

May 15, 2008

08-093

DELEGATE AUTHORITY TO THE PRESIDENT OR
PRESIDENT'S DESIGNEE TO EXECUTE A
DEVELOPMENT AGREEMENT AND GROUND LEASE
WITH THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON ("TRI-
MET") FOR PROPERTY LOCATED AT THE WILLOW
CREEK TRANSIT CENTER IN HILLSBORO, OREGON
FOR THE PURPOSE OF CONSTRUCTING A NEW
WASHINGTON COUNTY WORKFORCE TRAINING
CENTER

PREPARED BY: Wing-Kit Chung, Vice President, Administrative Services

APPROVED BY: Randy McEwen, District Vice President
Dr. Preston Pulliams, District President

REPORT: Portland Community College ("the College") and the Oregon University System have sold the Capital Center, site of the current Washington County Workforce Training Center, to the Beaverton School District. The College has entered into a lease with Beaverton School District to continue using space in the Capital Center pending construction of a new Washington County Workforce Training Center to be located on property owned by Tri-Met that is adjacent to the Willow Creek Transit Center ("Willow Creek Property"). This lease terminates on December 31, 2009.

The College has been in negotiations with Tri-Met to enter into a development agreement and 99-year lease for the Willow Creek Property. The College and Tri-Met are excited about the opportunity because the location accomplishes the College's goal of providing excellent transportation alternatives to its students and clients and Tri-Met's goal of encouraging development that enhances transit ridership. The negotiations are near completion at a price of about \$2.5 million, which is within the budget for land acquisition for the project. The price was based on an appraisal done by Tri-Met. Staff will hire an appraiser to verify that this amount is reasonable and approximates the market price of such a land lease. The

final agreement must be approved by the Federal Transportation Authority ("FTA").

Board Policy B-213 authorizes the President or the President's designee, subject to Board approval, to conduct all aspects of real property transactions on behalf of the College. Board Policy B-214 otherwise requires the Board to approve all real property transactions. Pursuant to these policies, staff recommends that the Board delegate to the President or the President's designee the authority to negotiate and execute a development agreement and ground lease with Tri-Met for the Willow Creek Property. Because of the multiple jurisdictional approvals required for the development agreement and lease and the tight construction schedule required to complete and occupy the new building by expiration of the lease with Beaverton School District, the timing of execution of the development agreement and lease is likely to be of the essence in order to ensure that construction starts on schedule.

RECOMMENDATION: That the Board of Directors of Portland Community College District resolve as follows:

1. The Board hereby delegates to the District President or the President's designee the authority to negotiate the terms and conditions of and to execute a binding development and 99-year ground lease agreement or agreements with Tri-Met for the Willow Creek Property for the construction of a new Washington County Workforce Training Center and related facilities.
2. The capitalized lease amount is estimated to be \$2.5 million, exclusive of any maintenance or closing costs.
3. The terms and conditions of the final development agreement and ground lease shall be reviewed with the Board Chair and subject to review and approval as to form by the College's legal counsel.
4. The authority granted pursuant to this resolution includes the authority to negotiate closing and maintenance costs and to execute all documents necessary to close the transaction.

ADOPTED by the Board of Directors, Portland
Community College District, Multnomah, Washington,
Columbia, Yamhill and Clackamas Counties, Oregon, this
15th day of May, 2008

PORTLAND COMMUNITY COLLEGE DISTRICT,

By

Jim D. Harper
Chair, Board of Directors

ATTEST:

Dr. Preston Pulliams, District President