

March 15, 2007

07-061

DELEGATE AUTHORITY TO DISTRICT PRESIDENT
CONCERNING REAL PROPERTY MATTERS RELATED
TO THE CAPITAL CENTER

PREPARED BY: Randy McEwen, Vice President, Administration

APPROVED BY: Dr. Preston Pulliams, District President

REPORT: Board Policy B214 reserves to the Board the authority to "Approve the purchase or sale of real property". Resolution 06-043 provided a special delegation of authority to the District President to negotiate the sale of Portland Community College's (PCC) interest in the Capital Center, in consultation with the Board Chair/Vice Chair and college counsel. This was in the context of the tentative sale to Regency Group, which has recently been terminated.

The College, as a minority owner in the Capital Center, has a need to engage in potential sale discussions with other parties. These discussions will need to include potential concepts for redevelopment of the property. That context may need to include the potential development of the Willow Creek property.

The timing and pace of these discussions cannot be predicted, but PCC participation is required, due to its ownership interest and potential development interest in the Willow Creek property. Timing could well be of the essence.

RECOMMENDATION: The Board finds that the sale of the current WCWTC property and replacing it with a property that will better serve the College's current and future needs will further the public interest. The Board further finds that PCC's interests in enhancing access to education and workforce development opportunities are likely best served by the potential for linking the Capital Center sale with development of alternate sites within a single development concept or plan. Recognizing that time may

be of the essence, the Board hereby delegates to the District President the authority to negotiate the terms and conditions of and execute a binding agreement or agreements to sell the WCWTC property and to lease and/or purchase property for the purposes of relocating the WCWTC on a temporary and/or permanent basis, subject to consultation with the Board Chair and Vice Chair and to the availability of funds.

invited Board members to attend the events. She said Rock Creek Dean of Students, Narce Rodriguez and Reine Thomas, Rock Creek Dean of Instruction are responsible for a majority of the campus's activities listed on the event calendar, that without their leadership many of those events would not have taken place.

Dr. Persson said many events and activities are occurring at Rock Creek Campus.

- The athletic complex being built in partnership with the Tualatin Hills Park and Recreation Department (THPRD) is progressing as planned. During Spring term another turn lane from Springville Road will be created at the campus entry. The built up area that can be seen as people come onto the campus is where tennis courts, about 300 parking spots, four ball fields, and practice fields will be completed before Fall term. This \$11 million complex will generate FTEs and bring more visitors to the campus.
- Another facility at Rock Creek, the Washington County Museum, is planning an expansion that could start as early as May.
- Semana de la Raza that will be held the week of April 16-21 is a multicultural event celebrating the Latino culture. A highlight of the event will be the recognition of an individual or organization chosen to receive the Cesar Chavez Distinguished Service Award.
- A couple of weeks ago the campus hosted its first Preview Day bringing almost 300 high school students from 14 different Oregon school districts as well as neighboring states to see what campus life would be like at the PCC Rock Creek Campus.
- A partnership with OSU Master Gardeners is being considered because when the Capitol Center is sold Master Gardeners will need to be relocated and with the Landscape Design Program it seems logical to move them to Rock Creek.
- The first community choir is in the throes of being created.
- New kennels are planned to be available for use by the Veterinary Technology students Fall term.
- The partnership that began with PSU three years ago is going very well with 88 students attending evening classes on a regular basis that help them earn a bachelors degree in liberal arts.
- The early college program with Beaverton High School and the high school completion program have been very successful.
- The office of International Education is housed at Rock Creek and district wide serves 425 international students from 50 countries.

President Pulliams thanked Dr Persson for her update and acknowledged her accomplishments not only at the campus but also in the community.

Legislative Update

Kristin Watkins, Interim Director, Institutional Advancement

Ms. Watkins gave Board members a packet of information that included a summary of Oregon's community college legislative priorities and said the effort is advocating for \$529 million for the Community College Support fund, capitol construction projects at all seventeen community colleges, and increased financial aid for students through the

Governor's Shared Responsibility Model. The Governor's budget requests \$483 million for the Community College Support fund but is still challenged due to needed revenue increases not coming together as the Legislature had hoped. The outcome could be that the Governor's budget requests might not be fully funded. The March revenue forecast came in at about \$34 million more than the last revenue forecast and although the budget will be not be balanced until the May forecast it's certainly good news that the revenue projection did not decline.

Information is being provided to the legislators on the impact of various levels of funding to community colleges. Letters to the legislature are being sent in support of community colleges from Board members, the President's Kitchen Cabinet, the Foundation Board, the Portland City Council and the Portland Mayor. President Pulliams and other college executives have been testifying in a number of hearings about the impact of these budgets and what community colleges are advocating for from this session.

Senate Bill 426, known as the Insurance Pool Bill, has passed in both the House and the Senate and requires all K-12 school districts to pool their insurance coverage. As a community college PCC would not be required to participate but it would likely be affected because the Oregon School Boards Association pool the College is currently a part of would no longer exist because many of the schools in that pool would be required to participate in the new insurance pool.

A Bill has been introduced in the House to honor late Board Chair Doreen Margolin for her service to community colleges and to Portland Community College. This is a wonderful testament to how widely respected Doreen Margolin was across the State and in Portland.

A few key dates: Saturday, March 17 at Southeast Center Ben Cannon and Senator Wyden will host a Town Hall on health care; March 29th is the Ways and Means Hearing at Sylvania campus; April 10th is PCC Day at the Capital. Board members are encouraged to attend these events

A PCC Board delegation that included Chair Lim, Directors Frisbee, McKinney, and Williams attended the Association of Community College Trustees (ACCT) Legislative Summit in Washington, DC. They along with other attendees advocated the community colleges' top three priorities as identified in the ACCT 2007 Community College Federal Legislative Priorities handout: increasing the federal Pell Grant maximum, fully funding the Carl Perkins legislation, and increasing the amount of money allocated to community-based job training grants.

Ms. Watkins said PCC's Federal appropriations request to support the Center for Business and Industry and the Small Business Development Center has been resubmitted. Although senators last year decided not to fund any of the direct appropriations in the FY 2007 budget PCC was asked to resubmit for the FY 2008 budget. Governor Kulongoski will lend his support and will send a letter on the College's behalf urging the senators to make this a priority for Oregon.

President Pulliams thanked Ms. Watkins for her leadership in lobbying. He also thanked staff, campus presidents, faculty, and the Faculty and Classified Federations for their work and asked them to continue seeking support for the College.

3. Energy Procurement

Randy McEwen, District Vice President

Mr. McEwen said in the next few months a resolution will be brought before the Board concerning the purchase of energy. He explained that the College's primary sources of energy are natural gas and electricity at an annual cost of about \$4 million. The former environment for supplying utilities was defined in service territories with those providers having the exclusive right to provide service within those territories. Due in part to poor investment decisions on the part of many providers of energy State and Federal regulators determined that an open market approach was more appropriate and the sale of energy was deregulated.

The evolution for the natural gas market happened about 1993 – 1998 in an organized manner. Some natural gas providers became energy source developers, ran pipelines, or became local distribution companies. The same thing is happening with electricity. Some of the very large utility companies, primarily on the east coast, have either solely become generators of energy, operators of long distance transmission lines, or become distributors within their formerly defined service territory.

The opportunity now emerging in Oregon through the Oregon Public Utilities Commission (OPUC) is a creation of an open market where the College can purchase electricity from any generator in any state and pay to have it shipped to the College. Under OPUC rules there are three or four very short windows of time each year that customers can switch the electricity provider they use. To use this process the College would present its electric needs and see which provider bids to sell electricity to PCC. Notification periods for signing on to these deals are very short, one week. There is no way of predicting if any electric provider will be interested in the College's business or at what price.

The College's typical rules of procurement will not work for this process because entering the auction, seeing the results, and executing the contract are done within about 48 hours and would not likely fit with scheduled Board meetings. The potential savings would depend on the auction results but they will likely exceed \$100,000 making the process worth exploring. He said the purpose of his brief was to keep the Board informed of what is being considered and how the business environment regarding energy has changed. As investigation of this process unfolds he will return with recommendations as to the authority he will ask the Board to grant going forward to engage in this issue more fully.

President Pulliams asked if there were any questions. There being none he said information sessions for this evening were finished and thanked Mr. McEwen.