

October, 19, 2006

07-022

GRANT THE COLLEGE AUTHORITY TO ENTER INTO
A LEASE BACK AGREEMENT OF THE PROPERTY
UPON THE SALE OF THE CAPITAL CENTER.

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FINANCIAL
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REPORT: The College and the Oregon University System are currently moving forward on the sale of the Capital Center property located at 18624 NW Walker Road in Beaverton. Once the sale has closed the College intends to lease back currently-occupied space up to 3 years or until suitable facilities are located to house these programs.

Per Board Policy B 214, the Board will approve leases with a contract value of \$75,000 or more. An estimate of approximately sixty to seventy thousand square feet will be required. At a full service cost of \$12.00 per square foot the annual cost is estimated to be \$720,000-\$840,000. The Lease Agreement will contain an early termination clause that will allow the College to stop paying rent if programs are relocated before December 31, 2009.

RECOMMENDATION: That the Board of Directors grant authority for the College to enter into a lease of space from the new owners of the Capital Center. Lease to be contingent upon the sale of the property and run from the date of sale through December 31, 2009, or earlier.