



Board of Regents

Ted Strickland, Governor
Eric D. Fingerhut, Chancellor

University System of Ohio

DIRECTIVE 2009-001

January 16, 2009

Re: A JOINT USE AGREEMENT BETWEEN WRIGHT STATE UNIVERSITY AND THE ADVANCED TECHNICAL INTELLIGENCE CENTER.

H.B. 562 includes a specific capital appropriation of \$ 2,500,000 to Wright State University for the Advanced Technical Intelligence Center (ATIC). ATIC will use the state capital funds to build and operate a new facility or to lease a facility for at least 15 years and improve the leased facility with state capital funds.

The Ohio Board of Regents' Rule 3333-1-03 requires that a joint use agreement between the institution for which funds are appropriated and the organization which will own or lease and operate facilities to be constructed or improved with such funds must be approved by the Chancellor. Wright State University and the Advanced Technical Intelligence Center presented a joint use agreement for approval.

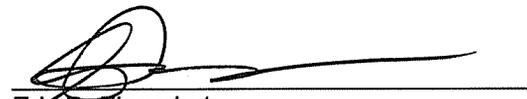
The agreement conforms to Ohio Administrative Code as follows –

- The format of the agreement is appropriate
- The commitment extends no less than fifteen years
- The value of use to Ohio higher education institutions is reasonably related to the amount of the appropriation

Agency staff reviewed the agreement and posted its recommendations to the Regents' web site for purposes of providing a period of public comment before final approval by the Chancellor. The materials posted for comment and the joint use agreement are attached to this document.

Based on my review of staff recommendations, I hereby approve the Joint Use Agreement between Wright State University and the Advanced Technical Intelligence Center.

This directive will take effect immediately.


Eric D. Fingerhut
Chancellor, Ohio Board of Regents

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Joint Use Agreement between Wright State University and Advanced Technical
Intelligence Center

BACKGROUND

H.B. 562 includes a specific capital appropriation of \$ 2,500,000 to Wright State University for the Advanced Technical Intelligence Center (ATIC). ATIC will use the state capital funds to build and operate a new facility or to lease a facility for at least 15 years and improve the leased facility with state capital funds. As required in Ohio Administrative Code section 3333-1-03, Wright State University submitted a Joint Use Agreement for consideration and approval by the Chancellor.

REVIEW

Plans and specifications for the facility are in their preliminary stages. However, Wright State and ATIC anticipate the facility will include -

- Classified classrooms with video teleconferencing
- Classified laboratory space
- Student work areas
- Staff offices
- 250-person secure auditorium
- Ohio Supercomputer Node
- Modern meeting and conference facilities
- Robust network connectivity
- State-of-the-art secure communications

The agreement conforms to Ohio Administrative Code as follows –

- The format of the agreement is appropriate
- The commitment extends no less than fifteen years
- If ATIC leases a facility, the lease term for the facility will be at least 15 years
- The value of use to Ohio higher education institutions is reasonably related to the amount of the appropriation

RECOMMENDATION

Staff recommends Chancellor approval of the Joint Use Agreement between Wright State University and Advanced Technical Intelligence Center.

Joint Use Agreement – Explanation of Value

This is the second state capital appropriation for the Advanced Technical Intelligence Center. Each appropriation was for \$2,500,000. The funds are being used to help pay for a \$20 million facility to be used for education and training in technical intelligence. The facility meets Department of Defense requirements for handling top secret materials. The Center's mission is to prepare people to meet the growing demand for intelligence analysts by government agencies and contractors. The project has important economic development implications for the Dayton Region because of the intelligence work done at Wright Patterson AFB and by area defense contractors.

ATIC has worked with Wright State University, Clark State Community College, and Sinclair Community College to develop academic programs to be offered at the Center's facility. In addition, the Center will itself be offering non credit continuing education programs of its own. It will also be finding internship opportunities for its students. This will allow them to begin the lengthy process of obtaining the security clearances required for the jobs for which ATIC's education and training programs will prepare them.

We are confident that the value of this Center to public higher education exceeds the annual cost of the debt service on the two state capital appropriations because of educational focus of the Center, educational programs now being offered or being planned by three area public colleges and universities and the fact that the state capital appropriations together fund only one fourth of the cost of the facility.

JOINT USE AGREEMENT ANALYSIS

Institutions Involved Wright State University/Advanced Technical Intelligence Center
Project Title ATIC Facility
Capital Bill HB 562 Item C27527 Advanced Technical Intelligence Center (ATIC)

- Yes 1. Is the facility to be built/improved identified specifically by address or location?
- Yes 2. Does the non-profit organization now own the property or have a long term lease? If not, when will it control the property?
- Yes 3. Does the agreement provide for use of the facility for at least 15 years from the time that it is ready for occupancy?
- Yes 4. If the agreement is terminated, is there a pro rata reimbursement clause? Is the reimbursement formula correct?
- Yes 5. Will funds be used only for capital improvements and not operating costs?
- Yes 6. Will the non-profit hold the institution harmless for all operation/maintenance costs?
- Yes 7. Will the non-profit comply with federal, state and local laws and rules?
- Yes 8. Is the non-profit required to competitively bid as outlined generally in ORC Chapter 153 (published ads, sealed bids, public opening, award to lowest responsive and responsible bidder, etc.)?
- Yes 9. Does the contract provide for a 1.5% administrative fee for the institution?
- Yes 10. Does the agreement require that amendments be approved by the Board of Regents?
- Yes 11. Is a drawdown schedule or payment procedure included?
- Yes 12. Are the extent and nature of spaces and uses adequately described?
- Yes 13. Are the terms and conditions of use of the facility described?
- Yes 14. **Has the institution demonstrated that the value of the use of the facility is reasonably related to the amount of the appropriation? (See attached worksheet)**
- Yes 15. Is the facility insured?

FIRST AMENDMENT TO JOINT USE AGREEMENT

**WRIGHT STATE UNIVERSITY
and
ADVANCED TECHNICAL INTELLIGENCE CENTER**

This First Amendment to Joint Use Agreement (this "Amendment") is made and entered into this 25th day of November, 2008, by and between Wright State University (hereinafter referred to as the "University") and the Advanced Technical Intelligence Center For Human Capital Development, an Ohio non-profit corporation (hereinafter referred to as "ATIC").

WITNESSETH, THAT:

WHEREAS, the University and ATIC previously entered into a Joint Use Agreement dated June 14, 2007 (the "Joint Use Agreement") following the 126th General Assembly of Ohio's enactment of House Bill 699 which included a specific appropriation of capital improvement resources directed to the University for the benefit of ATIC in the total amount of two million five-hundred thousand dollars (\$2,500,000) (the "Original Appropriation"); and

WHEREAS, the 127th General Assembly of Ohio has enacted House Bill 562 which includes a specific appropriation (in line item C27527) of capital improvement resources directed to the University for the benefit of ATIC in the total amount of two million five-hundred thousand dollars (\$2,500,000) (the "New Appropriation"); and

WHEREAS, the University has concluded that the value of its use of the facility, other ATIC resources, and numerous mutually beneficial collaborations resulting from its participation with ATIC in the described endeavors is reasonably related to the amount of the Original Appropriation and the New Appropriation; and

WHEREAS, University and ATIC desire to enter into this Amendment for the purpose of providing the manner in which the New Appropriation will be made available to ATIC, largely to the same extent as provided in the Joint Use Agreement, except as otherwise amended by this Amendment.

NOW, THEREFORE, in consideration of the mutual covenants, promises, conditions and terms to be kept and performed, it is hereby agreed between the parties hereto as follows:

1. That the University will submit to the Chancellor of the Ohio Board of Regents a request for the release of two million five-hundred thousand dollars (\$2,500,000) of the New Appropriation identified in this Amendment. The University will collect an amount equal to the administrative fee permitted by House Bill 562, but will invest these funds in curriculum development and

other collaborative activities related to the Mission (as defined in the Joint Use Agreement).

2. That ATIC will expend the funds in the same manner and for the same purposes as set forth in the Joint Use Agreement.
3. That the term of this Amendment shall be fifteen (15) calendar years (ending in calendar year 2023) commencing upon its execution by the parties.
4. That in the event this Amendment is terminated: (i) by the University pursuant to Section 6 of the Joint Use Agreement; (ii) by ATIC prior to the expiration of the Amendment term; or (iii) by the University as a result of ATIC's use of funds in connection with a Facility (as defined in the Joint Use Agreement) that is not completed in a way that permits the University to substantially prosecute the Mission, then ATIC shall return to the State of Ohio a pro rata portion of the Original Appropriation and the New Appropriation received by ATIC to be calculated by: (i) dividing the amount of the Original Appropriation and the New Appropriation received by ATIC by fifteen (15); multiplied by: (ii) the result of fifteen (15), minus the number of years, complete or partial, of the term that have transpired since the effective date of this Amendment.
5. That the funds appropriated for the project by the State of Ohio shall be used only for capital improvements as defined in House Bill 562, 127th General Assembly.
6. That after appropriate state approvals, the funds provided in House Bill 562 will be released to the University and subsequently transferred by the University to ATIC after presentation by ATIC to the University of invoices related to obligations incurred by ATIC for permitted uses of the appropriated funds. Such obligations must be properly documented to the reasonable satisfaction of the University.
7. That, except as otherwise provided in this Amendment, the terms and conditions of the Joint Use Agreement shall remain in full force and effect and the University and ATIC hereby ratify the terms and conditions of the Joint Use Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the later date below written.

Advanced Technical Intelligence Center For Human Capital Development

By: Richard Annan
Its: Chairman

11/25/08
Date

Wright State University

By: Matthew V. Felipie
Its: VP for Business and Fiscal Affairs

11/25/2008
Date

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