



Memorandum of Understanding

McArthur Court Transitional Utilities Cost Sharing

June 13, 2011

BACKGROUND AND STATEMENT OF INTENT

On January 8th, 2011, the Athletic Department concluded its final intercollegiate competition in McArthur Court ("Mac Court"). Since that time, UO Physical Education & Recreation ("PE & Rec") has been using, managing, and programming the main level of the facility. It is expected that PE & Rec will continue to use Mac Court until the future, long-term use of the facility is determined and ready to commence. During this time, the Athletics Department will continue to use the basement level of Mac Court. An MOU was put in place this past Spring between UO Administration, the Athletics Department, and PE & Rec regarding the transitional use of Mac Court. One of the issues identified in that MOU was the need for a separate MOU to be put in place between central administration and the Athletics Department to address how utilities cost for the building will be shared. That is the purpose of this document.

MEMORANDUM OF UNDERSTANDING

1. The total space that the Athletic Department occupies in the basement of Mac Court is approximately 15,500 square feet. This represents 12.48% of Mac Court's total assignable net space of 124,165 square feet. However, in recognition that some of the total assignable net space of Mac Court is common space (e.g., hallways), the figure of 17.48% will be used to calculate the Athletic Department's share of utilities cost.
2. Since PE & Rec took over management of the main area of Mac Court in January, there has been a significant increase in utilities cost, most likely linked to increased usage of the building (i.e. continuous student programming vs. periodic practices and competitions). For this reason, rather than have Athletics split all utilities cost each year, a baseline cost share figure will be established using the utilities usage and cost patterns for the last full year that Athletics controlled the entire building (FY2010). This baseline figure will be adjusted each year for inflation, using the latest general Portland annual Consumer Price Index ("CPI") figures available.
3. In FY2010 the total utilities cost for Mac Court was \$121,760. The baseline cost share figure for this year was \$21,284 ($\$121,760 \times 17.48\%$). The latest Portland annual CPI figure available is for calendar year 2010 and is 0.9%. The baseline cost share figure for FY2011 is, therefore, \$21,475 ($\$21,284 \times 1.009$).

4. The final intercollegiate competition in Mac Court took place on January 8th, 2011, after which the Athletic Department vacated the main part of the building. This utilities cost share agreement is effective as of January 15th, 2011. For FY2011, Athletics is responsible for all Mac Court utilities costs incurred prior to January 15th, 2011. As of January 15th, 2011, the cost sharing methodology outlined in this MOU is effective. This means that for the time period of January 15th – June 30th (5.5 of the 12 fiscal months of the year), Athletics' contribution to Mac Court utilities is \$9,483 (which represents 5.5 months of the established utilities cost share for FY2011 of \$21,475/year).
5. The cost share base for FY2012 will be finalized in the spring of 2012, once the annual 2011 Portland CPI rate has been published. The cost share base for each successive fiscal year will be finalized each spring once the prior year annual calendar year Portland CPI has been published.

Rob Mullens

Rob Mullens, Athletic Director

6/14/2011

Date

Frances Dyke

Frances Dyke, Vice President
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6/14/2011

Date