

November 4, 2019

NO WORKSHOPS

Vancouver City Hall - 415 W 6th Street, Vancouver WA

COUNCIL REGULAR MEETING

Pledge of Allegiance

Call to Order and Roll Call

The regular meeting of the Vancouver City Council was called to order at 6:30 p.m. by Mayor McEnerny-Ogle in the Council Chambers of City Hall, 415 W. 6th Street, Vancouver, Washington.

Present: Councilmembers Paulsen, Lebowsky, Glover, Stober, Turlay, Hansen, Mayor McEnerny-Ogle

Absent: None

Approval of Minutes

Minutes - October 14, 2019

Motion by Councilmember Glover, seconded by Councilmember Paulsen, and carried unanimously to approve the meeting minutes of October 14, 2019.

Minutes - October 21, 2019

Motion by Councilmember Lebowsky, seconded by Councilmember Glover, and carried unanimously to approve the meeting minutes of October 21, 2019.

Proclamation: Veterans Day Parade

Mayor McEnerny-Ogle read and presented a proclamation to Larry Smith, board

member for The Historic Trust, and Sarah Hannon, Special Events Manager for The Historic Trust, recognizing November 9, 2019, as the 33rd Annual Veterans Parade at Fort Vancouver.

Special Presentation: WSDOT/FHWA 2019 Best Special Project Award

Kathleen Davis, WSDOT Local Programs Director, Mindy Roberson, FHWA Washington Assistant Division Administrator, Michael Williams, WSDOT SW Regional Local Programs Engineer, and Keith Molyneaux, WSDOT Assistant Local Programs Engineer, presented the WSDOT/FHWA 2019 Best Special Project Award for the Waterfront Trail Redevelopment Project. Vancouver Parks and Recreation Director Julie Hannon accepted the award on behalf of the City.

Amendments to the Agenda

Mayor McEnerny-Ogle requested the Council approve two additions to the agenda for Council consideration:

1. A walk-on item to be added to the Consent Agenda for a moratorium on development in the Grand Blvd. and Evergreen Blvd. commercial corridors.
2. A walk-on item to be added under City Manager Communications for confirmation of appointment of Jonathan Young as the City Attorney.

Motion by Councilmember Glover, seconded by Councilmember Turlay, and carried unanimously to amend the agenda as stated above.

City Manager Eric Holmes explained that staff is bringing the development moratorium forward as the City has been engaged in an ongoing study focusing on key commercial corridors throughout the city to develop strategies to realize the unique potential of each. In the course of that work, staff has identified a segment of the Evergreen Blvd. corridor near Grand Blvd. as being significantly vulnerable to additional development that may be inconsistent with the ultimate policy objectives of this work as well as inconsistent with the character of the surrounding neighborhood.

Bryan Snodgrass, Principal Planner, provided an overview of the proposed moratorium.

Councilmember Paulsen noted that the commercial corridors work should be wrapping up in about a year. He stated that he is not philosophically opposed to moratoria like this, but he does not like to see them extended indefinitely. He asked that in the context of this moratorium staff find a way to complete the commercial corridors work so that this moratorium would only need to be extended once.

Councilmember Glover stated she is pleased that Council will be getting more guidance and direction related to commercial corridors, and noted that the neighborhood surrounding the area subject to this moratorium is a historic, walkable

neighborhood with great character.

Citizen Communication (Items 1-18)

Mayor McEnerny-Ogle opened Citizen Communication and received the following testimony:

- Glen Yung, Vancouver, expressed concerns about Item 5 and asked whether the park land that is the subject of that agricultural lease could be put to better and more active use. Regarding Item 7, Mr. Yung urged the City to be prudent and careful in making future investments in the Waterfront Gateway area and not invest significant public funds into something that will not come to fruition for a long time.
- James Dougherty, Vancouver, spoke regarding the walk-on moratorium, and asked whether the commercial corridors strategy will take into consideration recent speed reductions on Grand Blvd. He stated his concern would be the amount of traffic able to get to future businesses in the area being different now that the speed has been changed and whether a traffic study was done prior to the speed change.

Mr. Holmes explained the land use policy that is underway would primarily focus on how the City regulates and fosters certain character to a neighborhood through regulation of private investment. He stated if there are changes that would result in a dramatic increase or decrease in traffic, that would be taken into account in that study.

There being no further testimony, Mayor McEnerny-Ogle closed Citizen Communication.

Consent Agenda (Items 1-18)

Mayor McEnerny-Ogle pulled Item 6 from the agenda to allow the family of Mr. Christensen to provide comments.

Paul Christensen, brother to Dave Christensen, thanked the Council on behalf of his family.

Kathy Maynard, Dave Christensen's daughter, thanked the City and spoke regarding her father's legacy and contributions in the community.

Motion by Councilmember Hansen, seconded by Councilmember Lebowsky, and carried unanimously to approve all items of the Consent Agenda.

WALK-ON: Moratorium on the acceptance and processing of

applications for permits for the development of new structures; the expansion of existing structures; or subdivisions in the Evergreen and Grand commercial corridors, which generally extends along Evergreen Blvd. from V St. to Grove St., and Grand Blvd. from Evergreen Blvd. to Mill Plain Blvd.

Staff Report 165-19

AN ORDINANCE declaring an emergency and adopting a six-month temporary moratorium upon the acceptance and processing of applications for permits for the development of new structures; the expansion of existing structures; or subdivisions in the Evergreen and Grand Commercial Corridors as defined herein; establishing six months as the tentative effective period of this ordinance; and establishing an immediate effective date.

Summary

The proposed moratorium will prohibit the acceptance and processing of applications for permits for the development of new structures; the expansion of existing structures; or subdivisions in the Evergreen and Grand commercial corridors for 6 months. The ordinance will provide staff time to prepare a plan for the corridors, any related land use regulations, and any required environmental review process. If additional time is needed to complete the planning process, the moratorium may be extended in the future subject to additional hearings.

The City is currently undertaking the Commercial Corridors Strategy, a community planning process intended to enhance existing commercial corridors, increase walkability and access to amenities and services, promote efficient and coordinated economic development and add housing at urban densities near transit lines. Evergreen Boulevard from East Reserve Street to Edward Street, and Grand Boulevard from East 6th Street to East Mill Plain Boulevard are two of the five corridors included in the scope of this project. These smaller, neighborhood-serving and locally-oriented corridors will be evaluated for the types of uses that are allowed, pedestrian environment, building orientation in relationship to the street, and creating an environment where small businesses can thrive. The moratorium is necessary to avoid applications for uses that would conflict with the achievement of the long-range vision for this area that will be defined by the plan.

Request: On November 4, 2019, approve an ordinance adopting an emergency moratorium, requiring a public hearing within 60 days.

Bryan Snodgrass, Principal Planner, 487-7946; Brent Boger, Assistant City Attorney, 487-8500

Motion approved Ordinance M-4277.

1. 2019 Joint Agency Slurry Seal Project, construction acceptance and release of retainage

Staff Report 149-19

Summary

The project applied approximately 228,000 SY of latex-modified slurry seal to various streets throughout Vancouver as part of the City's preventive maintenance program to extend the life of the existing pavement.

The original construction contract bid amount was \$448,205.00. Quantity adjustments during construction decreased the contract amount by approximately 19% to \$361,466.50. The reduction in contract value is attributed to underrunning the bid item for flagging hours and the removal of several streets from the contract. After contract award, several streets were removed from the contract due to conflicts with upcoming utility projects and street preparation.

The project was below the minimum contract value for the City's apprenticeship program and did not have an apprenticeship goal.

Blackline, Inc. of Vancouver, Washington, has satisfactorily completed the subject improvements in accordance with the plans and specifications.

Request: Accept the 2019 Joint Agency Slurry Seal Project as constructed by Blackline, Inc. of Vancouver, Washington, and authorize release of retainage in the amount of \$18,073.33, subject to receipt of all documentation required by law.

Nicollette Roth, Civil Engineer, 487-7763

Motion approved the request.

2. Amendment to Professional Services Agreement C-90662 with engineering firm Brown and Caldwell to include design services for replacement of electrical systems associated with upgrades to Vancouver's industrial wastewater pretreatment lagoon system

Staff Report 150-19

Summary

The nearly 40-year old lagoon receives food-process wastewater from three industries in Vancouver (Frito Lay, Great Western Malting and Northwest

Packing). The lagoon is integral to Vancouver's wastewater treatment strategy, particularly with operations at the Westside Wastewater Treatment Plant. It is currently operating with certain treatment equipment, including the site's electrical system, near or beyond its expected service life.

The consultant engineering firm and City staff evaluated a wide range of technology options for upgrades to the lagoon and determined the existing system, with pertinent upgrades, is the most cost effective. Subsequently, the consultant engineer conducted a detailed facility and system assessment and found the electrical system:

- *Near or past its useful service life, increasing risk of equipment failure;*
- *Obsolete, with parts no longer manufactured or supported; 3rd party-sourced parts are currently 3 – 4 times historic costs;*
- *Does not meet current electrical code for working clearances.*

As a result, additional electrical system design work is recommended.

Request: Authorize an amendment to contract C-90662 with Brown and Caldwell, Inc. to include engineering design services for electrical equipment upgrades at Vancouver's industrial wastewater pretreatment lagoon system and authorize the City Manager or his designee to execute the professional services agreement with Brown & Caldwell, Inc. of Portland, Oregon, with a not-to-exceed total cost of \$778,784.00, and authorize the City Manager or his designee to approve amendments to this contract, as needed.

Frank Dick, Wastewater Engineering Supervisor, 487-7179

Motion approved the request.

3. Job Order Contracting (JOC) Services for General Construction Contracts

Staff Report 151-19

Summary

The City has utilized the Job Order Contracting (JOC) program for a variety of projects since 2016. The original JOC contracts expired on June 27, 2019.

The JOC program is an indefinite delivery, indefinite quantity program in which the costs of the project are based on a fixed price per item and the adjustment factor submitted by the contractor for the contract term. The JOC program is intended to save time and money through value engineering when needed and save time as the competitive procurement requirements

have already been satisfied with the RFP process. With the award of these attached JOC Services for General Construction contracts, there is no need to prepare bid packages for individual jobs. Therefore, the City could access these JOC contractors on an as-needed basis. Because there are no guarantees of future award of projects, the JOC program motivates JOC contractors to maintain high quality of work.

The City issued RFP 10-19 on July 26, 2019, and closed on August 21, 2019. The solicitation was advertised in the Columbian, the Daily Journal of Commerce (Portland), and published on the City's website.

Request: Authorize the City Manager or his designee to execute two (2) JOC Services for General Construction contracts with Halbert Construction Services LLC of Vancouver, WA, and SDB Contracting Services of Hillsboro, OR, as they are the two highest scored proposers. Each contract will have an initial period of two (2) years with the option to renew for one (1) additional year and a not-to-exceed value of \$3,000,000 per year. Also, authorize the City Manager or his designee to amend these contracts as needed and to amend the value up to 10% of the not-to-exceed value for the life of the contract.

Anna Vogel, Procurement Manager, 487-8429

Motion approved the request.

4. Approval of Purchasing Authority for Computer Equipment from Datec, Inc.

Staff Report 152-19

Summary

The City of Vancouver currently piggy-backs on the Washington State contract with Datec, Inc. for ruggedized and semi-ruggedized computer equipment and related software and services. This equipment is utilized by the Police Department, Fire Department, and other field workers who require computer equipment in their vehicles or other non-office environments.

Request: Authorize the City Manager or designee to approve purchases under NASPO Value Point Master Agreement No: MNWNC-124, Washington State Master Contract No: 05815-11, for the life of the contract.

Patrick Gilbride, Information Technology Director, 487-7650

Motion approved the request.

5. Agricultural lease for the undeveloped park property located at 16800 Fourth Plain Blvd.

Staff Report 153-19

Summary

The Parks and Recreation Department acquired a 45-acre parcel in northeast Vancouver in March of 2019. Throughout the property there were a number of residential and farm structures, debris, invasive and noxious weeds and a lack of fencing on property lines specifically on Fourth Plain Blvd. When the property was acquired, phase 1 began to clear the property and prepare the land; this phase is now complete and the land is ready to be leased out for agricultural purposes.

Request: Approve and authorize the City Manager or his designee to sign the agricultural lease for the undeveloped park property located at 16800 Fourth Plain Boulevard.

Jeremy Kanooth, Park Developer, 487-8320

Motion approved the request.

6. Renaming of SE 45th Place to SE Christensen Place

Staff Report 154-19

A RESOLUTION relating to the renaming of SE 45th Place to SE Christensen Place.

Summary

Vancouver resident Dave Christensen's 26-year career as a contractor and Real Estate developer, building hundreds of residential and commercial buildings throughout the region, provided jobs, housing and places to work for thousands in our community before he became one of the world's most unique yacht builders.

In 1984, after retiring from his successful construction business, Christensen applied his expertise to form Christensen Shipyards on the Columbia River in Vancouver to produce world class custom-built luxury motor yachts. Located on a seven-acre site with a marina, Christensen Shipyards had eleven bays enclosed in 180,000 square feet of climate-controlled space. All phases of yacht construction were performed in-house by local craftsmen to ensure the highest quality control.

In the course of more than 25 years in business, Christensen Shipyards became the world's largest builder of composite fiberglass motor yachts over 120 feet. Christensen raised the bar for American builders and set new international standards. His unique system of interlocking molds enables the size and design of each yacht to be customized according to the owner's individual preferences.

Christensen was widely recognized for his innovative approach to luxury yacht building and was one of the industry's leaders in the construction of composite fiberglass yachts.

A sign reading, "Through these doors pass the finest boat builders in the world" at the entrance of Christensen Shipyards reflected his personal pride, appreciation and respect for his employees.

There are no existing businesses with addresses on this street. Vigor, which is newly-located on the site, has an address on Columbia Way.

Request: Adopt a resolution assigning the name Christensen Place to SE 45th Place.

*Teresa Brum, Economic Development Division Manager,
487-7949*

Motion adopted Resolution M-4041 approving the request.

7. Memorandum of Understanding (MOU) with City Center Redevelopment Authority (CCRA) for Waterfront Gateway Properties

Staff Report 155-19

A RESOLUTION approving the Memorandum of Understanding between the City of Vancouver and the City Center Redevelopment Authority regarding planning and developing the Waterfront Gateway Properties.

Summary

With the level of development occurring and new businesses opening in downtown Vancouver, including the waterfront area, the market is continuing to perform well. The City-owned properties south and west of City Hall and the Convention Center/Hilton Hotel have been the discussion of possible development for years, including as part of a 2016 Downtown Asset Strategy Update prepared by Leland Consulting Group. Since 2016, the City and CCRA have utilized the report's patient approach, which

prioritized and encouraged development of waterfront properties and other properties such as Block 10 first to avoid competition from pursuing development of other City-owned properties such as Waterfront Gateway. However, with the growing success of waterfront development and momentum of overall downtown development (in both new construction and rehabilitations), conditions appear ripe to now take a more proactive approach to offer the Waterfront Gateway properties for development. Development of the properties would link downtown's historic core with the waterfront areas, which are both currently centers of development activity. As publiclycontrolled property, Waterfront Gateway can also provide opportunities to ensure future public uses are accommodated, such as potential expansions for the Convention Center and City Hall, parking, pedestrian connections, and potential public space(s) and/or visitor/cultural attraction(s). The overall size of the area would also provide opportunities for private development that could bring an active mix of land uses that, along with the public uses, create another destination to complement downtown's many others.

Acquired by the City between 2005 and 2010, Waterfront Gateway is comprised of 17 individual parcels that collectively measure approximately 6.4 acres. The properties are currently used for City Hall parking, overflow parking for the Convention Center/Hilton Hotel, offices (within the Webber Building), or are vacant. In addition to these parcels, the site includes fringe areas of other parcels containing City Hall visitor parking, landscaped areas adjacent to the Convention Center/Hilton Hotel, the Veterans of Foreign Wars Memorial Plaza park, as well as rights-of-way for Phil Arnold Way and Esther Street.

Over the past several months, City staff have been working with the CCRA Board of Directors on how to structure the Waterfront Gateway project as well as the contents of a potential MOU. Leading the planning and development process for the Waterfront Gateway properties on behalf of the City is an appropriate role for the CCRA, both in respect to its on-going authorization as a public development authority established by the City to assist in downtown redevelopment, and the depth of expertise and experience of its board members in real estate and development. The complexity of developing in an urban environment necessitates the engagement of an experienced body like the CCRA to provide direction and advice to the project management team and City Council.

The major components of the proposed MOU include:

A. Project Intent: A statement signifying that the parties (City and CCRA) have a mutual interest in developing the site under a common vision.

B. Relationship between Parties: The City would agree to designate the CCRA as the lead body to manage the properties' planning and

development and support the CCRA through the allocation of staff resources and consultant funding. The CCRA would serve as the City's lead negotiator and review and recommend plans, agreements and related items that would be presented to City Council for final approval.

C. Responsibilities of the Parties: Certain activities needed for the properties' planning and development are identified and their responsibilities assigned to the parties.

a. Jointly, the parties would commit to a development strategy and master plan that meets the project intent and develop a funding plan for potential public benefits and facilities included in the project.

b. The CCRA would provide oversight of staff and consultant work on the project; manage funding provided by the City in its 2019-2020 biennial budget to support the project; hold a series of visioning workshops open to the public to establish a conceptual development vision for the site including potential public benefits and mix of public and private uses; issue a request for qualifications (RFQ) to identify and select a master developer for the site; collaborate with the master developer on designing a master plan for the properties; lead negotiations with the master developer for the disposition and/or ground lease of parcels identified for private development; coordinate the construction of any publiclyowned facilities as necessary; and submit a recommended Master Development Package (consisting of a master plan, proposed disposition and/or lease agreements, proposed development agreements, funding plan for public benefits and facilities, and development schedule) to City Council for approval.

c. The City would provide City staff as necessary to assist with the project's planning, legal, financial, and administrative tasks; provide funding allocated for professional services for planning and development of the site, as well as outside legal counsel to represent the CCRA; fund one dedicated FTE position assigned to the CCRA for the project; determine near-term (within next 2-4 years) parking needs for City Hall that would need to be accommodated within a garage on the site; identify any long-term space and parking needs for City Hall that would need to be accommodated on the site; review the feasibility of expanding the Convention Center and how a potential expansion would need to be accommodated on the site; review the Master Development Package and determine whether its various components are sufficient and appropriate for City Council approval; and authorize the CCRA to serve on the City's behalf as the lead negotiator and undertake the responsibilities identified for the CCRA in the MOU.

D. Target Dates: Dates for some key project milestones are recognized:

a. Issue master developer RFQ during Q4 2019, with selection occurring during Q1 and Q2 2020.

b. Complete Convention Center feasibility analysis during Q1 2020.

c. Initiate work on Master Development Package during Q2 2020.

d. Complete Master Development Package and submit to City Council for approval no later than Q2 2021.

E. Future Agreement: The City and the CCRA would mutually agree that a future agreement related to certain provisions not covered in this MOU is necessary so that adequate resources and authorities are provided for CCRA to complete the Waterfront Gateway project and potentially oversee the redevelopment of other city-owned properties considered important to implement the Vancouver City Center Vision Plan.

On September 19, 2019, the CCRA Board of Directors approved the draft MOU and recommended it for submission to City Council for approval (discussion on pages 2-3 of attached CCRA minutes for September 19).

As part of a September 23, 2019, City Council workshop, staff presented an overview of the Waterfront Gateway site and preparations for its future planning and development; CCRA background, qualifications and interest in taking a leading role in the Waterfront Gateway project; and the potential contents of an MOU. Councilmembers indicated their support for moving forward with the project with CCRA taking the lead. Members also requested the formalization of an MOU with the contents provided in the staff presentation and adding references to workforce and business development strategies and housing options available to people with a variety of incomes (affordable/income-based, workforce and market rate) as core values to the project. Members also requested that CCRA monthly meetings be televised on CVTV and keeping the City's Planning Commission briefed and informed on the project as it moves forward.

On October 17, 2019, the CCRA Board discussed the proposed references to workforce and business development strategies and its members expressed concerns that additional restrictions placed on developers and contractors could potentially limit interest in developing the Waterfront Gateway properties, as well as increase development costs (discussion on pages 2 and 3 of the attached CCRA draft minutes for October 17). The board requested that a statement be included in the MOU expressing these concerns. The attached MOU includes the references requested by Council, along with the concerns expressed by the CCRA Board (see MOU Section 1.D). The MOU further indicates that aspirational goals, incentives and public benefit menu options may be utilized to help developers and

contractors incorporate workforce and business development strategies into the Waterfront Gateway project.

Request: On Monday, November 4, 2019, adopt a resolution approving the Memorandum of Understanding between the City of Vancouver and the City Center Redevelopment Authority regarding planning and developing the Waterfront Gateway properties, and authorizing the City Manager or designee to sign it on behalf of the City.

John Collum, Economic Development Principal Planner, 487-7956; Chad Eiken, CCRA Executive Director, 487-7882

Motion adopted Resolution M-4042 approving the request.

8. Property Tax Levy for 2020

Staff Report 156-19

AN ORDINANCE relating to the annual property tax levy; authorizing an increase of 1.0% in the City's regular levy from the amount levied the previous year; and providing for an effective date.

Summary

On November 6, 2001, Washington voters approved Initiative 747 (I-747), which limits the allowable increase in the property tax levy to 1.0%, or the rate of inflation, whichever is less. The intent of the Initiative was reaffirmed by the Legislature in November 2007. The measure of inflation used under this law is the Implicit Price Deflator (IPD). The IPD inflation rate for 2020 levy calculations is 1.396%.

Staff recommends that City Council approve a 1.0% increase in the property tax levy. Because the inflation rate is higher than the 1.0% limit, the 1.0% increase is the maximum increase allowed. Based on last year's General Fund levy of \$50,021,773.90, the increase will be \$500,217.74. Authorization of this increase requires a simple majority vote of City Council.

Staff estimates that the City's general fund property tax levy rate in 2020 will range between \$1.95 per \$1,000 of assessed value to \$2.05 per \$1,000 of assessed value, compared to the actual 2019 general fund property tax levy rate of \$2.114 per \$1,000. The decrease in the property tax levy rate is attributed to assessed values in the City increasing by approximately 6.5% compared to the prior year. Because of the limit on property tax increases, as discussed above, the property tax levy rate declines as assessed value

increases. The statutory cap for the City's levy rate is \$3.325 per \$1,000 of assessed value.

Example calculation of City Property Tax:

Assessed Value 2019 \$305,000	Levy Rate 2019 \$2.114 (per \$1,000 assessed value; General Fund Levy only)	2019 City Property Tax = \$644.77
Assessed Value 2020 \$324,825 (assumes assessed value increases 6.5%)	Estimated Levy Rate 2020 \$2.00 (per \$1,000 assessed value; General Fund Levy only)	2020 City Property Tax (hypothetical) = \$649.65
AV increases 6.5%	Levy Rate declines	Annual tax increase \$4.88 for this example taxpayer*

**If the assessed value of the resident's property as a percentage increased by less than 6.5%, the resident's annual taxes would be equal to or slightly less than the taxes paid to the City in 2019. If the assessed value of the resident's property increased by more than 6.5% from the previous year, the increase in the annual taxes would be slightly higher.*

Some citizens may qualify for tax relief, or qualify for a deferral program. To find out more information about this, residents should contact the Clark County Assessor's Office at 564-397-2391 or visit their website at <http://www.clark.wa.gov/assessor/taxrelief/index.html>.

In addition to the base levy, the City collects new property tax revenue based on the value of new construction added to the assessment rolls during the prior year. The revenue to the City is calculated using the assessed value of new construction multiplied by the prior year's levy rate. The value of new construction is still being finalized by the County Assessor's Office and includes the value of utility new construction provided to the County Assessor by the State. The most recent estimate from the County Assessor's Office indicates more than \$378 million of new construction, which translates into \$800,000 of additional City property tax revenue, which is slightly more than the \$718,400 received for new construction values for 2019 taxes. The City's ordinance states the percentage and dollar amount increase in the City's base property tax levy as required by RCW 84.55.120. The County Assessor will determine the levy amount for new construction based on their final calculations.

Request: On November 4, 2019, approve the ordinance on first reading, setting the date of second reading and public hearing for November 18, 2019.

Carrie Lewellen, City Treasurer, 487-8482

Mayor McEnemy-Ogle read the title of the ordinance into the record.

Motion approved the request.

9. Property Tax Affordable Housing Levy for 2020

Staff Report 157-19

AN ORDINANCE relating to the annual property tax levy; authorizing an increase of 0.0% in the City's Affordable Housing Fund levy from the amount levied the previous year; and providing for an effective date.

Summary

Proposition 1 was approved by the citizens of Vancouver in November 2016, and authorized a \$6,000,000 annual property tax levy for 7 years, beginning in 2017. Information provided by the Washington State Department of Revenue states that the dollar amount stated in the ballot title is a limiting amount, and the highest lawful levy amount is \$6,000,000.

Staff recommends that City Council approve a 0.0% increase in the property tax levy for the Affordable Housing Levy. Based on last year's Affordable Housing Fund levy of \$6,000,000, the increase will be \$0.00. Authorization of this requires a simple majority vote of City Council.

Staff estimates that the City's Affordable Housing Fund property tax levy rate in 2020 will range between \$0.23 per \$1,000 of assessed value to \$0.245 per \$1,000 of assessed value, compared to the actual 2019 affordable housing fund property tax levy rate of \$0.254 per \$1,000. The decrease in the property tax levy rate is attributed to assessed values in the City increasing by approximately 6.5% compared to the prior year. Because of the limit on property tax increases, as discussed above, the property tax levy rate declines as assessed value increases. The statutory cap for the City's levy rate is \$3.325 per \$1,000 of assessed value.

Example calculation of City Property Tax:

Assessed 2019	Value	Levy Rate 2019 \$0.25360337	(per	2019 City Property Tax
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\$305,000	\$1,000 assessed value; Affordable Housing Levy only)	= \$77.35
Assessed Value 2020 \$324,825 (assumes assessed value increases 6.5%)	Estimated Levy Rate 2020 \$0.23813 (per \$1,000 assessed value; Affordable Housing Levy only)	2020 City Property Tax (hypothetical) = \$77.35
AV increases 6.5%	Levy Rate declines	Annual tax increase \$0.00 for this example taxpayer*

**If the assessed value of the resident's property as a percentage increased by less than 6.5%, the resident's annual taxes would be equal to or slightly less than the taxes paid to the City in 2019. If the assessed value of the resident's property increased by more than 6.5% from the previous year, the increase in the annual taxes would be slightly higher.*

Some citizens may qualify for tax relief, or qualify for a deferral program. To find out more information about this, residents should contact the Clark County Assessor's Office at 564-397-2391 or visit their website at <http://www.clark.wa.gov/assessor/taxrelief/index.html>.

Request: On November 4, 2019, approve the ordinance on first reading, setting the date of second reading and public hearing for November 18, 2019.

Carrie Lewellen, City Treasurer, 487-8482

Mayor McEnerny-Ogle read the title of the ordinance into the record.

Motion approved the request.

10. **Ad Valorem Taxes for 2020**

Staff Report 158-19

AN ORDINANCE fixing and levying the amount of ad valorem taxes necessary to balance estimated revenue with estimated expenditures for the 2019-2020 Budget for the City of Vancouver; providing for an effective date.

Summary

Pursuant to RCW 35.33.135, Council must approve an ordinance to fix and

authorize the Clark County Assessor's Office to levy ad valorem taxes necessary to fund the City of Vancouver's 2019-2020 Biennial Budget.

An ad valorem tax (Latin for "according to value") is defined as a tax based on the value of real estate or personal property. An ad valorem tax is typically imposed at the time of a transaction(s) (a sales tax or value-added tax (VAT)), but it may be imposed on an annual basis (real or personal property tax) or in connection with another significant event (i.e. inheritance tax).

Staff currently estimates the 2020 real and personal property tax levy as \$58 million, which includes a preliminary estimate of \$800,100 in property tax revenue from new construction. The estimate of property tax from new construction will be updated based on the final new construction valuation provided by the Assessor's Office. The estimate of property tax revenue does not include the change in value of state-assessed utility property. Both of these amounts will not be final until December 2019.

City staff recommends that Council approve ad valorem taxes in the amount of \$58 million, which is needed to fund the City's 2019-2020 biennial budget. Of the total, \$52 million is for general fund purposes, and \$6 million is for the affordable housing fund. Approving ad valorem taxes of \$58 million allows the County Assessor's Office to levy real and personal property taxes to the full extent allowed under Washington State law. Staff anticipates that the final certified levy will be between \$57.5 million and \$57.9 million in 2020. If Council authorizes the ad valorem tax amount too low, the County Assessor's Office will only be allowed to levy up to the amount authorized by Council.

Staff recommends that City Council approve ad valorem taxes in the amount of \$58 million for the 2020 real and personal property tax levy within the city limits of Vancouver. This estimated revenue source is necessary to fund the 2019-2020 Biennial Budget for the City of Vancouver.

Request: On November 4, 2019, approve ordinance on first reading, setting the date of second reading and public hearing for November 18, 2019.

Carrie Lewellen, City Treasurer, 487-8482

Mayor McEnerny-Ogle read the title of the ordinance into the record.

Motion approved the request.

11. Approval of Ordinance Imposing Sales Tax Credit for Affordable

Housing

Staff Report 159-19

AN ORDINANCE of the City Council of the City of Vancouver, Washington, authorizing the maximum capacity of a local sales and use tax to fund investments in affordable and supportive housing, to be codified at chapter 3.45 of the Vancouver Municipal Code; providing for severability; and establishing an effective date.

Summary

SHB 1406 provides authority for cities and counties to impose a sales tax of .0146 percent that is credited against the state's share of the sales tax. The revenue can be used for the acquisition, construction or rehabilitation of affordable housing or facilities providing supportive housing, and for the operations and maintenance costs of affordable or supportive housing. Because it is credited against the state's share of the sales tax, the imposition of this tax will not result in any increase in the sales tax the consumer pays. On July 8, 2019, the City adopted a notice of intent to impose the sales tax. The current action adopts an ordinance imposing the sales tax.

Currently, work is underway to develop a comprehensive strategy to address the homelessness issues and affordable housing using the resources available to the City. Those resources include the CDBG grant, the Affordable Housing Fund and the revenue resulting from the adoption of this ordinance. The budget action authorizing expenditure of funds generated as a result of approving this ordinance will come before Council for approval in the future budget supplemental appropriation.

Request: On November 4, 2019, approve ordinance on first reading, setting date of second reading and public hearing for Monday, November 18, 2019.

Natasha Ramras, Chief Financial Officer, 487-8484

Mayor McEnerny-Ogle read the title of the ordinance into the record.

Motion approved the request.

12. Amendments to VMC 6.12 adjusting Garbage, Recycling and Organics Rates for 2020

Staff Report 160-19

AN ORDINANCE relating to the collection of solid waste, recyclable materials

and organics, and amending certain sections of VMC 6.12 to increase or adjust rates and charges consistent with approved utility user taxes and rates and in accordance with current contracts for the coming year; providing for savings, severability and an effective date.

Summary

City Council is the rate-making authority for garbage, residential recycling, and organics collection services within the City of Vancouver. The City contracts with a private hauling company, Waste Connections of Washington, to provide comprehensive garbage, recycling and organics collection services to residents and businesses within city limits. The contract terms authorize Waste Connections to receive annual adjustments to customer rates based on changing operating conditions including: an inflation adjustment factor tied to a percentage of the CPI and fuel costs, disposal tip fees, the number of customers served and fees paid to the City to support solid waste related programs. All adjustments to rates are made in accordance with Exhibit D of the contract. Garbage rates also include the City's utility tax that is embedded within them. The City's utility tax does not apply to recycling or organics collection services.

For 2020, Public Works staff updated the model consistent with the contract and the previously approved increase in the utility tax set for January 1, 2020 and determined that garbage rates will need to increase by 4.0 to 4.5 percent while recycling and selected other fees, not linked to the disposal tip fee or utility tax, will need to increase by 2.3 percent, effective January 1st. Key reasons for this increase are a 1.6 percent increase in the solid waste utility tax, a 2.23 percent increase in the CPI, a 10.50 percent increase in the diesel fuel index, and a 0.1 percent increase in the disposal tip fees.

Scheduled Utility Tax Increase

Ordinance M-4239 adopted by City Council on October 1, 2018 provides for a 1.6 percent increase in the Solid Waste Utility Tax rate from 27.3 percent to 28.9 percent as of January 1, 2020. This increase is to be used for the purpose of funding police staffing and associated services consistent with recommendations of the community resource team. Because this is a gross receipts tax, the garbage rates must increase by 2.3 percent to cover the 1.6 percent increase in the tax rate.

Inflation Adjustment Factor

Under the contract, collection costs for garbage, recycling and organics adjust at 80 percent of a blended and combined CPI (92 percent of the CPI increase of 2.23 percent) and diesel fuel index (8 percent of the fuel index increase of 10.50 percent) factor which leads to an overall blended 2.31 percent increase for the collection cost component, the City fee and other miscellaneous fees.

Disposal Tip Fees

On January 1st, the disposal tip fee is scheduled to increase \$0.15 per ton as a result of an increase in Oregon DEQ fees of \$0.06 and a \$0.09 increase in additional work requested by Clark County for engineering work being done by Columbia Resource Company at the Central Transfer and Recycling Station. The CPI adjustment on disposal tip fees is not being taken this year as a result of contract language related to recent growth in total system tonnage. Effective January 1, 2020 the tip fee will increase from \$95.71 per ton to \$95.86 per ton.

Recycling Fees

The rates proposed for January 1, 2020, include adjustments to curbside and multi-family fees based on the Inflation Adjustment Factor detailed above as well as adjustments to the recycling processing surcharges which were added April 1, 2019 to recover costs associated with the local response to the global market issues and the ongoing need for supplying quality materials to these markets. A recent review, in partnership with Clark County, found that the cost of processing recyclables passed through to the collector should increase from \$68.91 per ton (approved on February 19, 2019) to \$74.76 per ton effective on January 1, 2020. Curbside customers averaged lower volumes of materials set out than in the prior year so the recycling processing surcharge will decrease from \$1.77 per month to \$1.59 per month. Multi-family average volumes collected per unit increased slightly so the recycling processing surcharge for these customers goes from \$0.78 per month to \$0.84 per month. The combined impact for recycling fee components is a 2.1 percent decrease (\$0.10 per month) in curbside recycling charges and a 4.3 percent increase (\$0.09 per month) in multi-family recycling charges.

Organics Fees

The rates proposed for January 1, 2020, include adjustments to the organics rates. For the standard subscription service of 96-gallons every-other-week the Inflation Adjustment Factor increases the current rate from \$7.43 per month to \$7.60 per month (a 2.3% increase). Changes to the air quality permitting requirements, within the last six months, at the Dirt Hugger organics processing site have resulted in additional operational and capital costs to control for VOC emissions. This adds an additional \$4.90 per ton to the cost of processing organics. Section 4.3.2 of the City's comprehensive collection contract allows for the City to pass-through this cost in customer rates. For the 96-gallon service level this adds an additional \$0.20 per month and results in a total 2020 rate of \$7.80 per month (a net increase of \$0.37 per month – 5% overall increase).

Contract Change Impacts and City Fee

The new comprehensive collection contract with Waste Connections of Washington runs from April 1, 2019 through April 30, 2030. New service levels associated with the contract, including the addition of food scraps to

the previous yard debris service to comprise the Organics collection element of the contract, were largely incorporated into the April 1, 2019 rate adjustments. The option for on-call yard debris service went away, as of October 1, 2019, as organics need to be collected on a regular every-other-week schedule. As a result this service and rate option goes away. The rates for commercial container service also have been adjusted to reflect a negotiated one-time one half a percent increase on January 1, 2020 as a result of the new contract which now allows an option for “space saver” rates in VMC 6.12.210.

For 2020 overall, the typical residential customer rate for 32 gallons of weekly garbage service with recycling and organics collection increases 3.2 percent or \$1.03 per month (this reflects a \$0.76 increase in garbage charges, a net \$0.10 decrease in combined recycling and recycling processing surcharge fees, and a \$0.37 increase in the organics charge). Households with alternative service levels may experience slightly different impacts. The \$7.80 per month fee for subscribing to standard 96-gallon organics service may be reduced to \$6.75 by choosing a 64-gallon cart, \$5.70 with a 32-gallon cart or \$4.65 with a 20-gallon cart.

Staff recommends adjusting customer rates to meet the contractual obligations associated with the defined Inflation Adjustment Factor and the City’s increase in the Solid Waste Utility tax as well as other factors noted and detailed in the attached Summary of Proposed Solid Waste Collection Rates. All adjustments will be effective January 1, 2020.

Request: On Monday, November 4, 2019, approve ordinance on first reading, setting date of second reading and public hearing for Monday, November 18, 2019.

Julie Gilbertson, Solid Waste Supervisor, 487-7162

Mayor McEnerny-Ogle read the title of the ordinance into the record.

Motion approved the request.

13. Proposed changes to VMC 20.630 Downtown District standards governing building extensions into the right-of-way

Staff Report 161-19

AN ORDINANCE relating to downtown standards for horizontal building extensions into the right-of-way, amending Vancouver Municipal Code (VMC) 20.630, Downtown District, providing for severability, and providing for an effective date.

Summary

At the October 8 Planning Commission public hearing, staff recommended adding an allowance for horizontal extensions of up to 5 feet into the right-of-way for up to 85 feet of building height, and other changes also consistent with the Block 10 proposal. Commissioners acknowledged the importance of efforts to develop Block 10 but expressed varying degrees of concern about the policy implications the proposal could have for building size, street front function and public safety if the proposed extensions and potential use of supportive columns are allowed throughout downtown. Motions to forward the staff recommendation with added requirements for safety monitoring, to forward it with added limits on the extensions to 75% of any one block face and 50% of all four faces of any one building, and to oppose the staff recommendation as currently formulated without amendments all failed by votes of 2-4, 3-3, and 3-3, respectively. Planning Commission staff report on page 4 and draft minutes on page 9.

The proposed code change is before City Council without a majority position from the Planning Commission. Following discussion at the October 14 City Council worksession, staff recommends adding the allowance for horizontal extensions of 5 feet into the right-of-way up to 85 feet of building height, but only for projects subject to a Development Agreement; eliminating the existing allowance for extensions up to 15 feet into the right-of-way for up to 35 feet of building height; prohibiting supporting columns in the right-of-way; eliminating the existing 10-foot maximum sidewalk-to-extension height requirement, and raising the minimum height to 12 feet; and revisiting all downtown standards in the VCCV update beginning in 2020.

Request: On Monday, November 4, 2019, approve ordinance on first reading, setting second reading and public hearing for November 18, 2019.

Bryan Snodgrass, Principal Planner, 487-7946

Mayor McEnemy-Ogle read the title of the ordinance into the record.

Motion approved the request.

14. Proposed New Zoning Standards for Self-Service Storage Facilities

Staff Report 162-19

AN ORDINANCE of the City of Vancouver, Washington regarding self-service storage zoning standards; amending Vancouver Municipal Code ("VMC") VMC 20.895 "Miscellaneous Special Use Standards", VMC

20.160.020 "Listing of Use Classifications", VMC 20.430.030 "Uses", VMC 20.440.030 "Uses"; providing for severability; and establishing an effective date.

Summary

Self-storage is recommended to continue to be permitted in zoning districts where it is currently allowed (General Commercial, Community Commercial, Office Campus Industrial, and Light Industrial), but subject to the following:

- Prohibit new storage uses on properties located in whole or part within 500 feet of major corridors as identified in the map.*
- Allow existing self-storage businesses to expand or construct new buildings within parcels currently being used for self-storage if they are rendered nonconforming by new code changes.*
- Require new self-storage to be two or more stories with interior access to storage units only.*
- Prohibit outdoor storage on the property.*
- Prohibit activities not appropriate within storage units such as heavy industrial activity, storage of hazardous materials or animals, or conducting garage or estate sales.*
- Require each floor above the ground floor facing a street to be at least 15% glass.*
- Require at least 75% of any ground floor building wall facing a primary, minor, or collector arterial street to incorporate interest-creating features.*
- Update VMC 20.160 Use Classifications to specify that self-storage does not include outdoor storage, and specifically include outdoor storage in the warehouse/freight movement use category instead; prohibit tenants from using storage units for residential purposes; and state that the term mini-storage used in the code is meant to mean self-storage.*
- Update use tables in VMC 20.430 Commercial and Mixed Use Districts and 20.440 Industrial Districts to add footnotes that reference the new self-storage standards.*

Request: On Monday, November 4, 2019, approve ordinance on first reading, setting date of second reading and public hearing for Monday, November 18, 2019.

Bryan Snodgrass, Principal Planner, 487-7946

Mayor McEnemy-Ogle read the title of the ordinance into the record.

Motion approved the request.

15. Appointment to the Planning Commission

Request: Reappoint Steve Schulte to the Planning Commission, term beginning January 1, 2020, and expiring December 31, 2023.

Council Committee 1

Motion approved the request.

16. Appointment to the Telecommunications Commission

Request: Reappoint Lance Leland and appoint Lloyd Johnson and Robert Hinds to the Telecommunications Commission, terms beginning January 1, 2020, and expiring December 31, 2022.

Council Committee 1

Motion approved the request.

17. Appointment to the Lodging Tax Advisory Committee

Request: Appoint Brad Richardson and Carla Rise to the Lodging Tax Advisory Committee, mid-term appointments beginning immediately and expiring September 30, 2020.

Council Committee 2

Motion approved the request.

18. Approval of Claim Vouchers

Request: Approve claim vouchers for November 4, 2019.

Copy available upon request.

Motion approved claim vouchers for November 4, 2019, in the amount of \$14,119,512.18.

Public Hearing (Item 19)

19. **Disposition of Real Property - Waterfront parcel**

Staff Report 163-19

A RESOLUTION of the City of Vancouver authorizing disposition of certain real property and its method of disposition.

Summary

On October 19, 2009, the City of Vancouver and Columbia Waterfront LLC (CWLLC) entered into a development agreement regarding the future development of the Vancouver Waterfront, approved by Council under Resolution No. M-3700. Section 3.2.2 of the agreement (page 6) contains a commitment by the City of Vancouver to surplus and dispose an approximately 36,327 square foot remnant parcel located adjacent to and south of the BNSF railroad berm to CWLLC, in exchange for CWLLC constructing public streets and dedicating their property for such streets throughout the Waterfront project area.

CWLLC has completed all public improvements required in order for the surplus/disposition of this property to be executed, and such improvements have been inspected and accepted by the City. CWLLC has advised the City that they intend to transfer the land to the Port of Vancouver in order to facilitate the Port's master plan development.

Pursuant to the requirement of the D.A., an appraisal was completed for the City-owned property by an MAI appraiser, and the public rights-of-way dedicated to the City by CWLLC have also been appraised. The property dedicated by CWLLC to the City for public rights-of-way has been estimated at a 6.65-acre total and valued at \$12.17 million. The parcel that was surplus by the City on October 21, 2019, is 36,237 square feet and is valued at \$510,000. Both appraisals have been accepted by the City and CWLLC.

CWLLC has met the conditions required prior to surplus and disposition of the property. Upon approval of disposition, and after the sewer easement is recorded, the property will be transferred to CWLLC per the adopted Development Agreement.

Request: On November 4, 2019, following a public hearing, adopt a resolution approving disposition of certain real property located north of SE Columbia Way immediately west of Columbia Street (Assessor parcels 48840000 and 48850000) and authorize the City Manager or his designee to execute necessary documentation to complete transfer.

Linda Carlson, Property Management Specialist, 487-8423

Chad Eiken, Community and Economic Development Director, provided an

overview of the proposed disposition of the subject property. He noted the first step of this process, declaring the parcel as surplus, was approved by Council on October 21, 2019.

Mayor McEnerny-Ogle opened the public hearing and received the following testimony:

- Matt Grady, representing Gramor and Columbia Waterfront LLC, spoke in support of the item and thanked the City for its partnership on the project.

There being no further testimony, Mayor McEnerny-Ogle closed the public hearing.

Motion by Councilmember Glover, seconded by Councilmember Hansen, and carried unanimously adopted Resolution M-4043 approving the disposition of the parcel.

Public Meeting (Item 20)

20. Presbytery of the Cascades Annexation

Staff Report 164-19

A RESOLUTION relating to support of an annexation request (Exhibit “E”) using the 60% direct petition method pursuant to RCW 35.13.125; establishing the geographic extent, determining the comprehensive plan and land use designations, and determining whether the property owners will assume all or any portion of existing City indebtedness for the proposed annexation area.

Summary

City staff has received a notice of intent to annex from a singular property owner. The Presbytery of the Cascades church is located at 16210 NE 20th Street (at 162nd Ave). The site is 4.4 acres in size. Surrounding uses include both residential and commercial uses.

The current County Comprehensive Plan designation is Commercial (C) with a zoning designation of Community Commercial (CC). The applicant is requesting to change the zoning on the eastern two acres of the site to a City Comprehensive Plan designation of Urban High (UH) density and an R-18 zoning designation. The applicant completed a pre-application conference regarding the change and will complete the Planning Commission recommendation process on the change prior to returning to Council for the final annexation ordinance. Should the plan and zone change application and annexation applications be successful the applicant intends to subdivide the eastern two acres of the property into a 26-lot single family residential development with the church remaining on

its own 2.4-acre site.

The site is currently served by City water, sewer, stormwater and fire (FD5) services. With the annexation the City would also accept approximately 620 linear feet of right-of-way in NE 20th Street from 162nd Avenue to 164th Ave. With the current owner being a non-profit entity the property is currently exempt from property tax.

Request: On Monday November 4, 2019 adopt a resolution to proceed with requested annexation.

Bryan Monroe, Associate Planner, 487-7958

Bryan Monroe, Associate Planner, provided Council with an overview of the annexation application and the overall process moving forward.

Councilmember Stober expressed concerns about the pedestrian flow of the proposed development and noted, in general, his concern about City infrastructure being improved to the point that it can support such developments so they are no so dependent on cars.

Councilmember Lebowsky stated that this annexation is relatively small, but over time, small annexations can add up to have a significant impact. She stated the City needs to develop an annexation blueprint and stated she would like to see this topic added to the work plan next year.

Mayor McEnerny-Ogle opened the public hearing and, receiving no testimony, closed the public hearing.

Motion by Councilmember Hansen, seconded by Councilmember Turlay, and carried unanimously to adopt Resolution M-4044 approving the request.

Communications

A. From the Council

B. From the Mayor

C. From the City Manager

WALK-ON: Confirmation of Appointment of City Attorney

Mr. Holmes provided background information on the search, interview and selection process for the recruitment of a new City Attorney. He summarized Mr. Yung's qualifications and background prior to working with the City.

Mr. Yung stated he was honored by this appointment.

Motion by Mayor McEnerny-Ogle, seconded by Councilmember Paulsen, and carried unanimously to confirm the appointment of Jonathan Young as the City Attorney.

a. Proposal - an Opioid Treatment Program at Clark County Jail

Kevin Fischer, Medical Director for Substance Use Disorder Services at Columbia River Mental Health, Clark County Sheriff Chief Deputy, and Steven Morrison, Chief Substance Use Disorder Officer for Columbia River Mental Health, provided Council with an overview of the proposed Opioid Treatment Program at the Clark County jail.

Adjournment

8:02 p.m.

Anne McEnerny-Ogle, Mayor

Attest:

Natasha Ramras, City Clerk

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CITY COUNCIL MEETING MINUTES

Vancouver City Hall | Council Chambers | 415 W. 6th St.
PO Box 1995 | Vancouver, WA 98668-1995
www.cityofvancouver.us

Anne McEnergy-Ogle, Mayor

Bart Hansen · Bill Turlay · Ty Stober · Linda Glover · Laurie Lebowsky · Erik Paulsen

October 28, 2019

SPECIAL COUNCIL MEETING

Vancouver City Hall - 415 W 6th Street, Vancouver WA

A Stronger Vancouver - Revenue Options Work Session (4:00 PM)

Location: Aspen Room (1st floor)

Summary

City Manager Eric Holmes and Natasha Ramras, Chief Financial Officer, provided an overview of Council's direction from previous work sessions on the Stronger Vancouver initiative pertaining to revenue options.

Julie Hannon, Parks and Recreation Director, and Monica Tubberville, Park Planner, provided background information on Park Impact Fees (PIFs) and an overview of proposed updates to PIF rates, impact fee vesting, annual PIF indexing that are being considered by the Parks and Recreation Advisory Commission and the Planning Commission, as well as a proposed phased implementation plan for rate changes. Ms. Hannon provided an overview of how Park Impact Fees would apply to the Stronger Vancouver initiative.

Ms. Ramras presented an overview of the remaining revenue tools proposed by the Executive Sponsors Council for the Stronger Vancouver initiative, including the utility tax and an admissions tax, and also provided Council with several potential scenarios related to a property tax multi-year voted levy lid lift.

Council recessed at 5:56 p.m. for a dinner break.

COUNCIL DINNER/ADMINISTRATIVE UPDATES (6 PM)

SPECIAL COUNCIL MEETING AGENDA (6:30 PM) Location: City

Council Chambers (2nd floor)

Pledge of Allegiance

Call to Order and Roll Call

The special meeting of the Vancouver City Council was called to order at 6:31 p.m. by Mayor McEnerny-Ogle in the Council Chambers of City Hall, 415 W. 6th Street, Vancouver, Washington.

Present: Councilmembers Paulsen, Lebowsky, Glover, Stober, Turlay, Hansen, Mayor McEnerny-Ogle

Absent: None

Proclamation: Native American Heritage Month

Mayor McEnerny-Ogle read and presented a proclamation to Louis Kameronoff and Becky Archibald, proclaiming November 2019 as Native American Cultural Heritage Month.

NEW BUSINESS: Lease purchase agreement for a replacement headquarters for the Vancouver Police Department

Staff Report 148-19

Request: Authorize the City Manager or designee to approve the lease purchase agreement for 521 Chkalov and to execute the same as well as other pertinent documents to secure the ownership of 521 Chkalov, providing a notice to exercise the purchase option at the time of lease signing.

Jonathan Young, Acting City Attorney, 487-8500; Troy Price, Assistant Police Chief, 487-7643

Summary

In the mid to late 2000s, the City invested in two new patrol precincts and a new evidence facility to replace the previous police facilities which had been built in the 1960s. The new precincts planned to accommodate some future growth, but did not include space for police headquarters or administration.

The current VPD Headquarters, located at 605 East Evergreen Blvd. was assumed from Washington State Patrol (WSP) in 2002. WSP used the building as a vehicle emissions testing facility. It is approximately 17,000 square feet, and hosts the Office of the Chief and associated administration.

In 2016, the City assumed responsibility for police records from the Clark County Sherriff's office, which had provided records services under contract for multiple decades. The City established a 24/7 records unit in West Precinct, providing improved service to VPD officers while reducing annual operating costs.

The addition of 26 new records positions in West Precinct consumed a substantial portion of the space that would have otherwise accommodated future growth in patrol functions.

VPD has no dedicated space for training of its officers and staff. Over the years, the department has relied on donated space from a range of individual businesses, as well as the occasional use of other public facilities to accommodate training needs of the department. While this has been a very cost effective way of accessing facilities for training purposes, the reliability has been declining in recent years. As the local economy has grown, the availability of vacant business space has diminished. Further, as the community has grown, the ability to reliably access space in other public facilities has also declined. Concurrently, the training needs of the department, and expectations of the community for a well-trained police force have grown, and are expected to continue to grow in the future.

In light of these circumstances, the need for additional space was identified by the Chief in the context of the multi-year staffing plan approved by Council in 2017, as well as the analysis and context of a Stronger Vancouver. It was not included as a recommended element of a Stronger Vancouver because, at that time, the needs of the department were not sufficiently defined.

City leadership maintains a consistent awareness of the real estate environment across the community, to both understand the dynamics of this aspect for our economy as well as to identify opportunities when they arise to satisfy the city's long term strategic real estate needs.

Earlier this year, the City identified the property located at 521 Chkalov as a potential strategic real estate acquisition to meet the current and long term future needs of VPD. The property consists of a 2 story, 44,500 square foot building located on 2.3 acres. The building's parking lot accommodates 285 vehicles. The adjacent vacant 1.4 acres is under the same ownership.

The size, configuration, building type and location all align with the current and forecasted needs of VPD. The building will readily accommodate VPD headquarters functions, appropriate specialty units and functions currently located in precincts, dedicated training space and room for growth. The adjacent property, if secured, could provide additional space to accommodate future growth of the department well into the future.

To secure the advantages of this real estate to the benefit of VPD, the City has negotiated a lease purchase agreement with the property owner. The agreement provides for the City to take possession of the building upon approval by City Council for a lease term of five years and three months, and gives the City the option to purchase the property at the beginning of the third year of the lease. The beginning lease rate is \$14.50 per foot per year, with a 3% annual rate escalation. In addition, the agreement provides the City the first right of refusal to acquire the adjacent 1.4 acres at the appraised value, which could provide additional room for growth well into the future.

The City has identified current funding capacity to fund the lease purchase through a combination of police budget savings (from vacancies due to primarily retirement-based attrition), recently audited jail costs that were below budget (2015-17), estimated misdemeanor jail cost savings for 2018 and 2019 and undesignated general fund balance.

Mr. Holmes introduced the New Business item and explained that staff had touched base a couple of times earlier in the year with Council regarding this potential real estate transaction under executive session.

Acting City Attorney Jonathan Young provided an overview of the proposed lease agreement and the property. Assistant Policy Chief Troy Price provided an overview of the Vancouver Police Department's (VPD) current facilities and planned uses for the proposed new facilities.

Mayor McEnerny-Ogle asked if the seismic stability of the building had been analyzed. Mr. Young explained staff had completed a walk-through of the building with a structural engineer, and because the building was stick-built, it would be reasonably easy to upgrade.

Councilmember Turley stated VPD is in dire need of a new headquarters facility and stated he endorses this project.

Mayor McEnerny-Ogle opened the item up for public testimony and, receiving none, closed public testimony.

Motion by Councilmember Turley, seconded by Councilmember Lebowsky, and carried unanimously to approve the request.

Council recessed at 7:06 p.m. to transition to the Aspen Room to continue the work session on A Stronger Vancouver.

WORKSHOPS continued

Council reconvened in work session in the Aspen Room at 7:12 p.m.

A Stronger Vancouver - Review of Options and Refinement of Package

Ms. Ramras introduced three potential scenarios that included adjustments to the revenue tools recommended as part of the Stronger Vancouver initiative for Council consideration and feedback.

Council discussed the scenarios and potential adjustments to the package at length. Council provided direction to the City Manager to bring back information on a homelessness strategy before further discussing appropriate revenue tools and levels of funding for the Stronger Vancouver initiative.

Council also expressed a desire to wait until after the November 5 election and the determination of whether Initiative 976 would pass, which would have significant impacts to the City's street funding, before making any decisions about the structure of the Stronger Vancouver package of services, funding levels and revenue tools.

Adjournment

9:14 p.m.

Anne McEnerny-Ogle, Mayor

Attest:

Natasha Ramras, City Clerk

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The Heights District Plan Update

VANCOUVER
CITY HALL



November 18, 2019

Vancouver City Council Workshop

Teresa Brum, Economic Development Manager
Rebecca Kennedy, Planning Manager

The Heights District Plan | 1

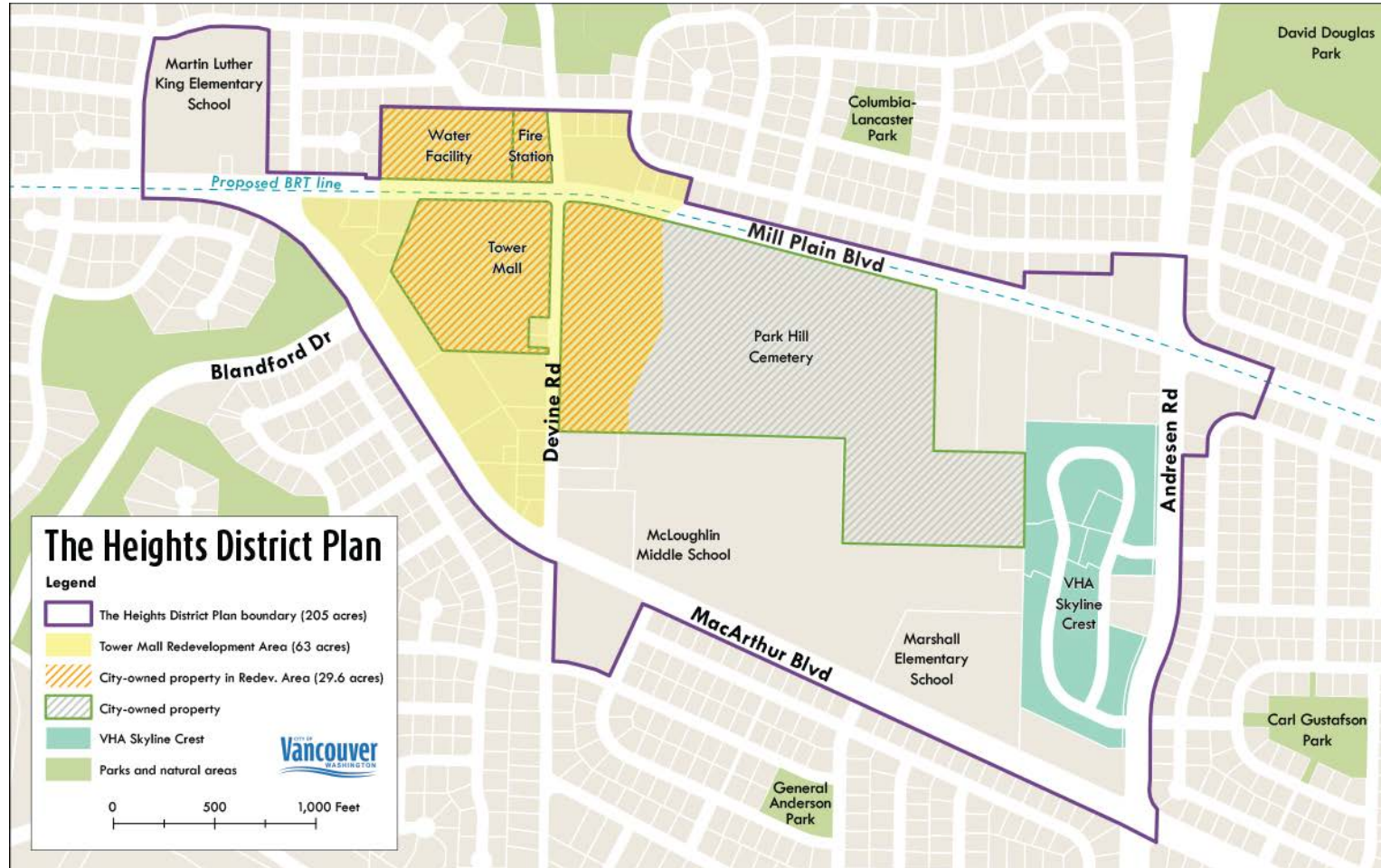
Presentation Overview

- Deliverables, timeline and project goals
- Review of public engagement process
- Summary of existing conditions analysis
- High-level review of recommendations for The Heights District
- High level review of recommendations for the Tower Mall Redevelopment Area
- Review of how public input informed the recommendations
- Questions and discussion

Presentation Purpose

- Initiate adoption process
- Receive Council feedback, comments, questions
- Discussion will inform next Council workshop on the Heights, currently scheduled for Feb. 10, 2020

The Heights District



Heights District Plan: Project Deliverables

1. ***Subarea Plan*** for the 205-acre Heights District that will include an overarching vision for the area, and make recommendations on design, land use, housing transportation, public space, and implementation priorities.
2. ***Detailed Redevelopment Plan*** for the 63-acre Tower Mall redevelopment area that will include a market analysis, feasibility study, phased redevelopment plan, and partnerships and implementation recommendations.
3. ***Environmental Impact Statement:*** Planned Action SEPA Analysis that includes thresholds for a mix of uses and will enable expedited review of future development proposals.

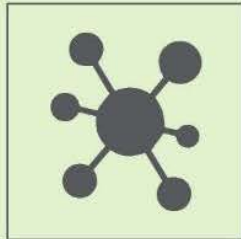
The Heights District Plan: Project Goals

- Establish a vision for a **vibrant neighborhood center**
- Catalyze additional **private development** in the District
- **Involve the public** in the planning / design process
- Include **affordable** income-based housing
- Include accessible **public open space**
- Utilize innovative urban design and **sustainable development practices**
- Plan for the creative and functional **integration of transit**
- Increase **multi-modal connectivity** in the District uses



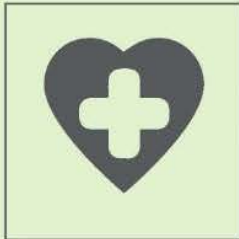
A Vision for the Heights

PRIMARY DRIVERS



1. Connectivity

- Creation of a walkable and bikeable street network with connections to nearby trails
- Maintain local and regional connections to services and amenities in Downtown Vancouver, Portland, etc.
- Improved traffic safety at intersections, through improved lighting, signals, and visibility



2. Community Health, Wellness & Equity

- Walkable, healthy food options, such as grocery stores and farmers markets
- Uses that promote “healthy” living, including playgrounds and exercise/athletic facilities
- Maintain social and support services for underserved families in the area



3. Sustainability

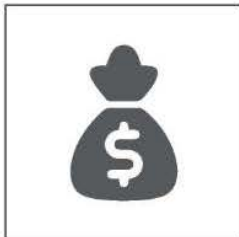
- Increase urban greenspace and trees while preserving existing significant trees
- Break up existing pattern of pavement and gravel
- Address drainage and flooding issues along major corridors

SECONDARY DRIVERS



4. Public Realm

- Creation of flexible gathering spaces that can accommodate community activities and events
- Provide a variety of active open spaces, including dog parks, playfields, and community gardens
- Well-maintained public spaces and sidewalks



5. Economic Development

- Restaurants and other food options that are affordable and easy to walk to
- Specialty, health-focused grocery store
- Maintain “small business” culture by saving existing locally owned businesses and attracting new local businesses



6. Mixed Income Housing

- Increased housing variety that includes mixed types (i.e. senior housing) and mixed incomes
- Mindful placement and integration of low-income housing
- Keeping housing options affordable for a diverse demographic, from seniors to young families



7. Urban Character/Form

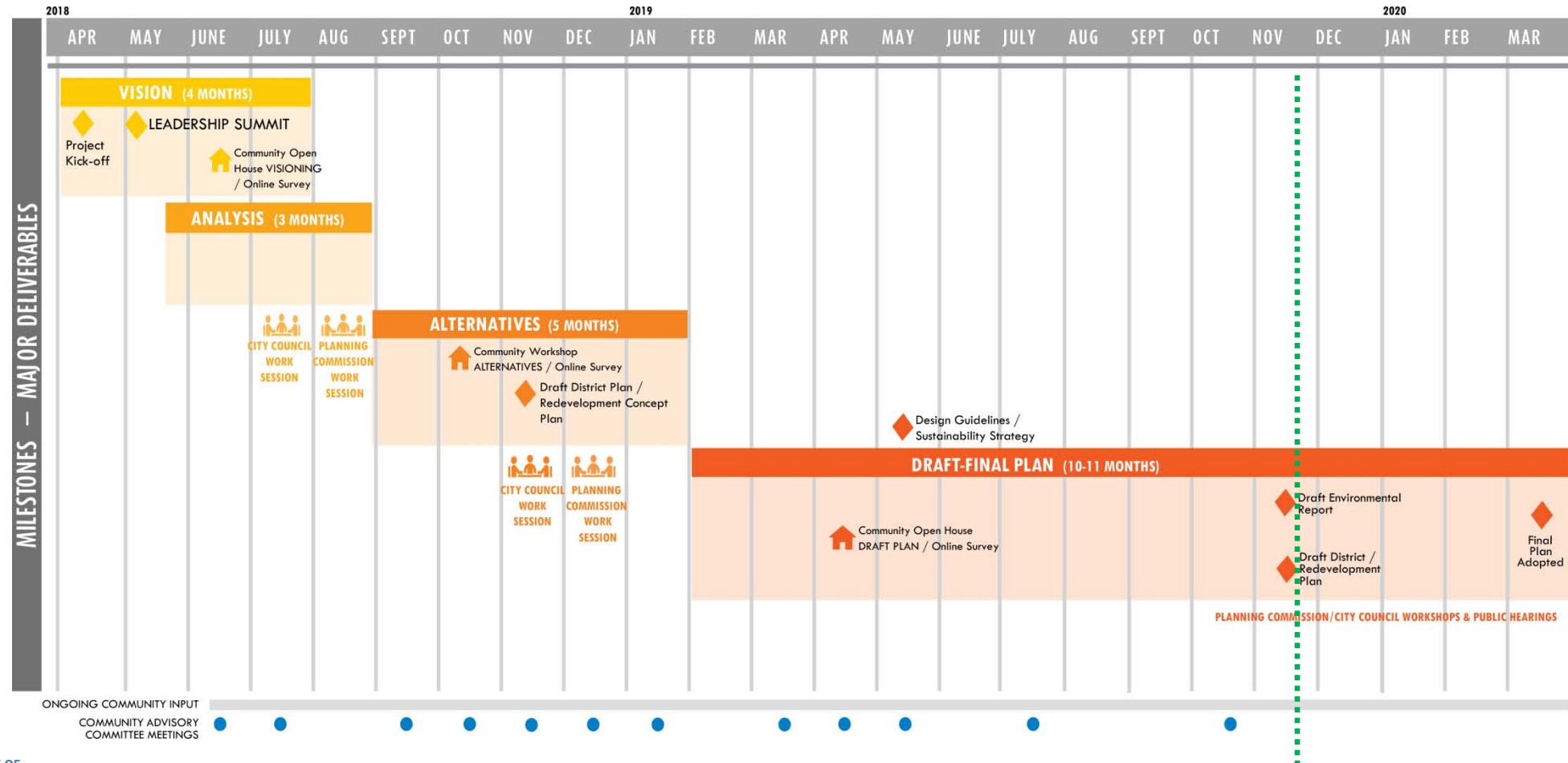
- Creation of a distinct identity through urban form
- Attractive, appealing architecture that complements existing neighborhood character
- Appropriate scale (number of stories) of buildings



8. Arts/Culture

- Installation of art pieces, such as murals, that can be participatory and reflect local history
- Dedicated, flexible venues for arts and cultural events
- Neighborhood library as a cultural amenity

Heights District Plan: Timeline & Phasing



Heights District Plan: Community Engagement Strategy

Community Open
Houses

Online Surveys

Stakeholder
Interviews

Community
Advisory
Committee

Technical Advisory
Committee

Property Owner
Meetings

Neighborhood
Assoc. Meetings
& Interviews

Coffee Talks

Planning
Commission & City
Council

Community Engagement: Leadership Summit



Community Engagement: Community Advisory Committee



Community Engagement: Open Houses





Vancouver Heights District Plan

Welcome
Defining success
Bridging gaps
What comes next?

Welcome

The Heights District is a dynamic place and has been identified as a future urban center. It's home to some of Vancouver's oldest neighborhoods, best views, and busiest corridors.

The City of Vancouver would like your input as we establish a vision for a vibrant urban district that's economically feasible and in tune with its surroundings and our shared goals.

The City has started a collaborative process to craft a vision that unlocks the District's unique potential. As part of this process we're talking with you through a volunteer Community Advisory Committee, interviews with key stakeholders, public open houses and online open houses like the one you're visiting now.

This online Open House is the first of a series that will ask you how you Use The Heights District today, and how you envision this area in the future.

To help us understand your perspective, first tell us how you currently use The Heights District (outlined in red on the map). Please check all that apply.




Community Engagement

- Focus Groups
 - Health and social service agencies
 - Churches
 - Business owners/managers
 - Disability advocates/NFB
- Individual & small group meetings
 - Property owners
 - Faith community leaders
 - Agency partners: VHA, VPS, C-TRAN
 - Residents living near the Heights and other interested community members



Community Engagement

- Presentations
 - Neighborhood associations
 - Community organizations
 - Tabling at public events: neighborhood picnics, National Night Out, C-TRAN events
- Coffee talks: four coffee talks where community members could “drop in” to talk with project staff and CAC members about the plan



Community Engagement

Efforts to reach under-represented communities

- Interpretation, translation of materials
- Focus groups: disability community, service providers
- Grade school parent coffees
- McLoughlin Middle School Leadership Students
- Door-to-door outreach to renters
- Working with community partners to reach targeted constituencies
- Promote events through school newsletters



**ДЕНЬ ОТКРЫТЫХ ДВЕРЕЙ ДЛЯ
ОЗНАКОМЛЕНИЯ СООБЩЕСТВА С ПЛАНом
ЗАСТРОЙКИ РАЙОНА ХАЙТС**

13 августа 2019 г., суббота | 11:00 – 14:00
Кафетерий в средней школе Маклафлин | 5802 MacArthur Blvd.



ВОЗМОЖНОСТЬ ОЗНАКОМИТЬСЯ С ПРОЕКТом ПЛАНА ЗАСТРОЙКИ РАЙОНА ХАЙТС

Благодаря вкладу общественности были разработаны планы застройки района Хайтс, территории площадью 228 акров, обозначенной как районный общественный центр в комплексном плане города и расположенной на бульваре E. Mill Plain между бульваром MacArthur и улицей Andersen в центральной части г. Ванкувер.

Посетите это мероприятие для того, чтобы ознакомиться с проектом плана и высказать свое мнение относительно этого плана. В план застройки включена территория бывшего торгового центра Tower Mall и прилегающая к нему зона, где предусматривается строительство нового жилья, точек розничной торговли, офисных зданий, парков и общественных мест, а также усовершенствования транспортной системы и инфраструктуры. Будут предложены легкие напитки и закуски, а также развлечения для детей. Приглашаем всех желающих!

С вопросами и запросами на предоставление особых условий для лиц с ограниченными возможностями здоровья обращайтесь к Андреа Пастор по телефону (360) 487-7947 или andrea.pastor@cityofvancouver.us
Оставьте на связи с нами: www.cityofvancouver.us/theheights



CITY OF Vancouver WASHINGTON

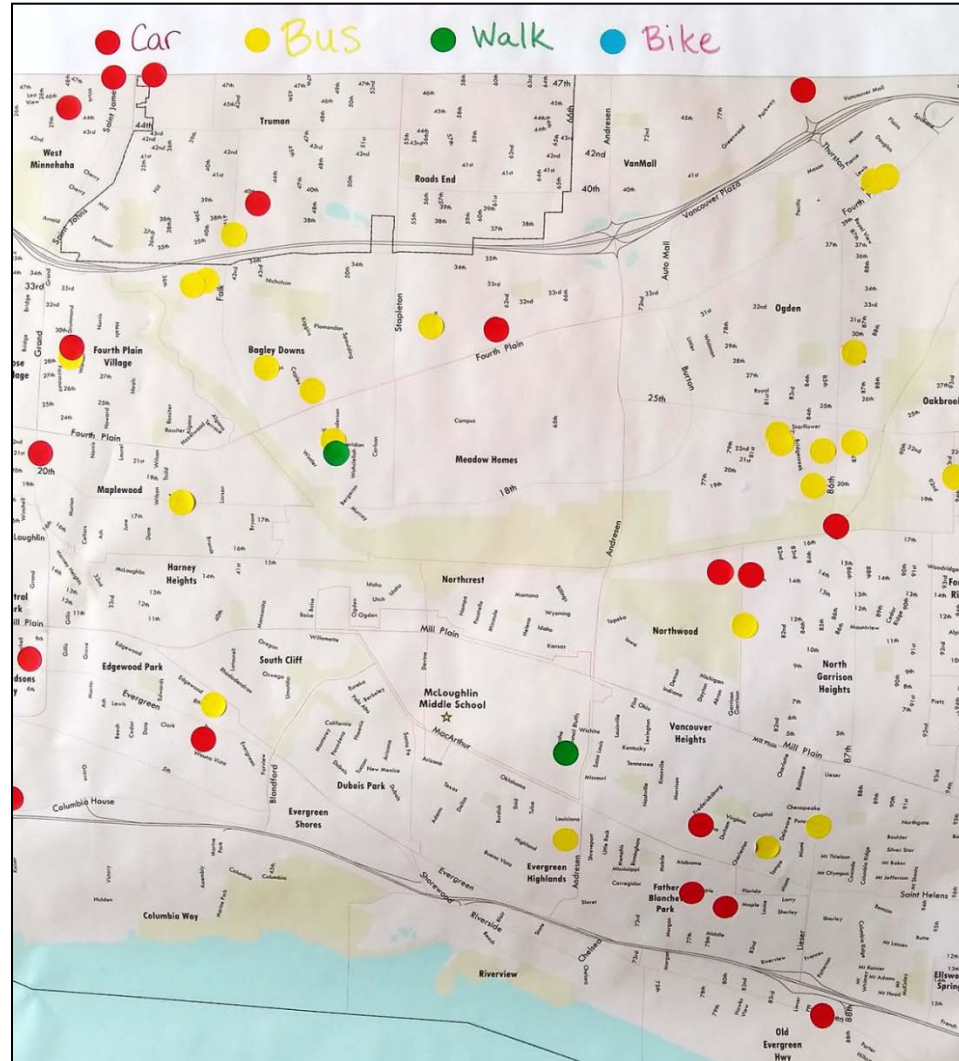
Community Engagement: McLoughlin Students

What kinds of amenities should we include in the new Heights District parks?



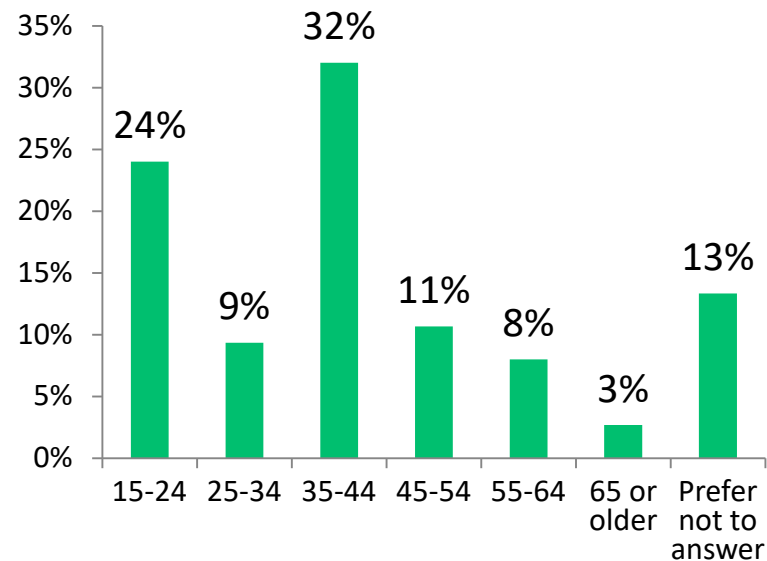
Community Engagement: McLoughlin Students

**Where do you live?
How do you get to
school?**



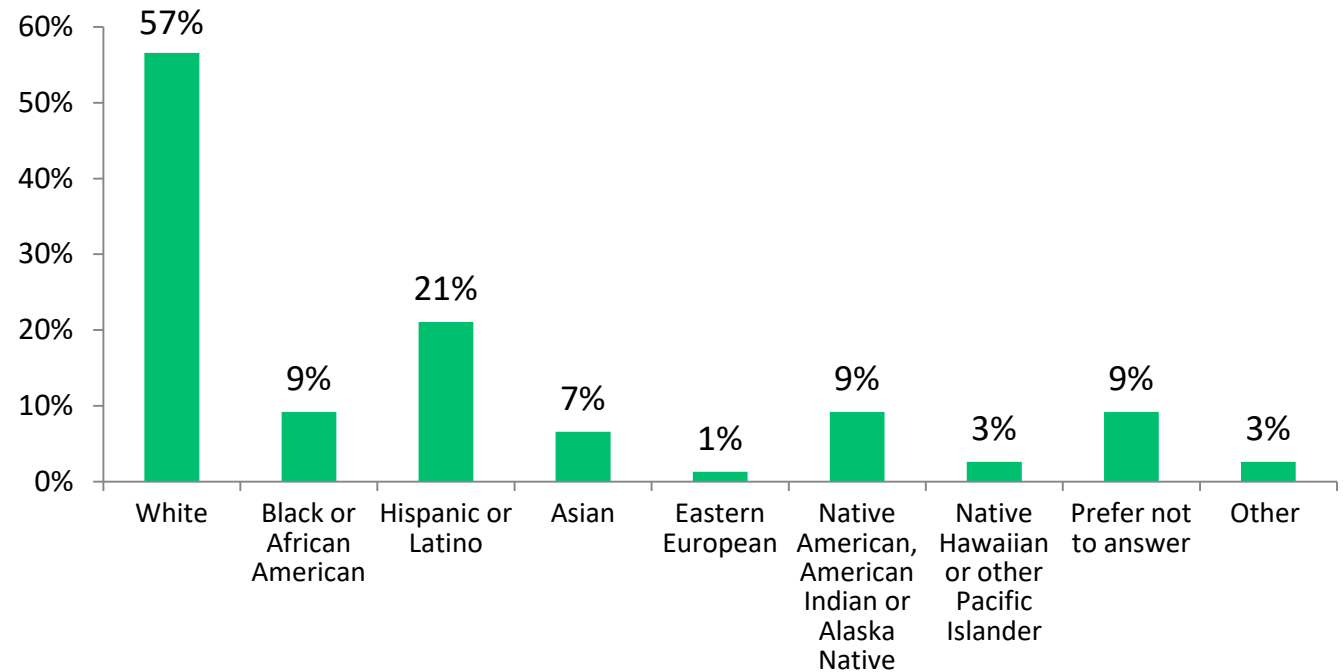
Community Engagement: McLoughlin Students

Age of respondent



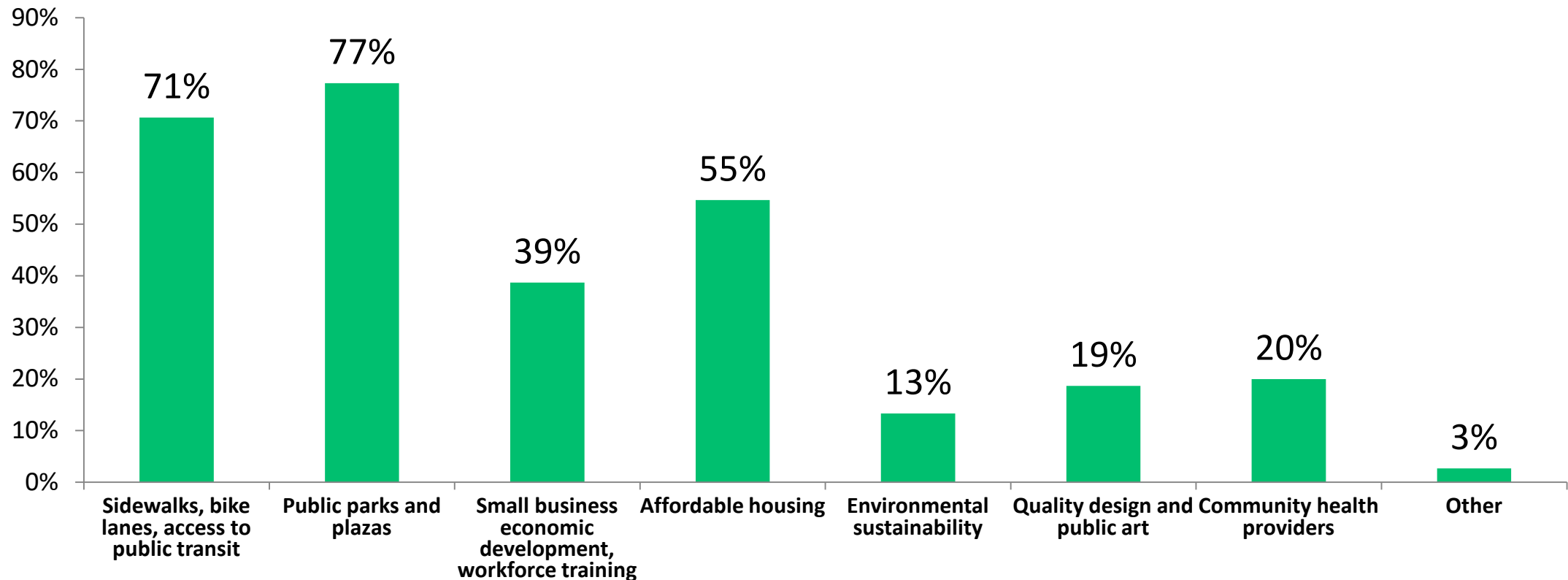
Race/ethnicity of respondent

*Responses do not sum to 100% ,
include multiple selections*



Community Engagement: McLoughlin Students

What are the top three priorities for designing The Heights District?



Community Engagement: Website

OUR COMMUNITY SAFETY & SERVICES BUSINESS & DEVELOPMENT RECREATION & EVENTS INSIDE CITY HALL

I want to... ▾

- + Building and Permitting Services
- + ePlans
- Doing Business in Vancouver
- + Annexation
- + Code Compliance
- Current Development Projects
- + Affordable Housing
- + CDBG and HOME Programs
- + Homelessness
- + Cycling Vancouver
- + Economic Development
- Eng. Reports &

Home » Community and Economic Development Home » Long Range Planning » Subarea & Action Plans

The Heights District Plan

The **Draft Redevelopment Concept** is now available to review. Check out the **Ways to get involved** page for opportunities to weigh in on The Heights District Plan, including observing the public hearing and Council meetings.

The area surrounding The Heights District (formerly known as Mill Plain Central Subarea) is home to some of Vancouver's oldest neighborhoods, best views, and busiest corridors. It is rich in parks, schools, open space and recreation opportunities, as well commercial businesses, non-profits, and organizations that serve the needs of Vancouver's diverse communities. In order to establish a vision for the area and guide its future growth and development, the City of Vancouver is leading a community planning process for The Heights District, which is identified as a future urban center in the City's Comprehensive Plan.

Learn more

Frequently asked questions

Project documents and links

Sign up for email updates

Email

Submit

Community Engagement

Ongoing Efforts

- Ongoing communication and work with neighborhoods to identify potential issues, measure and analyze existing conditions and future impacts, and mitigate where appropriate
- One-on-one discussions with property owners & partners
- Community Advisory Committee: facilitate ongoing communication with the CAC and regular updates through implementation

Market Conditions

Market Observations

- Strong demand for housing at various types multiple income levels
- Multifamily housing is a natural fit for The Heights
- Retail difficult on its own, but can play a supportive role and be successful as part of a mixed-use development.
- Office uses could also play a supportive role, but will not lead development.



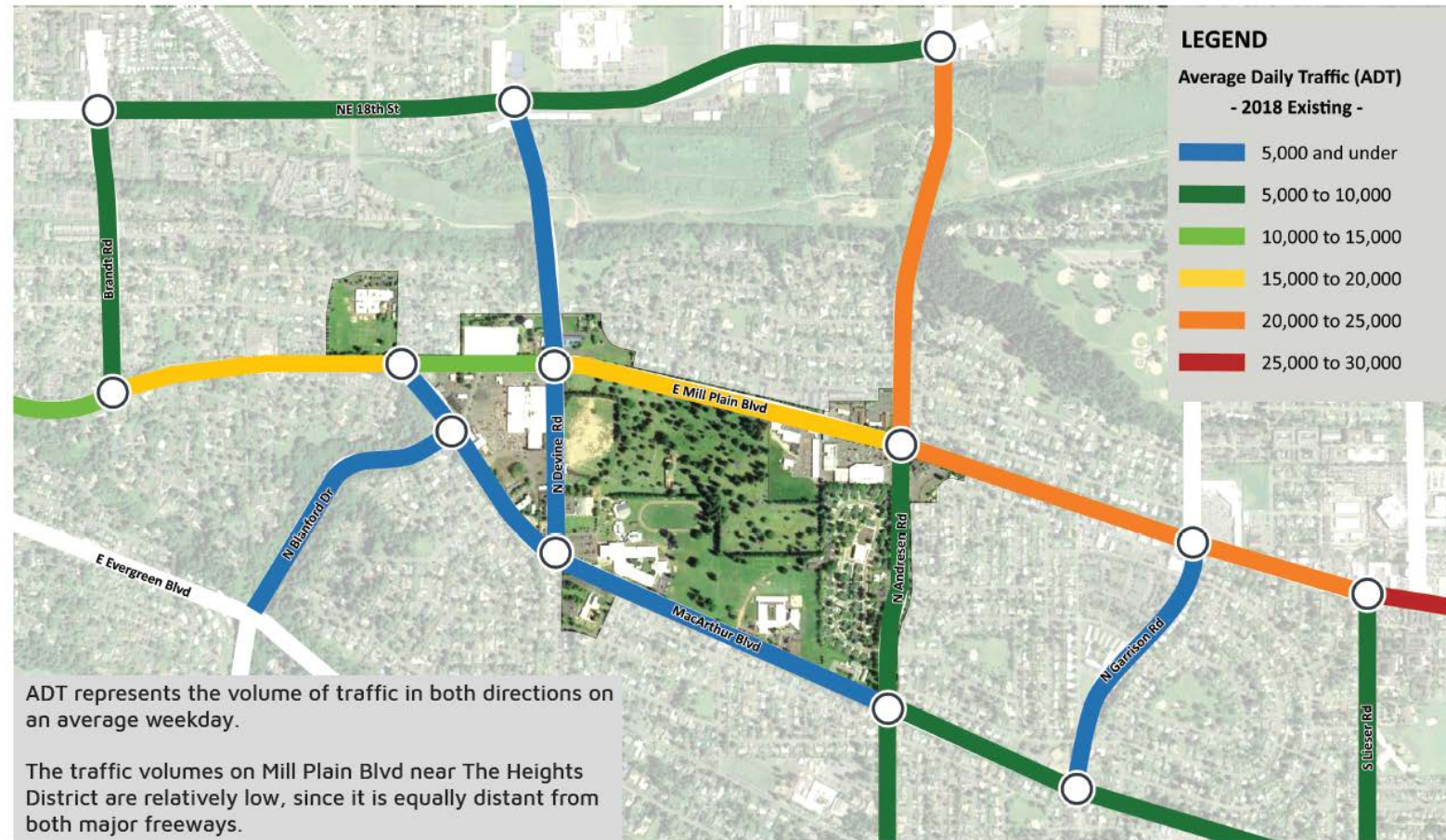
Redevelopment Potential



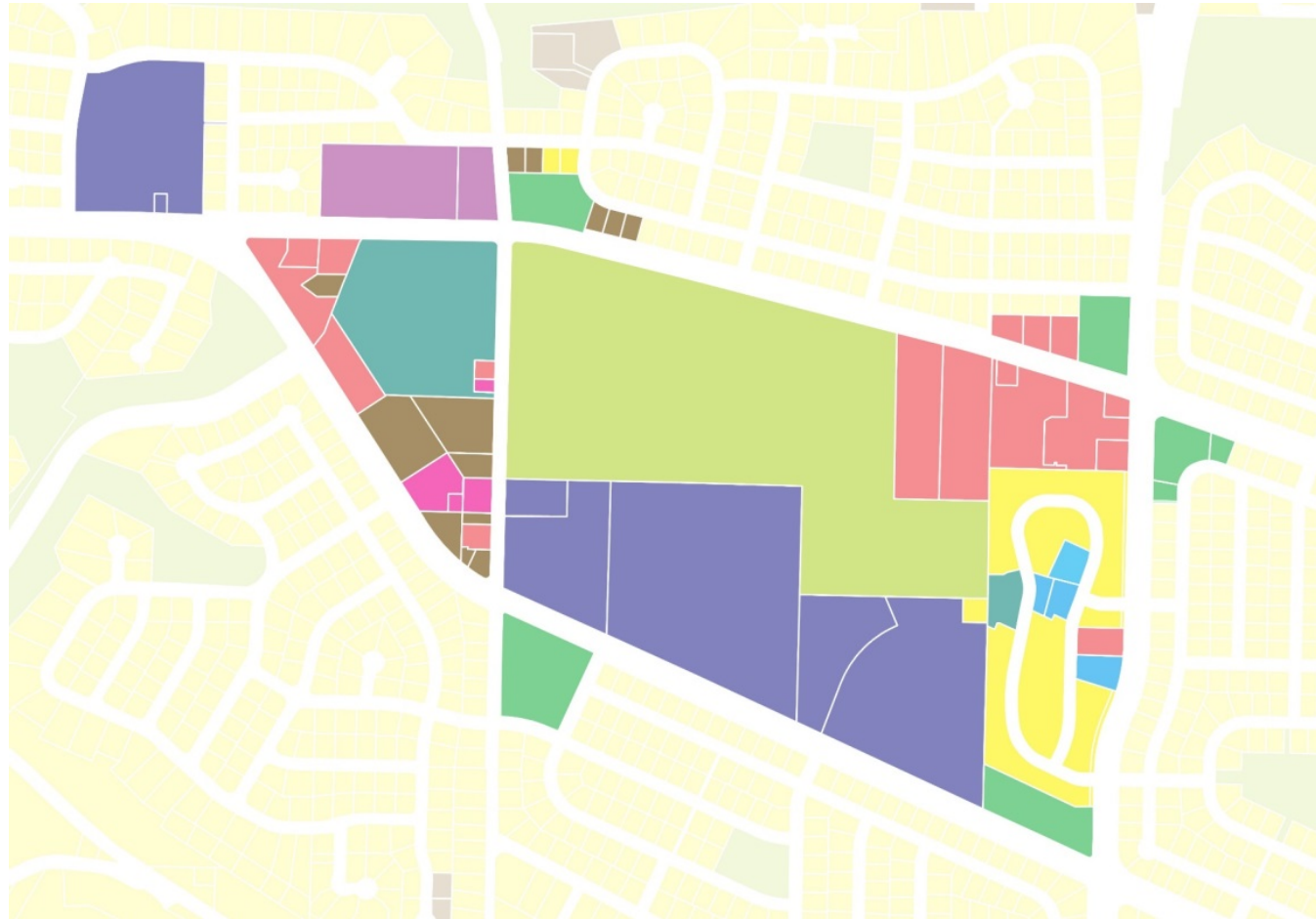
The logo for the City of Vancouver, Washington, featuring the word "Vancouver" in a large, bold, blue sans-serif font, with "CITY OF" in a smaller font above it and "WASHINGTON" in a smaller font below it. A blue wavy line is positioned at the bottom of the logo.

Roadway Capacity Analysis

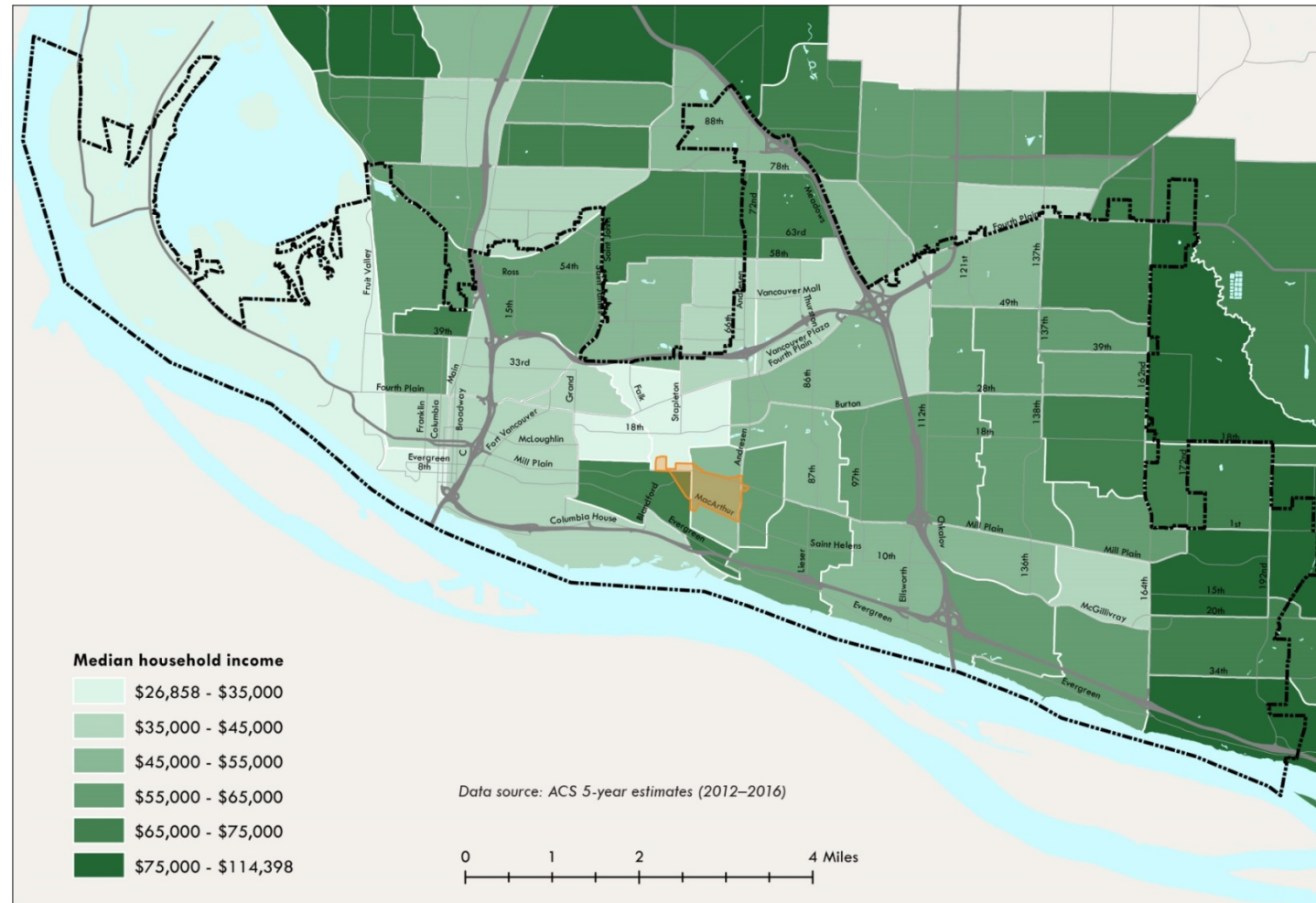
EXISTING AVERAGE DAILY TRAFFIC



Existing Uses



Demographic Analysis: Median Household Income



Other Existing Conditions Analysis

- Traffic Impact Study
- Property ownership
- Income-based Housing
- Sustainability program
- Case studies



Opportunity Analysis

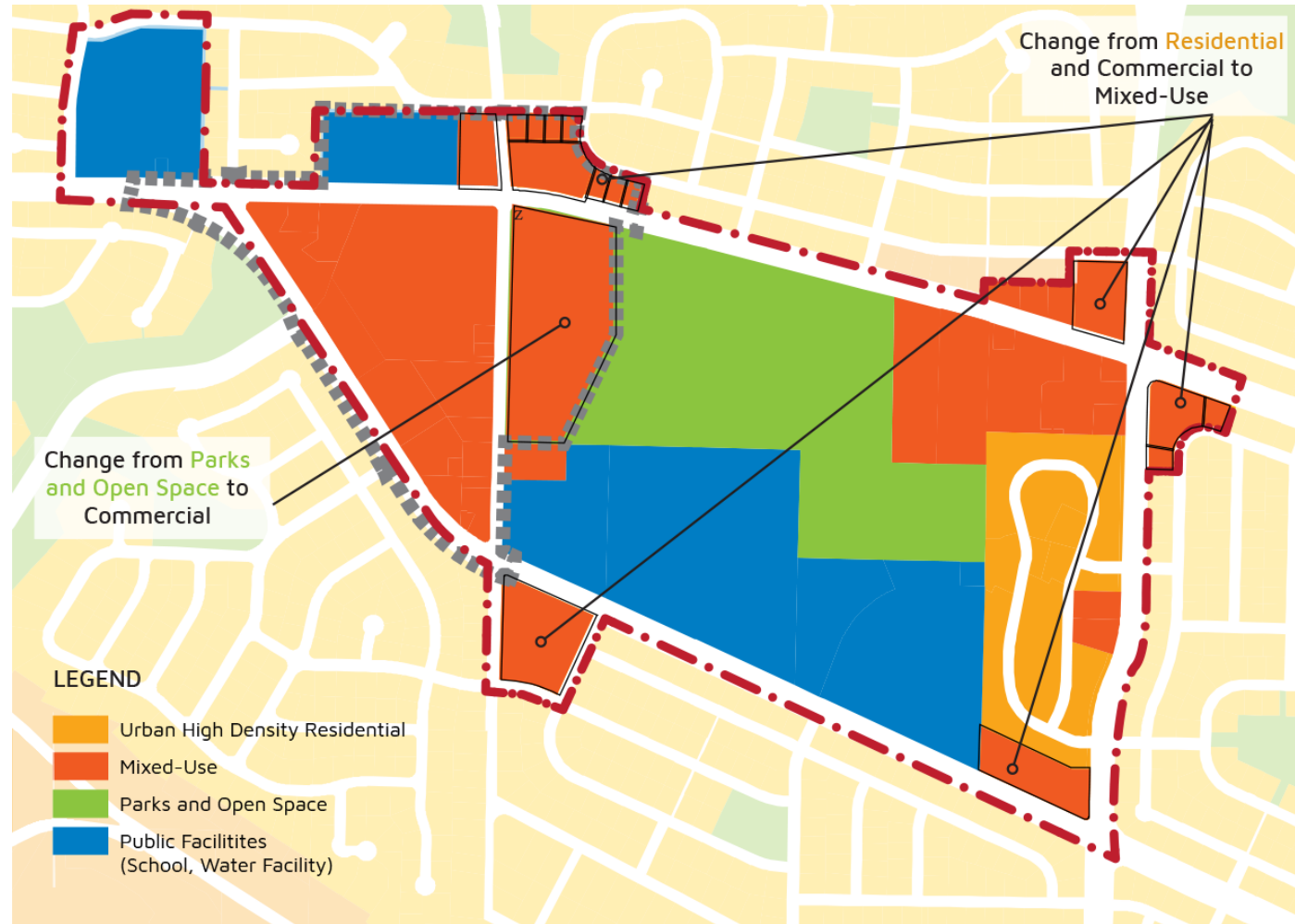


Heights District: Recommendations

- Land Use
- Housing
- Transportation
 - Circulation & access
 - Existing roadways
- Sustainability



Proposed Land Use Plan

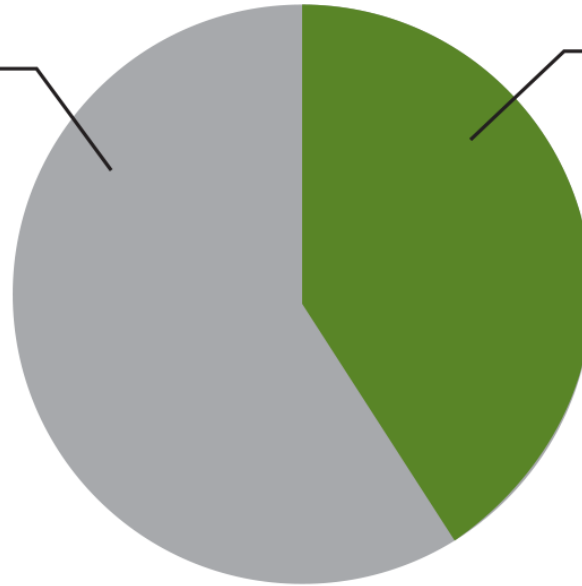


Mixed-Income Housing

60-75% MARKET RATE HOUSING

INCLUDING:

- Above-market units and condominiums
- Studio to 3-bedroom units
- Rental and owner units



TARGET: 25-40% INCOME-BASED HOUSING (<100% AMI)

INCLUDING:

- Workforce (attainable), live/work and senior housing
- Affordable, low-moderate income family housing
- Rental and ownership units

The Heights District: Circulation & Access



The Heights District: Mill Plain Blvd.



The Heights District: Devine Road



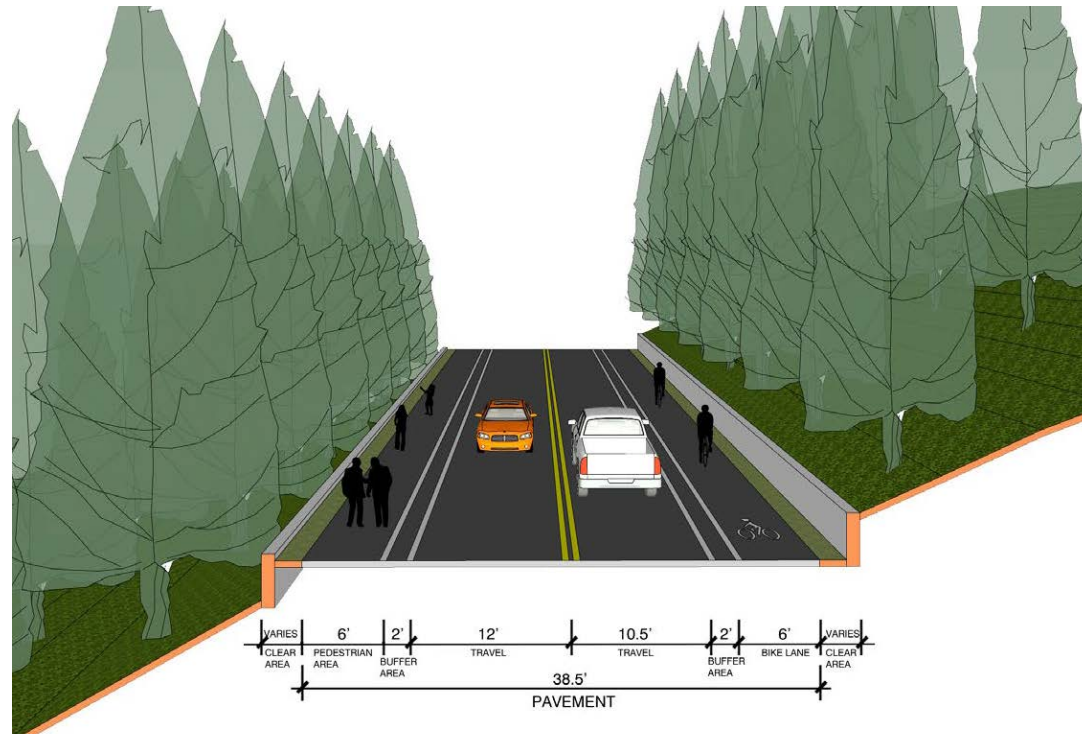
The Heights District: MacArthur Blvd.



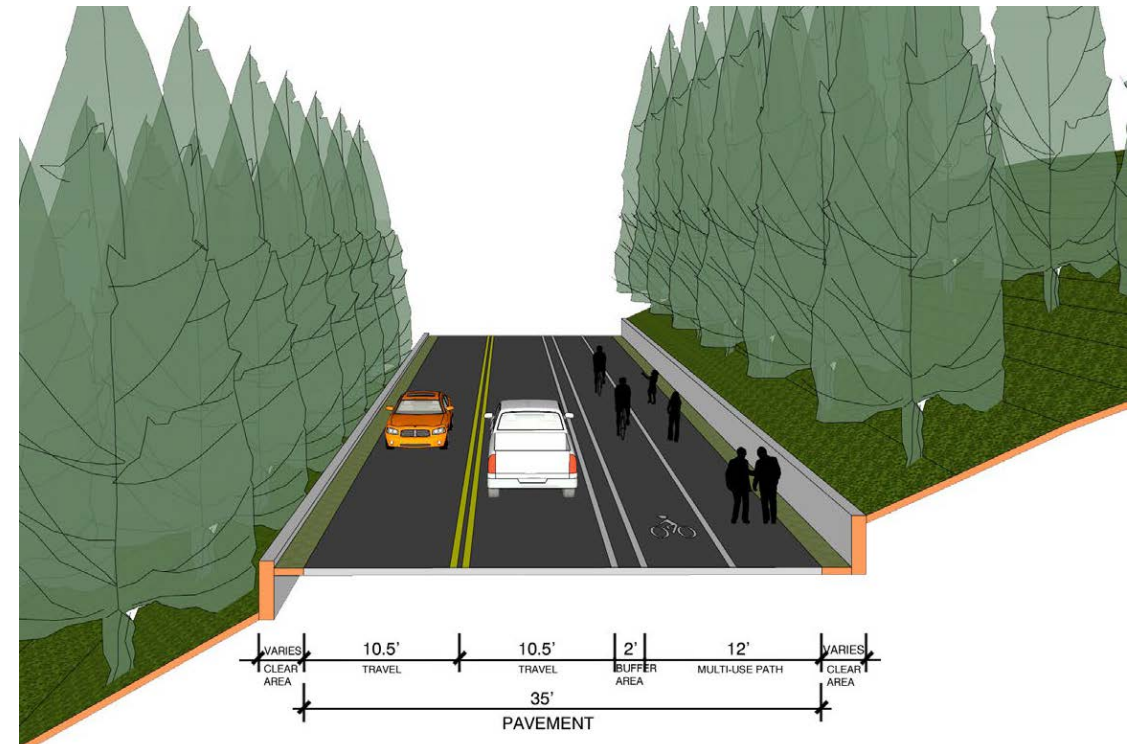
The Heights District: Andresen Road



The Heights District: Blandford Drive



OPTION 1: BLANDFORD DRIVE SECTION A



OPTION 2: BLANDFORD DRIVE SECTION A

The Heights District: Sustainability

- Robust stormwater management systems
- Energy efficient buildings
- Reduced trips and sustainable mobility
- Restore or improve function of natural landscapes
- Reduce pollutants
- Consider social & economic sustainability



ASPECTS OF SUSTAINABILITY



ENERGY USE



MATERIALS



EMISSIONS



EQUITY



HEALTH



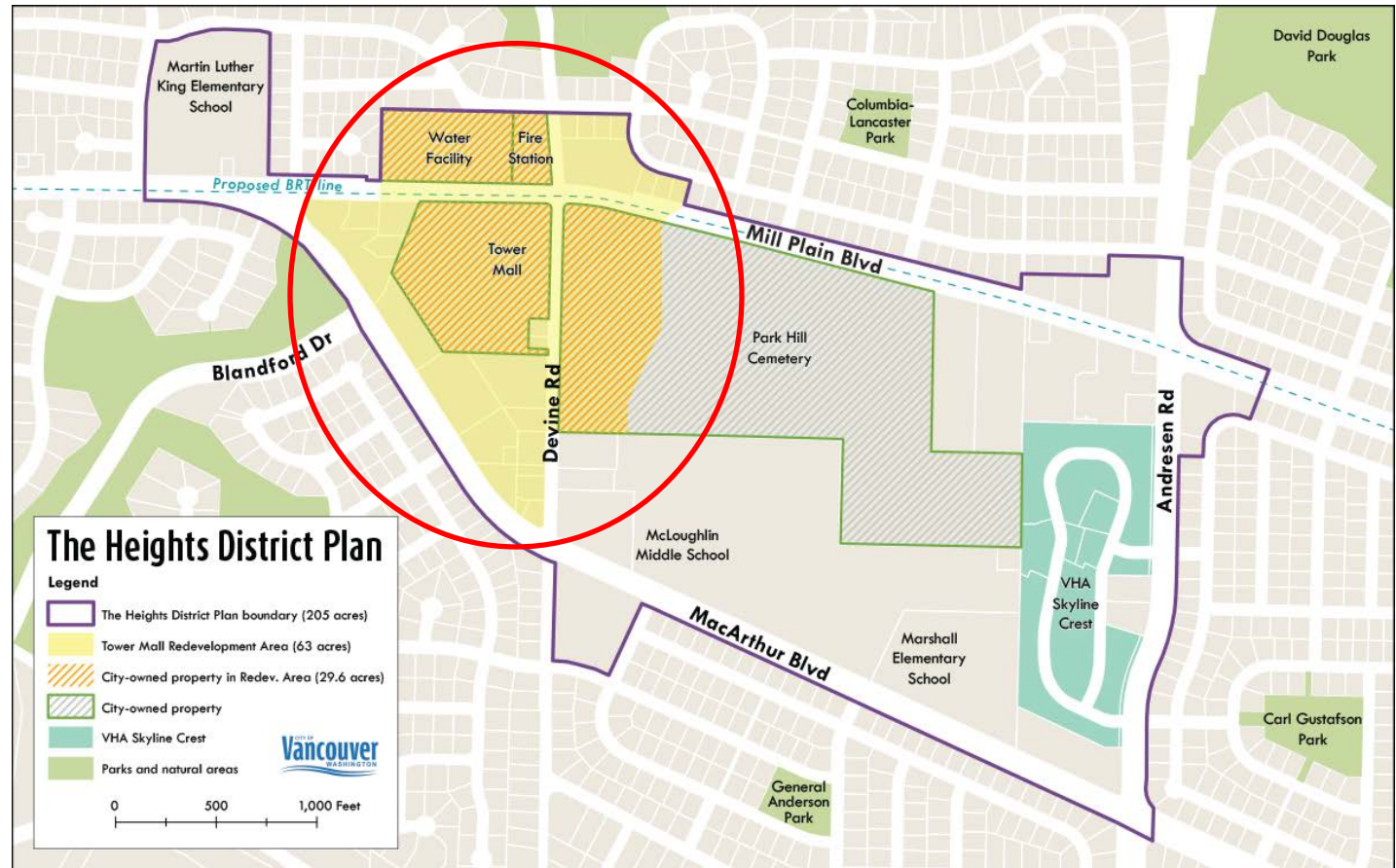
ECOLOGY



WATER

Recommendations: Tower Mall Redevelopment Area

- The Loop framework
- Sub-Districts approach
- Land use and urban design
- Redevelopment program
- Internal street network
- Parking strategy
- Fitwell Certification



Phase I Outreach: Visioning



neighborhood places services shopping
grocery businesses great
people area shops park
green center live art good
city tower space or small events community
restaurants

Phase II Outreach: Potential Frameworks

CONCEPT 1: PROMENADE



1172 UNITS



CONCEPT 2: THE LOOP



1094 UNITS



CONCEPT 3: GRAND PARK



877 UNITS



Phase III: Tower Mall Redevelopment Area Plan



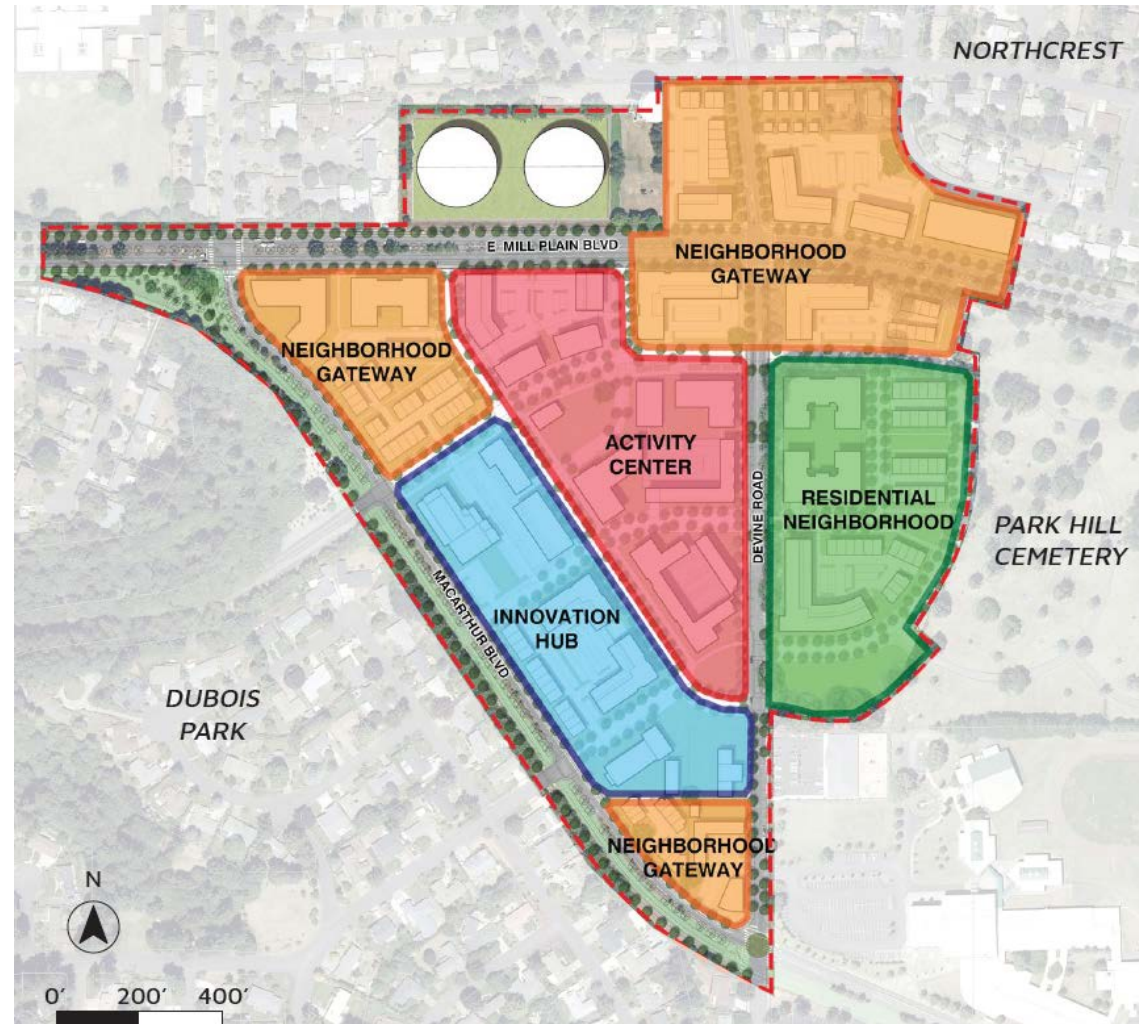
Tower Mall Redevelopment Area



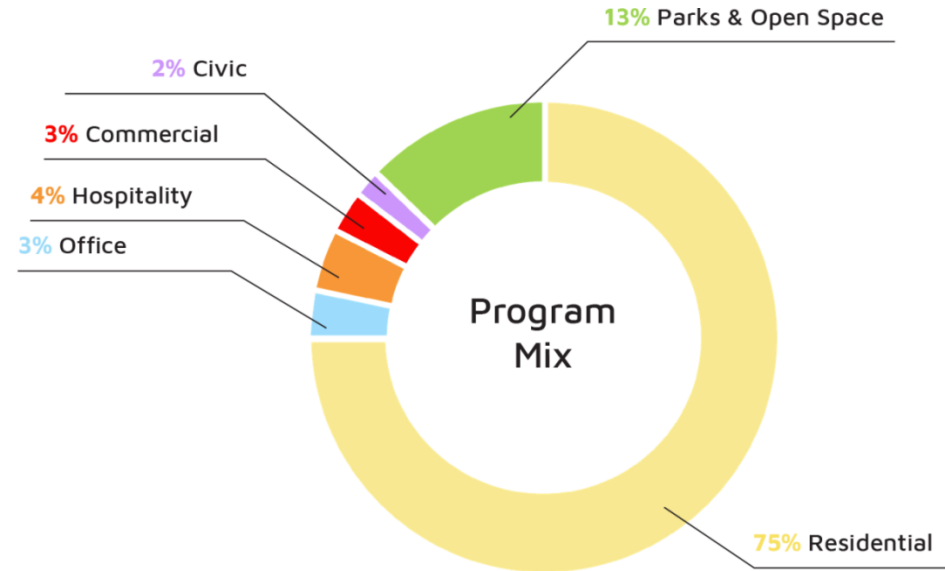
A pedestrian walkway 'loop' and parkway serve as the principal organizing element to unify the urban neighborhood and uses



Redevelopment Area: Sub-Districts



Proposed Land Use Mix



Heights Program	% Overall	Square Footage	Comments
Residential	75%	1,444,700	
Office	3%	65,000	Includes 3,500 SF for VHA Office
Hospitality	4%	83,000	
Commercial	3%	56,000	
Civic	2%	36,000	Includes 20,200 SF for Church/Multi-Purpose and 15,800 SF for Public Building with Library
Parks & Open Space	13%	245,000	
Total	100%	1,929,7000 (est.)	

Tower Mall Redevelopment Area

PROPOSED LAND USE PLAN



Land Use	Proposed 20-Year Development Program
Residential	1,340 units (1,000 sf avg.)
Commercial	56,000 sf
Office	65,000 sf
Hospitality	83,000 sf (156 keys)
Civic	16,000 sf
Church/Multi-Purpose	20,000 sf
Parks & Open Space	6.1 ac
Total	1.58M sf

Redevelopment Framework: Open Space



Parks & Open Space	
Civic Park	1.0 acres
Neighborhood Park	1.5 acres
Pocket Parks	0.5 acres
Linear Plaza (the Loop)	0.5 acres
MacArthur Greenbelt	2.6 acres
Total	6.1 acres

Redevelopment Framework: Open Space Context



Internal Streets



Parking



Parking Strategy	% Overall	Spaces
Surface/Tuck-under Parking	31%	665
On Street Parking	19%	405
Structure Parking (Above Grade)	21%	447
Structure Parking (Self Parked)	11%	228
Structure Parking (Below Grade)	19%	416
Total	100%	2,161



Fitwel Community Certification

Scorecard

1. Location
2. Building Access
3. Community Open Space: Design
4. Community Open Space: Entrances
5. Community Open Space: Management
6. Outdoor Environment
7. Healthy Buildings
8. Community Assets
9. Water and Restroom Access
10. Healthy Food Environment
11. Community Resiliency
12. Emergency Preparedness



Community Engagement Reflected in the Plan



Concern: Density and number of housing units

Response: Reduction of number of units and building heights in the redevelopment area, from 1,800 to 1,300 units



Concern: Compatibility with adjacent established neighborhoods

Response:

- New zoning to require transition areas with height reductions at edges of redevelopment area
- Established neighborhood gateway sub-district with design guidelines to enhance compatibility
- Commitment to work with the Northcrest neighborhood residents and adjacent property owners to ensure zoning code addresses their concerns



Community Engagement Reflected in the Plan



Concern: Green space and tree canopy

Response:

- Added elements of grand park to loop concept, including the neighborhood park
- Added significant additional tree canopy and preserved large trees along Devine
- Added neighborhood loop to increase access to significant existing green space just outside the district

Enhanced Accessibility for people with disabilities and the mobility-challenged

- Enhanced accessibility at entryways and in public spaces
- Emphasis on universal design (ADA not enough)
- Wayfinding that is accessible to the visually challenged; enhanced safety at arterial crossings

Community Engagement Reflected in the Plan



Concern: Diversion traffic in neighborhoods

Response:

- Improvements to arterial streets will decrease diversion and improve intersection function (i.e. roundabout at Andresen and MacArthur)
- Commitment to measure (baseline and on an annual basis) traffic speed and volumes on neighborhood streets and take steps to address any impacts, including traffic calming, diverters, etc.
- Sufficient parking within redevelopment area; managed parking to ensure efficiency of use of parking assets; transportation demand management strategies as part of new development; functional and aesthetic integration of transit to support increased ridership

Community Engagement Reflected in the Plan



Concern: Speeding/history of accidents on Andresen Road

Response:

- Proposed roadway retrofit on Andresen that would decrease travel lanes from two to one in each direction, decrease speed limit, add traffic calming in key areas, and add protected crossings



Concern: Transportation improvements could increase congestion in the short-term if not phased appropriately

Response:

- Prioritize and phase transportation investments so that existing bottlenecks are addressed first, including the MacArthur-Lieser-St. Helen's intersection
- Travel lane reduction on Andresen should be done concurrently or after construction of roundabout at Andresen and MacArthur



Community Engagement Reflected in the Plan



Concern: Gentrification and displacement of existing low- and moderate-income residents

Response:

- Target 25-40% of new units as below market (less than 100% AMI)
- Retain existing local businesses; include new MWDBE businesses
- Prioritize family-wage jobs and other community benefits
- Implement Reside Vancouver: Central Vancouver Anti-Displacement Strategy
- Increase affordable homeownership opportunities



Concern: Retain local businesses

Response: Commitment (through implementation plan) to retain existing local businesses and service providers where possible

Community Engagement Reflected in the Plan



Concern: Sustainability certification system to ensure redevelopment meets CAC goals around health, equity, wellness

Response: Selected for Fitwel pilot project and pursuing certification



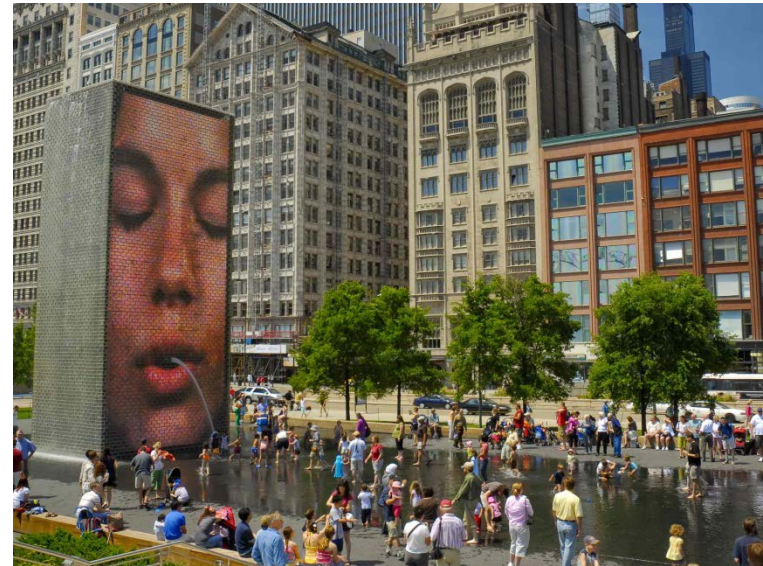
Concern: Capitalize on the height of the Heights, provide unique public amenities that attract people from across the region

Response:

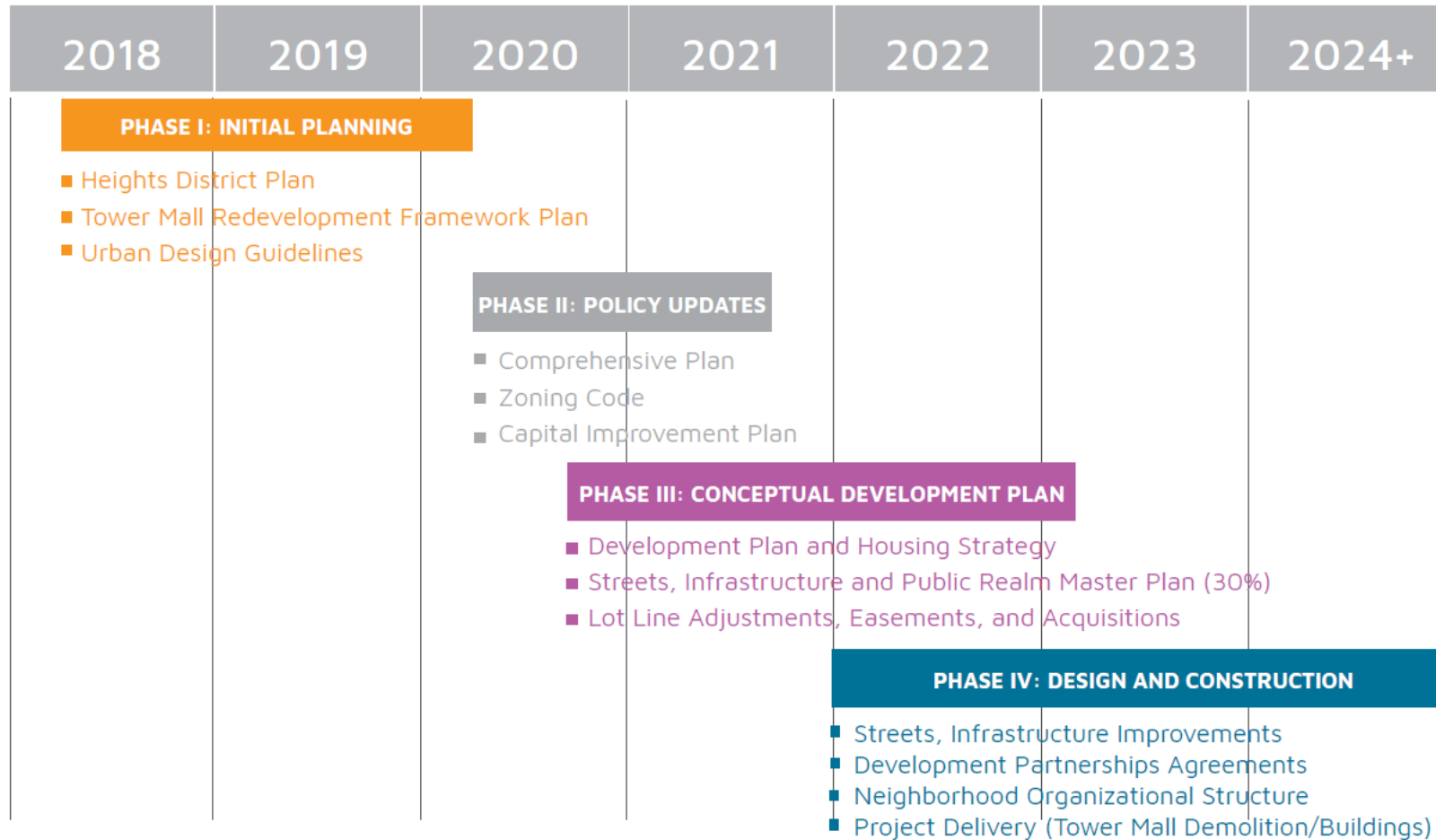
- Publicly accessible rooftop space on civic building, looking over loop and into central urban plaza in heart of activity center
- Public art, programing and a central feature that brands the district
- World class placemaking that draws people from around the region and feels authentic to the Heights



World Class Placemaking at the Heights



Implementation Timeline



Next Steps

- November: Public Comment Draft of Plan released
- Late fall 2019: Initiate adoption process with Planning Commission and City Council
 - 11/18 and 2/10 Council workshops; public hearing TBD
 - 10/22 and 12/10 PC workshops; 2/11 PC public hearing
 - December: Release Draft Environmental Impact Statement (DEIS)
- Planning phase of The Heights project projected to be complete in early 2020

Feb. 10 City Council Workshop

- Follow up from 11/18 discussion and questions
- Additional detail on District-wide recommendations
 - Land use changes
 - Transportation Impact Study results
- Additional detail on Tower Mall Redevelopment Plan
 - Sub-Districts
 - Internal street system details
 - Open Space concepts
 - Fitwel certification program
- Implementation timeline and strategy

Questions and Discussion

VANCOUVER
CITY HALL

Rebecca Kennedy, Long Range Planning Manager
(360) 487-7896
Rebecca.Kennedy@cityofvancouver.us

cityofvancouver.us/TheHeights





Memorandum

DATE: November 6, 2019

TO: Mayor and City Council

FROM: Bryan Snodgrass, Principal Planner, Community and Economic Development Department

RE: November 18 workshop review of the Housing Options Project and associated potential zoning code text changes

CC: Eric Holmes, City Manager

Background

The Housing Options project (HOP) is an initiative to amend various City zoning standards to increase the supply and range of housing choices citywide. These are intended to respond to various recommendations from the 2016 Affordable Housing Task Force Report to allow alternatives such as cottage housing, corner-lot duplexes, micro and SRO housing, and to reduce parking requirements to support these. The potential changes are also intended to recognize changing market and demographic trends, facilitate efficient development in areas with services, and provide opportunities for aging-in-place. The project is envisioned in two phases.

The upcoming November 18 City Council workshop follows initial Council and Planning Commission workshops in fall 2018, a second set of workshops in April 2019, and a further Planning Commission workshop on July 23rd, 2019. Staff contact is Bryan Snodgrass, 360-487-7946, bryan.snodgrass@cityofvancouver.us

Project Components

Specific code language has not been drafted, but general parameters have been identified for changes in various areas. Proposed code language for the below items is anticipated to be drafted and brought forward for community consideration and Planning Commission and Council review in a first phase in the coming months. See Attachment A for details on each:

Phase I – Spring/summer 2020

- New standards to allow cottage cluster housing in single family zones
- Standards for a new moderately denser single family zoning district, and a new denser multi-family district. Both would require future site-specific rezone applications by private landowners or the City to implement, with associated public hearings.

- Allowances for apartments with shared kitchen and/or bathroom facilities in multi-family zones
- Allowances for ADUs in converted historic garages with non-conforming setbacks
- Incentives for new single family home construction to include “visitable” features better allowing aging-in-place

Phase II – Late 2020 and beyond. No work has been undertaken to date on this phase.

- Explore opportunities for duplexes or other low-intensity multi-family uses in single family zones under select circumstances.
- Update existing infill ordinance

Process and Outreach

Phase I components were developed following internal work by City long range planning and development review staff, research on approaches by other jurisdictions, and consultations with a design professional retained by the City and local residential developers. Community input was sought through notice in the neighborhood newsletter and a project website. No responses were received, potentially in part because no site-specific developments or rezones are proposed, and future public hearings and/or notice would be required for most developments envisioned under Phase I of the Housing Options Project.

Staff also presented at an October 22, 2019 quarterly meeting of neighborhood leaders, summarized in Attachment B. Meeting feedback was primarily about the substance of the issues, with parking concerns for small lot single-family development specifically cited. Discussion on process was limited and emphasized online options. In the coming months, staff anticipates using Be Heard Vancouver to gather feedback from residents about the benefits of increased housing options, concerns about allowing a greater diversity of housing types in existing neighborhoods, and how city staff can best engage the public through Phase II, as well as neighborhood newsletters, email distributions, and other digital tools to continue outreach efforts for Phase I and beyond.

Next Steps

Staff anticipates bringing forward proposed code language for Planning Commission and Council review in spring 2020, although workshops and hearings are not yet scheduled. Further technical analysis is needed in some areas, particularly parking configuration requirements for small lot residential developments, as described further in Attachment A.

Future Phase II changes to allow duplexes or low-intensity multi-family uses under certain circumstances will involve its own outreach process, which is to be determined but anticipated to be robust. Although the general concept of allowing some duplexes in single-family zones was not opposed at the neighborhood leaders meeting, specific circumstances under which these may be allowed will likely draw significant community interest. Unlike most of the Phase I Housing Options components, future duplex or related development or conversions on an existing single-family lot would likely be allowed by right without a public hearing or enhanced notice.

Attachment A – Detail on Phase I Components

1. New Cottage Cluster Housing Standards

Cottage housing, not currently allowed in Vancouver, involves groups of cottages grouped around a common open space. More units are allowed than underlying zoning, but the cottage structures are smaller and shorter, which typically limit impacts and lowers costs, all within in a layout encouraging communal interactions. Cottage developments are usually platted into individual lots for sale, but can also be located on a single property with units available for rent or condominium sale.

Cottage housing is allowed in single-family zones in many comparable jurisdictions statewide, including locally by Clark County, and the cities of Battle Ground, Ridgefield, and Washougal under relatively similar sets of standards. La Center is in process of developing regulations. One cottage development has been built in Battle Ground, and other proposals have recently been approved in Clark County and Ridgefield.

Recommended Vancouver standards below are based largely on local best practices. The density allowances in Clark County and Ridgefield appear sufficient to attract development, while the height and size limitations ensure homes and associated impacts will be well below those of a typical new single-family house, which nationally was slightly over 2,400 square in size in 2017. If Vancouver standards were developed similar to neighboring jurisdictions, most or all single-family zones would be eligible for cottage housing developments, but, unlike ADUs, in practice the applicability of the new provisions will likely be limited by existing development and the size of parcel needed to effectively accommodate cluster development.

Table A – Potential new Cottage Cluster housing standards and local comparisons

Code Provision	Recommended Vancouver standards	Existing Clark County	Existing Battle Ground	Existing Ridgefield	Existing Washougal
Unit Type	Single cottages, and duplex cottages comprising up to 20% of total units	Single cottages and up to two ADUs above garages	Single cottages	Single cottages and duplexes and triplexes	Single cottages
Unit Density	100% bonus. 4 -12 units per cluster, up to two clusters.	100% bonus	50% bonus	100% bonus	100% bonus
Unit Size	1600 s.f. max. 3000 s.f. duplex	1600 s.f. max, 1200 s.f. main floor	1200 s.f. max	1500 s.f. max, 2000 s.f. per duplex	1200 s.f. max
Unit Height	30' maximum height, pitched roofs above 18'	25' maximum height, pitched roofs above 18'	25' maximum height, pitched roofs above 18'	25' maximum height, pitched roofs above 18'	25' maximum height, pitched roofs above 18'
Unit Design	Minimum 60 s.f. porches facing common area	Porches facing common areas. Similar roof form and pitch, siding, porch detail, window trim	Porches facing common areas.	Covered porch, facing common space where possible. Variety/ interest compatible with neighborhood	Porches, trim and eaves on all units. Street abutting units to have interest features
Open Space	250 s.f. per unit	400 s.f. common, 200 s.f. private open space per cottage	250 s.f. common, 200 s.f. private open space per cottage	400 s.f. per unit of centrally located common, open space, outside of critical areas, surrounded on at least 2 sides by homes.	20% of site common open space 300 s.f. per unit private
Parking	1.0 spaces per unit	1.5 per unit	Parking area limited to 50% of frontage	1.0 per unit	1.5 for each unit>800 s.f., 1.25 for each unit<800 s.f.
Where allowed	All single-family zones	All single-family zones	In R5 and R7 zones only, using plat or condo only	RLD-4, RLD-6, RLD-8, and RMD-16 zones, but at least 250'-750' from other cottage developments.	On 2.5 acre of smaller lots in AR-16, AR-22, R1-5, R1-7.5, and R1-10 zones
Review process	Subdivision review for 10 or more lots; site plan review for divisions, site rental or condo developments. Enhanced notice and appeal.				

2. New Single-Family District and related changes

A new single-family district would provide a more straightforward option for development of small single-family homesites, which can currently only be realized by building single-family homes in multi-family zoning districts, or by using City infill standards which only apply in limited circumstances. Smaller homes are typically more affordable than larger ones, as the median assessed value of new developed single-family homes on approximately 2,500 square foot lots in Vancouver last year was \$249,000 according to assessor data, compared to \$344,000 for developed 5,000 square foot lots.

Table 1 outlines proposed regulatory features for a new R-17 district and their rationale, in comparison to the existing R-9 single-family district, the densest single-family zone under current code. Beyond allowing smaller lots, the new R-17 standards would differ from the existing R-9 standards in some areas, including providing more flexible numerical standards for lot coverage and building setbacks to make the smaller lots workable, and adding new requirements to make the overall streetfront more functional in light of the smaller lots. The R-17 features have been identified following consultation with residential developers and a design consultant retained by the City. The main area of disagreement was the proposed limitation on garage door widths. Developers indicated that double car garages were popular with many homebuyers, and effectively prohibiting them on small lots would slow the absorption rate of new subdivisions, potentially raising the carrying costs of the development. Staff nonetheless recommends moving forward with a limit on garage widths in the R-17 district given the importance of the issue to streetfront functionality, and the fact that recent Vancouver subdivisions suggest the existence of a market for new single garage developments.

Additional work is needed on parking, as demonstrated by some recent subdivision applications for small single-family developments in multi-family zones. These effectively eliminate almost all on-street parking in favor of closely spaced private driveways, which undertaken on a larger scale raises concern about streetfront function as well as visitor and resident parking implications. Requiring or incentivizing alley loading, shared driveways, and other parking strategies will be further investigated by staff as part of this work.

As noted by this example, some of proposed standards for the new R-17 zone may be appropriate for existing zoning districts allowing small single-family lots. In existing multi-family districts, proposed R-17 standards should be applied to single-family development, with the exception of the minimum lot size and housing types allowed, which are already specific in the multi-family codes. A loophole allowing single-family homes beyond 35' in height should also be eliminated.

In the densest current single-family districts (R-9 and R-6, allowing 5,000 and 7,500 square foot lots respectively) and in the existing narrow lots standards which applying to single-family lots narrower than 40 feet regardless of zone, the potential new R-17 standards allowing more flexible front and street side setback requirements are appropriate.

Table B – Potential new R-17 District features compared to similar Vancouver zones

Code Provision	Existing R-9 District	Potential new R-17 District and rationale	Existing R-18
Minimum lot size	5,000 sq. ft.	2,500 s.f. – <i>intended to allow smaller lots generally consistent with emerging market and demographic trends and affordability needs</i>	1,800 sq. ft.
Maximum lot coverage	50%	60% – <i>intended to allow more flexibility, and recognize that building setbacks are primary means of addressing compatibility with abutting uses</i>	50%
Minimum lot width	45'	25' – <i>intended to recognize small lots may need to be narrower than 45'</i>	20'
Minimum lot depth	65'	65'	50'
Maximum height	35'	35'	50'
Setbacks	• Front: 10' • Rear: 5' • Side: 0'/5' • Street side yard: 10'	• Front: 10', but allow porches, eaves, bay windows or columns to encroach • Rear: 5' • Side: 0'/5' • Street side yard: 8' <i>Intended to increase flexibility, facilitate streetfront interest, and recognize building setbacks abutting streets are less important than setbacks to adjoining lots.</i>	• Front: 10' • Rear: 5' • Side: 0'/5' • Street side yard: 10'
Streetfront function	No requirements	• Limit garage door width to 50% of front façade – <i>intended to facilitate smaller homes, and opportunities for on-site utility placement and on-street parking. Also intended to avoid discouragement of pedestrian activity created by rows of double car garages.</i> • Require visible street facing main entrance located no more than 4' behind front façade, with awning, porch or other architectural feature – <i>intended to facilitate streetfront interest, and security through eyes on the street.</i> • Require that homes cannot be the same front façade adjacent to or directly across from one another – <i>intended to create streetfront interest by avoiding multiple repetition, similar to existing requirements in Tacoma and Ridgefield</i>	No requirements
Alley service	Allowed	Required or incented for developments of threshold size – <i>intended to separate primary access and garage functions from streetfront, and recognize alley loading is preferred by some small lot developers</i>	Allowed
Housing types allowed	Detached single-family	Detached single-family, and attached up to fourplexes – <i>intended to allow flexibility and recognize that small lot detached SFR has many similarities with low density MFR housing.</i>	Single or multi-family, provided density range is met

3. New Multi-family Residential Zoning District and related

A new multi-family zoning district, R-50, is recommended to allow a more straightforward means of achieving densities up to 50 units per acre. Vancouver's densest existing multi-family district is the R-35 zone, which allows between 30 and 35 units per acre. Denser apartments are allowed in the downtown CX zone, or in mixed use buildings in any of the multi-family and commercial districts provided a first floor non-residential component is included. Using these provisions, a market rate mixed use building of 70 units per acre was recently submitted for pre-application near the Fourth Plain corridor.

The proposed R-50 district, like the new single-family zone, would be mapped through future site specific rezones proposed by private parties or the City or through a future update to the City's Comprehensive Plan. The primary issues raised in developer discussions related to higher density multi-family housing were a need for more flexible parking requirements than current code, and the difficulty of evaluating issues without knowing specific sites involved. Specific recommendations are below. Beyond the higher density, the only significant change in the proposed R-50 zone from existing multi-family standards is the lowered parking requirements. In addition to responding to stakeholder concerns, this change is intended to rectify inconsistencies in current Vancouver code, where multi-family developments are required to provide 1.5 spaces per unit versus only 1.0 per single-family unit. Select Vancouver codes have also moved towards lower parking standards in recent years. In the Section 30 Subarea parking requirements can be reduced to 60% of otherwise applicable standards, and there is no minimum parking requirement in the Fourth Plain Subarea.

Table C – New R-50 Multi-family zoning district standards

Code Provision	Existing R-35	Proposed New R-50 and rationale
Density	30.1-35 units/acre	35.1-50 units/acre – <i>intended to allow higher densities in appropriate areas outside of downtown</i>
Maximum lot coverage	50%	60% - <i>intended to allow more flexibility</i>
Minimum lot width	20'	20'
Minimum lot depth	60'	60'
Maximum height	60'	70' - <i>intended to allow more flexibility</i>
Setbacks	• Front: 10' • Rear: 0'/5' • Side: 0'/5' • Street side: 10'	• Front: 10' • Rear: 0'/5' • Side: 0'/5' • Street side yard: 10'
Parking	1.5 spaces/unit	1 space per unit - <i>intended to respond to main stakeholder concern, reconcile existing incongruity between existing SFR and MFR codes, and better align with emerging statewide legislation</i>

Related Recommendation: Parking requirement in the existing R-18, R-22, R-30 and R-35 multi-family districts should also be changed from 1.5 to 1.0 per unit, as an average development in all of these districts will likely have fewer persons per unit than single-family homes, and maintaining higher parking requirements for multi-family incentivizes single-family development in these zones.

4. Updated Accessory Dwelling Unit (ADU) standards

An adjustment to the ADU standards (VMC 20.810) is recommended to allow historical garages with non-conforming setbacks to be eligible for conversion to ADUs provided all they otherwise meet all building, zoning, and ADU standards. This issue was raised by Council in 2018, and would make various properties in older western Vancouver neighborhoods eligible to apply.

5. Amended Group Living definition

An amendment to group living definition (VMC 20.160.020) is recommended to create a non-medical option in multi-family zones only that would allow micro-apartments and single room occupancy development to have shared kitchen or bathroom facilities without a requirement for on-site staffing.

6. New incentives for “visitable” single-family home construction

City development review staff is drafting potential standards providing for a 10% reduction in building permit fees and expedited review for single-family home construction using “visitable” features to better accommodate senior accessibility and aging in place. Typical features include having one no-step entry, wider doorways, and a bathroom on the main floor.

Attachment B – October 29, 2019 Quarterly Neighborhood Leaders Meeting Housing Options Q&A Notes

1. Process
 - a. What developers have you spoken to at this stage?
2. Context Statistics
 - a. AMI vs. Median Household Income: Why are they different?
 - b. How many people per household is the median household income utilizing?
 - i. Followed up with Judy in case she wanted to distribute as part of the meeting notes that the Census American Community Survey (ACS) estimates for median household income include the income of the householder and all other individuals 15 years old and over in the household, whether they are related to the householder or not.
 - c. Does the renter stat include a certain population of low-income people?
 - i. Responded that the Census uses the ACS and there's no way for us to track that.
3. Cluster Housing
 - a. When you say on-site parking, will it be assigned? In my experience, never enough visitor parking. Something to keep in mind when thinking through parking.
 - b. How successful have these developments been elsewhere? Might be valuable to talk to people who are living in those types of communities and surrounding neighbors.
 - c. Would notification be the 500-foot radius or the actual neighborhoods?
4. Standards for a new single-family zone
 - a. For BRT public transit, C-TRAN has held five public meetings, surveys, etc. When the City asks 'how can we communicate with people around Vancouver,' no matter what you do regarding outreach it probably won't be enough. Open forums are good, but the ability to respond online provided invaluable feedback to the process.
 - i. C-TRAN needs to be involved in planned communities that may result from this process.
 - b. For any of these products, would it be homeowners or renters? Clarified whether the City is trying to support homeownership vs. simply density. Neighborhood leaders agreed they would like to see more homeownership.
 - c. Parking is an issue for smaller single-family houses. There's no on-street parking. Ensure there's enough parking on-street for visitors.
 - d. Why are we clustering housing instead of going with traditional housing?
 - i. Jeremiah provided background on the market dictating what permits are coming in. Single-family is making resurgence, and he stated he believes that getting in front of that is what the City is intending to do.
5. Standards for a new multi-family zone
 - a. Until this is done, how often will commercial parcels be circumvented for this purpose?
 - i. Bryan explained allowing mixed-use products in commercial zones to provide flexibility.
 - b. A neighborhood leader's mom lives in Houston in a neighborhood with a diverse mix of housing types, and it's a really nice mix, provides walkability, access to basic needs and services, and amenities. Nice to have that flexibility of different income levels to be in one neighborhood.
 - c. PeaceHealth is building affordable housing somewhere near 5th and 92nd. Do you know if they're using one of these models?
 - i. No, these standards aren't in place yet.
6. Standards for shared facility apartments

- a. It is extremely helpful to have a setup like that for people with little to no income.
- 7. Visitable home construction
 - a. Are there any thoughts toward zoning changes for this or just a break on fees?
 - i. Bryan responded that a building permit fee incentive is being investigated at this time (similar to Ridgefield).
- 8. Next Steps
 - a. Are hotels going to be a part of the HOP as well?
 - b. Are hostels allowed here?
 - i. Bryan: Not sure if there's a code item to allow hostels, but do allow hotels.
 - c. Other cities like NY, DC, etc. have been having a problem because some of the affordable housing options are exclusively AirBnBs. Is that going to be a part of the conversation to ensure that the housing stock is available?
 - i. Bryan: That is something we're tracking (short-term rental market), but at this point the City doesn't regulate. Took a look when regulating ADUs at the market then.
 - d. How much (ballpark) will some of these products cost?
 - i. Bryan gave an example of cluster cottage homes that were less than \$200k.

Housing Options Project

VANCOUVER
CITY HALL

CITY OF
Vancouver
WASHINGTON

November 18, 2019

Vancouver City Council Workshop
Bryan Snodgrass, Community and Economic
Development Principal Planner

Presentation Overview

- Housing Options Project background
- Project components and work to date
- Next steps



Project Goals

- Expand housing choices and address changing demographic needs and consumer preferences
- Implement recommendations of the 2016 Affordable Housing Task Force
- Facilitate efficient development near existing services
- Maintain neighborhood livability, with gradual rather than rapid change
- Plan for the long-term



Project Background – Related Initiatives

Other Affordable Housing Task Force recommendations adopted by Council:

- Created Affordable Housing Fund
- Strengthened Multi-family Tax Exemption program
- Strengthened Impact Fee Waiver program
- Increased flexibility for ADUs
- Allowed affordable housing on ground floor in commercial zones



Project Phasing

Phase I – 2019/2020

Cottage Housing

New Single and Multi-Family
Residential Zoning Districts

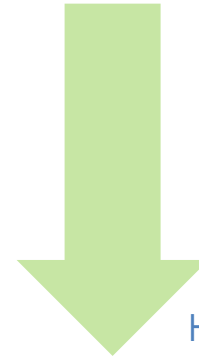
ADUs, Shared facility
apartments, Visitability



Phase II – 2020 and beyond

Flexibility in Single-Family
Zones

Infill Standards



Process to-date

- Initial City Council and Planning Commission workshops
- Research on best practices in other jurisdictions in Clark County and statewide
- Technical feedback from developers
- Website and neighborhood newsletter notice
- Neighborhood leaders meeting



Cottage Cluster Housing

- Allow clusters of small cottages around common spaces in single-family zones
- Use best practices statewide, particularly locally
- Allow 4-12 cottages with sloped roofs and porches. Limit units to 1600 sf and 30' height. Limit density to twice underlying zoning.
- Require subdivision or site plan review with enhanced public notice.



- One built example in Battle Ground, approvals in Ridgefield and Clark County



New Single Family R-17 Zoning District

- Require zone change and public hearing to implement
- Allow detached and attached single-family homes on lots between 2500 and 5000 s.f.
- Increase flexibility for lot coverage and width, and street side setbacks.
- Use parking strategies such as alley-loading and shared driveways, where possible
- Include streetfront function requirements limiting garage door widths, requiring a visible front door, and limiting multiple repetition of housing form



New R-17 – Garage Width Limits

Would limit garages to 50% of front façade width in order to:

- Facilitate space for on-street parking
- Provide space for on-site utilities
- Avoid discouraging neighborhood pedestrian, front yard and porch usage



New R-17 – Visible Main Entry

Would require visible front door with awning or other feature in order to:

- Create street interest
- Facilitate security through eyes on street



New R-17 – Limit Repetition

Would limit repetitious front facades on homes in order to create street interest and variety



New R-17 – Rear Alley

Would require rear alley use
where feasible in order to
support on-street parking



Spillover Recommendations for Existing Zones

- Existing Vancouver MFR zones allow SFR housing provided density requirements are met, sometimes resulting in SFR lots similar or smaller to proposed R-17. SFR development in these zones recommended to be subject to requirements of R-17. Allowance for 50' high SFR homes in MFR zones also recommended to be eliminated.
- Denser existing SFR zones (R-9 and R-6 allowing lots of 5000 and 7500 sf) and narrow lots less than 40' wide in any SFR zone have some similarities with proposed R-17, and should be subject to more flexible side yard setbacks and streetfront function requirements

Proposed New Multi-Family R-50 Zoning District

- Require rezone and public hearing to implement
- Allow apartments of densities up to 50 units per net acre maximum
- Increase maximum lot coverage and building height to provide more flexibility
- Decrease parking requirement from 1.5 to 1 space per unit to be consistent with City SFR requirement. Also apply to other MFR zones.



Potential New MFR Zone – Other Jurisdictions

Maximum units/acre in jurisdiction's densest baseline multi-family zone

Jurisdiction	Max. Density (units/acre)
Portland	100
Everett	58
Tacoma	58
Clark County	43
Kent	40
Vancouver	35
Bellevue	30
Olympia	30
Spokane	30

Additional Phase I Components

- Adjust ADU standards to allow conversions of historic garages with non-conforming setbacks to be eligible if they meet building and ADU codes



Additional Phase I Components

- Allow apartments with shared kitchen or bathroom facilities in multi-family zones
- Currently allowed in Vancouver as if there is on-site staff to provide care or treatment



Additional Phase I Components

- Incentivize new home construction that supports aging in place through wide doorways, first floor bathrooms, and zero-step entries
- Ridgefield offers modest building permit reduction



Next Steps

- Winter 2019-2020: Continue Phase I neighborhood and stakeholder outreach through Be Heard Vancouver, neighborhood newsletters, email distributions, and other digital tools.
- Spring 2020: Final Phase I workshops and hearings before Planning Commission and City Council
- Summer/Fall 2020: Begin Phase II



Questions and Discussion

Bryan Snodgrass, Principal Planner
bryan.snodgrass@cityofvancouver.us, 360-487-7946

<https://www.cityofvancouver.us/ced/page/housing-options-project>





Staff Report 166-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/18/2019

SUBJECT BRT Fort Vancouver Way and E. McLoughlin Blvd. Sidewalk Infill and Pedestrian Signal Upgrade, construction acceptance and release of retainage bond

Key Points

- Added sidewalks to a missing link along Clark College on Fort Vancouver Way from E. McLoughlin Boulevard connecting to the completed C-TRAN Bus Rapid Transit (BRT) Project.
- Upgraded the existing pedestrian signal crossing to a HAWK (High-Intensity Activated Cross Walk) pedestrian signal system and constructed ADA-compliant curb ramps at the Clark College main entrance
- Added ADA-compliant curb ramps at all four corners of E. McLoughlin Boulevard and 'G' Street intersection to improve pedestrian safety.
- The project is funded through federal Congestion Mitigation and Air Quality (CMAQ) grant and local funds.
- Construction completion in August 2019.

Strategic Plan Alignment

Goal 1, Objective 1.1: Develop and maintain a safe, balanced and innovative transportation system that will meet the needs of future generations.

Goal 3, Objective 3.2: Improve services available to underserved or vulnerable residents.

Present Situation

This project constructed approximately 1,000 feet of sidewalk on Fort Vancouver way from E. McLoughlin Boulevard to the north and connecting to the C-TRAN BRT project, constructed ADA-compliant ramps at E. McLoughlin Boulevard and 'G' Street intersection, and upgraded pedestrian signal to a HAWK pedestrian signal system on Fort Vancouver Way.

The original construction contract bid amount was \$561,666.00. Field adjustments and contract

change orders during construction increased the contract amount to \$628,286.68, an 11.9% increase. The major changes were addition of retaining wall concrete coping to connect the sidewalk to the retaining wall and revision of approximately 190 feet of handrail from 2-rail steel to 3-rail aluminum for better corrosion protection and safety.

There was no apprenticeship utilization goal specified for the project. Federal guidelines for grant projects do not allow inclusion of the local agency apprenticeship program.

Advantage(s)

1. Completes the City's contractual and statutory process for accepting the project.
2. Formal project acceptance allows for closure on third party bond claims and facilitates release of the contractor's retainage.

Disadvantage(s)

None.

Budget Impact

This project is funded by CMAQ federal grant and local funds. Funds are budgeted in the Transportation Capital Fund via PRJ071457.

Prior Council Review

Award of construction contract on October 22, 2018.

Action Requested

Accept construction as complete in accordance with contract plans and specifications and authorize release of retainage bond to Clark and Sons Excavating of Battle Ground, Washington, subject to receipt of all documentation required by law.

Steve Lee, Senior Civil Engineer, 487-7752



Staff Report 167-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/18/2019

SUBJECT Purchase of Real Property located at 8713 NE 94th Ave

Key Points

- The City of Vancouver has decided that the existing Operations Center, located at 4711 E Fourth Plain Blvd, must be replaced.
- A previous master planning effort has determined that re-building on the existing Operations Center site is not economically or logistically practical.
- A 35-acre undeveloped parcel has been located that will fit the geographical, siting, and zoning needs for the new Operations Center.
- Negotiations for the acquisition of the parcel have resulted in acceptable sales terms.

Strategic Plan Alignment

Goal 1, Objective 1.2: Ensure our infrastructure, including buildings and utilities, is safe, environmentally responsible and well maintained.

Present Situation

The City of Vancouver has decided that the existing Operations Center, located at 4711 E Fourth Plain Blvd, must be replaced. The existing building has reached the end of its operational life, is not ADA compliant, and is vulnerable to collapse in a moderate seismic event.

A master planning effort for a new facility has shown that re-building on the existing site is not financially or logistically practical.

A currently undeveloped 35-acre site has been located that meets the geographical demands for a new Operations Center facility.

With City Council's prior permission, staff has been negotiating with the current property owner, Clark County, for the purchase of the parcels which total 35 acres in size. The attached purchase and sale agreement is the result of those negotiations. Its terms have been found to be

acceptable by both City and County staffs, as well as the Clark County Council.

Section 4 of the purchase and sale agreement outlines the terms for reaching an acceptable purchase price. As the Purchaser, the City has had the property recently appraised. The appraisal, dated October 29, reports the value of the parcels at \$7,020,000.

Advantage(s)

1. Secures an undeveloped site of the required size that meets the geographical, siting and zoning needs of a new Operations Center at an acceptable price.
2. Allows for the design process for a new facility to advance beyond the master planning stage.
3. Makes available a more than 15-acre site available for redevelopment in the heart of the Fourth Plain corridor.

Disadvantage(s)

The disadvantage of not proceeding with purchase would be the loss of the opportunity to purchase these parcels. After a search for a site that meets the City's geographic needs, is appropriately sited and zoned, and is available for sale, the options for another site of the required size are extremely limited.

Budget Impact

None. Sufficient budget was included in the 2019-2020 Capital Budget. The new Operation Center will be jointly owned by Vancouver's Water Utility and General Fund, proportionally to the composition of functions residing at the Center. This property purchase will be funded 40% from the General Fund and 60% from the Water Construction fund. The land purchase will be funded by the General Fund supporting approximately \$2.8 million and the Water Construction fund supporting the remaining \$4.2 million.

Prior Council Review

The Operations Center Replacement Project was the subject of two Council workshops in 2018 (July 16, 2018, and November 16, 2018). Direction was given to staff at the July 16, 2018, to pursue acquisition of a new approximately 30-acre suitably zoned and located site either within the current City limits or the City's current utility service area. A site screening analysis identified the proposed site as the preferred site and the proposed property purchase was discussed with City Council in executive session prior to entering into negotiations for purchase with Clark County. The purchase of the parcel was estimated at its market value and included in the 2019-2020 Capital Budget of the City of Vancouver.

Action Requested

Ratify the Purchase and Sale Agreement entered into between the City of Vancouver and Clark County to purchase real property at the purchase price determined in Section 4 of the Purchase and Sale Agreement, and authorize the City Manager or his designee to execute documents necessary to close this transaction.

Brian Carlson, Public Works Director, 487-7131

ATTACHMENTS:

- ▣ Purchase and Sale Agreement

**REAL ESTATE PURCHASE AND SALE AGREEMENT
("Agreement")**

1. **Effective Date.** November 7, 2019
2. **Parties.** Clark County, a political subdivision of the State of Washington, hereinafter referred to as "**Seller**", and

City of Vancouver, Washington, a municipal corporation, hereinafter referred to as "**Purchaser**".
3. **Property Sold.** Purchaser hereby agrees to purchase, and Seller hereby agrees to sell, the real property which portion is legally described in Exhibit A and is depicted in the attached Exhibit B, attached hereto and incorporated herein by reference (the "Property") and all improvements thereon excepting the existing gas probes, monitoring wells and gas flare station and which is a part of Assessor's parcel Numbers 105740-000, 199863-000, 199845-000 and 199864-000 located at 8713 NE 94th Ave., Vancouver, County of Clark, Washington. The Purchaser will purchase the listed parcels in their entirety. Any boundary line adjustments shall only occur with the Seller's consent which consent shall not be unreasonably withheld and provided this shall not preclude the Purchaser from combining parcels.
4. **Purchase Price.** The TOTAL PURCHASE PRICE shall be established by an appraisal to be conducted by the Purchaser. Purchaser shall be responsible for all costs associated with the aforementioned appraisal establishing the fair market value ("Appraised Value") of the property. The Seller reserves the right to hire an appraiser, at its cost, to review the appraisal provided by the Purchaser or conduct its own separate appraisal. If the Seller hires an appraiser, that review shall be completed within sixty (60) days of receiving the appraisal conducted by the Purchaser. If the two (2) Appraised Values are within ten percent (10%) of each other, the Purchase Price shall be the average of the two (2) Appraised Values. If the two (2) Appraised Values are not within ten percent (10%) of each other, the Parties shall mutually agree upon a third appraiser. The third appraiser will determine their opinion of Appraised Value. The Purchase Price shall then be determined by the average of the third Appraised Value with that of the first two (2) Appraised Values closest to it. The Purchase Price shall be payable as follows: all cash at Closing.
5. **Earnest Money.** Earnest Money Deposit. Upon execution of this Agreement, Purchaser shall deliver to the Escrow Holder as defined in herein, for the account of Purchaser \$10,000.00 as earnest money (the "Earnest Money") in the form of ☐ cash or ☐ check or ☒ promissory note (the "Note"). If the Earnest Money is in the form of a check being held undeposited by the ☐ Listing ☐ Selling Firm, it shall be deposited no later than 5 PM Pacific Time three days after execution of the Agreement by Purchaser and Seller in the ☐ Listing ☐ Selling Licensee's Pooled Trust Account (with interest paid to the Washington Housing Fund) ☒ to the Escrow (as

hereinafter defined) for depositing in a separate, interest-bearing account. If the Earnest Money is in the form of the Note, it shall be due and payable no later than 5 PM Pacific Time one day ☐ after execution of this Agreement by Purchaser and Seller or ☒ after satisfaction or waiver by Purchaser of the conditions to Purchaser's obligation to purchase the Property set forth in this Agreement or ☐ Other: _____. If the Note is not redeemed and paid in full when due, then (i) the Note shall be delivered and endorsed to Seller (if not already in Seller's possession), (ii) Seller may collect the Earnest Money from Purchaser, either pursuant to an action on the Note or an action on this Agreement, and (iii) Seller shall have no further obligations under this Agreement. The purchase and sale of the Property shall be accomplished through an escrow (the "Escrow") which Seller has established or will establish with Fidelity National Title, attn: Melissa Miller (the "Title Company") and the Earnest Money shall be deposited with ☒ Title Company or ☐ Other: _____. The Earnest Money shall be applied to the payment of the purchase price for the Property at Closing. Any interest earned on the Earnest Money shall be considered to be part of the Earnest Money. The Earnest Money shall be returned to Purchaser in the event any condition to Purchaser's obligation to purchase the Property shall fail to be satisfied or waived through no fault of Purchaser.

6. Title. Title shall be conveyed by Statutory Warranty Deed free of encumbrances or defects, except those of record acceptable to Purchaser and encroachments, defined as Permitted Exceptions in Paragraph 7 below. Rights reserved in federal patents or state deeds, building or use restrictions general to the area, existing easements not inconsistent with Purchaser's intended use, and building or zoning regulations or provisions shall not be deemed encumbrances or defects. Platted or vacated streets or roadways within the boundaries of the Property shall not be considered an encumbrance, and Purchaser accepts any and all risk associated with such platted or vacated streets or roadways.

7. Title Insurance. Within ten (10) days of the Effective Date, Seller shall open Escrow at Fidelity National Title, Vancouver, WA (attention: Melissa Miller) (Escrow Agent) and deliver to Purchaser a Preliminary Commitment issued by Fidelity National Title for a standard purchaser's Title Insurance policy. Purchaser shall have fifteen (15) days to notify Seller of any encumbrance or defect in the Preliminary Commitment that is not acceptable to the Purchaser. Seller shall have ten (10) days after being notified of an encumbrance or defect to remove the encumbrance or defect or to notify seller the encumbrance or defect will not be removed. Purchaser has five (5) days after being notified by Seller that Seller is not removing an encumbrance or defect to terminate this Real Estate Purchase and Sale Agreement. If Purchaser does not object to an encumbrance or defect, or terminate the Agreement after Seller's failure to remove the same, the encumbrance or defect will be deemed a "Permitted Exception." Seller shall reasonably cooperate in the investigation of the condition of title. In the event of any title defect arises subsequent to the date of the preliminary commitment, Seller shall cause the same to be cured as provided in this section.

8. Contingent Conditions. The enforceability of this Agreement, except as otherwise provided herein, and the obligation of the parties to close escrow is subject to the occurrence or waiver of the following condition(s) within ninety (90) days of the Effective Date hereof and, in any event, prior to the date of closing:

a. Purchaser's obligation to close is contingent upon Purchaser's satisfaction as to the physical condition of the Property, within the Study Period as defined in Paragraph 9 below, as well as the condition of title to the Property as set out in Paragraph 7.

b. The Parties' obligation to close is subject to the satisfaction of the requirements regarding the transfer and reuse of the Property as stated in the Restrictive Covenant recorded under Auditor's recording number 9804090180 including but not limited to: notice of the conveyance to the Department of Ecology ("Ecology") and Ecology's confirmation that the proposed use is not inconsistent with the covenant.

c. The Parties' obligations to close are subject to the ratification of this Agreement within thirty (30) days of the Due Diligence Termination Date.

d. The approval of the sale by the LLOC (Lechner Landfill Oversight Committee). In April of 2019, the Oversight Committee approved a Memorandum of Agreement releasing parcels 199845-000, 105740-000 and 199863-000 for future development.

e. The Parties shall enter into a management agreement for the property. The agreement will detail, in part, the Parties' responsibilities and actions necessary prior to and after closing of the Property. Included in the management agreement, but not limited to, will be responsibility for maintenance of all common improvements, provisions for access to monitor and maintain the monitoring wells, gas probes and gas flare station or other portions of the closed landfill adjacent to the Property, and amendment of the existing Consent Decree.

9. Study Period. The ("Study Period") will commence on the Effective Date and end at 5:00 p.m. on the date which is eighty (80) calendar days following the Effective Date (the "**Due Diligence Termination Date**").

a. During the Study Period Purchaser may contract with vendors for the performance of the following services for the Property being sold:

Level 1 environmental assessment and report;

Boundary survey and boundary line adjustments;

Topographic survey; and

Geotechnical investigation and report.

The Purchaser shall be solely responsible for costs associated with the services described above.

b. Additionally, during the Study Period Purchaser shall have the right to inspect, investigate, test and examine, at Purchaser's expense, all aspects, matters and conditions relating to the Property and the Purchaser's intended use thereof, including, but not limited to, zoning, the presence of hazardous or toxic substances, soil conditions, the availability of utilities, and governmental requirements and restrictions affecting the Property. Purchaser's Due Diligence shall also include a review of the status of all Leases, Licenses and Contracts, if any, pertaining to the Property. Seller shall reasonably cooperate, and shall instruct its agents, employees and

representatives to reasonably cooperate in facilitating Purchaser's Due Diligence of the Property and the proposed transaction.

Purchaser shall pay the costs of all additional tests, inspections, Due Diligences and reviews conducted pursuant to this Agreement. After the performance of any tests, reviews and inspections, Purchaser shall promptly restore any damage to the Property to the same condition as existed prior to the conduct of said tests, reviews and inspections, and this obligation of Purchaser shall survive any termination of this Agreement. Purchaser shall notify Seller prior to any entry and will not unreasonably interfere with or disrupt any business operations at the Property.

c. Nothing stated in this Section shall be deemed to authorize Purchaser to create or suffer any lien to be placed against the Property, and Purchaser shall indemnify, defend and hold Seller harmless from any and all costs or liens arising or claimed as a result of any such activity on or with respect to the Property and from any claims, loss or damage (including, without limitation, reasonable attorney's fees and costs), suffered by Seller as a result of the activities of the Purchaser or of any party employed or engaged by Purchaser to perform any test, inspection, Due Diligence or review on the Property, except to the extent arising from the negligence or willful misconduct of Seller or its agents, and this obligation shall survive any termination of this Agreement.

d. Within ten (10) days of the Effective Date, Seller shall deliver to Purchaser, for inspection and review all reports concerning the condition of the Property and all licenses, permits, improvement agreements, bonds, development agreements, leases, agreements, contracts, documents, instruments, reports, surveys, books and records relating to the Property ("Seller's Records"). Should Seller fail to timely deliver to Purchaser all of the Seller's Records, the Study Inspection Period and Due Diligence Termination Date shall each be extended for one (1) day for each day of delay in Purchaser's receipt of all of the Seller's Deliveries.

e. In the event that Purchaser does not give Seller a written approval or waiver of all Contingencies, other than City Council ratification, on or prior to the Due Diligence Termination Date, then such Contingencies shall be deemed waived.

f. At any time prior to the expiration of the Study Period, Purchaser elects in its sole discretion not to proceed to acquire the Property due to circumstance discovered during Purchaser's due diligence that demonstrate the Purchaser will not be able to use the Property for its intended use, Purchaser may terminate this Agreement by giving written notice of termination to Seller and Escrow Agent. Should Purchaser not give written notice of termination within the Study Period, Purchaser may not thereafter terminate this Agreement without Seller's consent.

g. Each party shall promptly pursue and utilize best efforts to complete the procedure required for any pre-sale approval requirements. If any of the above conditions are not satisfied or waived by the benefitted party prior to the date of closing, the benefitted party may withdraw from this transaction and may be released from all liability hereunder by giving written notice to the other party and the escrow/closing agent. The agreement by a party to close this transaction

constitutes their approval or waiver of all such conditions if they have not been approved or waived earlier.

10. Representations and Condition of Property.

a. **Boundaries.** To Seller's knowledge, there are no unrecorded easements, unrecorded reservations or encroachments on the Property, nor any encroachments by improvements on such real property onto any easements or rights of way or any adjoining property or which would otherwise conflict with the property rights of any other person, except for the Permitted Exceptions.

b. Seller makes no representations as to the boundaries of the Property; or that any existing curbs or sidewalks or fences are the boundary of the Property; and Seller disclaims any and all warranties against encroachments upon the Property.

c. **Zoning.** Seller makes no representations as to the zoning of the Property. Purchaser has investigated the current status of zoning on the Property to its satisfaction.

d. **Wetlands.** Purchaser has made its own determination as to existence or nonexistence of wetlands on the Property and is not relying on any representations of Seller.

e. **Environmental Contamination.** Other than the conditions disclosed by the Seller pursuant to Subsection 9.d of this Agreement, Seller is aware of no environmental contamination on or affecting the Property. In the event that undisclosed environmental contamination is found on the Property and is determined to have existed prior to the date of closing, Sellers agree to defend and indemnify and hold Purchaser harmless against all claims of any nature including but not limited to claims for damages, injunction or administrative enforcement.

f. **Consent Decree.** Purchaser acknowledges that the Property is subject to Consent Decree issued by the Department of Ecology. Purchaser agrees to not take any action which would cause a violation of that decree. Purchaser acknowledges it will become party to the Consent Decree as owner of the property.

g. **Master Plan.** Purchaser agrees that its development and use of the Property shall be consistent with the terms and conditions of the approval of the Leichner Master Planned Development CUP 2016-00001.

h. **Survival.** All representations and warranties set forth above shall be true as of the date of closing and shall survive closing and not merged into the documents delivered at closing.

11. Closing. The sale shall be closed in the office of closing agent, Fidelity National Title within no more than thirty (30) days after satisfaction or waiver of all contingencies ("Closing Date"), provided the parties can mutually agree to extend the Closing Date to a date that is within thirty days of the Closing Date ("Extended Closing Date"). Purchaser and Seller shall deposit with Escrow Agent all instruments, documents and monies necessary to complete the sale in accordance with this Agreement.

For purposes of this Agreement, "date of closing" shall be construed as the date upon which all appropriate documents are recorded and proceeds of this sale are available for disbursement to Seller. Funds held in reserve accounts pursuant to escrow instructions shall be deemed, for purposes of this definition, as available for disbursement to Seller.

12. Failure to Close.

Purchaser's Remedies. If, due to no fault or delay on the part of the Purchaser, the Seller, for any reason fails to close the purchase of the Property, the Purchaser may at its option exercise any remedy available to it by law or in equity under the circumstances including, but not limited to, the remedy of specific performance and enforcement of this Agreement through an action in eminent domain.

Sellers' Remedies. If, due to no fault or delay on the part of the Seller, the Purchaser fails to close the purchase of the Property and Purchaser has not terminated the purchase as authorized under this Agreement, Seller, as its exclusive remedy, shall be entitled to the remedy of forfeiture of the earnest money as provided in this Agreement.

13. Closing Costs and Prorated Items. Seller and Purchaser shall each pay one-half (1/2) of the escrow fees for closing the transaction. Seller shall pay for the cost of providing a standard purchaser's title insurance policy. Seller shall pay any real estate excise tax. Purchaser shall pay recording fees. If applicable, any property taxes, assessments, water, utility charges on the Property shall be prorated as of the date of closing, and Purchaser assumes and agrees to pay all real property taxes from and after the date of closing.

14. Maintenance of Property. Seller shall maintain the Property in its current condition prior to closing and as described in the management agreement.

15. Monitoring Wells, Gas Probes and Gas Flare Station. There are groundwater monitoring wells, gas probes and a gas flare station located on the Property. The Purchase Price is based upon an appraisal which included an extraordinary assumption that the Seller would be responsible for the costs of relocating three gas probes and the potential abandonment and/or protection of existing groundwater monitoring wells. The Parties' responsibilities for the monitoring wells, gas probes and gas flare station shall be described in the management agreement.

16. Miscellaneous.

a. Seller and Purchaser warrant one to the other that they have not used the services of any real estate company, real estate sales agent or broker and that there is not a sales commission owed on this Property.

b. All agreements, warranties, limitations of warranties, and disclaimers contained herein shall continue to be binding after the closing of this transaction.

c. Notices shall be deemed given on the date of personal delivery to the other party, or in the case of mailing, two (2) business days after the notice has been mailed by certified mail, return receipt requested. Notices shall be directed to the following:

Seller:

Shawn Hennessee
P.O. 5000
Vancouver, WA 98666-5000
Shawn.Hennessee@clark.wa.gov

Purchaser:

Eric Holmes
P.O. Box 1995
Vancouver, WA. 98668-1995
Eric.Holmes@cityofvancouver.us

- d. Time is of the essence in this Agreement.
- e. Paragraph headings are included solely for the convenience of the reader, and are not intended to be a part of this Agreement.
- f. It is agreed as used herein the "singular" includes the plural and the "masculine" includes the feminine and vice versa as the context may require.
- g. There are no other verbal or other agreements which modify or affect this Agreement, or which affect this transaction.
- h. This Agreement may be signed in counter parts and shall be binding upon execution by all parties.
- i. In the event suit, arbitration or action is instituted to interpret or enforce the terms of this Agreement or to rescind this Agreement, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorneys' fees at trial, on any appeal, and on any petition for review, in addition to all other sums provided by law.

17. Assignment. Purchaser may not assign its interest herein without consent of Seller.

Seller:

Clark County, Washington

Purchaser:

City of Vancouver, Washington,
a municipal corporation

By: Shawn Messinger
County Manager
Date: 11-7-19

Approved as to form:

By: A. Michelbrink

Attest:

By: Rebecca Messinger
Clerk

By: _____
Eric Holmes, City Manager

Date: _____

Approved as to form:

By: _____
Jonathan Young, Acting City Attorney

Attest:

By: _____
City Clerk

**EXHIBIT A
LEGAL DESCRIPTION**

Parcel Numbers 105740-000, 199863-000, 199845-000 and 199864-000 located at 8713 NE 94th Ave.

Parcel Number 105740-000 NEWTON NW1/2 LOT 1 N1/2 LOT 2, 3, 4 & 5 25.49Acres

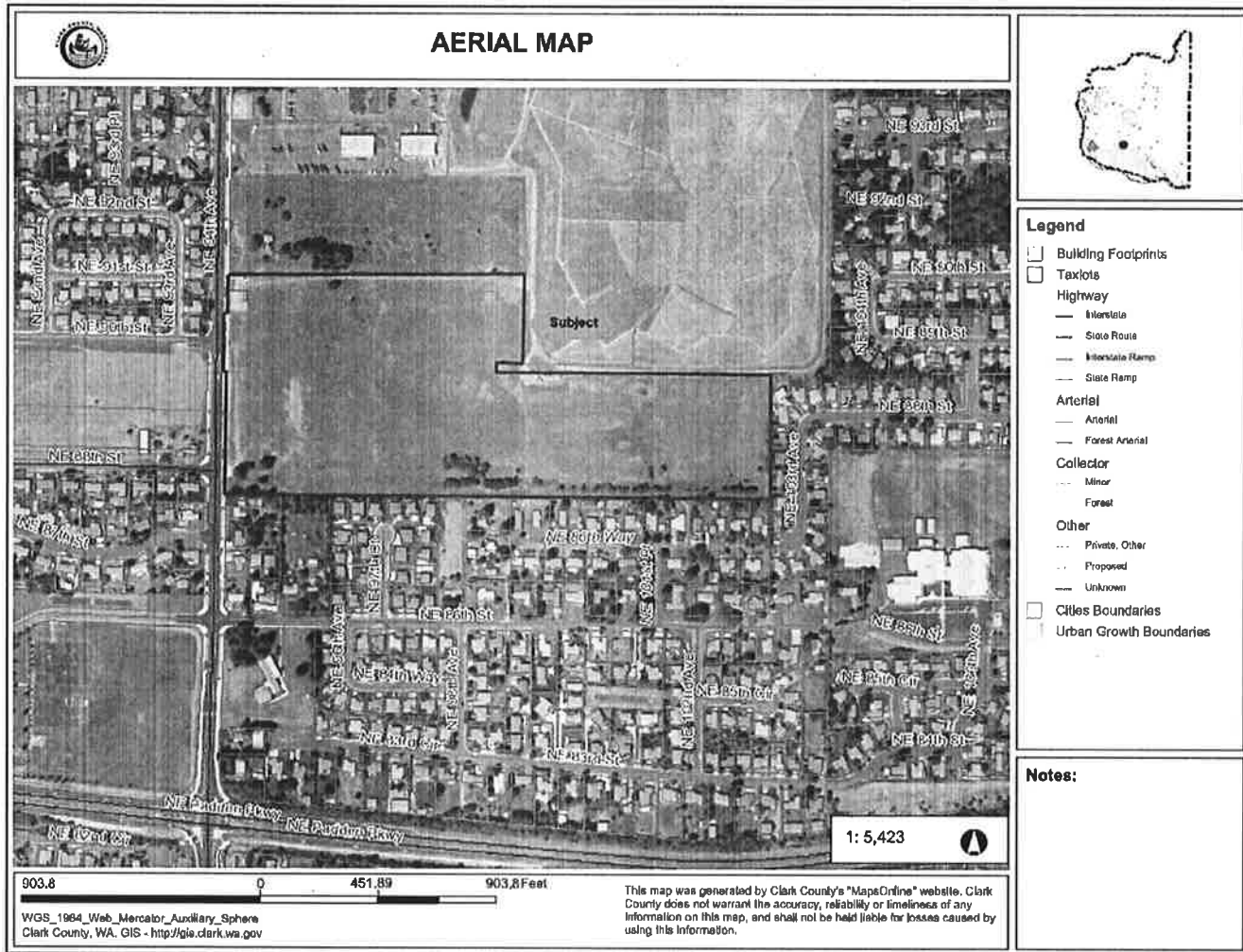
Parcel Number 199863-000 #32 JAMES MCALLISTER DLC 7.42Acres

Parcel Number 199845-000 #13 JAMES MCALLISTER DLC 2.12 Acres

Parcel Number 199864-000 #33 JAMES MCALLISTER DLC .13Acres

35.16 acres

EXHIBIT B
LOT DEPICTION





Staff Report 168-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/18/2019

SUBJECT Lease Agreement with the Holland Partner Group for Block 10

Key Points

- On October 21, 2019, City Council approved a Disposition and Development Agreement (DDA) with Holland Partner Group regarding a proposed mixed use development of Block 10, a full city block owned by the City of Vancouver, located between Columbia and Washington Streets and 8th and 9th Streets.
- In the approved DDA, the City agreed to consider a long term ground lease of the property to Holland in exchange for completion of the project as proposed.
- Block 10 is the last remaining vacant block from the former Lucky Lager Brewery purchased by the City in 1993 for redevelopment.
- Holland proposes to build a full-block mixed use building consisting of 105-110 residential units, 80,000 square feet of office space, 10,000 square feet of ground floor retail space, and an internal two-level parking garage, with construction to commence no later than the second quarter of 2020.
- City staff and Holland have agreed to the terms of a long-term ground lease with an option to purchase, with such lease to take effect no later than December 31, 2019, in order for Holland to make full use of the available Opportunity Zone incentive.

Strategic Plan Alignment

Goal 8, Objective 8.1: Make downtown Vancouver a vibrant destination for the community and the region.

Action 8.1.1: Surplus Block 10 and issue an RFP to solicit a use that will contribute to the downtown vitality

Present Situation

Block 10 is a 41,681 square foot vacant City-owned block located east of Columbia Street and north of 8th Street in downtown Vancouver, zoned CX, City Center.

In the early 1990s, the City of Vancouver purchased five full city blocks on the north, northeast, and east sides of Esther Short Park from the Lucky Lager Brewery Company, which had vacated the property several years before. This purchase and subsequent planning efforts through the Esther Short Redevelopment Plan of 1998 spurred the dramatic improvements to the park itself and redevelopment of a number of properties in the vicinity of Esther Short Park, the oldest known public park in the Pacific Northwest. Block 10, which refers to its designation among the original thirty blocks included in the Esther Short Plan, is the last remaining vacant block of the former brewery blocks. The block was vacant and without any structures when the City purchased it in the early 1990s.

In May of 2019, City Council, in response to a proposal from The Holland Partner Group for a large mixed use project on Block 10 which would utilize the newly created Opportunity Zone incentives, provided direction to staff to commence negotiations with The Holland Partner Group with the intent to construct a large mixed-use project on Block 10.

The proposed development is described as follows:

- 80,000 square foot, four-story office building above a two-story parking deck, with 40,000 square feet to be occupied by Holland for their corporate headquarters
- 105-110 apartments in a five-story building over the same two-story parking deck
- 110 parking stalls on portions of two floors with driveway access from 8th Street on the south and 9th Street on the north.
- 10,000 square feet of active retail uses are proposed along portions of Columbia, 8th, and Washington Streets, with particular emphasis on the corners.
- A courtyard above the second floor would be usable by tenants (floors above the parking deck are in the shape of a "U" with the opening to the south).

Key elements of the lease agreement include:

- Project will be developed as described in the Disposition and Development Agreement
- The term of the lease will be for 60 years, with a single 39-year extension right of the tenant
- Rent will be as follows: Lease Year 1 through the earlier of substantial completion or Lease Year 3 = \$30,000/year; The balance of Lease Years 1 through 3 if substantial completion prior to the end of Lease Year 3 and Lease Year 4 = \$66,500/year; Lease Years 5-10 = \$133,200/year; Lease Year 11-29 = \$166,500/year
- Every year beginning the 5th Lease Year, base rent will be increased by the CPI subject to a maximum 3 percent adjustment
- Annual Base Rent in the 30th, 45th, 60th, and 80th Lease Years will be increased to the greater of either: a) the CPI Adjustment amount or b) five percent of the Revaluation Fair Market Value. In no event shall the Base Rent increase by more than 15 percent on a Revaluation Date.
- Target dates are established for project milestones, including obtaining a shoring and excavation permit (March 18, 2020), commencing construction (May 31, 2020), obtaining a building permit for the podium (June 9, 2020), obtaining an office core and shell permit (September 2, 2020), obtaining a permit for the multi-family building (September 2, 2020), and obtaining a tenant improvement permit (April 29, 2021)
- Improvements shall be designed and constructed substantially in accordance with the approved conceptual design plans
- Reference is made to the change to VMC 20.630 "Building Lines" section of the Land Use and Development Code that would be required to allow the proposed design, and the tenant

agrees that there is no obligation under the lease to approve such a code amendment in favor of the project

- Holland shall deliver any improvements on Block 10 installed by Vancouver's Downtown Association to them at Holland's sole cost and expense
- Holland agrees that it shall lease at least two floors containing approximately 40,000 square feet for its corporate headquarters for a period of at least ten years.
- City agrees to terminate the right-of-way permit for the bank drive-thru on 9th Street no later than 30 days prior to estimated commencement of construction
- Holland, upon execution of the lease, will deposit \$250,000 to be held in security by the City. Such deposit shall be refunded to Holland once \$5,000,000 in hard costs for the construction of the new improvements has been expended.
- Holland agrees to pay any additional rent, all taxes and assessments on the property and shall arrange and pay for heat, light, water, gas and sewer and for all other public utilities during the full lease term.
- Tenant shall have the right to purchase the property for fair market value at the end of the 60th, 80th, and 99th Lease Years.

Advantage(s)

1. Facilitates the construction of the largest mixed use project in downtown - including the most space devoted to office use (80,000 square feet) - since the Recession;
2. Retains and grows employment in the downtown;
3. Activates the last remaining block from the City's acquisition of the former Lucky Lager Brewery nearly 30 years ago;
4. Active retail uses along Columbia, 8th, and Washington Streets will strengthen connections between Main Street and more recent development around Esther Short Park;
5. The project will provide 105 -110 units of housing, of which 20% will be workforce units rented at no more than 100% of Area Median Income for a period of 8 years;
6. Project will be among the first to utilize the Opportunity Zone incentive; and
7. The proposed lease will provide an ongoing source of revenue to the City for further downtown redevelopment efforts.

Disadvantage(s)

None.

Budget Impact

No negative impact to budget. The proposed agreement will result in a positive impact to the General Fund through sales tax from construction of the projects, lease payments, sidewalk overhang rent and property tax on improvements for the term of the lease.

Prior Council Review

- September 24, 2018 Workshop
- May 13, 2019 - Workshop
- September 9, 2019 - City Manager Communications
- October 21, 2019 DDA Public Hearing

Action Requested

Authorize the City Manager or Designee to approve a lease agreement substantially in the form attached to this staff report, and all necessary related documents, to include a parking license agreement, with a legal entity of Holland for the development and use of Block 10, with an option to purchase the property after lease years 60, 80, and 99.

Chad Eiken, Community and Economic Development Director, 487-7882; Jonathan Young, City Attorney, 487-8500

ATTACHMENTS:

- ▣ Resolution
- ▣ Lease Agreement

11/18/2019

RESOLUTION NO. M-

A RESOLUTION authorizing the execution of a ground lease by and between the City of Vancouver and the Holland Partner Group for Block 10; authorizing the City Manager to execute said agreement on behalf of the City of Vancouver; and providing for an effective date.

WHEREAS, on February 22, 2016, by adoption of Resolution M-3881, the Vancouver City Council declared Block 10, legally described as Lots 1, 2, 3, 4, 5, 6, 7 and 8, Block 10 West Vancouver according to the plat thereof recorded in Volume B of Plats, Page 40, records of Clark County, Washington, to be surplus to the needs of the City and authorized its disposition; and

WHEREAS, the City was approached by Holland Partner Group which expressed interest in acquiring Block 10 and developing its corporate headquarters, housing and retail uses on the site; and

WHEREAS, on May 13, 2019, by adoption of Resolution M-4007, the City Council authorized the disposition of Block 10 through negotiated sale and/or lease; and

WHEREAS, following a duly noticed public hearing held by the City Council on October 21, 2019, the City of Vancouver entered into a disposition and development agreement (“DDA”) with the Holland Partner Group pertaining to Block 10 pursuant to RCW 36.70B.170; and

WHEREAS, the Holland Partner Group and City Staff agree that it is in the parties’ mutual best interests to enter into a ground lease containing certain terms specified respecting the development of the property; and

WHEREAS, the parties have negotiated a ground lease which is hereby incorporated into this Resolution as if set forth fully herein (“Ground Lease”); and

RESOLUTION - 1

WHEREAS, the Ground Lease provides that the project will be developed as described within the DDA; and

WHEREAS, the term of the Ground Lease will be for 60 years, with a single 39-year extension right of the tenant; and

WHEREAS, the rent owed to the City under the Ground Lease shall be as follows:

- (1) \$30,000/year: in Lease Year 1 through the earlier of substantial completion or Lease Year 3;
- (2) \$66,500/year: for the balance of Lease Years 1 through 3 (if substantial completion prior to the end of Lease Year 3), and Lease Year 4;
- (3) \$133,200*/year: in Lease Years 5 through 10 (*or such greater amount as required through Consumer Price Index ("CPI") adjustment of up to a 3% maximum increase);
- (4) \$166,500*/year: Lease Years 11-29 (*or such greater amount as required through CPI adjustment of up to a 3% maximum increase);
- (5) Overhang Rent: equaling the product of \$1.40 multiplied by the number of square feet of the improvements that overhang into the public right of way as further described within the Ground Lease; and
- (6) Revaluation of base rent: in Lease Years 30, 45, 60, and 80 with an increase to the greater of (a) the CPI adjustment amount, or (b) five percent of the Revaluation Fair Market Value, up to a maximum of 15%; and

WHEREAS, the tenant shall have the right to purchase the property for fair market value at the end of the 60th, 80th, and 99th Lease Years; and

RESOLUTION - 2

WHEREAS, the Holland Partners Group further agrees to:

- (1) Deposit \$250,000 upon execution of the Ground Lease to be held in security by the City, and refunded once Holland Partners Group has spent \$5,000,000 in hard construction costs for improvements on Block 10;
- (2) Design and construct improvements substantially in accordance with the approved conceptual design plans;
- (3) Meet specified project milestones, including obtaining a shoring and excavation permit (March 18, 2020), commencing construction (May 31, 2020), obtaining a building permit for the podium (June 9, 2020), obtaining a permit for the multi-family building (September 2, 2020), and obtaining a tenant improvement permit (April 29, 2021);
- (4) Deliver any improvements on Block 10 installed by Vancouver's Downtown Association ("VDA") to the VDA at the Holland Partner Group's sole cost and expense;
- (5) Lease at least two floors containing approximately 40,000 square feet for its corporate headquarters for a period of at least ten years;
- (6) Pay any additional rent, taxes and assessments on the property, and arrange for payment of heat, light, water, gas, sewer and all other public utilities during the full lease term; and

WHEREAS, the Holland Partner Group understands and agrees that construction of the approved conceptual design plans will require amendment to Ch. 20.630 VMC, and that such amendment (1) is not required under the Ground Lease, (2) is contingent upon future consideration and action by the City Council following required public notice and hearing; and

RESOLUTION - 3

WHEREAS, in compliance with the proposed terms of the Ground Lease, the City will be required to terminate the right-of-use permit for the bank drive-through on 9th Street, between Columbia and Washington Streets, within 30 days of estimated commencement of construction.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY OF VANCOUVER:

Section 1. **Findings.** The recitals set forth above and provided by way of SR _____ are hereby adopted as findings supporting the action of the City Council in adopting this Resolution.

Section 2. **Authorization.** The City Council, in accordance with the recommendations of City Staff, hereby authorizes the City Manager to execute the Ground Lease on behalf of the City.

Section 3. **Effective Date.** This Resolution shall be effective immediately upon passage.

ADOPTED at a Regular Meeting of the Vancouver City Council this _____, of _____, 2019.

Anne McEnery-Ogle, Mayor

Attest:

Natasha Ramras, City Clerk

Approved as to form:

Jonathan Young, City Attorney

RESOLUTION - 4

GROUND LEASE

between

City of Vancouver, a Washington municipal corporation (“*Landlord*”)

and

[Holland] (“*Tenant*”)

Dated:

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GROUND LEASE

THIS GROUND LEASE ("**Lease**") is dated the ____ day of December, 2019, and is by and between City of Vancouver, a Washington municipal corporation ("**Landlord**"), and [Holland], a _____ limited liability company ("**Tenant**").

1. **Definitions.** As used in this Lease, the following terms are defined as follows:
 - 1.1. "**Adjustment Date**" is defined in Section 6.1(b) of this Lease.
 - 1.2. "**Affiliate**" of any Person, means any Person which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with such Person.
 - 1.3. "**Base Rent**" is defined in Section 6 of this Lease.
 - 1.4. "**Certificate of Completion**" is defined in Section 7.1(j) of this Lease.
 - 1.5. "**Commencement Date**" means the date of this Lease as specified above.
 - 1.6. "**Condemnation**" means: (a) any temporary or permanent taking of (or of the right to use or occupy) all or part of the Property by condemnation, eminent domain, or any similar proceeding; (b) any action by any governmental agency not resulting in an actual transfer of an interest in (or of the right to use or occupy) all or part of the Premises but creating a right to compensation, such as a change in grade of any street upon which the Land abuts; or (c) any transfer of all or any part of the Property to a governmental agency in lieu of or under threat of condemnation.
 - 1.7. "**Condemnation Award**" means the entire amount of any award(s) paid or payable (whether or not in a separate award) to Landlord or Tenant after the Commencement Date because of or as compensation for any Condemnation, including, without limitation: (1) any award made for any Land and/or any Improvements that are the subject of the Condemnation; (2) the full amount paid or payable by the condemning authority for the property interest that is the subject of the Condemnation; (3) any interest, costs and attorneys' fees payable on account of such award; and (4) any other sums payable on account of such Condemnation except sums referred to in Section 16.6.
 - 1.8. "**Construction**" or "**Construct**" means and includes demolition, mobilization, excavation and other site preparation, construction operations, demobilization, any and all labor, work or steps necessary or convenient to the construction of a building, facility or improvement up to final completion and provision of all materials and equipment incorporated or to be incorporated in such construction.
 - 1.9. "**Cure Period Expiration**" is defined in the Guaranty.

- 1.10. ***“Cure Period Termination”*** is defined in the Guaranty.
- 1.11. ***“Date of Condemnation”*** shall mean the date upon which title to the Property or a portion thereof passes to and vests in the condemning authority or the effective date of any order, stipulation or agreement for possession which is issued prior to the date title vests in the condemning authority.
- 1.12. ***“Debt and Equity Cure”*** is defined in the Guaranty.
- 1.13. ***“Debt and Equity Default”*** is defined in the Guaranty.
- 1.14. ***“Deposit”*** is defined in Section 7.9 of this Lease.
- 1.15. ***“Determination Notice”*** is defined in Section 6.3 of this Lease.
- 1.16. ***“Environmental Law”*** means all federal, state, and local laws, ordinances, rules regulations, orders and directives governing hazardous waste, hazardous substances, infectious, bio-hazardous, biomedical, radiological or radioactive substances, discharges of pollutants to soil or groundwater, wastewater discharges, drinking water, air emissions, Hazardous Substance releases or reporting requirements, Hazardous Substance use, storage or disposal, natural resource restoration and employee or community right-to-know requirements.
- 1.17. ***“Event of Default”*** is defined in Section 19.1 of this Lease.
- 1.18. ***“Extended Cure Period”*** is defined in the Guaranty.
- 1.19. ***“Force Majeure”*** means strikes, lockouts or other labor or industrial disturbances, civil disturbance, terrorist events, riots, lightening, earthquake, fire, storm, hurricane, flood, washout, explosion, acts of God, shortages of labor or materials because of priority or similar regulations or order of any governmental or regulatory body, embargo, war, or any other unforeseeable cause or event beyond the reasonable control of a party, not including, however, lack of funds or inability to obtain financing.
- 1.20. ***“Guaranty”*** is defined in Section 7.8 of this Lease.
- 1.21. ***“Hazardous Substance”*** means any substance, material, or waste which is: (1) defined as a “hazardous waste”, “hazardous material”, “hazardous substance”, “extremely hazardous waste”, “restricted hazardous waste”, “pollutant” or any other terms comparable to the foregoing terms under any provision of Washington law or federal law; (2) petroleum and any fraction thereof; (3) asbestos and asbestos containing materials; (4) polychlorinated biphenyls; (5) radioactive materials; (6) mold; (7) Methyl Tertiary Butyl Ether (“MTBE”); or (8) determined by Washington, federal or local governmental authority to be capable of posing a risk of injury to health, safety, property or the environment. Without limiting the foregoing, Hazardous Substance means and includes any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, a

hazardous, toxic or radioactive substance, or other similar term, by any Environmental Laws including any federal, state or local environmental statute, regulation or ordinance presently in effect that may be promulgated in the future, as such as statutes, regulations and ordinances may be amended from time to time.

- 1.22. ***“Improvements”*** means any improvements located on the Land and, in the case of the Sidewalk Overhangs, which overhang public sidewalks adjacent to the Land, including, but not limited to, the existing improvements and the New Improvements hereafter constructed by Tenant on or under the Land, or any portion thereof, including all fixtures and appurtenances thereto.
- 1.23. ***“Index”*** means the Consumer Price Index - All Urban Consumers, All Items (1982-84=100) published by the Bureau of Labor Statistics of the United States Department of Labor (the ***“Bureau”***); provided, however, that (a) if the Bureau publishes a revised version of the Index, then the revised version shall be used, (b) if the Index is discontinued, the parties shall follow any official consumer price index, whether so named or designated or not, issued by any authorized agency of the United States which supplants the Index and (c) if the Index is discontinued without being supplanted, the parties shall use any comparable general wholesale or retail price index for the United States reasonably selected by Landlord as being the closest to the Index and reasonably approved by Tenant.
- 1.24. ***“Initial Term”*** is defined in Section 5 of this Lease.
- 1.25. ***“Land”*** means collectively: (a) the real property owned by Landlord in the City of Vancouver, Clark County, Washington, and legally described on **Exhibit A** attached hereto; (b) all right, title and interest of Landlord, if any, in and to the land lying in the bed of any street adjoining the Land to the centerline of such street or highway; (c) the appurtenances and all of the estate and rights of Landlord in and to the Land; (d) any strips or gores adjoining the Land.
- 1.26. ***“Landlord’s Interest”*** means the Land and Landlord’s interest in the Improvements and this Lease.
- 1.27. ***“Laws”*** means all federal, state and local laws, ordinances, regulations, and rules relating to the development and operation of the Property, including without limitation all building, zoning, planning, subdivision, fire, traffic, safety, health, disability, labor, discrimination, environmental, air quality, wetlands, shoreline, and flood plain laws, ordinances, regulations and rules and all government and private covenants, conditions and restrictions applicable to the Property.
- 1.28. ***“Leasehold Estate”*** means the Tenant’s leasehold estate in the Premises and all Tenant’s rights, privileges and options of any kind or nature under this Lease, upon and subject to all of the terms and conditions of this Lease, and any part of such leasehold estate and direct or indirect interest in such leasehold estate.

- 1.29. ***“Leasehold Mortgage”*** means a mortgage, deed of trust or other security instrument, including, without limitation, an assignment of the rents, issues and profits, which constitutes a lien on Tenant’s Leasehold Estate and on the fee interest of Tenant in any Improvements during the term of this Lease, including any modification or extension thereof.
- 1.30. ***“Leasehold Mortgagee”*** means the holder of a Leasehold Mortgage.
- 1.31. ***“Lease Term”*** means the term of this Lease as set forth in Section 5, including any extensions.
- 1.32. ***“Lease Year”*** means, with respect to the first Lease Year, the period beginning on the Commencement Date and ending on December 31, 2020, and thereafter each consecutive twelve (12) month period commencing on January 1st and ending on December 31st during the Lease Term.
- 1.33. ***“New Improvements”*** means the improvements, fixtures and appurtenances to be constructed or installed by Tenant on, over or under the Land, including the Sidewalk Overhangs, after demolition of the existing improvements, which shall at a minimum be comprised of a multi-story, mixed-use building, landscaping and related improvements that comply with the City of Vancouver Municipal Code meeting the following minimum standards: (i) a minimum floor-area ratio of no less than 5.5:1 (including parking); (ii) a four-story office tower of a minimum of 80,000 gross square feet (plus or minus 2,500 square feet), a five-story residential tower with 105-110 residential units and a two-story podium upon which the office and residential towers will be constructed; (iii) use of high quality materials brick, stone or glass for exterior (no exterior insulation and finish system or wood siding (wood beam accents are acceptable); (iv) garage access located off of 9th Street and 8th Street; (v) 10,000 square feet of ground floor retail or restaurant located along Columbia, West 8th and Washington Streets; (vi) a minimum 110 parking stalls in a two-level internal garage; (vii) an open and windowed ground-level façade along Columbia, West 8th and Washington Streets; (viii) full frontage improvements (i.e. replacement of sidewalks, curbs, street lights and trees); (ix) all overhead utilities on the rights-of-way abutting the Property shall be located underground; and (ix) at a minimum: (A) Leadership in Energy Efficiency and Design (LEED) designation, (B) Earth Advantage Commercial Certificate, (C) Green Globes Certification, or (D) other equivalent sustainable design standard reasonably acceptable to the Landlord.
- 1.34. ***“Option Fair Market Value”*** shall mean the amount in cash that a well-informed buyer, willing but not obligated to buy the Land would pay, and that a well-informed seller, willing but not obligated to sell it, would accept, based upon the “Highest and Best Use” of the Land as if vacant without reference to this Lease or actual improvements on the Land and where ***“Highest and Best Use”*** shall mean that reasonable and probable use from among reasonably probable and legal alternative uses found to be physically possible, legally permissible, appropriately supported, financially feasible, and which supports the highest present market

value for the Land as of the effective date of such appraisal. The Option Fair Market Value of the Land shall be for the Land only and shall not include any value attributable to the Land by reason of the then existing improvements or the existence of this Lease.

- 1.35. ***“Overhang Redesign”*** is defined in Section 7.1(d)B of this Lease.
- 1.36. ***“Overhang Rent”*** is defined in Section 6.1(b) of this Lease.
- 1.37. ***“Parking License”*** means that certain Parking License attached hereto at Exhibit ____ between Landlord and Tenant, executed and delivered contemporaneously with the execution of this Lease, concerning the grant by Landlord to Tenant of a license to park up to _____ vehicles in the Park ‘n Go Vancouvercenter Public Parking Garage.
- 1.38. ***“Partial Condemnation”*** means any Condemnation which does not constitute a Total Condemnation or a Temporary Condemnation.
- 1.39. ***“Person”*** means any individual, partnership, corporation, limited liability company, trust, unincorporated organization, association or other entity.
- 1.40. ***“Premises”*** means the Land and, until demolished or incorporated into the New Improvements as permitted under this Lease, the existing improvements on the Land.
- 1.41. ***“Property”*** means the Land and all Improvements now or hereafter located thereon.
- 1.42. ***“Renewal Term”*** is defined in Section 5 of this Lease.
- 1.43. ***“Rent”*** means and includes all Base Rent, Additional Rent, Overhang Rent (if any) and other amounts payable by Tenant under this Lease.
- 1.44. ***“Replacement Improvements”*** is defined in Section 7.1 of this Lease.
- 1.45. ***“Revaluation Date”*** is defined in Section 6.3 of this Lease.
- 1.46. ***“Revaluation Fair Market Value”*** shall mean the amount in cash that a well-informed buyer, willing but not obligated to buy the Land would pay, and that a well-informed seller, willing but not obligated to sell it, would accept, based on the land as if vacant without reference to the existence of this Lease but assuming any development would be limited to the floor area ratio, permitted height and square footage and the same ratio of uses (i.e. office, residential, retail and parking) of the then existing improvements. The Revaluation Fair Market Value of the Land shall be for the Land only and shall not include any value attributable to the Land by reason of the then existing improvements or the existence of this Lease.

- 1.47. **“Sidewalk Overhangs”** means the portions of the currently planned New Improvements that will overhang public sidewalks a maximum of 5 feet on all four façades at a height of not less than 12 feet from the sidewalks.
- 1.48. **“Space Lease”** is defined in Section 17.2 of this Lease.
- 1.49. **“Space Tenant”** means the tenant under a Space Lease.
- 1.50. **“Temporary Condemnation”** means a Condemnation of the temporary right to use or occupy all or part of the Property.
- 1.51. **“Tenant’s Interest”** means Tenant’s interest in this Lease, the Improvements and the Parking License.
- 1.52. **“Total Condemnation,”** means the Condemnation of the entire Property or the Condemnation of so much of the Property as in Tenant’s reasonable determination (with Leasehold Mortgagee’s consent) renders the remaining Property Uneconomic. In the event of a dispute between Landlord and Tenant as to whether the remaining Property is Uneconomic, Landlord and Tenant agree that the issue shall be submitted to binding arbitration provided in Section 20 below.
- 1.53. **“Uneconomic”** means (1) that the Property remaining after a Condemnation cannot be used for its previously intended purpose; (2) that the Property remaining after a Condemnation is subject to material impairment of access to parking facilities benefiting, or any material service necessary for profitable operation of, the Property; (3) Tenant reasonably determines that the cost of restoration of the Improvements after a Condemnation will exceed the fair market value of the Property as restored; (4) after restoration the remaining Property cannot comply with applicable Laws; (5) after restoration the remaining Property cannot reasonably be operated for: use or uses and in a manner substantially consistent with past practice; or on a scale that is smaller but nevertheless profitable (after taking into account the payment of all expenses, including Rent) and reasonably feasible; or (6) the remaining Property cannot be developed or operated in a commercially reasonable manner.
- 1.54. **“Valuation Negotiation Date”** is defined in Section 6.3 of this Lease.
2. **Lease of Premises.** Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord for the term and on the conditions set out in this Lease.
3. **Acceptance of Premises.** TENANT HAS INSPECTED THE PREMISES AND ACCEPTS THE PREMISES IN ITS “AS IS” “WHERE IS” CONDITION SUBJECT TO ALL FAULTS AND IN ITS CONDITION EXISTING ON THE DATE HEREOF, BUT SUBJECT TO LANDLORD’S OBLIGATIONS IN SECTION 7.1(m). TENANT SPECIFICALLY ACKNOWLEDGES AND AGREES THAT IT IS GROUND LEASING THE PREMISES ON AN “AS IS WITH ALL FAULTS” BASIS AND,

EXCEPT FOR LANDLORD'S EXPRESS REPRESENTATIONS AND WARRANTIES IN THIS LEASE, THAT TENANT IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM THE LANDLORD AS TO ANY MATTERS CONCERNING THE PREMISES, INCLUDING WITHOUT LIMITATION: (A) THE QUALITY, NATURE, ADEQUACY AND PHYSICAL CONDITION OF THE PREMISES (INCLUDING, WITHOUT LIMITATION, TOPOGRAPHY, CLIMATE, AIR, WATER RIGHTS, WATER, GAS, ELECTRICITY, UTILITY SERVICES, GRADING, DRAINAGE, SEWERS, ACCESS TO PUBLIC ROADS AND RELATED CONDITIONS); (B) THE QUALITY, NATURE, ADEQUACY, AND PHYSICAL CONDITION OF SOILS, GEOLOGY AND GROUNDWATER; (C) THE EXISTENCE, QUALITY, NATURE, ADEQUACY AND PHYSICAL CONDITION OF UTILITIES SERVING THE PREMISES; (D) THE DEVELOPMENT POTENTIAL OF THE PREMISES, AND THE PREMISES' USE, HABITABILITY, MERCHANTABILITY, OR FITNESS, SUITABILITY, VALUE OR ADEQUACY OF THE PREMISES FOR ANY PARTICULAR PURPOSE INCLUDING WITHOUT LIMITATION THE NEW IMPROVEMENTS; (E) THE ZONING OR OTHER LEGAL STATUS OF THE PREMISES OR ANY OTHER PUBLIC OR PRIVATE RESTRICTIONS ON THE USE OF THE PREMISES; (F) THE COMPLIANCE OF THE PREMISES OR ITS OPERATION WITH ANY APPLICABLE CODES, LAWS, REGULATIONS, STATUTES, ORDINANCES, COVENANTS, CONDITIONS AND RESTRICTIONS OF ANY GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY OR OF ANY OTHER PERSON OR ENTITY; (G) THE PRESENCE OR ABSENCE OF ANY ABOVE-GROUND OR UNDERGROUND STORAGE TANKS OR HAZARDOUS SUBSTANCES IN, ON, AT, UNDER OR ABOUT THE PREMISES OR THE ADJOINING OR NEIGHBORING PROPERTY; AND (H) THE CONDITION OF TITLE TO THE PREMISES. TENANT AFFIRMS THAT TENANT HAS NOT RELIED ON THE SKILL OR JUDGMENT OF THE LANDLORD OR ANY OF ITS RESPECTIVE AGENTS, EMPLOYEES OR CONTRACTORS TO SELECT OR FURNISH THE PREMISES FOR ANY PARTICULAR PURPOSE, AND THAT THE LANDLORD MAKES NO WARRANTY THAT THE PREMISES IS FIT FOR ANY PARTICULAR PURPOSE INCLUDING WITHOUT LIMITATION THE NEW IMPROVEMENTS. TENANT ACKNOWLEDGES THAT IT SHALL USE ITS INDEPENDENT JUDGMENT AND MAKE ITS OWN DETERMINATION AS TO THE SCOPE AND BREADTH OF ITS DUE DILIGENCE INVESTIGATION WHICH IT SHALL MAKE RELATIVE TO THE PREMISES AND SHALL RELY UPON ITS OWN INVESTIGATION OF THE PHYSICAL, ENVIRONMENTAL, ECONOMIC AND LEGAL CONDITION OF THE PREMISES (INCLUDING, WITHOUT LIMITATION, WHETHER THE PROPERTY IS LOCATED IN ANY AREA WHICH IS DESIGNATED AS A SPECIAL FLOOD HAZARD AREA, DAM FAILURE INUNDATION AREA, EARTHQUAKE FAULT ZONE, SEISMIC HAZARD ZONE, HIGH FIRE SEVERITY AREA OR WILDLAND FIRE AREA, BY ANY FEDERAL, STATE OR LOCAL AGENCY). TENANT UNDERTAKES AND ASSUMES ALL RISKS ASSOCIATED WITH ALL MATTERS PERTAINING TO THE PREMISES' LOCATION IN ANY AREA DESIGNATED AS A SPECIAL FLOOD HAZARD AREA, DAM FAILURE INUNDATION AREA, EARTHQUAKE FAULT ZONE,

SEISMIC HAZARD ZONE, HIGH FIRE SEVERITY AREA OR WILDLAND FIRE AREA, BY ANY FEDERAL, STATE OR LOCAL AGENCY.

Without limiting the generality of the foregoing, Tenant hereby expressly releases Landlord and its officers, agents, directors, representatives, shareholders, members, subsidiaries, affiliates, related entities, partners, employees, attorneys and lenders from and waives all claims against such parties for Tenant's fees, costs, losses and liabilities, including without limitation development cost increases, due to the removal or remediation of any contaminants, Hazardous Substances, wastes or materials on the Property as of the Commencement Date. Tenant shall indemnify, defend (with counsel reasonably acceptable to Landlord) and hold Landlord harmless from all claims, liability, losses, costs or fees, including without limitation reasonable attorney fees and costs incurred prior to the date Tenant undertakes Landlord's defense, arising out of or pertaining to Tenant's use, removal or remediation of Hazardous Substances in, on at or emanating from the Property. Tenant shall retain the right to obtain indemnity or recovery for any liability or costs Tenant incurs relating to contaminants, Hazardous Substances, wastes or materials on the Property from any other potentially responsible party under appropriate state or federal environmental laws. This section shall survive the expiration or earlier termination of this Lease.

Tenant has reviewed and approved all matters of record affecting Landlord's title to the Premises and Landlord has obtained for the benefit of and delivered to Tenant a leasehold policy of title insurance with coverage in the amount of **\$[Amount of Project Budget]**, insuring Tenant's leasehold interest in the Premises under this Lease.

4. **Representations; Quiet Enjoyment.**

4.1. **Landlord's Representations.** Landlord represents and warrants to Tenant that, as of the Commencement Date: (a) Landlord is a Washington municipal corporation, duly organized and validly existing under the laws of the State of Washington, and is duly authorized to conduct its business in the State of Washington; (b) Landlord holds fee simple title to the Premises subject to any conditions and restrictions of record and that there are no unrecorded conditions, restrictions, encumbrances or leases affecting the Property; (c) Landlord has all the requisite right, power, title and authority to enter into this Lease and to perform its obligations hereunder; (d) no consent or approval of any other person is necessary for the effectiveness of Landlord's obligations under this Lease; (e) to Landlord's knowledge, except as may be disclosed in the title insurance policy obtained by Tenant under Section 2 above or in any preliminary commitment for such title policy, there is no action, suit, proceeding or investigation pending or threatened before any agency, court or other governmental authority which relates to the Premises or the use thereof; and (f) except as may be disclosed in the title insurance policy obtained by Tenant under Section 3 above or in any preliminary commitment for such title policy, there is no contract, option, right of first refusal, lease or other agreement or instrument presently existing which grants to any other person or entity the present or future right to purchase, occupy, lease or otherwise acquire any interest in any of the Premises.

- 4.2. **Quiet Enjoyment.** Subject to and upon Tenant compliance with the terms and conditions of this Lease, Tenant shall have quiet enjoyment of the Property and all of its rights under this Lease during the Lease Term without molestation by Landlord or anyone claiming by, through or under Landlord.
- 4.3. **Tenant's Representations.** Tenant represents and warrants to Landlord that, as of the Commencement Date: (a) Tenant is a limited liability company, duly organized and validly existing under the laws of the State of [REDACTED] and is duly authorized to conduct business in the State of Washington; (b) no consent or approval of any other person is necessary for the effectiveness of Tenant's obligations under this Lease, (c) Tenant has all the requisite right, power, and authority to enter into this Lease and to perform all of its obligations hereunder; (d) the execution and delivery of this Lease and the performance of Tenant's obligations hereunder do not and will not conflict with or result in the breach of any condition or provision of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any of the property or assets of Tenant by reason of the terms of any contract, mortgage, lien, lease, agreement, indenture, instrument or judgment to which Tenant is a party or which is or purports to be binding upon Tenant or which affects Tenant; (e) no further action by any governmental authority is necessary to make this Lease a valid instrument binding upon Tenant in accordance with its term; (f) no action at law or in equity and no investigation or other proceeding whatsoever is now pending or threatened to liquidate or dissolve Tenant, or to declare any of its rights, powers or privileges to be null or void or otherwise than in full force and effect, or to obtain any decree, order, judgment or other judicial determination or administrative or other ruling which will or may impede or detract from any of the rights, powers or privileges vested in or claimed by Tenant; and (g) there is no action or proceeding pending or, to Tenant's knowledge, threatened against Tenant which challenges or impairs Tenant's ability to execute or perform its obligations under this Lease.
5. **Lease Term and Renewal Term.** The Term of this Lease shall be for sixty (60) years, together with the balance of calendar year 2019, beginning on the Commencement Date and ending on December 31st of the sixtieth (60th) complete calendar year after the Commencement Date unless sooner terminated as provided in this Lease (the "***Initial Term***"). Provided that there is not then an uncured Event of Default and that no Event of Default occurs thereafter and until the time when the Renewal Term is scheduled to commence, Tenant shall have the right to extend the Term of this Lease for one (1) additional thirty-nine (39) year term (the "***Renewal Term***") so long as Tenant gives Landlord written notice of Tenant's election to extend the Term of this Lease no earlier than the forty-fifth (45th) Lease Year and no later than the end of the fifty-eighth (58th) Lease Year. If Tenant does not timely provide the written notice of Renewal Term, Renewal Term shall automatically expire and be of no further force or effect. Time is of the essence and Tenant acknowledges that failure to timely provide the notice of the Renewal Term shall conclusively waive the Renewal Term.

6. **Rent.**

6.1. **Base Rent.**

- (a) Subject to the adjustments required by Sections 6.2, 6.3 and 6.4 below, beginning on the Commencement Date and ending on December 31st of the twenty-ninth (29th) Lease Year, Tenant shall pay to Landlord, as rent ("***Base Rent***"), the annual sums set forth below:

Lease Years	Annual Rent	Monthly Rent
Lease Year 1 through earlier of substantial completion or Lease Year 3	\$30,000	\$2,500
The balance of Lease Years 1 through 3 if substantial completion prior to the end of Lease Year 3 and Lease Year 4	\$66,500	\$5,500
Lease Years 5-10	\$133,200, subject to <u>Section 6.2</u>	\$11,100
Lease Year 11-29	\$166,500 or the prior year's Base Rent as increased by <u>Section 6.2</u> whichever is greater	\$13,875

Beginning with the fifth (5th) Lease Year, the Base Rent shall be adjusted in accordance with Sections 6.2, 6.3 and 6.4 below. The annual Base Rent shall be paid in advance in equal monthly installments on the first day of each month. As of the Commencement Date, Tenant has paid the Base Rent for the month of December 2019.

- (b) **Sidewalk Overhang Rent.** If VMC Title 20 is amended to allow the Sidewalk Overhang, Landlord and Tenant will pay rent to Landlord to occupy the public right of way ("***Overhang Rent***"). The initial Overhang Rent for shall be the lesser of (1) the amount required in any amendment to VMC Title 20 or (2) the product of \$1.40 multiplied by the useable square feet of the New Improvements in the airspace that overhangs the public right of way such that any overhangs that overlap (that is, are stacked or repeat on multiple floors) will be counted on a floor-by-floor basis. Overhang Rent will increase annually by the CPI Adjustment (defined below), subject to a 3% annual ceiling. Overhang Rent for the New Improvements shall commence upon issuance by Landlord of the Certificate of Completion. Overhang Rent, if any, will be in addition to Base Rent. If the City does not amend VMC Title 20, then Landlord will subject to the terms and conditions of this Lease approve smaller New Improvements pursuant to the Overhang Redesign that are consistent with

code requirements subject to the then-applicable City administrative fee and agree to an updated construction and delayed Base Rent schedule to accommodate the redesign of the New Improvements, and no Overhang Rent will be due under this Lease.

6.2. **CPI Adjustments of Fixed Rent.** On January 1st of the fifth Lease Year, and on each one (1) year anniversary thereafter (including each January 1st following the Renewal Date if Tenant elects to extend the Term of this Lease pursuant to Section 5 above), but not on any Revaluation Date (each, an “**Adjustment Date**”), the Base Rent shall be increased (but never decreased) by a percentage equal to the percentage increase in the Index (each a “**CPI Adjustment**”) published most recently prior to the Adjustment Date over the Index published the year before. Notwithstanding the foregoing, except as set forth in Sections 6.3 and 6.4 below, in no event shall the Fixed Rent on an Adjustment Date in any Lease Year after the Fifth Lease Year increase by more than three percent (3%) over the Base Rent for the previous Lease Year.

6.3. **Revaluation Adjustments of Base Rent.**

- (a) On January 1st of the thirtieth (30th) and forty-fifth (45th) Lease Years and, if the Renewal Term is applicable, on January 1st of the sixtieth (60th) and eightieth (80th) Lease Years (each, a “**Revaluation Date**”) the annual Base Rent shall be increased to the greater of (a) the CPI Adjustment amount or (b) five percent (5%) of the Revaluation Fair Market Value. Notwithstanding the foregoing, in no event shall the Base Rent on a Revaluation Date increase by more than fifteen percent (15%) over the Base Rent for the immediately previous Lease Year.
- (b) If Landlord and Tenant are unable to agree on the Revaluation Fair Market Value of the Land by July 1st immediately preceding the Revaluation Date (the “**Valuation Negotiation Date**”), then each party shall give written notice to the other no later than July 15th immediately preceding the Revaluation Date (the “**Determination Notice**”) setting forth its respective determination of the Revaluation Fair Market Value of the Land which shall be based on a full appraisal report prepared in accordance with the then current standards of the Uniform Standards of Professional Appraisal Practice (or the then equivalent appraisal standards if USPAP standards are no longer published and relied upon in appraisal practice). Landlord and Tenant shall simultaneously exchange copies of the appraisal report no later than three (3) days after the issuance of the last Determination Notice. If, however, either Landlord or Tenant fails to give its Determination Notice by the deadline and fails to cure such failure within thirty (30) days after notice from the other party, then the determination set forth in the other party’s Determination Notice will be the Revaluation Fair Market Value of the Land on the applicable Revaluation Date. If the lower determination of the Revaluation Fair Market Value of the Land set forth in the Determination Notices is not less than ninety five percent

(95%) of the higher determination, then the parties' determinations shall be averaged and the average shall be the Revaluation Fair Market Value of the Land. If the lower determination of the Revaluation Fair Market Value of the Land set forth in the Determination Notices is less than ninety-five percent (95%) of the higher determination, then, unless the parties agree, on or before October 1 immediately preceding the Revaluation Date, on one arbitrator to resolve the matter, the matter shall be submitted for decision to a panel of three (3) arbitrators. No later than October 15 preceding the Revaluation Date, Landlord and Tenant shall each appoint one arbitrator who is a designated member in good standing of the Appraisal Institute (or has a similar designation from any successor to the Appraisal Institute), with at least five (5) years' full-time commercial appraisal experience in the Vancouver, Washington area. The two arbitrators so appointed shall within fifteen (15) days after the date of the appointment of the last appointed arbitrator agree upon and appoint a third arbitrator who shall be qualified under the same criteria set forth above for qualification of the initial two arbitrators and, in addition, who is neutral and has not rendered services to either Landlord or Tenant or their respective Affiliates within the preceding five (5) year period. Failing such agreement, either Landlord or Tenant shall have the right to petition for the appointment of the third arbitrator by the Presiding Judge of the Superior Court of Clark County. The determination of the arbitrators shall be made by majority vote of the arbitrators and shall be limited solely to the issue of whether Landlord's or Tenant's proposed Revaluation Fair Market Value of the Land set forth in its Determination Notice is the closest to the actual Revaluation Fair Market Value of the Land. The arbitrators shall not have the power to choose any other value or to add to, modify or change any of the provisions of this Lease. The three arbitrators shall within thirty (30) days after the appointment of the third arbitrator reach a decision as to whether the parties shall use Landlord's or Tenant's proposed Revaluation Fair Market Value of the Land, and shall notify Landlord and Tenant thereof in writing. The arbitrators shall be directed to use best efforts to reach their decision on the Revaluation Fair Market Value of the Land on or before December 15 immediately preceding the Revaluation Date. The decision of a majority of the three (3) arbitrators shall be binding upon Landlord and Tenant and not subject to appeal. Each party shall bear the cost of the arbitrator appointed by it directly and the cost of the third arbitrator shall be paid one-half by Landlord and one-half by Tenant. Each party shall be responsible for its own attorneys' and experts fees in the arbitration process. Section 20 shall not be applicable to the determination of Revaluation Fair Market Value under this Section 6.3.

- (c) Any increase in the Base Rent under this Section 6.3 shall be retroactive to the applicable Revaluation Date even if the final determination of the amount of the increase is made after that Revaluation Date. In this case,

the accumulated increase shall be paid by Tenant to Landlord within twenty (20) business days after the date of the final determination.

- 6.4. **Redevelopment Revaluation.** If Tenant redevelops the New Improvements (excluding repairs and reconstruction following damage to or destruction of the Improvements, restoration to a smaller square footage following a Condemnation, tenant improvements and other interior improvements that do not increase the footprint, height or number of useable square feet in the New Improvements) or performs a material addition that increases the number of useable square feet in the New Improvements, then effective on January 1st of the first Lease Year after issuance of a permanent certificate of occupancy related to such redevelopment, the annual Base Rent shall be increased to the greater of (a) the CPI Adjustment amount, or (b) five percent (5%) of the Revaluation Fair Market Value, as determined pursuant to the procedures specified in Section 6.3. Thereafter, the new annual Base Rent determined pursuant to this Section will be subject to the adjustments specified in Section 6.2 and 6.3.
- 6.5. **Payment of Base Rent.** All Base Rent is due in monthly installments in advance on the first day of each calendar month. If the Lease Term commences or ends on a day other than the first day of a calendar month, then the Base Rent payable hereunder by Tenant for such month shall be prorated in the proportion that the number of days this Lease is in effect during such month bears to the actual number of days in such month. Tenant shall pay such prorated amount on the first day of the Lease Term or of such period as the case may be. All Base Rent and other Rent required to be paid by Tenant to Landlord under this Lease shall be paid in lawful money of the United States of America at Landlord's address designated in Section 23.4 or by direct deposit to a bank account designated by Landlord. Rent shall be considered to have been paid by Tenant and received by Landlord when deposited by Tenant in any deposit account designated by Landlord or if Landlord has not designated a deposit account, when such payment is physically received at Landlord's address for the payment of Rent.
- 6.6. **Additional Rent.** All amounts which Tenant is required to pay to Landlord pursuant to this Lease (other than Base Rent), shall constitute additional rent ("***Additional Rent***") whether or not the same be designated as Additional Rent in this Lease including without limitation:
- (a) all license and excise fees, business and occupation taxes and all other taxes covering all businesses conducted on the Property and which are not paid by tenants of the Property;
 - (b) all taxes on Tenant's personal property and intangibles on or used in connection with the Property;
 - (c) all insurance premiums;

- (d) all real property taxes or payments in lieu thereof due with respect to the Property, any portion of the Property and any improvements placed on the Property by Tenant;
- (e) all assessments for public improvements, special assessments and any other assessments on the Property and any improvements on the Property during the Term, to the extent of the annual installments are due and payable during the Lease Term, provided that neither party shall consent, without the other party's prior written approval, to any local improvement assessments when any portion thereof is payable during the Term, including any Renewal Term;
- (f) all charges for public and private utility services to or for the Property during the Lease Term, including but not limited to all water, gas, heat, electricity, light, telephone service, power, garbage and sewer services;
- (g) all costs and expenses to operate and maintain the Improvements; and
- (h) all other costs, expenses, rents, rates and charges, excises, levies, license fees, permit fees, inspection fees and other authorization fees and other charges, whether general or special, ordinary or extraordinary, foreseen or unforeseen, of every character (including interest and penalties), which at any time during or in respect of the Term or Renewal Term may be assessed, levied, confirmed or imposed on or in respect of or be a lien upon the Property or any part thereof, or any estate, right or interest therein, or any occupancy, use or possession of or activity conducted on the Property or any part thereof; provided, however, that Lessor shall not consent (without Lessee's approval) to any of the foregoing if any portion thereof is payable during the Term, including any Renewal Term.

All Additional Rent not paid directly to third-parties by Tenant is due in monthly installments in advance on the first day of each calendar month. Except as otherwise expressly provided herein, Tenant shall perform all of its obligations under this Lease at its sole cost and expense, and shall promptly pay all Additional Rent when due.

- 6.7. **Late Charge and Interest.** If any Rent, or any other monetary sums due Landlord are not paid within five (5) business days of the date it is due, Landlord may collect, and Tenant agrees to pay a "late charge" of five percent (5%) of the past due amount. In addition to the late charge, the Landlord shall charge and the Tenant shall pay interest on all amounts past due at the rate of 12% per annum accruing from the due date of such payment until paid.
- 6.8. **Payment Without Offset or Abatement.** All Rent and any other monetary sums payable by Tenant hereunder shall be paid without notice, demand, counterclaim, setoff, deduction or defense and without abatement (except as provided in Section 16.5), and the obligations and liabilities of Tenant hereunder shall in no way be

released, discharged or otherwise affected (except as expressly provided herein) by reason of: (a) any damage to or destruction of or any Condemnation of the Property or any part thereof (except as provided in Section 16.5); (b) any restriction of or prevention of or interference with any use of the Property or any part thereof; (c) any title defect or encumbrance or any eviction from the Property or any part thereof by title paramount or otherwise; (d) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Landlord, or any action taken with respect to this Lease by any trustee or receiver of Landlord, or by any court, in any such proceeding; (e) any claim which Tenant has or might have or assert against Landlord; (f) any failure on the part of Landlord to perform or comply with any of the terms of this Lease or of any other agreement with Tenant; or (g) any other occurrence whatsoever, whether similar or dissimilar to the remedy consequent upon a breach thereof, and no submission by Tenant or acceptance by Landlord of full or partial Rent during the continuance of any such breach, shall constitute a waiver for any such breach or of any such term. No waiver of any breach shall affect or alter this Lease or the respective rights of Landlord and Tenant with respect to any other then-existing or subsequent breach. Payment by Tenant or receipt by Landlord of a lesser amount than the stipulated rent or other sums due shall operate only as a payment on account of said rent or other sums. No endorsement or statement on any check or other remittance or in any communication accompanying or relating to such payment shall operate as a compromise or accord and satisfaction unless the same is independently approved in writing by Landlord. Landlord may accept such check, remittance or payment without prejudice to its right to recover the balance of said rent or other sums due by Tenant and pursue any other remedy allowable by law or under this Lease.

6.9. **Absolute Net Lease; Proof of Payment; Landlord Right to Pay; Change in Tax Law.**

- (a) Absolute Net Lease: This Lease is intended to be and shall be construed as an absolutely net lease pursuant to which Landlord shall not under any circumstances or conditions, whether presently existing or hereafter arising, or whether beyond the present contemplation of the parties, be expected or required to make any payment of any kind whatsoever or be under any other obligation or liability with respect to the Property, and Tenant shall make any and all payments required hereunder, subject to Section 7.1(m).
- (b) Proof of Payment: Tenant shall furnish to Landlord not later than ten (10) days before the date any tax or assessment would become delinquent, official receipts of the appropriate taxing authority or other proof reasonably satisfactory to Landlord that evidences the payment of such tax or assessment. Tenant shall pay any penalties, interest or other charges incurred by reason of any late payment unless the late payment is caused by Landlord's failure to remit funds to third persons which funds have

been paid to Landlord by Tenant in which event Landlord shall be responsible for such items.

- (c) Landlord Right to Pay: If Tenant fails to pay any tax, assessment, levy or other governmental charge when due, Landlord may pay such sum directly and any sum so paid shall become Additional Rent due and payable by Tenant on the next day after any such payment. If Tenant fails to pay any sums on a timely basis twice in any twelve (12) month period, after giving thirty (30) days' notice to Tenant (unless giving such notice would jeopardize Landlord's right under this Section), Landlord may require Tenant to pay to Landlord any taxes, assessments, levies and other governmental charges upon the Property that are payable by Tenant under this Lease. If Landlord exercises this right, Landlord shall pay all such sums to the applicable agency promptly following receipt of the payment from Tenant and shall provide proof of such payment to Tenant. If Landlord does not provide proof of such payment, then Tenant shall have no further obligation to make payments to Landlord and shall make such payments directly.
- (d) Change in Tax Law: If after the date hereof any law is passed that changes the laws now in force for the taxation of rental income for federal, state or local purposes, or the manner of the collection of such taxes, so as to adversely affect Landlord's interest, to the extent allowed by law, tenant shall bear and pay as additional rent the full amount of such taxes as they become due and payable by Landlord, provided that Tenant shall not be obligated to pay any of Landlord's federal, state or local income, gift or inheritance tax except to the extent, if any, such tax is designed to be a substitute in whole or in part for any tax otherwise payable by tenant under this Lease. Tenant shall not be required to pay any transfer, excise or other tax as a result of any transfer of Landlord's interest in the Property or any interest in Landlord.

7. **New Improvements.**

7.1. **Construction of New Improvements.**

- (a) Approval of Permits for New Improvements. Tenant shall secure all permits and approvals needed to construct the New Improvements. Tenant shall use commercially reasonable efforts to secure the permits specified below by the target dates set forth below, subject to delay for Force Majeure and, if applicable, the Overhang Redesign. Failure to secure permits by the target dates shall not constitute a default or an Event of Default.

<u>Type of Permit</u>	<u>Target Date</u>
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Shoring and Excavation Permit	March 18, 2020
Commence Construction	May 31, 2020
Podium Building Permit	June 9, 2020
Office Core and Shell Permit	September 2, 2020
Multi Family Building Permit	September 2, 2020
Tenant Improvement Permit	April 29, 2021

Tenant acknowledges that execution of this Lease by Landlord does not constitute approval by Landlord of any required or additional permits, applications, or other required approvals, if any, and in no way limits or expands the discretion of Landlord in the permit approval process.

- (b) Conceptual Design Plans. Prior to the Commencement Date, Landlord approved the conceptual design plans for the New Improvements as attached to that certain notice of approval from Landlord to Tenant dated as of _____, 2019 (the “Conceptual Design Plan”).
- (c) New Improvements to Conform to Design Renderings. Unless modified by operation of Section 7.1(d) below or by requirements imposed as part of the City’s design review process, the New Improvements shall be designed and constructed substantially in accordance with the approved conceptual design plans. The New Improvements shall be constructed in a good and workmanlike manner, free and clear of all Liens in accordance with Section 8.3 below and in conformance with the terms and conditions of the land use permits and approvals and building permits granted by Landlord.
- (d) Change in Design or Construction of New Improvements.
 - A. Before the Commencement Date, Landlord prepared and presented to the Vancouver City Council an amendment to Section 20.630.020 “Building Lines” of the Vancouver Municipal Code to allow new developments including without limitation the New Improvements to overhang the public right-of-way at a height of not less than twelve feet up to a maximum height of 85 feet and with a maximum overhang of not more than five (5) feet (the “Code Amendment”). Tenant agrees that this provision shall not be construed as a binding obligation on the Vancouver City Council or Landlord to enact the Code Amendment and that City Council retains the sole and absolute discretion to approve the Code Amendment in accordance with their approval criteria.
[Update with status as of Commencement Date]

- B. In the event the Vancouver City Council does not approve the Code Amendment, Landlord acknowledges that Tenant will be required to redesign the New Improvements to eliminate overhangs on the public sidewalks ("**Overhang Redesign**"). The Overhang Redesign will result in reductions to the size of, the number of residential units in and number of square feet of residential and retail space within the New Improvements. Tenant shall submit the Overhang Redesign to Landlord for its prior review and approval (which shall be separate from Landlord's permit review and approval process), which approval shall not be unreasonably conditioned, withheld or delayed. Landlord and Tenant shall work in good faith to agree upon the Overhang Redesign.
- C. The approval of changes in the plans by Landlord pursuant to this Section shall be in addition to any approvals required to be obtained from Landlord pursuant to building permit requirements. Approval of changes in the plans by Landlord shall not constitute approval by Landlord and shall in no way limit or expand Landlord's discretion in the design review process or permit approval process.
- D. If Tenant seeks to substantially renovate the New Improvements or redevelop the Premises during the Lease Term (excluding repairs and reconstruction following damage to or destruction of the Improvements, restoration to a smaller square footage following a Condemnation, tenant improvements and other interior improvements that do not increase the footprint, height or number of useable square feet in the New Improvements), Tenant shall submit plans and specifications for renovation, construction or demolition of improvements to Landlord for approval, which shall not be unreasonably withheld. Within ten (10) days of receipt, Landlord shall object to or approve such plans and specifications and shall submit such comments and/or suggestions as Landlord deems appropriate relating to Landlord's interest. Any plans or specifications providing for or granting any easement, right of way or purported dedication shall be specifically and prominently noted in the drawings and specifications and specifically noted in Tenant's written request for Landlord Landlord's review and approval. If Landlord does not submit its comments within the stated period, Landlord shall be deemed to have waived its right to approve or object to the plans and specifications except to the extent of any easement, right of way or purported dedication of Landlord Landlord's fee interest. If Landlord objects to the plans and specifications or submits any comments or suggestions, Tenant shall make a good faith effort to resolve Landlord's comments to Landlord's satisfaction but Tenant shall have the right to proceed with its plans in compliance with applicable law.

Tenant shall not materially amend the plans and specifications without submitting such amendments to Landlord for comment as above provided except that Landlord's review period shall be shortened to three (3) business days. Landlord shall have no right to review or approve any plans for interior improvements.

- (e) Property Tax Exemption. Tenant applied for participation in the Multi-Family Housing Tax Exemption ("**MTFE**") Program, which is authorized under RCW 84.14 and codified in Chapter 3.22 of the Vancouver Municipal Code. Subject to Tenant submitting a complete application and information as required and in compliance with the VMC Chapter 3.22, Landlord will consider, in accordance with and subject to the applicable review and approval criteria and conditions, conditional approval of the eight (8) year property tax exemption under the MTFE Program, which requires that 20% of the residential units in the New Improvements have rents set at levels affordable to tenants who earn no more than 100% of the area's median income. Nothing herein shall be deemed an approval of, or an obligation to approve, such tax exemption or a modification of its terms or requirements.
- (f) Commencement of Construction New Improvements.
 - A. Tenant shall commence construction of the New Improvements no later than May 31, 2020, subject to extension for Force Majeure or an Overhang Redesign. Construction will be deemed to have been commenced when Tenant performs actual and continued, substantial and material work under the Shoring and Excavation Permit with the actual good-faith intent of continued construction and completion of the New Improvements pursuant to the terms and conditions of this Lease. Tenant's failure to commence construction by such date shall constitute an Event of Default.
 - B. Prior to the commencement of construction, Tenant shall give at least sixty (60) days' written notice to the Vancouver Downtown Association ("**VDA**") to remove improvements installed by VDA on the Land. If VDA does not remove the improvements before the commencement of construction, Tenant shall remove and deliver such improvements in good condition to the VDA at Tenant's sole cost and expense.
- (g) Completion of the New Improvements. Tenant shall use commercially reasonable efforts to diligently prosecute to completion the construction of the New Improvements no later than thirty (30) complete calendar months after the issuance of the Shoring and Excavation Permit, subject to extension for Force Majeure or an Overhang Redesign. Tenant's failure to achieve Completion of Construction by that date shall constitute an Event of Default. "Completion of Construction" shall mean that: (a) Tenant's

architect has issued a certificate of substantial completion on AIA Form G704 or equivalent; and (b) the City of Vancouver has issued a certificate of occupancy for the New Improvements (but excluding any certificate of occupancy required for tenant improvements to office or retail spaces).

- (h) Progress Report. Until Completion of Construction, Tenant shall provide Landlord with monthly progress reports, or more frequent updates if Landlord reasonably requires, regarding the status of the construction of the New Improvements.
- (i) Construction Responsibilities.
 - A. It shall be the responsibility of Tenant to coordinate and schedule the work to be performed so that commencement and completion of construction will take place in accordance with this Lease.
 - B. Tenant shall be solely responsible for all aspects of Tenant's conduct in connection with the New Improvements, including (but not limited to) the quality and suitability of the plans and specifications, the supervision of construction work, and the qualifications, financial condition, and performance of all architects, engineers, contractors, subcontractors, suppliers, consultants, and managers. Any review or inspection undertaken by Landlord with reference to the New Improvements is solely for determining whether Tenant is properly discharging its obligations to Landlord and should not be relied upon by Tenant or by any third parties as a warranty or representation by Landlord as to the quality of the design or construction of the New Improvements.
- (j) Certificate of Completion. Promptly after completion of all the New Improvements on the Property in accordance with those provisions of this Lease relating solely to the obligations of Tenant to construct the New Improvements, Landlord shall provide an instrument so certifying the completion of the New Improvements on the Property (the “**Certificate of Completion**”). The Certificate of Completion shall be conclusive determination that the covenants in this Lease with respect to the obligations of Tenant to construct the New Improvements on the Property have been fully satisfied and are no longer operable. The issuance of such Certificate of Completion shall be in addition to any approvals required to be obtained from Landlord pursuant to building permit requirements concerning temporary or permanent occupancy of the New Improvements and such issuance shall not constitute approval by Landlord regarding occupancy or any way limit Landlord's discretion in approving the New Improvements for temporary or permanent occupancy.
- (k) Entry by Landlord. Tenant shall permit Landlord, through its officers, agents, or employees, at all reasonable times to enter into the Premises

after reasonable advanced written notice and acceptance by Tenant and subject to compliance with construction site work safety rule: (a) to inspect the work of construction to determine that the same is in conformity with the requirements of this Lease; and (b) following completion of construction, to inspect the ongoing operation and management of the New Improvements to determine that the same is in conformance with the requirements of this Lease. Tenant acknowledges that Landlord is under no obligation to supervise, inspect, or inform Tenant of the progress of construction, or operations and Tenant shall not rely upon Landlord therefore. Any inspection by Landlord during the construction is entirely for its purposes in determining whether Tenant is in compliance with this Lease and is not for the purpose of determining or informing Tenant of the quality or suitability of construction. Tenant shall rely entirely upon its own supervision and inspection in determining the quality and suitability of the materials and work, and the performance of architects, subcontractors, and material suppliers. If, at any time prior to the issuance of a certificate of occupancy and the issuance of the Certificate of Completion by Landlord, Landlord shall determine in its reasonable discretion that such construction is not being made substantially in accordance with this Lease including without limitation the Conceptual Design Plans or the required completion schedule in this Lease, Landlord may give notice to Tenant specifying in detail the particular deficiency, omission or other respect in which Landlord claims construction does not accord with the Lease. Upon receipt of such notice, Tenant shall take all steps reasonably necessary to cause corrections to be made as to such deficiency or omission or to obtain Landlord's consent to any change.

- (l) Corporate Headquarters. Tenant covenants and agrees that it shall cause an affiliate of Holland Partner Group, LLC to lease (or acquire by purchase) no less than two (2) full floors, containing approximately 40,000 square feet (subject to reduction if the Overhang Redesign is required) of the office component of the New Improvements for a base lease term of no less than ten (10) years and covenants and agrees that it shall cause Holland Partner Group to relocate its corporate headquarters to such premises after Completion of Construction. Breach of this covenant shall be a material default.
- (m) Drive-Thru. Landlord shall terminate, the permit for the bank drive-thru teller located in the West 9th Street right-of-way between Columbia and Washington Streets no later than thirty (30) days prior to estimated commencement of construction.

- 7.2. Indemnity. Tenant shall defend, indemnify, protect and hold Landlord harmless from any claims, liabilities, damages, losses, or expenses arising by virtue of or relating to Construction engaged in, by or for Tenant on the Land. Tenant shall timely and regularly pay any and all amounts properly payable to third parties

with respect to such Construction and will maintain its books and records with respect to all aspects of such work and material therefor, and will make them available for inspection by Landlord upon request. Except as agreed to by Tenant, as required by law or as reasonably necessary in connection with the good faith prosecution of Landlord's ordinary business (including disclosure to its tax and legal advisors), Landlord shall keep confidential and not disclose to third parties any information or documents provided to Landlord under this Section.

- 7.3. **Liens.** Tenant expressly covenants and agrees that no liens of mechanics, materialmen, laborers, surveyors, engineers, architects, artisans, contractors, subcontractors, suppliers or any other lien of any kind whatsoever (together "***Liens***") shall be created against or imposed upon the Land or the New Improvements, and that in the event any such Liens shall be asserted or filed by any persons, firms or corporations performing labor or services or furnishing material or supplies in connection with Tenant's Construction, Tenant shall pay off in full or cause the same to be discharged of record within thirty (30) days of notification thereof. Tenant reserves the right to contest the validity or amount of any such Lien in good faith provided that, within thirty (30) days after the filing of such Lien, Tenant discharges said Lien of record or records a bond which complies with the requirements of RCW 60.04.161 eliminating said Lien as an encumbrance against the Land or the Improvements. In the event Tenant shall fail to so remove any such Lien, Landlord may take such action as Landlord shall reasonably determine to remove such Lien and all costs and expenses incurred by Landlord including, without limitation, amounts paid in good faith settlement of such Lien and attorneys' fees and costs, together with interest thereon, shall be paid by Tenant as Additional Rent. Tenant's obligations pursuant to this Section shall survive the expiration or earlier termination of this Lease. Nothing contained in this Lease shall be deemed to constitute Tenant as Landlord's agent, express or implied, for the performance of any labor or services or for the furnishing of any materials or equipment for any construction, alteration, addition, repair or demolition of, to or on the Land (or any part thereof). NOTICE IS HEREBY GIVEN THAT LANDLORD WILL NOT BE LIABLE FOR ANY LABOR, SERVICES, MATERIALS OR EQUIPMENT FURNISHED OR TO BE FURNISHED TO TENANT, OR ANYONE HOLDING AN INTEREST IN THE LAND OR THE IMPROVEMENTS (OR ANY PART THEREOF) THROUGH OR UNDER TENANT, AND THAT NO MECHANIC'S OR OTHER LIENS FOR ANY SUCH LABOR, SERVICES, MATERIALS OR EQUIPMENT SHALL ATTACH TO OR AFFECT THE INTEREST OF LANDLORD IN THE LAND OR THE IMPROVEMENTS.

- 7.4. **Fixtures and Equipment.** In constructing the New Improvements, Tenant and Space Tenants may place or install in the New Improvements such trade fixtures and equipment as Tenant or Space Tenants shall deem desirable for the conduct of business therein. Personal property, trade fixtures and equipment used in the conduct of business by Tenant and Space Tenants (as distinguished from fixtures and equipment used in connection with the operation and maintenance of the New Improvements) placed by Tenant or Space Tenants on or in the New

Improvements, including factory equipment, telephone, telecommunications and facsimile transmission equipment and lines, point of sale equipment, televisions, radios, computer systems, and the then-equivalents of any of the foregoing, shall not become part of the real property, even if nailed, screwed or otherwise fastened to the improvements or buildings, but shall retain their status as personal property. Such personal property may be removed by Tenant or Space Tenants at any time so long as any damage to the property of Landlord occasioned by such removal is thereupon repaired. All other fixtures, equipment and Improvements (including but not limited to the New Improvements and all fixtures and equipment necessary for its operation and maintenance) constructed or installed upon the Land shall be deemed to become part of the real property and, upon termination or expiration of this Lease, shall become the sole and exclusive property of Landlord, free of any and all claims of Tenant or any person or entity claiming by or through the Tenant. In the event Tenant or Space Tenants do not remove their personal property and trade fixtures which they are permitted by this Section 7.4 to remove within forty-five (45) days following the termination or expiration of this Lease, Landlord may at its election (i) require Tenant to remove such property at Tenant's sole expense, and Tenant shall be liable for any damage to the Land and the Improvements caused by such removal, (ii) treat said personal property and trade fixtures as abandoned, retaining said properties as part of the Land and the Improvements, or (iii) have the personal property and trade fixtures removed and stored at Tenant's expense, or otherwise dispose of such property after twenty (20) days prior written notice to Tenant with an opportunity to redeem them by payment of the costs of storage, removal and repair and related costs and fees incurred. Tenant shall promptly reimburse Landlord for any damage caused to the Land and the Improvements by the removal of personal property and trade fixtures, whether removal is by Tenant or Landlord.

7.5. **Contractor Insurance.** At Tenant's sole cost, Tenant shall maintain or cause any contractor of Tenant performing Construction on the Land to maintain insurance as follows and shall provide Landlord with satisfactory proof of such coverage prior to commencement of any Construction:

- (a) Commercial General Liability Insurance on an occurrence basis including, but not limited to, Contractual Liability, Owner's and Contractor's Protective, and Products/Completed Operations Liability in the following minimum limits of liability: Bodily Injury and Property Damage: \$1,000,000/each occurrence; \$2,000,000/aggregate. (Products/Completed Operations Liability Insurance is to be provided for a period of at least three (3) years after completion of work.) Such coverage shall include protection for Explosion, Collapse and Underground Damage.
- (b) Statutory workers' compensation or similar insurance required by law.

Tenant's contractor's insurance shall be primary and not contributory to that carried by Tenant, Landlord, their agents or mortgagees. Tenant and Landlord, and if any, Landlord's building manager or agent or mortgagee shall be named as

additional insured on Tenant's contractor's insurance policies on Form CG2010 11/85 (ISO) or equivalent. The company or companies writing any insurance which Tenant's contractor is required to maintain under this Lease, as well as the form of such insurance, shall at all times be subject to Landlord's reasonable approval, and any such company shall be licensed to do business in the state of Washington. Such insurance companies shall have an A.M. Best rating of A-VII or better.

- 7.6. **Permits; Compliance with Laws.** All building permits and other permits, licenses, permissions, consents and approvals required to be obtained from governmental agencies or third parties in connection with construction of the New Improvements and any subsequent improvements, repairs, replacements or renewals to the Improvements shall be acquired as required by applicable Laws including but not limited to, building codes and the ADA (Americans with Disabilities Act), by and at the sole cost and expense of Tenant. Tenant shall cause all work on the Land and the New Improvements during the Term to be performed in accordance with all applicable Laws and all directions and regulations of all governmental agencies and the representatives of such agencies having jurisdiction. Tenant is responsible, at Tenant's sole cost and expense, to cause the Land and the Improvements to comply with all applicable governmental laws, statutes, rules, regulations and/or ordinances that apply to the Land and the Improvements during the Lease Term, whether now in effect, or hereafter adopted or enacted.
- 7.7. **Landlord's Cooperation.** Landlord will fully cooperate with Tenant incident to and not oppose Tenant's obtaining of permits for the New Improvements on the Land and will, without cost to Landlord or charge to Tenant, execute and deliver to Tenant, within ten (10) days of request, any permit application or other document prepared by Tenant and reasonably requested by Tenant conditioned upon such permit application, alley vacation or other document prepared by Tenant does not purport to or in any way seek to alter, diminish or otherwise obviate Landlord's ordinances, rules, regulations and independent permitting and enforcement authority. Landlord's cooperation shall not be deemed to include, require or otherwise condition Landlord's independent review, permitting and enforcement authority.
- 7.8. **Guaranty.** Contemporaneously with the execution of this Lease, Tenant has delivered to Landlord the Guaranty of Completion and Performance for the New Improvements in the form attached as Exhibit B, duly executed by Holland Partner Group Investments, LLC (the "***Guaranty***").
- 7.9. **Deposit.** Contemporaneously with the execution of this Lease, Tenant has delivered to Landlord a deposit in the amount of \$250,000 (the "***Deposit***"). No part of the Deposit shall be considered to be held in trust or to be prepayment for any monies to be paid by Tenant. The Deposit shall be held by Landlord as security for the faithful performance by Tenant of all the terms, covenants, and conditions of this Lease to be kept and performed by Tenant during the entire

Term hereof. If an Event of Default occurs, including but not limited to the provisions relating to the payment of any rent or other charges or sums due under this Lease, Landlord may (but shall not be required to) use, apply, or retain all or any part of the Deposit for the payment of any such rent or other charges or sums due under this Lease, or for the payment of any amount which Landlord may spend or become obligated to spend by reason of Tenant's default, or to compensate Landlord for any other loss, damage, cost or expense (including attorney's fees) which Landlord may suffer or incur by reason of Tenant's default. Landlord shall not be required to keep the Deposit separate from its general funds and Tenant shall not be entitled to interest on such Deposit. Except in the case where the Event of Default was occasioned by a Debt and Equity Default, if any portion of said Deposit is so used or applied, Tenant shall, within five (5) days after written demand therefor, deposit a certified or cashier's check with Landlord in an amount sufficient to restore the Deposit to its original amount and Tenant's failure to do so shall be a default under this Lease. For clarity, this restoration obligation shall not apply if the Event of Default is occasioned by a Debt and Equity Default, but the restoration obligation shall be automatically reinstated if a Debt and Equity Cure is effected. Within sixty (60) days after Tenant demonstrates to Landlord's reasonable satisfaction that Tenant has paid \$5,000,000 in hard costs for the construction of the New Improvements, Landlord shall refund the Deposit to Tenant.

8. **Ownership and Removal of Improvements.** The New Improvements and all other Improvements, alterations and additions constructed by Tenant on, over or under the Land shall be and remain the property of Tenant until the expiration or earlier termination of this Lease. At the expiration or earlier termination of this Lease, the New Improvements and all other Improvements, additions and alterations thereto which are on, over or under the Land shall become the property of Landlord.

9. **Utilities.** Tenant shall arrange and pay for heat, light, water, gas and sewer and for all other public utilities which shall be used in or charged against the Premises during the full Lease Term. Landlord shall not be liable for the failure of any such services for any reason whatsoever. Tenant shall indemnify, defend and hold Landlord harmless against and from any loss, liability, claim or expense resulting from any failure of Tenant to pay all such charges when due.

10. **Taxes and Assessments.**

- 10.1. **Real Property Taxes and Assessments.** Tenant agrees to bear, pay and discharge before delinquency thereof, as Additional Rent, all taxes and assessments, general and special, which may be taxed, charged, levied, assessed or imposed upon or against or be payable for or in respect of the Property or any part thereof, including any new taxes and assessments not of the kind enumerated above to the extent that the same are made, levied or assessed in lieu of any taxes or assessments now customarily levied against real estate or personal property. Taxes and assessments for the year in which the Lease Term commences shall be prorated between Landlord and Tenant as of the Commencement Date. Taxes and

assessments for the year in which this Lease expires or terminates shall be prorated between Landlord and Tenant as of such date of expiration or termination. Tenant shall have the right, in its or Landlord's name, to contest the validity of any tax or assessment which Tenant is required to bear, pay and discharge hereunder, by appropriate legal proceeding, provided that Tenant, before instituting any such contest, pays such taxes or assessments in full.

- 10.2. **Personal Property Taxes.** Tenant shall pay prior to delinquency all personal property taxes assessed against and levied upon Tenant's furnishings, equipment and all other of Tenant's personal property. If possible, Tenant shall cause Tenant's furnishings, equipment and all other of Tenant's personal property to be assessed and billed separately from the Property.
- 10.3. **Other Taxes.** If any governmental authority or unit under any present or future law effective at any time during the term of this Lease shall in any manner levy a tax on Rent payable under this Lease, or a tax in any form against and/or because of or measured by gross income derived from the leasing or rental of the Premises, the amount of the next succeeding month's Base Rent following payment of such tax by Landlord shall be increased by an amount equal to such tax paid by Landlord. Should Tenant fail to pay the Base Rent thus revised, Landlord shall have the same remedies as upon failure to pay Rent. Notwithstanding the foregoing, Tenant shall not be liable to pay any amount because of income tax of a general applicability or any net income, profits, excess profits, succession, estate, capital, transfer or inheritance tax of any kind or nature whatsoever.
- 10.4. **New Assessment District Decisions.** If any proposal is made to include the Land in any local improvement district ("***LID***") (or to modify the terms of any LID, including the amount or calculation of any required payments) and the owner of the Land is entitled to vote in favor of or against such proposal, then, provided there is then no uncured Event of Default, Tenant shall decide how to vote, the parties shall cooperate to effectuate such decision, and Tenant shall have full power to represent the Land in all matters related to the LID. At any time during the last ten (10) years of the Lease Term any such LID shall require the approval of Landlord which, provided there is then no uncured Event of Default, shall not be unreasonably withheld.

11. **Maintenance and Repair.**

- 11.1. **Landlord's Repairs.** Landlord shall not be required or obligated to make any changes, alterations, additions, improvements, or repairs in, on, or about the Property or any part thereof, during the Lease Term or any extension thereof.
- 11.2. **Tenant's Repairs.** Tenant at its sole cost and expense shall maintain the Property including all Improvements and all appurtenances thereto and every part thereof in good order, condition and repair and will take all action and will perform all interior and exterior, structural and non-structural, foreseen and unforeseen,

ordinary and extraordinary, maintenance and repairs required to keep the Property in good repair and condition. Landlord shall not be required to maintain, repair or rebuild all or any part of any Improvements. Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford Tenant the right to make repairs at Landlord's expense or to terminate this Lease because of Landlord's failure to keep the Property in good order, condition and repair. Landlord, at its option, may make periodic inspections of the Property upon reasonable prior notice to Tenant for the purpose of determining Tenant's satisfaction of its obligations under this Section, and Tenant agrees to promptly perform all maintenance and repairs reasonably required by Landlord as the results of such inspection to maintain the Property in good order, condition and repair and in the condition required under this Lease.

- 11.3. **Rights of Landlord.** If Tenant fails to maintain the Property in good order, condition and repair, Landlord may give Tenant notice to do such acts as are reasonably required to so maintain them. If Tenant fails to commence such work within a reasonable period of time and complete the same within such period of time as is reasonable under the circumstances, not to exceed one hundred twenty (120) days, subject to reasonable extension for Force Majeure events, then in addition to any other rights and remedies Landlord may exercise hereunder, Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amount so expended by Landlord shall be paid by Tenant promptly after demand as Additional Rent with interest at twelve percent (12%) per annum from the date of such work until paid. Landlord shall have no liability to Tenant for any damage, inconvenience or interference with the use of the Property by Tenant as a result of performing any such work. Nothing in this Lease shall imply any duty or obligation upon the part of Landlord to do any such work or to make any such alterations and repairs and the performance thereof by Landlord shall not constitute a waiver of Tenant's default in failing to perform the same.
- 11.4. **Condition at End of Lease.** Upon the expiration or earlier termination of this Lease, Tenant shall surrender the Property with the Improvements in the condition they are required to be maintained by Tenant hereunder, ordinary wear and tear and damage by fire, earthquake, act of God or the elements excepted.
12. **Modifications, Additions and Replacements.** After the New Improvements have been completed, Tenant may thereafter, without the requirement of any consent of Landlord, except as set forth in Section 7.1 above, make modifications, alterations, additions or improvements to the Improvements, including, without limitation, construction of tenant improvements, provided the same do not materially decrease the value of the Improvements in whole or in part or impair the structural integrity of the Improvements. The modifications, alterations, additions or improvements permitted under the preceding sentence without Landlord's consent, except as set forth in Section 7.1, are referred to in this Lease as the ***"Permitted Modifications"***. Any Permitted Modifications shall not materially decrease the value of the Property, shall be expeditiously completed in a good and workmanlike manner and in compliance with all applicable Laws and the

requirements of all insurance policies applicable to the Property. Tenant shall pay, when due, all claims for labor, materials, supplies or equipment furnished to or for Tenant at or for use in the Property. Other than Construction of the New Improvements in accordance with the provisions of this Lease and other than Permitted Modifications, Tenant shall not make any other material modifications, alterations, additions or improvements to the Property or any part thereof, including without limitation, construction of Improvements which replace the then existing Improvements (collectively, ***“Replacement Improvements”***), without first complying with Section 7.1 of his Lease.

13. **Indemnification and Waiver of Subrogation.**

13.1. **Indemnification by Tenant.** Tenant shall absolutely and unconditionally protect, defend, indemnify and hold Landlord harmless from and against any and all claims, debts, demands, obligations, losses, Liens, damages, judgments or liabilities now or hereafter arising from or relating to: (i) Tenant’s use of the Property; (ii) the design, development, construction, operation, maintenance, repair or management of the Improvements, or (iii) the conduct of business or from any activity, work or thing done, permitted or suffered by Tenant or any other person in, under or about the Property, and shall further protect, defend, indemnify and hold Landlord harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant’s part to be performed under the terms of this Lease, or arising from any act, omission or negligence of Tenant, or any of its agents, contractors and employees or any other person and from and against any and all costs, attorneys’ fees, expenses, penalties, interest and other liabilities incurred in connection with such claim or any action or proceeding brought against Landlord by reason of any such claim. Tenant hereby assumes all risk of damage to property or injury to persons, in, under or about the Property from any cause. If Tenant is required to defend any action or proceeding pursuant to this Section 13.1 to which action or proceeding Landlord is made a party, Landlord shall also be entitled to appear, defend or otherwise take part in the matter involved, at its election, by counsel of its own choosing, and to the extent Landlord is indemnified under this Section 13.1, Tenant shall bear the cost of Landlord’s defense, including reasonable attorneys’ fees. It is intended that the foregoing indemnity shall be broad and comprehensive. This indemnity shall survive the expiration or other termination of this Lease. LANDLORD AND TENANT HEREBY WAIVE THEIR IMMUNITY WITH RESPECT TO THE OTHER UNDER THE INDUSTRIAL INSURANCE ACT (RCW TITLE 51) AND/OR THE LONGSHOREMEN’S AND HARBOR WORKER ACT, AND/OR ANY EQUIVALENT ACTS. THIS WAIVER HAS BEEN SPECIFICALLY NEGOTIATED BY THE PARTIES TO THIS LEASE AND THE PARTIES HAVE HAD THE OPPORTUNITY TO, AND HAVE BEEN ENCOURAGED TO, CONSULT WITH INDEPENDENT COUNSEL REGARDING THIS WAIVER.

13.2. **Waiver of Subrogation.** Whether the loss or damage is due to the negligence of either Landlord or Tenant, their agents or employees, or any other cause,

Landlord and Tenant do each herewith and hereby release and relieve the other and any other tenant, its agents or employees, from responsibility for, and waive their entire claim of recovery for any loss resulting from business interruption at the Premises or loss of income from the Improvements or any loss or damage to the real or personal property of either located anywhere on or under the Premises arising out of or incident to the occurrence of any of the perils which are covered by any all-risk direct physical damage insurance policy now or from time to time carried by the parties hereto or any of the perils covered by the physical damage insurance policy required hereunder. Each party shall cause its insurance carriers to consent to such waiver and to waive all rights of subrogation against the other party. Notwithstanding the foregoing, no such release by Landlord or Tenant shall be effective unless such waivers are obtainable by each party.

14. **Insurance.** Tenant shall, at its sole cost and expense, procure and maintain, or cause to be procured and maintained during the entire Lease Term, the insurance described in this Section (or if not available, then its available equivalent), issued by an insurance company or companies licensed to do business in the State of Washington reasonably satisfactory to Landlord, reasonably covering and protecting Tenant and Landlord. [Subject to review by Holland's insurance consultant]

- 14.1. **Required Coverage.** (i) Property insurance with respect to all insurable property and rental income, against loss or damage by fire, lightning, windstorm, explosion, hail, tornado and such additional hazards as are presently included in Special Form (also known as "*all-risk*") coverage in an amount not less than one hundred percent (100%) of the full replacement cost of the Improvements, plus the cost of debris removal and sufficient to prevent Tenant from becoming a coinsurer, such insurance to be in "builder's risk" completed value (non-reporting) form during and with respect to any Construction; (ii) if and to the extent any portion of the Land is, under the Flood Disaster Protection Act of 1973 ("*FDPA*"), as it may be amended from time to time, in a Special Flood Hazard Area, within a Flood Zone designated A or V in a participating community, a flood insurance policy in an amount sufficient to meet the requirements of applicable law and the FDPA, as such requirements may from time to time be in effect; (iii) general liability insurance, on an "occurrence" basis against claims for bodily injury, death or property damage liability, for the benefit of Tenant as named insured and Landlord and its lenders as additional insured(s), with limits of no less than \$5,000,000 per occurrence and in the annual aggregate (increased on January 1 of the tenth (10th) Lease Year and each ten year anniversary thereafter by the percentage increase in the Index; and (vi) such other available insurance on the Property as may from time to time be reasonably required by Landlord or its lenders against other insurable hazards or casualties which at the time are commonly insured against in the case of premises similarly situated, due regard being given to the height, type, construction, location, use and occupancy of buildings and improvements, provided the same is available on commercially reasonable terms. Any dispute between Landlord and Tenant under this Section 14.1 will be resolved by arbitration pursuant to Section 20 of this Lease.

- 14.2. **Insurance Policy Requirements.** All insurance policies shall be issued and maintained by insurers, in amounts, with deductibles, limits and retentions and in forms reasonably acceptable to Landlord. Tenant will obtain insurance policies that require at least ten (10) days' prior written notice to Landlord of any cancellation for nonpayment of premiums and at least thirty (30) days' prior written notice to Landlord of any other cancellation or any change of coverage. All insurance companies must be licensed to do business in the state of Washington and must have A. M. Best Company financial and performance ratings of A-VIII or better (or the substantial equivalent if no longer published). All insurance policies maintained, or caused to be maintained, by Tenant with respect to the Property shall provide that each such policy shall be primary without right of contribution from any other insurance that may be carried by Landlord and that all of the provisions thereof, except the limits of liability, shall operate in the same manner as if there were a separate policy covering each insured. All such policies shall contain a provision that Landlord, although named as an additional insured, shall nevertheless be entitled to recover under said policies for any loss occasioned to it, its servants, agents, and employees by reason of the negligence of Tenant. All such insurance shall specifically insure the performance by Tenant of the indemnity agreement as to liability for injury to or death of persons or injury or damage to property contained in Section 13.1 of this Lease. If any insurer which has issued a policy of hazard, liability or other insurance required pursuant to this Lease becomes insolvent or the subject of any petition, case, proceeding or other action pursuant to any bankruptcy or insolvency statute, or if in Landlord's reasonable opinion the financial responsibility of such insurer is or becomes inadequate, Tenant shall, upon its discovery thereof or upon request by Landlord therefor, promptly obtain and deliver to Landlord, at Tenant's expense in each instance, a like policy (or, if and to the extent permitted by Landlord, acceptable evidence of insurance) issued by another insurer, which insurer and policy satisfy the requirements of this Lease. Evidence of insurance as may be acceptable to Landlord shall be delivered to Landlord at the Commencement Date, and a copy of each insurance policy shall be delivered to Landlord as soon as practicable, but no later than ninety (90) days after the Commencement Date of this Lease, with all premiums fully paid current, and evidence of each renewal or substitute policy (or evidence of insurance) shall be delivered to Landlord, with all premiums fully paid current, at least ten (10) days before the termination of the policy it renews or replaces. Tenant shall pay all premiums on policies required hereunder as they become due and payable and promptly deliver to Landlord evidence satisfactory to Landlord of the timely payment thereof.
- 14.3. **Landlord's Acquisition of Insurance.** If Tenant at any time during the Lease Term fails to procure or maintain insurance required under this Section 14, Landlord shall have the right upon five (5) business days prior notice to Tenant, to procure such substitute insurance as Landlord deems appropriate (but shall be under no obligation to do so) and to pay any and all premiums thereon, and Tenant shall pay to Landlord upon demand the full amount so paid and expended by Landlord.

14.4. **Application of Insurance Proceeds.** The application of insurance proceeds from damage or loss to property shall be determined in accordance with Section 15 below and, in the event of any repair, replacement, restoration or rebuilding, Tenant shall apply the proceeds of the insurance collected to the cost of such work upon certificate of progress and/or completion by the licensed architect or engineer in charge of the work. Any amounts payable to Tenant or any Affiliate of Tenant for work or services performed or materials provided as part of any such repair, replacement, restoration or rebuilding shall not exceed competitive rates for such services or materials and Tenant shall upon request of Landlord, make available to Landlord and its representatives at Landlord's offices all books and records of Tenant relating to such work, services and materials.

15. **Damage or Destruction.**

15.1. **Damage Prior to Last Five Years.** In the event of any damage to or destruction of the Improvements from any cause whatever prior to the last five (5) years of the Lease Term, Tenant shall promptly give written notice thereof to Landlord. Tenant shall promptly repair or restore the Improvements as nearly as possible to their condition immediately prior to such damage or destruction, or Tenant may elect to replace the damaged or destroyed Improvements with Replacement Improvements. If the Improvements are substantially destroyed or damaged and Tenant reasonably determines that repair and restoration of the damaged or destroyed Improvements is not feasible and Tenant does not elect, in its sole discretion, to build Replacement Improvements, Tenant shall have the right to terminate this Lease exercisable by the delivery of written notice to Landlord by no later than one hundred eighty (180) days after the date of the damage or destruction, and the termination shall be effective on the date notice is delivered by Tenant or such later date as Tenant may designate in such notice. Any dispute between Landlord and Tenant about whether the Improvements are substantially destroyed or damaged or whether restoration or repair of the damaged or destroyed Improvements is feasible shall be determined by arbitration in accordance with Section 20 of this Lease. If Tenant timely and duly elects to terminate this Lease pursuant this Section, then Tenant shall use as much of the available insurance proceeds as is necessary to demolish the Improvements (or those portions Landlord requests to be removed), remove all debris, fill in all excavation to level the site and return the Land to a safe and clean condition. Tenant's duty to repair any damage to or destruction of the Property (or to otherwise comply with the requirements of the preceding sentence in case of termination) shall not be conditioned upon the availability of any insurance proceeds. There shall be no abatement or reduction in Rent during such repair and restoration or demolition or new construction. If this Lease is terminated as provided in this Section, Tenant shall be entitled to receive all of the net insurance proceeds after payment of the costs of demolition and removal of the Improvements and restoration of the Land as provided above.

15.2. **Damage During Last Five Years.** In the event such damage or destruction occurs within the last five (5) years of the Lease Term, and if such damage or

destruction cannot be substantially repaired within six (6) months from the date of such damage or destruction, Tenant may elect to terminate this Lease by written notice delivered to the other within ninety (90) days after the date of such damage or destruction. If Landlord and Tenant cannot agree about the time required for repair, the issue shall be determined by arbitration in accordance with Section 20 of this Lease. If Tenant timely and duly elects to terminate this Lease pursuant to this Section, then Tenant shall use as much of the insurance proceeds as necessary to demolish the Improvements (or those portions Landlord requests to be removed), remove all debris, fill in all excavation to level the site and return the Land to a safe and clean condition. Tenant's duty to comply with the requirements of the preceding sentence in case of termination shall not be conditioned upon the availability of any insurance proceeds. If Tenant does not elect to terminate this Lease, then Tenant shall repair or restore the Improvements as nearly as possible to their condition immediately prior to such damage or destruction or construct thereon such other Improvements as may be approved by Landlord, such approval not to be unreasonably withheld, conditioned or delayed. If Tenant elects to terminate this Lease, the Lease Term shall end on the earlier of the last day of the then-existing Lease Term or one hundred twenty (120) days after the date of such damage or destruction. Any insurance proceeds from Tenant's insurance payable shall be allocated between Landlord and Tenant pro-rata based upon the unexpired Lease Term then in effect, subject to Landlord's claim against Tenant's share of such proceeds from Tenant's insurance in an amount equal to unpaid Rent due from Tenant hereunder; provided, however, that Tenant's share of such insurance proceeds shall be no less than the amount required to pay off any Leasehold Mortgage in effect and recorded prior to the date of the casualty. If this Lease is not terminated, any net insurance proceeds from Tenant's insurance payable by reason of such damage or destruction shall be made available to Tenant to pay the costs of such reconstruction and any funds remaining shall be paid to Tenant.

16. **Condemnation.**

- 16.1. **Effect of Taking.** If during the Lease Term there is a Total Condemnation, this Lease and the leasehold estate of Tenant in and to the Premises shall cease by virtue of the Condemnation Proceedings and terminate as of the Date of Condemnation. Termination of this Lease shall not effect Tenant's share of any Condemnation Award under this Section. Neither Landlord nor Tenant shall compromise or settle any Condemnation action without the consent of the other. Landlord, Tenant and any Leasehold Mortgagee shall be entitled to participate in such Condemnation proceedings. Any Condemnation Award which is to be applied to restoration of the Improvements shall be paid to Tenant. The Condemnation Award shall be applied first to the actual out-of-pocket costs incurred by Landlord and Tenant in the Condemnation proceedings and then as provided in Section 16.2 or Section 16.3.

- 16.2. **Allocation of Award for Total Condemnation.** The Condemnation Award for a Total Condemnation, after payment of the costs of the Condemnation proceedings, shall be allocated between Landlord and Tenant as follows:
- (a) Tenant shall receive that portion of the Condemnation Award which is attributable to the taking of the New Improvements or any Replacement Improvements; provided, that in the event Tenant has complied with the provisions of Section 18.1 below relating to limiting the principal balance(s) of the Leasehold Mortgage(s) in the aggregate to no more than eighty percent (80%) of the fair market value of the Improvements as of the date of the funding of the most recent Leasehold Mortgage, then the portion of the Condemnation Award to be received by Tenant shall be equal to the greater of (i) the amount required to pay off the amount then owing on said Leasehold Mortgage(s), or (ii) the amount of the award attributable to the taking of the New Improvements or any Replacement Improvements.
 - (b) The balance of the Condemnation Award shall be paid to Landlord.
 - (c) Any dispute between Landlord and Tenant regarding allocation of the Condemnation Award upon a Total Condemnation shall be resolved by binding arbitration in accordance with Section 20 of this Lease.
- 16.3. **Allocation of Award for Temporary Condemnation.** Any Condemnation Award for a Temporary Condemnation shall be paid to Tenant.
- 16.4. **Allocation of Award for Partial Condemnation.** The Condemnation Award for a Partial Condemnation shall be paid to Tenant and applied first toward restoration of the Improvements, in the same manner as restoration after casualty. Whether or not the Condemnation Award is adequate, Tenant shall, at its expense, restore the Improvements in compliance with this Lease. After Tenant has completed and fully paid for restoration, any remaining Condemnation Award shall be distributed to Landlord and Tenant as if it arose from a Total Condemnation that affected only the portion of the Property taken, with an equitable allocation of all elements taken into account in determining such distribution.
- 16.5. **Abatement of Rent.** There shall be no abatement of Base Rent as a result of any Temporary Taking. If the Condemnation Award for a Partial Taking exceeds \$1,000,000 and if any portion of the Condemnation Award is paid to Landlord, then commencing as of the first day of the calendar month after Landlord has received its portion of the Condemnation Award the Base Rent shall be reduced in the same proportion that the square footage of the portion of the Property so taken bears to the total square footage of the Property.
- 16.6. **Tenant's Personal Claims.** Nothing in the foregoing provisions of this Section 16 shall limit Tenant's right to separately pursue compensation or

damages for lost revenues, business interruption, lost value of plans and permits and moving and relocation expenses, and Tenant shall be solely entitled to any such compensation for damages free and clear of any claim by Landlord, but no such claim may have the effect of reducing the amount of the Condemnation Award.

17. **Assignment and Subletting.**

- 17.1. **Assignment of Lease or Sublease of Entire Premises.** Tenant shall have the right to assign its interest in this Lease or to sublet all (but not part) of the Premises to any other party subject to the prior written approval of Landlord, said approval not to be unreasonably withheld, conditioned or delayed so long as the proposed assignee or subtenant (a) shall have paid a minimum of twenty percent (20%) of the purchase price for the Improvements in cash; (b) has prior experience owning and/or managing real property comparable to the Property; and (c) shall agree in writing to be bound by and assume the terms of this Lease. Any sale, conveyance, assignment or sublease of the entire Property by Tenant shall be evidenced by an instrument in writing, duly executed under seal, acknowledged by Tenant and by the assignee or assignees, and duly recorded in the Office of the Recorder of Clark County, Washington. Such instrument shall provide that the assignee or assignees shall expressly accept and assume all the terms and conditions the Lease requires Tenant to observe and perform from and after the date of the assignment. Tenant agrees that a duplicate copy of said instrument, duly executed, together with the address of the assignee or subtenant, shall be delivered to Landlord within ten (10) days after the date of the delivery thereof to Tenant. The parties agree that any attempted sale, conveyance, assignment or sublease by Tenant of Tenant's entire interest in the Property and in the buildings thereon, without complying with the covenants and conditions of this Section shall be null and void. The term "assignment" and "sublease" as used in this Section shall refer to an absolute assignment or sublease of all right, title and interest of Tenant under this Lease, and shall not include an assignment or other transfer of the New Improvements or Tenant's interest under this Lease pursuant to a Leasehold Mortgagee to secure financing provided to Tenant or any Space Lease. An assignment, sublease, sale, conveyance or other transfer by Tenant of Tenant's entire interest in the Lease and New Improvements that is approved in writing by Landlord in accordance with this Section shall release Tenant of any obligations accruing after the effective date of the assignment. Tenant shall provide Landlord with at least thirty (30) days prior written notice of any proposed assignment of this Lease or sublease of the entire Premises hereunder, including the identity of the proposed assignee or subtenant. Tenant shall provide Landlord with such additional information as Landlord shall reasonably request regarding the proposed assignee or subtenant. If Tenant is a partnership, limited liability company, corporation or other entity, any transfer to a Person who is not an Affiliate of Tenant of Tenant's interest in this Lease by merger, consolidation, redemption or liquidation, or any change(s) in the ownership of, or power to vote, to a Person who is not an Affiliate of Tenant which singularly or collectively represents a majority of the beneficial interest in

Tenant, shall constitute a Transfer under this Section. Landlord will respond in writing within fifteen (15) days of any request for approval of such a transfer with a written (a) approval, (b) detailed request for additional information, or (c) rejection reciting the specific grounds for rejection. Any of the foregoing notwithstanding, Tenant shall not assign its interest in this Lease before the receipt of the Certificate of Completion, except to a Tenant investor pursuant to Tenant's organizational documents or a Leasehold Mortgagee for security purposes.

17.2. **Subletting**. Except as provided in Section 17.1 above or if Tenant shall be in default beyond any applicable cure period, Tenant shall have the right to enter into subleases ("***Space Leases***") for space in the Improvements to subtenants ("***Space Tenants***") subject to the following conditions:

- (a) Each Space Lease shall be subordinate to this Lease and contain a commercially reasonable provision requiring the subtenant to attorn to Landlord, or in the event of any proceeding to foreclose any Leasehold Mortgage, to the Leasehold Mortgagee, or any person designated in a notice from the Leasehold Mortgagee, if Tenant defaults under this Lease and if the subtenant is notified of Tenant's default and instructed to make subtenant's rental payments to Landlord or Leasehold Mortgagee or designated person as provided in this Section 17.2.
- (b) Each Space Lease shall require the Space Tenant to take no action in contravention of the terms of this Lease.
- (c) Each Space Lease shall expire no later than the last day of the Lease Term.

17.3. **Non-Disturbance of Residential Space Leases**. With respect to each residential Space Lease, Landlord will agree, and shall use reasonable efforts to obtain its lender's consent thereto, to recognize each residential Space Lease (each a "**Residential Lease**" and the tenant under a Residential Lease is referred to as a "**Residential Tenant**") and not disturb the rights of any Residential Tenant thereunder in the event this Lease is terminated because of an Event of Default by Tenant hereunder on the following terms:

- (a) Each Residential Lease will continue in full force and effect until the earlier of (a) the expiration of each Residential Lease but in no event to exceed eighteen (18) months or (b) the expiration of the Term.
- (b) Landlord shall recognize each Residential Tenant's rights under its Residential Lease, so long as such Residential Tenant is not in default under the Residential Lease after receipt of notice and expiration of any applicable cure period provided that if Tenant has delivered a notice of default to the Residential Tenant then Landlord shall not be required to deliver an additional notice of default nor shall the cure period be extended.

- (c) Landlord shall not be responsible to refund all or any part of any security paid by the Residential Tenant under the Residential Lease for any purpose unless and only to the extent Landlord has received such security deposit.
- (d) This Section 17.3 shall be self-operative without any requirement for the residential tenant (or any other party) to execute a subordination and non-disturbance agreement and Tenant shall provide notice of such terms and conditions in its residential leases.

17.4. **Non-Disturbance of Commercial Space Leases.** This Section 17.4 shall apply only to Space Lease of office or retail spaces (each a “Commercial Lease” and the tenant under a Commercial Lease is referred to as a “Commercial Tenant”). This Section 17.4 shall not apply to any Residential Lease. Upon request of Tenant, Landlord will agree, and will use reasonable efforts to obtain its lender’s consent thereto, to recognize each Commercial Space Lease and not disturb the rights of the Commercial Tenant thereunder in the event this Lease is terminated because of an Event of Default by Tenant hereunder. Landlord agrees to enter into a Non-Disturbance Agreement with each Commercial Tenant stating that the following provisions will apply in the event this Lease is terminated and Landlord has the right to possession of the Property (subject to any Non-Disturbance Agreement then in effect) free and clear of any interest of Tenant and any person claiming by, through or under Tenant including but not limited to any interest of any Leasehold Mortgagee:

- (a) The Commercial Lease will continue in full force and effect in accordance with its terms, except as provided in this Section and the Commercial Tenant shall attorn to Landlord.
- (b) Landlord shall recognize Commercial Tenant’s rights under the Commercial Lease, so long as such Commercial Tenant is not in default under the Commercial Lease after receipt of notice and expiration of any applicable cure period provided that if Tenant has delivered a notice of default to the Commercial Tenant then Landlord shall not be required to deliver an additional notice of default nor shall the cure period be extended.
- (c) The Commercial Tenant’s sub-leasehold estate shall not be affected in any action or proceeding instituted under or in connection with any default by Tenant under this Lease.
- (d) Landlord shall assume and agree to perform the obligations of Tenant under such Commercial Lease arising after the date of termination of this Lease and Landlord’s obtaining possession of the premises described in the Space Lease; provided, however, Landlord shall not:

- A. Be liable for any act or omission of Tenant prior to the date of Landlord's assumption;
 - B. Subject to any offsets, claims or defenses which Commercial Tenant might have under its lease or otherwise against Tenant prior to the date of assumption;
 - C. Required or obligated to credit Space Tenant with any rent or additional rent beyond the then current rental period under the Commercial Lease assumed by Landlord, except to the extent such rent is paid to Landlord;
 - D. Be obligated to recognize any amendment to the Commercial Lease (excluding amendments that do not reduce the Commercial Tenant's obligations and excluding amendments documenting the exercise of rights granted to the Commercial Tenant in the original Commercial Lease) unless the amendment has been previously approved in writing by Landlord, such approval not be unreasonably withheld; provided, however, that Landlord shall respond within ten (10) days after Landlord has received the request for approval of any such amendment, which request shall specifically refer to the effect if Landlord does not so respond, and in the event Landlord fails to respond within said 10-day period, such amendment shall be deemed approved by Landlord;
 - E. Be bound to perform any construction or tenant improvement work or pay any tenant improvement allowance whether in cash or by rent credit which Tenant has agreed to perform or pay under the Commercial Lease provided however, that if Landlord elects not to perform such work or pay such allowance, and the Commercial Lease specifies an alternate rent schedule if the allowance is not paid or the work is not performed, Landlord shall be bound by the alternate rent schedule in the Commercial Lease;
 - F. Be responsible to refund all or any part of any security paid by Commercial Tenant under the Commercial Lease for any purpose unless and only to the extent Landlord has received such security deposit; or
 - G. Be bound by any covenant of Tenant under the Commercial Lease that gives the Commercial Tenant greater rights than the rights that accrue to Tenant under this Lease (for example any term that extends beyond the Lease Term of this Lease).
- (e) Such Non-Disturbance Agreement shall include a provision to the effect that so long as no Leasehold Mortgagee has required the Space Tenant to pay rents to such Leasehold Mortgagee, in the event Landlord gives

written notice to the Space Tenant that: (i) Tenant has failed to pay the Rent due and payable under this Lease and that such failure to pay the Rent constitutes an “event of default” as defined in this Lease, and that (ii) rent payments under the applicable Space Lease are thereafter to be made to Landlord until such event of default is cured, Space Tenant and Tenant agree that Space Tenant shall thereafter make rent payments under the applicable Space Lease to Landlord notwithstanding any demand of Tenant to the contrary and that all such rent payments made by Space Tenant to Landlord shall be applied to Space Tenant’s obligations under the applicable Space Tenant Lease and to Tenant’s obligations under this Lease. Tenant’s agreement to the foregoing is without prejudice or waiver of any rights of Tenant under this Lease all of which are fully reserved but which shall be resolved between Landlord and Tenant without the involvement of Space Tenant.

- 17.5. **Security Assignment of Space Leases.** Subject to the rights of any Leasehold Mortgagee, as security for the performance of Tenant’s obligations hereunder, Tenant hereby grants to Landlord a security interest in and to all of Tenant’s right to receive any rentals or other payments under all Space Leases and this Lease shall constitute a security agreement for such purposes under laws of the State of Washington. Landlord is authorized to file such financing statements as may be reasonably required to perfect such security interest.
- 17.6. **Rent Rolls and Other Information.** After completion of the New Improvements, at Landlord’s written request, but no more often than once in every Lease Year, Tenant shall provide Landlord with a rent roll listing as of such date all Space Leases and identifying the tenants, spaces leased, terms and basic rental rates, as applicable. Upon any early termination of this Lease (other than a termination pursuant to Sections 15 or 16), Tenant shall promptly deliver to Landlord copies of all Space Leases, lease files, correspondence and documents (including tenant estoppel certificates, subordination agreements and financial statements, if any). Except as agreed to by Tenant, as required by law or as reasonably necessary in connection with the good faith prosecution of Landlord’s ordinary business (including disclosure to its direct and indirect members and principals and their respective tax and legal advisors), Landlord shall keep confidential and not disclose to third parties any information or documents provided to Landlord under this Section.
- 17.7. **Assignment by Landlord.** The term “Landlord” as used in this Lease so far as covenants or obligations on the part of Landlord are concerned shall be limited to mean and include only the owner or owners at the time in question of the fee of the Property. If Landlord sells or otherwise transfers fee simple title to the Premises, the purchaser or transferee thereof shall be deemed to have assumed Landlord’s obligations hereunder which arise on or after the date of sale or transfer, and Landlord shall thereupon be relieved of all liabilities hereunder accruing from and after the date of such transfer, but this Lease shall otherwise remain in full force and effect. If Landlord assigns Landlord’s Interest under this

Lease without transferring fee simple title to the Premises to the same Person, the holder of fee simple title to the Premises shall remain liable for the performance of Landlord's obligations under this Lease.

17.8. **Condominium Conversion.** Subject to Landlord's written consent not to be unreasonably withheld, conditioned or delayed, Tenant may, and Landlord will cooperate with Tenant's efforts to, convert the Tenant's Interest into a leasehold condominium with two (2) separate units, one for the office building and one for the residential building (the "**Conversion**").¹ The retail and parking elements of the New Improvements will be included in one or both of the units. The Conversion is subject to compliance with the following provisions:

- (a) The Conversion will comply with the Washington Uniform Common Interest Ownership Act, RCW Chapter 64.90 ("**WUCIOA**").
- (b) The Conversion may not occur until after receipt of a certificate of occupancy permitting occupancy of the entire New Improvements and issuance of the Certificate of Completion. However, the parties will negotiate the form of the governing documents and resolve other matters for the Conversion prior to that time.
- (c) Contemporaneous with or following the Conversion, Tenant may require that Landlord replace this Lease with two (2) separate ground leases, one for the office unit and one for the residential unit (each a "**Unit Lease**"). The forms of Unit Lease and condominium declaration are subject to the reasonable approval of Landlord, which approval will not be withheld, conditioned or delayed if the forms of Unit Lease and condominium declaration include provisions consistent with the following principles, in each case to the extent applicable to the form:
 - A. Tenant would be named as the tenant under each Unit Lease (in each case a "**Unit Tenant**") until the applicable condominium unit is transferred in accordance with applicable transfer provisions of the Unit Lease. The transfer provisions will be substantially equivalent to the transfer provisions in this Lease.
 - B. Base Rent would be apportioned between the Unit Leases based upon the relative values of the condominium units or any other reasonable basis proposed by Tenant and approved by Landlord. Tenant will provide Landlord with a proposed allocation, which will be subject to Landlord's approval. If Landlord does not approve the proposed allocation, Landlord and Tenant will attempt to reach mutual agreement on the allocation. If they are unable to

¹ **Note:** The current plan is to have two units, one for office and one for residential. This is subject to change if Holland determines there is a need for the retail or parking components to be housed in a condominium unit.

do so within 30 days after Landlord presented its proposed allocation, Tenant will engage an appraiser, whose identity must be approved by Landlord. The appraiser will be engaged to determine the relative fair market values of the two condominium units. The appraiser's determination of fair market values will be deemed final and the Base Rent will be apportioned among the Unit Leases based upon the appraiser's determinations. Tenant will pay all fees and costs of the appraiser.

- C. Each Unit Lease will include the right for the Unit Tenant to purchase the Landlord's Interest specified in Section 24.16 of this Lease modified as provided in this subsection. Each Unit Tenant will have the several right to initiate the exercise the purchase right. The Unit Tenant exercising the right will, contemporaneously with such exercise, deliver a copy of the notice to the other Unit Tenant. The other Unit Tenant will then have a defined period of time to elect to participate in the purchase of the Landlord's Interest pro rata in accordance with the allocations of Base Rent discussed in subsection (b) above. If both Unit Tenants wish to purchase the Landlord's Interest, the purchase shall be allocated between the Unit Tenants pro rata in accordance with the allocations of Base Rent discussed in subsection (b). If the other Unit Tenant does not agree to participate, the Unit Tenant that initiates the exercise of the purchase right will hold the right to purchase, and will be obligated to purchase, the entire Landlord's Interest. The purpose of these provisions will be to assure Landlord that on any exercise of the purchase option, the purchaser (which may be one or multiple Unit Tenants) will be obligated to purchase the entire Landlord's Interest and pay the full Option Fair Market Value, and the Landlord will not be required to sell any less than the entire Landlord's Interest.
- D. The Unit Leases would not be cross-defaulted except as described below related to common element obligations.
- E. The Unit Lease for the residential building would include the provisions in Section 17.3 but not the provisions in Section 17.4, unless the Unit Lease for the residential building includes retail space.
- F. The Unit Lease for the office building would include the provisions in Section 17.4 but not the provisions in Section 17.3.
- G. Obligations to insure, maintain and repair common elements of the leasehold condominium will be joint and several obligations of the Unit Tenants under each Unit Lease. Each Unit Lease will provide that such obligations may be delegated to the owners' association

for the leasehold condominium (the “*Association*”) or to any Unit Tenant, provided such delegation does not relieve any Unit Tenant of its primary obligation. Upon a breach of the obligation to insure, maintain or repair common elements, each Unit Tenant and the Association will have the right to effect a cure and to be reimbursed of the costs (other than for its pro rata share) from the Association and/or the defaulting Unit Tenant. Additionally, if the breach of the obligation to insure, maintain and repair common areas is not timely cured and ripens into an Event of Default (after the giving of notice and the expiration of applicable cure periods including those in favor of any Leasehold Mortgagees), such Event of Default will be deemed to be an Event of Default under both of the Unit Leases. The purpose of these provisions will be to ensure Landlord that obligations ordinarily delegated to or assumed by the Association will be direct joint and several obligations of the Unit Tenants and that Landlord will not have to pursue remedies related to those obligations against the Association or partial remedies under any single Unit Lease. The Unit Leases and the declaration for the leasehold condominium will include provisions implementing this subsection.

- H. The Unit Tenants may, in their discretion, have the Association, rather than the individual Unit Tenants, procure and maintain casualty and liability insurance related to the insurable common elements, which will include the parking podium structure, and all or part of the improvements within each Unit.
- I. The legal description of the Premises under each Unit Lease will be substantially the same as the aggregation of property and property rights that constitutes the condominium interest applicable to the Unit Lease. For example, the legal description for the leasehold condominium corresponding to the office building will consist of (i) the undivided interest in the Land corresponding to the allocated interest of such Unit, (ii) the rights to build, develop, maintain and repair the New Improvements and Replacement Improvements that lie within the airspace boundaries for such Unit identified on the map for the leasehold condominium, and (iii) the rights to use and occupy common areas and easements that will be described in the declaration and shown on the map for the leasehold condominium. The intent of this provision is to use a legal description that is equivalent and fully contemplates all possessory, use and other rights held by the Unit Tenant under the applicable Unit Lease, so that on termination of the Unit Lease Landlord will succeed to and hold all of the rights previously held by the defaulting Unit Tenant, including with respect to participation in the Association.

- J. Each Unit Lease will allow and require that after the termination of any Unit Lease, other than upon the expiration or termination of all Unit Leases, Landlord will become the Unit Owner regarding the Unit formerly owned by the Unit Tenant under the terminated Unit Lease. As such Unit Owner, Landlord will succeed to all rights and obligations of such Unit Owner including those of a Unit Owner under WUCIOA and under the declaration and other governing documents of the leasehold condominium. Those rights include the non-exclusive use the common elements, exclusive use of the limited common elements allocated to such Unit, and all voting rights allocated to such Unit. Those obligations include payment of assessments and compliance with the governing documents.
- K. The conversion to condominium units and Unit Leases does not materially impair, diminish, prejudice or limit Landlord's rights and benefits as compared to Landlord's rights and benefits in the absence of such conversion. The intent of this provision is that Landlord should not be in a lesser position as compared to the Landlord's rights and benefits under this Lease, provided that that a default or an Event of Default under one Unit Lease will not be a default or an Event of Default under the other Unit Lease except as specifically provided in this Section 17.8.

18. **Leasehold Financing.**

- 18.1. **Right to Encumber.** Notwithstanding the provisions set forth in Section 17.1 regarding any assignment of this Lease, but subject to the provisions of this Section 18, Tenant shall have the right at any time and from time to time to encumber its Leasehold Estate by one or more Leasehold Mortgages. If Tenant desires to take advantage of the "proviso" contained in Section 16.2(a) above, Tenant shall give Landlord not less than ten (10) business days prior to the funding of the loan sufficient information in Tenant's possession regarding the amount of the loan and the then fair market value of the Improvements so that Landlord can verify that the amount of the Leasehold Mortgage, together with any previous Leasehold Mortgages still encumbering the Leasehold Estate, does not exceed eighty percent (80%) of the then fair market value of the Improvements. If Landlord desires to contest whether or not the amount of the Leasehold Mortgage, together with any previous Leasehold Mortgages still encumbering the Leasehold Estate, exceeds eighty percent (80%) of the then fair market value of the Improvements, Landlord shall provide Tenant with written notice that Landlord contests said valuation and the issue shall be submitted to binding arbitration as provided in Section 20 below. Any Leasehold Mortgagee shall have the unrestricted right to assign, sell, participate, securitize and otherwise deal with its security interest in the Leasehold Mortgage as it sees fit and without the necessity of obtaining any consent from Landlord. Landlord shall not in any way subordinate any of its rights under this Lease to any Leasehold Mortgagee and

any Leasehold Mortgagee who forecloses on its Leasehold Mortgage shall agree to abide by and be bound by all the terms of this Lease during the term of its ownership of the Tenant's Leasehold Estate. Tenant shall deliver to Landlord promptly after execution by Tenant a true and verified copy of any Leasehold Mortgage and any amendment, modification or extension thereof, together with the name and address of the Leasehold Mortgagee and shall pay or reimburse Landlord for all fees and costs, including reasonable attorneys' fees, incurred by Landlord in connection with review of said documents to insure compliance with this Lease. No Leasehold Mortgage shall be collateralized by property in addition to the Premises.

18.2. **Covenants of Landlord.** During the continuance of any Leasehold Mortgage until such time as the lien of any Leasehold Mortgage has been extinguished, and if a copy of such Leasehold Mortgage shall have been delivered to Landlord together with a written notice of the name and address of the owner and holder thereof as provided in Section 18.1:

- (a) Landlord shall not agree to any mutual termination nor accept any surrender of this Lease (except upon the expiration of the Lease Term as provided herein) nor shall Landlord consent to any amendment or modification of this Lease, without the prior written consent of the Leasehold Mortgagee, which consent shall not be unreasonably withheld or delayed.
- (b) Notwithstanding any default by Tenant in the performance or observance of any covenant, condition or agreement of this Lease on the part of Tenant to be performed or observed, Landlord shall have no right to terminate this Lease even though an Event of Default under this Lease shall have occurred and be continuing, unless and until Landlord shall have given the Leasehold Mortgagee written notice of such Event of Default and the Leasehold Mortgagee shall have failed to remedy such default or to acquire Tenant's Leasehold Estate or to commence foreclosure or other appropriate proceedings in the nature thereof, all as set forth in, and within the time specified by, this Section 18.
- (c) The Leasehold Mortgagee shall have the right, but not the obligation, at any time prior to termination of this Lease, to pay all of the Rents due hereunder, to provide any insurance, to pay any taxes and make any other payments, to make any repairs and improvements and do any other act or thing required of Tenant hereunder, and to do any act or thing which may be necessary and proper to be done in the performance and observance of the covenants, conditions and agreements hereof to prevent the termination of this Lease. All payments so made and all things so done and performed by the Leasehold Mortgagee shall be as effective to prevent a termination of this Lease as the same would have been if made, done and performed by Tenant instead of by the Leasehold Mortgagee.

- (d) Leasehold Mortgagee shall have fully cured any default in the payment of any monetary obligations of Tenant under this Lease which do not require possession of the Property within thirty (30) days after receipt of such written notice and shall thereafter continue to faithfully perform all such monetary obligations which do not require possession of the Property. An Event of Default under this Lease which in the nature thereof cannot be remedied by the Leasehold Mortgagee shall be deemed to be remedied if (i) within sixty (60) days after receiving written notice from Landlord setting forth the nature of such Event of Default, the Leasehold Mortgagee shall have acquired Tenant's Leasehold Estate or commenced foreclosure or other appropriate proceedings in the nature thereof, (ii) the Leasehold Mortgagee shall diligently and continuously prosecute any such proceedings to completion, (iii) the Leasehold Mortgagee shall have fully cured any default in the payment of any monetary obligations of Tenant under this Lease which do not require possession of the Property within such thirty (30) days after receipt of such written notice and shall thereafter continue to faithfully perform all such monetary obligations which do not require possession of the Property, and (iv) after acquiring Tenant's interest in the Property, the Leasehold Mortgagee shall perform all of the obligations of Tenant hereunder as and when the same are due, accruing after Leasehold Mortgagee has obtained possession of the Property. All rights of Landlord to terminate this Lease as the result of the occurrence of any such Event of Default shall be subject to and conditioned upon Landlord having first given the Leasehold Mortgagee written notice of such Event of Default and the Leasehold Mortgagee having failed to remedy such default or acquire Tenant's Leasehold Estate or commence foreclosure or other appropriate proceedings in the nature thereof as set forth in and within the time period specified by this Section 18.2(d). If an Event of Default is cured by the Leasehold Mortgagee, this Lease shall continue in full force and effect as if such Event of Default had not occurred. No Leasehold Mortgagee shall have any obligation to cure or attempt to cure any Event of Default and may abandon or discontinue its efforts to cure at any time.
- (e) If the Leasehold Mortgagee is prohibited by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy, debtor rehabilitation or insolvency proceedings involving Tenant from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof, the times specified in Section 18.2(d) above for commencing or prosecuting such foreclosure or other proceedings shall be extended for the period of such prohibition; provided that the Leasehold Mortgagee shall have fully cured any default in the payment of any monetary obligations of Tenant under this Lease and shall continue to pay currently such monetary obligations as and when the same fall due, and provided that the Leasehold Mortgagee shall diligently attempt to remove any such prohibition.

- (f) Foreclosure of a Leasehold Mortgage, whether by judicial proceedings or by virtue of any power of sale contained in the Leasehold Mortgage, or any conveyance of the Leasehold Estate from Tenant to the Leasehold Mortgagee by virtue or in lieu of foreclosure or other appropriate proceedings in the nature thereof, shall not require the consent of Landlord or constitute a breach of any provision of or a default under this Lease. Upon such foreclosure, Landlord shall recognize the Leasehold Mortgagee, or any other foreclosure sale purchaser, as Tenant hereunder so long as the Leasehold Mortgagee or the foreclosure purchaser agrees in writing to abide by all of the provisions of the Lease accruing from and after the date the Leasehold Mortgage acquires Tenant's title to the Property, and so long as there is no monetary default under this Lease. If there are two or more Leasehold Mortgages or foreclosure sale purchasers (whether of the same or different Leasehold Mortgages), Landlord shall have no duty or obligation whatsoever to determine the relative priorities of such Leasehold Mortgages or the rights of the different holders thereof and/or foreclosure sale purchasers. If the Leasehold Mortgagee becomes the Tenant under this Lease or under any new lease obtained pursuant to Section 18.2(g) below, the Leasehold Mortgagee shall be liable for the obligations of Tenant under this Lease or such new lease arising during the period of time that the Leasehold Mortgagee is the tenant hereunder or thereunder. If the Leasehold Mortgagee subsequently assigns or transfers its interest under this Lease after acquiring the same by foreclosure or by an acceptance of a deed in lieu of foreclosure or subsequently assigns or transfers its interest under any such new lease, and in connection with any such assignment or transfer the Leasehold Mortgagee takes back a mortgage or deed of trust encumbering such leasehold interest to secure a portion of the purchase price given to the Leasehold Mortgagee for such assignment or transfer, then such mortgage or deed of trust shall be considered a Leasehold Mortgage as contemplated under this Section 18 and the Leasehold Mortgagee shall be entitled to receive the benefit of and shall be bound by the provisions of this Section 18 and any other provisions of this Lease intended for the benefit or burden of the holder of a Leasehold Mortgage.
- (g) Should Landlord terminate this Lease by reason of any Event of Default by Tenant hereunder or if this Lease is rejected in any bankruptcy proceedings with respect to Tenant, Landlord shall, upon written request by the Leasehold Mortgagee to Landlord received within thirty (30) days after such termination, execute and deliver a new lease of the Premises to the Leasehold Mortgagee for the remainder of the term of this Lease with the same covenants, conditions and agreements (except for any requirements which have been satisfied by Tenant prior to termination) as are contained herein. Together with the execution and delivery of such new lease of the Premises, Landlord shall convey to the Leasehold Mortgagee title to any Improvements constructed by Tenant by quitclaim deed for the term of such new lease. Landlord's delivery of any

Improvements to the Leasehold Mortgagee pursuant to such new lease shall be made without representation or warranty of any kind or nature whatsoever, either express or implied; and the Leasehold Mortgagee shall take any Improvements “as-is” in their then current condition. Upon execution and delivery of such new lease, the Leasehold Mortgagee, at its sole cost and expense, shall be responsible for taking such action as shall be necessary to cancel and discharge this Lease and to remove Tenant named herein and any other occupant from the Property. Landlord’s obligation to enter into such new lease of the Premises with the Leasehold Mortgagee shall be conditioned as follows: (i) the Leasehold Mortgagee has remedied and cured all monetary defaults hereunder, and (ii) that the Leasehold Mortgagee pays all costs and expenses of Landlord, including, without limitation, reasonable attorneys’ fees, real property transfer taxes and any escrow fees and recording charges, incurred in connection with the preparation and execution of such new lease and any conveyances related thereto. If more than one Leasehold Mortgagee requests such new lease Landlord shall have no duty or obligation whatsoever to determine the relative priority of such Leasehold Mortgages, and, in the event of any dispute between or among the holders thereof, Landlord shall have no obligation to enter into any such new lease if such dispute is not resolved to the sole satisfaction of Landlord within ninety (90) days after the date of termination of this Lease.

- (h) Any Leasehold Mortgagee shall be given notice of any arbitration or appraisal proceedings arising out of or in connection with this Lease and will have the right to intervene in the proceedings. If a Leasehold Mortgagee elects not to intervene it will nonetheless be given notice and a copy of any award or decision made in such proceedings.
- (i) Landlord and Tenant agree to execute, acknowledge and deliver to any Leasehold Mortgagee, an agreement in form reasonably acceptable to Landlord prepared at the sole expense of Tenant including reimbursement of Landlord’s reasonable attorney fees and costs, reaffirming the applicability of the provisions of this Section 18 to a particular Leasehold Mortgage within fifteen (15) days of delivery to Landlord.
- (j) Leasehold Mortgagee’s liability following its acquisition of title to the Property shall be limited to Leasehold Mortgagee’s interest in the Property. Leasehold Mortgagee is a third-party beneficiary to all the provisions of this Section 18.

18.3. **Obligations of Tenant.** Nothing contained herein or in any Leasehold Mortgage shall be deemed or construed to relieve Tenant from the full and faithful observance and performance of its covenants, conditions and agreements contained herein, or from any liability for the non-observance or non-performance thereof, or to require or provide for the subordination to the lien of such

Leasehold Mortgage of any estate, right, title or interest of Landlord in or to the Property or this Lease.

18.4. **Landlord's Lien Waivers.**

- (a) **As to Tenant.** Tenant shall have the absolute right from time to time during the Lease Term and without Landlord's further approval, written or otherwise, to grant and assign a mortgage or other security interest in all of Tenant's furniture, trade fixtures, equipment, inventory and other personal property ("***Tenant's Personal Property***") to Tenant's lenders in connection with Tenant's financing arrangements. Landlord agrees, upon reimbursement for all of its costs and expenses including reasonable attorney's fees, to execute such confirmation, certificates and other documents (except amendments to this Lease unless Landlord hereafter consents) as Tenant's lenders may reasonably request (with such conditions as Landlord may reasonably impose) in connection with any such financing including waivers of any claims arising by way of any landlord's lien (whether created by statute, contract or otherwise).
- (b) **As to Space Tenants.** On request, Landlord shall execute and deliver to Space Tenants, upon reimbursement for all of Landlord's costs and expenses including reasonable attorney's fees, a landlord waiver and consent for the benefit of lenders to the tenants under Space Leases, pursuant to which Landlord consents to the installation of furniture, trade fixtures, equipment, inventory and other personal property ("***Space Tenant's Personal Property***") in the Space Tenant's premises, waives any lien or security interest in any of the Space Tenant's Personal Property, agrees to allow the Space Tenant's lender access to its subleased premises in order to remove the Space Tenant's Personal Property therefrom or otherwise realize on its security interest in such property from the subleased premises, and to provide Landlord, the Space Tenant and its lender with such other protections as are reasonably appropriate under the circumstances. Landlord shall have the right to approve the form of landlord waiver and consent, which approval shall not be unreasonably withheld, conditioned or delayed. The Space Tenant's Personal Property shall not include equipment or machinery constituting real estate fixtures or such equipment or machinery which is necessary to the operation of the Property or the premises of any tenant under a Space Lease. Any right to remove the Space Lease Tenant's Personal Property shall be subject to the requirement that the lender repair and restore any damage to the Property resulting from such removal.

- 18.5. **Landlord's Leasehold Financing.** Landlord agrees that Tenant's rights under this Lease are and always shall be superior to the lien of any mortgage and/or deed of trust now or hereafter placed upon the Landlord's Interest by Landlord on behalf of any lender making a loan to Landlord that is secured by the Landlord's Interest ("**Landlord's Lender**") and Tenant's rights under this Lease shall not be

disturbed by any Landlord's Lender, mortgagee, beneficiary under a deed of trust, or purchaser at a foreclosure sale except to the extent Tenant shall breach any of the provisions of this Lease and fails to cure such breach within the time permitted hereunder and this Lease or Tenant's rights to possession of the Property hereunder shall have been lawfully terminated in accordance with the provisions of this Lease.

- (a) Landlord agrees that it will request the holder of such encumbrance or encumbrances to send duplicate notices of any defaults thereunder to Tenant and that Tenant may record a request for notice of default with respect to any encumbrance placed upon the Property by Landlord. In the event of a default by Landlord in making any payments with respect to encumbrances permitted to be placed upon the Property by Landlord, Tenant shall have the right, but not the obligation, to pay any such sums that may be due upon such encumbrances, and the amounts so paid by Tenant shall be credited against rents next becoming due hereunder.
- (b) Tenant agrees in conjunction with any financing by Landlord of its interest in the Property (including Landlord's current financing) to execute such acknowledgments and other documents regarding this Lease as may reasonably be requested by the holder of such financing, provided that Tenant is provided with a non-disturbance and attornment agreement with terms consistent with the provisions of this Lease executed by the holder of such financing. Tenant agrees that such non-disturbance and attornment agreements may include, and Tenant shall execute a non-disturbance and attornment agreement which includes, any or all of the following provisions:
 - A. Upon foreclosure of the deed of trust or the granting of a deed in lieu of foreclosure or the exercise of any other remedy available to Landlord's Lender under the loan documents for such loan ("Loan Documents") or applicable law pursuant to which Landlord's Lender or any other entity or person succeeds to some or all of the interest of Landlord as the owner of the Property ("Successor Landlord"), the Lease shall continue in full force and effect as though the default giving rise to such action had not occurred. Successor Landlord shall recognize all of the rights and interest of Tenant under the Lease and shall perform all of the duties and responsibilities of the Landlord under the Lease with the same force and effect and with the same priority in right as if the Lease were directly made between Successor Landlord and Tenant, so long as Tenant is not in default thereunder beyond any applicable cure period available to Tenant by law, in equity or by the terms of the Lease. Notwithstanding anything contained in this Lease or the deed of trust to the contrary, Successor Landlord shall not be liable for or bound by any of the following:

- (A) any act or omission of any prior Landlord (including Landlord), provided that Successor Landlord, following foreclosure, cures any ongoing default within the time provided in subsection (c) below;
 - (B) subject to any offsets or defenses which Tenant might have against any prior Landlord (including Landlord); provided that Successor Landlord, following foreclosure, cures any ongoing default within the time provided in Subsection (c) below;
 - (C) any rent or additional rent which Tenant might have paid for more than the current month to any prior Landlord (including Landlord) or for any security deposit paid to any prior Landlord (including Landlord) which has not been received by Successor Landlord;
 - (D) any obligation to pay for, construct or finish the construction of any improvement or construction obligations under the Lease, including, but not limited to, any tenant improvement allowance;
 - (E) any obligation to pay Tenant any sum(s) that any prior Landlord (including Landlord) owed to Tenant.
- (c) Upon Successor Landlord succeeding to Landlord's interest in the Property or otherwise acquiring title to the Property through foreclosure under the Loan Documents, the granting of a deed in lieu thereof or otherwise, Tenant shall attorn to and recognize Successor Landlord to the same extent and with the same force as if such owner were the Landlord under the Lease and shall be bound by and perform all of the obligations imposed upon Tenant under the Lease. Tenant's attornment hereunder shall be effective and self-operative without the execution of any other instruments on the part of any party and shall be effective concurrently with Successor Landlord's acquisition of title to the Property.
- (d) So long as any deed of trust remains outstanding and unsatisfied, Tenant will mail or deliver to Landlord's Lender at the address and in the manner hereinbelow provided, a copy of all notices of default permitted or required to be given to the Landlord by Tenant (as and when given) under and pursuant to the terms and provisions of the Lease. Landlord's Lender may, but shall have no obligation to, cure any default of Landlord within the latest to occur of the following: (i) at any time before the rights of the Landlord shall have been forfeited or adversely affected because of any default of the Landlord; (ii) thirty (30) days beyond the time permitted the Landlord for curing any default under the Lease as therein provided; or (iii) as to any breach or default which requires possession and control of

the Property or Project to cure, such additional time as Landlord's Lender may reasonably require to either (a) obtain possession and control of the Property or Project and thereafter cure the breach or default with reasonable diligence and continuity, or (b) obtain the appointment of a receiver and give such receiver a reasonable period of time in which to cure such breach or default.

- (e) Tenant acknowledges that Landlord has or will execute and deliver to Landlord's Lender an Assignment of Leases as security for the Loan, and Tenant hereby expressly consents to such assignment, provided it is on the terms specified herein and not otherwise.
- (f) In the event Tenant receives written notice from Landlord's Lender that there has been a default under the Loan and that rents due under the Lease are to be paid to Landlord's Lender pursuant to the terms of the Assignment of Leases, Tenant shall pay to Landlord's Lender, or in accordance with the directions of Landlord's Lender, all rents and other monies due or to become due to Landlord under the Lease.

19. **Default.**

19.1. **Events of Default.** The occurrence of any of the following shall be an ("***Event of Default***") under this Lease.

- (a) Tenant fails to pay any Rent within five (5) business days after notice that the payment was not received when due.
- (b) Tenant fails to perform any other obligation to Landlord under this Lease and this failure continues for thirty (30) days after written notice from Landlord, except that if Tenant begins to cure its failure within the thirty (30) day period but cannot complete its cure within such period, then, so long as Tenant continues to diligently attempt to cure its failure, the thirty (30) day period shall be extended as is reasonably necessary to complete the cure; provided, however, that if a governmental permit or other regulatory authorization is necessary to effect the cure, the cure period shall be extended by such period of time as is required to obtain such permit or other regulatory authorization in the exercise of Tenant's due diligence.
- (c) If Tenant shall abandon the Property.
- (d) Tenant commences any proceeding under any law relating to bankruptcy, insolvency, reorganization or relief of debts, or seeks appointment of a receiver, trustee, custodian or other similar official for Tenant or for any substantial part of its property, or any such proceeding is commenced against Tenant and either remains undismissed for a period of sixty (60) days or results in the entry of an order for relief against Tenant which is not fully stayed within sixty (60) days after entry;

- (e) Tenant becomes insolvent or bankrupt, does not generally pay its debts as they become due, or admits in writing its inability to pay its debts, or makes a general assignment for the benefit of creditors;
- (f) Any third party obtains a levy or attachment under process of law against Tenant's leasehold interest or the Improvements, which is not reversed, released or stayed within sixty (60) days after the entry thereof.

19.2. **Landlord's Remedies.** Upon the occurrence of an Event of Default, Landlord shall have the option to take any or all of the following actions, without further notice or demand of any kind to Tenant or any other person:

- (a) Maintain this Lease in full force and effect and recover the Rent, Additional Rent and other monetary charges as they become due, without terminating Tenant's right to possession irrespective of whether Tenant shall have abandoned the Premises. In the event Landlord elects not to terminate this Lease, Landlord shall have the right to attempt to relet the Premises or any portion thereof at such rent and upon such conditions and for such a term, and to do all acts necessary to maintain or preserve the Premises as Landlord deems reasonable and necessary without being deemed to have elected to terminate this Lease, including removal of all persons and property from the Premises. Such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant and may be sold or otherwise disposed of upon twenty (20) days prior written notice to Tenant delivered to the address set forth in Section 23.3 below or such other address of which Landlord has been notified in writing.
- (b) Terminate Tenant's right to possession by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including without limitation thereto, the following: (i) the worth at the time of award of any unpaid Rent and Additional Rent which had been earned at the time of such termination; plus (ii) the worth at the time of award of the amount by which the unpaid Rent and Additional Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that is proved could have been reasonably avoided; plus (iii) the worth at the time of award of the amount by which the unpaid Rent and Additional Rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that is proved could be reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the damages proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of events would be likely to result therefrom, including, without limitation, costs of reletting, tenant improvements, leasing commissions, cost of repairs, renovation or

demolition of the Improvements and all other costs of returning the Premises to a marketable condition; plus (v) all attorneys' fees and costs incurred by Landlord in retaking the Premises and collecting amounts due from Tenant; plus (vi) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable state law. Upon any such reentry Landlord shall have the right to make any reasonable repairs, alterations or modifications to the Premises which Landlord in its sole discretion deems reasonable and necessary. As used in (i) above, the "worth at the time of award" is computed using a discount rate equal to the yield on ten (10) year United States Treasury notes as of the close of business on the day preceding the date of calculation.

- (c) Terminate the Parking License.

19.3. **Effect of Debt and Equity Default.**

- (a) Any provision of this Lease to the contrary notwithstanding, in the event of a Debt and Equity Default, So long as Tenant pays rent as and when due and otherwise performs its obligations under the Lease, other than the timely completion of construction of the New Improvements, Landlord shall forebear exercising its remedies, including without limitation termination of the Lease, until after the Cure Period Expiration.
- (b) Contemporaneously with a Cure Period Termination, Guarantor's obligations under the Guaranty shall terminate and be of no further force or effect, and Landlord may elect to either: (1) terminate this Lease and take title to the Premises and New Improvements, (but with the right to seek the compensation described in Section 19.2(b)), or (2) require Guarantor to purchase the Premises for the amount of Three Million Three Hundred Thousand Dollars (\$3,300,000); provided that Guarantor may designate an affiliate to complete the purchase. On the effective date of the termination of this Lease or the closing of the purchase referenced above, this Lease shall be deemed to be of no further force or effect, except for the terms and conditions which expressly survive such termination and that Tenant shall remain liable for any liabilities that accrued prior to the date of the termination of the Lease.
- (c) This Section 19.3 shall be deemed to be of no further force or effect upon issuance of the Certificate of Completion.

19.4. **Landlord's Remedies Cumulative; Default Rate.** All of Landlord's remedies under this Lease shall be in addition to all other remedies Landlord may have at law or in equity. Waiver by Landlord of any breach of any obligation by Tenant shall be effective only if it is in writing, and shall not be deemed a waiver of any other breach, or any subsequent breach of the same obligation. Landlord's acceptance of payment by Tenant shall not constitute a waiver of any breach by

Tenant except for any breach with respect to the payment so accepted. Landlord may advance such monies and take such other actions for Tenant's account as reasonably may be required to cure or mitigate any default by Tenant. Tenant shall immediately reimburse Landlord for any such advance, and such sums shall bear interest at the default interest rate until paid. Lessee agrees to pay Lessor interest from the original due date of any amount due hereunder to the date of payment at a rate equal to twelve percent (12%) per annum, but in no event more than the highest rate of commercial interest allowed under applicable law

- 19.5. **WAIVER OF TRIAL BY JURY.** EACH PARTY WAIVES TRIAL BY JURY IN THE EVENT OF ANY LEGAL PROCEEDING (OTHER THAN CONDEMNATION PROCEEDINGS) IN CONNECTION WITH THIS LEASE. EACH PARTY SHALL BRING ANY ACTION AGAINST THE OTHER IN CONNECTION WITH THIS LEASE IN A FEDERAL OR STATE COURT LOCATED IN CLARK COUNTY, WASHINGTON, CONSENTS TO THE JURISDICTION OF SUCH COURTS, AND WAIVES ANY RIGHT TO HAVE ANY PROCEEDING TRANSFERRED FROM SUCH COURTS ON THE GROUND OF IMPROPER VENUE OR INCONVENIENT FORUM.
- 19.6. **Landlord's Cure.** Landlord may cure, at Landlord's sole option without any obligation to do so, any Event of Default by Tenant. Any expenses so incurred (including attorneys' fees and costs) shall become Additional Rent due from Tenant on demand by Landlord, together with interest as set forth in Section 23 below accruing from the date Landlord makes the advance.
- 19.7. **Legal Expenses.** If either Landlord or Tenant shall commence any legal proceedings against the other with respect to any of the terms and conditions of this Lease or if either party brings any action in Bankruptcy Court, commences or defends against any declaratory action, collection action, appeal or other action in state or federal court regarding this Lease, the non-prevailing party therein shall pay the prevailing party all costs and expenses of such litigation incurred by the prevailing party, including reasonable attorneys' fees, as may be fixed by the court having jurisdiction over the matter, including costs and fees on appeal. The parties hereto agree that Clark County, Washington, is the proper jurisdiction for litigation of any matters relating to this Lease.
- 19.8. **No Punitive Damages.** Neither Landlord nor Tenant shall be entitled to any punitive damage award against the other party in any action or proceeding arising out of or related to this Lease.
- 19.9. **Tenant's Remedies in Event of Default by Landlord.** The failure by Landlord to observe or perform any of the covenants of this Lease to be performed by Landlord, where such failure shall continue for a period of thirty (30) days after receipt of written notice thereof by Tenant to Landlord and to any lender of Landlord who has requested such notice in writing to Tenant and who has provided an address to which such notice can be given, shall constitute a default

and breach of this Lease by Landlord; provided, however, that Landlord shall not be deemed to be in default if Landlord, or Landlord's lender, commences to cure such failure within thirty (30) days after receipt of notice and thereafter diligently prosecute such cure to completion within a reasonable time. In the event of any material default or breach by Landlord, Tenant's sole and exclusive remedy shall be to specifically enforce the terms and conditions of this Lease except in the event Landlord's default has made the remedy of specific enforcement impossible or unavailable and in such event Tenant may seek to recover from Landlord any and all damages incurred by Tenant by reason of Landlord's default or breach and/or to pursue any other remedy now or hereafter available to Tenant at law or in equity; provided, however, that Tenant shall have no right to terminate this Lease unless there has been a judicial determination of Landlord's default and Landlord has not thereafter cured the default.

20. **Arbitration Provisions.**

20.1. **Issues Subject to Arbitration.** Any matter specifically made subject to arbitration in this Lease or which Tenant and Landlord now or hereafter agree in writing to submit to arbitration shall be settled by arbitration in accordance with the provisions of this Section.

20.2. **Selection of Arbitrator.** Such arbitration shall be before one (1) disinterested qualified arbitrator if one can be agreed upon, otherwise before three (3) disinterested arbitrators, one named by Landlord, one named by Tenant, and one by the two (2) thus chosen; provided, that if said two (2) arbitrators cannot agree upon a third arbitrator within fifteen (15) days of their appointment, then said third arbitrator shall be appointed by the Presiding Judge of Clark County Superior Court upon motion of either Landlord or Tenant. The appointment of arbitrators shall be signified in writing by each party to the other. If Landlord or Tenant shall fail to so appoint an arbitrator for a period of twenty-five (25) days after written notice from the other party to make such appointment, then the arbitrator appointed by the first party shall appoint a second arbitrator and the two (2) so appointed shall appoint a third arbitrator. A "disinterested arbitrator" shall be a person who shall not have direct or indirect financial or other interest in the decisions to be made by the arbitrator(s) and who shall not be an officer, director, employee, or agent of Landlord or Tenant.

20.3. **Arbitration Procedure.** The arbitrator or arbitrators shall determine the controversy in accordance with a commercially reasonable standard and the laws of the State of Washington as applied to the facts found by arbitrator(s) and, unless the parties otherwise agree, in accordance with the commercial arbitration rules of the American Arbitration Association with expedited procedures. The arbitrator or arbitrators shall make awards in strict conformity with such rules and shall have no power to depart from or change any of the provisions thereof. All arbitration proceedings hereunder shall be conducted in the City of Vancouver, Washington. The arbitrator or arbitrators, after being duly sworn to perform all duties with impartiality and fidelity shall proceed to determine the question or

questions submitted. The decision of the arbitrator or arbitrators shall be rendered within thirty (30) days after appointment, and such decision shall be in writing and in duplicate, one counterpart thereof to be delivered to each of the parties hereto. Absent fraud, collusion or willful misconduct by an arbitrator, the award of the arbitrator or arbitrators shall be binding, final and conclusive on the parties, and judgment on such award rendered may be entered in any court having jurisdiction thereof. Fees of the arbitrator or arbitrators and the expenses incident to the proceedings shall be borne equally between Landlord and Tenant. Fees of the respective counsel engaged by the parties, and fees of expert witnesses or other witnesses called for the parties shall be paid by the respective party engaging such counsel or calling or engaging such witness.

- 20.4. **Confidentiality.** Except as agreed to by the parties, as required by law or as reasonably necessary in connection with the good faith prosecution of the parties' ordinary business (including disclosure to a party's partners, members and principals and their respective tax and legal advisors), the parties and the mediator and/or arbitrator shall keep confidential and not disclose to third parties any information or documents obtained in connection with the arbitration process, including the resolution of the dispute.

21. **Bankruptcy Provisions.**

- 21.1. **Assumption of Lease.** If Tenant becomes a debtor under Chapter 7 of the Bankruptcy Code or a petition for reorganization or adjustment of debts is filed concerning Tenant under Chapter 11 of the Bankruptcy Code, or a proceeding is filed under Chapter 7 of the Bankruptcy Code and is transferred to Chapter 11 of the Bankruptcy Code, the Bankruptcy Trustee or Tenant, as debtor and as debtor-in-possession, may not elect to assume this Lease unless, at the time of such assumption, the Bankruptcy Trustee or Tenant has:

- (a) Cured all defaults under the Lease and paid all sums due and owing under the Lease or provided Landlord with "Adequate Assurance" (as defined below) that: (i) within ten (10) days from the date of such assumption, the Bankruptcy Trustee or Tenant will completely pay all sums then due and owing under this Lease and compensate Landlord for any actual pecuniary loss resulting from any existing default or breach of this Lease, including without limitation, Landlord's reasonable costs, expenses, accrued interest, and attorneys' fees incurred as a result of the default or breach or incurred in the bankruptcy proceeding; and (ii) within twenty (20) days from the date of such assumption, the Bankruptcy Trustee or Tenant will cure all non-monetary defaults and breaches under this Lease, or, if the nature of such non-monetary defaults is such that more than twenty (20) days are reasonably required for such cure, that the Bankruptcy Trustee or Tenant will commence to cure such non-monetary defaults within twenty (20) days and thereafter diligently and in good faith continuously prosecute such cure to completion; and (iii) the assumption will be subject to all of the provisions of this Lease.

- (b) Landlord and Tenant acknowledge that, in the context of a bankruptcy proceeding involving Tenant, at a minimum, “Adequate Assurance” shall mean: (i) the Bankruptcy Trustee or Tenant has and will continue to have sufficient unencumbered assets after the payment of all secured obligations and administrative expenses to assure Landlord that the Bankruptcy Trustee or Tenant will have sufficient funds and/or income to fulfill all obligations of Tenant under this Lease, and (ii) the Bankruptcy Court shall have entered an order segregating sufficient cash payable to Landlord and/or the Bankruptcy Trustee or Tenant shall have granted a valid and perfected first post-petition lien and security interest and/or super priority mortgage in or on property of Bankruptcy Trustee or Tenant acceptable as to value and kind to Landlord, to secure to Landlord the obligation of the Bankruptcy Trustee or Tenant to cure the monetary and/or non-monetary defaults and breaches under this Lease within the time periods set forth above.

21.2. **Assignment of Lease.** If the Bankruptcy Trustee or Tenant has assumed the Lease pursuant to the provisions of this Section for the purpose of assigning Tenant’s interest hereunder to any other person or entity, such interest may be assigned only after the Bankruptcy Trustee, Tenant or the proposed assignee have complied with all of the terms, covenants and conditions of this Lease. Landlord and Tenant acknowledge that such terms, covenants and conditions are commercially reasonable in the context of a bankruptcy proceeding of Tenant. Any person or entity to which this Lease is assigned pursuant to the provisions of the Bankruptcy Code shall be deemed without further act or deed to have assumed all of the obligations arising under this Lease on and after the date of such assignment. Any such assignee shall upon request execute and deliver to Landlord an instrument confirming such assignment.

21.3. **Adequate Protection.** Upon the filing of a petition by or against Tenant under the Bankruptcy Code, Tenant, as Debtor and as Debtor-In-Possession, and any Bankruptcy Trustee who may be appointed agree to adequately protect Landlord as follows: (i) to perform each and every obligation of Tenant under this Lease until such time as this Lease are either rejected or assumed by Order of the Bankruptcy Court; (ii) to pay all monetary obligations required under this Lease, including without limitation, the payment of Rent, Additional Rent and any other sum payable by Tenant under this Lease which is considered reasonable compensation for the use and occupancy of the Property; (iii) provide Landlord a minimum of thirty (30) days prior written notice, unless a shorter period is agreed to in writing by the parties, of any proceeding relating to any assumption of this Lease or any intent to abandon the Property, which abandonment shall be deemed a rejection of this Lease; and (iv) to perform for the benefit of Landlord as otherwise required under the Bankruptcy Code. The failure of Tenant to comply with the above shall result in an automatic rejection of this Lease.

22. **Hazardous Substances.** Tenant shall comply and shall cause all of its subtenants, agents, licensees and other occupants of the Premises or any portion thereof to comply,

with all federal, state and local laws, ordinances, rules and regulations relating to the handling, use, generation, accumulation, storage, transportation, disposal, treatment or sale of all Hazardous Substances in, on or under the Premises, whether now existing or hereafter arising. Tenant hereby expressly releases Landlord and its officers, agents, directors, representatives, shareholders, members, subsidiaries, affiliates, related entities, partners, employees, attorneys and lenders from and waives all claims against such parties for Tenant's fees, costs, losses and liabilities, including without limitation development cost increases, due to the removal or remediation of any Hazardous Substances on the Property as of the Commencement Date. Landlord hereby assigns to Tenant all claims relating to Hazardous Substances which Landlord has or may have against all Persons, their heirs, successors or assigns, who have occupied any of the Property prior to the Commencement Date, whether as holders of fee simple title to any of the Property or under a lease from Landlord or any of its predecessors in title to any of the Property or otherwise, but upon any termination or expiration of this Lease any such claims shall be deemed to have been reassigned to Landlord. In furtherance thereof, and notwithstanding such present assignment of all of such claims, Landlord will execute and deliver to Tenant any document or instrument requested by Tenant for the purpose of better carrying out the foregoing assignment.

Tenant shall give notice to Landlord promptly after learning of any release of any Hazardous Substance on or at the Premises or surrounding environment. This notice shall include a description of measures taken or proposed to be taken by Tenant to obtain and/or remedy the release and any resulting damage to property, persons or the environment, if such measures are required by applicable Law. At Tenant's own expense, Tenant shall promptly take all steps necessary to contain and remedy any release of Hazardous Substances in, on or under the Property, the Improvements or surrounding environment, and all resultant damage or injury to property, persons and the environment.

Upon termination of this Lease, Tenant shall remove all Hazardous Substances and shall decontaminate, decommission and sterilize all areas in the Premises in which Hazardous Substances were generated, stored, accumulated, released, or otherwise present in violation of any Environmental Law.

Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, demands, damages, costs, fees, penalties, and charges asserted against, imposed upon, and incurred by Landlord (including fees and costs of attorneys, consultants, laboratory testing charges and personal injury claims) as a result of (i) the presence, handling, use, generation, accumulation, storage, transportation, disposal, treatment and/or sale of Hazardous Substances at the Property or Improvements; (ii) presence of Hazardous Substances in, on, under or at the Premises on or prior to the Commencement Date; (iii) the release of any Hazardous Substance on or at the Property or Improvements which is attributable to any act or omission of Tenant, or its employees, agents, invitees or subtenants; (iv) the failure of Tenant, or its employees, agents, invitees or subtenants to comply with any Environmental Laws; (v) Tenant's failure to remove all Hazardous Substances or decontaminate, decommission, or sterilize all areas in the Property in which any of Hazardous Substances were generated, stored, handled, accumulated,

released or otherwise present in accordance with applicable Law; and (v) Tenant's failure to comply with any other requirement of this Section 22.

23. **General Provisions.**

23.1. **Right of Inspection.** Tenant shall permit Landlord and its agents to enter into and upon the Premises at any reasonable time upon reasonable prior notice for the purpose of determining Tenant's compliance with this Lease, except in the case of an emergency for which advance notice shall not be required. Landlord will conduct such inspections in such manner and at such time to minimize, to the extent reasonably possible, disturbance of any Space Tenants and will comply with Tenant's reasonable instructions.

23.2. **Removal of Property.** Upon expiration or sooner termination of this Lease, Tenant may remove its trade fixtures, office supplies and movable office furniture and equipment not attached to the Improvements provided: (a) such removal is made prior to the termination or expiration of this Lease, (b) there is then no uncured Event of Default under this Lease, and (c) Tenant immediately repairs all damage caused by or resulting from such removal. All other property in or around the Premises and any alterations or additions thereto (including, without limitation, wall-to-wall carpeting, paneling, wall covering or lighting fixtures and apparatus) and any other article affixed to the floor, wall or ceiling of the Improvements or any other improvement shall become the property of Landlord and shall remain upon and be surrendered with the Premises, Tenant hereby waiving all rights to any payment or compensation therefor. If, however, Landlord so requests in writing before the expiration or termination of this Lease, Tenant will, prior to termination of this Lease, remove such alterations, additions, fixtures, equipment, cabling, wiring and property placed or installed by it in or about the Premises as requested by Landlord, and will immediately repair any damage caused by or resulting from such removal. If Tenant shall fail to remove any of its property of any nature whatsoever from the Premises at the termination of this Lease or when Landlord has the right of reentry, Landlord may, at its option, remove and store said property without liability for loss thereof or damage thereto, such storage to be for the account and at the expense of Tenant. If Tenant shall not pay the cost of storing any such property after it has been stored for a period of thirty (30) days or more, Landlord may, at its option, sell, or permit to be sold, any or all of such property at public or private sale (and Landlord may become a purchaser at such sale), in such manner and at such times and places as Landlord in its sole discretion may deem proper, without notice to Tenant, and shall apply the proceeds of such sale: first, to the cost and expense of such sale, including reasonable attorneys' fees actually incurred; second, to the payment of the costs or charges for storing any such property; third, to the payment of any other sums of money which may then be or thereafter become due Landlord from Tenant under any of the terms hereof; and, fourth, the balance, if any, to Tenant.

23.3. **Successors and Assigns.** Subject to the provisions hereof pertaining to assignment and subletting, the covenants and agreements of this Lease shall be

binding upon the heirs, legal representatives, successors and assigns of any or all of the parties hereto.

- 23.4. **Notices.** All notices, demands, requests, consents, approvals, and other communications (collectively, “***Notices***”), required or permitted to be given hereunder, shall be in writing and sent by email and by either: (i) registered or certified mail, postage prepaid, return receipt requested; or, (ii) special delivery service (*e.g.* Federal Express, DHL, UPS, *etc.*); addressed to the party to be so notified as follows:

Landlord’s Address:

City of Vancouver
415 West 6th Street
Vancouver, WA 98660
Attn: _____

With Copies to:

City of Vancouver
415 West 6th Street
Vancouver, WA 98660
Attn: City Attorney

Houlihan Law PC
303 E. 16th Street, Suite 201
Vancouver, WA
John@houlihan-law.com
jt@houlihan-law.com

Tenant’s Address:

Holland Acquisition Co., LLC
c/o Holland Partner Group
1111 Main Street, Suite 700
Vancouver, WA 98660
Attn: Legal Notices
notices@hollandpartnergroup.com

With a Copy to:

Oregon Law Group, P.C.
1675 SW Marlow Avenue, Suite 404
Portland, OR 97225
Attn: Joel Kaplan
notices@oregonlawgroup.com

Each Notice sent in accordance with the requirements of this Section shall be deemed effectively given upon actual receipt or refusal to accept receipt. Each person designated herein to receive any Notice or a copy thereof may change the address at which, or the person to whom, Notice or a copy thereof is to be delivered, by Notice given in accordance with the requirements of this Section; provided that the new notice address shall not be a post office box.

- 23.5. **Holdover**. If Tenant shall, with the written consent of Landlord, hold over after the expiration or termination of the Lease Term, Tenant shall be deemed to be occupying the Property on a month-to-month tenancy, which tenancy may be terminated as provided by the laws of the State of Washington. During such tenancy, Tenant agrees to pay to Landlord twice the rate of Base Rent as set forth herein, unless a different rate shall be agreed upon, and to be bound by all of the terms, covenants and conditions herein specified, so far as applicable.
- 23.6. **Section Titles**. The titles to sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof. This Lease shall be construed and governed by the laws of the State of Washington.
- 23.7. **Binding Effect**. All of the covenants, agreements, terms and conditions contained in this Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns.
- 23.8. **Entire Agreement**. This Lease contains all covenants and agreements between Landlord and Tenant relating in any manner to the rental, use and occupancy of the Property and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by Landlord and Tenant. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.
- 23.9. **Time of Essence**. Time is of the essence with respect to each of the provisions of this Lease.
- 23.10. **Interpretation**. This Lease and each of the terms and provisions hereof are deemed to have been explicitly negotiated between the parties, and the language in all parts of this Agreement shall, in all cases, be construed according to its fair meaning and not strictly for or against either party.
- 23.11. **Memorandum**. This Lease shall not be recorded but the parties agree that the parties hereto shall execute in recordable form a memorandum of ground lease which shall be recorded in the recording office of Clark County for purposes of putting other parties on notice of the existence of this Lease.

- 23.12. **Estoppel Certificates.** Landlord and Tenant shall, from time to time, without additional consideration within ten (10) business days after request, execute and deliver to each other or to any person whom the requesting party may designate, an estoppel certificate consisting of statements, if true, that (a) this Lease is in full force and effect, with payment of rent and other charges hereunder being current through the date of the certificate (or stating the date through which rent and all other applicable charges hereunder have been paid); (b) this Lease has not been modified or amended (or setting forth all modifications and amendments); (c) to the best of such party's knowledge and belief (based solely upon such party's customary internal investigation undertaken with respect to similar requests, and without waiving any such default should it learn, subsequent to execution of such statement, that the other party was then in default), the other party is not then in default beyond any applicable notice, cure or grace period under this Lease; and (d) such other true factual or legal statements as Landlord, Tenant, or any lender, prospective lender, Space Tenant, investor or purchaser may request.
- 23.13. **Right of First Opportunity to Purchase Landlord's Interest.** If at any time during the Term of this Lease Landlord determines to sell Landlord's Interest, Landlord shall first offer to sell Landlord's Interest to Tenant. Landlord shall give Tenant written notice ("***Landlord's Offer Notice***") of the purchase price for Landlord's Interest and any payment terms (i.e., all cash at closing or the percentage of the purchase price to be paid in cash as a down payment and the terms for Landlord financing the balance of the purchase price, including the forms of the promissory note and security documents related to the balance of the purchase price). Tenant shall have thirty (30) days from its receipt of Landlord's Offer Notice in which to give Landlord written notice ("***Tenant's Acceptance Notice***") of Tenant's acceptance of Landlord's Offer Notice. If Tenant accepts Landlord's Offer Notice, closing shall occur in the Seattle office of such national title insurance company as chosen by Tenant at a mutually acceptable time and place no later than ninety (90) days after Landlord's receipt of Tenant's Acceptance Notice. Title shall be conveyed by bargain and sale deed free of any mortgages or other monetary liens or encumbrances on Landlord's Interest and free of any exceptions not on the title on the Commencement Date except those arising through or otherwise approved by Tenant, such approval not to be unreasonably withheld. Payment of transfer taxes and closing costs shall be divided between Landlord and Tenant in accordance with the prevailing custom in the City of Vancouver at the time of the closing. Landlord shall pay the cost of a standard coverage title insurance policy for Tenant and the title company will act as the escrow agent to close the sale; Tenant will pay the cost of extended coverage and any special endorsements requested by Tenant. Each party will bear its own attorneys' fees and any other closing costs will be charged to the party customarily responsible for such a cost on the closing date. If Tenant does not exercise its right of first opportunity as provided herein, Landlord may offer to sell Landlord's Interest to a third party on the same terms as described in its notice to Tenant (or on terms which are clearly more favorable to a seller). If Landlord has not entered into a contract to sell Landlord's Interest within twelve

(12) months after Landlord's Offer Notice to Tenant, then any further transaction shall again be subject to Tenant's right of first opportunity.

- 23.14. **Right of First Opportunity to Purchase Tenant's Interest.** If at any time during the Term of this Lease Tenant determines to sell Tenant's Interest, Tenant shall first offer to sell Tenant's Interest to Landlord. Tenant shall give Landlord written notice ("***Tenant's Offer Notice***") of the purchase price for Tenant's Interest and any payment terms (i.e., all cash at closing or the percentage of the purchase price to be paid in cash as a down payment and the terms for Tenant financing the balance of the purchase price, including the forms of the promissory note and security documents related to the balance of the purchase price). Landlord shall have thirty (30) days from its receipt of Tenant's Offer Notice in which to give Tenant written notice ("***Landlord's Acceptance Notice***") of Landlord's acceptance of Tenant's Offer Notice. If Landlord accepts Tenant's Offer Notice, closing shall occur in the Seattle office of such national title insurance company as chosen by Landlord at a mutually acceptable time and place no later than ninety (90) days after Tenant's receipt of Landlord's Acceptance Notice. Title shall be conveyed by Assignment of Tenant's Interest in Ground Lease and by statutory warranty deed for the Improvements free of any mortgages or other monetary liens or encumbrances on Tenant's Interest and free of any exceptions not on the title on the Commencement Date except those arising through or otherwise approved by Landlord, such approval not to be unreasonably withheld. Payment of transfer taxes and closing costs shall be divided between Landlord and Tenant in accordance with the prevailing custom in the City of Vancouver at the time of the closing. Tenant shall pay the cost of a standard coverage title insurance policy for Landlord and the title company will act as the escrow agent to close the sale; Landlord will pay the cost of extended coverage and any special endorsements requested by Landlord. Each party will bear its own attorneys' fees and any other closing costs will be charged to the party customarily responsible for such a cost on the closing date. If Landlord does not exercise its right of first opportunity as provided herein, Tenant may offer to sell Tenant's Interest to a third party for a purchase price not less than ninety-five percent (95%) of that offered to Landlord and on the same terms as described in its notice to Landlord (or on terms which are clearly more favorable to a seller). If Tenant has not entered into a contract to sell Tenant's Interest within twelve (12) months after Tenant's Offer Notice to Landlord, then any further transaction shall again be subject to Landlord's right of first opportunity. Landlord's right of first opportunity shall also apply to an arms-length sale of all or substantially all of the stock interests in Tenant to someone other than a direct or indirect shareholder or member of Tenant or an Affiliate of any direct or indirect shareholder or member of Tenant.
- 23.15. **Consents.** Except where this Lease indicates that a consent or approval is in the sole discretion of a party, Landlord and Tenant each agree that they will act in a commercially reasonable manner in giving or withholding any consent required under this Lease and that any dispute between Landlord and Tenant as to whether they have acted in a commercially reasonable manner in giving or withholding

any consent or approval shall be determined by arbitration in accordance with Section 20 of this Lease.

23.16. **Right to Purchase Landlord's Interest.**

- (a) Tenant may elect to purchase the Landlord's Interest: (1) effective upon the expiration of the Initial Term; (2) if the Renewal Term is applicable, at the end of the eightieth (80th) Lease Year, and (3) at the expiration of the Renewal Term (in each case the "***Option***").
- (b) Tenant shall exercise the Option by delivering to Landlord written notice of its election to exercise the Option no later than six (6) months' before expiration of the Initial Term, 80th Lease Year or the Renewal Term, as applicable (in each such case the "***Tenant's Election to Exercise Option***").
- (c) The purchase price for the Option shall be the Option Fair Market Value. Upon the due and timely exercise of the Option, Landlord and Tenant shall attempt to agree on the Option Fair Market Value. If Landlord and Tenant are unable to agree on the Option Fair Market Value within ninety (90) days after Landlord's receipt of Tenant's Election to Exercise Option, then each party shall give written notice ("***Option Price Determination Notice***") to the other within thirty (30) days thereafter setting forth its respective determination of the Option Fair Market Value which shall be based on a full appraisal report prepared in accordance with the then current standards of the Uniform Standards of Professional Appraisal Practice (or the then equivalent appraisal standards if USPAP standards are no longer published and relied upon in appraisal practice). Landlord and Tenant shall simultaneously exchange copies of the appraisal report no later than three (3) days after the issuance of the last Option Price Determination Notice. If, however, either Landlord or Tenant fails to give its Option Price Determination Notice by the deadline and fails to cure such failure within thirty (30) days after notice from the other party, then the determination set forth in the other party's Option Price Determination Notice will be the Option Fair Market Value and the remaining provisions of this Section will be disregarded. If the lower determination of the Option Fair Market Value set forth in the Option Price Determination Notices is not less than ninety five percent (95%) of the higher determination, then the parties' determinations shall be averaged and the average shall be the Option Fair Market Value. If the lower determination of the Option Fair Market Value set forth in the Option Price Determination Notices is less than ninety five percent (95%) of the higher determination, then, unless the parties agree, within seven (7) days, on one arbitrator to resolve the matter, the matter shall be submitted for decision to a panel of three (3) arbitrators. No later than fifteen (15) days following the Option Price Determination Notices, Landlord and Tenant shall each appoint one arbitrator who is a designated member in good standing of the

Appraisal Institute (or has a similar designation from any successor to the Appraisal Institute), with at least five (5) years' full-time commercial appraisal experience in the Vancouver, Washington area. The two arbitrators so appointed shall within fifteen (15) days after the date of the appointment of the last appointed arbitrator agree upon and appoint a third arbitrator who shall be qualified under the same criteria set forth above for qualification of the initial two arbitrators and, in addition, who is neutral and has not rendered services to either Landlord or Tenant or their respective Affiliates within the preceding five (5) year period. Failing such agreement, either Landlord or Tenant shall have the right to petition for the appointment of the third arbitrator by the Presiding Judge of the Circuit Court of Clark County. The determination of the arbitrators shall be made by majority vote of the arbitrators and shall be limited solely to the issue of whether Landlord's or Tenant's proposed Option Fair Market Value set forth in its Option Price Determination Notice is the closest to the actual Option Fair Market Value. The three arbitrators shall within thirty (30) days after the appointment of the third arbitrator reach a decision as to whether the parties shall use Landlord's or Tenant's proposed Option Fair Market Value, and shall notify Landlord and Tenant thereof in writing. The decision of a majority of the three arbitrators shall be binding upon Landlord and Tenant and not subject to appeal. Each party shall bear the cost of the arbitrator appointed by it directly and the cost of the third arbitrator shall be paid one-half by Landlord and one-half by Tenant. Each party shall be responsible for its own attorneys' and experts fees in the arbitration process. Section 20 shall not be applicable to the determination of Option Fair Market Value under this Section 23.16.

- (d) Closing on the Option shall occur: on a mutually agreed date, but no later than the last day of the Initial Term, the 80th Lease Year or Renewal Term, as applicable.
- (e) Title shall be conveyed by special warranty deed free of any mortgages or other monetary liens or encumbrances on Landlord's Interest and free of any exceptions not on the title on the Commencement Date except any non-delinquent future liens or encumbrances imposed by governmental entities and those arising through or otherwise approved by Tenant, such approval not to be unreasonably withheld. Landlord shall pay excise and transfer taxes, and closing costs shall be divided between Landlord and Tenant in accordance with the prevailing custom in the City of Vancouver at the time of the closing. Landlord shall pay the cost of a standard coverage title insurance policy for Tenant and the title company will act as the escrow agent to close the sale; Tenant will pay the cost of extended coverage and any special endorsements requested by Tenant. Each party will bear its own attorneys' fees and any other closing costs will be charged to the party customarily responsible for such a cost on the closing date.

- (f) Any dispute regarding the Option, except for those related to the determination of the Option Fair Market Value, shall be resolved by arbitration pursuant to Section 20 of this Lease. Any failure by Tenant to close on the purchase of Landlord's interest after delivering Tenant's Election to Exercise Option shall not be deemed an Event of Default.
- 23.17. **Non-merger of Estates.** If Landlord shall become the holder of a first mortgage on the leasehold estate created hereby, or if Landlord shall acquire said leasehold estate, or if Tenant, or any assignee of Tenant, shall acquire the fee simple title to the Property, or if the holder of a first mortgage on said leasehold estate acquires the fee simple title to the Property, while such first mortgage is in existence on said leasehold estate, the fee simple title to the Property and said leasehold estate shall not merge but shall always be kept separate and distinct, notwithstanding the union of said estates in either Tenant or Landlord.
- 23.18. **Attorney Fees for NDA's and Estoppels.** Any and all reasonable attorneys' and consultants' fees incurred by Landlord in response to a request by the Tenant to review any Non-Disturbance Agreements or statements acknowledging financing or estoppel statements shall be paid by the Tenant including without limitation the attorney fees and costs or "review fees" imposed by any lender of Landlord.
- 23.19. **Landlord's Limitation of Liability.** Notwithstanding any provision in the Lease to the contrary, Tenant agrees that it shall look solely to Landlord's Estate and the Land for the collection of any judgment requiring the payment of money by Landlord or for the enforcement of any other judgment or remedy against Landlord and no other assets of Landlord shall be subject to levy, execution or other procedure for the satisfaction of Tenant's remedies.
- 23.20. **Lessor's Title Paramount.** Nothing herein shall authorize Tenant to do any act that shall encumber the title of Landlord in and to the Landlord's Interest, nor shall the fee simple estate of Landlord therein be in any way subject to any claim of lien or encumbrance arising through Tenant, whether claimed by operation of law or by virtue of any express or implied contract by Tenant except as expressly provided by the Lease. Any claim to a lien upon the New Improvements arising from any act or omission of Tenant shall accrue only against the leasehold estate of Tenant and Tenant's interest in any New Improvements and shall in all respects be subject to the paramount title and rights of Landlord in and to the Land.
- 23.21. **Brokerage.** Each party represents and warrants to the other that it has not incurred any brokerage or commission obligation to any third party with respect to this Lease and agrees to hold harmless and indemnify the other party for any such obligation asserted against the other party arising out of actions of the warranting party who dealt with such third party

[Signature Pages Follow]

IN WITNESS WHEREOF the parties hereto have executed this Lease the day and year first above written.

“Landlord”

City of Vancouver,
a Washington municipal corporation

By: _____
Eric Holmes, City Manager

“Tenant”

[Holland]

By: _____
Name: _____
Title: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF CLARK)

I certify that I know or have satisfactory evidence that Eric Holmes is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath and stated that he was authorized to execute the instrument and acknowledged it as the City Manager of the City of Vancouver to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____, 2019

Type/Print Name of Notary

Notary Public in and for the State of Washington
My appointment expires: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF CLARK)

I certify that I know or have satisfactory evidence that [REDACTED] is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the [REDACTED] of [REDACTED], to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this _____ day of _____, 2019.

Notary Public in and for the State of Washington
Name (printed or typed): _____
My appointment expires: _____

EXHIBIT A

LEGAL DESCRIPTION OF LAND

Lots 1, 2, 3, 4, 5, 6, 7 and 8, Block West Vancouver according to the plat thereof recorded in Volume B of Plats, Page 40, records of Clark County Washington.

[Note: Legal description is subject to confirmation.]

EXHIBIT B

GUARANTY OF COMPLETION AND PERFORMANCE

By: **Holland Partner Group Investments, LLC,** “Guarantor”
a Washington limited liability company

In favor of: **City of Vancouver** “Landlord”

Dated: _____, 2020

Background

A. Reference is made to the Ground Lease of even date hereof between Landlord, as landlord thereunder, and [Holland], a Delaware limited liability company, as Tenant thereunder (as the same may be amended, the “Ground Lease”). Capitalized terms used in this Guaranty, but not expressly defined herein or by reference to another document or source, shall have the same meanings as are respectively ascribed to those terms in the Ground Lease.

B. Tenant is governed by an Operating Agreement dated as of _____ among Tenant’s members (the “JV Agreement”).

C. Tenant has entered or will enter into that certain Construction Contract with Holland Construction, Inc., a Washington corporation (“Contractor”) relating to construction of certain new improvements (the “New Improvements”) (as the same may be amended, the “Construction Contract”).

D. In order to finance construction of the New Improvements, Tenant has entered into a Construction Loan Agreement of even date herewith between Tenant and _____ (the “Lender”) Landlord (as the same may be amended, the “Loan Agreement”).

E. Guarantor has an indirect ownership interest in Tenant.

F. As a material inducement for Landlord to enter into the Ground Lease, Guarantor has agreed to execute and deliver this Guaranty.

Agreement

1. Guaranty. Guarantor hereby absolutely guarantees to Landlord: (a) completion of construction of the New Improvements within the time and in the manner required by the Ground Lease and Construction Contract (“Completion”) on or before 30 months after issuance of Shoring and Excavation Permit (the “Completion Date”), but subject to delay for Force Majeure Events (as such terms are defined in the Ground Lease); (b) the full and timely payment of all costs, expenses, charges and fees necessary for the fulfillment of the requirements of such Completion, including, without limitation, all cost overruns, and all fees for permits and licenses, utility expenses, amounts payable under the Construction Contract and all subcontracts relating to the New Improvements, and amounts payable to all contractors, engineers, architects,

subcontractors and material suppliers engaged in connection with any of the foregoing; (c) the fulfillment of all obligations under any and all extensions, modifications, rearrangements, and restatements of any of the obligations, liabilities, and duties described in (a) or (b) above; and (d) without duplication of any of the amounts set forth in clauses (a) through (c) above or Section 10 below, the payment of all costs, losses, liabilities and expenses resulting from the failure of Guarantor to comply with the terms of this Guaranty (all of the payments, obligations, duties, and agreements described in this Section 1 are referred to as the “Guaranteed Obligations”).

2. Enforcement of Guaranty.

(a) Except as otherwise expressly contemplated in this Guaranty, within five (5) business days after occurrence and during the continuance of an Event of Default by TENANT under the Ground Lease (as defined in the Ground Lease), Guarantor shall, at its sole cost and expense, pay or perform any such Guaranteed Obligations then due, including, without limitation, assuming construction of the New Improvements and diligently pursuing such construction to complete the New Improvements within the time and manner required in the Ground Lease and Construction Contract. Guarantor shall pay all costs and expenses in connection with such construction and shall indemnify and hold Landlord harmless from any and all losses, costs, liabilities, or expenses incurred in connection with such Completion of the New Improvements.

In the event Lender fails to make advances contemplated under the Loan Agreement and/or Tenant’s members fail to make equity contributions contemplated under the JV Agreement, through no fault of Guarantor or any affiliate of Guarantor, and Tenant ceases work on the New Improvements (each, a “Debt and Equity Default”), Guarantor shall have two hundred seventy (270) days after the Debt and Equity Default to obtain replacement debt financing or equity investment (as applicable) on commercially reasonable terms, and to recommence work on the New Improvements (each, a “Debt and Equity Cure”). Guarantor shall use all due diligence and commercially reasonable efforts to affect the Debt and Equity Cure. Guarantor shall provide Landlord monthly status reports of its efforts to affect the Debt and Equity Cure.

If Guarantor fails to affect a Debt and Equity Cure within two hundred seventy (270) days after the Debt and Equity Default (the “Initial Cure Period”), then Guarantor shall provide written notice of such failure to Landlord. Guarantor shall continue to use all due diligence and commercially reasonable efforts to continue to affect a Debt and Equity Cure, and Tenant, Guarantor, and Landlord shall have monthly briefings in which Tenant and Guarantor shall present detailed written evidence of their efforts to affect a Debt and Equity Cure, until Guarantor affects a Debt and Equity Cure (the “Extended Cure Period”). The Extended Cure Period shall expire forty-five (45) days after a Debt and Equity Cure could have been affected and was not affected (“Cure Period Expiration”) or be terminated ten (10) days after Guarantor’s receipt of written notice from the Landlord terminating the Extended Cure Period due to Landlord’s commercially reasonable insecurity that a Debt and Equity Cure will not be affected (“Cure Period Termination”). Any provision of this Guaranty to the contrary notwithstanding, Guarantor’s obligations under Sections 1 and 2(b) of this Guaranty shall not be effective until after the Cure Period Expiration. Furthermore, the Ground Lease shall provide as follows:

(1) So long as Tenant pays rent as and when due and otherwise performs its obligations under the Ground Lease, other than the timely completion of construction of the New Improvements, the Landlord shall forbear exercising its remedies, including without limitation termination of the Ground Lease, until after the Cure Period Expiration; and

(2) Contemporaneously with a Cure Period Termination, Guarantor's obligations under Sections 1 and 2(b) of this Guaranty shall terminate, and Landlord may elect either: (1) to terminate the Ground Lease and take title to the Premises and New Improvements, or (2) require Guarantor to purchase the Premises for the amount of Three Million Three Hundred Thousand Dollars (\$3,300,000); provided that Guarantor may designate an affiliate to complete such purchase.

(b) If Guarantor fails upon Landlord's request as and when required under this Guaranty to commence and thereafter diligently and continuously pursue Completion (but subject to Sections 1(a) and 1(b) above and a Debt and Equity Default), or if Guarantor fails to achieve Completion on or before the Completion Date, except in the case of a Debt and Equity Default, then Landlord shall have the right ("Landlord's Completion Right") (but not the obligation) in its sole and absolute discretion to complete the New Improvements itself or to cause a third party to complete the construction of the New Improvements. Guarantor shall pay to Landlord, immediately upon written demand, an amount equal to the difference between the actual costs incurred by Landlord in so completing the New Improvements and that are directly related to the construction of the New Improvements, including, without limitation, all licensing fees, permitting fees, amounts payable under any general construction contract and all subcontracts, and amounts payable to any architect, engineer or other consultant engaged in connection with the construction of the New Improvements (the "Actual Costs").

If any construction lien arising from or in connection with the construction of the New Improvements encumbers the Property, then Guarantor agrees, at its sole cost and expense, to immediately cause the removal of such construction liens. Such obligation shall be separate and apart from Tenant's obligation to post the Letter of Credit (as defined in the Lease), it being understood that the proceeds of such Letter of Credit are intended by Tenant and Guarantor to be used for purposes other than to pay for the removal any such construction liens.

3. Waivers. Guarantor waives any right to require that (i) any action be brought against Tenant or any other Person, (ii) Landlord enforce its rights against any other guarantor of the Guaranteed Obligations, (iii) Landlord have Tenant joined with Guarantor or any other guarantor of all or part of the Guaranteed Obligations, or (iv) Landlord pursue any other remedy in Landlord's powers whatsoever. Landlord shall not be required to mitigate damages or take any action to reduce, collect or enforce the Guaranteed Obligations. Guarantor waives any defense arising by reason of any disability, lack of corporate, limited liability company, and/or partnership authority or power, or other defense of Tenant, or of any other guarantor of the Guaranteed Obligations, and shall remain liable hereon regardless of whether Tenant or any other guarantor be found not liable thereon for any reason. Should Landlord seek to enforce the obligations of Guarantor by action in any court, Guarantor waives any necessity, substantive or procedural, that a judgment previously be rendered against Tenant or any other Person or that

Tenant or any other Person be joined in such cause or that a separate action be brought against Tenant or any other Person.

GUARANTOR HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVES:

(i) presentment, demand, protest, notice or acceptance, notice of dishonor, notice of nonperformance, notice of acceleration, notice of intent to accelerate and any other notice with respect to any of the Guaranteed Obligations and this Guaranty, and promptness in commencing suit against any party thereto or liable thereon, and/or in giving any notice to or making any claim or demand hereunder upon Guarantor, (ii) any right to require Landlord to (A) proceed against Tenant or any other guarantor, (B) proceed against or exhaust any security held by Landlord, or (C) pursue any remedy in Landlord's power whatsoever; (iii) any defense arising by reason of any incapacity, lack of authority, death or disability or other defense of Tenant or any other party or by reason of the cessation from any cause whatsoever of the liability of Tenant or any other party; (iii) all rights and defenses arising out of an election of remedies by Landlord; (iv) any defense based upon any lack of diligence by Landlord in the collection of the Guaranteed Obligations; (v) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; and (vi) any defense based upon any duty on the part of Landlord to disclose to Guarantor any facts Landlord may now or hereafter know about Tenant, regardless of whether Landlord has reason to believe that any such facts materially increase the risk beyond that which Guarantor intends to assume or has reason to believe that such facts are unknown to Guarantor or has a reasonable opportunity to communicate such facts to Guarantor. This is an unconditional and irrevocable waiver of any rights and defenses Guarantor may have.

4. No Termination, Modification, or Impairment. Guarantor hereby consents and agrees to each of the following, and agrees that the Guaranteed Obligations shall not be released, diminished, impaired, reduced or adversely affected by any of the following, and waives any rights (including without limitation rights to notice) that Guarantor might otherwise have as a result of or in connection with any of the following, in each case to the fullest extent permitted by law:

(a) any amendment of the Ground Lease, the Construction Contract, the Loan Agreement or the JV Agreement;

(b) the insolvency, bankruptcy, arrangement, adjustment, composition, liquidation, disability, dissolution, death, or lack of power of Tenant;

(c) the failure of Landlord or any other Person to exercise diligence or reasonable care in the preservation, protection, enforcement, sale or other handling or treatment of all or any part of such Collateral, property or security; or

(d) any payment by Tenant to Landlord is held to constitute a preference under the bankruptcy laws, or for any reason Landlord is required to refund such payment or pay such amount to Tenant or someone else.

5. Representations and Warranties. Guarantor represents and warrants that: (a) Guarantor has the power and authority to execute, deliver and perform its obligations under this

Guaranty, (b) the execution, delivery and performance by Guarantor of this Guaranty do not violate or conflict with any applicable laws, and do not violate or conflict with, breach, or constitute a default under, or require consent under any agreement or document binding or covering Guarantor or any of its property and (c) this Guaranty constitutes a legal, valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms.

6. Release. Upon Completion, Guarantor will be released from its obligations under this Guaranty and, at Guarantor's request, Landlord shall confirm in writing to Guarantor that all obligations of Guarantor under this Guaranty have been fulfilled, and that this Guaranty is of no further force or effect.

7. Litigation Costs. In the event Landlord brings an action to enforce this Guaranty, or in the event of a bankruptcy or insolvency proceeding involving Guarantor, Guarantor will reimburse Landlord for all expenses incurred by Landlord, including, but not limited to, attorneys' fees and costs (for in-house and outside counsel).

8. Successors and Assigns. This Guaranty shall be binding upon Guarantor, its administrators, successors and assigns, and shall inure to the benefit of and may be enforced by Landlord and its successors and assigns.

9. Events of Default. Guarantor shall be in default under this Guaranty upon the occurrence of any or all of the following events, circumstances or conditions (each of which shall be referred to herein as an "Event of Default"):

(a) Default in the timely payment or performance of any or all of the obligations imposed under, or any or all of the covenants, warranties and liabilities contained or referred to in, this Guaranty; or

(b) Any warranty, representation or statement made or furnished to Landlord by or on behalf of Guarantor (i) in connection with, or under the terms of, this Guaranty, or (ii) to induce Landlord to enter into the Ground Lease, proves to have been false in any material respect when made or furnished; or

(c) Insolvency, business failure, appointment of a receiver of any part of the property of, assignments for the benefit of creditors by, or the commencement of any proceeding under any state or federal bankruptcy or insolvency laws by or against, any Guarantor and, in the case of an involuntary proceeding under any federal or state bankruptcy law, if such proceeding shall not be dismissed within ninety (90) days after commencement thereof. Notwithstanding the foregoing, the events in this clause (c) shall not constitute an Event of Default if a replacement guarantor acceptable to Landlord in its reasonable discretion (meeting the Minimum Financial Requirement and having a direct or indirect ownership interest in Tenant) shall provide a replacement Limited Guaranty in substantially the form executed at Closing and a replacement Guaranty of Completion and Performance in substantially the form hereof; or

(d) Upon the entry of any monetary judgment or the assessment and/or filing of any tax lien against any Guarantor, or upon the issuance of any writ of garnishment or attachment against any property of, debts due to, or rights of any Guarantor, if such event would materially adversely affect Guarantor's ability to perform hereunder, unless in any such event

such judgment, assessment, lien, garnishment or attachment is discharged or bonded within sixty (60) days.

10. Remedies; Continuance of Event of Default.

(a) Guarantor acknowledges that upon the occurrence of an Event of Default, Landlord shall have the right to enforce the Guaranteed Obligations by pursuing any and all rights and remedies available to Landlord against Guarantor, whether such rights and remedies are available at law or in equity.

(b) Notwithstanding anything to the contrary contained in this Guaranty, if an Event of Default has occurred (i) it shall be deemed to continue unless and until Landlord in its sole and absolute discretion in writing has waived the Event of Default, and (ii) unless Landlord in its sole and absolute discretion has agreed in writing to permit Guarantor to do so, neither Guarantor nor any other Person shall have any right to cure such Event of Default. If Landlord waives an Event of Default in writing or accepts in writing a cure by Guarantor of an Event of Default, following such written waiver or cure, such Event of Default shall cease to exist and shall no longer continue.

11. Notices. All notices required or permitted hereunder shall be in writing and shall be served on the parties at the addresses set forth on page one.. Any such notices shall be either (a) sent by overnight delivery using a nationally recognized overnight courier, in which case notice shall be deemed delivered one business day after deposit with such courier, (b) sent by email, in which case notice shall be deemed delivered upon transmission, or (c) sent by personal delivery, in which case notice shall be deemed delivered upon receipt. Any notice sent by facsimile or personal delivery and delivered after 5:00 p.m. local time where the Property is located shall be deemed received on the next business day. A party's address may be changed by written notice to the other party; provided, however, that no notice of a change of address shall be effective until actual receipt of such notice. Copies of notices are for informational purposes only, and a failure to give or receive copies of any notice shall not be deemed a failure to give notice. Notices given by counsel to Landlord shall be deemed given by Tenant, notices given by counsel to Tenant or Guarantor shall be deemed given by Landlord, and notices given to a party's counsel shall be deemed given to the party.

If to Guarantor:

Holland Partner Group Investments, LLC
c/o Holland Partner Group
1111 Main Street, Suite 700
Vancouver, WA 98660
Attn: Clyde Holland
E-mail: cluede@hollandpartnergroup.com

and a copy to:

c/o Holland Partner Group
1211 Daniels Street, #61708
Vancouver, WA 98660
Attention: Principal Staff Officer / Notices

Email: notices@hollandpartnergroup.com

With a copy to:

Oregon Law Group, P.C.
1675 SW Marlow Avenue, Suite 404
Portland, OR 97225
Attn: Joel Kaplan
E-mail: notices@oregonlawgroup.com

If to Landlord:

City of Vancouver
415 West 6th Street
Vancouver, WA 98660
Attn: _____

and a Copy to:

City of Vancouver
415 West 6th Street
Vancouver, WA 98660
Attn: City Attorney

With a copy to:

Houlihan Law PC
303 E. 16th Street, Suite 201
Vancouver, WA
Attn: John Houlihan
John@houlihan-law.com
jt@houlihan-law.com

12. Governing Law. This Guaranty shall be governed by and construed in accordance with the laws of the State of Washington, without regard to the conflict of law rules of the State of Washington or any other jurisdiction. Guarantor hereby agrees that all actions or proceedings arising directly, indirectly or otherwise in connection with, out of or related to or from this Guaranty, or for recognition or enforcement of any judgment arising from same, shall be litigated, in Landlord's sole discretion and at Landlord's sole election, only in courts having a situs within or whose jurisdiction includes Clark County, Washington. Accordingly, Guarantor hereby irrevocably and unconditionally waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of any such action or proceeding in any court selected by Landlord. Guarantor also hereby irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection which Guarantor may now or hereafter have to the venue of any suit, action or proceeding in any court selected by Landlord. Guarantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

13. Amendments. No amendment or waiver of any provisions of this Guaranty nor consent to any departure by Guarantor therefrom shall in any event be effective unless the same shall be in writing and signed by Landlord, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or

demand on Guarantor shall in any case entitle it to any other or further notice or demand in similar or other circumstances.

14. No Oral Agreements. This Guaranty represents the final agreement between the parties in connection with the subject matter hereof and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements by the parties. There are no unwritten oral agreements with the parties.

15. Financial Representations, Warranties and Covenants. Guarantor hereby represents, warrants and covenants that:

(a) All financial statements and data that have been given to Landlord by Guarantor and Tenant with respect to Guarantor (A) are complete and correct in all material respects as of the date given; (B) accurately present in all material respects the financial condition of Guarantor on each date as of which the same have been furnished; and (C) have been prepared in accordance with the method of presentation provided by Guarantor's Statement of Net Worth and Liquidity document previously provided to Landlord.

(b) There has been no adverse change in the financial condition of Guarantor since (A) the date of the most recent financial statements given to Landlord with respect to Guarantor, or (B) the date of the financial statements given to Landlord immediately prior to the date hereof, other than changes in the ordinary course of business, none of which changes has been materially adverse, individually or in the aggregate.

(c) For so long as this Guaranty remain outstanding, (i) Guarantor, collectively, shall maintain a net worth of not less than Fifteen Million and 00/100 Dollars (\$15,000,000) and (ii) maintain liquidity (unencumbered cash) of not less than Five Million and 00/100 Dollars (\$5,000,000) ((i) and (ii) are collectively called, the "Minimum Financial Requirement"). An Appropriate Officer of Guarantor shall certify compliance with such Minimum Financial Requirement on a quarterly and annual basis.

16. Time. Time is of the essence of this Guaranty and all of its provisions.

17. Entire Agreement. This Guaranty is intended as a final expression of this agreement of guarantee and is intended also as a complete and exclusive statement of the terms of this agreement. No course of prior dealings between Guarantor and Landlord, no usage of the trade, and no parol or extrinsic evidence of any nature, shall be used or be relevant to supplement, explain, contradict or modify the terms and/or provisions of this Guaranty.

18. Severability. If any term, provision, covenant or condition hereof or any application thereof should be held by a court of competent jurisdiction to be invalid, void or unenforceable, such invalidity, voidness or unenforceability shall not impair, diminish, void, invalidate or affect in any way any other terms, provisions, covenants and conditions hereof or any applications thereof, all of which shall continue in full force and effect.

19. Headings. Section headings in this Guaranty are included for convenience of reference only and do not constitute a part of this Guaranty for any other purpose.

20. Counterparts. This Guaranty may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of such counterparts taken together shall constitute but one and the same instrument.

21. GUARANTOR ACKNOWLEDGEMENT AND WAIVER OF RIGHT TO TRIAL BY JURY. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, GUARANTOR HEREBY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, OR RELATED TO, THE SUBJECT MATTER OF THIS GUARANTY.

[Signature Appears on Following Page]

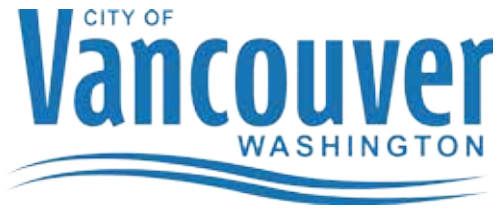
IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Guaranty as of the date first above written.

GUARANTOR:

HOLLAND PARTNER GROUP INVESTMENTS, LLC,
a Washington limited liability company

By: Holland Partner Group Management, Inc.,
a Delaware corporation,
its Manager

By: _____
Clyde P. Holland, Jr.,
Chairman and CEO



MEMORANDUM

DATE: Monday, November 18, 2019

TO: Mayor and City Councilmembers

FROM: Council Subcommittee 2 (Stober, Lebowsky, Turley)

CC: Eric J. Holmes, City Manager
Jill Brown, Boards & Commissions

RE: Recommendation for Reappointment to the PDX Citizen Noise Advisory Committee

The PDX Citizen Noise Advisory Committee consists of 15 members, two of which are appointed by the Vancouver City Council.

The Citizen Noise Advisory Committee (CNAC) is the official forum to address the community's aircraft noise concerns. Local jurisdictions and the Port of Portland appoint the 15-member committee to represent residential and business concerns. CNAC was organized in 1998 as an official Port of Portland advisory committee on aircraft noise issues.

CNAC members review noise abatement projects, provide input for the implementation of the current Portland International Airport Noise Compatibility Plan, develop ideas and recommend proposals for consideration in future airport noise plans, participate on advisory committees involved in long-range airport facilities and capital improvement planning, and promote citizen understanding of airport noise issues.

Council Committee 2 recently interviewed six candidates for one of the Vancouver positions, and recommends that Mike Yee be reappointed. His new term would begin on December 1, 2019, and conclude on November 30, 2022.

If there are no objections, we would like to make these appointments at the **Monday, November 18, 2019** Council meeting.

Attachments:
Letter of Continued Interest
Letter of Support
Roster

Date: September 28, 2019

City of Vancouver
City Council Committee
PO Box 1995
Vancouver, WA 98668

Re: Letter of Continued Interest – PDX Citizens Noise Advisory Committee

Dear Council Committee,

It has been my honor to serve the (PDX Citizens Noise Advisory Committee) for the past (14+) years. Please accept this letter of continued interest as my formal application for reappointment.

I believe that my participation on the (PDX Citizens Noise Advisory Committee) has benefitted its work in the following ways:

- Flight diversion request policy with the FAA for stake holder special events
- Continuous decent agreement with Oregon Air National Guard (ORANG)
- Cross wind runway noise abatement policy with the FAA
- Community Outreach Efforts in Vancouver areas affected by PDX noise
- Provide a forum to Vancouver residents to air noise complaints and receive direct PDX counsel

I am proud of what this group has accomplished throughout my term(s) of service, and look forward to future opportunities. We are at the beginning of a new age in aviation. NextGen and PBN have begun implementation throughout the country. These aviation technologies are using GPS to better manage aviation with respect to safety, noise, costs and predictability. Based on these new technologies, we at CNAC are taking a more observational role to help the community to understand the effects on their lives. We are also tasked with the responsibility of monitoring the noise effects and present citizen concerns to PDX and the FAA with the objective of minimizing their impact on our community. Currently we are involved in the following.

- Monitor the development of NextGen/PBN as it relates to flight track changes and community impacts around PDX
- Continue to represent Vancouver residents' aircraft noise concerns on CNAC committee

I've been a member of the PDX CNAC since December 2004 representing the City of Vancouver. I took this position after recovering from a massive stroke. Being an Engineer for many years, my objective was to volunteer for something that was science oriented where I could use my Engineering knowledge to contribute to something meaningful to our community. This CNAC position seemed to fit perfectly and it also allowed me to serve the City of Vancouver directly in a significant way. I have spent the last 14+ years learning the specific science and other types of issues involved with airport noise. During this time I've also been able to build solid relationships with the Port of Portland staff and other CNAC members representing other PDX jurisdictions within the Metro area. I am hoping that the City of Vancouver will see the value of my past ~15 years of experience and service on CNAC. I'm also hoping that you will see

my continued service on the CNAC committee as a valuable liaison resource for the City of Vancouver and its citizens with the PDX Airport.

Once again, it has been my honor to serve the (PDX Citizens Noise Advisory Committee). I hope that you will grant my request for reappointment.

Thank you in advance for your consideration.

Sincerely,

Mike Yee

DATE: October 7, 2019
TO: Council Subcommittee 2 – Councilmembers Turlay, Stober and Lebowsky
FROM: Phil Stenstrom, Port of Portland Noise Program Manager
RE: PDX Citizen Noise Advisory Committee – Mike Yee Reappointment

I would like to request the Council members to strongly consider Mike Yee's letter of intention to continue as Vancouver Representative on the Citizen Noise Advisory Committee (CNAC) for the Port of Portland Noise Management Department.

Mike was initially appointed to the CNAC committee by the City of Vancouver in December 2004. Mike has completed five, three-year terms on the committee making him our most senior member. His meeting attendance rate is among the best CNAC has seen since I became involved.

As a CNAC member Mike has been involved in several aircraft noise related projects and issues including:

- Cargo Feeder Study
- North Rwy Extension (NREX)
- 2008 Part 150 Update
- OANG Continuous Decent Overhead Approach Procedure
- Diversion Request Policy
- NextGen implementation at PDX
- PDX Fly Quiet Program
- CNAC activity updates to Vancouver City Council
- Implementation of satellite navigation procedures
- Enhanced Community Outreach and Education Program
- CNAC activity updates to Vancouver City Council

When reviewing aircraft noise related projects and proposals Mike is always questioning and evaluating the potential impacts to Vancouver and Vancouver residents.

Thank you in advance for your consideration to reappoint Mike Yee to the Citizen Noise Advisory Committee for another term.

Sincerely,



Phil Stenstrom
Sr Mgr, Airside Ops and Noise
Port of Portland
T: 503.415.6063
C: 503.720.1159
Philip.Stenstrom@portofportland.com

VOUCHER APPROVAL

We, the undersigned council members of the City of Vancouver, Clark County, Washington, do hereby certify that the merchandise or services hereinafter specified have been received and that the vouchers listed below are approved for payment in the amount of:

\$ 10,947,535.57 this 18th day of November 2019.

MAYOR

COUNCILMEMBER



AUDITING OFFICER

COUNCILMEMBER

DATE	INCLUSIVE CHECK NUMBERS	CHECK TOTAL
October 29 - November 11	Accounts Payable Checks (see attached)	\$ 7,550,294.64
October 29 - November 11	Hansen City Payments (see attached)	\$ 284,888.09
October 29 - November 11	Visa Refunds (see attached)	\$ 2,887.80
October 29 - November 11	Payroll Checks (see attached)	\$ 3,109,465.04
TOTAL		\$ 10,947,535.57

INVOICE PAYMENTS REPORT

<u>Payment Category</u>	<u>Payment Type</u>	<u>Check Number</u>	<u>Payment Date</u>	<u>Payment Amount</u>	<u>Payment Payee</u>	<u>Payment Memo if applicable</u>
Supplier Payment	Manual Wire	No Reference	10/10/2019	358,875.25	Clark County - Remit-To: Clark County - Treasurer Vancouver	
Supplier Payment	Manual Wire	No Reference	10/18/2019	8,338.27	Athlactron Holding	
Supplier Payment	Manual Wire	No Reference	10/23/2019	35,854.59	Gallagher Bassett Services Inc	
Supplier Payment	Manual Wire	No Reference	10/25/2019	90.00	State of Washington Department of Licensing	
Supplier Payment	Manual Wire	No Reference	10/29/2019	9,109.53	Bank Of America N.A. - Remit-To: Charlotte NC	
Supplier Payment	Manual Wire	No Reference	10/29/2019	28,839.37	Gallagher Bassett Services Inc	
Supplier Payment	Manual Wire	No Reference	10/29/2019	8,500.00	Mark Brown	
Supplier Payment	Manual Wire	No Reference	10/29/2019	22,059.00	State of Oregon Department of Revenue	
Supplier Payment	Manual Wire	No Reference	10/29/2019	365,042.34	State of Washington Department of Revenue	
Supplier Payment	Manual Wire	No Reference	10/30/2019	820,598.97	Lakeside Industries Inc - Remit-To: Lakeside - Issaquah	
Supplier Payment	Manual Wire	No Reference	10/31/2019	162.00	State of Washington Department of Licensing	
Supplier Payment	Manual Wire	No Reference	11/1/2019	4,182.29	Internal Revenue Service	
Supplier Payment	Manual Wire	No Reference	11/1/2019	713,037.67	Operations Management International Inc	
Supplier Payment	Manual Wire	No Reference	11/4/2019	325,738.45	Blue Cross Blue Shield of Oregon	
Supplier Payment	Manual Wire	No Reference	11/4/2019	26,736.08	Gallagher Bassett Services Inc	
Supplier Payment	Manual Wire	No Reference	11/4/2019	8,729.59	VSP Vision Care Inc	
Supplier Payment	Manual Wire	No Reference	11/4/2019	31,208.10	Washington Dental Service	
Supplier Payment	Manual Wire	No Reference	11/5/2019	144.00	State of Washington Department of Licensing - Remit-To: DOL - Seattle Remit	
Supplier Payment	Manual Wire	No Reference	11/6/2019	20,815.39	Bank Of America N.A. - Remit-To: Account Analysis	
Supplier Payment	Manual Wire	No Reference	11/7/2019	126.00	State of Washington Department of Licensing	
Supplier Payment	Manual Wire	No Reference	11/8/2019	12,782.53	Allegiance Benefit Plan Management Inc	
Supplier Payment	Manual Wire	No Reference	11/8/2019	75.00	HRA VEBA Plan	
Supplier Payment	Manual Wire	No Reference	11/8/2019	6,558.30	ICMA 401A	
Supplier Payment	Manual Wire	No Reference	11/8/2019	160,803.76	ICMA Corp	
Supplier Payment	Manual Wire	No Reference	11/8/2019	22,657.20	ING	
Supplier Payment	Manual Wire	No Reference	11/8/2019	4,924.87	Lynn K Wittwer MD PC	
Supplier Payment	Manual Wire	No Reference	11/8/2019	15,164.22	Lynn K Wittwer MD PC	
Supplier Payment	Manual Wire	No Reference	11/8/2019	610.67	Oregon SDU	
Supplier Payment	Manual Wire	No Reference	11/8/2019	64,054.36	State of Washington Department of Retirement System (PERS)	
Supplier Payment	Manual Wire	No Reference	11/8/2019	1,467.95	Vancouver Fire Command Officers	
Supplier Payment	Manual Wire	No Reference	11/8/2019	24,290.94	Vancouver Firefighters Union Health & Welfare Trust	
Supplier Payment	Manual Wire	No Reference	11/8/2019	414,556.47	Vancouver Firefighters Union Health & Welfare Trust	
Supplier Payment	Manual Wire	No Reference	11/8/2019	4,074.11	Washington SDU	
Supplier Payment	Manual Wire	No Reference	11/8/2019	60,097.21	Washington State Firefighters	
Supplier Payment	Manual Wire	No Reference	11/8/2019	14,087.95	Western States Health & Welfare Trust	
Supplier Payment	Manual Wire	No Reference	11/8/2019	200,075.00	Western States Health & Welfare Trust	
Expense Payment	Direct Deposit	EFT-00028385	10/31/2019	209.38	Rainy Rau	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028386	10/31/2019	27.63	Dan Lloyd	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028387	10/31/2019	5.00	Richard McConaghy	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028388	10/31/2019	18.42	Julie Cleveland	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028389	10/31/2019	19.46	Heather Abbott	Employee reimbursement

*Please contact Procurement Services if you would like to review the justification for EMERGENCY procurement.

INVOICE PAYMENTS REPORT

<u>Payment Category</u>	<u>Payment Type</u>	<u>Check Number</u>	<u>Payment Date</u>	<u>Payment Amount</u>	<u>Payment Payee</u>	<u>Payment Memo if applicable</u>
Cash Advance Payment	Direct Deposit	EFT-00028390	10/31/2019	379.50	Kathleen McNicholas	Travel advance
Expense Payment	Direct Deposit	EFT-00028391	10/31/2019	35.26	Cindy Castle	Employee reimbursement
Cash Advance Payment	Direct Deposit	EFT-00028392	10/31/2019	379.50	Brian Viles	Travel advance
Expense Payment	Direct Deposit	EFT-00028393	10/31/2019	120.00	John Kendall	Employee reimbursement
Cash Advance Payment	Direct Deposit	EFT-00028394	10/31/2019	368.00	Jason Beach	Travel advance
Expense Payment	Direct Deposit	EFT-00028395	10/31/2019	46.25	Jared Caldwell	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028396	10/31/2019	5.00	Lauren DiPalma	Employee reimbursement
Cash Advance Payment	Direct Deposit	EFT-00028397	10/31/2019	254.50	Cale Baker	Travel advance
Expense Payment	Direct Deposit	EFT-00028398	10/31/2019	435.73	Tanya Gray	Employee reimbursement
Cash Advance Payment	Direct Deposit	EFT-00028399	10/31/2019	188.25	Geronia Coyle III	Travel advance
Expense Payment	Direct Deposit	EFT-00028400	10/31/2019	28.49	Mark Castle	Employee reimbursement
Cash Advance Payment	Direct Deposit	EFT-00028401	10/31/2019	308.00	Robb Milano	Travel advance
Expense Payment	Direct Deposit	EFT-00028402	10/31/2019	65.89	Robert Givens	Employee reimbursement
Cash Advance Payment	Direct Deposit	EFT-00028403	10/31/2019	274.00	Timmi Winther	Travel advance
Cash Advance Payment	Direct Deposit	EFT-00028404	10/31/2019	379.50	Dennis Devlin	Travel advance
Procurement Card Payment	Manual Wire	EFT-00028405	10/29/2019	731,484.26	CoV Procurement Card	PNC payment
Expense Payment	Direct Deposit	EFT-00028445	11/7/2019	162.59	Andrew Meuchel	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028446	11/7/2019	35.50	Keith Kircher	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028447	11/7/2019	749.04	Peggy Sheehan	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028448	11/7/2019	1,039.97	Scott Cooley	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028449	11/7/2019	650.58	Kenneth Pelletier	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028450	11/7/2019	199.00	Bryan Fredrickson	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028451	11/7/2019	929.19	Lyle Mann	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028452	11/7/2019	162.59	Daniel Elliott	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028453	11/7/2019	539.79	Nicholas Redmond	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028454	11/7/2019	51.95	Stuart Morley	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028455	11/7/2019	15.47	Robert Givens	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028456	11/7/2019	726.00	Michelle Cary	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028457	11/7/2019	75.60	Craig Carroll	Employee reimbursement

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Cash Advance Payment	Direct Deposit	EFT-00028458	11/7/2019	287.50	Nolan Hanson	Travel advance
Expense Payment	Direct Deposit	EFT-00028459	11/7/2019	352.00	Kyle Corroon	Employee reimbursement
Cash Advance Payment	Direct Deposit	EFT-00028460	11/7/2019	216.75	Robert Givens	Travel advance
Expense Payment	Direct Deposit	EFT-00028461	11/7/2019	174.58	Doug Koellermeier	Employee reimbursement
Cash Advance Payment	Direct Deposit	EFT-00028462	11/7/2019	287.50	Timothy McMillan	Travel advance
Expense Payment	Direct Deposit	EFT-00028463	11/7/2019	215.00	Chris Kimberling	Employee reimbursement
Cash Advance Payment	Direct Deposit	EFT-00028464	11/7/2019	235.00	Brandon DeGraw	Travel advance
Cash Advance Payment	Direct Deposit	EFT-00028465	11/7/2019	192.50	Michael Devier	Travel advance
Cash Advance Payment	Direct Deposit	EFT-00028466	11/7/2019	264.64	Jen Thomas	Travel advance
Cash Advance Payment	Direct Deposit	EFT-00028467	11/7/2019	57.00	Michael Day	Travel advance
Cash Advance Payment	Direct Deposit	EFT-00028468	11/7/2019	235.00	Sammy Abdala	Travel advance
Expense Payment	Direct Deposit	EFT-00028469	11/7/2019	165.76	Kacey Mackman	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028470	11/7/2019	11.60	Gretchen Rose	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028471	11/7/2019	200.00	Jeffrey Coad	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028472	11/7/2019	140.00	Ryan Boyle	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028473	11/7/2019	225.00	Lance Leedom	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028474	11/7/2019	12.50	Adrienne Powers	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028475	11/7/2019	151.71	Jason Ingram	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028476	11/7/2019	304.04	Nikki Guillot	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028477	11/7/2019	69.60	Cody Uskoski	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028478	11/7/2019	37.50	Aaron Odegard	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028479	11/7/2019	167.15	Jesse Batty	Employee reimbursement
Expense Payment	Direct Deposit	EFT-00028480	11/7/2019	57.00	Dene Foral	Employee reimbursement
Supplier Payment	Check	6596	10/30/2019	5,870.75	Willis of Seattle Inc - Remit-To: Willis - Pasadena	
Ad Hoc Payment	Check	6597	10/30/2019	30.00	ALAN W DAY	Conversion
Ad Hoc Payment	Check	6598	10/30/2019	200.00	BAHAI COMMUNITY OF VANCOUVER	REFUND VOUCHER #2000281.082
Ad Hoc Payment	Check	6599	10/30/2019	20.00	Brandon Davey	refund alarm- inv #99374934
Ad Hoc Payment	Check	6600	10/30/2019	200.00	Debra Gale	refund business license fees
Ad Hoc Payment	Check	6601	10/30/2019	5,094.80	Earthworks Excavating Services Inc	Inv #WA156-19
Ad Hoc Payment	Check	6602	10/30/2019	120.00	Evergreen Highlands Neighborhood Association	20191021
Ad Hoc Payment	Check	6603	10/30/2019	290.00	Ezscreenprint LLC	refund business lic fee
Ad Hoc Payment	Check	6604	10/30/2019	100.00	George/Marlene Stecher	refund alarm- Inv #99367208
Ad Hoc Payment	Check	6605	10/30/2019	2,845.07	IRS - ACS Support	191023 ID # 650054168

*Please contact Procurement Services if you would like to review the justification for EMERGENCY procurement.

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Ad Hoc Payment	Check	6606	10/30/2019	25.00	Kathleen Bledsoe	refund duplicate pmt pkg citation #7201806737
Ad Hoc Payment	Check	6607	10/30/2019	20.00	Law Offices of Loren S Etengoff	refund alarm - acct #16565
Ad Hoc Payment	Check	6608	10/30/2019	700.00	Lillian Lu	Refund for work paid for with NO.CDE-79211
Ad Hoc Payment	Check	6609	10/30/2019	150.00	New Vansterdam LLC	refund alarm - inv #99376818
Ad Hoc Payment	Check	6610	10/30/2019	44.00	PCS	refund CIVICGOV acct #108253 (Days Inn)
Ad Hoc Payment	Check	6611	10/30/2019	50.00	PCS	Noelle Schmidt- Citation #7201208986
Ad Hoc Payment	Check	6612	10/30/2019	50.23	PCS	Neg Trust 9479 (Koprowski #12899582)
Ad Hoc Payment	Check	6613	10/30/2019	257.45	Rodney Colter	ref SCIP loan 6000268
Ad Hoc Payment	Check	6614	10/30/2019	20.00	Steven Reubers	refund alarm - Inv #99333881
Ad Hoc Payment	Check	6615	10/30/2019	53.00	Vancouver Mall	refund CIVICGOV
Supplier Payment	Check	6616	10/30/2019	1,750.66	5 K Enterprises LLC	
Supplier Payment	Check	6617	10/30/2019	288.00	Accurate Corporate Services Inc	
Supplier Payment	Check	6618	10/30/2019	1,239.64	A-Check America Inc - Remit-To: A-Check - Glendale	
Supplier Payment	Check	6619	10/30/2019	37,366.46	Action Technology Systems	
Supplier Payment	Check	6620	10/30/2019	25.38	Airgas, Inc	
Supplier Payment	Check	6621	10/30/2019	1,238.37	Albina Holdings Inc	
Supplier Payment	Check	6622	10/30/2019	29,121.25	Allegis Group Holdings Inc - Remit-To: TekSystems Inc - Atlanta	
Supplier Payment	Check	6623	10/30/2019	13,800.45	Alpine Products Inc	
Supplier Payment	Check	6624	10/30/2019	998.04	Annas Consultants Inc	
Supplier Payment	Check	6625	10/30/2019	445.40	Aramark Uniform & Career Apparel LLC - Remit-To: Aramark - Pasadena	
Supplier Payment	Check	6626	10/30/2019	4,957.04	Arborscape Ltd Inc	
Supplier Payment	Check	6627	10/30/2019	342.10	Archaeological Investigations Northwest Inc	
Supplier Payment	Check	6628	10/30/2019	433.79	Archaeological Services LLC	
Supplier Payment	Check	6629	10/30/2019	738.49	Aronson Security Group	
Supplier Payment	Check	6630	10/30/2019	18,403.61	Ballard Marine Construction LLC	
Supplier Payment	Check	6631	10/30/2019	596.20	Bio Management Northwest Inc	
Supplier Payment	Check	6632	10/30/2019	294.50	Blairco Inc	
Supplier Payment	Check	6633	10/30/2019	7,804.80	Bloomberg Finance LP - Remit-To: Bloomberg - Boston	
Supplier Payment	Check	6634	10/30/2019	365.41	Bound Tree Medical LLC	
Supplier Payment	Check	6635	10/30/2019	325.20	Brightview Holdings Inc	
Supplier Payment	Check	6636	10/30/2019	4,840.00	Brown and Caldwell - Remit-To: Brown & Caldwell - San Francisco	
Supplier Payment	Check	6637	10/30/2019	2,857.75	BSK Associates - Remit-To: BSK Fresno	
Supplier Payment	Check	6638	10/30/2019	100.00	Catherine A Thomas	
Supplier Payment	Check	6639	10/30/2019	139,588.92	CECO Inc	
Supplier Payment	Check	6640	10/30/2019	1,173.15	Cellco Partnership - Remit-To: Cellco - Dallas	
Supplier Payment	Check	6641	10/30/2019	34,615.49	Centennial Contractors Ent Inc	
Supplier Payment	Check	6642	10/30/2019	190.50	Chicago Title Company of WA	
Supplier Payment	Check	6643	10/30/2019	1,619.11	Chough Inc	
Supplier Payment	Check	6644	10/30/2019	1,737.71	Cintas Fire Protection - Remit-To: Cintas Fire Protection - Cincinnati	
Supplier Payment	Check	6645	10/30/2019	8,917.00	City Bark & Recycling LLC	
Supplier Payment	Check	6646	10/30/2019	10.70	City of Portland - Remit-To: City of Portland - General AR	
Supplier Payment	Check	6647	10/30/2019	40.00	City of Vancouver - Remit-To: COV Main	
Supplier Payment	Check	6648	10/30/2019	6,668.00	Clark County	
Supplier Payment	Check	6649	10/30/2019	11,681.35	Clark County Fire District 5	

INVOICE PAYMENTS REPORT

<u>Payment Category</u>	<u>Payment Type</u>	<u>Check Number</u>	<u>Payment Date</u>	<u>Payment Amount</u>	<u>Payment Payee</u>	<u>Payment Memo if applicable</u>
Supplier Payment	Check	6650	10/30/2019	16,262.78	Clark County - Remit-To: Clark County - Treasurer Vancouver	
Supplier Payment	Check	6651	10/30/2019	322.06	Clark Regional Emergency Services Agency (CRESA)	
Supplier Payment	Check	6652	10/30/2019	7,385.77	Columbia Resource Company	
Supplier Payment	Check	6653	10/30/2019	25,000.00	Columbia River Economic Development Council Inc	
Supplier Payment	Check	6654	10/30/2019	15,000.00	Columbia Springs	
Supplier Payment	Check	6655	10/30/2019	7,498.38	Columbia West Engineering	
Supplier Payment	Check	6656	10/30/2019	16,828.77	Comcast - Remit-To: Comcast	
Supplier Payment	Check	6657	10/30/2019	109.95	Comcast - Remit-To: Comcast Business - City of Industry	
Supplier Payment	Check	6658	10/30/2019	193.27	Comcast - Remit-To: Comcast Business - City of Industry	
Supplier Payment	Check	6659	10/30/2019	13.62	Comcast - Remit-To: Comcast Business - City of Industry	
Supplier Payment	Check	6660	10/30/2019	8,639.19	Consolidated Supply Co	
Supplier Payment	Check	6661	10/30/2019	8,245.99	Copiers Northwest	
Supplier Payment	Check	6662	10/30/2019	8,417.27	Core and Main LP	
Supplier Payment	Check	6663	10/30/2019	1,500.00	Council for the Homeless	
Supplier Payment	Check	6664	10/30/2019	572.00	Courier Northwest	
Supplier Payment	Check	6665	10/30/2019	542.00	Craig and Julie Pfeifer	
Supplier Payment	Check	6666	10/30/2019	4,997.75	CUES Inc - Remit-To: CUES Inc - Cincinnati	
Supplier Payment	Check	6667	10/30/2019	6,222.24	CyberSource Corporation - Remit-To: CyberSource - Los Angeles	
Supplier Payment	Check	6668	10/30/2019	206.04	Day Management Corp - Remit-To: Day Wireless - Milwaukie	
Supplier Payment	Check	6669	10/30/2019	206.25	Dean L Nored	
Supplier Payment	Check	6670	10/30/2019	3,789.60	Distinctive Landscape LLC	
Supplier Payment	Check	6671	10/30/2019	3,209.24	DKS Associates Inc	
Supplier Payment	Check	6672	10/30/2019	20,396.54	DLT Solutions LLC	
Supplier Payment	Check	6673	10/30/2019	22,139.46	Educational Opportunities for Children and Families	
Supplier Payment	Check	6674	10/30/2019	446.88	Electronic Essentials inc	
Supplier Payment	Check	6675	10/30/2019	1,073.16	Emerald Services Inc	
Supplier Payment	Check	6676	10/30/2019	9,485.44	Emerald Services Inc - Remit-To: Emerald - Pittsburgh	
Supplier Payment	Check	6677	10/30/2019	78.00	Emergency Rooms PS	
Supplier Payment	Check	6678	10/30/2019	136.00	Erickson Structural Consulting Engineers	
Supplier Payment	Check	6679	10/30/2019	5,500.00	ETC Institute	
Supplier Payment	Check	6680	10/30/2019	1,121.56	Exeltech Consulting	
Supplier Payment	Check	6681	10/30/2019	56.37	Experian Marketing Solutions - Remit-To: Experian - Los Angeles	
Supplier Payment	Check	6682	10/30/2019	5,272.15	Ferguson Enterprises - Remit-To: Ferguson - Dallas	
Supplier Payment	Check	6683	10/30/2019	149,393.85	Fire Mountain Farms Inc	
Supplier Payment	Check	6684	10/30/2019	3,018.94	Fire Systems West	
Supplier Payment	Check	6685	10/30/2019	940.00	Flowing Solutions LLC	
Supplier Payment	Check	6686	10/30/2019	551.13	Galls LLC	
Supplier Payment	Check	6687	10/30/2019	464.42	Genuine Parts Company - Remit-To: NAPA - Los Angeles	
Supplier Payment	Check	6688	10/30/2019	4,008.09	Good Neighbor Handyman & Cleaning Services LLC	
Supplier Payment	Check	6689	10/30/2019	365.96	Gordon Truck Centers	

INVOICE PAYMENTS REPORT

<u>Payment Category</u>	<u>Payment Type</u>	<u>Check Number</u>	<u>Payment Date</u>	<u>Payment Amount</u>	<u>Payment Payee</u>	<u>Payment Memo if applicable</u>
Supplier Payment	Check	6690	10/30/2019	133.00	Government Revenue Solutions Holdings I LLC	
Supplier Payment	Check	6691	10/30/2019	2,168.00	GrantAnalyst.com LLC	
Supplier Payment	Check	6692	10/30/2019	436.86	Harrys Key Service Inc	
Supplier Payment	Check	6693	10/30/2019	315.00	Iron Mountain Inc - Remit-To: Iron Mountain - New York	
Supplier Payment	Check	6694	10/30/2019	1,626.00	Jamestown Networks	
Supplier Payment	Check	6695	10/30/2019	11,825.00	JCI Jones Chemicals Inc	
Supplier Payment	Check	6696	10/30/2019	93,018.00	Jeffrey Barrar PS	
Supplier Payment	Check	6697	10/30/2019	5,575.00	Jensen Hughes Inc	
Supplier Payment	Check	6698	10/30/2019	4,625.00	Katherine Oman	
Supplier Payment	Check	6699	10/30/2019	23,476.95	Kearns & West Inc	
Supplier Payment	Check	6700	10/30/2019	6,168.31	Kittelson & Associates Inc	
Supplier Payment	Check	6701	10/30/2019	1,541.82	Kronos Incorporated - Remit-To: Atlanta	
Supplier Payment	Check	6702	10/30/2019	740.99	L.N. Curtis & Sons	
Supplier Payment	Check	6703	10/30/2019	200.00	Lee Nicholas	
Supplier Payment	Check	6704	10/30/2019	312.00	Legacy Laboratory Services Inc	
Supplier Payment	Check	6705	10/30/2019	9,354.07	Lois D Cohen Associates	
Supplier Payment	Check	6706	10/30/2019	665.00	LSW Architects PC	
Supplier Payment	Check	6707	10/30/2019	60,709.92	MacKay Sposito Inc	
Supplier Payment	Check	6708	10/30/2019	5,550.00	Marquam Group LTD	
Supplier Payment	Check	6709	10/30/2019	90.75	McFarlanes Bark Inc	
Supplier Payment	Check	6710	10/30/2019	20,490.66	Metereaders LLC	
Supplier Payment	Check	6711	10/30/2019	5,433.01	Metro Overhead Door Inc	
Supplier Payment	Check	6712	10/30/2019	270.00	MKE & Associates Inc	
Supplier Payment	Check	6713	10/30/2019	545.53	Mobes Business Forms	
Supplier Payment	Check	6714	10/30/2019	3,048.73	Moore Iacofano Goltsman, Inc	
Supplier Payment	Check	6715	10/30/2019	32,919.86	Municipal Emergency Services Inc - Remit-To: Municipal Emergency Services - Chicago	
Supplier Payment	Check	6716	10/30/2019	1,636.12	Neopost USA Inc	
Supplier Payment	Check	6717	10/30/2019	1,511.65	Net Transcripts Inc	
Supplier Payment	Check	6718	10/30/2019	62.00	Northwest Cascade Inc	
Supplier Payment	Check	6719	10/30/2019	15.00	Northwest Natural Gas Company - Remit-To: NW Natural - Portland	
Supplier Payment	Check	6720	10/30/2019	8,955.49	Oldcastle Precast Inc	
Supplier Payment	Check	6721	10/30/2019	3,207.63	Olson Brothers Pro-Vac, LLC	
Supplier Payment	Check	6722	10/30/2019	10,566.50	Otak Inc	
Supplier Payment	Check	6723	10/30/2019	353.51	Otis Elevator	
Supplier Payment	Check	6724	10/30/2019	3,490.48	Pacific Apex Construction LLC	
Supplier Payment	Check	6725	10/30/2019	77.68	Pacific Furnishings (DO NOT USE / SAVE)	
Supplier Payment	Check	6726	10/30/2019	2,621.53	Pacific Furnishings (DO NOT USE / SAVE) - Remit-To: Pacific WRO	
Supplier Payment	Check	6727	10/30/2019	6,888.83	Pacific Power Group LLC	
Supplier Payment	Check	6728	10/30/2019	10,812.00	Paper Roll Products LLC	
Supplier Payment	Check	6729	10/30/2019	90.00	Parkeon	
Supplier Payment	Check	6730	10/30/2019	46.30	Parkmobile USA Inc	
Supplier Payment	Check	6731	10/30/2019	68,338.50	PBS Engineering and Environmental Inc	
Supplier Payment	Check	6732	10/30/2019	29,433.19	PC Specialists Inc - Remit-To: TIG - San Diego	
Supplier Payment	Check	6733	10/30/2019	200.00	PDH Creative	
Supplier Payment	Check	6734	10/30/2019	2,750.23	PeaceHealth Southwest Medical Center	
Supplier Payment	Check	6735	10/30/2019	6,866.27	Physio-Control Inc	
Supplier Payment	Check	6736	10/30/2019	886.30	Porter W Yett Company	

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Supplier Payment	Check	6737	10/30/2019	1,875.00	Portland Adventist Medical Center	
Supplier Payment	Check	6738	10/30/2019	33,715.29	PPC Solutions Inc	
Supplier Payment	Check	6739	10/30/2019	972.09	Praxair Distribution Inc	
Supplier Payment	Check	6740	10/30/2019	7,166.23	Prestige Truck Accessories	
Supplier Payment	Check	6741	10/30/2019	32,444.12	Proexc, LLC	
Supplier Payment	Check	6742	10/30/2019	4,500.00	Public Safety Testing Inc	
Supplier Payment	Check	6743	10/30/2019	5,390.00	Quick Caption Inc	
Supplier Payment	Check	6744	10/30/2019	1,012.05	Qwest Corp - Remit-To: CenturyLink - Phoenix	
Supplier Payment	Check	6745	10/30/2019	737.81	Qwest Corp - Remit-To: Qwest CABS - Monroe	
Supplier Payment	Check	6746	10/30/2019	262.33	Rentokil North America Inc	
Supplier Payment	Check	6747	10/30/2019	72.00	Rotschy Inc	
Supplier Payment	Check	6748	10/30/2019	17,783.50	S & F Land Services Inc	
Supplier Payment	Check	6749	10/30/2019	754.70	SERA Architects	
Supplier Payment	Check	6750	10/30/2019	682.00	Seven Oaks Native Nursery LLC	
Supplier Payment	Check	6751	10/30/2019	13,323.00	Share Inc	
Supplier Payment	Check	6752	10/30/2019	3,751.34	Sharon Rice	
Supplier Payment	Check	6753	10/30/2019	72.17	Shred It USA LLC	
Supplier Payment	Check	6754	10/30/2019	11,547.64	Software House International SHI - Remit-To: SHI - Dallas	
Supplier Payment	Check	6755	10/30/2019	1,897.00	Soha Sign	
Supplier Payment	Check	6756	10/30/2019	750.00	Solutions Northwest Inc	
Supplier Payment	Check	6757	10/30/2019	42,570.00	Southwest Washington Humane Society	
Supplier Payment	Check	6758	10/30/2019	9,614.69	SP Plus Corporation	
Supplier Payment	Check	6759	10/30/2019	72,203.77	Stantec Consulting Services Inc - Remit-To: Stantec - Chicago	
Supplier Payment	Check	6760	10/30/2019	130.83	State of Washington Department of Licensing - Remit-To: DOL - Seattle Remit	
Supplier Payment	Check	6761	10/30/2019	39.78	State of Washington Department of Natural Resources - Remit-To: Dept of Natural Resources - Box 47041	
Supplier Payment	Check	6762	10/30/2019	225.00	Suzanne Best	
Supplier Payment	Check	6763	10/30/2019	4,838.00	Targetsolutions Learning LLC - Remit-To: TargetSolutions - Tampa	
Supplier Payment	Check	6764	10/30/2019	10,145.70	The Greg Prothman Company	
Supplier Payment	Check	6765	10/30/2019	7,518.81	The Noble Foundation	
Supplier Payment	Check	6766	10/30/2019	756.63	Towing & Recovering Services Inc	
Supplier Payment	Check	6767	10/30/2019	11.52	Traffic Safety Supply Co Inc	
Supplier Payment	Check	6768	10/30/2019	592.82	Triple J Enterprises	
Supplier Payment	Check	6769	10/30/2019	26,777.14	TV Etc ESD 112	
Supplier Payment	Check	6770	10/30/2019	1,373.07	Tyree Oil Inc	
Supplier Payment	Check	6771	10/30/2019	588.72	United Parcel Service	
Supplier Payment	Check	6772	10/30/2019	6,979.05	Universal Field Services Inc	
Supplier Payment	Check	6773	10/30/2019	275.00	Utility Service Associates LLC	
Supplier Payment	Check	6774	10/30/2019	418.00	Vancouver Aire LLC	
Supplier Payment	Check	6775	10/30/2019	2,754.00	Vancouver Slow Pitch Umpires Association - Remit-To: VSPUA - Vancouver	
Supplier Payment	Check	6776	10/30/2019	24,998.35	Wallis Engineering PLLC	
Supplier Payment	Check	6777	10/30/2019	3,933.03	Walter E Nelson Company	
Supplier Payment	Check	6778	10/30/2019	16,756.21	Wapiti NW LLC	
Supplier Payment	Check	6779	10/30/2019	9,356.00	Washington State Criminal Justice Training Commission - Remit-To: Criminal Justice Training Commission - Olympia	

*Please contact Procurement Services if you would like to review the justification for EMERGENCY procurement.

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Supplier Payment	Check	6780	10/30/2019	271.93	Waste Connections of Washington - Remit-To: Waste Connections - Vancouver	
Supplier Payment	Check	6781	10/30/2019	969.75	Waste Management - Remit-To: Waste Management Los Angeles	
Supplier Payment	Check	6782	10/30/2019	29,503.00	Western Systems Inc	
Supplier Payment	Check	6783	10/30/2019	2,081.32	WSP USA Inc. - Remit-To: WSP USA Inc. Dallas	
Supplier Payment	Check	6784	10/30/2019	600.00	W Todd Pascoe	
Supplier Payment	Check	6785	10/30/2019	20.36	WW Grainger Inc	
Supplier Payment	Check	6786	10/30/2019	333.65	XPO Logistics Enterprise Services, Inc - Remit-To: XPO - Portland	
Supplier Payment	Check	6787	10/30/2019	875.50	Yakima County	
Supplier Payment	Check	6788	10/30/2019	4,928.82	YOLO Washington LLC	
Supplier Payment	Check	6789	10/30/2019	54,149.00	Angelo Property CO., LP	
Supplier Payment	Check	6790	10/30/2019	165,019.29	Clark County - Remit-To: Clark County - Treasurer Vancouver	
Supplier Payment	Check	6791	10/30/2019	115,431.53	Northwest Staffing Resources Inc - Remit-To: NW Staffing - Portland	
Supplier Payment	Check	6792	10/30/2019	24,036.65	Waste Connections of Washington - Remit-To: Waste Connections - Vancouver	
Supplier Payment	Check	6793	10/30/2019	66,333.68	Olson Brothers Pro-Vac, LLC	
Ad Hoc Payment	Check	6794	10/30/2019	599.19	Aimee Johnson and Elizabeth Carrico	Utility Refunds: 0000007017-03
Ad Hoc Payment	Check	6795	10/30/2019	219.69	Alan & Katherine Murphy	Utility Refunds: 0064066507-05
Ad Hoc Payment	Check	6796	10/30/2019	113.56	Alasdair & Lindsey Waterhouse	Utility Refunds: 0069053808-02
Ad Hoc Payment	Check	6797	10/30/2019	81.10	Angel Almendarez and Amanda Martin	Utility Refunds: 0033065800-08
Ad Hoc Payment	Check	6798	10/30/2019	55.30	Arnett, David and Stacya	Utility Refunds: 0088008800-03
Ad Hoc Payment	Check	6799	10/30/2019	116.70	Arnett, Stacya	Utility Refunds: 0088008800-03
Ad Hoc Payment	Check	6800	10/30/2019	36.84	Arthur Huntington and Ashley Lynch	Utility Refunds: 0024008900-11
Ad Hoc Payment	Check	6801	10/30/2019	234.00	B. Tim Murphy & Elizabeth Murphy	Utility Refunds: 0044081600-04
Ad Hoc Payment	Check	6802	10/30/2019	67.17	Banker, Christopher	Utility Refunds: 0022063900-01
Ad Hoc Payment	Check	6803	10/30/2019	138.91	Bert L. & Paula R Buland	Utility Refunds: 0036040600-01 Consolidated refund created from multiple refunds
Ad Hoc Payment	Check	6804	10/30/2019	52.55	Braithwait, Carollee	Utility Refunds: 0011017400-01
Ad Hoc Payment	Check	6805	10/30/2019	415.07	BRE DDR CROCODILE	Utility Refunds: 0000003862-02 Consolidated refund created from multiple refunds
Ad Hoc Payment	Check	6806	10/30/2019	1,436.68	BRE DDR Crocodile Orchards Mkt Ctr LLC	Utility Refunds: 0014068200-04 Consolidated refund created from multiple refunds
Ad Hoc Payment	Check	6807	10/30/2019	39.58	BRE DDR Crocodile Orchards Mkt Ctr LLC	Utility Refunds: 0014068101-04 Consolidated refund created from multiple refunds
Ad Hoc Payment	Check	6808	10/30/2019	26.16	Carol Lee Braithwait	Utility Refunds: 0011017300-01
Ad Hoc Payment	Check	6809	10/30/2019	96.22	Champerly Real Estate 2015 LLC	Utility Refunds: 0017014700-18
Ad Hoc Payment	Check	6810	10/30/2019	270.11	Charlene M Wright & Heath Billingsley	Utility Refunds: 0047011300-01
Ad Hoc Payment	Check	6811	10/30/2019	35.87	Cheri Cornelius	Utility Refunds: 0000002330-01
Ad Hoc Payment	Check	6812	10/30/2019	106.07	Christina H. & Phillip Ray Aylsworth	Utility Refunds: 0044021144-02
Ad Hoc Payment	Check	6813	10/30/2019	62.65	Christine Thomas	Utility Refunds: 0010033500-03
Ad Hoc Payment	Check	6814	10/30/2019	88.24	Church, Roberta	Utility Refunds: 0039022500-04 Consolidated refund created from multiple refunds
Ad Hoc Payment	Check	6815	10/30/2019	53.83	Clark College Foundation	Utility Refunds: 0012055500-07
Ad Hoc Payment	Check	6816	10/30/2019	46.42	Dach Jr, Michael	Utility Refunds: 0080068400-25
Ad Hoc Payment	Check	6817	10/30/2019	131.17	Denman, Wayne and Kelli	Utility Refunds: 0000001704-03
Ad Hoc Payment	Check	6818	10/30/2019	166.96	Dennis Williams	Utility Refunds: 0000006091-03
Ad Hoc Payment	Check	6819	10/30/2019	78.14	Denny, Brooks	Utility Refunds: 0039078430-06
Ad Hoc Payment	Check	6820	10/30/2019	201.55	Diana L Herman	Utility Refunds: 0000001701-02

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Ad Hoc Payment	Check	6821	10/30/2019	110.09	DJ and A Properties XI LLC	Utility Refunds: 0088000800-08
Ad Hoc Payment	Check	6822	10/30/2019	151.00	Doreen Robinson	Utility Refunds: 0054008938-04
Ad Hoc Payment	Check	6823	10/30/2019	65.15	Eftihia Triol	Utility Refunds: 0021065300-07
Ad Hoc Payment	Check	6824	10/30/2019	71.05	Ensley,Angel	Utility Refunds: 0027003700-02
Ad Hoc Payment	Check	6825	10/30/2019	91.78	Eric & Kimberly Filla	Utility Refunds: 0074088142-03
Ad Hoc Payment	Check	6826	10/30/2019	193.35	Eric and Kimberley Gill	Utility Refunds: 0011042400-13
Ad Hoc Payment	Check	6827	10/30/2019	56.45	Estate of Robert J Wiesmann	Utility Refunds: 0101000118-02
Ad Hoc Payment	Check	6828	10/30/2019	72.16	Evans,Ken	Utility Refunds: 0079070584-02
Ad Hoc Payment	Check	6829	10/30/2019	56.84	Evans,Ken and Kathryn	Utility Refunds: 0079070584-02
Ad Hoc Payment	Check	6830	10/30/2019	48.83	Fandler,Nancy	Utility Refunds: 0079088600-01
Ad Hoc Payment	Check	6831	10/30/2019	104.61	Frye Trustee,Deryl	Utility Refunds: 0088005470-02
Ad Hoc Payment	Check	6832	10/30/2019	64.77	Garabato,Davis	Utility Refunds: 0000007135-02
Ad Hoc Payment	Check	6833	10/30/2019	258.23	Garabato,Davis and Carli Jo	Utility Refunds: 0000007135-02
Ad Hoc Payment	Check	6834	10/30/2019	21.69	Gary Holman	Utility Refunds: 0099049964-01
Ad Hoc Payment	Check	6835	10/30/2019	271.00	Gary L & Lynn A Mayes Trustee	Utility Refunds: 0128000654-02 Consolidated refund created from multiple refunds
Ad Hoc Payment	Check	6836	10/30/2019	92.17	Heather Bell and Matthew Dickenson	Utility Refunds: 0026009100-02
Ad Hoc Payment	Check	6837	10/30/2019	20.87	Heather M. Davis& Mathew L Davis	Utility Refunds: 0049004400-01
Ad Hoc Payment	Check	6838	10/30/2019	238.39	Hill,Muriel	Utility Refunds: 0079088600-01
Ad Hoc Payment	Check	6839	10/30/2019	85.47	Hills,Mary	Utility Refunds: 0082000656-05
Ad Hoc Payment	Check	6840	10/30/2019	25.15	Hyytinen,L.O., H.I., and Jon	Utility Refunds: 0030082610-00
Ad Hoc Payment	Check	6841	10/30/2019	301.00	James,Scott and Elisabeth	Utility Refunds: 0092013300-04 Consolidated refund created from multiple refunds
Ad Hoc Payment	Check	6842	10/30/2019	34.73	Janeen Bross	Utility Refunds: 0127011360-01
Ad Hoc Payment	Check	6843	10/30/2019	126.78	Jennifer And Richard Feickert	Utility Refunds: 0000003553-04
Ad Hoc Payment	Check	6844	10/30/2019	201.00	Jess Richardson	Utility Refunds: 0058028086-08 Consolidated refund created from multiple refunds
Ad Hoc Payment	Check	6845	10/30/2019	197.81	Johnson,Aimee	Utility Refunds: 0000007017-03
Ad Hoc Payment	Check	6846	10/30/2019	227.70	Johnson,Crystal and Andre	Utility Refunds: 0000008389-02
Ad Hoc Payment	Check	6847	10/30/2019	24.02	Jon & Rochelle Linch	Utility Refunds: 0010077200-07
Ad Hoc Payment	Check	6848	10/30/2019	192.00	Jose,Brendon and Louise	Utility Refunds: 0099052950-02
Ad Hoc Payment	Check	6849	10/30/2019	102.34	Judith & William Zentner	Utility Refunds: 0002000112-01
Ad Hoc Payment	Check	6850	10/30/2019	191.00	Karrie L Wilson	Utility Refunds: 0059043030-12 Consolidated refund created from multiple refunds
Ad Hoc Payment	Check	6851	10/30/2019	93.89	Khmaissi,Mhamad and Laurie	Utility Refunds: 0096062000-08
Ad Hoc Payment	Check	6852	10/30/2019	91.64	Landacre,Jennifer	Utility Refunds: 0096033300-02
Ad Hoc Payment	Check	6853	10/30/2019	95.36	Landacre,Jennifer and David	Utility Refunds: 0096033300-02
Ad Hoc Payment	Check	6854	10/30/2019	161.84	Lorissa Zuch	Utility Refunds: 0150003016-03
Ad Hoc Payment	Check	6855	10/30/2019	185.18	Lundmark,Jennifer	Utility Refunds: 0028030206-20
Ad Hoc Payment	Check	6856	10/30/2019	137.49	Marie Lamanna & Jody Bramel	Utility Refunds: 0069053400-10
Ad Hoc Payment	Check	6857	10/30/2019	79.27	Marshall,Stephen and Rebecca	Utility Refunds: 0004046600-17
Ad Hoc Payment	Check	6858	10/30/2019	97.93	Meggan Camp	Utility Refunds: 0045027106-03 Consolidated refund created from multiple refunds
Ad Hoc Payment	Check	6859	10/30/2019	17.06	Melissa & Dick Reiners	Utility Refunds: 0067049990-02
Ad Hoc Payment	Check	6860	10/30/2019	141.94	Melissa Reiners	Utility Refunds: 0067049990-02
Ad Hoc Payment	Check	6861	10/30/2019	247.87	Melody & Chris Frisbee	Utility Refunds: 0000001602-02
Ad Hoc Payment	Check	6862	10/30/2019	690.00	Metro Metals NW INC	Utility Refunds: 0000008168-07 Consolidated refund created from multiple refunds
Ad Hoc Payment	Check	6863	10/30/2019	1,633.58	Michael J Martin	Utility Refunds: 0072000748-03 Consolidated refund created from multiple refunds
Ad Hoc Payment	Check	6864	10/30/2019	89.75	Miller,Joanne	Utility Refunds: 0089018606-01

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Ad Hoc Payment	Check	6865	10/30/2019	192.00	Nan Cavanaugh	Utility Refunds: 0063091200-00 Consolidated refund created from multiple refunds
Ad Hoc Payment	Check	6866	10/30/2019	258.77	Nicole S Miller and Margit Levasseur	Utility Refunds: 0108003755-07
Ad Hoc Payment	Check	6867	10/30/2019	96.81	Ogden,Heath	Utility Refunds: 0015052210-02
Ad Hoc Payment	Check	6868	10/30/2019	237.32	Pamela Walden	Utility Refunds: 0035013600-06
Ad Hoc Payment	Check	6869	10/30/2019	76.92	Reilly, Kevin and Tamara	Utility Refunds: 0000008881-02
Ad Hoc Payment	Check	6870	10/30/2019	25.57	Ronald & Irina Tracy	Utility Refunds: 0000004915-02
Ad Hoc Payment	Check	6871	10/30/2019	59.43	Ross Pacific Management	Utility Refunds: 0112081030-04
Ad Hoc Payment	Check	6872	10/30/2019	31.19	Rutherford, John	Utility Refunds: 0080000100-00
Ad Hoc Payment	Check	6873	10/30/2019	151.00	Sara & Mathew Germann	Utility Refunds: 0078099441-02
Ad Hoc Payment	Check	6874	10/30/2019	66.67	Schlecht Construction Inc.	Utility Refunds: 0000006706-03
Ad Hoc Payment	Check	6875	10/30/2019	11.94	SFA Commercial	Utility Refunds: 0002000112-01
Ad Hoc Payment	Check	6876	10/30/2019	40.66	Shirley Hill	Utility Refunds: 0151001060-02
Ad Hoc Payment	Check	6877	10/30/2019	13.39	Stepen S & Victoria Schulthies	Utility Refunds: 0002000112-01
Ad Hoc Payment	Check	6878	10/30/2019	38.29	Sullivan, Claire and Timothy	Utility Refunds: 0030070400-14
Ad Hoc Payment	Check	6879	10/30/2019	34.67	Supaporn Phunpiboon	Utility Refunds: 0079001800-03
Ad Hoc Payment	Check	6880	10/30/2019	200.00	Team Construction LLC	Utility Refunds: 0000009128-04
Ad Hoc Payment	Check	6881	10/30/2019	60.31	Teters, Diane	Utility Refunds: 0018084300-00
Ad Hoc Payment	Check	6882	10/30/2019	175.38	Teters, Diane and Carla	Utility Refunds: 0018084300-00 Consolidated refund created from multiple refunds
Ad Hoc Payment	Check	6883	10/30/2019	200.00	Texstar Enterprises LLC	Utility Refunds: 0000008288-01
Ad Hoc Payment	Check	6884	10/30/2019	79.27	The John Pickard Estate	Utility Refunds: 0004070700-04
Ad Hoc Payment	Check	6885	10/30/2019	57.93	The Wanda S Schader Estate	Utility Refunds: 0017059900-00
Ad Hoc Payment	Check	6886	10/30/2019	54.04	Tinney, Ryan and Mollie	Utility Refunds: 0020013400-12
Ad Hoc Payment	Check	6887	10/30/2019	182.24	Toni M. Lee	Utility Refunds: 0056000033-01
Ad Hoc Payment	Check	6888	10/30/2019	192.88	Tyler & Katrina Clarensau	Utility Refunds: 0002000112-01
Ad Hoc Payment	Check	6889	10/30/2019	125.02	Valentin & Vera A Procopoi	Utility Refunds: 0002000112-01
Ad Hoc Payment	Check	6890	10/30/2019	180.00	Vedida K Mehmet Akalin	Utility Refunds: 0002000112-01
Ad Hoc Payment	Check	6891	10/30/2019	228.96	Vladimir Francisco Diaz	Utility Refunds: 0000001046-02
Ad Hoc Payment	Check	6892	10/30/2019	95.11	Warren, Della	Utility Refunds: 0099049815-18
Ad Hoc Payment	Check	6893	10/30/2019	166.67	Worster, Rennica and Jason	Utility Refunds: 0000007921-02
Ad Hoc Payment	Check	6894	10/30/2019	162.12	Wright, Gregory	Utility Refunds: 0038043114-02
Ad Hoc Payment	Check	6895	10/30/2019	100.00	YMCA of Columbia-Willamette	Utility Refunds: 0000007844-07
Supplier Payment	Check	6896	10/31/2019	77,139.95	State of Washington Department of Revenue	
Ad Hoc Payment	Check	6897	11/1/2019	10.00	British Columbia Unclaimed Property Society	Canada unclaimed property
Ad Hoc Payment	Check	6898	11/1/2019	651.50	Comptroller of Public Accounts	Texas unclaimed property
Ad Hoc Payment	Check	6899	11/1/2019	581.04	Florida Dept of Financial Services	Florida unclaimed property
Ad Hoc Payment	Check	6900	11/1/2019	1,417.54	Georgia Dept of Revenue	Georgia unclaimed property
Ad Hoc Payment	Check	6901	11/1/2019	30.00	Minnesota Dept of Commerce	Minnesota unclaimed property
Ad Hoc Payment	Check	6902	11/1/2019	55.00	Ohio Division of Unclaimed Funds	Ohio unclaimed property
Ad Hoc Payment	Check	6903	11/1/2019	3,842.57	Oregon Department of State Lands	Oregon unclaimed property
Cash Advance Payment	Check	6904	11/6/2019	86.25	Audrey Hing	Travel advance
Expense Payment	Check	6905	11/6/2019	173.43	Ryan Thomas	Employee reimbursement
Ad Hoc Payment	Check	6906	11/6/2019	52.54	Angela and Drew Forsterer	Utility Refunds: 0161007190-01
Ad Hoc Payment	Check	6907	11/6/2019	111.66	Angelo Property Co LP	Utility Refunds: 0144007005-00 Consolidated refund created from multiple refunds
Ad Hoc Payment	Check	6908	11/6/2019	593.34	Anne S Morrison	Utility Refunds: 0040001400-00
Ad Hoc Payment	Check	6909	11/6/2019	41.77	Arlene Rivera	Utility Refunds: 0117056084-03
Ad Hoc Payment	Check	6910	11/6/2019	167.85	Beatrice Marlow	Utility Refunds: 0101000009-01

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Ad Hoc Payment	Check	6911	11/6/2019	57.02	Benjamin and Stephanie Hillam	Utility Refunds: 0117051048-04
Ad Hoc Payment	Check	6912	11/6/2019	78.81	Boulevard Homes NW LLC	Utility Refunds: 0500002679-01
Ad Hoc Payment	Check	6913	11/6/2019	111.00	Brandy and Colby Hess	Utility Refunds: 0116011800-04
Ad Hoc Payment	Check	6914	11/6/2019	46.66	Bruce Maxwell, Herbert Medina and Jeffrey Lindain	Utility Refunds: 0039007922-03
Ad Hoc Payment	Check	6915	11/6/2019	57.12	Carlos Perez	Utility Refunds: 0126002240-03
Ad Hoc Payment	Check	6916	11/6/2019	49.62	Cascade West Development INC	Utility Refunds: 0500002003-01
Ad Hoc Payment	Check	6917	11/6/2019	49.62	Cascade West Development INC	Utility Refunds: 0500002661-01
Ad Hoc Payment	Check	6918	11/6/2019	151.17	Catherine Golden	Utility Refunds: 0124001010-04
Ad Hoc Payment	Check	6919	11/6/2019	118.73	Chelsea and Michael Talbert	Utility Refunds: 0106000705-13
Ad Hoc Payment	Check	6920	11/6/2019	112.69	Christa James	Utility Refunds: 0117052114-06
Ad Hoc Payment	Check	6921	11/6/2019	109.44	Cindy Frampton-Neese	Utility Refunds: 0108003560-05
Ad Hoc Payment	Check	6922	11/6/2019	263.80	David and Allison Martschinski	Utility Refunds: 0117051106-04
Ad Hoc Payment	Check	6923	11/6/2019	41.36	DMK Homes INC	Utility Refunds: 0500001662-01
Ad Hoc Payment	Check	6924	11/6/2019	52.33	Donald Wicks	Utility Refunds: 0113005040-02
Ad Hoc Payment	Check	6925	11/6/2019	179.99	Don J Tran	Utility Refunds: 0127010880-04
Ad Hoc Payment	Check	6926	11/6/2019	154.00	Dorothy Adesko	Utility Refunds: 0056006000-06 Consolidated refund created from multiple refunds
Ad Hoc Payment	Check	6927	11/6/2019	70.60	Doug and Debora Walling	Utility Refunds: 0105000452-07
Ad Hoc Payment	Check	6928	11/6/2019	117.18	Dubias, Joseph and Dulce	Utility Refunds: 0140012054-01
Ad Hoc Payment	Check	6929	11/6/2019	76.32	Emma Ferguson	Utility Refunds: 0147043100-03
Ad Hoc Payment	Check	6930	11/6/2019	117.63	Erin and Pang You	Utility Refunds: 0147041200-03
Ad Hoc Payment	Check	6931	11/6/2019	72.71	Erin You	Utility Refunds: 0147041200-03
Ad Hoc Payment	Check	6932	11/6/2019	112.63	James & Joanne Williams	Utility Refunds: 0101000200-03
Ad Hoc Payment	Check	6933	11/6/2019	64.68	Jason and Emma Ferguson	Utility Refunds: 0147043100-03
Ad Hoc Payment	Check	6934	11/6/2019	44.48	Jeffrey Mah	Utility Refunds: 0150002014-02
Ad Hoc Payment	Check	6935	11/6/2019	46.34	John Kowalski and Liying Zheng	Utility Refunds: 0150003006-02
Ad Hoc Payment	Check	6936	11/6/2019	56.90	Juanita B Lopez	Utility Refunds: 0002000112-01
Ad Hoc Payment	Check	6937	11/6/2019	150.09	Karen O'Malley	Utility Refunds: 0108008675-11
Ad Hoc Payment	Check	6938	11/6/2019	65.54	Karmen and Devin Warner	Utility Refunds: 0154001280-07
Ad Hoc Payment	Check	6939	11/6/2019	37.82	Kimberly Ellis	Utility Refunds: 0150003078-06
Ad Hoc Payment	Check	6940	11/6/2019	166.89	Kongdeuane Barnett	Utility Refunds: 0104100324-03
Ad Hoc Payment	Check	6941	11/6/2019	78.81	Kristen N Boos, Successor Trustee	Utility Refunds: 0141005918-03
Ad Hoc Payment	Check	6942	11/6/2019	136.00	Lisa Inthisane and, Sengchanh Thoummavong	Utility Refunds: 0002000112-01
Ad Hoc Payment	Check	6943	11/6/2019	84.15	Lori Marlow	Utility Refunds: 0101000009-01
Ad Hoc Payment	Check	6944	11/6/2019	172.54	Manor Homes Washington INC	Utility Refunds: 0500002243-01
Ad Hoc Payment	Check	6945	11/6/2019	105.84	Manor Homrs Inc	Utility Refunds: 0500002388-01
Ad Hoc Payment	Check	6946	11/6/2019	159.00	Mark and Judith Updike	Utility Refunds: 0137000400-03
Ad Hoc Payment	Check	6947	11/6/2019	153.91	Mark Updike	Utility Refunds: 0137000400-03
Ad Hoc Payment	Check	6948	11/6/2019	100.00	Matthew and Paula Pierce	Utility Refunds: 0131027092-03
Ad Hoc Payment	Check	6949	11/6/2019	175.00	Megan Delaney	Utility Refunds: 0108004085-05
Ad Hoc Payment	Check	6950	11/6/2019	179.76	Michael and Jean Gowans	Utility Refunds: 0157015300-01
Ad Hoc Payment	Check	6951	11/6/2019	238.81	Norma Gage	Utility Refunds: 0094013000-02
Ad Hoc Payment	Check	6952	11/6/2019	33.63	North Columbia Homes LLC	Utility Refunds: 0500002731-01
Ad Hoc Payment	Check	6953	11/6/2019	45.68	North Columbia Homes LLC	Utility Refunds: 0500002730-01
Ad Hoc Payment	Check	6954	11/6/2019	33.74	Pacific Lifestyle Homes Inc	Utility Refunds: 0500002665-01
Ad Hoc Payment	Check	6955	11/6/2019	100.00	Peter & Marilyn Falcone	Utility Refunds: 0137006050-02
Ad Hoc Payment	Check	6956	11/6/2019	21.69	Peter Falcone	Utility Refunds: 0137006050-02
Ad Hoc Payment	Check	6957	11/6/2019	225.85	Phillip and Jacqueline Smith	Utility Refunds: 0126003410-02
Ad Hoc Payment	Check	6958	11/6/2019	27.67	Phillip Davis and Becky Rybnikar	Utility Refunds: 0117052310-02

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Ad Hoc Payment	Check	6959	11/6/2019	33.84	Quail Homes LLC	Utility Refunds: 0500001662-01
Ad Hoc Payment	Check	6960	11/6/2019	59.38	Quinn Clohessy	Utility Refunds: 0154001680-02
Ad Hoc Payment	Check	6961	11/6/2019	72.62	Quinn Clohessy and Robin Jones	Utility Refunds: 0154001680-02
Ad Hoc Payment	Check	6962	11/6/2019	67.53	Reymundo F Prado	Utility Refunds: 0128140160-07 Consolidated refund created from multiple refunds
Ad Hoc Payment	Check	6963	11/6/2019	59.69	Reymundo Prado III and Joy Prado	Utility Refunds: 0128140160-07
Ad Hoc Payment	Check	6964	11/6/2019	131.34	Robert Accardo and Mary Kennedy	Utility Refunds: 0000005349-02
Ad Hoc Payment	Check	6965	11/6/2019	57.46	Ruben Nieto Franco and, Norma Naal-Mez	Utility Refunds: 0113010040-06
Ad Hoc Payment	Check	6966	11/6/2019	58.00	Sandy Pham	Utility Refunds: 0165001490-03
Ad Hoc Payment	Check	6967	11/6/2019	36.41	SFA Commercial	Utility Refunds: 0500002702-01
Ad Hoc Payment	Check	6968	11/6/2019	75.00	Silver Buckle Homes LLC	Utility Refunds: 0500002191-01
Ad Hoc Payment	Check	6969	11/6/2019	69.03	Steven Grob	Utility Refunds: 0123002672-03
Ad Hoc Payment	Check	6970	11/6/2019	126.00	Steven L and Kimberly L Winter	Utility Refunds: 0061084900-01
Ad Hoc Payment	Check	6971	11/6/2019	307.00	Suzane D Devet	Utility Refunds: 0112001230-01
Ad Hoc Payment	Check	6972	11/6/2019	81.68	Tammy L Ross	Utility Refunds: 0117052148-05
Ad Hoc Payment	Check	6973	11/6/2019	226.03	The Estate of Michelle Staley	Utility Refunds: 0106050388-03
Ad Hoc Payment	Check	6974	11/6/2019	190.15	The Management Group	Utility Refunds: 0000003010-05
Ad Hoc Payment	Check	6975	11/6/2019	85.17	Tracy Strub	Utility Refunds: 0079068800-10
Ad Hoc Payment	Check	6976	11/6/2019	58.07	Valentin Moroz	Utility Refunds: 0147000006-01
Ad Hoc Payment	Check	6977	11/6/2019	89.29	Viktor Serov	Utility Refunds: 0115002280-03
Ad Hoc Payment	Check	6978	11/6/2019	34.66	Vizenor, Zack and Shannon	Utility Refunds: 0125001590-07
Ad Hoc Payment	Check	6979	11/6/2019	143.87	Welden Burton	Utility Refunds: 0105000736-03
Ad Hoc Payment	Check	6980	11/6/2019	43.95	Weldon Burton	Utility Refunds: 0105000734-17
Ad Hoc Payment	Check	6981	11/6/2019	169.38	William R Wallace	Utility Refunds: 0106033050-03
Ad Hoc Payment	Check	6982	11/6/2019	76.86	YQC Properties LLC	Utility Refunds: 0002000111-02
Ad Hoc Payment	Check	6983	11/6/2019	57.09	ADT LLC	MPE-270402 refund
Ad Hoc Payment	Check	6984	11/6/2019	57.09	Area Heating & Cooling	MPE-272402 refund
Ad Hoc Payment	Check	6985	11/6/2019	596.20	AutoSpa360	20190812
Ad Hoc Payment	Check	6986	11/6/2019	562.50	Cascade Electrical LLC	refund 45 days of 75 day permit (meter hood)
Ad Hoc Payment	Check	6987	11/6/2019	48.00	Cascade Inn	refund CIVICGOV overpmt
Ad Hoc Payment	Check	6988	11/6/2019	117.77	Cason, Kefentse G	reissue of wages 9/16/19 - 9/30/19
Ad Hoc Payment	Check	6989	11/6/2019	65.27	Cason, Khalfani K	Reissue wages for 9/16/18 - 9/30/18
Ad Hoc Payment	Check	6990	11/6/2019	38.46	Chambers, Jacqueline M	Reissue wages from 1/1/18 - 1/15/18
Ad Hoc Payment	Check	6991	11/6/2019	229.81	Charles B Haacker	refund SCIP overpmt
Ad Hoc Payment	Check	6992	11/6/2019	105.00	Compound Photonics	refund pkg permit COV08126
Ad Hoc Payment	Check	6993	11/6/2019	105.00	Compound Photonics	refund pkg permit COV08159
Ad Hoc Payment	Check	6994	11/6/2019	105.00	Compound Photonics	refund overpmt pkg permit COV08158
Ad Hoc Payment	Check	6995	11/6/2019	105.00	Compound Photonics	refund overpmt pkg permit COV08156
Ad Hoc Payment	Check	6996	11/6/2019	2,710.00	Core Excavating LLC	Inv #IN18085 (Payne)
Ad Hoc Payment	Check	6997	11/6/2019	234.07	Cosme, Nicole Stephany	Reissue wages from 10/16/18 - 10/31/18
Ad Hoc Payment	Check	6998	11/6/2019	50.00	Craig Riley	Damage deposit refund - Permit #R7372
Ad Hoc Payment	Check	6999	11/6/2019	57.09	Crown Electric	MPE-272325 refund
Ad Hoc Payment	Check	7000	11/5/2019	244.00	Davidson & Associates	refund pkg permit COV09119
Ad Hoc Payment	Check	7001	11/6/2019	19.35	Diane Bernel	20190816 - Permit Returned
Ad Hoc Payment	Check	7002	11/6/2019	120.00	Doug Henderson	refund pkg permit COV08525
Ad Hoc Payment	Check	7003	11/6/2019	5,528.40	Earthworks Excavating Services Inc	Inv #WA157-19 (Bowers)
Ad Hoc Payment	Check	7004	11/6/2019	17.97	Hofmann, Alyssa M	Reissue wages from 12/16/18 - 12/31/18
Ad Hoc Payment	Check	7005	11/6/2019	350.00	Irenea Landin	Damage Deposit Refund - Permit #R7916
Ad Hoc Payment	Check	7006	11/6/2019	20.00	Janice Samander / Jeffrey Siekman	refund overpmt alarm
Ad Hoc Payment	Check	7007	11/6/2019	40.00	Jeremy Lindholm	refund overpmt alarm

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Ad Hoc Payment	Check	7008	11/6/2019	20.23	Johnston, Steven Lawrence	Reissue wages from 9/16/17 - 9/30/17
Ad Hoc Payment	Check	7009	11/6/2019	305.00	Kroger Rasc	refund CIVICGOV overpmt
Ad Hoc Payment	Check	7010	11/6/2019	459.37	LA CENTER SCHOOL DISTRICT#101	INV#19-10-2
Ad Hoc Payment	Check	7011	11/6/2019	4,149.70	Larry Steward	RES-249051 refund
Ad Hoc Payment	Check	7012	11/6/2019	40.42	Lomprey, Iara M	Reissue wages from 1/1/18 - 1/15/18
Ad Hoc Payment	Check	7013	11/6/2019	20.00	Michaels #6820	refund overpmt alarm
Ad Hoc Payment	Check	7014	11/6/2019	38.90	Moody, Erica Lynn	Reissue wages from 2/16/19 - 2/28/19
Ad Hoc Payment	Check	7015	11/6/2019	11,136.00	National League of Cities	Inv #157356
Ad Hoc Payment	Check	7016	11/6/2019	3,707.28	Northwest Landcare LLC	Inv #175
Ad Hoc Payment	Check	7017	11/6/2019	57.09	Oak Plumbing	MPE-271956 refund
Ad Hoc Payment	Check	7018	11/6/2019	20.00	PCS	refund overpmt alarms
Ad Hoc Payment	Check	7019	11/6/2019	5,889.53	PCS	refund CIVICGOV
Ad Hoc Payment	Check	7020	11/6/2019	71.18	PCS	Neg Trust Statement dated 10-20-19
Ad Hoc Payment	Check	7021	11/6/2019	151.40	PEACEHEALTH-SWMC	VOUCHER#2000283.082
Ad Hoc Payment	Check	7022	11/6/2019	57.09	Riverside Electrical	MPE-272557 refund
Ad Hoc Payment	Check	7023	11/6/2019	20.00	Robbin Anderson	refund alarm overpmt
Ad Hoc Payment	Check	7024	11/6/2019	20.00	Super Sports Cards & More	refund overpmt alarm
Ad Hoc Payment	Check	7025	11/6/2019	329.20	Thomas MacDonald	RES-243517 refund
Ad Hoc Payment	Check	7026	11/6/2019	25.00	Timothy Baseel	refund overpmt citation #7201705915
Ad Hoc Payment	Check	7027	11/6/2019	25.00	Vance Gravley	refund overpmt citation #7202100520
Ad Hoc Payment	Check	7028	11/6/2019	7,500.00	Vancouver Rotary Foundation	2019 Community Tree Lighting
Ad Hoc Payment	Check	7029	11/6/2019	1,973.08	Vancouver School District	INV#1001920074
Ad Hoc Payment	Check	7030	11/6/2019	27.87	West, Jocelyn Ann Case	Reissue wages from 10/1/17 - 10/15/17
Ad Hoc Payment	Check	7031	11/6/2019	428.84	Wyatt Fire Protection Inc	FRI-272204
Supplier Payment	Check	7032	11/6/2019	288.00	Accurate Corporate Services Inc	
Supplier Payment	Check	7033	11/6/2019	1,088.75	A-Check America Inc - Remit-To: A-Check - Glendale	
Supplier Payment	Check	7034	11/6/2019	208.36	Advance Stores Company Incorporated - Remit-To: Advance Auto Parts - Atlanta	
Supplier Payment	Check	7035	11/6/2019	103.04	Airgas, Inc	
Supplier Payment	Check	7036	11/6/2019	861.78	A-Line Asphalt Maintenance Inc	
Supplier Payment	Check	7037	11/6/2019	9,554.16	Allcon LLC	
Supplier Payment	Check	7038	11/6/2019	798.00	Allegheny Answering Services	
Supplier Payment	Check	7039	11/6/2019	57,887.11	Allegiance Benefit Plan Management Inc	
Supplier Payment	Check	7040	11/6/2019	14,877.50	Allegis Group Holdings Inc - Remit-To: TekSystems Inc - Atlanta	
Supplier Payment	Check	7041	11/6/2019	121.80	American Sani-Can	
Supplier Payment	Check	7042	11/6/2019	127.22	Aramark Uniform & Career Apparel LLC - Remit-To: Aramark - Pasadena	
Supplier Payment	Check	7043	11/6/2019	1,769.09	Arborscape Ltd Inc	
Supplier Payment	Check	7044	11/6/2019	57.75	Ashley Webb	
Supplier Payment	Check	7045	11/6/2019	7,813.98	AT & T Mobility II LLC	
Supplier Payment	Check	7046	11/6/2019	18,870.00	Bates Technical College	
Supplier Payment	Check	7047	11/6/2019	1,427.74	Blairco Inc	
Supplier Payment	Check	7048	11/6/2019	2,084.21	Bound Tree Medical LLC	
Supplier Payment	Check	7049	11/6/2019	2,188.99	Bound Tree Medical LLC - Remit-To: Supplier Bound Tree Medical LLC	
Supplier Payment	Check	7050	11/6/2019	2,009.34	Cascade Centers Inc	
Supplier Payment	Check	7051	11/6/2019	11,865.13	CECO Inc	
Supplier Payment	Check	7052	11/6/2019	295.19	Cellco Partnership - Remit-To: Cellco - Dallas	
Supplier Payment	Check	7053	11/6/2019	136.00	City of Vancouver - Remit-To: COV Main	

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Supplier Payment	Check	7054	11/6/2019	573.00	City of Vancouver - Remit-To: COV - Vehicle Reg	
Supplier Payment	Check	7055	11/6/2019	6,000.00	Clark County Mural Society	
Supplier Payment	Check	7056	11/6/2019	5,247.73	Clark County - Remit-To: Clark County - Treasurer Vancouver	
Supplier Payment	Check	7057	11/6/2019	826.01	Code Publishing Co	
Supplier Payment	Check	7058	11/6/2019	2,800.00	Colliers International Valuation & Advisory Services LLC - Remit-To: Colliers - Chicago	
Supplier Payment	Check	7059	11/6/2019	24,214.39	Columbia Ford Inc	
Supplier Payment	Check	7060	11/6/2019	4,434.34	Columbia West Engineering	
Supplier Payment	Check	7061	11/6/2019	287.35	Comcast	
Supplier Payment	Check	7062	11/6/2019	108.27	Comcast - Remit-To: Comcast Business - City of Industry	
Supplier Payment	Check	7063	11/6/2019	151.11	Comcast - Remit-To: Comcast Business - City of Industry	
Supplier Payment	Check	7064	11/6/2019	2,148.59	CUES Inc - Remit-To: CUES Inc - Cincinnati	
Supplier Payment	Check	7065	11/6/2019	70,324.51	Datec Inc	
Supplier Payment	Check	7066	11/6/2019	262.00	Dex Media West	
Supplier Payment	Check	7067	11/6/2019	282.65	DSU Peterbilt & GMC Inc	
Supplier Payment	Check	7068	11/6/2019	24.00	Emergency Rooms PS	
Supplier Payment	Check	7069	11/6/2019	2,470.24	Epic Land Solutions Inc	
Supplier Payment	Check	7070	11/6/2019	20,959.40	Ferguson Enterprises - Remit-To: Ferguson - Dallas	
Supplier Payment	Check	7071	11/6/2019	40,000.00	Fourth Plain Forward	
Supplier Payment	Check	7072	11/6/2019	81.38	Frontier Communications	
Supplier Payment	Check	7074	11/6/2019	7,015.00	Gallagher Bassett Services Inc	
Supplier Payment	Check	7075	11/6/2019	4,910.52	Galls LLC	
Supplier Payment	Check	7076	11/6/2019	208.51	Genuine Parts Company	
Supplier Payment	Check	7077	11/6/2019	10,083.18	Genuine Parts Company - Remit-To: NAPA - Los Angeles	
Supplier Payment	Check	7078	11/6/2019	1,793.11	Gordon Truck Centers	
Supplier Payment	Check	7079	11/6/2019	10,076.48	Harper Houf Peterson Righellis Inc	
Supplier Payment	Check	7080	11/6/2019	2,797.50	HDJ Design Group - Remit-To: HDJ - Portland	
Supplier Payment	Check	7081	11/6/2019	2,959.53	HDR Engineering Inc - Remit-To: HDR Engineering - Chicago	
Supplier Payment	Check	7082	11/6/2019	615.54	Henderson Equipment	
Supplier Payment	Check	7083	11/6/2019	9,000.00	Jeffrey Barrar PS	
Supplier Payment	Check	7084	11/6/2019	200.00	John R Cannon	
Supplier Payment	Check	7085	11/6/2019	432.00	Joye LLC - Remit-To: Signing Resources & Interpreters	
Supplier Payment	Check	7086	11/6/2019	2,457.00	Judith L Bufford	
Supplier Payment	Check	7087	11/6/2019	4,625.00	Katherine Oman	
Supplier Payment	Check	7088	11/6/2019	270.00	Kathleen Miller	
Supplier Payment	Check	7089	11/6/2019	1,116.74	Kittelson & Associates Inc	
Supplier Payment	Check	7090	11/6/2019	2,783.66	L.N. Curtis & Sons	
Supplier Payment	Check	7091	11/6/2019	400.26	Landmark Ford	
Supplier Payment	Check	7092	11/6/2019	2,543.70	Linguava Interpreters Inc	
Supplier Payment	Check	7093	11/6/2019	9,916.20	Lois D Cohen Associates	
Supplier Payment	Check	7094	11/6/2019	26,607.88	MacKay Sposito Inc	
Supplier Payment	Check	7095	11/6/2019	170,783.97	Mackenzie Engineering Inc	
Supplier Payment	Check	7096	11/6/2019	298.10	Mark IV Enterprises Inc	
Supplier Payment	Check	7097	11/6/2019	517.51	Municipal Emergency Services Inc - Remit-To: Municipal Emergency Services - Chicago	

*Please contact Procurement Services if you would like to review the justification for EMERGENCY procurement.

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Supplier Payment	Check	7098	11/6/2019	2,164.50	Murray Smith Inc	
Supplier Payment	Check	7099	11/6/2019	645.20	National Safety Inc	
Supplier Payment	Check	7100	11/6/2019	80.00	Nigro & Associates	
Supplier Payment	Check	7101	11/6/2019	7,129.31	Northwest Natural Gas Company - Remit-To: NW Natural - Portland	
Supplier Payment	Check	7102	11/6/2019	3,162.50	Pacifica Law Group LLP	
Supplier Payment	Check	7103	11/6/2019	1,113.75	Paul Lewis	
Supplier Payment	Check	7104	11/6/2019	430.00	Petty Cash Custodian - Remit-To: Chad Williams	
Supplier Payment	Check	7105	11/6/2019	5,445.00	Petty Cash Custodian - Remit-To: Tom Ryan	
Supplier Payment	Check	7106	11/6/2019	797.78	Pitney Bowes Inc	
Supplier Payment	Check	7107	11/6/2019	975.37	Potter Webster Co	
Supplier Payment	Check	7108	11/6/2019	675.00	Purple Communications Inc	
Supplier Payment	Check	7109	11/6/2019	6,240.79	Qwest Corp - Remit-To: Qwest Corp- Seattle	
Supplier Payment	Check	7110	11/6/2019	262.33	Rentokil North America Inc	
Supplier Payment	Check	7111	11/6/2019	92.14	Riverside Containers LLC	
Supplier Payment	Check	7112	11/6/2019	7,000.00	Shannon Berg	
Supplier Payment	Check	7113	11/6/2019	4,037.50	Southwest Officials Services Inc	
Supplier Payment	Check	7114	11/6/2019	1,500.00	Spartan Environmental Services LLC - Remit-To: Spartan Environmental Services LLC	
Supplier Payment	Check	7115	11/6/2019	2,252.25	State of Washington Auditor's Office	
Supplier Payment	Check	7116	11/6/2019	64.00	State of Washington Department of Ecology - Remit-To: State of Washington Department of Ecology	
Supplier Payment	Check	7117	11/6/2019	30.00	State of Washington Department of Licensing - Remit-To: Notary Public Program	
Supplier Payment	Check	7118	11/6/2019	10,000.00	State of Washington Office of Minority & Women's Business Enterprises	
Supplier Payment	Check	7119	11/6/2019	18,121.75	Summit Law Group	
Supplier Payment	Check	7120	11/6/2019	23,956.40	Sunbelt Controls Inc - Remit-To: Sunbelt Controls - Pasadena	
Supplier Payment	Check	7121	11/6/2019	51,996.32	T2 Systems Inc - Remit-To: T2- Atlanta	
Supplier Payment	Check	7122	11/6/2019	636.14	The Pape Group Inc	
Supplier Payment	Check	7123	11/6/2019	891.04	The Pape Group Inc - Remit-To: Pape Machinery	
Supplier Payment	Check	7124	11/6/2019	2,700.00	Timothy James Reddington	
Supplier Payment	Check	7125	11/6/2019	1,271.68	Tube Art Display Inc	
Supplier Payment	Check	7126	11/6/2019	105.23	United Parcel Service	
Supplier Payment	Check	7127	11/6/2019	500.00	United States Postal Service	
Supplier Payment	Check	7128	11/6/2019	10,000.00	United States Postal Service - Remit-To: United States Postal Service Carol Stream IL	
Supplier Payment	Check	7129	11/6/2019	915.55	Vancouver Bolt and Supply Inc	
Supplier Payment	Check	7130	11/6/2019	4,181.47	Walter E Nelson Company	
Supplier Payment	Check	7131	11/6/2019	926.39	Wapiti NW LLC	
Supplier Payment	Check	7132	11/6/2019	1,150.00	Washington State Criminal Justice Training Commission - Remit-To: Criminal Justice Training Commission - Olympia	
Supplier Payment	Check	7133	11/6/2019	4.00	Willis of Seattle Inc - Remit-To: Willis - Pasadena	
Supplier Payment	Check	7134	11/6/2019	3,363.00	W Todd Pascoe	
Supplier Payment	Check	7135	11/6/2019	7,187.06	Columbia Resource Company	
Ad Hoc Payment	Check	7136	11/8/2019	2,182.69	IRS - ACS Support	191107 ID # 650054168
Supplier Payment	Check	7137	11/8/2019	8,641.92	Aflac	
Supplier Payment	Check	7138	11/8/2019	5,290.88	AFSCME Local #307	

*Please contact Procurement Services if you would like to review the justification for EMERGENCY procurement.

INVOICE PAYMENTS REPORT

<u>Payment Category</u>	<u>Payment Type</u>	<u>Check Number</u>	<u>Payment Date</u>	<u>Payment Amount</u>	<u>Payment Payee</u>	<u>Payment Memo if applicable</u>
Supplier Payment	Check	7139	11/8/2019	3,612.00	Chapter 13 - Trustee	
Supplier Payment	Check	7140	11/8/2019	20,773.12	IAFF Local #452	
Supplier Payment	Check	7141	11/8/2019	751.06	IAM Local #1374	
Supplier Payment	Check	7142	11/8/2019	76.60	Legal Shield	
Supplier Payment	Check	7143	11/8/2019	8,177.01	Life Insurance Company of North America	
Supplier Payment	Check	7144	11/8/2019	575.00	MFS Service Center Inc	
Supplier Payment	Check	7145	11/8/2019	4,540.10	OPEIU Local #11	
Supplier Payment	Check	7146	11/8/2019	140.04	OPEIU Local #11	
Supplier Payment	Check	7147	11/8/2019	608.00	Teamsters Local #58	
Supplier Payment	Check	7148	11/8/2019	350.00	UA Local #290	
Supplier Payment	Check	7149	11/8/2019	1,314.78	United Way of the Columbia Willamette	
Supplier Payment	Check	7150	11/8/2019	733.32	Vancouver Command Guild	
Supplier Payment	Check	7151	11/8/2019	12,949.88	Vancouver Police Officer Guild	
Supplier Payment	Check	7152	11/8/2019	3,220.80	Western Conference of Teamsters	
Supplier Payment	Check	7153	11/8/2019	1,190.72	Western Metal Industry Pension Plan	
Supplier Payment	Check	7154	11/8/2019	3,443.42	City of Washougal	
			SUBTOTAL	7,550,294.64		
Hansen			10/15/2019	278,537.08	City Payments	Posted 10-29-19 thru 11-4-19
Hansen			10/29/2019	6,351.01	City Payments	Posted 11-5-19 thru 11-11-19
			SUBTOTAL	284,888.09		
VISA			11/5/2019	1,026.00	Miscellaneous	Parks Class Refunds - FCC 10-29-19 thru 11-4-19
VISA			11/5/2019	637.00	Miscellaneous	Parks Class Refunds - MCC 10-29-19 thru 11-4-19
VISA			11/5/2019	-	Miscellaneous	Parks Class Refunds - Special Events 10-29-19 thru 11-4-19
VISA			11/4/2019	151.40	Miscellaneous	Parks Class Refunds - WREC 10-29-19 thru 11-4-19
VISA			10/29/2019	637.40	Miscellaneous	Parks Class Refunds - FCC 11-5-19 thru 11-11-19
VISA			10/29/2019	236.00	Miscellaneous	Parks Class Refunds - MCC 11-5-19 thru 11-11-19
VISA			10/29/2019	-	Miscellaneous	Parks Class Refunds - Special Events 11-5-19 thru 11-11-19
VISA			10/28/2019	200.00	Miscellaneous	Parks Class Refunds - WREC 11-5-19 thru 11-11-19
			SUBTOTAL	2,887.80		
			TOTAL	7,838,070.53		

City of Vancouver
Payroll Council Report
October 29, 2019 - November 11, 2019

Check No.	Date	Explanation	Amount
N/A	04/25/19	Void check #606	\$ (492.44)
1881	10/29/19	Replacement for Check #606	\$ 492.44
1882 - 1891	10/31/19	10 2019 Pension Payroll	\$ 8,139.61
28338 - 28384	10/31/19	10 2019 Pension Direct Deposit	\$ 48,581.50
N/A	09/25/19	Void check #1731	\$ (116.72)
1892	10/30/19	Replacement for Check #1731	\$ 116.72
1893 - 1955	11/08/19	21 2019 Payroll	\$ 21,378.90
28481 - 30396	11/08/19	21 2019 Direct Deposits	\$ 3,031,365.03
N/A	11/08/19	NACHA return	\$ (2,843.21)
1956	11/08/19	Replacement Check for NACHA Return	\$ 2,843.21
N/A	11/08/19	NACHA return	\$ (17,051.18)
1957	11/08/19	Replacement Check for NACHA Return	\$ 17,051.18
N/A	11/08/19	NACHA return	\$ (3,105.87)
1958	11/08/19	Replacement Check for NACHA Return	\$ 3,105.87
N/A	11/08/19	NACHA return	\$ (1,765.05)
1959	11/08/19	Replacement Check for NACHA Return	\$ 1,765.05

\$ 3,109,465.04



Staff Report 169-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/18/2019
11/18/2019

SUBJECT 9th Amendment to Vancouvercenter Disposition and Development Agreement

Key Points

- In June of 1999, City Council approved a Disposition and Development Agreement (DDA) with Vandevco Limited, which as amended governs the development and purchase of two City-owned blocks located immediately east of Columbia Street and north of 6th Street.
- The agreed-to mixed-use development consisted generally of the phased construction of four multi-story towers to be built over a below ground, 809-space parking garage. In 2004, the parking garage and three of the towers were completed. The fourth tower is currently under construction.
- Once completed, the City purchased the parking garage for \$13,243,764.29 from the developer and has since owned and operated the garage for public and tenant parking, with the exception of 50 spaces for which the developer retained ownership.
- The June 1999 DDA stated that the developer shall have an exclusive option to purchase the garage from the City pursuant to terms and conditions found in Exhibit 5.4.2 to the DDA entitled "Option to Purchase Agreement for Parking Garage," including an option period from January 1, 2015 to December 31, 2019.
- In March of 2010 a 5th Amendment to the DDA amended the terms and conditions of the "Option to Purchase Agreement for Parking Garage," however the developer retained the exclusive right to purchase the garage from the City. The 5th amendment specifically sets the purchase price at the Fair Market Value (as defined in the agreement) or a minimum of \$13,243,764.29 adjusted by the annual CPI-W for Portland/Vancouver in the years 2001 through the date the option is exercised.
- In November of 2017, an 8th Amendment to the DDA made Holland Acquisition Co., LLC a party to the agreement, in anticipation of their purchase of the final phase for construction of the fourth tower. In Section 13 of such amendment, the parties expressed their intent to extend the Option to Purchase Agreement for Parking Garage" to Holland with no other change to the terms and conditions.
- Holland Partner Group, which is currently constructing the fourth tower at Vancouvercenter and is also proposing to construct a large mixed use building on Block 10 immediately north of Vancouvercenter, has expressed interest in exercising their option on the Vancouvercenter parking garage, but is requesting that the option period be extended for

three years, to December 31, 2022, in order to be able to obtain financing for the garage purchase.

- Holland has expressed interest in managing all or a portion of the garage to during the three-year extension period in order to explore potential efficiencies that will demonstrate a positive economic return.
- The City Center Redevelopment Authority (CCRA) reviewed the requested three-year extension of the Option to Purchase Agreement for Parking Garage at their September 19, 2019 meeting and recommended approval to City Council.

Strategic Plan Alignment

Goal 8, Objective 8.1: Make downtown a vibrant destination for the community and the region

Present Situation

Holland Partner Group, which is currently constructing a six-story residential tower on the Vancouvercenter project, has an option to purchase the City's 750-space parking garage that expires on December 31, 2019, according to a Disposition and Development Agreement that was approved in June of 1999 and subsequently amended.

Holland's request regarding the purchase option was described in a recently-approved Disposition and Development Agreement for Block 10, located immediately north of Vancouvercenter. In order to demonstrate to potential lenders that revenue from the garage will be sustainable through more proactive management, Holland has also requested that they be allowed to manage all or a portion of the garage during the three-year period, which will be considered by Council under a separate agreement.

The proposed amendment would extend the option term by three years only. The minimum purchase price and other terms contained in the DDA will remain as currently exists. If approved, Holland's Option to Purchase Garage Agreement, as specified in the Vancouvercenter DDA as amended, would be extended to December 31, 2022.

Advantage(s)

1. Extending the option to purchase the Vancouvercenter Garage will allow Holland Partner Group, a relatively new owner in the Vancouvercenter project, a reasonable period of time to track garage usage data in order to satisfy prospective lenders.
2. The extension will give the City additional time to determine its preferred strategy for addressing public parking in the vicinity of the southern portion of downtown, through additional analysis.
3. The extension satisfies a commitment made by the City in the recently-approved Disposition and Development Agreement for Block 10.

Disadvantage(s)

None identified.

Budget Impact

No budget impacts identified.

Prior Council Review

- October 21, 2019 - public hearing on Block 10 DDA

Action Requested

On Monday, November 18, 2019, subject to public hearing, adopt a resolution amending the Vancouvercenter Disposition and Development Agreement.

Chad Eiken, Community and Economic Development Director, 487-7882

ATTACHMENTS:

- ▢ Resolution
- ▢ 9th Amendment to Vancouvercenter DDA
- ▢ Exhibit - 8th Amendment to Vancouvercenter DDA
- ▢ Exhibit - 5th Amendment to Vancouver Center DDA
- ▢ Exhibit - Staff Report 141-99, Original DDA

This staff report references the terms and conditions of the request for approval. Any document referred to herein and that is not attached may be reviewed prior to the City Council meeting in the office of the City Manager. Documents may be reviewed following scheduled Council meetings in the office of Central Records, 415 West 6th Street, Vancouver, WA. Office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday.

11/18/2019

RESOLUTION NO. M-_____

A RESOLUTION approving an extension of a disposition and development agreement by and among the City of Vancouver, by and among Vandevco Residential LLC, a Washington limited liability company, as owner of Unit 1A; NASH – Holland 601 Columbia, LLC, a Delaware limited liability company, as owner of Unit 1B; Vandevco Office Tower LLC, a Delaware limited liability company, as owner of Unit 1C; and NASH – Holland Washington & Sixth, LLC, a Delaware limited liability company, as owner of Unit 1D and the City of Vancouver, a State of Washington municipality, as owner of Unit 2 (“City”).

WHEREAS, in June of 1999, City Council approved a Disposition and Development Agreement (DDA) with Vandevco Limited, which as amended governs the development and purchase of two City-owned blocks located immediately east of Columbia Street and north of 6th Street; and

WHEREAS, the agreed to mixed-use development consisted generally of the phased construction of four multi-story towers to be built over a below ground 809-space parking garage. In 2004, the parking garage and three of the towers were completed. The fourth tower is currently under construction; and

WHEREAS, once the 2004 development was completed, the City purchased the parking garage with the exception of 50 spaces for which the developer retained ownership; and

RESOLUTION - 1

WHEREAS, the June 1999 DDA provided the developer with an exclusive option to purchase the garage from the City with an option period from January 1, 2015 to December 31, 2019; and

WHEREAS, In March of 2010 a 5th Amendment to the DDA amended the terms and conditions of the "Option to Purchase Agreement for Parking Garage" wherein the developer retained the exclusive right to purchase the garage from the City at a price pursuant to provisions of the amended option; and

WHEREAS, in November of 2017, an 8th Amendment to the DDA made Holland Acquisition Co., LLC a party to the agreement, in anticipation of their purchase of the final phase for construction of the fourth tower; and

WHEREAS, in Section 13 of such amendment, the parties expressed their intent to extend the Option to Purchase Agreement for Parking Garage" to Holland with no other change to the terms and conditions; and

WHEREAS, Holland Partner Group is currently constructing the fourth tower at Vancouvercenter and is proposing to construct a large mixed use building on Block 10 immediately north of Vancouvercenter; and

WHEREAS, Holland Partner Group has expressed interest in exercising its option on the Vancouvercenter parking garage, but is requesting that the option period be extended for three years, to December 31, 2022, in order to be able to obtain financing for the garage purchase.; and

WHEREAS, the City Center Redevelopment Authority (CCRA) reviewed the requested three-year extension of the Option to Purchase Agreement for Parking Garage at their September 19, 2019 meeting and recommended approval to City Council.

RESOLUTION - 2

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VANCOUVER:

Section 1. That the Ninth Amendment to the Disposition and Development Agreement is approved, attached hereto.

Section 2. The City Manager is authorized to execute the attached Ninth Amendment on behalf of the City of Vancouver.

ADOPTED at regular session of the Council of the City of Vancouver, this 18th day of November, 2019.

Anne McEnery-Ogle, Mayor

Attest:

Natasha Ramras, City Clerk

Approved as to form:

Jonathan Young, City Attorney

RESOLUTION - 3

RESOLUTION - 4

AFTER RECORDING, RETURN TO:

Joel S. Kaplan
Oregon Law Group, P.C.
1675 SW Marlow Avenue, Suite 404
Portland, OR 97225

RECORDING COVER PAGE

DOCUMENT TITLE:

NINTH AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT

REFERENCE NUMBER OF RELATED DOCUMENTS:

[3155637; 3622069; 4297177; 4297178; 4297179; 4677467; 5236779; 5298291 and 5475774]

GRANTOR:

Vandevco Residential LLC, a Washington limited liability company, as to Unit 1A
NASH – Holland 601 Columbia, LLC, as to Unit 1B
Vandevco Office Tower LLC, a Delaware limited liability company, as to Unit 1C
NASH – Holland Washington & Sixth, as owner of Unit 1D

GRANTEE:

City of Vancouver, Washington, a State of Washington municipality, as to Unit 2.

ABBREVIATED LEGAL DESCRIPTION:

Units 1A, 1B, 1C, 1D and Unit 2 of Vancouvercenter, a condominium

ASSESSOR'S TAX PARCEL NUMBERS:

048170.006; 048170.008; 048170.010, and 048170.012

**NINTH AMENDMENT TO
DISPOSITION AND DEVELOPMENT AGREEMENT**

among

**Vandevco Residential LLC, as owner of Unit 1A
NASH – Holland 601 Columbia, LLC, as owner of Unit 1B
Vandevco Office Tower LLC, as owner of Unit 1C
NASH – Holland Washington & Sixth, LLC, as owner of Unit 1D**

And

City of Vancouver, as owner of Unit 2

And

Holland Acquisition Co., LLC, as holder of the Parking Option

for the Redevelopment of

Two City Blocks

bordered by Washington Street, Columbia Street, 6th Street, and 8th Street

Execution Date: _____, 2019

NINTH AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT

This Ninth Amendment to Disposition and Development Agreement (“Ninth Amendment”) is entered into on _____, 2019, by and among Vandevco Residential LLC, a Washington limited liability company, as owner of Unit 1A; NASH – Holland 601 Columbia, LLC, a Delaware limited liability company, as owner of Unit 1B; Vandevco Office Tower LLC, a Delaware limited liability company, as owner of Unit 1C; and NASH – Holland Washington & Sixth, LLC, a Delaware limited liability company, as owner of Unit 1D (collectively referred to as “Developer”), and the City of Vancouver, a State of Washington municipality, as owner of Unit 2 (“City”).

RECITALS

A. **Agreement.** Vandevco Limited, a Washington corporation (“Vandevco”) and City previously enter into that certain Disposition and Development Agreement dated as of June 21, 1999 (the “Original Agreement”), as amended by the First Amendment to Disposition and Development Agreement dated as of June 5, 2000 (the “First Amendment”), as further amended by the Second Amendment to Disposition and Development Agreement dated as of April 3, 2006 (the “Second Amendment”), as further amended by the Third Amendment to Disposition And Development Agreement dated as of May 1, 2006 (the “Third Amendment”), as further amended by the Fourth Amendment to the Disposition and Development Agreement dated as of July 10, 2006 (the “Fourth Amendment”), as further amended by the Fifth Amendment to Disposition and Development Agreement dated as of March 15, 2010 (the “Fifth Amendment”), as further amended by the Sixth Amendment to the Disposition and Development Agreement dated as of January 26, 2015 (“Sixth Amendment”), as further amended by the Seventh Amendment to Disposition and Development Agreement dated June 20, 2016, and as further amended by the Eighth Amendment to Disposition and Development Agreement dated December 21, 2017 (the “Eighth Amendment” and together hereinafter collectively referred to as the “Agreement”). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Agreement.

B. **Current Ownership.**

1. Vandevco conveyed Unit 1A and Unit 1B of Vancouvercenter Condominium to Vandevco Residential LLC, by Quit Claim Deed dated April 4, 2006, and recorded April 28, 2006 with the Auditor of Clark County, Washington, under Auditor’s File No. 4159392.

2. Vandevco Residential LLC conveyed Unit 1B of Vancouvercenter Condominium to Vandevco Residential II LLC, by Quit Claim Deed dated December 23, 2015, and recorded December 23, 2015, with the Auditor of Clark County, Washington, under Auditor’s File No. 5243128. Vandevco Residential II LLC, conveyed Unit 1D of Vancouvercenter Condominium to NASH – Holland 601 Columbia, LLC by Bargain and Sale Deed dated March 27, 2018, and recorded April 2, 2018, with the Auditor of Clark County, Washington, under Auditor’s File No. 5500565.

3. Vandevco conveyed Unit 1C to Vancouvercenter Development LLC, a Washington limited liability company, by Statutory Bargain and Sale Deed dated March 22, 2004, and recorded March 31, 2004 with the Auditor of Clark County, Washington, under Auditor's File No. 3808083. Vancouvercenter Development LLC then conveyed Unit 1C to Vandevco Office Tower LLC by Quit Claim Deed dated March 23, 2016, and recorded June 8, 2016, with the Auditor of Clark County, Washington, under Auditor's File No. 5291299.

4. Vandevco conveyed Unit 1D to Vancouvercenter Development II, LLC by Statutory Bargain and Sale Deed dated October 17, 2006, and recorded November 8, 2006, with the Auditor of Clark County, Washington, under Auditor's File No. 4245739. Vancouvercenter Development II, LLC conveyed Unit 1D of Vancouvercenter Condominium to NASH – Holland Washington & Sixth, LLC by Bargain and Sale Deed dated March 27, 2018, and recorded April 2, 2018, with the Auditor of Clark County, Washington, under Auditor's File No. 5500378.

C. **Parking Option Agreement.** Vandevco assigned its rights under that certain Option to Purchase Agreement for Parking Garage dated June 21, 1999, as amended March 15, 2010 and included as Exhibit 5.4.2 to the Fifth Amendment, and as further modified by the Eighth Amendment (the "Parking Option") to Holland Acquisition Co., LLC, a Washington limited liability company ("HE") pursuant to the Assignment of Option to Purchase Agreement for Parking Garage and Consent to Assignment dated January 30, 2019, with the Auditor of Clark County, Washington, under Auditor's File No. 5583695.

D. **Purpose.** The purpose of this Ninth Amendment is to amend certain provisions of the Agreement pursuant to and in accordance with Section 10.26 thereof. The parties acknowledge that these amendments are consistent with and further the goals in the Redevelopment Plan.

AGREEMENTS

1. **Recitals.** Each of the above Recitals is hereby made a part of this Ninth Amendment.

2. **Defined Terms.** All capitalized but undefined terms in this Ninth Amendment shall have the meaning ascribed to them in the Agreement.

3. **Parking Option.** All references to the "Option Period" in the Parking Option shall mean the period beginning on January 1, 2015 and extending through December 31, 2022.

4. **Severability.** If any provision of this Ninth Amendment or the application thereof to any person or circumstance is or shall be deemed illegal, invalid, or unenforceable, the remaining provisions hereof shall remain in full force and effect and this Ninth Amendment shall be interpreted as if such illegal, invalid, or unenforceable provision did not exist herein.

5. **Counterparts.** This Ninth Amendment may be executed in counterparts and such counterparts taken together shall constitute one and the same document.

6. Conflicting Terms. To the extent that any provision of this Ninth Amendment conflicts with any provision in the Agreement, the terms of this Ninth Amendment shall control and constitute an amendment of the Agreement. The Agreement is otherwise unmodified except as expressly set forth in this Ninth Amendment and the Agreement, as modified by this Ninth Amendment, remains in full force and effect.

7. Binding Effect. The provisions of this Amendment shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

8. City Approval. By its execution hereof, City approves the amendment of the Agreement and the Option Agreement herein.

[Remainder of this page intentionally left blank; signatures on following pages.]

IN WITNESS WHEREOF, the below Developer entity has caused this Ninth Amendment to be executed by its duly authorized agent.

VANDEVCO OFFICE TOWER LLC, a
Delaware limited liability company

By: _____

Print Name: _____

Its: _____

STATE OF WASHINGTON)

: ss.

County of Clark)

I certify that _____ appeared personally before me and that I know or have satisfactory evidence that he/she signed this instrument as the _____ of Vandevco Office Tower LLC, and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this ____ day of _____, 20__.

NOTARY PUBLIC FOR WASHINGTON

My Commission Expires: _____

IN WITNESS WHEREOF, the below Developer entity has caused this Ninth Amendment to be executed by its duly authorized agent.

HOLLAND ACQUISITION CO., LLC

a Washington limited liability company

By: Holland Partner Group Management, Inc.,
a Delaware corporation,
its Manager

By: _____
Clyde P. Holland, Jr., CEO

STATE OF WASHINGTON)

: ss.

County of Clark)

I certify that Clyde P. Holland, Jr. appeared personally before me and that I know or have satisfactory evidence that he signed this instrument as the Chief Executive Officer of Holland Partner Group Management, Inc., the Manager of Holland Acquisition Co., LLC, and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this ____ day of _____, 20__.

NOTARY PUBLIC FOR WASHINGTON

My Commission Expires: _____

5475774 AMD

Total Pages: 26 Rec Fee: \$99.00

eRecorded in Clark County, WA 01/02/2018 01:08 PM

HORENSTEIN LAW GROUP PLLC

SIMPLIFILE LC E-RECORDING

AFTER RECORDING, RETURN TO:

Horenstein Law Group PLLC
500 Broadway Street, Suite 120
Vancouver, WA 98660

RECORDING COVER PAGE

DOCUMENT TITLE:

EIGHTH AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT

REFERENCE NUMBER OF RELATED DOCUMENTS:

3155637; 3622069; 4297177; 4297178; 4297179; 4677467; 5236779; and 5298291

GRANTOR:

Vandevco Residential LLC, a Washington limited liability company, as to Unit 1A
Vandevco Residential II LLC, a Washington limited liability company, as to Unit 1B
Vandevco Office Tower LLC, a Delaware limited liability company, as to Unit 1C
Vancouvercenter Development II, LLC, a Washington limited liability company, as to
Unit 1D
Vandevco Limited, a Washington corporation

GRANTEE:

City of Vancouver, Washington, a State of Washington municipality

ABBREVIATED LEGAL DESCRIPTION:

Units 1A, 1B, 1C and 1D of Vancouvercenter, a condominium

ASSESSOR'S TAX PARCEL NUMBERS:

048170.006; 048170.008; 048170.010, and 048170.012

AFTER RECORDING, RETURN TO:

Horenstein Law Group PLLC
500 Broadway Street, Suite 120
Vancouver, WA 98660

RECORDING COVER PAGE

DOCUMENT TITLE:

EIGHTH AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT

REFERENCE NUMBER OF RELATED DOCUMENTS:

3155637; 3622069; 4297177; 4297178; 4297179; 4677467; 5236779; and 5298291

GRANTOR:

Vandevco Residential LLC, a Washington limited liability company, as to Unit 1A
Vandevco Residential II LLC, a Washington limited liability company, as to Unit 1B
Vandevco Office Tower LLC, a Delaware limited liability company, as to Unit 1C
Vancouvercenter Development II, LLC, a Washington limited liability company, as to
Unit 1D
Vandevco Limited, a Washington corporation

GRANTEE:

City of Vancouver, Washington, a State of Washington municipality

ABBREVIATED LEGAL DESCRIPTION:

Units 1A, 1B, 1C and 1D of Vancouvercenter, a condominium

ASSESSOR'S TAX PARCEL NUMBERS:

048170.006; 048170.008; 048170.010, and 048170.012

**EIGHTH AMENDMENT TO
DISPOSITION AND DEVELOPMENT AGREEMENT**

between

**Vandevco Residential LLC, as owner of Unit 1A
Vandevco Residential II LLC, as owner of Unit 1B
Vandevco Office Tower LLC, as owner of Unit 1C
Vancouvercenter Development II, LLC, as owner of Unit 1D
Vandevco Limited**

And

City of Vancouver

And

Holland Acquisition Co., LLC, as purchaser of Unit 1B and Unit 1D

for the Redevelopment of

Two City Blocks

bordered by Washington Street, Columbia Street, 6th Street, and 8th Street

Execution Date: December 21, 2017

EIGHTH AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT

This Eighth Amendment to Disposition and Development Agreement (“Eighth Amendment”) is entered into on December 21, 2017, by and among Vandevco Residential LLC, a Washington limited liability company, as owner of Unit 1A; and Vandevco Residential II LLC, a Washington limited liability company, as owner of Unit 1B; and Vandevco Office Tower LLC, a Delaware limited liability company, as owner of Unit 1C; and Vancouvercenter Development II, LLC, a Washington limited liability company, as owner of Unit 1D (hereinafter collectively referred to as “Developer”), Vandevco Limited, a Washington corporation (“Vandevco”), Holland Acquisition Co., LLC, a Washington limited liability company (“HE”), as purchaser of Unit 1B and Unit 1D, and the City of Vancouver, a State of Washington municipality (“City”).

RECITALS

A. **Agreement.** Vandevco and City previously enter into that certain Disposition and Development Agreement dated as of June 21, 1999 (the “Original Agreement”), as amended by the First Amendment to Disposition and Development Agreement dated as of June 5, 2000 (the “First Amendment”), as further amended by the Second Amendment to Disposition and Development Agreement dated as of April 3, 2006 (the “Second Amendment”), as further amended by the Third Amendment to Disposition And Development Agreement dated as of May 1, 2006 (the “Third Amendment”), as further amended by the Fourth Amendment to the Disposition and Development Agreement dated as of July 10, 2006 (the “Fourth Amendment”), as further amended by the Fifth Amendment to Disposition and Development Agreement dated as of March 15, 2010 (the “Fifth Amendment”), as further amended by the Sixth Amendment to the Disposition and Development Agreement dated as of January 26, 2015 (“Sixth Amendment”), and as further amended by the Seventh Amendment to Disposition and Development Agreement dated June 20, 2016 (hereinafter collectively referred to as the “Agreement”). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Agreement.

B. Current Ownership.

1. Vandevco conveyed Unit 1A and Unit 1B of Vancouvercenter Condominium to Vandevco Residential LLC, by Quit Claim Deed dated April 4, 2006, and recorded April 28, 2006 with the Auditor of Clark County, Washington, under Auditor’s File No. 4159392.

2. Vandevco Residential LLC conveyed Unit 1B of Vancouvercenter Condominium to Vandevco Residential II LLC, by Quit Claim Deed dated December 23, 2015, and recorded December 23, 2015, with the Auditor of Clark County, Washington, under Auditor’s File No. 5243128.

3. Vandevco conveyed Unit 1C to Vancouvercenter Development LLC, a Washington limited liability company, by Statutory Bargain and Sale Deed dated March 22, 2004, and recorded March 31, 2004 with the Auditor of Clark County, Washington, under Auditor's File No. 3808083. Vancouvercenter Development LLC then conveyed Unit 1C to Vandevco Office Tower LLC by Quit Claim Deed dated March 23, 2016, and recorded June 8, 2016, with the Auditor of Clark County, Washington, under Auditor's File No. 5291299.

4. Vandevco conveyed Unit 1D to Vancouvercenter Development II, LLC by Statutory Bargain and Sale Deed dated October 17, 2006, and recorded November 8, 2006, with the Auditor of Clark County, Washington, under Auditor's File No. 4245739.

C. **Purchase Agreement; HE Development.** Vandevco Residential II LLC and Vancouvercenter Development II LLC, as the owner of Unit 1B and 1D, respectively, have entered into a Purchase and Sale Agreement with HE, with an effective date of August 9, 2017, which Purchase and Sale Agreement contemplates this Eighth Amendment (the "HE Purchase Agreement"). HE has entered into the HE Purchase Agreement with the desire to construct a ten story tower on Unit 1D, subject to the terms and conditions of this Eighth Amendment.

D. **Purpose.** The purpose of this Eighth Amendment is to amend certain provisions of the Agreement pursuant to and in accordance with Section 10.26 thereof. The parties acknowledge that these amendments are consistent with and further the goals in the Redevelopment Plan.

AGREEMENTS

1. **Recitals.** Each of the above Recitals is hereby made a part of this Eighth Amendment.

2. **Effectiveness.** The parties hereto agree that, notwithstanding their execution of this Eighth Amendment, this Eighth Amendment shall not be effective unless and until the transactions contemplated by the HE Purchase Agreement described in Recital C above has been completed and fee title to Unit 1B and 1D has vested in HE ("Closing"). In this regard, closing under the HE Purchase Agreement and Amendments, thereto, is to be no later than March 31, 2018. Correspondingly, the termination date for the Disposition and Development Agreement and its eight amendments is hereby extended from December 31, 2017 to no later than March 31, 2018, accordingly. Notwithstanding any other terms or conditions in this Eighth Amendment or the Agreement to the contrary, HE's execution hereof shall bind and obligate HE and Unit 1B and Unit 1D only to the extent that this Eighth Amendment and the Agreement are applicable to Unit 1B or Unit 1D.

3. **Defined Terms.** The term "Developer" shall be defined to mean HE only when used with respect to Unit 1B and Unit 1D. Otherwise, all capitalized but undefined terms in this Eighth Amendment shall have the meaning ascribed to them in the Agreement.

4. Description of Project. All references to the number of floors in the building to be constructed on Unit 1D of Phase Two of the Project are hereby superseded and replaced with the following language:

“Unit 1D of Phase Two of the Project shall consist of a tower containing either (a) ten (10) full floors with approximately 194 residential units and no less than 2,200 square feet of retail on the ground floor or (b) six (6) full floors with approximately 116 residential units and no less than 2,200 square feet of retail on the ground floor. Permitted use on the second floor and above shall include residential units and supporting uses. Unit 1D shall be designed and constructed substantially as shown on the architectural elevations attached to this Eighth Amendment as Exhibit A-1, in the case of a six story tower, or Exhibit A-2, in the case of a ten story tower. The determination of whether to construct a ten story tower on Unit 1D or a six story tower on Unit 1D shall be at HE’s sole and absolute discretion. Subject to the foregoing limitation, HE will exercise its reasonable best efforts to obtain building permits, seismic certifications and determine the economic feasibility of constructing a ten story tower on Unit 1D. HE will provide updates to the City from time to time regarding the status of HE’s evaluation of the economic feasibility of constructing a ten story tower on Unit 1D.”

5. Escrowed Funds. All provisions in the Agreement requiring the Developer to deliver funds into an escrow account to be controlled by the City to cover development fees and system development charges which have not heretofore been funded including, without limitation, any such provisions in the Seventh Amendment, are hereby deleted and are void and of no effect.

6. Construction Dates. The construction schedule set forth in Exhibit B of the Seventh Amendment is deleted in its entirety. If HE constructs a ten story tower on Unit 1D, HE shall Substantially complete the construction of such tower thirty (30) months after the issuance of permits for the construction of the improvements to be placed on Unit 1D. If HE constructs a six story tower on Unit 1D, HE shall Substantially complete the construction of such tower twenty four (24) months after the issuance of permits for the construction of the improvements to be placed on Unit 1D. Following the closing of the transactions contemplated by the HE Purchase Agreement, HE shall exercise commercially reasonable best efforts to obtain building permits as soon as practicable and, in any case, no later than January 1, 2020 (subject to extension (i) for the duration of any Force Majeure Event or (ii) at the reasonable discretion of the Director). The applicable date for Substantial completion of the tower HE constructs shall be referred to as the “Completion Deadline”. The Completion Deadline shall be automatically extended for a period equal to the period of delays arising as a result of any Force Majeure Event or at the reasonable discretion of the Director.

For the purpose of this Eighth Amendment, “Force Majeure” means any of the following events or circumstances: (a) acts of God, including wind, ice and other storms, lightning, floods, earthquakes, volcanic eruptions and landslides; (b) strikes, lockouts, picketing and other labor disturbances, disputes or work stoppages; (c) epidemics, war (whether or not declared), blockades, acts of public enemies, acts of sabotage, civil insurrection, riots and civil

disobedience; (d) explosions and fires; (e) extraordinary mechanical breakdowns, transportation disruptions, or lack or shortage of raw materials or supplies; (f) delays caused by federal authorities in issuing permits; (g) the failure of the Department of Community and Economic Development to process applications for development in the timelines set forth in the Vancouver Municipal Code; or (h) substantial disruptions to the global economy or to the economy of the United States. “Force Majeure Event” means an event caused in whole or in material part, directly or indirectly, by the occurrence of an event or circumstance of Force Majeure.

For the purpose of this Eighth Amendment, “Substantially complete” shall have the same meaning as set forth in the Agreement, including the Seventh Amendment.

7. Extension Fee. All references to any extension fee payable to City contained in the Agreement including, without limitation, the obligation described in the Seventh Amendment, are hereby deleted and, instead, the parties agree that, as a condition to the City’s agreement to this Eighth Amendment, an extension fee in the aggregate amount of \$25,000.00 shall be paid to City within three (3) business days after this Eighth Amendment is approved by City (the “Extension Fee”).

8. Block 10 Construction Staging. The second paragraph in Section 2.3 of the Seventh Amendment, which modifies Section 2.5 of the Sixth Amendment, is hereby deleted and, in its place, the following is substituted:

“City agrees to lease the south one-half of Block 10 to HE for a fenced construction staging area for Unit 1D as available. A copy of the lease for the staging area on the south half of Block 10 shall be in a form reasonably acceptable to HE. The lease shall be signed by the parties thereto no later than thirty (30) days following the effective date of this Eighth Amendment. Any and all improvements installed by Vancouver’s Downtown Association (“VDA”) shall be avoided to the extent reasonably possible. Where such improvements cannot be avoided to accommodate the staging area, HE agrees to provide written notice to the VDA at least thirty (30) days prior to such removal and shall deliver the improvements that can reasonably be moved to a location reasonably designated by the VDA.”

9. Nonperformance Penalty. All provisions in the Agreement requiring Developer to pay a penalty for failure to start or complete construction of improvements including, without limitation, all such provisions in Section 2.4 in the Seventh Amendment, Section 2.6 in the Sixth Amendment, Section 3.2 in the Fifth Amendment, and Section 2.3 in the Fourth Amendment, are hereby amended to provide that Developer shall pay to the City the sum of \$3,000.00 per day for each day after the Completion Deadline (as extended as provided in Section 6 of this Eighth Amendment) that construction is not Substantially complete.

10. Landscaping. Notwithstanding any provisions in the Agreement, including those in Section 2.4 of the Seventh Amendment, to the contrary, in the event HE does not commence construction of the improvements to be placed on Unit 1D by January 1, 2019, then HE shall

install landscaping, including at least eight (8) deciduous trees that are not less than 1.5 inches in diameter (along the perimeter of the property/within the boundary of Unit 1D) to provide screening of the property. Such landscaping shall be maintained by HE until construction on Unit 1D commences.

11. Engineering Analysis. HE shall submit to the City a structural engineering analysis of the parking structure's ability to support the building proposed for construction on Unit 1D prepared by Cary Kopczynski & Company (or such other engineering firm licensed to do business in the State of Washington as HE shall select in its sole discretion). The structural analysis shall include an evaluation of both the design and the physical condition of the structure, along with recommendations for strengthening the structure, as necessary. Where structural modifications are needed to support Unit 1D, HE shall complete recommended improvements to the garage at their sole expense prior to commencing construction on Unit 1D.

12. Term. Section 2.5 of the Seventh Amendment, describing a termination date, is amended to provide that if the terms of the Agreement as modified by this Eighth Amendment are not satisfied by the date that is six months after the date on which the building constructed on Unit 1D is Substantially complete, the entire Agreement including all amendments shall expire without further notice.

13. Parking Option Agreement. The parties agree that rights of Vandevco under the Amended Option to Purchase Agreement for Parking Garage, dated June 21, 1999, between the City and Vandevco may be assigned to HE pursuant to an assignment agreement to be entered into between HE and Vandevco with the consent of the City. The City's consent to the assignment pursuant to such agreement will not be unreasonably withheld.

14. Parking Spaces. The parties agree Section 2.3 in the Sixth Amendment is deleted and the following is hereby made a part of the Agreement:

"City agrees to enter into a long-term license agreement(s) with HE for the use of parking spaces on levels P2 and P3 of the Parking Garage by tenants of the buildings on Unit 1B and Unit 1D. The license agreement(s) shall provide one parking space per unit for the building constructed on Unit 1D and a total of eighty-four parking spaces for the building constructed on Unit 1B. The license fee under the license agreement shall be paid by HE on a monthly basis at such rates as are charged by the City from time to time. HE may license such parking spaces at one time or in phases of not less than 25 spaces through multiple license agreements; provided that HE must provide the City with at least 60 days' advance notice of its intention to lease additional spaces. The City shall have the right to lease any of the spaces not leased by HE subject to HE's right to license in phases. HE shall be responsible for sublicensing such parking spaces to tenants of the buildings on Unit 1B and Unit 1D and shall use a parking decal different than that used by the City."

15. Property Tax Exemption. Subject to HE submitting the application and information reasonably required, the parties hereby confirm and agree that the City's conditional approval of the twelve (12) year property tax exemption for the multi-family building to be constructed on Unit 1D (the "Property Tax Exemption Approval") shall be applicable to (i) a six story multi-family building with approximately 116 units constructed substantially in accordance with the architectural elevations attached hereto as Exhibit A-1 and (ii) a ten story multi-family building with approximately 194 units to be constructed on Unit 1D substantially in accordance with the architectural elevations attached hereto as Exhibit A-2; provided, however, that clause (i) shall only be applicable if HE has used reasonable best efforts to obtain building permits, seismic certifications and to determine the economic feasibility of constructing a ten story tower on Unit 1D and (x) HE has not obtained the required building permits or seismic certifications or (y) HE has determined in its sole discretion that the construction of a ten story building is not economically feasible. Notwithstanding any terms to the contrary in the Property Tax Exemption Approval, the deadline for Developer to achieve Substantial completion of the building to be constructed on Unit 1D shall be extended to January 5, 2021. To the extent necessary, the City shall submit an amendment to the Vancouver Municipal Code to the Vancouver City Council for approval by no later than the Vancouver City Council's last meeting in February, 2018 to permit the extension of the deadline described in the immediately preceding sentence.

16. Lost City Revenue. The parties agree Section 2.10 in the Fourth Amendment is hereby revised as described in this Section 15.

A. All references to "Developer" are deleted and, in their place, "HE" is substituted.

B. Section 2.10.C is deleted and the following is substituted in its place:

"The City's daily revenue loss due to construction of the South Tower shall be determined by multiplying the actual number of parking spaces which are not available for use each day by the amount of the parking fee charge for each such space calculated on a per diem basis."

C. The following is hereby added as new Section 2.10.F:

"HE will work with the City regarding a mutually agreeable plan for reasonable management of vehicular and pedestrian traffic during construction, including keeping the 7th Street public walkway easement between Columbia Street and Washington Street open and available to the public to the extent it is safe and reasonable to do so, including using covered walkways in accordance with generally accepted industry practice."

17. City Deed of Trust. City hereby confirms and reaffirms that, at such time as Developer or HE execute and record documents in favor of any lender(s) that is making loans to finance construction and installation of improvements on Unit 1D, City will simultaneously execute and record such documents as are reasonably required to subordinate any mortgage or deed of trust

lien it holds as beneficiary which has been recorded against Unit 1D including, without limitation, that certain Deed of Trust dated August 18, 2000, and recorded August 22, 2000, with the Auditor of Clark County, Washington, as Auditor's File No. 3245590. City further confirms that, upon payment and performance of all obligations owed to the City by Developer or HE under the Agreement, if any, and final completion of the improvements on Unit 1D and the issuance of a final certificate of occupancy by authorities having jurisdiction therefor, City shall direct the release or reconveyance of any mortgage or deed of trust lien it then holds against Unit 1D and any other property within the Project.

18. Notice. All earlier requirements for delivery of notices and other communications set out in the Agreement are hereby deleted and are replaced with the following:

“Formal notices, demands and communications by and among City, Developer, and HE shall be not be deemed given or effective unless dispatched by certified mail, postage prepaid, return receipt requested, or delivered personally, to the principal office of City, Developer and HE as follows:

All notices, requests, demands, consents, approvals, declarations and other communications required by this Agreement shall be in writing, shall be in English and shall be deemed delivered (a) if given by facsimile or electronic transmission when transmitted and the appropriate telephonic or electronic confirmation received, (b) if given by first-class air mail (certified and return receipt requested), when delivered, or (c) if given by an internationally recognized overnight courier when received or personally delivered (or upon refusal to accept such delivery), with, in each case, all charges prepaid, and addressed as follows (or to such other address as any party shall specify in a notice delivered to all other parties in accordance with the terms of this Section:

If to City:

City Manager
City of Vancouver
P. O. Box 1995
Vancouver, WA 98668-1995
Email: eric.holmes@cityofvancouver.us

With a copy to: (which alone shall not constitute notice)

City Attorney
City of Vancouver
P. O. Box 1995
Vancouver, WA 98668-1995
Email: bronson.potter@cityofvancouver.us

If to Developer:

c/o Nawzad Othman
700 Washington Street, Suite 608
Vancouver, WA 98660
Email: nawzad@theothmangroup.com

With a copy to:

Nawzad Othman
The Othman Group
1118 SW Myrtle Drive
Portland, OR 97201
Email: nawzad@theothmangroup.com

And with a copy to: (which alone shall not constitute notice)

Horenstein Law Group PLLC
Attn: Stephen W. Horenstein
500 Broadway, Suite 120
Vancouver, WA 98660
Email: steve@horensteinlawgroup.com

If to HE:

Holland Acquisition Co., LLC
c/o Holland Partner Group
Attn: Principal Staff Officer/Notices
1211 Daniels Street, #61708
Vancouver, WA 98660
Email: notices@hollandpartnergroup.com

With a copy to:

c/o Holland Partner Group
Attn: Brenner Daniels
1111 Main Street, Suite 700
Vancouver, WA 98660
Email: bdaniels@hollandpartnergroup.com

And with a copy to: (which alone shall not constitute notice)

Oregon Law Group, P.C.
Attn: Joel Kaplan
1675 SW Marlow Avenue, Suite 404
Portland, OR 97225
Email: notices@oregonlawgroup.com”

19. Severability. If any provision of this Eighth Amendment or the application thereof to any person or circumstance is or shall be deemed illegal, invalid, or unenforceable, the remaining provisions hereof shall remain in full force and effect and this Eighth Amendment shall be interpreted as if such illegal, invalid, or unenforceable provision did not exist herein.

20. Counterparts. This Eighth Amendment may be executed in counterparts and such counterparts taken together shall constitute one and the same document.

21. Ratification; Consents.

A. By its execution hereof, City retroactively confirms its approval of the Transfers of property within the Project described in Section B.1 through B.4, inclusive, and agrees that none of such Transfers were and shall not be deemed to be a breach of Section 6.5 of the Agreement or any other provision of the Agreement which could be deemed to prohibit such Transfer.

B. By its execution hereof, City consents to the “Transfer” within the meaning of Section 6.1 of the Agreement that will occur as a result of the closing of the transactions contemplated by the HE Purchase Agreement, and acknowledges and agrees that the Developer, Vandevco and HE have satisfied the requirements of Section 6.5 of the Agreement with respect to such Transfers. City specifically acknowledges that following the closing of the transactions contemplated by the HE Purchase Agreement, Unit 1B and Unit 1D will be wholly owned by affiliates of HE without any beneficial ownership or control in favor of Vandevco or any of its affiliates and City agrees that the provisions of Section 6.3 of the Agreement shall not apply to any transfers permitted by Section 6.4(d) of the Agreement.

C. Section 6.4 of the Agreement is hereby amended by adding the following language as new paragraphs (c), (d) and (e):

“(c) Any Transfer consented to in writing in advance by City’s Manager of Economic Development pursuant to Section 6.5.”

“(d) Any Transfer of either of Unit 1B or Unit 1D after such unit is Substantially complete.

“(e) Any Transfer to an affiliate of HE including any joint venture or partnership of which HE or an affiliate of HE is a member.”

22. Conflicting Terms. To the extent that any provision of this Eighth Amendment conflicts with any provision in the Agreement, the terms of this Eighth Amendment shall control and constitute an amendment of the Agreement. The Agreement is otherwise unmodified except as expressly set forth in this Eighth Amendment and the Agreement, as modified by this Eighth Amendment, remains in full force and effect.

23. Binding Effect. The provisions of this Amendment shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

24. City Approval. By its execution hereof, City approves the Transfer of Unit 1B and Unit 1D to HE and Developer’s and Vandevco’s assignment of its rights and obligations under the Agreement to HE to the extent applicable to Unit 1B or Unit 1D or as otherwise set forth herein.

25. Waivers and Releases.

A. By its execution of this Amendment, City certifies to HE and Developer as follows: (i) the City hereby irrevocably waives any known or disclosed defaults or other known or disclosed failures by Vandevco in the performance by Vandevco of its obligations under the Agreement which accrued prior to the Execution Date of this Eighth Amendment (including without limitation the defaults identified in the estoppel certificate from the City to HE and Vandevco substantially in the form of Exhibit B (the “Estoppel Certificate”)); (ii) HE does not assume, and will not be held responsible or accountable for the performance of any of Developer’s obligations under the Agreement which accrued prior to the date of this Eighth Amendment, and HE will never be held responsible or accountable for breaches or defaults of the same; (iii) except as set forth in the Estoppel Certificate, as of the date of this Eighth Amendment, neither City nor Developer is in default of any of its obligations under the Agreement; and (iv) as of the date of this Eighth Amendment, there is no defense, offset, claim or counterclaim by or in favor of City against Developer and/or HE under the Agreement.

B. Each of City, Vandevco and HE, for itself and on behalf of its respective affiliates (each a “Releasor”), knowingly and voluntarily releases and forever discharges each other party and its respective successors and assigns, and their current and former employees, attorneys, officers, directors and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and their administrators and fiduciaries (collectively the “Releasees”), of and from any and all claims, known (and, only with respect to HE, unknown), asserted or unasserted, which the Releasor has or may have against Releasees as of the effective date of this Eighth Amendment. Notwithstanding the foregoing, neither City nor Holland is waiving any rights to enforce the other party’s obligations under the Agreement which accrue after the effective date of this Eighth Amendment.

[Remainder of this page intentionally left blank; signatures on following pages.]

IN WITNESS WHEREOF, City has caused this Eighth Amendment to be executed by its duly authorized agent.

CITY OF VANCOUVER, a municipal corporation

By: [Signature]
Print Name: ERIC HOLMES
Its: City Manager

Attest:

By: [Signature]
Print Name: Deanne Leavelle
Its: Deputy City Clerk

Approved as to form:

[Signature]
Print Name: E Bronson Potter
Its: City Attorney

STATE OF WASHINGTON)

: ss.

County of Clark)

I certify that Eric Holmes appeared personally before me and that I know or have satisfactory evidence that he/she signed this instrument as the City Manager of the City of Vancouver, and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this 21 day of December, 2017



[Signature]
NOTARY PUBLIC FOR WASHINGTON

My Commission Expires: 11/15/18

IN WITNESS WHEREOF, the below Developer entity has caused this Eighth Amendment to be executed by its duly authorized agent.

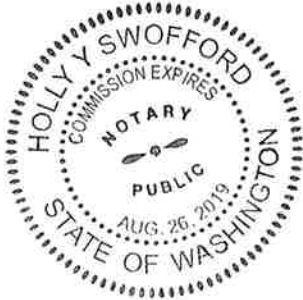
VANDEVCO RESIDENTIAL LLC, a
Washington limited liability company

By: [Signature]
Print Name: Nawzad Othman
Its: Auth. Rep.

STATE OF WASHINGTON)
: ss.
County of Clark)

I certify that Nawzad Othman appeared personally before me and that I know or have satisfactory evidence that he/she signed this instrument as the Auth. Rep. of Vandevco Residential LLC, and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this 21 day of December, 2017.



Holly Y Swofford
NOTARY PUBLIC FOR WASHINGTON
My Commission Expires: 8-26-19

IN WITNESS WHEREOF, HE has caused this Eighth Amendment to be executed by its duly authorized agent.

HOLLAND ACQUISITION CO., LLC
a Washington limited liability company

By: Holland Partner Group Management, Inc.,
a Delaware corporation,
its Manager

By: 
Mark Bates, Executive Managing Director

STATE OF OREGON)
 : ss.
County of Multnomah)

I certify that Mark Bates appeared personally before me and that I know or have satisfactory evidence that he signed this instrument as the Executive Managing Director of Holland Partner Group Management, Inc., the Manager of Holland Acquisition Co., LLC, and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this 19th day of December, 2017.


NOTARY PUBLIC FOR OREGON
My Commission Expires: 9/07/2018


Approved for Signature
By: 

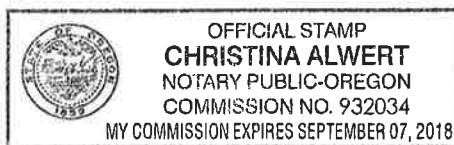


EXHIBIT A-1

SIX STORY CONCEPTUAL ARCHITECTURAL RENDERING



EXHIBIT A-2

TEN STORY CONCEPTUAL ARCHITECTURAL RENDERING



EXHIBIT B

ESTOPPEL CERTIFICATE

TO: [_____]
[_____]
[_____]
[_____]

THIS ESTOPPEL CERTIFICATE (this "Certificate") is executed this ____ day of November, 2017, by the undersigned City of Vancouver, State of Washington ("City"), with respect to the following:

A. As of the date hereof, City, Vandevco Residential LLC, a Washington limited liability company, Vandevco Residential II LLC, a Washington limited liability company, Vandevco Office Tower LLC, a Delaware limited liability company, Vancouvercenter Development II, LLC, a Washington limited liability company (collectively, "Developer"), Vandevco Limited, a Washington corporation ("Vandevco") and Holland Acquisition Co., LLC, a Washington limited liability company ("Holland") are entering into that certain Eighth Amendment to Disposition and Development Agreement ("Eighth Amendment"). The Eighth Amendment amends that certain Disposition and Development Agreement, dated as of June 21 199, between City and Vandevco (as amended, the "Agreement"). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Eighth Amendment or the Agreement, as applicable.

NOW, THEREFORE, City acknowledges, agrees and certifies as of the date hereof to Holland, its successors and assigns, except as set forth on Schedule A, the following:

1. The Agreement is in full effect and has not been amended or modified other than the seven amendments identified in the recitals to the Eighth Amendment.

2. As of the date hereof, the Project is not in default under any provision of the Agreement. City knows of no event that has occurred or is continuing which, with the passage of time or the giving of notice, or both, would constitute a default under the Agreement.

3. There are no assessments currently pending against the Project.

4. As of the date hereof, all improvements required to be built under the Agreement have been constructed, and all improvements located Project are in compliance with the Agreement.

5. City acknowledges and agrees that City has consented to the Transfer contemplated by the HE Purchase Agreement and that such Transfer shall not constitute a default under the Agreement.

6. City acknowledges and agrees that HE and its successors and assigns are relying upon the contents of this Certificate and City's execution hereof, and that in consideration of such material reliance City shall now and forever be estopped from denying the validity of this Certificate and City knowingly and expressly waives any such claim or defense.

Schedule A to Estoppel Certificate

1. Any and all rights and remedies of the City set forth in Sections 7.3, 7.4 and 7.5 of the Disposition and Development Agreement recorded on September 30, 1999 under auditor's recording number 3155637.
2. A payment of \$800,000 to the City for to offset overall project delay and loss of anticipated tax revenues and net parking revenues pursuant to Section 2.3 of the Fourth Amendment to Disposition and Development Agreement recorded on March 14, 2007 under auditor's recording number 4297179, and Section 2.6 of the Sixth Amendment to Disposition and Development Agreement recorded on December 1, 2015 under auditor's recording number 5236779. This obligation was superseded by Section 2.4 of the Seventh Amendment to Disposition Development Agreement described below.
3. A payment of \$3,000 per day for any day after October 31, 2017 for which construction is not substantially complete pursuant to Section 2.4 of the Seventh Amendment to Disposition Development Agreement recorded June 28, 2016 under auditor's recording number 5298291.
4. A payment of \$430,000.00 into an escrow account by no later than June 30, 2016 as called for in Section 2.1 of the Seventh Amendment to the Disposition Development Agreement recorded June 28, 2016 under auditor's recording number 5298291.

39 #5
STAFF REPORT NO 029-10

TO Mayor and City Council
FROM Pat McDonnell City Manager

DATE 3/15/10

Subject Public Hearing -- Fifth Amendment to the Vancouvercenter Disposition and Development Agreement (DDA) to extend penalty terms for five years, coordinate timing of the penalty to the developer's garage purchase option and amend such purchase option to assure minimum compensation to the City in event of a sale

Present Situation The current Vancouvercenter DDA as most recently amended in 2006, requires the developer to construct the fourth tower by June 2010 or be subject to an \$800 000 payment to the City " which amount is intended to offset the overall project delay and the loss of anticipated tax revenues and net parking revenues associated with construction and occupancy" of the project

On March 30, 2009, the City received a request from the developer to amend the DDA to delay the performance provision. The request was accompanied by an economic analysis prepared by ED Hovee (see February 19, 2009 Economic Analysis Report, attached) intended to demonstrate that the project has out performed the initial economic projections without the fourth tower, providing justification for this extension. A full tax generation analysis is included in the Hovee report (Figure 3, page 7). In addition, Vandevco made gap payments to the City in 2001-2003 totaling approximately \$1.3 million.

Currently, office vacancy in the downtown is at approximately 22%. This high vacancy rate is due to economic conditions as well as market anomalies associated with the construction and subsequent vacation of the building at 415 West 6th Street (the former Columbian Building) as well as the new Mill Plain Center (Angelo Building). The penalty provision was originally introduced to the terms of the DDA in the first amendment in 2000. Since then, the City adopted the Vancouver City Center Vision plan (VCCV), which expanded the scope of downtown planning and redevelopment efforts from the original 30 block Esther Short Plan to the 150 blocks covered by the VCCV. Pursuant to the policies in the VCCV, the City has entered into agreements for other significant projects in the downtown (Frontier Building, Library Square Waterfront). Given this broader interest in downtown development and current economic conditions, it is neither advantageous nor practical to advance this project over others in the VCCV area.

The City Center Revitalization Authority (CCRA) reviewed the proposed amendment to the DDA and forwarded a unanimous recommendation of approval at their February 2010 meeting. The recommended Fifth Amendment delays the penalty for five years as well as amends the garage purchase option negotiated with the initial DDA to assure the City a minimum compensation in the event of a sale of the garage. The final draft is attached for Council's review and consideration. In addition, an analysis memo from staff is attached for reference.

Advantage(s) Approval of the amendment provides temporary relief to the developer from a significant non-performance penalty, while preserving the advantages of the penalty to the City for the next five years. In addition, the amendment provides significant protection to the City from the potential of selling the garage asset to the developer under a pre-existing purchase option at an artificially low price.

Disadvantage(s) Amendment of the penalty provision delays potential payment of the \$800,000 penalty. The City has never budgeted receipt of that money nor appropriated its expenditure. Delay of the payment would have no direct financial implication for the City.

Action Requested On March 15, 2010, following a public hearing, adopt a resolution authorizing the City Manager or his designee to execute the Fifth Amendment to the Development Agreement and Garage Purchase Option.

Attachments

- Resolution
- Fifth Amendment to the DDA
- Amendment to the Garage Purchase Option
- January 19 staff analysis memorandum
- February 19 E.D. Hovee economic impact report

C10030101/PM EH MW

RESOLUTION NO M-3713

A RESOLUTION of the City Council of the City of Vancouver authorizing the City Manager or his designee to execute certain amendments to the Disposition and Development Agreement between the City and Vandevco regarding the Vancouvercenter project first executed June 21 1999 and as subsequently amended

WHEREAS, on June 21, 1999 the City Manager of the City of Vancouver executed a Disposition and Development Agreement (DDA) for construction of the Vancouvercenter project pursuant to authority granted by Vancouver City Council, and

WHEREAS due to economic conditions the final phase of the project which was scheduled to be completed by June 2010 has not been completed, and

WHEREAS, the DDA needs to be revised to reflect the current status of the project and to modify provisions that are no longer applicable as follows

A Modifies the start and completion dates for the fourth tower, extends the date for assessing a penalty for non completion of the project for a period of five years, amends the parking garage purchase option to the Developer to ensure that the City receives no less than a guaranteed minimum price in the event of sale of the garage and

WHEREAS, The City Center Redevelopment Authority (CCRA) Board has been provided copies of the proposed changes to the DDA has reviewed the same and has unanimously recommended that Council approve the fifth amendment to the Disposition and Development Agreement

NOW THEREFORE,

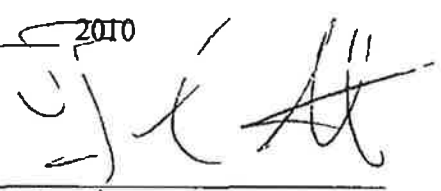
BE IT RESOLVED BY THE CITY OF VANCOUVER

RESOLUTION 1

C10030101/TG EH MW

That Vancouver City Council authorizes the City Manager or his designee, to execute
the Fifth Amendment to the Disposition and Development Agreement attached hereto

Adopted this 15th day of March 2010



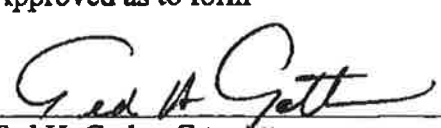
Timothy D. Leavitt Mayor

Attest



R. Lloyd Tyler City Clerk
By Carrie Lewellen Deputy City Clerk

Approved as to form



Ted H. Gathe, City Attorney

RESOLUTION 2

C10030101/TG EH MW

4677467 AMD

RecFee - \$98 00 Pages 35 - CITY OF VANCOUVER
Clark County, WA 08/30/2010 12 55



WHEN RECORDED RETURN TO
City of Vancouver – City Clerk's Office
PO Box 1995
Vancouver WA 98668 1995

Document Title(s)

Fifth Amendment to Disposition and Development Agreement between City of Vancouver and Vandevco Limited, a Washington corporation for the Redevelopment of Two City Blocks bordered by Washington Street, Columbia Street, 6th Street, and 8th Street

Reference Numbers(s) of Related Documents

previous Amendments unrecorded

Additional Reference # s on Page _____

Grantor(s)

City of Vancouver

Additional Grantors on Page _____

Grantee(s)

Vandevco Limited

Additional Grantees on Page _____

Legal Description (abbreviated form i.e. lot block plat or section township range quarter/quarter)

N/A *Condo Vancouver Center 6th Amend 700-099*

Additional Legal on Page _____

Assessor's Property Tax Parcel/Account Number

48170004

Additional Parcel # s on Page _____

The Auditor/Recorder will rely on the information provided on this form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

**FIFTH AMENDMENT TO
DISPOSITION AND DEVELOPMENT AGREEMENT**

between

City of Vancouver

and

Vandevco Limited, a Washington corporation

for the Redevelopment of

Two City Blocks

bordered by Washington Street, Columbia Street, 6th Street, and 8th Street

Execution Date March 15, 2010

**FIFTH AMENDMENT TO
DISPOSITION AND DEVELOPMENT AGREEMENT**

This Fifth Amendment to the Disposition and Development Agreement (the "Fifth Amendment") is entered into on March 15, 2010, between Vandevco Limited, a Washington corporation ("Developer") and the City of Vancouver a State of Washington municipality ("City")

Developer and City previously entered into that certain Disposition and Development Agreement dated as of June 21, 1999 (the "Original Agreement") as amended by the First Amendment to Disposition and Development Agreement dated as of June 5, 2000 (the "First Amendment"), as further amended by the Second Amendment to Disposition and Development Agreement dated as of April 3, 2006 (the "Second Amendment"), as further amended by the Third Amendment to Disposition and Development Agreement dated as of May 1, 2006 (the "Third Amendment") and as further amended by the Fourth Amendment to the Disposition and Development Agreement dated as of July 10, 2006 (the "Fourth Amendment") (hereinafter collectively referred to as the "Agreement") Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Agreement

SECTION 1 PURPOSE

1.1 Purpose

The purpose of this Fifth Amendment is to amend certain provisions of the Agreement pursuant to and in accordance with Section 10.26 thereof. The parties acknowledge that these amendments are consistent with and further the goals in the Redevelopment Plan.

SECTION 2 AMENDMENTS TO ORIGINAL AGREEMENT

2 1 Amendment to Agreement Generally

Any and all references in the Agreement including all exhibits thereto to "City's Manager of Economic Development" shall be deleted in their entirety and replaced with "City's Director of Economic Development."

SECTION 3 AMENDMENTS TO FOURTH AMENDMENT

3 1 Section 2 2 of the Fourth Amendment, Timing of Completion of Unit 1D

The last sentence of Section 2 2 of the Fourth Amendment is hereby modified accordingly to provide that Unit 1D of Phase Two of the Project (the "South Tower") shall be completed in accordance with the timeline as established in Section 3 2 below

3 2 Section 2 3 of the Fourth Amendment, Amendment to Section 1 6 C Developer Guaranty

Section 1 6 C, as amended by the Fourth Amendment is hereby revised to provide that notwithstanding anything contained in the Agreement to the contrary the parties acknowledge and agree that the Developer shall pay to City the sum of \$800,000 ("Penalty") six months following the first eligible date of Developer's option to purchase the parking garage as set forth in the Option to Purchase Agreement for Parking Garage as amended if construction of the South Tower has not commenced by that date

3 2 Section 3 1 of the Fourth Amendment, Development Program for the South Tower (Phase 3)

Paragraph 4 as amended by the Fourth amendment to the DDA is superseded and replaced with the following language

Unit I D of Phase II of the project shall consist of a tower containing no less than eight (8) full floors, with no less than 10,000 square feet of retail on the ground floor. Permitted uses on upper floors shall include office, residential, retail or hospitality, or any combination thereof.

SECTION 4 MISCELLANEOUS

4.1 Severability

If any term, provision, covenant or condition of this Fifth Amendment is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of this Fifth Amendment shall continue to be in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

4.2 Counterparts

This Fifth Amendment may be executed in counterparts, which when taken together shall constitute an original of this Fifth Amendment.

4.3 No Existing Default

Each party acknowledges and agrees that as of the effective date of this Fifth Amendment, the other party is not in default of any of the terms and conditions of the Agreement as amended.

4 4 Agreement to Remain in Effect

The Agreement shall remain in full force and effect except to the extent modified and amended by the terms of this Fifth Amendment

DATED this 15th day of March 2010

CITY OF VANCOUVER a municipal
corporation



Patrick McDonnell, City Manager

VANDEVCO LIMITED, a Washington
corporation

By

Nawzad Othman

Its

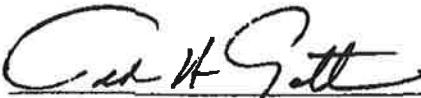
Attest



R. Lloyd Tyler City Clerk

By Carrie Lewellen Deputy City Clerk

Approved as to form

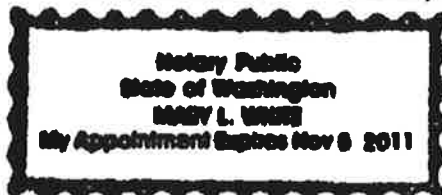


Ted Gathe City Attorney

COUNTY OF CLARK)

I certify that I know or have satisfactory evidence that Pat McDonnell is the person who appeared before me, and said person acknowledged that he signed this instrument on oath stated that he was authorized to execute the instrument and acknowledged it as the City Manager of City of Vancouver to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument

Dated this 15th day of March 2010



Mary L. White
Notary Public for the State of Washington
Residing at Vancouver
My commission expires 11-8-11
Name (print) Mary L. White

COUNTY OF CLARK)

I hereby certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and that said person acknowledged that _____ (he/she) is authorized to execute the foregoing document and acknowledges it as the _____ of the Vandevco Limited a Washington Corporation to be the free and voluntary act of such party for the uses and purposes therein mentioned

Dated this _____ day of _____, 2009

Notary Public for the State of Washington
Residing at _____
My commission expires _____
Name (print) _____

EXHIBIT 5 4 2

AMENDED OPTION TO PURCHASE AGREEMENT FOR PARKING GARAGE

THIS OPTION TO PURCHASE AGREEMENT FOR PARKING GARAGE (the "Agreement") is made and entered into this 21st day of June 1999, by and between the CITY OF VANCOUVER, a Washington municipal corporation ("City") and Vandevco Limited, a Washington corporation (Developer)

FOR AND IN CONSIDERATION of the execution of the Disposition and Development Agreement the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows

1 Exclusive Option City herein grants Developer the exclusive option to purchase (the Option'), upon the terms and conditions hereinafter set forth, the parking garage (Parking Garage) in the City of Vancouver, County of Clark, State of Washington, and legally described as follows

See Exhibit "A" attached hereto and incorporated herein by reference for legal description of real property purchased and portion of parking garage purchased

2 Consideration for Option The consideration for this Option is the entering into the transaction set forth in the Disposition and Development Agreement to which this Agreement is attached as Exhibit 5 4 2

3 Option Period Developer is granted a right to exercise an option to purchase the Parking Garage which purchase may be closed only after no tax exempt bonds issued to provide financing for the Parking Garage remain outstanding Such option may be exercised at any time during the period beginning on January 1 2015, and extending through December 31, 2019, or a longer period as extended by agreement between the parties (" Option Period")

4 Method of Exercising Option Developer shall exercise the option by giving notice in writing ("Option Notice") to City within the Option Period set forth in Section 3 above

4 1 Developer shall deliver to City, concurrently with its notice of its exercise of its right to reacquire the Parking Garage its estimate of the Fair Market Value (as defined hereinbelow) of the Parking Garage Following receipt of such notice the parties shall negotiate in good faith in an attempt to reach agreement concerning the then Fair Market Value of the Parking Garage If they are unable to so agree within thirty (30) days after City's receipt of Developer s notice of its exercise of its right to reacquire the Parking Garage either party may by

written notice to the other, submit the determination of Fair Market Value to Arbitration in accordance with Section 4.2 below

4.2 If either party elects to submit the determination of Fair Market Value to arbitration then it shall also in the same notice in which it elects arbitration designate an appraiser. Within ten (10) days after receipt of such notice, the other party shall give notice designating a second appraiser. The two appraisers so selected shall, within ten (10) days following the selection of the second appraiser select a third appraiser. The appraisers so selected shall, within ten (10) days following the selection of the final appraiser meet review such information as may be submitted by Developer or City, and such other information as they deem pertinent to the determination of the then Fair Market Value of the Parking Garage and within thirty (30) days of the selection of the final appraiser, determine (either unanimously or by a vote of two of the three appraisers) the applicable Fair Market Value of the Parking Garage. The appraisers shall give written notice to the parties of the Fair Market Value so determined.

4.3 If either Developer or City shall fail to designate an appraiser within the time period specified in Section 4.2 above, the defaulting party shall be deemed to have accepted the appraiser designated by the other in which event the one appraiser described in Section 4.2 above shall make the determination of the then Fair Market Value of the Parking Garage in accordance with Section 4.2 above.

4.4 If the two appraisers designated by the parties are unable to agree on a third appraiser within the time period specified in Section 4.2 above then either Developer or City may apply to the Superior Court of the State of Washington for Clark County to designate a third appraiser.

4.5 All appraisers designated pursuant to Section 4.2 above shall be disinterested MAI appraisers with not less than ten (10) years experience in appraising commercial properties in Portland metropolitan area. A disinterested appraiser shall be one who has no direct or indirect financial interest in the outcome of the arbitration (other than payment of a reasonable appraisal fee) and who is not a member, manager, officer, director, employee or agent of City or Developer.

4.6 "Fair Market Value" means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is a consummation of sale as of a specified date and the passing of title from the seller to the buyer under conditions whereby

4.6.1 The buyer and seller are typically motivated

4.6.2 Both parties are well informed or well advised and each acting in what each considers its own best interest

EXHIBIT 5.4.2

OPTION TO PURCHASE AGREEMENT FOR PARKING GARAGE

C10030101 Exhibit 5.4.2 Option to Repurchase Parking Garage fifth amendment doc (3/9/2010)

C10030101/EH MW

-2-

4 6 3 A reasonable time is allowed for exposure in the open market,

4 6 4 Payment is made in terms of U S dollars or in terms of financial arrangements comparable thereto and

4 6 5 The price represents a normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale

5 Purchase Price Notwithstanding the provisions of Section 4 above, the purchase price for the Parking Garage shall be the Fair Market Value as defined in Section 4 6 above, but shall in no circumstances be less than the City's original purchase price of the garage of thirteen million two hundred forty three thousand seven hundred sixty four dollars (\$13,243,764 29) adjusted by the annual CPI W for Portland/Vancouver in the years 2001 through the date the option is exercised In the event the Developer exercises this option prior to commencement of construction of the south tower, the Developer shall pay the penalty identified in the Disposition and Development Agreement as amended in addition to the purchase price provided for herein

6 Payment of Purchase Price The entire purchase price shall be payable by Developer to City at close of escrow in cash

7 Title to Property City shall convey the Parking Garage Unit(s) to Developer by Statutory Warranty Deed free and clear of all right title or interest of City and subject only to the (i) Condominium Declaration (ii) the parking covenant executed by Developer running with the land which shall provide that Developer will make available for public parking 488 parking spaces at commercially reasonable rates on weekdays, evenings after 6 p m and on weekends in connection with community activities and events (iii) general governmental building or use restrictions consistent with the then applicable zoning regulations for the Project, (iv) utility and other easements not inconsistent with the use of the Parking Garage Unit(s) as a commercial parking garage, (v) all easements, covenants, conditions and restrictions which may be imposed on the Property, the Project or the Parking Garage Unit(s) during the course of construction of the Project as a result of permits or other conditions imposed by any governmental authority as a condition to issuing a master use permit building permit or any other license or approval, (vi) exceptions to title created by, previously approved in writing by, or arising through the actions of Developer, (vii) real property taxes and assessments (including but not limited to any assessments issued pursuant to the Condominium Declarations), not-delinquent by non-payment and (viii) the rights of persons holding monthly parking permits to parking in the Parking Garage Unit(s)

8 Disclaimer CITY MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO (i) THE CONDITION OF THE PARKING GARAGES OR ANY IMPROVEMENTS THEREIN OR THE COMMON ELEMENTS ASSOCIATED THEREWITH OR THE SUITABILITY OF THE PARKING GARAGES FOR DEVELOPER'S

EXHIBIT 5 4 2

OPTION TO PURCHASE AGREEMENT FOR PARKING GARAGE

C10030101/EH MW

C10030101 Exhibit 5 4 2 Option to Repurchase Parking Garage fifth amendment doc (3/16/2010)

-3-

INTENDED USE OR FOR ANY USE WHATSOEVER (II) THE PRESENCE OF ANY HAZARDOUS SUBSTANCES IN THE PARKING GARAGES OR ANY OF THE OTHER UNITS COMPRISING THE CONDOMINIUMS OF WHICH THE PARKING GARAGE UNITS ARE A PART WHICH MAY HAVE BEEN CAUSED BY DEVELOPER DEVELOPER ACKNOWLEDGES THAT DEVELOPER WAS GIVEN THE OPPORTUNITY UNDER THIS AGREEMENT TO FULLY INSPECT THE PARKING GARAGES AND THEIR ENVIRONMENTAL CONDITION DEVELOPER AGREES THAT BY PURCHASING THE PARKING GARAGES DEVELOPER IS AGREEING TO PURCHASE THE PARKING GARAGES (SUBJECT TO THE FOREGOING CONTAINED IN THIS PARAGRAPH) IN THEIR "AS IS" CONDITION AND STATE OF REPAIR

9 Escrow The sale shall be consummated through a Washington State title insurance company mutually agreeable to the parties (the "Escrow Holder"), to be opened by City within five (5) business days after the Option Notice has been given to City Escrow shall be deemed to be opened under this paragraph on the date the escrow instructions are drawn The parties shall execute all documents required by escrow holder as long as they are consistent with the provisions of this paragraph Escrow shall close within one hundred eighty (180) days after the purchase price of the Parking Garage has been set under Paragraph 6 Escrow shall be deemed to be closed pursuant to this paragraph on the date of recording

10 Title Insurance At the close of escrow, escrow holder must be prepared to have issued by a Washington State title insurance company, an ALTA Standard Coverage Policy of Title Insurance in the amount of the purchase price insuring title to the Parking Garage or Parking Garage Unit(s) vested in Developer

11 Proration of Costs All revenues and all expenses of the Parking Garage Unit(s) including but not limited to real and personal property taxes, special assessments Condominium Assessments rents, water, sewer and utility charges, amounts payable under contracts assumed by Developer, if any, annual permits and/or inspection fees (calculated on the basis of the respective periods covered thereby) and other expenses normal to the ownership, use operation and maintenance of the Parking Garage Unit(s) shall be prorated as of the Closing Date(s) for each Parking Garage Unit If any revenue or expense amount cannot be ascertained with certainty as of the Close of Escrow, it shall be prorated on the basis of the parties reasonable estimate of such amounts and shall be the subject of a final proration sixty (60) days after the Close of Escrow or as soon thereafter as the precise amount can be ascertained

12 Closing Costs Excise taxes and recording fees on the Deed shall be paid by City, if required Charges for a title insurance policy, escrow and all other closing costs shall be paid equally between the parties in accordance with the custom of Clark County Washington

13 Notices Any payments or notices required or desired to be given under this Agreement shall be in writing and personally served or given by mail Any notice or payment given by mail shall be sent, postage prepaid, by certified mail, return receipt requested and addressed to the

EXHIBIT 5 4 2

OPTION TO PURCHASE AGREEMENT FOR PARKING GARAGE

C10030101/EH MW

C10030101 Exhibit 5 4 2 Option to Repurchase Parking Garage fifth amendment doc (3/9/2010)

-4-

party to receive the same, at the following address or at such other address or addresses as the parties may from time to time direct in writing as follows

City	City Manager City of Vancouver P O Box 1995 Vancouver, WA 98668 1995
With a Copy to	City Attorney City of Vancouver P O Box 1995 Vancouver WA 98668 1995
Developer	Vandevco Limited c/o Nawzad Othman 105 W Evergreen Boulevard, #300 Vancouver, WA 98660 3123
With a Copy to	Stephen W Horenstein Horenstein Bremer P S 900 Washington Street Suite 900 Vancouver WA 98660
And to	Kenton R Barnes Gleason Scarborough 5410 S W Macadam Avenue Suite 100 Portland, OR 97201

14 Close of Escrow Termination Prior to the close of escrow, Developer will have inspected (or had the opportunity to inspect) all of the Property and such documents as deemed relevant by Developer relating to the Property and Developer's intended use thereof and based on Developer's best judgment and the best judgment of independent experts available to Developer, accepts same AS IS including any latent defects with no warranties express or implied, except for those expressly provided to survive and continue under the terms of this Agreement, and with no obligation of City to make repairs or replacements

15 Assignment The parties may not assign their rights under this Agreement without the written consent of the other party (which consent shall not be unreasonably withheld or delayed)

16 Miscellaneous

16.1 Entire Agreement This Agreement and the Disposition and Development Agreement constitute the entire Agreement between the parties. Any inconsistency between this Agreement and the Disposition and Development Agreement shall be resolved in favor of the Disposition and Development Agreement.

16.2 Binding Nature All rights and obligations arising out of this Agreement shall inure to the benefit of and be binding upon the respective successors, heirs, assigns, administrators, executors and marital communities, if any, of the parties hereto.

16.3 Washington Law This Agreement shall be construed, interpreted and enforced pursuant to the laws of the State of Washington, and the parties agree that the Superior Court of Clark County for the State of Washington shall have sole and exclusive jurisdiction of any suit or proceeding brought with respect to this Agreement or the Parking Garage.

16.4 Attorney Fees In the event any action or legal proceedings are commenced to enforce any of the terms and conditions hereof or to terminate this Agreement (whether the same shall proceed to judgment or otherwise), the prevailing party shall receive from the other a reasonable sum as attorneys' fees together with costs.

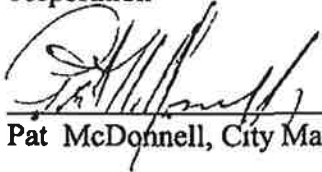
16.5 Time Time is of the essence hereof.

16.6 Captions The captions and section headings hereof are inserted for convenience purposes only and shall not be deemed to limit or expand the meaning of any section.

16.7 Counterparts This Agreement may be signed in counterparts, any one of which shall be deemed an original.

IN WITNESS WHEREOF, we have hereunto set our hands as of the day and year first above written

CITY OF VANCOUVER a municipal
corporation


Pat McDonnell, City Manager

Vandevco Limited a Washington
corporation

By _____
Its _____

Attest


R. Lloyd Tyler City Clerk
By Carrie Lewellen Deputy City Clerk

Approved as to Form


Ted H. Gathe, City Attorney

EXHIBIT "A"
LEGAL DESCRIPTION

To be attached upon completion of Condominium Survey

EXHIBIT 5 4 2 – EXHIBIT A
LEGAL DESCRIPTION

C10030101 Exhibit 5 4 2 Option to Repurchase Parking Garage fifth amendment doc (3/9/2010)

–1–



To Pat McDonnell City Manager

From Eric J Holmes Economic Development Director

Date March 15 2010

RE Vancouvercenter Fifth Amendment to the Disposition and Development Agreement (DDA)

Background

At their November 19 meeting the CCRA was presented with a proposed fifth amendment to the Vancouvercenter DDA to provide for a delay of the penalty provision for non development of the south and final tower of the project. That proposal set out a system of performance measures that would trigger construction of the south tower or payment of the penalty if construction did not proceed when certain conditions were met. After review of the initial proposal at that meeting the CCRA asked staff to work with the developer to explore a more objective simple mechanism to address the issue of delay in light of the current economic conditions. In addition the CCRA asked for additional background information regarding the performance of the parking garage since inception.

In the course of most recent negotiations staff worked with the developer to revisit the developer's garage purchase option that was originated with the first amendment to the DDA. The purchase option which begins January 1 2015 and runs for five years gives the developer the right to purchase the garage for fair market value. Due to the general financial performance of the garage being below pro-forma (summary below) the City has been concerned about selling this garage under the terms of the option at a fair market value price that is significantly lower than what was anticipated when the option was first executed. Incompletion of the south tower could be a factor in a lower market value as this tower being occupied was a factor in the pro forma forecast for the garage.

Other issues the CCRA sought information on included those related to garage performance the origins of the penalty amount in the current DDA and the financial implications to the City for delay. These are addressed below.

Garage performance Since inception the garage has operated at an average occupancy of approximately 75% of capacity with the City subsidizing the overall costs of the garage not covered by operating revenues. In addition part of the operating agreement between the City and the Hilton Hotel & Convention Center assures 100 overflow parking spaces in the garage to accommodate peak events.

Since inception the garage's financial performance has been below pro forma. Overall the City has subsidized the debt and operating costs of the garage to a total of approximately \$5 million. However, several related factors should be considered in light of this subsidy.

The garage was built by Vandevco, the developer of Vancouvercenter, in 2001 and acquired by the City in 2002. The development costs by the developer were in excess of \$17 million, and the garage was acquired by the City for approximately \$13.2 million.

The purpose of the garage was primarily to catalyze development on this and adjacent parcels, not to function as a stand-alone facility. With the exception of the south tower, this goal has been achieved in large measure. The developer has submitted an economic impact analysis from E.D. Hovee & Company in support of their request that quantifies these results.¹

There are a variety of indirect economic impacts, including one-time tax revenues, temporary and permanent job creation, and ongoing tax revenues for the City and other taxing jurisdictions that have resulted from the overall project, which would not have happened if the garage had not been built. These are also quantified in the Hovee report.

The subsidy to the garage is due to a variety of factors, including incompleteness of the south tower, incomplete build-out of the Esther Short sub-area, more generally, as well as overall general economic conditions, which include two significant recessions in the relatively short 10-year life of the project.

Original determination of penalty amount. The penalty was originally represented as a Developer Guarantee in the first amendment to the DDA.² The guarantee provided for gap payments to the City for the difference between the pro forma of the overall project and the actual revenue generated. Such payments were made in 2002-2004. In 2006, the future value of this guarantee was negotiated into a lump-sum amount intended to offset the overall loss of tax and net parking revenues would have been generated by completion of the south tower.

Financial implications to the City for a delay of the penalty. Though the penalty has been part of the DDA since 2006, the City has never budgeted the receipt of that money. Nor appropriated its expenditure. Delay of the payment would have no direct financial implication for the City.

Proposal

The proposed fifth amendment to the DDA, as recommended by staff, does two things in response to the November CCRA direction:

Delay of penalty provision. The 5th amendment to the DDA provides for a simple delay of the penalty provision to the beginning of 2015, to be consistent with the initial effective date of the garage purchase option.

¹ E.D. Hovee & Co. LLC Economic Impact Report, February 19, 2009.

² Section 2, Paragraph C, first amendment to the DDA, June 5, 2000.

Amendment of purchase option to assure cost recovery The purchase option has been amended to assure that the City would at a minimum obtain fair market value of the garage or recover its purchase price whichever is greater. This provides significant protection to the City from selling the garage under the developer purchase option at an artificially low price perhaps even lower than the City's purchase price.

E. D. Hovee & Company, LLC

Economic and Development Services



MEMORANDUM

To Nawzad Othman
 President & CEO
 Otak, Inc

From Eric Hovee & Andrea Logue

Subject- Vancouvercenter Development Impact & Market Update

Date February 19, 2009

Over the 1998-2000 period, our firm conducted an iterative series of tax generation scenarios for the Vancouvercenter mixed use project that was proposed for the former Lucky Lager brewery project – on the superblock bounded by 6th, 8th, Washington and Columbia Streets in downtown Vancouver. Consistent with the initial proposal a decade ago, Vancouvercenter has experienced build-out of three project phases including Parkview North, a North Office Tower and South Apartment Building. The fourth and final phase South Tower planned for the SE corner of the superblock is now proposed for delayed development due to the severity of the recent economic downturn both nationally and regionally.

This development impact and market update report is addressed to two overall purposes

- Support a request from Vandevco for extension of the last phase of the Vancouvercenter project by one year
- Provide supplemental observations regarding viable options for development of this last phase with recovery of the national and Vancouver Portland metro area economy

The remainder of this memorandum is organized to cover the following topics ¹

Summary Observations
Background
Updated Development Impact
Market Outlook
Assessment Update Conclusions

Several appendices are provided with supplemental information. *Appendix A* provides a synopsis of the background of E. D. Hovee & Company, LLC as preparer of this assessment. *Appendix B* contains more detailed statistical documentation.

2408 Main Street • P O Box 225 Vancouver WA 98666
(360) 696-9870 • (503) 230-1414 Fax (360) 696-8453
E-mail: edhovee@edhovee.com

SUMMARY OBSERVATIONS

Major observations and findings resulting from this Vancouvercenter impact and market update assessment are summarized as follows

Vancouvercenter Development History Based on project planning dating to the late 1990s, three of four planned phases of the Vancouvercenter mixed use development were completed in 2003. The *three towers* are home to 229 residential units and 105 000 square feet of retail and office commercial space – together with an approximately 800 space (primarily City owned) parking garage extending below the two block site (bounded by 6th, 8th, Washington and Columbia Streets) in downtown Vancouver.

Construction of the Phase 4 South Tower has been postponed due to market conditions which have markedly deteriorated both locally and nationally since mid 2007, especially in the last six months. However, successful development and occupancy of Vancouvercenter to date has proven pivotal to achievement of City planning objectives reflected by the 1998 *Esther Short Subarea and Redevelopment Plan* with subsequent expansion in the 2007 *Vancouver City Center Vision*.

Updated Development Impact At an estimated \$94 million, the total amount invested to date by Vandevco is 35-40% above what was initially projected in the 1998-2000 period. Close to the same number of residential units were built as planned. Office and retail space expectations were downsized from initial planning to better coincide with market conditions – what has been built in three phases to date exceeds revised 2000 plan projections.

Based on information available, property and other *tax revenues* to the City are above what was projected. Vancouvercenter also has served a critical catalyst role for the greater downtown and Vancouver/Clark County community – providing the confidence critical for subsequent added investment in housing, retail, office, lodging and convention activities.

Market Outlook. Due to recent economic deterioration, near-term *market prospects* for added downtown development this year should be viewed as extremely negative. Condo transactions and sales pricing are down substantially, and apartment vacancy and rent rate trends are mixed but not readily supportive of new downtown construction. Commercial office and retail conditions also are not promising, office vacancies in particular can be expected to increase further, due to vacation of space in The Columbian building on Esther Short Park combined with a new office building under construction at the Mill Plain entrance to downtown from I-5.

Four *alternative scenarios* for South Tower development have been outlined for possible consideration as market conditions warrant: an office, condominium, apartment, or hybrid multi-use tower (each with ground floor commercial space). While the use option most viable is more readily determined once the economic recovery is well underway, the best options at present appear to lie either with *office space* development (if a major anchor tenant can be secured in advance of construction) or *apartment* development (assuming *top of market* rents).

Assessment Conclusions In summary, this report supports the request by Vancouvercenter for *extension* of the timeframe for construction of the Phase 4 South Tower and *reconsideration* of viable use options in 2010 assuming reasonable economic recovery at that time.

BACKGROUND

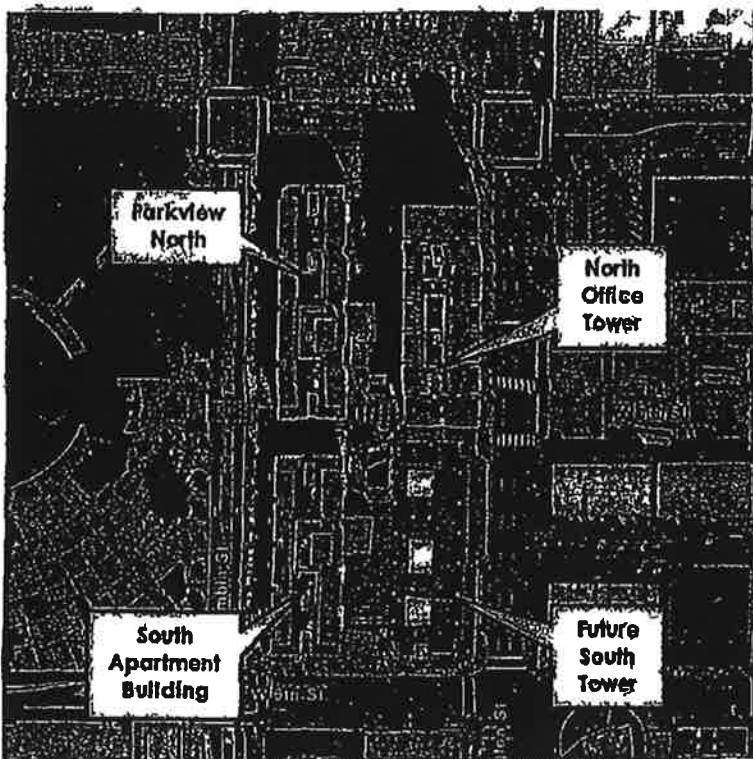
This report begins with a brief review of the Vancouvercenter project, the history of the site consistency with City vision, use and occupancy status and planning for Phase 4 buildout

Project Description Vancouvercenter is a mixed use residential, retail and office development situated on the east side of Esther Short Park in downtown Vancouver. The development is situated on a two block *superblock* bounded by 6th, 8th, Washington and Columbia Streets

As initially planned in the late 1990s, Vancouvercenter was to be a four phase development

- The *South Apartment Building* is a six-floor structure (completed August 2003) – with 84 apartments
- *Parkview North* was developed as a 112-unit, seven-floor residential tower (also completed August 2003) – initially as rental apartments and currently being converted to for-sale condominium units
- The *North Office Tower* is an eleven-floor mixed use development (December 2003) – with over 105,000 square feet of commercial office on seven floors (including ground floor retail) and four condominium levels with 33 units
- The *South Tower* was planned as a nine-floor structure with potentially as much as 105,000 square feet of office space (and initially targeted to start construction possibly as early as 2004) – but delayed due to market conditions and with a specific use mix currently undetermined²

Figure 1 Aerial Map of Site



Source Vancouvercenter Google Earth, and E. D Hovee & Company LLC

Vancouvercenter & Esther Short Redevelopment The superblock that is now home to Vancouvercenter was previously the site of the Lucky Lager brewery – which discontinued operations in 1985. A portion of the site also once housed Vancouver's City Hall – a structure later sold (in 1950) to accommodate brewery expansion.

Vancouvercenter anchors the eastern side of Esther Short Park – the oldest public square in the Pacific Northwest. Along with the Heritage Place mixed use development on the north side of the park, these two projects served as early phase implementation of the *Esther Short Subarea and Redevelopment Plan* authored as a public private initiative in 1998.

In 2007, the Esther Short plan was revisited with the *Vancouver City Center Vision & Subarea Plan* encompassing approximately 130 blocks of Vancouver's downtown area. Among the guiding principles of this expanded vision plan are to

- Build on the successes and experience of the initial Esther Short Plan.
- Promote residential development including affordable housing as key to a vital and attractive city center.
- Create and support "messy vitality," a dynamic and rich mix of residential, cultural, civic, retail and entertainment places that will attract growth, jobs and round-the-clock activity in the VCCV area.

As one of six districts in Vancouver's City Center, development capacity for the *Esther Short District* include 56,000 square feet of retail space, 835,000 square feet of office, 350 residential units, and 81,500 square feet of convention and event use. As the most successful of the City Center districts, the area that surrounds Esther Short Park is expected to built out more quickly than the other districts – but with continuing property improvements and infill including anticipated completion of the Vancouvercenter South Tower.

Today's Setting Today, Vancouvercenter is situated at the heart of a revitalized downtown Vancouver and major public open space. Immediate neighbors include

- *Heritage Place* – north side of park (with ground floor retail and 137 condo units above, also on a 2-block superblock site)
- *Vancouver Hilton Conference Center and Hotel* – north side of park (with Gray's restaurant at ground level and the recently completed Columbian office building immediately to the west)
- *Esther Short Commons* – west side of park (with affordable housing and ground level retail plus weekend Vancouver Farmer's market operating in Esther Street adjoining the park)

**Downtown
Greenville and immediate
vicinity**

Map showing streets, buildings, and landmarks in downtown Greenville, South Carolina. The map includes a compass rose in the upper left corner and a title block in the upper right corner. The map is oriented with North at the top. The title block contains the following text:

**Downtown
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Map showing streets, buildings, and landmarks in downtown Greenville, South Carolina. The map includes a compass rose in the upper left corner and a title block in the upper right corner. The map is oriented with North at the top. The title block contains the following text:

**Downtown
Greenville and immediate
vicinity**

Vancouvercenter is one block west of Main Street and one block from the I-5 freeway interchange offering access both south to Portland and east on SR-14 to east Vancouver and Clark County Businesses situated within 2 3 blocks include restaurants, galleries, specialty shops, 12-screen cinema, and a range of financial institutions

Current Use & Occupancy Status From the time of its initial opening, Vancouvercenter has enjoyed a positive reception from retail and apartment tenants and from condominium purchasers. This is indicated by current market conditions for each of the projects three completed buildings.

- The *South Apartment Building* has 68 of 84 apartments rented for a vacancy rate currently of about 19% Rental rates average in the range of \$1 40 per square foot monthly
- *Parkview North* is in the midst of conversion from apartment to condominium units As of January 2009, 61 units had been sold with five in escrow and seven leased (for an overall remaining vacancy of 41%) Units have been upgraded as part of the conversion, asking price averages \$268 per square foot – beginning as low as \$104,900 for a studio unit Parkview owners also benefit from availability of 10 year property tax abatement (currently paying only on land value but not structure value until 2013)
- The *North Office Tower* has 30 of 33 condominium units sold (for vacancy of 9%), resales are handled by existing owners or brokers other than Vancouvercenter Approximately 76,200 square feet of the 105,000+ square feet of commercial is leased as of January 2009, for a vacancy rate estimated at 26%³ Asking office rates are \$24 50 per square foot of office space and \$21 50 (triple net) for retail space

On-site parking for all Vancouvercenter uses is available as part of an approximately 800 space, three-level, below grade parking structure. The parking garage is owned by the City of Vancouver with the exception of 59 spaces deeded to Vandevco. ⁴ Of the 59 spaces (on P3), 48 are deeded to the Viewpoint Condominium owners.

Within the City portion of the garage, 33 parking spaces are allocated to the North (but planned to be shared with the South Tower) for commercial tenants. Additional parking for tenants and condo owners is obtained via monthly rentals in the City garage or from on street resources (which are limited for short-term use). Parking rates on the City operated public P1 and P2 levels are \$62 per month or \$50 for seniors.

UPDATED DEVELOPMENT IMPACT

Considered with this analysis is tax generation as initially forecast and realized to date with Phase 1-3 development, tax generation anticipated with future Phase 4 development, and catalyst effects of Vancouvercenter development for the greater City Center area.

Tax Generation Forecast & Realized To Date On behalf of Vandevco, B. D. Hovee & Company, LLC prepared tax generation estimates for the then-proposed Vancouvercenter development – initially in 1998 and then again with revised estimates in 2000. As depicted by the chart on the following page, these pre-development estimates have been compared with actual results for the project as actually constructed in 2003.

The following comparisons are noted between early phase estimates and development as experienced – in terms of development and tax generation to the City of Vancouver.

Development As Planned & Realized to Date

- While only three of four project phases as initially planned have been constructed, total amount invested to date of \$94 million is approximately 35-40% above what was projected in the 1998-2000 period. This is in part due to inflation in construction costs up to construction completion in 2003, this figure includes project hard and soft costs plus approximately \$7.4 million of recent investment in the North Tower for apartment to condo conversion.
- Close to the same number of residential units have been constructed as was earlier projected in 2000 – albeit with a greater mix of condo units than was initially anticipated.
- Office and retail space expectations were downsized in early planning to better coincide with market conditions – what was built in three phases to date has exceeded the revised 2000 projections.
- Size of the parking garage was increased somewhat – reflecting concurrent finalization of planning and construction for the adjoining Hilton Conference Center and Hotel (which the Vancouvercenter development also serves).

Figure 3 Vancouvercenter Tax Generation Planned & As Built (1998 2008)

	Pre Dev Budget		As Built
	1998	2000	Ph 1 3
Development Program			
Apartments (Units)	180	194	84
Condominiums (Units)	72	38	145
Office Space (NSF)	144 000	77 580	92 596
Retail Space (NSF)	22 000	11 486	12 630
Parking (Spaces)	736	750	800
Total Building Area (GSF)	701 847	565 985	
Development Cost	\$69,244 826	\$67 550 599	\$93 851 499
City Tax Generation			
Recurring Taxes			
Property Tax	\$174 852	\$251 536	\$285 446
Telephone Tax	\$8 819	\$6 965	NA
Electrical Tax	\$4 645	\$3 956	\$6 774
Water/Sewer Tax	\$24 732	\$18 424	\$5 069
Sales Tax (Employees)	\$5 196	\$2 793	NA
Sales Tax (Residents)	\$13 472	\$24 354	NA
Sales Tax (Business Sales)	\$23,045	\$10,136	NA
Subtotal Annual Taxes	\$254 761	\$318 164	\$297 289
Taxes w/As Built Comparison	\$204 229	\$273 916	\$297 289
One Time Taxes			
Sales Tax on Construction	\$235 883	\$477 055	NA
Net Present Value (NPV) (25 Years 5.5% Rate)	\$5 230 883	\$4 248 733	NA

Note 2003 was projected as the first full year for tax receipts with the 2000 pre-development budget.

Source Vandevco, City of Vancouver and E D Hovee & Company LLC

City Tax Generation

- Taxes currently realized are best documented for property and utility taxes (as actual amounts for sales and telephone taxes can not be documented from Vandevco records but are a tenant responsibility) However, property and utility taxes account for 80.86% of the annually recurring tax generation that was initially projected
- For these "apples-to-apples" categories, tax generation experienced exceeded prior projections by an estimated 9%. Property tax revenues are above projection by 13% (even with abatement on some units) Electrical tax revenues also are above projection while water/sewer collections are below earlier estimates⁵

Tax Generation Anticipated with Final Phase Completion Due to the as yet undetermined mix and scale of uses that might be provided with Phase 4, it is not yet possible to estimate detail tax generation effects. Based on experience to date, tax generation with a similarly sized project could be expected to be at least one third the amount noted for

development to date – and likely more as new development will provide an assessed value based on today's construction cost unconstrained by the current 1% cap on increase in assessed valuation for existing structures

Catalyst Effects In addition to the direct fiscal benefit to the City of Vancouver it is important to also address the economic stimulus that Vancouvercenter has provided for Vancouver's City Center and the broader Vancouver/Clark County community. As a lead (or pioneering) development project in downtown Vancouver's Esther Short redevelopment area, Vancouvercenter has served a critical catalyst role for the greater downtown – providing the confidence critical for subsequent added investment in housing, retail, office, lodging and convention activities.

Esther Short & Vancouver City Center

- Vancouvercenter together with Heritage Place have served as lead off developments around Esther Short Park leading to subsequent development of Esther Short Commons, an expanded Vancouver Farmers' Market, The Columbian office building, and capstone development with the Hilton Conference Center and Hotel – together totaling more than \$235 million of development investment as implementation of the *Esther Short Redevelopment Plan*.⁶
- Successful Esther Short revitalization has provided impetus and confidence for the privately led master planning effort now underway for the even more ambitious Columbia Waterfront redevelopment, a multi-year development program anticipated to generate \$1.2 billion in added Central City development investment over an estimated 10-year program to build-out.
- Pedestrian-oriented, mixed-use development proximate to Vancouver's current transit hub (and future light rail) is now attracting greater diversity of residents back to the urban core – from more affluent empty nesters to renewed options for young creatives.
- Added downtown housing together with nearby hotel and convention activity is proving critical to support other vicinity area retail – both around the park and on Main Street.⁷

Vancouver/Clark County Community

- Professional and business service tenants of Class A office tenants in Vancouvercenter typically pay wages above the regional average and are associated with a higher economic multiplier than for lower paid positions elsewhere in the community.
- Successful downtown revitalization with urban residential has demonstrated a market for higher density urban residential living enabling Vancouver/Clark County to transition its land use planning framework toward growth management with reduced suburban sprawl.⁸
- The urban amenities associated with urban residential and mixed use development together with location in a pedestrian, transit rich environment results in reduced vehicle miles traveled per household and reductions in carbon footprint compared with the suburban development alternative.⁹

MARKET OUTLOOK

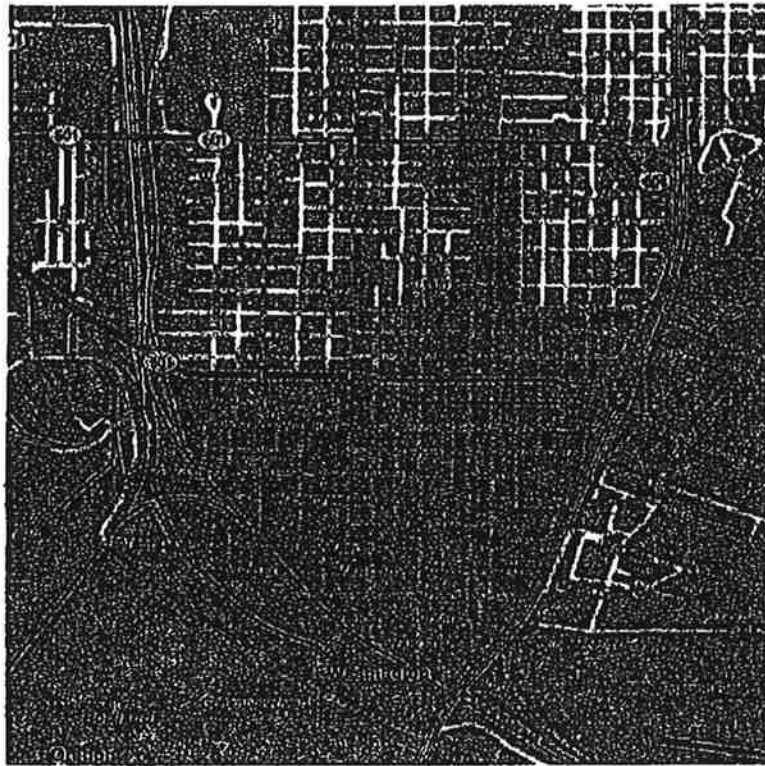
This analysis now shifts to consideration of the market outlook for downtown Vancouver in the context of the rest of Vancouver/Clark County and the four county metro area. This market outlook assessment begins with a brief overview of area demographics – followed by more detailed assessments of residential, commercial office, and retail activity. This analysis is intended to inform discussions regarding timing of development for the fourth phase tower and potential uses as the nation and region move beyond the current recession toward economic recovery.

Market Demographics For this analysis, the demographics of the downtown area encompassed by the *Vancouver City Center Vision (VCCV)* are briefly compared with demographics for all of the City of Vancouver, Clark County, and the Oregon side of the Portland-Vancouver metro area. Detail data tables are provided by the appendix to this report.

As of 2009, the downtown/VCCV area has an estimated 2,950 residents. This equates to a 28% increase over the last eight years (for an annual average population growth rate of 3.1%). While downtown accounts for less than 2% of Vancouver's population, the downtown's residential growth rate is well above city-wide growth averaging 2.0% per year.

Downtown's residential comeback has been sparked by major downtown residential and mixed use developments – including Vancouvercenter. Virtually all of the larger projects have involved some form of public-private development partnership.

Figure 4 VCCV Geography



Source: ESRI Business Information Solutions, E.D. Hovee & Company LLC

Despite this growth in residential population and improved diversity overall downtown demographics remain somewhat challenging for future development

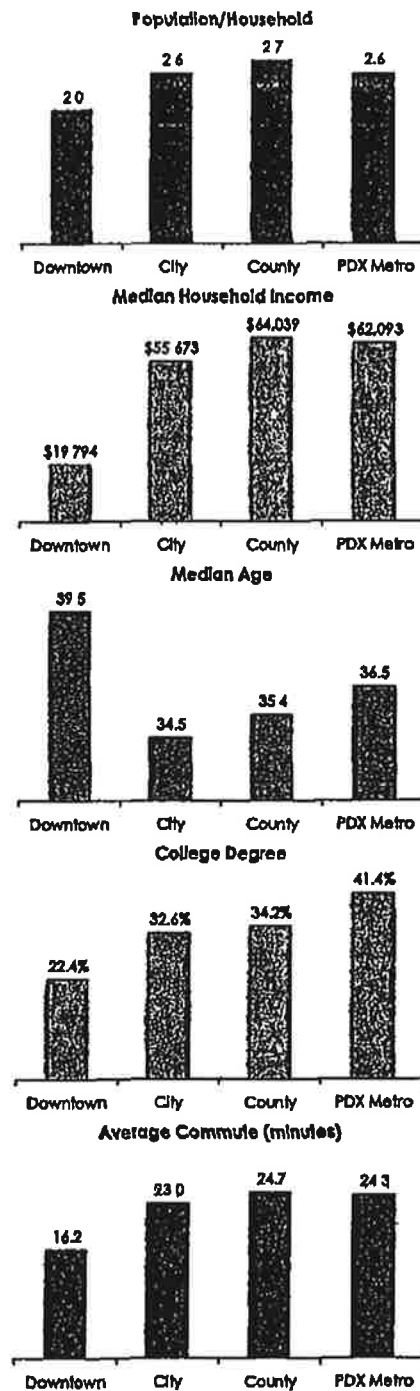
- Downtown area households are relatively small at just over two (2) persons per household, a figure that has been dropping in recent years and a trend conducive for urban residential living
- However, median household income is comparatively low at less than \$20,000 per year – compared to almost \$56,000 city-wide¹⁰
- Median age of the population is high at 39.5 years, fully five years above the city median
- Just over 22% of downtown residents have some form of college degree (associates or better), compared to 33% city-wide and 41% for the Oregon side of the metro area
- High proportions of residents commute short distances to work (or even work at home), average commute time to work is only 16 minutes versus nearly 25 minutes for all Clark County residents

Some of the trends noted – small household size and short commutes – represent valuable *building blocks* as support for continued residential development downtown. However, greater demographic diversity is suggested in other areas as a means to deepen the market for downtown living in the years ahead.

Improved income diversity also is critical to support more market rate housing – for renters and owners. A younger age mix (including young creatives) can stimulate added retail and workforce vitality. Higher education levels can be useful to support a broader range of downtown amenities – from an eventual grocery store to City Center arts and cultural activity.

How downtown demographics fare during the current recession is also instrumental for the development that the downtown market will most readily support with economic recovery. Sustaining development confidence is best generated with continued attention to boosting perceptions of downtown as a good place to live, visit, shop and recreate even during an economic downturn.

Figure 5 Comparative Demographics (2008)



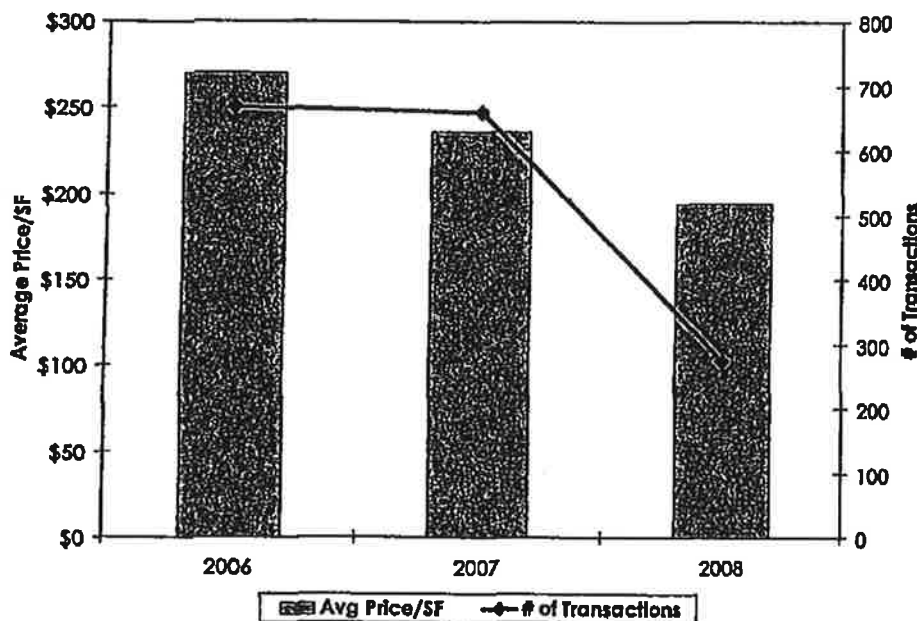
Source: ESRI Business Information Solutions, E.D. Hovee & Company LLC

Residential Market From this review of market demographics, the analysis now proceeds to more detailed consideration of real estate activity starting with residential. The focus of this residential discussion is on recent trends over the last 2-3 years for multi-family owner and renter occupied housing product.

For condominiums it is noted that both the volume of transactions and average sale prices (on a per square foot basis) have dropped sharply over the last 1-2 years.

- The number of condo transactions in the Vancouver area remained fairly constant at 660 sales in 2006 and 2007, then dropped to just 274 transactions this past year (through November 2008).
- Condo pricing dropped from a peak year average of \$270 per square foot in 2006 by 12-13% in 2007 and then 17-18% in 2008 – for a combined 2-year price drop of nearly 28%.
- By comparison, single family housing transactions also have declined sharply (especially in 2008). However, single family housing pricing has experienced a much less severe decline than for the condo product.

Figure 6 Vancouver Area Condo Sales Activity (2006-2008)



Note Data is compiled for properties with a Vancouver address

Source Clark County GIS E D Hovee & Company LLC 2008 transactions are thru November

While not depicted in the above graphic, similar condo transaction trends can be noted for the Oregon side of the Portland-Vancouver metro area. The volume of transactions dropped in 2008 but pricing appears to have been less affected to date – and is remaining at higher per square foot amounts needed to support the cost of urban scale condo construction.¹¹

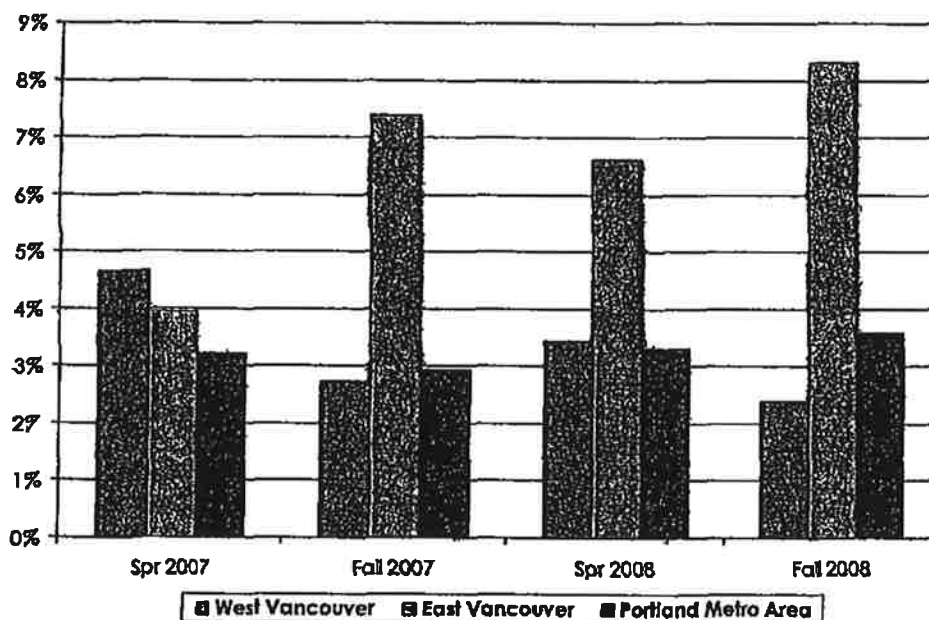
Current per square foot sales pricing for recent Vancouver area condo developments varies widely – from less than \$290 per square foot with the conversion at Academy Square in Vancouver to nearly \$550 at Tidewater Cove on the Columbia River

Per square foot pricing has actually increased for some high profile, high amenity new construction projects – primarily sites situated directly on the Columbia River. However, this has occurred in an environment of greatly reduced sales activity and overall lower pricing.

For apartment rental properties, the picture is also somewhat mixed – depending on the market factor considered and the geography of interest.

- As depicted by the graph below, apartment vacancies have generally increased since Spring 2007 – most notably for East Vancouver and less dramatically for the entire Portland metro area.
- By comparison, vacancies have actually improved in West Vancouver – going from above to below the vacancy rates indicated for East Vancouver and Portland metro.
- As of Fall 2008, rent rates average \$0.78 per square foot in West Vancouver, a figure that is comparable to East Vancouver and 9-10% below the Portland metro average of \$0.86.
- Between the Spring 2007 - Fall 2008, rental rates in Vancouver increased by \$0.05 per square foot versus a \$0.01 increase regionwide.
- West Vancouver rents exceed those on the east side for core urban market units of 1 and 2 bed/1 bath (but are below East Vancouver for studios – which are a much smaller portion of the total market).

Figure 7 Semi Annual Apartment Vacancy Trends (2007-2008)



Source: Metro Multifamily Housing Association, *The Apartment Report – Fall 2008 & Fall 2007*

The overall West Vancouver market supports rents (averaging only \$0.78 per square foot monthly) that should be viewed as inadequate to support costs of new market rate, urban scale construction. However, higher rental rates are noted for several recent vintage projects in downtown and on the waterfront. For six projects profiled (per the appendix to this report), monthly rates range from \$1.07 to \$1.34 per square foot – with the highest rates for smaller units.

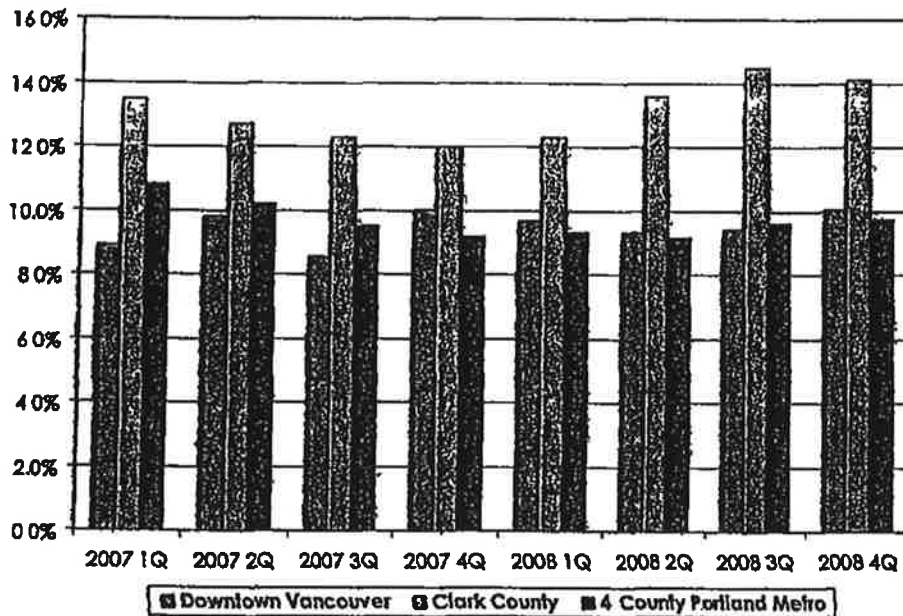
Commercial Office Through much of the 2007-2008 period, the commercial office space market seemed to hold its own – in downtown, Clark County and throughout the Portland metro area. Vacancies had not yet ratcheted up substantially, but this can be expected in 2009 as job losses are now being experienced throughout the region.

A more in-depth look behind the numbers is important to provide a better understanding of challenges being faced for office development (even before job losses this year serve to put more upward pressure on office vacancies).

- Throughout the metro area, office vacancies have remained uncomfortably high – increasing to a range of 10%+ as of the end of 2008. With normalized vacancy that supports new construction being more in the range of 5-7%, it is difficult to justify new construction unless there are signed pre-lease commitments.
- After holding steady or dropping in early 2008, vacancies have since increased across all three geographies considered – downtown Vancouver, Clark County and Portland metro.
- Even more telling, both downtown Vancouver and Clark County experienced negative net absorption in 2008, with less space leased than was vacated over the year. Downtown Vancouver currently accounts for a sizable proportion (45%) of the Class A office space in Clark County.
- Eight downtown Class A buildings now account for a total of 770,000 square feet – with vacancies at 13.3% as of year end 2008 and average reported rent of \$24.50. The high end of the rent range is indicated for newer construction at up to \$28.00 per square foot.
- The two most recently completed downtown Vancouver office properties – Vancouvercenter North Tower and The Columbian office building – both report vacancies in the range of 25-30% as of year end 2008. The vacancy rate will adjust upwards as the effects of The Columbian vacating its own office building are fully accounted for by brokerage reporting entities such as CoStar.

Finally, the downtown Vancouver and Clark County market is now experiencing downward rent pressure for newer mid-rise Class A office product. During 2008, reported Class A rents in downtown Vancouver dropped to just over \$23 per square foot – more than an 8% quoted rent rate decline over the course of the year.

Figure 8 Quarterly Office Market Vacancy Trends (2007-2008)



Further downward pressure on building occupancy and rent levels can be expected over the coming year as new office buildings are completed in downtown Vancouver and elsewhere in Clark County. The most significant new project in the pipeline is 400 West Mill Plain Center, an approximately 61,000 square office building currently under construction just west of the Mill Plain entrance to the downtown from the Interstate 5 freeway. While not classified by CoStar as Class A space, this project can be expected to compete with other Class A space when completed – increasing the competitive inventory by another 8%.

Also on the drawing board is The Luxe – a 56,000 square foot Class A building at 412 E 13th Street and the 63,000 square foot Class B Frontier Office Building planned adjacent to the West Coast Bank building at East 6th and Main Street. Taken together, these three office buildings would increase the downtown office inventory by 180,000 square feet, adding 23% to the competitive inventory when vacancies are already in excess of 13%.

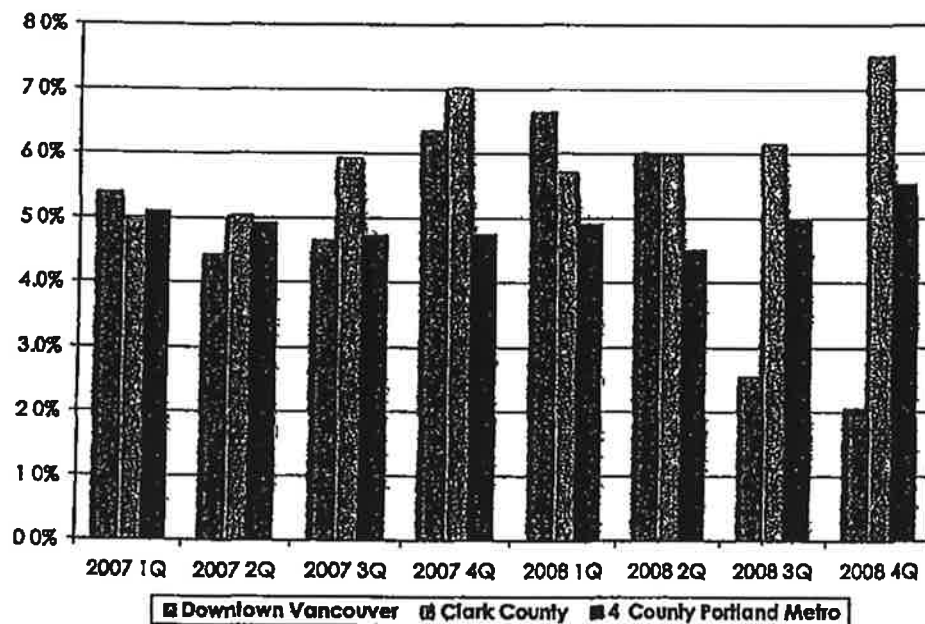
Unless new tenants are attracted into the downtown market, this added inventory can not be supported even in a more robust economic environment, let alone in a market that is currently deteriorating with ultimate timing of an economic rebound as yet uncertain.

Retail Market As with office space, available retail data presents a picture of a similar worsening vacancy trend in recent months – albeit with some different fundamentals than for the office market.

- At close to 470,000 square feet, downtown Vancouver accounts for only 3% of the 14.4 million square feet of competitive retail space in Clark County. While Clark County added nearly 430,000 square feet of retail space in just the past year, CoStar indicates that the downtown area added virtually none.

- Unlike office, downtown retail occupancies had remained very healthy until recent months – with vacancies of 6% or less
- However, Clark County retail vacancies started climbing in the 2nd quarter of 2008 – increasing by nearly 2% points from the end of the first quarter to year end
- The Portland metro area remained healthy for longer and vacancies have not risen as high as in Clark County. But vacancies have increased since second quarter 2008
- Downtown Vancouver has showed pleasantly surprising retail strength over the last two years – going from a vacancy rate above to well below that of the county and metro region. This appears due to modestly increasing retail demand not matched as yet with any substantial additions to downtown's retail space inventory

Figure 9 Quarterly Retail Market Vacancy Trends (2007-2008)



As noted, downtown retail numbers are somewhat deceptive as the inventory of competitive retail space is only 3% of the Clark County-wide retail inventory. Three buildings accounted for all of the downtown net absorption – refill of the Farmer's Market space with a health club, 108-116 E. Evergreen Boulevard and 1707-17 Broadway (with retail occupied by office use).

Also noted is that retail space in downtown rents for an average of just over \$16 per square foot (triple net) – a figure only 75% that of the Clark County average.¹² Downtown retail rents are less than ½ of quoted rates associated with new construction at the Grand Central development just east of downtown at Grand Boulevard and Columbia House Way.¹³

These numbers indicate that, in a normalized economic environment, the downtown might be well positioned to add some retail inventory, taking advantage of modestly growing demand. However, this outlook is tempered by the emerging economic downturn – including closures of national as well as local retailers after the weak holiday shopping season of December 2008.

Even in a more robust economy, more retail space can only be supported if tenants can be found that are willing to pay rates required to defray cost of new construction – which are well above current rent rate averages in the downtown. Added retail also should not generally be expected to serve as the primary use activity with a new development, but rather as an ancillary use in a multi story mixed use development – serving to better activate the ground level space and pedestrian/street environment.

Reasonably Anticipated Development Scenarios As noted, the timing of economic recovery is highly uncertain. While employment held steady through much of the financial meltdown beginning in summer 2007, the job market has now taken a substantial turn for the worse. Unemployment in the larger Portland metro area increased to 8.6% in December, up sharply from 7.4% just a month earlier. Clark County unemployment is even higher at 8.7%.¹⁴

This job loss can be expected to lead to increased office space vacancy in the months ahead and to further deterioration of retail space demand. Any substantial employment recovery should not be expected until 2010, possibly later.

With economic recovery (and assuming parallel improved availability of development financing), it will be possible to re-evaluate marketable options for development of the South Tower for final phase build-out of Vancouvercenter. At this time, at least four following potential market rate use options can be viewed as possible candidates for consideration.¹⁵ Each is accompanied by prospective advantages and disadvantages.

Figure 10 Vancouver South Tower Market Rate Development Scenarios

Development Scenario	Advantages	Disadvantages
Office Tower (with ground level retail)	Consistent with original Vancouvercenter plan, most feasible if accompanied by major tenant pre-lease commitment(s)	Office market faces high vacancy rates both short & longer term unless substantial new tenants are attracted into downtown
Condominium Tower (with ground level retail/office)	Supports highest construction cost if sales pricing returns to pre-market collapse pricing would also serve to best improve income mix of downtown residential base (especially with a mid-price condo product)	Likely slower recovery of condo than single family housing pricing, Vancouvercenter site may be undercut by existing condo inventory and planned waterfront development
Apartment Tower (with ground level retail/office)	Reasonable demand & broadens the downtown demographic mix to capture an unmet market niche for young creatives who are gravitating to urban living elsewhere (as in Portland)	Likely requires rents at or above top of market for project feasibility plus strong amenity package catering to targeted demographic
Mixed Use Tower (with some combination of office, condo and/or apartment use & ground floor retail)	Offers potential to reduce project risk if market depth is not viewed as adequate for a single primary project use	Creates added complexity for building design, cost & financing

Viabile Development & Use Options The use option most viable can be expected to be determined by which markets are strongest once the economic recovery is well underway. While subject to considerable uncertainty, at present we would be inclined to recommend either the office or apartment options for primary consideration.

- The *office option* is preferred if a major anchor tenant can be secured in advance of construction – whether as a tenant or as a build to suit with possible long term ownership interest. This option would serve to fulfill the original plan of Vancouvercenter and increased opportunity for added higher wage employment base in a part of downtown that is still missing substantial employment activity.
- In the absence of a clear office user, the *apartment option* would move up for stronger consideration. This is because there is continued if not growing demand for rentals even from mid-higher income persons. In the wake of the mortgage market crisis, there is at least strong temporary demand for rental housing – although affordability becomes a more prominent issue to the extent that unemployment continues to increase. Even with economic and mortgage market recovery, a larger proportion of the market can be expected to prefer to rent long-term than was the case in recent years.

This factor together with aging baby boomer and young creative preferences for footloose urban living bodes well for multi-family apartment product over at least the next 5-10 years. It also matches well with the ambience of urban living offered by river views coupled with proximity to a major public park and re-energizing downtown core.

ASSESSMENT UPDATE CONCLUSIONS

In summary, this impact and market assessment supports the request by Vancouvercenter for extension of the timeframe for construction of the Phase 4 South Tower and for reconsideration of viable use options in 2010 assuming reasonable economic recovery at that time.

- Consistent with the *Esther Short Plan* and more recent *Vancouver Center City Vision*, Vancouvercenter has already more than met its original purpose – by exceeding city revenue objectives and serving as an early catalyst for Esther Short and now for expanded City Center area development.
- Proceeding to construct the Phase 4 South Tower at this time would not be in the interests of Vandevco, other existing downtown development, or the City of Vancouver. Due to weak economic, occupancy and financing conditions, there is no reasonable use that could be considered as marketable or financially feasible at this time. If completed, the project would increase vacancy for other similar downtown properties and could delay long-term implementation of the City Center vision.
- Now is a good time to begin initial planning for uses that might prove sustainable and consistent with Vancouver's vision once economic recovery is underway. Flexibility achieving this vision is recommended as the most viable opportunities may not be readily apparent until about the 2010 time period.

E D Hovee & Company appreciates the opportunity to provide this impact and market assessment on behalf of Vandevco. Questions regarding any aspect of our report are welcome.

STAFF REPORT NO. 141-99

TO: Downtown Redevelopment Authority
FROM: Vernon E. Stoner, City Manager

DATE: 6/14/99
 6/21/99

Subject: Park Center Disposition and Development Agreement.

Objective: To stimulate the redevelopment of downtown Vancouver and to provide adequate parking in support of that redevelopment.

Present Situation: On January 5, 1998, City Council initially adopted the *Esther Short Subarea and Redevelopment Plan*. On August 10, 1998, Council amended this plan and, on October 19, 1998, approved the Esther Short Urban Renewal Area and readopted the *Esther Short Subarea and Redevelopment Plan*. This plan calls for the creation of a vibrant and active downtown with people living and working in the same area.

All major office/retail commercial projects that have been developed in the downtown area since the early 1980s developed as a result of City of Vancouver financial participation in their parking structures. These projects include the SeaFirst Financial Center, the MJ Murdock Plaza, the First Interstate Tower and 1111 Main Place Building.

When the City of Vancouver has not participated in office/retail development projects the market has developed the following characteristic asset on a typical city block:

- 20,000 square feet of commercial space
- 60 surface parking spaces
- Less than 100 jobs
- Less than \$150,000 - \$200,000 of annual buying power
- \$1.2 Million of assessed value
- \$18,000 annual property taxes
- Under utilization of Existing Infrastructure

When the City has participated in providing public structured parking, buildings such as the SeaFirst Financial Center were developed with the following attributes:

- 220,000 square feet of commercial space
- 1,000 jobs
- \$1.5 - \$2.0 million annual buying power
- \$22 million assessed value
- \$330,000 annual property taxes

In mid-1998, Vandevco Limited, Inc. presented to the City a development opportunity for City blocks 11 and 12 - the former site of the Lucky Lager brewing operations. Over a period of approximately ten months, City staff, under the guidance of the Downtown Redevelopment Authority (DRA), and the developer, negotiated the proposed Park Center development, publicly announced in March 1999.

Several sessions were held with citizens to inform them of the project. Groups represented by people included in these sessions were:

- Esther Short Neighborhood Association,
- Esther Short Subarea and Redevelopment Plan Community Resources Team (CRT)
- Neighborhood Alliance
- Downtown Vancouver Association (DVA)
- Identity Clark County (ICC)
- Columbian Editorial Board
- Greater Vancouver Chamber of Commerce
- C-Tran
- Columbia River Economic Development Council (CREDC)
- Other major developments under construction or under negotiations in the downtown

On April 15, 1999, the Vancouver Parking Commission conducted a public hearing, made the findings contained in the minutes attached to this staff report, and recommended that "The City of Vancouver should acquire and operate the proposed Park Center Parking Structure. Throughout negotiations, the Downtown Redevelopment Authority (DRA) met in executive session to review and advise on the City's proposed participation.

On June 3, 1999, the DRA held a public hearing and:

1. Concurred with the findings and recommendations of the Vancouver Parking Commission from their April 15, 1999, public hearing.
2. Made additional findings that:
 - The level of participation in the proposed agreements is necessary and appropriate for the development of the Park Center project.
 - It is reasonable to conclude that there will be a positive net present value to the City from the revenues and costs associated with the Park Center development agreements.
 - The Park Center project meets or exceeds the vision contained for these two blocks in the *Esther Short Subarea and Redevelopment Plan* as adopted and amended.
3. Recommended that City Council should approve the proposed development agreements attached to this staff report, including:
 - The acquisition and operation of the proposed Park Center parking structure
 - Sale of the land to the developer for a cumulative total of \$960,000
 - Waiver of sanitary sewer and water systems development charges
 - Ten year tax exemption on the 160 rental apartment units

Proposal: To enter into the attached agreements through which the City would own and operate as a condominium the Park Center parking structure and induce a project with the following characteristics:

- 160 market rate apartments

- 72 condominiums
- 20,000 square feet of retail
- 154,000 square feet of office
- Public plaza connecting the Transit Center and Esther Short Park
- 720 underground parking spaces on three levels

The City's participation in this development agreement includes:

- Sale of the land to the Developer for a cumulative total of \$960,000
- Waiver of sanitary sewer and water systems development charges
- Ten year property tax abatement on the 160 apartment rental units
- Owning and operating the public parking structure

The City's participation does not include:

- Tax exemption on the condominium units, land or commercial improvements
- On-site or adjacent public improvements (sidewalks, plaza, street lights, street trees, etc.)
- Payment of a broker's commission on the land sale
- Funding any portion of the public plaza (capital or operating)

The developer will be responsible for the construction of all improvements, construction financing and construction risk on all project improvements, including the public parking structure. The Developer will not take a profit on the development of the parking structure(s). The Developer will construct the lid of the parking structure at his cost, and retain ownership and maintenance responsibilities for the parking structure lid. When the improvements for each phase are complete, the City will purchase and operate the completed parking facilities. The Developer will have the option to purchase the parking facility between January 1, 2015 and December 31, 201, at the market value of the parking structure. Start of construction for Phase I to completion of the final phase is anticipated to be three to seven years. The City's position will be secured by: 1) no construction risk; 2) the right to repurchase the uncompleted project; or, 3) the right to foreclose on a subordinated deed of trust.

The *Downtown Vancouver Parking Program*, completed by Fehr & Peers Associates, Inc. on April 6, 1998, found that parking on the block faces in this area is 100% occupied during peak parking hours. The proposed project will generate the following additional parking demand:

- Apartment 1.0-1.5 per unit
- Condos 1.5-2.0 per unit
- Office 2.1-2.7 per 1,000 square feet
- Retail 0.0-1.0 per 1,000 square feet

With the current parking supply fully occupied on the block face, a large on-site parking facility will be the only practical way to handle additional demand.

The parking structure(s) may be constructed in one, two, or three phases. Financial projections for each parking structure development alternative are attached to the Downtown Redevelopment Authority minutes of June 3, 1999, that are attached to this staff report. Each alternative projects a positive net present value for the City.

Advantages: The successful completion of this project will help to:

1. Implement the *Esther Short Subarea and Redevelopment Plan*
2. 615 to 770 new jobs downtown
3. 350 to 450 more people living downtown
4. \$45 to 50 million increase to the downtown tax base
5. \$1 to 1.4 million in new annual spending downtown
6. Utilize existing infrastructure
7. Relieve pressure on other areas of the City
8. Increase City revenues through land sale, tax revenues, parking fees and repurchase proceeds.

Disadvantages:

1. Long term debt
2. Long term parking operating responsibilities
3. An economic downturn could mean that the City would not achieve its revenue projections.

Action Requested:

1. Approve Ordinance on first reading, setting date of second reading and public hearing for June 21, 1999. By approving this Ordinance, City Council will:
 - Concur with the findings and recommendations of the Vancouver Parking Commission contained in the attached commission minutes from their April 15, 1999, public hearing.
 - Concur with the findings and recommendations of the Downtown Redevelopment Authority contained in the attached commission minutes from their June 3, 1999 public hearing.
 - Approve the proposed development agreements attached to this staff report including:

- The acquisition and operation of the proposed Park Center parking structure;
 - Sale of the land to the Developer for a cumulative total of \$960,000.
 - Waiver of sanitary sewer and water systems development charges
 - Ten year tax exemption on the 160 rental apartment units
2. On June 21, subject to second reading and public hearing, approve the ordinance.

Attachments:

- Vancouver Parking Commission minutes of April 15, 1999.
- Downtown Redevelopment Authority minutes of June 3, 1999.
Real Estate Development Tax Generation Model
Park Center financial spreadsheet of projected parking income and expenses of 5/17/99
Park Center parking structure analysis of 5/4/99
- Cover and Figure 6 from the *Downtown Vancouver Parking Program* of April 6, 1998 re on-street parking occupancy on the proposed site's block faces during the peak parking period
- Vancouver Parking Commission legal notice of public hearing held on April 15, 1999
- Downtown Redevelopment Authority legal notice of public hearing held on June 3, 1999
- Downtown Redevelopment Authority advertisement of public hearing held on June 3, 1999
- News Release of June 7, regarding City Council public hearing to be held on June 21, 1999
- The *Columbian* article re DRA public hearing published June 2, 1999
- *Oregonian* article re DRA public hearing published June 2, 1999
- The *Columbian* article re DRA public hearing published June 4, 1999
- The *Columbian* editorial re City Council consideration of the Park Center Agreements published June 6, 1999
- The *Daily Insider*, June 4, 1999
- The *Daily Insider*, June 8, 1999
- Recommended Disposition and Development Agreement between City of Vancouver and Vandevco, Limited
- Memorandum dated June 10, 1999, regarding pending legal notices
- Park Center public outreach program
- Ordinance

C9060701/VES:SB:MW

PARKING COMMISSION
Minutes from April 15, 1999

Members Attending: David Goggin, Steve Runyan, Dean Irvin, and Michael Coy
Members Absent: Doris Johnson

Staff Attending: Gerald Baugh, Steve Burdick, Alison Chinn, Ted Gathe, Kent Shorthill, Chad Eiken and Debra Wright

Minutes from the Special meeting on March 29, 1999 were approved as presented.

Chair David Goggin opened the Public Hearing

Steve Burdick Economic Development Director gave an overview of the Esther Short Redevelopment plan.

Burdick then made a power point presentation on the Park Center development. The presentation demonstrated what has happened in the past with City of Vancouver participation in a project verses no participation from the City.

Doug Nichols from OTAK the design firm for the project then presented a scale model of the Park Center project and answered project specific questions.

Rick Williams a parking consultant hired by the City of Vancouver then presented the assumptions that led to the financial projections for the parking element of the project.

Staff and the development team answered Commission questions.

Chair Goggin then opened the floor for public comment. The floor was then closed when there were no public comments.

It was noted the total cost of the project is \$60 million and the parking element has a cost of \$12,709,409.00. Without City of Vancouver participation the project will not happen.

A motion was made by Steve Runyan to approve the project, the motion was seconded. Staff noted that the motion should also include the findings listed in the staff report, the motion was amended and seconded.

The findings in the motion are:

- Without the proposed parking, new demand will exceed supply
- City participation is necessary and appropriate
- Capital Costs are equal to or lower than comparable facilities
- Anticipated revenues and expenses are realistic

The motion to approve the project and recommend to City Council approval of the project was approved unanimously.

Discussion then moved to the Parking Commission Service Agreement.

Background was given on the proposed legislation that was introduced in Olympia this year. The Senate Bill that was introduced would change the number of Commissioners along with several other proposed changes.

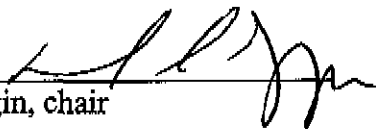
Because the bill did not pass and the draft Service Agreement was based on the proposed legislative changes it was felt the discussion should be tabled. The larger question now is should the commission be a commission, or an advisory committee? How does this body interact with City Council and the Downtown Redevelopment Authority? How would parking rate changes be handled?

The Chair requested that staff develop a spreadsheet showing the difference between a commission vs. advisory committee.

The spreadsheet should show what the current Service Agreement is, what Washington Law through the RCW's allows, and what an advisory committee can do.

A meeting date of May 13, 1999 at 7:30 in City Council Chambers was set to bring these issues back to the Commission.

David Goggin, chair



Date

5-13-99

Parkcom6

Final Draft:

REVIEW OF THE

DOWNTOWN VANCOUVER PARKING PROGRAM

Prepared for:
City of Vancouver, Washington

Prepared by:
 **Fehr & Peers Associates, Inc.**
Transportation Consultants

971-1119

April 6, 1998

Fehr & Peers Associates, Inc. 3685 Mt. Diablo Blvd. Suite 301 Lafayette, CA 94549 925-284-3200 Fax: 925-284-2691

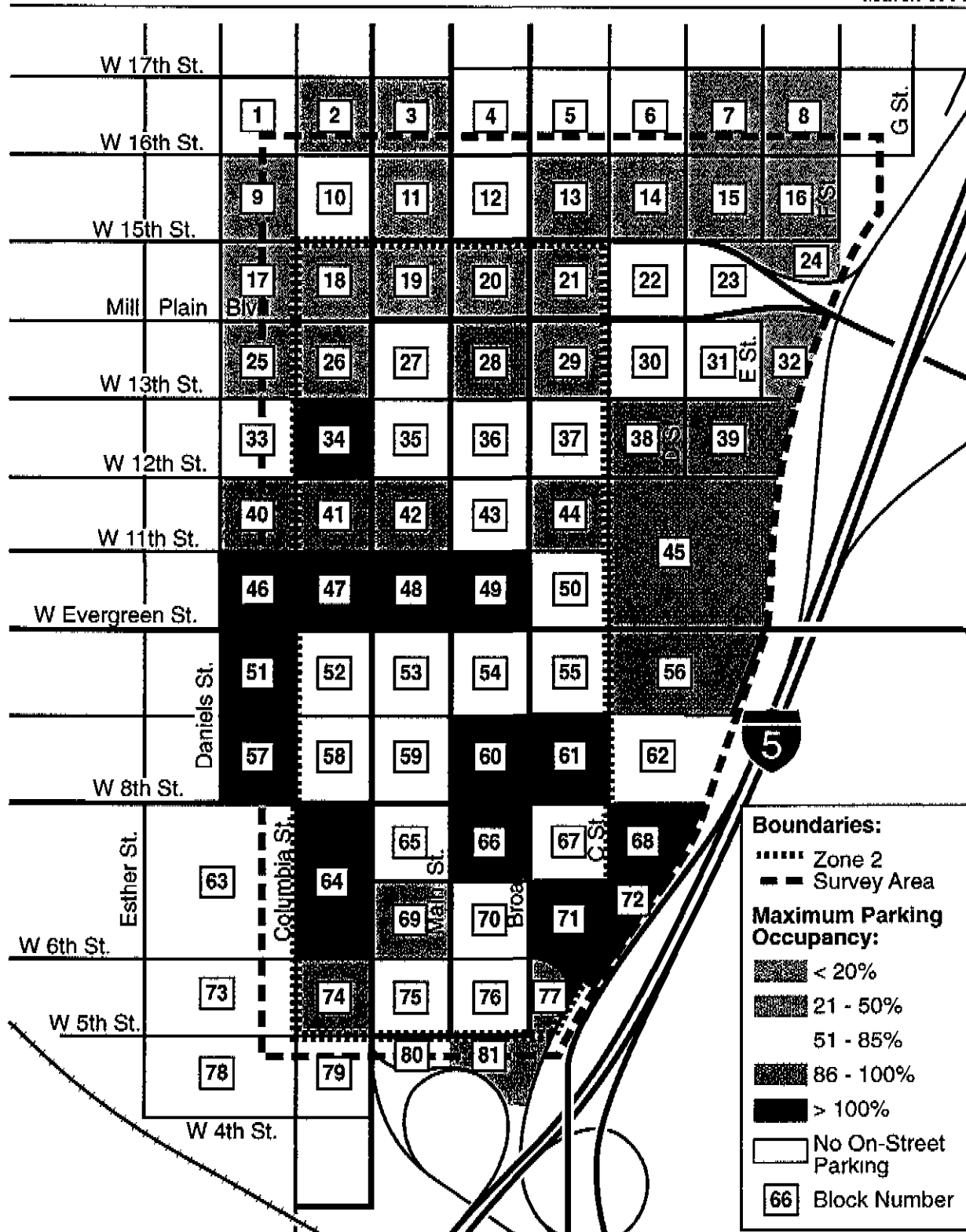


Figure 6

ON-STREET
PARKING OCCUPANCY



APR 05 1999

C70251
056687
\$25.20**TO: THE COLUMBIAN, LEGAL AD DEPARTMENT****FROM: Parking Commission****DATE: April 5, 1999**

Please publish the following **PUBLIC NOTICE** on the following:**NOTICE OF PUBLIC HEARING**

1. Notice is hereby given that the Parking Commission, of the City of Vancouver, Washington, will hold a **PUBLIC HEARING**, to hear public testimony on the possible acquisition of a public parking structure at the Park Center project, located between Washington and Columbia Streets and 5th and 8th Streets in downtown Vancouver.

The Parking Commission, of the City of Vancouver has set Thursday, April 15, 1999, as the meeting date at the hour of 7:30 a.m., at City Hall, Council Chambers, 210 E 13th Street, Vancouver, Washington, is the meeting time and place

PLEASE PUBLISH ON OR BEFORE APRIL 8, 1999.

Apr. 8

AFFIDAVIT OF PUBLICATION

STATE OF WASHINGTON)

)

ss:

County of Clark)

Angela Goodman, being first duly sworn on oath, deposes and says: That she is the Principal Clerk of THE COLUMBIAN, a legal newspaper published in Clark County, Washington and approved by the Superior Court of Clark County, Washington. That the annexed is a true copy of a

Notice of Public Hearing

as it was published on:

The 8th day of April, 1999.

That the fee charge for the publication is the sum of \$25.20.

Angela Goodman

Subscribed and sworn to before me
April 8, 1999.

Nelda Glaze
NOTARY PUBLIC in and for the State of
Washington, residing in Vancouver.

NELDA GLAZE
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
AUGUST 20, 2000

TO: THE COLUMBIAN, LEGAL AD DEPARTMENT

FROM: Downtown Redevelopment Authority

DATE: May 21, 1999

Please publish the following **PUBLIC NOTICE** on the following

NOTICE OF PUBLIC HEARING

1. Notice is hereby given that the Downtown Redevelopment Authority, of the City of Vancouver, Washington, will hold a **PUBLIC HEARING**, to hear public testimony on the proposed agreement between the City of Vancouver and Vandevco, Inc regarding the site and redevelopment of City Blocks 11 and 12 commonly known as the "super blocks" or as the "old brewery" site, bounded by 6th Street and Columbus, 8th Street and Washington.

The Downtown Redevelopment Authority, of the City of Vancouver has set Thursday, June 3, 1999, as the meeting date at the hour of 12:15 p.m., at City Hall, Council Chambers, 210 E. 13th Street, Vancouver, Washington, is the meeting time and place

PLEASE PUBLISH ON OR BEFORE MAY 26, 1999.

NOTICE OF PUBLIC HEARING

Notice is hereby given that the Downtown Redevelopment Authority, of the City of Vancouver, Washington, will hold a **PUBLIC HEARING**, to hear public testimony on the proposed agreement between the City of Vancouver and Vandevco, Inc. regarding the site and redevelopment of City Blocks 11 and 12 commonly known as the "super blocks" or as the "old brewery" site bounded by 6th Street and Columbia, 8th Street and Washington. The Downtown Redevelopment Authority, of the City of Vancouver has set Thursday, June 3, 1999, as the meeting date at the hour of 12:15 p.m., at City Hall, Council Chambers, 210 E. 13th Street, Vancouver, Washington, is the meeting time and place.



MINUTES

DOWNTOWN REDEVELOPMENT AUTHORITY

June 3, 1999

MEMBERS PRESENT: Bruce Hagensen, Chairman, Ward Cook, Secretary Treasurer; Deborah Ewing, Dick Pokornowski, Steve Gregg, Jack Onder, and Christine Wamsley

MEMBERS ABSENT: Vernon Stoner.

STAFF PRESENT: Steve Burdick, Kent Shorthill, Ted Gathe, David DiCesare and Gerald Baugh.

CALL TO ORDER: Chairman Hagensen called the meeting to order at 11:37 a.m.

APPROVAL OF MINUTES

Dick Pokornowski moved to approve the minutes of May 13, 1999. Chris Wamsley seconded the motion. The motion was approved unanimously.

ADJOURNMENT

At 11:38 Bruce Hagensen adjourned the meeting and the board reconvened into executive session to discuss property acquisition and disposition.

SECOND CALL TO ORDER: Chairman Hagensen reconvened the meeting after executive session at 12:22 p.m.

Staff comments were provided by Steve Burdick, Economic Development Manager, per the staff report.

Chair Hagensen accepted the following testimony from the consultants:

- Eric Hovee, E.D. Hovee Company, reported on the Real Estate Development Tax Generation Model. (Statistical data attached.) In response to questions by Chair Hagensen, Mr. Hovee stated the project was a positive partnership for mixed-use development.
- Rick Williams, Consultant, reported expense/revenues projections, noting that estimates were conservative. (Statistical data attached.) He noted that initially, the parking structure would operate daily, but not weekends and evenings. He also discussed options for certain cost savings in operating the parking garage.

- Gerald Johnson, Hobson and Johnson Associates, reported four options for phasing the Park Center parking structure. (Statistical data attached.)

Chair Hagensen then opened the public hearing and received the following testimony:

- John McKibbin, 201 East Reserve, #B, Vancouver, represented Identity Clark County, in support of the proposal.
- Marilyn Willis, 100 East Columbia Way, Vancouver, represented Columbia River Economic Development Council in support of the proposal.
- Joe Pinzone, Chair-Elect, Vancouver Area Chamber of Commerce, 14712 S.E. 22nd Circle, Vancouver, spoke in support of the proposal.
- Tracy Reich, Executive Director, Downtown Vancouver, Association, 609 Main Street, Vancouver, spoke in support of the proposal.
- Nawzad Othman, Project Manager for Vandevco Limited, 105 West Evergreen, Suite 300, Vancouver, spoke in support of the proposal.

Hearing no further testimony, Chair Hagensen closed the public hearing and returned to the Board for deliberations.

Following clarification by City Attorney Ted Gathe, the Board chose to deliberate in open session without first entering an executive session.

Boardmembers discussed potential risks; phasing of the parking structure; projected parking revenues and market analysis; the benefits of the partnership with the City and Vandevco; level of City participation; applicability of the ten-year tax exemption on the 160 rental units; waiver of sanitary sewer and water systems development charges; the project as it addresses the vision of the *Esther Short Subarea and Redevelopment Plan*; and creation of a “public space” on the site, although not in public ownership.

MOTION MADE BY STEVE GREGG, SECONDED BY DICK POKORNOWSKI, AND CARRIED UNANIMOUSLY TO CONCUR WITH THE FINDINGS AND RECOMMENDATIONS OF THE VANCOUVER PARKING COMMISSION CONTAINED IN THE COMMISSION MINUTES FROM APRIL 15, 1999, PUBLIC HEARING; AND MAKES ADDITIONAL FINDINGS THAT;

- **THE LEVEL OF PARTICIPATION IN THE PROPOSED AGREEMENTS IS NECESSARY AND APPROPRIATE FOR THE DEVELOPMENT OF THE PARK CENTER PROJECT.**

- IT IS REASONABLE TO CONCLUDE THAT THERE WILL BE A POSITIVE NET PRESENT VALUE TO THE CITY FROM THE REVENUES AND COSTS ASSOCIATED WITH THE PARK CENTER DEVELOPMENT AGREEMENTS.
- THE PARK CENTER PROJECT MEETS OR EXCEEDS THE VISION CONTAINED FOR THESE TWO BLOCKS IN THE *ESTHER SHORT SUBAREA AND REDEVELOPMENT PLAN* AS ADOPTED AND AMENDED.

AND

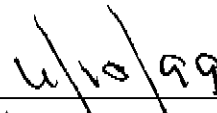
RECOMMEND THAT THE CITY COUNCIL SHOULD APPROVE THE PROPOSED DEVELOPMENT AGREEMENTS, INCLUDING:

- THE ACQUISITION AND OPERATION OF THE PROPOSED PARK CENTER PARKING STRUCTURE.
- SALE OF THE LAND TO THE DEVELOPER FOR A CUMULATIVE TOTAL OF \$960,000
- WAIVER OF SANITARY SEWER AND WATER SYSTEMS DEVELOPMENT CHARGES
- TEN-YEAR TAX EXEMPTION ON THE 160 RENTAL APARTMENT UNITS.

The meeting adjourned at 1:26 p.m.

Approved:


Bruce Hagensen, Chair


Date

Attachments:

- Real Estate Development Tax Generation Model, E.D. Hovee
- Revenue/Expenditure Statistics, Rick Williams
- Phasing Options, Gerald Johnson

H:\Eco Dev\DRAMn\06-03-99

Hovee

REAL ESTATE DEVELOPMENT TAX GENERATION MODEL									
ESTHER SHORT SUPERBLOCK DEVELOPMENT (w/160 Apartment & 72 Condo Units)									
City of Vancouver Tax Revenues Only (1997 Tax Rates)									
	Build-Out								
RECURRING TAXES	(1997-98 \$)	2001	2002	2003	2004	2005	2006	2007	
Property Tax									
Tax Rate / \$1,000	\$3.325	\$3.325	\$3.325	\$3.325	\$3.325	\$3.325	\$3.325	\$3.325	\$3.325
Increased Valuation (w/o apts, 10yrs)	\$40,451,294	\$0	\$0	\$20,265,514	\$20,873,480	\$21,499,684	\$49,749,989	\$51,242,489	
Estimated Property Tax	\$134,501	\$0	\$0	\$67,383	\$69,404	\$71,486	\$165,419	\$170,381	
Telephone Tax									
Tax Rate / \$1 billing	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060
Commercial Office/Retail:									
Commercial Building Area (NSF)	166,000	0	0	69,600	69,600	69,600	166,000	166,000	
Employees (Phones) / Square Feet	268	0	0	274	274	274	268	268	
Number of Employees (Phones)	620	0	0	254	254	254	620	620	
Number of Phones / Line	4	4	4	4	4	4	4	4	
Number of Business Lines	155	0	0	64	64	64	155	155	
Base Business Line Rate	\$27.00	\$29.50	\$30.39	\$31.30	\$32.24	\$33.21	\$34.20	\$35.23	
Residential:									
Residential Units	232	160	160	196	196	196	232	232	
Number of Lines / Unit	2	2	2	2	2	2	2	2	
Number of Residential Lines	464	320	320	392	392	392	464	464	
Base Residential Line Rate	\$16.00	\$17.48	\$18.01	\$18.55	\$19.10	\$19.68	\$20.27	\$20.88	
Estimated Telephone Tax (C + R)	\$8,358	\$4,028	\$4,149	\$6,668	\$6,868	\$7,075	\$10,588	\$10,906	
Electrical Tax									
Tax Rate / \$1 billing (<\$2,000/Mo)	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060
Tax Rate / \$1 billing (>\$2,000/Mo)	\$0.020	\$0.020	\$0.020	\$0.020	\$0.020	\$0.020	\$0.020	\$0.020	\$0.020
Amount Billed	\$220,600	\$66,875	\$68,881	\$162,468	\$157,042	\$161,753	\$279,449	\$287,833	
Estimated Electrical Tax	\$5,372	\$2,297	\$2,338	\$4,009	\$4,101	\$4,195	\$6,549	\$6,717	
Water / Sewer Tax									
Tax Rate / \$1 billing	\$0.145	\$0.145	\$0.145	\$0.145	\$0.145	\$0.145	\$0.145	\$0.145	\$0.145
Amount Billed	\$160,620	\$86,937	\$89,545	\$136,887	\$140,994	\$145,224	\$203,469	\$209,573	
Estimated Sewer / Water Tax	\$23,290	\$12,606	\$12,984	\$19,849	\$20,444	\$21,057	\$29,503	\$30,388	
Sales Tax from Employee Purchases									
Tax Rate / \$1 Gross Sale	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706
Gross Annual Sales / Employee	\$2,000	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$2,534	\$2,610	
Number of Employees	620	0	0	254	254	254	620	620	
Estimated Sales Tax	\$8,757	\$0	\$0	\$4,166	\$4,291	\$4,419	\$11,093	\$11,426	
Sales Tax from Resident Purchases									
Tax Rate / \$1 Gross Sale	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706
Annual Taxable Sales / Household	\$13,058	\$10,143	\$10,447	\$13,351	\$13,752	\$14,164	\$16,542	\$17,038	
Number of Households	232	160	160	196	196	196	232	232	
Estimated Sales Tax	\$21,395	\$11,461	\$11,805	\$18,481	\$19,035	\$19,606	\$27,103	\$27,916	
Sales Tax on Business Sales									
Tax Rate / \$1 Gross Sales	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706
Retail Space (NSF)	22,000	0	0	12,000	12,000	12,000	22,000	22,000	
Sales per Square Foot	\$250	\$273	\$281	\$290	\$299	\$307	\$317	\$326	
Gross Annual Business Sales	\$5,500,000	\$0	\$0	\$3,477,822	\$3,582,167	\$3,689,622	\$6,967,235	\$7,176,253	
Estimated Sales Tax	\$38,842	\$0	\$0	\$24,561	\$25,298	\$26,057	\$48,204	\$50,680	
ESTIMATED ANNUAL TAXES									
	\$240,515	\$30,392	\$31,275	\$145,117	\$149,441	\$153,896	\$299,459	\$308,414	
Net Present Value (@ 5.5% rate)	\$5,056,000	Estimates exclude Natural Gas, Cable Television, & Leasehold Taxes & Business Licenses.							
ONE TIME TAXES									
Sales Tax on Construction									
Tax Rate / \$1 Gross Contract Amount	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706
Construction Contract	\$56,296,607	\$18,004,928	\$0	\$19,252,229	\$0	\$0	\$25,478,975	\$0	
Estimated Sales Tax	\$397,578	\$127,154	\$0	\$135,963	\$0	\$0	\$179,923	\$0	
Real Estate Excise Tax									
No payment on purchase from City					Annual Inflation Rate:		3.0%		
ESTIMATED ONE TIME TAXES									
	\$397,578					Run Date:	06/03/99 (9th Run)		
DO NOT PRINT BELOW!!!									
Total Annual Tax Flows to Discount	\$638,093	\$167,547	\$31,275	\$281,080	\$149,441	\$153,896	\$479,382	\$308,414	
Increased Valuation (w/apartments)	\$57,109,061	\$15,708,644	\$16,179,904	\$36,930,815	\$38,038,740	\$39,179,902	\$67,960,614	\$69,999,432	
Increased Valuation (w/parking also)	\$69,244,826	\$22,146,061	\$22,810,443	\$47,174,998	\$48,690,248	\$50,047,955	\$82,886,074	\$85,372,656	

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
\$3,325	\$3,325	\$3,325	\$3,325	\$3,325	\$3,325	\$3,325	\$3,325	\$3,325	\$3,325
\$52,779,764	\$54,363,157	\$55,994,051	\$78,784,978	\$81,148,527	\$83,582,983	\$86,090,472	#####	\$111,391,952	\$114,733,711
\$175,493	\$180,757	\$186,180	\$261,960	\$269,819	\$277,913	\$286,251	\$359,591	\$370,378	\$381,490
\$0.060	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060
166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000
268	268	268	268	268	268	268	268	268	268
620	620	620	620	620	620	620	620	620	620
4	4	4	4	4	4	4	4	4	4
155	155	155	155	155	155	155	155	155	155
\$36.29	\$37.37	\$38.50	\$39.65	\$40.84	\$42.07	\$43.33	\$44.63	\$45.97	\$47.34
232	232	232	232	232	232	232	232	232	232
2	2	2	2	2	2	2	2	2	2
464	464	464	464	464	464	464	464	464	464
\$21.50	\$22.15	\$22.81	\$23.50	\$24.20	\$24.93	\$25.68	\$26.45	\$27.24	\$28.06
\$11,233	\$11,570	\$11,917	\$12,275	\$12,643	\$13,022	\$13,413	\$13,815	\$14,230	\$14,657
\$0.060	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060	\$0.060
\$0.020	\$0.020	\$0.020	\$0.020	\$0.020	\$0.020	\$0.020	\$0.020	\$0.020	\$0.020
\$296,468	\$305,362	\$314,523	\$323,959	\$333,677	\$343,688	\$353,998	\$364,618	\$375,557	\$386,823
\$6,889	\$7,067	\$7,250	\$7,439	\$7,634	\$7,834	\$8,040	\$8,252	\$8,471	\$8,696
\$0.145	\$0.145	\$0.145	\$0.145	\$0.145	\$0.145	\$0.145	\$0.145	\$0.145	\$0.145
\$215,860	\$222,336	\$229,006	\$235,876	\$242,952	\$250,241	\$257,748	\$265,480	\$273,445	\$281,648
\$31,300	\$32,239	\$33,208	\$34,202	\$35,226	\$36,285	\$37,373	\$38,495	\$39,649	\$40,839
\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706
\$2,688	\$2,768	\$2,852	\$2,937	\$3,025	\$3,116	\$3,209	\$3,306	\$3,405	\$3,507
620	620	620	620	620	620	620	620	620	620
\$11,769	\$12,122	\$12,486	\$12,860	\$13,246	\$13,643	\$14,053	\$14,474	\$14,908	\$15,356
\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706
\$17,549	\$18,076	\$18,618	\$19,177	\$19,752	\$20,344	\$20,955	\$21,583	\$22,231	\$22,898
232	232	232	232	232	232	232	232	232	232
\$28,753	\$29,618	\$30,504	\$31,419	\$32,362	\$33,333	\$34,333	\$35,363	\$36,424	\$37,516
\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706
22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
\$336	\$346	\$356	\$367	\$378	\$389	\$401	\$413	\$426	\$438
\$7,391,540	\$7,613,286	\$7,841,685	\$8,076,835	\$8,319,243	\$8,568,821	\$8,825,885	\$9,090,662	\$9,363,382	\$9,644,283
\$52,200	\$53,767	\$55,380	\$57,041	\$58,752	\$60,515	\$62,330	\$64,200	\$66,126	\$68,110
\$317,637	\$327,138	\$336,923	\$417,196	\$429,683	\$442,545	\$455,793	\$534,190	\$550,187	\$566,664
\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706	\$0.00706
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$317,637	\$327,138	\$336,923	\$417,196	\$429,683	\$442,545	\$455,793	\$534,190	\$550,187	\$566,664
\$72,099,415	\$74,262,398	\$76,490,269	\$78,784,978	\$81,148,527	\$83,582,983	\$86,090,472	\$88,673,186	\$91,333,382	\$94,073,383
\$87,933,836	\$90,571,851	\$93,289,006	\$96,087,677	\$98,970,307	#####	#####	#####	\$111,391,952	\$114,733,711

ESTHER SHORT SUPERBLOCK DEVELOPMENT (w/160 Apartment & 72 Condo Units)								
SPACE PROGRAM, COST & PHASING		Year of Operations						
Product Type/Features	Total (1998\$)	2001	2002	2003	2004	2005	2006	2007
Apartments:								
Living Units	160	160	0	0	0	0	0	0
Net Unit Size (sf)	765	765	0	0	0	0	0	0
NSF	122,400	122,400	0	0	0	0	0	0
NSF/GSF	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%
GSF	162,000	144,000	0	0	0	0	0	0
Cost per SF	\$103	\$109	\$112	\$116	\$119	\$123	\$126	\$130
Apt Cost	\$16,657,767	\$15,708,644	\$0	\$0	\$0	\$0	\$0	\$0
Parking Spaces	240	240	0	0	0	0	0	0
Condominiums:								
Living Units	72			36			36	
Net Unit Size (sf)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
NSF	86,400	0	0	43,200	0	0	43,200	0
NSF/GSF	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%
GSF	101,647	0	0	50,824	0	0	50,824	0
Cost per GSF	\$138	\$146	\$151	\$155	\$160	\$165	\$170	\$175
Condo Cost	\$14,027,294	\$0	\$0	\$7,893,922	\$0	\$0	\$8,625,901	\$0
Parking Spaces	144	0	0	72	0	0	72	0
Office:								
NSF	144,000			57,600			86,400	
NSF/GSF	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
GSF	160,000	0	0	64,000	0	0	96,000	0
Cost per GSF	\$147	\$156	\$161	\$165	\$170	\$176	\$181	\$186
Office Cost	\$23,520,000	\$0	\$0	\$10,568,787	\$0	\$0	\$17,355,980	\$0
Parking Spaces	322	0	0	129	0	0	193	0
Commercial Space:								
NSF	22,000			12,000			10,000	
NSF/GSF	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
GSF	22,000	0	0	12,000	0	0	10,000	0
Cost per GSF	\$132	\$140	\$144	\$149	\$153	\$158	\$162	\$167
Commercial Cost	\$2,904,000	\$0	\$0	\$1,782,806	\$0	\$0	\$1,623,434	\$0
Parking Spaces	0	0	0	0	0	0	0	0
Development Summary:								
Parking Spaces	736	368	0	184	0	0	184	0
Parking GSF	256,200	128,100	0	64,050	0	0	64,050	0
Parking Cost per GSF	\$47	\$50	\$52	\$53	\$55	\$57	\$58	\$60
Parking Cost (Public Yrs 1-14)	\$12,135,765	\$6,437,417	\$0	\$3,414,728	\$0	\$0	\$3,731,365	\$0
Total Project GSF	683,847	272,100	0	190,874	0	0	220,874	0
Development Cost	\$69,244,826	\$22,146,061	\$0	\$23,680,242	\$0	\$0	\$31,336,680	\$0
Cost w/o Apartments & Pkg	\$40,451,294	\$0	\$0	\$20,265,514	\$0	\$0	\$27,605,315	\$0
Inflation Factor (from 1998)								
		1.061	1.093	1.126	1.159	1.194	1.230	1.267
Parking Assumptions:		Other Assumptions:				Prepared by:		
Apartment (per unit)	1.50	Inflation:				E. D. Hovee & Company		
Condominium (per unit)	2.00							
Office (per 1,000 NSF)	2.24	Imputed to 736						
Commercial (per 1,000 NSF)	0.00					Run Date:		
GSF per Car	348					06/03/99 (9th Run)		

ESTHER SHORT SUPERBLOCK DEVELOPMENT				
Retail Sales Tax Calculation Documentation Worksheet				
	Taxable Retail Sales		Gross Business	Taxable
	Vancouver	State of WA	Income (WA)	% (WA)
All Retail	\$814,055,022	\$35,396,554,452	\$68,666,683,789	51.5%
Personal Services	\$13,342,636	\$546,980,937	\$1,281,794,922	42.7%
Auto Repair Services	\$39,771,293	\$2,196,689,266	\$3,378,442,400	65.0%
Other Services	\$87,077,374	\$2,150,747,773	\$26,391,616,046	8.1%
Subtotal	\$954,246,325	\$40,290,972,428	\$99,718,537,157	40.4%
Services % of Retail	17.2%			
Source: Department of Revenue, 1997 Calendar Year				
Clark County				
Retail Sales	\$2,390,470,000			
Buying Income (EBI)	\$5,626,118,000			
Retail % of EBI	42.5%	Source is Sales & Marketing Management (SMM)		
Estimated Taxable & Services % of EBI	26%	Equals retail % of EBI x % of sales taxable adjusted for taxable services		
Calculation of 0.1% Sales Tax Add-On Distribution (Bringing Vancouver to 7.7%):				
1998 Vanc Pop.	132,000			
1998 Clark Pop.	328,000			
Vanc % of Clark	40.2439%			
Previous City Rate	0.6700%			
Add-On %	0.0362%			
New City Rate	0.7062%			

5/4/99

Park Center - Option One

Parking Structure Analysis/Single Phase/Approximately 720 Cars Total

Total Estimated Hard Cost

Infrastructure Onsite	\$71,142
PL to Curb Allocation	\$48,079
Offsite - Misc. & Electrical Service Extension	\$20,638
Parking Structure wo/Lid & Extra Structures	\$9,170,432
Total Estimated Hard Cost	\$9,310,291

Soft Costs

Dev. & Mngmt. Fees @ 10% of HC	\$931,029
Contingency @ 5% of HC	\$465,515
Soft Costs:	
A&E, Permits etc. @ 7% of HC	\$651,720
Taxes @ 7.7% of HC	\$716,892
Construction Interest/Fees:	\$633,961
Subtotal-Soft Costs:	\$3,399,118

Estimated Cost of Structure/April 1, 1999 Dollars **\$12,709,409**

Cost of Structure @ Assumed Construction Start April 1, 2000
(Price Fixed by Contractor) **\$12,709,409**

City Parking Analysis - One Phase-\$60 Base Rent-no staffing for years 1-4 - No Evenings and Weekends-With \$510/res Space Security Fee (1/apt, 2/condo), Reserve and Replacement Fund

OPTION 1.1

PROJECTED CITY OF VANCOUVER INTERIM CASH FLOWS PARK CENTER DEVELOPER PURCHASES IN YEAR 15

	Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<i>Estimated Tax Revenues</i>	\$157,547	\$31,275	\$281,080	\$149,441	\$153,896	\$479,382	\$308,414	\$317,637	\$327,138	\$336,923
<i>Property Sales Proceeds</i>	\$960,000	\$0	\$384,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Property Purchases</i>	(\$384,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Available Spaces</i>	720	720	720	720	720	720	720	720	720	720
<i>Projected Income</i>	\$168,588	\$237,074	\$519,297	\$580,005	\$599,146	\$618,917	\$629,893	\$650,680	\$672,152	\$694,333
<i>Secure Parking Premium</i>	\$11,712	\$16,320	\$23,510	\$25,584	\$26,448	\$31,718	\$34,752	\$35,616	\$36,048	\$36,048
<i>Projected Expenses</i>	(\$52,026)	(\$55,631)	(\$82,982)	(\$87,027)	(\$143,702)	(\$148,444)	(\$153,846)	(\$158,923)	(\$164,168)	(\$169,585)
<i>Projected Net Operating Income</i>	\$128,274	\$197,763	\$459,825	\$518,562	\$481,892	\$502,192	\$510,799	\$527,373	\$544,032	\$560,796
<i>Parking Debt Service</i>	(\$977,050)	(\$977,050)	(\$977,050)	(\$977,050)	(\$977,050)	(\$977,050)	(\$977,050)	(\$977,050)	(\$977,050)	(\$977,050)
<i>Net Requirement</i>	(\$115,230)	(\$748,012)	\$147,854	(\$309,047)	(\$341,263)	\$4,524	(\$157,837)	(\$132,040)	(\$105,881)	(\$79,331)

	Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>Tax Revenues</i>	\$417,196	\$429,683	\$442,545	\$455,793	\$534,190	\$550,187	\$566,664	\$583,635	\$601,115	\$619,120
<i>Available Spaces</i>	720	720	720	720	720	720	720	720	720	720
<i>Projected Income</i>	\$769,749	\$795,150	\$821,390	\$848,496	\$876,496	\$0	\$0	\$0	\$0	\$0
<i>Secure Parking Premium</i>	\$36,048	\$36,480	\$36,480	\$36,480	\$36,480	\$0	\$0	\$0	\$0	\$0
<i>Projected Expenses</i>	(\$175,729)	(\$182,093)	(\$188,685)	(\$194,912)	(\$201,344)	\$0	\$0	\$0	\$0	\$0
<i>Projected Net Operating Income</i>	\$630,068	\$649,537	\$669,185	\$690,064	\$711,632	\$0	\$0	\$0	\$0	\$0
<i>Parking Debt Service</i>	(\$977,050)	(\$977,050)	(\$977,050)	(\$977,050)	(\$977,050)	\$0	\$0	\$0	\$0	\$0
<i>Developer Purchase/Net</i>	\$0	\$0	\$0	\$0	\$0	\$6,568,935	\$0	\$0	\$0	\$0
<i>Remaining Debt Repayment</i>	\$0	\$0	\$0	\$0	\$0	(\$4,289,228)	\$0	\$0	\$0	\$0
<i>Net Requirement</i>	\$70,214	\$102,170	\$134,680	\$168,806	\$268,772	\$2,829,893	\$566,664	\$583,635	\$601,115	\$619,120

Net Present Value of Projected Cash Flows Discounted at 5.5%

\$972,722

Assumptions	Current \$	Price at Purchase
Parking Garage Cost/One Phase	\$12,709,409	\$12,709,409

SOURCE Rick Williams and Hobson Johnson & Associates

6/3/99

Park Center - Option Two

Parking Structure Analysis/Two Phase/Approximately 720 Cars Total

Estimated Hard Cost

Infrastructure Onsite	\$71,142
PL to Curb Allocation	\$48,079
Offsite - Misc. & Electrical Service Extension	\$20,638
Parking Structure wo/Lid & Extra Structure	
<i>Phase One (approximately 480 cars)</i>	\$6,489,055
<i>Phase Two (approximately 240 cars)</i>	\$3,196,102
Total Estimated Hard Cost	\$9,825,016

Soft Costs

Dev. & Mngmt. Fees @ 10% of HC	\$982,502
Contingency @ 5% of HC	\$491,251
Soft Costs:	
<i>A&E, Permits etc. @ 7% of HC</i>	\$687,751
<i>Taxes @ 7.7% of HC</i>	\$756,526
<i>Construction Interest/Fees:</i>	\$669,010
Subtotal-Soft Costs:	\$3,587,040
Total Development Costs/Two Phase	\$13,412,056

Estimated Cost of Structure/April 1, 1999 Dollars

Phase I	\$8,986,078
Phase II	\$4,425,979
Total Estimated Cost	\$13,412,056

Cost of Phase I @ Assumed Construction Start April 1, 2000

<i>escalated @ 3% per year:</i>	\$8,986,078
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Cost of Phase II @ Assumed Construction Start October 1, 2003

<i>escalated @ 3% per year (worst case w/extensions):</i>	\$5,065,466
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Total @ Assumed Time of Construction	\$14,051,543
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City Parking Analysis - Two Phase - \$60 Base Rent no staffing for years 1-4 - No Evenings and Weekends-With \$10/res. Space Security Fee (1/apr, 2/condo), Reserve & Replacement Fund

OPTION 2.1

PROJECTED CITY OF VANCOUVER INTERIM CASH FLOWS PARK CENTER DEVELOPER PURCHASES IN YEAR 15

	Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<i>Estimated Tax Revenues</i>	\$157,547	\$31,275	\$281,080	\$149,441	\$153,896	\$479,382	\$308,414	\$317,637	\$327,138	\$336,923
<i>Property Sales Proceeds</i>	\$960,000	\$0	\$316,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Property Purchases</i>	(\$316,800)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Available Spaces</i>	480	480	720	720	720	720	720	720	720	720
<i>Projected Income</i>	\$157,248	\$212,052	\$462,861	\$533,230	\$550,826	\$613,096	\$650,680	\$672,152	\$694,333	\$717,246
<i>Secure Parking Premium</i>	\$11,712	\$16,320	\$23,510	\$25,584	\$26,448	\$31,718	\$34,752	\$35,616	\$36,048	\$36,048
<i>Projected Expenses</i>	(\$70,117)	(\$76,149)	(\$130,728)	(\$136,695)	(\$141,206)	(\$147,189)	(\$152,566)	(\$157,601)	(\$162,802)	(\$168,174)
<i>Projected Net Operating Income</i>	\$98,843	\$152,223	\$355,644	\$422,119	\$436,068	\$497,626	\$532,865	\$550,167	\$567,579	\$585,120
<i>Parking Debt Service</i>	(\$690,815)	(\$690,815)	(\$1,080,228)	(\$1,080,228)	(\$1,080,228)	(\$1,080,228)	(\$1,080,228)	(\$1,080,228)	(\$1,080,228)	(\$1,080,228)
<i>Net Requirement</i>	\$208,774	(\$507,317)	(\$126,705)	(\$508,669)	(\$490,264)	(\$103,220)	(\$238,949)	(\$212,424)	(\$185,511)	(\$158,186)

	Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>Tax Revenues</i>	\$417,196	\$429,683	\$442,545	\$455,793	\$534,190	\$550,187	\$566,664	\$583,635	\$601,115	\$619,120
<i>Available Spaces</i>	720	720	720	720	720	720	720	720	720	720
<i>Projected Income</i>	\$758,203	\$801,082	\$845,966	\$873,883	\$902,721	\$0	\$0	\$0	\$0	\$0
<i>Secure Parking Premium</i>	\$36,048	\$36,480	\$36,480	\$36,480	\$36,480	\$0	\$0	\$0	\$0	\$0
<i>Projected Expenses</i>	(\$174,243)	(\$180,528)	(\$187,039)	(\$193,212)	(\$199,588)	\$0	\$0	\$0	\$0	\$0
<i>Projected Net Operating Income</i>	\$620,009	\$657,034	\$695,407	\$717,151	\$739,613	\$0	\$0	\$0	\$0	\$0
<i>Parking Debt Service</i>	(\$1,080,228)	(\$1,080,228)	(\$1,080,228)	(\$1,080,228)	(\$1,080,228)	\$0	\$0	\$0	\$0	\$0
<i>Developer Purchase/Net</i>	\$0	\$0	\$0	\$0	\$0	\$6,841,951	\$0	\$0	\$0	\$0
<i>Remaining Debt Repayment</i>	\$0	\$0	\$0	\$0	\$0	(\$5,327,359)	\$0	\$0	\$0	\$0
<i>Net Requirement</i>	(\$43,024)	\$6,489	\$57,723	\$92,716	\$193,575	\$2,064,779	\$566,664	\$583,635	\$601,115	\$619,120

Net Present Value of Projected Cash Flows Discounted at 5.5%

\$159,476

Assumptions	Current \$	Price at Purchase
Parking Garage Cost/Phase I	\$8,986,078	\$8,986,078
Parking Garage Cost/Phase II	\$4,425,979	\$5,065,466

SOURCE: Rick Williams and Hobson Johnson & Associates

6/3/99

Park Center - Option Three

Parking Structure Analysis/Two Phase/Approximately 720 Cars total

Estimated Hard Cost

Infrastructure Onsite	\$71,142
PL to Curb Allocation	\$48,079
Offsite - Misc. & Electrical Service Extension	\$20,638
Parking Structure wo/Lid & Extra Structure	
<i>Phase One and Two Combined (approximately 600 cars)</i>	\$8,087,106
<i>Phase Three (approximately 120 cars)</i>	\$1,777,954
Total Estimated Hard Cost	\$10,004,919

Soft Costs

Dev. & Mngmt. Fees @ 10% of HC	\$1,000,492
Contingency @ 5% of HC	\$500,246
Soft Costs:	
<i>A&E, Permits etc. @ 7% of HC</i>	\$700,344
<i>Taxes @ 7.7% of HC</i>	\$770,379
<i>Construction Interest/Fees:</i>	\$681,260
Subtotal-Soft Costs:	\$3,652,721
Total Development Costs/Two Phase	\$13,657,640

Estimated Cost of Structure/April 1, 1999 Dollars

Phase I & II Combined	\$11,196,160
Phase III	\$2,461,480
Total Estimated Cost	\$13,657,640

Cost of Phase I @ Assumed Construction Start April 1, 2000

<i>escalated @ 3% per year:</i>	\$11,196,160
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Cost of Phase II @ Assumed Construction Start October 1, 2003

<i>escalated @ 3% per year (worst case w/extensions):</i>	\$2,817,127
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Total Cost @ Assumed Time of Construction

\$14,013,287

City Parking Analysis - Two Phase \$60 Base Rent-no staffing for years 1-4 No Evenings and Weekends-With \$10/res Space Security Fee (1/4pt, 2/condo) Reserve & Replacement Fund

OPTION 3.1

**PROJECTED CITY OF VANCOUVER INTERIM CASH FLOWS
PARK CENTER
DEVELOPER PURCHASES IN YEAR 15**

	Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<i>Estimated Tax Revenues</i>	\$157,547	\$31,275	\$281,080	\$149,441	\$153,896	\$479,382	\$308,414	\$317,637	\$327,138	\$336,923
<i>Property Sales Proceeds</i>	\$960,000	\$0	\$160,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Property Purchases</i>	(\$160,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Available Spaces</i>	600	600	720	720	720	720	720	720	720	720
<i>Projected Income</i>	\$157,248	\$212,052	\$462,861	\$533,230	\$550,826	\$613,096	\$650,680	\$672,152	\$694,333	\$717,246
<i>Secure Parking Premium</i>	\$11,712	\$16,320	\$23,510	\$25,584	\$26,448	\$31,718	\$34,752	\$35,616	\$36,048	\$36,048
<i>Projected Expenses</i>	(\$86,467)	(\$93,596)	(\$130,728)	(\$136,695)	(\$141,206)	(\$147,189)	(\$152,566)	(\$157,601)	(\$162,802)	(\$168,174)
<i>Projected Net Operating Income</i>	\$82,493	\$134,776	\$355,644	\$422,119	\$436,068	\$497,626	\$532,865	\$550,167	\$567,579	\$585,120
<i>Parking Debt Service</i>	(\$860,718)	(\$860,718)	(\$1,077,287)	(\$1,077,287)	(\$1,077,287)	(\$1,077,287)	(\$1,077,287)	(\$1,077,287)	(\$1,077,287)	(\$1,077,287)
<i>Net Requirement</i>	\$179,322	(\$694,666)	(\$280,564)	(\$505,728)	(\$487,323)	(\$100,279)	(\$236,008)	(\$209,483)	(\$182,570)	(\$155,245)

	Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>Tax Revenues</i>	\$417,196	\$429,683	\$442,545	\$455,793	\$534,190	\$550,187	\$566,664	\$583,635	\$601,115	\$619,120
<i>Available Spaces</i>	720	720	720	720	720	720	720	720	720	720
<i>Projected Income</i>	\$758,203	\$801,082	\$845,966	\$873,883	\$902,721	\$0	\$0	\$0	\$0	\$0
<i>Secure Parking Premium</i>	\$36,048	\$36,480	\$36,480	\$36,480	\$36,480	\$0	\$0	\$0	\$0	\$0
<i>Projected Expenses</i>	(\$174,243)	(\$180,528)	(\$187,039)	(\$193,212)	(\$199,588)	\$0	\$0	\$0	\$0	\$0
<i>Projected Net Operating Income</i>	\$620,009	\$657,034	\$695,407	\$717,151	\$739,613	\$0	\$0	\$0	\$0	\$0
<i>Parking Debt Service</i>	(\$1,077,287)	(\$1,077,287)	(\$1,077,287)	(\$1,077,287)	(\$1,077,287)	\$0	\$0	\$0	\$0	\$0
<i>Developer Purchase/Net</i>	\$0	\$0	\$0	\$0	\$0	\$6,841,951	\$0	\$0	\$0	\$0
<i>Remaining Debt Repayment</i>	\$0	\$0	\$0	\$0	\$0	(\$5,054,712)	\$0	\$0	\$0	\$0
<i>Net Requirement</i>	(\$40,083)	\$9,430	\$60,664	\$95,657	\$196,516	\$2,337,426	\$566,664	\$583,635	\$601,115	\$619,120

*Net Present Value of Projected Cash Flows Discounted at 5.5%***(\$30,447)**

<i>Assumptions</i>	<i>Current \$</i>	<i>Price at Purchase</i>
Parking Garage Cost/Phase I	\$11,196,160	\$11,196,160
Parking Garage Cost/Phase II	\$2,461,480	\$2,817,127

SOURCE Rick Williams and Hobson Johnson & Associates

6/3/99

Park Center - Option Four

Parking Structure Analysis/Three Phase/Approximately 720 Cars Total

Estimated Hard Cost

Infrastructure Onsite	\$71,142
PL to Curb Allocation	\$48,079
Offsite - Misc. & Electrical Service Extension	\$20,638
Parking Structure wo/Lid & Extra Structure	
Phase I (approximately 480 cars)	\$6,489,055
Phase II (approximately 120 cars)	\$1,777,953
Phase III (approximately 120 cars)	\$1,777,953
Total Estimated Hard Cost	\$10,184,822

Soft Costs

Dev. & Mngmt. Fees @ 10% of HC	\$1,018,482
Contingency @ 5% of HC	\$509,241
Soft Costs:	
A&E, Permits etc. @ 7% of HC	\$712,938
Taxes @ 7.7% of HC	\$784,231
Construction Interest/Fees:	\$693,510
Subtotal-Soft Costs:	\$3,718,402
Total Development Costs/Three Phase	\$13,903,223

Estimated Cost of Structure by Phase/April 1, 1999 Dollars

Phase I	\$8,981,496
Phase II	\$2,460,864
Phase III	\$2,460,864
Total Estimated Cost	\$13,903,223

Cost of Phase I @ Assumed Construction Start April 1, 2000

escalated @ 3% per year:	\$8,981,496
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Cost of Phase II @ Assumed Construction Start October 1, 2003

escalated @ 3% per year (worst case w/extensions):	\$2,816,422
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Cost of Phase III @ Assumed Construction Start March 1, 2008

escalated @ 3% per year (worst case w/extensions):	\$3,215,160
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Total Cost @ Assumed Time of Construction

\$15,013,077

City Parking Analysis - Two Phase - \$60 Base Rent no staffing for years 1-4 - No Events and Weekends-With \$10/res Space Security Fee (1/apr, 2/condo) Reserve & Replacement Fund

OPTION 3.1

PROJECTED CITY OF VANCOUVER INTERIM CASH FLOWS PARK CENTER DEVELOPER PURCHASES IN YEAR 15

	Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<i>Estimated Tax Revenues</i>	\$157,547	\$31,275	\$281,080	\$149,441	\$153,896	\$479,382	\$308,414	\$317,637	\$327,138	\$336,923
<i>Property Sales Proceeds</i>	\$960,000	\$0	\$160,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Property Purchases</i>	(\$160,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Available Spaces</i>	480	480	600	600	720	720	720	720	720	720
<i>Projected Income</i>	\$157,248	\$212,052	\$462,861	\$533,230	\$550,826	\$613,096	\$650,680	\$672,152	\$694,333	\$717,246
<i>Secure Parking Premium</i>	\$11,712	\$16,320	\$23,510	\$25,584	\$26,448	\$31,718	\$34,752	\$35,616	\$36,048	\$36,048
<i>Projected Expenses</i>	(\$55,811)	(\$60,883)	(\$135,597)	(\$141,724)	(\$146,401)	(\$152,555)	(\$158,110)	(\$163,328)	(\$168,717)	(\$174,285)
<i>Projected Net Operating Income</i>	\$113,149	\$167,489	\$350,775	\$417,090	\$430,873	\$492,259	\$527,322	\$544,441	\$561,664	\$579,009
<i>Parking Debt Service</i>	(\$690,463)	(\$690,463)	(\$906,978)	(\$906,978)	(\$906,978)	(\$906,978)	(\$906,978)	(\$1,154,147)	(\$1,154,147)	(\$1,154,147)
<i>Net Requirement</i>	\$380,233	(\$491,699)	(\$115,124)	(\$340,448)	(\$322,209)	\$64,663	(\$71,243)	(\$292,070)	(\$265,346)	(\$238,215)

	Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>Tax Revenues</i>	\$417,196	\$429,683	\$442,545	\$455,793	\$534,190	\$550,187	\$566,664	\$583,635	\$601,115	\$619,120
<i>Available Spaces</i>	720	720	720	720	720	720	720	720	720	720
<i>Projected Income</i>	\$758,203	\$801,082	\$845,966	\$873,883	\$900,099	\$929,803	\$960,486	\$0	\$0	\$0
<i>Secure Parking Premium</i>	\$36,048	\$36,480	\$36,480	\$36,480	\$36,480	\$37,684	\$38,927	\$0	\$0	\$0
<i>Projected Expenses</i>	(\$180,555)	(\$187,049)	(\$193,775)	(\$200,170)	(\$206,697)	(\$213,518)	(\$220,564)	\$0	\$0	\$0
<i>Projected Net Operating Income</i>	\$613,696	\$650,513	\$688,671	\$710,193	\$729,883	\$753,969	\$778,850	\$0	\$0	\$0
<i>Parking Debt Service</i>	(\$1,154,147)	(\$1,154,147)	(\$1,154,147)	(\$1,154,147)	(\$1,154,147)	(\$1,154,147)	(\$1,154,147)	\$0	\$0	\$0
<i>Developer Purchase/Net</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,218,213	\$0	\$0
<i>Remaining Debt Repayment</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,804,335)	\$0	\$0
<i>Net Requirement</i>	(\$123,255)	(\$73,951)	(\$22,931)	\$11,838	\$109,925	\$150,008	\$191,366	\$2,997,512	\$601,115	\$619,120

Net Present Value of Projected Cash Flows Discounted at 5.5%

\$453,322

Assumptions	Current \$	Price at Purchase
Parking Garage Cost/Phase I	\$8,981,496	\$8,981,496
Parking Garage Cost/Phase II	\$2,460,864	\$2,816,422
Parking Garage Cost/Phase III	\$2,460,864	\$3,215,160

SOURCE Rick Williams and Hobson Johnson & Associates

Rick Williams

Park Center (2 Phases)

5/17/89 17:36

488 Total Stalls (Phase 1) 249 stalls (Phase 2) - 560 Base Monthly Rate

Mon. - Fri. Staffing -- No Evening/Weekend

INCOME	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14
Number of Parking stalls	480	480	720	720	720	720	720	720	720	720	720	720	720	720
Parking Income														
Residential Parking	\$70,272	\$101,151	\$168,334	\$174,922	\$180,685	\$186,658	\$202,966	\$209,663	\$216,582	\$223,730	\$231,113	\$238,739	\$246,618	\$254,758
Hourly, Daily, Monthly, Evenings/Weekends	\$69,120	\$71,401	\$243,706	\$251,748	\$260,058	\$268,638	\$277,503	\$374,864	\$387,234	\$400,013	\$486,133	\$552,393	\$598,560	\$616,246
Total Income	\$139,392	\$172,552	\$413,040	\$426,671	\$440,751	\$455,296	\$480,469	\$584,527	\$603,817	\$623,743	\$717,246	\$791,133	\$843,178	\$871,002
EXPENSES														
Parking Operator Costs	\$0	\$0	\$41,616	\$42,890	\$44,408	\$45,874	\$47,388	\$48,952	\$50,567	\$52,238	\$53,959	\$55,740	\$57,580	\$59,480
Protective Service(1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sweeping	\$2,854	\$2,948	\$6,090	\$6,291	\$6,499	\$6,713	\$6,935	\$7,164	\$7,400	\$7,644	\$7,897	\$8,157	\$8,427	\$8,705
Administration/Personnel	\$3,841	\$4,071	\$4,202	\$4,340	\$4,484	\$4,632	\$4,784	\$4,942	\$5,105	\$5,274	\$5,448	\$5,628	\$5,813	\$6,005
Minor Maintenance/Janitorial	\$18,750	\$19,369	\$20,008	\$20,668	\$21,350	\$22,055	\$22,783	\$23,534	\$24,311	\$25,113	\$25,942	\$26,798	\$27,682	\$28,598
Plumbing Expenses	\$135	\$139	\$144	\$149	\$154	\$159	\$164	\$169	\$175	\$181	\$187	\$193	\$199	\$206
Elevator Maintenance	\$5,546	\$6,039	\$6,242	\$6,448	\$6,661	\$6,881	\$7,108	\$7,343	\$7,585	\$7,835	\$8,094	\$8,361	\$8,637	\$8,922
Electrical Maintenance	\$2,100	\$2,169	\$4,482	\$4,630	\$4,782	\$4,940	\$5,103	\$5,272	\$5,446	\$5,625	\$5,811	\$6,003	\$6,201	\$6,406
Electricity	\$8,625	\$8,910	\$16,407	\$16,015	\$16,642	\$20,290	\$20,959	\$21,652	\$22,368	\$23,104	\$23,867	\$24,654	\$25,468	\$26,308
Water and Sewer	\$2,100	\$2,169	\$2,241	\$2,315	\$2,391	\$2,470	\$2,552	\$2,636	\$2,723	\$2,813	\$2,906	\$3,001	\$3,100	\$3,203
Security / Life Safety	\$135	\$139	\$288	\$298	\$307	\$316	\$326	\$339	\$350	\$362	\$374	\$386	\$399	\$412
Total Operating Expenses	\$44,486	\$45,954	\$103,721	\$107,144	\$110,680	\$114,332	\$118,105	\$122,002	\$126,029	\$130,187	\$134,484	\$138,922	\$143,506	\$148,242
OWNERSHIP EXPENSES														
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$4,125	\$4,281	\$8,803	\$9,094	\$9,394	\$9,704	\$10,024	\$10,355	\$10,697	\$11,050	\$11,415	\$11,791	\$12,180	\$12,582
Professional Services	\$2,483	\$2,564	\$5,288	\$5,473	\$5,654	\$5,840	\$6,033	\$6,232	\$6,438	\$6,650	\$6,869	\$7,096	\$7,330	\$7,572
Reserves for Replacements/Repairs	\$4,182	\$5,177	\$12,391	\$12,800	\$13,223	\$13,659	\$14,114	\$17,538	\$18,114	\$18,712	\$21,517	\$23,734	\$25,295	\$26,130
Total Ownership Expenses	\$10,789	\$12,002	\$26,483	\$27,367	\$28,270	\$29,203	\$30,171	\$34,123	\$35,249	\$36,412	\$39,601	\$42,621	\$44,806	\$46,285
NET OPERATING INCOME	\$84,116	\$114,598	\$282,826	\$292,160	\$301,001	\$311,760	\$331,892	\$428,402	\$442,539	\$467,143	\$542,961	\$609,590	\$654,866	\$678,476
Total Receipts/Stall	\$290	\$359	\$574	\$593	\$612	\$632	\$667	\$612	\$639	\$666	\$696	\$1,099	\$1,171	\$1,210
Total Expense/Stall	\$115	\$121	\$181	\$187	\$193	\$198	\$206	\$217	\$224	\$231	\$242	\$252	\$262	\$270
Total Net Operating Income/Stall	\$175	\$238	\$393	\$406	\$419	\$433	\$461	\$595	\$615	\$635	\$754	\$847	\$910	\$940

(1) Assumes CCTV security coverage with monitors in parking attendant's main booth

Assumptions

Monthly Base Rate: \$60

Residential Occupancy of 61% Year 1 (160 stalls)

Residential Occupancy of 85% Year 2 (160 stalls)

Residential Occupancy of 95% Years 3-6 (232 stalls)

Residential Occupancy of 100% Years 7-20 (232 stalls)

Public Occupancy of 30% Year 1- 2 (320 stalls)

Public Occupancy of 65% Years 3-7 (488 stalls)

Public Occupancy of 85% Years 8-10 (488 stalls)

Public Occupancy of 100% Year 11 (488 stalls)

Public Occupancy of 110% Year 12 (488 stalls)

Public Occupancy of 115% Years 13-20 (488 stalls)

Mon. - Fri. Staffing -- No Weekend/Evening business

Annual escalation (rates and expenses) of 3.3%

INCOME	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	TOTAL
Number of Parking stalls	720	720	720	720	720	720	
Parking Income							
Residential Parking	\$263,163	\$271,847	\$280,816	\$290,085	\$299,658	\$309,547	\$4,422,319
Hourly, Daily, Monthly, Evenings/Weekends	\$636,582	\$657,590	\$679,290	\$701,707	\$724,863	\$748,784	\$9,004,432
Total Income	\$899,746	\$929,437	\$960,109	\$991,792	\$1,024,521	\$1,058,330	\$13,426,751
EXPENSES							
Parking Operator Costs	\$81,443	\$83,470	\$85,565	\$87,728	\$89,883	\$72,272	\$1,001,231
Protective Service(1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sweeping	\$8,992	\$9,289	\$9,595	\$9,912	\$10,239	\$10,577	\$152,328
Administration/Personnel	\$6,203	\$6,408	\$6,620	\$6,838	\$7,054	\$7,297	\$109,098
Minor Maintenance/Janitorial	\$29,540	\$30,514	\$31,521	\$32,562	\$33,638	\$34,748	\$519,480
Plumbing Expenses	\$213	\$220	\$227	\$234	\$242	\$250	\$3,740
Elevator Maintenance	\$9,218	\$9,521	\$9,835	\$10,159	\$10,494	\$10,841	\$162,070
Electrical Maintenance	\$8,817	\$8,835	\$7,081	\$7,294	\$7,535	\$7,783	\$112,094
Electricity	\$27,177	\$28,073	\$29,000	\$29,957	\$30,945	\$31,967	\$460,387
Water and Sewer	\$3,308	\$3,418	\$3,530	\$3,647	\$3,767	\$3,892	\$58,182
Security / Life Safety	\$425	\$439	\$454	\$469	\$484	\$500	\$7,206
Total Operating Expenses	\$153,134	\$158,187	\$163,407	\$168,800	\$174,370	\$180,124	\$2,585,816
OWNERSHIP EXPENSES							
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$12,997	\$13,426	\$13,868	\$14,327	\$14,800	\$15,288	\$220,185
Professional Services	\$7,622	\$8,080	\$8,347	\$8,622	\$8,907	\$9,201	\$132,511
Reserves for Replacements/Repairs	\$28,992	\$27,883	\$28,803	\$29,754	\$30,738	\$31,750	\$402,803
Total Ownership Expenses	\$47,612	\$49,390	\$51,020	\$52,703	\$54,442	\$56,239	\$755,499
NET OPERATING INCOME	\$699,800	\$721,880	\$745,682	\$770,289	\$785,709	\$821,967	\$10,085,436
Total Receipts/Stall	\$1,250	\$1,291	\$1,333	\$1,377	\$1,423	\$1,470	
Total Expense/Stall	\$279	\$288	\$288	\$306	\$318	\$323	
Total Net Operating Income/Stall	\$971	\$1,003	\$1,036	\$1,070	\$1,105	\$1,142	

Park Center (2 Phases - Option B)

600 Total Stalls (Phase 1) / 120 stalls (Phase 2)

Mon. - Fri. Staffing - No Evening/Weekend

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INCOME	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14
Number of Parking stalls	600	600	720	720	720	720	720	720	720	720	720	720	720	720
Parking Income														
Residential Parking	\$70,272	\$101,151	\$151,510	\$158,509	\$161,674	\$167,009	\$202,968	\$209,663	\$216,582	\$223,730	\$231,113	\$238,739	\$246,618	\$254,756
Hourly, Daily, Monthly, Evenings/Weekends	\$63,360	\$65,451	\$243,706	\$251,748	\$260,058	\$268,638	\$277,503	\$374,864	\$387,234	\$400,013	\$406,133	\$552,393	\$598,560	\$616,245
Total Income	\$133,632	\$166,602	\$395,216	\$408,259	\$421,730	\$435,647	\$480,469	\$584,527	\$603,817	\$623,743	\$717,246	\$791,133	\$843,178	\$871,002
EXPENSES														
Parking Operator Costs	\$0	\$0	\$41,616	\$42,890	\$44,408	\$45,874	\$47,388	\$48,952	\$50,567	\$52,236	\$53,959	\$55,740	\$57,580	\$59,480
Protective Service(s)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sweeping	\$2,854	\$2,948	\$8,090	\$6,281	\$8,499	\$8,713	\$6,835	\$7,164	\$7,400	\$7,644	\$7,887	\$8,157	\$8,427	\$8,705
Administration/Personnel	\$3,941	\$4,071	\$4,202	\$4,340	\$4,484	\$4,632	\$4,784	\$4,942	\$5,105	\$5,274	\$5,448	\$5,628	\$5,813	\$6,005
Minor Maintenance/Jannitorial	\$18,750	\$19,369	\$20,008	\$20,668	\$21,350	\$22,055	\$22,783	\$23,534	\$24,311	\$25,113	\$25,942	\$26,798	\$27,682	\$28,596
Plumbing Expenses	\$135	\$139	\$144	\$149	\$154	\$159	\$164	\$169	\$175	\$181	\$187	\$193	\$199	\$205
Elevator Maintenance	\$5,848	\$6,039	\$6,242	\$6,448	\$6,661	\$6,881	\$7,108	\$7,343	\$7,585	\$7,835	\$8,094	\$8,361	\$8,637	\$8,922
Electrical Maintenance	\$2,100	\$2,169	\$4,482	\$4,630	\$4,782	\$4,940	\$5,103	\$5,272	\$5,446	\$5,625	\$5,811	\$6,003	\$6,201	\$6,406
Electricity	\$8,625	\$8,910	\$18,407	\$19,015	\$19,642	\$20,290	\$20,960	\$21,652	\$22,368	\$23,104	\$23,867	\$24,654	\$25,468	\$26,308
Water and Sewer	\$2,100	\$2,169	\$2,241	\$2,315	\$2,391	\$2,470	\$2,552	\$2,638	\$2,723	\$2,813	\$2,906	\$3,001	\$3,100	\$3,203
Security / Life Safety	\$135	\$139	\$288	\$298	\$307	\$318	\$328	\$339	\$350	\$362	\$374	\$388	\$399	\$412
Total Operating Expenses	\$44,486	\$45,954	\$103,721	\$107,144	\$110,580	\$114,332	\$118,105	\$122,002	\$126,029	\$130,187	\$134,484	\$138,922	\$143,506	\$148,242
OWNERSHIP EXPENSES														
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$4,125	\$4,261	\$8,803	\$9,094	\$9,394	\$9,704	\$10,024	\$10,355	\$10,697	\$11,050	\$11,415	\$11,791	\$12,180	\$12,582
Professional Services	\$2,483	\$2,584	\$5,298	\$5,473	\$5,654	\$5,840	\$6,033	\$6,232	\$6,438	\$6,650	\$6,869	\$7,096	\$7,330	\$7,572
Reserves for Replacements/Repairs	\$4,009	\$4,998	\$11,856	\$12,248	\$12,652	\$13,069	\$14,414	\$17,536	\$18,114	\$18,712	\$21,517	\$23,734	\$25,295	\$26,130
Total Ownership Expenses	\$10,616	\$11,824	\$25,958	\$26,815	\$27,700	\$28,814	\$30,471	\$34,123	\$35,249	\$36,412	\$39,801	\$42,021	\$44,806	\$46,285
NET OPERATING INCOME	\$78,529	\$108,624	\$265,537	\$274,299	\$283,351	\$292,702	\$331,892	\$428,402	\$442,538	\$457,143	\$542,961	\$609,590	\$654,866	\$678,476
Total Receipts/Stall	\$223	\$278	\$549	\$567	\$586	\$605	\$667	\$812	\$839	\$866	\$996	\$1,099	\$1,171	\$1,210
Total Expense/Stall	\$82	\$96	\$160	\$168	\$192	\$199	\$206	\$217	\$224	\$231	\$242	\$252	\$262	\$270
Total Net Operating Income/Stall	\$131	\$181	\$369	\$381	\$394	\$407	\$461	\$595	\$615	\$635	\$754	\$847	\$910	\$940

(1) Assumes CCTV security coverage with monitors in parking attendant's main booth.

Assumptions

Monthly Base Rate: \$60

Residential Occupancy of 61% Year 1 (160 stalls)

Residential Occupancy of 65% Year 2 (160 stalls)

Residential Occupancy of 85% Years 3-6 (232 stalls)

Residential Occupancy of 100% Years 7-20 (232 stalls)

Public Occupancy of 20% Year 1- 2 (440 stalls)

Public Occupancy of 65% Years 3-7 (488 stalls)

Public Occupancy of 85% Years 8-10 (488 stalls)

Public Occupancy of 100% Year 11 (488 stalls)

Public Occupancy of 110% Year 12 (488 stalls)

Public Occupancy of 115% Years 13-20 (488 stalls)

Mon - Fri Staffing - No Weekend/Evening business

Annual escalation (rates and expenses) of 3.3%

INCOME	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	TOTAL
Number of Parking stalls	720	720	720	720	720	720	
Parking Income							
Residential Parking	\$263,163	\$271,847	\$280,818	\$280,085	\$299,658	\$308,547	\$4,347,412
Hourly, Daily, Monthly, Evenings/Weekends	\$536,582	\$557,590	\$579,290	\$701,707	\$724,883	\$748,784	\$8,992,722
Total Income	\$899,746	\$929,437	\$960,109	\$991,792	\$1,024,521	\$1,058,330	\$13,340,134
EXPENSES							
Parking Operator Costs	\$61,443	\$63,470	\$65,565	\$67,728	\$69,963	\$72,272	\$1,061,231
Protective Service(1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sweeping	\$8,992	\$9,289	\$9,595	\$9,912	\$10,239	\$10,577	\$152,328
Administration/Personnel	\$6,203	\$6,408	\$6,620	\$6,838	\$7,064	\$7,297	\$109,098
Minor Maintenance/Janitorial	\$29,540	\$30,514	\$31,521	\$32,562	\$33,636	\$34,746	\$519,480
Plumbing Expenses	\$213	\$220	\$227	\$234	\$242	\$250	\$3,740
Elevator Maintenance	\$9,216	\$9,521	\$9,835	\$10,159	\$10,494	\$10,841	\$162,070
Electrical Maintenance	\$6,617	\$6,835	\$7,061	\$7,294	\$7,535	\$7,783	\$112,094
Electricity	\$27,177	\$28,073	\$29,000	\$29,957	\$30,945	\$31,967	\$460,387
Water and Sewer	\$3,303	\$3,418	\$3,530	\$3,647	\$3,767	\$3,892	\$56,182
Security / Life Safety	\$425	\$438	\$454	\$469	\$484	\$500	\$7,206
Total Operating Expenses	\$153,134	\$158,187	\$163,407	\$168,800	\$174,370	\$180,124	\$2,585,818
OWNERSHIP EXPENSES							
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$12,997	\$13,426	\$13,869	\$14,327	\$14,800	\$15,288	\$220,185
Professional Services	\$7,622	\$8,080	\$8,547	\$8,622	\$8,907	\$9,201	\$132,611
Reserves for Replacements/Repairs	\$26,992	\$27,853	\$28,803	\$29,754	\$30,736	\$31,750	\$400,204
Total Ownership Expenses	\$47,612	\$49,390	\$51,020	\$52,703	\$54,442	\$56,239	\$752,900
=							
NET OPERATING INCOME	\$696,990	\$721,860	\$745,682	\$770,289	\$795,709	\$821,967	\$10,001,418
Total Receipts/Stall	\$1,250	\$1,291	\$1,333	\$1,377	\$1,423	\$1,470	
Total Expenses/Stall	\$279	\$288	\$298	\$308	\$318	\$328	
Total Net Operating Income/Stall	\$971	\$1,003	\$1,036	\$1,070	\$1,105	\$1,142	

Park Center (3 Phases)
430 Total Stalls (Phase 1)/ 120 stalls (Phase 2)/120 stalls (Phase 3)
Mon. - Fri. Staffing -- No Evening/Weekend

5/17/99 17:26

INCOME	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Number of Parking stalls	480	480	600	600	720	720	720	720	720	720	720	720	720	720	720
Parking Income															
Residential Parking	\$70,272	\$101,151	\$127,999	\$132,223	\$136,587	\$141,094	\$171,471	\$177,129	\$182,975	\$189,013	\$195,250	\$201,694	\$208,349	\$215,225	\$222,327
Hourly, Daily, Monthly, Evenings/Weekends	\$69,120	\$71,401	\$201,757	\$208,415	\$300,065	\$309,867	\$320,196	\$374,864	\$387,234	\$400,013	\$466,133	\$552,393	\$556,560	\$616,246	\$636,582
Total Income	\$139,392	\$172,552	\$329,756	\$340,638	\$436,651	\$451,061	\$491,667	\$551,983	\$570,209	\$589,026	\$661,384	\$754,087	\$804,509	\$831,471	\$858,910
EXPENSES															
Parking Operator Costs	\$0	\$0	\$41,616	\$42,990	\$44,408	\$45,874	\$47,388	\$48,952	\$50,567	\$52,239	\$53,969	\$55,740	\$57,560	\$59,480	\$61,443
Protective Services(1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sweeping	\$2,854	\$2,948	\$6,090	\$6,291	\$6,499	\$6,713	\$6,935	\$7,164	\$7,400	\$7,644	\$7,897	\$8,157	\$8,427	\$8,706	\$8,992
Administration/Personnel	\$3,941	\$4,071	\$4,202	\$4,340	\$4,484	\$4,632	\$4,784	\$4,942	\$5,105	\$5,274	\$5,448	\$5,628	\$5,813	\$6,005	\$6,203
Minor Maintenance/Janitorial	\$18,750	\$19,369	\$20,008	\$20,668	\$21,350	\$22,055	\$22,783	\$23,534	\$24,311	\$25,113	\$25,942	\$26,798	\$27,682	\$28,596	\$29,540
Plumbing Expenses	\$135	\$139	\$144	\$149	\$154	\$159	\$164	\$169	\$175	\$181	\$187	\$193	\$199	\$206	\$213
Elevator Maintenance	\$5,846	\$6,039	\$6,242	\$6,448	\$6,651	\$6,861	\$7,08	\$7,343	\$7,585	\$7,835	\$8,094	\$8,361	\$8,637	\$8,922	\$9,216
Electrical Maintenance	\$2,100	\$2,169	\$4,482	\$4,830	\$4,762	\$4,940	\$5,103	\$5,272	\$5,446	\$5,625	\$5,811	\$6,003	\$6,201	\$6,406	\$6,617
Electricity	\$8,625	\$8,910	\$18,407	\$19,015	\$19,642	\$20,290	\$20,960	\$21,652	\$22,368	\$23,104	\$23,867	\$24,654	\$25,468	\$26,308	\$27,177
Water and Sewer	\$2,100	\$2,169	\$2,241	\$2,315	\$2,391	\$2,470	\$2,552	\$2,638	\$2,723	\$2,813	\$2,906	\$3,001	\$3,100	\$3,203	\$3,309
Security / Life Safety	\$135	\$139	\$288	\$298	\$307	\$316	\$328	\$339	\$350	\$362	\$374	\$386	\$399	\$412	\$425
Total Operating Expenses	\$44,486	\$45,954	\$103,721	\$107,144	\$110,689	\$114,332	\$118,105	\$122,002	\$126,029	\$130,187	\$134,484	\$138,922	\$143,506	\$148,242	\$153,134
OWNERSHIP EXPENSES															
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$4,125	\$4,261	\$8,603	\$9,094	\$9,394	\$9,704	\$10,024	\$10,355	\$10,697	\$11,050	\$11,415	\$11,791	\$12,180	\$12,582	\$12,997
Professional Services	\$2,483	\$2,564	\$5,298	\$5,473	\$5,654	\$5,840	\$6,033	\$6,232	\$6,438	\$6,650	\$6,869	\$7,096	\$7,330	\$7,572	\$7,822
Reserves for Replacements/Repairs	\$4,182	\$5,177	\$9,893	\$10,219	\$13,100	\$13,532	\$14,750	\$16,560	\$17,106	\$17,671	\$20,442	\$22,623	\$24,147	\$24,944	\$25,767
Total Ownership Expenses	\$10,789	\$12,002	\$23,994	\$24,786	\$28,147	\$29,076	\$30,807	\$33,147	\$34,241	\$35,371	\$38,725	\$41,510	\$43,658	\$45,099	\$46,587
NET OPERATING INCOME	\$84,116	\$114,596	\$202,041	\$208,708	\$297,825	\$307,653	\$342,754	\$396,844	\$409,940	\$423,468	\$508,175	\$573,656	\$617,745	\$638,131	\$659,189
Total Receipts/Stall	\$290	\$359	\$550	\$568	\$606	\$628	\$683	\$767	\$792	\$818	\$946	\$1,047	\$1,118	\$1,155	\$1,193
Total Expense/Stall	\$115	\$121	\$213	\$220	\$193	\$199	\$207	\$215	\$223	\$230	\$241	\$251	\$260	\$269	\$277
Total Net Operating Income/Stall	\$175	\$238	\$337	\$348	\$414	\$427	\$476	\$551	\$569	\$588	\$706	\$797	\$858	\$886	\$916

(1) Assumes CCTV security coverage with monitors in parking attendant's main booth.

Assumptions
Monthly Base Rate: \$50
Residential Occupancy of 61% Year 1 (160 stalls)
Residential Occupancy of 65% Year 2 (160 stalls)
Residential Occupancy of 65% Years 3-4 (156 stalls)
Residential Occupancy of 65% Years 5-6 (232 stalls)
Residential Occupancy of 100% Years 7-20 (232 stalls)
Public Occupancy of 30% Year 1-2 (320 stalls)
Public Occupancy of 65% Years 3-4 (404 stalls)
Public Occupancy of 75% Years 5-7 (488 stalls)
Public Occupancy of 85% Years 8-10 (488 stalls)
Public Occupancy of 100% Year 11 (488 stalls)
Public Occupancy of 110% Year 12 (488 stalls)
Public Occupancy of 115% Years 13-20 (488 stalls)
Mon. - Fri. Staffing -- No Weekend/Evening business
Annual escalation (rates and expenses) of 3.3%

INCOME	Year 16	Year 17	Year 18	Year 19	Year 20	TOTAL
Number of Parking stalls	720	720	720	720	720	
Parking Income						
Residential Parking	\$228,864	\$237,243	\$245,072	\$253,160	\$261,514	\$3,699,414
Hourly, Daily, Monthly, Evenings/Weekends	\$657,580	\$679,290	\$704,707	\$724,863	\$748,784	\$8,043,179
Total Income	\$887,254	\$916,533	\$949,779	\$978,023	\$1,010,297	\$12,742,593
EXPENSES						
Parking Operator Costs	\$63,470	\$65,565	\$67,728	\$68,963	\$72,272	\$1,004,231
Protective Service(1)	\$0	\$0	\$0	\$0	\$0	\$0
Sweeping	\$9,289	\$9,595	\$9,912	\$10,239	\$10,577	\$152,328
Administration/Personnel	\$6,408	\$6,620	\$6,838	\$7,064	\$7,297	\$109,098
Minor Maintenance/Janitorial	\$30,514	\$31,521	\$32,562	\$33,636	\$34,746	\$519,480
Plumbing Expenses	\$220	\$227	\$234	\$242	\$250	\$3,740
Elevator Maintenance	\$9,521	\$9,835	\$10,159	\$10,494	\$10,841	\$162,070
Electrical Maintenance	\$6,835	\$7,061	\$7,294	\$7,535	\$7,783	\$112,094
Electricity	\$28,073	\$29,000	\$29,957	\$30,945	\$31,967	\$460,387
Water and Sewer	\$3,418	\$3,530	\$3,647	\$3,767	\$3,892	\$58,182
Security / Life Safety	\$439	\$454	\$469	\$484	\$500	\$7,206
Total Operating Expenses	\$168,187	\$163,407	\$168,800	\$174,370	\$180,124	\$2,585,816
OWNERSHIP EXPENSES						
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$13,426	\$13,859	\$14,327	\$14,800	\$15,288	\$220,185
Professional Services	\$8,080	\$8,347	\$8,622	\$8,907	\$9,201	\$132,511
Reserves for Replacements/Repairs	\$26,518	\$27,496	\$28,403	\$29,341	\$30,309	\$382,278
Total Ownership Expenses	\$48,124	\$49,712	\$51,353	\$53,047	\$54,798	\$734,974
NET OPERATING INCOME	\$680,943	\$703,414	\$726,626	\$750,605	\$775,375	\$9,421,804
Total Receipts/Stall	\$1,232	\$1,273	\$1,315	\$1,358	\$1,403	
Total Expense/Stall	\$287	\$296	\$306	\$316	\$326	
Total Net Operating Income/Stall	\$946	\$977	\$1,009	\$1,043	\$1,077	



News Release

Contact: Steve Burdick, City Manager's Office
(360) 735-8872, or
Gerald Baugh, City Manager's Office
696-8121

June 7, 1999

FOR IMMEDIATE RELEASE

City to hold public hearing on property sale and development agreement

A public hearing is scheduled for Monday, June 21, at 7 p.m. in Vancouver City Hall, 210 E. 13th Street before the Vancouver City Council to consider approval of an ordinance and Development Agreement between the City and Vandevco Inc., a Washington corporation. The proposed agreement provides that the City will convey to Vandevco blocks 11 and 12, located in downtown Vancouver between 6th and 8th Streets, and Washington and Columbia.

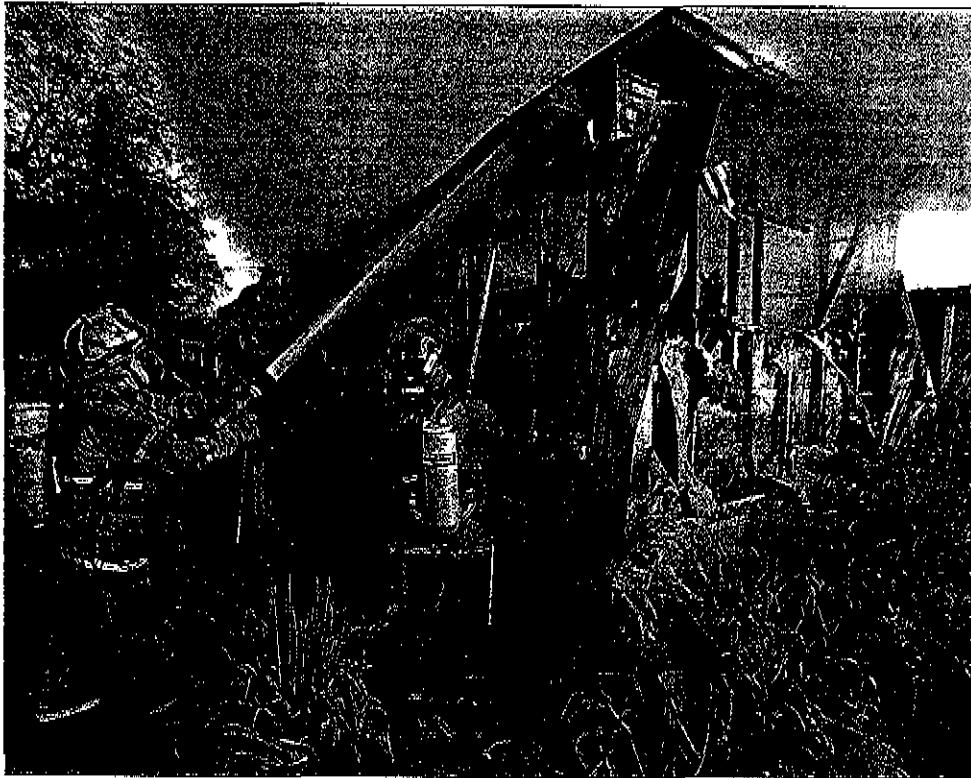
The City acquired the property as part of the purchase of the former Lucky Lager Brewery site. The property is currently undeveloped. In exchange for receiving title to the property, Vandevco will construct a residential and commercial mixed-use development and parking structure. Subject to the terms of the proposed agreement, the City will purchase and operate the parking structure for public parking.

For additional information, contact Steve Burdick, City of Vancouver Economic Development Division at 735-8872.

###

City of Vancouver Department of Information Services - (360)696-8016 - FAX (360)696-8942
e-mail. vaninfo@ci.vancouver.wa.us - www.ci.vancouver.wa.us
Vandevco

DOUSING THE FLAMES



Firefighters spray water on the smoldering remains of a mobile home that was destroyed early this morning. Firefighters arrived at the site, 4100 Fruit Valley Road, shortly after 5:30 a.m. to find flames leaping 20 feet into the air. The home, in space No. 23, sustained \$10,000 in damage. Mobile homes on each side sustained smoke and water damage. The cause of the fire was still unknown as of this morning.

RICK BROWN/The Columbian

scued tom t well

It was that Blitz had fallen a way to save the pup. with a slip knot and minutes. dog-owner Heidi Hongel saw the Vancouver Fire thold Blitz from a 30-ary Memorial Park arx Corner. "I don't lone."

pit bull terrier, was e alive. efore noon Tuesday, adow; and his broth- way from Hongel's t Northeast 72nd Av- neighbor saw two of igh wall of trees that g to the well house, p yipping from down

ed at the scene with a wn into the well and water at the bottom. us," Hongel said. "It oss. There were two mp sitting on it." ighters conducted a ng a rope with a slip er the armpits," said in happily to Hongel, ky the rope worked. n a well is time-con- cern being gases t Sgt. Dave Trimble sen door allowed the well house. Trimble t the door was fixed.

Gallatin jury selection starts

Process painstaking as attorneys screen candidates one by one

By STEPHANIE THOMSON
Columbian staff writer

One was a middle-aged building inspector who had never heard of Michael Wayne Gallatin. Another was an older machinist who vaguely recalled reading in the newspaper last spring that Gallatin had been arrested and charged with raping a Vancouver woman.

Neither of them knew, until Judge Robert Harris read the charges Tuesday morning, that Gallatin faces five counts of rape from attacks on five Clark County women, plus two counts of burglary and one count of drug possession.

Both of them could find out every single detail about Gallatin if they are picked to serve on his jury.

They were part of a jury selection process that started Tuesday morning and should last through Thursday. To some outsiders, jury selection might seem the least interesting part of a trial. But attorneys on both sides in such cases know that who sits on a jury can improve or hurt their chances of a favorable verdict.

So the selection process is tedious and painstaking one: Attorneys screen candidates one by one. The process is expected to take longer than usual in the Gallatin case.

Would-be jurors were questioned Tuesday whether they had watched or read any of the extensive coverage of the Gallatin case last spring, or if they had talked about it with friends and already formed an opinion on Gallatin's guilt or innocence.

They filled out an unusually long



TROY WAYNE/The Columbian

Charged: Michael Wayne Gallatin, who faces five counts of rape, two counts of burglary and one count of drug possession, watches during jury selection today.

questionnaire written by prosecutor Tom Duffy, defense attorney Gerry Wear and Judge Harris. They were asked 64 questions, ranging from whether they ever had been victims of sex abuse or whether they knew any victims of sex abuse to what they thought was the biggest problem facing society and how they felt about the justice system.

Nine people were granted hardship—meaning they had medical or other legitimate reasons why they couldn't serve on a jury—leaving a pool of 61 people. Twelve people were picked to face questions from both attorneys, after which attorneys will throw out the ones they don't want and continue screening until they have a jury of 12 people plus two alternate jurors.

During the questioning, potential jurors faced about 20 minutes of light grilling by both attorneys.

The building inspector was questioned by attorney Wear about his knowledge of DNA science, which will play a major role in the trial as prosecutors have built a case allegedly linking Gallatin to the attacks from his DNA.

"I've heard about it from the O.J. Simpson trial, that's about all I know."

And did he have any thoughts about the outcome of the Simpson trial?

"No, sir. I mean, he was a great football player."

People were asked if they wanted

GALLATIN/ please see B6

City planning to finance underground parking area

720-space garage at proposed Park Center project would cost \$12.7 million to \$14 million

By JEFF MIZE
Columbian staff writer

The city of Vancouver plans to spend at least \$12.7 million for an underground parking garage as part of downtown redevelopment.

The garage would serve Park Center, a \$60 million mixed-use project where the Lucky Lager brewery once stood. The city has been working for months to provide incentives to the developer, Vandevco Inc.

The Washington corporation consists of investors from the United Arab Emirates. It wants to build an elaborate project offering apartments, condominiums, offices and retail space. The first apartments could be ready by late summer 2001.

Four multistory buildings would rise on the former brewery site east of Esther Short Park. Final details of the city's agreement with Vandevco were still being worked out Tuesday afternoon.

Barring a last-minute snag, the seven-person Downtown Redevelopment Authority will have a public hearing on the proposed agreement at 12:15 p.m. Thursday at Vancouver City Hall, 210 E. 13th St.

The Vancouver City Council will have final say on the development agreement. The council is scheduled to have its own hearing on June 21.



The Columbian

Steve Burdick, Vancouver's economic development manager, said there is a precedent for helping downtown developers with parking. He said the city has helped provide parking for all major downtown projects

built since the early 1980s, including the Seafirst Financial Center, the M.J. Murdock Executive Plaza and the First Interstate Tower.

"If you look at what has happened downtown, there has not been a major project the city hasn't had

PARKING/ please see B6



Park Center: An artist's sketch of a \$60 million mixed-use development of apartments, condominiums and office and commercial space.

Hearings will study Park Center agreement

The developer will pay less than top dollar for the site and be relieved of the cost of building a parking garage

By FOSTER CHURCH
THE OREGONIAN

VANCOUVER — The developer of Park Center, a planned \$60 million residential and office complex downtown, will pay less than top dollar for two choice blocks of property across the street from Esther Short Park.

The developer also will be relieved of the cost of building a parking garage, which the city will buy back for at least \$12.7 million.

The Vancouver Downtown Redevelopment Authority will get its final look at the agreement between the city and the developer, Vandevco Inc., at a hearing at 12:15 p.m. today in Vancouver City Hall.

The City Council will hold its own hearing June 21.

Details of the project, an-

nounced in March, were still being worked out Wednesday. But if the Downtown Redevelopment Authority approves, and the council signs off, the first phase could be under way by the beginning of 2000.

The project is considered a big step forward in the city's goal of redeveloping downtown and attracting business and residential activity.

Construction will proceed in three phases, although the first two might be built at the same time.

The first phase includes two five-story apartment buildings on Columbia Street containing 160 units. Phase two will be an eight-story office building on Washington Street with 36 condominium units on the upper floors.

Phase three will include a 10-story building on Washington Street with another 36 condominiums.

The completed project will include 154,000 square feet of office space, 20,000 square feet of retail and 720 underground parking

spaces on three levels.

Property taxes deferred

The city will not levy systems development charges for the development on the grounds that utility capacity already was in place to serve the Lucky Lager brewery that once occupied the two-block site.

Also, as a way of encouraging apartment construction downtown, the city will not charge property taxes on the apartment units for 10 years. Property taxes will be charged for the condominium units, however.

The city's role in purchasing the parking structure and the price charged for the land represent important incentives for Vandevco, which is owned by an investor from the United Arab Emirates.

The city is selling the land for \$960,000, or \$10 a square foot, which is at the low end of the current market, said the city's economic development director, Steve Burdick.

This compares with about \$12.50 a square foot that the city charged for a smaller block nearby

that it sold for a Kaiser-Permanente office building.

But it is considerably more than the approximately \$2 a square foot that the Al Angelo Construction Co. paid for nearby property last year on which it is building condominiums. However, the company also will pay the city \$6,000 for every unit it sells.

The city's purchase of the parking garage also relieves the developer of a significant cost. Building a parking garage downtown is considered financially risky because the amount that can be charged for parking is generally not enough to recover development and construction costs.

The city will purchase the garage in phases as it is built. In 1999 dollars, that would amount to \$12.7 million.

According to Burdick, it expects to recover about \$4.3 million through 20 years in increased property, sales, real estate and utility taxes that the project will generate. It expects to recover the remainder in parking fees. By 2015, these fees should amount to almost \$1 million a year.

*The Oregonian
June 3, 1999*

The Columbian

Clark County *and the* region

Section B

FRIDAY, JUNE 4, 1999

Underground parking backed

Advisory panel supports downtown project, even with the risk of city debt

By JEFF MUZE
Columbian staff writer

A seven-member advisory board believes Vancouver should proceed with an underground parking garage that would sink the city with a \$12.7 million debt.

The Downtown Redevelopment Authority voted unanimously Thursday to recommend the city council approve an agreement with developers of Park Center, a \$60-million residential, office and retail project at the former Lucky Lager brewery site.

Forecasters indicate the city would pay as

much as \$21.4 million over 15 years, once interest costs are factored in. Vancouver would pay off the debt using revenues from the 720-space garage, plus property, sales, utility and real estate taxes generated by Park Center.

Redevelopment board members acknowledged that Vancouver would gamble by signing the agreement, which requires the city to buy the garage from developer Vancouver Inc. and operate it for at least 15 years.

"A project like this is not without some risks," Dick Pokornowski said. "We can kind of guess and hope ... (but) nothing ever happens if you don't take that risk."

Most board members didn't say anything during the public meeting, perhaps because they had a chance to discuss the project and ask questions during a closed-door session immediately before the hearing.

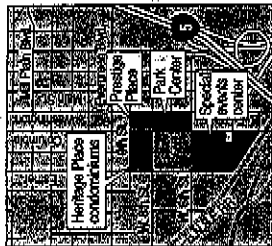
Representatives from several of Clark

County's top business organizations — Columbia River Economic Development Council, Identity Clark County, Greater Vancouver Chamber of Commerce and Downtown Vancouver Association — threw their support behind the project during the hearing.

"Clearly downtown redevelopment is in the best interest of all Vancouver residents," said Joe Pinzino, Vancouver chamber chairman.

No one testified in opposition to the agreement during Thursday's hearing. Earlier in the day, Vancouver resident Ted Havlicek called The Columbian to question if building a parking garage was consistent with another city objective: getting more people to use C-Train buses.

CENTER/Photo see B6



The Columbian

Center

Park Center called 'catalyst' for downtown redevelopment
From Page B1

"I think it's ludicrous," Havlicek said. "As long as they keep building parking garages, as long as they keep making it more convenient for me to drive than ride mass transit, do they really think I'm going to ride?"

"I just laugh when I read these (stories) because I don't see serious effort by the city in their attitude to encourage people to ride mass transit."

Steve Burdick, Vancouver's economic development manager, said the Park Center development would ease growth pressure in other parts of the city and use existing roads and other infrastructure.

"It's a catalyst for downtown redevelopment," Burdick said. "It thrills more people to live downtown, and that supports transit."

Specifically, Park Center would include four different buildings of varying 160 apartments, 72 con-

ditions, 154,000 square feet of office space and more than 20,000 square feet of retail space.

There is precedence for Vancouver providing parking to serve private development. The city has helped with parking for several downtown projects, including Seafirst Financial Center and M.J. Murdock Executive Plaza.

In its early years, while the Park Center garage is only partially built and hasn't reached capacity, the city would transfer money out of its general fund to help pay off the debt. That money would be paid back to the general fund in later years as parking and tax revenues increase.

Projections of parking revenues are considered conservative because they cover only weekday parking and do not include money that could be earned from weekend night and weekend parking. Park revenues are forecast to increase by 22 percent if the city succeeds in building a sports arena, and convention center south of the town, and that supports transit.

The issue will be taken up by the Vancouver City Council, which will have a hearing on June 21.

ure Co. Spring Sale!

The Columbian
Editorial
June 6, 1999

IN OUR VIEW

Garage project holds public, private risks

Imagine trying to park along Northwest 23rd in Portland on a Friday night. No fun. Huge task. Try finding a parking spot in downtown Vancouver on a Friday night? Absolutely no problem — not yet, anyway.

Ample parking downtown would be dandy if once the car was locked there were plenty of places to go. But options are still limited. At night and on weekends, Vancouver is still more ghost town than bustling city. In ongoing efforts to change that, incen-

tives such as tax abatements, help with parking and waived construction fees are effective at endearing big developers to the city. The most recent city-private partnership being nipped and tucked is with Vandevco Inc., a corporation that plans to build four multistory, mixed-use buildings on two vacant blocks across from Esther Short Park.



The Vandevco project, Park Center, looks good. It includes apartments, condos, retail and an outdoor space Vandevco vows to keep truly for public use. Office units are expected to provide living-wage jobs, and people living inside will likely patronize new retailers and those already dedicated downtown. That is why several downtown booster and business associations turned out for Thursday's Downtown Redevelopment Authority public hearing and gave support for the agreement. The authority has recommended approval to the city council, which has the final say.

The agreement has the city selling land to Vandevco at a low market rate, \$10 a square foot; waiving systems development charges; deferring property taxes on the apartment units for 10 years; and — the most controversial element — building Park Center a 720-space parking garage, price: \$13 million.

Is Vandevco getting too good a deal? By the sincere gratitude the developer expressed Thursday, it may look that way. Filling the garage will be impossible until the building is full and more city attractions exist; consultants admit a short-term deficit could result.

The long-term monetary gain, though, is the clincher. The projected tax revenue to the city from the whole Park Center project makes the cost of the garage seem piddly. The council must carefully consider whether the projections are on target and whether the only way to sign Vandevco is to sponsor the whole garage.

— Elizabeth Hovde, for the editorial board

The Daily Insider

Southern Washington Edition

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FRIDAY HEADLINES

- **Bombs still fall, but Belgrade spared, NATO-U.S. studying peace proposal**
- **Ten-year treaty signed in Seattle ends U.S.-Canada salmon wars**

Park Center superblock development gets second unanimous approval

The plan for Park Center, \$60 million centerpiece of downtown Vancouver redevelopment, got unanimous approval from the Downtown Redevelopment Authority Thursday.

Three-phase project includes 160 apartments, 72 view condominiums, 154,000 square feet of class A offices, retail space, and three-level parking for 720 vehicles at the former two-block Lucky Lager brewery site.

In April the project got a unanimous endorsement from the Downtown Parking Commission. The plans go next to the Vancouver city council for expected approval.

Says **Gerald Baugh** of the city's economic development staff, "This project follows the plan, first developed in 1997

"It provides the things we need to bring people and buying power downtown—residential units, retail opportunities, offices and parking."

Construction of the first phase could come as soon as the end of the year. The developer is Vandevco Limited, which holds an equity position. Additional private financing is being provided largely by local banks.

The parking facility, which will be owned by the city would be financed by tax-exempt bonds.

Park center will be immediately east of Esther Short Park. The proposed \$200 million multipurpose city sports and convention complex will be south of the park.

Auditor considering precinct consolidation

Clark County Auditor **Greg Kimsey's** Elections Advisory Committee is considering consolidation of voting precincts in the light of the large numbers of votes currently being cast by mail.

In recent Camas School District bond and levy election over 76 percent of the votes were by absentee ballot.

The committee, consists of Kimsey, **James Parsley**, **Marsha Scott**, **Margie Ferris**, **Maureen Gallegos**, **Jeanne Benecke**, **Tim Merlino**, **Skip Lueschner**, **Nancy Nellor**, **Mike Gaston** and **Dan Ogden**.

L. M. Hidden scholarships earned by 13 college students

The Hidden Charitable Trust has awarded 13 full-year, L. M. Hidden college scholarships to Clark College and Washington State University students.

The scholarships are based on essays written by students showing how their completed education will benefit Clark County and on academic standing.

The winners announced by **Monte Hidden**, chair of the trust, are **Anne Marie Bock**, **Patricia Ianosel**, **Michael McClean**, **Jeanne McKee**, **Nissa Thibodeaux** and **Melissa Jones**, all of Clark College; and **Amy Broadhead**, **Catherine Davis**, **Karl Holden**, **Emily Rieger**, **Debra Ross**, **Laurie Swift** and **Kathleen Heldman-Crawford**, all of Washington State University-Vancouver.

Hundreds of students to participate in Safe Night at Hudson's Bay Saturday

Sponsored locally by St. Paul Lutheran Church and Vancouver/Clark Parks and Recreation, Safe Night this Saturday at the Hudson's Bay High School Teen Center is expected to attract over 400 youngsters from 11 to 17.

The local event is part of a national project involving 10,000 Safe Nights and 4 million young people.

Safe Night is from 8 p.m. to midnight and offers a dance, open gym, a weight room, food and a place to hang out, according to **Arlisa Hinton**, program coordinator.

For further information call **Karmel Shields**, 546-9719.

News Briefs

Don't forget free barbecue celebrating Clark College's 65th anniversary, noon until 3 p.m. Saturday in the Gaiser Hall courtyard. **Paul Corso** will be cooking with gas. ■■■ **Jane Whitfield**, owner of Creative Cakery, 14415 SE Mill Plain Boulevard, will be in the exhibition booth for the parent company of the franchise this weekend at the Franchise and Investment Expo at the Oregon Convention Center Saturday and Sunday. Whitfield's franchise opened in February, now has five full-time and two part-time employees. For further information, call 822-0256.

CVTV, Channel 47 programming Friday, June 4, 1999

Vancouver Urban Growth Area Traffic Impact Fees	5 p.m.
Animal Control Hearings (5/5)	7 p.m.
Cable Television Commission (5/5)	9 p.m.
Connecting to Celilo Falls...A Storyteller Remembers	10:30 p.m.

Stocks of northwest interest at the close Thursday, June 3, 1999

AVX	20.06	-.25	Longview Fibre	15.13	n.c.
Alaska Airlines	41.94	+.81	Microsoft	76.38	-2.06
Alcoa	59.81	+.56	Nike	58.93	-.31
Amazon.com	105.06	-7.06	Nordstrom	35.19	-.76
Bemis	38.75	-.38	NW Natural Gas	23.75	-.69
Boeing	42.56	+.38	Oregon Steel	14.94	+.44
Boise Cascade	40.44	-1.13	PacifiCorp	18.69	+.19
Chart House	5.63	+.13	Pepsico	36.00	-.25
Electric Lightwave	11.63	+.38	Phycor	6.56	+.31
Fort James	37.46	-.44	Starbucks	35.94	-1.81
GST	11.94	+.31	Tektronix	23.00	-.19
HP	91.44	+1.69	Wash. Mutual	37.69	-.06
Intel	50.50	-1.44	W. Coast Bancorp	18.13	+.63
Kyocera	55.56	+.31	Weyerhaeuser	66.50	-.44

DOW: 10,663.69 +85.8 ■ NASDAQ: 2403.32 -29.09 ■ S&P: 1299.54 +4.73

The Weather and Town Tabloids

Friday, light showers are expected to minimize sunbreaks, 65. Saturday, good day to fertilize the lawn, frequent showers, 62. Sunday, improving, but showers included with sunbreaks, 65. ■■■ **Donna Wend** seeing double total. ■■■ **Betty Sue Morris'** chocolate affair a winner. ■■■ **Byron Hanke** reflecting on unpaid citizenship. ■■■ **Craig Pridemore** counting votes.

The Daily Insider

Southern Washington Edition

Tuesday, June 8, 1999 Vol. 9, No. 111

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(360) 696-1077, Fax (360) 694-9886, E-mail tonyb@dailyinsider.com
Annual subscription, \$245 Electronic distribution only

TUESDAY HEADLINES

- **NATO, Russia agree on peacekeeping force; still bombing awaiting accords**
- **Seattle Mariners 4, Colorado Rockies 2**

Final public hearing on Park Center project will be before Vancouver city council June 21

The final public hearing on downtown Vancouver's redevelopment centerpiece—the \$60 million Park Center project on the former Lucky Lager brewery site east of Esther Short Park—will be at 7 p.m. Monday, June 21, before the Vancouver City Council.

Approval of the project, which in three phases will bring 160 apartment units, 72 view condominiums, 154,000 square feet of class A office space and retail development to the city's downtown, is expected.

The project follows the city's downtown revitalization plan perfected in 1997. It has also been blessed by unanimous approval of the city's parking commission and the Downtown Redevelopment Authority.

The project includes a three-level 720-slot public parking structure, to be owned and operated by the city.

That the parking facility would be funded by a tax-exempt bond issue has attracted a few nay-sayers, but has not developed into controversy.

One in eight Clark County adults said to be functionally illiterate

According to the National Institute for Literacy, 12 percent of the adult population in Clark County is functionally illiterate.

Considered a challenge by the Adult Literacy Volunteer Program of Clark College, the fact will be discussed at the annual tutor and student appreciation night at the college, which begins at 7 p.m. tonight at the Inn at the Quay.

Speakers are Vancouver Mayor Royce Pollard and Clark College President Tana Hasart.

The Clark program uses volunteer tutors to work one-on-one with students to teach reading skills.

For further information, call Linda Opitz, 992-2751.

C-TRAN ridership continues on a high

C-TRAN transit service hit an all-time high in March as over 550,000 riders used fixed route services.

The previous record was nearly 539,000 passengers, in September 1997, when the transit agency offered free service during Interstate Bridge repairs.

Fixed route service for April this year was second only to the previous month, with 539,565 passengers.

The average daily passenger count for C-TRAN has risen to 21,682 for 1999. Last year the average was 20,824.

Joseph McCoy providing tailoring services for Vancouver customers

Professional clothier Joseph McCoy, Portland, is offering tailoring and clothing services of the Tom James Company to Vancouver clients.

McCoy, a partner in the company, which has 160 offices worldwide, says, "I will come to your office or home."

According to McCoy, ready-made and custom suits range from \$295 to \$3,500. The company also sells Allen Edmonds and Johnston & Murphy shoes. For further information, call McCoy at (503) 241-6182.

People

Joel Kimball and Bon Ung, Cascade Junior High School ninth grade students, earned perfect scores in the National Science Olympiad physical science exams. The Cascade team, which tied for 17th place in competition with 212 teams, included Nathan Northcutt, Raymond Dehler and Tim Wong. ■■■ Jay LaPointe has been selected by the Columbia River Economic Development board of directors to succeed David Schneider as GST Telecommunications representative on the CREDC board. John Marck has been named successor to Joe Pinzone as Sharp Microelectronics of the Americas member on the board, and Dan Emmons has been chosen to replace Jewel Barton as Hewlett-Packard's representative on the CREDC board.

CVTV, Channel 47 programming Tuesday, June 8, 1999

Board of Clark County Commissioners (live)	2:30 p.m.
Connecting to Celilo Falls A Storyteller Remembers	5 p.m.
Vancouver Planning Commission (live)	7 p.m.
Clark County Planning Commission (\$/20)	Midnight

Stocks of northwest interest at the close Monday, June 7, 1999

AVX	21.81	+ 19	Longview Fibre	15.44	- 06
Alaska Airlines	42.50	+ 88	Microsoft	80.25	+ 69
Alcoa	61.06	- 88	Nike	60.00	n.c.
Amazon.com	117.38	+8 94	Nordstrom	35.25	+ 44
Bemis	38.50	- 50	NW Natural Gas	24.88	+ 19
Boeing	43.75	- 19	Oregon Steel	14.94	+ 38
Boise Cascade	40.56	+ 19	PacificCorp	18.73	13
Chart House	5.69	- 06	Pepsico	36.19	- 13
Electric Lightwave	11.75	+ 13	Phycor	6.40	- 44
Fort James	37.56	+ 06	Starbucks	36.00	+ 27
GST	12.19	- 25	Tektronix	23.75	+ 63
HP	94.00	+3 50	Wash. Mutual	38.58	+ 56
Intel	53.44	+ 25	W. Coast Bancorp	17.88	+ 25
Kyocera	54.63	- 50	Weyerhaeuser	67.38	n.c.

DOW: 10,909.38 +109.54 ■ NASDAQ: 2524.21 +45.87 ■ S&P: 1334.52 +6.77

Mutual Fund Watch

Mark Martel, CFP First Pacific Associates-KMS Financial Services, 245-2585	6/7/99 NAV	Total Percentage return
<i>Stock Funds</i>		
American Century Ultra Investors	36.64	-2.5
American/Investment Company of America	33.57	9
American/Washington Mutual Investors	35.68	9
Janus Fund	38.15	-1.7
Putnam New Opportunities A	62.39	+3.4
Total return includes interest reinvestment, dividends, capital gains, and changes in share price. Five-year returns annualized. Past performance is no guarantee of future results.		

The Weather and Town Tabloids

Tuesday, mostly cloudy, some showers, 63 Wednesday, rain, 65. Thursday, won't see your breath, some sun, 70 ■■■ Heidi Powell watching over mutual funds. ■■■ Mel and Jo Shevach lovingly lunching at Ballews ■■■ Mat McCudden brewlessly leaving Safeway ■■■ Greg Kimsey happily going through the gears ■■■ Pat Redding a panel ahead of Catbert

MEMORANDUM

TO: Downtown Development Authority File

DATE: June 10, 1999

SUBJECT: Legal Notification for Future Public Meetings and Public Hearings

Per established procedure and the City Charter and approved Ordinances, legal notices and advertising will be placed in *The Columbian* newspaper for the following Vancouver City Council meetings as follows:

- Notification of ordinance for first reading for proposed ordinance June 14, 1999
- Notification of second reading and public hearing for proposed ordinance June 21, 1999
- Special advertisement of Vancouver City Council public hearing to be held June 21, 1999

C9061001/mw

A handwritten signature in cursive script, appearing to be 'mw', is written over the typed name 'C9061001/mw'.

06-14-99
06-21-99

ORDINANCE NO. M-3447

AN ORDINANCE relating to certain parcels of real property located in the downtown area of Vancouver and owned by the City of Vancouver; authorizing conveyance of Blocks 11 and 12 by the City to Vandevco Limited, Inc., a Washington corporation; approving a Disposition and Development Agreement regarding the sale and redevelopment of said parcels as a residential and commercial mixed use development; providing for the City to purchase a public parking facility upon completion of said facility in accordance with the terms and conditions of the Agreement and pursuant to RCW Chapter 35.86 and/or 35.86A, and to operate such structure for public parking; and providing for an effective date.

WHEREAS, the City is the owner of Blocks 11 and 12 located in Vancouver, Washington, generally bounded by 6th Street to the South, Columbia Street to the West, 8th Street to the North, and Washington Street to the East, as described in the attached legal description (Exhibit "A") and the attached property map (Exhibit "B"); and

WHEREAS, said property was acquired by the City in January, 1994, as part of the acquisition of the former Lucky Lager Brewery sites; and

WHEREAS, said property was initially acquired for municipal purposes and for purposes of removing a blighted structure from the former brewery site; and

WHEREAS, it is now been determined that Lots 11 and 12 as described herein are surplus to the City's needs; and

ORDINANCE - 1
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WHEREAS, on the 5th day of January, 1998, by Ordinance M-3342, the City Council approved the Esther Short Subarea and Redevelopment Plan ("Esther Short Plan") which anticipates intensive redevelopment of the area surrounding Esther Short Park together with significant involvement by the City of Vancouver to encourage redevelopment in the area; and

WHEREAS, the Esther Short Plan requires a mixture of live-work accommodations as a major component of redevelopment including the mixed-use areas with housing, retail and public spaces with an emphasis on pedestrian movement; and

WHEREAS, the following Esther Short Plan policies relate to housing within the subarea to wit:

(a) Develop brewery blocks to establish quality standards for urban development and create housing on the park's edge; and

(b) Produce a multi-use neighborhood containing a mix of housing, jobs, retail and public spaces within a pedestrian environment; and

(c) Housing and live-work accommodations should be a major component throughout the area; and

WHEREAS, Vandevco Limited Inc. is a Washington corporation located in Vancouver, Washington whose parent and affiliated principles have constructed numerous residential and commercial developments in other parts of the United States and internationally; and

WHEREAS, the City has negotiated a Disposition and Development Agreement attached hereto as Exhibit "C" with Vandevco, whereby Vandevco has agreed to develop Parks Center as a condominium project incorporating the following elements: 160 market rate apartments, 72 condominiums, 20,000 square feet of retail, 154,000 square feet of office, a public plaza connecting

the transit center and Esther Short Park, and 720 underground parking spaces on three levels.

WHEREAS, the proposed development by Vandevco as described in the Disposition and Development Agreement attached hereto complies with and helps implement the Esther Short Plan policies described above; and

WHEREAS, a guiding principle of the Esther Short Plan is a provision that the area defined in the Plan should act as a catalyst for further downtown and city-wide development; and

WHEREAS, the approval of the Disposition and Development Agreement in development of Blocks 11 and 12 will provide such an impetus for further and additional downtown and city-wide redevelopment; and

WHEREAS, the proposed redevelopment as described in Exhibit "C" is consistent with and further implements the following goals and objectives as set forth in the Esther Short Plan:

- (a) Developer incentive should be established;
- (b) Developer uncertainty should be identified and resolved;
- (c) City of Vancouver's responsibility should be clearly defined;
- (d) Public safety and security concerns in the downtown area should be reduced;
- (e) Strategies that optimize and leverage the City's investment in downtown Vancouver should be developed and implemented; and
- (f) Development partnership should be established which maximizes the development potential of the Esther Short Area; and

WHEREAS, in 1998, the City Parking Commission recommended to City Council and City Council considered and accepted a Downtown Vancouver Parking Program based upon a detailed parking analysis and study which found that projected future demand together with existing

shortages of parking within the boundaries of the Esther Short Plan required acquisition of new public parking facilities; and

WHEREAS, Vandevco proposes to construct as part of its overall development project an integrated parking facility which it proposes to sell to the City for operation by the City of public off-street parking; and

WHEREAS, the proposed Redevelopment Project and Parking Structure acquisition has been the subject of numerous public meetings and sessions with groups, business associations, and citizens, including representatives of the following:

- (a) Esther Short Neighborhood Association;
- (b) Esther Short Subarea and Redevelopment Plan Community Resources Team;
- (c) Neighborhood Alliance;
- (d) Downtown Vancouver Association;
- (e) Identity Clark County;
- (f) Columbian Editorial Board;
- (g) Greater Vancouver Chamber of Commerce;
- (h) C-TRAN;
- (i) Columbia River Economic Development Council; and

WHEREAS, on April 15, 1999, the Vancouver Parking Commission held a public hearing following public notice and subsequent thereto adopted certain findings as set forth in the Parking Commission Staff Report for that meeting and thereafter recommended that the City of Vancouver should acquire and operate the proposed Park Center parking structure; and

WHEREAS, the Downtown Redevelopment Authority (DRA), a public corporation

established under RCW 35.21.730 et seq., has participated in and been advised of the negotiations leading up to the proposed Disposition and Development Agreement including the proposed acquisition of the Parks Center parking structure by the City; and

WHEREAS, on June 3, 1999, pursuant to public notice, the Downtown Redevelopment Authority held a public hearing, and after the public hearing made certain findings and recommendations to the City Council for approval of the attached Disposition and Development Agreement including the acquisition and operation of the proposed Park Center parking structure; and

WHEREAS, after considering all such reports and recommendations and all materials making up the legislative record and after considering all public testimony received at the public hearing on this matter and after providing for public notice of such hearing through normal and special advertising means, the City Council approved the Disposition and Development Agreement including the acquisition and operation of the proposed Park Center parking structure;

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF VANCOUVER:

Section 1. Legislative Findings. Based upon the testimony received at the public hearing, the staff report, findings of the Parking Commission and the Downtown Redevelopment Authority, exhibits, records and documents before it, City Council makes the following legislative findings:

(a) That all recitals (whereas clauses) as set forth herein are adopted as legislative findings.

(b) In accordance with the 1998 Downtown Vancouver Parking Program Study, there is

ORDINANCE - 5
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an existing shortage of parking on the block faces as shown on Exhibit "B", and such parking shortage inhibits land use planning and the redevelopment of the downtown area.

(c) The block bounded by 8th and Washington, 6th and Columbia, is a suitable and appropriate location for an off-street parking facility and such location is consistent with the Downtown Vancouver Parking Program and existing parking facilities.

(d) That it is in the public interest to facilitate redevelopment of Blocks 11 and 12 to include apartments, condominiums, retail and office space, and to provide adequate parking for this development and for other adjacent properties.

(e) That upon acquisition of the parking facility, the City can provide additional parking space at market rates for off-street parking in downtown Vancouver area for residents, business and office tenants and which parking facility is suitable and appropriate for public use.

(f) That such additional off-street parking facility will assist in providing an adequate supply of downtown parking to meet the increased demand from redevelopment activities throughout the downtown core.

(g) That provision of such additional convenient, accessible and attractive off-street public parking will prevent traffic congestion and improve vehicular access and circulation and is a traditional and well-recognized public purpose.

(h) Provision of safe and reliable public parking downtown will increase activity and directly and indirectly improve public safety.

(i) That City Council finds and determines that under Chapter 35.86 RCW and/or Chapter 35.86A., it is necessary and appropriate to implement the Downtown Vancouver Parking Program by proceeding to acquire the Parks Center parking structure under the terms and conditions

as set forth in the Disposition and Development Agreement attached hereto as Exhibit "C".

(j) Based on the information provided by staff and the review and consideration of acquisition of the proposed Park Center parking structure by the Vancouver Parking Commission and endorsed by the Downtown Redevelopment Authority, Council hereby adopts the specific findings and recommendation of the Parking Commission as follows: 1) that without the proposed Parks Center parking structure, new demand will exceed supply; 2) City participation is necessary and appropriate; 3) capital costs are equal to or lower than comparable facilities; and 4) anticipated revenues and expenses are realistic.

(k) Council specifically finds that in order to provide reasonable incentives to encourage the development of a live/work project within the Esther Short Area and in compliance with the subarea plan and policies as described herein and to offset the significantly higher costs of downtown development against a reduced rate of return on such investment, it is reasonable and necessary that the City agree to: 1) waive sanitary sewer and water systems redevelopment charges; 2) provide for a ten year tax exemption for the proposed 160 rental apartment units; and 3) acquire and operate the proposed public parking facility.

(l) Council further finds that in exchange for meeting parking requirements, Vandevco has agreed to: 1) construct the parking structure at cost plus reasonable overhead; 2) absorb the total cost of the parking structure lid; 3) construct all required public improvements including sidewalks, curbs, gutters, lighting and street trees; and 4) develop and maintain a public plaza along the vacated seventh street right of way between Washington and Columbia Streets to include decorative paving, sidewalks, landscaping, water features, fencing , gates and related pedestrian amenities and that such obligations of Vandevco provide sufficient consideration.

ORDINANCE - 7
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(m) Council further finds that in order to insure that the public investment is realized and that redevelopment of Blocks 11 and 12 occur in accordance with the terms and provisions of the Disposition and Development Agreement, certain protections are provided for the City as follows: 1) the City will not be at risk for construction of any portion of the proposed development; 2) City may assess financial penalties; 3) City has the right to purchase and/or acquire the unfinished project; and/or 4) City has the right to foreclose the City's security interest therein.

(n) Council finds that in addition to the specific Esther Short Plan policies and implementation measures described herein, the proposed redevelopment is also in compliance with other applicable Comprehensive Plan policies for downtown Vancouver including but not limited to those that encourage downtown housing as well as housing that is accessible to public services and transit as further described in Table 1, Appendix 4 of the Esther Short Subarea and Redevelopment Plan.

(o) Based on information provided by staff and in consideration of the review and oversight of this proposed development by the Downtown Redevelopment Authority (DRA), Council hereby adopts the specific findings and recommendations of the DRA as follows: 1) that the level of participation in the proposed Agreement is necessary and appropriate for the development of the Park Center Project; 2) that it is reasonable to conclude based on the revenue and cost projections provided that there will be positive net present value to the City from the revenues and costs associated with the Park Center development including but not limited to increased revenues from land sale taxes, property, sale and use taxes, parking fees and repurchase proceeds as well as deferred costs resulting from the utilization of existing available

infrastructure; and 3) the Park Center development meets or exceeds the vision, goals and policies for Blocks 11 and 12 as set forth in the Esther Short Plan and described herein

(p) Council further finds that completion of the Park Center development will provide other direct and indirect benefits to the City of Vancouver and its citizens including 1) elimination of downtown “blight” by developing a currently undeveloped and vacant two block area in the downtown core; 2) stimulating the local economy through the multiplier effect as a result of new residents and new businesses living and working in the downtown core; 3) creation of new jobs; 4) providing a variety of new downtown residential living units and 5) encouraging additional downtown redevelopment.

Section 2. Based on the testimony and evidence received at the public hearing, the staff report and all studies, reports and attachments referred to therein all of which are adopted as part of the legislative record and the reports and recommendations from the Parking Commission and the Downtown Redevelopment Authority and the legislative findings as set forth in Section 1, the Disposition and Development Agreement and all related attachments and agreements between the City and Vandevco are hereby approved and the City Manager is authorized to execute all necessary documents.

Section 3. This ordinance shall go into effect thirty (30) days after final passage. Acts taken pursuant to this Ordinance but prior to its effective date are hereby ratified and confirmed.

Read first time:

June 14, 1999
Ayes: Councilmembers Besserman, Tonkovich, Jollota Moeller,
Harris, Burkman and Mayor Pollard
Nays: Councilmembers None
Absent: Councilmembers None

ORDINANCE - 9
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Read second time:

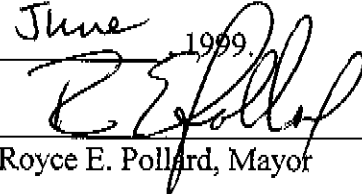
June 21, 1999

PASSED by the following vote:

Ayes Councilmembers Besserman, Tonkovich, Jollota, Moeller,
Harris, Burkinen, and Mayor Pollard

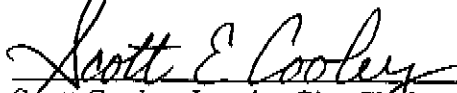
Nays: Councilmembers None

Absent: Councilmembers None

SIGNED this 21st day of June 1999.


Royce E. Pollard, Mayor

Attest:



Scott Cooley, Interim City Clerk

By: ~~Judith Hoggatt, Deputy City Clerk~~

Approved as to form:



Ted H. Gathe, City Attorney

EXHIBIT **A**

LEGAL DESCRIPTION

Lots 1 thru 8, Block 11, of WEST VANCOUVER, according to the plat thereof, recorded in Volume "B" of Plats, page 40, records of Clark County, Washington.

Lots 1 thru 8, Block 12 of WEST VANCOUVER, according to the plat thereof, recorded in Volume "B" of Plats, page 40, records of Clark County, Washington.

That portion of vacated West 7th Street lying between the West line of Washington Street and the East line of Columbia Street, as vacated by Ordinance M-605 and conveyed by Auditor's File No. G-379494, records of Clark County, Washington.

EXHIBIT **A**
LEGAL DESCRIPTION

01947001 D01 (Disposition Agreement)red-wo sketches) (6/1/1999)

-1-

EXHIBIT B

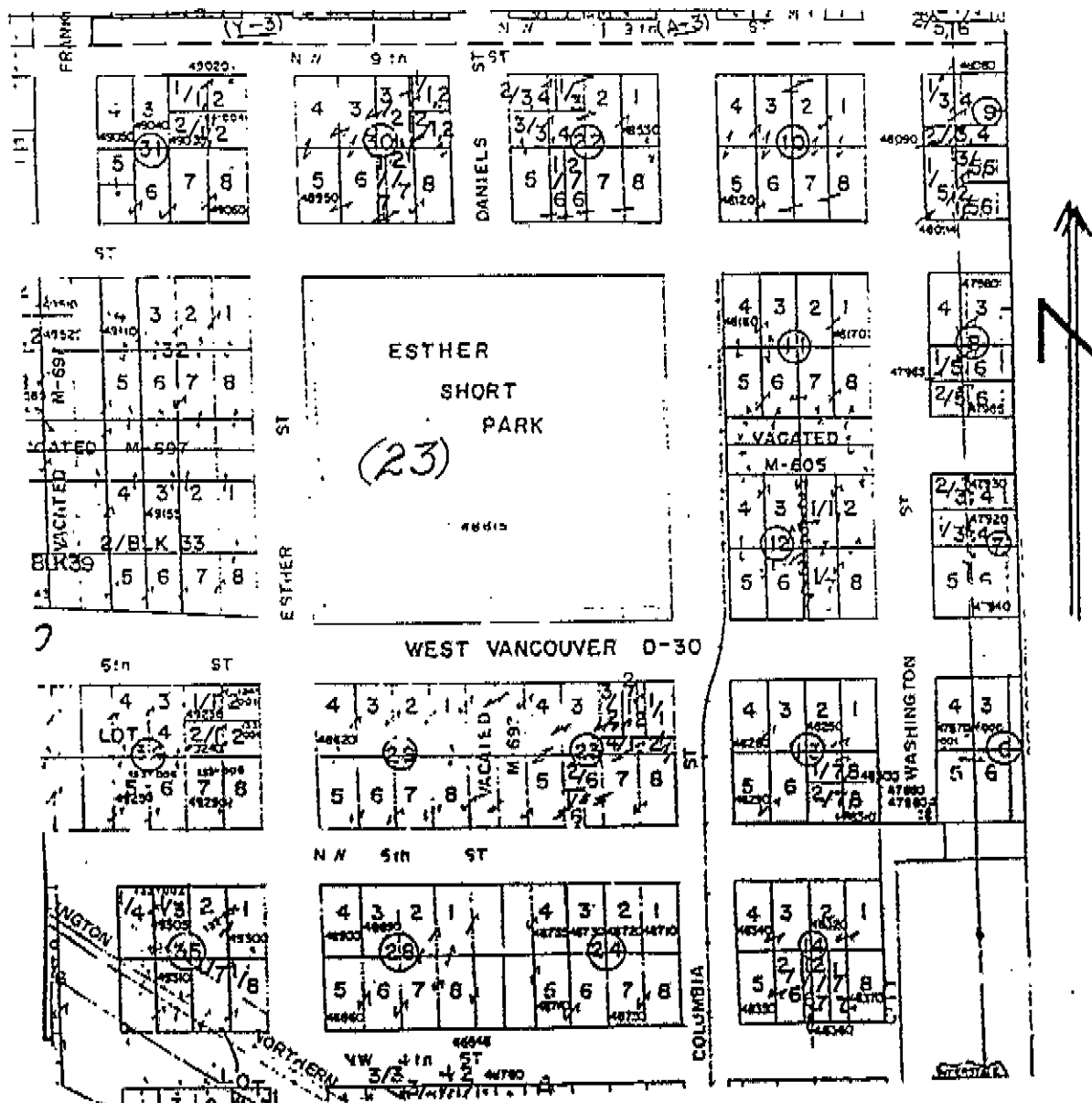
PROPERTY MAP

Clark County Title Company

1400 Washington Street, Suite 100

Vancouver, WA 98660

Phone (360) 694-4722 Fax (360) 694-4165



This sketch is provided, without charge, for your information. It is not intended to show all matters related to the property, including, but not limited to, area, dimensions, easements, encroachments, or location of boundaries. It is not part of, nor does it modify, the commitment or policy to which it is attached. The Company assumes no liability for any matter related to this sketch. Reference should be made to an accurate survey for further information.

EXHIBIT B
PROPERTY MAP

01947001.D01 (Disposition Agreement10).doc01947001.D01 (Disposition Agreement10red).doc (6/3/1999)

-1-

MEETING GROUPS FOR PARK CENTER INVITATION LIST

Group	Participants	Role(s)	Phone Numbers	Address	Venue	Time
Neighborhood Groups	Mark & Krista Hoover	Chair and Vice Chair, Amada Neighborhood Association	Ph:(360) 693-5152 Fx:	1914 H Street Vancouver, WA 98663	Marshall House	3/8 7 PM
	Angela Mickler	Chair, Hough Neighborhood Association	Ph:(360) 737-1995 Fx:	315 W 21 st Street Vancouver, WA 98660	Marshall House	3/8 7 PM
	Mina Miligan	Vice Chair, Hough Neighborhood Association	Ph:(360) 694-6741 Fx:	501 W 24 th Street Vancouver, WA 98660	Marshall House	3/8 7 PM
	Charlene Auvil	Chair, Esther Short Neighborhood Association (includes Smith Tower)	Ph:(360) 694-4689 Fx:	515 Washington Street #61 Vancouver, WA 986660	Marshall House	3/8 7 PM
	Tracy Reich	Executive Director Downtown Vancouver Association	Ph: (360) 693-2978 Fx: (360) 696-8942	PO Box 1995 Vancouver, WA 98660-1995	Marshall House	3/8 7 PM
	Anne McEnerny-Ogle	Chair, Neighborhood Alliance	Ph:(360) 695-5124 Fx:	3501 F Street Vancouver, WA 98663	Marshall House	3/8 7 PM
	Joe Schwartz	Vice Chair, Neighborhood Alliance	Ph: (360) 699-0618 Fx:	1113 E 37 th Street Vancouver, WA 98663	Marshall House	3/8 7 PM
	Tom Jacobs	Chair, Cascade Southeast Neighborhood Association	Ph: (360) 260-7996 Fx:	2809 SE Blairmont Vancouver, WA 98683	Marshall House	3/8 7 PM
Identity Clark County Exec Board	Ed Lynch	Chairman, Identity Clark County; President, The Ed Lynch Company	Ph: (360) 696-3611 Fx: (360) 694-7161	703 Broadway Vancouver, WA 98660	Marshall House	Done
	Paul Christensen	Chairman, Special Events Center Committee, Identity Clark County; President, Realvest, Inc.,	Ph: (360) 694-6000 Ph: (360) 905-0128 Fx: (360) 695-1201	1111 Main Street, Suite 700 Vancouver, WA 98660	Marshall House	Done
The Columbian Editorial Board	Scott Campbell	The Columbian Editorial Board; Owner, The Columbian	Ph: (360)694-3391 Fx: (360) 699-6033	PO Box 180 Vancouver, WA 98666-0180	Marshall House	3/9 4:15 pm
	Tom Koenninger	The Columbian Editorial Board; Editor, The Columbian	Ph: (360)694-3391 Fx: (360) 699-6033	PO Box 180 Vancouver, WA 98666-0180	Marshall House	3/9 4:15 pm
	Julie Anderson	The Columbian, Business Writer	Ph: (360)694-3391 Fx: (360) 699-6033	PO Box 180 Vancouver, WA 98666-0180	Marshall House	3/9 4:15 pm
	Michael Heywood	The Columbian Editorial Board	Ph: (360)694-3391 Fx: (360) 699-6033	PO Box 180 Vancouver, WA 98666-0180	Marshall House	3/9 4:15 pm
	Mike Zuzel	The Columbian, Editorial Writer	Ph: (360)694-3391 Fx: (360) 699-6033	PO Box 180 Vancouver, WA 98666-0180	Marshall House	3/9 4:15 pm
	Elizabeth Hovde	The Columbian, Editorial Writer	Ph: (360)694-3391 Fx: (360) 699-6033	PO Box 180 Vancouver, WA 98666-0180	Marshall House	3/9 4:15 pm
Angelo Company	Craig Angelo	Owner, The Al Angelo Company	Ph: (360) 694-3343 Fx: (360) 690-4430	404 E 15th Street Vancouver, WA 98663	Marshall House	3/9 3 PM
	Corky Angelo	Owner, The Al Angelo Company	Ph: (360) 694-3343 Fx: (360) 690-4430	404 E 15th Street Vancouver, WA 98663	Marshall House	3/9 3 PM

MEETING GROUPS FOR PARK CENTER INVITATION LIST

Group	Participants	Role(s)	Phone Numbers	Address	Venue	Time
Chamber of Commerce	Bill Fromhold	President, Vancouver Chamber of Commerce	Ph. (360) 694-2588 Cel (360) 901-5020 Fx: (360) 693-8279	404 E 15th Street, Suite 11 Vancouver, WA 98663	TWC	3/10 7:30 am
	Steve Dearborn	Governmental Affairs Director, Vancouver Chamber of Commerce	Ph: (360) 694-2588 Fx: (360) 693-8279	404 E 15th Street, Suite 11 Vancouver, WA 98663	TWC	3/10 7:30 am
	Joe Pinzone	Chair-Elect, Vancouver Chamber of Commerce, Vice President, Corporate Affairs, SHARP Microelectronics Technology, Inc	Ph: (360) 834-8724 Ph: (360) 910-8600 Fx: (360) 834-8611	5700 NW Pacific Rim Blvd Camas, WA 98607	TWC	3/10 7:30 am
	Dick Southard	Vice Chair, Vancouver Chamber of Commerce, Owner, Asian American Fibers, Inc.	Ph. (360) 695-3669 Fx: (360) 695-4122	2300 East 1st Street, Suite D Vancouver, WA 98661-7738	TWC	3/10 7:30 am
	James Farley	Secretary/Treasurer, Vancouver Chamber of Commerce, Service Area Manager-Clark County, Kaiser Permanente	Ph (360) 571-3001 Fx (360) 571-3010	14406 NE 20 th Avenue Vancouver, WA 98661	TWC	3/10 7:30 am
	Jim Christian	Past Chair, Vancouver Chamber of Commerce, Vice President, Bank of Vancouver Business Banking Office	Ph (360) 883-1066 Ph (360) 883-6480 Fx (360) 883-6482 Fx (360) 693-5667	16703 SE McGilivray Suite 235 Vancouver, WA 98683	TWC	3/10 7:30 am
	Paul Winters	Board Member, Vancouver Chamber of Commerce, President, Winters & Associates	Ph (360) 694-4013 Fx (360) 260-0275	7321 NE 70 th Street Vancouver, WA 98662-3679	TWC	3/10 7:30 am
	Brett Wilkerson	Board Member, Vancouver Chamber of Commerce, General Manager, The Heathman Lodge	Ph (360) 254-3100 Fx. (360) 254-6100	7801 NE Greenwood Drive Vancouver, WA 98662	TWC	3/10 7:30 am
Regulators	Keith Parker	Executive Director, C-TRAN	Ph. (360) 696-4494 Fx: (360) 906-7490	PO Box 2529 Vancouver, WA 98666-2529	TWC	3/10 10 AM
	Dan Frajo	Fire Chief, City of Vancouver Fire Department	Ph (360) 892-4323 Fx: (360) 892-4801	7110 NE 63rd Avenue Vancouver, WA 98662	TWC	3/10 10 AM
	Doug Maas	Police Chief, City of Vancouver Police Department	Ph: (360) 696-8292 Fx: (360) 696-8047	PO Box 1995 Vancouver, WA 98668-1995	TWC	3/10 10 AM
	Pat McDonnell	Deputy City Manager, City of Vancouver	Ph: (360) 696-8121 Fx (360) 696-8049	PO Box 1995 Vancouver, WA 98668-1995	TWC	3/10 10 AM
	Mary Jo Briggs	Deputy City Manager, City of Vancouver	Ph (360) 696-8121 Fx (360) 696-8049	PO Box 1995 Vancouver, WA 98668-1995	TWC	3/10 10 AM
	Bill Barron	Administrator, Clark County	Ph (360) 397-2232 Fx (360) 397-6058	PO Box 5000 Vancouver, WA 98666-5000	TWC	3/10 10 AM
	Wayne Nelson	Interim CEO, and General Counsel, Clark Public Utilities	Ph (360) 992-3239 Ph (360) 992-3000 Fx (360) 992-3204	1200 Fort Vancouver Way Vancouver, WA 98663	TWC	3/10 10 AM

MEETING GROUPS FOR LARK CENTER INVITATION LIST

Economic Development Council	Bob Levin	President, CREDC	Ph: (360) 694-5006 Fx: (360) 694-9927	100 Columbia Way Vancouver, WA 98660-3156	TWC	3/10 7:30 am
	Vern Peterson	President, Peterson and Associates; Past Chair, CREDC	Ph:(360) 574-0644 Fx:(360) 573-4499	7917 NE Hazel Dell Avenue Vancouver, WA 98665	TWC	3/10 7:30 am
	Mark Brandon	Chairman, CREDC SeaFirst Bank, VP and Manager	Ph: (360) 696-5555 Fx: (360) 696-5618	PO Box 750 Vancouver, WA 98666	TWC	3/10 7:30 am
City of Vancouver West Side Development Group	Sam Adams	Interim Development Services Manager, City of Vancouver	Ph: (360) 735-8873 xtn: 8085 Ph: (360) 696-8005 Fx: (360) 696-8283	PO Box 1995 Vancouver, WA 98668-1995	TWC	3/10 10 AM
	Chad Eiken	Senior Planner, West Workgroup Facilitator, City of Vancouver Community Development Department	Ph: (360) 735-8873 xtn: 8091 Ph: (360) 696-8005 Fx: (360) 696-8283	PO Box 1995 Vancouver, WA 98668-1995	TWC	3/10 10 AM
	Jon Wagner	Senior Planner, West Side Work Group, City of Vancouver Community Development Department	Ph: (360) 735-8873 xtn: 8314 Ph: (360) 696-8005 Fx: (360) 696-8283	PO Box 1995 Vancouver, WA 98668-1995	TWC	3/10 10 AM
	Deborah Wright	Senior Planner, West Side Work Group, City of Vancouver Community Development Department	Ph: (360) 735-8873 xtn: 8744 Ph: (360) 696-8005 Fx: (360) 696-8283	PO Box 1995 Vancouver, WA 98668-1995	TWC	3/10 10 AM
Downtown Property Owners	Keith Koplan	President, Koplan's Home Furnishings	Ph:(360) 695-3388 Fx: (360) 906-1769	PO Box 880 Vancouver, WA 98660	TWC	3/10 Noon
	Greg Daniels	President, Mortgage Investments, Inc.	Ph: (360) 694-6000 Ph: (360) 696-2528 Cell: (503)781-1969 Fx: (360) 695-1201	1111 Main Street, Suite 700 Vancouver, WA 98660	TWC	3/10 Noon
	Steve Madison	President, Cana Realty Group	Ph: (360) 696-9551 Fx: (360) 696-0103	900 Washington Street, Suite 850 Vancouver, WA 98660	TWC	3/10 Noon
	Martin Overstreet	Owner, Amberhill Properties	Ph:(360) 576-1783 Fx:(360) 576-7891	15518 NW 23 rd Court Vancouver, WA 98685	TWC	3/10 Noon
	Lee Phillips	Commander, American Legion Smith Reynolds Post No. 14	Ph: (360) 696-2579 Fx: (360) 737-8192	710 Esther Vancouver, WA 98660	TWC	3/10 Noon
	Tom McKillip	General Manager, Doubletree Inn at Quay	Ph: (360) 694-8341 Fx: (360) 694-2023	100 Columbia Street Vancouver, WA 98660	TWC	3/10 Noon
	Brad Hutton	Vice President, Managing Director, Double Tree Hotels	Ph: (503) 240-4580 Fx: (503) 283-4718	1401 N Hayden Island Drive Portland, OR 97217	TWC	3/10 Noon
	Dean Irvin	Board Member, Downtown Vancouver Association; President, HG Industries	Ph: (360) 737-8929 Ph: (360) 607-6455 Fx:(360) 737-8293	301 W 45 th Street Vancouver, WA 98660	TWC	3/10 Noon
	Mark Madden	Senior Vice President, Colliers International	Ph:(503) 499-0053 Fx:(503) 227-2447	707 SW Washington Street, Suite 1500 Portland, OR 97205	TWC	3/10 Noon
	Jerry Jenkins	Senior Vice President, West Coast Hotels	Ph:(602) 786-1435 Fx:(602) 786-1460	3695 S Jojoba Way Chandler, AZ 85248	TWC	3/10 Noon
	Ed Peitz	Owner, EP Properties	Ph:(360) 253-7727 Fx: (30) 253-6843	201 NE Park Place Drive, Suite 200 Vancouver, WA 98684	TWC	3/10 Noon

MEETING GROUPS FOR PARK CENTER INVITATION LIST

Group	Participants	Role(s)	Phone Numbers	Address	Venue	Time
Special Interest	Larry Andrew	Public Sector background & private business experience	Ph. (360) 574-5467 Fx:	8406 NE 26 th Avenue Vancouver, WA 98665	Marshall House	3/9 6 PM
	Holly Chamberlin	Historic Preservation Consultant; Vice Chair of Clark County Historic Preservation Committee	Ph (360) 699-4628 Fx	1910 Harney Street Vancouver, WA 98660	Marshall House	3/9 6 PM
	Scott Collier, PS	Attorney at Law, Prior City Council Member	Ph (360) 699-0500 Fx (360) 750-6726	613 McLoughlin Blvd, Suite A Vancouver, WA 98683	Marshall House	3/9 6 PM
	Rod Cook	Owner, Alpine Autobody, Identity Clark County, Special Events Center Committee	Ph (360) 256-4680 Fx: (360) 256-3771	12302 NE Fourth Plain Road Vancouver, WA 98682	Marshall House	3/9 6 PM
	Harris Dusenberry	Community Activist	Ph: (360) 693-1332 Fx	203 W 32 nd Street Vancouver, WA 98660	Marshall House	3/9 6 PM
	Ethel Hunter	Council for the Homeless NAACP Local Chapter Board Member	Ph (360)892-0532 Fx	3001 NE 78 th Avenue Vancouver, WA 98662	Marshall House	3/9 6 PM
	David Kenny	Representative, Parks and Recreation Commission	Ph (360) 699-4245 Fx.	First Independent Bank 1207 Washington Street Vancouver, WA 98668	Marshall House	3/9 6 PM
	Dale Kidwell	Homeowner, Hough Neighborhood Association	Ph: (360) 737-8935 Fx:	413 W 21 st Street Vancouver, WA 98660	Marshall House	3/9 6 PM
	Janice Altman	Owner, Altman Gallery	Ph (360) 695-9298 Fx (360) 695-6986	210 W Evergreen Blvd, #600 Vancouver, WA 98660	Marshall House	3/9 6 PM
	Rod Cook	Owner, Alpine Autobody, Identity Clark County, Special Events Center Committee	Ph (360) 256-4680 Fx. (360) 256-3771	12302 NE Fourth Plain Road Vancouver, WA 98682	Marshall House	3/9 6 PM
	Deb Wallace	Director of Development, C-TRAN, Chair, Downtown Vancouver Association	Ph: (360) 696-4494 Fx: (360) 696-1602	C-TRAN PO Box 2529 Vancouver, WA 98668	Marshall House	3/9 6 PM
	Joe Lanning	Owner, My Jeweler	Ph (360) 693-9940 Fx	My Jeweler 809 Main Street Vancouver, WA 98660	Marshall House	3/9 6 PM
	Gus Lehto	Police Officer, City of Vancouver Public Safety Representative	Ph (360) 696-8292 Fx	Vancouver Police Department 210 E 13 th Street Vancouver, WA 98668	Marshall House	3/9 6 PM
	Lee Rafferty	Owner, Spanky's	Ph (360) 260-7856 Fx:	812 Main Street Vancouver, WA 98660	Marshall House	3/9 6 PM
	Gene Reed	Property Manager, Thunderbird Village Apartments, City Representative to NUSA Conference	Ph (360) 694-6066 Fx	Thunderbird Village 4601 E 18 th Street Vancouver, WA 98661	Marshall House	3/9 6 PM
	Marc A Veneroso	Federal Highway Administration, Bridge Engineer, Member, City of Vancouver Planning Commission	Ph (360) 696-7708 Fx	610 E Fifth Street Vancouver, WA 98661	Marshall House	3/9 6 PM
	David Groth	Principal, Palmer, Groth & Pietka, Inc	Ph (360) 699-4844 Fx. (360) 699-1904	112 W 11 th Street Vancouver, WA 98660	Marshall House	3/9 6 PM
	Marian Anderson	Code Enforcement Coordinator, Clark County Code Enforcement Department, Member, City of Vancouver Planning Commission	Ph:(360) 397-2375 Fx (360) 397-2011	205 E 11 th Street Vancouver, WA 98660	Marshall House	3/9 6 PM
	Leonard Cebolla	Resident, Cascade Park	Ph (360) 256-2766 Fx	1703 Se 124 th Avenue Vancouver, WA 98683	Marshall House	3/9 6 PM

DISPOSITION AND DEVELOPMENT AGREEMENT

between

City of Vancouver

and

Vandevco Limited, a Washington corporation

for the Redevelopment of

Two City Blocks

bordered by Washington Street, Columbia Street, 6th Street and 8th Street (“Superblock”)

Execution Date: June 21, 1999

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DISPOSITION AND DEVELOPMENT AGREEMENT

THIS Disposition and Development Agreement (the "Agreement" or the "DDA") is entered into on June 21, 1999, between Vandevco Limited, a Washington corporation ("Developer"), and the City of Vancouver, a State of Washington municipality ("City").

SECTION 1. PURPOSE AND PARTIES

1.1 Purpose

This Agreement sets forth the terms and conditions under which City shall sell the Property (as defined in Section 1.3) to Developer, and by which Developer shall construct the Project (as defined in Section 1.6). The goal of City and Developer is to develop an important community resource in a commercially viable manner that is consistent with and furthers the goals of City as contained within the Esther Short Subarea and Redevelopment Plan. This Agreement includes a number of Exhibits – not all of which are available at the time of execution. The parties acknowledge and agree that any such Exhibits not available at the time of execution will be attached at such time as both parties approve such Exhibits as to form and content.

1.2 Redevelopment Plan

This Agreement is subject to the provisions of the Esther Short Subarea and Redevelopment Plan as adopted on January 5, 1998, amended August 10, 1998, and in effect as of the date of this Agreement and is incorporated by reference into this Agreement (the "Redevelopment Plan"). Once land use approvals have been provided by City to Developer, any inconsistency between such approvals and the Redevelopment Plan shall be resolved in favor of such approvals.

1.3 The Property

The Property is City Blocks 11 and 12 and is that area located in Vancouver, Washington generally bound by 6th Street to the south, Columbia Street to the west, 8th Street to the north, and Washington Street to the east. The Property is more fully described in the attached Legal Description (Exhibit 1.3.1), and the attached Property Map (Exhibit 1.3.2) which are incorporated in this Agreement by this reference. The Property is vacant. The Property will be sold to Developer in up to three Lots as more particularly described under Section 1.6 of this Agreement under the heading "the Project". Developer shall submit an application for a Short Plat or a binding site plan to City to divide the Property into three legal lots consisting of Lot 1, Lot 2 and Lot 3 as illustrated on the Concept Sketch attached hereto as Exhibit 1.6.1.

1.4 City

City of Vancouver is a State of Washington municipality, exercising governmental functions and powers of the Vancouver Municipal Code of the State of Washington and is hereinafter referred to as "City". The principal office of City is located at Vancouver City Hall, 210 East 13th Street, Vancouver, Washington.

1.5 Developer

Vandevco Limited is a Washington corporation and is hereinafter referred to as "Developer". The principal office of Developer is 105 W. Evergreen Boulevard, #300, Vancouver, Washington 98660-3123. Any reference hereafter to "Developer" shall be deemed to include any successors and/or assigns of Developer as permitted in Section 6.4.

1.6 The Project

A. Description of Project and Phases. The Project will be developed in three phases, with each phase developed as a separate mixed-use condominium. Phase One will be

constructed as a mixed-use condominium on or above Lot 1. Phase Two will be constructed as a mixed-use condominium on or above Lot 2. Phase Three will be constructed as a mixed-use condominium on or above Lot 3. Each condominium will consist of a minimum of three units. One condominium unit will consist of the land lying below the foundation of the parking garage, one unit will consist of a public underground parking structure and the other unit or units will consist of privately owned mixed-use buildings containing retail and commercial office space and/or residential and condominium apartments as hereinafter described. Phase One will be the development of the western portion of the Property illustrated in Exhibit 1.6.1 and is hereinafter referred to as Lot 1. Developer will design, develop, construct and improve Phase One on Lot 1 with mixed-use buildings which will contain a minimum of three condominium units. One unit will consist of the land lying below the foundation of the parking garage. One condominium unit will consist of a three story mainly underground parking structure which, subject to the terms and provisions of the Parking Garage Purchase Agreement (Exhibits 5.4.1.1, 5.4.1.2 and 5.4.1.3), will be owned and operated by City and the remaining condominium unit or units will consist of two market rate apartment buildings containing 160 apartment units which will be privately owned and managed by Developer (collectively, the "Phase One Improvements"). Phase Two will be the development of Lot 2 on a portion of the blocks of the Property illustrated in Exhibit 1.6.1 and is hereinafter referred to as Lot 2. Developer will design, develop, construct and improve Phase Two on Lot 2 with a mixed-use building which will contain a minimum of three condominium units. One condominium unit will consist of the land lying below the foundation of the parking garage. One condominium unit will consist of a three story mainly underground parking structure which, subject to the terms and provisions of a Parking Garage Purchase Agreement (Exhibits 5.4.1.1, 5.4.1.2 and 5.4.1.3), will be owned and operated by City

and the remaining condominium unit or units will consist of a mixed-use building containing approximately 10,000 square feet of street level retail space, approximately 64,000 square feet of Class A office space and 36 residential condominiums which will be privately owned and managed by Developer (collectively, the "Phase Two Improvements"). Phase Three will be the development of Lot 3 on a portion of the blocks of the Property illustrated in Exhibit 1.6.1. Developer will design, develop, construct and improve Phase Three on Lot 3 with a mixed-use building which will contain a minimum of three units. One condominium unit will consist of the land lying below the foundation of the parking garage. One condominium unit will consist of a three story mainly underground parking garage which, subject to the terms and provisions of a Parking Garage Purchase Agreement (Exhibits 5.4.1.1, 5.4.1.2 and 5.4.1.3), will be owned and operated by City and the remaining condominium unit or units will consist of a mixed-use building containing approximately 10,000 square feet of street level retail space, approximately 95,000 square feet of Class A office space and 36 residential condominiums which will be privately owned and managed by Developer (the "Phase Three Improvements"). The Phase Two and Phase Three Improvements will also include construction of a public plaza enclosed by the buildings, including decorative paving, sidewalks, curbs, gutters, street trees, landscaping (including water feature), fencing, gates, street furniture and pedestrian improvements constructed over vacated 7th Street which will constitute part of Developer's Units (collectively, "Public Plaza Improvements").

B. Minimum Design Criteria for Parking Garages. The parking garage constructed as part of the Phase One Improvements shall consist of three levels of mainly below-grade parking containing approximately 480 parking spaces (the "Phase One Parking Garage"). The parking garage constructed as part of the Phase Two Improvements shall consist

of three levels of parking located mainly below grade and containing approximately 120 parking spaces (the "Phase Two Parking Garage"). The parking garage constructed as part of the Phase Three Improvements shall consist of three levels of parking located mainly below grade and containing approximately 120 parking spaces (the "Phase Three Parking Garage"). The Phase Two and Phase Three Parking Garages shall be integrated in design with the Phase One Parking

constructed as part of the Project in compliance with the Redevelopment Plan, Vancouver Downtown Design Guidelines, City zoning code and development regulations (collectively "Minimum City Design Requirements"). In addition to complying with the Minimum City Design Requirements, all buildings and Public Plaza Improvements shall meet the design criteria attached to this Agreement as Exhibit 1.6.2. Developer may deviate from the design criteria with the prior written consent of City's Manager of Economic Development, which consent shall not be unreasonably withheld. Inconsistencies will be resolved by the permitting authority and its decision shall be controlling as set forth in Section 4.2 below.

D. Disclaimer

(1) City Not Liable for Construction of Project. Notwithstanding any other provisions of this Agreement to the contrary, City is under no obligation to, nor shall it construct or supervise the construction of the Project. It is understood and agreed that City's right to inspect the Project prior to its acquisition of the parking garages pursuant to Section 5.4 of this Agreement is for the sole purpose of protecting its rights as a purchaser of the parking garages to be constructed as part of the Phase One Improvements, the Phase Two Improvements and the Phase Three Improvements pursuant to the Parking Garage Purchase Agreement as defined in Section 5.4 of this Agreement. No part of the cost of construction of the Project shall ever become an obligation of City nor is City responsible to any contractors or to any subcontractors under any subcontracts for design, development, repair, renovation or construction of the Project, the parking garages or any other third parties for any purpose whatsoever.

(2) No Construction Liens. Nothing contained in this Agreement shall be construed as the consent or request of City, express or implied, for the performance of any

labor or services or for the furnishing of any materials or equipment for any construction, alteration, addition, repair or demolition of or to the Property (or any part thereof). NOTICE IS HEREBY GIVEN THAT CITY WILL NOT BE LIABLE FOR ANY LABOR, SERVICES, MATERIALS OR EQUIPMENT FURNISHED OR TO BE FURNISHED TO DEVELOPER, OR ANYONE HOLDING AN INTEREST IN THE PROPERTY (OR ANY PART THEREOF) THROUGH OR UNDER DEVELOPER, AND THAT NO CONSTRUCTION OR OTHER LIENS FOR ANY SUCH LABOR, SERVICES, MATERIALS OR EQUIPMENT SHALL ATTACH TO OR AFFECT THE INTEREST OF CITY IN THE PROPERTY (OR ANY PART THEREOF).

(3) Removal of Liens. Developer shall pay or cause to be paid within thirty (30) days after the filing thereof any and all construction or other liens that may be filed against City's interest in the Property (or any portion thereof) in connection with labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or upon the request of Developer subject to the provisions of this subsection (3). Developer reserves the right to contest the validity of any such lien claims in good faith provided that Developer shall within thirty (30) days after the filing of such lien discharge said lien of record or record a bond which complies with the requirements of RCW 60.04.161 eliminating said construction lien as an encumbrance against City's interest in the Property. Upon Final Completion (defined below) of each Phase of the Project, the Property, whether then owned by Developer or City, shall be free and clear of all construction liens arising by or through the actions of Developer, its architects, contractor(s), subcontractors, or their respective agents and employees.

1.7 Condominium Ownership; Declarations

A. Condominium Declaration and Designation of Units. Developer shall cause Phase One, Phase Two and Phase Three on Lot 1, Lot 2 and Lot 3 to be developed as separate mixed-use commercial condominiums (individually, "Condominium" and collectively, the "Condominiums"). Each Condominium shall contain such number of separate condominium units as Developer shall determine in the reasonable exercise of its business judgment pursuant to a condominium declaration ("Declaration") and survey map and plans ("Survey Map and Plans") prepared by Developer and approved by City. Each Declaration shall address the issues set forth in the checklist attached hereto as Exhibit 1.7 and shall be in form and substance satisfactory to City and Developer. Each Declaration shall provide, at a minimum for the following units: (a) the land lying below the foundation of the parking garages (collectively the "Land"), (b) the underground parking garage (collectively, the "Parking Garage Units"), (c) a number of additional condominium units which are intended to be developed with buildings for retail, commercial, office or residential uses (collectively, "Developer Units") as described above for each of the Phases of the Project, (d) the Public Plaza Improvements which will constitute part of Developer's Units, (e) provisions for the construction, ownership, use, operation, maintenance and repair of all additional public spaces and pedestrian improvements required under this Agreement, or as may be required by City of Vancouver Downtown Redevelopment Authority ("DRA") or other governmental authority with jurisdiction over the Property, and (f) such Common Elements and Limited Common Elements as are set forth in the Declarations and Survey Maps and Plans for each of the Condominiums.

B. Determination of Boundaries of Various Units. Precise boundaries of each condominium unit will be determined by as-built survey upon Substantial Completion

(defined below) of each Phase; however, common elements will be minimized. The lid of the parking garages and the Public Plaza Improvements will be part of Developer Units. Elevators will be allocated to the unit that they primarily serve. Utilities, stairwells and other improvements will be allocated to the unit that they primarily serve. The HVAC systems serving the parking garages, for example, will be allocated to the Parking Garage Units. Common elements will be limited to the greatest extent practicable to the structural components of the parking garages (i.e., the foundation and structural support for the Parking Garages and Developer Units). The Declaration shall grant the owner of each unit and its invitees a non-exclusive access easement for the benefit of such owner and its invitees over, across and through such portions of the other units as is necessary for owners and their invitees to enter and exit the Parking Garage Units from other units and to and from the public streets adjoining the Project. The Declaration shall contain such other easements including easements for the continuing structural support of the Parking Garages and Developer Units, easements for elevators, stairwells and other utility improvements located in the other units and such other easements as Developer and City may mutually agree.

1.8 Changes in the Configuration of the Project

Developer may request a change in the configuration of the Project and the various Phases as described in Section 1.7 above, so long as the Project remains a mixed-use project and the reconfigured Project satisfies each of the following requirements as determined by City in the reasonable exercise of its discretion:

A. The tax revenues projected to be generated by the reconfigured Project are equal to or higher than the original Project; and

B. The valuation of the reconfigured Project for property tax valuation purposes is equal to or greater than the original Project; and

C. The square footage for the reconfigured Project is equal to or greater than the original Project; and

D. The reconfigured Project has parking requirements which equal or exceed the original Project; and

E. The reconfigured Project has been approved by City of Vancouver Downtown Redevelopment Authority and City, which approvals shall not be unreasonably withheld so long as the reconfigured Project satisfies the foregoing requirements and is consistent with existing zoning and the Redevelopment Plan and does not require permit approval by City's Department of Community Development.

Notwithstanding the foregoing, the parties acknowledge and agree that in the event there are deviations in the Project such as a change in the square footage and/or number of individual apartment and/or residential units which equal less than a five percent (5%), the only non-permit approval necessary shall be City's Manager of Economic Development, which shall not be unreasonably withheld or delayed.

1.9 The Land Use Development Agreement

Upon receipt of site plan approval for Phase One of the Project, the parties shall execute and attach to this Agreement a Land Use Development Agreement as authorized by Revised Code of Washington 36.70B.170 for all Phases of the Project. This Land Use Development Agreement shall be attached hereto as Exhibit 1.9.

SECTION 2. DEVELOPER PRE-DISPOSITION REQUIREMENTS

As conditions precedent to City's obligation to sell Lot 1 to Developer, the following conditions must be met within the time limit indicated for each condition, unless that time limit is extended in writing by City's Manager of Economic Development.

2.1 Approval of Financing Plan for Phase One Improvements

Developer intends to finance the construction of the Project with construction loan financing and equity. Within thirty (30) days following the date of this Agreement Developer shall submit the following information to City's Manager of Economic Development for review and approval by City, which approval shall not be unreasonably withheld:

- A. Preliminary commitment letters for construction financing for the overall Project, or, at a minimum, Phase One of the Project;
- B. Evidence reasonably satisfactory to City of the source and availability of any equity funding required under the commitment letters or the budget for Phase One of the Project;
- C. A cash flow projection for Phase One of the Project;
- D. Detailed budget for Phase One of the Project; and
- E. Certificate of Good Standing for Developer's business entity from the State of Washington.

Upon written approval of such documents by City's Manager of Economic Development, such documents and the intended financing of construction from bank commitment letters and Developer equity shall constitute the approved Financing Plan for Phase One of the Project. Failure of City's Manager of Economic Development to reject the foregoing within fourteen (14) calendar days of the receipt thereof shall constitute approval.

Any material change to the approved Financing Plan for Phase One of the Project must first be submitted to and approved by City's Manager of Economic Development. Unless rejected or approved subject to conditions by City's Manager of Economic Development within fourteen (14) calendar days following submission by Developer, the modified Financing Plan for Phase One of the Project shall be deemed approved. If such change is rejected, the latest approved Financing Plan for Phase One of the Project shall continue to control development of Phase One of the Project.

Prior to submittal of an application for a building permit for Phase Two and Phase Three of the Project, Developer shall submit a financing plan consisting of the documents and information set forth above with respect to each subsequent Phase of development of the Project, to City's Manager of Economic Development for City review and approval as set forth above.

2.2 Satisfaction of Conditions Precedent Set Forth in the Amended and Restated Purchase and Sale Agreement

Developer has provided City written notice that each of the conditions precedent set forth in the Amended and Restated Purchase and Sale Agreement (as defined and described in SECTION 3 below) for the purchase of the Property has been met to the satisfaction of Developer or waived, and Developer is prepared to close the sale of Lot 1.

2.3 Construction Plans for Phase One Improvements

Developer shall, not later than the date Developer submits an application for a building permit to City's Department of Community Development, submit to City's Manager of Economic Development its Construction Plans for the Phase One Improvements for approval. For purposes of this Section and Section 2.4, the term "Construction Plans" means all construction documentation upon which Developer intends to rely in building the Phase One

Improvements and shall include, but not be limited to, landscaping plans and specifications, elevations, building plans and specifications, preliminary costs of construction, and a schedule for construction sufficient for City's Manager of Economic Development to determine whether the Construction Plans comply with this Agreement. The Construction Plans shall be based upon the requirements of the Vancouver Municipal Code and shall not materially deviate from the Code without the express written consent of City's Department of Community Development. Prior to the submission of the Construction Plans for permits for the Phase One Improvements, Developer shall meet with City's Manager of Economic Development at least every thirty (30) days to review progress on the Construction Plans. If the Construction Plans in their entirety conform to the provisions of this Agreement, City's Manager of Economic Development shall approve in writing the Construction Plans for the Phase One Improvements and no further submittals by Developer to City's Manager of Economic Development of Construction Plans for the Phase One Improvements for non-permit approvals by Developer or approval by City's Manager of Economic Development of the Construction Plans for the Phase One Improvements shall be required except with respect to any material change. City's Manager of Economic Development may approve those portions of the submitted Construction Plans for the Phase One Improvements that conform to the provisions of this Agreement and reject those portions that do not conform. City's Manager of Economic Development may also approve all or a portion of the Construction Plans for the Phase One Improvements subject to conditions requiring further submissions for City's Manager of Economic Development review and approval. Unless rejected or approved subject to conditions by City's Manager of Economic Development within fourteen (14) days of submission by Developer, the Construction Plans for the Phase One Improvements shall be deemed approved for non-permit approvals.

If rejected by City's Manager of Economic Development in whole or part or approved subject to conditions requiring further submissions, Developer shall submit new Construction Plans for the Phase One Improvements within thirty (30) days of notification of City's Manager of Economic Development's rejection or conditional approval and the reasons therefor. City's Manager of Economic Development shall then have fourteen (14) days to review and approve Developer's new and revised Construction Plans. The provisions of this Section 2.3 relating to time periods for approval, rejection, and resubmission of new or revised Construction Plans shall continue to apply until the Construction Plans for the Phase One Improvements have been approved by City's Manager of Economic Development at which time they shall be attached to and become a part of this Agreement as Exhibit 2.3.1 (Final Construction Plans for Phase One Improvements). If, after ninety (90) days following Developer's initial submission of the Construction Plans to City's Manager of Economic Development, the process for approvals of plans is stalled because Developer and City's Manager of Economic Development disagree on the design of the Construction Plans for the Phase One Improvements, then the parties agree that the disagreements(s) will be submitted to a mutually agreed upon mediator, who shall be an independent construction project manager or specialist, and that the parties will continue good faith mediation efforts until the disagreements(s) are resolved. Construction Plans which would violate the City of Vancouver's zoning code shall not be approved, and Development Services' (or the current agency within City that is responsible for land use and development) disapproval of the Construction Plans for the Phase One Improvements on the grounds that such Construction Plans would violate the City of Vancouver's zoning code is not subject to resolution by mediation. However, if City's Manager of Economic Development has not approved the Construction Plans for the Phase One Improvements within one hundred eighty (180) days after

initial submission of the Construction Plans, after and despite diligent good faith efforts by City's Manager of Economic Development and Developer in accordance with the procedures set forth in this Section 2.3, then City's Manager of Economic Development may terminate this Agreement pursuant to Section 7.1 or Section 7.3.

2.4 Construction Plans for Subsequent Phases of the Project

Developer shall submit Construction Plans for Phase Two Improvements and Phase Three Improvements which shall be reviewed, approved and revised in accordance with the procedures set forth in Section 2.3 above until such Construction Plans have been approved for such subsequent Phases. Upon final approval by City's Manager of Economic Development, the Final Construction Plans for the Phase Two Improvements shall be attached to this Agreement as Exhibit 2.4.1 and the Final Construction Plans for the Phase Three Improvements shall be attached to this Agreement as Exhibit 2.4.2. If Construction Plans for subsequent Phases of the Project are not approved on or before the deadline for submission of technically complete permit applications as set forth in Section 4.1 of this Agreement, as the same may be extended, then City's Manager of Economic Development may terminate this Agreement pursuant to Section 7.1 or Section 7.3.

2.5 Obligations of Developer to City

The obligation of Developer to construct the Project under this Agreement shall be secured by three separate deeds of trust encumbering each Phase of the Project executed by Developer in favor of City as beneficiary, which deeds of trust shall be in form and substance reasonably satisfactory to City (individually and collectively, the "City Mortgage"). City agrees to subordinate City Mortgage with respect to a particular Phase of the Project on terms and conditions reasonably satisfactory to City to a construction lender financing construction of such

Phase, the City shall have the right to foreclose City Mortgage upon the attempted transfer or other disposition of the Project in whole or in part in violation of the provisions of SECTION 6 of this Agreement or upon the occurrence of an Event of Default by Developer under this Agreement as defined in SECTION 7 of this Agreement. Upon Final Completion of a Phase of the Project and subsequent recordation of a Certificate of Completion as provided in Section 4.7 of this Agreement, with respect to such Phase of the Project, payment to City of all amounts owed to City under this Agreement with respect to such Phase, including, but not limited to all amounts paid by City under Sections 8.5 and 8.6 of this Agreement, and provided there is not then an Event of Default, or the occurrence of an event, that with the passage of time, the giving of notice or both would constitute an Event of Default by Developer under this Agreement, City shall release City Mortgage of record with respect to the completed Phase of the Project.

SECTION 3. DISPOSITION OF THE PROPERTY

3.1 Disposition of Property in Phases; Timing of Disposition

In accordance with the provisions of the Amended and Restated Purchase and Sale Agreement attached hereto as Exhibit 3.1 (the "Amended and Restated Purchase and Sale Agreement"), the Property will be sold to Developer in three parts. Lot 1 will be sold to Developer within thirty (30) days following the date Developer receives City's Manager of Economic Development's approval of all of the predisposition requirements set forth in SECTION 2 above to be satisfied prior to closing of Lot 1 and satisfaction or waiver of the conditions to closing under the Amended and Restated Purchase and Sale Agreement.

Provided Developer is not in Default under this Agreement and there is no event that with the giving of notice, the passage of time or both, would constitute an Event of Default by Developer under this Agreement, Lot 2 will be sold to Developer within thirty (30) days

following the date Developer receives City's Manager of Economic Development's approval of the Financing Plan and Construction Plans for the Phase Two Improvements as provided in Section 2.1 and Section 2.4 of this Agreement. Provided Developer is not in Default under this Agreement and there is no event that with the giving of notice, the passage of time or both would constitute an Event of Default under this Agreement, Lot 3 will be sold to Developer within thirty (30) days following the date Developer receives City's Manager of Economic Development's approval of the Financing Plan and Construction Plans for the Phase Three Improvements, as provided in Section 2.1 and Section 2.4 of this Agreement. City and Developer shall close the sale of Lot 1, Lot 2 and Lot 3 according to the terms and provisions of the Amended and Restated Purchase and Sale Agreement.

3.2 Systems Development Charges

City shall waive all sanitary sewer and water systems development charges.

3.3 Charges and Fees

No latecomers fees, no offsite improvements or charges therefor (such as but not limited to traffic signals or offsite transportation improvements) will apply or be charged in connection with development, construction and use of the buildings and parking garage on Lot 1, Lot 2 and Lot 3.

3.4 Rights of Access

During the period from the date of this Agreement to the close of escrow for the sale of Lot 1 and with prior written permission from City's Manager of Economic Development, Developer and its employees, agents, architects, engineers and contractors shall have the right to enter upon the Property to perform any necessary work under this Agreement in connection with the development and construction of the Project. Furthermore, upon the close of escrow for the

sale of Lot 1, Developer and its employees, agents, architects, engineers and contractors, with prior written permission from City's Manager of Economic Development, shall have the right to enter upon the Property to perform any necessary work under this Agreement in connection with the development and construction of Phase Two and Phase Three. Developer shall be liable and shall hold City harmless from any damage to persons and/or property caused from the wrongful acts or omissions of Developer or its agents and contractors. City and its employees, agents, architects, engineers and contractors shall have the right to enter upon the Property following close of escrow for the sale of Lot 1 to perform any work and/or inspection provided for under this Agreement. City shall be liable for and shall hold Developer harmless from any damage to persons and/or property caused by any such entry and activities on the Property resulting from the wrongful acts or omissions of City and City's agents and contractors.

3.5 Tax Exemption

Subject to compliance with the provisions of Vancouver Municipal Code Chapter 3.22 attached as Exhibit 3.5, all multifamily apartment units (but not residential condominium units) shall be granted a ten (10) year tax exemption on the multifamily improvements only as provided for in Vancouver Municipal Code Chapter 3.22.040. No tax exemption shall be granted on land, or retail, commercial or residential condominium improvements; provided, however, that a ten (10) year tax exemption may be granted to multi-family apartment units which constitute a condominium unit within a mixed-use condominium, even though the remainder of the units in the mixed-use condominium would not qualify for such tax exemption; provided, however, that a ten (10) year tax exemption may be granted to multifamily apartment units which constitute a condominium unit within a mixed-use condominium, even though the remainder of the units in

the mixed-used condominium would not qualify for such tax exemption. Neither rent control nor income limits may be imposed as a condition of granting such tax exemption.

SECTION 4. CONSTRUCTION OF PROJECT

4.1 Overall Schedule for Construction of Project and the Various Phases

A. Commencement of Construction of Phase One. Developer shall submit an application for a building permit for Phase One by November 30, 1999, and Commence Construction of Phase One of the Project within ninety (90) days of issuance of the building permit.

“Commence Construction” means commencement of grading or commencement of excavation in accordance with approved Construction Plans.

B. Commencement of Construction of Phase Two Improvements. Developer shall obtain approval of Construction Plans for the Phase Two Improvements in accordance with the procedures set forth in Sections 2.3 and 2.4 of this Agreement. Developer shall submit technically complete applications for all permits necessary to construct the Phase Two Improvements to City no later than November 1, 2001, and shall Commence Construction of the Phase Two Improvements within ninety (90) days following issuance of Final Permits.

C. Commencement of Construction of Phase Three Improvements. Developer shall obtain approval of Construction Plans for the Phase Three Improvements in accordance with the procedures set forth in Sections 2.3 and 2.4 of this Agreement. Developer shall submit technically complete applications for all permits necessary to construct the Phase Three Improvements to City within twelve (12) months following Substantial Completion of Phase Two Improvements and shall Commence Construction of the Phase Three Improvements within ninety (90) days following issuance of Final Permits.

D. Definition of Final Permits; Substantial Completion. For purposes of this Agreement, "Final Permits" means issuance of all permits necessary to commence Phase One, Phase Two or Phase Three Improvements, as applicable, and the expiration of all appeal periods from the issuance of such permits, without appeal, or if appealed, entry of a final judgment upholding the issuance of such permits which is no longer subject to further appeal. For purposes of this Agreement, "Substantial Completion" of a Phase of the Project means that (1) the architect for the Project Phase Improvements in question has issued its "Certificate of Substantial Completion" AIA Document G704, stating that the portion of the work under the construction contract is substantially complete in substantial accordance with the Construction Documents for the Project Phase Improvements in question; (2) City of Vancouver has issued a temporary certificate of occupancy for the Project Phase Improvements such that the owner thereof is permitted to and could, physically occupy the Project Phase Improvements for the purposes for which they were designed, including, with respect to any parking garage, use as a commercial parking garage; (3) with respect to any parking garage, all elevators, stairs, lobbies, entrances and exit ramps, driveways, lighting, signage, access and security systems associated with such parking garage have been completed; (4) the general contractor working on the Project Phase Improvements has issued its "Certificate of Substantial Completion" together with its Affidavit of Payment of Debts and Claims, AIA Forms 706 and 706A together with partial waivers and releases of lien for work performed prior to the date of its "Certificate of Substantial Completion" in form reasonably satisfactory to City and Developer, from such materialmen, laborers, contractors and subcontractors as City and Developer may require; and (5) Developer has accepted the Project Phase Improvements in question as complete, subject only to completion of normal punchlist items.

E. Extensions. Developer shall have the right to request one eighteen (18) month extension of the date for submission of technically complete applications for building permits for each of the Phase Two Improvements and the Phase Three Improvements on the following terms and conditions. Developer shall have the right to request one eighteen (18) month extension of the date for submission of technically complete applications for building permits for the Phase Two Improvements to May 1, 2003, if on or before November 1, 2001, Developer delivers a market study prepared by a qualified independent third party consultant with experience in developing mixed-use projects selected by Developer and approved by City, which approval shall not be unreasonably withheld, which establishes that the commencement of construction of the Phase Two Improvements is not economically feasible at that time. Developer shall notify City not later than May 1, 2001, if it intends to exercise its right to extend the date for commencement of construction of the Phase Two Improvements. In the event Developer does not request such an extension and City desires to have the Phase Three Parking Garage completed without the construction of the Phase Three Improvements, then City shall provide written notification to Developer on or before July 1, 2001, that City is electing to have the Phase Three Parking Garage completed without the construction of the Phase Three Improvements. In the event Developer does request such an extension and City desires to have the Phase Three Parking Garage completed without the construction of the Phase Three Improvements, then City shall provide written notification to Developer on or before November 1, 2002, that City is electing to have the Phase Three Parking Garage completed without the construction of the Phase Three Improvements. Developer shall have the right to request one eighteen (18) month extension of the date for submission of technically complete applications for building permits for the Phase Three Improvements to thirty (30) months

following Substantial Completion for the Phase Two Improvements if on or before twelve (12) months following Substantial Completion of the Phase Two Improvements Developer delivers a market study prepared by a qualified independent third party consultant with experience in developing mixed-use projects selected by Developer and approved by City, which approval shall not be unreasonably withheld, which establishes that the commencement of construction of the Phase Three Improvements is not economically feasible at that time. Developer shall notify City no later than six (6) months following Substantial Completion of the Phase Two Improvements if it intends to exercise its right to extend the date for commencement of construction of the Phase Three Improvements.

F Extension Fee. In the event Developer elects to construct the Phase Three Parking Garage with the Phase Two Improvements and Developer exercises its right to extend the commencement date for submitting a technically complete application for building permits for the remainder of the Phase Three Improvements and City has purchased the Phase Three Parking Garage upon Final Completion of the Phase Two Improvements pursuant to Section 5.4 below and Exhibits 5.4.1.1, 5.4.1.2 and 5.4.1.3 (the "Parking Garage Purchase Agreement") to this Agreement, Developer shall, as a condition to exercise of such extension, pay City an extension fee in the amount of Eight Hundred Thousand Dollars (\$800,000.00) ("Extension Fee"). This Extension Fee is intended to offset the loss of anticipated tax revenues and net parking revenues and to reimburse City for debt service on the Phase Three Parking Garage during the extension period, shall not be refundable nor shall the Extension Fee be credited against the purchase price for Lot 3. If the Phase Three Parking Garage was constructed as part of the Phase Two Improvements at the election of City and Developer exercises its right to extend the commencement date for submitting a technically complete application for building

permits for the remainder of the Phase Three Improvements, then Developer will not owe an Extension Fee to City.

G. Market Study. Upon receipt of notice from Developer that it intends to exercise its right to extend the date for commencement of construction of the Phase Two Improvements or the Phase Three Improvements, as applicable, City and Developer shall negotiate in good faith to determine the identity of the consultant, the scope of work and the criteria to be evaluated by the consultant in preparing the consultant's market (feasibility) study. In the event the parties are unable to agree on the identity of the consultant, the scope of work or the criteria to be evaluated by the consultant within thirty (30) days following receipt of Developer's notice, the parties agree to mediate their dispute in good faith prior to pursuing other legal remedies available under this Agreement or other applicable law.

H. Termination of Amended and Restated Purchase and Sale Agreement to Purchase Lot 2 and Lot 3. If Developer has not submitted technically complete applications for building permits for the Phase Two Improvements or the Phase Three Improvements within the time period set forth above, as the same may be extended pursuant to this Section 4.1, Developer's right to purchase Lot 2 and/or Lot 3, as applicable, to develop the Phase Two Improvements and/or the Phase Three Improvements, as applicable, and City's obligation to purchase the Phase Two Parking Garage and/or the Phase Three Parking Garage, as applicable, shall automatically terminate without further notice by City to Developer and without liability to Developer unless City in the sole exercise of its discretion elects to grant Developer a further extension.

4.2 Building Permits and Other Governmental Approvals

Developer shall apply for and diligently pursue obtaining site plan approval, the issuance of building permits and other required governmental approvals allowing construction of each Phase of the Project and within the deadlines set forth in Section 4.1 above with respect to each Phase of the Project. City's Manager of Economic Development shall provide all necessary information and documentation within his possession to Developer to assist Developer in obtaining the necessary permits and approvals from City's Department of Community Development to commence construction of each Phase of the Project, but this Agreement shall create no obligation by City's Department of Community Development to grant such approvals. Nothing in this Agreement is intended or shall be construed to require that City exercise its discretionary authority under City of Vancouver zoning code and development regulations to further the Project, nor binds City to do so. City's Department of Community Development will process applications for permits and approvals as if such applications were made without any City participation in such Project. The inability of Developer to obtain any necessary permits for the Project from City's Department of Community Development shall not constitute a default by City under this Agreement.

Copies of all required permits and approvals for each Phase of the Project shall be submitted to City's Manager of Economic Development immediately upon receipt by Developer, but in no event more than thirty (30) days following approval by City's Department of Community Development of the Final Construction Plans for such Phase.

4.3 Construction Contracts

Developer shall enter into a contract or contracts for the construction of each Phase of the Project with contractors licensed, insured and bonded in the State of Washington.

4.4 Construction Pursuant to Plans

Construction of each Phase of the Project shall be in accordance with the Final Construction Plans for each Phase of the Project approved by City's Manager of Economic Development pursuant to Sections 2.3 and 2.4 of this Agreement, City's Department of Community Development pursuant to Section 4.2 of this Agreement and the Vancouver Municipal Code. Developer shall furnish "as built" drawings of the Parking Garages and all equipment manuals and instructions to City upon completion of the Project.

4.5 Changes in Final Construction Plans

If Developer wishes to make any material change in the Final Construction Plans for any Phase of the Project, Developer shall first submit in writing the proposed change to City's Manager of Economic Development for non-permit approval. If the Final Construction Plans, as modified by any proposed material change, conform to the requirements of this Agreement, City's Manager of Economic Development shall approve the change by notifying Developer in writing for non-permit approval. "Material" change shall be defined in this Section 4.5 as deviations in the Project such as a change in the square footage and/or number of individual residential units which are greater than a five percent (5%) gross deviation. Unless the proposed change is rejected in writing by City's Manager of Economic Development within fourteen (14) days of being received, it shall be deemed approved. If rejected within that time, the previously approved Final Construction Plans for such Phase of the Project shall remain in full force and effect.

4.6 Progress Reports

During the course of construction for each Phase of the Project, Developer shall provide written quarterly reports to City's Manager of Economic Development as to the actual progress

of construction. Once construction for any Phase of the Project has commenced, Developer shall cause such construction to be prosecuted with diligence and continuity to Final Completion (as defined in Section 5.4(C) below).

4.7 Certificate of Completion

Within thirty (30) calendar days following Final Completion and receipt of a notice of completion from Developer for each Phase of the Project, City's Manager of Economic Development shall inspect the Project Phase Improvements and, if City's Manager of Economic Development concurs that all improvements intended to be constructed as part of that Phase of the Project are complete and that Final Completion has occurred, City's Manager of Economic Development shall furnish Developer with a Certificate of Completion on such Phase so certifying. The Certificate of Completion shall be a conclusive determination that Developer has fully performed all of Developer's construction obligations with respect to such Phase and all of City's rights set forth in SECTION 6 and SECTION 7 as to that Phase shall terminate as to such Phase of the Project and City shall execute a request for full reconveyance of City Mortgage recorded against that Phase of the Project; provided, however, such Certificate of Completion of any such Phase shall be subject to the one (1) year warranty period set forth in the Amended and Restated Purchase Agreement. The Certificate of Completion shall be in a form that shall enable it to be recorded in the official records of Clark County, Washington. Nothing contained in this Section 4.7 herein shall in anyway abrogate any of the terms, covenants or conditions set forth in the Parking Garage Purchase Agreement attached to this Agreement as Exhibits 5.4.1.1, 5.4.1.2 and 5.4.1.3.

SECTION 5. CITY OBLIGATIONS

5.1 Physical Condition of the Property

The Property shall be conveyed in “good” physical condition as set forth in the Amended and Restated Purchase and Sale Agreement. All utilities, structures, sidewalks, lighting, paving, trees inside the property line, other vegetation and other improvements shall be removed according to a time frame that corresponds with the commencement of construction for each Phase of the Project.

5.2 Utilities Connections

If Developer has provided City with the locations and elevations of the sanitary sewer and water connections prior to City’s commencement of reconstruction or replacement thereof along the Property frontage, City will extend utility connections to the Property line. Otherwise, such extensions shall be the responsibility of Developer.

5.3 Structural Support

Developer shall determine and allocate that portion of the structural support system located within the Parking Garages which is necessary to support Developer Units and Developer shall be responsible for the additional costs associated with the construction and maintenance of such additional structural support.

5.4 Purchase of Parking Garages

A. Purchase Price for Parking Garages. City shall purchase the Phase One Parking Garage upon Final Completion of the Phase One Improvements, shall purchase the Phase Two Parking Garage upon Final Completion of the Phase Two Improvements, and shall purchase the Phase Three Parking Garage upon Final Completion of the Phase Three Improvements, each for a price and other terms and conditions mutually agreed upon by City and

Developer in accordance with and subject to the terms and conditions set forth in the Parking Garage Purchase Agreement, which shall be attached hereto and by this reference incorporated herein as Exhibits 5.4.1.1, 5.4.1.2 and 5.4.1.3 (the "Parking Garage Purchase Agreement"). In the event all three Phases of the parking structure are constructed simultaneously, the purchase price for the entire 720 space parking garage structure shall be Twelve Million Seven Hundred Nine Thousand Four Hundred Nine Dollars (\$12,709,409.00). In the event Phase Two and Phase Three of the parking structure are simultaneously constructed subsequent to construction of Phase One of the parking structure, the price for Phase One of the parking structure shall be Eight Million Nine Hundred Eighty-Six Thousand Seventy-Eight Dollars (\$8,986,078.00) and the price for combined Phase Two and Phase Three of the parking structure shall be Four Million Four Hundred Twenty-Five Thousand Nine Hundred Seventy-Nine Dollars (\$4,425,979.00). In the event that Phase One, Phase Two and Phase Three of the parking structure are each constructed separately, the price for Phase One of the parking structure shall be Eight Million Nine Hundred Eighty-One Thousand Four Hundred Ninety-Six Dollars (\$8,981,496.00), the price for Phase Two of the parking structure shall be Two Million Four Hundred Sixty Thousand Eight Hundred Sixty-Four Dollars (\$2,460,864.00) and the price for Phase Three of the parking structure shall be Two Million Four Hundred Sixty Thousand Eight Hundred Sixty-Four Dollars (\$2,460,864.00). In the event Phase One and Phase Two of the parking structure are constructed simultaneously and Phase Three of the parking structure is subsequently constructed, the purchase price for Phase One and Phase Two of the parking structure combined shall be Eleven Million One Hundred Ninety-Six Thousand One Hundred Sixty Dollars (\$11,196,160.00), and the price for Phase Three of the parking structure shall be Two Million Four Hundred Sixty-One Thousand Four Hundred Eighty Dollars (\$2,461,480.00). The parties shall enter into a separate

Purchase Agreement for each Phase of the Parking Garages as set forth in Exhibits 5.4.1.1, 5.4.1.2, and 5.4.1.3; provided, however, the parties acknowledge that if two separate Phases of the Parking Garages are purchased simultaneously, the parties will execute such Purchase Agreements simultaneously.

Notwithstanding anything in the preceding paragraph to the contrary, the parties acknowledge and agree that the number of parking spaces in any phase of the Parking Garage may deviate from the numbers set forth hereinabove due to considerations regarding design, constructability, efficiency, security and/or safety provided such deviations in the number of parking spaces do not affect the overall cost and/or tax ramifications for City. In the event the number of parking spaces deviates from the numbers set forth hereinabove, the price that City will pay for that particular phase of the Parking Garage will be recalculated by using a formula which divides the number of spaces originally agreed upon into the purchase price for such phase of the Parking Garage in order to calculate a price per parking space which can be used to recalculate a revised purchase price for such particular phase of the Parking Garage.

B. Increases in Purchase Price. If the three phases of the Parking Garage are not constructed at the same time, the purchase price for the parking garage structures to be constructed as part of the Phase Two Improvements and the Phase Three Improvements shall increase from and after April 1, 1999, and until the contractor for the Phase Two Improvements and/or the Phase Three Improvements, as applicable, receives notice to proceed, in an amount equal to the lesser of three percent (3%) of the purchase price per twelve (12) month period, or the percentage increase, if any, during such twelve (12) month period in the ENR 20-City Builders Construction Cost Index as published in the Engineering News Record published in the most recent publication prior to such notice to proceed. However, if the percentage increase in

the ENR 20-City Builders Construction Cost Index during any twelve (12) month period is greater than or equal to four and one-half percent (4½%), then the parties will enter into good faith negotiations for a revised purchase price for the Phase Two Parking Garage and/or the Phase Three Parking Garage, as applicable. In the event the parties have been unable to agree on a revised purchase price for the Phase Two Parking Garage and/or the Phase Three Parking Garage, as applicable within ninety (90) days following the date the contractor received notice of intent to proceed with construction, City shall have the right to terminate its obligations regarding the Phase Two Parking Garage and the Phase Three Parking Garage, without liability to Developer, under the Parking Garage Purchase Agreement to purchase the Phase Two Parking Garage and/or the Phase Three Parking Garage, as applicable in accordance with the terms and provisions set forth in Section 5.4(D) below.

C. Allocation of Cost, Definition of Final Completion. Developer will be solely responsible for the additional costs associated with the additional structural support necessary for Developer Units above the Parking Garages. For purposes of this Agreement “Final Completion of the Phase One Improvements, the Phase Two Improvements or the Phase Three Improvements” means that each of the following events shall have occurred with respect to the Project Phase Improvements in question: (1) final completion of the construction of the Project Phase Improvements in accordance with the construction contracts and the Construction Documents and as otherwise required by this Agreement have occurred; (2) City of Vancouver has issued a final unconditional certificate of occupancy for the Project Phase Improvements permitting the owner to occupy and use the Project Phase Improvements for the purposes for which they were designed, including, as to the parking garage, as a commercial parking garage; (3) the general contractor shall have issued its “Certificate of Substantial Completion” together

with its Affidavit of Payment of Debts and Claims, AIA Forms 706 and 706A together with final waivers and releases of lien in form satisfactory to City and Developer, from such materialmen, laborers, contractors and subcontractors as City and Developer may require; (4) all punchlist items shall have been completed to the reasonable satisfaction of City with respect to the parking garage, and Developer with respect to the remainder of the Project Phase Improvements; (5) Developer shall have provided evidence reasonably satisfactory to City that all construction costs for the Project Phase Improvements have been paid in full, including evidence of full payment for any personal property installed as part of the Project Phase Improvements; (6) a Notice of Completion has been filed in the Clark County real property records and the period for filing construction liens shall have expired, or releases or discharge of construction liens in form and substance satisfactory to City shall have been obtained by Developer from all contractors in accordance with all construction contracts.

D. City's Financing Contingency.

(i) The parties acknowledge that City intends to finance its acquisition of the Parking Garages by the issuance of tax-exempt obligations in an amount sufficient to cause the payment of the purchase price set forth in Section 5.4(A) of this Agreement for each Parking Garage to Developer. City represents and warrants to Developer that as of the date hereof it has sufficient debt capacity under existing Washington law ("Debt Capacity") to issue tax-exempt bonds in an amount equal to the purchase price for the Parking Garages as set forth in Section 5.4(A) of this Agreement (and without consideration of any potential increase in the purchase price for the Phase Two and Phase Three Parking Garages under Section 5.4(B) of this Agreement). In lieu of use of tax exempt bonds to finance City's obligations to purchase, City

may use grants, existing and future reserves, pre-sale bonds, and any other mechanism legally authorized to purchase garages.

(ii) Developer understands that City intends to provide for the payment of the purchase price for the Parking Garages with the proceeds from the sale of tax-exempt obligations. Accordingly, Developer agrees that the provisions of this Agreement dealing with the operation and use of the Parking Garages on and after the Closing Dates shall be amended as City's bond counsel may reasonably require to ensure that interest on such tax-exempt obligations shall be excluded from gross income for federal income tax purposes to the extent provided under the Code.

(iii) In the event City is unable to cause the issuance of tax-exempt obligations to finance the payment of the purchase price for one or more of the Parking Garages because of a change in federal income tax laws, rules or regulations, or in the event City is unable to cause the issuance of tax-exempt obligations to finance the payment of the purchase price for the Phase Two Parking Garage or the Phase Three Parking Garage because the increase in the purchase price under Section 5.4(B) of this Agreement exceeds City's Debt Capacity, as determined in accordance with Section 5.4(D)(ii) of this Agreement, City shall have the right to terminate its obligations under this Agreement pursuant to Section 7.1 hereof upon fourteen (14) days prior written notice to Developer without liability to Developer.

(iv) In the event City terminates its obligations under this Agreement pursuant to Section 5.4(B) above, City and Developer shall negotiate in good faith the terms and provisions of a long term lease of any Parking Garages not purchased by City; provided, however, that neither party shall be obligated to agree on a long term lease of any such Parking Garage nor shall any party have any further liability or obligation to the other party in the event

Developer and City have been unable to agree on the terms and conditions of such long term lease(s) within ninety (90) days following commencement of negotiations.

E. Developer Option to Purchase Parking Garages. The parties agree that between January 1, 2015 and December 31, 2019, Developer shall have an option to purchase the parking garage from City for the price and pursuant to the terms and provisions of that Option Agreement attached hereto as Exhibit 5.4.2 ("Option to Purchase Agreement for Parking Garage"); provided, however, such purchase may be closed only after no tax-exempt bonds issued to provide financing for the Parking Garage remain outstanding.

5.5 Use and Operation of Parking Garages

City will operate the Parking Garages as public parking and in a manner consistent with the requirements for tax-exempt financing of public parking garages. City will offer monthly parking on a first come first serve basis as set forth in Exhibit 5.5 and will participate in a City-wide parking validation system subject to limitations imposed by the Internal Revenue Service in connection with the tax-exempt financing of public parking garages.

The Parking Garages will be divided by two levels of security: "Open Parking Area" that may be secured at the on-street entry/exit plazas; and "Enhanced Security Parking Areas" that may be secured at the on-street entry/exit plazas and by additional security devices within the Parking Garages. The additional security devices will restrict access to the Enhanced Security Parking Areas from 7:00 P.M. until 7:00 A.M. to people who purchase twenty-four (24) hour per day privileges in the Enhanced Security Parking Areas as such privileges are described hereinbelow.

After the first phase of the Parking Garage has been completed and acquired by City, the minimum number of parking spaces in the Enhanced Security Parking Areas shall be

approximately 175 parking spaces. After the second phase of the Parking Garage has been completed and acquired by City, the minimum number of parking spaces in the Enhanced Security Parking Areas shall be approximately 200 parking spaces. After all three phases of the Parking Garage have been completed and acquired by City, the minimum number of parking spaces in the Enhanced Security Parking Areas shall be approximately 250 parking spaces.

City shall designate five (5) different types of general parking privileges in the Parking Garages. The categories for such parking privileges shall be as follows: (i) Timed Parking (short term) privileges available to the general public on a non-reserved, first come, first served basis in the Open Parking Area; (ii) Twelve (12) hour per day privileges available to the general public on a non-reserved basis in either the Open Parking Area or the Enhanced Security Parking Areas conditioned upon the purchase of a month to month permit on a first come, first served basis; (iii) Twenty-four (24) hour per day privileges available to the general public on a non-reserved basis in the Open Parking Area conditioned upon the purchase of a month to month permit on a first come, first served basis; (iv) Twenty-four (24) hour per day privileges available to the general public on a non-reserved basis in the Enhanced Security Parking Areas conditioned upon the purchase of a month to month permit on a first come, first served basis; and (v) Twenty-four (24) hour per day privileges on a reserved basis in the Enhanced Security Parking Areas conditioned upon the purchase of a month to month permit. Such reserved parking privileges in the Enhanced Security Parking Areas shall be limited to no more than eight percent (8%) of the total parking spaces in the Parking Garage and shall be restricted to occupants of owner-occupied, residential, condominiums.

City shall have the right to modify this Agreement and change the number or terms under which the parking spaces are available for use if, in the reasonable opinion of City's bond

counsel, such modification or amendment is necessary to permit or preserve the tax-exempt status of interest payable on or with respect to any outstanding tax-exempt obligations to be issued by City in connection with the acquisition of the Parking Garages by City, or with respect to any such debt instruments that are outstanding, but only if and to the extent required to permit or preserve such tax-exempt status.

5.6 On-Street Parking

City's Manager of Economic Development and Developer shall cooperate in an effort to designate the number and type of parking spaces to be provided on 6th Street, 8th Street, Columbia Street and Washington Street.

5.7 Police Services

City has made a long-term commitment to maintaining its downtown police patrol to include two bicycle officers between the hours of 6:30 a.m. and 1:30 a.m. and one patrol vehicle between the hours of 10:00 p.m. and 6:30 a.m. These patrol services include Esther Short Park, the Public Plaza Improvements and the exterior of the Property.

SECTION 6. CHANGE IN DEVELOPER

6.1 Definition of Transfer

As used in this Agreement, the term "Transfer" means any one or more of the following:

(a) Any total or partial sale, assignment or conveyance, or creation of any trust or power, or any transfer in any other mode or form of or with respect to Lot 1, Lot 2 or Lot 3, or in any buildings constructed as part of any Phase of the Project or any interest therein (other than the sale of the Parking Garages to City or a lease (without option to purchase) to a retail, commercial, office, or residential tenant or a sale to a condominium purchaser of one of the residential condominiums constructed as part of the Phase Two Improvements or the Phase

Three Improvements in the normal course of Developer's operations) or any contract or agreement to do any of the same; or

(b) Any change in the shareholders of Developer or any transfer of the voting stock or other form of ownership interest in Developer, other than a transfer subsequent to which the existing shareholder of Developer still own at least fifty-one percent (51%) of the voting interests in Developer; or

(c) Any assignment by Developer of all or any part of this Agreement; or

(d) Any assignment by operation or law, including, but not limited to a merger or consolidation of Developer into another entity, or any sale or lease of all or substantially all of the assets of Developer.

6.2 Purpose of Restrictions

Developer represents and agrees that its purchase of the Property, and its other undertakings pursuant to this Agreement, are and shall be used for the purposes of timely development of the Property and not for speculation in land holding. Developer further recognizes that in view of the following factors, the qualifications of Developer are of particular concern to the community and City:

(a) The importance of the development of the Property to City's interest in the adjacent blocks and properties to be developed as part of the Redevelopment Plan, and to the general welfare of the community, with particular reference to the community's objectives in the Redevelopment Plan; and

(b) The reliance by City upon the unique qualifications and ability of Developer to serve as the catalyst for development of the Project and upon the continuing

interest which Developer shall have in the Project to assure the quality of the use, operation and maintenance deemed critical by City in the development of the Project; and

(c) The fact that a change in ownership or control of Developer, or of a substantial part thereof, or any other act or transaction involving or resulting in a significant change in ownership or with respect to the identity of the parties presently in control of Developer or the degree thereof is for practical purposes a transfer or disposition of the Property; and

(d) The fact that the Property is not to be acquired or used for speculation, but only for development and operation by Developer in accordance with this Agreement; and

(e) The importance to City and the community of the standards of use, operation and maintenance of the Project.

Developer further recognizes that it is because of such qualifications and identity that City is entering into this Agreement with Developer. No voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under this Agreement except as expressly set forth herein.

6.3 Prohibited Transfers

Except as expressly permitted in Section 6.4, Developer represents and agrees that it has not made or created, and shall not make or create or suffer to be made or created, any Transfer, either voluntarily or by operation of law. Any Transfer made in contravention of this Section 6.3 shall be void and shall be deemed to be a default under this Agreement whether or not Developer knew of or participated in such Transfer.

6.4 Permitted Transfers

The following Transfers shall be permitted and approved in writing by City's Manager of Economic Development under this Agreement, provided that Developer and the transferee comply with the requirements of Section 6.5:

(a) Prior to Recordation of Certificates of Completion for the entire Project or for any Phase of the Project:

(1) the granting of easements or permits to facilitate the development of the Project;

(2) the granting of any security interest for financing the acquisition and development of Lot 1 and the Phase One Improvements, Lot 2 and the Phase Two Improvements and Lot 3 and the Phase Three Improvements; and

(3) formation of joint ventures, limited liability companies or partnerships entered into by Developer with third parties for the purpose of Project financing and development so long as Developer remains the sole general partner or managing general partner or managing venture partner of any joint venture or partnership and holds at least a fifty-one percent (51%) ownership interest in such joint venture or partnership or Developer is the sole manager or managing member of any member managed limited liability company and holds at least a fifty-one percent (51%) membership interest in any limited liability company and that are approved in writing by City's Manager of Economic Development. City's Manager of Economic Development's approval of such joint ventures, limited liability companies or partnerships shall not be unreasonably withheld provided Developer remains fully responsible to City under this Agreement, the proposed joint venturers, limited liability company members or managers or partners have the financial and other necessary capabilities to carry out their

obligations under the proposed joint venture agreement, limited liability operating agreement or partnership agreement, and the proposed joint venture agreement, limited liability operating agreement or partnership agreement does not require or result in any diminution of City's rights under this Agreement. Unless rejected or approved subject to conditions by City's Manager of Economic Development within fourteen (14) calendar days of submission by Developer, the formation of such joint venture, limited liability company or partnership and admission of the proposed joint venturers, members or partners as a result thereof shall be deemed approved. In connection with obtaining City approval pursuant to Section 6.5, Developer shall submit the proposed joint venture agreement, limited liability company agreement or partnership agreement to City's Manager of Economic Development and such other information about the proposed joint venturers, limited liability company members or managers or partners as is reasonably necessary for City's Manager of Economic Development to determine compliance with the conditions for approval set forth in Section 6.5, including, without limitation, information about the identity, business background and experience, and financial capability of the proposed joint venturers, limited liability company members or managers or partners.

(b) Prior to recordation of a Certificate of Completion for the entire Project, the transfer upon substantial completion of all or a portion of a condominium unit comprising a portion of the Phase One, Phase Two or Phase Three Project Improvements, as applicable (other than the sale of the Parking Garages to City pursuant to the Parking Garage Purchase Agreement or a sale to a condominium purchaser of one of the residential condominiums constructed as part of the Phase Two Improvements or the Phase Three Improvements).

6.5 Effectuation of Certain Permitted Transfers

No Transfer permitted by Section 6.4 (other than a permitted Transfer described in Sections 6.4(a)(1), 6.4(a)(2) and 6.4(b) shall be effective unless, at the time thereof, the entity to which such Transfer is made, by an instrument in writing satisfactory to City's Manager of Economic Development and in form recordable in the Clark County real property records, shall, for itself and its successors and assigns, and especially for the benefit of City, expressly assume all of the obligations of Developer under this Agreement and agree to be subject to all conditions and restrictions to which Developer is subject. In the absence of express written agreement by City's Manager of Economic Development, no permitted Transfer shall be deemed to relieve Developer or any party from any obligation under this Agreement.

6.6 Notice of Transfers

Developer shall give or cause to be given to City's Manager of Economic Development written notice of any Transfer permitted by Sections 6.4(a)(1) and 6.4(a)(2) of which Developer or its officers, directors or shareholders have knowledge, within ten (10) calendar days after any such Transfer occurs.

SECTION 7. REMEDIES

7.1 No Fault of Parties

If during the term of this Agreement:

(a) public financing is not available for the purchase of any of the parking garages described in Section 5.4; or

(b) Developer submits evidence to City that Developer, despite diligent efforts, has not obtained required government permits or approvals as set forth in Section 4.2 or satisfied or waived the conditions of Section 2.2; or

(c) City's Manager of Economic Development has not approved the Construction Plans under provisions of Sections 2.3 and 2.4.

then, either party may terminate this Agreement by written notice to the other party. Thereafter neither party shall have any rights or obligations under this Agreement except for return of the Earnest Money Deposit as set forth in Section 9.2.

7.2 Fault of City

If City:

(a) fails to sell Lot 1, Lot 2 or Lot 3 to Developer in the time period and manner set forth in the Amended and Restated Purchase and Sale Agreement, provided that conditions precedent which are the responsibility of Developer to meet have been met; or

(b) breaches any other material provision of this Agreement;

then, Developer shall first notify City's Manager of Economic Development in writing of its purported breach, giving City thirty (30) calendar days from receipt of such notice to cure or begin in strictest good faith to cure such breach. If City does not then cure or begin to cure within the time period specified, Developer shall be immediately entitled to exercise any rights afforded Developer by law or in equity. Such rights shall include, but not be limited to, specific performance, the right to recover any out-of-pocket expenses, including but not limited to, construction interest, but excluding profit and overhead.

7.3 Fault of Developer

If Developer:

(a) fails to complete any Pre-Disposition Requirements for the purchase of Lot 1, Lot 2 or Lot 3 in the manner and within the time limits set forth in this Agreement; or

(b) refuses to complete the purchase of Lot 1, Lot 2 or Lot 3 within the time period and in the manner set forth in the Amended and Restated Purchase and Sale Agreement;

or

(c) fails to commence or complete construction of any Phase of the Project within the time periods and in the manner required under this Agreement; or

(d) voluntarily or involuntarily undertakes or attempts to undertake a Transfer in violation of this Agreement; or

(e) Developer becomes insolvent or admits in writing its inability to pay its debts as they mature or shall file any petition or action for relief relating to any bankruptcy, reorganization, insolvency, moratorium or similar statute, unless such petition is set aside or withdrawn or ceases to be in effect within thirty (30) days from the date of filing; or

(f) breaches any other material provision of this Agreement;

then City shall first notify Developer in writing of its purported breach or failure, giving Developer thirty (30) calendar days from receipt of such notice to cure or begin in strictest good faith to cure within this time period (except for a default under Section 7.3(e) above for which no further cure period is allowed). If Developer does not cure or begin to cure in strictest good faith within this time period, City shall be afforded any or all of the following remedies: (i) termination of this Agreement; (ii) prosecuting an action for damages; (iii) seeking equitable relief from a Court of competent jurisdiction, including but not limited to specific performance; (iv) the remedies provided for in Section 7.4 and 7.5; or (v) and any other remedy allowed City at law or in equity.

7.4 Right to Repurchase

In addition to and not in restriction of the rights afforded to City under Section 7.3, if, (a) after conveyance of title to Lot 1 by City to Developer and prior to the issuance of a Certificate of Completion for Phase One of the Project or (b) after conveyance of title to Lot 2 by City to Developer and prior to issuance of a Certificate of Completion for Phase Two of the Project, or (c) after conveyance of title to Lot 3 by City to Developer and prior to issuance of a Certificate of Completion for Phase Three of the Project, Developer shall default such that City exercises its rights pursuant to this Section, then City shall have the right to repurchase Lot 1, Lot 2 or Lot 3, as applicable, from Developer and Developer shall convey any and all interest it holds in Lot 1, Lot 2 or Lot 3, as applicable, to City.

Prior to exercising its right to repurchase as set forth in this Section 7.4 or its right to foreclose any City Mortgage pursuant to the provisions of Section 7.5 below, City shall provide the holder of record of any mortgage, deeds of trust or other security interest authorized by this Agreement, notice of such default and an opportunity to cure or remedy any such default or breach within the time and subject to the terms and conditions set forth in Section 8.3 of this Agreement.

To exercise the right of repurchase provided in this Section 7.4, City shall pay to Developer the actual and reasonable direct and indirect costs Developer has incurred for either (a) development of Lot 1 and Phase One of the Project, or (b) development of Lot 2 and Phase Two of the Project, or (c) development of Lot 3 and Phase Three of the Project prior to the time of Developer's receipt of notice of default (other than Developer overhead and profit) less (1) any gains or income withdrawn or made by Developer (or its successor in interest from Lot 1, Lot 2 or Lot 3, as applicable, or the Project), (2) the amount of any real estate excise, sales or use

taxes or other transfer taxes associated with the repurchase of Lot 1, Lot 2 or Lot 3, as applicable, and the Project and other closing costs normally paid by sellers of real property in Clark County, Washington, and (3) the amount of any construction or other liens recorded against Lot 1, Lot 2 or Lot 3, as applicable, or the Project as of the date of such repurchase. Disputes between City and Developer as to what constitutes Developer's actual and reasonable direct and indirect costs incurred in connection with the development of Lot 1, Lot 2 or Lot 3, as applicable, and the Project which are not resolved within sixty (60) calendar days shall be arbitrated. Either party may request arbitration and appoint a qualified arbitrator with knowledge of the subject matter. The other party shall also choose an arbitrator with such qualifications, and the two arbitrators shall choose a third. The arbitration shall proceed according to the Washington statutes governing the arbitration and the award of the arbitrators shall have the effect therein provided. The arbitration shall take place in Clark County, Washington and costs of the arbitration shall be shared equally by the parties, but each party shall pay its own attorney fees incurred in connection with the arbitration.

7.5 Right to Foreclose City Mortgage

If, (a) after conveyance of title of Lot 1 by City to Developer and prior to the issuance of a Certificate of Completion for Phase One of the Project, or (b) after conveyance of title to Lot 2 and prior to the issuance of a Certificate of Completion for Phase Two of the Project or (c) after conveyance of title to Lot 3 and prior to the issuance of a Certificate of Completion for Phase Three of the Project, Developer shall default such that City elects to exercise its rights under this SECTION 7, City shall have the right to exercise all rights, and shall have the benefits of all remedies provided by law or set forth in this Agreement, including the right to terminate Developer's rights under this Agreement and foreclose City Mortgage against one or all of Lot 1,

Lot 2 and/or Lot 3, as applicable. In the event of such Event of Default and upon written request of City, Lot 1, Lot 2 and/or Lot 3, as applicable, shall be sold in accordance with the Deed of Trust Act of the State of Washington, Chapter 61.24, as now existing or hereafter amended, at public auction to the highest bidder. Any person except the trustee named in City Mortgage may bid at such sale. In the event that a person other than City is the successful bidder at the sale, the trustee shall apply the proceeds of the sale as follows:

(1) To the expenses of sale, including a reasonable trustee's and attorney's fee;

(2) Next, to pay City's costs of holding, managing and selling Lot 1, Lot 2 and/or Lot 3, as applicable;

(3) Next to reimburse City for costs it suffered by reason of Developer's default to include but not be limited to (1) bond issuance costs and any prepayment premiums or other costs and expenses incurred by City under any Bonds issued and then outstanding in connection with its purchase of the Parking Garages, (2) legal costs, and (3) third party professional service costs.

(4) Next, to pay Developer the actual and reasonable direct and indirect costs incurred for development of Lot 1, Lot 2 or Lot 3, as applicable, prior to the time of Developer's receipt of notice of default (other than Developer overhead and profit) less any gains or income withdrawn or made by Developer (or its successor in interest) from Lot 1, Lot 2 or Lot 3, as applicable, and

(5) Any balance, to City.

City shall have the right to bid at the sale an amount equal to City's costs of holding, managing and selling Lot 1, Lot 2 or Lot 3, as applicable, and the damages City has sustained by

reason of Developer's default. Disputes between City and Developer as to what constitutes Developer's actual and reasonable direct and indirect costs incurred in connection with the development of Lot 1, Lot 2 or Lot 3, as applicable, which are not resolved within sixty (60) calendar days shall be arbitrated. Either party may request arbitration and appoint a qualified arbitrator with knowledge of the subject matter. The other party shall also choose an arbitrator with such qualifications, and the two arbitrators shall choose a third. The arbitration shall proceed according to the Washington statutes governing the arbitration and the award of the arbitrators shall have the effect therein provided. The arbitration shall take place in Clark County, Washington and costs of the arbitration shall be shared equally by the parties, but each party shall pay its own attorney fees incurred in connection with the arbitration.

SECTION 8. RIGHTS OF MORTGAGEES

8.1 No Encumbrances Except for Development Purposes

Notwithstanding any other provision of this Agreement, mortgages and deeds of trust, or any other reasonable method of security are permitted to be placed upon the Phase of the Project then under development before a Certificate of Completion has been issued by City's Manager of Economic Development pursuant to Section 4.7, but only for the purpose of securing loans of funds to be used for financing the construction of that Phase of the Project on the Property and any other expenditures necessary and appropriate to develop the Phase of the Project then under construction and only if previously approved by City's Manager of Economic Development pursuant to any applicable provisions of this Agreement. Prior to commencement of any or each Phase of the construction of the Project on the Property, Developer shall promptly notify City's Manager of Economic Development of any mortgage, deeds of trust, or other financing, encumbrance or lien that has been or shall be created or attached to Lot 1, Lot 2 or Lot 3, or any

portion thereof, as applicable. The words "mortgage" and "deed of trust" as used herein include all other appropriate real estate security documents commonly used to finance real estate acquisition, construction, and land development in the State of Washington.

8.2 Holder Not Obligated to Construct

The holder of any mortgage, deed of trust or other security interest authorized by this Agreement is not obligated to construct or complete any improvement or to guarantee such construction or completion; nor shall any covenant or any other provision in the conveyances of Lot 1, Lot 2 or Lot 3 from City to Developer be construed so to obligate such holder. Nothing in this Agreement shall be deemed to construe, permit or authorize any such holder to devote Lot 1, Lot 2 or Lot 3, or any portion thereof, to any uses, or to construct any improvement thereon, other than those uses or improvements provided for or authorized by this Agreement.

8.3 Notice of Default and Right to Cure

Whenever City pursuant to its rights set forth in SECTION 6, SECTION 7 or SECTION 8 of this Agreement delivers any notice or demand to Developer with respect to the commencement, completion, or cessation of the construction of any Phase of the Project or any other default by Developer under this Agreement, City shall at the same time deliver to each holder of record of any mortgage, deed of trust, or other security interest authorized by this Agreement and creating a lien upon Lot 1, Lot 2 or Lot 3, or any portion thereof, a copy of such notice or demand. Each such holder shall (insofar as the rights of City are concerned) have the right as its option, within ninety (90) calendar days after the receipt of the notice, to cure or remedy or commence to cure or remedy any such default or breach affecting the portion of the Property which is subject to the lien of the deed of trust or mortgage held by such holder and to add the cost thereof to its debt and the lien on its security interest. Nothing contained in this

Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of any Phase of the Project (beyond the extent necessary to conserve or protect the improvements or construction already made) without first having expressly assumed Developer's obligations to City relating to such Project by written agreement reasonably satisfactory to City's Manager of Economic Development. The holder in that event must, within one hundred twenty (120) days of receipt of City's notice of default, notify City's Manager of Economic Development of its intent to complete the Project and agree to complete, in the manner provided in this Agreement, the Project and submit evidence satisfactory to City's Manager of Economic Development that it has the qualifications and financial responsibility necessary to perform such improvements. Such holder shall be entitled, upon written request made to City's Manager of Economic Development, and satisfaction of the conditions set forth in Section 4.7 of this Agreement to a Certificate of Completion as provided for in Section 4.7.

8.4 Failure of Holder to Complete Project

In any case where, following the occurrence of an Event of Default by Developer in completion of construction of any Phase of the Project under this Agreement and the assumption by the holder of record of any mortgage, deed of trust or other security interest creating a lien or encumbrance upon Lot 1, Lot 2 or Lot 3, or any portion thereof (the "Mortgage Holder"), of the rights, duties and obligations of Developer under this Agreement, the Mortgage Holder has not proceeded diligently with construction of the Project, City has the following rights and remedies with respect to such default. In the event that such Mortgage Holder has not cured or remedied such default or breach within the time and subject to the terms and conditions set forth in Section 8.3 of this Agreement, City shall have the right to: (i) terminate this entire Agreement and all of Mortgage Holder's rights hereunder; (ii) prosecute an action against the Mortgage

Holder for damages; (iii) prosecute an action for specific performance and equitable relief compelling the Mortgage Holder to commence and diligently complete the construction; or (iv) exercise its rights to repurchase Lot 1, Lot 2 or Lot 3, or any portion thereof, as applicable, as set forth in Section 7.4 above, or (v) foreclose City Mortgage as set forth in Section 7.5 above.

8.5 Right of City to Cure

By appropriate agreement with the holder of any mortgage, deed of trust or other security instrument, Developer shall cause the holder to provide City's Manager of Economic Development with written notice by certified mail of the occurrence of any event of default under the mortgage, deed of trust or other security instrument within ten (10) days of the default.

In the event of a default or breach by Developer under a mortgage, deed of trust or other security instrument prior to the Final Completion of development of any Phase of the Project, and if the Mortgage Holder has not exercised its option to complete the development of any Phase of the Project, City may cure Developer's default, prior to the completion of any foreclosure. In such event City shall be entitled to reimbursement from Developer of all costs and expenses incurred by City in curing the default and the amount of such costs and expenses, together with interest thereon at the rate of nine percent (9%) per annum from the date such costs or expenses were incurred and such entitlement shall be added to the obligations secured by City Mortgage.

In addition to any other right or remedy City may have under this Agreement, in the event of default or breach by Developer of its obligations under this Agreement and subject to the provisions of Section 8.4, upon request by City, Developer shall execute any and all documents necessary to assign to City all right, title and interest that Developer has in and to all architectural, construction or other agreements, permits or approvals that may be necessary to

complete the construction of all or any Phase of the Project, and shall otherwise assign to City all of Developer's right, title and interest in any uncompleted Phase of the Project. City shall have the right to assume all such existing architectural, construction or other contracts and agreements that may be necessary to complete all or any Phase of the Project.

8.6 Right of City to Satisfy Other Liens

After the conveyance of title to the Property, or any portion thereof, and prior to the recordation of a Certificate of Completion for the Project pursuant to Section 4.7, and after Developer has had a reasonable time to challenge, cure or satisfy any liens or encumbrances on the Property, or any portion thereof, City shall have the right to satisfy any such lien or encumbrances not satisfied by Developer; provided, however, that nothing in this Agreement shall require Developer to pay or make provision for the payment of any tax, assessment, lien or charge so long as Developer in good faith shall contest the validity or amount thereof and so long as Developer shall provide such reasonable security as may be required by City to insure the payment of such tax, assessment, lien or charge to prevent any sale, foreclosure or forfeiture of the Property, or any portion thereof, or the Project by reason of such nonpayment. Such security shall be not less than a sum equal to the amount of the contested tax, assessment, lien or charge, including all penalties, fines and interest which can be assessed thereon.

SECTION 9. EARNEST MONEY DEPOSIT

9.1 Amount of Earnest Money Deposit

To secure Developer's faithful performance of this Agreement, City acknowledges receipt from Developer of the sum of Fifty Thousand Dollars (\$50,000.00) as earnest money deposit submitted previously with Developer's Purchase and Sale Agreement.

9.2 Disposition of Earnest Money Deposit

If this Agreement is terminated by Developer pursuant to Section 7.1 or Section 7.2 or by City pursuant to Section 7.1, the Earnest Money Deposit shall be returned to Developer. If this Agreement is terminated by City pursuant to Section 7.3 City may retain the Earnest Money Deposit.

SECTION 10. GENERAL PROVISIONS

10.1 Notices, Demands and Communications

Formal notices, demands and communications between City and Developer shall be sufficiently given if and shall not be deemed given unless dispatched by certified mail, postage prepaid, return receipt requested, or delivered personally, to the principal offices of City and Developer as follows:

City:

City Manager
City of Vancouver
P.O. Box 1995
Vancouver, WA 98668-1995

With a Copy to:

City Attorney
City of Vancouver
P.O. Box 1995
Vancouver, WA 98668-1995

Developer:

Vandevco Limited
c/o Nawzad Othman
105 W. Evergreen Boulevard, #300
Vancouver, WA 98660-3123

With a Copy to:

Stephen W. Horenstein
Horenstein Bremer P.S.
900 Washington Street, Suite 900
Vancouver, WA 98660

And to:

Kenton R. Barnes
Gleason, Scarborough
5410 S.W. Macadam Avenue, Suite 100
Portland, OR 97201

Written notices, demands and communications may be sent in the same manner to such other addresses as the affected party may from time to time designate by mail as provided in this Section 10.1.

10.2 Service of Process

All services of process shall be effected if served in person or through substitution on those individuals designated for acceptance of other communication pursuant to Section 10.1.

10.3 Conflict of Interests

No member, official or employee of City shall make any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

Developer warrants that it has not paid or given, and shall not pay or give, any third person any money or other consideration for obtaining this Agreement.

10.4 Non-Liability of City, Officials, Employees, and Agents

No member, official, employee or agent of City of Vancouver shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by City or for any amount which may become due to Developer or successor or on any obligation under the terms of this Agreement.

10.5 Enforced Delay

Performance by either party under this Agreement shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods;

earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; unusually severe weather; inability to secure necessary labor, materials or tools; acts or failure to act of any public or governmental authority or entity (other than the acts or failure to act of City which shall not excuse performance by City), or any other causes (other than lack of funds of Developer) beyond the control or without the fault of the party claiming an extension of time to perform. An extension of time for any such cause shall be for a period of the enforced delay and shall commence to run from the commencement of the cause, if notice by the party claiming such extension is sent to the other party within fifteen (15) calendar days of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by agreement of City's Manager of Economic Development and Developer.

10.6 Plans and Data

If Developer defaults as defined in SECTION 7 and the default is not properly cured, Developer shall deliver to City's Manager of Economic Development any and all plans and data concerning any proposed development pursuant to this Agreement, including, but not limited to all Construction Plans and permits previously issued by City, which shall thereafter be the property of City at no additional cost to City.

10.7 Provisions Not Merged with Deeds

None of the provisions of this Agreement are intended to or shall be merged by the Statutory Warranty Deeds of Lot 1, Lot 2 or Lot 3, as applicable, and the Statutory Warranty Deeds shall not be deemed to affect or impair the provisions and covenants of this Agreement.

10.8 Title of Parts and Sections

Any titles of the Parts, Sections or Subsections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any part of its provisions.

10.9 Governmental Approvals

Should Developer at any time require the approval of any governmental body or board, whether of local, regional, state or federal jurisdiction, Developer shall bear the sole cost and responsibility for obtaining the approval. City's Manager of Economic Development, upon request by Developer, shall lend his full cooperation and affirmative support if he deems such would be in the interest of timely performance by Developer under this Agreement, and such cooperation and support would not compromise the responsibilities of City or City's Department of Community Development, including its responsibilities to Developer as set forth in this Agreement.

10.10 Hold Harmless

If, through acts of negligence on the part of Developer or its construction contractor, any other contractor or any subcontractor shall suffer loss or damage on the work, Developer or its construction contractor shall settle with such other contractor or subcontractor by agreement and if the other contractor or subcontractor shall assess any claim against City on account of any damage alleged to have been sustained, City shall notify Developer and its construction contractor who shall defend at their own expense any suit based upon that claim; and if any judgment is had or claim is allowed, pay such judgment or award and all others costs and expenses in connection therewith.

In addition, Developer shall defend City against any claims or litigation of any nature whatsoever brought by third parties and directly arising from Developer's negligent performance of its obligations under this Agreement, and in the event of settlement, compromise or judgment hold City free and harmless therefrom, and pay any judgment or settlement award and all other costs and expenses in connection therewith.

City shall defend Developer against any claims or litigation of any nature whatsoever brought by third parties and directly arising from City's negligent performance of its obligations under this Agreement, and in the event of settlement, compromise or judgment hold Developer free and harmless therefrom.

10.11 Insurance

In addition to such insurance policies as are required by City Mortgage or other financing agreement of Developer, until Final Completion of the Project, Developer shall at all times maintain in full force and effect builder's risk insurance insuring against loss or damage from such causes of loss as are covered under insurance policies of the type now known as "builder's risk" property insurance (written on an "all risk" or "open perils" basis), including, without limitation, fire and extended coverage, collapse of the improvements and earthquake coverage to agreed limits and in an amount not less than the completed value on a non-reporting form, of the improvements then under construction. The builder's risk insurance shall name both Developer and City as loss payees. Developer shall also at all times maintain in full force and effect comprehensive general liability insurance (full form personal injury and broad form property damage) with a coverage limit acceptable to City and shall name City as an additional insured thereunder. Developer shall provide City with copies of such policies and proof of the payment of all premiums required thereunder.

10.12 Time of Essence

Time is of the essence in the performance of this Agreement.

10.13 Rights and Remedies Cumulative

Except as otherwise stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise or failure to exercise one or more of these rights or remedies by either party shall not preclude the exercise by it, at the same time or different times, of any right or remedy for the same default or any other default by the other party.

10.14 Right of Entry

During the term of this Agreement and until a Certificate of Completion has been recorded with respect to the Project, Developer shall grant to City, its agents, employees and representatives the right of entry on to the Property during normal business hours.

10.15 Real Estate Commissions

Neither party shall be responsible to the other for any real estate commissions or brokerage fees which may arise from this Agreement or otherwise be incurred by the other party.

10.16 Applicable Law

This Agreement shall be governed by, construed and enforced under and pursuant to the laws of the State of Washington, and venue of any action shall lie exclusively in Clark County, Washington.

10.17 Severability

If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of this Agreement shall continue in full force and effect unless the rights and obligations of the

parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

10.18 Legal Actions

In the event any legal action (including arbitration) is commenced to interpret or to enforce the terms of this Agreement, or to collect damages as a result of any breach of the Agreement, the party prevailing in any such action shall be entitled to recover against the party not prevailing all reasonable attorney fees and costs incurred in the action.

10.19 Binding Upon Successors

This Agreement shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest and permitted assigns of each of the parties hereto except that there shall be no Transfer of any interest of Developer hereto except pursuant to the specific provisions of this Agreement.

10.20 Parties Not Co-Venturers

Nothing in this Agreement is intended to or does establish the parties as partners, co-venturers, or principal and agent with one another.

10.21 Disclaimer of Warranties

City expresses no warranty or other representation of any kind or character to Developer with respect to the Property including but not limited to any warranties or representations as to habitability, merchantability, fitness for a particular purpose, latent or patent physical or environmental condition, or value. The Property is sold "AS IS, WHERE IS, WITH ALL FAULTS" except to the extent expressly provided otherwise in the Amended and Restated Purchase and Sale Agreement or this Agreement.

10.22 Reasonable Approvals

The approval of a party of any documentation or submissions herein called for shall not be unreasonably withheld except as set forth in Section 4.1(H). All such approvals shall be given or denied in a timely and expeditious fashion.

10.23 Tolling of Clock

The parties acknowledge and agree in the event it is necessary to renegotiate any of the provisions contained in this Agreement (as expressly authorized in a particular provision in this Agreement), and/or either party initiates mediation pursuant to Section 10.24 below, the time periods for performance and/or calendar deadline(s) shall be tolled and/or suspended temporarily until completion of such renegotiation and/or mediation, after which time such party's performance shall recommence and/or such calendar deadline(s) shall be recalculated.

10.24 Mediation

In the event a dispute between the parties arises out of or relating to this Agreement, the interpretation of this Agreement and/or the renegotiation of a particular provision is required, the parties agree to submit such dispute to a mutually agreed upon mediator, and to continue good faith mediation efforts until such dispute is resolved or either party notifies the other in writing that it elects to withdraw from mediation; provided, however, the parties shall not be required to mediate the denial of any permit by City under Section 4.2 of this Agreement any defaults specifically set forth in Sections 7.2 and/or 7.3 or the exercise of any remedy by City under SECTION 7 or SECTION 8 of this Agreement.

10.25 Execution of Other Documentation

City and Developer agree to execute any further documentation that may be necessary to carry out the intent and the obligations of either party under this Agreement.

10.26 Amendments

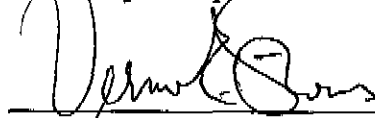
No amendment or waiver of any provision of this Agreement shall be effective unless the amendment or waiver of any provision to this Agreement be in writing and signed by City and by Developer. Any waiver or consent shall be effective only in the specific instance and for the specific instance for which given and shall not be construed as a continuing waiver.

10.27 Complete Understanding of the Parties

This Agreement is executed in two (2) duplicate originals each of which is deemed to be an original. This Agreement consists of sixty-three (63) pages and sixteen (16) attached Exhibits and constitutes the entire understanding and agreement of the parties.

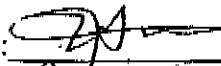
DATED this 21st day of June, 1999.

CITY OF VANCOUVER
a municipal corporation



Vernon E. Stoner, City Manager

VANDEVCO LIMITED
a Washington limited partnership

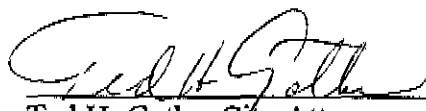
By:  ZIAD A. ELHINDI
Its: President

Attest:



Scott E. Cooley, Interim City Clerk
~~By: Judith Hoggatt, Deputy~~

Approved as to form:



Ted H. Gathe, City Attorney

EXHIBIT 1.3.1

LEGAL DESCRIPTION

Lots 1 thru 8, Block 11, of WEST VANCOUVER, according to the plat thereof, recorded in Volume "B" of Plats, page 40, records of Clark County, Washington.

Lots 1 thru 8, Block 12 of WEST VANCOUVER, according to the plat thereof, recorded in Volume "B" of Plats, page 40, records of Clark County, Washington.

That portion of vacated West 7th Street lying between the West line of Washington Street and the East line of Columbia Street, as vacated by Ordinance M-605 and conveyed by Auditor's File No. G-379494, records of Clark County, Washington.

EXHIBIT 1.3.1

LEGAL DESCRIPTION

01947001 D01 (Disposition Agreement) 17) doc (6/10/1999)

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EXHIBIT 1.3.2

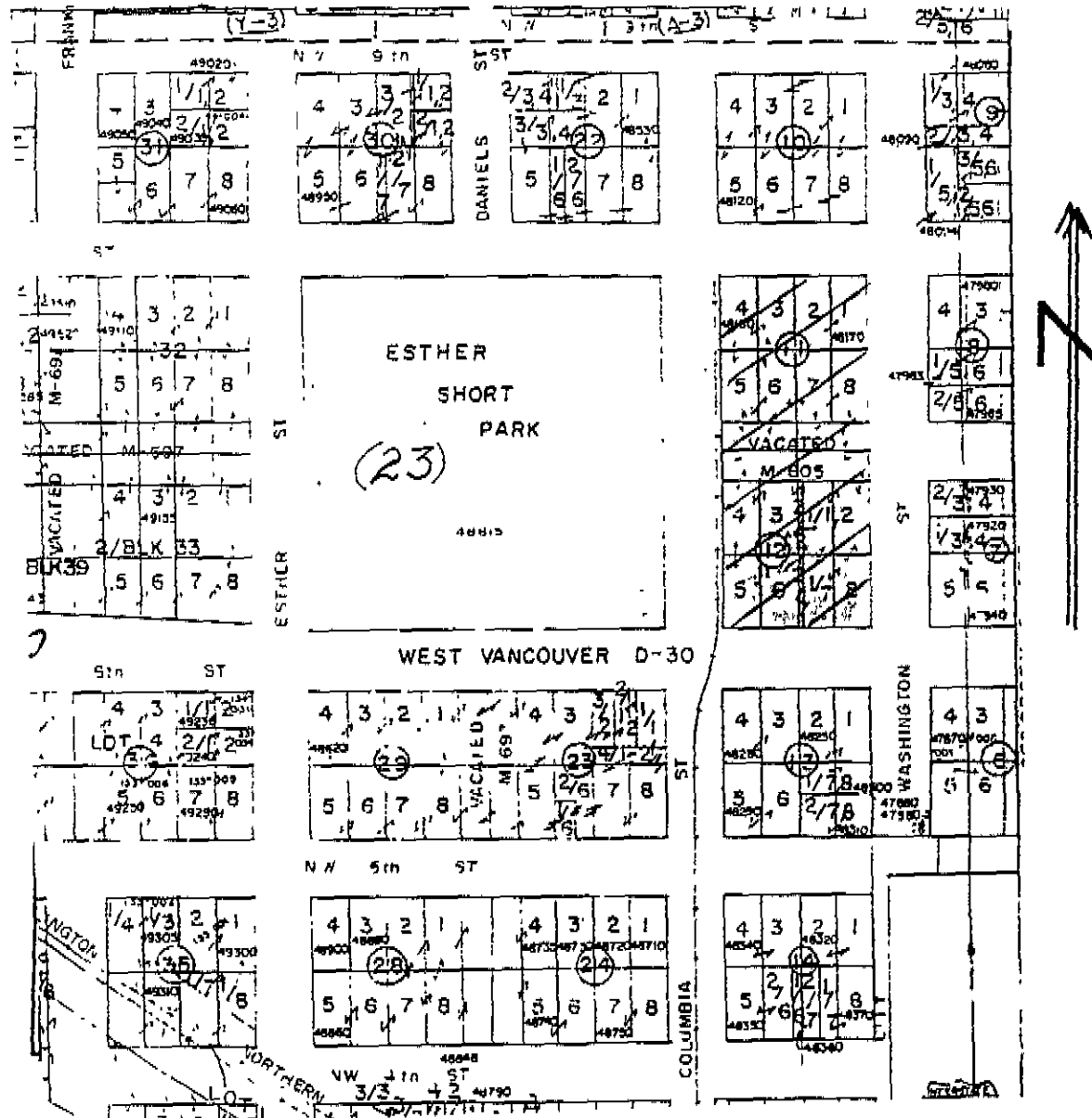
PROPERTY MAP

Clark County Title Company

1400 Washington Street, Suite 100

Vancouver, WA 98660

Phone (360) 694-4722 Fax (360) 694-4165



This sketch is provided, without charge, for your information. It is not intended to show all matters related to the property, including, but not limited to, area, dimensions, easements, encroachments, or location of boundaries. It is not part of, nor does it modify, the commitment or policy to which it is attached. The Company assumes no liability for any matter related to this sketch. Reference should be made to an accurate survey for further information.

EXHIBIT 1.3.2
PROPERTY MAP

01947001 D01 (Disposition Agreement17) doc (6/10/1999)

-1-

EXHIBIT 1.6.1

CONCEPT SKETCH FOR LOT 1, LOT 2 AND LOT 3

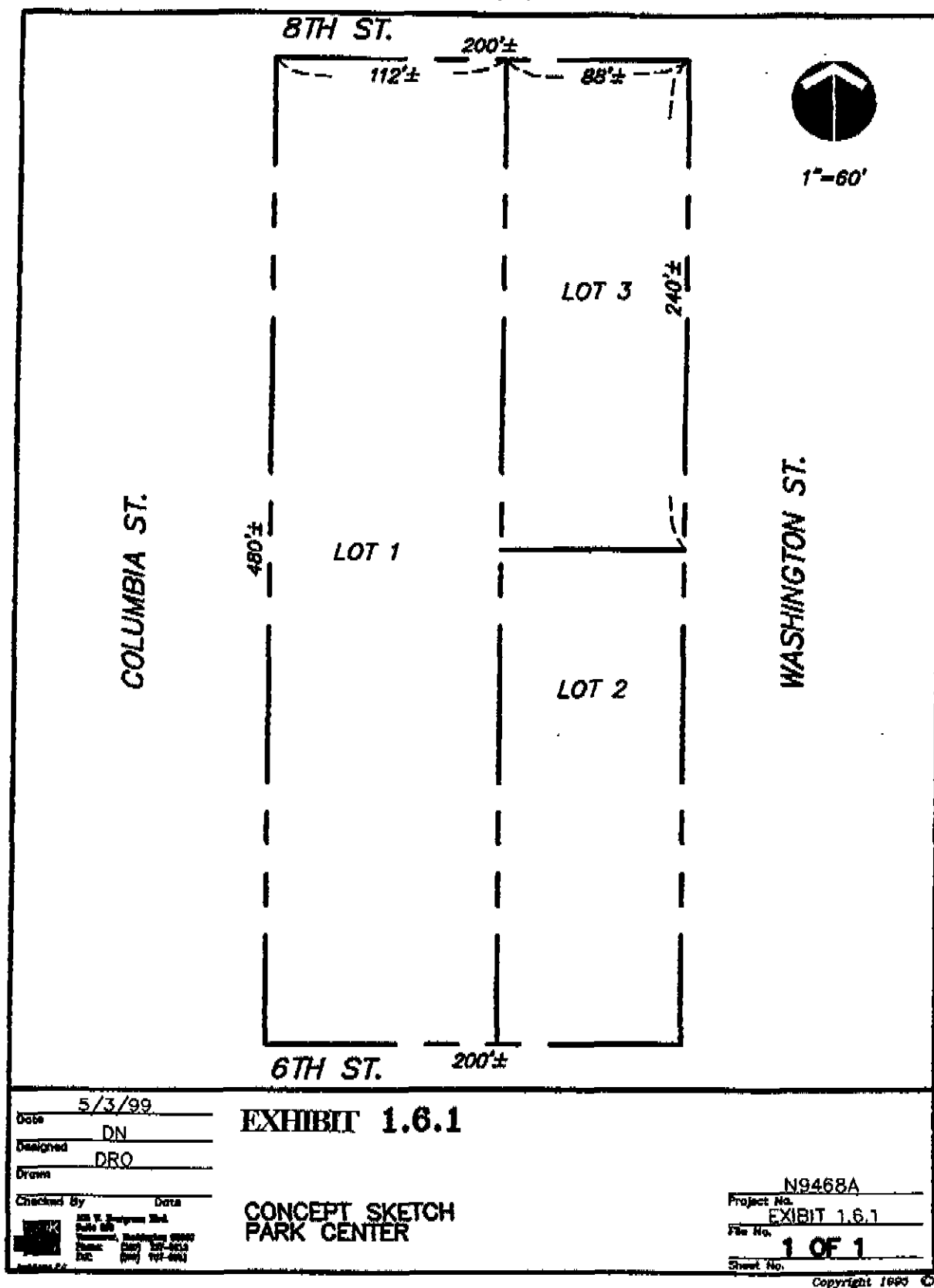


EXHIBIT 1.6.1
CONCEPT SKETCH

01947001 D01 (Disposition Agreement17).doc (6/10/1999)

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EXHIBIT 1.6.2

DESIGN CRITERIA

Exterior

Unit masonry and glass as primary material with accents of metal, concrete and stucco, but not to include EIFS or dryvet type material.

Fixed metal frame awnings.

Predominantly flat roof. Pitched roof elements visible from the street, if any, will have standing seam metal roofing.

Plaza

Substantially the same as attached concept plan with unit pavers and/or monolithic concrete.

Interior

HVAC concealed so as not to be visible from the exterior or interior.

Office lobbies and restrooms equal to or better quality than:

First Interstate Tower
900 Washington Street

SeaFirst Building
805 Broadway

Condominium interiors equal to or better quality than Heritage Place as contained in the Agreement between City and Angelo Capital, LLC dated April 25, 1998.

Apartment interiors equal to or better quality than:

Officers Row
Evergreen Blvd between I-5 & E. Reserve

Van Mall Woods Apartments
7609 NE Vancouver Mall Dr.

Regency Apartments
11301 SE 10th St.

Residential windows will be mid to upper quality of "urban appearance". Vinyl windows are not preferred and the use of vinyl windows will require the written permission of City's Manager of Economic Development.

Modification of Standards

With written agreement from City's Manager of Economic Development, Developer may deviate from the above standards. Such agreement will not be unreasonably withheld.

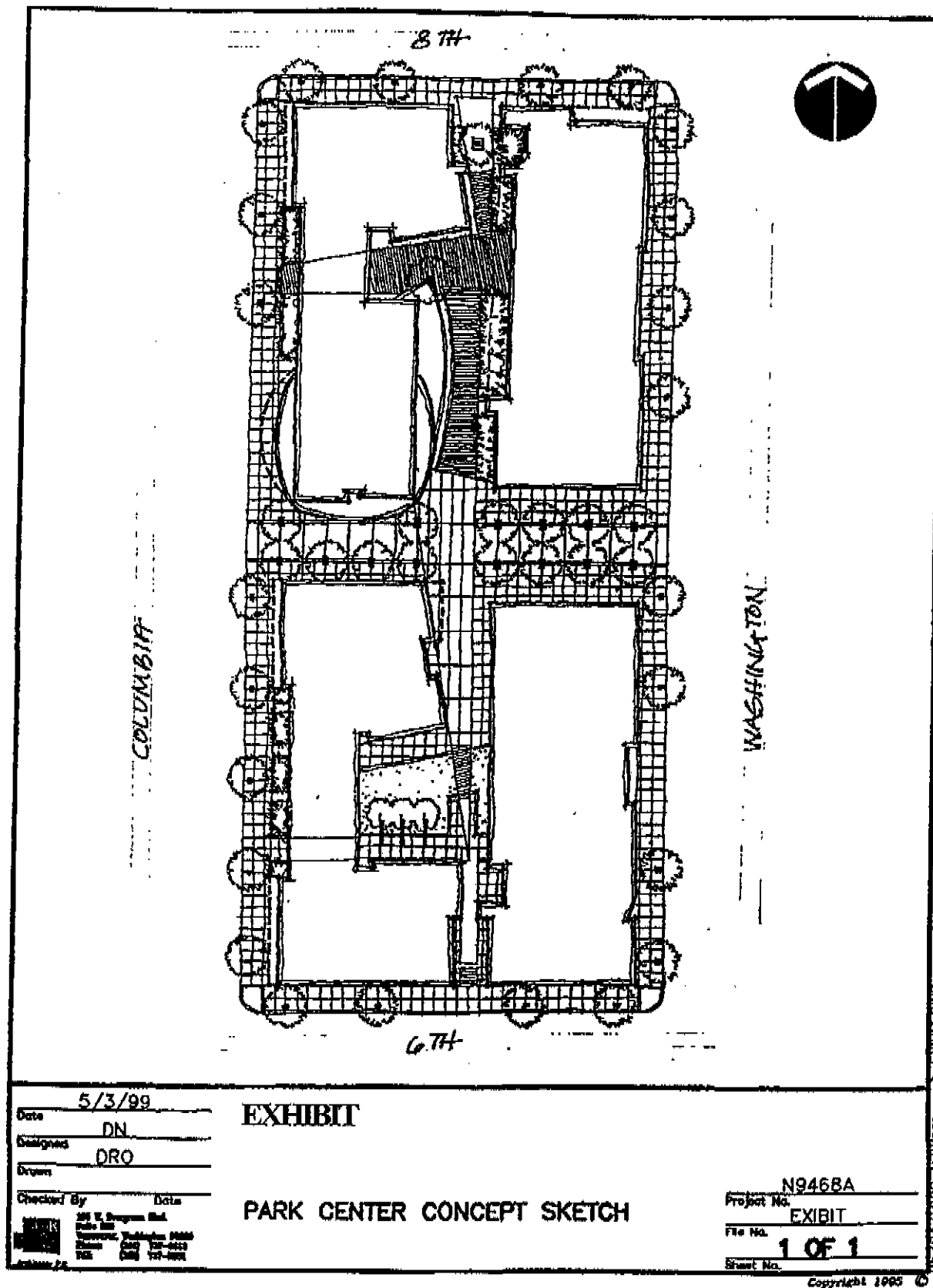


EXHIBIT 1.6.2
 DESIGN CRITERIA

EXHIBIT 1.7

CONDOMINIUM DECLARATION FORM

This Exhibit 1.7 is intended to be negotiated and agreed upon on or before issuance of site plan approval for Phase I. The Condominium Declaration Form is intended to address the following issues. It is intended that Final Condominium Declarations will be negotiated and agreed upon prior to City's purchase of each parking garage phase.

CONDOMINIUM DECLARATION CHECK LIST

1. Number and identification of units.
2. Boundaries of units.
3. Formulas for allocated interests:
 - Common expense
 - Interest in land
 - Interest in other Common Elements
 - Voting
4. Description of Common Elements:
 - Utilities
 - Floor/ceiling slabs
 - Stairways
 - Elevators
5. Right of use of Common Elements.
6. Description of Limited Common Elements:
 - Utilities
 - Stairways
 - Elevators
7. Provision for reallocating Common Elements.
8. Grants of easements:
 - Pedestrian traffic
 - Utilities
 - Encroachments
 - Support
 - Access
 - Storage
 - Construction repair
 - Nature and duration (with land)
 - Bulk restriction (limit buildings bulk on top of slab)
 - Description of bulk restriction
 - Event of damage or destruction of buildings
 - Runs with land
 - Termination

EXHIBIT 1.7

CONDOMINIUM DECLARATION FORM

01947001 D01 (Disposition Agreement17).doc (6/10/1999)

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9. Restriction on uses (office/retail/residential/garage).
10. Related agreements:
 - DDA
 - Purchase and Sale
 - Parking Agreement
 - Parking covenants
11. Offensive activity.
12. Prohibited uses:
 - Hazardous uses
 - Underground storage tanks
 - Obstruct or interfere with uses
 - Illegal activities
13. Provision for establishing rules and regulations.
14. Signs:
 - Restrictions
 - Placement
 - Maintenance/repair/replacement
15. Lease language to contain provision for condominium declaration by reference.
16. Alterations.
17. Phasing:
 - Responsibilities and cost sharing
 - Voting
18. Maintenance responsibility and cost sharing:
 - Condominium units
 - Common Elements
19. Security responsibility and cost sharing.
20. Board approval of contracts with condominium association.
21. Remedies for maintenance or security deficiencies.
22. Remedies for cost sharing deficiencies.
23. Emergencies.
24. Right to convey ownership of condominium unit.
25. Owners Association:
 - Form
 - Annual meetings
 - Bylaws
 - Membership qualification
 - Number of votes
 - Proxy votes
 - Powers
 - Articles
 - Bylaws
 - Budgets
 - Administration
 - Litigation
 - Contracts/liabilities
 - Use/maintenance/repairs/replacements/modifications

EXHIBIT 1.7

CONDOMINIUM DECLARATION FORM

01947001 D01 (Disposition Agreement17) doc (6/10/1999)

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- Additional improvements
- Grant easements/licenses and concessions
- Impose and collect fees
- Late charges
- Amend condominium declarations
- Indemnification
- Assign right to receive income and assessments
- Petition for and participate in a parking and business improvement area
- Limitations on powers
- Management by declarant
- Financial records and statements
- Inspection of records
- Selection of board and officers
- Quorum/votes to adopt actions
- 26. Arbitration.
- 27. Managing agent.
- 28. Budget and assessments:
 - Fiscal year
 - Budget preparation
 - Reserves
 - Ratification of budget
 - Supplemental budget
 - Assessments for common expenses and special allocations
 - Commencement of assessments
 - Special assessments
 - Notice of assessments
 - Payments of assessments
 - Failure to assess
 - Certificate of unpaid assessments
 - Recalculation of unpaid assessments
 - Reconciliation of assessments to actual expenses
- 29. Assessments are a lien (priority).
- 30. Foreclosure of liens.
- 31. Assessments as personal (?) obligations.
- 32. Extinguishment of lien and personal liability.
- 33. Joint and several liability.
- 34. Late charges and interest on delinquent assessments.
- 35. Recovery of attorney's fees and costs.
- 36. Remedies cumulative.
- 37. No line on City property.
- 38. Rights of action.
- 39. Failure of Board to insist on strict performance not a waiver.
- 40. Tort and contract liability:
 - Association – not individual
 - Limitation on utility failure
 - No personal liability

EXHIBIT 1.7

CONDOMINIUM DECLARATION FORM

01947001 D01 (Disposition Agreement17).doc (6/10/1999)

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- 41. Indemnification.
- 42. Insurance:
 - City self insured
 - Property
 - Commercial general liability
 - Fidelity
 - Directors and officers
 - Owners individual insurance
 - Power of attorney
 - Additional named insureds
 - Relation to mortgages
 - Cost sharing
- 43. Damage and repair:
 - Board determination
 - Notice of damage
 - Definitions (\$ and emergencies)
 - Execution
 - Decision not to repair, replace or rebuild
- 44. Condemnation.
- 45. Amendment of:
 - Declarations
 - Survey map and plans
 - Articles or Bylaws
- 46. Termination or abandonment of a condominium.
- 47. Partitions and subdivisions.
- 48. Notices:
 - Owners
 - Mortgage holders
- 49. Severability.
- 50. Effective date.
- 51. Assignment by declarants.
- 52. Governmental rights.
- 53. Conformity to law.

EXHIBIT 1.9

LAND USE DEVELOPMENT AGREEMENT

This Exhibit 1.9 is intended to be negotiated and agreed upon on or before issuance of site plan approval for Phase I. It is intended to vest Developer with:

- 1) Rights to development under existing development rules and regulations.
- 2) Rights to pay fees in existence prior to December 31, 1998, unless Developer requests extensions under Section 4.1.
- 3) Rights to pay impact fees at existing impact fee rates.
- 4) Resolution of trip capacity.
- 5) Rights to major variances granted by Board of Adjustment throughout the term of this Agreement and any extensions thereto.

It is also intended to confirm that Developer has satisfied City's parking requirements under VMC 20.81.310 – 20.81.312 by forgoing profit on parking garages, constructing and maintaining a public plaza and by providing parking garage lid at Developer's sole expense.

EXHIBIT 2.3.1

FINAL CONSTRUCTION PLANS FOR PHASE ONE IMPROVEMENTS

EXHIBIT 2.4.1

FINAL CONSTRUCTION PLANS FOR PHASE TWO IMPROVEMENTS

EXHIBIT 2.4.1

FINAL CONSTRUCTION PLANS FOR PHASE TWO IMPROVEMENTS

01947001 D01 (Disposition Agreement17) doc (6/10/1999) -1-

EXHIBIT 2.4.2

FINAL CONSTRUCTION PLANS FOR PHASE THREE IMPROVEMENTS

EXHIBIT 3.1

AMENDED AND RESTATED PURCHASE AND SALE AGREEMENT

This Agreement dated as of June 21, 1999, is between the City of Vancouver, a Washington municipal corporation ("Seller"), and Vandevco Limited, a Washington corporation ("Buyer"), and supercedes that Agreement dated January 7, 1999, in all respects.

SECTION 1. AGREEMENT TO BUY AND SELL

Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller for the consideration stated herein and on the terms, covenants and conditions contained in this Agreement the fee simple absolute estate in the real property described as Block 11 and 12 and vacated 7th Street, City of Vancouver, Washington which is bounded by 8th Street on the north, Washington Street on the east, 6th Street on the south and Columbia Street on the west, together with all improvements thereon and rights and interests related or appurtenant thereto ("Property"). The Property shall be purchased in separate parcels (Lot 1, Lot 2 and Lot 3) in the manner hereinbelow set forth. A legal description of the Property is attached as Exhibit "A." Upon completion of the survey, the legal description attached as Exhibit "A" shall be replaced with the legal description from the survey.

SECTION 2. CONDITIONS PRECEDENT TO BUYER'S OBLIGATION

Notwithstanding any other provision of this Agreement, Buyer's obligations hereunder are conditional upon satisfaction or waiver in writing by Buyer of each of the following conditions on or before site plan approval as set forth in SECTION 1.9 of the Disposition and Development Agreement (the "Contingency Removal Date") or such later date as specified herein.

2.1 Governmental Approvals

Determination by Buyer that there is no fact or existing or proposed law, regulation, zoning or design code, ordinance or other governmental stipulation indicating the legal, physical or financial infeasibility of Buyer's intended use or development of the Property as multistory facilities including approximately (i) 160,000 square feet of general offices, (ii) multistory parking of approximately 720 parking spaces, (iii) 20,000 square feet of ground floor retail space, (iv) 160 apartment units, and (v) 72 condominium residential units.

2.2 Soil, Geological, Environmental, Traffic and Engineering Studies

Receipt by Buyer of the results of such soil, geological, environmental, traffic and engineering tests, and any other studies, reports and/or investigations desired by Buyer that, in Buyer's sole opinion, indicate that the Property is suitable for Buyer's intended purposes and free of foundations, and other significant underground debris and obstructions to development. All

EXHIBIT 3.1

AMENDED AND RESTATED PURCHASE AND SALE AGREEMENT

01947001 D08 (Amended Sale Agreement-8) (6/10/1999)

-1-

such tests, studies and reports shall be prepared by persons selected by Buyer and approved by Buyer, unless otherwise agreed in writing. All work by such persons shall be performed under Buyer's supervision. All costs for or in connection with such tests, studies and reports shall be paid by Buyer. Seller will deliver to Buyer within five (5) days after mutual execution of this Agreement copies in Seller's possession of any surveys, tests, studies and environmental, soils and engineering reports previously conducted on the Property (if any). Seller represents that it has no knowledge that the Property includes any existing foundations or other significant underground debris or obstructions to development.

2.3 Survey

Receipt by Buyer of a survey of the Property made by a licensed surveyor or civil engineer selected by Buyer in accordance with 1997 ALTA/ACSM standards, unless Buyer elects in its discretion to accept a current survey of the Property made by a licensed surveyor or civil engineer selected by Seller. If Buyer does not elect to accept Seller's survey, the requisite survey shall be performed under Buyer's supervision and is subject to the approval of Buyer and Seller. In any event, Seller shall be responsible for the cost of the survey. The survey shall show the location of all available utilities above ground or underground, permitted curb cuts, streets, improvements, if any, including without limitation, underground storage tanks, septic tanks, drainage lines, wells, any encroachments, and the location of all recorded and known unrecorded easements or licenses, together with location, description or identification of any of the above which may be planned but not yet installed or completed at the time of delivery of said survey, e.g., easements to be reserved by Seller. The survey will include a calculation of usable square footage.

2.4 Title

Buyer will order a preliminary title report from Clark County Title Company showing its willingness to issue title insurance on the Property, together with full copies of all exceptions. Buyer shall have fifteen (15) business days after receipt of the report and exceptions within which to notify Seller in writing of Buyer's approval or disapproval of each of the exceptions shown in the report. In the event of disapproval, Seller shall have fifteen (15) business days to eliminate or to agree in writing to eliminate (not later than closing) any expressly disapproved exceptions. If Seller is unable to eliminate, or fails to give written notice of agreement to eliminate (not later than closing), any expressly disapproved exception within such period, either party may elect to rescind this Agreement by written notice to the other party. In such event, all obligations of the parties under this Agreement shall thereafter cease, unless Buyer notifies Seller within ten (10) days after such notice that Buyer elects to waive its prior disapproval and proceed to close the sale. Failure of Buyer to approve in writing any exception appearing in the report by the Contingency Removal Date shall be deemed to be disapproval of the exception.

2.5 Zoning

Approval by Buyer of all land use and zoning matters and conditions affecting the Property.

EXHIBIT 3.1

AMENDED AND RESTATED PURCHASE AND SALE AGREEMENT

01947001 D08 (Amended Sale Agreement-8) (6/10/1999) -2-

2.6 Underground Utilities

The Property is free of active and inactive underground utilities and lines. If the Property is not free of such lines, Seller will remove the same after closing in coordination with Buyer's site preparation services. Water and sewer are available to the Property as set forth in the Pre-Application dated May 25, 1999.

2.7 Approval and Execution

Approval and execution by Buyer, on or before thirty (30) days after the Contingency Removal Date, of development agreements and financial agreements for financing of the facilities on terms acceptable to Buyer.

Each of the foregoing conditions shall be deemed not to have been satisfied and not to have been waived unless Buyer notifies Seller in writing on or before the Contingency Removal Date, or later date as applicable, that each has been satisfied or waived in whole or in part. If Buyer does so notify Seller, then this Agreement shall be carried out as provided herein. If Buyer does not so notify Seller, then neither party shall have any remaining obligation hereunder.

SECTION 3. CONDITIONS PRECEDENT TO SELLER'S AND BUYER'S OBLIGATION.

Notwithstanding any other provision of this Agreement, Buyer's and Seller's obligations hereunder are conditioned upon simultaneous execution of the Disposition and Development Agreement, to which this Amended and Restated Purchase and Sale Agreement is attached as Exhibit 3.1 and made a part thereof.

SECTION 4. PURCHASE PRICE AND PAYMENT; EARNEST MONEY

The Property will be sold to the Developer in three parcels (Lot 1, Lot 2 and Lot 3) in accordance with the terms and provisions of Section 3.1 of the Disposition and Development Agreement. The price for the entire parcel shall be Nine Hundred Sixty Thousand and No/100 Dollars (\$960,000.00), divided between Lot 1, Lot 2 and Lot 3 as follows:

Lot 1	\$576,000
Lot 2	\$192,000
Lot 3	\$192,000

Usable property shall exclude (i) property which is in the right of way, including streets and sidewalks, and (ii) land over utility or service easements. The exact number of square feet included in the Property shall be confirmed by the survey described in Section 2.3. Buyer shall pay the purchase price for the Property in cash on the Closing Date.

EXHIBIT 3.1

AMENDED AND RESTATED PURCHASE AND SALE AGREEMENT

01947001 D08 (Amended Sale Agreement-8) (6/10/1999)

-3-

Buyer remitted with the Purchase and Sale Agreement dated January 7, 1999, an earnest money deposit of Fifty Thousand and No Cents (\$50,000.00) in the form of a cashier's check ("Earnest Money"). If this Agreement is terminated by Buyer on account of the failure of any condition under SECTION 2 or SECTION 3 or SECTION 5, the Earnest Money and any accrued interest thereon while in such Escrow Account, will be returned to Buyer. The Earnest Money shall be applied to the purchase price. Any inconsistency between this paragraph and Section 9.2 of the Disposition and Development Agreement shall be resolved in favor of Section 9.2 of the Disposition and Development Agreement.

SECTION 5. CLOSE OF ESCROW AND RELATED MATTERS

5.1 Closing and Closing Date

The purchase of each lot of the Property contemplated hereby shall be completed through an escrow which shall be conducted and closed by Clark County Title Company or other title company mutually acceptable to the parties ("Title Company"), as early as practicable on the Closing Date. The "Closing Date" for Lot 1 is hereby established as fifteen (15) days after the satisfaction or waiver of conditions described in SECTION 2, above, or such earlier or later date as Buyer and Seller may agree hereafter in writing in the Disposition and Development Agreement. The Closing Dates for Lot 2 and Lot 3 shall be fifteen (15) days after the date such Lots become available to Purchaser pursuant to the provisions of Section 3.1 of the Disposition and Development Agreement referred to in SECTION 3 above or such other date mutually agreed to by the parties. On or before the Closing Date, each party shall deposit in escrow with Title Company escrow instructions and all money and other documents and items required to close the transaction contemplated by this Agreement.

5.2 Condition of Title

Fee simple title to the Property (Lot 1, Lot 2 and Lot 3) shall be conveyed by Seller to Buyer by statutory warranty deed subject only to the easement for telephone service and such other title encumbrances as Buyer may hereafter approve in writing (collectively, "Permitted Encumbrances"). Evidence of title to the Property shall be by an owner's ALTA extended coverage title insurance policy issued by Title Company in the amount of the purchase price, insuring fee simple title to the Property vested in Buyer, subject only to the Permitted Encumbrances.

If the Property is not free of active and inactive underground utilities and service lines, Seller will deliver its agreement at closing to remove the same after closing in coordination with Buyer's site preparation.

5.3 Taxes and Assessments; Utilities

If applicable, Seller shall pay in full not later than the Closing Date all special assessments, including any liens for sewer improvements, levied or assessed against the

EXHIBIT 3.1

AMENDED AND RESTATED PURCHASE AND SALE AGREEMENT

01947001 D08 (Amended Sale Agreement-8) (6/10/1999)

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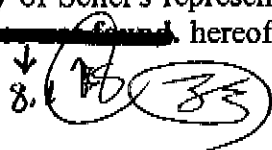
Property. All utilities related to the Property shall be prorated as of the Closing Date. All real estate transfer or excise taxes, if any, shall be paid by Seller.

5.4 Costs of Escrow

(1) Seller: Seller shall, as to each Lot acquired, pay the premium for the title insurance policy, one-half of the escrow fee and all other closing costs not expressly payable by Buyer pursuant to following clause (2).

(2) Buyer: Buyer shall, as to each Lot acquired, pay the recording fee for the statutory warranty deed and one-half of the escrow fee.

5.5 Closing Conditions

Buyer shall have no obligation to close the transaction contemplated by this Agreement for any of Lot 1, Lot 2 and Lot 3 if any of Seller's representations, covenants or warranties set forth in Section ~~8.1~~ 8.1 hereof was materially false when made or is materially false on the Closing Date. 

5.6 Condition of Property

Except as provided in SECTION 8, prior to the Close of Escrow, Buyer will have inspected (or had the opportunity to inspect) all of the Property and such documents as deemed relevant by Seller relating to the Property and Buyer's intended use thereof; and based on Seller's best judgment and the best judgment of independent experts available to Seller, accepts same, AS IS, including any latent defects with no warranties, express or implied, and with no obligation of Seller to make repairs or replacements.

SECTION 6. FURTHER ASSURANCE

Seller shall, upon request by Buyer, whether prior to or after the Closing Date for each Lot, execute and deliver to Buyer such further documents which may be required to complete or evidence the transaction herein provided for, and Buyer shall, upon request, execute and deliver like instruments to Seller.

SECTION 7. POSSESSION AND ENTRY ON PROPERTY

On the Closing Date for Lot 1 Seller shall deliver to Buyer full and exclusive possession of the entire Property. Buyer, its agents, employees and contractors may enter the Property prior to the Closing Date for Lot 1 to conduct the tests, studies and reports referred to in Section 2.2 hereof and to perform the survey referred to in Section 2.3 hereof, and for other purposes reasonably related to this Agreement. Buyer shall indemnify and hold Seller harmless from and against any cost, expenses or liability arising under this section in connection with Buyer's activities or the activities of its agents, employees or contractors on the Property prior to closing, except to the extent such costs, expenses or liabilities arising under this section are in connection

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with Seller's, its agents', employees' or contractors' activities on the Property prior to closing and/or Seller has expressly accepted liability or has acted wrongfully causing such cost, expense or liability.

SECTION 8. HAZARDOUS MATERIALS

8.1 Seller shall provide Buyer with all reports, studies and documents of any kind which Seller has in its possession, and which relate to the condition of the Property at the time Seller acquired it.

Immediately upon execution of this Agreement, Seller and Buyer shall:

- (a) Mutually agree upon and select a consulting firm to conduct a Phase I and Phase II environmental report for the entire parcel to be acquired pursuant to this Agreement and the Disposition Development Agreement (Phases I, II and III).
- (b) Buyer and Seller shall agree on the scope of work to be included in the Phase I and Phase II environmental report described above.
- (c) Buyer and Seller shall cause the Phase I and Phase II environmental report to be completed not later than sixty (60) days after the execution of this Agreement.

The Phase I and Phase II environmental report shall establish a base line for the environmental status of the Property as of the date of completion of such Phase I or Phase II report. Seller shall be obligated to remediate any Hazardous Materials (defined below) or other contamination identified in the Phase I and/or Phase II environmental report on or before the date the parties are to close on the Phase I acquisition of the Property according to the terms and conditions of this Agreement. Seller, at Seller's option, may in lieu of remediating the Property notify Buyer within twenty (20) days of receipt of the environmental report of its intention to terminate the Disposition and Development Agreement and this Agreement. Upon receipt of such notice, Buyer shall have fifteen (15) days to waive the Seller's obligation to remediate the Property and, in such event, shall close the transaction according to the terms and provisions of this Agreement.

Notwithstanding the foregoing, Seller shall have an absolute obligation to remediate the Property if the total cost of such remediation for those items identified in the Phase I and/or Phase II environmental report does not exceed Five Hundred Thousand Dollars (\$500,000.00).

After compliance with the foregoing and closing of the transaction contemplated by this Agreement, Purchaser shall be responsible for any Hazardous Materials and/or contamination subsequently discovered on the Property.

8.2 For purposes of this Agreement, "Hazardous Materials" shall mean substances (whether solid, liquid, gaseous or otherwise) which are (1) flammable; explosive; corrosive; radioactive; or toxic; or (2) defined as hazardous substances, hazardous materials, toxic

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substances or hazardous wastes in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9601 *et seq.*); the Hazardous Materials Transportation Act (49 U.S.C. 1801 *et seq.*); the Resource Conservation and Recovery Act of 1976 (42 U.S. 6901 *et seq.*); (3) asbestos containing materials defined and described in Environmental Protection Agency Report No. 56/5-85/024 (June 1985), or any related or successor report, or other applicable government regulations (including but not limited to Title 40, Code of Federal Regulations, Part 61, Subpart M) defining or describing such materials issued on or before the close of escrow on the Closing Date; (4) petroleum, including crude oil or any fraction thereof, and natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, or the ash produced by a resource recovery facility utilizing a municipal solid waste stream; (5) any pesticides, insecticides, fertilizers, herbicides or similar chemicals, (6) any mixture that includes any substance listed above; and (7) all other federal, state and local statutes, laws, rules, regulations, ordinances or codes which pertain to protection of human health or the environment.

8.3 Seller agrees to indemnify, protect, defend, reimburse and hold harmless Buyer from and against any and all claims, orders, lawsuits, costs, liabilities, judgments, damages, fines, encumbrances, liens, penalties, and expenses of whatever kind or nature, contingent or otherwise, matured or unmatured, foreseeable or unforeseeable, any of which are incurred at any time before the Closing Date and which arise out of or relate to the presence of Hazardous Materials in, on, or under the Property.

8.4 Buyer agrees to indemnify, protect, defend, reimburse and hold harmless Seller from and against any and all claims, orders, lawsuits, costs, liabilities, judgments, damages, fines, encumbrances, liens, penalties, and expenses of whatever kind or nature, contingent or otherwise, matured or unmatured, foreseeable or unforeseeable, any of which are incurred at any time after the Closing Date and which arise out of or relate to the presence of Hazardous Materials in, on, or under the Property.

The provisions of this section shall survive the close of escrow and the delivery of the deed and other documents on the Closing Date.

SECTION 9. DEFAULT EVENTS AND REMEDIES

Nonperformance by either party of its obligations under this Agreement which continues for a period of ten (10) days following written notice of nonperformance shall be a default by the nonperforming party. Material falsity of any representation, covenant or warranty made by Seller pursuant to Section 8.1 hereof either at the time of execution of this Agreement or as of the Closing Date for Lot 1 shall be a default hereunder by Seller. In the event of default by Buyer, Seller shall, as its sole and exclusive remedy, receive the Earnest Money from escrow as full liquidated damages for such Buyer default. Buyer shall also deliver to Seller copies of all studies, reports and surveys prepared by Buyer forthwith. In the event of default by Seller, Buyer shall be entitled (i) to sue for damages or specific performance, as applicable, (ii) to perform in Seller's stead any obligation to be performed by Seller under the provisions of this

EXHIBIT 3 1

AMENDED AND RESTATED PURCHASE AND SALE AGREEMENT

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Agreement (but Buyer shall have no obligation to do so) and to have the cost of such substituted performance to be applied as a credit against the purchase price for the Property to be paid by Buyer at closing and (iii) to exercise any other remedy available to it under applicable law.

SECTION 10. BROKER

Buyer and Seller represent and warrant that they have incurred no liabilities or claims for brokerage commissions or finder's fees in connection with this Agreement and that they have not dealt with, and have no knowledge of, any real estate broker, agent or salesperson in connection with this Agreement. In the event any such real estate broker, agent or salesperson claims any such brokerage commissions or finder's fee in connection with this Agreement, such fees shall be paid by Seller out of escrow, without any liability to Buyer, upon closing of this transaction on the Closing Date. Buyer and Seller each agrees to indemnify and hold the other harmless from and against any and all liability, including attorneys' fees, for any such fee or commission alleged to be payable in connection with this transaction by reason of the conduct of such party.

SECTION 10. NOTICES

Any and all notices or other communications required or permitted by this Agreement or by law to be served on or given to a party hereto by the other party shall be in writing and shall be duly served and given only when personally delivered or sent by United States mail, registered or certified, postage prepaid, and addressed to the respective parties as follows:

Seller:	City Manager City of Vancouver P.O. Box 1995 Vancouver, WA 98668-1995
With a Copy to:	City Attorney City of Vancouver P.O. Box 1995 Vancouver, WA 98668-1995
Buyer:	Vandevco Limited c/o Nawzad Othman 105 W. Evergreen Boulevard, #300 Vancouver, WA 98660-3123
With a Copy to:	Stephen W. Horenstein Horenstein Bremer P.S. 900 Washington Street, Suite 900 Vancouver, WA 98660

EXHIBIT 3.1

AMENDED AND RESTATED PURCHASE AND SALE AGREEMENT

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And to: Kenton R. Barnes
 Gleason, Scarborough
 5410 S.W. Macadam Avenue, Suite 100
 Portland, OR 97201

Notices or other communications served in the above manner shall be considered sufficiently given or served for all purposes under this Agreement at the time the notice or communication is postmarked or personally delivered to the address shown above.

SECTION 11. MISCELLANEOUS

11.1 Binding Effect

This Agreement shall be binding upon and inure to the benefit of the Seller and Buyer and their respective successors and assigns.

11.2 Interpretation/Construction

The headings incorporated in this Agreement are for convenience and reference only and are not a part of this Agreement and do not in any way limit or add to the terms and provisions hereof. Further, the masculine, feminine or neuter gender, and the singular or plural number, shall be deemed to include the others whenever the context so indicates.

11.3 Entire Agreement

This is the entire agreement between the parties and there are no other terms, obligations, covenants, representations, statements or conditions, oral or written, of any kind whatsoever concerning the purchase and sale of the Property, other than as set forth in the Disposition and Development Agreement to which this Agreement is attached as Exhibit 3.1. Any inconsistency between this Agreement and the Disposition and Development Agreement shall be resolved in favor of the Disposition and Development Agreement. Any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this Agreement in whole or in part unless such agreement is in writing, makes specific reference to this Agreement and is signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought.

11.4 Survival

All agreements, covenants, conditions, warranties and representations contained in this Agreement, which by their nature impliedly or expressly involve performance in any particular after closing on the Closing Date or which cannot be ascertained to have been fully performed until after such closing, shall survive the closing.

11.5 Time

Time is of the essence of this Agreement and the performance of the obligations described herein.

11.6 Governing Law

This Agreement shall be governed by and construed under the laws of the State of Washington, all rights and remedies being governed by such laws, and any provision hereof which may prove to be unenforceable shall not affect the validity of any other provision of this Agreement. Any action or litigation arising out of or in connection with this Agreement shall be conducted in Clark County, Washington.

11.7 Cooperation

Each party hereto agrees to take such action as may be necessary or appropriate to carry out the intended purpose hereof and to execute any and all documents which may be necessary or appropriate with respect thereto.

11.8 Attorneys Fees

In the event either party brings an action at law or other proceeding against the other party to enforce any of the terms, covenants and conditions hereof, the party prevailing in such action or proceeding shall be paid by the other party all attorney fees and statutory and other costs (including without limitation costs of discovery and expert witness fees, whether at trial, on appeal, on petition for review or in bankruptcy or other judicial or administrative proceeding), and the same shall be included in any judgment in such action or proceedings or appeal.

11.9 Waiver

No act or omission of either party hereto shall at any time be construed to deprive such party of a right or remedy hereunder or otherwise be construed so as to at any future time estop such party from exercising such right or remedy.

11.10 Risk of Loss

If prior to closing, land or improvements on said property shall be destroyed or materially damaged by fire or other casualty, this agreement at option of Buyer shall become null and void.

11.11 Successors and Assigns

The terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the heirs, legal representatives and proper and permitted assigns and successors of the parties. Permitted assigns of Buyer shall include an entity controlled by Buyer in accordance with the terms of the Disposition and Development Agreement.

EXHIBIT 3.1

AMENDED AND RESTATED PURCHASE AND SALE AGREEMENT

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11.12 Seller's Affidavit

Seller shall provide an affidavit to the effect that Seller is not a foreign person as the term is used and defined in Section 1445 of the Internal Revenue Code of 1954, as amended, and in the regulations promulgated thereunder. Such affidavit shall be provided on or before the Closing Date.

This Agreement is executed and delivered by Buyer as an offer. If the offer is not accepted by execution by Seller of an original of this Agreement and its delivery to Buyer by June 21, 1999, the offer shall be deemed withdrawn and of no further force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date indicated.

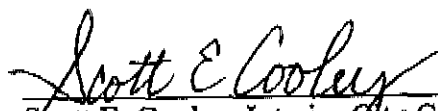
BUYER:

CITY OF VANCOUVER
a municipal corporation

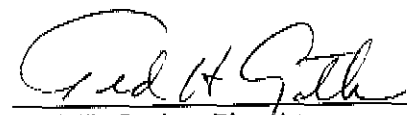

Vernon E. Stoner, City Manager

Dated: June 21, 1999

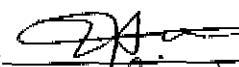
Attest:


Scott E. Cooley, Interim City Clerk
~~By: Judith Hoggatt, Deputy~~

Approved as to form:


Ted H. Gathe, City Attorney

VANDEVCO LIMITED
a Washington limited partnership

By:  ZIAD A. ELHINDI
Its: President

Dated: July 8, 1999

EXHIBIT 3.1

AMENDED AND RESTATED PURCHASE AND SALE AGREEMENT

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EXHIBIT "A"

LEGAL DESCRIPTION

Lots 1 thru 8, Block 11, of WEST VANCOUVER, according to the plat thereof, recorded in Volume "B" of Plats, page 40, records of Clark County, Washington.

Lots 1 thru 8, Block 12 of WEST VANCOUVER, according to the plat thereof, recorded in Volume "B" of Plats, page 40, records of Clark County, Washington.

That portion of vacated West 7th Street lying between the West line of Washington Street and the East line of Columbia Street, as vacated by Ordinance M-605 and conveyed by Auditor's File No. G-379494, records of Clark County, Washington.

EXHIBIT 3.1 – EXHIBIT "A"
LEGAL DESCRIPTION

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EXHIBIT 3.5

VANCOUVER MUNICIPAL CODE—CHAPTER 3.22

MULTI-FAMILY HOUSING TAX EXEMPTION

Sections:

3.22.010 Purpose.

3.22.020 Definitions.

3.22.030 Residential target area designation and standards.

3.22.040 Tax exemptions for multi-family housing in residential target areas.

3.22.010 Purpose.

It is the purpose of this ordinance to encourage new private multi-housing development and redevelopment within designated urban centers to accommodate future population growth, and to provide places to live close to employment, shopping, entertainment, and transit services.

(Ord. M-3314, Added, 07/21/1997)

3.22.020 Definitions.

A. “Multi-family housing” means building(s) having four or more dwelling units designed for permanent residential occupancy resulting from new construction or rehabilitation or conversion of vacant, underutilized, or substandard buildings.

B. “Owner” means the property owner of record.

C. “Urban center” means a compact identifiable district containing several business establishments, adequate public facilities, and a mixture of uses and activities, where residents may obtain a variety of products and services.

D. “Director” means the director of the City’s Economic Development Department or authorized designee.

E. “Permanent residential occupancy” means multi-family housing that provides either rental or owner occupancy for a period of at least one month. This excludes hotels and motels that predominantly offer rental accommodation on a daily or weekly basis.

F. “Rehabilitation improvements” means modifications to existing structures that are vacant for 12 months or longer, or modification to existing occupied structures which convert non-residential space to residential space and/or increase the number of multi-family housing units.

G. “Residential target area” means an area within an urban center that has been designated by the City Council as lacking sufficient, available, desirable, and convenient residential housing to meet the needs of the public.

(Ord. M-3314, Added, 07/21/1997)

3.22.030 Residential target area designation and standards.

A. Criteria. Following a public hearing, the City Council may, in its sole discretion, designate one or more residential target areas. Each designated target area must meet the following criteria, as determined by the City Council:

1. The target area is located within an urban center;
2. The target area lacks sufficient available, desirable, and convenient residential housing to meet the needs of the public who would likely live in the mixed-use center if desirable, attractive, and livable places were available; and
3. The providing of additional housing opportunity in the target area will assist in achieving the following purposes:
 - (a) Encourage increased residential opportunities within the target area; or
 - (b) Stimulate the construction of new multi-family housing and/or the rehabilitation of existing vacant and underutilized buildings for multi-family housing.

In designating a residential target area, the City Council may also consider other factors, including, but not limited to: whether additional housing in the target area will attract and maintain an increase in the number of permanent residents; whether an increased residential population will help alleviate detrimental conditions in the target area; and whether an increased residential population in the target area will help to achieve the planning goals mandated by the Growth Management Act under RCW 36.70A.020. The City Council may, by ordinance, amend or rescind the designation of a residential target area at any time pursuant to the same procedure as set forth in this chapter for original designation.

B. Target Area Standards and Guidelines. For each designated residential target area, the City Council shall adopt basic requirements for both new construction and rehabilitation, including the application process and procedures. The City Council may also adopt guidelines which include parking, height, density, environmental impact, public benefit features, compatibility with the surrounding property and such other amenities as will attract and keep permanent residents and will properly enhance the livability of the residential target area.

The required amenities shall be relative to the size of the proposed project and the tax benefit to be obtained.

C. Designated Target Areas. The proposed boundaries of the first "residential target area" are the boundaries of the Downtown Redevelopment Authority as indicated on the map attached hereto as attachment "A". An interim target area is hereby established between 16th and 17th Streets on the south and north and "E" and "F" Streets on the west and east for a two year period. Upon completion of a qualifying project within said period, this area shall become a permanent residential target area.

(Ord. M-3345, Amended, 02/02/1998; Ord. M-3314, Added, 07/21/1997)

3.22.040 Tax exemptions for multi-family housing in residential target areas.

A. Intent. Limited ten-year exemptions from ad valorem property taxation for multi-family housing in urban centers are intended to:

1. Encourage increased residential opportunities within urban centers designated by the City Council as residential target areas;

2. Stimulate new construction or rehabilitation of existing vacant and underutilized buildings for multi-family housing in residential target areas to increase and improve housing opportunities;

3. Assist in directing future population growth to designated urban centers, thereby reducing development pressure on single-family residential neighborhoods; and

4. Achieve development densities which are more conducive to transit use in designated urban centers.

B. Duration of Exemption. The value of improvements qualifying under this chapter will be exempt from ad valorem property taxation for ten successive years beginning January 1 of the year immediately following the calendar year after issuance of the Final Certificate of Tax Exemption.

C. Limits on Exemption. The exemption does not apply to the value of the land or the value of improvements not qualifying under this chapter, nor does the exemption apply to increases in assessed valuation of land and non-qualifying improvements. In the case of rehabilitation of existing buildings, the exemption does not include the value of improvements constructed prior to submission of the completed application required under this chapter.

D. Project Eligibility. A proposed project must meet the following requirements for consideration for a property tax exemption:

1. Location. The project must be located within a residential target area, as designated in Section 3.22.030.

2. Tenant Displacement Prohibited. Property proposed to be rehabilitated must be vacant at least 12 months before submitting an application and fail to comply with one or more standards of the applicable state or local building or housing codes on or after July 23, 1995.

3. Size. The project must include at least four units of multi-family housing within a residential structure or as part of a mixed-use development. A minimum of four new units must be constructed or at least four additional multi-family units must be added to existing occupied multi-family housing. Existing multi-family housing that has been vacant for 12 months or more does not have to provide additional units so long as the project provides at least four units of new, converted, or rehabilitated multi-family housing.

4. Permanent Residential Housing. At least 50 percent of the space designated for multi-family housing must be provided for permanent residential occupancy, as defined in Section 3.22.020.

5. Proposed Completion Date. New construction multi-family housing and rehabilitation improvements must be scheduled to be completed within three years from the date of approval of the application.

6. Compliance with Guidelines and Standards. The project must be designed to comply with the City's comprehensive plan, building, housing, and zoning codes, and any other applicable regulations in effect at the time the application is approved. Rehabilitation and conversion improvements must comply with all applicable housing codes. New construction must comply with the Uniform Building Code. The project must also comply with any other standards and guidelines adopted by the City Council for the residential target area in which the project will be developed.

E. Application Procedure. A property owner who wishes to propose a project for a tax exemption shall complete the following procedures:

1. Prior to April 1 of any year, file with the City's Economic Development Department the required application and the required fees. The initial application fee to the City

EXHIBIT 3.5

VANCOUVER MUNICIPAL CODE – CHAPTER 3.22

01947001 D01 (Disposition Agreement17) doc (6/10/1999)

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shall consist of a base fee of \$150, plus \$25 per multi-family unit, up to a maximum total fee to the City of \$300. An additional \$100 fee to cover the Clark County Assessor's administrative costs shall also be paid to the City. If the City denies the application, the City will retain that portion of the fee attributable to its own administrative costs and refund the balance to the applicant.

2. A complete application shall include:

- (a) A completed City of Vancouver application form setting forth the grounds for the exemption;
- (b) Preliminary floor and site plans of the proposed project;
- (c) A statement acknowledging the potential tax liability when the project ceases to be eligible under this chapter; and
- (d) Verification by oath or affirmation of the information submitted.

For rehabilitation projects, the applicant shall also submit an affidavit that existing dwelling units have been unoccupied for a period of 12 months prior to filing the application and shall secure from the City verification of property non-compliance with the City's minimum housing code.

F. Application Review and Issuance of Conditional Certificate. The director may certify as eligible an applicant who is determined to comply with the requirements of this chapter. A decision to approve or deny an application shall be made within 90 days of receipt of a complete application.

1. Approval. If an application is approved, the applicant shall enter into a contract with the City, subject to approval by the City Council, regarding the terms and conditions of the project. Upon Council approval of the contract, the director shall issue a Conditional Certificate of Acceptance of Tax Exemption. The Conditional Certificate expires three years from the date of approval unless an extension is granted as provided in this chapter.

2. Denial. The director shall state in writing the reasons for denial and shall send notice to the applicant at the applicant's last known address within ten days of the denial. An applicant may appeal a denial to the City Council within 30 days of receipt of notice. On appeal, the director's decision will be upheld unless the applicant can show that there is no substantial evidence on the record to support the director's decision. The City Council's decision on appeal will be final.

G. Extension of Conditional Certificate. The Conditional Certificate may be extended by the director for a period not to exceed 24 consecutive months. The applicant must submit a written request stating the grounds for the extension, accompanied by a \$50 processing fee. An extension may be granted if the director determines that:

- 1. The anticipated failure to complete construction or rehabilitation within the required time period is due to circumstances beyond the control of the owner;
- 2. The owner has been acting and could reasonably be expected to continue to act in good faith and with due diligence; and
- 3. All the conditions of the original contract between the applicant and the City will be satisfied upon completion of the project.

H. Application for Final Certificate. Upon completion of the improvements agreed upon in the contract between the applicant and the City and upon issuance of a temporary or permanent certificate of occupancy, the applicant may request a Final Certificate of Tax Exemption. The applicant must file with the City's Planning and Development Services Department the following:

1. A statement of expenditures made with respect to all affected multi-family housing units and the total expenditures made with respect to the entire property;
2. A description of the completed work and a statement of qualification for the exemption; and
3. A statement that the work was completed within the required three-year period plus any authorized extension.

Within 30 days of receipt of all materials required for a Final Certificate, the director shall determine which specific improvements satisfy the requirements of this chapter.

I. Issuance of Final Certificate. If the director determines that the project has been completed in accordance with the contract between the applicant and the City and has been completed within the authorized time period, the City shall, within ten days, file a Final Certificate of Tax Exemption with the Clark County Assessor. On appeal, the director's decision will be upheld unless the applicant can show that there is no substantial evidence on the record to support the director's decision. The City Council's decision on appeal will be final.

1. Denial and Appeal. The director shall notify the applicant in writing that a Final Certificate will not be filed if the director determines that:

- (a) The improvements were not completed within the authorized time period;
- (b) The improvements were not completed in accordance with the contract between the applicant and the City; or
- (c) The owner's property is otherwise not qualified under this chapter.

Within 14 days of receipt of the director's denial of a Final Certificate, the applicant may file an appeal with the City Council. On appeal, the director's decision will be upheld unless the applicant can show that there is no substantial evidence on the record to support the director's decision. The City Council's decision on appeal will be final.

J. Annual Compliance Review. Within 30 days after the first anniversary of the date of filing the Final Certificate of Tax Exemption and each year thereafter, for a period of ten years, the property owner shall file a notarized declaration with the director indicating the following:

1. A statement of occupancy and vacancy of the multi-family units during the previous year;
2. A certification that the property continues to be in compliance with the contract with the City; and
3. A description of any subsequent improvements or changes to the property.

City staff shall also conduct on-site verification of the declaration. Failure to submit the annual declaration may result in the tax exemption being canceled.

K. Cancellation of Tax Exemption. If the director determines the owner is not complying with the terms of the contract, the tax exemption will be canceled. This cancellation may occur in conjunction with the annual review or at any other time when non-compliance has been determined. If the owner intends to convert the multi-family housing to another use, the owner must notify the director and the Clark County Assessor within 60 days of the change in use.

1. Effect of Cancellation. If a tax exemption is canceled due to a change in use or other non-compliance, the Clark County Assessor may impose an additional tax on the property, together with the interest and penalty, and a priority lien may be placed on the land, pursuant to State legislative provisions.

2. Notice and Appeal. Upon determining that a tax exemption is to be canceled, the director shall notify the property owner by certified mail. The property owner may appeal the determination by filing a notice of appeal with the City Clerk within 30 days, specifying the factual and legal basis for the appeal. The City Council will conduct a hearing at which all affected parties may be heard and all competent evidence received. The City Council will affirm, modify, or repeal the decision to cancel the exemption based on the evidence received. An aggrieved party may appeal the City Council's decision to the Clark County Superior Court.

(Ord. M-3355, Amended, 03/16/1998; Ord. M-3314, Added, 07/21/1997)

EXHIBIT 5.4.1.1

**PARKING GARAGE PURCHASE AGREEMENT
CONDOMINIUM PURCHASE AGREEMENT – PARKING GARAGE**

Effective Date: _____, 1999.

Parties: City of Vancouver, a Washington municipal corporation (as Purchaser and/or hereinafter "City"),

and

Vandevco Limited, a Washington corporation (as Seller and/or hereinafter "Developer").

Recitals:

A. The parties have entered into an Amended and Restated Purchase and Sale Agreement wherein City sold the real property located at City Blocks 11 and 12 in Vancouver, Washington, generally bound by 6th Street to the south, Columbia Street to the west, 8th Street to the north, and Washington Street to the east (the "Property") to Developer. Developer intends to develop a multi-phase mixed use project which will include office, retail and residential condominium units ("Improvements") and a parking garage ("Parking Garage"), collectively referred to as the "Project". The Parking Garage will be utilized by the entire Project and the general public. City intends to finance its purchase of the Parking Garage through tax exempt bonds.

B. The parties have also entered into a Disposition and Development Agreement ("DDA") which, in part, governs the obligations, responsibilities, benefits to be exchanged and enjoyed between City and Developer in connection with the construction, maintenance, ownership and operation of the Project.

C. The Parking Garages will be 3 levels of mainly underground parking, containing a minimum of 720 parking spaces. The Parking Garages may be constructed in one or more phases. Each Phase of the Parking Garage will be purchased by City upon Final Completion of the Phase One Improvements, Phase Two Improvements and/or Phase Three Improvements (as defined in the DDA) and satisfaction of other terms and conditions set forth in the DDA. Each Phase of the Parking Garage will consist of a separate unit in a mixed-use condominium. If one or more of the Phases of the Parking Garage are constructed simultaneously, the Phases of the Parking Garage so constructed may be combined into one Parking Garage Unit, which will be a separate unit within a mixed-use commercial condominium.

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D. The parties further acknowledge and agree that they shall enter into mutually agreeable covenants, conditions and restrictions which will further govern the responsibilities and obligations of the parties in connection with the condominium units which comprise the Project, including the Parking Garage which shall be considered one (1) individual condominium unit. The Parking Garage shall be built in up to three (3) phases. Phase One shall be 480 spaces. Phase Two and Phase Three shall each have 120 spaces.

Now, therefore, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. Description of Phase One Parking Garage. City agrees to purchase from Developer and Developer agrees to sell to City, the Phase One Parking Garage, the Phase Two Parking Garage and the Phase Three Parking Garage, each of which may constitute a separate condominium unit in a mixed-use commercial condominium, on the terms and conditions set forth in this Agreement and the DDA, and specifically Section 5.4(A)-(D) of the DDA. As part of the Phase One Improvements of the Project more particularly set forth in Section 1.6(B) of the DDA, Developer shall build a parking garage consisting of three levels of mainly below-grade parking containing approximately 480 parking spaces ("Phase One Parking Garage"). The Phase One Parking Garage shall be located below and shall be structurally integrated with the Phase One Improvements of the Project constructed on top of it, and shall be constructed by Developer in accordance with the criteria set forth in Section 1.6(B) of the DDA. The parties agree that a mutually agreed upon legal description for the Phase One Parking Garage shall be attached to this Agreement upon completion of the Condominium Survey.

2. Purchase Price. The purchase price for the Phase One Parking Garage shall be determined according to the criteria set forth in Sections 5.4(A) and 5.4(B) of the DDA. The parties agree that a mutually agreed upon addendum shall be attached to this Agreement which specifically sets forth the purchase price (in accordance with Sections 5.4(A) and 5.4(B) of the DDA) paid by the City for the Phase One Parking Garage after mutual execution of this Agreement.

3. City's Obligation to Purchase Phase One Parking Garage. The City shall purchase the Phase One Parking Garage upon Final Completion of the Phase One Improvements as set forth in Section 5.4 of the DDA.

4. Developer Duties. Developer shall use its diligent efforts and shall furnish its best skill and judgment and shall cooperate with, coordinate, manage, direct and supervise the contractors, architects, all other engineers, design consultants and other contractors and subcontractors retained in connection with the development and construction of the Parking Garages so as to cause final completion of the Parking Garage in a good and workmanlike manner, free and clear of all liens.

Developer shall use best efforts to cause the general contractor(s) under the construction contracts for the Phase One Improvements, the Phase Two Improvements and the Phase Three

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Improvements to warrant that the Parking Garages will be constructed in a good and workmanlike manner and in strict accordance with the Final Construction Plans for the Phase One Parking Garage, the Phase Two Parking Garage and the Phase Three Parking Garage. Developer shall use best efforts to cause the construction contract(s) to contain a provision whereby the contractor's warranty of work and materials will be for a period of one (1) year commencing on the Date of Closing of the City's purchase of the Phase One Parking Garage, the Phase Two Parking Garage and the Phase Three Parking Garage, as applicable. Developer shall use best efforts to cause such warranties to be assigned to City upon the Date of Closing, and that the construction contracts contain a provision whereby the contractor(s) acknowledge that Developer will be assigning the construction warranties for the Parking Garages to the City on the Date of Closing, and that the City can enforce such warranties directly on and after the Date of Closing for each Parking Garage purchased by City.

5. Developer Representations and Warranties.

Upon Final Completion of each Phase of the Parking Garage Developer shall represent and warrant to City as follows:

(a) The then Phase of the Parking Garage has been completed in substantial accordance with the Final Construction Plans for the then Phase of the Project approved by City's Manager of Economic Development are, and at all times during the warranty period shall remain, free from defects in workmanship and materials in connection with the construction thereof.

(b) Developer has no knowledge of any structural defects, latent defects or building system defects within or serving the then Phase of the Parking Garage completed, including the elevators or other Common elements.

(c) The then Phase of the Parking Garage completed has been constructed in accordance with all building, zoning, environmental, health and insurance laws and regulations in effect at the time of construction of the then Phase of the Parking Garage.

(d) There are no liens, encumbrances or other defects affecting title to the then Phase of the Parking Garage which have been or will be filed against the then Phase of the Parking Garage or the Project with respect thereto (unless such lien is the subject of a dispute and Developer has caused such lien to be removed of record as required under the Disposition and Development Agreement).

(e) There is no litigation pending, or to the best knowledge of Developer, threatened, with respect to the then Phase of the Parking Garage or the Project.

(f) Developer has paid any and all state and local taxes assessed in connection with the construction of the then Phase of the Parking Garage or the Project and has completed and filed all necessary tax returns with the appropriate taxing authority applicable thereto.

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(g) No Hazardous Substances have been incorporated in the structure of the then Phase of the Project, including the then Phase of the Parking Garage.

In the event City alleges a breach of such warranties by Developer on or before the expiration of the one (1) year warranty period, Developer shall, within thirty (30) days following receipt of City's claim, proceed to cure the breach identified in City's notice and diligently and promptly complete such cure or correction to completion. For purposes of this Agreement, "warranty period" shall mean that period commencing upon the Date of Closing of the purchase of the then Phase of the Parking Garage and expiring one (1) year thereafter.

Any default by Developer under this Agreement, including any breach of any representation or warranty which is not cured within the period of time provided herein shall constitute a default by Developer under the Disposition and Development Agreement; provided however, City's remedies shall be limited to damages or specific performance for such breach.

6. Indemnification. To the fullest extent permitted by law, each party shall hold the other party harmless from and against any and all damages arising out of any damage to any persons or property occurring in, on or about the Property, or any part thereof, resulting from the negligent acts or omissions of such party, or its agents, employees, contractors, subcontractors, or authorized representatives except any damage to any persons or property occurring in, on or about the Property or any part thereof resulting from then negligent acts or omissions of City or its agents or employees or authorized representatives.

7. Escrow. The purchase and sale of the Condominium shall be consummated through an escrow (the "Escrow") with Clark County Title Company or other title company mutually acceptable to the parties ("Escrowholder") which shall be opened by Developer upon receipt of notice of completion of such Phase. City and Developer do hereby establish and adopt the following terms and conditions to escrow instructions to govern the consummation of the sale of the Condominium, together with the Escrowholder's standard general conditions, a copy of which is attached here as Exhibit "A" and incorporated herein by reference, and do hereby appoint, authorize and direct the Escrowholder, pursuant to the terms of this Agreement and using a counterpart hereof as its instructions, to receive, hold, deliver and disburse all documents, instruments and monies to be deposited in the Escrow:

7.1. The term "closing date", "close of the Escrow" or "closing", as used herein, shall mean the date designated by Developer.

7.2. City shall deliver to the Escrowholder on or before five (5) business days before the closing date:

7.2.1. Cash in an amount equal to the balance of the Purchase Price payable in cash;

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- 7.2.2. Such other documents, instruments and funds as are required from City to enable the Escrowholder to place title to the Condominium in the condition specified herein, and to make any required prorations and adjustments.
- 7.3. Developer shall deliver to the Escrowholder on or before five (5) business days before the closing date:
 - 7.3.1. A Statutory Warranty Deed to the Condominium duly executed by Developer and in recordable form; and
 - 7.3.2. Such other documents, instruments and funds as are required from City to enable the Escrowholder to place title to the Condominium in the condition specified herein, and to make any required prorations and adjustments.
- 7.4. Upon receipt of the documents, instruments and funds set forth above and when Clark County Title Insurance Company or such other comparable title insurance company as may be mutually agreed upon by the parties ("Title Company") can issue in favor of City the Title Company's ALTA extended coverage owner's policy standard form title insurance with a liability limit equal to the Purchase Price and insuring the vesting of title to the Condominium in City at the closing, subject to general and special city and county taxes and assessments not delinquent, the Declaration of Condominium Plan, any covenants, conditions and restrictions, easements, reservations, dedications, rights and rights-of-way of record acceptable to City, the Escrowholder is hereby authorized and directed to pay all encumbrances of record necessary to place title to the Condominium in the condition specified, record the Statutory Warranty Deed, disburse to Developer the balance of funds deposited by City in the Escrow, deliver the above-described policy of title insurance to City and take such other action as may be authorized and described herein or in a written amendment to these escrow provisions signed by City and Developer.

8. Additional Escrow Provisions. The Escrow shall also be governed by the following additional provisions:

- 8.1. Real property taxes (if any), Association assessments, if applicable shall be prorated by the Escrowholder to the closing, with all prorations to be made on the basis of a 30-day month. In prorating real property taxes the Escrowholder shall use the latest tax bill or the most recent assessed valuation and rate information for the Condominium (whichever is applicable) or, if the Condominium is not yet separately assessed, shall prorate, that percentage of the real property taxes for the Project as is applicable to the Condominium using the latest tax bill for the Project

or the most recent assessed valuation and rate information for the Project (whichever is applicable).

- 8.2. Developer shall pay any real estate excise or other transfer taxes, the cost of recording the Statutory Warranty Deed(s) to the Parking Garage Unit(s), the premium for the owner's policy of title insurance to be provided by Developer to City and one-half (1/2) the escrow fee. City shall pay one-half (1/2) the escrow fee, any additional cost for the extended policy of title insurance, and any costs associated with its financing, if any.
- 8.3. The Escrow shall not close and City's Deposit shall not be released from the Escrow until construction of the applicable phase of Improvements has been completed and (1) final completion of the construction of the applicable phase of the Improvements in accordance with the construction contracts and the Construction Documents (as set forth in the DDA) and as otherwise required by the DDA have occurred; (2) an engineering report may be obtained by City at City's expense verifying that the applicable phase of improvements is structurally sound and was completed in accordance with the construction contracts and construction documents; (3) City of Vancouver has issued a final unconditional certificate of occupancy for the applicable phase of the Improvements permitting the owner to occupy and use of such phase of the Improvements for the purposes for which they were designed, including, as to the Parking Garage, as a commercial parking garage; (4) the general contractor shall have issued its "Certificate of Substantial Completion" together with its Affidavit of Payment of Debts and Claims, ALA Forms 706 and 706A together with final waivers and release of liens in form satisfactory to City and Developer, from such materialmen, laborers, contractors and subcontractors as City and Developer may require; (5) all punchlist items shall have been completed to the reasonable satisfaction of City with respect to the Parking Garage, and Developer with respect to the remainder of the applicable phase of the Improvements; (6) Developer shall have provided evidence reasonably satisfactory to City that all construction costs for the applicable phase of the Improvements have been paid in full, including evidence of full payment for any personal property installed as part of the applicable phase of the Improvements; (7) a Notice of Completion has been filed in the Clark County real property records and the period for filing construction liens shall have expired, or releases or discharge of construction liens in form and substance satisfactory to City shall have been obtained by Developer from all contractors in accordance with all construction contracts.

9. Further Assurances. Developer shall, upon request by City, whether prior to or after the Closing Date, execute and deliver to City such further documents which may be required to complete or evidence the transaction herein provided for, and City shall, upon request, execute and deliver like instruments to Developer.

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PARKING GARAGE PURCHASE AGREEMENT

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10. Buyer Not To Assign. This Agreement and the rights of City hereunder may not be assigned, sold, transferred or hypothecated by City voluntarily, involuntarily, or by operation of law, without the prior written consent of Developer (which consent shall not be unreasonably withheld) and any assignment, sale, transfer or hypothecation in violation of the provisions of this paragraph shall be null and void and of no force and effect. Except as limited herein, this Agreement shall be binding upon and inure to the benefit if the heirs, executors, administrators and successors of the parties hereto.

11. Default. Nonperformance by either party of its obligations under this Agreement which continues for a period of ten (10) days following written notice of such nonperformance shall be a default by the nonperforming party. In the event of such default, the other party shall be entitled to (i) sue for damages, (ii) bring an action for specific performance, or (iii) exercise any other remedy available to it under the DDA or applicable law.

12. Brokers. City and Developer represent and warrant that they have incurred no liabilities or claims for brokerage commissions or finder's fees in connection with this Agreement and that they have not dealt with, and have no knowledge of, any real estate broker, agent or salesperson in connection with this Agreement. City and Developer each agrees to indemnify and hold the other harmless from and against any and all liability, including attorneys' fees, for any such fee or commission alleged to be payable in connection with this transaction by reason of the conduct of such party.

13. Notices. Any and all notices or other communications required or permitted by this Agreement or by law to be served on or given to a party hereto by the other party shall be in writing and shall be duly served and given only when personally delivered or sent by United States mail, registered or certified, postage prepaid, and addressed to the respective parties as follows:

Seller: City Manager
City of Vancouver
P.O. Box 1995
Vancouver, WA 98668-1995

With a Copy to: City Attorney
City of Vancouver
P.O. Box 1995
Vancouver, WA 98668-1995

Developer: Vandevco Limited
c/o Nawzad Othman
105 W. Evergreen Boulevard, #300
Vancouver, WA 98660-3123

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With a Copy to: Stephen W. Horenstein
Horenstein Bremer P.S.
900 Washington Street, Suite 900
Vancouver, WA 98660

And to: Kenton R. Barnes
Gleason, Scarborough
5410 S.W. Macadam Avenue, Suite 100
Portland, OR 97201

Notices or other communications served in the above manner shall be considered sufficiently given or served for all purposes under this Agreement at the time the notice or communication is postmarked or personally delivered to the address shown above.

14. Modifications to Agreement. The parties agree to enter into any reasonable modifications and/or amendments to this Agreement and/or other documents necessary to carry out the intent of this Agreement and the other agreements executed by the parties as set forth in the Recitals hereinabove, including, but not limited to, covenants, conditions and restrictions for the Parking Garage and /or the Project.

15. Miscellaneous.

15.1. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Developer and City and their respective successors and assigns.

15.2. Interpretation/Construction. The headings incorporated in this Agreement are for convenience and reference only and are not a part of this Agreement and do not in any way limit or add to the terms and provisions hereof. Further, the masculine, feminine or neuter gender, and the singular or plural number, shall be deemed to include the others whenever the context so indicates.

15.3. Entire Agreement. This Agreement and the DDA constitutes the entire agreement between the parties hereto, supersedes and replaces all prior or existing written and oral agreements between the parties, and may not be amended other than in writing, signed by all parties. Any inconsistency between this Agreement and the DDA shall be resolved in favor of the DDA.

15.4. Survival. All agreements, covenants, conditions, warranties and representations contained in this Agreement, which by their nature impliedly or expressly involve performance in any particular after closing on the Closing Date or which cannot be ascertained to have been fully performed until after such closing, shall survive the closing.

- 15.5. Time. Time is of the essence of this Agreement and the performance of the obligations described herein.
- 15.6. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Washington, all rights and remedies being governed by such laws, and any provision hereof which may prove to be unenforceable shall not affect the validity of any other provision of this Agreement. Any action or litigation arising out of or in connection with this Agreement shall be conducted in Clark County, Washington.
- 15.7. Cooperation. Each party hereto agrees to take such action as may be necessary or appropriate to carry out the intended purpose hereof and to execute any and all documents which may be necessary or appropriate with respect thereto.
- 15.8. Attorneys Fees. In the event either party brings an action at law or other proceeding against the other party to enforce any of the terms, covenants and conditions hereof, the party prevailing in such action or proceeding shall be paid by the other party all attorney fees and statutory and other costs (including without limitation costs of discovery and expert witness fees, whether at trial, on appeal, on petition for review or in bankruptcy or other judicial or administrative proceeding), and the same shall be included in any judgment in such action or proceedings or appeal.
- 15.9. Waiver. No act or omission of either party hereto shall at any time be construed to deprive such party of a right or remedy hereunder or otherwise be construed so as to at any future time estop such party from exercising such right or remedy.
- 15.10. Risk of Loss. If prior to closing, land or improvements on said property shall be destroyed or materially damaged by fire or other casualty, City shall have the right to terminate its obligation under this Agreement without liability to Developer if there is a casualty loss and Developer does not restore the Parking Garages to their condition immediately prior to such damage or destruction.
- 15.11. Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the heirs, legal representatives and proper and permitted assigns and successors of the parties. Permitted assigns of Developer shall include an entity controlled by Developer in accordance with the provisions of the DDA.
- 15.12. Seller's Affidavit. Developer shall provide an affidavit to the effect that Developer is not a foreign person as the term is used and defined in Section 1445 of the Internal Revenue Code of 1954, as amended, and in the regulations promulgated thereunder. Such affidavit shall be provided on or before the Closing Date.

EXHIBIT 5.4.1.1

PARKING GARAGE PURCHASE AGREEMENT

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date indicated.

BUYER:

CITY OF VANCOUVER
a municipal corporation


Vernon E. Stoner, City Manager

Dated: June 21, 1999

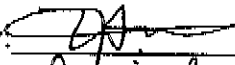
Attest:


Scott E. Cooley, Interim City Clerk
~~By: Judith Hoggatt, Deputy~~

Approved as to form:


Ted H. Gathe, City Attorney

VANDEVCO LIMITED
a Washington limited partnership

By:  ZIAD A. ELHINDI
Its: President

Dated: July 8, 1999

EXHIBIT 5.4.1.2

**PARKING GARAGE PURCHASE AGREEMENT
CONDOMINIUM PURCHASE AGREEMENT – PARKING GARAGE**

Effective Date: _____, 1999.

Parties: City of Vancouver, a Washington municipal corporation (as Purchaser and/or hereinafter "City"),

and

Vandevco Limited, a Washington corporation (as Seller and/or hereinafter "Developer").

Recitals:

A. The parties have entered into an Amended and Restated Purchase and Sale Agreement wherein City sold the real property located at City Blocks 11 and 12 in Vancouver, Washington, generally bound by 6th Street to the south, Columbia Street to the west, 8th Street to the north, and Washington Street to the east (the "Property") to Developer. Developer intends to develop a multi-phase mixed use project which will include office, retail and residential condominium units ("Improvements") and a parking garage ("Parking Garage"), collectively referred to as the "Project". The Parking Garage will be utilized by the entire Project and the general public. City intends to finance its purchase of the Parking Garage through tax exempt bonds.

B. The parties have also entered into a Disposition and Development Agreement ("DDA") which, in part, governs the obligations, responsibilities, benefits to be exchanged and enjoyed between City and Developer in connection with the construction, maintenance, ownership and operation of the Project.

C. The Parking Garages will be 3 levels of mainly underground parking, containing a minimum of 720 parking spaces. The Parking Garages may be constructed in one or more phases. Each Phase of the Parking Garage will be purchased by City upon Final Completion of the Phase One Improvements, Phase Two Improvements and/or Phase Three Improvements (as defined in the DDA) and satisfaction of other terms and conditions set forth in the DDA. Each Phase of the Parking Garage will consist of a separate unit in a mixed-use condominium. If one or more of the Phases of the Parking Garage are constructed simultaneously, the Phases of the Parking Garage so constructed may be combined into one Parking Garage Unit, which will be a separate unit within a mixed-use commercial condominium.

D. The parties further acknowledge and agree that they shall enter into mutually agreeable covenants, conditions and restrictions which will further govern the responsibilities and obligations of the parties in connection with the condominium units which comprise the Project, including the Parking Garage which shall be considered one (1) individual condominium unit. The Parking Garage shall be built in up to three (3) phases. Phase One shall be 480 spaces. Phase Two and Phase Three shall each have 120 spaces.

Now, therefore, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. Description of Phase Two Parking Garage. City agrees to purchase from Developer and Developer agrees to sell to City, the Phase One Parking Garage, the Phase Two Parking Garage and the Phase Three Parking Garage, each of which may constitute a separate condominium unit in a mixed-use commercial condominium, on the terms and conditions set forth in this Agreement and the DDA, and specifically Section 5.4(A)-(D) of the DDA. As part of the Phase Two Improvements of the Project more particularly set forth in Section 1.6(B) of the DDA, Developer shall build a parking garage consisting of three levels of mainly below-grade parking containing approximately 120 parking spaces ("Phase Two Parking Garage"). The Phase Two Parking Garage shall be located below and shall be structurally integrated with the Phase Two Improvements of the Project constructed on top of it, and shall be constructed by Developer in accordance with the criteria set forth in Section 1.6(B) of the DDA. The parties agree that a mutually agreed upon legal description for the Phase Two Parking Garage shall be attached to this Agreement upon completion of the Condominium Survey.

2. Purchase Price. The purchase price for the Phase Two Parking Garage shall be determined according to the criteria set forth in Sections 5.4(A) and 5.4(B) of the DDA. The parties agree that a mutually agreed upon addendum shall be attached to this Agreement which specifically sets forth the purchase price (in accordance with Sections 5.4(A) and 5.4(B) of the DDA) paid by the City for the Phase Two Parking Garage after mutual execution of this Agreement.

3. City's Obligation to Purchase Phase Two Parking Garage. The City shall purchase the Phase Two Parking Garage upon Final Completion of the Phase Two Improvements as set forth in Section 5.4 of the DDA.

4. Developer Duties. Developer shall use its diligent efforts and shall furnish its best skill and judgment and shall cooperate with, coordinate, manage, direct and supervise the contractors, architects, all other engineers, design consultants and other contractors and subcontractors retained in connection with the development and construction of the Parking Garages so as to cause final completion of the Parking Garage in a good and workmanlike manner, free and clear of all liens.

Developer shall use best efforts to cause the general contractor(s) under the construction contracts for the Phase One Improvements, the Phase Two Improvements and the Phase Three

EXHIBIT 5.4.1.2

PARKING GARAGE PURCHASE AGREEMENT

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Improvements to warrant that the Parking Garages will be constructed in a good and workmanlike manner and in strict accordance with the Final Construction Plans for the Phase One Parking Garage, the Phase Two Parking Garage and the Phase Three Parking Garage. Developer shall use best efforts to cause the construction contract(s) to contain a provision whereby the contractor's warranty of work and materials will be for a period of one (1) year commencing on the Date of Closing of the City's purchase of the Phase One Parking Garage, the Phase Two Parking Garage and the Phase Three Parking Garage, as applicable. Developer shall use best efforts to cause such warranties to be assigned to City upon the Date of Closing, and that the construction contracts contain a provision whereby the contractor(s) acknowledge that Developer will be assigning the construction warranties for the Parking Garages to the City on the Date of Closing, and that the City can enforce such warranties directly on and after the Date of Closing for each Parking Garage purchased by City.

5. Developer Representations and Warranties.

Upon Final Completion of each Phase of the Parking Garage Developer shall represent and warrant to City as follows:

(a) The then Phase of the Parking Garage has been completed in substantial accordance with the Final Construction Plans for the then Phase of the Project approved by City's Manager of Economic Development are, and at all times during the warranty period shall remain, free from defects in workmanship and materials in connection with the construction thereof.

(b) Developer has no knowledge of any structural defects, latent defects or building system defects within or serving the then Phase of the Parking Garage completed, including the elevators or other Common elements.

(c) The then Phase of the Parking Garage completed has been constructed in accordance with all building, zoning, environmental, health and insurance laws and regulations in effect at the time of construction of the then Phase of the Parking Garage.

(d) There are no liens, encumbrances or other defects affecting title to the then Phase of the Parking Garage which have been or will be filed against the then Phase of the Parking Garage or the Project with respect thereto (unless such lien is the subject of a dispute and Developer has caused such lien to be removed of record as required under the Disposition and Development Agreement).

(e) There is no litigation pending, or to the best knowledge of Developer, threatened, with respect to the then Phase of the Parking Garage or the Project.

(f) Developer has paid any and all state and local taxes assessed in connection with the construction of the then Phase of the Parking Garage or the Project and has completed and filed all necessary tax returns with the appropriate taxing authority applicable thereto.

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PARKING GARAGE PURCHASE AGREEMENT

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(g) No Hazardous Substances have been incorporated in the structure of the then Phase of the Project, including the then Phase of the Parking Garage.

In the event City alleges a breach of such warranties by Developer on or before the expiration of the one (1) year warranty period, Developer shall, within thirty (30) days following receipt of City's claim, proceed to cure the breach identified in City's notice and diligently and promptly complete such cure or correction to completion. For purposes of this Agreement, "warranty period" shall mean that period commencing upon the Date of Closing of the purchase of the then Phase of the Parking Garage and expiring one (1) year thereafter.

Any default by Developer under this Agreement, including any breach of any representation or warranty which is not cured within the period of time provided herein shall constitute a default by Developer under the Disposition and Development Agreement; provided however, City's remedies shall be limited to damages or specific performance for such breach.

6. Indemnification. To the fullest extent permitted by law, each party shall hold the other party harmless from and against any and all damages arising out of any damage to any persons or property occurring in, on or about the Property, or any part thereof, resulting from the negligent acts or omissions of such party, or its agents, employees, contractors, subcontractors, or authorized representatives except any damage to any persons or property occurring in, on or about the Property or any part thereof resulting from then negligent acts or omissions of City or its agents or employees or authorized representatives.

7. Escrow. The purchase and sale of the Condominium shall be consummated through an escrow (the "Escrow") with Clark County Title Company or other title company mutually acceptable to the parties ("Escrowholder") which shall be opened by Developer upon receipt of notice of completion of such Phase. City and Developer do hereby establish and adopt the following terms and conditions to escrow instructions to govern the consummation of the sale of the Condominium, together with the Escrowholder's standard general conditions, a copy of which is attached here as Exhibit "A" and incorporated herein by reference, and do hereby appoint, authorize and direct the Escrowholder, pursuant to the terms of this Agreement and using a counterpart hereof as its instructions, to receive, hold, deliver and disburse all documents, instruments and monies to be deposited in the Escrow:

7.1. The term "closing date", "close of the Escrow" or "closing", as used herein, shall mean the date designated by Developer.

7.2. City shall deliver to the Escrowholder on or before five (5) business days before the closing date:

7.2.1. Cash in an amount equal to the balance of the Purchase Price payable in cash;

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PARKING GARAGE PURCHASE AGREEMENT

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- 7.2.2. Such other documents, instruments and funds as are required from City to enable the Escrowholder to place title to the Condominium in the condition specified herein, and to make any required prorations and adjustments.
- 7.3. Developer shall deliver to the Escrowholder on or before five (5) business days before the closing date:
 - 7.3.1. A Statutory Warranty Deed to the Condominium duly executed by Developer and in recordable form; and
 - 7.3.2. Such other documents, instruments and funds as are required from City to enable the Escrowholder to place title to the Condominium in the condition specified herein, and to make any required prorations and adjustments.
- 7.4. Upon receipt of the documents, instruments and funds set forth above and when Clark County Title Insurance Company or such other comparable title insurance company as may be mutually agreed upon by the parties ("Title Company") can issue in favor of City the Title Company's ALTA extended coverage owner's policy standard form title insurance with a liability limit equal to the Purchase Price and insuring the vesting of title to the Condominium in City at the closing, subject to general and special city and county taxes and assessments not delinquent, the Declaration of Condominium Plan, any covenants, conditions and restrictions, easements, reservations, dedications, rights and rights-of-way of record acceptable to City, the Escrowholder is hereby authorized and directed to pay all encumbrances of record necessary to place title to the Condominium in the condition specified, record the Statutory Warranty Deed, disburse to Developer the balance of funds deposited by City in the Escrow, deliver the above-described policy of title insurance to City and take such other action as may be authorized and described herein or in a written amendment to these escrow provisions signed by City and Developer.

8. Additional Escrow Provisions. The Escrow shall also be governed by the following additional provisions:

- 8.1. Real property taxes (if any), Association assessments, if applicable shall be prorated by the Escrowholder to the closing, with all prorations to be made on the basis of a 30-day month. In prorating real property taxes the Escrowholder shall use the latest tax bill or the most recent assessed valuation and rate information for the Condominium (whichever is applicable) or, if the Condominium is not yet separately assessed, shall prorate, that percentage of the real property taxes for the Project as is applicable to the Condominium using the latest tax bill for the Project

or the most recent assessed valuation and rate information for the Project (whichever is applicable).

- 8.2. Developer shall pay any real estate excise or other transfer taxes, the cost of recording the Statutory Warranty Deed(s) to the Parking Garage Unit(s), the premium for the owner's policy of title insurance to be provided by Developer to City and one-half (1/2) the escrow fee. City shall pay one-half (1/2) the escrow fee, any additional cost for the extended policy of title insurance, and any costs associated with its financing, if any.
- 8.3. The Escrow shall not close and City's Deposit shall not be released from the Escrow until construction of the applicable phase of Improvements has been completed and (1) final completion of the construction of the applicable phase of the Improvements in accordance with the construction contracts and the Construction Documents (as set forth in the DDA) and as otherwise required by the DDA have occurred; (2) an engineering report may be obtained by City at City's expense verifying that the applicable phase of improvements is structurally sound and was completed in accordance with the construction contracts and construction documents; (3) City of Vancouver has issued a final unconditional certificate of occupancy for the applicable phase of the Improvements permitting the owner to occupy and use of such phase of the Improvements for the purposes for which they were designed, including, as to the Parking Garage, as a commercial parking garage; (4) the general contractor shall have issued its "Certificate of Substantial Completion" together with its Affidavit of Payment of Debts and Claims, AIA Forms 706 and 706A together with final waivers and release of liens in form satisfactory to City and Developer, from such materialmen, laborers, contractors and subcontractors as City and Developer may require; (5) all punchlist items shall have been completed to the reasonable satisfaction of City with respect to the Parking Garage, and Developer with respect to the remainder of the applicable phase of the Improvements; (6) Developer shall have provided evidence reasonably satisfactory to City that all construction costs for the applicable phase of the Improvements have been paid in full, including evidence of full payment for any personal property installed as part of the applicable phase of the Improvements; (7) a Notice of Completion has been filed in the Clark County real property records and the period for filing construction liens shall have expired, or releases or discharge of construction liens in form and substance satisfactory to City shall have been obtained by Developer from all contractors in accordance with all construction contracts.

9. Further Assurances. Developer shall, upon request by City, whether prior to or after the Closing Date, execute and deliver to City such further documents which may be required to complete or evidence the transaction herein provided for, and City shall, upon request, execute and deliver like instruments to Developer.

EXHIBIT 5.4.1.2

PARKING GARAGE PURCHASE AGREEMENT

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10. Buyer Not To Assign. This Agreement and the rights of City hereunder may not be assigned, sold, transferred or hypothecated by City voluntarily, involuntarily, or by operation of law, without the prior written consent of Developer (which consent shall not be unreasonably withheld) and any assignment, sale, transfer or hypothecation in violation of the provisions of this paragraph shall be null and void and of no force and effect. Except as limited herein, this Agreement shall be binding upon and inure to the benefit if the heirs, executors, administrators and successors of the parties hereto.

11. Default. Nonperformance by either party of its obligations under this Agreement which continues for a period of ten (10) days following written notice of such nonperformance shall be a default by the nonperforming party. In the event of such default, the other party shall be entitled to (i) sue for damages, (ii) bring an action for specific performance, or (iii) exercise any other remedy available to it under the DDA or applicable law.

12. Brokers. City and Developer represent and warrant that they have incurred no liabilities or claims for brokerage commissions or finder's fees in connection with this Agreement and that they have not dealt with, and have no knowledge of, any real estate broker, agent or salesperson in connection with this Agreement. City and Developer each agrees to indemnify and hold the other harmless from and against any and all liability, including attorneys' fees, for any such fee or commission alleged to be payable in connection with this transaction by reason of the conduct of such party.

13. Notices. Any and all notices or other communications required or permitted by this Agreement or by law to be served on or given to a party hereto by the other party shall be in writing and shall be duly served and given only when personally delivered or sent by United States mail, registered or certified, postage prepaid, and addressed to the respective parties as follows:

Seller: City Manager
City of Vancouver
P.O. Box 1995
Vancouver, WA 98668-1995

With a Copy to: City Attorney
City of Vancouver
P.O. Box 1995
Vancouver, WA 98668-1995

Developer: Vandevco Limited
c/o Nawzad Othman
105 W. Evergreen Boulevard, #300
Vancouver, WA 98660-3123

With a Copy to: Stephen W. Horenstein
Horenstein Bremer P.S.
900 Washington Street, Suite 900
Vancouver, WA 98660

And to: Kenton R. Barnes
Gleason, Scarborough
5410 S.W. Macadam Avenue, Suite 100
Portland, OR 97201

Notices or other communications served in the above manner shall be considered sufficiently given or served for all purposes under this Agreement at the time the notice or communication is postmarked or personally delivered to the address shown above.

14. Modifications to Agreement. The parties agree to enter into any reasonable modifications and/or amendments to this Agreement and/or other documents necessary to carry out the intent of this Agreement and the other agreements executed by the parties as set forth in the Recitals hereinabove, including, but not limited to, covenants, conditions and restrictions for the Parking Garage and /or the Project.

15. Miscellaneous.

15.1. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Developer and City and their respective successors and assigns.

15.2. Interpretation/Construction. The headings incorporated in this Agreement are for convenience and reference only and are not a part of this Agreement and do not in any way limit or add to the terms and provisions hereof. Further, the masculine, feminine or neuter gender, and the singular or plural number, shall be deemed to include the others whenever the context so indicates.

15.3. Entire Agreement. This Agreement and the DDA constitutes the entire agreement between the parties hereto, supersedes and replaces all prior or existing written and oral agreements between the parties, and may not be amended other than in writing, signed by all parties. Any inconsistency between this Agreement and the DDA shall be resolved in favor of the DDA.

15.4. Survival. All agreements, covenants, conditions, warranties and representations contained in this Agreement, which by their nature impliedly or expressly involve performance in any particular after closing on the Closing Date or which cannot be ascertained to have been fully performed until after such closing, shall survive the closing.

EXHIBIT 5.4.1.2

PARKING GARAGE PURCHASE AGREEMENT

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- 15.5. Time. Time is of the essence of this Agreement and the performance of the obligations described herein.
- 15.6. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Washington, all rights and remedies being governed by such laws, and any provision hereof which may prove to be unenforceable shall not affect the validity of any other provision of this Agreement. Any action or litigation arising out of or in connection with this Agreement shall be conducted in Clark County, Washington.
- 15.7. Cooperation. Each party hereto agrees to take such action as may be necessary or appropriate to carry out the intended purpose hereof and to execute any and all documents which may be necessary or appropriate with respect thereto.
- 15.8. Attorneys Fees. In the event either party brings an action at law or other proceeding against the other party to enforce any of the terms, covenants and conditions hereof, the party prevailing in such action or proceeding shall be paid by the other party all attorney fees and statutory and other costs (including without limitation costs of discovery and expert witness fees, whether at trial, on appeal, on petition for review or in bankruptcy or other judicial or administrative proceeding), and the same shall be included in any judgment in such action or proceedings or appeal.
- 15.9. Waiver. No act or omission of either party hereto shall at any time be construed to deprive such party of a right or remedy hereunder or otherwise be construed so as to at any future time estop such party from exercising such right or remedy.
- 15.10. Risk of Loss. If prior to closing, land or improvements on said property shall be destroyed or materially damaged by fire or other casualty, City shall have the right to terminate its obligation under this Agreement without liability to Developer if there is a casualty loss and Developer does not restore the Parking Garages to their condition immediately prior to such damage or destruction.
- 15.11. Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the heirs, legal representatives and proper and permitted assigns and successors of the parties. Permitted assigns of Developer shall include an entity controlled by Developer in accordance with the provisions of the DDA.
- 15.12. Seller's Affidavit. Developer shall provide an affidavit to the effect that Developer is not a foreign person as the term is used and defined in Section 1445 of the Internal Revenue Code of 1954, as amended, and in the regulations promulgated thereunder. Such affidavit shall be provided on or before the Closing Date.

EXHIBIT 5.4.1.2

PARKING GARAGE PURCHASE AGREEMENT

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date indicated.

BUYER:

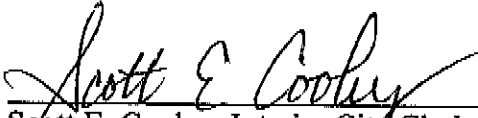
CITY OF VANCOUVER
a municipal corporation



Vernon E. Stoner, City Manager

Dated: June 21, 1999

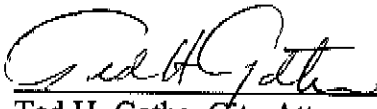
Attest:



Scott E. Cooley, Interim City Clerk

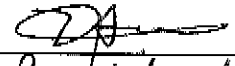
~~By: Judith Hoggatt, Deputy~~

Approved as to form:



Ted H. Gathe, City Attorney

VANDEVCO LIMITED
a Washington limited partnership

By:  ZIAD A. ELHINDI
Its: President

Dated: July 8, 1999

EXHIBIT 5.4.1.3

**PARKING GARAGE PURCHASE AGREEMENT
CONDOMINIUM PURCHASE AGREEMENT – PARKING GARAGE**

Effective Date: _____, 1999.

Parties: City of Vancouver, a Washington municipal corporation (as Purchaser and/or hereinafter "City"),

and

Vandevco Limited, a Washington corporation (as Seller and/or hereinafter "Developer").

Recitals:

A. The parties have entered into an Amended and Restated Purchase and Sale Agreement wherein City sold the real property located at City Blocks 11 and 12 in Vancouver, Washington, generally bound by 6th Street to the south, Columbia Street to the west, 8th Street to the north, and Washington Street to the east (the "Property") to Developer. Developer intends to develop a multi-phase mixed use project which will include office, retail and residential condominium units ("Improvements") and a parking garage ("Parking Garage"), collectively referred to as the "Project". The Parking Garage will be utilized by the entire Project and the general public. City intends to finance its purchase of the Parking Garage through tax exempt bonds.

B. The parties have also entered into a Disposition and Development Agreement ("DDA") which, in part, governs the obligations, responsibilities, benefits to be exchanged and enjoyed between City and Developer in connection with the construction, maintenance, ownership and operation of the Project.

C. The Parking Garages will be 3 levels of mainly underground parking, containing a minimum of 720 parking spaces. The Parking Garages may be constructed in one or more phases. Each Phase of the Parking Garage will be purchased by City upon Final Completion of the Phase One Improvements, Phase Two Improvements and/or Phase Three Improvements (as defined in the DDA) and satisfaction of other terms and conditions set forth in the DDA. Each Phase of the Parking Garage will consist of a separate unit in a mixed-use condominium. If one or more of the Phases of the Parking Garage are constructed simultaneously, the Phases of the Parking Garage so constructed may be combined into one Parking Garage Unit, which will be a separate unit within a mixed-use commercial condominium.

EXHIBIT 5.4.1.3

PARKING GARAGE PURCHASE AGREEMENT

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D. The parties further acknowledge and agree that they shall enter into mutually agreeable covenants, conditions and restrictions which will further govern the responsibilities and obligations of the parties in connection with the condominium units which comprise the Project, including the Parking Garage which shall be considered one (1) individual condominium unit. The Parking Garage shall be built in up to three (3) phases. Phase One shall be 480 spaces. Phase Two and Phase Three shall each have 120 spaces.

Now, therefore, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. Description of Phase Three Parking Garage. City agrees to purchase from Developer and Developer agrees to sell to City, the Phase One Parking Garage, the Phase Two Parking Garage and the Phase Three Parking Garage, each of which may constitute a separate condominium unit in a mixed-use commercial condominium, on the terms and conditions set forth in this Agreement and the DDA, and specifically Section 5.4(A)-(D) of the DDA. As part of the Phase Three Improvements of the Project more particularly set forth in Section 1.6(B) of the DDA, Developer shall build a parking garage consisting of three levels of mainly below-grade parking containing approximately 120 parking spaces ("Phase Three Parking Garage"). The Phase Three Parking Garage shall be located below and shall be structurally integrated with the Phase Three Improvements of the Project constructed on top of it, and shall be constructed by Developer in accordance with the criteria set forth in Section 1.6(B) of the DDA. The parties agree that a mutually agreed upon legal description for the Phase Three Parking Garage shall be attached to this Agreement upon completion of the Condominium Survey.

2. Purchase Price. The purchase price for the Phase Three Parking Garage shall be determined according to the criteria set forth in Sections 5.4(A) and 5.4(B) of the DDA. The parties agree that a mutually agreed upon addendum shall be attached to this Agreement which specifically sets forth the purchase price (in accordance with Sections 5.4(A) and 5.4(B) of the DDA) paid by the City for the Phase Three Parking Garage after mutual execution of this Agreement.

3. City's Obligation to Purchase Phase Three Parking Garage. The City shall purchase the Phase Three Parking Garage upon Final Completion of the Phase Two and/or Phase Three Improvements as set forth in Section 5.4 of the DDA.

4. Developer Duties. Developer shall use its diligent efforts and shall furnish its best skill and judgment and shall cooperate with, coordinate, manage, direct and supervise the contractors, architects, all other engineers, design consultants and other contractors and subcontractors retained in connection with the development and construction of the Parking Garages so as to cause final completion of the Parking Garage in a good and workmanlike manner, free and clear of all liens.

Developer shall use best efforts to cause the general contractor(s) under the construction contracts for the Phase One Improvements, the Phase Two Improvements and the Phase Three

EXHIBIT 5.4.1.3

PARKING GARAGE PURCHASE AGREEMENT

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Improvements to warrant that the Parking Garages will be constructed in a good and workmanlike manner and in strict accordance with the Final Construction Plans for the Phase One Parking Garage, the Phase Two Parking Garage and the Phase Three Parking Garage. Developer shall use best efforts to cause the construction contract(s) to contain a provision whereby the contractor's warranty of work and materials will be for a period of one (1) year commencing on the Date of Closing of the City's purchase of the Phase One Parking Garage, the Phase Two Parking Garage and the Phase Three Parking Garage, as applicable. Developer shall use best efforts to cause such warranties to be assigned to City upon the Date of Closing, and that the construction contracts contain a provision whereby the contractor(s) acknowledge that Developer will be assigning the construction warranties for the Parking Garages to the City on the Date of Closing, and that the City can enforce such warranties directly on and after the Date of Closing for each Parking Garage purchased by City.

5. Developer Representations and Warranties.

Upon Final Completion of each Phase of the Parking Garage Developer shall represent and warrant to City as follows:

(a) The then Phase of the Parking Garage has been completed in substantial accordance with the Final Construction Plans for the then Phase of the Project approved by City's Manager of Economic Development are, and at all times during the warranty period shall remain, free from defects in workmanship and materials in connection with the construction thereof.

(b) Developer has no knowledge of any structural defects, latent defects or building system defects within or serving the then Phase of the Parking Garage completed, including the elevators or other Common elements.

(c) The then Phase of the Parking Garage completed has been constructed in accordance with all building, zoning, environmental, health and insurance laws and regulations in effect at the time of construction of the then Phase of the Parking Garage.

(d) There are no liens, encumbrances or other defects affecting title to the then Phase of the Parking Garage which have been or will be filed against the then Phase of the Parking Garage or the Project with respect thereto (unless such lien is the subject of a dispute and Developer has caused such lien to be removed of record as required under the Disposition and Development Agreement).

(e) There is no litigation pending, or to the best knowledge of Developer, threatened, with respect to the then Phase of the Parking Garage or the Project.

(f) Developer has paid any and all state and local taxes assessed in connection with the construction of the then Phase of the Parking Garage or the Project and has completed and filed all necessary tax returns with the appropriate taxing authority applicable thereto.

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PARKING GARAGE PURCHASE AGREEMENT

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(g) No Hazardous Substances have been incorporated in the structure of the then Phase of the Project, including the then Phase of the Parking Garage.

In the event City alleges a breach of such warranties by Developer on or before the expiration of the one (1) year warranty period, Developer shall, within thirty (30) days following receipt of City's claim, proceed to cure the breach identified in City's notice and diligently and promptly complete such cure or correction to completion. For purposes of this Agreement, "warranty period" shall mean that period commencing upon the Date of Closing of the purchase of the then Phase of the Parking Garage and expiring one (1) year thereafter.

Any default by Developer under this Agreement, including any breach of any representation or warranty which is not cured within the period of time provided herein shall constitute a default by Developer under the Disposition and Development Agreement; provided however, City's remedies shall be limited to damages or specific performance for such breach.

6. Indemnification. To the fullest extent permitted by law, each party shall hold the other party harmless from and against any and all damages arising out of any damage to any persons or property occurring in, on or about the Property, or any part thereof, resulting from the negligent acts or omissions of such party, or its agents, employees, contractors, subcontractors, or authorized representatives except any damage to any persons or property occurring in, on or about the Property or any part thereof resulting from then negligent acts or omissions of City or its agents or employees or authorized representatives.

7. Escrow. The purchase and sale of the Condominium shall be consummated through an escrow (the "Escrow") with Clark County Title Company or other title company mutually acceptable to the parties ("Escrowholder") which shall be opened by Developer upon receipt of notice of completion of such Phase. City and Developer do hereby establish and adopt the following terms and conditions to escrow instructions to govern the consummation of the sale of the Condominium, together with the Escrowholder's standard general conditions, a copy of which is attached here as Exhibit "A" and incorporated herein by reference, and do hereby appoint, authorize and direct the Escrowholder, pursuant to the terms of this Agreement and using a counterpart hereof as its instructions, to receive, hold, deliver and disburse all documents, instruments and monies to be deposited in the Escrow:

7.1. The term "closing date", "close of the Escrow" or "closing", as used herein, shall mean the date designated by Developer.

7.2. City shall deliver to the Escrowholder on or before five (5) business days before the closing date:

7.2.1. Cash in an amount equal to the balance of the Purchase Price payable in cash;

EXHIBIT 5.4.1.3

PARKING GARAGE PURCHASE AGREEMENT

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- 7.2.2. Such other documents, instruments and funds as are required from City to enable the Escrowholder to place title to the Condominium in the condition specified herein, and to make any required prorations and adjustments.
- 7.3. Developer shall deliver to the Escrowholder on or before five (5) business days before the closing date:
- 7.3.1. A Statutory Warranty Deed to the Condominium duly executed by Developer and in recordable form; and
- 7.3.2. Such other documents, instruments and funds as are required from City to enable the Escrowholder to place title to the Condominium in the condition specified herein, and to make any required prorations and adjustments.
- 7.4. Upon receipt of the documents, instruments and funds set forth above and when Clark County Title Insurance Company or such other comparable title insurance company as may be mutually agreed upon by the parties ("Title Company") can issue in favor of City the Title Company's ALTA extended coverage owner's policy standard form title insurance with a liability limit equal to the Purchase Price and insuring the vesting of title to the Condominium in City at the closing, subject to general and special city and county taxes and assessments not delinquent, the Declaration of Condominium Plan, any covenants, conditions and restrictions, easements, reservations, dedications, rights and rights-of-way of record acceptable to City, the Escrowholder is hereby authorized and directed to pay all encumbrances of record necessary to place title to the Condominium in the condition specified, record the Statutory Warranty Deed, disburse to Developer the balance of funds deposited by City in the Escrow, deliver the above-described policy of title insurance to City and take such other action as may be authorized and described herein or in a written amendment to these escrow provisions signed by City and Developer.
8. Additional Escrow Provisions. The Escrow shall also be governed by the following additional provisions:
- 8.1. Real property taxes (if any), Association assessments, if applicable shall be prorated by the Escrowholder to the closing, with all prorations to be made on the basis of a 30-day month. In prorating real property taxes the Escrowholder shall use the latest tax bill or the most recent assessed valuation and rate information for the Condominium (whichever is applicable) or, if the Condominium is not yet separately assessed, shall prorate, that percentage of the real property taxes for the Project as is applicable to the Condominium using the latest tax bill for the Project

or the most recent assessed valuation and rate information for the Project (whichever is applicable).

- 8.2. Developer shall pay any real estate excise or other transfer taxes, the cost of recording the Statutory Warranty Deed(s) to the Parking Garage Unit(s), the premium for the owner's policy of title insurance to be provided by Developer to City and one-half (1/2) the escrow fee. City shall pay one-half (1/2) the escrow fee, any additional cost for the extended policy of title, and any costs associated with its financing, if any
- 8.3. The Escrow shall not close and City's Deposit shall not be released from the Escrow until construction of the applicable phase of Improvements has been completed and (1) final completion of the construction of the applicable phase of the Improvements in accordance with the construction contracts and the Construction Documents (as set forth in the DDA) and as otherwise required by the DDA have occurred; (2) an engineering report may be obtained by City at City's expense verifying that the applicable phase of improvements is structurally sound and was completed in accordance with the construction contracts and construction documents; (3) City of Vancouver has issued a final unconditional certificate of occupancy for the applicable phase of the Improvements permitting the owner to occupy and use of such phase of the Improvements for the purposes for which they were designed, including, as to the Parking Garage, as a commercial parking garage; (4) the general contractor shall have issued its "Certificate of Substantial Completion" together with its Affidavit of Payment of Debts and Claims, AIA Forms 706 and 706A together with final waivers and release of liens in form satisfactory to City and Developer, from such materialmen, laborers, contractors and subcontractors as City and Developer may require; (5) all punchlist items shall have been completed to the reasonable satisfaction of City with respect to the Parking Garage, and Developer with respect to the remainder of the applicable phase of the Improvements; (6) Developer shall have provided evidence reasonably satisfactory to City that all construction costs for the applicable phase of the Improvements have been paid in full, including evidence of full payment for any personal property installed as part of the applicable phase of the Improvements; (7) a Notice of Completion has been filed in the Clark County real property records and the period for filing construction liens shall have expired, or releases or discharge of construction liens in form and substance satisfactory to City shall have been obtained by Developer from all contractors in accordance with all construction contracts.

9. Further Assurances. Developer shall, upon request by City, whether prior to or after the Closing Date, execute and deliver to City such further documents which may be required to complete or evidence the transaction herein provided for, and City shall, upon request, execute and deliver like instruments to Developer.

10. Buyer Not To Assign. This Agreement and the rights of City hereunder may not be assigned, sold, transferred or hypothecated by City voluntarily, involuntarily, or by operation of law, without the prior written consent of Developer (which consent shall not be unreasonably withheld) and any assignment, sale, transfer or hypothecation in violation of the provisions of this paragraph shall be null and void and of no force and effect. Except as limited herein, this Agreement shall be binding upon and inure to the benefit if the heirs, executors, administrators and successors of the parties hereto.

11. Default. Nonperformance by either party of its obligations under this Agreement which continues for a period of ten (10) days following written notice of such nonperformance shall be a default by the nonperforming party. In the event of such default, the other party shall be entitled to (i) sue for damages, (ii) bring an action for specific performance, or (iii) exercise any other remedy available to it under the DDA or applicable law.

12. Brokers. City and Developer represent and warrant that they have incurred no liabilities or claims for brokerage commissions or finder's fees in connection with this Agreement and that they have not dealt with, and have no knowledge of, any real estate broker, agent or salesperson in connection with this Agreement. City and Developer each agrees to indemnify and hold the other harmless from and against any and all liability, including attorneys' fees, for any such fee or commission alleged to be payable in connection with this transaction by reason of the conduct of such party.

13. Notices. Any and all notices or other communications required or permitted by this Agreement or by law to be served on or given to a party hereto by the other party shall be in writing and shall be duly served and given only when personally delivered or sent by United States mail, registered or certified, postage prepaid, and addressed to the respective parties as follows:

Seller: City Manager
City of Vancouver
P.O. Box 1995
Vancouver, WA 98668-1995

With a Copy to: City Attorney
City of Vancouver
P.O. Box 1995
Vancouver, WA 98668-1995

Developer: Vandevco Limited
c/o Nawzad Othman
105 W. Evergreen Boulevard, #300
Vancouver, WA 98660-3123

With a Copy to: Stephen W. Horenstein
Horenstein Bremer P.S.
900 Washington Street, Suite 900
Vancouver, WA 98660

And to: Kenton R. Barnes
Gleason, Scarborough
5410 S.W. Macadam Avenue, Suite 100
Portland, OR 97201

Notices or other communications served in the above manner shall be considered sufficiently given or served for all purposes under this Agreement at the time the notice or communication is postmarked or personally delivered to the address shown above.

14. Modifications to Agreement. The parties agree to enter into any reasonable modifications and/or amendments to this Agreement and/or other documents necessary to carry out the intent of this Agreement and the other agreements executed by the parties as set forth in the Recitals hereinabove, including, but not limited to, covenants, conditions and restrictions for the Parking Garage and /or the Project.

15. Miscellaneous.

15.1. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Developer and City and their respective successors and assigns.

15.2. Interpretation/Construction. The headings incorporated in this Agreement are for convenience and reference only and are not a part of this Agreement and do not in any way limit or add to the terms and provisions hereof. Further, the masculine, feminine or neuter gender, and the singular or plural number, shall be deemed to include the others whenever the context so indicates.

15.3. Entire Agreement. This Agreement and the DDA constitutes the entire agreement between the parties hereto, supersedes and replaces all prior or existing written and oral agreements between the parties, and may not be amended other than in writing, signed by all parties. Any inconsistency between this Agreement and the DDA shall be resolved in favor of the DDA.

15.4. Survival. All agreements, covenants, conditions, warranties and representations contained in this Agreement, which by their nature impliedly or expressly involve performance in any particular after closing on the Closing Date or which cannot be ascertained to have been fully performed until after such closing, shall survive the closing.

- 15.5. Time. Time is of the essence of this Agreement and the performance of the obligations described herein.
- 15.6. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Washington, all rights and remedies being governed by such laws, and any provision hereof which may prove to be unenforceable shall not affect the validity of any other provision of this Agreement. Any action or litigation arising out of or in connection with this Agreement shall be conducted in Clark County, Washington.
- 15.7. Cooperation. Each party hereto agrees to take such action as may be necessary or appropriate to carry out the intended purpose hereof and to execute any and all documents which may be necessary or appropriate with respect thereto.
- 15.8. Attorneys Fees. In the event either party brings an action at law or other proceeding against the other party to enforce any of the terms, covenants and conditions hereof, the party prevailing in such action or proceeding shall be paid by the other party all attorney fees and statutory and other costs (including without limitation costs of discovery and expert witness fees, whether at trial, on appeal, on petition for review or in bankruptcy or other judicial or administrative proceeding), and the same shall be included in any judgment in such action or proceedings or appeal.
- 15.9. Waiver. No act or omission of either party hereto shall at any time be construed to deprive such party of a right or remedy hereunder or otherwise be construed so as to at any future time estop such party from exercising such right or remedy.
- 15.10. Risk of Loss. If prior to closing, land or improvements on said property shall be destroyed or materially damaged by fire or other casualty, City shall have the right to terminate its obligation under this Agreement without liability to Developer if there is a casualty loss and Developer does not restore the Parking Garages to their condition immediately prior to such damage or destruction.
- 15.11. Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the heirs, legal representatives and proper and permitted assigns and successors of the parties. Permitted assigns of Developer shall include an entity controlled by Developer in accordance with the provisions of the DDA.
- 15.12. Seller's Affidavit. Developer shall provide an affidavit to the effect that Developer is not a foreign person as the term is used and defined in Section 1445 of the Internal Revenue Code of 1954, as amended, and in the regulations promulgated thereunder. Such affidavit shall be provided on or before the Closing Date.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date indicated.

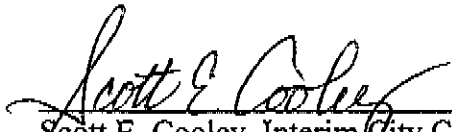
CITY OF VANCOUVER
a municipal corporation



Vernon E. Stoner, City Manager

Dated: June 21, 1999

Attest:



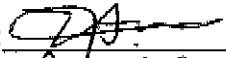
Scott E. Cooley, Interim City Clerk
~~By: Judith Hoggatt, Deputy~~

Approved as to form:



Ted H. Gathe, City Attorney

BUYER:
VANDEVCO LIMITED
a Washington limited partnership

By:  ZIAD A. ELHINDI
Its: President

Dated: July 8, 1999

EXHIBIT 5.4.2

OPTION TO PURCHASE AGREEMENT FOR PARKING GARAGE

THIS OPTION TO PURCHASE AGREEMENT FOR PARKING GARAGE (the "Agreement") is made and entered into this 21st day of June, 1999, by and between the CITY OF VANCOUVER, a Washington municipal corporation ("City") and Vandevco Limited, a Washington corporation ("Developer").

FOR AND IN CONSIDERATION of the execution of the Disposition and Development Agreement, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Exclusive Option. City herein grants Developer the exclusive option to purchase (the "Option"), upon the terms and conditions hereinafter set forth, the parking garage ("Parking Garage") in the City of Vancouver, County of Clark, State of Washington, and legally described as follows:

See Exhibit "A" attached hereto and incorporated herein by reference for legal description of real property purchased and portion of parking garage purchased.

2. Consideration for Option. The consideration for this Option is the entering into the transaction set forth in the Disposition and Development Agreement to which this Agreement is attached as Exhibit 5.4.2.

3. Option Period. Developer is granted a right to exercise an option to purchase the Parking Garage, which purchase may be closed only after no tax-exempt bonds issued to provide financing for the Parking Garage remain outstanding. Such option may be exercised at any time during the period beginning on January 1, 2015, and extending through December 31, 2019, or a longer period as extended by agreement between the parties ("Option Period").

4. Method of Exercising Option. Developer shall exercise the option by giving notice in writing ("Option Notice") to City within the Option Period set forth in Section 3 above.

4.1. Developer shall deliver to City, concurrently with its notice of its exercise of its right to reacquire the Parking Garage, its estimate of the Fair Market Value (as defined hereinbelow) of the Parking Garage. Following receipt of such notice, the parties shall negotiate in good faith in an attempt to reach agreement concerning the then Fair Market Value of the Parking Garage. If they are unable to so agree within thirty (30) days after City's receipt of Developer's notice of its exercise of its right to reacquire the Parking Garage, either party may by

EXHIBIT 5.4.2

OPTION TO PURCHASE AGREEMENT FOR PARKING GARAGE

01947001 D07 (Option Agree13) (6/10/1999)

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written notice to the other, submit the determination of Fair Market Value to Arbitration in accordance with Section 4.2 below.

4.2. If either party elects to submit the determination of Fair Market Value to arbitration, then it shall also, in the same notice in which it elects arbitration, designate an appraiser. Within ten (10) days after receipt of such notice, the other party shall give notice designating a second appraiser. The two appraisers so selected shall, within ten (10) days following the selection of the second appraiser, select a third appraiser. The appraisers so selected shall, within ten (10) days following the selection of the final appraiser, meet, review such information as may be submitted by Developer or City, and such other information as they deem pertinent to the determination of the then Fair Market Value of the Parking Garage, and, within thirty (30) days of the selection of the final appraiser, determine (either unanimously or by a vote of two of the three appraisers) the applicable Fair Market Value of the Parking Garage. The appraisers shall give written notice to the parties of the Fair Market Value so determined.

4.3. If either Developer or City shall fail to designate an appraiser within the time period specified in Section 4.2 above, the defaulting party shall be deemed to have accepted the appraiser designated by the other, in which event the one appraiser described in Section 4.2 above shall make the determination of the then Fair Market Value of the Parking Garage in accordance with Section 4.2 above.

4.4. If the two appraisers designated by the parties are unable to agree on a third appraiser within the time period specified in Section 4.2 above, then either Developer or City may apply to the Superior Court of the State of Washington for Clark County to designate a third appraiser.

4.5. All appraisers designated pursuant to Section 4.2 above shall be disinterested MAI appraisers with not less than ten (10) years experience in appraising commercial properties in Portland metropolitan area. A disinterested appraiser shall be one who has no direct or indirect financial interest in the outcome of the arbitration (other than payment of a reasonable appraisal fee) and who is not a member, manager, officer, director, employee or agent of City or Developer.

4.6. "Fair Market Value" means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is a consummation of sale as of a specified date, and the passing of title from the seller to the buyer under conditions whereby:

4.6.1. The buyer and seller are typically motivated;

4.6.2. Both parties are well informed or well advised, and each acting in what each considers its own best interest;

4.6.3. A reasonable time is allowed for exposure in the open market;

4.6.4. Payment is made in terms of U.S. dollars, or in terms of financial arrangements comparable thereto; and

4.6.5. The price represents a normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

5. Purchase Price. The purchase price for the Parking Garage shall be the Fair Market Value as defined in Section 4.6 above.

6. Payment of Purchase Price. The entire purchase price shall be payable by Developer to City at close of escrow in cash.

7. Title to Property. City shall convey the Parking Garage Unit(s) to Developer by Statutory Warranty Deed, free and clear of all right, title or interest of City and subject only to the (i) Condominium Declaration, (ii) the parking covenant executed by Developer running with the land which shall provide that Developer will make available for public parking 488 parking spaces at commercially reasonable rates on weekdays, evenings after 6 p.m., and on weekends in connection with community activities and events, (iii) general governmental building or use restrictions consistent with the then applicable zoning regulations for the Project, (iv) utility and other easements not inconsistent with the use of the Parking Garage Unit(s) as a commercial parking garage, (v) all easements, covenants, conditions and restrictions which may be imposed on the Property, the Project or the Parking Garage Unit(s) during the course of construction of the Project as a result of permits or other conditions imposed by any governmental authority as a condition to issuing a master use permit, building permit or any other license or approval, (vi) exceptions to title created by, previously approved in writing by, or arising through the actions of Developer, (vii) real property taxes and assessments, (including but not limited to any assessments issued pursuant to the Condominium Declarations), not-delinquent by non-payment, and (viii) the rights of persons holding monthly parking permits to parking in the Parking Garage Unit(s).

8. Disclaimer. CITY MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO (I) THE CONDITION OF THE PARKING GARAGES OR ANY IMPROVEMENTS THEREIN OR THE COMMON ELEMENTS ASSOCIATED THEREWITH OR THE SUITABILITY OF THE PARKING GARAGES FOR DEVELOPER'S INTENDED USE OR FOR ANY USE WHATSOEVER; (II) THE PRESENCE OF ANY HAZARDOUS SUBSTANCES IN THE PARKING GARAGES OR ANY OF THE OTHER

UNITS COMPRISING THE CONDOMINIUMS OF WHICH THE PARKING GARAGE UNITS ARE A PART WHICH MAY HAVE BEEN CAUSED BY DEVELOPER. DEVELOPER ACKNOWLEDGES THAT DEVELOPER WAS GIVEN THE OPPORTUNITY UNDER THIS AGREEMENT TO FULLY INSPECT THE PARKING GARAGES AND THEIR ENVIRONMENTAL CONDITION. DEVELOPER AGREES THAT BY PURCHASING THE PARKING GARAGES, DEVELOPER IS AGREEING TO PURCHASE THE PARKING GARAGES (SUBJECT TO THE FOREGOING CONTAINED IN THIS PARAGRAPH) IN THEIR "AS IS" CONDITION AND STATE OF REPAIR.

9. Escrow. The sale shall be consummated through a Washington State title insurance company mutually agreeable to the parties (the "Escrow Holder"), to be opened by City within five (5) business days after the Option Notice has been given to City. Escrow shall be deemed to be opened under this paragraph on the date the escrow instructions are drawn. The parties shall execute all documents required by escrow holder as long as they are consistent with the provisions of this paragraph. Escrow shall close within one hundred eighty (180) days after the purchase price of the Parking Garage has been set under Paragraph 6. Escrow shall be deemed to be closed pursuant to this paragraph on the date of recording.

10. Title Insurance. At the close of escrow, escrow holder must be prepared to have issued by a Washington State title insurance company, an ALTA Standard Coverage Policy of Title Insurance in the amount of the purchase price insuring title to the Parking Garage or Parking Garage Unit(s) vested in Developer.

11. Proration of Costs. All revenues and all expenses of the Parking Garage Unit(s) including, but not limited to real and personal property taxes, special assessments, Condominium Assessments, rents, water, sewer, and utility charges, amounts payable under contracts assumed by Developer, if any, annual permits and/or inspection fees (calculated on the basis of the respective periods covered thereby) and other expenses normal to the ownership, use, operation and maintenance of the Parking Garage Unit(s) shall be prorated as of the Closing Date(s) for each Parking Garage Unit. If any revenue or expense amount cannot be ascertained with certainty as of the Close of Escrow, it shall be prorated on the basis of the parties' reasonable estimate of such amounts and shall be the subject of a final proration sixty (60) days after the Close of Escrow or as soon thereafter as the precise amount can be ascertained.

12. Closing Costs. Excise taxes and recording fees on the Deed shall be paid by City, if required. Charges for a title insurance policy, escrow and all other closing costs shall be paid equally between the parties in accordance with the custom of Clark County, Washington.

13. Notices. Any payments or notices required or desired to be given under this Agreement shall be in writing and personally served or given by mail. Any notice or payment given by mail shall be sent, postage prepaid, by certified mail, return receipt requested and addressed to the

EXHIBIT 5.4.2

OPTION TO PURCHASE AGREEMENT FOR PARKING GARAGE

01947001 D07 (Option Agree13) (6/10/1999)

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party to receive the same, at the following address or at such other address or addresses as the parties may from time to time direct in writing, as follows:

City: City Manager
City of Vancouver
P.O. Box 1995
Vancouver, WA 98668-1995

With a Copy to: City Attorney
City of Vancouver
P.O. Box 1995
Vancouver, WA 98668-1995

Developer: Vandevco Limited
c/o Nawzad Othman
105 W. Evergreen Boulevard, #300
Vancouver, WA 98660-3123

With a Copy to: Stephen W. Horenstein
Horenstein Bremer P.S.
900 Washington Street, Suite 900
Vancouver, WA 98660

And to: Kenton R. Barnes
Gleason, Scarborough
5410 S.W. Macadam Avenue, Suite 100
Portland, OR 97201

14. Close of Escrow-Termination. Prior to the close of escrow, Developer will have inspected (or had the opportunity to inspect) all of the Property and such documents as deemed relevant by Developer relating to the Property and Developer's intended use thereof; and based on Developer's best judgment and the best judgment of independent experts available to Developer, accepts same, AS IS, including any latent defects with no warranties, express or implied, except for those expressly provided to survive and continue under the terms of this Agreement, and with no obligation of City to make repairs or replacements.

15. Assignment. The parties may not assign their rights under this Agreement without the written consent of the other party (which consent shall not be unreasonably withheld or delayed).

16. Miscellaneous.

16.1. Entire Agreement. This Agreement and the Disposition and Development Agreement constitutes the entire Agreement between the parties. Any inconsistency between this Agreement and the Disposition and Development Agreement shall be resolved in favor of the Disposition and Development Agreement.

16.2. Binding Nature. All rights and obligations arising out of this Agreement shall inure to the benefit of and be binding upon the respective successors, heirs, assigns, administrators, executors and marital communities, if any, of the parties hereto.

16.3. Washington Law. This Agreement shall be construed, interpreted and enforced pursuant to the laws of the State of Washington, and the parties agree that the Superior Court of Clark County for the State of Washington shall have sole and exclusive jurisdiction of any suit or proceeding brought with respect to this Agreement or the Parking Garage.

16.4. Attorney Fees. In the event any action or legal proceedings are commenced to enforce any of the terms and conditions hereof or to terminate this Agreement (whether the same shall proceed to judgment or otherwise), the prevailing party shall receive from the other a reasonable sum as attorneys fees together with costs.

16.5. Time. Time is of the essence hereof.

16.6. Captions. The captions and section headings hereof are inserted for convenience purposes only and shall not be deemed to limit or expand the meaning of any section.

16.7. Counterparts. This Agreement may be signed in counterparts, any one of which shall be deemed an original.

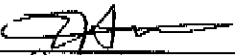
IN WITNESS WHEREOF, we have hereunto set our hands as of the day and year first above written.

CITY OF VANCOUVER
a municipal corporation

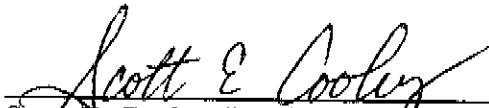


Vernon E. Stoner, City Manager

VANDEVCO LIMITED
a Washington limited partnership

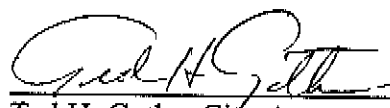
By:  ZIAD A. ELHINDI
Its: President

Attest:



Scott E. Cooley, Interim City Clerk
~~By: Judith Hoggatt, Deputy~~

Approved as to form:



Ted H. Gathe, City Attorney

EXHIBIT "A"

LEGAL DESCRIPTION

To be attached upon completion of Condominium Survey.

EXHIBIT 5.5

PARKING GARAGE OPERATION AND MAINTENANCE AGREEMENT

Effective Date: June 21, 1999.

Parties: City of Vancouver, a Washington municipal corporation ("City"),

and

Vandevco Limited, a Washington corporation ("Developer").

Recitals:

A. The parties have entered into a purchase and sale agreement wherein City sold the real property located at City Blocks 11 and 12 in Vancouver, Washington, generally bound by 6th Street to the south, Columbia Street to the west, 8th Street to the north, and Washington Street to the east (the "Property") to Developer. Developer intends to develop a multi-phase mixed use project which will include a parking garage (the "Project"). The parking garage will be a 3-level structure ("Parking Garage") constructed in phases by Developer and subsequently repurchased by City on a turn-key basis. The Parking Garage will be utilized by the entire Project and the general public.

B. The parties have also entered into a Disposition and Development Agreement which, in part, governs the obligations, responsibilities, benefits to be exchanged and enjoyed between City and Developer in connection with the construction, maintenance, ownership and operation of the Project, including the Parking Garage.

C. Upon completion of each phase of the Parking Garage, Developer shall sell that phase of the parking garage to City and shall relinquish all control of such facility and City will commence operation and control of the Parking Garage under the terms and conditions set forth hereinbelow.

D. As used herein, the Parking Garage will include two (2) general types of parking areas designated the "Open Parking Area" and the "Enhanced Security Parking Area" as set forth below.

Now, therefore, the parties agree as follows:

1. Description of Parking Garage. As described in the Development Agreement, the Parking Garage may be developed as Phase I, Phase II and Phase III.

EXHIBIT 5.5

PARKING GARAGE OPERATION AND MAINTENANCE AGREEMENT

01947001 D06 (Parking Maint Agree-12) (6/10/1999)

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1.1. The Parking Garage will be divided by two levels of security: "Open Parking Area" that may be secured at the on-street entry/exit plazas; and "Enhanced Security Parking Areas" that may be secured at the on-street entry/exit plazas and by additional security devices within the Parking Garage. The additional security devices will restrict access to the Enhanced Security Parking Areas from 7:00 P.M. until 7:00 A.M. to people who purchase twenty-four (24) hour per day privileges in the Enhanced Security Parking Areas as such privileges are defined in "Description of Parking Privileges" below.

1.2. After the first phase of the Parking Garage has been completed and acquired by City, the minimum number of parking spaces in the Enhanced Security Parking Areas shall be approximately 175 parking spaces. After the second phase of the Parking Garage has been completed and acquired by City, the minimum number of parking spaces in the Enhanced Security Parking Areas shall be approximately 200 parking spaces. After all three phases of the Parking Garage have been completed and acquired by City, the minimum number of parking spaces in the Enhanced Security Parking Areas shall be approximately 250 parking spaces.

2. Description of Parking Privileges. City shall designate five (5) different types of general parking privileges in the Parking Garage. The categories for such parking privileges shall be as follows:

2.1. Timed Parking (short term) privileges available to the general public on a non-reserved, first come, first served basis in the Open Parking Area.

2.2. Twelve (12) hour per day privileges available to the general public on a non-reserved basis in either the Open Parking Area or the Enhanced Security Parking Areas conditioned upon the purchase of a month to month permit on a first come, first served basis.

2.3. Twenty-four (24) hour per day privileges available to the general public on a non-reserved basis in the Open Parking Area conditioned upon the purchase of a month to month permit on a first come, first served basis.

2.4. Twenty-four (24) hour per day privileges available to the general public on a non-reserved basis in the Enhanced Security Parking Areas conditioned upon the purchase of a month to month permit on a first come, first served basis.

2.5. Twenty-four (24) hour per day privileges on a reserved basis in the Enhanced Security Parking Areas conditioned upon the purchase of a month to month permit. Such reserved parking privileges in the Enhanced Security Parking Areas shall be limited to no more than eight percent (8%) of the total parking spaces in the Parking Garage and shall be restricted to occupants of owner-occupied, residential, condominiums.

3. Modification to Maintain Tax-Exempt Status. City shall have the right to modify this Agreement and change the number or terms under which the parking spaces are available for use if, in the reasonable opinion of City's bond counsel, such modification or amendment is necessary to permit or preserve the tax-exempt status of interest payable on or with respect to any outstanding tax-exempt obligations to be issued by City in connection with the acquisition of the parking garages by City, or with respect to any such debt instruments that are outstanding, but only if and to the extent required to permit or preserve such tax-exempt status.
4. Hours of Operation for the Open Parking Area. At a minimum, the Parking Garage shall be open for public access to the Open Parking Area on weekdays from 6:00 A.M. to 7:00 P.M. ("Public Access Hours"). City shall provide gates for the Open Parking Area that will be closed prohibiting general access from the public from 7:00 P.M. to 6:00 A.M. People who have purchased a twenty-four (24) hour month to month permit in the Enhanced Security Parking Areas, as defined in Description of Parking Privileges above, shall have access to such Enhanced Security Parking Areas twenty-four (24) hours each day by utilizing a key card or some other access device. People who have purchased a twenty-four (24) hour month to month permit in the Open Parking Area, as defined in Description of Parking Privileges above, shall have access to such Open Parking Area twenty-four (24) hours each day by utilizing a key card or some other access device on a space available basis.
5. Validation Program. The parties agree that prior to operating the Parking Garage with on-site staff, City shall design and implement a validation program. The intent of such a program will be to develop a marketable validation program that serves to attract users for the Parking Garage. Furthermore, the validation program is intended to be mutually beneficial to the retail, commercial, office and special event users of the Parking Garage. The parties agree that the City shall retain the right to reasonably modify the rates in the Parking Garage as it deems necessary.
6. Weekend and Evening Parking. The parties agree that parking spaces in the Open Parking Area will be available for weekend and evening parking provided City provides personnel to manage and supervise such use. Furthermore, in the event the Parking Garage is purchased by Developer pursuant to the Option Agreement (Exhibit 5.4.2), Developer agrees to make available to the public no fewer than 475 parking spaces at commercially reasonable rates on weekday evenings after 6:00 P.M. and on weekends in connection with community activities and events.
7. Staffing. The Parking Garage shall be managed as follows:
 - 7.1. Off-Site Management. City shall, by direct City management or through the use of an independent contractor, have the following responsibilities and obligations, at its sole cost and expense, in connection with its operation and maintenance of the Parking Garage:

7.1.1. Services. City shall be responsible for establishing and implementing a reasonable system for permit and card key sales for the parking spaces located in both the Open Parking Area and Enhanced Security Parking Areas. Such responsibility shall include the facilities, personnel and materials required to implement and maintain such system(s).

7.1.2. Security. City shall implement and use closed circuit monitoring units in the Parking Garage to be monitored and supervised by City or a designee of Developer (upon Developer's election).

7.2. On-Site Management. City shall, by direct City management or through the use of an independent contractor, have the following responsibilities and obligations, at its sole cost and expense, in connection with its operation and maintenance of the Parking Garage:

7.2.1. Services. Upon such time as the Parking Garage is eighty-five percent (85%) occupied for a period of four (4) consecutive months, City shall diligently proceed to provide on-site management for the Parking Garage during all Public Access Hours. Such on-site management shall include without limitation, city staff and/or other individuals employed as parking garage personnel to secure, operate and maintain the Parking Garage.

7.2.2. Security. City shall implement and use closed circuit monitoring units in the Parking Garage to be monitored and supervised by City or a designee of Developer (upon Developer's election).

7.3. Maintenance. The parties agree that prior to opening the Parking Garage, City will establish and implement a minimum maintenance schedule in a form and content similar to the specifications and requirements set forth in Exhibit "A." Such responsibility shall include the facilities, personnel and materials required to implement and maintain such system(s).

8. Special Programs. City may develop and implement incentive program(s) for use of the Parking Garage by carpool and vanpool users.
9. Modification Procedure. This Agreement shall only be modified upon mutual acceptance of written terms and conditions satisfactory to City and Developer.
10. Dispute Resolution. Unless otherwise specifically set forth in a particular provision of this Agreement, any dispute hereunder shall be submitted to arbitration. The arbitration shall be conducted in City of Vancouver, Washington, or at such place as the parties may designate, by a single arbitrator, in accordance with the duly promulgated rules and regulations of the American Arbitration Association or its successor, and the pertinent provisions of the laws of the State of Washington relating to arbitration. If the parties

cannot agree on a single arbitrator, such arbitrator shall be appointed by a panel consisting of three (3) persons, one of whom has been appointed by Lessor, one of whom has been appointed by Lessee, and the third of whom has been appointed by the two so selected. The decision of the arbitrator shall be final and binding on the parties and may be entered as a judgment in any court of competent jurisdiction. The cost of arbitration shall be shared equally between the parties.

11. Insurance.

11.1. Insurance Required. The parties recognize that, at the date of execution of the Lease, City is self-insured against general liability claims and City's self-insurance program is sufficiently comprehensive to protect Developer as required under the terms of Section 12 below.

11.2. Insurance Policies. In the event City is no longer self-insured against all general liability exposures, City shall obtain commercial general liability insurance for the properties covered by this Agreement and shall name Developer thereon as an additional insured.

11.3. Notice of Change. City shall provide Developer with at least thirty (30) days' advance notice in writing of its intention to no longer self-insure the above-required coverages.

11.4. Property Insurance. The parties shall provide and pay for property insurance for their own property, contents, and fixtures at and in the Parking Garage as each, in its sole discretion, deems appropriate. Neither party shall have any responsibility or obligation to insure the other for claims under these categories.

11.5. Waiver of Subrogation. Neither party shall be liable to the other (or to the other's successors or assigns) for any loss or damage to its property caused by fire or any of the risks enumerated in a standard fire insurance policy with an extended coverage endorsement, whether or not such insurance is in effect, and in the event of loss neither party's insurance company shall have a subrogated claim against the other.

11.6. Evidence of Insurance. In the event City no longer self-insures general liability exposures, City shall provide Developer with certificates or other evidence documenting the required insurance coverage, which documents shall state that the insurance shall not be cancelled nor materially altered without first giving at least thirty (30) days' written notice to Developer. The insurance policies shall be in forms and with companies reasonably satisfactory to Developer.

12. Liability and Indemnity. Neither party shall in any event be liable to the other or anyone claiming by, under or through them, for any damage or loss or liability resulting from the acts or omissions of any other third party (including any other tenant) who is not acting

EXHIBIT 5.5

PARKING GARAGE OPERATION AND MAINTENANCE AGREEMENT

01947001 D06 (Parking Maint Agree-12) (6/10/1999)

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under their direction and control or for any damage to personal property of the other from any cause.

13. Remedies. Notwithstanding anything in this Agreement to the contrary, in the event that either party fails to perform any obligation under this Agreement, the other party shall be entitled to any remedy available at law or in equity.
14. Attorney's Fees and Costs. In the event litigation arises out of this Agreement, the losing party agrees to pay the prevailing party's attorneys fees incident to said litigation, together with all costs and expenses incurred in connection with such action.
15. Waiver. No act or omission of either party hereto shall at any time be construed to deprive such party of a right or remedy hereunder or otherwise be construed so as to at any future time estop such party from exercising such right or remedy. Failure of a party at any time to require performance of any provision of this Agreement shall not limit the right of that party to enforce the provision, nor shall any waiver by a party of any breach of any provision constitute a waiver of any succeeding breach of that provision, or waiver of that provision itself, or any other provision.
16. Notices, Demands and Communications. Formal notices, demands and communications between City and Developer shall be sufficiently given if and shall not be deemed given unless dispatched by certified mail, postage prepaid, return receipt requested, or delivered personally, to the principal offices of City and Developer as follows:

City: City Manager
City of Vancouver
P.O. Box 1995
Vancouver, WA 98668-1995

With a Copy to: City Attorney
City of Vancouver
P.O. Box 1995
Vancouver, WA 98668-1995

Developer: Vandevco Limited
c/o Nawzad Othman
105 W. Evergreen Boulevard, #300
Vancouver, WA 98660-3123

With a Copy to: Stephen W. Horenstein
Horenstein Bremer P.S.
900 Washington Street, Suite 900
Vancouver, WA 98660

And to: Kenton R. Barnes
 Gleason, Scarborough
 5410 S.W. Macadam Avenue, Suite 100
 Portland, OR 97201

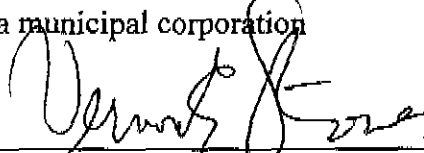
Written notices, demands and communications may be sent in the same manner to such other addresses as the affected party may from time to time designate by mail as provided in this Section 16.

17. Time is of the Essence. Time is of the essence of this Agreement.
18. Governing Law and Venue. This Agreement shall be governed by and interpreted in accordance with Washington law. Any action or litigation arising out of or in connection with this Agreement shall be conducted in Clark County, Washington.
19. Gender and Number. As used in this Agreement, the masculine, feminine or neuter gender, and the singular or plural number, shall be deemed to include the others whenever the context so indicates.
20. Interpretation and/or Construction. Paragraph headings have been included for the convenience of the parties and shall not be considered a part of this Agreement for any purpose relating to construction or interpretation of the terms of this Agreement and shall in no way limit any of the provisions of this Agreement.
21. Entire Agreement. This Agreement and the Disposition and Development Agreement constitutes the entire agreement between the parties hereto, supersedes and replaces all prior or existing written and oral agreements between the parties, and may not be amended other than in writing, signed by all parties. Any inconsistency between this Agreement and the Disposition and Development Agreement shall be resolved in favor of the Disposition and Development Agreement.
22. Successors & Assigns. The terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the heirs, legal representatives and proper and permitted assigns and successors of the parties.

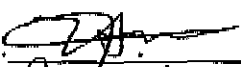
23. Counterparts. This Agreement may be executed in counterparts, which when taken together, shall constitute an original Agreement. An executed cop sent via facsimile transmission shall also be deemed to be an executed original.

DATED this 21st day of June, 1999.

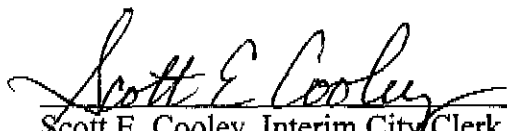
CITY OF VANCOUVER
a municipal corporation


Vernon E. Stoner, City Manager

VANDEVCO LIMITED
a Washington limited partnership

By:  ZIAD A. ELHINDI
Its: President

Attest:


Scott E. Cooley, Interim City Clerk
~~By: Judith Hoggatt, Deputy~~

Approved as to form:


Ted H. Gathe, City Attorney

EXHIBIT "A"

MAINTENANCE SCHEDULE

CITY OF VANCOUVER, WASHINGTON

Park Center Garage Project – Minimum Maintenance Requirements

Operating Outline

City will provide 4 to 6 hours of daily janitorial maintenance to the facility at least five (5) days per week. Janitorial services will be provided through a separate Maintenance Service Agreement with a private operator or through on-site janitorial services provided by City. At minimum, the following services will be provided on a daily, weekly, monthly, quarterly and bi-yearly basis.

City shall maintain an on-site checklist of maintenance tasks to be checked off by the maintenance provider with date of service and signature of provider.

Janitorial Maintenance

DAILY (Monday – Friday)

- Empty all trash receptacles in the parking area (including stairwells) and remove to the central trash storage area.
- Patrol all parking areas, elevator areas and stairwells accessing parking area for trash and debris.
- Sweep elevator-landing areas (i.e., pedestrian accesses).
- Remove trash/debris from entry/exit plaza(s) and sweep and/or hose main entry/exit ramp area.
- Mop out (using safety/environmentally-approved detergents) then rinse with clear water any areas where public urination or defecation has occurred. Apply odor control to these areas immediately upon completion of mop out.
- Remove any graffiti from surfaces in garage areas, plaza areas or stairwells (using safety/environmentally-approved solvent). **All graffiti must be removed within 24 hours of occurrence.**
- Make note of any necessary repairs, electric light or equipment failures and report immediately to facility manager.

WEEKLY

- Sweep all stairwells accessing the parking garage from top to bottom.
- Clean/dust/sweep out attendant booth.
- Clean/polish attendant booth glass.

EXHIBIT 5.5 – EXHIBIT "A"
MAINTENANCE SCHEDULE

01947001 D06 (Parking Maint Agree-12) (6/10/1999)

-1-

- Inspect for oil spotting in parking stall areas. Effectively absorb and dry such areas to ensure safe and manageable parking areas. Dispose of absorbents as required by City/State environmental codes.

MONTHLY

- Hose off sidewalk and drive surfaces in main entry/exit plaza(s).
- Dust all revenue/access control equipment.
- Wipe down all rate boards and entry area informational signage.

QUARTERLY

- Replace burnt out light bulbs/fixtures. [NOTE: At no time shall the parking area (including elevator landings and stairwells) have in excess of 5% of all total light fixtures burnt out.]
- Spot painting (as necessary).

BI-YEARLY

- Pressure wash elevator landing area(s).
- Pressure wash stairwell landings and stairwell areas showing staining or undue grime buildup.
- Pressure wash plaza entry/exit area(s).

GENERAL MAINTENANCE RESPONSIBILITY

- City shall at all times maintain in effect a Preventative Maintenance Contract for the elevator(s) serving the parking areas. The Preventative Maintenance Contract shall be entered into with a certified elevator maintenance firm. The Preventative Maintenance Contract shall be established to require regularly scheduled maintenance visits to the facility to ensure that preventative maintenance services are actually performed. The Contract with the provider shall state that preventative maintenance services can only be performed on the scheduled service dates. Calls for service regarding additional elevator operating assistance (i.e., failures) shall be separately tracked and administered. No preventative maintenance service shall be performed during a call for service.

Capital Maintenance

City shall replace operating equipment on a schedule based on the operating service life of the equipment as called for in the manufacturers' specifications for such equipment. Equipment items to be included in the Capital Maintenance Schedule will include:

- CCTV/security monitoring equipment
- Revenue/access control equipment
- Lighting fixtures (i.e., ballast)

EXHIBIT 5.5 - EXHIBIT "A"
MAINTENANCE SCHEDULE

01947001 D06 (Parking Maint Agree-12) (6/10/1999)

-2-

- Elevators
- Painted surfaces

Multifamily Tax Exemption

Block 10



City Council Public Hearing
November 18, 2019

Peggy Sheehan, Community Development
Programs Manager

Presentation Overview

- Multifamily Tax Exemption (MFTE) Program overview
- Proposed Overview
- Next steps and timeline

Purpose of MFTE Program

- MFTE program is authorized by VMC 3.22 adopted in 2016.
- Program is designed to incentivize new private multi-family development in targeted areas in the City to:
 - accommodate future population growth;
 - provide places to live close to employment, shopping, entertainment, and transit services; and
 - encourage affordable housing where appropriate
- Currently, the program applies only to the City Center Vision Area and the Fourth Plain Corridor Subarea, two priority areas that the City desires to see growth.

MFTE Project Pipeline

- 31 exemption requests to date
- 28 projects approved, 3 applications in process
- Current status:
 - 4 projects out of exemption period
 - 12 projects currently renting
 - 8 projects under construction
 - 4 projects in permit review
- Total of 2,564 units including 552 income restricted (Including pending applications)

Exemption Options-(Applies to residential improvements only)

8 years	• Market-rate properties with approved Development Agreement
 8 years	• Properties with 20% of units for tenants earning up to 100% AMI
10 years	• Properties with 20% of units for tenants earning up to 80% AMI
12 years	• Properties with 20% of units for tenants earning up to 60% AMI

Current –Block 10

Block 10 is located between Columbia and Washington streets and 8th and 9th streets.

- 1993 City purchased land
- 2013 Heritage Square VDA establishes temporary park.
- 2016 initial City RFP for development
- 2019 development agreement with the Holland Partner Group.

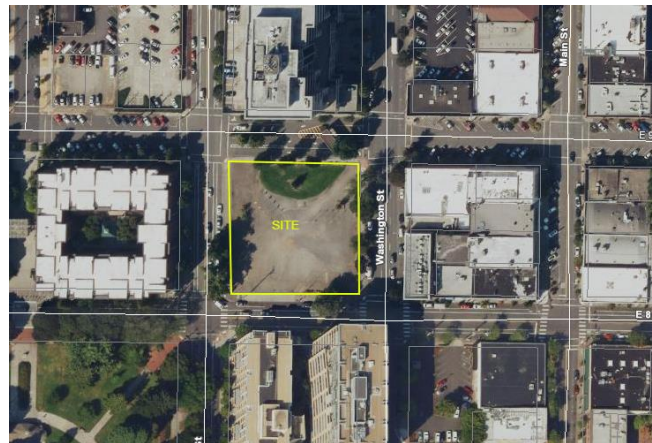


Proposed Project –Block 10

Developer: Holland Partner Group

Project location: Downtown Block 10

Requested exemption: 8 year with 20% of units restricted at 100% AMI



Project Overview- Block 10

- 5 story residential development
- 73,000 sq. ft. residential
- 10,000 sq. ft. commercial
- 105-110 units (20% at 100% AMI)
- 110 on-site parking spaces
- \$42.5 million est. development cost



Unit Mix and Monthly Rent- Block 10

Unit Type	Projected Monthly Rent	# Units
Studio	\$1,496	17
1 bed/1 bath	\$1,690	25
1 bed/1 bath	\$1,855	53
2 bed/2 bath	\$2,578	10

20% of total units will be restricted to the median income limit for the area.

The 2019 family median income for Portland-Vancouver-Hillsboro area is \$87,900.

With a 30% monthly income/rent and utility cost limit, affordable unit rents should be no more than \$2,198 per month.

Tax Summary-Block 10

	Total – all taxing districts	City of Vancouver
Net Present value of future tax revenue** (20 year)	\$4,369,024	\$1,211,000
Net present value of “foregone” tax revenue	(\$772,000)	(\$253,000)
NET PRESENT 20 YEAR BENEFIT	\$3,597,024	\$958,000
2019 property taxes (Exempt status)	\$0	\$0

(Applies to residential improvements only)

**Estimated discounted present value of construction sales tax, utility tax and property tax over 20 years

MFTE Program Benefits

- The property has been exempt from taxes since 1993.
- Will expedite an estimated \$42.5 million in new construction that might not occur without the exemption (including direct and indirect employment).
- The *land* will remain tax exempt under public ownership but the improvements will be taxed.
- Only the residential improvements are exempt through the MFTE Program, the commercial improvements will provide property tax revenue.
- The residential improvements return to the tax rolls after 8 years.
- Project will remain on tax rolls for decades beyond the end of the initial 8-year exemption period.

MFTE Program Benefits(cont.)

- Over the 20 years following construction, the project – with the exemption - will generate nearly \$4.36 million in taxes benefitting all taxing districts (ports, schools, county, city, etc.) and a total of \$1.2 million for the City of Vancouver.
- The property tax on the non residential portion of the development during exemption with development is estimated at \$151,201 (2024) .
- When the exemption period ends estimated property tax will be \$316,346 annually (2032).

Next Steps

- Issue preliminary tax exemption certificate if resolution and agreement are approved.

Questions and Discussion

Peggy Sheehan, Program Manager
Community and Economic Development
360-487-7952
Peggy.Sheehan@cityofvancouver.us



Staff Report 170-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/18/2019

SUBJECT Multifamily Tax Exemption: Downtown Block 10

Key Points

- The Multifamily Tax Exemption Program, authorized by VMC 3.22, is designed to incentivize new private multi-family development in targeted areas of the City.
- The requested exemption facilitates an estimated \$42.5 million in new construction in downtown Vancouver that may not occur otherwise (including direct and indirect employment associated with construction).
- The exemption accelerates a project for a site that has been exempt from taxes since 1993.
- The exemption is for eight years. Following the exemption the project will return to the tax rolls at an assessed value as if it were new construction and remain for decades beyond the 8-year exemption period.
- Over the 20-year period following construction, the project – with the exemption - will generate nearly \$4.36 million in taxes benefiting all taxing districts (ports, schools, county, city, etc.) and a total of \$1.2 million for the City of Vancouver.

Strategic Plan Alignment

Goal 8, Objective 8.1: Make downtown Vancouver a vibrant destination for the community and the region.

Present Situation

The multi-family property tax exemption program in general is designed to incentivize new private multi-family development in targeted areas in the City. The program is a tool to assist cities in accommodating future population growth in designated centers, close to employment, shopping, and transit services and to encourage affordable housing where appropriate.

The Holland Partners Group is proposing an eight-year exemption for 105 residential units with 20% of those units restricted to households at 100 percent of the area median income (AMI) defined by HUD. The rent must not be higher than 30 percent of the household income, including

utilities. For 2019, the AMI for a family of four is \$87,900. The development is a seven-story mixed use building with 6,000 square feet of commercial space on the ground floor and 110 on-site structured parking spaces. The tax exemption applies only to the residential portions of the project; the non-residential portions will be subject to property tax in the usual manner.

The tax impact of the project is estimated as follows:

	Total – all taxing districts	City of Vancouver
Net Present value of future tax revenue* (20 year)	\$4,369,024	\$1,211,000
Net present value of “foregone” tax revenue (8 years)	(\$772,000)	(\$253,000)
NET PRESENT 20 YEAR BENEFIT	\$3,597,024	\$958,000

**Estimated discounted present value of construction sales tax, utility tax and property tax over 20 years*

The site is currently exempt from property tax as it is owned by the City of Vancouver.

In addition to the above considerations, the exemption accelerates a project that will be on the tax rolls for decades beyond the end of the eight-year exemption period.

Advantage(s)

1. Facilitates construction of 105 new residential units (studios and 1-2 bedrooms) within downtown core, one of the City's primary economic development priority areas;
2. Would result in approximately \$42.5 million in new construction investment that may not occur without the exemption;
3. Over the 20-year period following construction, the project will generate nearly \$4.3 million in taxes benefiting all taxing districts, including \$1.2 million to the City of Vancouver;
4. The addition of 6,000 square feet of new commercial retail space will contribute to economic activity;
5. The new apartment units will bring new residents and add vitality to the downtown area.
6. 20 percent of the units must be restricted to renters at or below the area median income for the duration of the exemption.

Disadvantage(s)

The exemption will defer the collection of taxes on the residential units for eight years. (However it is also possible that the project would not be developed without the tax exemption, in which case the future tax benefits would not be realized).

Budget Impact

Approval of this item will result in the City of Vancouver forgoing approximately \$1 million in tax revenues over the next 20 year time period.

Prior Council Review

- October 21, 2019- Approval of Block 10 Disposition and Development Agreement
- October 30, 2019 Briefing Memo

Action Requested

On Monday, November 18, 2019, subject to public hearing, adopt a resolution approving the Agreement and conditional tax exemption certificate for the Block 10 development.

Peggy Sheehan, Community Development Programs Manager, 487-7952

ATTACHMENTS:

- ▣ Block 10 MFTE Resolution
- ▣ Block 10 MFTE Agreement
- ▣ Block 10 MFTE Agreement- EX A Legal Desc
- ▣ Block 10 MFTE Council Wkshop Memo

11/18/19

RESOLUTION NO. M-_____

A RESOLUTION of the City Council of the City of Vancouver approving an agreement with HOLLAND PARTNER GROUP for an eight-year property tax exemption including 20 percent of the units affordable to households at or below 100 percent area median income for the property located on Block 10 of the West Vancouver Plat (Tax Lot 48120000) in Vancouver, Washington.

WHEREAS, the City of Vancouver desires to stimulate new construction of multi-family housing in specifically designated urban areas in order to reduce development pressure on single-family residential neighborhoods, to increase and improve housing opportunities, and encourage development densities supportive of tenant use, and

WHEREAS, the City is interested in promoting new housing in the Vancouver City Center Vision residential target area in the City of Vancouver; and

WHEREAS, the City has, pursuant to authority granted under the Revised Code of Washington (RCW), designated various “Residential Target Areas” for the provision of limited property tax exemptions for new multi-family residential housing; and

WHEREAS, the City has set forth in Chapter 3.22 of the Vancouver Municipal Code (VMC) a program whereby property owners may qualify for a “Final Certificate of Tax Exemption,” which certifies to the Clark County Assessor and Treasurer that a property is eligible to receive a limited property tax exemption; and

RESOLUTION - 1

WHEREAS, HOLLAND PARTNERS GROUP (Applicant) is interested in receiving a limited property tax exemption for constructing units of new multi-family residential housing within the VCCV residential target area identified in Chapter 3.22 VMC; and,

WHEREAS, the Applicant has submitted to the City a complete application for the City's limited tax exemption program outlining the proposed development of new multi-family residential housing to be constructed on property located on Block 10 of the West Vancouver Plat in Vancouver, Washington (Property); and

WHEREAS, the City has determined that the improvements to the Property will, if completed as proposed, satisfy the requirements for a Final Certificate of Tax Exemption.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY OF VANCOUVER:

Section 1. Agreement attached hereto as Exhibit A between HOLLAND PARTNERS GROUP and the City of Vancouver, a Washington Municipal Corporation, is approved.

Section 2. The City Manager of the City of Vancouver or his designee is authorized to execute the attached Exhibit A.

ADOPTED at a regular session of the Vancouver City Council this 18th day of November, 2019.

Anne McEnery-Ogle, Mayor

Attest:

Natasha Ramras, City Clerk

RESOLUTION - 2

Approved as to form:

Jonathan Young, City Attorney

RESOLUTION - 3

MULTI-FAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION AGREEMENT

THIS AGREEMENT is entered into this ____ day of _____, 2019, by and between **HOLLAND PARTNER GROUP** (hereinafter referred to as “Applicant”), and the CITY OF VANCOUVER, a Washington Charter City of the First Class (hereinafter referred to as “City”).

WITNESSETH:

WHEREAS, the City desires to stimulate new construction of multi-family housing in certain designated urban areas in order to reduce development pressure on single-family residential neighborhoods, to increase and improve housing opportunities, and to encourage development densities supportive of transit use, and

WHEREAS, the City is interested in promoting new housing in the Downtown VCCV area of the City of Vancouver, and

WHEREAS, the City has, pursuant to authority granted to it under the Revised Code of Washington (RCW), designated various Residential Target Areas for the provision of limited property tax exemptions for new multi-family residential housing, and

WHEREAS, the City has, as set forth at Chapter 3.22 of the Vancouver Municipal Code (“VMC”), enacted a program whereby property owners may qualify for a Final Certificate of Tax Exemption which certifies to the Clark County Assessor and Treasurer that the Applicant is eligible to receive a limited property tax exemption, and

WHEREAS, the Applicant is interested in receiving a limited property tax exemption for constructing units of new multi-family residential housing within the Downtown VCCV area, which is a Designated Residential Target Area identified in Chapter 3.22 VMC, and

WHEREAS, the Applicant has submitted to the City a complete application for the City’s limited tax exemption program (the “Application”) outlining the proposed development of new multi-family residential housing (“Development”) for an 8 year exemption to be constructed on property located on Block 10 of the West Vancouver Plat more specifically described on Exhibit A attached hereto (“Property”), and

WHEREAS, the City has determined that the improvements to the Property will, if completed as proposed, satisfy the requirements for a Final Certificate of Tax Exemption.

NOW THEREFORE, the City and Applicant mutually agree as follows:

1. The City agrees to issue the Applicant a Conditional Certificate of Acceptance of Tax Exemption.
2. The Applicant agrees to construct on the Property multi-family residential housing as described in the most recent site plans, floor plans, and elevations on file with the City as of the date of City Council approval of this agreement. In no event shall such construction provide fewer than 105 new permanent multi-family residential units.
3. The Applicant commits to renting at least twenty percent of the total multi-family housing to households at 100 percent AMI as defined at RCW 84.14.010, and agrees that the property must satisfy that commitment and any additional affordability and income eligibility conditions contained in Chapter 3.22 VMC for the duration of the tax exemption.
4. The Applicant agrees to complete construction of the agreed upon improvements within three years from the date the City issues the Conditional Certificate of Acceptance of Tax Exemption, or within any extension thereof granted by the City.
5. The Applicant agrees, upon completion of the improvements and upon issuance by the City of a temporary or permanent certificate of occupancy, to file with the City's Director of Community Development ("Director") the following:
 - (a) A statement of expenditures made with respect to each multi-family housing unit and the total expenditures made with respect to the entire property;
 - (b) A description of the completed work and a statement of qualifications for the exemption;
 - (c) A statement that the project meets the affordable housing requirements as described in RCW 84.14.020 including a statement committing to renting or selling at least twenty percent of the multifamily housing units as affordable housing units to low and moderate-income households; and
 - (d) A statement that the work was completed within the required three-year period or any authorized extension.
6. The City agrees, conditioned on the Applicant's successful completion of the improvements in accordance with the terms of this Agreement and on the Applicant's filing of the materials described in Paragraph 5 above, to file a Final Certificate of Tax Exemption with the Clark County Treasurer and Assessor within ten (10) days.

7. The Applicant agrees, within 30 days following the first anniversary of the City's filing of the Final Certificate of Tax Exemption, and each year thereafter for the duration of the exemption, to file a notarized declaration with the Director indicating the following:
 - (a) A statement identifying the total number of occupied and vacant multi-family units receiving a property tax exemption;
 - (b) A certification that the property continues to be in compliance with this Agreement, Chapter 3.22 VMC, and Chapter 84.14 RCW;
 - (c) A description of any improvements or changes to the property constructed after the issuance of the certificate of tax exemption;
 - (d) The total monthly rent for each unit;
 - (e) Documentation of the income of each renter household at the time of initial occupancy; and
 - (f) Documentation showing that twenty percent of the units were rented as affordable housing units to low and moderate-income households as defined at RCW 84.14.010 and VMC 3.22.
8. The applicant agrees to maintain the property including all improvements in compliance with all applicable City codes and requirements.
9. The Applicant agrees to maintain records supporting all information provided to the City and to make those records and the multi-family units available for inspection by the City. Failure to submit the annual declaration identified in Paragraph 7 or to maintain adequate records may result in the tax exemption being canceled.
10. If the Applicant converts to another use any of the new multi-family residential housing units constructed under this Agreement, the Applicant shall notify the Clark County Assessor and Treasurer and the Director within 60 days of such change in use.
11. The Applicant agrees to notify the Director promptly of any transfer of the Applicant's ownership interest in the site or in the improvements made to the site under this Agreement.
12. The City reserves the right to cancel the Final Certificate of Tax Exemption should the Applicant, its successors and assigns, fail to comply with any of the terms and conditions of this Agreement. Cancellation of the Final Certificate of Tax Exemption may subject the Applicant to potential tax liability as further described in RCW 84.14; The Applicant shall have the right to appeal such cancellation pursuant to VMC 3.22.040(N).
13. No modifications of this Agreement shall be made unless mutually agreed upon by the parties in writing.

14. In the event that any term or clause of this Agreement conflicts with applicable law, such conflict shall not affect other terms of this Agreement which can be given effect without the conflicting term or clause, and to this end, the terms of this Agreement are declared to be severable.
15. Applicant agrees that this Agreement is subject to the Vancouver Multi-Family Housing Tax Exemption set forth at Vancouver Municipal Code, Chapter 3.22.

CITY OF VANCOUVER

HOLLAND PARTNER GROUP

Eric Holmes, City Manager

Name/Title

Attest:

Natasha Ramas, City Clerk

Approved as to form:

Jonathan Young, City Attorney

Exhibit A

Legal Description

Tax Lot 48120000

BLOCK 10 OF THE WEST VANCOUVER PLAT RECORDED AT BOOK D, PAG 30 OF PLATS RECORDS OF CLARK COUNTY, WASHINGTON. SW 1/4, S27, T2N, R1E WM

DATE: October 30, 2019

TO: Mayor and City Council

CC: Eric Holmes, City Manager

FROM: Peggy Sheehan, Programs Manager

RE: **Multifamily Tax Exemption Project**

Purpose

Brief Council on a Multifamily Tax Exemption project: - Downtown Block 10

Background

In 2016 the City of Vancouver adopted a multifamily tax exemption program to stimulate new construction of multi-family housing in specifically designated urban areas in order to reduce development pressure on single-family residential neighborhoods, to increase and improve housing opportunities, and encourage development densities supportive of tenant use. To date 31 projects have applied. If all projects develop as proposed this, ordinance will have spurred 2,564 new residential units including 552 affordable income restricted units.

Block 10 is located between Columbia and Washington streets and 8th and 9th streets. The City purchased Block 10 in 1993. Through collaboration with the Vancouver Downtown Association the Heritage Square temporary park was established on the site in 2013. In 2016 the City issued a request for development proposals including a grocery tenant. In May 2019, Vancouver City Council voted to formally close development negotiations to include a grocery store tenant. In October 2019 the City entered into a new agreement with the Holland Partner Group. The agreement with Holland Partner Group is for a long-term ground lease with an option to buy.

Current Proposal

The Holland Partners Group is proposing a five story mixed-use building containing 105-110 residential units (20% of units to be affordable at 100% AMI). The development will include 10,000 square feet of commercial space and 110 structured parking spaces. As of this date, the estimated development cost is \$42.5 million.

The Holland Partners Group is requesting an 8 year exemption where 20% of units are reserved for tenants earning up to 100% area median income. As of April 24, 2019 the HUD median income for the Portland/Vancouver MSA is \$87,900 for a family of four. With a housing cost/income cap of 30% the affordable unit rents should be no more than \$2,198

Unit types will include:

- 17 studio units for \$1,496 mo.
- 78 1 bedroom units for \$1,690 and 1,855 mo.
- 10 2 bedroom units for 2,578 mo.

The City has been provided a financial analysis by an independent consultant. Currently no taxes are collected on the undeveloped site as the City is given an exempt status. The City will retain ownership of the land through a long term lease with the applicant. Following development, taxes would be generated through both property improvements and potential retail sales tax from commercial tenants.

- Over 20 years (allowing development with the exemption) the project is estimated to generate nearly \$4.37 million in taxes benefitting all taxing districts (ports, county, city, etc.)
- \$1.2 million of the taxes specifically generated for the City of Vancouver
- Potentially foregone revenue during the 8 year exemption is estimated at \$772,000 for all taxing districts and \$253,000 specifically for Vancouver.
- Following the 8 year exemption period the project will return to the tax rolls at full value.
- A “no-build” alternative also results in foregone tax revenue scenario as developed site tax revenues, retail tax revenues, and short term affordable residential housing units.

Next Steps

- On November 18, 2019 conduct Public Hearing to consider providing exemption.

Staff Contact

Peggy Sheehan- Programs Manager

360-487-7952

peggy.sheehan@cityofvancouver.us

Attachment(s):

- Resolution
- Agreement



Downtown District amendments - building extensions into the Right-of Way

VANCOUVER
CITY HALL



November 18, 2019

Vancouver City Council Public Hearing
Bryan Snodgrass, Principal Planner, Community
and Economic Development Department

Proposal Background

- VMC 20.630 Downtown District standards were last substantially updated during the most recent update of the Vancouver Central City Vision (VCCV) in 2007, and are anticipated to be reviewed and updated as part of next VCCV update beginning in 2020.
- Existing downtown standards allow horizontal building extensions of up to 15 feet into the right-of-way, up to a vertical building height of 35 feet.
- Proposal to allow 5-foot horizontal extensions for a full multi-story building height emerged from fall 2019 Block 10 Development Agreement negotiations, and was conceptually discussed at a September 9 Council workshop review of Block 10.

Recent Planning Commission Review

- At workshops on September 10, September 24, and October 8 the Planning Commission acknowledged the importance of developing Block 10 but expressed concerns over implications for streetfront function, public safety, and building size if extensions and associated columns were allowed on all building frontages throughout downtown.
- At an October 8 public hearing, the Planning Commission was unable to arrive at a majority recommendation. Motions to allow the 5 foot extensions with added safety monitoring, to allow the extensions but limit them 75% of any one block face and 50% of all four faces of any one building, and not allow the extensions all failed by votes of 2-4, 3-3, and 3-3, respectively.

Recent City Council Review

- At an October 14 workshop, the City Council indicated support for allowing the 5-foot extensions, but only in cases involving a Development Agreement
- Council discussion also included concern about a staff recommendation discussed at the Planning Commission to limit the extension to one side of street only, and affirmed the importance of reviewing zoning and road standards as part of the VCCV update beginning in 2020

Recommendation

- Amend VMC 20.630 to allow horizontal extensions of up to 5 feet into the right-of-way up to 85 feet of building height, but only for projects subject to a Development Agreement
- Eliminate the existing allowance for extensions up to 15 feet into the right-of-way for up to 35 feet of building height
- Prohibit supportive columns in the right-of-way, and eliminate the existing 13-foot *maximum* sidewalk-to-ROW protrusion height requirement, and raise the *minimum* sidewalk-to-ROW protrusion height from 10 to 12 feet.

Questions and Discussion

VANCOUVER
CITY HALL

Bryan Snodgrass, Principal Planner
Community and Economic Development Department
bryan.snodgrass@cityofvancouver.us, 360-487-7946





Staff Report 161-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/18/2019

SUBJECT Proposed changes to VMC 20.630 Downtown District standards governing building extensions into the right-of-way

Key Points

- Downtown development standards under VMC 20.630 have not been substantially updated since adoption of the most recent Vancouver Central City Vision plan in 2007. Existing standards allow for horizontal extensions of up to 15 feet into the right-of-way, but only up to 35 vertical feet of building height.
- As part of fall 2019 negotiations for a Development Agreement for Block 10, the Holland Partner Group indicated construction plans to extend 5 feet into the right-of-way, but for the full height of a multi-story building.

Strategic Plan Alignment

Goal 6: Facilitate the creation of neighborhoods where residents can walk or bike to essential amenities and services - "20-minute neighborhoods."

Goal 8: Strengthen commercial, retail and community districts throughout the city.

Goal 9: Build the strongest, most resilient economy in the region.

Present Situation

At the October 8 Planning Commission public hearing, staff recommended adding an allowance for horizontal extensions of up to 5 feet into the right-of-way for up to 85 feet of building height, and other changes also consistent with the Block 10 proposal. Commissioners acknowledged the importance of efforts to develop Block 10 but expressed varying degrees of concern about the policy implications the proposal could have for building size, street front function and public safety if the proposed extensions and potential use of supportive columns are allowed throughout downtown. Motions to forward the staff recommendation with added requirements for safety monitoring, to forward it with added limits on the extensions to 75% of any one block face and 50%

of all four faces of any one building, and to oppose the staff recommendation as currently formulated without amendments all failed by votes of 2-4, 3-3, and 3-3, respectively. Planning Commission staff report on page 4 and draft minutes on page 9.

The proposed code change is before City Council without a majority position from the Planning Commission. Following discussion at the October 14 City Council worksession, staff recommends adding the allowance for horizontal extensions of 5 feet into the right-of-way up to 85 feet of building height, but only for projects subject to a Development Agreement; eliminating the existing allowance for extensions up to 15 feet into the right-of-way for up to 35 feet of building height; prohibiting supporting columns in the right-of-way; eliminating the existing 10-foot maximum sidewalk-to-extension height requirement, and raising the minimum height to 12 feet; and revisiting all downtown standards in the VCCV update beginning in 2020.

Advantage(s)

Approval of the text changes to the Downtown District standards for cases involving a Development Agreement would allow for short building extensions into the right-of-way on a limited basis until codes are revisited as part of the VCCV update beginning in 2020.

Disadvantage(s)

Approval of the changes to the Downtown District standards could allow development which may become inconsistent with new standards adopted following the VCCV update. However, by requiring a Development Agreement (DA) for such interim projects, City Council will be able to review and consider the benefits and drawbacks of each specific proposal during this interim period by way of the DA review process set forth in Title 20.250 VMC.

Budget Impact

No direct impacts.

Prior Council Review

A City Council workshop on all items was held on October 14, 2019.

First reading of ordinance on November 4, 2019.

Action Requested

On Monday, November 18, 2019, subject to second reading and public hearing, approve ordinance.

Bryan Snodgrass, Principal Planner, 487-7946

ATTACHMENTS:

- ▢ Ordinance

11/04/19
11/18/19

ORDINANCE NO. M_____

AN ORDINANCE relating to downtown standards for horizontal building extensions into the right-of-way, amending Vancouver Municipal Code (VMC) 20.630, Downtown District, providing for severability, and providing for an effective date.

WHEREAS, pursuant to the Growth Management Act the City Council has adopted VMC Title 20 zoning standards (last amended through Ordinance M-4034); and

WHEREAS, City staff annually compile a list of proposed zoning updates; and

WHEREAS, the Vancouver Planning Commission reviewed proposed Downtown District changes related to building extensions into the right-of-way at duly advertised work shop son August 13 and October 8, and a public hearing on October 8, 2019; and

WHEREAS, at the October 8 public hearing City staff recommended amending VMC 20.630 to add an allowance for horizontal extensions of up to 5-feet into the right-of-way for up to 85 feet of building height, eliminating the existing allowance for extensions up to 15 feet into the right-of-way for up to 35 feet of building height; prohibiting supporting columns in the right-of-way; eliminating the existing 10-foot maximum sidewalk-to-extension height requirement, and raising the minimum height to 12 feet; and revisiting all downtown standards in the VCCV update beginning in 2020; and

WHEREAS, at the October 8 public hearing the Planning Commission was unable to arrive at recommendation, and the matter moved to the Vancouver City Council; and

WHEREAS, the City Council conducted a duly advertised public work session on October 14 2019, first reading on November 4, and public hearing on November 18 at which the Council voted to adopt recommendations noted herein; and

WHEREAS, the cumulative environmental impacts of the proposed Comprehensive Plan and zoning changes have been reviewed and determined to be nonsignificant pursuant to the State Environmental Policy Act. A Notice of Determination of Non-significance (DNS) was issued on

ORDINANCE - 1

September 17, 2019 for the proposed zoning text change, and no SEPA comments or appeals were received; and

WHEREAS, the City Council finds and concludes that the proposed changes are consistent with all relevant criteria for Comprehensive Plan and Zoning Plan Map and Text Amendments (VMC 20.285); and

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF VANCOUVER:

Section 1. Findings and Conclusions. The findings and conclusions as set forth in the staff report for the October 8, 2019 public hearing, are hereby adopted as the City Council's findings of fact; and

Section 2. Zoning Code Map Amendments. Vancouver Municipal Code section 20.630 is hereby amended as follows:

VMC 20.630.020:

G. Encroachment into public rights-of-way adjustment. Any building that is subject to a Development Agreement with the City of Vancouver and is located along a street frontage containing a building line may extend into the public right-of-way as follows:

- 1. Minimum clear height over the sidewalk shall be 12' ~~10'~~.*
- 2. ~~Maximum clear height over the sidewalk shall be 13'.~~*
- 3. Maximum overall height of the projection shall be 85' ~~35'~~ above the sidewalk, except for balconies, bay windows and structured parking. Projections may be permitted only for extensions of 5' or less into the right-of-way where any supporting ground level columns are located entirely outside the right-of-way.*
- 4. If along such frontage rain protection is also required, the projection shall be that required in the depth-of-cover and clear height standards of Section 20.630.030(E) VMC.*
- 5. Maximum projection from the property line into the right-of-way shall be 5' ~~15'~~ where no curb exist, or to a point no closer than 2' to the face of an existing curb.*

ORDINANCE - 2

~~6. Supporting structures may be placed within the right of way provided that they meet the standards specified in this Section and as follows:~~

~~a. Vertical supports shall have a maximum horizontal finished dimension of 2'.~~

~~b. Supports shall be 8' or more apart along the street frontage.~~

~~c. Adequate sidewalk clearance as approved by the City Transportation Manager shall be maintained.~~

Section 3. Severability. If any clause, sentence, paragraph, section, or part of this ordinance or the application thereof to any person or circumstances shall be adjudged by any court of competent jurisdiction to be invalid, such order or judgment shall be confined in its operation to the controversy in which it was rendered and shall not affect or invalidate the remainder of any parts thereof to any other person or circumstances and to this end the provisions of each clause, sentence, paragraph, section or part of this law are hereby declared to be severable.

Section 4. Effective Date. This ordinance shall go into effect 30 days after adoption

Section 5. Instruction to City Clerk. The City Clerk shall transmit a copy of the revised development code to the Washington Department of Commerce.

Read First Time:

Ayes: Councilmembers

Nays: Councilmembers

Absent: Councilmembers

Read Second Time:

PASSED BY THE FOLLOWING VOTE:

Ayes: Councilmembers

Nays: Councilmembers

Absent: Councilmembers

ORDINANCE - 3

SIGNED this _____ day of _____, 2019

Anne McEnery Ogle, Mayor

Attest:

Natasha Ramras, City Clerk

Approved as to form:

Jonathan Young, City Attorney

ORDINANCE - 4

SUMMARY

ORDINANCE NO. M_____

AN ORDINANCE relating to Comprehensive Plan and Zoning for the City of Vancouver and Vancouver Municipal Code (VMC) Title 20 relating to downtown standards for horizontal building extensions into the right-of-way, amending Vancouver Municipal Code (VMC) 20.630, Downtown District, providing for severability, and providing for an effective date.

The full text of this ordinance will be mailed upon request. Contact Raelyn McJilton, Records Officer at 487-8711, or via www.cityofvancouver.us (Go to City Government and Public Records).

Self-Storage Temporary Moratorium

VANCOUVER
CITY HALL

CITY OF
Vancouver
WASHINGTON

November 18, 2019

City Council Public Hearing

Bryan Snodgrass, Principal Planner, and
Cayla Cothron, Associate Planner, Community
& Economic Development Department

Presentation Overview

1. Background and Purpose
2. Existing Conditions
3. Stakeholder Outreach and Feedback
4. Planning Commission Direction and Public Comment
5. Proposed Recommendations
6. Next Steps

Process and Timeline

DECEMBER 2018

Adopted a six-month moratorium on development or expansion of self-service storage in commercial and industrial zoning districts citywide

JANUARY 2019

Adopted resolution in support of 2018 ordinance

JUNE 2019

Extended moratorium for an additional six months to expire on December 17

City Council and Planning Commission Review

- City Council Workshop – September 9
- Planning Commission Workshop – September 10
- Planning Commission Workshop – September 24
- Planning Commission Workshop and Public Hearing – October 8

Moratorium Rationale

- Appropriateness of self-storage facilities on commercial corridors raised through 2018 Annual Review and Development Agreement proposals
- Perceived conflicts with adopted goals of the Vancouver Strategic Plan and Comprehensive Plan for:
 - Creation of livable 20-minute neighborhoods
 - Development of commercial districts and corridors
 - Efficient use of employment land
 - Job creation
- Increasing number of self-storage facility applications

Self-Storage Industry Trends

- The traditional market radius for a self-storage facility is **3 miles**
- Facilities support around **1 employee per 20,000 square feet of building area**
- Larger markets are considered saturated at **8 – 10 square feet of rentable storage space per person**

Under Construction & Planned Percent of Existing Inventory

NATIONAL	PORTLAND MSA
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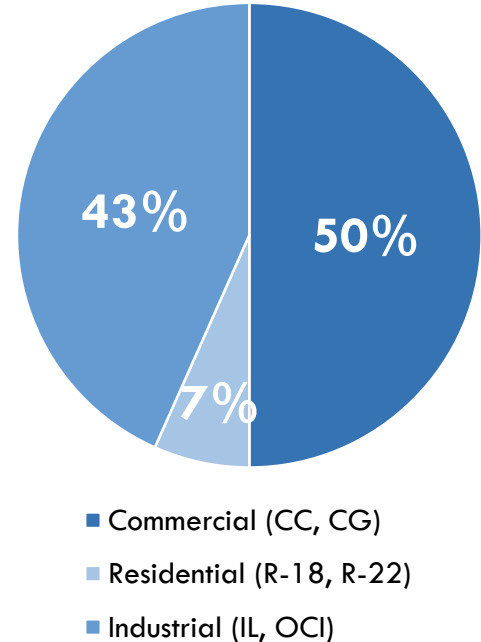
10%	23%
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*Portland MSA is currently exceeding
the definition of a balanced market by
15%*

Self-Storage in Vancouver

There are about **30** self-storage facilities in the City (County Assessor):

- **50%** are located within a commercial zoning district
- Vancouver self-storage facilities account for about 1.4 million square feet of building area, or **8 square feet per resident**



Stakeholder Outreach

MAILINGS

Mailer initiating process

Letter with proposed standards
prior to public hearings

Letter following PC public
hearing with project update and
information about impacts to
existing businesses

EVENT

Open house held
on July 25th, 2019

DIGITAL

Project webpage with
resources and public input
opportunities

Email notifications to list of
interested stakeholders
throughout the process

Early Stakeholder Feedback



Extra Space Storage – Vancouver, WA

- Treat facilities as a commercial use and regulate to fit with the context
- Building multiple stories is more economical due in part to high land prices
- Need accessibility to the customer base to achieve turnover
- Local average occupancy rates are decreasing at peak seasons, which is a trend reflected around the region

Stakeholder Feedback on Proposed Changes

- Ensure existing businesses can continue their current operation under new standards
- Clarify whether existing businesses can expand into adjacent lots if the same property owner
- Site-specific request to allow storage in cargo or shipping containers as a temporary use



Planning Commission Public Hearing

COMMISSION DIRECTION

The Commission unanimously recommended approval of the standards, with a request to clarify the requirement for interior access to storage units.

PUBLIC COMMENT

Two written comments and three public testimonies were provided

PC Public Hearing – Public Comment

- Provide specificity about impacts to existing businesses, including those currently offering outdoor storage.

Response: Staff sent a letter providing clarification about nonconforming use status and the ability for existing businesses to continue current operations.

- Clarify if existing businesses would be permitted to expand into adjacent lots under the same property ownership.

Response: Not permitted under the proposed new standards, but they do provide additional flexibility by allowing expansions or construction of new buildings within boundaries of the current property

PC Public Hearing – Public Comment cont'd

- Site-specific concern about new standards prohibiting temporary storage in cargo or shipping containers

Response: The situation is likely more an issue of temporary uses and outdoor storage rather than of these standards.

- Ensure language prohibiting residential use of storage units would not preclude a manager from living on-site

Response: Because language in the amendments to use classifications specifies tenants, it would not have this impact.

Proposed Recommendations

New Self-Storage Standards

- Approach to Eligible Areas
- General Requirements

Other Code Updates

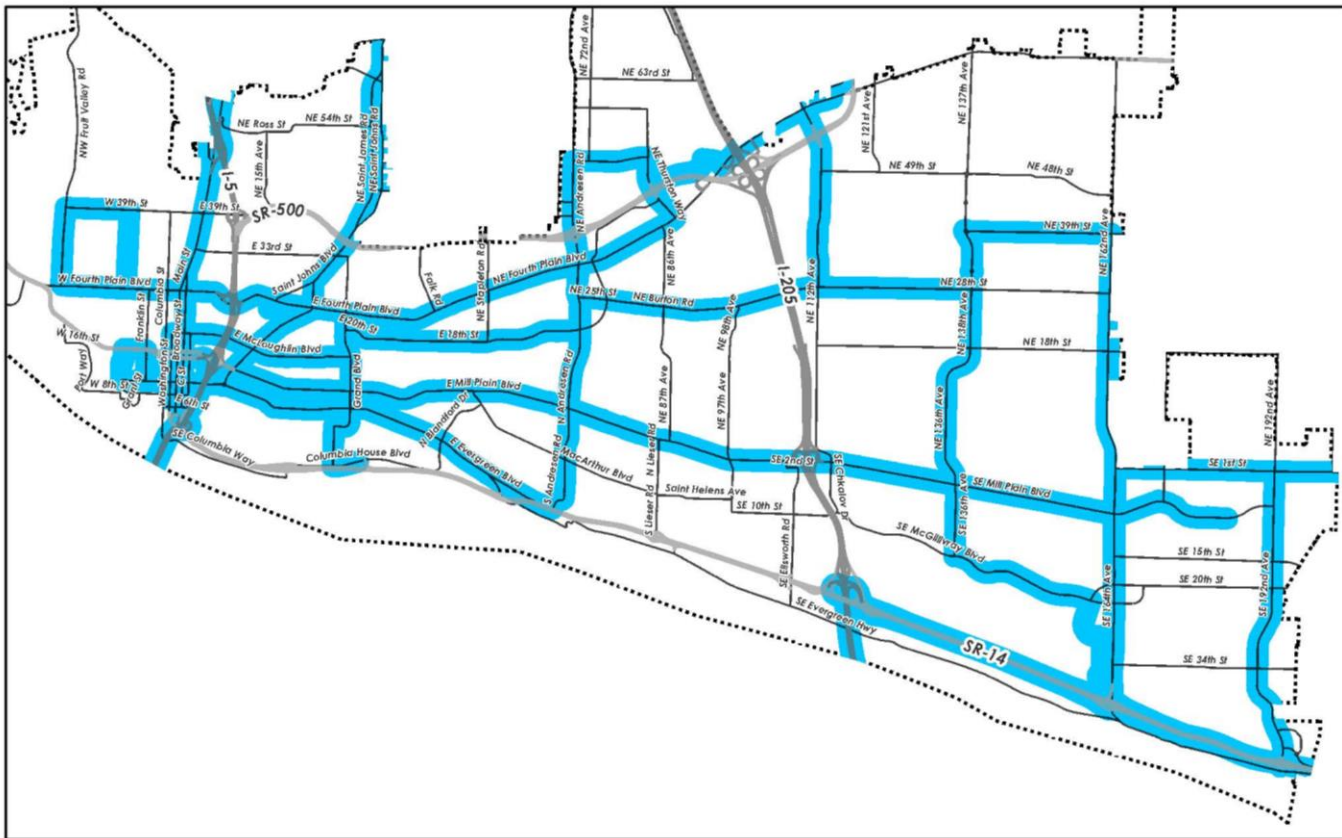
- Use Classifications
- Use Tables



Approach to Eligible Areas

- Allow where currently permitted (Light Industrial, Office Campus Industrial, General and Community Commercial zones), except within 500-feet of major corridors:
 - Bus rapid transit or transit corridors with at least 35-minute headways
 - SE 192nd Avenue and SE 1st Street

Proposed Major Corridors Figure Map



General Requirements

- Permit only within multi-story structures
- Access storage units from the interior of the building or site only
- Prohibit activities not appropriate within storage units
- Prohibit outdoor storage
- Require each floor above the ground floor facing a street to be at least 15% glass
- Require at least 75% of any ground floor building wall facing the street to incorporate interest-creating features
- Allow existing facilities to expand or construct new buildings within the boundaries of the current property

Other Code Updates

Update use classifications. Provide the following additions:

- Specify that self-storage does not include outdoor storage, and specifically include outdoor storage in the warehouse/freight movement use category instead;
- State that the term mini-storage used in the code is meant to mean self-storage.
- Prohibit tenants from using storage units for residential purposes;

Reference new self-storage standards in use tables. Add footnotes to use tables in Commercial and Mixed Use and Industrial Districts.

Return to Council

- Questions
- Public Testimony
- Deliberations
- Decision

Questions

- **Bryan Snodgrass**, Community & Economic Development
bryan.snodgrass@cityofvancouver.us
- **Cayla Cothron**, Community & Economic Development
cayla.cothron@cityofvancouver.us



Staff Report 162-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/18/2019

SUBJECT Proposed New Zoning Standards for Self-Service Storage Facilities

Key Points

- A temporary moratorium on new or expanded storage facilities was adopted in December 2018 in response to recent applications potentially undermining City Strategic and Comprehensive Plan goals for development of vibrant 20-minute neighborhoods, commercial districts and corridors, efficient use of employment land, and job creation.
- Recommended new standards were developed following staff research of industry trends and other regulatory approaches, a stakeholder open house and ongoing outreach, and workshops before the City Council on September 9 and the Planning Commission on September 10, September 24, and October 8. The full staff report for the October 8 Planning Commission public hearing can be reviewed [here](#).
- Self-storage is recommended to continue to be permitted in zoning districts where it is currently allowed but only outside of major corridors and subject to some additional standards.
- The Planning Commission unanimously recommended approval of these standards, with a request to clarify the requirement for interior access to storage units. Two written public comments were received prior to the October 8 public hearing, and testimony was provided by three individuals at the hearing.

Strategic Plan Alignment

Goal 6: Facilitate the creation of neighborhoods where residents can walk or bike to essential amenities and services - "20-minute neighborhoods."

Goal 8: Strengthen commercial, retail and community districts throughout the city.

Goal 9: Build the strongest, most resilient economy in the region.

Goal 9, Objective 9.1: Create infrastructure and policies that support job creation.

Present Situation

Self-storage is recommended to continue to be permitted in zoning districts where it is currently allowed (General Commercial, Community Commercial, Office Campus Industrial, and Light Industrial), but subject to the following:

- Prohibit new storage uses on properties located in whole or part within 500 feet of major corridors as identified in the map.
- Allow existing self-storage businesses to expand or construct new buildings within parcels currently being used for self-storage if they are rendered nonconforming by new code changes.
- Require new self-storage to be two or more stories with interior access to storage units only.
- Prohibit outdoor storage on the property.
- Prohibit activities not appropriate within storage units such as heavy industrial activity, storage of hazardous materials or animals, or conducting garage or estate sales.
- Require each floor above the ground floor facing a street to be at least 15% glass.
- Require at least 75% of any ground floor building wall facing a primary, minor, or collector arterial street to incorporate interest-creating features.
- Update VMC 20.160 Use Classifications to specify that self-storage does not include outdoor storage, and specifically include outdoor storage in the warehouse/freight movement use category instead; prohibit tenants from using storage units for residential purposes; and state that the term mini-storage used in the code is meant to mean self-storage.
- Update use tables in VMC 20.430 Commercial and Mixed Use Districts and 20.440 Industrial Districts to add footnotes that reference the new self-storage standards.

Advantage(s)

The proposal would strengthen commercial districts and the overall economy while facilitating 20-minute neighborhoods, vibrancy along commercial corridors, efficient use of employment land, and encouraging streetfront interest.

Disadvantage(s)

Existing businesses near major corridors would become nonconforming, but could continue to operate with additional allowances to expand or construct new buildings within existing properties.

Budget Impact

No direct impacts.

Prior Council Review

- A City Council workshop on preliminary recommendations was held on September 9, 2019.
- A memorandum dated October 16 was provided to Council in lieu of a second workshop.
- First reading of ordinance on November 4, 2019

Action Requested

On Monday, November 18, 2019, subject to second reading and public hearing, approve ordinance.

Bryan Snodgrass, Principal Planner, 487-7946

ATTACHMENTS:

- ▣ Ordinance
- ▣ October 16 Council memorandum w/ Planning Commission staff report

11/04/19
11/18/19

ORDINANCE NO. M _____

AN ORDINANCE of the City of Vancouver, Washington regarding self-service storage zoning standards; amending Vancouver Municipal Code (“VMC”) VMC 20.895 “Miscellaneous Special Use Standards”, VMC 20.160.020 “Listing of Use Classifications”, VMC 20.430.030 “Uses”, VMC 20.440.030 “Uses”; providing for severability; and establishing an effective date.

WHEREAS, on December 17, 2018, the City adopted Ordinance M-4259 which established a six month moratorium on the acceptance and processing of applications for permits for the development or expansion of self-service storage structures in the in the Community Commercial (CC), General Commercial (GC), Office Commercial Industrial (OCI) and Light Industrial (IL) zoning districts and

WHEREAS, on June 17, 2019, the City adopted Ordinance M-4269 which continued the temporary moratorium established by Ordinance M-4259 for an additional six months upon the acceptance and processing of applications for permits for the development or expansion of self-service storage structures in the Community Commercial (CC), General Commercial (GC), Office Commercial Industrial (OCI) and Light Industrial (IL) zoning districts as defined in Vancouver Municipal Code Title 20; and

WHEREAS, the City Council directed staff to bring forward an ordinance that would lift the temporary moratorium established by Ordinance 4259 and propose zoning standards for self-service storage facilities that are consistent with Strategic Plan and Comprehensive Plan goals and policies for development of 20-minute neighborhoods, vibrant commercial districts and corridors, efficient use of employment land, and job creation, and

WHEREAS, the Vancouver Planning Commission reviewed the proposed zoning

ORDINANCE - 1

standards and amendments at duly advertised work sessions on September 10, September 24, and October 8, 2019, and a duly advertised public hearing on October 8, 2019, and at that hearing, voted to recommend approval of the self-service storage zoning standards and amendments described herein for adoption to the City Council; and

WHEREAS, the City Council conducted a duly advertised public work session on September, 9 2019, a first reading of the proposed ordinance on November 4, and a public hearing on November 18, 2019, following which the Council agrees with the Planning Commission recommendations for approval; and

WHEREAS, the environmental impacts of the proposed self-service storage zoning standards and amendments have been reviewed and determined to be nonsignificant pursuant to the State Environmental Policy Act. Notices of Determinations of Non-significance (DNS) were issued on October 2, 2019 for the proposed self-service storage zoning standards and amendments, and no SEPA comments or appeals were received; and

WHEREAS, the City Council finds and concludes that the proposed self-service storage standards and amendments are consistent with Comprehensive Plan policies EC-6, CD-2, CD-4, CD-6, and CD-8, Strategic Plan goals 6, 8, and 9 including objective 9.1, and the Growth Management Act pursuant to the requirements of Chapter 36.70A. RCW; and

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF VANCOUVER:

Section 1. Findings and Conclusions. The Planning Commission findings and conclusions as set forth in the staff report for the October 8, 2019 public hearing, are hereby adopted as the City Council's findings of fact; and

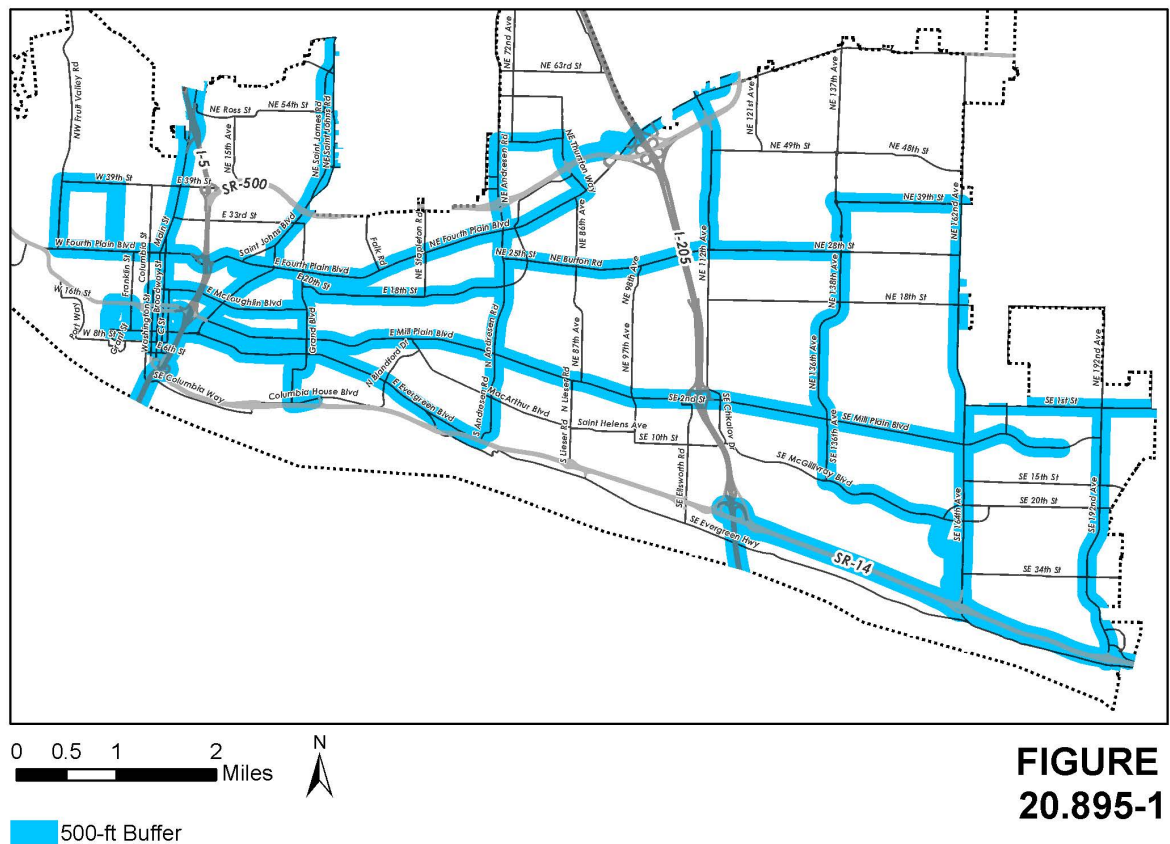
Section 2. Section 20.895 of the Vancouver Municipal Code entitled “Miscellaneous Special Use Standards” is hereby amended to add subsection 20.895.100 Self-Service Storage to read as follows:

20.895.100 Self-Service Storage.

A. Defined. The development standards of this section apply to any facility that falls within the use classification for Self-Service Storage, pursuant to VMC 20.160.020(C)(8).

B. General Requirements.

1. Self-service storage shall be prohibited on properties located in whole or part within 500-feet of major corridors as illustrated in Figure 20.895-1 contained herein. Map on file with department and available for search on individual site-specific parcels.



Major Corridors Prohibiting Self-Service Storage within 500-feet

2. Self-service storage is permitted only within multi-story structures.
3. Self-storage units shall gain access from the interior of the building(s) or site. No unit doors may face the street.
4. Self-storage units shall not be used for:
 - a. Heavy manufacturing, fabrication, or processing of goods, service or repair of vehicles, engines, appliances or other electrical equipment, or any other heavy industrial activity.
 - b. Conducting garage or estate sales. This does not preclude auctions or sales for the disposition of abandoned or unclaimed property.

- c. Storage of flammable, perishable or hazardous materials or the keeping of animals.
5. Each floor above the ground floor of a self-storage facility building that is facing a street shall at a minimum be comprised of 15% glass.
6. At least 75% of the width of any new or reconstructed first-story building wall facing a principal, minor, or collector arterial street shall be devoted to interest-creating features, such as pedestrian entrances, reliefs, murals, landscaping, transparent show or display windows, or windows affording views into retail, office, or lobby space.
7. Outdoor storage is prohibited. All goods and property stored at a self-storage facility shall be stored in an enclosed building. No outdoor storage of boats, RVs, vehicles, or similar, or storage in outdoor storage pods or shipping containers is permitted.
8. Recognition of Existing Facilities. Existing self-service storage businesses are permitted to expand or construct new buildings within parcels being used for self-storage as of the date of adoption of this ordinance. The expansion or new construction shall be consistent with and meet all applicable standards of the zoning district as well as this section.

Section 3. Section 20.160.020 of the Vancouver Municipal Code entitled “List of Use Classifications” as last amended by Ordinances M-4254 and M-4255 on 12/3/2018 is hereby amended to read as follows:

20.160.020 Listing of Use Classifications

C. Commercial use types.

8. Self-Service Storage. Commercial operations that provide rental of storage space to

the public. The storage areas are designed to allow private access by the tenant for storing or removing personal property. These facilities do not include outdoor storage or moving and storage companies where there is no individual storage or where employees are primary movers of the goods to be stored (see subsection (D)(5) of this section, Warehouse/Freight Movement). No tenant may use a self-service storage facility for residential purposes. Self-service storage is synonymous with self-service storage facility and mini-storage.

Section 4. Table 20.430.030-1 entitled “Commercial and Mixed-Use Districts Use Table” within section 20.430.030 of the Vancouver Municipal Code entitled “Uses” as last amended by Ordinances M-4254 and M-4255 on 12/3/2018 is hereby amended to read as follows:

Table 2.430.030-1 Commercial and Mixed-Use Zoning Districts Use Table

USE	CN	CC	CG	CX	WX	CPX ¹	MX ²	RGX ⁴⁴
Self-Service Storage	X	P ^{3, 50}	P ⁵⁰	X	X		X	X

50 Subject to requirements and standards within the Miscellaneous Special Use Standards for Self-Service Storage, pursuant to VMC 20.895.100.

Section 5. Table 20.440.030-1 entitled “Industrial Zoning Districts Use Table” within section 20.440.030 of the Vancouver Municipal Code entitled “Uses” as last amended by Ordinances M-4254 and M-4255 on 12/3/2018 is hereby amended to read as follows:

Table 2.440.030-1 Industrial Zoning Districts Use Table

USE	OCI ²⁰	IL ¹	IH	ECX ²⁷
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Self-Service Storage	P ³⁵	P ³⁵	X	X
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35 Subject to requirements and standards within the Miscellaneous Special Use Standards for Self-Service Storage, pursuant to VMC 20.895.100.

Section 6. Severability. If any clause, sentence, paragraph, section, or part of this ordinance or the application thereof to any person or circumstances shall be adjudged by any court of competent jurisdiction to be invalid, such order or judgment shall be confined in its operation to the controversy in which it was rendered and shall not affect or invalidate the remainder of any parts thereof to any other person or circumstances and to this end the provisions of each clause, sentence, paragraph, section or part of this law are hereby declared to be severable.

Section 7. Effective Date. This ordinance shall go into effect 30 days after adoption.

Section 8. Instruction to City Clerk. The City Clerk shall transmit a copy of the revised development code to the Washington Department of Commerce.

Read First Time:

Ayes: Councilmembers

Nays: Councilmembers

Absent: Council Members

Read Second Time:

PASSED BY THE FOLLOWING VOTE:

Ayes: Councilmembers

Nays: Councilmembers

Absent: Councilmembers

ORDINANCE - 7

SIGNED this _____ day of _____, 2019

Anne McEnery-Ogle, Mayor

Attest:

Natasha Ramras, City Clerk

Approved as to form:

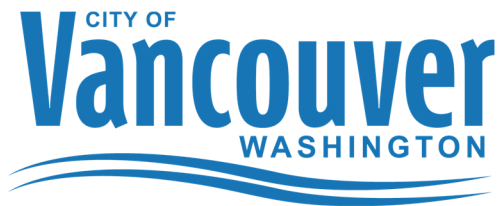
Jonathan Young, City Attorney

SUMMARY

ORDINANCE NO. M _____

AN ORDINANCE of the City of Vancouver, Washington regarding self-service storage zoning standards; amending Vancouver Municipal Code (“VMC”) VMC 20.895 “Miscellaneous Special Use Standards”, VMC 20.160.020 “Listing of Use Classifications”, VMC 20.430.030 “Uses”, VMC 20.440.030 “Uses”; providing for severability; and establishing an effective date.

The full text of this ordinance will be mailed upon request. Contact Raelyn McJilton, Records Officer at 487-8711, or via www.cityofvancouver.us (Go to City Government and Public Records).



MEMORANDUM

DATE: October 16, 2019

TO: Mayor and City Council

FROM: Bryan Snodgrass, Principal Planner, Community and Economic Development Department
Cayla Cothron, Associate Planner, Community and Economic Development Department

RE: Memorandum in lieu of worksession for proposed self-storage standards recommended by the Planning Commission

CC: Eric Holmes, City Manager

New self-storage standards were reviewed and unanimously recommended by the Planning Commission at an October 8 public hearing with limited testimony, following previous Commission and Council workshops. This memorandum is provided in lieu of a workshop to allow advanced Council review prior to the scheduled ordinance first reading on November 4 and public hearing on November 18.

The recommended new standards stem from the temporary moratorium on new or expanded storage facilities first adopted in December 2018 and continued for another six months on June 17th, 2019. The moratorium was adopted in response to recent storage applications potentially undermining City Strategic and Comprehensive Plan goals for development of vibrant 20-minute neighborhoods, commercial districts and corridors, efficient use of employment land, and job creation. The recommended new standards were developed following staff research of the industry and regulatory standards in other jurisdictions, an open house geared towards local storage businesses and other stakeholder outreach, and workshops before the City Council on September 9 and the Planning Commission on September 10, September 24, and October 8. The October 8 Planning Commission public hearing staff report, draft minutes and CVTV recording can be reviewed [here](#), [here](#), and [here](#), respectively.

At the initial September workshops, staff discussed proposed site development standards requiring new facilities to have at least two stories and provide only interior access to storage units. Two options for determining where new storage facilities can locate were considered: a flexible approach in which new facilities could continue to locate on major corridors provided they were designed appropriately; and a more traditional approach in which new facilities were prohibited from major corridors but allowed elsewhere. The second more traditional approach was pursued in the later worksessions because it is likely more predictable for applicants and can be more consistently administered by staff. Existing storage facilities on major corridors could continue to

operate under this approach. Recommended standards are described below, and listed in full in Attachment A.

Proposed New Zoning Standards for Self-Storage Facilities

Self-storage is recommended to continue to be permitted in zoning districts where it is currently allowed (General Commercial, Community Commercial, Office Campus Industrial, and Light Industrial), but only outside of major corridors and subject to some additional standards:

- Prohibit new storage uses on properties located in whole or part within 500 feet of major corridors as identified in the [map](#). This is intended to focus new storage facilities away from citywide areas intended for more active uses and intensive employment activities. Staff had previously considered defining these areas to include a 1,000-foot corridor buffer and major subareas; however, upon further analysis this was found to leave too few remaining areas where new storage facilities could locate and eliminated some areas that may be appropriate for self-storage, such as areas where a facility could provide a buffer between commercial and residential uses on parcels that are zoned commercial but do not directly abut commercial corridors. In addition, current zoning in most subareas already prohibits new storage uses. Recommended major corridors as illustrated in the map (to be properly formatted and embedded into the code section) are the 35-minute headway transit corridors used in 2018 code changes related to affordable housing, with SE 192nd Avenue and SE 1st Street added following Planning Commission workshop discussion.
- Allow existing self-storage businesses to expand or construct new buildings within the boundaries of current properties if they are rendered nonconforming by new code changes. This is intended to recognize that the estimated 30 existing storage businesses citywide provide ample capacity to meet current demand, but should be afforded flexibility to expand or modify storage buildings as needed to meet the new standard or changing market demand. A map of the existing storage facilities can be viewed [here](#).
- Require new self-storage to be two or more stories with interior access to storage units only. This is intended to facilitate more efficient use of limited land supplies, and reflect apparent industry trends.
- Prohibit outdoor storage on the property.
- Prohibit activities not appropriate within storage units such as heavy industrial activity, storage of hazardous materials or animals, or conducting garage or estate sales. These are intended to ensure greater compatibility with surrounding properties, and enhance safety.
- Require each floor above the ground floor facing a street to be at least 15% glass.
- Require at least 75% of any ground floor building wall facing a primary, minor, or collector arterial street to incorporate interest-creating features. These are intended to address concerns raised during the process, and reflect emerging industry trends in urban settings. The 15% upper floor glass requirement is informed by similar requirements established in Shoreline, Washington, addressed [here](#). The 75% ground floor interest gathering requirement is Vancouver's standard requirement to avoid blank walls downtown and elsewhere.

Other Code Updates

- Update VMC 20.160 Use Classifications to specify that self-storage does not include outdoor storage, and specifically include outdoor storage in the warehouse/freight movement use category instead; prohibit tenants from using storage units for residential purposes; and state that the term mini-storage used in the code is meant to mean self-storage.

- Update use tables in VMC 20.430 Commercial and Mixed Use Districts and 20.440 Industrial Districts to add footnotes that reference the new self-storage standards.

The Planning Commission unanimously recommended approval of these standards, with a request to clarify the requirement for interior access to storage units which is reflected in Attachment A of this memo. Two written public comments were received prior to the hearing, found [here](#) and [here](#). At the hearing, testimony was provided by three individuals:

- Valerie Uskoski testified on behalf of a property owner in general agreement with the new standards, but expressed concerns about the new standards prohibiting the use a less than half-acre site for temporary self-storage in cargo or shipping containers. She requested an exception for an interim use of self-storage on parcels less than a half-acre.
- Richard Meade, owner of U-Lock-It storage, testified to voice concerns about his business being permitted to continue current operation under the new standards, and requested staff provide specificity in the language to clarify how existing businesses will be affected.
- Richard Keller, owner of Pearson and Anderson storage businesses, testified requesting clarification on whether he would be able to expand into adjacent lots under the same property ownership, whether his existing business is within the 500-foot buffer around major corridors, and if the addition to the use classifications prohibiting the use of storage units for residential purposes would preclude a manager from living on-site.

In response to the public comments and testimony provided, staff posted the detailed [map](#) of the 500-foot buffer for major corridors and other resources on the [project webpage](#); distributed an email notification and letter to existing businesses and property owners about the availability of these resources; and provided clarification about nonconforming use status and the ability for existing businesses to continue current operations in this correspondence. Staff also confirmed that because the language in the use classifications prohibiting tenant use of storage units for residential purposes specifies tenants, it would not prohibit a manager from living on-site where this is currently allowed in Community Commercial. For the site-specific request to allow self-storage in cargo or shipping containers as an interim use on properties less than a half-acre in size, staff responded that the situation is likely more an issue of temporary uses and outdoor storage rather than of these standards.

Commission deliberation focused on allowances for existing storage facilities on major corridors which would be rendered nonconforming by the new standards. Commissioners Harroun and Blaufus asked whether existing corridor storage businesses located on adjacent parcels under separate LLC ownerships would be recognized and able to continue, and whether expansions would be allowed on adjoining properties currently owned by the storage businesses but not being used. Staff responded that existing businesses would be recognized regardless of underlying parcel ownership patterns, and would similarly not be allowed to expand into adjacent properties unless those properties were being used for storage at the time of ordinance adoption.

Attachments

A. Specific Language for Proposed New Standards and Code Updates

ATTACHMENT A – PROPOSED NEW STANDARDS AND CODE UPDATES

New Chapter 20.895 Miscellaneous Special Use Standards

20.895.100 Self-Service Storage.

A. Defined. The development standards of this section apply to any facility that falls within the use classification for Self-Service Storage, pursuant to VMC 20.160.020(C)(8).

B. General Requirements.

1. Self-service storage shall be prohibited on properties located in whole or part within 500-feet of major corridors as illustrated in Figure 20.895-1 contained herein. Map on file with department and available for search on individual site-specific parcels.

[Insert Figure Map]

2. Self-service storage is permitted only within multi-story structures.

3. Self-storage units shall gain access from the interior of the building(s) or site. No unit doors may face the street.

4. Self-storage units shall not be used for:

a. Heavy manufacturing, fabrication, or processing of goods, service or repair of vehicles, engines, appliances or other electrical equipment, or any other heavy industrial activity.

b. Conducting garage or estate sales. This does not preclude auctions or sales for the disposition of abandoned or unclaimed property.

c. Storage of flammable, perishable or hazardous materials or the keeping of animals.

5. Each floor above the ground floor of a self-storage facility building that is facing a street shall at a minimum be comprised of 15% glass.

6. At least 75% of the width of any new or reconstructed first-story building wall facing a principal, minor, or collector arterial street shall be devoted to interest-creating features, such as pedestrian entrances, reliefs, murals, landscaping, transparent show or display windows, or windows affording views into retail, office, or lobby space.

7. Outdoor storage is prohibited. All goods and property stored at a self-storage facility shall be stored in an enclosed building. No outdoor storage of boats, RVs, vehicles, or similar, or storage in outdoor storage pods or shipping containers is permitted.

8. Recognition of Existing Facilities. Existing self-service storage businesses are permitted to expand or construct new buildings within parcels being used for self-storage as of the date of adoption of this ordinance. The expansion shall be consistent with and meet all applicable standards of the zoning district as well as this section.

Amended Chapter 20.160 Use Classifications

20.160.020 Listing of Use Classifications

8. Self-Service Storage. Commercial operations that provide rental of storage space to the public. The storage areas are designed to allow private access by the tenant for storing or removing personal property. These facilities do not include outdoor storage or moving and storage companies where there is no individual storage or where employees are primary

movers of the goods to be stored (see subsection [\(D\)\(5\)](#) of this section, Warehouse/Freight Movement). No tenant may use a self-service storage facility for residential purposes. Self-service storage is synonymous with self-service storage facility and mini-storage.

D. Industrial use types.

5. Warehouse/Freight Movement. Uses involved in the storage and movement of large quantities of materials or products indoors and/or outdoors; associated with significant truck and/or rail traffic. Examples include free-standing warehouses associated with retail furniture or appliance outlets; household moving, outdoor storage, and general freight storage; food banks; cold storage plants/frozen food lockers; weapon and ammunition storage; major wholesale distribution centers; truck, marine and air freight terminals and dispatch centers; bus barns; grain terminals; and stockpiling of sand, gravel, bark dust or other aggregate and landscaping materials.

Amended Chapter 20.430 Commercial and Mixed Use Districts

Table 20.430.030-1. Commercial and Mixed-Use Districts Use Table

USE	CN	CC	CG	CX	WX	CPX ¹	MX ²	RGX ⁴⁴
Self-Service Storage	X	<i>p</i> ³ , <u>50</u>	<i>p</i> <u>50</u>	X	X		X	X

50 Subject to requirements and standards within the Miscellaneous Special Use Standards for Self-Service Storage, pursuant to VMC 20.895.100.

Amended Chapter 20.440 Industrial Districts

Table 20.440.030-1. Industrial Zoning Districts Use Table

USE	OCI ²⁰	IL ¹	IH	ECX ²⁷
Self-Service Storage	<i>p</i> <u>35</u>	<i>p</i> <u>35</u>	X	X

35 Subject to requirements and standards within the Miscellaneous Special Use Standards for Self-Service Storage, pursuant to VMC 20.895.100.



Staff Report 156-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/18/2019

SUBJECT Property Tax Levy for 2020

Key Points

- Property taxes make up the largest, single revenue source available to support essential City services.
- State law allows the City to annually increase the property tax levy by no more than 1% or the rate of inflation calculated by the Implicit Price Deflator (IPD), whichever amount is less, for both the City's General Fund property tax levy and for the Affordable Housing property tax levy.
- The IPD rate for 2020 levy calculations is 1.396 percent.
- Approval of a 1.0 percent increase would increase a city resident's property tax bill for the City portion of taxes by \$4.88 per year for a home with an assessed valuation of \$324,825 assuming a 6.5% increase in assessed value of the property.
- The 2019-2020 budget forecasted that 2020 property taxes would increase by 1% or about \$500,218 for the General Fund.

Strategic Plan Alignment

N/A

Present Situation

On November 6, 2001, Washington voters approved Initiative 747 (I-747), which limits the allowable increase in the property tax levy to 1.0%, or the rate of inflation, whichever is less. The intent of the Initiative was reaffirmed by the Legislature in November 2007. The measure of inflation used under this law is the Implicit Price Deflator (IPD). The IPD inflation rate for 2020 levy calculations is 1.396%.

Staff recommends that City Council approve a 1.0% increase in the property tax levy. Because the inflation rate is higher than the 1.0% limit, the 1.0% increase is the maximum increase allowed. Based on last year's General Fund levy of \$50,021,773.90, the increase will be \$500,217.74. Authorization of this increase requires a simple majority vote of City Council.

Staff estimates that the City's general fund property tax levy rate in 2020 will range between \$1.95 per \$1,000 of assessed value to \$2.05 per \$1,000 of assessed value, compared to the actual 2019 general fund property tax levy rate of \$2.114 per \$1,000. The decrease in the property tax levy rate is attributed to assessed values in the City increasing by approximately 6.5% compared to the prior year. Because of the limit on property tax increases, as discussed above, the property tax levy rate declines as assessed value increases. The statutory cap for the City's levy rate is \$3.325 per \$1,000 of assessed value.

Example calculation of City Property Tax:

Assessed Value 2019 \$305,000	Levy Rate 2019 \$2.114 (per \$1,000 assessed value; General Fund Levy only)	2019 City Property Tax = \$644.77
Assessed Value 2020 \$324,825 (assumes assessed value increases 6.5%)	Estimated Levy Rate 2020 \$2.00 (per \$1,000 assessed value; General Fund Levy only)	2020 City Property Tax (hypothetical) = \$649.65
AV increases 6.5%	Levy Rate declines	Annual tax increase \$4.88 for this example taxpayer*

**If the assessed value of the resident's property as a percentage increased by less than 6.5%, the resident's annual taxes would be equal to or slightly less than the taxes paid to the City in 2019. If the assessed value of the resident's property increased by more than 6.5% from the previous year, the increase in the annual taxes would be slightly higher.*

Some citizens may qualify for tax relief, or qualify for a deferral program. To find out more information about this, residents should contact the Clark County Assessor's Office at 564-397-2391 or visit their website at <http://www.clark.wa.gov/assessor/taxrelief/index.html>.

In addition to the base levy, the City collects new property tax revenue based on the value of new construction added to the assessment rolls during the prior year. The revenue to the City is calculated using the assessed value of new construction multiplied by the prior year's levy rate. The value of new construction is still being finalized by the County Assessor's Office and includes the value of utility new construction provided to the County Assessor by the State. The most recent estimate from the County Assessor's Office indicates more than \$378 million of new construction, which translates into \$800,000 of additional City property tax revenue, which is slightly more than the \$718,400 received for new construction values for 2019 taxes. The City's ordinance states the percentage and dollar amount increase in the City's base property tax levy as required by RCW 84.55.120. The County Assessor will determine the levy amount for new construction based on their final calculations.

Advantage(s)

Continued funding will be available from the City's primary revenue source to pay the cost of essential City services.

Disadvantage(s)

The 1.0% increase would increase a city resident's property tax bill for the General Fund City portion of taxes by \$4.88 per year for a home with an assessed valuation of \$324,825 assuming the taxpayer's assessed value increased by 6.5%.

Budget Impact

There will be no impact on budget for the ongoing annual property tax collections; the budget forecasted a 1% increase for the General Fund.

Prior Council Review

October 15, 2018 – Workshop: 2019-2020 City Manager's Recommended Operating Budget

November 4, 2019 - First reading of ordinance

Action Requested

On Monday, November 18, 2019, subject to second reading and public hearing, approve ordinance.

Carrie Lewellen, City Treasurer, 487-8482

ATTACHMENTS:

- ▣ Ordinance

11/04/19
11/18/19

ORDINANCE NO. _____
(RCW 84.55.120)

AN ORDINANCE relating to the annual property tax levy; authorizing an increase of 1.0% in the City's regular levy from the amount levied the previous year; and providing for an effective date.

WHEREAS, the City Council of the City of Vancouver has met and considered its budget for the calendar years 2019/2020; and,

WHEREAS, the City of Vancouver's actual levy amount for the General Fund from 2019 was \$50,021,773.90; and,

WHEREAS, the Implicit Price Deflator (IPD) rate released on August 29, 2019 is 1.396%, which is more than 1.0%. HB 2416 approved by the Washington State Legislature in 2007, limits the allowable increase to 1.0% or the IPD rate, whichever is lower; and

WHEREAS, the population of the City of Vancouver is more than 10,000.

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF VANCOUVER:

Section 1. That an increase in the regular general fund property tax levy is hereby authorized for the 2019 levy in the amount of \$500,217.74, which is a percentage increase of 1.0% from the previous year. This increase is exclusive of additional revenue resulting from

new construction, improvements to property, any increase in the value of state-assessed property, any annexations that have occurred and refunds made.

Section 2. That the City Clerk is directed to transmit and file a certified copy of this ordinance with the Board of Clark County Commissioners and the Clark County Assessor following approval by City Council.

Section 3. That this ordinance shall go into effect five days after adoption.

Read first time:

Ayes: Councilmembers

Nays: Councilmembers

Absent: Councilmembers

Read second time:

PASSED by the following vote:

Ayes: Councilmembers

Nays: Councilmembers

Absent: Councilmembers

SIGNED this _____ day of _____, 2019.

Anne McEnery-Ogle, Mayor

Attest:

Approved as to form:

Natasha Ramras, City Clerk

Jonathan Young, City Attorney

SUMMARY

ORDINANCE NO. _____

AN ORDINANCE relating to the annual property tax levy; authorizing an increase of 1.0% in the City's regular general fund levy from the amount levied the previous year; and providing for an effective date.

The full text of this ordinance will be mailed upon request. Contact Raelyn McJilton, Records Officer at 487-8711, or via www.cityofvancouver.us (Go to City Government and Public Records).



Staff Report 157-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/18/2019

SUBJECT Property Tax Affordable Housing Levy for 2020

Key Points

- The Affordable Housing Fund is funded by a \$6 million annual property tax levy.
- Proposition 1, which was approved by the citizens of Vancouver in November 2016, authorized a \$6,000,000 annual property tax levy for 7 years, beginning in 2017. By authorizing a 0.0 percent increase, the \$6,000,000 levy will remain as is. Information provided by the Washington State Department of Revenue states that the dollar amount stated in the ballot title is a limiting amount, and the highest lawful levy amount is \$6,000,000.
- Approval of a 0.0 percent increase would result in a City resident's property tax related to the Affordable Housing Levy remaining the same for 2019 unless the property's assessed value has increased. Taxes are calculated as follows: Assessed value times Levy Rate divided by 1,000.

Strategic Plan Alignment

Goal 3, Objective 3.2: Improve services available to underserved or vulnerable residents.

Present Situation

Proposition 1 was approved by the citizens of Vancouver in November 2016, and authorized a \$6,000,000 annual property tax levy for 7 years, beginning in 2017. Information provided by the Washington State Department of Revenue states that the dollar amount stated in the ballot title is a limiting amount, and the highest lawful levy amount is \$6,000,000.

Staff recommends that City Council approve a 0.0% increase in the property tax levy for the Affordable Housing Levy. Based on last year's Affordable Housing Fund levy of \$6,000,000, the increase will be \$0.00. Authorization of this requires a simple majority vote of City Council.

Staff estimates that the City's Affordable Housing Fund property tax levy rate in 2020 will range between \$0.23 per \$1,000 of assessed value to \$0.245 per \$1,000 of assessed value, compared

to the actual 2019 affordable housing fund property tax levy rate of \$0.254 per \$1,000. The decrease in the property tax levy rate is attributed to assessed values in the City increasing by approximately 6.5% compared to the prior year. Because of the limit on property tax increases, as discussed above, the property tax levy rate declines as assessed value increases. The statutory cap for the City's levy rate is \$3.325 per \$1,000 of assessed value.

Example calculation of City Property Tax:

Assessed Value 2019 \$305,000	Levy Rate 2019 \$0.25360337 (per \$1,000 assessed value; Affordable Housing Levy only)	2019 City Property Tax = \$77.35
Assessed Value 2020 \$324,825 (assumes assessed value increases 6.5%)	Estimated Levy Rate 2020 \$0.23813 (per \$1,000 assessed value; Affordable Housing Levy only)	2020 City Property Tax (hypothetical) = \$77.35
AV increases 6.5%	Levy Rate declines	Annual tax increase \$0.00 for this example taxpayer*

**If the assessed value of the resident's property as a percentage increased by less than 6.5%, the resident's annual taxes would be equal to or slightly less than the taxes paid to the City in 2019. If the assessed value of the resident's property increased by more than 6.5% from the previous year, the increase in the annual taxes would be slightly higher.*

Some citizens may qualify for tax relief, or qualify for a deferral program. To find out more information about this, residents should contact the Clark County Assessor's Office at 564-397-2391 or visit their website at <http://www.clark.wa.gov/assessor/taxrelief/index.html>.

Advantage(s)

Continued funding will be available to pay the costs authorized in the Affordable Housing Fund. The 0.0% increase would result in no increase in a city resident's property tax bill for the Affordable Housing Fund City portion of taxes for a home with an assessed valuation of \$324,825 assuming the taxpayer's assessed value increased by 6.5% assuming a levy rate of \$0.23813.

Disadvantage(s)

None

Budget Impact

There will be no impact on budget for the ongoing annual property tax collections for the Affordable Housing Fund.

Prior Council Review

October 15, 2018 – Workshop: 2019-2020 City Manager's Recommended Operating Budget

November 4, 2019 - First reading of ordinance

Action Requested

On Monday, November 18, 2019, subject to second reading and public hearing, approve the ordinance.

Carrie Lewellen, City Treasurer, 487-8482

ATTACHMENTS:

- ▢ Ordinance

11/04/19
11/18/19

ORDINANCE NO. _____

AN ORDINANCE relating to the annual property tax levy; authorizing an increase of 0.0% in the City's Affordable Housing Fund levy from the amount levied the previous year; and providing for an effective date.

WHEREAS, the City Council of the City of Vancouver, pursuant to RCW 84.55.120, held a public hearing and considered its budget for the calendar years 2020; and

WHEREAS, the City of Vancouver's actual levy amount for the Affordable Housing Fund Levy from 2019 was \$6,000,000; and

WHEREAS, the ballot title of Proposition 1 approved by Vancouver citizens in November 2016 limits the Affordable Housing Levy amount to \$6,000,000 annually for seven (7) years beginning in 2017; and

WHEREAS, the population of the City of Vancouver is more than 10,000.

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF VANCOUVER:

Section 1. That an increase in the regular affordable housing fund property tax levy is hereby authorized for the 2020 levy in the amount of \$0.00, which is a percentage increase of 0.0% from the previous year.

Section 2. That the City Clerk is directed to transmit and file a certified copy of this

ordinance with the Board of Clark County Commissioners and the Clark County Assessor following approval by City Council.

Section 3. That this ordinance shall go into effect five days after adoption.

Read first time:

Ayes: Councilmembers

Nays: Councilmembers

Absent: Councilmembers

Read second time:

PASSED by the following vote:

Ayes: Councilmembers

Nays: Councilmembers

Absent: Councilmembers

SIGNED this _____ day of _____, 2019.

Anne McEnery-Ogle, Mayor

Attest:

Approved as to form:

Natasha Ramras, City Clerk

Jonathan Young, City Attorney

SUMMARY

ORDINANCE NO. _____

AN ORDINANCE relating to the annual affordable housing property tax levy; authorizing an increase of 0.0% in the City's affordable housing fund levy from the amount levied the previous year; and providing for an effective date.

The full text of this ordinance will be mailed upon request. Contact Raelyn McJilton, Records Officer at 487-8711, or via www.cityofvancouver.us (Go to City Government and Public Records).



Staff Report 158-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/18/2019

SUBJECT Ad Valorem Taxes for 2020

Key Points

- Approving ad valorem taxes authorizes the County Assessor to levy real and personal property taxes.
- City staff has estimated the City should approve ad valorem taxes for 2020 in the amount of \$58 million in order to fund the 2019-20 biennial budget. Of this, \$52 million is for general fund purposes, and \$6 million is for the affordable housing fund.

Strategic Plan Alignment

N/A

Present Situation

Pursuant to RCW 35.33.135, Council must approve an ordinance to fix and authorize the Clark County Assessor's Office to levy ad valorem taxes necessary to fund the City of Vancouver's 2019-2020 Biennial Budget.

An ad valorem tax (Latin for "according to value") is defined as a tax based on the value of real estate or personal property. An ad valorem tax is typically imposed at the time of a transaction(s) (a sales tax or value-added tax (VAT)), but it may be imposed on an annual basis (real or personal property tax) or in connection with another significant event (i.e. inheritance tax).

Staff currently estimates the 2020 real and personal property tax levy as \$58 million, which includes a preliminary estimate of \$800,100 in property tax revenue from new construction. The estimate of property tax from new construction will be updated based on the final new construction valuation provided by the Assessor's Office. The estimate of property tax revenue does not include the change in value of state-assessed utility property. Both of these amounts will not be final until December 2019.

City staff recommends that Council approve ad valorem taxes in the amount of \$58 million, which

is needed to fund the City's 2019-2020 biennial budget. Of the total, \$52 million is for general fund purposes, and \$6 million is for the affordable housing fund. Approving ad valorem taxes of \$58 million allows the County Assessor's Office to levy real and personal property taxes to the full extent allowed under Washington State law. Staff anticipates that the final certified levy will be between \$57.5 million and \$57.9 million in 2020. If Council authorizes the ad valorem tax amount too low, the County Assessor's Office will only be allowed to levy up to the amount authorized by Council.

Staff recommends that City Council approve ad valorem taxes in the amount of \$58 million for the 2020 real and personal property tax levy within the city limits of Vancouver. This estimated revenue source is necessary to fund the 2019-2020 Biennial Budget for the City of Vancouver.

Advantage(s)

Ad valorem taxes provide continued funding from the City's primary revenue source, which is necessary to fund the 2019-2020 Biennial Budget.

Disadvantage(s)

Ad valorem taxes increase; however, the increase is small and the specific impact on a property owner is dependent on the change in their assessed value.

Budget Impact

The amount of the ad valorem tax ordinance is included in the 2019-2020 Biennial Budget.

Prior Council Review

October 15, 2018 - Workshop: 2019-2020 City Manager's Recommended Operating Budget

November 4, 2019 - First reading of ordinance

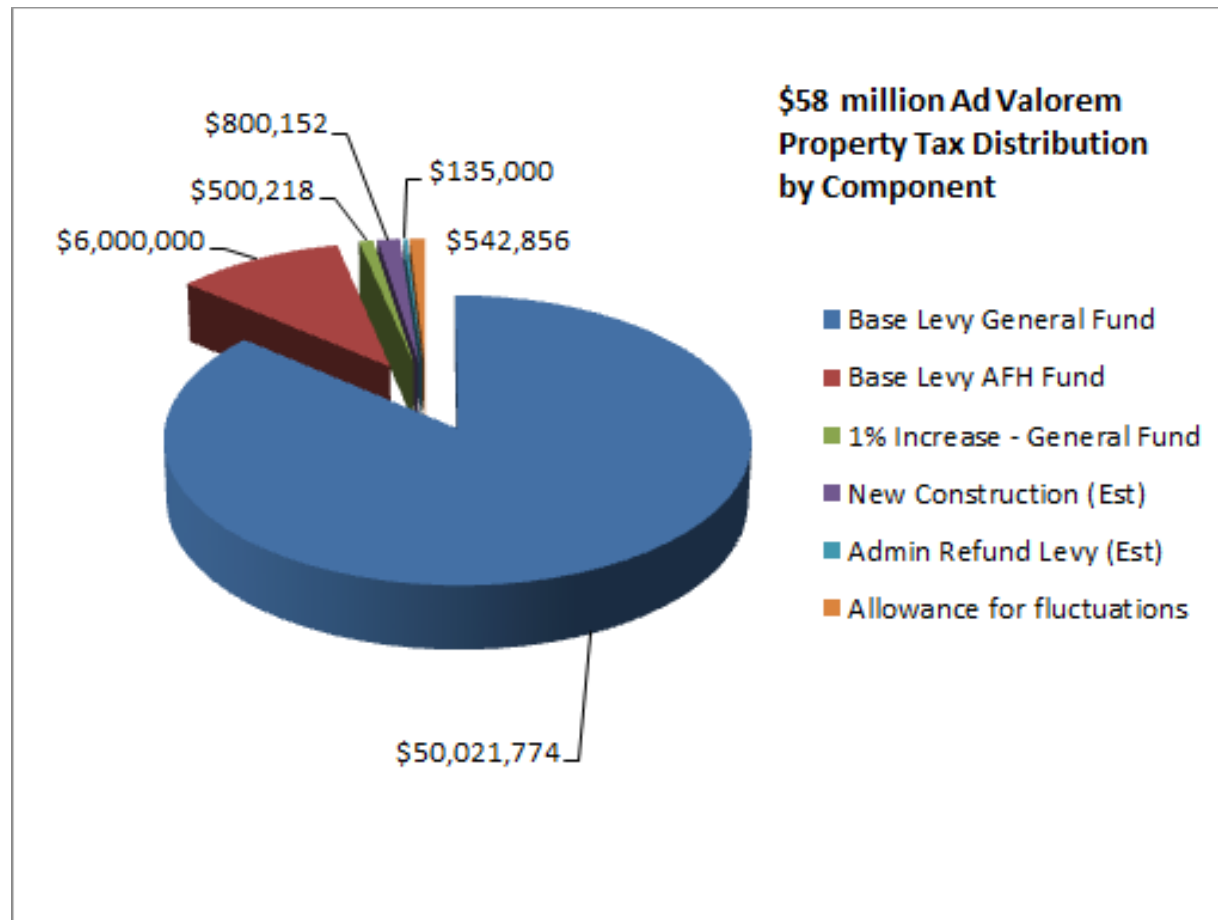
Action Requested

On Monday, November 18, 2019, subject to second reading and public hearing, approve ordinance.

Carrie Lewellen, City Treasurer, 487-8482

ATTACHMENTS:

- ▣ Ad Valorem Property Tax Distribution by Component
- ▣ Ordinance



11/04/2019
11/18/2019

ORDINANCE NO. _____

AN ORDINANCE fixing and levying the amount of ad valorem taxes necessary to balance estimated revenue with estimated expenditures for the 2019/2020 Budget for the City of Vancouver; providing for an effective date.

WHEREAS, the City Council finds that the total net amount of \$58,000,000 in revenue must be raised by ad valorem taxes on real and personal property within the corporate limits of the City of Vancouver to balance estimated revenues and expenditures for the 2019/2020 budget for the City of Vancouver.

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF VANCOUVER:

Section 1. There is hereby fixed to be raised by general property taxes upon real and personal property within the City of Vancouver the amount of \$58,000,000, for the following purposes:

Amount of tax levy for	
General Government Purposes	\$52,000,000
Affordable Housing Levy	<u>\$ 6,000,000</u>
Total Levy Amount	\$58,000,000

ORDINANCE - 1

Section 2. The City Clerk is directed to transmit and file a certified copy of this ordinance with the Board of Clark County Commissioners and the Clark County Assessor following approval by City Council.

Section 3. This ordinance shall take effect five days after adoption.

Read first time:

Ayes: Councilmembers

Nays: Councilmembers

Absent: Councilmembers

Read second time:

PASSED by the following vote:

Ayes: Councilmembers

Nays: Councilmembers

Absent: Councilmembers

SIGNED this _____ day of _____, 2019.

Anne McEnery-Ogle, Mayor

Attest:

Approved as to form:

Natasha Ramras, City Clerk

Jonathan Young, City Attorney

ORDINANCE - 2

SUMMARY

ORDINANCE NO. _____

AN ORDINANCE fixing and levying the amount of ad valorem taxes necessary to balance estimated revenue with estimated expenditures for the 2019/2020 Budget for the City of Vancouver; providing for an effective date five days after adoption.

The full text of this ordinance will be mailed upon request. Contact Raelyn McJilton, Records Officer at 487-8711, or via www.cityofvancouver.us (Go to City Government and Public Records).

ORDINANCE - 3



Staff Report 159-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/18/2019

SUBJECT Approval of Ordinance Imposing Sales Tax Credit for Affordable Housing

Key Points

- In the 2019 legislative session, the legislature passed SHB 1406 which authorizes cities and counties to impose a .0146 percent sale tax for affordable housing.
- The law requires the city to adopt a Notice of Intent to impose the sales tax prior to January 28, 2020, and an ordinance imposing the tax by July 28, 2020.
- The sales tax is credited against the state share of the sales tax and does not result in any additional sales tax being imposed against the consumer.
- In July of 2019, the Vancouver City Council passed a Resolution of Intent to Impose the Sales Tax Credit for Affordable Housing.

Strategic Plan Alignment

Goal 6, Objective 6.2.1: Implementation of the Affordable Housing Task Force recommendations.

Present Situation

SHB 1406 provides authority for cities and counties to impose a sales tax of .0146 percent that is credited against the state's share of the sales tax. The revenue can be used for the acquisition, construction or rehabilitation of affordable housing or facilities providing supportive housing, and for the operations and maintenance costs of affordable or supportive housing. Because it is credited against the state's share of the sales tax, the imposition of this tax will not result in any increase in the sales tax the consumer pays. On July 8, 2019, the City adopted a notice of intent to impose the sales tax. The current action adopts an ordinance imposing the sales tax.

Currently, work is underway to develop a comprehensive strategy to address the homelessness issues and affordable housing using the resources available to the City. Those resources include the CDBG grant, the Affordable Housing Fund and the revenue resulting from the adoption of this ordinance. The budget action authorizing expenditure of funds generated as a result of approving

this ordinance will come before Council for approval in the future budget supplemental appropriation.

Advantage(s)

Provides additional funding for affordable housing initiatives.

Disadvantage(s)

None

Budget Impact

It is estimated that this sales tax will generate approximately \$600,000 per year in revenue.

The budget action to appropriate the new revenue will come forward as part of the next supplemental appropriation.

Prior Council Review

- July 8, 2019 – A workshop was held to review the sales tax credit and identify next steps
- July 8, 2019 – a Resolution of Intent was adopted to indicate the City's desire to implement the tax.

Action Requested

On Monday, November 18, 2019, subject to second reading and public hearing, approve ordinance.

Natasha Ramras, Chief Financial Officer, 487-8484

ATTACHMENTS:

- ▢ Ordinance

11/04/19
11/18/19

ORDINANCE NO. M-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF VANCOUVER, WASHINGTON, AUTHORIZING THE MAXIMUM CAPACITY OF A LOCAL SALES AND USE TAX TO FUND INVESTMENTS IN AFFORDABLE AND SUPPORTIVE HOUSING, TO BE CODIFIED AT CHAPTER 3.45 OF THE VANCOUVER MUNICIPAL CODE; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, in the 2019 Regular Session, the Washington State Legislature approved, and the Governor signed, Substitute House Bill 1406 (Chapter 338, Laws of 2019) (“SHB 1406”); and

WHEREAS, SHB 1406 authorizes the governing body of a city to impose a local sales and use tax for the acquisition, construction or rehabilitation of affordable housing or facilities providing supportive housing, and for the operations and maintenance costs of affordable or supportive housing; and

WHEREAS, the tax must be used to assist persons whose income is at or below sixty percent of the city median income; and

WHEREAS, there are nearly 18,000 very low income families in Vancouver and approximately 7,000 families in Vancouver spend half of their income on housing; and

WHEREAS, in 2016, the City Council declared the existence of an emergency with regards to very low income housing; and

WHEREAS, the voters of the City of Vancouver have supported the Affordable Housing Fund property tax levy in 2016; and

WHEREAS the Affordable Housing Fund property tax was authorized under RCW 84.52.105 and is a “Qualifying Local Tax” pursuant to RCW 82.14.540 (e)(i); and

WHEREAS, the Vancouver City Council, in accordance with Washington State Legislature Chapter 338, Laws of 2019, has adopted a resolution of intent to adopt legislation to authorize the maximum capacity of a sales and use tax within six months of the effective date of Chapter 338, Laws of 2019; and

WHEREAS, the Department of Revenue requires 30 days' notice of adoption of sales tax credits and the credit will then take effect on the first day of the month following the 30-day period; and

WHEREAS, the local sales and use tax will be credited against the state sales and use tax so that the total tax paid by the consumer will not increase; and

WHEREAS, the local sales and use tax revenue shall be spent on acquiring, rehabilitating, constructing affordable housing or supportive housing, or rental assistance and other related expenditures as authorized by Chapter 338, Laws of 2019; and

NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF VANCOUVER, WASHINGTON, HEREBY
ORDAINS AS FOLLOWS:

Section 1. The City Council declares that the purpose of this Ordinance is to adopt local legislation authorizing collection of the maximum capacity of a sales and use tax within six months of the effective date of Chapter 338, Laws of 2019.

Section 2. A new Chapter, 3.45 VMC “Sales and Use Tax for Affordable Housing” is hereby created.

Section 3. Section 3.45.010 through 3.45.030 are hereby created and read as follows:

CHAPTER 3.45
SALES AND USE TAX FOR AFFORDABLE
HOUSING

Sections:

- 3.45.010 Imposition of Sales and Use Tax for Affordable Housing**
- 3.45.020 Purpose of Tax**
- 3.45.030 Administration and Collection - Statutory Compliance**

3.45.010 Imposition of Sales and Use Tax for Affordable Housing

A. There is imposed a sales and use tax as authorized by Washington State Legislature Chapter 338, Laws of 2019, (Chapter 82.14 RCW), upon every taxable event, as defined in Chapter 82.14 RCW, occurring within the City of Vancouver. The tax shall be imposed upon and collected from those persons from whom the State sales tax or use tax is collected pursuant to Chapters 82.08 and 82.12 RCW.

B. The rate of the tax imposed by VMC Section 3.45.010 shall be 0.0146 percent of the selling price or value of the article used.

C. The tax imposed under VMC Section 3.45.010 shall be deducted from the amount of tax otherwise required to be collected or paid to the Department of Revenue under Chapter 82.08 or 82.12 RCW. The Department of Revenue will perform the collection of such taxes on behalf of the City of Vancouver to the fullest extent allowed by law at no cost to the City.

D. The Department of Revenue will calculate the maximum amount of tax distributions for the City of Vancouver based on the taxable retail sales in the City in State Fiscal Year 2019, and the tax imposed under VMC Section 3.45.010 will cease to be distributed to the City of Vancouver for the remainder of any State Fiscal Year in which the amount of tax exceeds the maximum amount of tax distributions for the City as properly calculated by the Department of Revenue. Distributions to the City of Vancouver that have ceased during a State Fiscal Year shall resume at the beginning of the next State Fiscal Year.

3.45.020 Purpose of Tax

A. The City may use the moneys collected by the tax imposed under VMC Section 3.45 for funding of bonds issued only for the following purposes:

1. Acquiring, rehabilitating, or constructing affordable housing, which may include new units of affordable housing within an existing structure or facilities providing supportive housing services under RCW 71.24.385; or

2. Funding the operations and maintenance costs of new units of affordable or supportive housing.

B. The housing and services provided under VMC Section 3.45.020 may only be provided to persons whose income is at or below sixty percent of the median income of the City.

C. The City shall report annually to the Washington State Department of Commerce, in accordance with the Department's rules, on the collection and use of the revenue from the tax imposed under VMC Section 3.45.010.

D. The tax imposed by the City under the VMC Section 3.45.010 will expire 20 years after the date on which the tax is first imposed.

3.45.030 Administration and Collection - Statutory Compliance

The administration and collection of the tax imposed by Chapter 3.45 shall be in accordance with the provisions of Washington State Legislature Chapter 338, Laws of 2019, which shall be codified in Chapter 82.14 RCW.

Section 4. The City Manager, or designee, is authorized to provide any necessary notice to the Department of Revenue to effectuate the tax enacted by this ordinance and to execute, for and on behalf of the City of Vancouver, any necessary agreement with the Department of Revenue for the collection and administration of the tax enacted by this ordinance.

Section 5. Corrections by City Clerk or Code Reviser. Upon approval of the City Attorney, the City Clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering.

Section 6. Severability. If any section, subsection, paragraph, sentence, clause or phrase of this ordinance or its application to any person or situation should be held to be invalid or unconstitutional for any reason by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance or its application to any other person or situation.

Section 7. Effective Date. This ordinance shall take effect immediately upon passage.

Read first time:

Ayes: Councilmembers

Nays: Councilmembers

Absent: Councilmembers

Read second time:

ORDINANCE - 5

PASSED by the following vote:

Ayes: Councilmembers

Nays: Councilmembers

Absent: Councilmembers

SIGNED this _____ day of _____, 2019.

Anne McEnerny-Ogle, Mayor

Attest:

Natasha Ramras, City Clerk

Approved as to form:

Jonathan Young, City Attorney

ORDINANCE - 6

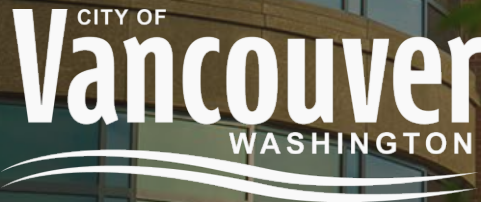
SUMMARY

ORDINANCE NO. _____

AN ORDINANCE of the City Council of the City of Vancouver, Washington, authorizing the maximum capacity of a local sales and use tax to fund investments in affordable and supportive housing, to be codified at chapter 3.45 of the Vancouver Municipal Code; providing for severability; and establishing an effective date.

The full text of this ordinance will be mailed upon request. Contact Raelyn McJilton, Records Officer at 487-8711, or via www.cityofvancouver.us (Go to City Government and Public Records).

2020 Garbage and Recycling Service Rates



November 18, 2019

Vancouver City Council Public Hearing

Julie Gilbertson, Solid Waste Supervisor

Rich McConaghy, Solid Waste Manager

Presentation Overview

- Brief overview of Vancouver's Solid Waste Program
- Factors that affect rates
- Recommended garbage and recycling rates
- Comparison of Vancouver's garbage and recycling rates with other communities' rates



Prior Council Review

- Some rates changed with new contract (April 1 & Oct. 1, 2019)
- Utility tax increase for January 1, 2020 (approved Oct. 1, 2018)
- Nov. 4, 2019 – City Council Agenda item & First Reading
- Nov. 18, 2019 – City Council Agenda item, Second Reading & Public Hearing



Solid Waste Program Goals

- Assure high quality and economical garbage and recycling services for City of Vancouver residents, businesses and neighborhoods
- Engage the community in reducing volumes and toxicity of land-filled wastes
- Conserve resources, protect health and safety



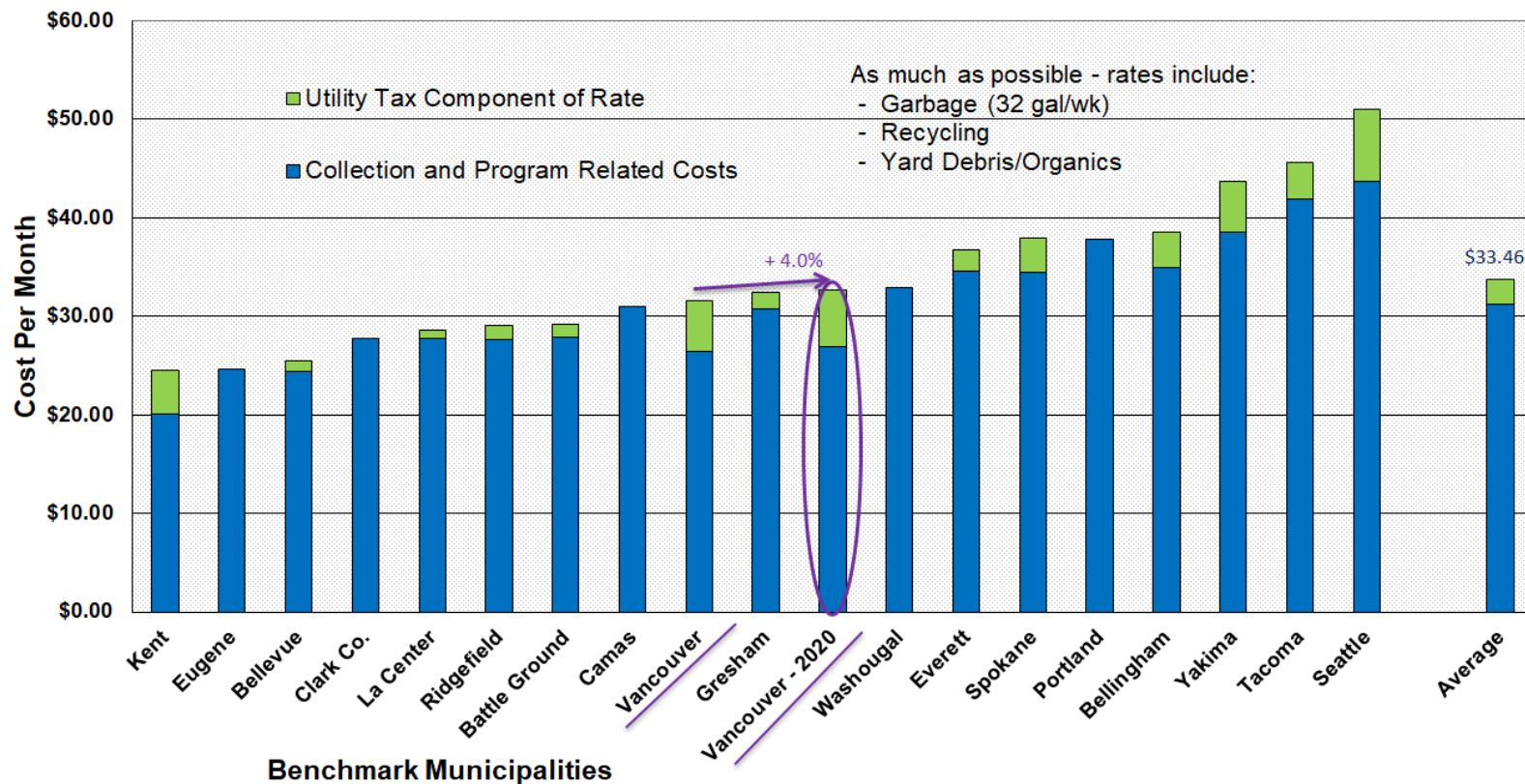
Factors that Affect Rates

- City's collection contract specifies a unique rate model for calculating and annually adjusting Solid Waste rates.
- Data updated in the model for 2020 includes:
 - Inflation Adjustment Factor = 2.3%
 - Tip Fee increase = 0.16%, or \$.15 per ton
 - Utility Tax increase of 1.6% (= 2.3% *impact to garbage rates*)
 - Organics rate increase due to inflation (\$0.17/mo.) and new air quality permitting requirements at composting site (\$0.20/mo.) = net 5%
- **RESULT:** 2.3% to 5.0% rate increase for typical services.

Solid Waste Residential Rates (monthly)

Current & Recommended	2019	2020	Difference
Typical Residential Customer			
Garbage (32-gallons weekly)	\$19.22	\$19.98	\$0.76
Recycling*	\$4.97	\$4.86	(\$0.11)
Garbage and Recycling Combined	\$24.19	\$24.84	\$0.65
Organics (optional 96-gallon EOW)	\$7.43	\$7.80	\$0.37
Garbage and Recycling Combined with optional Organics Service	\$31.62	\$32.64	\$1.02
All rates shown above are for single-family monthly service and include Utility Tax			
* Recycling includes Processing Surcharge			

Solid Waste Rate Comparisons - 2019



Solid Waste Commercial Rates (monthly)

Current & Recommended	2019	2020	Difference
Typical Commercial Garbage Customer			
2-yards Garbage collected 1X/week	\$196.86	\$205.71	\$8.85
Example of Space Saver Customer			
4-yards Garbage collected 1X/week	\$328.10	\$342.85	\$14.75
2-yards Garbage collected 2X/week	\$393.72	\$411.42	\$17.70
Space Saver* 2-yards collected 2X/week	\$360.91	\$377.14	\$16.23
<i>*Space Saver Rate may be available if space constrained (larger container doesn't fit)</i> All rates are monthly and include Utility Tax			

Next Steps / Timeline

- November 18, 2019 – Second reading or ordinance and public hearing.
- January 1, 2020 – Effective date of proposed new rates.



Questions and Discussion

Julie Gilbertson, Solid Waste Supervisor

Julie.gilbertson@cityofvancouver.us or 360-487-7162





Staff Report 160-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/18/2019

SUBJECT Amendments to VMC 6.12 adjusting Garbage, Recycling and Organics Rates for 2020

Key Points

- The comprehensive contract between the City of Vancouver and Waste Connections of Washington includes a rate-setting model that provides for an annual Inflation Adjustment Factor (a combination of the consumer price index and a fuel index) to be applied to rates paid by customers.
- Rates paid by customers for garbage and recycling collection services were last modified in April of 2019 in coordination with approval of the new Waste Connections Contract and the implementation by Clark County of a Columbia Resource Company recycling processing fee that responded to the global recycling market challenges.
- Rate increases calculated for January 1, 2020 vary based on the type and level of service provided and range from 2.3 percent to 5.0 percent.
- The adoption of Ordinance M-4239 (October 1, 2018 modifying VMC 5.94) increased the Solid Waste Utility Tax rate by 1.6 percent to 28.9 percent, effective January 1, 2020, for the purpose of funding police staffing and associated services. This results in an increase of about 2.3 percent in the customer garbage rates being brought forward.
- A slight (0.16 percent or \$0.15 per ton) increase to the tipping fee for waste disposal at the transfer stations also impacts the rate that customers will pay in 2020.
- A review of the Clark County approved processing fee results in some changes to the recyclables processing surcharge amounts to be paid by City curbside (\$0.18/month decrease) and multi-family (\$0.06/month increase) customers.
- Recent changes in air quality permit requirements at the organics processing site impact the cost of subscription organics service. For the standard level of service (96-gallon) this has a \$0.20 per month impact above the \$0.17 impact of inflation. For other service levels this impact is slightly less.
- The subject ordinance amends VMC 6.12.208, 6.12.209, 6.12.210, 6.12.211 and 6.12.212, 6.12.213 to provide for increases or adjustments in solid waste rates (due to both the annual rate-setting process and the increase in gross receipts tax) effective January 1, 2020.

Strategic Plan Alignment

Goal 1, Objective 1.2: Ensure our infrastructure, including buildings and utilities, is safe, environmentally responsible and well maintained.

Present Situation

City Council is the rate-making authority for garbage, residential recycling, and organics collection services within the City of Vancouver. The City contracts with a private hauling company, Waste Connections of Washington, to provide comprehensive garbage, recycling and organics collection services to residents and businesses within city limits. The contract terms authorize Waste Connections to receive annual adjustments to customer rates based on changing operating conditions including: an inflation adjustment factor tied to a percentage of the CPI and fuel costs, disposal tip fees, the number of customers served and fees paid to the City to support solid waste related programs. All adjustments to rates are made in accordance with Exhibit D of the contract. Garbage rates also include the City's utility tax that is embedded within them. The City's utility tax does not apply to recycling or organics collection services.

For 2020, Public Works staff updated the model consistent with the contract and the previously approved increase in the utility tax set for January 1, 2020 and determined that garbage rates will need to increase by 4.0 to 4.5 percent while recycling and selected other fees, not linked to the disposal tip fee or utility tax, will need to increase by 2.3 percent, effective January 1st. Key reasons for this increase are a 1.6 percent increase in the solid waste utility tax, a 2.23 percent increase in the CPI, a 10.50 percent increase in the diesel fuel index, and a 0.1 percent increase in the disposal tip fees.

Scheduled Utility Tax Increase

Ordinance M-4239 adopted by City Council on October 1, 2018 provides for a 1.6 percent increase in the Solid Waste Utility Tax rate from 27.3 percent to 28.9 percent as of January 1, 2020. This increase is to be used for the purpose of funding police staffing and associated services consistent with recommendations of the community resource team. Because this is a gross receipts tax, the garbage rates must increase by 2.3 percent to cover the 1.6 percent increase in the tax rate.

Inflation Adjustment Factor

Under the contract, collection costs for garbage, recycling and organics adjust at 80 percent of a blended and combined CPI (92 percent of the CPI increase of 2.23 percent) and diesel fuel index (8 percent of the fuel index increase of 10.50 percent) factor which leads to an overall blended 2.31 percent increase for the collection cost component, the City fee and other miscellaneous fees.

Disposal Tip Fees

On January 1st, the disposal tip fee is scheduled to increase \$0.15 per ton as a result of an increase in Oregon DEQ fees of \$0.06 and a \$0.09 increase in additional work requested by Clark County for engineering work being done by Columbia Resource Company at the Central Transfer and Recycling Station. The CPI adjustment on disposal tip fees is not being taken this year as a result of contract language related to recent growth in total system tonnage. Effective January 1, 2020 the tip fee will increase from \$95.71 per ton to \$95.86 per ton.

Recycling Fees

The rates proposed for January 1, 2020, include adjustments to curbside and multi-family fees based on the Inflation Adjustment Factor detailed above as well as adjustments to the recycling processing surcharges which were added April 1, 2019 to recover costs associated with the local response to the global market issues and the ongoing need for supplying quality materials to these markets. A recent review, in partnership with Clark County, found that the cost of processing recyclables passed through to the collector should increase from \$68.91 per ton (approved on February 19, 2019) to \$74.76 per ton effective on January 1, 2020. Curbside customers averaged lower volumes of materials set out than in the prior year so the recycling processing surcharge will decrease from \$1.77 per month to \$1.59 per month. Multi-family average volumes collected per unit increased slightly so the recycling processing surcharge for these customers goes from \$0.78 per month to \$0.84 per month. The combined impact for recycling fee components is a 2.1 percent decrease (\$0.10 per month) in curbside recycling charges and a 4.3 percent increase (\$0.09 per month) in multi-family recycling charges.

Organics Fees

The rates proposed for January 1, 2020, include adjustments to the organics rates. For the standard subscription service of 96-gallons every-other-week the Inflation Adjustment Factor increases the current rate from \$7.43 per month to \$7.60 per month (a 2.3% increase). Changes to the air quality permitting requirements, within the last six months, at the Dirt Hugger organics processing site have resulted in additional operational and capital costs to control for VOC emissions. This adds an additional \$4.90 per ton to the cost of processing organics. Section 4.3.2 of the City's comprehensive collection contract allows for the City to pass-through this cost in customer rates. For the 96-gallon service level this adds an additional \$0.20 per month and results in a total 2020 rate of \$7.80 per month (a net increase of \$0.37 per month – 5% overall increase).

Contract Change Impacts and City Fee

The new comprehensive collection contract with Waste Connections of Washington runs from April 1, 2019 through April 30, 2030. New service levels associated with the contract, including the addition of food scraps to the previous yard debris service to comprise the Organics collection element of the contract, were largely incorporated into the April 1, 2019 rate adjustments. The option for on-call yard debris service went away, as of October 1, 2019, as organics need to be collected on a regular every-other-week schedule. As a result this service and rate option goes away. The rates for commercial container service also have been adjusted to reflect a negotiated one-time one half a percent increase on January 1, 2020 as a result of the new contract which now allows an option for “space saver” rates in VMC 6.12.210.

For 2020 overall, the typical residential customer rate for 32 gallons of weekly garbage service with recycling and organics collection increases 3.2 percent or \$1.03 per month (this reflects a \$0.76 increase in garbage charges, a net \$0.10 decrease in combined recycling and recycling processing surcharge fees, and a \$0.37 increase in the organics charge). Households with alternative service levels may experience slightly different impacts. The \$7.80 per month fee for subscribing to standard 96-gallon organics service may be reduced to \$6.75 by choosing a 64-gallon cart, \$5.70 with a 32-gallon cart or \$4.65 with a 20-gallon cart.

Staff recommends adjusting customer rates to meet the contractual obligations associated with the defined Inflation Adjustment Factor and the City's increase in the Solid Waste Utility tax as well as other factors noted and detailed in the attached Summary of Proposed Solid Waste Collection Rates. All adjustments will be effective January 1, 2020.

Advantage(s)

1. Increasing customer rates maintains the City's high level of solid waste services including many different options for curbside collection of garbage, recycling and organics (optional).
2. Continues to provide funds for the neighborhood cleanup programs including spring yard debris coupons and fall leaf coupons, Saturday bulky waste collection events, and free RecycleU workshops.
3. Ensures funds for addressing solid waste code compliance and litter issues in the City.
4. Provides funds for regional Solid Waste programs for administration of the solid waste transfer and disposal system, long-term solid waste management planning, and education and outreach.

Disadvantage(s)

None

Budget Impact

Increasing the customer rates will provide the Solid Waste fund with an additional \$30,550 per year. It will also increase funds collected to support General Fund programs (including Police) via the higher utility tax.

Prior Council Review

This is an annual rate-setting process for Council.

Action Requested

On Monday, November 18, 2019, subject to second reading and public hearing, approve ordinance.

Julie Gilbertson, Solid Waste Supervisor, 487-7162; Rich McConaghy, Solid Waste Manager, 487-7165

ATTACHMENTS:

- ▢ Summary of Proposed Rates
- ▢ Ordinance

SUMMARY OF PROPOSED SOLID WASTE COLLECTION RATES for 1/1/20 as compared to rates in effect since 4/1/19 (3 pages)

Available Service Levels		Monthly Charge		
		Apr-19	Jan-20	Change
Residential/Multifamily Curb Service (VMC 6.12.208)				
A	32-gallon cart service			
	weekly collection	\$19.22	\$19.98	4.0%
	each additional	\$19.22	\$19.98	4.0%
	every other week collection	\$14.42	\$14.99	4.0%
	each additional can	\$14.42	\$14.99	4.0%
	once per month collection	\$8.65	\$8.99	3.9%
	64-gallon cart service			
	weekly collection	\$38.44	\$39.96	4.0%
	each additional	\$38.44	\$39.96	4.0%
	every other week collection	\$19.22	\$19.98	4.0%
	96-gallon cart service			
	weekly collection	\$57.66	\$59.94	4.0%
	20-gallon cart service			
	weekly collection	\$14.42	\$14.99	4.0%
	every other week collection	\$11.53	\$11.99	4.0%
	Residential Carryout Service			
	32-gallon cart service			
	weekly collection	\$28.83	\$29.97	4.0%
	each additional cart	\$28.83	\$29.97	4.0%
	every other week collection	\$21.63	\$22.49	4.0%
	each additional cart	\$21.63	\$22.49	4.0%
	once per month collection	\$12.98	\$13.49	3.9%
	64-gallon cart service			
	weekly collection	\$48.05	\$49.95	4.0%
	every other week collection	\$40.85	\$42.47	4.0%
	96-gallon cart service			
	weekly collection	\$67.27	\$69.93	4.0%
	20-gallon cart service			
	weekly collection	\$21.63	\$22.49	4.0%
	every other week collection	\$17.30	\$17.99	4.0%
Residential Special/Optional Services				
	Extra Cart (32-gallon equivalent)			
	Curb (per pick-up)	\$7.56	\$7.86	4.0%
	Carryout (per pick-up)	\$11.34	\$11.79	4.0%
	Return Trip fee	\$11.15	\$11.66	4.6%
	Overweight/overfilled can			
	Cart replacement fee			
	Cart Delivery, Initial	\$0.00	\$0.00	
	Cart Delivery, Subsequent	\$13.86	\$14.50	4.6%
	Residential Recycling & Organics Collection (VMC 6.12.213)			
	Single Family EOW Curbside	\$3.20	\$3.27	2.2%
B	B' Recyl Procesng Surcharge	\$1.77	\$1.59	-9.9%
	Multi-Family (per unit/month)	\$1.29	\$1.32	2.3%
	Recyl Procesng Surcharge	\$0.78	\$0.84	7.2%
C	Organics Collection Service (every other week by subscription)			
	Basic subscription 96-gal.	\$7.43	\$7.80	5.0%
	Additional 32-gal per pickup	\$3.39	\$3.56	5.0%
	Service restart fee (<1yr)	\$10.39	\$10.63	2.3%
	Optional 64-gal Cart Rental	\$1.72	\$1.76	2.3%
	Cart replacement fee			
	Cart delivery fee, initial	\$0.00	\$0.00	
	Cart delivery, subsequent	\$13.86	\$14.18	2.3%

Page 3
Provides
Full
Organics
Fee

Standard Service Level for Residential Customers (A + B)				
		Apr-19	Jan-20	Added:
A	32-Gallon Weekly Garbage	\$19.22	\$19.98	4.0%
B	Single Family Curbside B + B'	\$4.97	\$4.86	-2.1%
C	Organics Collection (Subscribe)	\$7.43	\$7.80	5.0%
TOTAL A + B (+B')		\$24.19	\$24.84	2.7%
TOTAL A + B + C (w/ORG)		\$31.62	\$32.64	3.2%

\$X.XX PROPOSED changes based on CPI/Fuel/Tip Fee changes and adjusted Clark Co. Processing Fee. These changes will be reviewed by Vancouver City Council:

First Reading:

11/4/19

Second Reading/Public Hearing:

11/18/19

The fees, once adopted, are expected to remain unchanged through 2020 (until January 2021).

Questions on the rate changes may be addressed to Julie Gilbertson (360-487-7162)

Available Service Levels	Monthly Charge		
	Apr-19	Jan-20	Change
Commercial Curb Service (VMC 6.12.209)			
32-gallon cart service			
weekly collection	\$21.37	\$22.22	4.0%
each additional cart	\$21.37	\$22.22	4.0%
every other week collection	\$16.03	\$16.67	4.0%
each additional can	\$16.03	\$16.67	4.0%
once per month collection	\$9.62	\$10.00	4.0%
64-gallon cart service			
weekly collection	\$42.74	\$44.44	4.0%
every other week collection	\$21.37	\$22.22	4.0%
96-gallon cart service			
weekly collection	\$64.11	\$66.66	4.0%
20-gallon cart collection			
weekly collection	\$16.03	\$16.67	4.0%
every other week collection	\$12.82	\$13.33	4.0%
Commercial Carryout Service			
32-gallon cart service			
weekly collection	\$32.06	\$33.33	4.0%
each additional can	\$32.06	\$33.33	4.0%
every other week collection	\$24.05	\$25.01	4.0%
each additional can	\$24.05	\$25.01	4.0%
once per month collection	\$14.43	\$15.00	4.0%
64-gallon cart service			
weekly collection	\$53.43	\$55.55	4.0%
every other week collection	\$32.06	\$33.33	4.0%
96-gallon cart service			
weekly collection	\$74.80	\$77.77	4.0%
20-gallon cart service			
weekly collection	\$24.05	\$25.01	4.0%
every other week collection	\$19.23	\$20.00	4.0%
Commercial Special/Optional Services			
Extra Cart (32-gallon equivalent)			
Curb (per pick-up)	\$8.38	\$8.71	3.9%
Carryout (per pick-up)	\$12.63	\$13.13	4.0%
Return Trip fee	\$11.15	\$11.66	4.6%
Overweight/overfilled cart			
Cart replacement fee			
Cart Delivery, Initial	\$0.00	\$0.00	
Cart Delivery, Subsequent	\$13.95	\$14.59	4.6%
Container (Commercial) Special Services (VMC 6.12.210)			
Special Pickup - yard rate X yards + return trip charge			
One Time Delivery/Pickup/Disposal			
of 3-yard "Rent-A-Bin"	\$167.18	\$173.83	4.0%
Additional "Rent-A-Bin"	\$103.60	\$107.72	4.0%
Return Trip fee	\$16.33	\$17.08	4.6%
Lock Charge (automatic system)	\$0.00	\$0.00	
Lock Charge (manual system)	\$2.61	\$2.73	4.6%
Subsequent Deliveries/Moves			
Replacements (per trip)	\$29.73	\$31.10	4.6%
Accessibility Charge	\$3.71	\$3.88	4.6%
Rollout Charge (per collection)			
Greater than 15 feet	\$3.71	\$3.88	4.6%
Greater than 20 feet	\$5.95	\$6.22	4.5%
Steam Cleaning (requested)	\$44.58	\$46.64	4.6%
Overfilled/Extra Yardage (portion)	\$16.69	\$17.35	4.0%
Other Garbage Rates (Bulky Items and Hourly - VMC 6.12.212)			
Stove	\$16.67	\$17.06	2.3%
Washing Machine	\$18.24	\$18.66	2.3%
Dryer	\$15.10	\$15.45	2.3%
Water Heater	\$18.54	\$18.97	2.3%
Refrigerator, Freezer	\$30.15	\$30.85	2.3%
Sofa	\$15.10	\$15.45	2.3%
Chair	\$12.05	\$12.33	2.3%
Mattress or Box Springs	\$13.64	\$13.96	2.3%
Tires			
auto light pickup	\$7.18	\$7.35	2.4%
with rim	\$11.11	\$11.37	2.3%
bus/heavy truck	\$22.52	\$23.04	2.3%
with rim	\$37.15	\$38.01	2.3%
Other Bulky Items	\$15.88	\$16.25	2.3%
Hourly Equipment Rental			
Sideloaded compactor	\$101.01	\$103.35	2.3%
Rolloff truck	\$104.03	\$106.44	2.3%
Extra labor	\$46.06	\$47.13	2.3%
Overtime rate		Extra labor rate X 1.5	

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Available Service Levels	Monthly Charge		
	Apr-19	Jan-20	Change
Commercial Container Service (Non Compacted - VMC 6.12.210)			
One Yard Container (includes disposal w/in weight limits)			
once per week collection	\$131.24	\$137.14	4.5%
twice per week collection	\$262.48	\$274.28	4.5%
three collections/week	\$393.72	\$411.42	4.5%
four collections/week	\$524.96	\$548.56	4.5%
five collections/week	\$656.20	\$685.70	4.5%
six collections/week	\$787.44	\$822.84	4.5%
1.5 Yard Container (includes disposal w/in weight limits)			
once per week collection	\$164.05	\$171.43	4.5%
twice per week collection	\$328.10	\$342.85	4.5%
three collections/week	\$492.15	\$514.28	4.5%
four collections/week	\$656.20	\$685.70	4.5%
five collections/week	\$820.25	\$857.13	4.5%
six collections/week	\$984.30	\$1,028.55	4.5%
Two Yard Container (includes disposal w/in weight limits)			
once per week collection	\$196.86	\$205.71	4.5%
twice per week collection	\$393.72	\$411.42	4.5%
three collections/week	\$590.58	\$617.13	4.5%
four collections/week	\$787.44	\$822.84	4.5%
five collections/week	\$984.30	\$1,028.55	4.5%
six collections/week	\$1,181.16	\$1,234.26	4.5%
Three Yard Container (includes disposal w/in weight limits)			
once per week collection	\$262.48	\$274.28	4.5%
twice per week collection	\$524.96	\$548.56	4.5%
three collections/week	\$787.44	\$822.84	4.5%
four collections/week	\$1,049.92	\$1,097.12	4.5%
five collections/week	\$1,312.40	\$1,371.40	4.5%
six collections/week	\$1,574.88	\$1,645.68	4.5%
Four Yard Container (includes disposal w/in weight limits)			
once per week collection	\$328.10	\$342.85	4.5%
twice per week collection	\$656.20	\$685.70	4.5%
three collections/week	\$984.30	\$1,028.55	4.5%
four collections/week	\$1,312.40	\$1,371.40	4.5%
five collections/week	\$1,640.50	\$1,714.25	4.5%
six collections/week	\$1,968.60	\$2,057.10	4.5%
Five Yard Container (includes disposal w/in weight limits)			
once per week collection	\$393.72	\$411.42	4.5%
twice per week collection	\$787.44	\$822.84	4.5%
three collections/week	\$1,181.16	\$1,234.26	4.5%
four collections/week	\$1,574.88	\$1,645.68	4.5%
five collections/week	\$1,968.60	\$2,057.10	4.5%
six collections/week	\$2,362.32	\$2,468.52	4.5%
Six Yard Container (includes disposal w/in weight limits)			
once per week collection	\$459.34	\$479.99	4.5%
twice per week collection	\$918.68	\$959.98	4.5%
three collections/week	\$1,378.02	\$1,439.97	4.5%
four collections/week	\$1,837.36	\$1,919.96	4.5%
five collections/week	\$2,296.70	\$2,399.95	4.5%
six collections/week	\$2,756.04	\$2,879.94	4.5%
Eight Yard Container (includes disposal w/in weight limits)			
once per week collection	\$590.58	\$617.13	4.5%
twice per week collection	\$1,181.16	\$1,234.26	4.5%
three collections/week	\$1,771.74	\$1,851.39	4.5%
four collections/week	\$2,362.32	\$2,468.52	4.5%
five collections/week	\$2,952.90	\$3,085.65	4.5%
six collections/week	\$3,543.48	\$3,702.78	4.5%

Page 3
Provides
Space Saver
Rates
&
Seven
Collections
/ per week
Rates

Drop Box and Compactor Services (VMC 6.12.211)

Regular Service (pass through amount of tipping fee and transaction fee taxes)

Initial Placement (per trip)	\$37.12	\$38.83	4.6%
Moving Fee (per trip)	\$37.12	\$38.83	4.6%
Steam Clean (per yard)	\$4.00	\$4.18	4.5%
Minimum (Plus P/R)	\$38.86	\$40.65	4.6%
Box placement/move onsite	\$37.12	\$38.83	4.6%
Daily Demurrage	\$3.47	\$3.63	4.6%
Monthly Demurrage (Max.)	\$104.54	\$109.36	4.6%
Special/Modified Box Rent			
(lid,scrn,winch/day)	\$4.98	\$5.21	4.6%
monthly maximum	\$149.98	\$156.90	4.6%
Waiting Time (per minute)	\$1.76	\$1.84	4.5%
Mileage Charge (over 10/mi)	\$3.22	\$3.37	4.7%
Locking System (materials			
plus labor @: per hr)	\$37.12	\$38.83	4.6%
"Check Only" (per check)	\$11.13	\$11.64	4.6%
Return Trip Charge	\$29.73	\$31.10	4.6%

Tipping Fee at Columbia Resources Transfer Stations

Municipal Solid Waste (\$/ ton)	\$95.71	\$95.86	0.2%
Drop Box Waste (\$/ ton)	\$84.98	\$85.13	0.2%
Plus - Transaction Fee (per load)	\$10.00	\$10.00	0.0%

Tipping
Fees are set
by Clark
County.

Available Service Levels	Monthly Charge		
	Apr-19	Jan-20	Change
Commercial Compactor Container Service (VMC 6.12.210)			
One Yard Container (includes disposal)			
once per week collection	\$294.57	\$307.82	4.5%
twice per week collection	\$589.14	\$615.64	4.5%
three collections/week	\$883.71	\$923.46	4.5%
four collections/week	\$1,178.28	\$1,231.28	4.5%
five collections/week	\$1,472.85	\$1,539.10	4.5%
six collections/week	\$1,767.42	\$1,846.92	4.5%
1.5 Yard Container (includes disposal)			
once per week collection	\$368.21	\$384.78	4.5%
twice per week collection	\$736.43	\$769.55	4.5%
three collections/week	\$1,104.64	\$1,154.33	4.5%
four collections/week	\$1,472.85	\$1,539.10	4.5%
five collections/week	\$1,841.06	\$1,923.88	4.5%
six collections/week	\$2,209.28	\$2,308.65	4.5%
Two Yard Container (includes disposal)			
once per week collection	\$441.86	\$461.73	4.5%
twice per week collection	\$883.71	\$923.46	4.5%
three collections/week	\$1,325.57	\$1,385.19	4.5%
four collections/week	\$1,767.42	\$1,846.92	4.5%
five collections/week	\$2,209.28	\$2,308.65	4.5%
six collections/week	\$2,651.13	\$2,770.38	4.5%
Three Yard Container (includes disposal)			
once per week collection	\$589.14	\$615.64	4.5%
twice per week collection	\$1,178.28	\$1,231.28	4.5%
three collections/week	\$1,767.42	\$1,846.92	4.5%
four collections/week	\$2,356.56	\$2,462.56	4.5%
five collections/week	\$2,945.70	\$3,078.20	4.5%
six collections/week	\$3,534.84	\$3,693.84	4.5%
Four Yard Container (includes disposal)			
once per week collection	\$736.43	\$769.55	4.5%
twice per week collection	\$1,472.85	\$1,539.10	4.5%
three collections/week	\$2,209.28	\$2,308.65	4.5%
four collections/week	\$2,945.70	\$3,078.20	4.5%
five collections/week	\$3,682.13	\$3,847.75	4.5%
six collections/week	\$4,418.55	\$4,617.30	4.5%
Five Yard Container (includes disposal)			
once per week collection	\$883.71	\$923.46	4.5%
twice per week collection	\$1,767.42	\$1,846.92	4.5%
three collections/week	\$2,651.13	\$2,770.38	4.5%
four collections/week	\$3,534.84	\$3,693.84	4.5%
five collections/week	\$4,418.55	\$4,617.30	4.5%
six collections/week	\$5,302.26	\$5,540.76	4.5%
Six Yard Container (includes disposal)			
once per week collection	\$1,031.00	\$1,077.37	4.5%
twice per week collection	\$2,061.99	\$2,154.74	4.5%
three collections/week	\$3,092.99	\$3,232.11	4.5%
four collections/week	\$4,123.98	\$4,309.48	4.5%
five collections/week	\$5,154.98	\$5,386.85	4.5%
six collections/week	\$6,185.97	\$6,464.22	4.5%
Eight Yard Container (includes disposal)			
once per week collection	\$1,325.57	\$1,385.19	4.5%
twice per week collection	\$2,651.13	\$2,770.38	4.5%
three collections/week	\$3,976.70	\$4,155.57	4.5%
four collections/week	\$5,302.26	\$5,540.76	4.5%
five collections/week	\$6,627.83	\$6,925.95	4.5%
six collections/week	\$7,953.39	\$8,311.14	4.5%

Drop Box Trucking Fee (empty & return - roundtrip - VMC 6.12.211)

10-yard			
Drop Box	\$145.61	\$152.33	4.6%
Compactor	\$161.79	\$169.26	4.6%
20-yard			
Drop Box	\$145.61	\$152.33	4.6%
Compactor	\$161.79	\$169.26	4.6%
30-yard			
Drop Box	\$145.61	\$152.33	4.6%
Compactor	\$161.79	\$169.26	4.6%
40-yard			
Drop Box	\$145.61	\$152.33	4.6%
Compactor	\$161.79	\$169.26	4.6%

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Provides
Organics
Hauling
Drop Box
Rates

Disposal Fees: (pass through of tipping fee, transaction fee & taxes)

See box at left

Yard Debris/Organics Fee: (pass through at current West Van rate)

Other Divertable Materials accepted at local transfer stations:

(pass through at current disposal fee or processing rate)

10/25/2019 11:49

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NEW RATES updated for 1/1/20 (3rd Page)

Seventh Day of Collection Rates (added as option 4/1/19)

Available Service Levels	Monthly Charge		
	Apr-19	Jan-20	Change

Commercial Container Service (Non Compacted - VMC 6.12.210)

One Yard Container (includes disposal w/in weight limits)			
seven collections/week	\$918.68	\$959.98	4.5%
1.5 Yard Container (includes disposal w/in weight limits)			
seven collections/week	\$1,148.35	\$1,199.98	4.5%
Two Yard Container (includes disposal w/in weight limits)			
seven collections/week	\$1,378.02	\$1,439.97	4.5%
Three Yard Container (includes disposal w/in weight limits)			
seven collections/week	\$1,837.36	\$1,919.96	4.5%
Four Yard Container (includes disposal w/in weight limits)			
seven collections/week	\$2,296.70	\$2,399.95	4.5%
Five Yard Container (includes disposal w/in weight limits)			
seven collections/week	\$2,756.04	\$2,879.94	4.5%
Six Yard Container (includes disposal w/in weight limits)			
seven collections/week	\$3,215.38	\$3,359.93	4.5%
Eight Yard Container (includes disposal w/in weight limits)			
seven collections/week	\$4,134.06	\$4,319.91	4.5%

Commercial Compactor Container Service (VMC 6.12.210)

One Yard Container (includes disposal)			
seven collections/week	\$2,061.99	\$2,154.74	4.5%
1.5 Yard Container (includes disposal)			
seven collections/week	\$2,577.49	\$2,693.43	4.5%
Two Yard Container (includes disposal)			
seven collections/week	\$3,092.99	\$3,232.11	4.5%
Three Yard Container (includes disposal)			
seven collections/week	\$4,123.98	\$4,309.48	4.5%
Four Yard Container (includes disposal)			
seven collections/week	\$5,154.98	\$5,386.85	4.5%
Five Yard Container (includes disposal)			
seven collections/week	\$6,185.97	\$6,464.22	4.5%
Six Yard Container (includes disposal)			
seven collections/week	\$7,216.97	\$7,541.59	4.5%
Eight Yard Container (includes disposal)			
seven collections/week	\$9,278.96	\$9,696.33	4.5%

Available Service Levels	Monthly Charge - 0.5% Impact		
	Before	Jan-20	Change

Commercial Container Service (Non Compacted - VMC 6.12.210)

One Yard Container (includes disposal w/in weight limits)			
once per week collection	\$136.45	\$137.14	0.5%

Commercial Compactor Container Service (VMC 6.12.210)

One Yard Container (includes disposal)			
once per week collection	\$306.28	\$307.82	0.5%

**** Note:** As a consequence of offering new "Space Saver" rates, all other commercial container rates will increase 0.5% this one time (before CPI/fuel/tip fee/etc. adjustments) for 2020 - this increment of increase will apply to all scheduled container service levels in VMC 6.12.210

Residential Recycling & Residential/Commercial ORGANICS Fees (VMC 6.12.213)

	Oct-19	Jan-20	Change
Single Family EOW Curbside	\$3.20	\$3.27	2.2%
B' Recyl Procesng Surcharge	\$1.77	\$1.59	-9.9%
Multi-Family (per unit/month)	\$1.29	\$1.32	2.3%
Recyl Procesng Surcharge	\$0.78	\$0.84	7.2%

ORGANICS Collection Service (by subscription)

Residential Subscription Options (Every Other Week - EOW):

Effective October 1, 2019	Oct-19	Jan-20	Change
Basic subscription 96-gal.	\$7.43	\$7.80	5.0%
64-gallon (EOW)	\$6.43	\$6.75	5.0%
32-gallon (EOW)	\$5.43	\$5.70	5.0%
20-gallon (EOW)	\$4.43	\$4.65	5.0%
On-call/No Cart (per pickup)	\$5.67	Not Available after 9/30/19	

Commercial/Multi-Family Subscription Options:

Every Other Week - 64-gal.	\$8.26	\$8.67	5.0%
Weekly - 64-gal	\$16.52	\$17.35	5.0%

Indicated monthly Commercial/Multi-Family Organics rates apply if carts are set at the curb for scheduled collection days - other Special Services detailed in VMC 6.12.210 may be added as additional charges for each collection if the cart(s) are not placed at the curb. Depending on location specific challenges, organics collection service may not be offered at all multifamily or commercial sites.

Available Service Levels	Monthly Charge		
	Apr-19	Jan-20	Change

Space Saver Rate - Regular Containers at Space Constrained Locations

One Yard Container (includes disposal w/in weight limits) (VMC 6.12.210)

once per week collection	\$131.24	\$137.14	4.5%
twice per week collection	\$216.55	\$226.28	4.5%
three collections/week	\$288.73	\$301.71	4.5%
four collections/week	\$360.91	\$377.14	4.5%
five collections/week	\$433.09	\$452.56	4.5%
six collections/week	\$505.27	\$527.99	4.5%
seven collections/week	\$649.64	\$678.84	4.5%

1.5 Yard Container (includes disposal w/in weight limits)

once per week collection	\$164.05	\$171.43	4.5%
twice per week collection	\$288.73	\$301.71	4.5%
three collections/week	\$469.18	\$490.28	4.5%
four collections/week	\$505.27	\$527.99	4.5%
five collections/week	\$685.73	\$716.56	4.5%
six collections/week	\$794.00	\$829.70	4.5%
seven collections/week	\$974.46	\$1,018.26	4.5%

Two Yard Container (includes disposal w/in weight limits)

once per week collection	\$196.86	\$205.71	4.5%
twice per week collection	\$360.91	\$377.14	4.5%
three collections/week	\$505.27	\$527.99	4.5%
four collections/week	\$649.64	\$678.84	4.5%
five collections/week	\$866.18	\$905.12	4.5%
six collections/week	\$1,010.55	\$1,055.98	4.5%
seven collections/week	\$1,154.91	\$1,206.83	4.5%

Three Yard Container (includes disposal w/in weight limits)

once per week collection	\$262.48	\$274.28	4.5%
twice per week collection	\$505.27	\$527.99	4.5%
three collections/week	\$787.44	\$822.84	4.5%
four collections/week	\$1,010.55	\$1,055.98	4.5%
five collections/week	\$1,299.28	\$1,357.69	4.5%
six collections/week	\$1,515.82	\$1,583.97	4.5%
seven collections/week	\$1,732.37	\$1,810.25	4.5%

Four Yard Container (includes disposal w/in weight limits)

once per week collection	\$328.10	\$342.85	4.5%
twice per week collection	\$649.64	\$678.84	4.5%
three collections/week	\$984.30	\$1,028.55	4.5%
four collections/week	\$1,299.28	\$1,357.69	4.5%
five collections/week	\$1,640.50	\$1,714.25	4.5%
six collections/week	\$1,948.91	\$2,036.53	4.5%
seven collections/week	\$2,296.70	\$2,399.95	4.5%

Five Yard Container (includes disposal w/in weight limits)

once per week collection	\$393.72	\$411.42	4.5%
twice per week collection	\$787.44	\$822.84	4.5%
three collections/week	\$1,181.16	\$1,234.26	4.5%
four collections/week	\$1,574.88	\$1,645.68	4.5%
five collections/week	\$1,968.60	\$2,057.10	4.5%
six collections/week	\$2,362.32	\$2,468.52	4.5%
seven collections/week	\$2,756.04	\$2,879.94	4.5%

Six Yard Container (includes disposal w/in weight limits)

once per week collection	\$459.34	\$479.99	4.5%
twice per week collection	\$918.68	\$959.98	4.5%
three collections/week	\$1,378.02	\$1,439.97	4.5%
four collections/week	\$1,837.36	\$1,919.96	4.5%
five collections/week	\$2,296.70	\$2,399.95	4.5%
six collections/week	\$2,756.04	\$2,879.94	4.5%
seven collections/week	\$3,215.38	\$3,359.93	4.5%

Eight Yard Container (includes disposal w/in weight limits)

once per week collection	\$590.58	\$617.13	4.5%
twice per week collection	\$1,181.16	\$1,234.26	4.5%
three collections/week	\$1,771.74	\$1,851.39	4.5%
four collections/week	\$2,362.32	\$2,468.52	4.5%
five collections/week	\$2,952.90	\$3,085.65	4.5%
six collections/week	\$3,543.48	\$3,702.78	4.5%
seven collections/week	\$4,134.06	\$4,319.91	4.5%

Drop Box ORGANICS Trucking Fee (roundtrip haul - VMC 6.12.211)

Effective October 1, 2019		Oct-19	Jan-20	Change
10-yard	Drop Box	\$105.86	\$108.31	2.3%
	Compactor	\$117.62	\$120.34	2.3%
20-yard	Drop Box	\$105.86	\$108.31	2.3%
	Compactor	\$117.62	\$120.34	2.3%
30-yard	Drop Box	\$105.86	\$108.31	2.3%
	Compactor	\$117.62	\$120.34	2.3%
40-yard	Drop Box	\$105.86	\$108.31	2.3%
	Compactor	\$117.62	\$120.34	2.3%

Organics Tip Fees: (pass through at current material processing rate)

2020 West Van Organics Tip Fee (\$/ton): **\$83.35**

Other VMC 6.12.211 service rates apply to Organics drop boxes/compactors.

10/25/2019 11:49

11/04/19
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ORDINANCE NO. M-

AN ORDINANCE relating to the collection of solid waste, recyclable materials and organics, and amending certain sections of VMC 6.12 to increase or adjust rates and charges consistent with approved utility user taxes and rates and in accordance with current contracts for the coming year; providing for savings, severability and an effective date.

WHEREAS, solid waste collection, residential recycling, and organics rates within VMC 6.12 were last changed by adoption of Ordinance M-4264 (February 25, 2019), and current rates became effective April 1, 2019; and

WHEREAS, the Solid Waste Utility Tax rate, VMC 5.94, is set to increase by 1.6 percent to 28.9 percent on January 1, 2020, through adoption of Ordinance M-4239 (October 1, 2018), to be used for the purpose of funding police staffing and associated services in a manner generally consistent with the community resource team recommendations dated December 12, 2016; and

WHEREAS, such changes in the utility tax rate for solid waste will require changes to the solid waste rates that are incorporated in this ordinance; and

WHEREAS, utility taxes are applied to the gross revenues of each utility; and

WHEREAS, utility rates need to be increased to ensure each utility collects the same amount of revenue it did prior to the utility tax increase; and

ORDINANCE - 1

WHEREAS, the City's contract for Comprehensive Garbage, Recyclables, and Organics Collection Services, effective April 1, 2019, contains provisions for annual adjustments to rates charged by the Contractor based upon changes in the Consumer Price Index (CPI), a Fuel Index, changes in disposal tipping fees, and changes in the City fee as calculated through the contract's Exhibit D rate model; and

WHEREAS, the Inflation Adjustment Factor (IAF) for rates set for the 2020 period has been calculated at 2.31% by combining a 2.229 percent increase in the Seattle-Tacoma-Bellevue CPI-W and a 10.05% percent increase in the Fuel Index (weighted 92 percent and 8 percent respectively) factored at 80 percent as the allowed annual compensation adjustment for the collection contractor; and

WHEREAS, per Clark County contract provisions with the facility operator, disposal fees at transfer stations used to dispose of waste collected by the Contractor under the specifications of the comprehensive collection contract are set to increase by 0.16 percent to \$95.86 per ton of municipal solid waste effective January 1, 2020, and

WHEREAS, Clark County established a recyclables processing fee on February 19, 2019 to be paid for residential recyclables delivered under the waste recycling, transfer and disposal contract with Columbia Resources Company, which is set to increase from \$68.91 per ton to \$74.76 per ton on January 1, 2020, impacting the recyclables processing surcharge amounts established for City curbside and multi-family customers; and

WHEREAS, the City's comprehensive collection contract also contains provisions for annual adjustments in compensation of rates for recycling and organics collection services based on the above noted changes in the IAF and fuel index; and

ORDINANCE - 2

WHEREAS, Section 4.3.2 of the City’s comprehensive collection contract provides for an increase in the Organics rates, above the inflationary adjustment, if changes in law or regulations impact the operational and capital costs at the designated organics processing site. Air quality permit requirements at the Dirt Hugger location in Dallesport, WA have been added in the past six months which justify an increase of \$0.20 per month in the organics rates above the IAF related increase; and

WHEREAS, Exhibit D of the contract will be utilized once rates are approved to adjust the monthly City Fee payments for 2020 to accurately balance approved compensation to the contractor.

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF VANCOUVER:

Section 1. VMC 6.12.208, adopted by Ordinance M-2665 and last amended by M-4264, is amended as follows:

6.12.208 Residential/multifamily cart rates.

The following table lists rates charged for residential/multifamily cart service:

Curb Service:	2019 <u>2020</u>
32-gallon cart service	
Weekly collection	19.22 <u>19.98</u> per month
Each additional cart	19.22 <u>19.98</u> per month

Every other week	14.42 <u>14.99</u> per month
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Each additional cart	14.42 <u>14.99</u> per month
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Once a month	8.65 <u>8.99</u> per month
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64-gallon cart service

Weekly collection	38.44 <u>39.96</u> per month
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Each additional cart	38.44 <u>39.96</u> per month
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Every other week	19.22 <u>19.98</u> per month
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96-gallon cart service

Weekly collection	57.66 <u>59.94</u> per month
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Each additional cart	57.66 <u>59.94</u> per month
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20-gallon cart service

Weekly collection	14.42 <u>14.99</u> per month
-------------------	---

Every other week	11.53 <u>11.99</u> per month
------------------	---

Carryout Service:

32-gallon cart service

Weekly collection	28.83 <u>29.97</u> per month
-------------------	---

Each additional cart	28.83 <u>29.97</u> per month
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Every other week	21.63 <u>22.49</u> per month
------------------	---

Each additional cart	21.63 <u>22.49</u> per month
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Once a month	12.98 <u>13.49</u> per month
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64-gallon cart service

Weekly collection	48.05 <u>49.95</u> per month
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Every other week	40.85 <u>42.47</u> per month
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96-gallon cart service

Weekly collection	67.27 <u>69.93</u> per month
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20-gallon cart service

Weekly collection	21.63 <u>22.49</u> per month
-------------------	---

Every other week	17.30 <u>17.99</u> per month
------------------	---

Special/Optional Services:

Extra 32-gallon or equivalent (or portion thereof)

Curb	7.56 <u>7.86</u> per pick up
------	---

Carryout	11.34 <u>11.79</u> per pick up
----------	---

Return trip fee	11.15 <u>11.66</u> per trip
-----------------	--

Overweight/overfilled cart	Billed as an extra
----------------------------	--------------------

Cart replacement fee	At cost
Cart delivery, initial	0.00
Cart delivery, subsequent	13.86 <u>14.50</u>

Late Fee:

1.5 percent of balance outstanding at thirty days past due date.

Vacation Allowance:

Minimum period of two weeks.

Maximum of three vacations per year.

Section 2. VMC 6.12.209, adopted by Ordinance M-2665 and last amended by Ordinance M-4264, is amended as follows:

6.12.209 Commercial cart rates.

The following table lists garbage rates charged for commercial cart service:

Curb Service: **~~2019~~ 2020**

32-gallon cart service

Weekly collection	21.37 <u>22.22</u> per month
Each additional cart	21.37 <u>22.22</u> per month
Every other week	16.03 <u>16.67</u> per month
Each additional cart	16.03 <u>16.67</u> per month
Once a month	9.62 <u>10.00</u> per month

64-gallon cart service

Weekly collection	42.74 <u>44.44</u> per month
Each additional cart	42.74 <u>44.44</u> per month
Every other week	21.37 <u>22.22</u> per month

96-gallon cart service

Weekly collection	64.11 <u>66.66</u> per month
-------------------	---

20-gallon cart service

Weekly cart service ~~16.03~~ 16.67 per month

Every other week ~~12.82~~ 13.33 per month

Carryout Service:

32-gallon cart service

Weekly collection ~~32.06~~ 33.33 per month

Each additional cart ~~32.06~~ 33.33 per month

Every other week ~~24.05~~ 25.01 per month

Each additional cart ~~24.05~~ 25.01 per month

Once a month ~~14.43~~ 15.00 per month

64-gallon cart service

Weekly collection ~~53.43~~ 55.55 per month

Every other week	32.06 <u>33.33</u> per month
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96-gallon car service

Weekly collection	74.80 <u>77.77</u> per month
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20-gallon cart service

Weekly collection	24.05 <u>25.01</u> per month
-------------------	---

Every other week	19.23 <u>20.00</u> per month
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Special/Optional Services:

Extra 32-gallon or equivalent (or portion thereof)

Curb	8.38 <u>8.71</u> per pick up
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Carryout	12.63 <u>13.13</u> per pick up
----------	---

Return trip fee	11.15 <u>11.66</u> per trip
-----------------	--

Overweight/overfilled cart	Billed as an extra
Cart replacement fee	At cost
Cart delivery, initial	0.00
Cart delivery, subsequent	13.95 <u>14.59</u>

Subscription-based commercial organics collection service is available at rates listed in VMC Section 6.12.213.

Late Fee:

1.5 percent of balance outstanding at thirty days past due date.

Vacation Allowance:

Minimum period of two weeks.

Maximum of three vacations per year.

Section 3. VMC 6.12.210, adopted by Ordinance C-33 and last amended by Ordinance M-4264, is amended as follows:

6.12.210 Container rates.*

The following Table 6.12.210 lists garbage rates charged for container service:

Table 6.12.210. (2019 2020 Rates)

Regular Containers

Weekly Frequency

Size (In Yards)	1	2	3	4	5	6	<u>7</u>
1	\$ 131.24 <u>\$ 137.14</u>	\$ 262.48 <u>\$ 274.28</u>	\$393.72 <u>\$ 411.42</u>	\$ 524.96 <u>\$ 548.56</u>	\$ 656.20 <u>\$ 685.70</u>	\$ 787.44 <u>\$ 822.84</u>	\$ 918.68 <u>\$ 959.98</u>
1.5	\$ 164.05 <u>\$ 171.43</u>	\$ 328.10 <u>\$ 342.85</u>	\$ 492.15 <u>\$ 514.28</u>	\$ 656.20 <u>\$ 685.70</u>	\$ 820.25 <u>\$ 857.13</u>	\$ 984.30 <u>\$ 1,028.55</u>	\$ 1,148.35 <u>\$ 1,199.98</u>
2	\$ 196.86 <u>\$ 205.71</u>	\$ 393.72 <u>\$ 411.42</u>	\$ 590.58 <u>\$ 617.13</u>	\$ 787.44 <u>\$ 822.84</u>	\$ 984.30 <u>\$ 1,028.55</u>	\$ 1,181.16 <u>\$ 1,234.26</u>	\$ 1,378.02 <u>\$ 1,439.97</u>
3	\$ 262.48 <u>\$ 274.28</u>	\$ 524.96 <u>\$ 548.56</u>	\$ 787.44 <u>\$ 822.84</u>	\$ 1,049.92 <u>\$ 1,097.12</u>	\$ 1,312.40 <u>\$ 1,371.40</u>	\$ 1,574.88 <u>\$ 1,645.68</u>	\$ 1,837.36 <u>\$ 1,919.96</u>
4	\$ 328.10 <u>\$ 342.85</u>	\$ 656.20 <u>\$ 685.70</u>	\$ 984.30 <u>\$ 1,028.55</u>	\$ 1,312.40 <u>\$ 1,371.40</u>	\$ 1,640.50 <u>\$ 1,714.25</u>	\$ 1,968.60 <u>\$ 2,057.10</u>	\$ 2,296.70 <u>\$ 2,399.95</u>
5	\$ 393.72 <u>\$ 411.42</u>	\$ 787.44 <u>\$ 822.84</u>	\$ 1,181.16 <u>\$ 1,234.26</u>	\$ 1,574.88 <u>\$ 1,645.68</u>	\$ 1,968.60 <u>\$ 2,057.10</u>	\$ 2,362.32 <u>\$ 2,468.52</u>	\$ 2,756.04 <u>\$ 2,879.94</u>
6	\$ 459.35 <u>\$ 479.99</u>	\$ 918.68 <u>\$ 959.98</u>	\$ 1,378.02 <u>\$ 1,439.97</u>	\$ 1,837.36 <u>\$ 1,919.96</u>	\$ 2,296.70 <u>\$ 2,399.95</u>	\$ 2,756.04 <u>\$ 2,879.94</u>	\$ 3,215.38 <u>\$ 3,359.93</u>
8	\$ 590.58 <u>\$ 617.13</u>	\$ 1,181.16 <u>\$ 1,234.26</u>	\$ 1,771.74 <u>\$ 1,851.39</u>	\$ 2,362.32 <u>\$ 2,468.52</u>	\$ 2,952.90 <u>\$ 3,085.65</u>	\$ 3,543.48 <u>\$ 3,702.78</u>	\$ 4,134.06 <u>\$ 4,319.91</u>

Regular Containers at Space Constrained Locations (Space Saver Rate)

Weekly Frequency

Size (In Yards)	1	2	3	4	5	6	7
<u>1</u>		\$ 216.55 <u>\$226.28</u>	\$288.73 <u>\$301.71</u>	\$ 360.91 <u>\$377.14</u>	\$ 433.09 <u>\$452.56</u>	\$ 505.27 <u>\$527.99</u>	\$ 649.64 <u>\$678.84</u>
<u>1.5</u>		\$ 288.73 <u>\$301.74</u>	\$ 469.18 <u>\$490.28</u>	\$ 505.27 <u>\$527.99</u>	\$ 685.73 <u>\$716.56</u>	\$ 794.00 <u>\$829.70</u>	\$ 974.46 <u>\$1,018.26</u>
<u>2</u>		\$ 360.91 <u>\$377.14</u>	\$ 505.27 <u>\$527.99</u>	\$ 649.64 <u>\$678.84</u>	\$ 866.18 <u>\$905.12</u>	\$ 1,010.55 <u>\$1,055.98</u>	\$ 1,154.91 <u>\$1,206.83</u>
<u>3</u>		\$ 505.27 <u>\$527.99</u>		\$ 1,010.55 <u>\$1,055.98</u>	\$ 1,299.28 <u>\$1,357.69</u>	\$ 1,515.82 <u>\$1,583.97</u>	\$ 1,732.37 <u>\$1,810.25</u>
<u>4</u>		\$ 649.64 <u>\$678.84</u>		\$ 1,299.28 <u>\$1,357.69</u>		\$ 1,948.91 <u>\$2,036.53</u>	
<u>5</u>							
<u>6</u>							
<u>8</u>							

Compactor Containers

Weekly Frequency

Size (In Yards)	1	2	3	4	5	6	7
1	\$ 294.57 <u>\$ 307.82</u>	\$ 589.14 <u>\$ 615.64</u>	\$ 883.71 <u>\$ 923.46</u>	\$ 1,178.28 <u>\$ 1,231.28</u>	\$ 1,472.85 <u>\$ 1,539.10</u>	\$ 1,767.42 <u>\$ 1,846.92</u>	\$ 2,061.99 <u>\$ 2,154.74</u>
1.5	\$ 368.21 <u>\$ 384.78</u>	\$ 736.43 <u>\$ 769.55</u>	\$ 1,104.64 <u>\$ 1,154.33</u>	\$ 1,472.85 <u>\$ 1,539.10</u>	\$ 1,841.06 <u>\$ 1,923.88</u>	\$ 2,209.28 <u>\$ 2,308.65</u>	\$ 2,577.49 <u>\$ 2,693.43</u>
2	\$ 441.86	\$ 883.71	\$ 1,325.57	\$ 1,767.42	\$ 2,209.28	\$ 2,651.13	\$ 3,092.99

Size (In Yards)	1	2	3	4	5	6	7
	<u>\$ 461.73</u>	<u>\$ 923.46</u>	<u>\$ 1,385.19</u>	<u>\$ 1,846.92</u>	<u>\$ 2,308.65</u>	<u>\$ 2,770.38</u>	<u>\$ 3,232.11</u>
3	\$ 589.14 <u>\$ 615.64</u>	\$ 1,178.28 <u>\$ 1,231.28</u>	\$ 1,767.42 <u>\$ 1,846.92</u>	\$ 2,356.56 <u>\$ 2,462.56</u>	\$ 2,945.70 <u>\$ 3,078.20</u>	\$ 3,534.84 <u>\$ 3,693.84</u>	\$ 4,123.98 <u>\$ 4,309.48</u>
4	\$ 736.43 <u>\$ 769.55</u>	\$ 1,472.85 <u>\$ 1,539.10</u>	\$ 2,209.28 <u>\$ 2,308.65</u>	\$ 2,945.70 <u>\$ 3,078.20</u>	\$ 3,682.13 <u>\$ 3,847.75</u>	\$ 4,418.55 <u>\$ 4,617.30</u>	\$ 5,154.98 <u>\$ 5,386.85</u>
5	\$ 883.71 <u>\$ 923.46</u>	\$ 1,767.42 <u>\$ 1,846.92</u>	\$ 2,651.13 <u>\$ 2,770.38</u>	\$ 3,534.84 <u>\$ 3,693.84</u>	\$ 4,418.55 <u>\$ 4,617.30</u>	\$ 5,302.26 <u>\$ 5,540.76</u>	\$ 6,185.97 <u>\$ 6,464.22</u>
6	\$ 1,031.00 <u>\$ 1,077.37</u>	\$ 2,061.99 <u>\$ 2,154.74</u>	\$ 3,092.99 <u>\$ 3,232.11</u>	\$ 4,123.98 <u>\$ 4,309.48</u>	\$ 5,154.98 <u>\$ 5,386.85</u>	\$ 6,185.97 <u>\$ 6,464.22</u>	\$ 7,216.97 <u>\$ 7,541.59</u>
8	\$ 1,325.57 <u>\$ 1,385.19</u>	\$ 2,651.13 <u>\$ 2,770.38</u>	\$ 3,976.70 <u>\$ 4,155.57</u>	\$ 5,302.26 <u>\$ 5,540.76</u>	\$ 6,627.83 <u>\$ 6,925.95</u>	\$ 7,953.39 <u>\$ 8,311.14</u>	\$ 9,278.96 <u>\$ 9,696.33</u>

Note: Above rates are for containers supplied by contractor. Rates for compacted solid waste apply only when such waste has been compacted by any mechanical device prior to its pickup by the collector. Loose waste dumped into the collector's packer truck from a container will be subject to the rates for non-compacted material. However, waste that has been compressed or compacted by any mechanical device and then subsequently dumped into a loose yard container to be picked up by the Contractor shall be subject to compacted container rates only upon prior written approval of the Director.

Special Services:

Special pickups shall be charged the extra yard rate multiplied by the size of the container plus the return trip charge.

	<u>2019 2020</u>
One-time delivery/pickup/disposal of 3-yard "Rent-a-Bin"	167.18 <u>173.83</u>
Additional "Rent-a-Bin" pickup	103.60 <u>107.72</u>
Return trip (blocked container, etc.)	16.33 <u>17.08</u>

	<u>2019</u> <u>2020</u>
Lock charge (if manual system used)	2.61 <u>2.73</u> per collection
Subsequent deliveries/moves/replacements	29.73 <u>31.10</u> per trip
Accessibility charge	3.71 <u>3.88</u> per collection
Rollout charge	
Greater than 15 feet	3.71 <u>3.88</u> per collection
Greater than 20 feet	5.95 <u>6.22</u> per collection
Steam cleaning (customer request or requirement)	44.58 <u>46.64</u> per container
Overfill/extra yardage (or portion thereof)	16.69 <u>17.35</u> per event

Overweight charges for container service: If the Contractor identifies that a Customer's disposal weights are consistently in excess of 130 lbs. per loose yard (if charged loose container rates) or 455 lbs. per compacted yard, or per yard of heavy material such as dirt, rock, etc. (if charged compacted container rates) the Contractor may charge a flat overweight surcharge in addition to the regular rates. The surcharge will be equal to the weight in excess of 200 pounds per loose yard or 700 pounds per compacted yard multiplied by the current disposal rates per pound, multiplied by the number of yards serviced per month. The surcharge may also be applied to any extra or special pickups. The Contractor shall not charge the overweight container charge until the on-going overweight account has been brought to the attention of the Director. The Contractor may charge the overweight charge once the Director has investigated the issue and made a written determination as to whether or not the proposed charge is appropriate to the situation.

Late Fee:

1.5 percent of balance outstanding at thirty days past due date.

Vacation Allowance:

Minimum period of two weeks.

Maximum of three vacations per year.

Section 4. VMC 6.12.211, adopted by Ordinance M-2665 and last amended by Ordinance M-4264, is amended as follows:

6.12.211 Drop box and compactor rates.*

The following table lists garbage rates charged for drop box and compactor service:

Regular Service:	2019 <u>2020</u>
Initial placement fee	37.12 <u>38.33</u> per trip
Moving fee	37.12 <u>38.33</u> per trip
Steam clean	
(per customer request or as required)	4.00 <u>4.18</u> per yard
Minimum	38.86 <u>40.65</u> min
Plus: pickup and redelivery	37.12 <u>38.83</u> per trip

Trucking Fee (empty and return - roundtrip haul charge):

Drop box	
10-yard	145.61 <u>152.33</u>
20-yard	145.61 <u>152.33</u>

30-yard	145.61 <u>152.33</u>
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40-yard	145.61 <u>152.33</u>
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Compactor

10-yard	161.79 <u>169.26</u>
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20-yard	161.79 <u>169.26</u>
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30-yard	161.79 <u>169.26</u>
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40-yard	161.79 <u>169.26</u>
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Organics Trucking Fee (empty and return - roundtrip haul charge):

Drop box

10-yard	105.86 <u>108.31</u>
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20-yard	105.86 <u>108.31</u>
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30-yard	105.86 <u>108.31</u>
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40-yard	105.86 <u>108.31</u>
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Compactor

10-yard	117.62 <u>120.34</u>
---------	---------------------------------

20-yard	117.62 <u>120.34</u>
---------	---------------------------------

30-yard	117.62 <u>120.34</u>
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40-yard	117.62 <u>120.34</u>
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Add disposal pass through at amount of tipping fee and disposal transaction fees or taxes to

above charges.

Daily demurrage - Per Day	3.47 <u>3.63</u> per day
Monthly demurrage - Monthly Maximum	104.54 <u>109.36</u> monthly max
Special/modified box rental	
(Lid/screen/winch, etc.) - Per day	4.98 <u>5.21</u> per day
Monthly Maximum	149.98 <u>156.90</u> monthly max
Waiting time	
(after first 10 minutes) - Charge Per Minute	1.76 <u>1.84</u> per minute
Mileage Charge (over 10)	3.22 <u>3.37</u> per mile
Locking system	
Materials plus labor @ per hour	37.12 <u>38.83</u> per hour
"Check only" service	
(price per container and per check)	11.13 <u>11.64</u>
Return trip charge (per container)	29.73 <u>31.10</u>

For Organics and/or Yard debris collection drop box service – the noted Organics Trucking Fee applies in place of the regular Trucking Fee, however, the same rates apply to these streams as for all other regular drop box related services, and disposal will be charged at current organics and/or yard debris processing rates.

Late Fee:

1.5 percent of balance outstanding at thirty days past due date.

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Section 5. VMC 6.12.212, adopted by Ordinance M-2665 and last amended by Ordinance M-4264, is amended as follows:

6.12.212 Other rates.

The following table lists garbage rates for types of pickup other than those set out in Sections 6.12.208 through 6.12.211:

Bulky item pickup:	2019 <u>2020</u>	
Stove	16.67 <u>17.06</u>	each
Washing machine	18.24 <u>18.66</u>	each
Dryer	15.10 <u>15.45</u>	each
Water heater	18.54 <u>18.97</u>	each
Refrigerator, freezer	30.15 <u>30.85</u>	each
Sofa	15.10 <u>15.45</u>	each
Chair	12.05 <u>12.33</u>	each
Mattress or box spring	13.64 <u>13.96</u>	each
Tires		
Auto/light pickup	7.18 <u>7.35</u>	each
with rim	11.11 <u>11.37</u>	each
Bus/heavy truck	22.52 <u>23.04</u>	each
with rim	37.15 <u>38.01</u>	each
Other bulky items	15.88 <u>16.25</u>	each

Note: the above rates are for pre-scheduled curbside pick-up at residential locations, however, they also may be applied to commercial and multifamily site pickups. For commercial and multifamily collections

additional fees, detailed in VMC 6.12.210, may apply for requested Special Services that differ from the standard pre-scheduled curbside bulky item pickup.

Hourly equipment rental:

Sideloaded compactor truck	101.01 <u>103.35</u>	per hour
Rolloff truck/Front Load Compactor Truck	104.03 <u>106.44</u>	per hour
Extra labor	46.06 <u>47.13</u>	per hour
Overtime rate	Extra labor rate x 1.5	

Section 6. VMC 6.12.213, adopted by Ordinance M-3069 and last amended by Ordinance M-4264, is amended as follows:

6.12.213 Residential recycling fees.

The following fees shall be charged for recycling program costs within the City of Vancouver:

1. *Curbside Recycling*

- a. For each dwelling unit in a structure containing from one to four residential dwelling units, ~~\$3.20~~ 3.27 per month.
- b. For each dwelling unit in a structure containing from one to four residential dwelling units, the contractor may invoice a “recyclables processing surcharge” of ~~\$1.77~~ 1.59 per month.

2. *Multi-family Recycling*

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c. Five or more residential dwelling units on a consolidated solid waste collection bill, ~~\$1.29~~ 1.32 per month per unit.

d. For each dwelling unit in a structure containing five or more residential dwelling units, the contractor may invoice a “recyclables processing surcharge” of ~~\$0.78~~ 0.84 per unit per month.

The following optional fees shall be charged to those residents or businesses who voluntarily subscribe for service:

Organics Collection Service (~~Effective October 1, 2019~~)

Residential Subscription Options:

~~2019~~ 2020

Basic subscription, with 96-gallon cart	\$7.43 <u>7.80</u> per month
Basic subscription, with 64-gallon cart	6.43 <u>6.75</u> per month
Basic subscription, with 32-gallon cart	5.43 <u>5.70</u> per month
Basic subscription, with 20-gallon cart	4.43 <u>4.65</u> per month

Commercial / Multifamily Subscription Options:

Every Other Week subscription, with 64-gallon cart	\$8.26 <u>8.67</u> per month
Weekly subscription, with 64-gallon cart	16.52 <u>17.35</u> per month

Special/Optional Organics Services:

Additional 32-gallon equivalent (or portion thereof, per volume)	3.39 <u>3.56</u> per pickup
Service restart fee,	10.39 <u>10.63</u>

within one year of last service

Subscription service, on call with no cart (not available effective October 1, 2019)	5.67 per pickup
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Optional extra_cart rental	1.72 <u>1.76</u> per month
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Cart replacement fee	At cost
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Cart delivery fee, initial	0.00
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Cart delivery fee, subsequent (including cart swap request)	13.86 <u>14.18</u>
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Late fee: 1.5 percent of balance outstanding at 30 days

Vacation allowances in conjunction with garbage service vacations only.

Note: For commercial and multifamily sites participating in Organics collection service, the above subscription rates and Special/Optional Services fees apply so long as the customer is responsible for placing the cart(s) curbside for the scheduled collection day(s). If the cart(s) at these sites is not placed at the curb on collection day(s) and/or if other special services are requested for these sites, then the Special Services fees detailed in VMC 6.12.210 may be added as additional charges for each collection. Depending on location specific challenges, organics collection service may not be offered at all multifamily or commercial sites.

Section 7. Savings. Those ordinances or parts of ordinances which are amended by this ordinance shall remain in full force and effect until the effective date of this ordinance.

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Section 8. Severability. If any clause, sentence, paragraph, section, or part of this ordinance or the application thereof to any person or circumstance shall be adjudged by any court of competent jurisdiction to be invalid, such order or judgment shall be confined in its operation to the controversy in which it was rendered and shall not effect or invalidate the remainder of any parts thereof to any person or circumstances and to this end the provisions of each clause, sentence, paragraph, section or part of this law are hereby declared to be severable.

Section 9. Effective date. This ordinance shall become effective as of January 1, 2020, following the date of final adoption.

Read first time:

Ayes: Councilmembers

Nays: Councilmembers

Absent: Councilmembers

Read second time:

PASSED by the following vote:

Ayes: Councilmembers

Nays: Councilmembers

Absent: Councilmembers

SIGNED this _____ day of _____, 2019.

Anne McEnery-Ogle, Mayor

Attest:

Natasha Ramras, City Clerk

Approved as to form:

Jonathan Young, City Attorney

SUMMARY

ORDINANCE NO. _____

AN ORDINANCE relating to the collection of solid waste, recyclable materials and organics, and amending certain sections of VMC 6.12 to increase or adjust rates and charges consistent with approved utility user taxes and rates and in accordance with current contracts for the coming year; providing for savings, severability and an effective date.

The full text of this ordinance will be mailed upon request. Contact Raelyn McJilton, Records Officer at 360-487-8711, or via www.cityofvancouver.us (Go to City Government and Public Records).