



BOARD OF TRUSTEES SPECIAL MEETING

**January 21, 2025**

1:00 P.M – 3222A, Wenatchee Hall/Zoom

<https://wvc.zoom.us/j/88546251658>

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**AGENDA**

**CALL TO ORDER**

**LAND ACKNOWLEDGEMENT**

**CAPITAL PROJECTS**

- CTEI Building Update & Funding Scenarios

**PUBLIC COMMENT**

People wishing to address the board must sign up in person or via chat and limit their remarks to three minutes.

**POSSIBLE ACTION**

- Resolution No. 25-01 Temporary Local Funding

**ADJOURNMENT**

NOTE: An Executive Session may be called for any reason allowed under the Open Public Meetings Act (RCW 42.30)

TO: Board of Trustees

- Ms. Paula Arno Martinez, Chair
- Mr. Steve Zimmerman, Vice Chair
- Ms. Tamra Jackson
- Ms. Wilma Cartagena
- Ms. Phylicia Hancock Lewis

FROM: Brett Riley

DATE: January 17, 2025

SUBJECT: Center for Technical Education and Innovation (CTEI)- Certificate of Participation (COP) Funding Scenarios

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**History-** The CTEI project has gone out to bid twice. In both instances the bids exceeded available funding provided by the legislature. In each instance, the primary cost differential was primarily due to the mechanical/electrical work on the projects. In discussion with vendors and other stakeholders, this anomaly is in large part due to the electrical work being done in our valley on the server farms projects in the area.

In addition to the market conditions of the valley, we are in the unique position of being grandfathered into the previous energy code. If this project were to rebid again, we would likely be required to comply to the new energy code due to significant change in the projects size and scope reduction.

In each scenario below, the original scope of the project has been impacted by our local market conditions. To summarize the scope reductions to date.

- The initial scope included a complete second floor that provided space for Computer Technology and Agriculture. With bid alternates for greenhouses
- The revised scope largely “shelled” roughed in the second floor and removed the greenhouses entirely.
- The current proposal (scenario’s 2-4) would also shell the Welding Lab on the first floor.

**Proposed Solution-** In an effort to remain under the previous energy code and mitigate continued expenses in redesign costs, the college is proposing to work with the architect and DES to identify project efficiencies that mitigate project costs. However, this work cannot move forward without executing the construction contract. As part of the solution, WVC must seek a Certificate of Participation (COP) for the Washington State Treasurers Office to accept the lowest bid proposal. Administrative Services has provided supporting documentation that illustrates proposed cost saving initiatives, rationale and extended history of the bid process from the architect, as well as COP scenarios from the Treasurer’s Office.

**Scenario 1-** Go out to bid with reduced scope. Per architect, we would see a 30% reduction in square footage. New energy code applies, additional car charging stations, solar panels, and interior electrical modifications.

**Scenario 2-** Approve the COP and we don't realize any savings from additional value engineering and deductive change orders. This would require exercising the COP and would be repaying the Treasurer's Office according to one of three amortization schedules attached (\$373,500, \$503,500, \$649,500). Note: The decision is up to us as to which schedule we want to use.

**Scenario 3a-** Approve the COP and we realize partial savings from additional engineering and deductive change orders. We would be required to exercise the COP, however at a reduced amount than presented in the attached amortization schedule.

**Scenario 3b-** Approve the COP and we realize partial savings from additional engineering and deductive change orders. We would opt to descope additional program space (Automotive for example) and don't exercise the COP.

**Scenario 4 (Preferred Outcome)-** Approve the COP and we realize the savings identified in the attached document and do not exercise the COP.

## Memo From Architect:

### Permitting Impact

- Permitting process will need to be redone –
  - Cost Impact another **\$140,000** – this is what you have spent already
  - 6 months minimum for review process

### Bidding Process

- Expense and Schedule – 3 Months Minimum

### Energy Code Impact – minimum of 25% to 30% in increased costs -

#### Solar Requirements

- Must Generate .5W per square foot
  - 40% of roof coverage or enough to generate 20% of the needed electrical service – which ever nets the smaller areas

#### All Electric Mechanical System– no gas heat

- Increased electrical loads and electrical service size –
- Cost Impact at least 10% increase

#### Domestic water heating will need to be changed to an electric heat pump system

- Increased electrical loads and electrical service size
- Cost impact at least 10% increase

#### 10% of new parking stalls EV ready – plus another 10% ready for future installation

#### Envelope Impact - increase in costs a minimum of 10% increase in costs

#### Will not be able to salvage chiller from Sexton

We will need to cut square footage/program to accommodate increased costs.

### Educational Program Impact

Cut Program Square Footage – Lab and Classroom to meet budget

Cut Auxiliary Space

Administration and Faculty will have to spend time redesigning

### Redesign Impact

Redesign would require additional design services. Time and cost impact.

### Rebidding Concerns

- Tariffs will lead to increased costs
- Contractors and suppliers will lose interest if this bids again
- More and continued labor shortages
- Buying power is decreasing as costs increase

In order to bring the project into budget we would need to make drastic reductions which would leave the college with a building that does not meet their programmatic needs.

From the first bid to the second (rebid) we cut scope by roughly 30% by reducing square footage/footprint, mechanical and electrical infrastructure, and leaving the second floor unfinished.

We anticipated a reduction of \$10,000,000 and only got a reduction of \$4,000,000 – due to labor shortages, other projects being built in the region, and increased costs in supplies and materials.

Fowler	Deduct	Sub.	GENERAL		WELDING		AUTOMOTIVE	
			Item	Value	Value	Value		
1			20-Year EPDM	(912,324.00)				
2	X	X	30-Year PVC	(504,156.00)				
4		X	Roof Flashing	(76,000.00)				
5	X		Video Construction Activities	(101,802.00)				
6		X	Vent Piping UG Ductile to PVC	(56,010.00)				
7		X	Vent Piping Bldg. Ductile to PVC	(111,817.00)				
8	X		Remove Back-up Boiler	(89,000.00)				
9A			Controls/Auto					
9B			Controls/Welding		(60,000.00)		(40,000.00)	
10			Mechanical/Auto				(520,000.00)	
11			Mechanical/Welding		(780,000.00)			
12			Electrical/Auto				(163,953.00)	
14			Electrical/Welding		(166,273.00)			
16			Auto Uni-Strut				(138,500.00)	
18			Welding Booths		(95,522.00)			
19			Electrical Enclosure - Transformer CMU	(117,185.00)				
20			Doors	(20,047.00)				
21			Door Operators	(19,472.00)				
22			Shop Fabricated Furnishings		(61,500.00)		(61,500.00)	
23			Hydraulic Elevator	(74,250.00)				
25			Wall Panels Auto				(147,000.00)	
26			Wall Panels Welding		(63,000.00)			
27			Polished Floor Finish Auto				(27,970.00)	
28			Polished Floor Finish Welding		(9,780.00)		(13,985.00)	
29			Ceiling Finish Auto					
30			Ceiling Finish Welding		(4,890.00)			
31			Wall Finish Auto				(13,601.00)	
32			Wall Finish Welding		(8,988.00)			
33			ACM 4x4 in lieu of 2x2	(15,000.00)				
				(2,097,063.00)	(1,249,953.00)		(1,126,509.00)	
							\$ (4,473,525.00)	

**Wenatchee Valley College**

	15 Year Term
Delivery Date	Nov 2025
Project Funds	\$4,000,000
All-in Interest Cost	3.35%      4.34%

	10 Year Term
Delivery Date	Nov 2025
Project Funds	\$4,000,000
All-in Interest Cost	3.25%      4.25%

	7 Year Term
Delivery Date	Nov 2025
Project Funds	\$4,000,000
All-in Interest Cost	3.15%      4.14%

Payment Date	Debt Service - Current Interest Rates		Debt Service - Pessimistic Scenario
	Current Interest Rates	Debt Service - Pessimistic Scenario	
6/1/2026	\$ 111,744	\$ 120,063	
12/1/2026	\$ 234,000	\$ 250,625	
6/1/2027	\$ 85,375	\$ 91,750	
12/1/2027	\$ 260,375	\$ 281,750	
6/1/2028	\$ 81,000	\$ 87,000	
12/1/2028	\$ 266,000	\$ 282,000	
6/1/2029	\$ 76,375	\$ 82,125	
12/1/2029	\$ 266,375	\$ 287,125	
6/1/2030	\$ 71,625	\$ 77,000	
12/1/2030	\$ 271,625	\$ 292,000	
6/1/2031	\$ 66,625	\$ 71,625	
12/1/2031	\$ 276,625	\$ 301,625	
6/1/2032	\$ 61,375	\$ 65,875	
12/1/2032	\$ 281,375	\$ 305,875	
6/1/2033	\$ 55,875	\$ 59,875	
12/1/2033	\$ 290,875	\$ 309,875	
6/1/2034	\$ 50,000	\$ 53,625	
12/1/2034	\$ 295,000	\$ 318,625	
6/1/2035	\$ 43,875	\$ 47,000	
12/1/2035	\$ 298,875	\$ 322,000	
6/1/2036	\$ 37,500	\$ 40,125	
12/1/2036	\$ 307,500	\$ 330,125	
6/1/2037	\$ 30,750	\$ 32,875	
12/1/2037	\$ 315,750	\$ 337,875	
6/1/2038	\$ 23,625	\$ 25,250	
12/1/2038	\$ 323,625	\$ 345,250	
6/1/2039	\$ 16,125	\$ 17,250	
12/1/2039	\$ 331,125	\$ 352,250	
6/1/2040	\$ 8,250	\$ 8,875	
12/1/2040	\$ 338,250	\$ 363,875	
<b>Total</b>	<b>\$ 5,177,494</b>	<b>\$ 5,561,188</b>	

Payment Date	Debt Service - Current Interest Rates		Debt Service - Pessimistic Scenario
	Current Interest Rates	Debt Service - Pessimistic Scenario	
6/1/2026	\$ 114,883	\$ 121,004	
12/1/2026	\$ 361,500	\$ 381,375	
6/1/2027	\$ 84,750	\$ 89,250	
12/1/2027	\$ 394,750	\$ 414,250	
6/1/2028	\$ 77,000	\$ 81,125	
12/1/2028	\$ 402,000	\$ 421,125	
6/1/2029	\$ 68,875	\$ 72,625	
12/1/2029	\$ 408,875	\$ 427,625	
6/1/2030	\$ 60,375	\$ 63,750	
12/1/2030	\$ 415,375	\$ 438,750	
6/1/2031	\$ 51,500	\$ 54,375	
12/1/2031	\$ 426,500	\$ 449,375	
6/1/2032	\$ 42,125	\$ 44,500	
12/1/2032	\$ 432,125	\$ 454,500	
6/1/2033	\$ 32,375	\$ 34,250	
12/1/2033	\$ 442,375	\$ 469,250	
6/1/2034	\$ 22,125	\$ 23,375	
12/1/2034	\$ 452,125	\$ 478,375	
6/1/2035	\$ 11,375	\$ 12,000	
12/1/2035	\$ 466,375	\$ 492,000	
<b>Total</b>	<b>\$ 4,767,383</b>	<b>\$ 5,022,879</b>	

Payment Date	Debt Service - Current Interest Rates		Debt Service - Pessimistic Scenario
	Current Interest Rates	Debt Service - Pessimistic Scenario	
6/1/2026	\$ 117,081	\$ 117,081	3r
12/1/2026	\$ 533,250	\$ 551,875	
6/1/2027	\$ 82,250	\$ 85,500	
12/1/2027	\$ 567,250	\$ 590,500	
6/1/2028	\$ 70,125	\$ 72,875	
12/1/2028	\$ 580,125	\$ 602,875	
6/1/2029	\$ 57,375	\$ 59,625	
12/1/2029	\$ 592,375	\$ 614,625	
6/1/2030	\$ 44,000	\$ 45,750	
12/1/2030	\$ 604,000	\$ 625,750	
6/1/2031	\$ 30,000	\$ 31,250	
12/1/2031	\$ 615,000	\$ 641,250	
6/1/2032	\$ 15,375	\$ 16,000	
12/1/2032	\$ 630,375	\$ 656,000	
<b>Total</b>	<b>\$ 4,538,581</b>	<b>\$ 4,593,875</b>	

Note: All figures are estimates. Actual rates are determined on the day of sale.

**RESOLUTION No. 25-01**  
Temporary Local Funding

WHEREAS, **Wenatchee Valley College** has been approached by our contracted cell tower operator requesting to install additional infrastructure at the current location.

NOW, THEREFORE, BE IT RESOLVED, that **Wenatchee Valley College** is seeking Board approval for temporary local capital expenditure authority not to exceed \$3,300,000 related to the construction of the Center for Technical Education and Innovation.

BE IT FURTHER RESOLVED, that **Wenatchee Valley College** has legal authority, and that **Brett T Riley, Vice President of Administrative Services**, is/are hereby authorized, for and on behalf of **Wenatchee Valley College** to do and perform any and all acts and things which may be necessary to carry out the foregoing resolution including the preparing, making and filing of plans, applications, reports and other documents; the execution, acceptance, delivery and recordation of agreements, and other instruments pertaining to the Construction and Design of the CTEI building.

I, **Paula Arno Martinez**, hereby certify that I am the **Board Chair, of the Wenatchee Valley Board of Trustees**, and that the foregoing resolution is a true and correct copy of the resolution adopted by the vote of a majority of the members of Wenatchee Valley College **Board of Trustees** present at a meeting of said Board on the \_\_\_\_ day of \_\_\_\_\_, **2025**, at which a quorum was present.

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Paula Arno Martinez, Chair  
WVC Board of Trustees