

**AGENDA
PORT OF VANCOUVER USA
BOARD OF COMMISSIONERS
SPECIAL MEETING AGENDA
3103 Lower River Road, Vancouver, WA 98660
Thursday, December 19, 2019**

- A) **CALL TO ORDER (4:00 p.m.)**
- B) **EXECUTIVE SESSION**
None
- C) **OPENING REMARKS (4:00 p.m.)**
1) Opening Remarks – Pledge of Allegiance, etc.
- D) **OPEN FORUM**
None
- E) **ACTION ITEMS**
1) Approve First Amendment to the Payment Agreement Between the Port of Vancouver and T1 Hotel LLC
2) Approve Second Amendment to the Lease Agreement Between the Port of Vancouver and T1 Hotel LLC
- F) **SIGN DOCUMENTS**
- G) **ADJOURNMENT**

Agenda Item No. E-1

REQUEST FOR COMMISSION ACTION	PORT OF VANCOUVER USA
REVIEWED BY: 	Director of Business Development
Michael Schiller	Title
APPROVED BY:	Chief Commercial Officer
Alex Strogen	Title
	12/19/2019 Date
SUBJECT:	Approve First Amendment to the Payment Agreement Between the Port of Vancouver and T1 Hotel LLC

BACKGROUND:

This payment agreement amendment continues to support the port's strategic plan to generate and sustain diverse revenues while creating a destination waterfront at Terminal 1.


This amendment to the original payment agreement updates the new, increased project budget. While performing the soil stabilization construction project approved earlier this year, the contractor discovered underground obstructions (wooden piles placed during the shipyard construction over 100 years ago). While the port anticipated some underground obstructions, the obstructions encountered far exceeded preconstruction planning estimates. The project team (consisting of the Port and T1 Hotel) directed the contractor to begin removing the wooden piles while a revised project plan and budget were prepared.

While the wooden pile removal continues, the project team and the contractor have prepared and reviewed an updated project budget which increased the cost of the Soil Stabilization Tenant Improvements – Block D. The Port and T1 Hotel have agreed to split these additional costs equally. The Port will initially pay for these increased project costs with T1 Hotel paying additional rent over a portion of the lease term.

Additionally, adjacent to the T1 Hotel leasehold, the contractor was performing soil stabilization improvements identified as port specific in front of the planned hotel. This work outside of Block D, also covered in the current payment agreement, incurred increased budget costs. Approving this amendment to the Payment Agreement will also add the necessary funding to complete this work.

Additional Information Attached? No

RECOMMENDATION: That the Board of Commissioners authorize the CEO to execute the First Amendment to the Payment Agreement between the Port of Vancouver and T1 Hotel, LLC.

Submitted by:  , CEO	
Date Action Taken: _____	Motion By: _____
Approved: _____	Seconded By: _____
Deferred To: _____	Unanimous: Yes ___ No ___

Agenda Item No. E-2

REQUEST FOR COMMISSION ACTION

PORT OF VANCOUVER USA

REVIEWED BY:



Director of Business
Development

Michael Schiller

Title

APPROVED BY:

Chief Commercial
Officer

12/19/2019

Alex Strogon

Title

Date

SUBJECT:

Approve Second Amendment to the Lease Agreement Between the Port of
Vancouver and T1 Hotel LLC

BACKGROUND:

This lease amendment supports the port's strategic plan to generate and sustain diverse revenues while creating a destination waterfront at Terminal 1.

The purpose of this amendment is to update the lease originally signed in December 2018. This amendment updates T1 Hotel's repayment requirements as a result of the increased soil stabilization budget. During the initial phase of the soil stabilization project, underground obstructions (wooden piles) were encountered. Most of these piles required removal to allow the original stabilization project to continue.

The additional planned cost for this added work is estimated to be \$2,048,871. Both the port and T1 Hotel have agreed to split this additional cost evenly. The amendment also requires T1 Hotel to share updated project financial information within 30 days.

Additional Information Attached? No

RECOMMENDATION: That the Board of Commissioners authorize the CEO to execute the Second Amendment to the Lease Agreement between the Port of Vancouver and T1 Hotel LLC.

Submitted by:  , CEO

Date Action Taken _____

Motion By: _____

Approved: _____

Seconded By: _____

Deferred To: _____

Unanimous: Yes ___ No ___