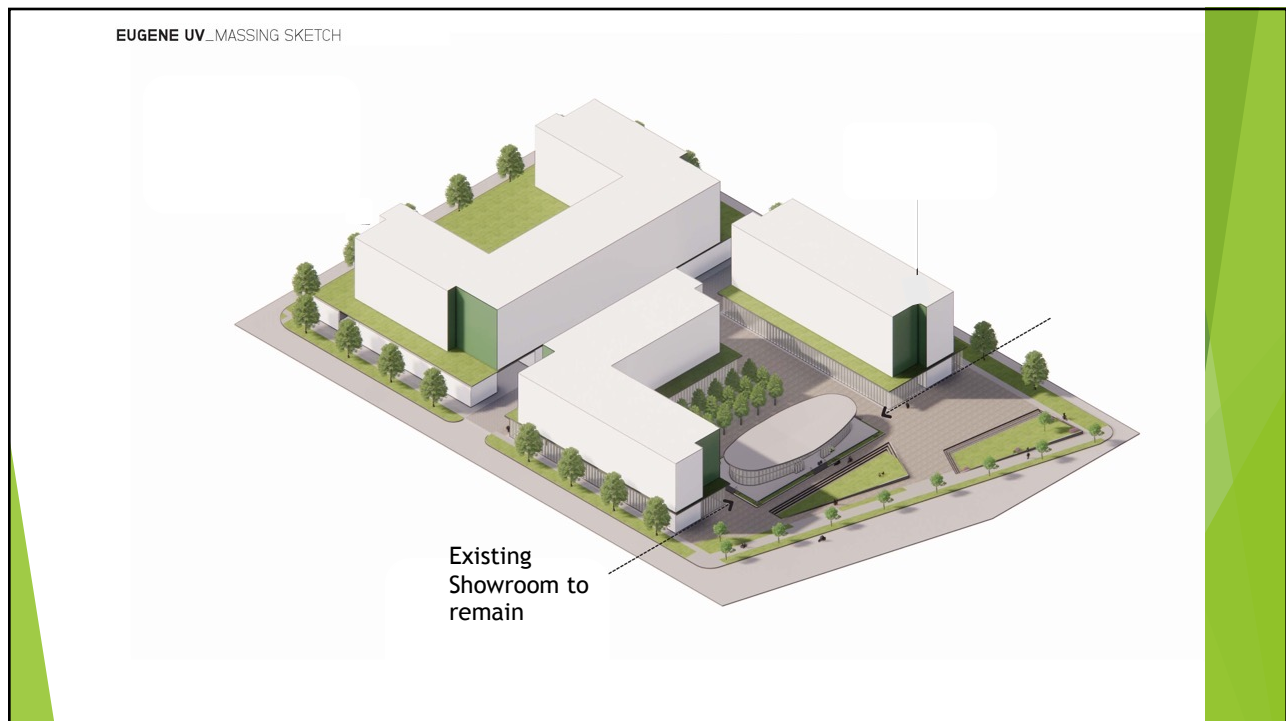
3



4



5



6



7



8

Proposed Board Resolution

- Board of Trustees authorizes the President (or their designee) to negotiate and execute a ground lease agreement that is consistent with the Term Sheet for the proposed Romania Development.

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

**Resolution: Approval to
Negotiate and Execute Ground Lease (Romania Property)**

WHEREAS, the University of Oregon (“University”) wishes to lease a four-acre lot south of Franklin Boulevard between Orchard and Walnut streets, commonly referred to as the Romania lot (“Romania Property”), to a third party for purposes of mixed-use development;

WHEREAS, development of the Romania Property would enhance the institution and the community through the provision of additional parking, housing, and retail and service providers to community members and visitors;

WHEREAS, leasing the property to a third party for such development is the most prudent course of action when factoring in planning, longevity, ongoing management, finances, and the ability for the institution to realize a new revenue stream;

WHEREAS, in June 2020, after the University had explored options for private development of the Romania property since 2017 and, after a competitive national process, established an intent to establish a lease agreement with Project^, a Portland based company, as a partner in this endeavor;

WHEREAS, the original project concept outlined in the Board-approved non-binding term sheet, which included a hotel and commercial office space, was rendered infeasible due to COVID and the resultant shifts in work arrangements and the increased need for housing in the Eugene community, necessitating the establishment of new terms for the lease agreement.

WHEREAS, the University and Project^ have established updated key terms relative to this partnership (attached hereto as Exhibit A) which would be favorable to the institution and wish to move forward toward a formal lease agreement;

WHEREAS, controlling public contracting laws and prevailing wage rules would apply to the project where appropriate;

WHEREAS, Board of Trustees’ approval is required for the execution of instruments where the anticipated cost or value to the university exceeds \$5 million in total cost; and,

WHEREAS, the Policy on Committees authorizes the Finance and Facilities Committee to submit items to the full Board as a seconded motion, recommending passage.

NOW, THEREFORE, the Finance and Facilities Committee of the Board of Trustees hereby refers to the full Board of Trustees the recommendation authorizing the President or their designee(s) to negotiate and execute a ground lease with Project^ for purposes of third party development and management of the university property known as the Romania Property, with terms for such an agreement substantially similar to those articulated in the summary and exhibits associated with this resolution. Further, the Board authorizes the president, the senior vice president for finance and administration, and their designee(s) to take actions necessary to execute the authorization within this resolution.

Moved: _____ Seconded: _____

Trustee	Vote	Trustee	Vote
Aaron		Kari	
Boyle		Moses	
Evans Jackman		Seeley	

Dated: _____ Recorded: _____

NONBINDING GROUND LEASE TERM SHEET

**University Village
Eugene, Oregon**

May [____], 2023

The following is a nonbinding summary of the basic terms of the proposed ground lease (the “**Lease**”) for the University Village project land. Neither Party is bound to enter this proposed transaction unless a formal, comprehensive Lease is authorized, executed, and delivered by both Parties. Authorization includes, but is not limited to, any action or approvals required by the University of Oregon Board of Trustees. Landlord and Tenant may individually be referred to herein as a “Party” and collectively as the “Parties.”

1. **Landlord.** University of Oregon (or “**University**”).
2. **Tenant.** University Village LLC, an Oregon limited liability company (“**Tenant**”).
3. **Land.** Approximately 4.13 acres of land and certain improvements thereon (including the historic car dealership showroom that will remain as a part of the Project, defined hereafter) located at 2020 Franklin Boulevard, Eugene, Oregon 97403 (the “**Land**”).
4. **Project.** A mixed-use project comprised of multi-family residential, ground floor retail and parking to be constructed by Tenant (the “**Project**”) in accordance with the Lease. The Land and Project are sometimes referred herein as the “**Property**.” The Project excludes subtenant improvements.
5. **Use.** Tenant may use the Property for any lawful purpose consistent with the operations of the Project as a first-class mixed-use project, excluding specified prohibited uses (e.g., adult entertainment or cannabis operations). The enumerated prohibited uses in this term sheet are illustrative and the Lease may include additional prohibited uses as negotiated by the Parties.
6. **Lease Term.** Commencing on the date of mutual execution of the Lease (the “**Effective Date**”) and ending on the date that is fifty-five (55) years after the date of substantial completion of the Project, as may be extended or renewed (the “**Term**”). The definition of substantial completion will be included in the Lease.
7. **Options to Renew.** Tenant may extend the Term for up to two (2) periods of ten (10) years each (i.e., 20 years total) by giving Landlord not less than twelve (12) months prior notices of such extension on all the same terms as set forth in the Lease (including Base Rent). Renewal options may be exercised by Tenant at any time.
8. **Inspection/Initial Period.** Tenant will have a period of twenty (20) full calendar months after the Effective Date, or, if earlier, until the date construction of the Project commences (the “**Initial Period**”) to satisfy itself regarding all aspects and conditions of the Land and to obtain all approvals, permits, consents and rights deemed necessary or desirable by Tenant to develop,

construct and operate the Project (the “**Entitlements**”). For purposes of the preceding sentence, “construction” does not include environmental remediation, including but not limited to removal of underground storage tanks. During the Initial Period, Tenant may conduct such investigations and inspections and pursue such Entitlements as the Tenant deems necessary or desirable for the Project. Landlord will cooperate reasonably with such efforts (without out-of-pocket costs to the Landlord). If Tenant, in its sole discretion, determines the Land is not suitable or the Project is not feasible, or Tenant does not receive the Entitlements, Tenant, at its options, may terminate the Lease by giving written notice thereof to Landlord at any time prior to the expiration of the Initial Period and receive a refund of the security deposit referenced in Section 15 below, less the Breakup Fee (defined in Section 16 below). Upon such termination, Tenant will provide Landlord with copies of all final reports ordered by the Tenant, including but not limited to surveys, environmental studies, and geotechnical reports, and copies of all final applications and approvals for land use issues and permits received by the Tenant.

9. **Initial Period Rent.** During the Initial Period, Tenant shall pay the following sums for the indicated period (“**Initial Period Rent**”): (i) zero dollars (\$0.00) per month for the period from the Effective Date until the date that is 240 days after the Effective Date, and (ii) \$2,500 per month for the period commencing on the 240th day after the Effective Date until the end of the Initial Period. All sums payable under the Lease will be prorated for any partial month. If any payment due by Tenant under the Lease is not postmarked or received by the tenth (10th) day after such payment is due, Landlord will assess, and Tenant will pay, a late fee of five percent (5%) of the past due sum.
10. **Construction Period Rent.** From the end of the Initial Period until the day before the outside completion date as determined by the construction schedule to be included in the Lease, subject to extensions as described below with respect to the construction schedule (the “**Construction Period**”), Tenant will pay \$5,000 per month, payable on the first day of each month during the Construction Period (the “**Construction Period Rent**”). If the Project has not reached substantial completion by the outside completion date subject to the extensions described below, in addition to any other Landlord remedies, the Construction Period Rent will increase to and remain \$15,000 per month until substantial completion.
11. **Stabilization Rent.** Tenant will pay reduced Base Rent during a stabilization period of 18 months beginning on the date of substantial completion (“**Project Stabilization Period**”) as follows: (i) Tenant will pay monthly rent, payable on the first day of the month, equal to one-quarter of monthly Base Rent for months one through six ; (ii) Tenant will pay monthly rent, payable on the first day of the month, equal to one-half of monthly Base Rent for months seven through 12; and (iii) Tenant will pay monthly rent, payable on the first day of the month, equal to three-quarters of monthly Base Rent for months 12 through 18. Rent during the Project Stabilization Period is “**Stabilization Rent.**”
12. **Base Rent.** Commencing on the day after the end of the Project Stabilization Period (“**Base Rent Commencement Date**”), Tenant will pay annual base rent (“**Base Rent**”) of \$589,368.00. Base Rent will be payable in equal monthly installments of \$49,114.00 per month payable on the first day of the month. The Base Rent will be allocated among the Project buildings to be set forth in the Lease. Base Rent is subject to the following adjustments:

Adjustments to Base Rent. Base Rent will increase by two and one-half percent (2.5%) on the first anniversary of the Base Rent Commencement Date and on each such annual anniversary thereafter during the Term.

13. **Construction Rights.** Tenant may design, construct, and alter the Project from time to time during the Term without Landlord's approval, subject only to the University Approval Rights described below. Landlord will reasonably cooperate (without incurring out-of-pocket costs) with Tenant's efforts to obtain the Entitlements for the Project, including but not limited to signing easements, dedications, permit applications, and other documents and possibly meeting with governmental authorities. Tenant may demolish all existing improvements upon receipt of all Entitlements, so long as the demolition is contemplated in the Schematic Design Package for Initial Tenant Improvements (excluding the historic former car dealership showroom which will remain and be improved in accordance with historic preservation requirements as part of the Project). To the extent required by applicable law, the construction of the Project will comply with Oregon's prevailing wage rates for public works.
14. **Landlord's Approval Rights.** During Landlord's ownership of the Land, Landlord will have the following consent or approval rights ("**Landlord's Approval Rights**"):
 - a. The Project Architect, provided that ZGF Architects, El Dorado Architects, Group Mackenzie, Inc., and GBD Architects are each pre-approved by Landlord.
 - b. The Project General Contractor/Construction Manager, provided that Crutcher Lewis, Walsh Construction Co., Hoffman Construction Company, and Modomi Manufacturing, LLC, are each pre-approved by Landlord.
 - c. The schematic, design, and construction drawings for the Project, and material changes thereto.
 - d. The Project's initial construction schedule mutually approved by the Landlord and Tenant and material changes to the construction schedule. The Parties will define material changes in the Lease.
 - e. Alterations to the Project that materially change the original site plan, building exterior, or building structure. The Parties will define material change in the Lease.
 - f. Assignee of Tenant's interests in the Property subject to Section 20 of this term sheet.

All Landlord consent or approval rights will, to the maximum extent possible, be subject to reasonable and objective standards and criteria set forth in the Lease, and approvals may not be unreasonably withheld, conditioned, or delayed. The Lease will provide for "deemed consent" if Landlord does not respond after two (2) written notices providing for reasonable fixed periods, the duration of which will be negotiated and defined in the Lease. In the case of disapproval, Landlord will provide all reasonable grounds for the disapproval and specify such changes, if applicable, that would cause Landlord to grant its approval.

15. **Construction Schedule.** Tenant will reach substantial completion of the Project in conformance with a construction schedule mutually approved by Landlord and Tenant as described in the Lease, subject to Force Majeure Delays and mutually agreed change orders or modifications to the construction schedule. Tenant will have 60 business days to cure any impermissible delay, subject to Force Majeure Delays. In addition, during the Construction Period, Tenant will not stop construction for any continuous period of more than 60 business days, subject to Force Majeure Delays. In the event of breach by Tenant, Landlord may exercise any applicable rights described in the Lease after expiration of any applicable notice and cure period provided therein.

As used herein, “**Force Majeure Delays**” means a delay due to any cause(s) beyond a Party’s reasonable control, including but not limited to, fire, explosion, flood, riot, acts of nature (including adverse weather), terrorist acts, acts of political sabotage, war, governmental acts (including legislation, orders, moratoria, or regulation), unknown subsurface conditions, endemic, pandemic, quarantine, inability to obtain required labor or materials (excluding inability solely due to price increases), strikes or labor difficulties, and delays caused by the other Party or any third party. The Party claiming a Force Majeure Delay will, however, make all reasonable efforts (if within its control) to remove or eliminate such a cause of delay and will, upon the cessation of the cause, diligently pursue performance of its obligations under this Lease.

16. **Construction Completion Guaranty.** A copy of the construction completion guaranty for the Project in favor of the Tenant’s leasehold lender will be provided to Landlord prior to the commencement of the Construction Period. Tenant will provide such a guaranty to Landlord only if there is no such guaranty in favor of the Tenant’s leasehold lender. Any guaranty will terminate upon substantial completion of the Project. No other guaranties are contemplated by the Tenant. Tenant will also provide a \$250,000 cash deposit or letter of credit to Landlord at the execution of the Lease as security for Tenant’s performance of its Lease obligations through the Construction Period, provided such deposit or letter of credit will be (i) reduced to \$150,000 upon substantial completion of the Project and held as a refundable security deposit under the Lease (and the balance of \$100,000 will be refunded to Tenant at the end of the Construction Period), or (ii) refunded to Tenant if the Lease is terminated during the Initial Period, less the Breakup Fee. If Tenant terminates the Lease during the Initial Period, Tenant will pay to Landlord a termination fee in the sum of Fifty Thousand and No/100 Dollars (\$50,000.00) (the “**Breakup Fee**”). As noted, the Breakup Fee will be paid by deduction from the security deposit.

17. **Leasehold Financing.** Tenant will have the right from time to time without Landlord’s consent to mortgage, pledge or otherwise encumber Tenant’s leasehold estate under the Lease and its interest in the Project to secure construction, permanent, or other financing (up to a maximum of 75% of Tenant’s interest in the Property). Any such leasehold financing will not attach to the Landlord’s fee estate. The Lease and any subleases (and all amendments, renewals, and extensions to either) will not be affected by or subject to Landlord’s fee mortgages (if any). Landlord’s fee and revisionary interests will not be affected by or subject to Tenant’s leasehold mortgage.

Upon request, Landlord will enter into a leasehold mortgage protection agreement with Tenant’s lender. Such an agreement may include the following provisions: right to notices; opportunity to cure (excluding defaults that are susceptible to cure by Tenant’s lender); lender’s control over Tenant’s

negotiation of and rights under the Lease; right to “new lease” on substantially the same terms as this Lease for the remaining Term if the Lease terminates; control over Tenant’s conduct of certain bankruptcy proceedings; after payment of all rents then due, Landlord will permit proceeds of casualty insurance and condemnation to be first applied to restoration of Project; and other normal and customary protections. In addition, if Tenant’s lender requires any modifications of the Lease as a condition to advancing a loan to Tenant, Landlord will from time to time execute and deliver a commercially reasonable modification agreement as may be required to make the Lease “financeable” to an institutional or capital market lender, provided that such agreement does not adversely affect Landlord in any material respect as determined by Landlord in its reasonable discretion or reduce any payment to Landlord.

18. **Net Lease.** Lease will be a “net” lease, meaning that Tenant will be responsible for all property taxes, insurance, utilities, maintenance, and all other Property expenses (except for certain exclusions relating to Landlord’s ownership of the fee). Tenant controls all operations, leasing, and tax protests.

19. **AS-IS Condition.** Unless the Lease is previously terminated or as otherwise provided, Tenant will accept the Land at the expiration of the Initial Period in its as-is condition as of such date. Landlord makes no warranties or representations of any kind with respect to the Land. Notwithstanding the foregoing, the Initial Period Rent, Construction Period Rent, Stabilization Rent, and Base Rent (as applicable) will be reduced by an amount equal to the amortized costs incurred by Tenant to remediate unknown environmental conditions identified prior to the substantial completion of the Project not discovered during the Initial Period. Such costs will be amortized over twenty-four (24) months; provided the maximum aggregate rent reduction will not exceed \$200,000. Landlord is responsible for the costs of abatement of asbestos in the existing buildings on the Land prior to demolition by Tenant. For reference, the geotechnical and environmental reports available to both Landlord and Tenant as of the date of the Term Sheet are:

Report	Company	Date of Report
Asbestos Survey Report--Revised	UO	01/22/2019
Report of Geotechnical Engineering Services	GeoDesign	02/13/2019
Phase I and Phase II Environmental Site Assessments and Limited Asbestos Survey	GeoDesign	03/02/2005
Limited Phase II Environmental Site Assessment	GeoDesign	12/16/2019

20. **Lease Assignment.** Tenant may assign all or portion of the Lease and its other rights in the Property to an Affiliate assignee (without consent of Landlord), to a permitted assignee (as described hereafter), to its leasehold lender in connection with leasehold financing (without consent of Landlord), or to another entity (with the consent of the Landlord).

Landlord may refuse to give consent if a potential assignee does not meet standards for: (i) sufficient successful operating and ownership experience to perform lessee’s Lease obligations (which will be defined in the Lease); (ii) financial strength (which will be defined in the Lease); and (iii) whose character and values ~~do not~~ conflict with Landlord’s standards (which will be defined in the Lease).

Landlord's consent or rejection of a potential assignee based on character and values must be limited to the following considerations:

- a. Overall positive history and reputation for safe operations with regard to real estate investments;
- b. Overall positive history and reputation for ethical practices with regard to real estate or other business activities;
- c. Inclusion on the List of Specially Designated Nationals and Blocked Persons maintained by OFAC, and that it does not reside in, and is not organized or chartered under the laws of:
 - (1) A jurisdiction that has been designated by the US Secretary of the Treasury under Section 311 or 312 of the Patriot Act as warranting special measures due to money laundering concerns; or
 - (2) Any foreign country that has been designated as non-cooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization, such as Financial Action Task Force on Money Laundering, of which the United States is a member and with which designation the United States representative to the group or organization continues to concur.
- d. Inclusion on, or residing in or organized or chartered under the laws of a jurisdiction included on the US Department of Commerce's Entity List under the Export Administration Regulations; or
- e. Inclusion on the list of "debarred" companies or individuals declared by the Office of Federal Contract Compliance Programs to be ineligible to receive federal contracts.

Otherwise, Tenant's right to assign is subject to the Property's permitted uses and other provisions of the Lease and term sheet, including Landlord's right of first offer, if applicable. Tenant may not assign the Lease or other rights prior to substantial completion of the Project (except in connection with its leasehold financing). Following substantial completion of the Project, upon assignment, the assignor will be released from liability under the Lease resulting from obligations or causes arising on or after the date of assignment. In addition, if requested by Tenant to facilitate financing, sale or assignment, Landlord will cooperate with Tenant requests for commercially reasonable modifications of the Lease, provided that such modification do not adversely affect Landlord in any material respect as determined by Landlord in its reasonable discretion or reduce any payment to Landlord.

"Affiliate" means any individual or legal entity (i) under common ownership or control with Tenant; (ii) owned or controlled by Tenant; or (iii) which controls or owns Tenant (or directly or indirectly has the substantially the same control or ownership as Tenant). Affiliate does not include any individual or legal entity, including those which otherwise qualify as an Affiliate, formed to restructured to facilitate a sale, to a third party.

21. **Subleasing.** Tenant may enter into subleases without restriction, but subject to the permitted uses and other provisions of the Lease and term sheet, including but not limited to the enumeration of prohibited uses. Upon request, Landlord will from time to time enter into commercially reasonable

agreements to recognize and not to disturb the possession and other rights of subtenants under the applicable sublease so long as the subtenant is not in default of the sublease (beyond the applicable notice and cure period).

22. **Tenant's Right of First Offer to Purchase.** If Landlord decides to sell, assign, or transfer the fee estate in the Land, Tenant (or its Affiliate) will have the right to first offer to purchase the fee estate in the Land (which Tenant must exercise or waive before Landlord starts marketing). Neither Party has a right of first refusal to purchase. The right of first offer will continue in favor of each successor and assign of Tenant's interest under the Lease during the Term.

23. **Landlord's Right of First Offer to Purchase.** If Tenant decides to sell, assign, or transfer its leasehold and rights in the Project, Landlord will have a right of first offer to purchase the leasehold and rights in the Project (which Landlord must exercise or waive before Tenant starts marketing). Neither Party has a right of first refusal to purchase. This right of first offer to purchase does not apply to any sale, assignment, or transfer to an Affiliate of Tenant.

24. **Limited Right of Termination.** Landlord will have no right to terminate the Lease except for certain failures by Tenant to be described in the Lease, after expiration of the applicable notice(s) and cure period. Landlord must give Tenant at least two (2) written notices and rights to cure such failures prior to the effective date of termination (which notices will state in bold-face capital letters the pending Lease termination, the effective date of the termination, and the performance required by Tenant to avoid termination). The notices will be given in the form and times to be described in the Lease. Landlord will have its other legal and equitable remedies in the event of Tenant default.

25. **Surrender.** Subject to additional terms and details to be set forth in the Lease (including the capital reserves described below and Tenant's performance of maintenance obligations), upon expiration or termination of the Lease, all improvements comprising the Property to remain and title thereto automatically vest in Landlord. Tenant will perform all maintenance required under the Lease through the date of termination.

26. **Capital Reserves.** During the period on and after the Base Rent Commencement Date, Tenant will establish and fund a separate capital reserve account with annual contributions in the amount equal to one percent (1%) of the annual gross rental revenue of the Project. The funds in the capital reserve account will be used to perform capital repairs and replacements during the Term. Tenant will provide annual reporting to the Landlord on account balances and uses of the capital reserve account.

27. **Lease Document.** Tenant will prepare the initial draft of the Lease based on this term sheet. The Lease will be subject to review and approval in all respects by each Party.

28. **Broker.** Each Party acknowledges and agrees that neither Party has engaged a broker or agent in connection with this proposed transaction.

29. **Referral Arrangement.** The Parties will develop a written agreement by which the University will, subject to the limitations or federal and state law, as well as University policies, refer potential residential tenants and buyers to the Project. University agrees to refer and encourage internal and external parties seeking residential units to the Project. This University Referral Agreement will be

subject to reasonable performance standards assuring the components of the Project are safe and functional to the University's own standards.

30. **Additional Clauses.** The Lease will contain additional terms beyond those contained in this term sheet, including but not limited to, indemnity, insurance, the use of the Landlord's intellectual property and marks.

This term sheet and the above terms are not binding on either Party and are intended for the sole purpose of providing a framework for further discussions. This term sheet does not create any liability or obligations between Landlord and Tenant or other constitute a binding agreement and may not serve as the basis for any claim, whether in contract or tor, or for reliance or estoppel, or for any claimed breach of any obligation to negotiate in good faith. Landlord and Tenant do not have any obligations or liability to each other concerning the Land or Project unless and until a Lease is authorized, fully executed, and delivered by both Parties and each Party disclaims any and all such obligations and liability whatsoever, including without limited, the obligation to arrive at an agreement concerning the lease of the Land.

Please sign where indicated below to acknowledge the foregoing nonbinding terms.

University of Oregon

University Village LLC,
an Oregon limited liability company

By:

By:

Name:

Name:

Title:

Title:

Date:

Date:

PAGE INTENTIONALLY LEFT BLANK

Agenda Item #4.3

1700 Millrace Drive Property Acquisition

1700 Millrace Drive: Purchase Authorization

The university is requesting authorization from the Board of Trustees for the President (or designee) to negotiate and execute agreements, that are consistent with the terms outlined in the attached Letter of Intent, to purchase the building and leasehold improvements at 1700 Millrace Drive. The University of Oregon already owns the land and leases it to the current ground lease tenant. Space in the building is leased to several sub-tenants at market rates.

The attached resolution includes the non-binding Letter of Intent. A summary of the project follows.

Project Overview

The university proposes to purchase the building at 1700 Millrace Drive as a strategic acquisition for future university space needs. The building is approximately 80,000 gross square feet and includes five current tenants. The building is approximately 75% leased with 20,000 +/- square feet available for lease or use by the university. The property also includes 200 parking spaces.

In 2012 the university leased 2.51 acres to Tramell Crow to construct facilities for the Oregon Research Institute (ORI). The building was sold in 2016 to the current owners. In 2022 ORI filed for bankruptcy protection and moved out of the building.

Proposed Terms

The following highlights the key non-binding terms in the Letter of Intent attached to the Board's resolution in the docket.

Seller – 1700 Millrace, LLC a California limited liability company and Riverpark LLC a Delaware limited liability company.

Purchase Price - \$20,000,000, with \$200,000 earnest money deposit.

Conditions of Purchase – due diligence and inspection of the building systems, review of Seller's documents, review and approval of the title report.

IRS 1031 Exchange – The Seller is asking the university to cooperate with their desire to complete a 1031 exchange.

Leasing activity – UO will be informed of any additional leasing activity between now and the closing date.

Operations – Seller will continue to operate the facility in the existing manner between now and the closing date and will deliver the property in “as-is” condition.

NON BINDING LETTER OF INTENT TO CONVEY, SELL AND PURCHASE LEASEHOLD INTEREST AND IMPROVEMENTS

1. **Property:** 1700 & 1776 Millrace Drive, Eugene, Oregon; Property consists of land and improvements described by the Lane County Assessor as Map and Lot Nos. 17-03-32-14-02200, 17-03-32-14-02600 & 17-03-32-14-02700 in Lane County Oregon. Legal description of the Property is attached as Exhibit A.

2. **Seller:** 1700 Millrace, LLC a California limited liability company and Rivrepark, LLC a Delaware limited liability company as tenants in common.

3. **Purchaser:** University of Oregon, or their assignee

4. **Purchase Price:** Twenty Million Dollars (\$20,000,000)

5. **Earnest Money Deposit** On execution of the Conveyance P&S Agreement, Purchaser shall deposit \$200,000 with Cascade Title Company, Tara Muller Escrow Agent, as Earnest Money Deposit. On Purchaser's waiver of the Conditions of Purchase, Purchaser shall deposit Additional Earnest Money of \$300,000 and the Earnest Money and Additional Earnest Money shall be non-refundable to the Purchaser. Earnest Money and Additional Earnest Money to apply to the Purchase Price at Closing.

6. **Conditions of Purchase:** Purchaser's closing is conditioned on the following:

- a. Physical inspection of the Property and review of Seller's Documents (consisting of third-party reports, surveys, leases, 2021, 2022 and YTD 2023 operating statements) within forty-five (45) days after execution of this Letter of Intent. Seller shall deliver Seller's Documents within five (5) days after execution of this Letter of Intent.
- b. Purchaser's approval of the condition of title within ten (10) days after delivery of a preliminary title report by Cascade Title Company.
- c. Approval of the Purchaser's Board of Trustee by June 6, 2023. This is a condition both for the benefit of the Purchaser and the Seller.

7. **Prior to Closing:** Purchaser to be informed of any new leasing activity and lease renewals. Seller may continue with its usual and customary leasing activities at the Property, including without limitation any renewals currently in process. New leasing activity and lease renewals are not a condition of Purchaser's obligation to close.

8. **Condition at Closing:** Seller will operate the Property in substantially the same manner as it is now operating. At Closing, the Property will be delivered in its "as is" condition at Closing.

9. **Closing:** The Closing shall occur within ten (10) days of Seller's written notification to the Purchaser of the Closing Date which shall be no sooner than ten (10) days and no later than ninety (90) days following Purchaser's waiver of contingencies. Purchaser will cooperate with Seller to complete an IRS Code Section 1031 Exchange.

At Closing, Seller will pay for a standard leasehold policy of Title Insurance for the benefit of the Purchaser in the amount of the Purchase Price. Purchaser shall pay for any additional title insurance coverage it elects to obtain, including any title endorsements. Escrow fees to be shared equally between the parties. Property insurance, utilities, rents and operating expenses to be prorated as of the Closing Date. Tenant deposits to be transferred to the Purchaser at Closing. Existing leases to be assigned to the Purchaser at Closing.

10. **Conveyance Agreement:** Purchaser to provide the Seller with a document with terms for conveyance/assignment of the Sellers interest in the ground lease encumbering the Property to the Purchaser within seven (7) days of execution of this Letter of Intent.

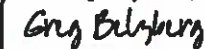
THIS LETTER OF INTENT IS INTENDED SOLELY AS A PRELIMINARY EXPRESSION OF GENERAL INTENTIONS AND IS TO BE USED FOR DISCUSSION PURPOSES ONLY. THE PARTIES INTEND THAT NEITHER SHALL HAVE ANY CONTRACTUAL OBLIGATIONS TO THE OTHER WITH RESPECT TO THE MATTERS REFERRED HEREIN UNLESS AND UNTIL A DEFINITIVE CONVEYANCE AGREEMENT HAS BEEN FULLY EXECUTED AND DELIVERED BY THE PARTIES, IF AT ALL. THE PARTIES AGREE THIS LETTER OF INTENT IS NOT INTENDED TO CREATE ANY AGREEMENT OR OBLIGATION BY EITHER PARTY TO NEGOTIATE A DEFINITIVE CONVEYANCE AGREEMENT AND IMPOSES NO DUTY WHATSOEVER ON EITHER PARTY TO CONTINUE NEGOTIATIONS, INCLUDING WITHOUT LIMITATION ANY OBLIGATION TO NEGOTIATE IN GOOD FAITH OR IN ANY WAY OTHER THAN AT ARM'S LENGTH. PRIOR TO DELIVERY OF A DEFINITIVE CONVEYANCE AGREEMENT, AND WITHOUT ANY LIABILITY TO THE OTHER PARTY, EITHER PARTY MAY (1) PROPOSE DIFFERENT TERMS FROM THOSE SUMMARIZED HEREIN, (2) ENTER INTO NEGOTIATIONS WITH OTHER PARTIES AND/OR (3) UNILATERALLY TERMINATE ALL NEGOTIATIONS WITH THE OTHER PARTY HERETO.

IN WITNESS WHEREOF, the undersigned have executed this Letter of Intent as of the last date written below.

SELLER

1700 Millrace LLC and Rivrepark LLC

By ~~Westminster~~ Capital Group LLC, Manager



By Gregory Belzberg, Manager

Dated May 16, 2023

PURCHASER

University of Oregon

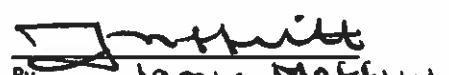

By Jamie Moffatt
Dated May 22, 2023
Interim President

EXHIBIT A-1

Legal Description of the Premises

File 7470001-010
10/31/2011

All of Lot 5 of the RIVERFRONT RESEARCH PARK SILVA ADDITION, as Platted and Recorded in File 75, Slides 636 and 637, Lane County Oregon Plat Records, in Lane County, Oregon;

And a parcel of land being a portion of Lot 2, RIVERFRONT RESEARCH PARK, as Platted and Recorded in File 74, Slides 77, 78 and 79, Lane County Oregon Plat Records, in Lane County, Oregon, and a parcel of land being a portion Lot 6, RIVERFRONT RESEARCH PARK SILVA ADDITION, as Platted and Recorded in File 75, Slides 636 and 637, Lane County Oregon Plat Records, in Lane County, Oregon, said parcels being more particularly described as follows:

Beginning at the Southeast corner of said Lot 2, said point also being on the northerly right of way of Mill Race Drive; thence along said northerly right of way North 86°17'37" West 134.54 feet; thence leaving said northerly right of way North 3°41'36" East 188.70 feet to the northerly line of said Lot 6; thence along the northerly line of said Lot 6 along a 2,839.79 foot radius curve right (the long chord of which bears South 76°24'38" East 136.60 feet) 136.61 feet to the Northeast corner of said Lot 6; thence along the northerly line of said Lot 5, along a 2,839.79 foot radius curve right (the long chord of which bears South 70°45'46" East 422.85 feet) 423.24 feet to the Northeast corner of said Lot 5; thence along the easterly line of said Lot 5, South 23°30'27" West 121.55 feet to the Southeast corner of said Lot 5 and the northerly right of way line of Mill Race Drive; thence along said northerly right of way as follows: along a 2,718.24 foot radius curve left (the long chord of which bears North 68°16'38" West 169.31 feet) 169.34 feet to a point of compound curvature; thence along a 139.50 foot radius curve left (the long chord of which bears North 78°10'40" West 39.39 feet) 39.52 feet to a point of tangency; thence North 86°17'37" West 114.96 feet to a point of curvature; thence along a 130.00 foot radius curve right (the long chord of which bears North 81°22'33" West 22.30 feet) 22.32 feet to a point of reverse curvature; thence along a 170.00 foot radius curve left (the long chord of which bears North 81°22'20" West 29.16 feet) 29.19 feet to point of beginning.

Bearings are based on the Oregon Coordinate System – South Zone NAD83 (CORS 96) Epoch 2002, per County Survey File No. 38762, filed August 17, 2004, in Lane County, Oregon.

This parcel of land contains 77,119 square feet, more or less.

AND:

All of Lot 1 of the RIVERFRONT RESEARCH PARK SILVA ADDITION, as Platted and Recorded in File 75, Slides 636 and 637, Lane County Oregon Plat Records, in Lane County, Oregon being more particularly described as follows:

Beginning at the Northeast corner of said Lot 1; thence along the easterly line of said Lot 1, South 03°42'23" West 362.19 feet to the Southeast corner of said Lot 1; thence along the southerly lines of said Lot 1 as follows: South 87°52'31" West 253.79 feet;

thence South 02°06'01" West 31.84 feet; thence South 75°42'31" West 35.14 feet to the Southwest corner of said Lot 1; thence along the westerly line of said Lot 1, North 03°42'23" East 434.96 feet to the Northwest corner of said Lot 1, said point being on the southerly right of way of Mill Race Drive; thence leaving said westerly line and along said southerly right of way line, South 86°17'37" East 239.89 feet to a point of curvature; thence along a 130.00 foot radius curve right (the long chord of which bears South 81°22'33" East 22.30 feet) 22.32 feet to a point of reverse curvature; thence along a 170.00 foot radius curve left (the long chord of which bears South 80°20'16" East 23.03 feet) 23.04 feet to point of beginning.

Bearings are based on the Oregon Coordinate System – South Zone NAD83 (CORS 96) Epoch 2002, per County Survey File No. 38762, filed August 17, 2004, in Lane County, Oregon.

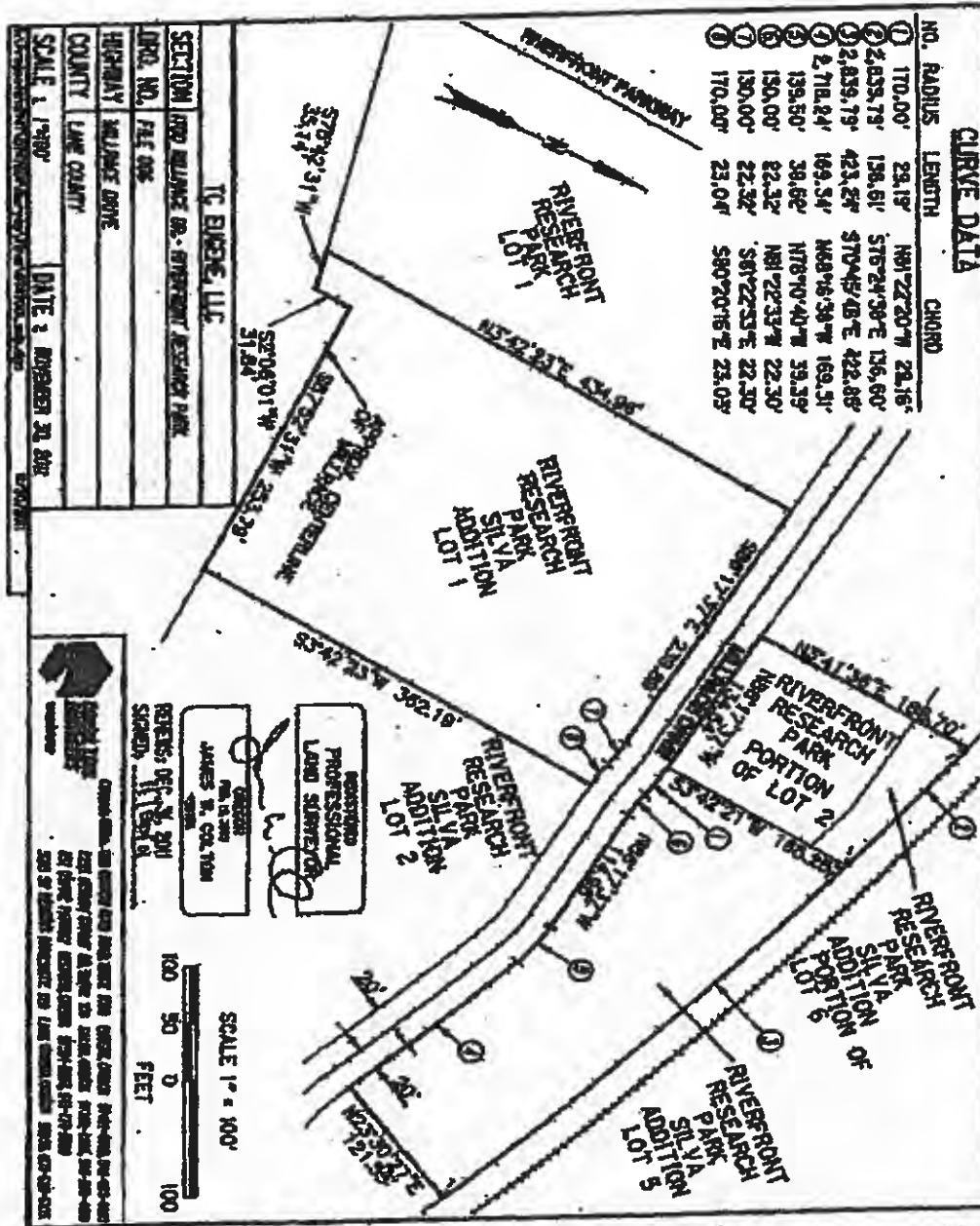
This parcel of land contains 109,685 square feet, more or less.



RENEWAL DATE: 12/31/11

EXHIBIT A-2

Map of the Premises



1700 Millrace Drive

Proposed Acquisition Letter of Intent

June 5, 2023

Presentation to the Board of Trustees

Michael Harwood, FAIA
AVP for Campus Planning and Facilities Management

1

Overview

- Purpose - University desires to purchase the building & leasehold improvements at 1700 Millrace Drive, with 80,000 gross square feet. Approx. 75% of the building is leased to third parties
- Location - 2.51 acres on Millrace Drive, with 200 parking spaces. Land is owned by the university
- History - University leased land to developer in 2012 to construct the facility for the Oregon Research Institute. The Institute filed for bankruptcy in 2022 and is no longer a tenant
- Seller - 1700 Millrace LLC and Riverpark LLC
- Current Tenants - Fall Creek, Fleetnurse, Brain Electro, Digicert, and Lithia. The university will assume control of those leases

2

Terms & Conditions

- Sale price is \$20,000,000 (\$250/SF), as-is condition
- Income to University - estimated to be about \$1.6 million annually (not including any lease revenue for current vacant space)
- Debt payment estimated to be approx. \$1.33 million
- Operating Expenses - estimated at \$600,000 per year
- Additional Space - 21,000 rentable square feet available for university use or lease to third parties
- Timing - acquisition is expected to be completed within 90 days of approval, includes 45 days for due diligence efforts

3







Proposed Board Resolution

- Board of Trustees authorize the President (or their designee) to enter into negotiations and execute an agreement consistent with the Letter of Intent for the purchase of the building & leasehold improvements for 1700 Millrace

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

Resolution: Authorization for Real Estate Transaction (1700 Millrace Drive)

WHEREAS, the university leased 2.51 acres of property at 1700 Millrace Drive in 2012 to an external entity to construct facilities for the Oregon Research Institute, which has now filed for bankruptcy;

WHEREAS, the property at 1700 Millrace consists of 200 parking spaces and approximately 80,000 gross square feet of space, with approximately 75% of space under lease and 25% available for lease or use by the university;

WHEREAS, the university benefits from the acquisition of new space to address strategic current and future needs;

WHEREAS, the university has reached a non-binding letter of intent to purchase the building and leasehold improvements at 1700 Millrace drive for a purchase price of \$20 million;

WHEREAS, Board of Trustees' approval is required for the execution of instruments where the anticipated cost or value to the university exceeds \$5 million in total cost.

WHEREAS, the Policy on Committees authorizes the Finance and Facilities Committee to submit items to the full Board as a seconded motion, recommending passage.

NOW, THEREFORE, the Finance and Facilities Committee of the Board of Trustees hereby refers to the full Board of Trustees the recommendation authorizing the President (or their designee) to enter negotiations and execute an agreement consistent with the non-binding letter of intent (attached as Exhibit 1) for the purchase of the building & leasehold improvements for 1700 Millrace.

Moved: _____ Seconded: _____

Trustee	Vote	Trustee	Vote
Aaron		Kari	
Boyle		Moses	
Evans Jackman		Seeley	

Dated: _____ Recorded: _____

PAGE INTENTIONALLY LEFT BLANK

Agenda Item #4.4

Football Practice Facility License or Lease Agreement

Indoor Practice Facility License and Lease of Facilities for Gift-in-Kind
Development - Explanation of Intent

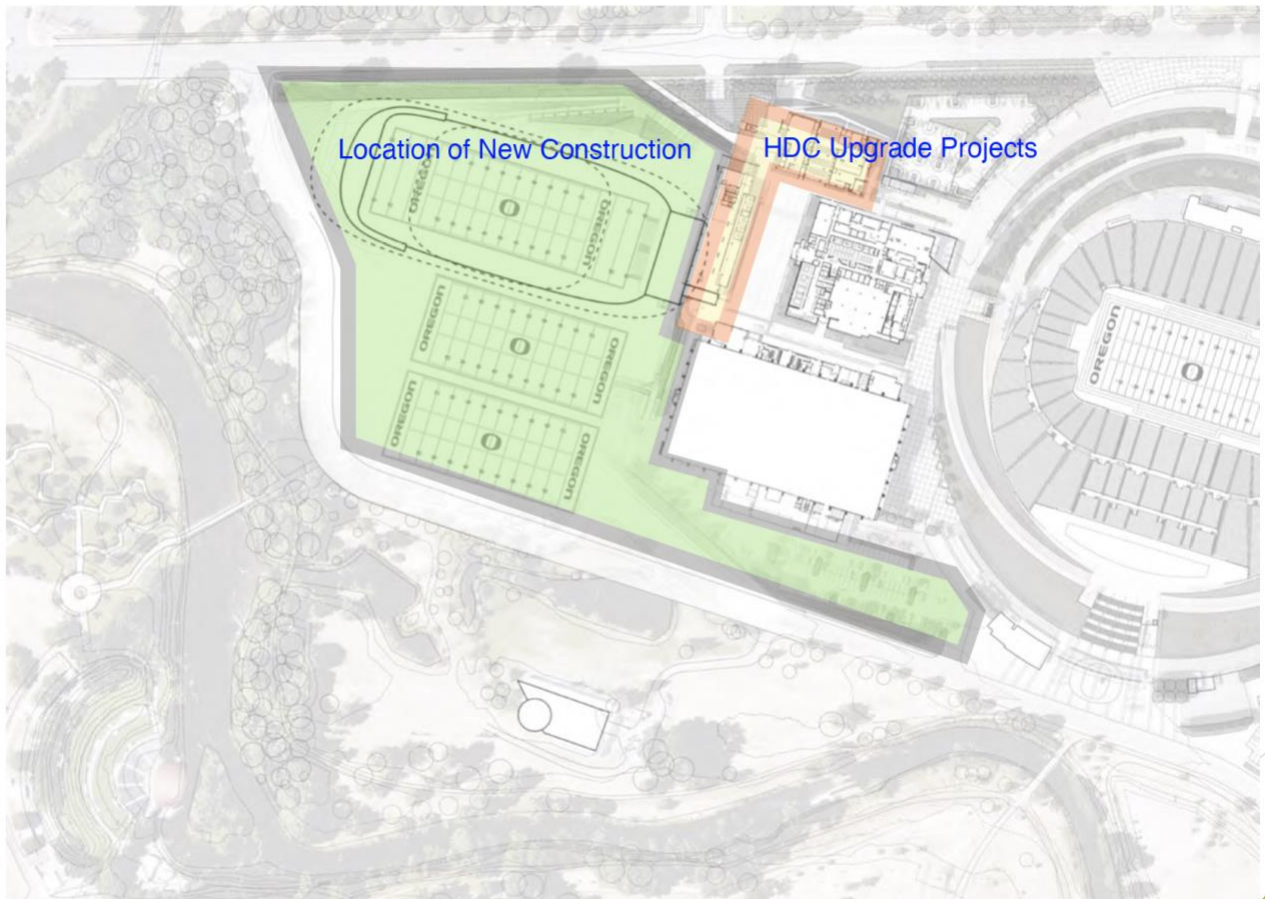
The University of Oregon proposes to construct a new Indoor Practice Facility to support the student athletes' needs for safe and secure practice space during periods of inclement weather and air quality events. The project calls for a 140,000 square-foot new indoor practice facility (plus another 30,000 square-feet of renovations to the existing Hatfield Dowling Complex) to be built on existing practice fields and a pair of new outdoor fields to be built on land that is being acquired from the city pursuant to Board authorization in September 2022. Construction of the new facility and practice fields are to be 100% donor funded. This new practice complex would benefit the community with enhancements to public park land and UO student athletes across multiple sports with increased access to indoor training facilities while providing one of the finest indoor football practice facilities in the country.





Project Overview: The university has been coordinating with Phit Too, LLC, an entity of the University of Oregon Foundation relating to this project. Under the proposal before the Trustees for approval via the associated resolution, the University will lease or license certain portions of its existing property, along with portions of property in the process of being acquired from the City of Eugene (pursuant to Trustee approval in September 2022) and lease/license other portions of the project area to Phit Too for the duration of the project, currently contemplated to be complete in 2025. Pursuant to the lease/license being drafted, the University will give access to/possession of the property in question for the purpose of the construction of the new indoor practice facility described above, along with upgrades to some portions of the existing Hatfield Dowlin Complex and the construction of two new outdoor practice fields. The drawings, below, show the approximate area to be leased/licensed to Phit Too.

Proposed Indoor Practice Facility



Once the property transfer agreement with the city has been finalized, assuming adoption of this resolution, the University will enter into an appropriate agreement with Phit Too, under which Phit Too will construct and enhance the facilities described and, upon completion, return possession to the University along with title to the newly constructed and renovated facilities.

The proposed resolution accompanying this description, if approved by the Board, will authorize the University to enter into agreements with Phit Too that will license and lease the property in question to Phit Too and authorize the University to accept this extraordinary gift once it is complete.

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

Resolution: Authorization to Enter into a License or Lease Agreement (Football Practice Facility)

WHEREAS, the Hatfield Dowlin Complex on the University of Oregon's (the "UO" or "University") campus is fundamental to Oregon's success and upholds our football program's commitment to provide unrivaled facilities and resources for our student-athletes and coaches to achieve the highest level of success.;

WHEREAS, The Moshofsky Center at the Hatfield Down Complex is a dated facility that does not meet the needs of all the student athletes who use it;

WHEREAS, the creation of a new indoor practice facility for the primary use of the University's varsity football team will be supported by private philanthropy with no impact on the University's operating budget;

WHEREAS, the University of Oregon Foundation – an independent, non-profit organization responsible for receiving, investing and distributing gifts for the benefit of the University – has dedicated a single-member limited liability corporation for the purpose of creating a new indoor practice facility as Phit Too, LLC;

WHEREAS, Phit Too, LLC seeks to enter into a license or lease agreement with the University through which it would assume control of the University's existing outdoor football practice fields, the western portions of the existing Hatfield Dowling facility relating to weight training and conditioning and associated campus property (collectively "Practice Fields"), as well as that property the University contemplates acquiring from the City of Eugene pursuant to Board of Trustee resolution of September 15, 2022, for purposes of managing the construction and costs associated with creating the new indoor practice facility and replacing the outdoor practice fields in land to be acquired to the south of the existing facilities;

WHEREAS, the specific license or lease agreement would be negotiated between the University and Phit Too, LLC when more certainty exists surrounding the design and overall project;

WHEREAS, that license agreement will stipulate that the license or lease agreement will be made available to the public, and that controlling public contracting laws and prevailing wage rules will apply to the project where appropriate;

WHEREAS, Sections 1.7.2 and 1.9 of the University of Oregon's Policy on the Retention and Delegation of Authority requires approval by the Board of Trustees (the "Board") for the execution of instruments relating to real property where the anticipated value exceeds \$5,000,000 and for the acceptance of a gift of real estate and/or gifts that create obligations on the part of the University for which there is no established funding source, respectively; and,

WHEREAS, the Board's Policy on Committees authorizes the Finance and Facilities Committee

to refer matters to the full Board as a seconded motion;

NOW, THEREFORE, the Finance and Facilities Committee hereby refers to the Board of Trustees as a seconded motion, recommending passage:

1. RESOLVED, the Board authorizes the President or his designee(s) to take all actions necessary and proper to enter into a license or lease agreement with Phit Too, LLC for purposes of managing the completion of a new indoor practice facility as well as replacement outdoor practice fields and associated costs;
2. RESOLVED, the Board authorizes acceptance of the gift of real property to the University from Phit Too, LLC which comes in the form of construction of a new indoor practice facility and new outdoor practice fields and any increased value to the licensed or leased property; and
3. RESOLVED, the Board authorizes all prior actions taken on behalf of the University related to the acceptance and use of the aforementioned real property.

Moved: _____ Seconded: _____

Trustee	Vote	Trustee	Vote
Aaron		Kari	
Boyle		Moses	
Evans Jackman		Seeley	

Dated: _____ Recorded: _____