

RESOLUTION NO. 2269

A RESOLUTION OF THE CITY OF WILSONVILLE SUPPORTING THE 2011 LEGISLATIVE STATE BONDING REQUEST OF THE OREGON INSTITUTE OF TECHNOLOGY, ALSO KNOWN AS "OREGON TECH"

WHEREAS, the City of Wilsonville has worked closely with the Oregon Institute of Technology ("OIT"), which is also known as "Oregon Tech," on the educational institution's plans to consolidate four locations spread throughout the greater Portland metropolitan region into a main, central campus located in Wilsonville; and

WHEREAS, the advantages of a Wilsonville location and consolidation for Oregon's students, economy and taxpayers include:

- Enhanced workforce development to provide for industry needs with graduates in allied health professions, renewable energy engineering, and other high tech programs;
- Increased facility and staff efficiencies;
- Encouraged innovation and partnerships with industry, with a focus on the undergraduate workforce and applied research with Oregon companies;
- Greater ability for Oregon Tech's unique program offerings to provide immense potential for greater numbers of graduates in the region to meet workforce demands. Employers in Oregon and the Pacific Northwest are projected to have more jobs than qualified professionals in fields, such as energy, renewable technologies, engineering, and allied healthcare; and

WHEREAS, OIT has stated that the Wilsonville OIT campus is composed of a total project cost of \$30 million, which includes building purchase price of former InFocus facility for \$21.25 million and conversion from office space to academic space at a cost of approximately \$8.75 million, and proposed funding mechanisms that include \$15 million in XI G bonds, \$5 million in Lottery bonds, and \$10 million in gifts and other funds; and

WHEREAS, OIT indicates that bonding support is critical now for several reasons, including:

- Purchase of existing commercial property, while costs are anomalously low, is a far wiser use of taxpayer dollars than construction of a new facility at this time. OIT will lease the building until the university is able to purchase the facility outright, with a projected purchase date of 2013;
- Sale of OIT's Portland-East facility is in process, which will provide some of the \$10 million matching money required for the bonding request;
- Leases at OIT's three other Portland-area facilities will expire, thus allowing transition into the Wilsonville Campus in time to offer its first classes there in 2012;
- The approximate annual lease for a building such as the former InFocus building is \$1.9 million with a 2% annual increase, plus operating costs. Since OIT/Oregon University System (OUS) signed a lease agreement with an option to purchase, OIT will need to pay the annual lease costs, rather than purchasing the building if the bonding is not available. Thus, for every year of delay, it will cost Oregon Tech and Oregon taxpayers approximately \$2 million in lease costs, rather than applying public funds to buy the building; and

WHEREAS, OIT has stated to the City of Wilsonville that bonding support is critical now as the 2011 session of the Oregon Legislative Assembly convenes, and

WHEREAS, OIT has specifically requested the City of Wilsonville's legislative assistance to support OIT's request for bond funding by indicating that:


- The OIT Wilsonville campus consolidation and building purchase will stimulate job growth;
- The support is consistent with Oregon Tech's mission and will help Oregon achieve the state's 40-40-20 goals;

- If OIT does not get the bonding authority this legislative session, it will increase the Wilsonville consolidation cost to Oregon taxpayers, losing the opportunity to use the lowest-cost financing available;
- Consolidates four Portland-area OIT campuses into one facility increases space available for growth of job-related programs and majors.

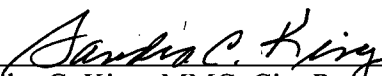
NOW, THEREFORE THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

1. The Wilsonville City Council hereby endorses and supports the 2011 legislative state bonding request of the Oregon Institute of Technology (OIT), also known as "Oregon Tech."
2. This resolution is effective upon adoption.

ADOPTED by the Wilsonville City Council at a regular meeting thereof this 20th day of January 2011, and filed with the Wilsonville City Recorder this date.


TIM KNAPP, MAYOR

ATTEST:


Sandra C. King, MMC, City Recorder

SUMMARY OF VOTES:

Mayor Knapp - Yes

Councilor Núñez - Yes

Councilor Hurst - Yes

Councilor Goddard - Yes

Councilor Starr - Yes

Oregon Institute of Technology, Wilsonville Campus

Advantages of Wilsonville Location/Consolidation for Oregon's Students, Economy, & Taxpayers

- Enhance workforce development to provide for industry needs with graduates in allied health professions, renewable energy engineering, and other high tech programs
- Creates facility and staff efficiencies
- Encourage innovation and partnerships with industry, with a focus on the undergraduate workforce and applied research with Oregon companies
- Oregon Tech's unique program offerings provide immense potential for greater numbers of graduates in the region to meet workforce demands. Employers in Oregon and the Pacific Northwest are projected to have more jobs than qualified professionals in fields, such as energy, renewable technologies, engineering, and allied healthcare

Wilsonville Funding

- Total project cost of \$30M
 - Former *InFocus* building purchase price is \$21,250,000
 - Conversion from office space to academic space will cost approximately \$8,750,000
- \$15M in XI G Bonds
- \$5M in Lottery Bonds
- \$10M in gifts and other funds

Legislative Assistance

- Support OIT's request for bond funding:
 - Will stimulate job growth (see above "Advantages of Wilsonville...")
 - Is consistent with Oregon Tech's mission & will help Oregon achieve its 40-40-20 goals
 - If OIT does not get the bonding authority this session, it will increase the cost to Oregon taxpayers, losing the opportunity to use the lowest-cost financing available
 - Consolidates 4 Portland-area campuses into one facility, yet increases space available for growth of job-related programs & majors

Why is Bonding Support Critical Now?

- Purchase of existing commercial property, while costs are anomalously low, is a far wiser use of taxpayer dollars than construction of a new facility at this time. We will lease the building until we are able to purchase it outright (projected purchase date is 2013)
- Sale of our Portland-East facility currently is in process (this will provide some of the \$10M matching money required for the bonding request)
- Leases at our three other Portland-area facilities will expire, thus allowing transition into the Wilsonville Campus in time to offer our first classes there in 2012
- The approximate annual lease for a building such as the former *InFocus* building is \$1.9 million with a 2% annual increase, plus operating costs. Since OIT/OUS signed a lease agreement with an option to purchase, OIT will need to pay the annual lease costs, rather than purchasing the building if the bonding is not available. Thus, for every year of delay, it will cost Oregon Tech and Oregon taxpayers ~\$2 million in lease costs, rather than applying public funds to buy the building.

For more information, please contact Chris Maples, OIT President, at chris.maples@oit.edu, 541-885-1103 (cell# 775-741-1635); Brad Burda, OIT Provost, at bradley.burda@oit.edu, 541-885-1451, or Lita Colligan, Associate Vice President for Strategic Partnerships, at lita.colligan@oit.edu, 503-821-1247.



Office of the President ■ 541-885-1103 ■ <http://www.oit.edu>