

# **OregonBILDS: Five-Year Business Plan**

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# I: INTRODUCTION

This document presents a draft business plan, for OregonBILDS—a service-learning program that is proposed within the School of Architecture and Allied Arts at the University of Oregon (UO). The business plan was developed in close collaboration with the principals of the program. It is intended to provide a framework for development of the program—including organizational options, preliminary budget estimates, and an action plan for the first five years of the program.

## Background

OregonBILDS is a unique service-learning program that offers students the opportunity to collaborate and manage the design and construction of an affordable and environmentally responsible single-family house. Based in the Department of Architecture at the UO, OregonBILDS serves students at both UO and Lane Community College (LCC).

The project-based learning program takes place within one academic year, and major development tasks are tied closely to the curriculum. Working under the supervision of faculty, students will design the house and apply for permits in the fall. During this time they will also develop a construction schedule and budget. Construction starts in the winter and continues into the summer.

As proposed, the mission of OregonBILDS is as follows:

*OregonBILDS is dedicated to offering an exceptional, design-build program that draws on the multi-disciplinary curriculum and skills of students and faculty at the UO and LCC to design and construct integrated, sustainable, and affordable housing in partnership with the community.*

With this mission as its focus, OregonBILDS has a vision to become the leading collegiate residential design-build program in the nation. Not only does OregonBILDS plan to make its program model available to other universities and colleges, but intends to host an annual conference so that a network of national residential design-build programs can strengthen each other through sharing their experiences.

In preparation for its founding, OregonBILDS has established the following goals:

- Become a nationally-recognized, residential design-build program
- Partner efforts with UO students and faculty with students and faculty at LCC
- Offer an integrated multi-disciplinary curriculum
- Partner with community agencies and organizations
- Incorporate existing best practices of sustainability and explore cutting edge possibilities
- Practice and develop leading principles for designing and building affordable housing

- Host national design-build symposia and conferences
- Create a national, educational model for residential design-build programs

Separate from these big picture goals, in the next five years, OregonBILDS would like to establish sustained funding to support the program.

## **Purpose of the OregonBILDS Business Plan**

This document presents a five-year business plan for starting the OregonBILDS program at the UO. This draft business plan describes the founding mission for OregonBILDS and proposes organizational structures to help the program achieve its goals. By analyzing the financial implications of the different organizational structures, this plan will also identify the likely cost for maintaining operations, explore possible funding sources to support the institution, and propose a detailed action plan for how to launch OregonBILDS.

This business plan is just a starting point, and will need to be revisited and revised as the program details become clearer as OregonBILDS nears launch.

## **II: PRELIMINARY EVALUATION OF POTENTIAL ORGANIZATIONAL STRUCTURES**

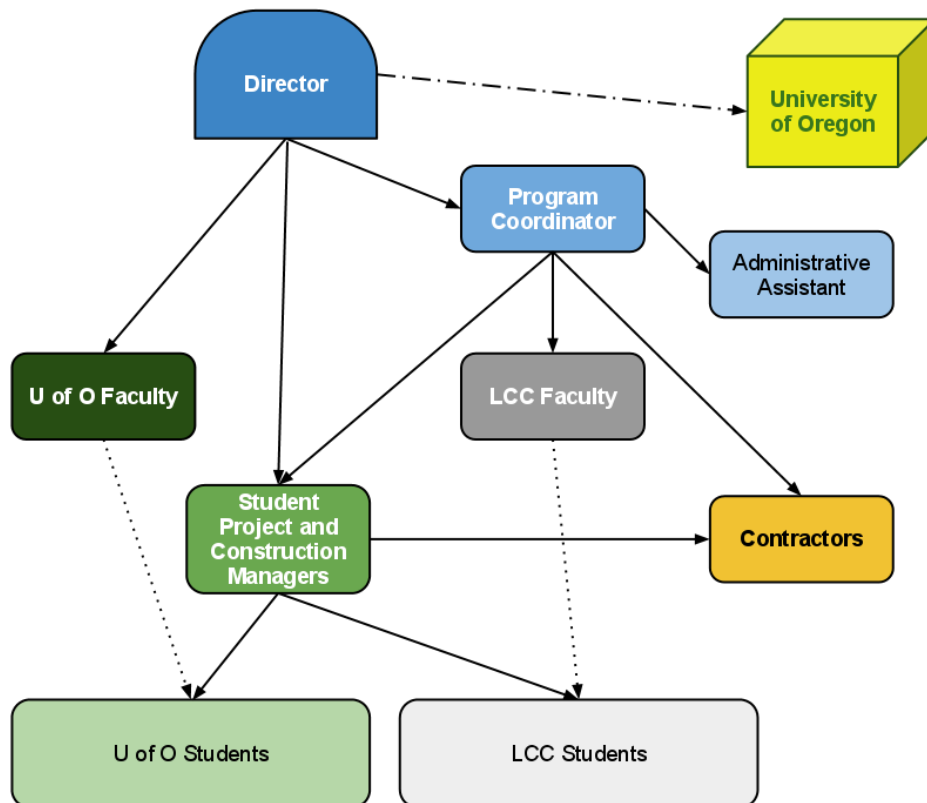
This section evaluates potential organizational structures for OregonBILDS. Working with the OregonBILDS principals, UO's Community Planning Workshop (CPW) developed two different organizational structures that accommodate the institutional, administrative, and instructional elements of OregonBILDS. Each model builds from different staffing structures and as such requires different levels of funding to support. The first organizational model (Model A) places large amounts of responsibility onto a few individuals, whereas the second model (Model B) distributes responsibility across more staff members. This ultimately means that while Model B offers a higher level of service, it also costs more.

The objective of exploring these models is to determine which organizational structure provides the most administrative service at a cost that can reasonably be covered through fundraising and other revenue sources.

## Comparing Organizational Models

Model A consists of a hierarchy lead by a **Director**. (Figure 1) The director is responsible for providing visionary guidance for the organization. The director is a tenure-track faculty member who both manages faculty and curriculum as well as the **Program Coordinator**. The Program Coordinator runs the daily operations for OregonBILDS. In this role, the Program Coordinator manages the **Administrative Assistant**, contractors, and **Student Project and Construction Managers**. The Program Coordinator also manages program finances, interactions with the UO, vendors, and the relationship with LCC.

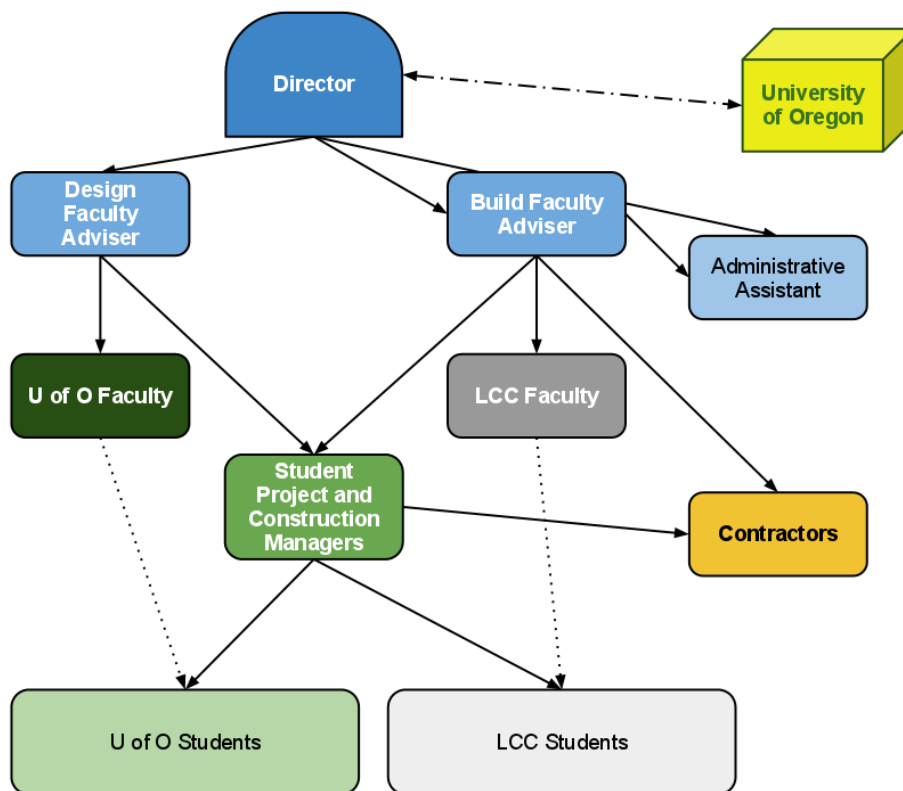
Figure 1 – Organizational Model A



Source: Community Planning Workshop

Unlike Model A, Model B has a parallel organizational structure, meaning that most of the operational authority is held by two positions on the management level. (Figure 2) Although In this model there is still a **Director**, the daily operations are overseen by the **Design Faculty Advisor** and the **Build Faculty Advisor**, with support from a **Financial Administrator**. These three positions report to the director. The main difference between the Design Faculty Advisor and Model A's Director is that the Design Faculty Advisor is more directly involved with student work, while also supervising design and pre-construction work. The Build Faculty Advisor works alongside the Design Faculty Advisor. In addition to working closely with students, the Build Faculty Advisor also supervises the construction site, including contractors and LCC faculty and students. Student project and construction managers work closely with the Design Faculty Advisor and Build Faculty Advisor to manage student teams in the design studio and on the construction site.

**Figure 2 – Organizational Model B**



Source: Community Planning Workshop

## Staffing

Model A has two paid positions, the Program Coordinator and the Administrative Assistant . The Program Coordinator will start working half-time, but will eventually become staffed at 0.75 FTE, or three-quarters of a full-time equivalent. The Administrative Assistant is a student working through the UO, possibly as a work study.

In model B, there are three paid positions: the Design Faculty Advisor, the Build Faculty Advisor and the Financial Administrator. The DFA and the BFA work half-time to start, in addition to their responsibilities as faculty. The AA works at third-time.

Both models include a student leadership position, called the Student Project and Construction Manager, which helps to maintain continuity from term to term throughout the academic year. The expectation is that in the first few years, the student Project Construction Manager will be a volunteer position that will receive some pay for work done during the summer term. OregonBILDS would like to make this position a Graduate Teaching Fellow (GTF) within the first five years.

In both models the Director position is staffed by a tenure track faculty in the School of Architecture and Allied Arts at the UO. This position for OregonBILDS will be compensated by the Director's academic salary, meaning that the faculty salary will cover the pay for work done as Director.

For a more detailed breakdown of the job responsibilities for each staff position, see Appendix A.

## Cost Implications of Organizational Models

**Table 1** provides a breakdown of staffing cost by organizational model. For an itemized explanation of staffing costs, refer to Appendix A.

Model A costs less than Model B in the first two years, when the Program Coordinator is working at 0.5 FTE, with the cost going up when that position starts working at 0.75 FTE. This increase in salary for the Program Coordinator reflects increased responsibility related to fundraising demands.

The increase in service provided by the three staff members of Model B is reflected in the higher operating cost. The cost for both models also increases by approximately \$30,000 per 0.49 FTE GTF position included. This one paid position would likely occur after the first two years of operations.

Table 1 – Staffing Costs by Organizational Model

Model A		Model B	
Years 1-2	\$ 58,910	Years 1+	\$100,290
Years 3+	\$ 78,285	Years 3+	\$100,290
Years 3+ w/ GTF	\$ 107,482	Years 3+ w/ GTF	\$129,487

Source: Community Planning Workshop

Based on similar design-build programs at Yale, Tulane, and Kansas, CPW recommends that OregonBILDS start conservatively with a staff structure similar to Model A for the first five years. We recommend this as a measure to reduce risk in the early phases of the program. A big part of the program structure is founded on partnerships and private donations. Fundraising comes with uncertainty. The business plan identifies key risk and uncertainty factors; the implementation plan identifies steps to reduce these factors.

After the five-year mark, CPW recommends that the program reevaluate student interest, the programmatic structure, and funding sources. Part of this evaluation includes an assessment of organizational models. At this time it may be possible to begin a shift towards the program towards an organizational structure, like Model B, that provides a higher level of service to reflect increased interest and demand.

In both models, the Student Project and Construction Management position offers vital support for OregonBILDS management and program students. More than that, this position provides an enhanced educational opportunity, thus reinforcing OregonBILDS dedication to service learning. As a result, in the ideal scenario this position would become a paid year-long Graduate Teaching Fellow (GTF) position as soon as possible. However, GTFs are expensive—a 0.49 position for three terms costs nearly \$30,000. Despite the significant costs, GTFs align closely with the service-learning mission of OregonBILDS. Because of the costs of a GTF, we recommend exploring funding options for these positions with the goal of having a GTF by year 3. CPW suggests that OregonBILDS use the cost of hiring a GTF position as a specific fundraising target.

### **III: Preliminary Operations Budget Forecast**

The financial feasibility of OregonBILDS is primarily dependent upon the sale of a student designed and constructed house once every twelve months. The amount of revenue that the sale generates compared to the cost of running OregonBILDS will determine how much extra money needs to be raised in order to keep the program financially self-sustaining.

This section will detail the costs necessary to launch OregonBILDS as well as the yearly costs required to maintain operations. Comparing costs to revenue, this plan will also identify possible deficits, and make suggestions for fundraising targets to help cover some costs.



## Startup costs

In order to launch OregonBILDS at the start of the UO's fiscal year (July 1, 2012) CPW identified a number of pre-launch costs. These costs relate to setting up an office, addressing a number of operational questions, hiring an administrative assistant, and having a small cash reserve to cover unknown costs that may arise. In total, CPW estimates the startup costs amount to \$11,000.

Based on conversations with similar programs at the UO, the cost of setting up an office is approximately \$2,000. This includes the cost of a new computer, a desk and filing cabinets, as well as paper and standard office supplies.

In order to assist Rob Thallon in pre-launch administrative tasks, we recommend \$5,000 be allocated to a program assistant. This assistant should be a student in the Architecture Department, and the position should be established as soon as possible--ideally starting in

the Fall Term of 2011 through June 30, 2012. This position could continue as the administrative assistant identified in organization structure, Model A. The position will be classified as *Student Assistant 4*<sup>1</sup> for work conducted as a, "specialized student position." The pay for Student Assistant for is between \$12-14 per hour. CPW recommends this position be funded for an average of fifteen hours of work, per week, for twenty-seven weeks.

Finally an additional \$4,000 has been set aside as part of the start-up costs to cover any contingencies, from legal issues, to travel related to fundraising.

## Budget Estimate: Years 1-5

In preparing the OregonBILDS operating budget for the first five years of the program, CPW made a number of assumptions about the two primary cost areas of the program: (1) the cost of operating the organization; and (2) the cost of designing and building a house. These assumptions, along with a brief description for how the cost for the different line items was developed can be found in Appendix B.

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<sup>1</sup> Human Resources, UO. "Student Wage Rates – January 1, 2009 – December 31, 2010." Web. August 2011. <http://hr.uoregon.edu/recruit/wages09.html>

**Table 2** shows the detailed budget for OregonBILDS over the course of the first five years of operations based on staffing option A. The budget estimates use a fiscal year of July 1-June 30. The estimates shown in Table 2 are based on the assumption that Year 1 begins on July 1, 2012 and Year 5 ends on June 30, 2017. Based on the projected costs and revenues, OregonBILDS will be profitable in each of its first five years. CPW assumes that any operational surpluses will be either maintained as operational reserves or reinvested into the program.

**Table 2 – Draft OregonBILDS Operational Budget, Years 1-5**

<b>Cost</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Construction materials	\$ (99,600)	\$ (99,600)	\$ (99,600)	\$ (99,600)	\$ (99,600)
Construction contract labor	\$ (73,400)	\$ (73,400)	\$ (73,400)	\$ (73,400)	\$ (73,400)
Construction contingency	\$ (17,300)	\$ (17,300)	\$ (17,300)	\$ (17,300)	\$ (17,300)
Sales Commission	\$ -	\$ -	\$ -	\$ -	\$ -
Staff (w/ GTF @ Year 3)	\$ (58,910)	\$ (58,910)	\$ (107,482)	\$ (107,482)	\$ (107,482)
Office Supplies	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)
Travel	\$ (1,000)	\$ (1,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)
Startup: Tools	\$ (7,500)	\$ -	\$ -	\$ -	\$ -
Startup: pickup truck	\$ (5,000)	\$ -	\$ -	\$ -	\$ -
Tools maintenance and supplies	\$ -	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)
Truck maintenance and operation	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)
Workshop space	\$ -	\$ -	\$ -	\$ -	\$ -
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on construction loan	\$ (3,650)	\$ (3,650)	\$ (3,650)	\$ (3,650)	\$ (3,650)
System Development Charge	\$ (8,760)	\$ (8,760)	\$ (8,760)	\$ (8,760)	\$ (8,760)
<b>COST SUBTOTAL</b>	<b>\$ (278,120)</b>	<b>\$ (258,860)</b>	<b>\$ (308,432)</b>	<b>\$ (308,432)</b>	<b>\$ (308,432)</b>
<b>Revenue</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Housing Sale	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Fundraising	\$ 10,000	\$ 15,000	\$ 69,815	\$ 69,815	\$ 69,815
Grants	\$ -	\$ -	\$ -	\$ -	\$ -
Material donations	\$ 24,900	\$ 24,900	\$ 24,900	\$ 24,900	\$ 24,900
Contract labor donations	\$ 11,010	\$ 11,010	\$ 11,010	\$ 11,010	\$ 11,010
<b>REVENUE SUBTOTAL</b>	<b>\$ 295,910</b>	<b>\$ 300,910</b>	<b>\$ 355,725</b>	<b>\$ 355,725</b>	<b>\$ 355,725</b>
<b>COST SUBTOTAL</b>	<b>\$ (278,120)</b>	<b>\$ (258,860)</b>	<b>\$ (308,432)</b>	<b>\$ (308,432)</b>	<b>\$ (308,432)</b>
<b>TOTAL</b>	<b>\$ 17,790</b>	<b>\$ 42,050</b>	<b>\$ 47,293</b>	<b>\$ 47,293</b>	<b>\$ 47,293</b>

Source: Community Planning Workshop

Note: see Appendix B for a detailed discussion of the cost and revenue assumptions.

## Fundraising Targets

A substantial source of revenue shown in the draft operational budget is based on private fundraising targets. Some of these targets are related to pre-launch activities. Other targets cover operations separate from the construction loan and revenue generated from the previous year's house sale.

As mentioned earlier, there is \$11,000 in pre-launch costs. Beyond that sum, OregonBILDS needs to raise an additional \$33,750 by July 1, 2012 to pay for the Program Coordinator position which is schedule to start on that date. In total, the pre-launch fundraising target is \$44,750.

Starting on July 1, 2012, OregonBILDS has a different fundraising target for each fiscal year. These targets include donated materials, donated labor, and individual fundraising goals. If and when the program is ready to hire two GTFs as Student Project and Construction Managers, and additional salary will need to be included in the annual fundraising targets.

**Table 3** details a projection of the annual fundraising targets to cover the first five years.

**Table 3 – Annual Fundraising Targets**

To Cover	Pre-launch	Year 1	Year 2	Year 3	Year 4	Year 5
Office supplies	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -
Staffing	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -
Startup contingency	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -
First year staff	\$ 33,750	\$ -	\$ -	\$ -	\$ -	\$ -
Donated Materials	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Donated Labor	\$ -	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000
Fundraising targets	\$ -	\$ 10,000	\$ 15,000	\$ 20,000	\$ 20,000	\$ 20,000
GTF	\$ -	\$ -	\$ -	\$ 29,917	\$ 29,917	\$ 29,917
<b>TOTALS</b>	<b>\$ 44,750</b>	<b>\$ 46,000</b>	<b>\$ 51,000</b>	<b>\$ 85,917</b>	<b>\$ 85,917</b>	<b>\$ 85,917</b>

Source: Community Planning Workshop

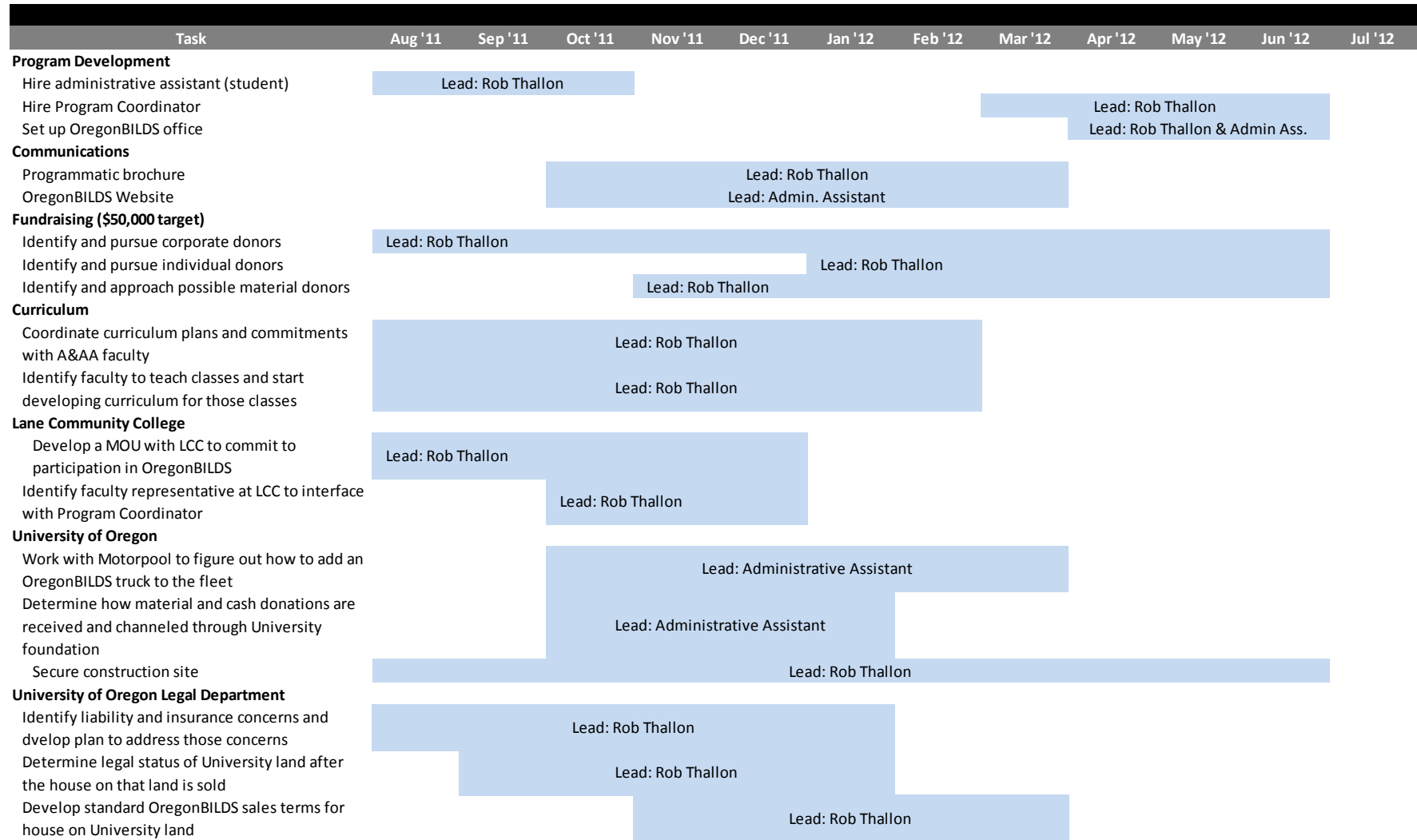
## IV: ACTION PLAN

This section presents a five-year action plan for OregonBILDS. CPW focused on activities that are a pre-requisite to initiating the program—or what we call the pre-launch phase. Based on discussions with the OregonBILDS principals, a number of issues will need to get resolved before the program can begin operations. Our initial evaluation of these issues is that none are insurmountable and that each can be resolved if approached systematically.

**Timeline 1** lists tasks that need to be completed before OregonBILDS launches, and suggests a timeline for each item. The pre-launch tasks are scheduled for August 2011-June 2012. These high level tasks represent a series of steps, inquiries, and resolutions related to: program development, communications, fundraising, curriculum, LCC, the UO, and the UO Legal Department. CPW recommends that these tasks be further developed by the OregonBILDS leadership at an early.

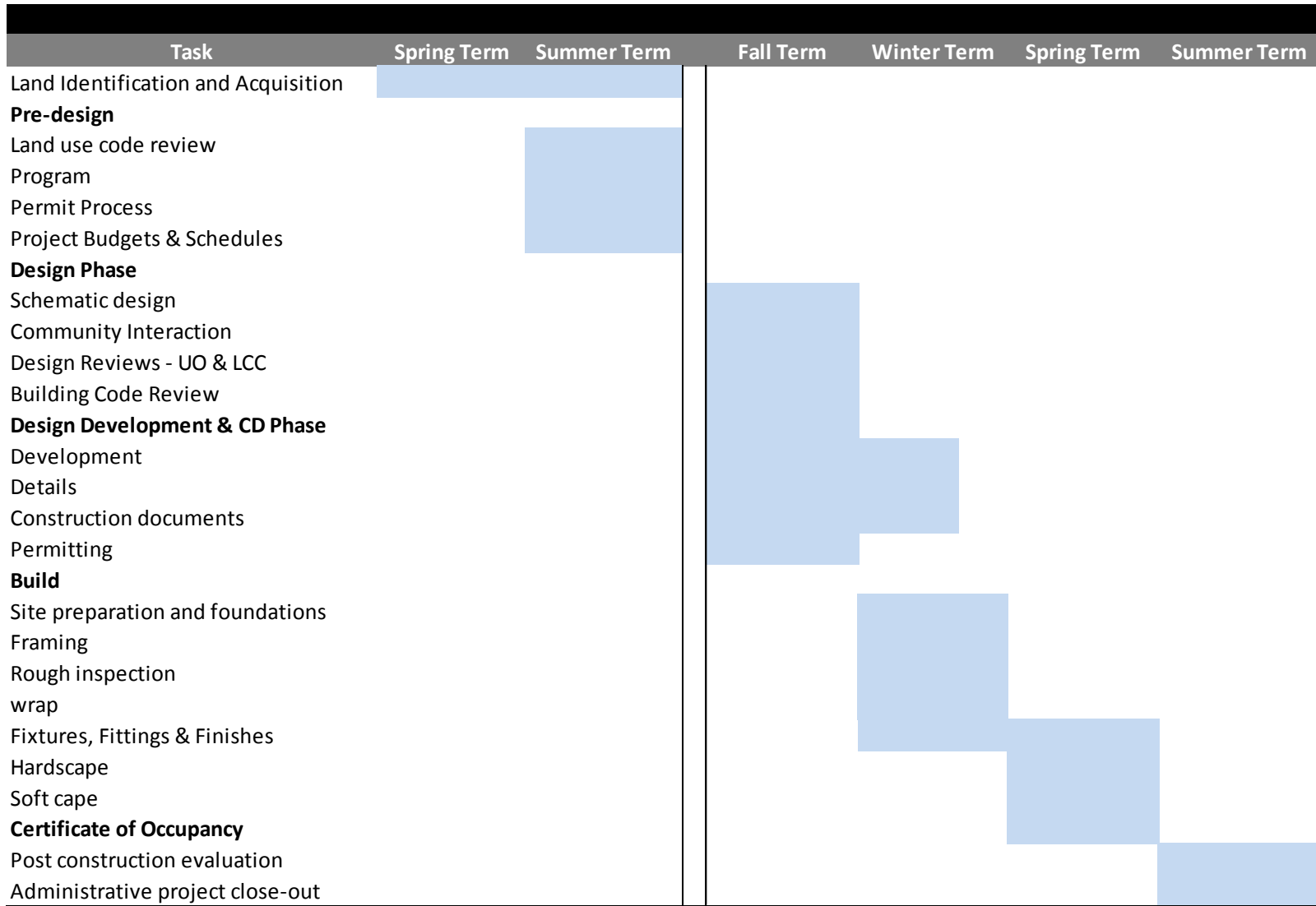
**Timeline 2** shows high level tasks related to the recurring annual operations for OregonBILDS. This timeline is repeated annually over the first five years and reflects the program's main objective: to engage students the design and construction of one residence each year. Tasks on this action plan fall into the categories of: pre-design, design phase, design development and construction and development phase, build, and certificate of occupancy. This timeline includes actions that overlap with others, meaning that starting in the Spring Term, OregonBILDS management will start preparing for the next design-build cycle, while students and faculty are completing the current cycle.

## Timeline 1 – Pre-launch Action Plan



Source: Community Planning Workshop

## Timeline 2 – Recurring Action Plan



Source: Community Planning Workshop

## Long Term Actions

Starting in year three, CPW recommends that OregonBILDS start meeting with stakeholders to evaluate success to date and to set a long term vision for the program. Stakeholders would include students, faculty, UO and LCC administrators, as well as people who have purchased houses from OregonBILDS and housing non-profits that operate in the Eugene-Springfield area. Some goals of this visioning process would include:

- Determine whether the program should continue building faculty housing.
- Consider building affordable housing for general public
- Explore the option to build multi-family housing
- Consider hosting residential design-build conference
- Incorporating and expanding coursework in a Construction Management
- Consider expanding the program to AAA's existing Portland program
- Evaluate the program's business, organizational, and administrative structure, including the possibility of becoming a 501(c)(3)

## APPENDIX A: STAFFING ASSUMPTIONS

### Staff Positions

The following describe the primary job responsibilities for each person by organizational model.

#### Model A

In this organizational model, OregonBILDS consists of four positions. Faculty is paid for their instructional work via their role (either tenure or adjunct) with the University. Contractors are included in the material costs outlined in the budget.

- **Director:** Provides vision and institutional guidance for OregonBILDS. The director also coordinates the curriculum with faculty. Another primary responsibility for the director is fundraising. This position is staffed by a tenure track faculty member. For the first few years this position will be filled by Rob Thallon.
- **Program Coordinator (PC):** Manages the daily operations of OregonBILDS. Responsibilities include: outreach, finances, contracts, vendor relations, coordinating with LCC, supporting student project managers, and faculty. This role also assists the Director with fundraising, grant and loan applications, and oversight of site construction. The PC also manages the Administrative Assistant.
- **Administrative Assistant (AA):** Makes copies, schedules appointments, and other administrative tasks. This position is envisioned as a student work-study job that is paid hourly.
- **Student Project and Construction Manager (PCM--possibly GTF from year three and beyond):** Acts as an interface between students, faculty, and OregonBILDS management. This student organizes student teams, develops schedules and budgets, and serves as a manger on the construction site. Initially, this position will be unpaid and volunteer during the academic year. There will be some pay over the summer. Eventually, this position may pivot to become a paid GTF position.



## Model B

In this organizational model, OregonBILDS consists of five staffing positions. Faculty is paid for their instructional work via their role (either tenure or adjunct) with the University. Contractors are included in the material costs outlined in the budget.

- **Director:** Represents OregonBILDS before the University. The director also provides vision and guidance, plus assistance with grant writing and fundraising.
- **Design Faculty Advisor (DFA):** teaches the Fall and Winter studio for OregonBILDS. Oversees business loans, design, and pre-construction management. As a tenure track faculty member, the DFA also coordinates curriculum with A&AA faculty. The DFA works closely with the Student Project and Construction Managers (PCM). Outside the classroom, the DFA also works closely with students.
- **Build Faculty Advisor (BFA):** Supervises construction site operations, coordinating with contractors and vendors as well as with LCC faculty and students. The BFA also works closely with the PCM, approving student work such as construction schedules and budgets. Could also teach the *Residential Construction* Spring Term.
- **Financial Administrator (FA):** Assists the director in coordinating with the University and with grants, loan applications, and reports. The FA also manages contracts, finances, outreach and the budget. The FA works closely with the BFA to structure loan withdrawals.
- **Student Project and Construction Manager (PCM,** possibly GTF from year three and beyond): works closely with the DFA and BFA, and manages students throughout the design and construction process. Position lasts through the academic year and into the summer.

## Staffing Costs

**Table A** provides average salaries for staff positions. These figures are based on conversations with OregonBILDS principals and UO staff and represent reasonable pay for each job description. On top of each salary, benefits are calculated at 55% for Other Payroll Expenses (OPE). OPE includes the University's share of an employee's medical insurance as well as: retirement, Social Security, Medicare, Workman's Compensation, Unemployment, Lane County Transit tax, bus passes and the State Accident Insurance Fund (SAIF).<sup>2</sup>

**Table A: Staffing Costs**

Model	Position	Year	FTE	Hours	Salary	Hourly Wage	OPE	Combined
A & B	Director	1+	n/a	n/a	\$ -	n/a	\$ -	\$ -
A	Program Coordinator	1&2	0.5	n/a	\$ 50,000	n/a	\$ 27,500	\$ 38,750
A	Program Coordinator	3+	0.75	n/a	\$ 50,000	n/a	\$ 27,500	\$ 58,125
B	Design Faculty Advisor	1+	0.5	n/a	\$ 45,000	n/a	\$ 24,750	\$ 34,875
B	Build Faculty Advisor	1+	0.5	n/a	\$ 45,000	n/a	\$ 24,750	\$ 34,875
B	Financial Administrator	1+	0.33	n/a	\$ 40,000	n/a	\$ 22,000	\$ 20,460
<b>Hourly</b>								
Model	Position	Year	Hours		Hourly Wage		OPE	Combined
A	Administrative Assistant	1+	800		\$12.00		\$0.60	\$10,080
A&B	Student contract labor	1+	800		\$12.00		\$0.60	\$10,080
<b>GTF</b>								
Model	Position	Year	FTE	Salary		Benefits	OPE	Combined
A&B	GTF (nine month contract)	3+	0.49	\$ 24,061		\$ 4,799	\$ 337	\$ 29,197

Source: Community Planning Workshop

<sup>2</sup> Human Resources, UO. "Budgeting Other Payroll Expenses." Web. August 2011.

<http://brp.uoregon.edu/personnel-ope-tools>

## APPENDIX B: BUDGET DETAIL

This appendix describes each of the line items on the budget estimate for the first five years of OregonBILDS, Table 2.

### Cost

- **Construction materials:** Material costs were identified by Rob Thallon, and verified by an independent contractor.
- **Construction contract labor:** The contract labor costs were also identified by Rob Thallon and verified by a contractor. Contract labor costs include excavation, electrical certification, and other tasks that either require licensed or certified technicians, or skills that cannot be taught over a ten week course.
- **Construction contingency:** To account for any construction setbacks and overages. Calculated as ten percent of combined construction materials and contract labor.
- **Sales commission:** Sales commission is an estimated \$16,000 for a sale between \$250,000 and \$275,000. This cost has been omitted from the budget assuming that the UO will not collect a commission on a house sold on University land to a University faculty member.
- **Staffing:** Staffing costs are explained in the 'Preliminary Evaluation of Potential Organizational Structures,' and Appendix A.
- **Office supplies:** Recurring costs for paper and other office supplies.
- **Travel:** Travel budget to cover trips related to fundraising, conferences, and guest lecturers. Travel allotment doubles starting in year three to accommodate increased fundraising targets.
- **Startup tools:** Cost calculated by Rob Thallon based on typical construction site tool requirements.
- **Startup pickup truck:** The truck will be added to the University's Motor pool, but will be set aside for use on OregonBILDS projects. The truck will be used or donated.
- **Tool maintenance and supplies:** Assuming that there will be a need to replace some tools or parts on a yearly basis. This also assumes a need for recurring tool repair.

- **Track maintenance and operation:** Cover the cost of truck maintenance and gas.
- **Workshop space:** Assuming that the UO or LCC donates space for construction fabrication.
- **Land:** Land cost is zero assuming that the UO donates land for the first five years.
- **Interest and fees on construction loan:** \$3,600.00
- **System Development Charge (SDC):** Based on multi-city comparison of SDCs conducted by the Oregon League of Cities.<sup>3</sup>

## Revenue

- **Housing sale:** Based on estimates from a real estate broker, the type of house proposed by OregonBILDS would sell from \$250,000 to \$275,000. For the purpose of this budget, the assumption is that it will sell for the lower price. The other assumption is that, for the first five years, the house will be pre-sold to UO faculty.
- **Fundraising:** Fundraising revenue represents annual targets for individual donations.
- **Grants:** Grants could be earned to cover certain programmatic expenses. There is no grant revenue anticipated in the first five years, however, further research may uncover grant based funding opportunities.
- **Material donations:** Based on case studies from similar design build programs across the United States, OregonBILDS anticipates material donations that cover 25% of material cost. This conservative estimate is based on the young nature of the program. More established programs at Yale and Kansas, as well as the UO's designBridge bring in substantially more revenue through material donations.
- **Contract labor donations:** Another typical revenue source is donated labor. This budget assumes a discount of fifteen percent for all contract labor.

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<sup>3</sup> Oregon League of Cities. "Multi-city SDC Comparison." Web. August 2011.  
[http://www.ci.corvallis.or.us/downloads/cd/DEVELOPMENT\\_SERVICES/League%20of%20Oregon%20Citie%20s\\_Single%20Family%20Residence%20SDC%20Comparison%20Table.pdf](http://www.ci.corvallis.or.us/downloads/cd/DEVELOPMENT_SERVICES/League%20of%20Oregon%20Citie%20s_Single%20Family%20Residence%20SDC%20Comparison%20Table.pdf)