

Finance & Administration

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June 3, 2025

Portland Historic Landmarks Commission
C/O Staci Monroe

Dear Portland Historic Landmarks Commission,

Thank you for your interest in student housing at Portland State University. University Housing and Residence Life (UHRL) at PSU is responsible for providing affordable student housing that promotes student success, retention and community. UHRL is a PSU auxiliary responsible for operating a sustainable housing program with below-market rental rates for students and does not rely on any University general funds.

The decision to demolish Montgomery and Blackstone Halls was not made lightly and was done so with the process that your letter recommends. We hired a structural engineer to work with our in-house architects and construction project managers to determine the needed seismic improvements and to help determine what changes could be made inside the buildings. Our capital projects team has completed over \$500 million in construction over the last decade, including the renovation of St. Helens Residence Hall, a building dating to 1928 and we understand the design, cost and construction considerations for renovations of this type.

Based on our analysis, the cost to bring each building merely up to seismic code and address system deferred maintenance and safety issues is \$20-\$23 million per building. This would leave the buildings in their current configuration with rooms that are either too small or too large, no student study space and no student amenities. Reformatting the buildings to modern dorm-style living is difficult and costly due to the current window configuration, mechanical shafts and building orientation. Reformatting the buildings would likely add another \$10 million per building and would still not generate enough in housing fees to cover the annual principal and interest payments on the bonds used to fund the project. Without meeting the underlying debt responsibilities, neither facility generates enough revenue to cover any annual operational costs, funding of deferred maintenance reserves or contributions to housing department administration. There simply are not enough beds in the buildings to cover the cost of the needed renovations.

As a public university, PSU is able to access bond funding that makes financing new construction more affordable. PSU's mission is to serve our students with an accessible, affordable and excellent education that we support through our asset management strategies. PSU has a proud history of rehabilitating and preserving historic buildings (such as Lincoln Hall, Shattuck Hall, St. Helens Residence Building, Helen Gordon Child Development Center and the Simon Benson House) when such projects are financially feasible, but our mission necessitates that we put student needs first. PSU appreciates PHLC's position as an advocate for historic preservation and your engagement on student housing.

Sincerely,

Jason Franklin

AVP, Planning, Construction and Real Estate

Cc: Ann Cudd, President, Portland State University
Donnie Oliveira, Deputy City Administrator
David Kuhnhausen, Director of Portland Permitting & Development
Eric Engstrom, Director of Bureau of Planning & Sustainability
Olivia Clark, District 4 City Councilor
Mitch Green, District 4 City Councilor
Eric Zimmerman, District 4 City Councilor
Heather Flint Chatto, Architectural Heritage Center
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