

MEMORANDUM

TO: Clackamas County Board of County Commissioners (BCC)
Sitting/Acting as Clackamas County Extension & 4-H Service
District Board of Directors

FROM: Nancy Bush, COO

RE: OSU Extension/Clackamas Community College Building Update

DATE: January 27, 2026

REQUEST: None, informational update only.

BACKGROUND:

Clackamas Community College (CCC) and OSU Extension Service (OSU) are collaborating on the development of a new facility that will house programs from both organizations. Planning for the project has been underway for approximately two years, with construction planning beginning in the summer of 2025.

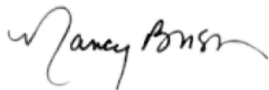
The OSU Extension Service Board has signed a memorandum of understanding (MOU) with CCC that outlines expectations and includes a \$15.1 million commitment from OSU Extension for its portion of the building, including shared space.

On December 31, 2025, members of the OSU Extension Service Board received a letter of concern from Oregon State University Extension Service outlining several issues of concern related to the project. These concerns were discussed during a meeting that included Commissioner Martha Schrader, serving as the board's liaison to the project and OSU Extension, OSU Extension university staff, and CCC management.

During the meeting, Commissioner Schrader reviewed each concern to ensure they were fully discussed and that all parties had a clear understanding of the path forward. At the conclusion of the meeting, all parties agreed that the project remains solid and that the concerns had been satisfactorily addressed.

RECOMMENDATION: No recommendation, update only.

Respectfully Submitted,



Nancy Bush, County Administration

Attachment #1: OSU Extension Center Letter



Oregon State University
Extension Service

Attachment #1

Extension and Engagement
Extension Service
Oregon State University
101 Ballard Extension Hall
Corvallis, Oregon 97331

P541-737-2713 | F541-737-4423
extension.oregonstate.edu/

12/31/2025

Clackamas County Board of Commissioners
2051 Kaen Road
Oregon City, OR 97045

Dear Chair Roberts and Commissioners,

On behalf of Oregon State University Extension Service, thank you for Clackamas County's continued partnership and long-standing support of Extension programming. We recognize the Board's responsibility to steward public resources and to ensure that the Clackamas Extension and 4-H Service District (district) investments align with the intent of Clackamas County voters.

We are writing to share several unresolved issues related to the proposed Clackamas Extension Building that present material financial and operational risk to OSU Extension's ability to serve Clackamas County residents. Given the scale of the proposed investment by the service district, we believe it is our responsibility to ensure these risks are clearly articulated to each of you as the project continues to advance.

As background, the proposed facility is planned as a 12,505 square foot, two-story building shared with Clackamas Community College (CCC). The estimated construction cost for the OSU Extension portion is currently \$15.1 million, or approximately \$1,207 per square foot. The project has progressed through collaborative meetings, design work, and partner engagement; however, key cost, governance, and operational questions remain unresolved.

Financial Exposure and Risk to Programming

The stated construction budget is \$15.1 million, effectively committing all building fund reserves to the project. In particular, the inclusion of furniture, fixtures, and equipment (FF&E) has shifted multiple times, and Extension does not have assurance that these costs are fully captured within the existing budget.

Estimated costs beyond the \$15.1 million construction budget currently include:

- OSU Extension FF&E, estimated at approximately \$478,000
- Shared FF&E costs of \$41,112.50 (50/50 split between the service district and CCC)

- Technology, freight, and delivery costs of \$113,283.50 (50/50 split between the service district and CCC)
- Kitchen equipment estimated at approximately \$800,000, with potential infrastructure requirements that could increase kitchen-related costs to approximately \$1.5 million
- Additional equipment and an outdoor classroom not currently included in FF&E estimates, estimated at approximately \$500,000
- Other unknown ongoing costs, above the \$15 million investment by the district include storage, landscaping, janitorial, security, and utilities.

Collectively, these items represent more than \$2 million in costs above the stated construction budget, with the potential for further increases due to inflation and tariffs. The cost per square foot for the proposed facility significantly exceeds that of comparable recent Extension and public education facilities. This elevates the financial exposure associated with the project and increases the likelihood that capital costs could compete with programmatic investments.

Although the service district will not be required to contribute funding until CCC bond funds are expended, or possibly after the anticipated move in of February 2028, any additional costs will come at the expense of program operations. This would likely mean that Extension would need to cut county programming to allocate those funds to the building costs above and beyond the current building fund balance. This would be a loss to the vital Extension programs and services the people of Clackamas County count on.

Governance, Lease Term, and Design Oversight

As discussions continue regarding the Memorandum of Understanding between Clackamas Community College and Clackamas County, it is critical that governance terms reflect the scale of the public investment being contemplated.

As you know, service district funds are taxpayer dollars approved by county voters with the expectation of a stable, long-term Extension presence and programming that meets the needs of the county. A capital investment approaching or exceeding \$15 million raises important considerations related to lease duration, design oversight, and long-term operational viability.

With respect for the legal requirements associated with bond-funded construction and CCC ownership of the facility, it is prudent for the district and OSU Extension to retain sufficient safeguards that do not compromise the ability to deliver programming and operate effectively. Without such protections, the risk to Extension programming and taxpayer intent increases substantially.

Ultimately, the Clackamas County Board of Commissioners will be asked to approve any Extension Service District capital investment. It is essential that these financial and governance risks are clearly resolved and documented prior to final approval.

The path forward

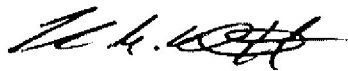
OSU Extension remains committed to a collaborative project that serves the long-term interests of Clackamas County residents. At the same time, the issues outlined above

represent real and material risks that could impact Extension programming if not fully addressed.

We provide this letter to ensure these concerns are clearly understood and considered by the Commissioners (as the governing board for the Service District) as discussions continue. We appreciate the County's leadership and partnership and look forward to continued engagement as the project approaches key decision points.

I am available to meet to discuss these considerations further and help ensure OSU Extension continues to provide exceptional programming and services for the people of Clackamas County. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "K. M. Elliott", written in a cursive style.

Kristopher M. Elliott, Ph.D.
Vice Provost for Extension and Engagement
Director OSU Extension Service