



UNIVERSITY OF OREGON

April 24, 2008

Dear Members of the Oregon Legislature,

I want to provide an update on the University of Oregon arena project. This includes our ongoing discussions with the neighborhood and community, sustainability, deconstruction, parking, transportation, and contracting.

CONTRACTING

I want to start by discussing contracting because recent media coverage has resulted in questions from you and some of your constituents. The contracting arrangements in the project have not changed from those we discussed with the State Board of Higher Education and others beginning last fall. The UO expects to seek State Board approval to enter into a sole source contract with National Championship Properties, LLC (NCP), a subsidiary of the UO Foundation that has been involved since the beginning of planning and that will serve as project developer.

The earlier arena project envisioned NCP constructing and perhaps even operating the arena. To accomplish that, NCP, using donated funds, entered into contracts with architects and a general contractor to begin pre-construction design work on the project. During the last four to five years, they have done a significant amount of design and planning work that now allows us to maintain a projected November 2010 opening. Last summer when it became apparent the project would go forward, NCP secured a line of credit that has allowed design to continue.

NCP will contract with TVA Architects (of Portland) and Ellerbe Becket, two architectural firms that have worked with NCP throughout the project. NCP will contract with Portland-based Hoffman Construction Company who has also worked with NCP throughout the project. Hoffman will issue five separate bid packages for subcontractors to build the arena. All subcontracts will be competitively bid; construction jobs will pay prevailing wage and meet all other requirements of Oregon University System public improvement projects; and state requirements will be followed regarding Minority, Women, and Emerging Small Businesses.

In addition to the five subcontracts for construction that will be competitively bid, the deconstruction of the former Williams' Bakery (site of the new arena) began this week, and the contractor for that project is Staton Companies of Eugene, a certified Women's Business Enterprise (WBE). Its president, Jeanne Staton, has served on the Oregon Construction Contractors Board and is active in the National Association of Women in Construction. The company has extensive experience in dismantling and recycling mills and industrial sites. For the Williams' Bakery deconstruction, it is our goal that 95 percent of the materials by

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weight will be diverted from landfills. This is one more example of our commitment to sustainability and our commitment to the goals of the Office of Minority, Women, and Emerging Small Businesses.

SUSTAINABLE DESIGN

I can now confirm that we will build the arena to qualify for LEED (Leadership in Energy and Environmental Design) certification at the silver level. We appreciate the work of the designers and project manager to make our commitment to sustainability a reality and thank everyone who has been involved.

NEIGHBORHOOD & COMMUNITY

The university continues to work actively with the City of Eugene, Lane Transit District, the Fairmount Neighborhood Association and campus communities. Let me remind you of some of our efforts. University representatives are attending neighborhood meetings and making themselves available on a daily basis to address concerns. Since the fall, we have sent four mailings to every household in the Fairmount neighborhood. Last November I invited leaders of the Fairmount and South University neighborhoods to a meeting at the president's residence to hear their concerns. A week later the athletic director and I hosted a well publicized community forum so that we could report to and hear directly from the neighbors. We will host another community forum next week (April 30) to hear from the project design team and to discuss design-related issues. In November I briefed local government leaders on our progress and listened to their suggestions and concerns. In January I sent a letter to every household in the neighborhood responding to their questions and concerns, and I shared that letter with every member of the Legislature.

Since that time we have added another important component to our plan to address neighborhood concerns. The athletic director has established a Neighborhood Liaison Committee to advise the university on how best to address noise, litter, traffic and parking during the deconstruction phase of the former Williams' Bakery and construction of the arena, as well as operation of the new facility. The committee includes the co-chair of the neighborhood association, the chair of its arena subcommittee, and the city councilor who represents the neighborhood. The liaison committee includes a mix of community and neighborhood leaders as well as regular neighbors. The committee has met four times and will continue to meet to develop ways to minimize impacts on the neighborhood. We have found these meetings helpful and believe the neighborhood representatives agree. In addition, members of the committee attended the final two basketball games of the season at Mac Court to observe traffic, litter and other issues associated with athletic events. We have gained valuable insight from these observations.

CAMPUS

We have had two public forums with students that focused on the needs and concerns of the residence halls. The comments and suggestions have been forwarded to the arena designers and building manager for consideration, and they have helped inform the project. I have talked numerous times with our student government leaders to assure them, based on financial projections, that the arena project will not harm our ability to accomplish our other capital priorities. My staff and I have met with various other campus groups on many occasions. I am working with University Senate leadership to ensure that information regarding athletic finances will be readily available and that the debt service for the arena project will never come from academic resources.

TRANSPORTATION & PARKING

Last week we submitted to the City of Eugene an updated transportation impact analysis prepared by David Evans and Associates. The report confirms that with the addition of an underground parking structure with 500 spaces we will have more than the required parking spaces. Any parking structure will meet general university needs, not merely serve the arena. We are fully committed to the most aggressive plan we think is practical to encourage use of alternative transportation. We believe that the stadium's placement on a major thoroughfare with a new bus rapid transit site will help. Let me again reiterate the work with Fairmount Neighbors to lessen the impact of neighborhood traffic and parking. It is an important goal of the university and the liaison committee.

BONDING

In June we expect to seek the State Board of Higher Education's approval for the sale of bonds. We continue to work with the Chancellor's office, the State Treasurer's Office, our financial managers, underwriters and bond counsel to develop the best financial package.

CONCLUSION

I want to thank the Legislature once again for its due diligence and support of this project. The arena will be built having received a more thorough review than any other project during my tenure as president. That long list includes the School of Music, College of Education, College of Business, University Theatre, Museum of Art, our first new residence hall in more than 40 years, and the now-open Lokey Laboratories that is phase 1 of our Integrative Science Complex.

The arena project continues to evolve but one thing has not changed—we will construct a substantial public works project at a time when the state's economy can use a boost, and it will be constructed without any state fund support. We also will continue to have a healthy dialogue with stakeholders, and the result will be a better final product.

Please let me know if you have any questions about the arena project or if I can be of assistance.

Warm regards,

A handwritten signature in black ink that reads "Dave Frohnmayer". The signature is written in a cursive, flowing style.

Dave Frohnmayer
President