

RESOLUTION NO. 6403

A RESOLUTION AUTHORIZING THE EXPENDITURE OF \$2,901,221.90 ECONOMIC DEVELOPMENT DOLLARS FOR WORKFORCE DEVELOPMENT TRAINING

WHEREAS, significant Albany industries have expressed the need for specialized technical training to meet their production and growth needs; and

WHEREAS, Linn-Benton Community College is willing to provide the necessary training but lacks the funds to purchase specialized equipment required for said training; and

WHEREAS, the workforce training proposed by this expenditure will enable local industries to expand in Albany; and

WHEREAS, the workforce training proposed by this expenditure will encourage employment growth in the well-paid manufacturing sector; and

WHEREAS, the City has previously set aside monies to be used for Economic Development; and


WHEREAS, the City's Economic Development Goals and Strategic Plan Goals are well served by the retention and expansion of the City's industrial base.

NOW, THEREFORE, BE IT RESOLVED that the Albany City Council authorizes and directs the City Manager of the City of Albany to execute the Workforce Program Funding Agreement, attached hereto as Attachment A and direct and authorize the expenditure of City Economic Development funds pursuant to the terms therein.

DATED AND EFFECTIVE THIS 8<sup>TH</sup> DAY OF APRIL 2015.

  
\_\_\_\_\_  
Mayor

ATTEST:

  
  
\_\_\_\_\_  
City Clerk

# Workforce Program Funding Agreement

This Agreement ("Agreement") is made and entered into this 10<sup>th</sup> day of April by and between the City of Albany, hereinafter referred to as "City", a municipal corporation, and ATI Specialty Alloys and Components, ATI Cast Products, Oregon Freeze Dry, Viper Northwest, Selmet, L&M Industrial Fabrication, and National Frozen Foods jointly and severally, hereinafter referred to as "Industries."

## Recitals:

- 1) Industries have expressed strong support of Linn-Benton Community College's (LBCC) request to the City to apply monies designated by the City for economic development purposes to LBCC to be used for critical, industry-specific, education and training at LBCC, hereinafter referred to as "Request."
- 2) The Request is summarized in the following table:

Item	Description	Cost
Nondestructive Testing	Implement 2-year degree and four 1-year certificates. Request includes funding for the following programs: Ultrasonic Testing, Penetrant Testing, Radiographic Testing, Mag Particle Testing, Visual Testing.	\$1,391,195.00
Welding	Implement titanium welding, modify and increase pipe welding, increase fabrication capacities.	\$ 310,233.50
Machine Tool	Modify and increase Computer Numerical Control (CNC); Coordinate Measuring Machine (CMM) capacities.	\$ 587,500.00
Mechatronics	Modify and increase mechanical, electrical, controls: multidisciplinary field of engineering capacity.	\$ 612,293.40
<b>Total</b>	<b>(see Exhibit A for detailed breakout)</b>	<b>\$2,901,221.90</b>

- 3) City funding of the Request will allow specialized equipment to be purchased to support the workforce training and education program. A list of the equipment generally proposed for purchase with City funds is set forth in *Exhibit A*, attached hereto.
- 4) Linn-Benton Community College, hereinafter "LBCC", will partner with local industry to secure the specialized education and training that is not currently being provided and which will be created and funded pursuant to this Agreement. This training shall be known as "Workforce Program" and is generally described in Recital 2 utilizing all, some, or similar equipment as referred to in Recital 3.
- 5) Industries have represented to LBCC and the City that they are confident that within 5-7 years of the Workforce Program startup, Workforce Program graduates will fill not fewer than 250-500 manufacturing positions in the Albany area.
- 6) For purposes of this Agreement, "Albany area" is defined as industries located in Linn and Benton counties.
- 7) Encouraging substantial, family-wage employment and the expansion and retention of local industries is the primary goal of the City's economic development efforts and will be furthered by acceptance of the Proposal as hereinafter provided.

**NOW, THEREFORE**, in consideration of the mutual promises herein contained it is agreed as follows:

1. City Obligations

- a. City will provide funding in an amount not to exceed \$2,901,222 to LBCC for the Workforce Program as follows:
  - i. An initial payment of \$700,000 shall be made to LBCC by the City within 30 days of the complete execution of this Agreement.
  - ii. Subsequent payments, up to the not-to-exceed aggregate sum of \$2,901,222, shall be made to LBCC solely for the purposes set forth herein upon request and upon the approval of the advisory committee identified below.

2. Industries Obligations – Industries agree to accomplish the following:

- a. Work with LBCC to form an advisory committee made up of seven representatives of local industry.
- b. Direct LBCC's use of City economic development funds provided pursuant to this Agreement solely for the funding for the workforce training to be conducted at LBCC as identified in Recital 2 and for the purchase of equipment to be used in conjunction with the Workforce Program substantially as identified in Recital 3.
- c. Within seven years of the date of this Agreement, to use reasonable efforts to hire, in conjunction with other manufacturers within the Albany area, not fewer than 500 graduates of the Workforce Program funded by this Agreement into existing or newly-created full-time manufacturing jobs.
- d. All funding requests made of the City and all industry determinations concerning the use of said funds shall be approved in writing, with a copy thereof provided to the City, by a majority vote of the committee formed in accordance with 2 (a) above.
- e. The advisory committee shall involve their respective technical experts in decisions concerning the use of City funds and shall not purchase equipment over the objections of their own technical experts.

3. Linn-Benton Community College Obligations - LBCC agrees to the following:

- a. To use the City economic development funds provided pursuant to this Agreement solely for the funding for the workforce training to be conducted at LBCC as identified in Recital 2 and for the purchase of equipment to be used in conjunction with the Workforce Program substantially as identified in Recital 3.
- b. Any City funds not required and used to purchase the equipment described above shall be returned to the City.

**City of Albany**

By: \_\_\_\_\_

Wes Hare

Date: \_\_\_\_\_

Title: City Manager

**Linn-Benton Community College**

By: \_\_\_\_\_

Greg Hamann

Date: \_\_\_\_\_

Title: LBCC President

**Industries**

By: \_\_\_\_\_

Jim Merryman

Date: \_\_\_\_\_

Title: President,  
Oregon Freeze Dry, Inc.

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_  
ATI Specialty Alloys and Components

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_  
ATI Cast Products

By: \_\_\_\_\_

Guy Delude

Date: \_\_\_\_\_

Title: President & CEO  
Viper Northwest

By: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_  
Selmet, Inc.

By: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_  
National Frozen Foods

By: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_  
L&M Industrial Fabrication

NDT TYPE TESTING	EQUIPMENT	QTY	COST PER ITEM	SUBTOTAL ITEM COST
<b>ULTRASONIC TESTING</b>				
	WESTPRO UT IMMERSION TANK	1	447,098.00	447,098.00
	OLYMPUS OMNISCAN MX2 PACKAGE	1	93,045.00	93,045.00
	EPOCH 600	8	6,300.00	50,400.00
	TRANSDUCERS	10	400.00	4,000.00
	OLYMPUS 380L PLUS THICKNESS GAUGE	4	3,950.00	15,800.00
	ECHOMAC FDS	1	33,500.00	33,500.00
	TED CONSUMABLE QUOTE	1	37,272.00	37,272.00
			SUB-TOTAL	681,115.00
<b>PENETRANT TESTING</b>				
	MAGNAFLUX WATER WASH PEN LINE ZA1227	1	9,400.00	9,400.00
	MAGNAFLUX WATER WASH PEN LINE ZA1663	1	18,300.00	18,300.00
	MAGNAFLUX PE HYDROPHIL PEN LINE ZA1227	1	11,050.00	11,050.00
	MAGNAFLUX PE HYDROPHIL PEN LINE ZA1663	1	22,400.00	22,400.00
	INFINITEX - SPLITTER JR WASTE WATER RECYL	1	11,500.00	11,500.00
	TED CONSUMABLE QUOTE	1	31,462.00	31,462.00
			SUB-TOTAL	104,112.00
<b>RADIOGRAPHIC TESTING</b>				
	TED SCHOOL 300KV X-RAY CAB	1	35,000.00	35,000.00
	ERESCO 65 300 KV PORT X-RAY AC	1	56,105.00	56,105.00
	ERESCO 65 300 KV PORT X-RAY WC	1	62,536.00	62,536.00
	GEIT MECO FILM PROCESSOR	1	22,272.00	22,272.00
	PROCESSOR ACC			
	BASE TABLE	1	488.00	488.00
	REPLACEMENT TANKS	1	469.00	469.00
	LIGHT TIGHT COVER	1	506.00	506.00
	CARESTREAM CR	1	120,000.00	120,000.00
	VIDISCO DR	1	174,000.00	174,000.00
	X-RAY CONSUMABLE PACKAGE	1	40,033.00	40,033.00
			SUB-TOTAL	511,409.00
<b>MAG PARTICLE TESTING</b>				
	MAGNAFLUX A2030	1	34,000.00	34,000.00
	MAGNAFLUX MAG KIT	1	10,770.00	10,770.00
	TED CONSUMABLE QUOTE	1	13,889.00	13,889.00
			SUB-TOTAL	58,659.00
<b>VISUAL TESTING</b>				
	TI V5 VIDEO SCOPE	1	22,700.00	22,700.00
	ITI FLEXIBLE FIBERSCOPE 8MM/2M	1	10,950.00	10,950.00
	ITI RIGID BORE SCOPE 8MM/13"	1	1,600.00	1,600.00
	ITI WHITE LIGHT SOURCE	1	475.00	475.00
	ITI LIGHT GUIDE 6'	1	175.00	175.00
			SUB-TOTAL	35,900.00
<b>WELDING</b>				
	LC Technology Welding LCWC-801 Chambers with 4 station each	3	21,225.50	63,676.50
	LC Technology Standalone LCWC-1 Chambers	6	10,000.00	60,000.00
	Used Argon Welding Chambers	2	12,000.00	24,000.00
	Miller Sycrowave 250 Welding Machines	8	2,849.00	22,792.00
	Scotchman 65 tom Ironworker	1	17,790.00	17,790.00
	Jet model 320033 radial drill press	1	12,000.00	12,000.00
	Ellis model 9400 drill press	3	2,500.00	7,500.00
	24" vertical bandsaw	1	10,750.00	10,750.00
	Plasma Cutters	4	3,000.00	12,000.00
	H&M pipe cutting machines with motor kit and shape cut attach/6 templates	3	4,975.00	14,925.00
	SLUGGER Welding Positioner, vert load 200 lbs	1	2,800.00	2,800.00
	Hot-Tap Machine	1	2,000.00	2,000.00
	Startup Consumables	1	60,000.00	60,000.00
			SUB-TOTAL	310,233.50
<b>MACHINE TOOL</b>				
	Super Mini Mill, with options and simulators	1	55,000.00	55,000.00
	Mori Seike Turning Center, no subspindle, with live tooling, NLX2500MC/700	1	180,000.00	180,000.00
	Mori Seike Turning Center, with subspindle and live tooling, NLX2500SY/700	1	250,000.00	250,000.00
	ROMER CMM with Interface and 10 seat remote sim software	1	75,000.00	75,000.00
	Remote Digital Viewing and Distance System	1	27,500.00	27,500.00
			SUB-TOTAL	587,500.00
<b>MECHATRONICS</b>				
	GE FANUC robots with controllers	3	45,000.00	135,000.00
	Amatron Hydraulics Trainers	6	22,379.40	134,276.40
	Amatron Level/Flow Process Trainers	4	22,069.25	88,277.00
	Cisco Network Process Simulation Hardware/Software Control/Security/SCADA	12	15,000.00	180,000.00
	Fluke Power Quality Meters	6	4,200.00	25,200.00
	Festo Filtration Station 544253	1	30,000.00	30,000.00
	Allen Bradley PLCs	12	848.00	10,176.00
	Allen Bradley Device Net Scanners	12	247.00	2,964.00
	Dell Station for use with PLCs	8	800.00	6,400.00
			SUB-TOTAL	612,293.40
			<b>TOTAL</b>	<b>2,901,221.90</b>