

August 23, 2018

19-021

DELEGATE AUTHORITY TO DISTRICT PRESIDENT TO NEGOTIATE LEASE RENEWAL AND APPROVE EXTENSION FOR SHIPYARD COMMERCE CENTER FACILITY

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REPORT: On May 1<sup>st</sup> 2010 the College entered into a three (3) year lease with Shipyard Commerce Center – Vigor (Oregon Iron Works) to provide access to the College’s Welding Technology Program. In 2013 the Board approved *Amendment 1* for a two year extension through 2015. In 2015 the lease went through *Amendment 2* for a second extension for a further three years to May 2018. *Amendment 2* was not processed by either party.

As the College is still using the facilities and continues to pay rent, the College would like to ratify the 2015 lease *Amendment 2*, and also extend the lease for *Amendment 3* for an additional (2) two-year term until 2020.

College purchasing policies require that any lease that exceeds \$150,000 receive board approval.

The 2013 Board resolution 13-084 approved expenditures not to exceed \$300,000. As a result of the 2015 extension expenditures to date have exceeded \$450,000. Total expenditures through the end of Amendment 3 the new extension will not exceed \$600,000

RECOMMENDATION: That the Board ratify the 2015 lease extension and the expenditures associated. That the Board delegate authority to the District President or designee to negotiate the lease agreement renewal and approve Amendment 3 for a lease extension. Cost over this (2) two-year term will be

approximately \$140,000. Expenditures for this lease amendment will come from the general fund.