

October 14, 2019

WORKSHOPS

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

Mayor McEnerny-Ogle was absent from workshops. Mayor Pro Tem Bart Hansen presided.

4:00-5:00 p.m. 2020 State Legislative Session Preview

Presenters: Brian Enslow, Lobbyist, Connection Public Affairs; Jeanette (Jan) Bader, Program & Policy Development Manager, 487-8606

Summary

The City's state governmental affairs liaison provided Council a preview of the 2020 legislative agenda.

5:00-6:00 p.m. 2019 Comprehensive Plan and Zoning Map and Text Changes

Presenter: Bryan Snodgrass, Principal Planner, 487-7946

Summary

Staff provided Council with an overview of the proposed amendments to the Comprehensive Plan and zoning map and text as part of the City's annual review process.

COUNCIL DINNER/ADMINISTRATIVE UPDATES (6 PM)

COUNCIL CONSENT AGENDA 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 Pro Tem Bart Hansen in the Council Chambers of City Hall, 415 W. 6th Street, Vancouver, Washington.

Present: Councilmembers Paulsen, Lebowsky, Glover, Stober, Turlay, Hansen

Absent: Mayor McEnerny-Ogle

Motion by Councilmember Stober, seconded by Councilmember Turlay, and carried unanimously to excuse Mayor McEnerny-Ogle.

Proclamation: Breast Cancer Awareness Month

Mayor Pro Tem Hansen read and presented a proclamation to Lee Rafferty, Don Stose, and Lisa Nisenfeld, representing the Pink Lemonade Project, proclaiming October 2019 as Breast Cancer Awareness Month.

Proclamation: Indigenous Peoples' Day

Mayor Pro Tem Hansen read and presented a proclamation to Destany Reeves Robinson, representing the Chinook Nation, and Dr. Ellen Harju, representing the Cowlitz Tribe, proclaiming October 14 as Indigenous Peoples' Day.

Those in attendance of indigenous heritage introduced themselves.

Eric LaBrant, Vancouver, spoke regarding the importance of all community members being reminded of the history of this country in relation to indigenous peoples, and expressed appreciation to the City and all community members who contributed to making this proclamation possible.

Citizen Communication (Items 1-3)

Mayor Pro Tem Hansen opened Citizen Communication and, receiving no testimony, closed Citizen Communication.

Consent Agenda (Items 1-3)

Motion by Councilmember Glover, seconded by Councilmember Lebowsky, and carried unanimously to approve the Consent Agenda.

1. **Interlocal Agreement between the City of Vancouver and the Culture, Arts & Heritage Commission for management, administrative and legal services**

Staff Report 142-19

Summary

On April 16, 2018, the City Council adopted a new Culture, Arts & Heritage Plan, the City's first in 25 years. On July 1, 2019, the City Council created the Culture, Arts & Heritage Commission as a public development authority and charged them with the responsibility of implementing the plan. The plan includes hiring a full-time Cultural Services Manager, restoring the cultural grant program and developing a public art program and actualizing the existing downtown Arts District.

In the 2019-2020 biennial budget, the Council adopted \$400,000 per year to support the implementation of the plan including appointment of the new Culture, Arts & Heritage Commission. To fulfill its purpose, the Culture, Arts & Heritage Commission will need City management, administrative and legal services such as those provided to the Downtown Redevelopment Authority (DRA) and the City Center Redevelopment Authority (CCRA).

Request: Authorize the City Manager or his designee to sign an interlocal Agreement with the Culture, Arts & Heritage Commission for management, administrative and legal services.

Jeanette (Jan) Bader, Program & Policy Development Manager, 487-8606

Motion approved the request.

2. **Appointments to the Task Force on Council Representation**

Request: Appoint to the Task Force on Council Representation: Mary Elkin, Tanisha Harris, Pat Jollota, Kala Magdugula, Diana Perez, Harold Westby, and Glen Yung for the duration of the task force's work program.

Mayor and Council

Motion approved the request.

3. **Approval of Claim Vouchers**

Request: Approve claim vouchers for October 14, 2019.

Copy available upon request.

Motion approved claim vouchers for October 14, 2019, in the amount of \$1,131,185.60.

Citizen Forum

Mayor Pro Tem Hansen opened the Citizen Forum and received the following testimony:

- Carmen McKibben, representing Southwest Washington Communities United for Change (SWCUC), thanked everyone who attended their meeting for Indigenous Peoples' Day. She also reported SWCUC was finishing up its 12 Months of City Council and thanked members who had participated in the civic process and urged the City to continue supporting all members of the community through listening and actions.
- Adam Aguilera, Vancouver, thanked the City for the Indigenous Peoples' Day proclamation and spoke regarding the atrocities committed by Christopher Columbus against the indigenous peoples of the Americas. He urged Washington State to no longer recognize Columbus Day.
- Glen Yung, Vancouver urged the City to complete the improvements recommended for the Navigation Center as soon as possible and asked whether the City had received the report from the Alpha Project and if the City Council had been briefed on it already.

City Manager Eric Holmes reported that some of the recommendations regarding the Navigation Center were already underway. He stated the City had not yet received a copy of the Alpha Project report, but it was anticipated any day, and there had not been any closed-door briefings with the City Council regarding the report. He stated that when the City does receive the report, it will be provided to the Council and made available to the public.

- Steven Heath, Vancouver, spoke in support of the City extending the lease of the Vanco Golf Range beyond 2020.
- Laura Lindeman, Vancouver, urged the City to discuss the impact of opioid addiction on children and the community and discuss investing in treatment centers instead of the Navigation Center or the Stronger Vancouver initiative.
- Charles Hanset, representing the Recovery Cafe of Clark County, spoke regarding the organization's mission and work in the community. He stated he sees how the Navigation Center is helping people who are experiencing homelessness, and encouraged community members to meet the people

who are utilizing that facility.

- Kelly Neidig, representing ARTSTRA, invited the Council and community to participate in Clark County Open Studios on November 2 and 3.
- Keri Stanberry, Vancouver, stated she had contacted Alpha Project directly and had asked where their report is. She also expressed concerns about housing models that house clients who have experienced mental illness or who are in recovery from addiction together in the same building.

There being no further testimony, Mayor Pro Tem Hansen closed the Citizen Forum.

Adjournment

6:55 p.m.

Anne McEnerny-Ogle, Mayor

Attest:

Natasha Ramras, City Clerk

Meetings of the Vancouver City Council are electronically recorded on audio and videotapes. The audio tapes are kept on file in the office of the City Clerk for a period of six years.

October 21, 2019

WORKSHOPS

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

Councilmember Hansen was absent from workshops.

4:00-4:30 p.m. Public Art Program Update

Presenter: Jeanette (Jan) Bader, Program and Policy Development Manager, 487-8606

Summary

Staff provided Council with an update on the Public Art Program.

4:30-5:15 p.m. SR-501 Couplet Project Update: I-5 to Port of Vancouver

Presenters: Ryan Lopossa, Streets & Transportation Manager, 487-7706

Summary

Staff provided Council with an overview of the Washington State Department of Transportation (WSDOT) SR-501 project and proposed improvements to the Mill Plain/15th Street couplet from the Port of Vancouver to I-5.

Councilmember Lebowsky recused herself from the discussion as she is employed by WSDOT.

5:15-6:00 p.m. Executive Session re: Pending Litigation

Mayor McEnerny-Ogle announced the Council would be entering into executive session for 45 minutes to discuss pending litigation.

COUNCIL DINNER/ADMINISTRATIVE UPDATES (6 PM)

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, Mayor McEnerny-Ogle

Absent: Councilmember Hansen

Motion by Councilmember Paulsen, seconded by Councilmember Turlay, and carried unanimously to excuse Councilmember Hansen.

Approval of Minutes

Minutes - October 7, 2019

Motion by Councilmember Glover, seconded by Councilmember Lebowsky, and carried unanimously to approve the meeting minutes of October 7, 2019.

Proclamation: National Disability Employment Month

Mayor McEnerny-Ogle read and presented a proclamation to Kristin Wade, Clark County Developmental Disabilities Program Coordinator, proclaiming October as National Disability Employment Awareness Month.

Citizen Communication (Items 1-3)

Mayor McEnerny-Ogle opened Citizen Communication and, receiving no testimony, closed Citizen Communication.

Consent Agenda (Items 1-3)

Mayor McEnerny-Ogle pulled Item 1 at the request of staff to make a correction to the action requested.

Frank Dick, Wastewater Engineering and Supervisor, explained to Council that the amount of the contract being requested for approval as written in the staff report and on the Council's agenda was inaccurate, as it did not include Washington State sales tax as indicated in the documentation. He stated the item should be amended to indicate the total contract price is \$481,810.00, including the sales tax.

Motion by Councilmember Stober, seconded by Councilmember Glover, and carried unanimously to approve the Consent Agenda, including the correction to Item 1 as explained by staff.

1. Purchase of Turbine-Style Aeration Blowers for Wastewater Treatment - Sole Source

Staff Report 143-19

Summary

Current and increasing wastewater treatment demands often require more than one blower to provide aeration air to treatment processes. The current configuration with a turbo blower paired with an older centrifugal blower presents process control challenges in delivering aeration air to treatment processes.

The new turbo blowers will allow for streamlined operation to provide air supply when operating with multiple turbo blowers.

The turbo blowers at Westside and Marine Park have proven effective in their nearly 10-year continuous operation, with no major maintenance or repair required.

Request: Authorize the City Manager or his designee to award and execute a contract and any required amendments with APG Neuros for two turbine-style blowers at their proposal total price of \$481,810.00, which includes Washington State sales tax.

Frank Dick, Wastewater Engineering Supervisor, 487-7179

Motion approved the request.

2. Third Amendment to Lease Agreement, Bethesda Church NW

Staff Report 144-19

Summary

Bethesda is currently renting space in the Town Plaza, located at 5411 East Mill Plain Blvd. The City purchased the Town Plaza and assumed

Bethesda's Lease Agreement on June 28, 2017. The lease has a termination date of December 31, 2019.

Bethesda is aware of the City's plans to redevelop the Town Plaza property and actively searched for a new location for its non-profit business. It has found a new location and will be moving into the new space, and wishes to end the Lease Agreement, effective October 31, 2019. In light of the City's future plans to redevelop the Town Plaza property, as well as the costs associated with maintaining the current buildings, the City has an interest in early termination of lease agreements and assisting tenants with relocation. City staff would like to amend the lease term by executing the Third Amendment to Lease Agreement, setting lease termination at midnight on October 31, 2019.

Request: Authorize the City Manager or his designee to execute the Third Amendment to Lease Agreement between City of Vancouver and Bethesda Church NW.

Linda Carlson, Property Management Specialist, 487-8423

Motion approved the request.

3. Approval of Claim Vouchers

Request: Approve claim vouchers for October 21, 2019.

Copy available upon request.

Motion approved claim vouchers for October 21, 2019, in the amount of \$9,066,098.29.

Public Hearings (Items 4-5)

4. Block 10 Disposition and Development Agreement

Staff Report 145-19

A RESOLUTION relating to the approval of a disposition and development agreement pursuant to RCW Chapter 36.70B; establishing various development regulations under which the Block 10 development shall be vested; and authorizing the City Manager to execute a disposition and

development agreement.

Summary

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.

For years the City has held the block "in reserve" so as to not compete with other redevelopment efforts such as the Waterfront. An analysis from The Leland Group, consultants to the City, in 2015 indicated that with the Waterfront construction underway, the City should not try and "time the market," but instead should advertise the property for redevelopment.

In May of 2016, the City issued a Request for Proposals (RFP) and received three responses. Gramor Development was selected based on their proposed mixed use project including a grocery store, and negotiations between City staff and Gramor ensued. However, after more than two years of discussions of a possible disposition and development agreement (DDA) without reaching agreement on the terms, the City Council terminated negotiations with Gramor in May of 2019.

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.*

- 12,500 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). See attached architectural renderings at Exhibit 4.

Substantive elements negotiated by City staff included in the draft DDA are as follows:

- Holland commits to relocating its headquarters to the new building once completed.
- Construction is anticipated to commence no later than March 2020, but in no case later than May 2020.
- Disposition of the property will be through a ground lease of 60 years with a single extension of 39 years, with an option to purchase at the end of the 60th and 80th years, or at the end of the extension term if exercised.
- Target for execution of the ground lease is no later than December 31, 2019, in order to maximize the benefit to the project from the City's Opportunity Zone incentives.
- Building will encroach 5 feet over the sidewalk above the first floor up to the full height of the building (approximately 80 feet) on all four sides of the property, if City Council approves an amendment to VMC 20.630.020 "Building Lines" through a separate ordinance. This amendment was considered and deliberated by the Planning Commission on October 8, 2019. The six commission members in attendance on were equally divided on whether to recommend approval of the proposed amendment and could not obtain a majority vote for or against. (The full transcript and meeting minutes will be available for Council's review and consideration.) .
- 20% of the residential units would be rented at no greater than 100% of Area Median Income (AMI) to utilize the City's 8-Year Multi-Family Tax Exemption program, through a separate agreement to be considered by Council in the coming weeks.
- Holland requests an extension of their Option to Purchase the City's Vancouvercenter Parking Garage (located on the block to the south of the project) by three years (to December 2022), by separately amending the Vancouvercenter Disposition and Development Agreement.
- Holland is also requesting that they be allowed to operate the garage during the three-year period to maximize its use to the greatest extent through shared use by residential and office tenants, which have different peak periods of demand, in order to accommodate approximately 200 additional vehicles for tenants of Block 10, and through a separate agreement.

Substantive elements negotiated by City staff which will be in a forthcoming

lease agreement (to be approved separately by City Council) are as follows:

- *Ground lease will be an absolute triple net lease as follows:*
 - *\$2,500 per month until completion of the project or 36 months after execution of the lease, whichever is first;*
 - *\$5,500 per month from 37 months to 48 months;*
 - *\$11,100 per month from 49 months to the start of the 11th lease year (based on 4% cap rate applied to \$3.33 million appraised value;*
 - *In the 11th lease year, rent shall increase to \$13,875 per month;*
 - *An annual adjustment based on the Consumer Price Index for all Urban Consumers (CPI-U) will apply beyond year 10 subject to an annual ceiling of 3%.*

Separate approvals that will be needed in order for the project to move forward include:

- 1. approval of the ground lease (City Council);*
- 2. approval of an amendment to the Vancouvercenter DDA to extend Holland's Option to Purchase the parking garage by three years (City Council);*
- 3. approval of an amendment to VMC 20.630.020 (City Council);*
- 4. approval of an agreement regarding the application of the 8-Year Multi-Family Tax Exemption option to the project (City Council);*
- 5. approval of a master operating agreement for the Vancouvercenter garage (City Council), or license of approximately 200 unreserved parking spaces in said garage (Parking Manager); and*
- 6. approval of the land use/design review, engineering and building permits (City staff).*

Request: On Monday, October 21, 2019, subject to public hearing, adopt a resolution approving the Disposition and Development Agreement with Holland Partner Group for Block 10.

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

Chad Eiken, Community and Economic Development Director, and Brenner Daniels, representing the Holland Partner Group, provided Council with an overview of the Block 10 proposal, including key elements of the DDA, all future actions necessary to fulfill the DDA, and an overview of the draft project design.

Mr. Daniels stated the Holland Partner Group is excited about the project and the opportunity to contribute to downtown development.

Council spoke at length regarding the proposed design of the development.

Councilmember Stober noted it is good to have some diversity to building design being added to downtown, but stated Council needs to continue to discuss and consider a downtown parking strategy generally for the downtown area.

Councilmember Paulsen noted that Council is acting just on the DDA at this meeting, and would be taking action on additional items related to the Block 10 development on November 18. But because he is scheduled to be absent at that meeting, he wanted to make some comments regarding the action related to amending the zoning code related to building overhang into the right-of-way. He stated he had reviewed the Planning Commission discussion on this issue and noted the commissioners' primary concern is the potential of changing the code, which would apply to all development downtown. But he noted that staff will be working on updating the Vancouver City Center Vision (VCCV) plan next year, which would likely address this very issue and provide a more permanent remedy to that concern. He stated he would like feedback from staff in advance of the November 18 hearing on this zone change to inform the Council on a likely timeline for that plan update so there will be as narrow a window as possible before the matter is permanently addressed.

Councilmember Lebowsky asked for clarification on what Holland's role would be in managing the Vancouvercenter parking garage. Mr. Eiken explained the City owns a majority of the spaces in the garage, and Holland has the option to purchase the entire garage, the prices for which are spelled out in the DA for Vancouvercenter. He stated that DA will expire on December 31, 2019, and staff is proposing to extend that option to allow some more time for Holland to determine how the garage could be operated most efficiently in order to take advantage of their option to purchase it.

Councilmember Lebowsky stated she is happy to hear circulation will be opened up on 9th Street. She stated she is comfortable with the design of this specific site related to the building overhang issue.

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

- Glen Yung, Vancouver, stated he is pleased Holland will have a presence downtown, but he echoed the concerns of the Planning Commission regarding amendments to the zoning code to address the needs of one specific project.
- Jack Harroun, Vancouver Planning Commission, stated he is neutral on the Block 10 development, but expressed concerns about amending the zoning code, as there is the potential for the particular design to be repeated in other locations downtown. He stated the current code does need to be amended, but he has concerns about amending the ordinance for this project. He stated he would be in favor of a spot ordinance outlining the specific parameters for this particular project to move forward

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

Mayor McEnerny-Ogle asked staff if a spot ordinance or code waiver is an option for one development. Mr. Eiken explained that the City cannot use a development agreement to change a development standard that is written in code. A DA can be used for such things as vesting for longer periods of time, and other similar concerns, but if it is something written into an ordinance, that ordinance would need to be changed. And once a development standard is changed via ordinance, it is written into code and applies to all other projects. He stated there might be a way to craft that ordinance so it applies in certain situations so that development standard can be limited to only projects that meet the specific criteria.

Councilmember Turlay asked if a variance would be a possibility. Mr. Eiken stated variances are used to modify certain zoning restrictions, such as setbacks, that meet hardship criteria. But this project does not meet those qualifications.

Councilmember Stober suggested that the ordinance require a development agreement be approved for projects that seek certain design standards related to the building overhang so these projects would be evaluated on a case-by-case basis. He also asked whether the developers will be working with Clark Public Utilities to include electric vehicle infrastructure in the parking structure of the building. Mr. Daniels stated there would be electric vehicle stations included.

Councilmember Paulsen stated that he envisions amendments to the zoning code that would ultimately include different development scenarios, each of which would have different development standards associated with them. For example, coupling certain design standards with a required development agreement, as had been suggested.

Councilmember Lebowsky agreed, and stated the Council had discussed previously allowing such a zone change only when the project is subject to a development agreement. She suggested, as staff moves forward with the VCCV update, to consider looking at form-based code to allow for design flexibility downtown.

Councilmember Glover noted that downtown has changed a lot since the VCCV was first adopted, and it is time for the City to take a look at it again before it expires and make clarifications as to what kind of buildings should be included in the future of downtown.

Motion by Councilmember Paulsen, seconded by Councilmember Lebowsky, and carried unanimously to adopt Resolution M-4039 approving the request.

5. Declaration of Real Property as Surplus - Waterfront Parcel

Staff Report 146-19

A RESOLUTION of the City of Vancouver declaring certain real property as surplus, directing its disposal and method of disposition.

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 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 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 6.65 acres total and valued at \$12.17 million. The parcel to be surplus by the City is 36,327 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 this property. A separate hearing is scheduled for November 4, 2019, to transfer the property to CWLLC per the adopted Development Agreement.

Request: On October 21, 2019, following a public hearing, adopt a resolution approving certain real property located north of SE Columbia Way immediately west of Columbia Street (Assessor parcels 48840000 and 48850000) as surplus.

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

Mr. Eiken provided an overview of the proposed surplus property and the background of the parcel as it relates to the Waterfront development project.

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

Motion by Councilmember Paulsen, seconded by Councilmember Glover, and carried unanimously to adopt Resolution M-4040 approving the request.

Communications

A. From the Council

Councilmember Glover introduced the new president and CEO of The Historic Trust, David Pearson.

B. From the Mayor

Mayor McEnerny-Ogle stated there had been an op ed in the Columbian over the weekend advocating for a particular action from the Council regarding the Stronger Vancouver initiative. She noted the Stronger Vancouver initiative has been ongoing for more than two years, and the City Council was presented with a recommendation from the Executive Sponsors Council in April of this year. Since then the Council has been doing an in-depth review of the recommendation. She stated the Council is moving toward a decision, but the Council will remain open and engaged with the community and with each other as the discussion continues over at least another four meetings, which will include at least two public hearings, before the Council makes any final decisions. She stated the Council is still in the middle of the process of reviewing and discussing all of the options.

C. From the City Manager

Adjournment

7:31 p.m.

Anne McEnerny-Ogle, Mayor

Attest:

Natasha Ramras, City Clerk

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Staff Report 149-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/4/2019

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

Key Points

1. The City maintains approximately 1,900 lane miles of streets in its system.
2. The City's annual resurfacing and preventive maintenance contracts are the primary way curb to curb pavement work is done on City streets.
3. The City has a Joint Agency Agreement with Clark County for the joint contracting of pavement slurry seal services.
4. Blackline, Inc, of Vancouver, Washington was awarded the contract for the 2019 Joint Agency Slurry Seal Project in April 2019, as an amendment to the 2018 Joint Agency Slurry Seal Project.
5. Construction began in early August 2019, and was physically complete in late August 2019.
6. Final construction costs for the project are \$361,466.50, a 19% underrun of the original contract.

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 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.

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 retainage.

Disadvantage(s)

None

Budget Impact

This project is funded by the Pavement Management Program in the Street Fund.

Prior Council Review

Amended 2018 Joint Agency Slurry Seal construction contract for the 2019 Joint Agency Slurry Seal Project in April 2019.

Action Requested

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



Staff Report 150-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/4/2019

SUBJECT 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

Key Points

- The City awarded a contract for lagoon upgrade design services August 2018 (SR 119-18) in the amount of \$386,920. The engineering project scope and design services did not include extensive electrical upgrades.
- City staff and the consultant engineering firm identified the need for electrical upgrades during a pre-design condition assessment of facilities and equipment at the lagoon.
- Certain equipment at the City's 40-year-old industrial (food-process) wastewater pretreatment lagoon system is currently operating near or beyond its expected service life.
- City staff recommends amending contract C-90662 to Brown & Caldwell for an additional amount of \$391,864 to include electrical system design services.

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 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.

Advantage(s)

1. The amended contract provides comprehensive engineering design for full replacement to electrical systems at the lagoon starting with utility feeder-/service entrance and through the equipment panels.
2. Provides for flexibility to install equipment with consistent standard voltage levels, which is not available at the site now.
3. Provides enhanced electrical equipment including accommodation for a mobile emergency generator.

Disadvantage(s)

The contract amendment increases the cost for engineering design services and subsequently will increase construction costs for the lagoon upgrade. However, the electrical upgrade is consistent with the need and effort to upgrade the overall lagoon system.

Budget Impact

Available funding for engineering design services for electrical systems at wastewater treatment facilities is programmed in the Wastewater Treatment Capital budget for 2019 at \$600,000. The amendment cost of \$391,864 will be transferred from this budget item. Additional funds for design services for electrical systems upgrades at Vancouver's other wastewater treatment facilities are programmed in 2020.

Prior Council Review

August 6, 2018 - Council approval of Professional Services Agreement for Evaluation and Design Services related to Upgrades to Vancouver's Industrial Wastewater Pretreatment Lagoon System (Staff Report 119-18).

Action Requested

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

ATTACHMENTS:

- ▣ Amendment No. 1 - Professional Services for Engineer, Planning & Design for Industrial Wastewater Pretreatment Lagoon
- ▣ Attachment A - Scope of Work
- ▣ Attachment B - Fee Schedule

AMENDMENT No. 1
PROFESSIONAL SERVICES AGREEMENT
ENGINEERING, PLANNING & DESIGN FOR INDUSTRIAL WASTEWATER
PRETREATMENT LAGOON

This is an Amendment to **PROFESSIONAL SERVICES** Agreement No. 90662 dated August 10, 2018, by and between the City of Vancouver, a municipal corporation, under the laws of the State of Washington, hereinafter referred to as "City" and Brown and Caldwell hereinafter referred to as "Contractor", whose address is 6500 SW Macadam Ave Ste 200 Portland OR 97239.

This amendment modifies Section 1 Statement of Work and Section 5. Time of Performance of the Agreement:

1. **REPLACE** the language contained in Section 1, Statement of Work with language in herein attached and by reference made part of the Contract Amendment #1, Attachment A - Scope of Work, City of Vancouver, Design for Industrial Pretreatment Lagoon.
2. **REPLACE** the budget in Section 1 of the Contract with the herein attached and by reference made part of the Contract, Attachment B, Amendment #1 Budget. Revised authorized budget is increased by \$391,864 to a new authorized total of \$778,784.
3. **EXTEND** last effective date of Contract to December 31, 2020.
4. Ratification: Acts taken pursuant to this Amendment but prior to its effective date are hereby ratified and confirmed.

All other terms and conditions shall remain unchanged and in full force and effect.

DATED this _____ day of _____, 2019

CITY OF VANCOUVER,
A municipal corporation

CONTRACTOR:
Brown and Caldwell

Eric Holmes, City Manager

Signature:

Attest:

Natasha Ramras, City Clerk

By: Printed Name / Title

Approved as to form:

Jonathan Young, Acting City Attorney

Amendment #1

Attachment A – Scope of Work

City of Vancouver

Design for Industrial Pretreatment Lagoon

Scope of Work

Phase 1 Project Management

Objective To assemble, manage, and lead a cohesive team to meet budget, schedule, and project objectives

Activities The following tasks are included in Phase 1.

Task 101 Project Management

The following tasks are included in Task 101:

- Prepare a detailed Project Management Plan (PMP) that includes quality assurance/quality control (QA/QC) procedures and provide updates as needed throughout the project
- Oversee, coordinate, and provide direction to Brown and Caldwell's (BC's) project team
- Allocate qualified technical and support staff for each subtask to meet project objectives
- Regularly conduct internal status reviews to develop specific action plans for staying on course to meet budget, schedule, and quality expectations
- Proactively and routinely communicate with the City of Vancouver's (City's) project manager (PM) throughout the project to coordinate City-BC activities, and discuss issues that arise, potential hurdles, and proposed corrective actions
- Prepare monthly invoices with status reports
- Confirm that internal QA/QC procedures developed in the QA/QC Plan are applied at appropriate intervals for all deliverables
- Provide project management and design management resources to support the additional scope of work described in Amendment #1 .

Assumptions The following assumptions were made in the development of this phase:

- The City's PM will review the draft PMP
- The project duration will be approximately 24 months

Deliverables Deliverables for this phase include the following:

- PMP
- Monthly invoices and progress reports

Phase 2 Existing System Evaluation

Objective To further understand the Industrial Pretreatment Lagoon's existing and future treatment needs

Activities The following tasks are included in Phase 2.

Task 201 Kickoff Meeting

The following tasks are included in Task 201:

- Review project objectives and project work plan, discuss existing conditions, and initial review of technologies
- Tour the existing facilities

Task 202 Review Existing Data and Operation

Prepare a list of information for the City to provide to facilitate the design team's review. The review is to include, but will not be limited to, the following:

- Lagoon operating data
- Projected flows/loads
- Existing treatment system (including electrical and instrumentation)
- Plant hydraulics
- Review effluent quality needs and consider capacity of Westside
- As-builts
- Engineering documents
- Operational issues/requirements

Task 203 Wastewater Characterization

Review historical and current plant flows and loads to the facility and develop a data set that accurately describes the load on the Industrial Pretreatment Lagoon. The review is to include, but will not be limited to, the following:

- Review historical plant data
- Review data from existing utilities
- Develop data gap analysis and collection needs
- Develop sampling plan
- Coordinate wastewater characterization and perform a mass balance for the plant
- Analyze and model treatment process using sampling results and historical data
- Meet with City of Vancouver solid waste and determine potential for food waste load

Assumptions The following assumptions were made in the development of this phase:

- City staff are available to participate in a kickoff meeting
- Historical flow/load data are available and will be provided by the City
- The City will conduct sampling and testing as required
- The City has existing industrial survey information and available data to characterize current or additional industrial users.

- Deliverables** Deliverables for this phase include the following:
- Kickoff meeting agenda, materials, and minutes
 - Data request
 - Sampling plan and testing protocol

Phase 3 Technology Screening and Selection

Objective To screen available process improvements, configurations, and technologies appropriate for treatment of the waste stream. Select alternatives for a business case evaluation (BCE). Consider improvements at the lagoon site and at other City-owned locations such as the Westside Wastewater Treatment Plant.

Activities The following tasks are included in Phase 3.

Task 301 Funding Investigation

Research funding sources for the developed alternatives. An allowance of 24 hours is included for the investigation of public and private funding.

Task 302 Screen Options

The following tasks are included in Task 302:

- Screen options based on operational/control flexibility, reliability, maintenance costs, continuous operation of the facility during construction, use of solids generated at the facility, and energy costs.
- Describe the relative cost differences between options.
- Select at least four but no more than five alternatives for consideration. The expected alternatives for evaluation include the following:
 - Optimization of the existing system (with a 10-year or less payback period)
 - Anaerobic treatment
 - Increased industrial loads, anaerobic treatment, and energy recovery
 - To be determined
- Prepare a summary of the advantages and disadvantages of the options.

Task 303 Conceptual Memorandum

The following tasks are included in Task 303:

- Draft the *Conceptual Memorandum* including content developed in Phases 2 and 3
- Finalize the *Conceptual Memorandum*

Task 304 Technology and Options Workshop

The following tasks are included in Task 304:

- Present technology options to obtain City input and select alternatives for the BCE
- Develop an agenda and materials for the workshop and meet with City staff
- Develop criteria for the BCE
- Summarize the results of the workshop in a technical memorandum (TM)

Assumptions The following assumptions were made in the development of this phase:

- City staff are available to participate in workshops
- City staff will provide the value of electricity, industrial land, and unit cost to land-apply biosolids

Deliverables Deliverables for this phase include the following:

- Workshop agenda, materials, and minutes
- *Conceptual Memorandum* following results from the workshop

Phase 4 Business Case Evaluation

Objective To prepare a BCE of the selected viable alternatives with considerations for economic, environmental, and social impacts to provide the City with adequate information to select the best alternative

Activities The following tasks are included in Phase 4.

Task 401 Alternatives Analysis

The following tasks are included in Task 401:

- Review regulatory requirements for the proposed alternatives
- Prepare conceptual designs for each alternative including the following:
 - Process mechanical: identify mechanical and yard piping improvements
 - Electrical: identify the need for electrical power supply and power distribution system improvements, if any, to operate proposed equipment and replacements.
 - Instrumentation/control: identify the need for instrumentation/control improvements, if any, to operate the equipment and/or change the control equipment monitoring/metering and protocol
 - A process flow schematic and plan view drawing
 - Preliminary process calculations for sizing the system
 - Quantified downstream impacts of effluent quality
- Prepare a summary of the advantages and disadvantages of the alternatives evaluated
- Estimate the energy requirements and value of renewable energy production
- Consider constructability and challenges with disruptions to existing operations

Task 402 Opinion of Probable Construction Cost: Class 5

A draft *Opinion of Probable Construction Cost* (OPCC) will be developed for each alternative selected from Task 300 in accordance with the Association for the Advancement of Cost Estimating (AACE) *International Recommended Practice 18R897*. The OPCC will be organized and subtotaled for each alternative. The following cost opinion will be prepared with the corresponding task: *Basis of Design Report* (BODR) (-30 percent/+50 percent) OPCC (AACE Class 5 accuracy).

Task 403 Business Case Evaluation Workshop

The following tasks are included in Task 403:

- Present a proposed weighting to the BCE criteria and gather City input for adjustments
- Present results of the BCE to the City
- Develop agenda and materials for the workshop and meet with City staff
- Summarize the results of the workshop in a TM

Task 404 Business Case Evaluation TM

The following tasks are included in Task 404:

- Draft the *Business Case Evaluation TM*
- Finalize the *Business Case Evaluation TM*

Assumptions The following assumptions were made in the development of this phase:

- The OPCC will use current and historical market pricing with accuracy ranges appropriate for the estimate class
- Detailed process modeling will occur on the selected alternative during detailed design
- Alternatives to be considered for BCE will be limited to three (3)
- Social and environmental impacts will be identified, rated, weighted and scored in collaboration with City staff in a workshop setting.
- Recommendations and potential energy savings are based upon many data points and certain assumptions. Many of these are variable and are affected by the quality of the influent, costs of electricity and natural gas, and O&M costs. Final results will depend on the variables which should be considered and reconfirmed as part of any preliminary design of potential improvements.

Deliverables *Business Case Evaluation TM* with an evaluation of the proposed alternatives

Phase 5 Detailed Design

Objective To prepare a BODR suitable for submission to the Washington State Department of Ecology (Ecology). Prepare plans, specifications, OPCC, and construction schedule based on the project components described in the BODR.

Activities The following tasks are included in Phase 5.

Task 501 Basis of Design Report

Prepare a BODR providing additional detail on the recommended alternative. The BODR will document the results of the evaluations performed and the conclusions and recommendations derived from those evaluations, design bases, engineering analysis, assumptions and limitations of the analysis, design criteria, final design considerations, preliminary OPCC, and regulatory requirements for the project. The BODR will include drawings that represent a conceptual level of design including the following:

- Describe the flows and loads
- Design data table
- Calculations for initial sizing of equipment
- 10 percent drawings including process flow schematic, site plan, electrical one-line diagram, and general arrangement equipment drawings

The BODR will be sent to Ecology to communicate the design direction and allow Ecology an opportunity to comment.

The BODR shall incorporate investigations and engineering efforts to evaluate and refine the following engineering concepts:

- Replacement of twelve (12) slide gates along the baffle walls
- Provisions for new floating docks and floating boat ramps to increase maintenance and operations access.
- New self-contained floating mixers in Cells A, B and C that meet the treatment needs of the system
- Provisions for new sampling stations, at both the influent and effluent of the system.
- Complete replacement of the electrical distribution system along with a new utility feeder/service entrance from Clark Public Utilities.
- New HVAC equipment for the existing electrical room

Task 502 30 Percent Design

The following tasks are included in Task 502:

- Advance design to a 30 percent level of completion. Plans developed during 30 percent design include the following:
 - Updated process flow schematic
 - Updated site plan
 - Updated general arrangement drawings showing proposed equipment placement
 - Updated power one-line diagram
 - Design data table
 - General drawings with sheet indexes, symbols, legends, and abbreviations
 - General arrangement drawings showing major piping and valves, support systems, utilities, power distribution equipment, and instrumentation
 - Process and instrumentation diagrams
- Prepare an OPCC, construction schedule, work sequence specification, and specification table of contents. Perform constructability and operational reviews prior to submission of 30 percent design to the City for review. Coordinate with the supervisory control and data acquisition (SCADA) integrator used by the facility to understand system requirements.
- Perform appropriate QA/QC review on the deliverable prior to submission to City.

- Conduct a 30 percent review workshop with City staff and other interested stakeholders. Obtain input and comments from workshop participants. Meeting minutes will be prepared to document the discussion and to identify action items. City comments and questions from the workshop and subsequent comments generated from review of the 30 percent documents will be documented in a comment log.
- Provide drawing and specifications to support the additional scope identified, which includes:
 - Replacement of twelve (12) slide gates along the baffle walls
 - Provisions for new floating docks and floating boat ramps to increase maintenance and operations access.
 - New self-contained floating mixers in Cells A, B and C that meet the treatment needs of the system
 - Provisions for new sampling stations, at both the influent and effluent of the system.
 - Complete replacement of the electrical distribution system along with a new utility feeder/service entrance from Clark Public Utilities.
 - New HVAC equipment for the existing electrical room
 -

Task 503 90 Percent Design

Advance the development of the design drawings, specifications, OPCC, and schedule to the 90 percent level of completion. Incorporate information from the SCADA integrator into the contract documents. Discipline work will be completed under this task. Perform appropriate QA/QC review on the deliverable prior to submission to City. The 90 percent review documents will be substantially complete and marked as final. These documents will be ready for review by the City, Building Department, and Ecology. The following will be added to the plans developed during 90 percent design:

- Mechanical sections and details
- Interconnection wiring diagrams
- Control narratives
- Conduit and cable schedules

Conduct a 90 percent review workshop with City staff. Obtain input and comments from workshop participants. Meeting minutes will be prepared to document the discussion and to identify action items. City comments and questions from the workshop and subsequent comments generated from review of the 90 percent documents will be documented in a comment log.

- Provide drawing and specifications to support the additional scope identified, which includes:
 - Replacement of twelve (12) slide gates along the baffle walls

- Provisions for new floating docks and floating boat ramps to increase maintenance and operations access.
- New self-contained floating mixers in Cells A, B and C that meet the treatment needs of the system
- Provisions for new sampling stations, at both the influent and effluent of the system.
- Complete replacement of the electrical distribution system along with a new utility feeder/service entrance from Clark Public Utilities.
- New HVAC equipment for the existing electrical room

Task 504 Bid Documents

Incorporate Building Department review comments, Ecology comments, and City comments into a final package for construction. Update the OPCC and schedule.

Assumptions The following assumptions were made in the development of this phase:

- The flows and loads are similar to existing conditions.
- Detailed design for a new treatment process is not expected.
- City staff, consultants, and the preferred SCADA integrator are available for coordination and to review deliverables, and the integrator can develop a control program from narratives in the bid documents.
- Replacing an existing blower with a blower having a smaller power requirement.
- The lagoon system is part of the SCADA upgrade project, and a local PLC has capacity for this project.
- Record drawings for the existing installation are available and accurate.
- The scope assumes replacement of 12 existing slide gates along the baffle walls. All gates will be 24" by 24" stainless steel self-contained rising stem gates with hand-wheel manual operators, no electric actuators. Temporary bypass pumping will be required in order to facilitate the lowering of the lagoon level to replace this equipment. The temporary bypass pump will be a diesel trash pump and specified for the Contractor to provide via a performance-based specification.
- Add floating docks along Cell C and Cell A, with engineering to support connection between docks and existing baffle walls. This assumes that a floating dock system can be attached to the Cell C and Cell A side barrier wall H-piles with fabricated fittings welded to the existing piles that will offer enough "play" to accommodate minor water level changes and mild to moderate wave action. Docks will be of standard commercially available materials and will not be custom engineered products.
- Add floating boat ramp to Cell C to facilitate maintenance access. The floating boat ramp installation will not involve modifications to the berm wall and will be composed of standard commercial available products and will not involve custom engineering.
- Add three floating mixers, assumed to be solar bee type devices, to Cells A, B and C (one mixer per cell) in order to meet the process mixing requirements in Cells A and

B and to control sludge settling and odors in cell C. Mixers will be connected to the shore via a deadman type connection.

- Repair selected major cracks in precast baffle walls by epoxy injection only (limited area coverage from top of wall to low water level). Assume total maximum crack length repair not to exceed 50 feet.
- Provide a new primary metered electrical service, major elements for City owned equipment include new 40-foot power pole with fused cutouts and ground operated service disconnect, new underground concrete encased 12.47kV primary feeder, and (2) new outdoor pad-mounted power transformers.
- Provide replacement of the indoor electrical system, including new 2.4kV soft starter lineup for the existing 600HP blowers, new 1200A switchboard for new 450HP high speed blower, new dry-type transformers and panelboards for lighting, HVAC, etc.
- Provide new HVAC equipment for the new electrical equipment located in the existing electrical room only.
- Provide new influent and effluent sampling stations complete with interconnection back to the plant control system.
- Upgrade the new chemical injection system installed by the City to operate in automatic dosing mode, currently the system is manually adjusted by operations staff.
- BODR: Deliverables for City review will be electronic (in Word or PDF format). Hard copies of the final BODR will be provided for use by the City (one camera-ready and two bound). Two bound copies will be delivered to Ecology.
- One camera-ready and one PDF copy of bid documents will be provided for advertisement.

Deliverables Deliverables for this phase include the following:

- BODR
- 30 and 90 percent review documents
- Comment response spreadsheet on 30 and 90 percent documents
- Approval packages for Building Department and Ecology
- Bid documents

Task 505 Bid Support

Respond to bidder questions during the bid process and attend a pre-bid conference, hosted and facilitated by City staff.

Assumptions The following assumptions were made in the development of this phase:

- None

Deliverables Deliverables for this phase include the following:

- Responses to bidder questions
- Meeting minutes from the pre-bid conference

Phase 6 Permitting

Objective To support the City in securing the necessary permit applications and other notifications to local and state regulatory agencies

Activities The following tasks are included in Phase 6.

Task 601 Permit Applications

Prepare application packages to secure permits from the required agencies including:

- Building Department
 - Provide additional permitting effort to support the development of building permit that complies with both the Washington Energy Code requirements (IECC 2015) and the City of Vancouver building permit process.
 -
- Ecology
- State Environmental Policy Act (SEPA) checklist

Assumptions The following assumptions were made in the development of this phase:

- Hard copies of 90 percent documents will be provided for approval by the Building Department (three full-size, signed sets of plans, and three sets of specifications) and Ecology (two bound)
- City is responsible for all permit fees

Deliverables SEPA checklist for the proposed project to be submitted to the City's Community and Economic Development Department

Phase 7 Construction Services

Objective To support the City during the bidding and construction phase

Activities The scope and budget for services to be provided during the construction and startup phases of the project are not within this Scope of Work and will be negotiated in a future contract amendment.

Phase 8 New System Design Services

Objective To design a new treatment system.

Activities The scope and budget for design services for a new treatment system are not within this Scope of Work and, if needed, will be negotiated in a future contract amendment.

Assumptions Applicable to All Phases

The following assumptions are applicable to all phases of the project:

- The project will not modify the existing lagoon berms or existing clay liner.

- Phases 5 through 6 are budgeted for the alternative to optimize the existing treatment system. If a process change alternative is selected, the level-of-effort is expected to be greater and will need adjustment by amendment prior to starting detailed design.
- *Conceptual Memorandum, Business Case Evaluation* TMs: Deliverables for City review will be electronic (in Word or PDF format). Hard copies of final design memoranda will be provided for use by the City (one camera-ready and two bound).
- Accuracy of the analyses and recommendations may be affected by the accuracy of the data provided by the City.
- No containment required for pad-mounted transformers w/biodegradable insulating oil.
- The scope assumes replacement of interior and exterior building lighting fixtures with new LED type, no replacement of site lighting fixtures is assumed.
- No modifications to the existing fire alarm and telecom/data systems will be required
- Control system networking revisions limited to interfacing new equipment to existing PLC systems via Ethernet over CAT 6 cables. No fiber optic cable in scope.
- As-builts and record drawings are available for existing control systems including I/O lists and interconnection wiring diagrams for existing PLC systems.
- PLC and HMI programming is by others (City preferred 3rd party programmer).
- HVAC upgrades to the blower process room will not be required.
- Final bid set deliverable shall be electronic format (pdf) only, full size drawings will not be required.
- The City will provide the front end (Division 0) specifications.

Services Not Included

The following services are not included in this Scope of Work, but may be authorized separately via amendment or additional services authorization after the magnitude of the improvements and corresponding design is known:

- Geotechnical investigation.
- Design of a major process change or for new and different industrial users.
- Design of energy recovery systems.
- Coordination with industrial users.
- Any modifications to the existing lagoon/dike structure.
- Dam related services (including permitting).
- Existing-conditions survey.
- Subsurface utility engineering (SUE).
- Phase I and II environmental assessments by the City; assume no impacts on project design or permitting.

- Remodeling/evaluation/preliminary design of previously completed work required due to the City requests that are not within this Scope of Work or due to changes in existing conditions, codes, regulations, laws, or design manuals and guidelines after the date of Notice to Proceed.
- Structural analysis of existing structures.
- Condition assessment of existing structures or facilities.
- Any permitting or modifications to the existing lagoon.

ATTACHMENT B

Amendment 1 - Budget

City of Vancouver – Vancouver Pretreat Lagoon Design																																	
		Mills, Timothy A	Rose, Lisa J	Kimball, Kelly J	Humm, Gregory D	Reed, Joshua I	Anastabal, Christian	Dummer, Catherine A	Crites, Ronald W	Flippin, Thomas H	Figueras, Jordi	Kelly, Richard T	Vasquez, Jesus E	Vramontes, Austin	Masonville, Philip M	Parrson, Douglas R	Falken, Eric J	Eidon, Miranda	Tucker, Thomas C	Conas, Steven T	Fangan, Michael S	Koch, Bill	Gallin, Terry L	Bansamer, Gary C	Gisse, Mark G	Agstler, William P	Stroyer, David W						
Phase	Phase Description	PM	PA																									Total Labor Hours	Total Labor Effort	APC	Travel	Total Expense Effort	Total Effort
001	Project Management	\$ 212	\$ 98	\$ 246	\$ 246	\$ 212	\$ 131	\$ 178	\$ 271	\$ 271	\$ 212	\$ 212	\$ 112	\$ 98	\$ 246	\$ 153	\$ 246	\$ 84	\$ 178	\$ 112	\$ 212	\$ 131	\$ 212	\$ 212	\$ 131	\$ 212	\$ 178	154	\$25,236	\$1,232	\$0	\$1,232	\$26,468
001A1	Project Management Amendment 1	0	0	130	0	28	0	0	0	0	0	0	20	0	0	0	0	100	0	0	0	0	0	0	0	0	0	270	\$44,860	\$2,160	\$500	\$2,660	\$47,520
002	Existing System Evaluation	18	0	0	0	32	42	0	0	0	0	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	108	\$19,494	\$864	\$0	\$864	\$20,358
003	Technology Screening & Selection	20	6	0	4	64	112	0	2	2	8	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	222	\$37,680	\$1,776	\$0	\$1,776	\$39,456
004	Business Case Evaluation	14	6	0	4	46	70	16	2	6	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	172	\$30,174	\$1,376	\$0	\$1,376	\$31,550	
005	Detailed Design	94	36	10	22	124	247	36	0	0	0	40	0	290	170	491	0	0	0	0	0	0	0	0	0	0	1,560	\$250,224	\$12,480	\$1,500	\$13,980	\$264,204	
005A1	Detailed Design Amendment 1	0	0	29	0	0	0	28	0	0	0	0	0	0	312	87	0	0	326	585	78	252	73	88	36	4	36	1,934	\$321,372	\$15,472	\$1,500	\$16,972	\$338,344
006	Permitting	2	0	0	0	8	12	0	0	0	0	0	0	0	2	0	2	0	0	0	0	0	0	0	0	0	26	\$4,676	\$208	\$0	\$208	\$4,884	
006A1	Permitting Amendment 1	0	0	4	0	0	0	0	0	0	0	0	0	0	8	0	0	0	0	0	0	8	4	4	0	0	28	\$5,773	\$227	\$0	\$227	\$6,000	
TOTAL		196	96	183	30	302	483	80	4	8	16	60	60	290	492	578	2	100	326	585	78	260	77	92	36	4	36	4,474	739,489	35,795	3,500	39,295	778,784



Staff Report 151-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/4/2019

SUBJECT Job Order Contracting (JOC) Services for General Construction Contracts

Key Points

- An Request for Proposals (RFP) for Job Order Contracting Services was issued on July 26, 2019, and closed on August 21, 2019, with the intent to award two (2) contracts in support of a Job Order Contracting Program at the City.
- The City received three (3) proposals in response to the RFP and after proposal evaluations and interviews, the highest two scored proposers are Halbert Construction Services LLC of Vancouver, WA, and SDB Contracting Services of Hillsboro, OR.
- Each contract is set for an initial period of two (2) years, with an option to extend for up to one (1) additional year.

Strategic Plan Alignment

N/A

Present Situation

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.

Advantage(s)

1. Continued use of the JOC program
2. Improve response times on public works projects and reduce administrative burden.

Disadvantage(s)

None

Budget Impact

No additional budget impact as these projects are budgeted.

Prior Council Review

None

Action Requested

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 asneeded 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

ATTACHMENTS:

- ▢ Halbert Contract
- ▢ SDB Contract



CITY OF VANCOUVER, WA
CONTRACT No. _____

For

**JOB ORDER CONTRACTING SERVICES
FOR GENERAL CONSTRUCTION**

Initial Agreement Term: November 1, 2019 through October 31, 2021

(City Renewal Option: Up to one (1) additional one-year term)

Between

CITY OF VANCOUVER, WASHINGTON

And

HALBERT CONSTRUCTION SERVICES LLC

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JOB ORDER CONTRACTING SERVICES FOR GENERAL CONSTRUCTION

This Contract, effective this _____ day of _____, 2019 is made and entered into by and between the City of Vancouver, a municipal corporation of the State of Washington (Owner), and Halbert Construction Services LLC, 12013 NE 99th St, Ste 1630, Vancouver, WA 98682 (Contractor) hereinafter referred to as Parties. This Job Order Contract shall be the agreed basis of performing and compensating for all City issued Job Orders to Contractor.

In consideration of the mutual covenants and agreements of the Parties herein contained, the Contractor agrees to furnish all material, labor, tools, equipment, apparatus and facilities necessary to perform and complete all Work called for in the Contract Documents.

This Job Order Contract is entered into pursuant to the provisions of the Revised Code of Washington (RCW) 39.10.430. In executing this Job Order Contract, the Parties acknowledge that the scope of work will be delegated by the Owner on the basis of Job Orders. Contractor has agreed to offer its services to perform said Work per City issued RFP No. 10-19, Contractor's proposal to said RFP, and City Council's approval on _____ of Staff Report No. _____.

ARTICLE I: DEFINITIONS

In addition to the definitions set forth in the General Conditions, the following definitions shall apply to this Job Order Contract:

- 1.1 **Adjustment Factor** - The Contractor's competitively proposed price adjustment to the unit prices as published in the Construction Task Catalog. The contents and variations allowed in the Adjustment Factor are further defined in this Job Order Contract.
- 1.2 **Base Term** - The initial period of the Contract and does not include any Option Terms.
- 1.3 **Contract Award Amount** - The minimum dollar amount of total Job Orders Owner commits to spending.
- 1.4 **Construction Task Catalog[®]** - A comprehensive listing of construction related tasks together with a specific unit of measure and a published Unit Price.
- 1.5 **Days** – Shall mean calendar days unless specifically stated otherwise in the specification section.
- 1.6 **Detailed Scope of Work** - A document setting forth the work the Contractor is obligated to complete for a particular Job Order.
- 1.7 **Estimated Annual Value** - An estimate of the value of Job Orders that could be issued by the Owner each year.

- 1.8 **Job Order** - A written order issued by the Owner, such as a Purchase Order, requiring the Contractor to complete the Detailed Scope of Work within the Job Order Completion Time for the Job Order Price. The contents of the Job Order are further defined in this Job Order Contract and the General Conditions. A project may consist of one or more Job Orders.
- 1.9 **Job Order Completion Time** - The time within which the Contractor must complete the Detailed Scope of Work.
- 1.10 **Job Order Price** - The value of the approved Job Order Price Proposal and the amount the Contractor will be paid for completing a Job Order.
- 1.11 **Job Order Price Proposal** - A price proposal prepared by the Contractor that includes the Pre-priced Tasks, Non Pre-priced Tasks, quantities and appropriate Adjustment Factors required to complete the Detailed Scope of Work.
- 1.12 **Job Order Proposal** - A set of documents including at least: (a) Job Order Price Proposal; (b) required drawings or sketches; (c) list of anticipated Subcontractor; (d) Construction schedule; and (e) other requested documents.
- 1.13 **Job Order Request** - An order issued by Owner to Contractor requesting a price for a proposed scope of work to be performed pursuant to a Job Order issued under this Job Order Contract.
- 1.14 **Joint Scope Meeting** - A site meeting to discuss the work before the Detailed Scope of Work is finalized.
- 1.15 **Holidays** – Shall include January 1, the third Monday of January, the third Monday of February, Memorial Day, July 4, Labor Day, November 11, Thanksgiving Day, the day after Thanksgiving, and Christmas Day.
- 1.16 **Maximum Contract Value** - The maximum value of Job Orders that the Contractor may receive under this Contract per the RCW.
- 1.17 **Minimum Contract Value** - The minimum value of Job Orders that the Contractor is guaranteed the opportunity to perform under this Contract.
- 1.18 **Non Pre-priced Task** - A task that is not set forth in the Construction Task Catalog®.
- 1.19 **Normal Working Hours** - Includes the hours from 7:00 a.m. to 6:00 p.m. Monday through Friday, except for Owner holidays.
- 1.20 **Notice to Proceed** - A written notice issued by the Owner directing the Contractor to proceed with construction activities to complete the Job Order.
- 1.21 **Open Contract Sum** - The total sum of all open Job Orders.
- 1.22 **Option Term** - An additional period of time beyond the Contract Term which extends the termination date of the Contract.

- 1.23 **Other than Normal Working Hours** - Includes the hours of 6:01 p.m. to 6:59 a.m. Monday through Friday and all day Saturday, Sunday, and Owner Holidays.
- 1.24 **Pre-priced Task** - A task described in, and for which a Unit Price is set forth in, the Construction Task Catalog®.
- 1.25 **Project** - The collective improvements to be constructed by the Contractor pursuant to a Job Order, or a series of related Job Orders.
- 1.26 **Request for Job Order Proposal** - A written request to the Contractor to prepare a Job Order Proposal for the Detailed Scope of Work referenced therein.
- 1.27 **Schedule of Values** - A written breakdown allocating the total Job Order Price to each category of Work, in such detail as requested by Owner.
- 1.28 **Specifications** - That portion of the Contract Documents consisting of the written requirements for contract administration, materials, equipment, systems, standards and workmanship for the Job Order Work, and performance of related services, and including Divisions 0 (less Bidding Requirements) through Division 17.
- 1.29 **Supplemental Job Order** - A secondary Job Order developed after the initial Job Order has been issued for the purpose of changing, deleting, or adding work to the initial Detailed Scope of Work, or changing the Job Order Completion Time.
- 1.30 **Technical Specifications** - The written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services.
- 1.31 **Unit Price** - The price published in the Construction Task Catalog® for a specific construction or construction related work task. Unit Prices for new Pre-priced Tasks can be established during the course of the Contract and added to the Construction Task Catalogs®. Each Unit Price is comprised of labor, equipment, and material costs to accomplish that specific Pre-priced Task.

ARTICLE II: CONTRACT DOCUMENTS, RELATIONSHIP OF PARTIES

2.1 Contract Documents

The Contract Documents, as detailed below, form the complete agreement between the Parties, and are as fully a part of this Job Order Contract as if attached to this Job Order Contract or repeated herein. The Contract Documents represent the entire and integrated agreement between the Parties related to this Project and supersede prior negotiations, representation or agreements, either written or oral. The Contract documents consist of the following and any inconsistency in the parts of the Contract documents shall be resolved by the following this order of precedence:

- a. Contract Modifications (later amendment takes precedence over previous)
- b. JOC Services for General Construction Contract
- c. Job Order Contract Purchase Order (including Detailed Scopes of Work, Job Order Proposals, and any additional conditions or specifications)
- d. Amendments to the WSDOT Standard Specifications
- e. WSDOT Standard Specifications for Road and Bridge Construction
- f. General Conditions for Job Order Contracts
- g. Addenda to Request for Proposal 10-19,
- h. RFP 43-15
- i. Successful Proposer's Proposal
- j. RS Means
- k. Technical Specifications

2.2 General

The Contractor accepts the relationship of trust and confidence established by this Job Order Contract and covenants with the Owner to cooperate with the Owner through every phase of the Work and utilize the Contractor's best skill, efforts and judgment in furthering the interests of the Owner; to furnish efficient business administration and supervision; to make best efforts to furnish at all times an adequate supply of workers and materials; and to perform the Work in the best way and most expeditious and economical manner consistent with the interests of the Owner. The Contractor further recognizes that in order for the Project to be completed on time and within budget the Contractor and the Owner will have to closely cooperate to meet the Owner's financial constraints. The Contractor shall closely cooperate on a regular basis to revise materials, methods, estimates and schedules as necessary to perform and complete the Work consistent with the Contract Time unless adjusted by Supplemental Request.

2.3 Submittal of Requested Information

Contractor, upon request of the Owner, shall submit the following information in a format acceptable to the Owner:

- a. A list of Job Orders issued,
- b. The cost of each Job Order,
- c. A list of the subcontractors hired under each Job Order,
- d. The cost of each subcontract under each Job Order,
- e. A copy of the intent to pay prevailing wages and the affidavit of wages paid for each Job Order subcontract, and
- f. Any other information requested.

ARTICLE III: WORK OF THIS JOB ORDER CONTRACT

1. General

This Job Order Contract is an indefinite delivery, indefinite quantity (IDIQ) contract pursuant to which the Contractor may perform an ongoing series of individual Projects at different locations throughout the City. The Contract Documents include a CTC containing construction tasks with preset Unit Prices. All Unit Prices are based on local labor, material and equipment prices and are for all direct and indirect costs of construction. The City of Vancouver will use the JOC Contractors to perform general construction work including, but not limited to, interior renovations, tenant improvements, interior mechanical, electrical, structural as well as concrete work, asphalt paving, underground utilities, park trails and grounds, communication network installation, channelization, permanent signing and installation of electrical traffic control devices such as flashing beacons and radar feedback signals. The City expects the average job to be less than \$100,000. This expected average is presented for information only and is not a commitment.

2. Minimum Contract Value

The Minimum Contract Value for this Contract is \$10,000. The Contractor is guaranteed to receive the opportunity to perform Job Orders totaling at least \$10,000 during the term of this Contract.

The Estimated Annual Value for each Contract is \$3,000,000. The Contractor may be issued Job Orders totaling up to the Estimated Annual Value during any year of the Contract. The Contractor is not guaranteed to receive this value of Job Orders. It is merely an estimate. The City has no obligation to issue Job Orders in excess of the Minimum Contract Value.

The City reserves the right to issue Job Orders up to the maximum amount specified in RCW 39.10.440. The Maximum Contract Value shall not exceed the amount set forth in RCW 39.10.440. In addition, the City may elect to carry over any unused capacity from the previous year and add the value to the immediate following year limit. The maximum annual volume including unused capacity shall not exceed the limit of two years.

3. Maximum Contract Value

Per RCW 39.10.450, the maximum dollar amount for an individual Job Order is three hundred fifty thousand dollars (\$350,000). All Job Orders for the same project (original plus any Supplemental Job Orders) shall be treated as a single Job Order for the purpose of the \$350,000 limit. A Job Order issued for any particular project must not exceed \$350,000, exclusive of sales tax.

The City of Vancouver intends to use the JOC Contractors to perform general construction work including, but not limited to, interior renovations, tenant

improvements, interior mechanical, electrical, structural as well as concrete work, asphalt paving, underground utilities, park trails and grounds, communication network installation, channelization, permanent signing and installation of electrical traffic control devices such as flashing beacons and radar feedback signals. The City expects the average job to be less than \$100,000. This expected average is presented for information only and is not a commitment.

4. Assignment of Work and Award of Individual Job Orders

The Owner may award an individual Job Order to any selected Contractor. The City of Vancouver reserves the right to limit the number of Job Orders assigned to a contractor at one time. Selection of the Contractor and award of the Job Order will be in compliance with established Owner procedures and based on one or more of the following criteria:

1. Rotational selection among all Contractors, unless otherwise determined by the Owner.
2. Evaluation of past and current performance on Job Orders of a similar nature and type of work, project size, construction management challenges, schedule performance, design management requirements, etc.
3. Balancing of work load (Job Order dollar volume and construction backlog) among Contractors.
4. Management of Job Order dollar volume within bonding limitations of the Contractor.
5. Price, as it relates to the Owner's independent cost estimate or to an offer from any other contractor.
6. Contractor's responsiveness to the Owner on Job Orders.

5. Initiation of a Job Order

As the need exists, the Owner will notify the Contractor of a Project, schedule a Joint Scope Meeting and issue a Notice of Joint Scope Meeting. The Contractor should be available with 24 hours of the invitation to attend the Joint Scope Meeting. In cases of emergencies Contractors may be required to attend a Joint Scope Meeting with in an hour of the request.

The Contractor shall attend the Joint Scope Meeting and discuss, at a minimum:

1. the general scope of the work;
2. alternatives for performing the work and value engineering;

3. access to the site and protocol for admission;
4. hours of operation;
5. staging area;
6. requirements for catalog cuts, technical data, samples and shop drawings;
7. requirements for professional services, sketches, drawings, and specifications;
8. construction duration;
9. liquidated damages;
10. the presence of hazardous materials;
11. date on which the Job Order Proposal is due;
12. Whether or not additional general or special conditions may apply to the Job Order.

Upon completion of the joint scoping process, the Contractor will prepare a draft Detailed Scope of Work referencing any sketches, drawings, photographs, and specifications required to document accurately the work to be accomplished. The Owner shall review the Detailed Scope of Work and request any required changes or modifications. When an acceptable Detailed Scope of Work has been prepared, the Owner will issue a Request for Job Order Proposal that will require the Contractor to prepare a Job Order Proposal. The Detailed Scope of Work, unless modified by both the Contractor and the Owner, will be the basis on which the Contractor will develop its Job Order Proposal and the Owner will evaluate the same. The Contractor does not have the right to refuse to perform any task or any work in connection with a particular Project.

6. Preparation of a Job Order Proposal

1. The Contractor's Job Order Proposal shall include, at a minimum:
 - a. Job Order Price Proposal;
 - b. Required drawings or sketches;
 - c. List of anticipated Subcontractors and Materialmen;
 - d. Construction schedule; preliminary subject to change with the approval of the project manager.

- e. Other requested documents.

Failure to submit the required documents listed above shall result in the proposal being rejected.

2. The value of the Job Order Price Proposal shall be c by summing the total of the calculations for each Pre-priced Tasks (Unit Price x quantity x Adjustment Factor) plus the value of all Non Pre-priced Tasks.
3. The Contractor will prepare Job Order Price Proposals in accordance with the following:
 - a. Pre-priced Task: A task described in, and for which a unit price is set forth in, RS Means.
 - b. Non Pre-priced Task: A task that is not set forth in the Construction RS Means.
 - c. Information submitted in support of Non Pre-priced Tasks shall include, but not be limited to, the following:
 - i. Catalog cuts, specifications, technical data, drawings, or other information as required to evaluate the task.
 - ii. If the Contractor will perform the work with its own forces, it shall submit three independent quotes for all material to be installed and shall, to the extent possible, use Pre-priced Tasks for labor and equipment from the Construction Task Catalog®. If the work is to be subcontracted, the Contractor must submit three independent quotes from subcontractors. The Contractor shall not submit a quote or bid from any supplier or subcontractor that the Contractor is not prepared to use. The Owner may require additional quotes and bids if the suppliers or subcontractors are not acceptable or if the prices are not reasonable.
 - iii. The final price submitted for Non Pre-priced Tasks shall be according to the following formula:

For Non Pre-priced Tasks Performed with Contractor's Own Forces:

A = The hourly rate for each trade classification not in RS Means multiplied by the quantity;

B = The rate for each piece of Equipment not in RS Means multiplied by the quantity;

C = Lowest of three independent quotes for all materials.

Total for a Non Pre-priced Tasks performed with Contractor's Own Forces = $(A+B+C) \times \text{Non Pre-Priced Task Adjustment Factor}$

For Non Pre-priced Tasks Performed by Subcontractors:

If the Non Pre-priced Task is to be subcontracted, the Contractor must submit three independent quotes for the work.

D = Lowest of three Subcontractor Quotes

Total Cost for Non Pre-priced Tasks performed by Subcontractors = $D \times \text{Non Pre-Priced Task Adjustment Factor}$

- iv. After a Non Pre-priced Task is used on five or more separate Job Orders, the Unit Price for such task will be established, following approval by the Owner, and fixed as a permanent Non Pre-Priced Task which will no longer require price justification. These costs may be escalated yearly based on the issuance of a new Means Historical Cost Index. Non-Pre-Priced items cannot exceed 20% of the Job Order.
 - v. The Owner's determination as to whether a task is a Pre-priced Task or a Non Pre-priced Task shall be final, binding and conclusive as to the Contractor.
4. Whenever, because of trade jurisdiction rules or small quantities, the cost of a minor task in the Job Order Price Proposal is less than the cost of the actual labor and material to perform such task, the Owner may permit the Contractor to be paid for such task as a Non Pre-priced Task, or use Pre-priced labor tasks and material component pricing to cover the actual costs incurred. Provided, however, that there is no other work for that trade on the Project or other work for that trade cannot be scheduled at the same time and the final charge does not exceed \$1,000.

5. Contractor shall make the necessary arrangements for and obtain all filings and permits required for the Work, including the preparation of all drawings, sketches, calculations and other documents and information that may be required therefor. If the Contractor is required to pay an application fee for filing a project, a fee to obtain a building permit, or any other permit fee to the City, State or some other governmental or regulatory agency, then the amount of such fee paid by the Contractor for which a receipt is obtained shall be treated as a Reimbursable Task to be paid without mark-up. The costs of expediting services or equipment use fees are not reimbursable. The City, at its discretion, has the option to pay the filing or permit fees through a City funds transfer if so desired to keep these fees out of the JOC project costs.
6. The Contractor shall provide incidental engineering and architectural services required in connection with a particular Job Order including drawings and information required for filing.
7. The Contractor's Job Order Proposal shall be submitted by the date indicated on the Request for Job Order Proposal. All incomplete Job Order Proposals shall be rejected. The time allowed for preparation of the Contractor's Job Order Proposal will depend on the complexity and urgency of the Job Order but should average between seven and fourteen days. On complex Job Orders, such as Job Orders requiring incidental engineering/architectural drawings and approvals and permits, allowance will be made to provide adequate time for preparation and submittal of the necessary documents.
8. In emergency situations and minor maintenance and repair Job Orders requiring immediate completion, the Job Order Proposal may be required quickly and the due date will be so indicated on the Request for Job Order Proposal or, as described below, the Contractor may be directed to begin work immediately with the paperwork to follow.
9. By submitting a Job Order Proposal to the Owner, the Contractor agrees to accomplish the Detailed Scope of Work in accordance with the Request for Job Order Proposal at the price submitted. It is the Contractor's responsibility to include the necessary tasks and quantities in the Job Order Price Proposal and apply the appropriate Adjustment Factor(s) prior to delivering it to the Owner.
10. If the Contractor requires clarifications or additional information regarding the Detailed Scope of work in order to prepare the Job Order Proposal, the request must be submitted so that the submittal of the Job Order Proposal is not delayed.

7. Review of the Job Order Proposal and Issuance of the Job Order

1. The Owner will evaluate the entire Job Order Price Proposal within 3 working days of receiving the document and compare these with the Owner's estimate of the Detailed Scope of Work to determine the reasonableness of approach, including the appropriateness of the tasks and quantities proposed. If the Owner has questions or requires additional information the Contractor shall respond to the questions or submit a revised Job Order Price Proposal within 3 working days of receipt of the request. For any subsequent reviews or revisions to the price proposal the Contractor and the Owner will have 2 working days.
2. The Contractor may choose the means and methods of construction; subject however, to the Owner's right to reject any means and methods proposed by the Contractor that:
 - a. Will constitute or create a hazard to the work, or to persons or property;
 - b. Will not produce finished Work in accordance with the terms of the Contract; or
 - c. Unnecessarily increases the price of the Job Order when alternative means and methods are available.
3. The Owner reserves the right to reject a Job Order Proposal or cancel a Project for any reason. The Owner also reserves the right not to issue a Job Order if it is determined to be in the best interests of the Owner. The Owner may perform such work by other means. The Contractor shall not recover any costs arising out of or related to the development of the Job Order including but not limited to the costs to attend the Joint Scope Meeting, review the Detailed Scope of Work, prepare a Job Order Proposal (including incidental architectural and engineering services), subcontractor costs, and the costs to review the Job Order Proposal with the Owner.
4. By submitting a Job Order Proposal to the Owner, the Contractor agrees to accomplish the Detailed Scope of Work in accordance with the Request for Job Order Proposal at the lump sum price submitted. It is the Contractor's responsibility to include the necessary Pre-priced Tasks and Non Pre-priced Tasks and quantities in the Job Order Price Proposal prior to delivering it to the Owner.
5. Each Job Order provided to the Contractor shall reference the Detailed Scope of Work and set forth the Job Order Price and the Job Order Completion Time. All clauses of this Contract shall be applicable to each Job Order. The Job Order, signed by the Owner and delivered to the Contractor constitutes the Owner's

acceptance of the Contractor's Job Order Proposal. A signed copy of the Job Order will be provided to the Contractor.

6. In the event that immediate emergency response is necessary, the Contractor shall be required to follow alternative procedures as established by the Owner. The Contractor shall begin work as directed notwithstanding the absence of a fully developed Request for Job Order Proposal, Detailed Scope of Work, or Job Order. The Contractor shall be compensated for such work as if the work had been ordered under the standard procedures.

6. Job Order Performance

Upon issuance of a job order the Contractor shall work with the assigned project manager to complete the work.

The Contractor shall provide full documentation to the City of all work, including, but not limited to: weekly meeting notes during construction, inspection reports, a comprehensive monthly summary report including status of all open Work Orders, punch-list reports as needed, as-built drawings and related items and any other reporting required or requested by the City.

During construction the Contractor will be required to submit, on a monthly basis, in a format acceptable to the City, a full cost-accounting report of the status of all expenses and individual budget items within the JOC for each Work Order, as well as quarterly reports of year-to-date and life-to-date contract expense.

7. Quality Control

Contractor is responsible for quality control and shall establish and maintain an effective quality control system. The Quality Control (QC) system shall consist of plans, procedures, and organization necessary to provide materials, equipment, workmanship, fabrication, construction and operations which complies with Job Order requirements. The Contractor shall review and certify as correct, complete, and in compliance with equipment as required by the Contract Documents. Quality Control is the sole responsibility of the Contractor.

8. Permits, Fees, and Notices

Unless otherwise provided in the Job Order, Contractor shall obtain all permits, licenses, and inspections necessary for proper execution and completion of the Work. Owner will pay the permitting authority directly for the cost of any building permit. All other permits are the financial responsibility of the Contractor. Prior to Final Acceptance, the approved, signed permits shall be delivered to Owner. Contractor shall comply with and give

notices required by all federal, state, and local laws, ordinances, rules, regulations, and lawful orders of public authorities applicable to performance of the Work.

9. Access to Work

The City, its Agent, and/or its Representative shall at all times have access to the work wherever it is in preparation or progress and the Contractor shall provide facilities for such access so that the City, its Agent, and/or its Representative may perform their functions under the Job Order documents. If the specifications, the City, its Agent, and/or its Representative instructions, laws, ordinances, or any public authority require any work to be specially tested or approved, the Contractor shall give the City, its Agent, and/or its Representative timely notice of its readiness for observation by the Owner's Representative or inspection by another authority, and if the inspection is by an authority other than the City, its Agent, and/or its Representative, of the date fixed for such inspection, required certificates of inspection being secured by the Contractor. Observations by the City, its Agent, and/or its Representative shall be promptly made, and where practicable at source of supply.

If any work should be covered up without approval or consent of the City, its Agent, and/or its Representative, it must, if required by the City, its Agent, and/or its Representative, be uncovered for examination at the Contractor's expense.

Re-examination of questioned work may be ordered by the City, its Agent, and/or its Representative and, if so requested, the work must be uncovered by the Contractor. If such work be found in accordance with the issued Job Order documents, the City will pay the cost of re-examination and replacement.

ARTICLE IV: PRICING OF THE WORK

4.1 General

Contractor shall furnish all supervision, labor, materials, tools, supplies, equipment and transportation to perform all operations necessary and required in accordance with the terms and conditions of the Contract, and as further specified in individual Job Orders. Pricing will be provided in excel spread sheet format exported from Construction Task Catalog.

4.2 Job Order Price

The pricing of the Job Order shall be determined as follows: The unit price for each item to be used from RS Means. The price (unit price x quantity x Adjustment Factor) is the total amount to be paid to the Contractor for the item for self-performed items or subcontractor-performed items. Cost for building permits, inspection fees, utility hookup fees, and other jurisdictional fees should be included on the Job Order Proposals as separate line items.

4.3 Contractor's Adjustment Factors

The Adjustment Factor for work performed during Normal Working Hours is 1.2075 for this contract. The Adjustment Factor for work performed during Other than Normal Working Hours is set at 1.2380. The Adjustment Factor for non-pre-priced items is 1.2050. This is fixed for a period of one year and may be adjusted per the ENR CCI Index according to the average of the twenty cities. These Adjustment Factors includes business costs, construction costs, and price variations.

4.3.1 Business costs included in the Contractor's Adjustment Factors include:

- Overhead costs, including, but not limited to: home office overhead, insurance, bonds, and indemnification, project meetings, training, management and supervision, mobilization and close-out for the contract and each Job Order ,and project office staff and equipment.
- Profit.
- Subcontractor's overhead and profit.
- All taxes for which a waiver is not available with the exception of the Washington Sales Taxes which will not be part of the adjustment factor(s) but rather a separate line item on each Job Order. However the use tax on materials for WAC 458-20-171 projects shall be part of the adjustment factor(s).

- Employee or Subcontractor's wage rates that exceed the prevailing wage rates.
- Fringe benefits, payroll taxes, worker's compensation, insurance costs and any other payment mandated by law in connection with labor that exceeds the labor rate allowances.
- Cost of financing the work.
- Business risks such as the risk of a lower than expected volume of work, smaller than anticipated Job Orders, poor Subcontractor performance, and inflation or material cost fluctuations.

4.3.2 Construction costs included in the Contractor's Adjustment Factors include:

- Services required to obtain filings and permits.
- Preparation and modification of proposals, sketches, drawings, submittals, as-built drawings, CADD drawings, microfilm, and other project records.
- Incidental engineering and architectural services.
- Office trailer and portable toilets for Contractor's use.
- Construction vehicles such as pick-up trucks, utility trucks, vans, flatbed trucks, tractors, trailers, etc.
- Storage devices or items such as gang boxes and containers for Contractor's tools, equipment and materials.
- Personnel safety equipment (e.g., hard hats, safety harnesses with lifeline or cabling, protective clothing, safety glasses, face shields, etc.), basic safety and warning signage, railings, minor barricades, tape, roping, cable, markings, cones; including traffic control cones, barrels and basic traffic sign, etc.
- Meeting Owner security requirements.
- Excess waste including roofing, drywall, VCT, carpet, wall covering, ceiling tile, pipe, conduit, siding, concrete, etc. This list is not intended to be all inclusive, but descriptive of the types of construction materials that are typically sold in standard lengths, sizes and weights.
- Removing and returning Owner's furniture and furnishings (e.g. chairs, tables, pictures, etc. but excluding modular furniture, wall or ceiling attached or fastened devices or furnishings, safes or other furniture requiring disassembly).

- Sealing, windows, and openings with plastic to contain construction dust and debris within the work area.
- Daily clean-up.
- Final professional project clean-up.
- Costs resulting from inadequate supply of building materials, fuel, electricity, or skilled labor.
- Costs resulting from productivity loss.
- Working in extreme temperatures (below or above normal) or adverse conditions such as excessive rain, wind, sleet or snow.
- Differences in project size; complexity and location.
- All costs for other than discreet items of work specifically required to complete a particular Job Order.

4.3.3 Price Variations:

- Contractors may find differences in labor, equipment and material costs due to certain economic factors. Variations in labor cost can also result from labor efficiency, labor restrictions, working conditions and local work rules. Variations in material costs can also result from the quantity of material purchased, the existing relationship with suppliers, and because the materials have been discontinued or have become obsolete.
- While diligent effort is made to provide accurate and reliable up-to-date pricing, it is the responsibility of the Contractor to review and analyze the unit prices, and to calculate their Adjustment Factors accordingly, prior to bidding.

4.3.4 General Costs:

- This list is not exhaustive and is intended to provide general examples of cost items to be included in the Contractor's Adjustment Factor as defined in the Contract.
- The only compensation to be paid to a Contractor for the unit price tasks will be:

Published Unit	X	Installation(or	X	Appropriate
Price		Demolition) Quantity		Adjustment Factor

- No additional payments of any kind whatsoever will be made. All costs not included in the unit prices must be part of the Adjustment Factors.

4.4 Labor and Materials Bond and Performance Bond

The Contractor agrees that before it undertakes performance of this Contract, it will file with the City of Vancouver a Labor and Materials Bond and a Performance Bond, on the forms provided by the City of Vancouver, in the amount of \$1,000,000 (one million dollars) executed by itself as principal and by a surety company authorized, licensed to do business in the State of Washington on the approved City of Vancouver form. The bonds shall comply with the laws of the State of Washington, and especially with the provisions of Revised Code of Washington, Chapter 39.08. The term of each Bond shall be one (1) year. In the event the parties agree to exercise the Contract extension, the Contractor shall deliver a new Labor and Materials Bond and a Performance Bond in the same manner.

4.5 Retainage

4.5.1 Per RCW 39.10.450, for purposes of chapters 39.08, 39.12, 39.76, and 60.28 RCW, each Job Order issued shall be treated as a separate contract.

4.5.2 Retainage on this contract will be administered in accordance with RCW 60.28.011. If RCW 60.28.011 is revised during the course of the contract, the most current language shall apply to this Contract.

4.6 Insurance

The Contractor agrees to the following requirements relating to insurance coverage. Provide a Certificate of Liability Insurance. Said certificate must be provided on a standard "ACORD" form, or its equivalent, and must provide that coverage shall not be canceled or modified without 30 days prior written notice to the City of Vancouver.

In addition, all policies shall be issued by an insurance company licensed to do business in the State of Washington. The City of Vancouver may inspect all policies and copies shall be provided to the City upon request.

- \$1,000,000 minimum/general liability
- \$1,000,000 combined single limit auto liability
- \$5,000,000 umbrella liability
- \$1,000,000 minimum/professional liability
- \$1,000,000 products
- \$1,000,000 for each accident;
- \$500,000 for each disease for each employee;

- \$1,000,000 for each disease policy limit.

Washington Stop Gap Coverage: Consultants located in in North Dakota, Ohio, West Virginia, Washington and Wyoming must have Washington Stop Gap coverage listed on the Certificate of Liability Insurance. The limits and aggregates noted above must apply to the Stop Gap coverage as well.

Coverage Trigger: The insurance must be written on an “occurrence” basis. This must be indicated on the certificate. Claims made policies will not be acceptable.

City Listed as Additional Insured: The City of Vancouver, its agents, representatives, officers, directors, officials, and employees must be named as an additional insured on the CGL policy and shown on the certificate as an additional insured with an additional insured endorsement.

City shall be listed as the Certificate Holder.

4.7 Items Not Found in RS Means

Non-priced items are specific line items not found in RS Means. Contractor shall submit unit prices for non-priced items that include reimbursement for all direct and indirect costs of the work, including overhead and profit, bond and insurance costs:

- a. Direct costs for Labor and Materials: Owner may request up to three bids from sources acceptable to Owner.
- b. Equipment Costs: If not found in the Unit Price Book, equipment charges shall be computed on the basis of actual invoice costs or if owned, from the current edition of one of the following sources: Associated General Contractors General Contractors Washington State Department of Transportation (AGC WSDOT) Equipment Rental Agreement; current edition; State of Washington Utilities and Transportation Commission for trucks used on highways; National Electrical Contractors Association for equipment used for electrical work; and Mechanical Contractors Association of America for equipment used on mechanical work.

The Equipment Watch Rental Rate (Blue Book) shall be used as a basis for establishing rental rates of equipment not listed in the above sources. The maximum rate for standby equipment shall not exceed that shown in the AGC WSDOT Equipment Rental Agreement, current edition.

4.8 Hours of Work

In addition to the Adjustment Factor for Work that is conducted during Normal Working Hours (7:00AM to 6:00PM, Monday through Friday), the Contractor may utilize a separate Adjustment Factor for Other than Normal Working Hours that occurs during Other than Normal Working Hours (6:00PM to 7:00AM, Monday through Friday, and weekends and holidays), if the Owner requested submission of such alternate Adjustment Factor at the time final proposals were due. Unless specifically identified or amended in the issued Job Order, all work shall be performed during Normal Working Hours.

4.9 Payment of Labor

- 4.9.1 For projects performed under this contract, the Contractor may be required to submit weekly/bi-weekly Certified Payrolls to the City of Vancouver Procurement Services upon request. The Job Order will specify if this is required.
- 4.9.2 The Contractor agrees that all laborers, workers, or mechanics employed by it or by any subcontractor in the work of this Contract will be paid not less than the prevailing rate of wage for an hours work in accordance with the provisions of the Chapter 39.12 RCW, and all rules and regulations promulgated pursuant thereto. The State of Washington prevailing wage rates applicable for this public works project, which is located in Clark County, may be found at the following website address of the Department of Labor and Industries: <https://fortress.wa.gov/lni/wagelookup/prvwagelookup.aspx>. Prevailing wage rate will be based on the date of the Job Order issued by the City.
- 4.9.3 In case any dispute arises as to what the prevailing rates of wages for work of a similar nature are and such dispute cannot be adjusted by the parties involved, the matter shall be referred to the director of the Department of Labor and Industries of the State of Washington for arbitration, and the director's decision therein shall be final and conclusive and binding on all parties involved in the dispute.
- 4.9.4 In connection with this Contract, for each issued Job Order, the Contractor and each subcontractor shall complete or have on file a current "Statement of Intent to Pay Prevailing Wages" (Form L&I Number F700-029-000) before payment will be made for work performed. An approved "Affidavit of Wages Paid" form must be filed upon completion of the project. These forms are available from Washington State Department of Labor & Industries and can be filed electronically at <http://www.lni.wa.gov/TradesLicensing/PrevWage/>. The Department of Labor and Industries charges a fee for such approval and certification, which fee shall be paid by the Contractor. Any change in the fee will NOT be grounds for revision in Job Order Price.

The Contractor shall include this provision in all sub-contracts and shall require that it be placed in all sub-sub contracts at any tier.

- 4.9.5 All workers delivering fill, sand, gravel, crushed rock, transit/concrete mix, asphalt or other similar materials and all workers removing any materials from the construction site as required by the specifications are subject to the provisions of RCW chapter 39.12 and are entitled to the appropriate Prevailing Wage Rate. For purposes of this contract, such materials are for specified future use and per WAC 296-127-018, delivery and pick-up of the above listed materials constitutes incorporation.

4.10 Payment to the Contractor

No payment shall be made to the Contractor, however, until the Contractor and all subcontractors who have performed work shall have filed, with Procurement Services, the Labor and Industries executed Statement of Intent to Pay Prevailing Wage as required by RCW 39.12.040. Said Contractor and all subcontractors shall also keep accurate payroll records for three years from the date of acceptance as described in WAC 296-127-320 Payroll. A Contractor and all subcontractors shall, within ten days after it receives a written request, as defined by RCW 39.12.010(4) file a certified copy of the payroll records with the Owner. A contractor's noncompliance with this section shall constitute a violation of RCW 39.12.050.

Progress payments to the Contractor shall be made within 30 days of receipt of the signed progress payment request, as approved by the Owner, for work completed during the previous month.

Every person performing labor or furnishing supplies toward the completion of said improvement of work shall have a lien upon said monies so reserved; provided, that such notice of the lien of such claimant shall be given in the manner provided in 39.08.030 RCW and within the time provided in Chapter 60.28 RCW as now existing and in accordance with any amendments that may hereafter be made thereto.

The Contractor shall submit invoices to City covering both professional fees and project expenses, as applicable. Payments to Contractor shall be made within thirty (30) days from submission of each invoice. The City reserves the right to correct any invoices paid in error according to the rates set forth in the specific Job Order. City and Contractor agree that any amount paid in error by City does not constitute a rate change in the amount of the contract. The City's contract/purchase order (PO) number given on the notice to proceed must be referenced on any invoice submitted for payment.

ARTICLE V: CONTRACT TERM, COMMENCEMENT, COMPLETION, AND LIQUIDATED DAMAGES

5.1 Contract Term

The initial term of this Job Order Contract is two (2) years, with an option on the part of the Owner to extend the Job Order Contract for an additional one (1) year, as provided in RCW 39.10.440. All extensions must be priced as in the Request for Proposal and mutually agreed to by the Owner and the Job Order Contractor.

All Job Orders issued during the term of this Contract shall be valid and in effect notwithstanding that the Detailed Statement of Work may be performed, payments may be made, and the guarantee period may continue, after such period has expired. All terms and conditions of the Contract apply to each Job Order.

5.2 Commencement Date

The commencement of Contract Time for any Job Order shall be the Contract Execution Date as defined in the General Conditions. Any preliminary work started or material ordered or purchased before receipt of the Notice to Proceed shall be at the risk and expense of Contractor.

5.3 Completion Date

Each Job Order will specify the Physical Completion Dates for the Work. The Contractor shall attain Physical Completion within the dates established in the Job Orders.

5.4 Liquidated Damages

The applicable liquidated damages, if any, for failure to attain either Substantial Completion or Physical Completion will be specified by the Owner in the Job Order.

ARTICLE VI: SUBCONTRACTING

6.1 Statutory Requirements

- 6.1.1 Contactor shall comply with RCW 39.10.440, including, Contractor shall subcontract at least ninety percent (90%) of the Work performed under this Contract to entities other than the Contractor, including subsidiaries of the Contractor or Joint Venture member.
- 6.1.2 Contractor shall distribute subcontracted work as equitably as possible among qualified and available subcontractors including minority and woman-owned subcontractors to the extent permitted by law.
- 6.1.3 Contractor shall publish notification of intent to perform public works projects at the beginning of each contract year in a statewide publication and in a legal newspaper of general circulation in every county in which the public works projects are anticipated.
- 6.1.4 Contractor shall comply with RCW 39.10.450, including Contractor shall prepare and submit to the Washington State Office of Minority and Women's Business Enterprises a subcontracting plan that equitably spreads certified women and minority business enterprise subcontracting opportunities, to the extent permitted by the Washington state civil rights act, RCW 49.60.400, among the various subcontract disciplines.

6.2 Subcontractor Responsibility Criteria

- 6.2.1 The Contractor shall include the language of this section in each of its first tier subcontracts, and shall require each of its subcontractors to include the same language of this section in each of their subcontracts, adjusting only as necessary the terms used for the contracting parties. The requirements of this section apply to all subcontractors regardless of tier.
- 6.2.2 At the time of subcontract execution, the Contractor shall verify that each of its first tier subcontractors meets the following bidder responsibility criteria:
 - 6.2.2.1 Have a current certificate of registration in compliance with Chapter 18.27 RCW, which must have been in effect at the time of subcontract bid submittal;
 - 6.2.2.2 Have a current Washington Unified Business Identifier (UBI) number;
 - 6.2.2.3 If applicable, have:

- a. Have Industrial Insurance (workers' compensation) coverage for the subcontractor's employees working in Washington, as required in Title 51 RCW;
 - b. A Washington Employment Security Department reference number, as required in Title 50 RCW;
 - c. A Washington Department of Revenue state excise tax registration number, as required in Title 82 RCW;
 - d. An electrical contractor license, if required by Chapter 19.28 RCW;
 - e. An elevator contractor license, if required by Chapter 70.87 RCW.
- 6.2.2.4 Not be disqualified from bidding on any public works contract under RCW 39.06.010 or 39.12.065 (3).

ARTICLE VII: MISCELLANEOUS

7.1 Cooperative Purchasing

The Washington State Inter-local Cooperation Act, Ch. 39.34 RCW, authorizes public agencies to cooperatively purchase goods and services if all parties agree. Contractor agrees that other public agencies may purchase goods and services under this solicitation or contract at their own cost and without the City of Vancouver incurring any financial or legal liability for such purchases. The City of Vancouver, at its sole discretion, may allow other public agencies to purchase goods and services under this specific Contract, provided that the City of Vancouver is not held financially or legally liable for purchases and that any public agency purchasing under such solicitation or contract file a copy of this invitation and such contract in accordance with RCW 39.34.040. The City will provide a written authorization to that specific agency when such authorization is granted.

In addition, those public agencies who wish to use this contract must have an expressed, written Inter-Local Agreement (ILA) from the City of Vancouver specifically authorizing them to use of this specific contract. Previously executed ILAs do not extend that authorization to this contract. JOC Contractors shall be subject to the same contractual obligations.

7.2 E-Verify

Contractor shall register and enter into a Memorandum of Understanding (MOU) with the Department of Homeland Security E-Verify program within sixty (60) days after execution of this Contract. Contractor shall ensure all Contractor employees and any sub-contractor(s) assigned to perform work under this Contract are eligible to work in the United States. Contractor shall provide verification of compliance upon Owner's request. Failure by Contractor to comply with this subsection shall be considered a material breach.

7.3 Employment of Labor

The Contractor agrees that all persons employed in it and by any of its subcontractors in work done pursuant to this Contract shall not be employed in excess of 8 hours in any one day, except as provided or allowed by law.

7.4 Equal Opportunity

It is the policy of the City of Vancouver to require equal opportunity in employment and services subject to eligibility standards that may be required for a specific program.

No person shall, on the grounds of race, color, religion, sex, handicap, national origin, age, citizenship, marital status, political affiliation or belief, be denied employment or benefits, or be discriminated against as a consumer, administrator or staff person under any program or activity receiving funds under this RFP.

In compliance with Department of Labor Regulations implementing Section 504 of the Rehabilitation Act of 1973, as amended, no qualified handicapped individual shall be discriminated against in admission or access to any program or activity.

Contractor shall provide equal opportunity in the administration of the contract and its subcontracts or other agreements.

7.5 Joint Venture Contractor

In the event that Contractor is a joint venture of two or more partners, all rights and responsibilities of the Contract shall be joint and several. Any notice, order, direction, request, or communication given by the Owner to the Contractor under this Contract shall be considered given to all joint venture partners if given to any one or more of such joint venture partners. Any notice, request or other communication given to the Owner by any joint venture partner shall be deemed to have been given by, and shall bind, all joint venture partners. In the event of the dissolution of the joint venture, the Owner shall have the unqualified right to select which joint venture partner(s), if any, shall continue with the Work under this Contract. Such selected partner(s) shall assume all liabilities, obligations, rights, and benefits of the Contractor under this Contract. Dissolution of the joint venture shall not be effected without prior consultation with the Owner. In the event of failure or inability of any joint venture partner(s) to continue performance under this Contract, the remaining joint venture partner(s) shall perform all services and Work and assume all liabilities, obligations, rights, and benefits of the Contractor under this Contract. Nothing in this Paragraph shall be construed or interpreted to limit the Owner's rights under this Contract or by law to determine whether the Contractor or any joint venture partner thereof has performed within the terms of this Contract.

7.6 Indemnity and Hold Harmless

Contractor agrees to indemnify, defend, save and hold harmless the Owner, its officials, employees and agents from any and all liability, demands, claims, causes of action, suits or judgments, including costs, attorney fees and expenses incurred in connection therewith, or whatsoever kind or nature, arising out of, or in connection with, or incident to, the performance of services by Contractor pursuant to this Contract.

In the event that any suit based on such a claim, demand, loss, damage, cost, or cause of action is brought against the Contractor, the Owner retains the right to participate in said suit.

This indemnity and hold harmless shall include any claim made against the Owner by an employee of Contractor or subcontractor or agent of the Contractor, even if Contractor is thus otherwise immune from liability pursuant to the workers' compensation statute, Title 51 RCW. To the extent that such liability arises from the concurrent negligence of both the Owner and the Contractor, such cost, fees and expenses shall be shared between the Owner and the Contractor in proportion to their relative degrees of negligence. This indemnity and hold harmless shall NOT apply in the case where liability arises from the sole negligence of the Owner. Contractor specifically acknowledges that the provisions contained herein have been mutually negotiated by the parties and it is the intent of the parties that Contractor provide the broadest scope of indemnity permitted by RCW 4.24.115.

The Contractor agrees to include this language in each of their subcontracts and require of their lower tier Subcontractors that these provisions be included in the language of their Subcontracts.

7.7 Ownership of Records and Documents

All materials, writings and products produced by the Contractor in the course of performing this Contract shall immediately become the property of the Owner. In consideration of the compensation provided for by this Contract, the Contractor hereby further assigns all copyright interests in such materials, writings and products to the Owner. A copy may be retained by the Contractor.

7.8 Public Disclosure

Contractor should be aware that any records they submit to the Owner or that are used by the Owner may be subject to public records under the Washington Public Records Act (42.56 RCW). The Owner must promptly disclose public records upon request unless a statute exempts them from disclosure. Contractor should also be aware that if even a portion of a record is exempt from disclosure, generally, the rest of the record must be disclosed. Exemptions, including those for trade secrets and "valuable formula," are narrow and specific. Contractor should clearly mark any record they believe is exempt from disclosure prior to submitting them to the Owner.

If Contractor is notified of a request for public disclosure, it is the Contractor's sole responsibility and discretionary decision to pursue a lawsuit under RCW 42.56.540 to enjoin disclosure. Contractor shall be responsible for attorney fees and costs in such action and shall save and hold harmless the Owner from any costs, attorney fees, or penalty assessment under Ch.42.56 RCW. However, if Contractor does not timely obtain and serve an injunction, the Owner will disclose the records, in accordance with applicable law.

7.9 City Business License

Contractor shall maintain a valid City of Vancouver business license during the term of or performance of Work under this Contract.

7.10 Governing Law

This agreement and the rights of the parties herein shall be governed by the laws of the State of Washington. Venue shall be in Clark County, Washington.

7.11 Compliance with the Law

The Contractor shall have the authority to control and direct the performance and details of the work described herein. The Contractor agrees to comply with all relevant federal, state and municipal laws, rules and regulations.

7.12 Disputes

In the event of any dispute between the parties regarding performance of this Agreement, prior to commencement of litigation, Owner may require Contractor to participate in mediation or arbitration, or both, in any forum or format as determined by Owner.

7.13 Audit

Contractor agrees and shall grant Owner or its representative access to records relating to Work under this Contract for auditing purposes. Auditing shall be at the Owner's discretion. Audits shall be performed in accordance with all Local, State and Federal requirements/statutes. Agencies not covered by Federal single audit requirements may be responsible for an independent agency audit, which meets general accepted auditing standards.

7.14 Assignment

This Contract is binding on each party, its successors, assigns, and legal representatives and may not, under any circumstances, be assigned or transferred by either party without express written authorization.

7.15 Contract Amendment

All changes to this Contract, except for changes to the Work for each specific issued Job Order, must be made by written amendment and signed by all parties to this Contract and shall be incorporated via written amendments to the Contract. The City Manager, or designate, is hereby authorized to execute amendments on behalf of the City.

7.16 Termination for Convenience

The Owner, at its sole discretion, may terminate this Contract for convenience at any time for any reason deemed appropriate. Termination is effective immediately upon notice of termination given by the Owner.

7.17 Future Non-Appropriation of Funds

If sufficient funds are not appropriated or allocated for payment under this Contract for any future fiscal period, the Owner will not be obligated to make payments for services or amounts incurred after the end of the current fiscal period. No penalty or expense shall accrue to the Owner in the event this provision applies.

7.18 Debarment and Suspension

By entering into this Contract, Contractor certifies that they are not debarred or suspended or otherwise excluded from or are ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension". In addition, Contractor certifies that its subcontractor are not debarred or suspended during their contract period.

7.19 Entire Agreement

This Contract incorporates all the terms, covenants and understandings between the parties hereto and are merged into this document. No other agreements or prior understandings, verbal or otherwise, of the parties, or their agents, shall be considered as part of this agreement, or as valid or enforceable unless set forth herein.

7.20 Notices

Whenever in this written Contract written notices are to be given or made, they may be sent by certified mail to the following people at the addresses as shown herein unless a different address is designated in writing or delivered to the respective party hereto:

Owner: Anna Vogel
Procurement Manager
City of Vancouver
415 W 6th St.
P O Box 1995
Vancouver WA 98668-1995

Contractor: Tracey Malone
Vice President
Halbert Construction Services LLC
12013 NE 99th St, Ste 1630
Vancouver, WA 98682

IN WITNESS WHEREOF, the Parties hereto have executed this Job Order Contract by having their authorized representatives affix their signatures below.

CITY OF VANCOUVER

HALBERT CONSTRUCTION SERVICES

A municipal corporation

Eric Holmes, City Manager

Signature:

Attest:

By: Printed Name / Title

Natasha Ramras, City Clerk

Approved as to form:

Jonathan Young, City Attorney



CITY OF VANCOUVER, WA
CONTRACT No. _____

For

**JOB ORDER CONTRACTING SERVICES
FOR GENERAL CONSTRUCTION**

Initial Agreement Term: November 1, 2019 through October 31, 2021

(City Renewal Option: Up to one (1) additional one-year term)

Between

CITY OF VANCOUVER, WASHINGTON

And

SDB CONTRACTING SERVICES

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JOB ORDER CONTRACTING SERVICES FOR GENERAL CONSTRUCTION

This Contract, effective this _____ day of _____, 2019 is made and entered into by and between the City of Vancouver, a municipal corporation of the State of Washington (Owner), and SDB Contracting Services, 8125 NE Cherry Road, Hillsboro, OR 97124 (Contractor) hereinafter referred to as Parties. This Job Order Contract shall be the agreed basis of performing and compensating for all City issued Job Orders to Contractor.

In consideration of the mutual covenants and agreements of the Parties herein contained, the Contractor agrees to furnish all material, labor, tools, equipment, apparatus and facilities necessary to perform and complete all Work called for in the Contract Documents.

This Job Order Contract is entered into pursuant to the provisions of the Revised Code of Washington (RCW) 39.10.430. In executing this Job Order Contract, the Parties acknowledge that the scope of work will be delegated by the Owner on the basis of Job Orders. Contractor has agreed to offer its services to perform said Work per City issued RFP No. 10-19, Contractor's proposal to said RFP, and City Council's approval on _____ of Staff Report No. _____.

ARTICLE I: DEFINITIONS

In addition to the definitions set forth in the General Conditions, the following definitions shall apply to this Job Order Contract:

- 1.1 **Adjustment Factor** - The Contractor's competitively proposed price adjustment to the unit prices as published in the Construction Task Catalog. The contents and variations allowed in the Adjustment Factor are further defined in this Job Order Contract.
- 1.2 **Base Term** - The initial period of the Contract and does not include any Option Terms.
- 1.3 **Contract Award Amount** - The minimum dollar amount of total Job Orders Owner commits to spending.
- 1.4 **Construction Task Catalog[®]** - A comprehensive listing of construction related tasks together with a specific unit of measure and a published Unit Price.
- 1.5 **Days** - Shall mean calendar days unless specifically stated otherwise in the specification section.
- 1.6 **Detailed Scope of Work** - A document setting forth the work the Contractor is obligated to complete for a particular Job Order.
- 1.7 **Estimated Annual Value** - An estimate of the value of Job Orders that could be issued by the Owner each year.

- 1.8 **Job Order** - A written order issued by the Owner, such as a Purchase Order, requiring the Contractor to complete the Detailed Scope of Work within the Job Order Completion Time for the Job Order Price. The contents of the Job Order are further defined in this Job Order Contract and the General Conditions. A project may consist of one or more Job Orders.
- 1.9 **Job Order Completion Time** - The time within which the Contractor must complete the Detailed Scope of Work.
- 1.10 **Job Order Price** - The value of the approved Job Order Price Proposal and the amount the Contractor will be paid for completing a Job Order.
- 1.11 **Job Order Price Proposal** - A price proposal prepared by the Contractor that includes the Pre-priced Tasks, Non Pre-priced Tasks, quantities and appropriate Adjustment Factors required to complete the Detailed Scope of Work.
- 1.12 **Job Order Proposal** - A set of documents including at least: (a) Job Order Price Proposal; (b) required drawings or sketches; (c) list of anticipated Subcontractor; (d) Construction schedule; and (e) other requested documents.
- 1.13 **Job Order Request** - An order issued by Owner to Contractor requesting a price for a proposed scope of work to be performed pursuant to a Job Order issued under this Job Order Contract.
- 1.14 **Joint Scope Meeting** - A site meeting to discuss the work before the Detailed Scope of Work is finalized.
- 1.15 **Holidays** – Shall include January 1, the third Monday of January, the third Monday of February, Memorial Day, July 4, Labor Day, November 11, Thanksgiving Day, the day after Thanksgiving, and Christmas Day.
- 1.16 **Maximum Contract Value** - The maximum value of Job Orders that the Contractor may receive under this Contract per the RCW.
- 1.17 **Minimum Contract Value** - The minimum value of Job Orders that the Contractor is guaranteed the opportunity to perform under this Contract.
- 1.18 **Non Pre-priced Task** - A task that is not set forth in the Construction Task Catalog®.
- 1.19 **Normal Working Hours** - Includes the hours from 7:00 a.m. to 6:00 p.m. Monday through Friday, except for Owner holidays.
- 1.20 **Notice to Proceed** - A written notice issued by the Owner directing the Contractor to proceed with construction activities to complete the Job Order.
- 1.21 **Open Contract Sum** - The total sum of all open Job Orders.
- 1.22 **Option Term** - An additional period of time beyond the Contract Term which extends the termination date of the Contract.

- 1.23 **Other than Normal Working Hours** - Includes the hours of 6:01 p.m. to 6:59 a.m. Monday through Friday and all day Saturday, Sunday, and Owner Holidays.
- 1.24 **Pre-priced Task** - A task described in, and for which a Unit Price is set forth in, the Construction Task Catalog®.
- 1.25 **Project** - The collective improvements to be constructed by the Contractor pursuant to a Job Order, or a series of related Job Orders.
- 1.26 **Request for Job Order Proposal** - A written request to the Contractor to prepare a Job Order Proposal for the Detailed Scope of Work referenced therein.
- 1.27 **Schedule of Values** - A written breakdown allocating the total Job Order Price to each category of Work, in such detail as requested by Owner.
- 1.28 **Specifications** - That portion of the Contract Documents consisting of the written requirements for contract administration, materials, equipment, systems, standards and workmanship for the Job Order Work, and performance of related services, and including Divisions 0 (less Bidding Requirements) through Division 17.
- 1.29 **Supplemental Job Order** - A secondary Job Order developed after the initial Job Order has been issued for the purpose of changing, deleting, or adding work to the initial Detailed Scope of Work, or changing the Job Order Completion Time.
- 1.30 **Technical Specifications** - The written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services.
- 1.31 **Unit Price** - The price published in the Construction Task Catalog® for a specific construction or construction related work task. Unit Prices for new Pre-priced Tasks can be established during the course of the Contract and added to the Construction Task Catalogs®. Each Unit Price is comprised of labor, equipment, and material costs to accomplish that specific Pre-priced Task.

ARTICLE II: CONTRACT DOCUMENTS, RELATIONSHIP OF PARTIES

2.1 Contract Documents

The Contract Documents, as detailed below, form the complete agreement between the Parties, and are as fully a part of this Job Order Contract as if attached to this Job Order Contract or repeated herein. The Contract Documents represent the entire and integrated agreement between the Parties related to this Project and supersede prior negotiations, representation or agreements, either written or oral. The Contract documents consist of the following and any inconsistency in the parts of the Contract documents shall be resolved by the following this order of precedence:

- a. Contract Modifications (later amendment takes precedence over previous)
- b. JOC Services for General Construction Contract
- c. Job Order Contract Purchase Order (including Detailed Scopes of Work, Job Order Proposals, and any additional conditions or specifications)
- d. Amendments to the WSDOT Standard Specifications
- e. WSDOT Standard Specifications for Road and Bridge Construction
- f. General Conditions for Job Order Contracts
- g. Addenda to Request for Proposal 10-19,
- h. RFP 43-15
- i. Successful Proposer's Proposal
- j. RS Means
- k. Technical Specifications

2.2 General

The Contractor accepts the relationship of trust and confidence established by this Job Order Contract and covenants with the Owner to cooperate with the Owner through every phase of the Work and utilize the Contractor's best skill, efforts and judgment in furthering the interests of the Owner; to furnish efficient business administration and supervision; to make best efforts to furnish at all times an adequate supply of workers and materials; and to perform the Work in the best way and most expeditious and economical manner consistent with the interests of the Owner. The Contractor further recognizes that in order for the Project to be completed on time and within budget the Contractor and the Owner will have to closely cooperate to meet the Owner's financial constraints. The Contractor shall closely cooperate on a regular basis to revise materials, methods, estimates and schedules as necessary to perform and complete the Work consistent with the Contract Time unless adjusted by Supplemental Request.

2.3 Submittal of Requested Information

Contractor, upon request of the Owner, shall submit the following information in a format acceptable to the Owner:

- a. A list of Job Orders issued,
- b. The cost of each Job Order,
- c. A list of the subcontractors hired under each Job Order,
- d. The cost of each subcontract under each Job Order,
- e. A copy of the intent to pay prevailing wages and the affidavit of wages paid for each Job Order subcontract, and
- f. Any other information requested.

ARTICLE III: WORK OF THIS JOB ORDER CONTRACT

1. General

This Job Order Contract is an indefinite delivery, indefinite quantity (IDIQ) contract pursuant to which the Contractor may perform an ongoing series of individual Projects at different locations throughout the City. The Contract Documents include a CTC containing construction tasks with preset Unit Prices. All Unit Prices are based on local labor, material and equipment prices and are for all direct and indirect costs of construction. The City of Vancouver will use the JOC Contractors to perform general construction work including, but not limited to, interior renovations, tenant improvements, interior mechanical, electrical, structural as well as concrete work, asphalt paving, underground utilities, park trails and grounds, communication network installation, channelization, permanent signing and installation of electrical traffic control devices such as flashing beacons and radar feedback signals. The City expects the average job to be less than \$100,000. This expected average is presented for information only and is not a commitment.

2. Minimum Contract Value

The Minimum Contract Value for this Contract is \$10,000. The Contractor is guaranteed to receive the opportunity to perform Job Orders totaling at least \$10,000 during the term of this Contract.

The Estimated Annual Value for each Contract is \$3,000,000. The Contractor may be issued Job Orders totaling up to the Estimated Annual Value during any year of the Contract. The Contractor is not guaranteed to receive this value of Job Orders. It is merely an estimate. The City has no obligation to issue Job Orders in excess of the Minimum Contract Value.

The City reserves the right to issue Job Orders up to the maximum amount specified in RCW 39.10.440. The Maximum Contract Value shall not exceed the amount set forth in RCW 39.10.440. In addition, the City may elect to carry over any unused capacity from the previous year and add the value to the immediate following year limit. The maximum annual volume including unused capacity shall not exceed the limit of two years.

3. Maximum Contract Value

Per RCW 39.10.450, the maximum dollar amount for an individual Job Order is three hundred fifty thousand dollars (\$350,000). All Job Orders for the same project (original plus any Supplemental Job Orders) shall be treated as a single Job Order for the purpose of the \$350,000 limit. A Job Order issued for any particular project must not exceed \$350,000, exclusive of sales tax.

The City of Vancouver intends to use the JOC Contractors to perform general construction work including, but not limited to, interior renovations, tenant

improvements, interior mechanical, electrical, structural as well as concrete work, asphalt paving, underground utilities, park trails and grounds, communication network installation, channelization, permanent signing and installation of electrical traffic control devices such as flashing beacons and radar feedback signals. The City expects the average job to be less than \$100,000. This expected average is presented for information only and is not a commitment.

4. Assignment of Work and Award of Individual Job Orders

The Owner may award an individual Job Order to any selected Contractor. The City of Vancouver reserves the right to limit the number of Job Orders assigned to a contractor at one time. Selection of the Contractor and award of the Job Order will be in compliance with established Owner procedures and based on one or more of the following criteria:

1. Rotational selection among all Contractors, unless otherwise determined by the Owner.
2. Evaluation of past and current performance on Job Orders of a similar nature and type of work, project size, construction management challenges, schedule performance, design management requirements, etc.
3. Balancing of work load (Job Order dollar volume and construction backlog) among Contractors.
4. Management of Job Order dollar volume within bonding limitations of the Contractor.
5. Price, as it relates to the Owner's independent cost estimate or to an offer from any other contractor.
6. Contractor's responsiveness to the Owner on Job Orders.

5. Initiation of a Job Order

As the need exists, the Owner will notify the Contractor of a Project, schedule a Joint Scope Meeting and issue a Notice of Joint Scope Meeting. The Contractor should be available with 24 hours of the invitation to attend the Joint Scope Meeting. In cases of emergencies Contractors may be required to attend a Joint Scope Meeting within an hour of the request.

The Contractor shall attend the Joint Scope Meeting and discuss, at a minimum:

1. the general scope of the work;
2. alternatives for performing the work and value engineering;

3. access to the site and protocol for admission;
4. hours of operation;
5. staging area;
6. requirements for catalog cuts, technical data, samples and shop drawings;
7. requirements for professional services, sketches, drawings, and specifications;
8. construction duration;
9. liquidated damages;
10. the presence of hazardous materials;
11. date on which the Job Order Proposal is due;
12. Whether or not additional general or special conditions may apply to the Job Order.

Upon completion of the joint scoping process, the Contractor will prepare a draft Detailed Scope of Work referencing any sketches, drawings, photographs, and specifications required to document accurately the work to be accomplished. The Owner shall review the Detailed Scope of Work and request any required changes or modifications. When an acceptable Detailed Scope of Work has been prepared, the Owner will issue a Request for Job Order Proposal that will require the Contractor to prepare a Job Order Proposal. The Detailed Scope of Work, unless modified by both the Contractor and the Owner, will be the basis on which the Contractor will develop its Job Order Proposal and the Owner will evaluate the same. The Contractor does not have the right to refuse to perform any task or any work in connection with a particular Project.

6. Preparation of a Job Order Proposal

1. The Contractor's Job Order Proposal shall include, at a minimum:
 - a. Job Order Price Proposal;
 - b. Required drawings or sketches;
 - c. List of anticipated Subcontractors and Materialmen;
 - d. Construction schedule; preliminary subject to change with the approval of the project manager.

- e. Other requested documents.

Failure to submit the required documents listed above shall result in the proposal being rejected.

2. The value of the Job Order Price Proposal shall be c by summing the total of the calculations for each Pre-priced Tasks (Unit Price x quantity x Adjustment Factor) plus the value of all Non Pre-priced Tasks.
3. The Contractor will prepare Job Order Price Proposals in accordance with the following:
 - a. Pre-priced Task: A task described in, and for which a unit price is set forth in, RS Means.
 - b. Non Pre-priced Task: A task that is not set forth in the Construction RS Means.
 - c. Information submitted in support of Non Pre-priced Tasks shall include, but not be limited to, the following:
 - i. Catalog cuts, specifications, technical data, drawings, or other information as required to evaluate the task.
 - ii. If the Contractor will perform the work with its own forces, it shall submit three independent quotes for all material to be installed and shall, to the extent possible, use Pre-priced Tasks for labor and equipment from the Construction Task Catalog®. If the work is to be subcontracted, the Contractor must submit three independent quotes from subcontractors. The Contractor shall not submit a quote or bid from any supplier or subcontractor that the Contractor is not prepared to use. The Owner may require additional quotes and bids if the suppliers or subcontractors are not acceptable or if the prices are not reasonable.
 - iii. The final price submitted for Non Pre-priced Tasks shall be according to the following formula:

For Non Pre-priced Tasks Performed with Contractor's Own Forces:

A = The hourly rate for each trade classification not in RS Means multiplied by the quantity;

B = The rate for each piece of Equipment not in RS Means multiplied by the quantity;

C = Lowest of three independent quotes for all materials.

Total for a Non Pre-priced Tasks performed with Contractor's Own Forces = (A+B+C) x Non Pre-Priced Task Adjustment Factor

For Non Pre-priced Tasks Performed by Subcontractors:

If the Non Pre-priced Task is to be subcontracted, the Contractor must submit three independent quotes for the work.

D = Lowest of three Subcontractor Quotes

Total Cost for Non Pre-priced Tasks performed by Subcontractors = D x Non Pre-Priced Task Adjustment Factor

- iv. After a Non Pre-priced Task is used on five or more separate Job Orders, the Unit Price for such task will be established, following approval by the Owner, and fixed as a permanent Non Pre-Priced Task which will no longer require price justification. These costs may be escalated yearly based on the issuance of a new Means Historical Cost Index. Non-Pre-Priced items cannot exceed 20% of the Job Order.
 - v. The Owner's determination as to whether a task is a Pre-priced Task or a Non Pre-priced Task shall be final, binding and conclusive as to the Contractor.
4. Whenever, because of trade jurisdiction rules or small quantities, the cost of a minor task in the Job Order Price Proposal is less than the cost of the actual labor and material to perform such task, the Owner may permit the Contractor to be paid for such task as a Non Pre-priced Task, or use Pre-priced labor tasks and material component pricing to cover the actual costs incurred. Provided, however, that there is no other work for that trade on the Project or other work for that trade cannot be scheduled at the same time and the final charge does not exceed \$1,000.

5. Contractor shall make the necessary arrangements for and obtain all filings and permits required for the Work, including the preparation of all drawings, sketches, calculations and other documents and information that may be required therefor. If the Contractor is required to pay an application fee for filing a project, a fee to obtain a building permit, or any other permit fee to the City, State or some other governmental or regulatory agency, then the amount of such fee paid by the Contractor for which a receipt is obtained shall be treated as a Reimbursable Task to be paid without mark-up. The costs of expediting services or equipment use fees are not reimbursable. The City, at its discretion, has the option to pay the filing or permit fees through a City funds transfer if so desired to keep these fees out of the JOC project costs.
6. The Contractor shall provide incidental engineering and architectural services required in connection with a particular Job Order including drawings and information required for filing.
7. The Contractor's Job Order Proposal shall be submitted by the date indicated on the Request for Job Order Proposal. All incomplete Job Order Proposals shall be rejected. The time allowed for preparation of the Contractor's Job Order Proposal will depend on the complexity and urgency of the Job Order but should average between seven and fourteen days. On complex Job Orders, such as Job Orders requiring incidental engineering/architectural drawings and approvals and permits, allowance will be made to provide adequate time for preparation and submittal of the necessary documents.
8. In emergency situations and minor maintenance and repair Job Orders requiring immediate completion, the Job Order Proposal may be required quickly and the due date will be so indicated on the Request for Job Order Proposal or, as described below, the Contractor may be directed to begin work immediately with the paperwork to follow.
9. By submitting a Job Order Proposal to the Owner, the Contractor agrees to accomplish the Detailed Scope of Work in accordance with the Request for Job Order Proposal at the price submitted. It is the Contractor's responsibility to include the necessary tasks and quantities in the Job Order Price Proposal and apply the appropriate Adjustment Factor(s) prior to delivering it to the Owner.
10. If the Contractor requires clarifications or additional information regarding the Detailed Scope of work in order to prepare the Job Order Proposal, the request must be submitted so that the submittal of the Job Order Proposal is not delayed.

7. Review of the Job Order Proposal and Issuance of the Job Order

1. The Owner will evaluate the entire Job Order Price Proposal within 3 working days of receiving the document and compare these with the Owner's estimate of the Detailed Scope of Work to determine the reasonableness of approach, including the appropriateness of the tasks and quantities proposed. If the Owner has questions or requires additional information the Contractor shall respond to the questions or submit a revised Job Order Price Proposal within 3 working days of receipt of the request. For any subsequent reviews or revisions to the price proposal the Contractor and the Owner will have 2 working days.
2. The Contractor may choose the means and methods of construction; subject however, to the Owner's right to reject any means and methods proposed by the Contractor that:
 - a. Will constitute or create a hazard to the work, or to persons or property;
 - b. Will not produce finished Work in accordance with the terms of the Contract; or
 - c. Unnecessarily increases the price of the Job Order when alternative means and methods are available.
3. The Owner reserves the right to reject a Job Order Proposal or cancel a Project for any reason. The Owner also reserves the right not to issue a Job Order if it is determined to be in the best interests of the Owner. The Owner may perform such work by other means. The Contractor shall not recover any costs arising out of or related to the development of the Job Order including but not limited to the costs to attend the Joint Scope Meeting, review the Detailed Scope of Work, prepare a Job Order Proposal (including incidental architectural and engineering services), subcontractor costs, and the costs to review the Job Order Proposal with the Owner.
4. By submitting a Job Order Proposal to the Owner, the Contractor agrees to accomplish the Detailed Scope of Work in accordance with the Request for Job Order Proposal at the lump sum price submitted. It is the Contractor's responsibility to include the necessary Pre-priced Tasks and Non Pre-priced Tasks and quantities in the Job Order Price Proposal prior to delivering it to the Owner.
5. Each Job Order provided to the Contractor shall reference the Detailed Scope of Work and set forth the Job Order Price and the Job Order Completion Time. All clauses of this Contract shall be applicable to each Job Order. The Job Order, signed by the Owner and delivered to the Contractor constitutes the Owner's

acceptance of the Contractor's Job Order Proposal. A signed copy of the Job Order will be provided to the Contractor.

6. In the event that immediate emergency response is necessary, the Contractor shall be required to follow alternative procedures as established by the Owner. The Contractor shall begin work as directed notwithstanding the absence of a fully developed Request for Job Order Proposal, Detailed Scope of Work, or Job Order. The Contractor shall be compensated for such work as if the work had been ordered under the standard procedures.

6. Job Order Performance

Upon issuance of a job order the Contractor shall work with the assigned project manager to complete the work.

The Contractor shall provide full documentation to the City of all work, including, but not limited to: weekly meeting notes during construction, inspection reports, a comprehensive monthly summary report including status of all open Work Orders, punch-list reports as needed, as-built drawings and related items and any other reporting required or requested by the City.

During construction the Contractor will be required to submit, on a monthly basis, in a format acceptable to the City, a full cost-accounting report of the status of all expenses and individual budget items within the JOC for each Work Order, as well as quarterly reports of year-to-date and life-to-date contract expense.

7. Quality Control

Contractor is responsible for quality control and shall establish and maintain an effective quality control system. The Quality Control (QC) system shall consist of plans, procedures, and organization necessary to provide materials, equipment, workmanship, fabrication, construction and operations which complies with Job Order requirements. The Contractor shall review and certify as correct, complete, and in compliance with equipment as required by the Contract Documents. Quality Control is the sole responsibility of the Contractor.

8. Permits, Fees, and Notices

Unless otherwise provided in the Job Order, Contractor shall obtain all permits, licenses, and inspections necessary for proper execution and completion of the Work. Owner will pay the permitting authority directly for the cost of any building permit. All other permits are the financial responsibility of the Contractor. Prior to Final Acceptance, the approved, signed permits shall be delivered to Owner. Contractor shall comply with and give

notices required by all federal, state, and local laws, ordinances, rules, regulations, and lawful orders of public authorities applicable to performance of the Work.

9. Access to Work

The City, its Agent, and/or its Representative shall at all times have access to the work wherever it is in preparation or progress and the Contractor shall provide facilities for such access so that the City, its Agent, and/or its Representative may perform their functions under the Job Order documents. If the specifications, the City, its Agent, and/or its Representative instructions, laws, ordinances, or any public authority require any work to be specially tested or approved, the Contractor shall give the City, its Agent, and/or its Representative timely notice of its readiness for observation by the Owner's Representative or inspection by another authority, and if the inspection is by an authority other than the City, its Agent, and/or its Representative, of the date fixed for such inspection, required certificates of inspection being secured by the Contractor. Observations by the City, its Agent, and/or its Representative shall be promptly made, and where practicable at source of supply.

If any work should be covered up without approval or consent of the City, its Agent, and/or its Representative, it must, if required by the City, its Agent, and/or its Representative, be uncovered for examination at the Contractor's expense.

Re-examination of questioned work may be ordered by the City, its Agent, and/or its Representative and, if so requested, the work must be uncovered by the Contractor. If such work be found in accordance with the issued Job Order documents, the City will pay the cost of re-examination and replacement.

ARTICLE IV: PRICING OF THE WORK

4.1 General

Contractor shall furnish all supervision, labor, materials, tools, supplies, equipment and transportation to perform all operations necessary and required in accordance with the terms and conditions of the Contract, and as further specified in individual Job Orders. Pricing will be provided in excel spread sheet format exported from Construction Task Catalog.

4.2 Job Order Price

The pricing of the Job Order shall be determined as follows: The unit price for each item to be used from RS Means. The price (unit price x quantity x Adjustment Factor) is the total amount to be paid to the Contractor for the item for self-performed items or subcontractor-performed items. Cost for building permits, inspection fees, utility hookup fees, and other jurisdictional fees should be included on the Job Order Proposals as separate line items.

4.3 Contractor's Adjustment Factors

The Adjustment Factor for work performed during Normal Working Hours is 1.27 for this contract. The Adjustment Factor for work performed during Other than Normal Working Hours is set at 1.33. The Adjustment Factor for non-pre-priced items is 1.20. This is fixed for a period of one year and may be adjusted per the ENR CCI Index according to the average of the twenty cities. These Adjustment Factors includes business costs, construction costs, and price variations.

4.3.1 Business costs included in the Contractor's Adjustment Factors include:

- Overhead costs, including, but not limited to: home office overhead, insurance, bonds, and indemnification, project meetings, training, management and supervision, mobilization and close-out for the contract and each Job Order ,and project office staff and equipment.
- Profit.
- Subcontractor's overhead and profit.
- All taxes for which a waiver is not available with the exception of the Washington Sales Taxes which will not be part of the adjustment factor(s) but rather a separate line item on each Job Order. However the use tax on materials for WAC 458-20-171 projects shall be part of the adjustment factor(s).

- Employee or Subcontractor's wage rates that exceed the prevailing wage rates.
- Fringe benefits, payroll taxes, worker's compensation, insurance costs and any other payment mandated by law in connection with labor that exceeds the labor rate allowances.
- Cost of financing the work.
- Business risks such as the risk of a lower than expected volume of work, smaller than anticipated Job Orders, poor Subcontractor performance, and inflation or material cost fluctuations.

4.3.2 Construction costs included in the Contractor's Adjustment Factors include:

- Services required to obtain filings and permits.
- Preparation and modification of proposals, sketches, drawings, submittals, as-built drawings, CADD drawings, microfilm, and other project records.
- Incidental engineering and architectural services.
- Office trailer and portable toilets for Contractor's use.
- Construction vehicles such as pick-up trucks, utility trucks, vans, flatbed trucks, tractors, trailers, etc.
- Storage devices or items such as gang boxes and containers for Contractor's tools, equipment and materials.
- Personnel safety equipment (e.g., hard hats, safety harnesses with lifeline or cabling, protective clothing, safety glasses, face shields, etc.), basic safety and warning signage, railings, minor barricades, tape, roping, cable, markings, cones; including traffic control cones, barrels and basic traffic sign, etc.
- Meeting Owner security requirements.
- Excess waste including roofing, drywall, VCT, carpet, wall covering, ceiling tile, pipe, conduit, siding, concrete, etc. This list is not intended to be all inclusive, but descriptive of the types of construction materials that are typically sold in standard lengths, sizes and weights.
- Removing and returning Owner's furniture and furnishings (e.g. chairs, tables, pictures, etc. but excluding modular furniture, wall or ceiling attached or fastened devices or furnishings, safes or other furniture requiring disassembly).

- Sealing, windows, and openings with plastic to contain construction dust and debris within the work area.
- Daily clean-up.
- Final professional project clean-up.
- Costs resulting from inadequate supply of building materials, fuel, electricity, or skilled labor.
- Costs resulting from productivity loss.
- Working in extreme temperatures (below or above normal) or adverse conditions such as excessive rain, wind, sleet or snow.
- Differences in project size; complexity and location.
- All costs for other than discreet items of work specifically required to complete a particular Job Order.

4.3.3 Price Variations:

- Contractors may find differences in labor, equipment and material costs due to certain economic factors. Variations in labor cost can also result from labor efficiency, labor restrictions, working conditions and local work rules. Variations in material costs can also result from the quantity of material purchased, the existing relationship with suppliers, and because the materials have been discontinued or have become obsolete.
- While diligent effort is made to provide accurate and reliable up-to-date pricing, it is the responsibility of the Contractor to review and analyze the unit prices, and to calculate their Adjustment Factors accordingly, prior to bidding.

4.3.4 General Costs:

- This list is not exhaustive and is intended to provide general examples of cost items to be included in the Contractor's Adjustment Factor as defined in the Contract.
- The only compensation to be paid to a Contractor for the unit price tasks will be:

Published Unit Price	X	Installation(or Demolition) Quantity	X	Appropriate Adjustment Factor
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- No additional payments of any kind whatsoever will be made. All costs not included in the unit prices must be part of the Adjustment Factors.

4.4 Labor and Materials Bond and Performance Bond

The Contractor agrees that before it undertakes performance of this Contract, it will file with the City of Vancouver a Labor and Materials Bond and a Performance Bond, on the forms provided by the City of Vancouver, in the amount of \$1,000,000 (one million dollars) executed by itself as principal and by a surety company authorized, licensed to do business in the State of Washington on the approved City of Vancouver form. The bonds shall comply with the laws of the State of Washington, and especially with the provisions of Revised Code of Washington, Chapter 39.08. The term of each Bond shall be one (1) year. In the event the parties agree to exercise the Contract extension, the Contractor shall deliver a new Labor and Materials Bond and a Performance Bond in the same manner.

4.5 Retainage

4.5.1 Per RCW 39.10.450, for purposes of chapters 39.08, 39.12, 39.76, and 60.28 RCW, each Job Order issued shall be treated as a separate contract.

4.5.2 Retainage on this contract will be administered in accordance with RCW 60.28.011. If RCW 60.28.011 is revised during the course of the contract, the most current language shall apply to this Contract.

4.6 Insurance

The Contractor agrees to the following requirements relating to insurance coverage. Provide a Certificate of Liability Insurance. Said certificate must be provided on a standard "ACORD" form, or its equivalent, and must provide that coverage shall not be canceled or modified without 30 days prior written notice to the City of Vancouver.

In addition, all policies shall be issued by an insurance company licensed to do business in the State of Washington. The City of Vancouver may inspect all policies and copies shall be provided to the City upon request.

- \$1,000,000 minimum/general liability
- \$1,000,000 combined single limit auto liability
- \$5,000,000 umbrella liability
- \$1,000,000 minimum/professional liability
- \$1,000,000 products
- \$1,000,000 for each accident;
- \$500,000 for each disease for each employee;

- \$1,000,000 for each disease policy limit.

Washington Stop Gap Coverage: Consultants located in in North Dakota, Ohio, West Virginia, Washington and Wyoming must have Washington Stop Gap coverage listed on the Certificate of Liability Insurance. The limits and aggregates noted above must apply to the Stop Gap coverage as well.

Coverage Trigger: The insurance must be written on an “occurrence” basis. This must be indicated on the certificate. Claims made policies will not be acceptable.

City Listed as Additional Insured: The City of Vancouver, its agents, representatives, officers, directors, officials, and employees must be named as an additional insured on the CGL policy and shown on the certificate as an additional insured with an additional insured endorsement.

City shall be listed as the Certificate Holder.

4.7 Items Not Found in RS Means

Non-priced items are specific line items not found in RS Means. Contractor shall submit unit prices for non-priced items that include reimbursement for all direct and indirect costs of the work, including overhead and profit, bond and insurance costs:

- a. Direct costs for Labor and Materials: Owner may request up to three bids from sources acceptable to Owner.
- b. Equipment Costs: If not found in the Unit Price Book, equipment charges shall be computed on the basis of actual invoice costs or if owned, from the current edition of one of the following sources: Associated General Contractors General Contractors Washington State Department of Transportation (AGC WSDOT) Equipment Rental Agreement; current edition; State of Washington Utilities and Transportation Commission for trucks used on highways; National Electrical Contractors Association for equipment used for electrical work; and Mechanical Contractors Association of America for equipment used on mechanical work.

The Equipment Watch Rental Rate (Blue Book) shall be used as a basis for establishing rental rates of equipment not listed in the above sources. The maximum rate for standby equipment shall not exceed that shown in the AGC WSDOT Equipment Rental Agreement, current edition.

4.8 Hours of Work

In addition to the Adjustment Factor for Work that is conducted during Normal Working Hours (7:00AM to 6:00PM, Monday through Friday), the Contractor may utilize a separate Adjustment Factor for Other than Normal Working Hours that occurs during Other than Normal Working Hours (6:00PM to 7:00AM, Monday through Friday, and weekends and holidays), if the Owner requested submission of such alternate Adjustment Factor at the time final proposals were due. Unless specifically identified or amended in the issued Job Order, all work shall be performed during Normal Working Hours.

4.9 Payment of Labor

- 4.9.1 For projects performed under this contract, the Contractor may be required to submit weekly/bi-weekly Certified Payrolls to the City of Vancouver Procurement Services upon request. The Job Order will specify if this is required.
- 4.9.2 The Contractor agrees that all laborers, workers, or mechanics employed by it or by any subcontractor in the work of this Contract will be paid not less than the prevailing rate of wage for an hours work in accordance with the provisions of the Chapter 39.12 RCW, and all rules and regulations promulgated pursuant thereto. The State of Washington prevailing wage rates applicable for this public works project, which is located in Clark County, may be found at the following website address of the Department of Labor and Industries: <https://fortress.wa.gov/lni/wagelookup/prvwagelookup.aspx>. Prevailing wage rate will be based on the date of the Job Order issued by the City.
- 4.9.3 In case any dispute arises as to what the prevailing rates of wages for work of a similar nature are and such dispute cannot be adjusted by the parties involved, the matter shall be referred to the director of the Department of Labor and Industries of the State of Washington for arbitration, and the director's decision therein shall be final and conclusive and binding on all parties involved in the dispute.
- 4.9.4 In connection with this Contract, for each issued Job Order, the Contractor and each subcontractor shall complete or have on file a current "Statement of Intent to Pay Prevailing Wages" (Form L&I Number F700-029-000) before payment will be made for work performed. An approved "Affidavit of Wages Paid" form must be filed upon completion of the project. These forms are available from Washington State Department of Labor & Industries and can be filed electronically at <http://www.lni.wa.gov/TradesLicensing/PrevWage/>. The Department of Labor and Industries charges a fee for such approval and certification, which fee shall be paid by the Contractor. Any change in the fee will NOT be grounds for revision in Job Order Price.

The Contractor shall include this provision in all sub-contracts and shall require that it be placed in all sub-sub contracts at any tier.

- 4.9.5 All workers delivering fill, sand, gravel, crushed rock, transit/concrete mix, asphalt or other similar materials and all workers removing any materials from the construction site as required by the specifications are subject to the provisions of RCW chapter 39.12 and are entitled to the appropriate Prevailing Wage Rate. For purposes of this contract, such materials are for specified future use and per WAC 296-127-018, delivery and pick-up of the above listed materials constitutes incorporation.

4.10 Payment to the Contractor

No payment shall be made to the Contractor, however, until the Contractor and all subcontractors who have performed work shall have filed, with Procurement Services, the Labor and Industries executed Statement of Intent to Pay Prevailing Wage as required by RCW 39.12.040. Said Contractor and all subcontractors shall also keep accurate payroll records for three years from the date of acceptance as described in WAC 296-127-320 Payroll. A Contractor and all subcontractors shall, within ten days after it receives a written request, as defined by RCW 39.12.010(4) file a certified copy of the payroll records with the Owner. A contractor's noncompliance with this section shall constitute a violation of RCW 39.12.050.

Progress payments to the Contractor shall be made within 30 days of receipt of the signed progress payment request, as approved by the Owner, for work completed during the previous month.

Every person performing labor or furnishing supplies toward the completion of said improvement of work shall have a lien upon said monies so reserved; provided, that such notice of the lien of such claimant shall be given in the manner provided in 39.08.030 RCW and within the time provided in Chapter 60.28 RCW as now existing and in accordance with any amendments that may hereafter be made thereto.

The Contractor shall submit invoices to City covering both professional fees and project expenses, as applicable. Payments to Contractor shall be made within thirty (30) days from submission of each invoice. The City reserves the right to correct any invoices paid in error according to the rates set forth in the specific Job Order. City and Contractor agree that any amount paid in error by City does not constitute a rate change in the amount of the contract. The City's contract/purchase order (PO) number given on the notice to proceed must be referenced on any invoice submitted for payment.

ARTICLE V: CONTRACT TERM, COMMENCEMENT, COMPLETION, AND LIQUIDATED DAMAGES

5.1 Contract Term

The initial term of this Job Order Contract is two (2) years, with an option on the part of the Owner to extend the Job Order Contract for an additional one (1) year, as provided in RCW 39.10.440. All extensions must be priced as in the Request for Proposal and mutually agreed to by the Owner and the Job Order Contractor.

All Job Orders issued during the term of this Contract shall be valid and in effect notwithstanding that the Detailed Statement of Work may be performed, payments may be made, and the guarantee period may continue, after such period has expired. All terms and conditions of the Contract apply to each Job Order.

5.2 Commencement Date

The commencement of Contract Time for any Job Order shall be the Contract Execution Date as defined in the General Conditions. Any preliminary work started or material ordered or purchased before receipt of the Notice to Proceed shall be at the risk and expense of Contractor.

5.3 Completion Date

Each Job Order will specify the Physical Completion Dates for the Work. The Contractor shall attain Physical Completion within the dates established in the Job Orders.

5.4 Liquidated Damages

The applicable liquidated damages, if any, for failure to attain either Substantial Completion or Physical Completion will be specified by the Owner in the Job Order.

ARTICLE VI: SUBCONTRACTING

6.1 Statutory Requirements

- 6.1.1 Contactor shall comply with RCW 39.10.440, including, Contractor shall subcontract at least ninety percent (90%) of the Work performed under this Contract to entities other than the Contractor, including subsidiaries of the Contractor or Joint Venture member.
- 6.1.2 Contractor shall distribute subcontracted work as equitably as possible among qualified and available subcontractors including minority and woman-owned subcontractors to the extent permitted by law.
- 6.1.3 Contractor shall publish notification of intent to perform public works projects at the beginning of each contract year in a statewide publication and in a legal newspaper of general circulation in every county in which the public works projects are anticipated.
- 6.1.4 Contractor shall comply with RCW 39.10.450, including Contractor shall prepare and submit to the Washington State Office of Minority and Women's Business Enterprises a subcontracting plan that equitably spreads certified women and minority business enterprise subcontracting opportunities, to the extent permitted by the Washington state civil rights act, RCW 49.60.400, among the various subcontract disciplines.

6.2 Subcontractor Responsibility Criteria

- 6.2.1 The Contractor shall include the language of this section in each of its first tier subcontracts, and shall require each of its subcontractors to include the same language of this section in each of their subcontracts, adjusting only as necessary the terms used for the contracting parties. The requirements of this section apply to all subcontractors regardless of tier.
- 6.2.2 At the time of subcontract execution, the Contractor shall verify that each of its first tier subcontractors meets the following bidder responsibility criteria:
 - 6.2.2.1 Have a current certificate of registration in compliance with Chapter 18.27 RCW, which must have been in effect at the time of subcontract bid submittal;
 - 6.2.2.2 Have a current Washington Unified Business Identifier (UBI) number;
 - 6.2.2.3 If applicable, have:

- a. Have Industrial Insurance (workers' compensation) coverage for the subcontractor's employees working in Washington, as required in Title 51 RCW;
 - b. A Washington Employment Security Department reference number, as required in Title 50 RCW;
 - c. A Washington Department of Revenue state excise tax registration number, as required in Title 82 RCW;
 - d. An electrical contractor license, if required by Chapter 19.28 RCW;
 - e. An elevator contractor license, if required by Chapter 70.87 RCW.
- 6.2.2.4 Not be disqualified from bidding on any public works contract under RCW 39.06.010 or 39.12.065 (3).

ARTICLE VII: MISCELLANEOUS

7.1 Cooperative Purchasing

The Washington State Inter-local Cooperation Act, Ch. 39.34 RCW, authorizes public agencies to cooperatively purchase goods and services if all parties agree. Contractor agrees that other public agencies may purchase goods and services under this solicitation or contract at their own cost and without the City of Vancouver incurring any financial or legal liability for such purchases. The City of Vancouver, at its sole discretion, may allow other public agencies to purchase goods and services under this specific Contract, provided that the City of Vancouver is not held financially or legally liable for purchases and that any public agency purchasing under such solicitation or contract file a copy of this invitation and such contract in accordance with RCW 39.34.040. The City will provide a written authorization to that specific agency when such authorization is granted.

In addition, those public agencies who wish to use this contract must have an expressed, written Inter-Local Agreement (ILA) from the City of Vancouver specifically authorizing them to use of this specific contract. Previously executed ILAs do not extend that authorization to this contract. JOC Contractors shall be subject to the same contractual obligations.

7.2 E-Verify

Contractor shall register and enter into a Memorandum of Understanding (MOU) with the Department of Homeland Security E-Verify program within sixty (60) days after execution of this Contract. Contractor shall ensure all Contractor employees and any sub-contractor(s) assigned to perform work under this Contract are eligible to work in the United States. Contractor shall provide verification of compliance upon Owner's request. Failure by Contractor to comply with this subsection shall be considered a material breach.

7.3 Employment of Labor

The Contractor agrees that all persons employed in it and by any of its subcontractors in work done pursuant to this Contract shall not be employed in excess of 8 hours in any one day, except as provided or allowed by law.

7.4 Equal Opportunity

It is the policy of the City of Vancouver to require equal opportunity in employment and services subject to eligibility standards that may be required for a specific program.

No person shall, on the grounds of race, color, religion, sex, handicap, national origin, age, citizenship, marital status, political affiliation or belief, be denied employment or benefits, or be discriminated against as a consumer, administrator or staff person under any program or activity receiving funds under this RFP.

In compliance with Department of Labor Regulations implementing Section 504 of the Rehabilitation Act of 1973, as amended, no qualified handicapped individual shall be discriminated against in admission or access to any program or activity.

Contractor shall provide equal opportunity in the administration of the contract and its subcontracts or other agreements.

7.5 Joint Venture Contractor

In the event that Contractor is a joint venture of two or more partners, all rights and responsibilities of the Contract shall be joint and several. Any notice, order, direction, request, or communication given by the Owner to the Contractor under this Contract shall be considered given to all joint venture partners if given to any one or more of such joint venture partners. Any notice, request or other communication given to the Owner by any joint venture partner shall be deemed to have been given by, and shall bind, all joint venture partners. In the event of the dissolution of the joint venture, the Owner shall have the unqualified right to select which joint venture partner(s), if any, shall continue with the Work under this Contract. Such selected partner(s) shall assume all liabilities, obligations, rights, and benefits of the Contractor under this Contract. Dissolution of the joint venture shall not be effected without prior consultation with the Owner. In the event of failure or inability of any joint venture partner(s) to continue performance under this Contract, the remaining joint venture partner(s) shall perform all services and Work and assume all liabilities, obligations, rights, and benefits of the Contractor under this Contract. Nothing in this Paragraph shall be construed or interpreted to limit the Owner's rights under this Contract or by law to determine whether the Contractor or any joint venture partner thereof has performed within the terms of this Contract.

7.6 Indemnity and Hold Harmless

Contractor agrees to indemnify, defend, save and hold harmless the Owner, its officials, employees and agents from any and all liability, demands, claims, causes of action, suits or judgments, including costs, attorney fees and expenses incurred in connection therewith, or whatsoever kind or nature, arising out of, or in connection with, or incident to, the performance of services by Contractor pursuant to this Contract.

In the event that any suit based on such a claim, demand, loss, damage, cost, or cause of action is brought against the Contractor, the Owner retains the right to participate in said suit.

This indemnity and hold harmless shall include any claim made against the Owner by an employee of Contractor or subcontractor or agent of the Contractor, even if Contractor is thus otherwise immune from liability pursuant to the workers' compensation statute, Title 51 RCW. To the extent that such liability arises from the concurrent negligence of both the Owner and the Contractor, such cost, fees and expenses shall be shared between the Owner and the Contractor in proportion to their relative degrees of negligence. This indemnity and hold harmless shall NOT apply in the case where liability arises from the sole negligence of the Owner. Contractor specifically acknowledges that the provisions contained herein have been mutually negotiated by the parties and it is the intent of the parties that Contractor provide the broadest scope of indemnity permitted by RCW 4.24.115.

The Contractor agrees to include this language in each of their subcontracts and require of their lower tier Subcontractors that these provisions be included in the language of their Subcontracts.

7.7 Ownership of Records and Documents

All materials, writings and products produced by the Contractor in the course of performing this Contract shall immediately become the property of the Owner. In consideration of the compensation provided for by this Contract, the Contractor hereby further assigns all copyright interests in such materials, writings and products to the Owner. A copy may be retained by the Contractor.

7.8 Public Disclosure

Contractor should be aware that any records they submit to the Owner or that are used by the Owner may be subject to public records under the Washington Public Records Act (42.56 RCW). The Owner must promptly disclose public records upon request unless a statute exempts them from disclosure. Contractor should also be aware that if even a portion of a record is exempt from disclosure, generally, the rest of the record must be disclosed. Exemptions, including those for trade secrets and "valuable formula," are narrow and specific. Contractor should clearly mark any record they believe is exempt from disclosure prior to submitting them to the Owner.

If Contractor is notified of a request for public disclosure, it is the Contractor's sole responsibility and discretionary decision to pursue a lawsuit under RCW 42.56.540 to enjoin disclosure. Contractor shall be responsible for attorney fees and costs in such action and shall save and hold harmless the Owner from any costs, attorney fees, or penalty assessment under Ch.42.56 RCW. However, if Contractor does not timely obtain and serve an injunction, the Owner will disclose the records, in accordance with applicable law.

7.9 City Business License

Contractor shall maintain a valid City of Vancouver business license during the term of or performance of Work under this Contract.

7.10 Governing Law

This agreement and the rights of the parties herein shall be governed by the laws of the State of Washington. Venue shall be in Clark County, Washington.

7.11 Compliance with the Law

The Contractor shall have the authority to control and direct the performance and details of the work described herein. The Contractor agrees to comply with all relevant federal, state and municipal laws, rules and regulations.

7.12 Disputes

In the event of any dispute between the parties regarding performance of this Agreement, prior to commencement of litigation, Owner may require Contractor to participate in mediation or arbitration, or both, in any forum or format as determined by Owner.

7.13 Audit

Contractor agrees and shall grant Owner or its representative access to records relating to Work under this Contract for auditing purposes. Auditing shall be at the Owner's discretion. Audits shall be performed in accordance with all Local, State and Federal requirements/statutes. Agencies not covered by Federal single audit requirements may be responsible for an independent agency audit, which meets general accepted auditing standards.

7.14 Assignment

This Contract is binding on each party, its successors, assigns, and legal representatives and may not, under any circumstances, be assigned or transferred by either party without express written authorization.

7.15 Contract Amendment

All changes to this Contract, except for changes to the Work for each specific issued Job Order, must be made by written amendment and signed by all parties to this Contract and shall be incorporated via written amendments to the Contract. The City Manager, or designate, is hereby authorized to execute amendments on behalf of the City.

7.16 Termination for Convenience

The Owner, at its sole discretion, may terminate this Contract for convenience at any time for any reason deemed appropriate. Termination is effective immediately upon notice of termination given by the Owner.

7.17 Future Non-Appropriation of Funds

If sufficient funds are not appropriated or allocated for payment under this Contract for any future fiscal period, the Owner will not be obligated to make payments for services or amounts incurred after the end of the current fiscal period. No penalty or expense shall accrue to the Owner in the event this provision applies.

7.18 Debarment and Suspension

By entering into this Contract, Contractor certifies that they are not debarred or suspended or otherwise excluded from or are ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension". In addition, Contractor certifies that its subcontractor are not debarred or suspended during their contract period.

7.19 Entire Agreement

This Contract incorporates all the terms, covenants and understandings between the parties hereto and are merged into this document. No other agreements or prior understandings, verbal or otherwise, of the parties, or their agents, shall be considered as part of this agreement, or as valid or enforceable unless set forth herein.

7.20 Notices

Whenever in this written Contract written notices are to be given or made, they may be sent by certified mail to the following people at the addresses as shown herein unless a different address is designated in writing or delivered to the respective party hereto:

Owner: Anna Vogel
Procurement Manager
City of Vancouver
415 W 6th St.
P O Box 1995
Vancouver WA 98668-1995

Contractor: Craig Schmidt
Vice President
SDB Contracting Services
8125 NE Cherry Drive
Hillsboro, OR 97124

IN WITNESS WHEREOF, the Parties hereto have executed this Job Order Contract by having their authorized representatives affix their signatures below.

CITY OF VANCOUVER

SDB CONTRACTING SERVICES

A municipal corporation

Eric Holmes, City Manager

Signature:

Attest:

By: Printed Name / Title

Natasha Ramras, City Clerk

Approved as to form:

Jonathan Young, City Attorney



Staff Report 152-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/4/2019

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

Key Points

- The City utilizes cooperative purchasing to procure computer equipment and related software and services from Datec, Inc. via the Washington State Master Contract.
- Purchases from this contract will exceed \$300,000 largely due to scheduled equipment replacements.
- The City is requesting authorization to spend up to \$550,000 with Datec, Inc. over the life of the contract. The contract term concludes in March 31, 2020, however, it may be extended until December 31, 2020.

Strategic Plan Alignment

None

Present Situation

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.

Advantage(s)

Allows the City to continue piggy-backing on the Washington State contract to purchase ruggedized and semi-ruggedized computer equipment.

Disadvantage(s)

None

Budget Impact

None. Appropriations for computer equipment and related software and services exist within the current 2019-2020 budget. No additional appropriations are requested.

Prior Council Review

None

Action Requested

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

ATTACHMENTS:

- ▣ Master agreement
- ▣ Amendment No. 2

PARTICIPATING ADDENDUM
WSCA-NASPO COOPERATIVE PURCHASING ORGANIZATION, LLC
MN 2014-2019 Computer Equipment
(Desktops, Laptops, Tablets, Servers, Storage including Related
Peripherals & Services)
Administered by the State of Minnesota (hereinafter "Lead State")

MASTER AGREEMENT
Master Agreement No: MNWNC-124
Panasonic System Communications Company of North America, Division of Panasonic
Corporation of North America
(hereinafter "Contractor")
And
State of Washington, Department of Enterprise Services
(hereinafter "Participating State")
Participating State Contract #05815-011

Page 1 of 25

This Addendum adds the State of Washington as a Participating State authorized to purchase from the NASPO ValuePoint Master Agreement number MNWNC-124 with Panasonic.

1. Scope: This addendum covers the NASPO Computer Equipment Contract categories identified below, led by the State of Minnesota for use by state agencies and other entities authorized by Washington State's statutes and located in the Participating State to utilize state contracts with the prior approval of the state's chief procurement official. Language contained here supersedes and is in addition to the language of the Master Pricing Agreement

a. Panasonic Computer Equipment: Category Awards:

Scope of Service

1. Band 2: Laptop. A laptop computer is a personal computer for mobile use. A laptop includes a display, keyboard, point devices such as a touchpad and speakers into a single unit. A laptop can be used away from the outlet using a rechargeable battery. All operating systems for tablets are allowed. Laptops will include notebooks, ultrabook, mobile thin clients, chromebook and netbooks. Computers with mobile operating systems will also be included under laptops. Tablets that have the option to be utilized with a keyboard can be sold in this band.

2. Band 3: Tablet. A tablet is a mobile computer that provides a touchscreen which acts as the primary means of control. All operating systems for tablets are allowed.

3. Examples of peripherals/accessories/options: Include but are not limited to: monitors, audiovisual equipment, instructional equipment, cabling, modems, network to support servers, storage and client applications such as routers, switches. Software is an option which must be related to the purchase of equipment and subject to configuration limits. Third party products are allowed to be offered as peripherals/accessories/options and may be offered in any related band

b. Products and Services NOT allowed or provided by this Participating Addendum:

- **Ruggedized Devices, Printers, Multifunction Printers, Cell Phones**

- **Lease Agreements, Managed Print, Cloud Service**

c. Use of Purchase Card is allowable at time of order placement.

2. Participation: Use of specific WSCA-NASPO cooperative contracts by all state agencies, political subdivisions and other entities (including cooperatives) located within the state of Washington authorized by state statutes to use state contracts are subject to the prior approval of the respective State Chief Procurement Official. Issues of interpretation and eligibility for participation are solely within the authority of the State Chief Procurement Official.

- Individual Customer: Each state agency and political subdivision, as a Participating Entity, that purchases products/services will be treated as if they were individual customers. Except to the extent modified by this Participating Addendum, each agency and political subdivision shall be responsible to follow the terms and conditions of the Master Agreement; and they shall have the same rights and responsibilities as the Lead State has in the Master Agreement. Each agency and political subdivision shall have the same rights to any indemnity or to recover any costs allowed in the contract for their purchases. The Contractor shall apply the charges to each Participating Entity individually.

Political and non-profit entities within the State of Washington may use this contract without further process provided they have completed, filed and accepted in the Washington State's Master Contract Agreement (MCUA) process. Use by others then those stated above is not a valid use. Use of the contract in conflict with its language is not binding on any party and does not satisfy requirements.

A list of all members is available at:

<http://des.wa.gov/services/ContractingPurchasing/Purchasing/Pages/MasterContractsUsageAgreement.aspx>

THIS AGREEMENT IS NOT FOR PERSONAL USE.

3. Effective Date: This PA's initial term will begin upon final executed signatures and shall be coterminous with the Lead State's (Minnesota) Master Agreement and any extensions of the Master Agreement.

4. Participating State Modifications or Additions to Master Agreement:
Contractor and DES agree to the following modifications and additions to the Master Agreement for Computer Equipment and apply only to actions and relationships within the Participating Entity.

Department of Enterprise Services (DES) State Master Contract Standard Terms and Conditions.

The following standard terms and conditions are added to the Participating Addendum for the State of Washington. This section consists of general provisions and terms for contracts issued by the Washington State Department of Enterprise Services (DES), acting under the authority of RCW 39.26 which regulates the manner in which state agencies may acquire services.

4.1 Contract Modifications or Additional Terms and Conditions to the Master Agreement:

DES reserves the right to modify the resulting contract (including but not limited to adding or deleting products, services, or delivery locations) by mutual agreement between DES and the contractor, as long as such modification is substantially within the scope of the original contract. Such modification(s) shall be memorialized in a signed, written document, (Amendment) describing the agreed upon change, including any terms and conditions required to support such change. Changes to point of contact information may be updated without the issuance of a mutually agreed contract amendment.

4.2 Restrictions: In accordance with the Master Pricing Agreement the Participating Addendum identifies the following restrictions of product;

a. Software

1. Software is restricted to operating systems and commercial off-the-shelf (COTS) software and is subject to equipment configuration limits.
2. Software is an option which must be related to the procurement of equipment.
3. Software must be pre-loaded or provided as an electronic link with the initial purchase of equipment.
4. Software such as middleware which is not always installed on the equipment, but is related to storage and server equipment (band 4&5) purchased, is allowed and may be procured after the initial purchase of equipment.

b. Services

1. Services must be related to the procurement of equipment.
2. Service shall be unlimited.
3. Wireless phone and internet service is not allowed.
4. Cloud Services including acquisitions structured as managed on-site services are not allowed.
5. Managed Print Services are not allowed.

c. Third Party Products.

1. Contract Vendors shall only offer Third Party Products in the bands they have been awarded.
2. Contract Vendor is restricted to purchases of computer hardware manufactured by Contractor.

d. Additional Product/Services

1. Hardware and software required to solely support wide area network (WAN) operation and management are not allowed.
2. Lease/Rentals of equipment shall not be allowed.
3. Cellular Phone Equipment shall not be allowed.
4. EPEAT Bronze requirement may be waived, on a State case by case basis, if approved by the State's Chief Procurement Officer.

4.3 Contract Administration

• **State Contract Administrator**

DES will appoint a single point of contact that shall be the Contract Administrator for this contract and shall provide contract oversight. The Contract Administrator shall be the principal contact for the contractor for business activities under this contract. DES shall notify the contractor in writing, when there is a new Contract Administrator assigned to this contract.

• **Administration of Term Contract**

DES may maintain contract information and pricing and make it available on DES's website. The contract prices are the maximum price contractor can charge. The contractor may offer volume discounts to purchasers.

4.4 Contractor Supervision and Coordination

Contractor shall:

- a. Competently and efficiently supervise and coordinate the implementation and completion of all contract requirements specified herein.
- b. Identify the contractor's Authorized Representative, who will be the principal point of contact for DES concerning contractor's performance under this contract.
- c. Immediately notify the Contract Administrator in writing of any change of designated Authorized Representative assigned to this contract.
- d. Be bound by all written communications given to or received from the contractor's Authorized Representative.

Violation of any provision of this section may be considered a material breach of contract and may be grounds for contract termination.

4.5 Term Contract Management

Upon award of a term contract, the contractor shall:

- a. Promote and market the use of this contract to all authorized contract purchasers.
- b. Ensure that those who endeavor to utilize this contract are authorized purchasers under this contract.
- c. At no additional charge, assist purchasers in making the most cost effective, value based purchases which may include, but is not limited to:
 - Having representatives available to provide information regarding products and services, including visiting the purchaser site if needed, and providing purchaser with materials/supplies/equipment recommendations.
 - Providing purchasers with a detail list of contract items including current contract pricing and part numbers.

The contractor shall designate a customer service representative who will be responsible for addressing purchaser issues including but not limited to:

- Logging requests for service, ensuring repairs are completed in a timely manner, dispatching service technicians and processing warranty claim documentation.
- Providing purchasers with regular and timely status updates in the event of a delay in repair or order fulfillment.

- Acting as the lead and liaison between the manufacturer and purchaser in resolving warranty claims for contract items purchased.

4.6 Changes

Alterations to any of the terms, conditions, or requirements of this contract shall only be effective upon written issuance of a mutually agreed contract amendment by DES.

Changes to point of contact information may be updated without the issuance of mutually agreed contract amendment.

4.7 Statewide Payee Desk

Contractors must register with the Statewide Payee Desk, maintained by DES, to be paid for contract sales. Washington state agencies cannot make payments to a contractor until it is registered. Registration materials are available here: [Receiving Payment from the State](#).

4.8 Management Fee

Contractor will pay a management fee of 2 percent to DES on all state contract sales/purchase prices for work orders. The purchase price is defined as total invoice price less sales tax.

The management fee must be rolled into the contractor's current pricing; the fee must not be shown as a separate line item on an invoice unless specifically requested and approved by DES.

How to determine the fee: Total sales (not including sales tax) x .0200 = management fee.

DES may increase, reduce or eliminate the management fee, and reserves the right to negotiate contract pricing with the contractor when adjustment of the management fee might justify an increase in pricing.

For purposes of the management fee, the parties agree that the initial management fee is included in the pricing. Therefore, any increase or reduction of the management fee must be reflected in contract pricing commensurate with the adjustment.

Taxability (if applicable): In 2013, the Washington Department of Revenue ruled that if the underlying transaction requires sales tax, the DES management fee portion of the transaction is also subject to a sales tax.

The state reserves the right to audit, or have a designated third party audit, applicable records to ensure that the state has been properly invoiced and all management fees have been paid. Failure to accurately report total net sales, to submit a timely sales report, or remit timely payment of the management fee may be cause for contract termination, the charging of interest or penalties, or the exercise of other remedies provided by law.

The management fee does not include or supersede fees owed to other entities such as the NASPO ValuePoint or government entities other than the state of Washington.

DES will invoice the contractor every quarter based on sales reported by contractor. Contractors are not to remit payment until they receive an invoice from DES.

Management fee payment must reference the contract number, work request number (if

applicable), the year and quarter for which the management fee is being remitted, and the contractor's name as it is known to DES, if not already included on the face of the check.

Remit management fee to:

Washington State Department of Enterprise Services
Finance Office
PO Box 41460
Olympia, WA 98504-1460

NOTE: DO NOT send payment to the DES Contract Administrator and do not pay prior to receiving the invoice.

4.9 Contract Sales/Usage Report

The management fee will be based on total contract sales, which must be reported quarterly by the contractor in the Contract Sales Reporting System. DES will provide a login password and a vendor number.

Each sales report must identify every authorized purchaser by name as it is known to DES and its total combined sales amount **invoiced** during the reporting period (i.e., sales of an **entire agency** or political subdivision, not its individual subsections). The "Miscellaneous" option may be used only with prior approval by DES, and use of this option without prior approval by DES may be cause for contract termination.

USAGE REPORT DUE DATE: Reports must be submitted electronically within 30 days after the end of the calendar quarter:

For sales invoiced during ...	Due date
Q1 (Jan / Feb / March)	April 30
Q2 (April / May / June)	July 31
Q3 (July / Aug / Sept.)	Oct. 31
Q4 (Oct / Nov / Dec.)	Jan. 31

Failure to provide reports in accordance with the schedule above may be cause for contract termination.

The report may be corrected or modified by DES with subsequent written notice to the contractor.

Upon request, contractor shall provide contact information for all purchasers during the term of this contract. Refer sales reporting questions to the Contract Administrator.

4.10 Other Required Term Contract Reports

DES may require the contractor to provide a detailed annual contract sales history report. This report, if requested, will include at a minimum, but is not limited to: product description, part number or other product identifier, per unit quantities sold, and contract price. This report must be provided to DES in an electronic format that can be read by MS Excel. Unless the solicitation specifies otherwise, all other required reports will be designed and approved by the parties by mutual agreement.

4.11 Common Vendor Registration and Bid Notification System

Contractor shall be registered in the state's common vendor registration and bid notification system, RCW 39.29.006, known as Washington's Electronic Business Solutions (WEBS) at www.ga.wa.gov/webs. Contractors already registered need not re-register. It is the sole responsibility of contractors to properly register and maintain an accurate vendor profile.

4.12 Payment

a. Advance payment prohibited:

No advance payment shall be made for the products and services furnished by contractor under this contract.

Notwithstanding the above, maintenance payments, if any, may be made on a quarterly basis at the beginning of each quarter.

b. Payment:

Payment is the sole responsibility of, and will be made by, the purchaser.

Under Chapter 39.76 RCW, if purchaser fails to make timely payment(s), contractor may invoice for 1 percent per month on the amount overdue or a minimum of \$1. Payment will not be considered late if a check or warrant is mailed within the time specified. If no terms are specified otherwise in the solicitation, net 30 days will automatically apply.

Payment(s) made in accordance with contract terms shall fully compensate the contractor for all risk, loss, damages or expense of whatever nature and acceptance of payment shall constitute a waiver of all claims submitted by contractor.

Payment for materials, supplies and/or equipment received and for services rendered shall be made by purchaser and be redeemable in U.S. dollars. Unless otherwise specified, the purchaser's sole responsibility shall be to issue this payment. Any bank or transaction fees or similar costs associated with currency exchange procedures or the use of purchasing/credit cards shall be fully assumed by the contractor.

Note: when the state has been overcharged or otherwise reimbursed, the purchaser may elect to have either direct payments or written credit memos issued. If the contractor fails to make timely payment(s) or issuance of credit memos, the purchaser may impose a 1% per month on the amount overdue 30 days after notice to the contractor.

c. Invoicing and discounts

Contractor must provide a properly completed invoice to purchaser. All invoices are to be delivered to the address indicated in the purchase order.

Each invoice must be identified by the associated contract number; the contractor's statewide vendor registration number assigned by the Washington State Office of Financial Management (OFM), the applicable purchaser's order number, and must be in U.S. dollars. Invoices must be prominently annotated by the contractor with all applicable prompt payment and/or volume discount(s) and shipping charges unless otherwise specified in the solicitation.

Invoices for payment will accurately reflect all discounts due the purchaser. Invoices will not be processed for payment, nor will the period of prompt payment discount commence, until receipt of a properly completed invoice denominated in U.S. dollars and until all invoiced items are received and satisfactory performance of contractor has been accepted by the purchaser. If an adjustment in payment is necessary due to damage or dispute, any prompt payment discount period shall commence on the date final approval for payment is authorized.

4.13 Taxes, fees and licenses

a. Taxes

Where required by statute or regulation, the contractor shall pay for and maintain in current status all taxes that are necessary for contract performance. Unless otherwise indicated, the purchaser agrees to pay State of Washington taxes on all applicable materials, supplies, services and/or equipment purchased. No charge by the contractor shall be made for federal excise taxes and the purchaser agrees to furnish contractor with an exemption certificate where appropriate.

b. Collection of retail sales and use taxes

In general, contractors engaged in retail sales activities within the State of Washington are required to collect and remit sales tax to Department of Revenue (DOR). In general, out-of-state contractors must collect and remit "use tax" to Department of Revenue if the activity carried on by the seller in the State of Washington is significantly associated with contractor's ability to establish or maintain a market for its products in Washington. Examples of such activity include where the contractor either directly or by an agent or other representative:

- Maintains an in-state office, distribution house, sales house, warehouse, service enterprise, or any other in-state place of business;
- Maintains an in-state inventory or stock of goods for sale;
- Regularly solicits orders from purchasers located within the State of Washington via sales representatives entering the State of Washington;
- Sends other staff into the State of Washington (e.g. product safety engineers, etc.) to interact with purchasers in an attempt to establish or maintain market(s); or

- Other factors identified in WAC 458-20.

c. Department of Revenue registration for out-of-state contractors

Out-of-state contractors meeting any of the above criteria must register and establish an account with the Department of Revenue. Refer to WAC 458-20-193, and call the Department of Revenue at 800-647-7706 for additional information. When out-of-state contractors are not required to collect and remit "use tax," purchasers located in the State of Washington are responsible for paying this tax, if applicable, directly to the Department of Revenue.

d. Taxes on invoice

Contractor shall calculate and enter the appropriate state and local sales tax on all invoices. Tax is to be computed on new items after deduction of any trade-in in accordance with WAC 458-20-247.

e. Overpayments to contractor

Contractor shall refund to purchaser the full amount of any erroneous payment or overpayment under this contract within 30 days' written notice. If contractor fails to make timely refund, purchaser may charge contractor 1 percent per month on the amount due, until paid in full.

f. Proprietary or confidential information

To the extent consistent with Chapter 42.56 RCW, the Public Disclosure Act, DES shall maintain the confidentiality of contractor's information marked confidential or proprietary. If a request is made to view contractor's proprietary information, DES will notify contractor of the request and of the date that the records will be released to the requester unless contractor obtains a court order enjoining that disclosure. If contractor fails to obtain the court order enjoining disclosure, DES will release the requested information on the date specified.

The state's sole responsibility shall be limited to maintaining the above data in a secure area and to notify contractor of any request(s) for disclosure for so long as DES retains contractor's information in DES records. Failure to so label such materials or failure to timely respond after notice of request for public disclosure has been given shall be deemed a waiver by contractor of any claim that such materials are exempt from disclosure.

V4.14 Insurance

The following are general insurance provisions for the State of Washington. Additional requirements specific to a good/service may be detailed elsewhere in a solicitation or its appendices.

a. General requirements

Contractor shall, at its own expense, obtain and keep in force insurance as follows until completion of the contract. Upon request, contractor shall furnish evidence in the form of a certificate of insurance satisfactory to the State of Washington that

insurance, in the following kinds and minimum amounts, has been secured. Failure to provide proof of insurance, as required, will result in contract cancellation.

Subcontractor(s) must comply fully with all insurance requirements stated herein. Failure of subcontractor(s) to comply with insurance requirements does not limit contractor's liability or responsibility.

All insurance provided in compliance with this contract shall be primary as to any other insurance or self-insurance programs afforded to or maintained by the state.

b. Specific requirements

Employer's Liability (Stop Gap): The contractor will at all times comply with all applicable workers' compensation, occupational disease, and occupational health and safety laws, statutes, and regulations to the full extent applicable and will maintain Employers Liability insurance with a limit of no less than \$1,000,000.00. The State of Washington will not be held responsible in any way for claims filed by the contractor or their employees for services performed under the terms of this contract.

Commercial General Liability Insurance: The contractor shall at all times during the term of this contract, carry and maintain commercial general liability insurance and if necessary, commercial umbrella insurance for bodily injury and property damage arising out of services provided under this contract. This insurance shall cover such claims as may be caused by any act, omission, or negligence of the contractor or its officers, agents, representatives, assigns, or servants.

The insurance shall also cover bodily injury, including disease, illness and death, and property damage arising out of the contractor's premises/operations, products/completed operations, personal injury and advertising injury, and contractual liability (including the tort liability of another assumed in a business contract), and contain separation of insured's (cross liability) conditions.

Contractor waives all rights against the State of Washington for the recovery of damages to the extent they are covered by general liability or umbrella insurance.

The limits of liability insurance shall not be less than as follows:

General aggregate limits (other than products-completed operations)	\$2 million
Products-completed operations aggregate	\$2 million
Personal and advertising injury aggregate	\$1 million
Each occurrence (applies to all of the above)	\$1 million

Fire damage limit (per occurrence)	\$50,000
Medical expense limit (any one person)	\$5,000

c. Business Auto Policy (BAP)

In the event that services delivered pursuant to this contract involve the use of vehicles, or the transportation of clients, automobile liability insurance shall be required. The coverage provided shall protect against claims for bodily injury, including illness, disease, and death; and property damage caused by an occurrence arising out of or in consequence of the performance of this service by the contractor, subcontractor, or anyone employed by either.

Contractor shall maintain business auto liability and, if necessary, commercial umbrella liability insurance with a combined single limit not less than \$1,000,000 per occurrence. The business auto liability shall include Hired and Non-Owned coverage.

Contractor waives all rights against the State of Washington for the recovery of damages to the extent they are covered by business auto liability or commercial umbrella liability insurance.

d. Additional insurance provisions

All above insurance policies shall include, but not be limited to, the following provisions:

○ **Additional insured:**

State of Washington and all authorized purchasers shall be named as an additional insured on all general liability insurance policies. All policies shall be primary over any other valid and collectable insurance.

○ **Notice of policy cancellation/Non-renewal:**

For insurers subject to Chapter 48.18 RCW (admitted and regulated by the Washington State Insurance Commissioner) a written notice shall be given to the director of purchasing or designee 30 calendar days prior to cancellation or any material change to the policy as it relates to this contract. Written notice shall include the affected contract reference number.

○ **Cancellation for non-payment of premium:**

If cancellation on any policy is due to non-payment of premium, a written notice shall be given the director of purchasing or designee 10 calendar days prior to cancellation. Written notice shall include the affected contract reference number.

○ **Identification:**

Certificates of insurance shall include the affected contract reference number.

e. Insurance carrier rating

The insurance required above shall be issued by an insurance company authorized to do business within the State of Washington. Insurance is to be placed with a carrier

that has a rating of A- Class VII or better in the most recently published edition of Best's Reports. Any exception must be reviewed and approved by the Risk Manager for the State of Washington, by submitting a copy of the contract and evidence of insurance before contract commencement. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with Chapter 48.16 RCW and Chapter 284-15 WAC .

f. Excess coverage

The limits of all insurance required to be provided by the contractor shall be no less than the minimum amounts specified. However, coverage in the amounts of these minimum limits shall not be construed to relieve the contractor from liability in excess of such limits.

g. Limit adjustments

The state reserves the right to increase or decrease limits as appropriate

4.15 Antitrust

The state maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, the contractor hereby assigns to the State of Washington any and all of the contractor's claims for such price fixing or overcharges which arise under federal or state antitrust laws, relating to the materials, supplies, services and/or equipment purchased under this contract.

4.16 Disputes and remedies

a. Problem resolution and disputes

Problems arising out of the performance of this contract shall be resolved in a timely manner at the lowest possible level with authority to resolve such problem. If a problem persists and cannot be resolved, it may be escalated within each organization.

In the event a bona fide dispute concerning a question of fact arises between DES or the purchaser and contractor and it cannot be resolved between the parties through the normal problem escalation processes, either party may initiate the dispute resolution procedure provided herein. The dispute shall be handled by a Dispute Resolution Panel in the following manner. Each party to this contract shall appoint one member to the Panel. These two appointed members shall jointly appoint an additional member. The Dispute Resolution Panel shall review the facts, contract terms and applicable statutes and rules and make a determination of the dispute as quickly as reasonably possible. The determination of the Dispute Resolution Panel shall be final and binding on the parties hereto. DES and/or purchaser and contractor agree that, the existence of a dispute notwithstanding, they will continue without delay to carry out all their respective responsibilities under this contract that are not affected by the dispute.

In the event a bona fide dispute concerning a question of fact arises between DES or the purchaser and contractor and it cannot be resolved between the parties through

the normal escalation processes, either party may initiate the dispute resolution procedure provided herein.

The initiating party shall reduce its description of the dispute to writing and deliver it to the responding party. The responding party shall respond in writing within three business days. The initiating party shall have three business days to review the bid. If after this review a resolution cannot be reached, both parties shall have three business days to negotiate in good faith to resolve the dispute.

If the dispute cannot be resolved after three business days, a Dispute Resolution Panel may be requested in writing by either party who shall also identify the first panel member. Within three business days of receiving the request, the other party will designate a panel member. Those two panel members will appoint a third individual to the Dispute Resolution Panel within the next three business days.

The Dispute Resolution Panel will review the written descriptions of the dispute, gather additional information as needed, and render a decision on the dispute in the shortest practical time.

Each party shall bear the cost for its panel member and share equally the cost of the third panel member.

Both parties agree to be bound by the determination of the Dispute Resolution Panel.

Both parties agree to exercise good faith in dispute resolution and to settle disputes prior to using a Dispute Resolution Panel whenever possible.

DES, the purchaser and contractor agree that, the existence of a dispute notwithstanding, they will continue without delay to carry out all their respective responsibilities under this contract that are not affected by the dispute.

If the subject of the dispute is the amount due and payable by purchaser for materials, supplies, services and/or equipment being provided by contractor, contractor shall continue providing materials, supplies, services and/or equipment pending resolution of the dispute provided purchaser pays contractor the amount purchaser, in good faith, believes is due and payable, and places in escrow the difference between such amount and the amount contractor, in good faith, believes is due and payable.

b. Administrative suspension

When it is in the best interest of the state, DES may at any time, and without cause, suspend the contract or any portion thereof for a period of not more than 30 calendar days per event by written notice from DES to the contractor's Representative. contractor shall resume performance on the next business day following the 30th day of suspension unless an earlier resumption date is specified in the notice of suspension. If no resumption date was specified in the notice of suspension, the contractor can be demanded and required to resume performance within the 30-day suspension period by DES providing the contractor's Representative with written notice of such demand.

c. Force majeure

The term "force majeure" means an occurrence that is beyond the control of the party affected and could not have been avoided by exercising reasonable diligence. Force majeure shall include acts of war, riots, strikes, fire, floods, windstorms, epidemics or other similar occurrences.

Exceptions: Except for payment of sums due, neither party shall be liable to the other or deemed in breach under this contract if, and to the extent that, such party's performance of this contract is prevented by reason of force majeure.

Notification: If either party is delayed by force majeure, said party shall provide written notification within 48 hours. The notification shall provide evidence of the force majeure to the satisfaction of the other party. Such delay shall cease as soon as practicable and written notification of same shall likewise be provided. So far as consistent with the Rights Reserved below, the time of completion shall be extended by contract amendment for a period of time equal to the time that the results or effects of such delay prevented the delayed party from performing in accordance with this contract.

Rights reserved: DES reserves the right to authorize an amendment to this contract, terminate the contract, and/or purchase materials, supplies, equipment and/or services from the best available source during the time of force majeure, and contractor shall have no recourse against the state.

d. Alternative dispute resolution fees and costs

In the event that the parties engage in arbitration, mediation or any other alternative dispute resolution forum to resolve a dispute in lieu of litigation, both parties shall share equally in the cost of the alternative dispute resolution method, including cost of mediator or arbitrator. In addition, each party shall be responsible for its own attorneys' fees incurred as a result of the alternative dispute resolution method.

e. Non-exclusive remedies

The remedies provided for in this contract shall not be exclusive but are in addition to all other remedies available under law.

4.17 Liquidated damages

a. Liquidated damages - General

DES and or the purchasers and the contractor agree that the liquidated damages provisions in the contract are a reasonable forecast of the actual damages that would be suffered by the purchaser in the event of contractor's nonperformance, that such liquidated damages are not a penalty but represent the reasonable compensation due purchaser in the event of a breach, and that such liquidated damages will be assessed as appropriate.

Any delay by contractor in meeting the Delivery Date of standard configuration items, Installation Date that is pre-negotiated with the Contractor, Reseller and customer, maintenance or repair date that is pre-negotiated with the Contractor, Reseller and customer, or other applicable date set forth in this contract will interfere

with the proper implementation of purchaser's programs and will result in loss and damage to purchaser.

As it would be impracticable to fix the actual damage sustained in the event of any such failure(s) to perform and/or purchaser and contractor agrees that in the event of any such failure(s) to perform, the amount of damage which will be sustained will be assessed as appropriate based upon the purchasers inability to perform their function and the parties agree that contractor shall pay such amounts as liquidated damages or acceptable compensation based on the amount of the purchase and not as a penalty.

Liquidated damages provided under the terms of this contract are subject to the same limitations as provided in the section titled Limitation of Liability.

b. Limitation of liability

The parties agree that neither contractor, DES nor purchaser shall be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages except a claim related to bodily injury or death, or a claim or demand based on patent, copyright, or other intellectual property right infringement, in which case liability shall be as set forth elsewhere in this contract.

This section does not modify any sections regarding liquidated damages or any other conditions as are elsewhere agreed to herein between the parties. The damages specified in the sections titled Termination for Default and Retention of Records are not consequential, incidental, indirect, or special damages as that term is used in this section.

The contractor, DES and purchaser are not liable for damages arising from causes beyond their reasonable control and without their fault or negligence. Such causes may include, but are not restricted to, acts of the public enemy, acts of a government body other than DES or the purchaser acting in either its sovereign or contractual capacity, war, explosions, fires, floods, earthquakes, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case the delays must be beyond the reasonable control and without fault or negligence of the contractor, DES or the purchaser, or their respective subcontractors.

If delays are caused by a subcontractor without its fault or negligence, contractor shall not be liable for damages for such delays, unless the services to be performed were obtainable on comparable terms from other sources in sufficient time to permit contractor to meet its required performance schedule.

Neither party shall be liable for personal injury to the other party or damage to the other party's property except personal injury or damage to property proximately caused by such party's respective fault or negligence.

c. Federal funding (if applicable)

In the event that a federally funded acquisition results from this procurement, the contractor may be required to provide additional information (free of charge) at the

request of DES or purchaser. Further, the contractor may be subject to those federal requirements specific to the commodity.

d. Federal restrictions on lobbying (if applicable)

Contractor certifies that under the requirements of Lobbying Disclosure Act, 2 U.S.C., Section 1601 et seq., no federal appropriated funds have been paid or will be paid, by or on behalf of the contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

4.18 Debarment and suspension

Respondent certifies, by submitting this bid or proposal, that neither it nor its affiliates presently are debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this procurement/contract by any government agency. Respondent also agrees to notify DES if its debarment status changes during the bid process or after receiving notice of contract award, if any. If respondent cannot certify this statement, attach a written explanation to the bid response for review.

4.19 Contract termination

a. Material breach

A contractor may be terminated for cause by DES, at the sole discretion of DES, for failing to perform a contractual requirement or for a material breach of any term or condition. Material breach of a term or condition of the contract may include but is not limited to:

- Contractor failure to perform services or deliver materials, supplies, or equipment by the date required or by an alternate date as mutually agreed in a written amendment to the contract;
- Contractor failure to carry out any warranty or fails to perform or comply with any mandatory provision of the contract;
- Contractor becomes insolvent or in an unsound financial condition so as to endanger performance hereunder;
- Contractor becomes the subject of any proceeding under any law relating to bankruptcy, insolvency or reorganization, or relief from creditors and/or debtors that endangers the contractor's proper performance hereunder;
- Appointment of any receiver, trustee, or similar official for contractor or any of the contractor's property and such appointment endangers the contractor's proper performance hereunder;

- A determination that the contractor is in violation of federal, state, or local laws or regulations and that such determination renders the contractor unable to perform any aspect of the contract.

b. Opportunity to cure

In the event that contractor fails to perform a contractual requirement or materially breaches any term or condition, DES may issue a written cure notice. The contractor may have a period of time in which to cure. DES is not required to allow the contractor to cure defects if the opportunity for cure is not feasible as determined solely within the discretion of DES. Time allowed for cure shall not diminish or eliminate contractor's liability for liquidated or other damages, or otherwise affect any other remedies available against contractor under the contract or by law.

If the breach remains after contractor has been provided the opportunity to cure, DES may do any one or more of the following:

- Exercise any remedy provided by law;
- Terminate this contract and any related contracts or portions thereof;
- Procure replacements and impose damages as set forth elsewhere in this contract;
- Impose actual or liquidated damages;
- Suspend or bar contractor from receiving future solicitations or other opportunities;
- Require contractor to reimburse the state for any loss or additional expense incurred as a result of default or failure to satisfactorily perform the terms of the contract.

c. Termination for cause

In the event DES, in its sole discretion, determines that the contractor has failed to comply with the conditions of this contract in a timely manner or is in material breach, DES has the right to suspend or terminate this contract, in part or in whole. DES shall notify the contractor in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days or as otherwise specified by DES, or if such corrective action is deemed by DES to be insufficient, the contract may be terminated. DES reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the contractor from incurring additional obligations of funds during investigation of the alleged breach and pending corrective action by the contractor or a decision by DES to terminate the contract.

In the event of termination, DES shall have the right to procure for all purchasers any replacement materials, supplies, services and/or equipment that are the subject of this contract on the open market. In addition, the contractor shall be liable for damages as authorized by law including, but not limited to, any price difference between the original contract and the replacement or cover contract and all

administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.

If it is determined that: (1) the contractor was not in material breach; or (2) failure to perform was outside of contractor's or its subcontractor's control, fault or negligence, the termination shall be deemed to be a "termination for convenience." The rights and remedies of DES and/or the purchaser provided in this contract are not exclusive and are in addition to any other rights and remedies provided by law.

d. Termination for convenience

Except as otherwise provided in this contract, DES, at the sole discretion of DES, may terminate this contract, in whole or in part by giving 30 calendar days or other appropriate time period written notice beginning on the second day after mailing to the contractor. If this contract is so terminated, purchasers shall be liable only for payment required under this contract for properly authorized services rendered, or materials, supplies and/or equipment delivered to and accepted by the purchaser prior to the effective date of contract termination. Neither DES nor the purchaser shall have any other obligation whatsoever to the contractor for such termination. This Termination for Convenience clause may be invoked by DES when it is in the best interest of the State of Washington.

e. Termination for withdrawal of authority

In the event that DES and/or purchaser's authority to perform any of its duties is withdrawn, reduced, or limited in any way after the commencement of this contract and prior to normal completion, DES may terminate this contract, in whole or in part, by seven calendar day's written notice, or other appropriate time period, to contractor.

f. Termination for non-allocation of funds

If funds are not allocated to purchaser(s) to continue this contract in any future period, DES may terminate this contract with seven calendar days written notice, or other appropriate time period, to contractor, or work with contractor to arrive at a mutually acceptable resolution of the situation. Purchaser will not be obligated to pay any further charges for materials, supplies, services and/or equipment including the net remainder of agreed-to consecutive periodic payments remaining unpaid beyond the end of the then-current period. DES and/or purchaser agree to notify contractor in writing of such non-allocation at the earliest possible time.

No penalty shall accrue to the purchaser in the event this section shall be exercised. This section shall not be construed to permit DES to terminate this contract in order to acquire similar materials, supplies, services and/or equipment from a third party.

g. Termination for conflict of interest

DES may terminate this contract by written notice to contractor if it is determined, after due notice and examination, that any party to this contract has violated Chapter 42.52 RCW, Ethics in Public Service, or any other laws regarding ethics in public acquisitions and procurement and performance of contracts. In the event this contract

is so terminated, DES and/or purchaser shall be entitled to pursue the same remedies against contractor as it could pursue in the event that the contractor breaches this contract.

h. Termination by mutual agreement

DES and the contractor may terminate this contract in whole or in part, at any time, by mutual agreement.

i. Termination procedure

In addition to the procedures set forth below, if DES terminates this contract, contractor shall follow any procedures DES specifies in the termination notice.

Upon termination of this contract and in addition to any other rights provided in this contract, DES may require the contractor to deliver to the purchaser any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

The purchaser shall pay to the contractor the agreed upon price, if separately stated, for completed work and service(s) Accepted by the purchaser, and the amount agreed upon by the contractor and the purchaser for (i) completed materials, supplies, services rendered and/or equipment for which no separate price is stated, (ii) partially completed materials, supplies, services rendered and/or equipment, (iii) other materials, supplies, services rendered and/or equipment which are Accepted by the purchaser, and (iv) the protection and preservation of property, unless the termination is for cause, in which case DES and the purchaser shall determine the extent of the liability of the purchaser. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. The purchaser may withhold from any amounts due the contractor such sum as DES and purchaser determine to be necessary to protect the purchaser against potential loss or liability.

The rights and remedies of DES and/or the purchaser provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a termination notice, and except as otherwise expressly directed in writing by DES, the contractor shall:

- Stop all work, order fulfillment, shipments, and deliveries under the contract on the date, and to the extent specified, in the notice;
- Place no further orders or subcontracts for materials, services, supplies, equipment and/or facilities in relation to the contract except as is necessary to complete or fulfill such portion of the contract that is not terminated;
- Complete or fulfill such portion of the contract that is not terminated in compliance with all contractual requirements;

- Assign to the purchaser, in the manner, at the times, and to the extent directed by DES on behalf of the purchaser, all of the rights, title, and interest of the contractor under the orders and subcontracts so terminated, in which case the purchaser has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.
- Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of DES and/or the purchaser to the extent DES and/or the purchaser may require, which approval or ratification shall be final for all the purposes of this clause;
- Transfer title to the purchaser and deliver in the manner, at the times, and to the extent directed by DES on behalf of the purchaser any property which, if the contract had been completed, would have been required to be furnished to the purchaser;
- Take such action as may be necessary, or as DES and/or the purchaser may direct, for the protection and preservation of the property related to this contract which is in the possession of the contractor and in which DES and/or the purchaser has or may acquire an interest.

5. Primary Contacts: The primary contact individual (or their named successor) for this Participating Addendum is as follows:

Contractor

Name	Michelle Chapin
Address	Two Riverfront Plaza, 6 th Floor, Newark, NJ 07102
Telephone	973-303-7787
Email	Michelle.chapin@us.panasonic.com

Participating Entity

Name	Momi Friedlander Contract Specialist Department of Enterprise Services
Address	1500 Jefferson Street SE, Olympia, WA 98501
Telephone	360-407-8505
Email	Momi.friedlander@des.wa.gov

6. Minority and Women's Business Enterprises (MWBE)

In accordance with the legislative findings and policies set forth in RCW 39.19, the State of Washington encourages participation in all of its contracts by minority and woman-owned businesses firms certified by the Office of Minority and Women's Business Enterprises (OMWBE). While the state does not give preferential treatment, it does seek equitable representation from the minority and women's business community. In addition, the state welcomes participation by self-identified minority and woman owned firms and strongly encourages such firms to become certified by OMWBE.

Panasonic shall consider and encourage minority and women owned firms in their pool of subcontractors. However, unless required by federal statutes, regulations, grants, or contract terms no preference will be included in the evaluation of bids

Any affirmative action requirements set forth in federal regulations or statutes included or referenced in the original solicitation shall apply. Contact OMWBE for information on other certified firms for potential sub-contracting arrangements. DES encourages participation by non-MWBE firms as well as MWBE firms. Prior to performance, an awarded bidder that is a MWBE or intends to use MWBE subcontractors is encouraged to identify the participating firm(s) to DES.

6.1. Public records and exempt information

All documents submitted by said Contractor to DES during the performance of this agreement shall become public records. They are subject to disclosure unless specifically exempt under Revised Code of Washington (RCW) 42.56 (The Public Records Act).

Confidential documents: DES strongly discourages submittal of any confidential material. DES considers confidential material to be any portion of your submittal clearly marked all or in part "Confidential," "Proprietary" or "Trade Secret" (or the equivalent).

- DES reserves the right to return, reject or disqualify any submittal that includes confidential material.

Public records requests: If a public records request seeks to view or obtain a copy of your RFP submittal, and if your submittal includes content clearly marked "Confidential," "Proprietary" or "Trade Secret" (or the equivalent), DES will:

- Notify you of the date DES will disclose the requested records;
- Give you an opportunity to seek a court order that stops DES from disclosing the records.

DES shall not:

- Evaluate or defend your claim of confidentiality. It is your responsibility to support your claim and take appropriate legal action to do so;
- Withhold or redact your documents without a court order.

Questions about the confidentiality of your submittal can be directed to the Procurement Coordinator or the DES Public Records Officer at (360) 407-8768 or publicrecords@des.wa.gov.

6.2 Legal notices

Any notice or demand or other communication required or permitted to be given under the contract or applicable law (except notice of malfunctioning Equipment) will be effective only if it is in writing and signed by the applicable party, properly addressed, and either delivered in person, or by a recognized courier service, or deposited with the United States Postal Service as first-class mail, postage prepaid, certified mail, return receipt requested, via facsimile or by electronic mail, to the parties at the addresses and fax numbers, e-mail addresses provided in the *Authorized Offer and Contract Signature Page* below. For purposes of complying with any provision in the contract or applicable law that requires a "writing," such communication, when digitally signed with a Washington State Licensed Certificate, shall be considered to be "in writing" or "written" to an extent no less than if it were in paper form.

Notices will be effective upon receipt or four business days after mailing, whichever is earlier. The notice address as provided herein may be changed by written notice given as provided above.

In the event that a subpoena or other legal process commenced by a third party in any way concerning the Equipment or Services provided pursuant to the contract is served upon contractor or DES, such party agrees to notify the other party in the most expeditious fashion possible following receipt of such subpoena or other legal process. The contractor and DES further agree to cooperate with the other party in any lawful effort by the other party to contest the legal validity of such subpoena or other legal process commenced by a third party.

6.3. Liens, claims and encumbrances

All materials, equipment, supplies and/or services shall be free of all liens, claims, or encumbrances of any kind, and if DES or the purchaser requests, a formal release of same shall be delivered to the respective requestor.

6.4 Payment

a. Advance payment prohibited:

No advance payment shall be made for the products and services furnished by contractor under this contract.

Notwithstanding the above, maintenance payments, if any, may be made on a quarterly basis at the beginning of each quarter.

b. Payment:

Payment is the sole responsibility of, and will be made by, the purchaser.

Under Chapter 39.76 RCW , if purchaser fails to make timely payment(s), contractor may invoice for 1 percent per month on the amount overdue or a minimum of \$1. Payment will not be considered late if a check or warrant is mailed within the time specified. If no terms are specified otherwise in the solicitation, net 30 days will automatically apply.

Payment(s) made in accordance with contract terms shall fully compensate the contractor for all risk, loss, damages or expense of whatever nature and acceptance of payment shall constitute a waiver of all claims submitted by contractor.

Payment for materials, supplies and/or equipment received and for services rendered shall be made by purchaser and be redeemable in U.S. dollars. Unless otherwise specified, the purchaser's sole responsibility shall be to issue this payment. Any bank or transaction fees or similar costs associated with currency exchange procedures or the use of purchasing/credit cards shall be fully assumed by the contractor.

Note: when the state has been overcharged or otherwise reimbursed, the purchaser may elect to have either direct payments or written credit memos issued. If the contractor fails to make timely payment(s) or issuance of credit memos, the purchaser may impose a 1% per month on the amount overdue 30 days after notice to the contractor.

c. Invoicing and discounts

Contractor must provide a properly completed invoice to purchaser. All invoices are to be delivered to the address indicated in the purchase order.

Each invoice must be identified by the associated contract number; the contractor's statewide vendor registration number assigned by the Washington State Office of Financial Management (OFM), the applicable purchaser's order number, and must be in U.S. dollars. Invoices must be prominently annotated by the contractor with all applicable prompt payment and/or volume discount(s) and shipping charges unless otherwise specified in the solicitation.

Invoices for payment will accurately reflect all discounts due the purchaser. Invoices will not be processed for payment, nor will the period of prompt payment discount commence, until receipt of a properly completed invoice denominated in U.S. dollars and until all invoiced items are received and satisfactory performance of contractor has been accepted by the purchaser. If an adjustment in payment is necessary due to damage or dispute, any prompt payment discount period shall commence on the date final approval for payment is authorized.

6.5 Taxes, Fees and Licenses

a. Taxes

Where required by statute or regulation, the contractor shall pay for and maintain in current status all taxes that are necessary for contract performance. Unless otherwise indicated, the purchaser agrees to pay State of Washington taxes on all applicable materials, supplies, services and/or equipment purchased. No charge by the contractor shall be made for federal excise taxes and the purchaser agrees to furnish contractor with an exemption certificate where appropriate.

b. Collection of retail sales and use taxes

In general, contractors engaged in retail sales activities within the State of Washington are required to collect and remit sales tax to Department of Revenue (DOR). In general, out-of-state contractors must collect and remit "use tax" to Department of Revenue if the activity carried on by the seller in the State of Washington is significantly associated with contractor's ability to establish or maintain a market for its products in Washington. Examples of such activity include where the contractor either directly or by an agent or other representative:

- Maintains an in-state office, distribution house, sales house, warehouse, service enterprise, or any other in-state place of business;
- Maintains an in-state inventory or stock of goods for sale;
- Regularly solicits orders from purchasers located within the State of Washington via sales representatives entering the State of Washington;
- Sends other staff into the State of Washington (e.g. product safety engineers, etc.) to interact with purchasers in an attempt to establish or maintain market(s); or
- Other factors identified in WAC 458-20.

c. Department of Revenue registration for out-of-state contractors

Out-of-state contractors meeting any of the above criteria must register and establish an account with the Department of Revenue. Refer to WAC 458-20-193, and call the Department of Revenue at 800-647-7706 for additional information. When out-of-state contractors are not required to collect and remit "use tax," purchasers located in the State of Washington are responsible for paying this tax, if applicable, directly to the Department of Revenue.

d. Taxes on invoice

Contractor shall calculate and enter the appropriate state and local sales tax on all invoices. Tax is to be computed on new items after deduction of any trade-in in accordance with WAC 458-20-247.

e. Overpayments to Contractor

Contractor shall refund to purchaser the full amount of any erroneous payment or overpayment under this contract within 30 days' written notice. If contractor fails to make timely refund, purchaser may charge contractor 1 percent per month on the amount due, until paid in full.

6.6 Information and Communications

Proprietary or confidential information

To the extent consistent with Chapter 42.56 RCW, the Public Disclosure Act, DES shall maintain the confidentiality of contractor's information marked confidential or proprietary. If a request is made to view contractor's proprietary information, DES will notify contractor of the request and of the date that the records will be released to the requester unless contractor obtains a court order enjoining that disclosure. If contractor fails to obtain the court order enjoining disclosure, DES will release the requested information on the date specified.

The state's sole responsibility shall be limited to maintaining the above data in a secure area and to notify contractor of any request(s) for disclosure for so long as DES retains contractor's information in DES records. Failure to so label such materials or failure to timely respond after notice of request for public disclosure has been given shall be deemed a waiver by contractor of any claim that such materials are exempt from disclosure.

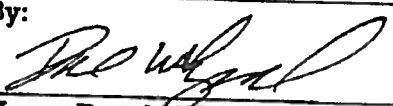
7. Subcontractors: All Panasonic dealers and resellers authorized in the State of Washington are approved to provide sales and service support to participants authorized by this Participating Addendum and shall be in accordance with the terms and conditions set forth in the aforementioned Master Agreement.

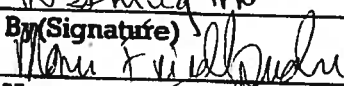
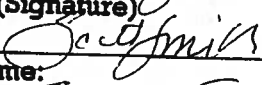
8. Orders: Any Order placed by a Participating Entity or Purchasing Entity for a Product and/or Service available from this Participating Addendum shall be deemed to be a sale under (and governed by the prices and other terms and conditions) of the Master Agreement unless the parties to the Order agree in writing that another contract or agreement applies to such Order. All orders placed by the Participating Entities or Purchasing Entities within the State must include the Participating State contract number: 05815-011 as well as the Lead

State Master Agreement Number: MNNVP-124.

Purchase orders must be submitted with a valid quote and written acceptance from agency prior to contract performance.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date of execution by both parties below.

Participating State:	Contractor:
By:	By: 
Name:	Name: Donald W. Szczepaniak
Title:	Title: Vice President
Date:	Date: 9/14/15

Participating State: Washington	Participating State: Washington
By (Signature): 	By (Signature): 
Name: Mom Feighender	Name: Scott Smith
Title: Contract Specialist	Title: State IT Procurement MGR
Date: 29 Sept. 2015	Date: 9/29/15

AMENDMENT NO. 2 TO CONTRACT NO. MNWNC-124

THIS AMENDMENT is by and between the State of Minnesota, acting through its commissioner of Administration ("State"), and Panasonic System Communications Company of North America, Division of Panasonic Corporation of North America, Two Riverfront Plaza, 6th Floor, Newark, NJ 07102 ("Contract Vendor").

WHEREAS, the State has a Contract with the Contract Vendor identified as Contract No. MNWNC-124, April 1, 2015, through March 31, 2018 ("Contract"), to provide Computer Equipment: (Desktops, Servers, and Storage including Related Peripherals and Services); and

WHEREAS, Minn. Stat. § 16C.03, subd. 5, affords the commissioner of Administration, or delegate pursuant to Minn. Stat. § 16C.03, subd. 16, the authority to amend contracts; and

WHEREAS, the terms of the Contract allow the State to amend the Contract as specified herein, upon the mutual agreement of the Office of State Procurement and the Contract Vendor in a fully executed amendment to the Contract.

NOW, THEREFORE, it is agreed by the parties to amend the Contract as follows:

1. That Contract No. MNWNC-124 is extended through March 31, 2020.
2. The Contract Vendor shall provide Computer Equipment: (Desktops, Servers, and Storage including Related Peripherals and Services) at the prices set forth on the attached Exhibit B, Pricing Schedule.
3. The following clause is hereby incorporated as the last clause of Exhibit A to the Notification of Award.

Certification of Nondiscrimination (in accordance with Minn. Stat. § 16C.053). The following term applies to any contract for which the value, including all extensions, is \$50,000 or more: Contractor certifies it does not engage in and has no present plans to engage in discrimination against Israel, or against persons or entities doing business in Israel, when making decisions related to the operation of the vendor's business. For purposes of this section, "discrimination" includes but is not limited to engaging in refusals to deal, terminating business activities, or other actions that are intended to limit commercial relations with Israel, or persons or entities doing business in Israel, when such actions are taken in a manner that in any way discriminates on the basis of nationality or national origin and is not based on a valid business reason.

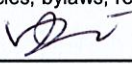
This Amendment is effective beginning April 1, 2018, or upon the date that the final required signatures are obtained, whichever occurs later, and shall remain in effect through contract expiration, or until the Contract is canceled, whichever occurs first.

Except as herein amended, the provisions of the Contract between the parties hereto are expressly reaffirmed and remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed intending to be bound thereby.

**1. PANASONIC SYSTEM COMMUNICATIONS
COMPANY OF NORTH AMERICA,
DIVISION OF PANASONIC CORPORATION
OF NORTH AMERICA**

The Contractor certifies that the appropriate person(s) have executed this Amendment on behalf of the Contractor as required by applicable articles, bylaws, resolutions, or ordinances.

By: 

Signature

Masaharu Nakayama

Printed Name

Title: President

Date: 3/12/2018

By: _____

Signature

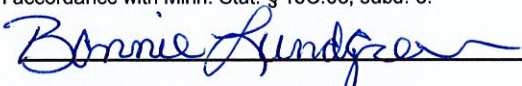
Printed Name

Title: _____

Date: _____

2. OFFICE OF STATE PROCUREMENT

In accordance with Minn. Stat. § 16C.03, subd. 3.

By: 

Title: Acquisition Management Specialist

Date: 3/16/18

3. COMMISSIONER OF ADMINISTRATION

Or delegated representative.

By: Original signed

Date: MAR 16 2018

By Andy Doran



EXHIBIT B
COMPUTER EQUIPMENT
2014-2020
Updated 04/01/2018



MINNESOTA WSPA-NASPO MASTER AGREEMENT AWARD

1. BASELINE PRICE LIST: PANASONIC SRP		POSTED ON THE WEBSITE
2. BAND DISCOUNTS		
	CATEGORY	MINIMUM DISCOUNT
BAND 2 LAPTOP – FULLY RUGGEDIZED UNITS	2M	16%
BAND 3 TABLET	3M	12%
CATEGORY EXCEPTION: Business Rugged Equipment	23E	9%
CATEGORY EXCEPTION: Multimedia Display Accessories	23P1	10%
CATEGORY EXCEPTION: Multimedia-Pro Audio/visual	23P2	3%
CATEGORY EXCEPTION: Arbitrator	23P3	11%
CATEGORY EXCEPTION: Whiteboard Accessories	23P4	13%
CATEGORY EXCEPTION: Promotions Value Items	23PP	5%
IMPORTANT: The minimum discount is provided, refer to Contract Vendor's Website for any additional discounts and request a quote for bulk/volume discounts. All prices shall be FOB Destination, prepaid and allowed (with freight included in the price). If there is a special case where inside delivery fee must be charged, the Contract Vendor will notify the customer in advance.		
3. THIRD PARTY PRODUCTS - (APPLICABLE IN ALL BANDS)		TPM 11%
CATEGORY EXCEPTION: Promotions - Value Items	TPP	5%
4. SERVICES – Call to discuss additional discounts on large deployments and customized solutions		
Services are at the option of Participating States. Participating Addendums by each State may address service agreement terms and related travel. States may negotiate additional services. The majority of branded hardware includes a three year warranty. Customer may purchase warranty upgrades for certain hardware as offered. For standard warranty information for Tough Books: http://www.panasonic.com/business/toughbook/computer-support-warranty-information.asp Additional links are provided on the dedicated WSPA-NASPO website for other products and peripherals.		
Accidental damage: \$110; Image Loading \$60; Asset Tagging \$60; Installation \$1320;		
Initial Training Included. This initial training would include a consultation from our representative from the specific region to review the Panasonic product basic overview and functionality of the products. This would include how to operate the product, contact customer support for any technical support, and other aspects of the products. We have a representative for each State that is accessible by email or phone as well as US based phone support team and live chat for customer service.		
5. LEASING		
Participating Addendum may identify if and how leasing agreement terms will be conducted.		
6. ADDITIONAL DISCOUNTS – Request a quote for discounts on bulk/volume purchases.		
a. Quarterly promotions of additional 5-8%.		
b. For Fully Ruggedized Equipment additional quantity discounts will apply: QTY 50: 2% (i.e. 9%+2%=11%); QTY: 100 = 4%; over 100 = call for quote. Based on each end user customer on a per transaction basis.		
c. Discounts on Peripherals:		
Multimedia Pro Displays: 22%	Projectors Large Venue: 48%	Projectors – Installation: 48%
Projectors – Portable: 38%	Security Cameras & Accessories: 25%	Scanners – personal: 20%
Scanners-Departmental: 35%	Scanners-Workgroup: 30%	Scanners-Production: 30%
Scanners-Accessories: 30%	Whiteboards-electronic: 27%	Whiteboards-Interactive: 29%
d. Volume Discount of \$50 per unit on Peripherals named below based on end user customer purchase on a per transaction basis. For end user customer purchasing 50 units or more an additional \$50 discount will be applied to each unit for the following items: Security Ipro Cameras, Installation DLP Projectors, 80" displays, Handheld ProAV Cameras, Departmental Scanners, Interactive Whiteboards.		
e. Volume Discount for all Tablets . For end user customer purchasing 50 units or more, based on a specific customer purchase on a per transaction basis, for each special model category, cannot be combined across models (i.e. Toughbook 20 cannot be combined with a purchase of Toughbook 33 to reach the volume, must be specific to that specific product & quantity). 50 units or more (for a specific customer transaction): 1% additional off, or 13% off SRP 100 units or more (for a specific customer transaction): 2% additional off, or 14% off SRP 200 units or more (for a specific customer transaction): please connect with your Panasonic representative		
f. Volume discount for Scanner Hardware Main Units . For a customer who purchases 50 units or more, there will be an additional 5% off SRP. For end user customer purchasing 50 units or more of scanners, based on a specific customer purchase on a per transaction basis. Cannot be combined with other Panasonic products to reach the volume quantity, must be specifically for scanners.		



Staff Report 153-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/4/2019

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

Key Points

- Phase 1 clean-up of the undeveloped park property located at 16800 Fourth Plain Boulevard is complete and the property is now ready to be leased out for agricultural purposes until funding is in place to develop the property into a community park.
- Leasing this property in the interim period between acquisition and development not only provides some monetary compensation, but also alleviates the need to devote City resources to maintain this 45-acre parcel.
- City Council is being asked to approve a five-year property lease for both grass\grain crops and cattle grazing.

Strategic Plan Alignment

Goal 4: Ensure that Vancouver's parks and trails system is the highest quality and most complete in the region.

Present Situation

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.

Advantage(s)

1. All maintenance of this property is the sole responsibility of the lessee.
2. By having the property cultivated and leased it provides a presence protecting it from

prohibited uses and encroachments.

3. This lease can be canceled at any time.

Disadvantage(s)

The property will have limited public access while it is leased.

Budget Impact

The lease includes annual revenue of \$500 to the general fund.

Prior Council Review

This property went through Council prior to acquisition on December 17th, 2018.

Action Requested

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

ATTACHMENTS:

- ▢ Undeveloped Park Property Lease 2019

REAL PROPERTY LEASE AGREEMENT

This Lease Agreement (this "Lease") is made effective as of October 1st, 2019 by and between City of Vancouver ("Lessor"), and Chris McNealy ("Lessee"). The parties agree as follows:

WITNESSETH:

For the rental and upon the terms, conditions and stipulations hereinafter set forth, the Lessor hereby Leases to the Lessee the real property situated in the City of Vancouver, County of Clark, State of Washington, as displayed in the attached Exhibit A.

The parties agree as follows:

PREMISES. Lessor, in consideration of the Lease payments provided in this Lease, leases to Lessee 45 acres of farmland, located in City of Vancouver at 16800 NE Fourth Plain Blvd. Vancouver, WA. A map of the Premises is attached as Exhibit A.

TERM. The Lease term shall begin on the effective date and end on September 30th, 2024.

TERMINATION: The Lessee may terminate this Lease on 30 days written notice. Lessor may terminate this Lease with 30 days written notice or 3 days written notice if Lessee is found in violation of any term of this Lease.

RENEWAL TERMS. The Lessee, with approval from Lessor, will have the option to renew the Lease for up to three additional, three year term(s). Lease payments and conditions of the Real Estate Lease are subject to revisions during the renewal term.

HOLDOVER. If Lessee maintains possession of any part of the Premises for any period after the termination of this Lease ("Holdover Period"), Lessee shall pay to Lessor a pro-rated, Lease payment for the Holdover Period based on the terms of the following Lease Payments paragraph.

LEASE PAYMENTS. The rental rate shall be \$500/year. Payment for the year shall be paid to Lessor in advance by October 1 of each year during the term of the Lease. Lessor shall send an invoice no later than September 1 of each year for the next year during the term of the Lease. Lessee shall pay Lessor a late fee in the amount of 5% of the Lease payment assessed each 6 months for each Lease payment or any part of a payment during the term of the Lease that is not paid by the stated due date.

TAX: In accordance with RCW Chapter 82.29A, the Lessee agrees to pay the required Leasehold Excise Tax (presently assessed at 12.84% of contract rent), which is included in the payment schedule as listed.

USE OF PREMISES. Lessee shall occupy and use the Premises solely for the pasture of cattle and cultivation of grain and/or hay crops.

Lessee will use said premises in such manner as will allow no accumulation of garbage, refuse, debris, scrap, vehicles, and the like, that may create an unsightly condition on the property.

Lessee shall not commit or suffer to be committed; any waste upon the property herein Leased. Lessee shall use the property in compliance with all federal, state, and local laws and ordinances.

ABSENCES: Lessee shall notify Lessor of any anticipated extended absence in excess of 30 days or more from the Premises not later than the first day of the extended absence.

CONDITIONS: Lessee shall comply with the following conditions:

1. Lessee shall be responsible to provide and maintain proper and adequate fencing to contain animals to premises, and to prevent animals from unauthorized access to adjacent properties. Lessee and Lessor shall meet as necessary to determine if proper and adequate fencing is erected. Lessee shall immediately repair/replace any damaged portion of fence at Lessee expense.
2. Lessee shall responsibly manage Premises in various pastures to ensure the ground and groundcover has the ability to sustain viability over the term of the Lease and beyond.
3. Lessee shall inform Lessor of any damage to the fence and posts surrounding the property. If Lessee or Lessee's guests or invitees, or trespassers causes damage to fence and posts, Lessee shall immediately repair or replace any damaged portion of fence and posts to the pre-damaged condition at Lessee's expense. If damage results from natural causes, wildlife, general public, or as a result of faulty installation, the Lessor shall repair or replace damaged portion of fence and posts.

MAINTENANCE. Lessee shall have the responsibility to maintain the Premises in an appropriate manner at all times, including a usable access road/path, mowed fence lines, and weed control. Weed control includes the mowing of grasses and weeds at Premises annually and mowing at such additional times as Lessor may reasonably direct. Chemical application may be required at Lessee's expense. If Lessee does not perform maintenance adequately or in a timely manner, after having been notified in writing by Lessor, Lessor may perform maintenance to premises and bill Lessee for such maintenance.

Failure to comply with this responsibility may result in the termination of this Lease. Lessee may contact Jeremy Kanooth, Vancouver Parks & Recreation, and #360-487-8320, with any maintenance questions.

REMODELING OR STRUCTURAL IMPROVEMENTS. Lessee may construct such fixtures, including appropriate fencing, on the Premises (at Lessee's expense) that facilitate its use for the purposes of this Lease. Such construction shall be undertaken and such fixtures may be erected only with the prior written consent of the Lessor, which shall not be unreasonably withheld. Any improvements may, at the Lessor's discretion, become a part of the Leased premises and, unless permitted by the Lessor, shall not be removed at the term of this Lease. At the termination of Lease, any improvements and/or materials that are not part of the Leased premises shall be removed at the expense of the Lessee within 60 days after notice to do so.

RETURN OF PROPERTY: The Lessee will, at the expiration of the term of this Lease or any extension thereof, or any sooner termination thereof, quit and deliver up the Leased premises in

as good a state of repair as the same are now, damages resulting from fire and the elements alone excepted. All of the costs and expenses of clearing of the land shall be the obligation of the Lessee.

Any buildings or improvements placed upon the property by Lessee shall become a part of such real property and will belong to Lessor, provided that Lessor may, within 60 days from the expiration or termination of the Lease, direct Lessee to remove the same. In the event Lessor directs the removal of any such buildings or improvements, Lessee shall do the same at his sole expense within 60 days from the date Lessor provide Lessee notice to do so, and Lessee shall restore the property to the condition that existed at the inception of the Lease.

POSSESSION. Lessee shall be entitled to possession on the first day of the term of this Lease, and shall yield possession to Lessor on the last day of the term of this Lease, unless otherwise agreed by both parties in writing.

ASSIGNABILITY/SUBLETTING. Lessee may not sell, give, lend, assign, pledge, hypothecate, encumber or sub-lease any interest in the Premises without the prior written consent of Lessor, which consent may be withheld at Lessor's sole discretion.

ACCESS BY LESSOR TO PREMISES. Lessor shall have the right to enter the Premises to make inspections, provide necessary services, or show the Premises to prospective buyers, mortgagees, Lessee or public employees. Lessor shall provide Lessee with prior notice of its intent to enter the premises. In the case of an emergency, Lessor may enter the Premises without providing prior notice.

UTILITIES AND SERVICES. Lessee shall be responsible for all utilities and services in connection with the Premises.

PROPERTY INSURANCE. Lessor and Lessee shall each be responsible to maintain appropriate insurance for their respective interests in the Premises and property located on the Premises. The liability coverage shall not be less than \$300,000. The Lessor shall be added as an additional insured to all insurance policies maintained by the Lessee with respect to this Lease, which insurance policies will be endorsed to show this additional coverage.

There shall be no cancellation, material change, exhaustion of aggregate limits or intent not to renew insurance coverage without thirty (30) days' written notice to Vancouver Parks & Recreation, Attn: Jeremy Kanooth, 415 W. 6th St., Vancouver, WA 98668. The requirement for 30 days' notice of cancellation shall be physically endorsed on the policy.

As evidence of the insurance coverage required by this Lease, the Lessee shall furnish a Certificate of Insurance to City of Vancouver ATTN: Jeremy Kanooth, 415 W. 6th St., Vancouver, Washington 98668 within ten (10) days of the execution of this Lease, and each year during the Lease term by November 1 of that year. The 30 days' notice of cancellation shall be physically endorsed on the policy.

HOLD HARMLESS: LESSEE agrees to hold LESSOR, and its agents, employees and officers harmless, and to indemnify and defend LESSOR and its agents, employees and officer from all

claims for damage or injury to property or persons occurring on or about Premises which are occasioned, directly or indirectly, by the use of the Premises and are caused by the actions or negligence of the LESSEE, his guests, invitees, agents employees or trespassers. It is agreed that neither the Lessor nor the Lessor's agents, employees or officers, shall be liable for the death or injury to any person in or about the premises or for the loss of or damage to any property of the Lessee. The terms of this paragraph shall not apply, however, to injuries or damage caused by sole negligence of the Lessor.

STATUTORY PROVISIONS. Except as provided herein, this Lease is governed by the applicable statutory provisions of Title 59, RCW Landlord-Tenant.

DEFAULT. If Lessee shall default in performance of any of Lessee's obligations under this Lease or shall violate any term or provisions of this Lease, Lessor may, upon giving Lessee any notice required by law, terminate this Lease and upon such termination, Lessee shall quit and surrender the premises to Lessor, but Lessee shall remain liable as herein provided.

If this Lease is terminated as herein provided, Lessor may immediately or at any time thereafter, re-enter the Premises and remove any and all persons and property therefrom, by any suitable proceedings at law or otherwise, without liability therefore. Such re-entry shall not diminish Lessee's obligation to pay rental for the full term hereof.

DANGEROUS MATERIALS. Except as specifically allowed in this Lease, Lessee will not use, generate, manufacture, produce, store, release, discharge or dispose of on, under or about the property or the property's groundwater, or transport to or from the property, any hazardous substance and will not permit any other person to do so. Hazardous substance means any substance prohibited or regulated under any federal, state, or local law, statute or ordinance, including but not limited to the Comprehensive Environmental Response Compensation and Liability Act of 1980 ("CERCLA") as amended, 42 USC Sections 9601-9675; and the Resource Conservation and Recovery Act of 1976 ("RCRA") as amended, 42 USC Sections 6901-6992.

LIENS: Lessee shall keep premises and every part thereof free and clear of any and all mechanic, materialman's, sewer and other liens.

HABITABILITY. Lessee has inspected the Premises (or has had the Premises inspected on behalf of Lessee), and acknowledges that the Premises are in a reasonable and acceptable condition for their intended use, and the agreed Lease payments are fair and reasonable. If the condition changes so that, in Lessee opinion, the usability and rental value of the Premises are adversely affected, Lessee shall promptly provide reasonable notice to Lessor.

NOTICE. Unless otherwise specifically provided in this Lease, notices under this Lease shall not be deemed valid unless given or served in writing and forwarded by mail, postage prepaid, addressed as follows:

Lessor:

City of Vancouver – Parks & Recreation
415 W. 6th St.
Vancouver, Washington 98668

Lessee:

Chris McNealy
81 Dubalson Drive
Washougal, WA 98671
360-518-2536

Such addresses may be changed from time to time by either party by providing notice as set forth above.

STATUS OF PARTIES: It is agreed that for any maintenance work called for in this Lease, Lessee is an independent contractor and not an employee of Lessor. Lessor is only interested in the result of the maintenance and will not supervise the manner performing the maintenance. Lessee shall be liable for any and all taxes relating to any maintenance performed.

ENTIRE AGREEMENT/AMENDMENT. This Lease contains the entire agreement of the parties regarding the subject matter hereof and there are no other promises or conditions in any other agreement whether oral or written. This Lease may be modified or amended in writing, if the writing is signed by both parties.

SEVERABILITY. If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be in force and effective, and the parties agree that the remaining provisions shall be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

GOVERNING LAW; VENUE. This Lease shall be construed in accordance with the laws of the state of Washington. Venue for any litigation arising from or related to this Lease will be in the Clark County Superior Court.

DATED this 30th day of September, 2019

LESSOR, City of Vancouver
a Washington municipal corporation

By: _____
Eric J. Holmes, City Manager

Date: _____

LESSEE, Chris McNealy

By: Chris McNealy
Chris McNealy

Date: 9/30/19

APPROVED AS TO FORM:

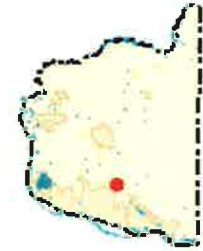
Jonathan Young, Interim City Attorney

Attest:

Natasha Ramras, City Clerk



Exhibit A - Fenton ag lease



Legend

- Taxlots
- Cities Boundaries
- Urban Growth Boundaries

Notes:



903.8 0 451.89 903.8Feet

WGS_1984_Web_Mercator_Auxiliary_Sphere
Clark County, WA, GIS - <http://gis.clark.wa.gov>

This map was generated by Clark County's "MapsOnline" website. Clark County does not warrant the accuracy, reliability or timeliness of any information on this map, and shall not be held liable for losses caused by using this information.



Staff Report 154-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/4/2019

SUBJECT Renaming of SE 45th Place to SE Christensen Place

Key Points

- Dave Christensen, founder of Christensen Shipyards was a local innovator and businessman.
- The City wishes to honor Mr. Christensen's contributions by changing the name of an existing street to Christensen Place.

Strategic Plan Alignment

N/A

Present Situation

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.

Advantage(s)

1. The renaming of the street is an appropriate honor for a Vancouver resident who made a unique contribution to his profession.
2. There will be no negative impacts to adjacent businesses and no addresses will be changed.

Disadvantage(s)

None

Budget Impact

This will require the production and installation of up to four new street signs at a total cost of \$250 per sign.

Prior Council Review

None

Action Requested

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

Teresa Brum, Economic Development Division Manager, 487-7949

ATTACHMENTS:

- Resolution

11/4/2019

RESOLUTION NO. M-

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

WHEREAS, 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; and

WHEREAS, 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; and

WHEREAS, in the course of over 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; and

RESOLUTION - 1

WHEREAS, 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; and

WHEREAS, 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; and

WHEREAS, Vancouver yacht builder Dave Christensen died in 2018 at age 87.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY OF VANCOUVER:

Section 1. That as recommended in SR _____, SE 45th Place is hereby renamed SE Christensen Place and identified in Exhibit "A".

Section 2. The street signs at SE Columbia Way shall conform to the above change in name and city standards for street signage.

Section 3. This resolution shall be effective immediately upon adoption.

ADOPTED at regular session of the Council of the City of Vancouver, this 4th day of November, 2019.

Anne McEnery-Ogle, Mayor

RESOLUTION - 2

Attest:

Natasha Ramras, City Clerk

Approved as to form:

Jonathan Young, Acting City Attorney

RESOLUTION - 3

EXHIBIT A



RESOLUTION - 4



Staff Report 155-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/4/2019

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

Key Points

- The City owns or indirectly controls one of the largest remaining undeveloped and contiguous properties in downtown Vancouver, located south of 6th Street and west of Columbia Street surrounding City Hall and the Convention Center/Hilton Hotel (see MOU Exhibit A map and Exhibit B list of properties). The 6.4-acre area is referred to as "Waterfront Gateway," partly in recognition of its strategic location in connecting Downtown's historic core to the north with the waterfront to the south.
- City Council has expressed a desire to engage the City Center Redevelopment Authority (CCRA) in a leading role to plan and develop the site. The CCRA Board of Directors is a group of individuals that has exceptional expertise in urban land development, real estate transactions, and financing, and in the past has advised the City on many important downtown projects such as the Waterfront Vancouver and Terminal 1 master plans, and through its predecessor the Downtown Redevelopment Authority, the Heritage Plaza and Convention Center/Hilton Hotel projects.
- An MOU between the City and CCRA has been drafted to establish an understanding of the roles and responsibilities of each party and the process by which the CCRA would lead the Waterfront Gateway planning and development process with support from the City.
- The 2019-2020 biennial budget approved by Council includes an appropriation of \$250,000 for this project.
- The Council is being asked to approve the MOU.

Strategic Plan Alignment

Goal 7: Build on our status as the largest city on the Columbia River by strengthening connections to the river and the waterfront.

Goal 8: Strengthen commercial, retail and community districts throughout the city.

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

Present Situation

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 publicly controlled 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 CTV 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.

Advantage(s)

1. The MOU establishes a formal relationship between the parties that provides an understanding of the roles and responsibilities of each party and the process by which the CCRA would lead the Waterfront Gateway planning and development with support from the City.
2. The MOU would ensure that the parties work together efficiently, effectively and in close communication with agreed-upon intentions, standards and decision-making processes.
3. The CCRA is a functioning public development authority established by the City to assist in downtown redevelopment, bringing valuable real estate and development expertise and experience from its involvement in past successful downtown projects such as Heritage Plaza and Convention Center/Hilton Hotel, and the individual backgrounds of its current seven-member board.
4. Moving forward with the Waterfront Gateway project will take advantage of a strong development market and the site's location within an Opportunity Zone that brings a significant new source of potential development funding and may increase developer and investor interest in the site.
5. The planning and development processes included in the MOU ensure that public benefits and amenities are a primary consideration for the site, while opening opportunities to engage

a master developer partner and the Vancouver community to envision and create an active and inviting mixed-use destination that takes advantage of its strategic location between downtown's waterfront and historic core.

Disadvantage(s)

Development of public benefits and amenities as part of the Waterfront Gateway site could require a significant future commitment of City resources.

Budget Impact

September 23, 2019 - Council workshop

Prior Council Review

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. Council members 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 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 CCTV and keeping the City's Planning Commission briefed and informed on the project as it moves forward. The attached MOU has been updated to reflect the additional references requested by Council.

Action Requested

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

ATTACHMENTS:

- ▣ Resolution
- ▣ Memorandum of Understanding
- ▣ September 19 CCRA minutes
- ▣ October 17 CCRA draft minutes

11/04/19

RESOLUTION NO. M-_____

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

WHEREAS, by Ordinance M-3739 approved on February 27, 2006, the City Council formally established the Authority to assist with the City's important policy goal of redevelopment in the downtown area of the City of Vancouver, authorized its charter ("Charter") and bylaws, and established its Board of Directors to govern the affairs of the Authority; and

WHEREAS, the Parties entered into an Interlocal Agreement on March 27, 2006, that specifies certain terms and conditions allowing the Authority to obtain management, administrative, financial, and certain legal services from the City while the Authority undertakes, assists with and facilitates the implementation of the Vancouver City Center Vision Plan ("VCCV Plan"); and

WHEREAS, the Interlocal Agreement and the Charter adopted pursuant to Ordinance M-3739 further establish that redevelopment of the VCCV Plan area by the Authority serves essential public purposes by relieving blight; undertaking development of an underutilized area in a manner consistent with City planning; facilitating private investment and economic development which will build the City's tax base and create jobs; and providing for the development of public amenities, public parking facilities, recreational and entertainment facilities, and connections to the riverfront, and coordination of waterfront redevelopment efforts all of which are in the public interest; and

RESOLUTION - 1

WHEREAS, the City owns or controls approximately 6.4 acres of real property and the Webber Building located within the VCCV Plan area and adjacent to Vancouver City Hall, Vancouver Convention Center, and Hilton Vancouver Washington hotel (collectively, the “Adjacent Facilities”) bounded by 6th Street to the north, Columbia Street to the east, and the railroad berm to the south and west. The real properties are currently used as vacant open space and surface parking for the Adjacent Facilities, while the Webber Building is leased for office tenants. The real properties and Webber Building are hereafter referred to collectively as the “Waterfront Gateway Properties”; and

WHEREAS, the Waterfront Gateway Properties represent one of the largest remaining undeveloped contiguous properties in Downtown, and are strategically located between two centers of current development activity within the downtown core and waterfront areas; and

WHEREAS, the City desires to consider options for the disposition or leasing and development of the Waterfront Gateway Properties to build on the successful redevelopment efforts of the Esther Short Redevelopment Plan and VCCV Plan, as well as important developments such as the Adjacent Facilities, Waterfront Vancouver, Vancouvercenter, and other nearby residential and commercial developments; and

WHEREAS, the City Council has included funding in its 2019-2020 biennial budget for professional services needed to plan and develop the Waterfront Gateway Properties in order to allow the City to capitalize on waterfront and other downtown development momentum (CD00120 City-Owned Properties Plan); and

WHEREAS, the Authority is authorized to assist in downtown redevelopment and the City Council desires to engage the Authority to lead the planning and development of the Waterfront Gateway Properties, thereby taking full advantage of the Authority Board of

RESOLUTION - 2

Directors' expertise and experience in this area; recognizing that more fully utilizing a development authority is part of the City's evolution moving from a suburban community to a more urban community; and acknowledging the complexities of developing in an urban environment necessitates the Authority's larger engagement.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY OF VANCOUVER:

Section 1. The recitals set forth above are adopted as findings supporting the action of the City Council in adopting this resolution.

Section 2. That as recommended in SR____, the Memorandum of Understanding between the City and the City Center Redevelopment Authority, attached hereto as Exhibit A, is hereby approved, and the City Manager is hereby authorized to sign the MOU on behalf of the City of Vancouver.

Section 3. This resolution shall be effective immediately upon adoption.

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

Anne McEnery-Ogle, Mayor

Attest:

Natasha Ramras, City Clerk

Approved as to form:

Jonathan Young, Acting City Attorney

RESOLUTION - 3

MEMORANDUM OF UNDERSTANDING
between
CITY OF VANCOUVER

AND CITY CENTER REDEVELOPMENT AUTHORITY
for
THE WATERFRONT GATEWAY PROPERTIES

This Memorandum of Understanding (“MOU”) entered into this __ day of ____, 2019 between City of Vancouver (“City”), a municipal corporation formed under the laws of the State of Washington, and City Center Redevelopment Authority (“Authority”), a legal entity created pursuant to 35.21 RCW, and jointly hereinafter referred to as the “Parties.”

RECITALS:

WHEREAS, by Ordinance M-3739 approved on February 27, 2006, the City Council formally established the Authority to assist with the City’s important policy goal of redevelopment in the downtown area of the City of Vancouver, authorized its charter (“Charter”) and bylaws, and established its Board of Directors to govern the affairs of the Authority;

WHEREAS, the Parties entered into an Interlocal Agreement on March 27, 2006, that specifies certain terms and conditions allowing the Authority to obtain management, administrative, financial, and certain legal services from the City while the Authority undertakes, assists with and facilitates the implementation of the Vancouver City Center Vision Plan (“VCCV Plan”);

WHEREAS, the Interlocal Agreement and the Charter adopted pursuant to Ordinance M-3739 further establish that redevelopment of the VCCV Plan area by the Authority serves

essential public purposes by relieving blight; undertaking development of an underutilized area in a manner consistent with city planning; facilitating private investment and economic development which will build the City's tax base and create jobs; and providing for the development of public amenities, public parking facilities, recreational and entertainment facilities, and connections to the riverfront, and coordination of waterfront redevelopment efforts all of which are in the public interest;

WHEREAS, the Interlocal Agreement and Charter also provide that the Authority shall acquire and manage real property; secure financing; undertake the development and redevelopment, construction and maintenance of structures and facilities, including public amenities; and enter into agreements with cultural, public, and other not-for-profit entities or with private developers proposing to develop public facilities or retail, mixed-use, office, and entertainment projects or residential projects in the VCCV Plan area;

WHEREAS, the Authority's Charter further establishes that, consistent with applicable law and utilizing all lawful means, the Authority shall work to facilitate and maximize private sector participation in such projects;

WHEREAS, the Authority's Board of Directors is comprised of individuals who have exceptional expertise in urban land development, along with real estate transactions and financing;

WHEREAS, since its establishment, the Authority has advised the City on many important projects, particularly downtown projects located along the Columbia River (CWLCC Development's Waterfront Vancouver and the Port of Vancouver USA's Terminal 1 master plans), numerous Multi-Family Tax Exemption Program applications, and through its predecessor the Downtown Redevelopment Authority (DRA), several projects within the Esther

Short Redevelopment Plan area, particularly the Vancouver Convention Center/Hotel Project whereby the DRA oversaw planning, financial projections, and construction and now oversees on-going management with the Hilton Corporation and advisors;

WHEREAS, the City owns or controls approximately 6.4 acres of real property and the Webber Building located within the VCCV Plan area and adjacent to Vancouver City Hall, Vancouver Convention Center, and Hilton Vancouver Washington hotel (collectively, the “Adjacent Facilities”) bounded by 6th Street to the north, Columbia Street to the east, and the railroad berm to the south and west. The real properties are currently used as vacant open space and surface parking for the Adjacent Facilities, while the Webber Building is leased for office tenants. The real properties and Webber Building are hereafter referred to collectively as the “Waterfront Gateway Properties” (see Exhibit A);

WHEREAS, the Waterfront Gateway Properties represent one of the largest remaining undeveloped contiguous properties in Downtown, and are strategically located between two centers of current development activity within the downtown core and waterfront areas;

WHEREAS, the Tax Cuts and Jobs Act of 2017 created Opportunity Zones, a new community investment tool designed to drive long-term capital into rural and low-income urban communities throughout the nation, and the Waterfront Gateway Properties are located within a designated Opportunity Zone. Opportunity Zones provide a significant new source of development funding and may increase developer and investor interest in the site. The Opportunity Zone incentive allows investors to defer paying taxes on capital gains invested in Qualified Opportunity Funds (QOF) up to December 31, 2026; reduce the original capital gain taxes payable by allowing for a modest step-up in basis for QOF investments that are held beyond five and seven years (i.e., for an investment held at least five years, the investor’s basis is

increased by 10 percent of the original gain; for investments held for at least seven years, the investor's basis is increased by 15 percent of the original gain); and pay no taxes on new or incremental capital gains resulting from a QOF investment held for 10 or more years;

WHEREAS, the City desires to consider options for the disposition or leasing and development of the Waterfront Gateway Properties to build on the successful redevelopment efforts of the Esther Short Redevelopment Plan and VCCV Plan, as well as important developments such as the Adjacent Facilities, Waterfront Vancouver, Vancouvercenter, and other nearby residential and commercial developments;

WHEREAS, the City Council has included funding in its 2019-2020 biennial budget for professional services needed to plan and develop the Waterfront Gateway Properties in order to allow the City to capitalize on waterfront and other downtown development momentum (CD00120 City-Owned Properties Plan);

WHEREAS, the Authority is authorized to assist in downtown redevelopment and the City Council desires to engage the Authority to lead the planning and development of the Waterfront Gateway Properties, thereby taking full advantage of the Authority Board of Directors' expertise and experience in this area; recognizing that more fully utilizing a development authority is part of the City's evolution moving from a suburban community to a more urban community; and acknowledging the complexities of developing in an urban environment necessitates the Authority's larger engagement;

WHEREAS, as part of its past involvement in projects of similar size and complexity such as the Vancouver Convention Center/Hotel Project and other Esther Short Redevelopment Plan projects, the Authority was provided dedicated staffing prior to 2009 and will need to have

an adequate level of staffing dedicated or funded by the City in order to successfully lead the planning and development of the Waterfront Gateway Properties;

WHEREAS, to ensure that the Authority facilitates redevelopment in accordance with agreed standards, and that the Parties continue to work together efficiently, effectively and in close communication, the Parties desire to set forth objectives, standards and decision-making processes for accomplishing these joint goals in regard to the Waterfront Gateway Properties; and

WHEREAS, this MOU is intended to set forth the process and framework for identifying and planning for the disposition or leasing and development of the Waterfront Gateway Properties.

NOW, THEREFORE, be it understood that the Parties agree to undertake the following:

Section 1. Purpose

- A. The Parties have a mutual interest in planning and developing the Waterfront Gateway Properties to create a branded destination district (the “Project”) that connects other key downtown activity areas including the waterfront, Fort Vancouver and downtown core. The Project is envisioned as one that is active, urban, inviting and mixed-use with cross-site pedestrian connectivity, and that may include any combination of residential, retail, office, visitor, cultural, signature attraction, and structured parking uses. The Parties enter into this memorandum with the understanding that all activities, transactions, development and uses related to the Project achieve a result that capitalizes on the strategic location of the site; provides a degree of public benefits deemed necessary for the location and character of the site; and produces a branded environment that attracts the Vancouver community and other visitors that will enjoy and visit it often.

- B. To accomplish this and on behalf of the City, the Authority will manage all activities necessary to plan and ultimately develop the Waterfront Gateway Properties, in accordance with the duties and powers bestowed upon the Authority through Ordinance M-3739, its Charter, the Interlocal Agreement, and this MOU.
- C. The purpose of this MOU is to document the Parties' understanding regarding how and when this effort shall be undertaken.
- D. The Parties share several core principles in the design and development of the Waterfront Gateway Properties as publicly-owned assets that can be leveraged to more broadly benefit the Vancouver community. Noteworthy among them are a commitment to create broadly shared economic opportunity and prosperity by developing workforce and business development strategies to be incorporated into the Project; to consider proposals to create a mixed-income environment with housing options that are affordable to people with a variety of income levels, including income-based, workforce and market rate housing; and to continuously evaluate the Project for cost-effectiveness, taking into consideration initial development costs, administrative and oversight project costs, and ongoing operating and maintenance costs.

Recommendations on how to improve the success and support the growth of local small businesses, certified firms owned by minorities, women and emerging small businesses (MWESBs), disadvantaged business enterprises (DBEs), and veterans in contracting opportunities; recruiting family-wage jobs; utilizing community benefits, workforce or related agreements; and maximizing apprenticeship opportunities in construction trades will be considered. The Parties recognize that the City will likely have to develop a

program to incorporate the recommendations as to the above into its procurement process prior to implementation of any recommendations related to procurement process changes. The Parties also recognize that any restrictions tied to the core principles placed on developers and contractors in the future development of the Waterfront Gateway Properties can potentially limit the level of interest in and increase the costs of developing the site, and therefore impact the opportunity for a successful project. To ensure that the site and its future development opportunities are not unduly limited in developer/contractor interest, to be mindful of ever-increasing construction costs in the market, and to provide flexibility for project managers to work with developers and contractors to successfully incorporate the shared principles into their projects, preference may be given to setting aspirational goals as opposed to mandatory requirements and offering incentives and public benefit menu options for developers and contractors to utilize in delivering a successful project.

- E. While the responsibilities related to the Project are identified in Section “3” below, the Parties anticipate that future amendments to this MOU and/or the Interlocal Agreement may be necessary to complete the Project through the pre-development, development and post-development phases including use of property disposition or lease proceeds, related financial matters, use of development incentives, and ongoing operational, financial, maintenance and ownership responsibilities of public benefits and facilities constructed as part of the Project.

Section 2. The Properties

The real properties which are the subject of this MOU consist of the parcels listed in Exhibit

- B. The properties are also depicted on the map attached as Exhibit A. In addition to these

properties, it is anticipated that adjacent parcels containing the Adjacent Facilities and Veterans of Foreign Wars Memorial Plaza park, and public streets located within the Waterfront Gateway Properties area including Phil Arnold Way and Esther Street may be considered in planning the Project.

Section 3. Responsibilities of the Parties

A. Jointly, the Parties agree to work cooperatively to:

1. Commit to a development strategy that results in a master plan for the Waterfront Gateway Properties that meets the agreed-upon purpose statement in Section 1.A of this MOU.
2. Develop a funding plan for the design, construction, operation and maintenance of potential public benefits and facilities included in the Project, including utilization of disposition or lease proceeds for funding the project's public benefits and facilities.
3. Recognize cost-effectiveness as a core shared principle and continuously evaluate all aspects of the project as they evolve against this.
4. Communicate frequently during developer negotiations, especially on items that obligate the City financially including terms and conditions for the City's selling and/or leasing of properties and utilization of disposition or lease proceeds.
5. Craft a partnership that inspires investment from other philanthropic, government and private partners.

B. The Authority, with support provided by the City and assigned staff, agrees to undertake, assist with and otherwise facilitate the planning and development of the Waterfront Gateway Properties. The Authority anticipates that its work will occur in various phases. The Authority shall undertake the following:

1. Provide oversight of staff and consultant work on the project; manage funding provided by the City in its 2019-2020 biennial budget designated for professional services for planning and development of the Waterfront Gateway Properties; remain within the budget limits provided; and if additional funding is necessary to administer the project, submit adequate justification to the City for consideration and approval.
2. Hold a series of visioning workshops to establish a conceptual development vision for the Waterfront Gateway Properties including need for potential public benefits and facilities and desired mix of public and private uses.
 - i. The workshops will be led by a visioning consultant and open to the public. Project stakeholders will be invited and encouraged to attend and participate.
 - ii. Potential consideration will be provided to reserve space within the Project for a future City Hall expansion, a centralized parking facility, a future Convention Center expansion, and a publicly-accessible visitor/cultural attraction(s) that may be indoor and/or outdoor.
3. Review consultant studies for parking needs, Convention Center expansion, and other items related to the site and advise/recommend how they may be incorporated into development and future management of the site.
4. Gather background information and data for the Waterfront Gateway Properties.
5. Issue a Request for Qualifications (RFQ) to identify a master developer or, alternatively or in addition to, issue RFQs or Requests for Proposals (RFPs) for particular parcels within the Waterfront Gateway Properties.
6. Conduct a developer selection process(es) and select developer(s).

7. Enter into an appropriate agreement(s) with the selected developer(s) for planning and development negotiations. Any commitments involving or requiring City funding must be subject to the City's specific review and City Council approval.
8. Collaborate with master developer or developers on designing a master plan for the Waterfront Gateway Properties; lead negotiations with master developer or developers for the disposition or lease and development agreements of parcels identified for private development based upon achieving the best return for the City in consideration of the development proposed in the master plan; and coordinate the construction of publicly-owned facilities as necessary with private construction.
9. As part of its negotiations, utilize disposition or lease proceeds that may result from the Waterfront Gateway Properties' disposition or lease and development for funding construction and operation of public benefits and facilities that may be included in the Project, such as structured parking and publicly-accessible spaces and facilities, all within the provisions and requirements of Ordinance M-3739 and the Charter.
10. Submit to and recommend for approval by City Council a master plan and all necessary agreements ("Master Development Package"). The Master Development Package is anticipated to include a master plan for development of the Waterfront Gateway Properties, proposed negotiated disposition or lease agreements, proposed development agreements, funding plan with budgets and funding requests for public benefits and facilities, public facility management and operation plan, a development schedule, and any other items needed to approve and implement development of the Waterfront Gateway Properties.

11. In carrying out and conducting its responsibilities hereunder and at all times, comply with or cause compliance with any and all laws of the United States of America, the State of Washington, and ordinances of the City, and any rules, regulations, or instructions of any agency or department thereof having or asserting authority or jurisdiction with reference to any service or activity carried on under and pursuant to this MOU. Any deviations shall be submitted to the City in advance for review and approval.

C. The City agrees to support the Authority's efforts to undertake, assist and otherwise facilitate the planning and development of the Waterfront Gateway Properties, and provide the following services so long as they are reasonably related to the Project:

1. Provide City staff as necessary to assist with planning, certain legal, financial and administrative tasks needed during the various phases of the Authority's work.
2. Provide funding for professional services (funded through its 2019-2020 biennial budget allocation) for planning and development of the site, as well as outside legal counsel to represent the Authority. Any activity of the Authority, including procurement of contracts, shall comply with applicable law.
3. Dedicate funding for one (1) FTE staff person assigned to the Authority for the Project. To initiate the project, the City plans to assign its Economic Development Principal Planner as a 0.75 FTE with an additional 0.25 FTE from other city staff to the Project, with the expectation that additional allocation of staffing resources will be provided as described in this MOU.
4. Determine its near-term (within next 2-4 years) parking needs for City Hall through working with the Authority and its consultant on the Project's overall parking needs.

5. Identify any long-term space and parking needs for City Hall that would need to be accommodated on the site.
6. Review the feasibility of expanding the Convention Center and how a potential expansion would need to be accommodated on the site.
7. Determine the necessary steps related to Ordinance M-3923 that allows for disposition of real property that has been declared surplus and move forward with those steps as necessary to support the Project.
8. Review the Master Development Package and determine whether its various components are sufficient and appropriate for approval.
9. Authorize the Authority to serve as lead negotiator for the Waterfront Gateways Properties on behalf of the City and undertake the responsibilities identified for the Authority in this MOU.
10. Respect the Authority's role as lead negotiator for the purposes outlined in this MOU.

Section 4. Target Dates

- A. Completion of Visioning Workshops, Parking Analysis, and Properties Background Information and Data Collection by early Q4 2019.
- B. Issuance of Master Developer RFQ during Q4 2019.
- C. Completion of Convention Center Expansion Feasibility Analysis during Q1 2020.
- D. Selection of Master Developer during Q1 and Q2 2020.
- E. Execution of Negotiation Agreement and Initiation of Work on Master Development Package with Master Developer during Q2 2020.

- F. Following MOU execution, provision of quarterly updates to City Manager leading up to initiating work on Master Development Package and more frequently as necessary while active negotiations are underway.
- G. Completion of Master Development Package and Submission to City for approval no later than Q2 2021.

Section 5. General Provisions

- A. Duration and Termination: This MOU shall take effect on the date entered above and terminate 10 years following that date. Notwithstanding, either party may, solely within its own discretion, terminate this MOU with 90 days' notice to the non-terminating party.
- B. Nondiscrimination/Compliance with Laws: The Authority shall comply with all applicable laws including, without limitation, all equal employment opportunity and nondiscrimination laws of the United States, the State of Washington, and the City of Vancouver, and rules, regulations, orders, and directives of the associated administrative agencies and their officials.
- C. Indemnifications:
 - 1. To the extent permitted by law, the Authority agrees to indemnify, defend, save and hold harmless the City, its officials, employees and agents from any and all liability, demands, claims, causes of action, suits or judgments, including costs, attorney fees and expenses incurred in connection therewith, or whatsoever kind or nature, arising out of, or in connection with, or incident to, any breach or default in the performance of any obligation on the Authority's part to be performed under the terms of this MOU or arising out of or relating to any actual or alleged negligent act or omission or willful misconduct of the Authority with respect to its performance under the terms of this MOU or any of the Authority's officers, agents, employees or contractors. The

indemnifications to be provided pursuant to this subsection shall survive the expiration or earlier termination of this MOU. In the event that any suit based on such a claim, demand, loss, damage, cost, or cause of action is brought against the Authority, the City retains the right to participate in said suit. This indemnity and hold harmless shall include any claim made against the City by an employee of the Authority or contractor or agent of the Authority even if the Authority is thus otherwise immune from liability pursuant to the workers' compensation statute, title 51 RCW. To the extent that such liability arises from the concurrent negligence of both the City and the Authority, such cost, fees and expenses shall be shared between the City and the Authority in proportion to their relative degrees of negligence. This indemnity and hold harmless shall not apply in the case where liability arises from the sole negligence of the City. The Authority specifically acknowledges that the provisions contained herein have been mutually negotiated by the parties and it is the intent of the parties that the Authority provide the broadest scope of indemnity permitted by RCW 4.24.115.

2. To the extent permitted by law, the City agrees to indemnify, defend, save and hold harmless the Authority, its officials, employees and agents from any and all liability, demands, claims, causes of action, suits or judgments, including costs, attorney fees and expenses incurred in connection therewith, or whatsoever kind or nature, arising out of, or in connection with, or incident to, any breach or default in the performance of any obligation on the City's part to be performed under the terms of this MOU or arising out of or relating to any actual or alleged negligent act or omission or willful misconduct of the City with respect to its performance under the terms of this MOU

or any of the City's officers, agents, employees or contractors. The indemnifications to be provided pursuant to this subsection shall survive the expiration or earlier termination of this MOU. In the event that any suit based on such a claim, demand, loss, damage, cost, or cause of action is brought against the City, the Authority retains the right to participate in said suit. This indemnity and hold harmless shall include any claim made against the Authority by an employee of the City or contractor or agent of the City even if the City is thus otherwise immune from liability pursuant to the workers' compensation statute, title 51 RCW. To the extent that such liability arises from the concurrent negligence of both the Authority and the City, such cost, fees and expenses shall be shared between the Authority and the City in proportion to their relative degrees of negligence. This indemnity and hold harmless shall not apply in the case where liability arises from the sole negligence of the Authority. The City specifically acknowledges that the provisions contained herein have been mutually negotiated by the parties and it is the intent of the parties that the City provide the broadest scope of indemnity permitted by RCW 4.24.115.

- D. Legal Relationship: The Authority has not expressed or implied right or authority to assume or create any obligation or responsibility on behalf of or in the name of the City or to bind the City in any manner or thing whatsoever.
- E. If any term or other provision of this Agreement is determined to be invalid, illegal or incapable of being enforced by any rule or law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect as long as the substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision

is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible.

- F. The Parties agree that if legal action is necessary in connection with this Agreement, exclusive venue shall lie in the Superior Court of Washington, Clark County. The terms and provisions of this Agreement shall be construed in accordance with the laws of the state of Washington. The failure of either Party to insist, in any one or more instances, on the performance of any of the terms of this Agreement or to exercise any of its rights, shall not be construed as a waiver or relinquishment of such term or right with respect to further performance.
- G. Notice: All notices shall be in writing and shall be served upon the other Party by personal service, by facsimile, E-mail followed by mail delivery of the original notice, overnight courier with proof of receipt, or by certified mail, return receipt requested and postage prepaid, addressed as follows:

If to the City:

City of Vancouver
Attn: City Manager
415 W. 6th Street
PO Box 1995
Vancouver, WA 98668
Email: Eric.Holmes@cityofvancouver.us

If to the Authority:

City Center Redevelopment Authority
Attn: Executive Director
415 W. 6th Street
PO Box 1995
Vancouver, WA 98668
Email: Chad.Eiken@cityofvancouver.us

Service by facsimile or E-mail shall be deemed complete on receipt of the facsimile or E-mail. Service by overnight courier shall be deemed complete the day after being sent. Service by mail will be deemed complete three days after being sent by certified mail.

H. Amendments: The provisions of this Agreement may be amended with the mutual consent of the Parties. No additions to, or alterations of, the terms of this Agreement shall be valid unless made in writing and formally approved and executed by the duly authorized agents of both Parties. This Agreement contains the entire agreement of the Parties concerning the matters stated herein and supersedes any and all other agreements or understandings, oral or written, whether previous to the execution hereof or contemporaneous herewith. Changes to this Agreement are not binding unless made in writing and signed by both Parties.

I. Future Agreement: The Parties mutually agree that, following execution of this MOU, a future agreement related to certain provisions not covered in this MOU will be necessary so that adequate resources and authorities are provided for the Authority to complete the Project and potentially oversee the redevelopment of other City properties. The provisions include:

1. Future redevelopment oversight and management of other city-owned properties that the Parties consider important to implement the VCCV Plan.
2. Evaluation of the Authority's needs for staffing and other support including consideration of a fully independent Authority staff.
3. Evaluation of alternatives to City funding for Authority staffing and other support such as using proceeds from property sales or leasing and revenue derived from

Project elements such as parking or from other properties assigned to the Authority for redevelopment oversight and management for that purpose.

4. Timely consideration of City funding in its annual budgets, subject to appropriation by the City Council, for the Authority's staffing and other support needs as determined through the evaluation enumerated above.
5. To the extent future dedicated revenues are identified to help fund Authority staffing and other support needs, potential characterization of City funding in the interim as advances subject to reimbursement when such revenues become available.
6. Reimbursement to the City by the Authority for any relevant administrative and management costs if any revenues external to the City are received.
7. Consideration of Authority requests to convey city properties to the Authority if and when the Authority concludes that it would either strengthen its credibility in negotiations with prospective developers or facilitate development of the Waterway Gateway Properties or other properties potentially assigned to the Authority for redevelopment oversight and management.

EXECUTED on the _____ day of _____, 2019.

CITY CENTER REDEVELOPMENT AUTHORITY

Richard Keller, President

Approved as to form:

Gerry Johnson, Special Counsel

CITY OF VANCOUVER

Eric J. Holmes, City Manager

Approved as to form:

Jonathan Young, Acting City Attorney

EXHIBIT A MAP OF WATERFRONT GATEWAY PROPERTIES

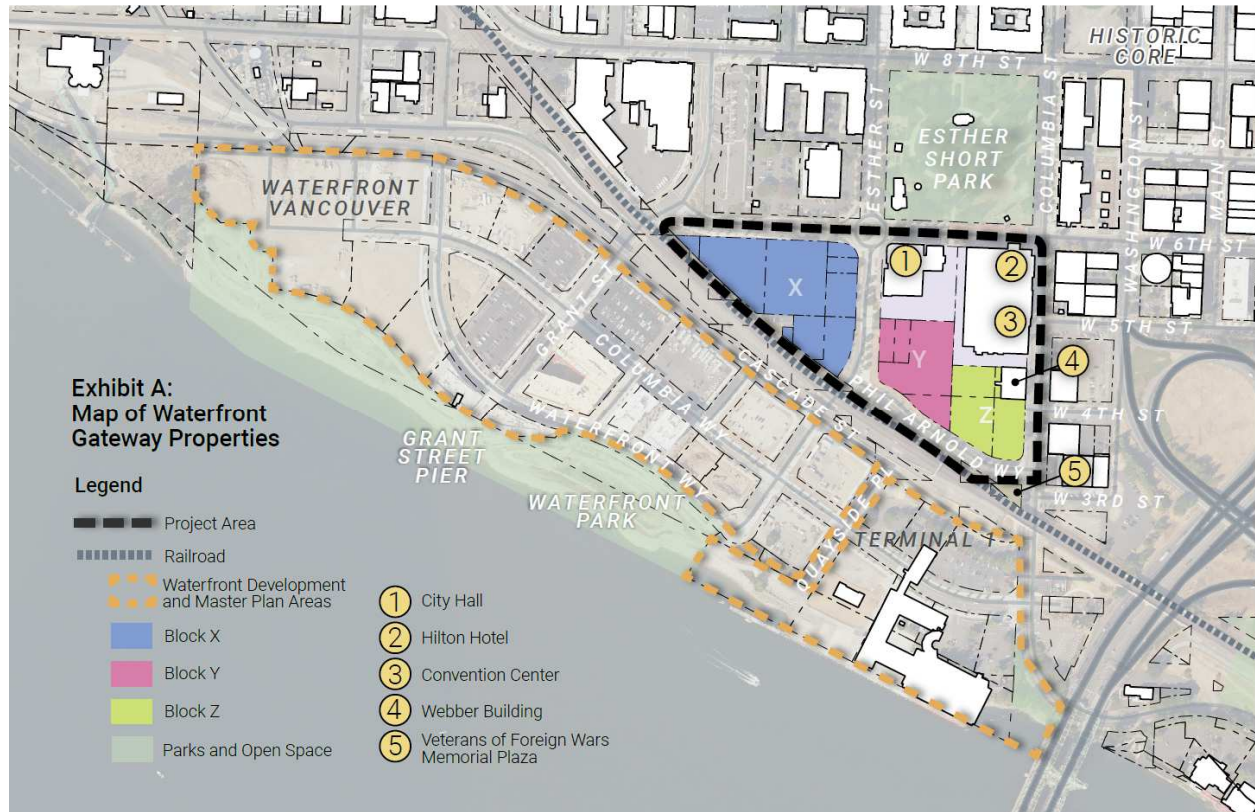


EXHIBIT B
LIST OF WATERFRONT GATEWAY PROPERTIES

Item #	Assessor's Parcel Number (APN)	Current Use & Details		Map Location	Size SF
1	49300000	City Hall parking (existing)		Block X	16,988
2	49305000	City Hall parking (existing)		Block X	12,698
3	49315000	City Hall parking (existing)		Block X	1,408
4	49290000	City Hall parking (existing)		Block X	14,158
5	49240000	City Hall parking (existing)		Block X	5,076
6	49230000	City Hall parking (existing)		Block X	4,116
7	49250000	City Hall parking (existing)		Block X	48,362
8	49360000	City Hall parking (expansion area)		Block X	33,566
9	49861000	City Hall parking (expansion area)		Block X	6,317
10	48852000	Vacant		Block Y	10,454
11	48860000	City Hall driveway and parking; vacant		Block Y	42,639
12	48890000	City Hall driveway and parking; vacant		Block Y	7,000
13	48900000	City Hall driveway; vacant		Block Y	6,850
14	48740000	Webber Building parking; under lease to office tenant through December 31, 2022		Block Z	14,190
15	48750000	Webber Building; under lease to office tenant through December 31, 2022		Block Z	10,150
16	48760000	Former 4 th Street public parking (south side) and Webber Building parking (north side); Parking Lot 24 (under license agreement to Downtown Redevelopment Authority/Hilton until October 2021)		Block Z	20,038
17	48790000*	Former 4 th Street public parking (south side) and Webber Building parking (north side); Parking Lot 24 (under license agreement to Downtown Redevelopment Authority/Hilton until October 2021)		Block Z	22,216
		Total Acres	6.34	Total SF	276,226

*Owner of record is Vancouver Public Facilities District, but parcel is subject to a lease with the City of Vancouver.



CITY CENTER REDEVELOPMENT AUTHORITY MEETING MINUTES

Vancouver City Hall – Council Chambers – 415 W. 6th Street
PO Box 1995 – Vancouver, Washington 98668-1995
www.cityofvancouver.us

Richard Keller • Marc Fazio • Debi Ewing • Jack Onder • Brad Hutton • David Copenhaver • Richard Krippaehne

September 19, 2019

REGULAR MEETING (Vancouver City Hall, Council Chambers)

The meeting agenda materials referenced in these minutes can be found [online](#).

ITEM 1: CALL TO ORDER AND ROLL CALL

The September 19, 2019 meeting of the City Center Redevelopment Authority was called to order at 12:11 pm by President Richard Keller in the Council Chambers of City Hall, 415 W. 6th Street, Vancouver, Washington.

Present: Richard Keller, Dick Krippaehne, Brad Hutton, David Copenhaver, Debi Ewing, Marc Fazio

Absent: Jack Onder

ITEM 2: APPROVAL OF MINUTES

Motion by Ewing, seconded by Krippaehne, and carried unanimously to approve the minutes from September 19, 2019.

ITEM 3: AC MARRIOTT HOTEL DESIGN REVIEW

Item Summary

Keith Jones, Senior Planner, City of Vancouver introduced the AC Marriott Hotel project. The project is a component of the Port of Vancouver's waterfront masterplan. Without a developer agreement, the design review is an administrative decision not requiring action from the CCRA board. The seven-story, 150-room hotel building will be located on block D of the Port of Vancouver master plan, at the corner of Daniels Way and Columbia Way, north of the Vancouver Landing Amphitheater and west of the Terminal 1 site. The building will contain structured parking on the second and third floors, 1,500 square feet of leasable retail and a ballroom on the first floor and 4,500 square feet of leasable office space on the seventh floor. A Z-shaped building form was selected for floors four through seven to maximize views of the river and downtown. The main façade will be a silver metal panel, with darker grey accents. The garage will be screened with faux wood aluminum fins in varying widths. The lower level will be a combination of masonry and glazing. The main lobby and lounge will be open, allowing views from the porte-cochere and driveway through to the second entrance towards the river and renaissance trail. The exposed areas above the garage will contain landscaped green roofs without guest access.

Board Discussion

Chair Keller expressed appreciation for the design. No suggestions were made.

ITEM 4: BLOCK 10 REDEVELOPMENT PROPOSAL AND DRAFT DDA ELEMENTS

Item Summary

Chad Eiken, Community and Economic Development Director, introduced the Letter of Intent ("LOI") with Holland Partner Group for the redevelopment of Block 10. In May of 2019, City Council gave staff direction to enter into exclusive negotiations with Holland Partner Group. Elements in the resulting LOI will be transferred into a Disposition and Development Agreement and a Lease Agreement, which will go to City Council in late October.

The Block 10 building consists of a 5-story residential tower and a 4-story office tower above an enclosed 2-story, 110-stall parking structure with retail on the ground floor. A courtyard above the parking deck will provide common space for both the residents and office tenants. The Holland Partner Group has asked for a code amendment that would allow the building to encroach five feet over the public sidewalk for the full height of the building, which would be 75 to 80 feet in height. A detailed project description and substantive elements of the LOI were described in the staff report provided.

Board Discussion

David Copenhaver expressed support for allowing the five-foot overhang to extend up the full height of the building, stating that it would set a positive precedent. He commended the attractive and functional design of the building. Board members Krippaehne and Ewing agreed that the renderings had improved since the Development Subcommittee meeting and expressed appreciation for the current design. Marc Fazio recalled that the board had hesitated to endorse a residential use of the site, and stated that this project stays true to the board's vision of encouraging employment downtown and that the ability to retain Holland Partner Group headquarters in downtown Vancouver made this project especially important.

The board asked how the 3% CPI cap was determined. Staff indicated that this had been a negotiated value, and as this is the City's first ground lease opportunity, the negotiation team felt comfortable with 3% despite it being towards the low end of their range. President Keller encouraged staff to reinvest the revenue from the ground lease into future economic development projects, as consistent with the origin and purpose of the City Center Redevelopment Authority.

Motion by Ewing, seconded by Copenhaver, and carried unanimously to recommend approval of the project to City Council, recognizing that the elements within the LOI will form the terms of the Disposition and Development Agreement and the lease agreement.

ITEM 5: MEMORANDUM OF UNDERSTANDING BETWEEN CITY OF VANCOUVER AND CITY CENTER REDEVELOPMENT AUTHORITY FOR THE WATERFRONT GATEWAY PROPERTIES

Item Summary

Teresa Brum, Economic Development Division Manager, introduced the latest version of the draft Memorandum of Understanding between City of Vancouver and City Center Redevelopment Authority

for the Waterfront Gateway Properties ("MOU") and the project manager, John Collum. Staff summarized the most recent revisions to the MOU. The draft has been reformatted so that the responsibilities of both parties are more clearly organized, specific language has been added to address the intended relationship between the parties and a section titled Future Agreement has been added to address future resource needs for the CCRA. A detailed summary of changes was included in the staff report provided with the meeting materials.

Board Discussion

David Copenhaver asked for clarification on the funding for the project. Staff stated that \$250,000 had been allocated in the City's biennial budget for consultant funding, not including City staff. So far, SERA Architects and Rick Williams have been engaged, and staff expects to hire consultants for the convention center expansion analysis and outside legal counsel on behalf of the CCRA in the near future. Once the MOU is in place, the CCRA would guide the allocation of the budget, but the City will continue to manage the financial activity of the project. Staff will provide the board with a monthly budget summary to aid their decisions.

Board members Krippaehne, Hutton and Fazio expressed that they had no further concerns about the draft MOU.

Motion by Krippaehne, seconded by Fazio, and carried unanimously to recommend approval of the Memorandum of Understanding between City of Vancouver and City Center Redevelopment Authority for the Waterfront Gateway Properties.

ITEM 6: EXECUTIVE DIRECTOR'S REPORT

Item Summary

Chad Eiken reported an update to the Development Project List, numbers 36, 151-157. Please see "CCRA Updated Development Project List and Map" dated September 2019.

CITIZEN COMMUNICATIONS

ADJOURNMENT

1:33 PM

A handwritten signature in black ink, appearing to read "R. Keller", written over a horizontal line.

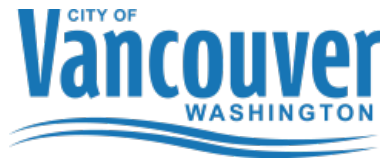
Richard Keller, President

City Center Redevelopment Authority | Meeting Minutes
September 19, 2019
Page 4 of 4

Meetings of the City Center Redevelopment Authority are electronically recorded on audio. The audio tapes are kept on file in the office of the City Clerk for a period of six years.



To request other formats, please contact:
City Manager's Office
(360) 487-8600 | WA Relay: 711
Amanda.Delapena@cityofvancouver.us



CITY CENTER REDEVELOPMENT AUTHORITY MEETING MINUTES

Vancouver City Hall – Council Chambers – 415 W. 6th Street
PO Box 1995 – Vancouver, Washington 98668-1995
www.cityofvancouver.us

Richard Keller • Marc Fazio • Debi Ewing • Jack Onder • Brad Hutton • David Copenhaver • Richard Krippaehne

October 17, 2019

REGULAR MEETING (Vancouver City Hall, Council Chambers)

The meeting agenda materials referenced in these minutes can be found [online](#).

ITEM 1: CALL TO ORDER AND ROLL CALL

The October 17, 2019 meeting of the City Center Redevelopment Authority was called to order at 12:11 pm by President Richard Keller in the Council Chambers of City Hall, 415 W. 6th Street, Vancouver, Washington.

Present: Richard Keller, Dick Krippaehne, Jack Onder, David Copenhaver, Debi Ewing, Marc Fazio
Absent: Brad Hutton

ITEM 3: EXCUSAL OF ABSENCE

Motion by Onder, seconded by Krippaehne, and carried unanimously to excuse Brad Hutton.

ITEM 2: APPROVAL OF MINUTES

Motion by Ewing, seconded by Krippaehne, and carried unanimously to approve the minutes from September 19, 2019.

ITEM 4: EXECUTIVE DIRECTOR'S REPORT

Item Summary

Chad Eiken reported an update to the Development Project List, number 18. Please see "CCRA Updated Development Project List" dated October 2019.

Additionally, Chair Keller announced that the new Economic Development Director to be hired by the City would take over for Chad Eiken as the CCRA Executive Director in 2020. Chair Keller expressed gratitude on behalf of the Board for Mr. Eiken's time as Executive Director.

Chad Eiken summarized the discussion from the recent Development Subcommittee meeting, stating that there was robust discussion of the Multifamily Tax Exemption Fee in Lieu proposal and the proposed public benefit list.

ITEM 5: MULTIFAMILY TAX EXEMPTION PROGRAM: DRAFT FEE-IN-LIEU OF AFFORDABLE HOUSING UNITS POLICY

Item Summary

Peggy Sheehan, Community Development Programs Manager, presented a memo regarding the proposed Fee-in-Lieu component of the Multifamily Tax Exemption program. Currently, this program allows a new multifamily housing project to receive an 8-year property tax exemption, without providing affordable units, as long as the project offers other public benefits as determined by the CCRA and Vancouver City Council. Vancouver is unique among Washington State jurisdictions in offering a tax exemption for market rate rent projects with a public benefit. A “Fee-in-Lieu” value of \$10,000 per 20% of building units has been proposed as a standard to assist with assessing the value of proposed public benefits.

Board Discussion

Chair Keller inquired about the disposition of the proceeds of public benefit projects. City staff proposes to contribute the proceeds to the Affordable Housing Fund. The Board discussed additional options for allocations to transportation, parks, or public art, but it was agreed that putting the proceeds towards affordable housing seemed the most straightforward. Board member Ewing noted that the replacement of older single-story commercial buildings with newer buildings was in itself a significant public benefit. Board Member Onder referenced a similar tax incentive in Portland in the early 2000s to attract developers that ultimately became unnecessary. President Keller suggested that the value per unit may need to be adjusted per economic conditions in the future, and that the motion should include language that expresses support for this incentive to build more housing units.

Motion by Ewing, seconded by Copenhaver, and carried unanimously to recommend to City Council a \$10,000 fee per affordable unit (20% of all proposed units) with eight year exemption for market rate projects, with the caveat that the CCRA may recommend a different number in the future as economic conditions change and that the CCRA recognizes that incentives are still needed to create more affordable and non-affordable housing in downtown Vancouver.

ITEM 6: UPDATE ON WATERFRONT GATEWAY

Item Summary

John Collum, Economic Development Principal Planner, presented proposed revisions to the language of the Memorandum of Understanding (MOU), incorporating feedback from the recent workshop with City Council. City Council was supportive of the project, but requested additional references to workforce

and business development strategies, as well as housing options available to people with a variety of incomes as core values of the project. John Collum also gave updates on the proposed parking analysis, Convention Center Expansion Feasibility study and the project budget.

Board Discussion

Board Member Copenhaver expressed concern that the new language for developers would eliminate competition. Board Member Onder agreed, expressing concern that the additional goals for the workforce and business development strategy would advantage firms that have the experience or capacity to acquire those specific certifications.

Chair Keller suggested that by characterizing these goals as aspirational, as opposed to required, would result in better responses to the RFQ, but would not limit the number of responses. Staff indicated that from his discussion with Proposer Portland, similar guidelines had not limited the pool of developer activity. Jack Onder expressed a different understanding of the effect of the new guidelines from the perspective of a developer, and emphasized that a limited number of contractors would learn how to meet these guidelines and that they would get the bulk of awards. Board Member Krippaehne suggested that language regarding apprenticeship utilization would exacerbate labor shortages among the construction trades.

Chair Keller suggested that language be added to the MOU to acknowledge that restrictions placed on developers will decrease the pool of likely applicants for projects, and could increase costs for developers. Staff agreed to develop language that would express City Council's goals as aspirational rather than required based on feedback from the CCRA and have that reviewed by the City Manager.

CITIZEN COMMUNICATIONS

None.

ADJOURNMENT

1:37 PM

Richard Keller, President

Meetings of the City Center Redevelopment Authority are electronically recorded on audio. The audio tapes are kept on file in the office of the City Clerk for a period of six years.



To request other formats, please contact:
City Manager's Office
(360) 487-8600 | WA Relay: 711
Amanda.Delapena@cityofvancouver.us



Staff Report 156-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/4/2019
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

Action Requested

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

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, Acting 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: 11/4/2019

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

Action Requested

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

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, Acting 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: 11/4/2019
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

Action Requested

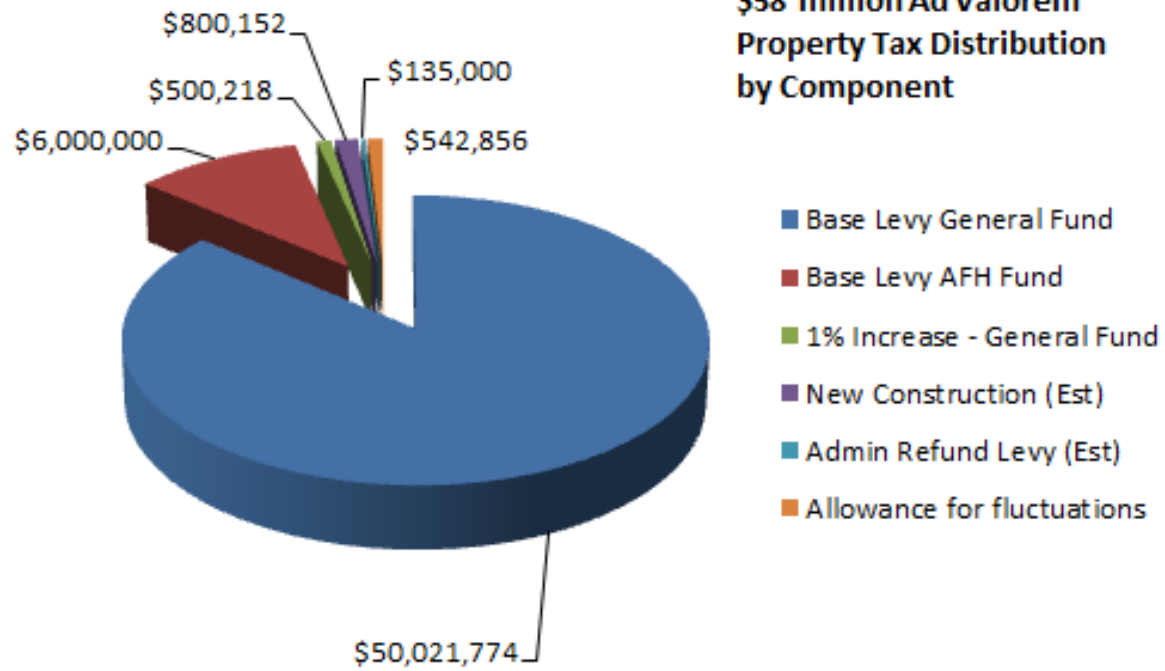
On November 4, 2019, approve ordinance on first reading, setting the date of second reading and public hearing for November 18, 2019.

Carrie Lewellen, City Treasurer, 487-8482

ATTACHMENTS:

- ▣ Ad Valorem Property Tax Distribution by Component
- ▣ Ordinance

**\$58 million Ad Valorem
Property Tax Distribution
by Component**



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, Acting 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).



Staff Report 159-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/4/2019
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 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

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

ORDINANCE - 1

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 McEnery-Ogle, Mayor

Attest:

Natasha Ramras, City Clerk

Approved as to form:

Jonathan Young, Acting 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).



Staff Report 160-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/4/2019
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 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

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)				
B	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%
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%

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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)

		Monthly Charge		
Available Service Levels		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%

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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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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)

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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 (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	\$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
11/18/19

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	49.22 <u>19.98</u> per month
Each additional cart	49.22 <u>19.98</u> per month

Every other week ~~14.42~~ 14.99 per month

Each additional cart ~~14.42~~ 14.99 per month

Once a month ~~8.65~~ 8.99 per month

64-gallon cart service

Weekly collection ~~38.44~~ 39.96 per month

Each additional cart ~~38.44~~ 39.96 per month

Every other week ~~19.22~~ 19.98 per month

96-gallon cart service

Weekly collection ~~57.66~~ 59.94 per month

Each additional cart ~~57.66~~ 59.94 per month

20-gallon cart service

Weekly collection	14.42 <u>14.99</u> per month
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Every other week	11.53 <u>11.99</u> per month
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Carryout Service:

32-gallon cart service

Weekly collection	28.83 <u>29.97</u> per month
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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
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Special/Optional Services:

Extra 32-gallon or equivalent (or portion thereof)

Curb	7.56 <u>7.86</u> per pick up
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Carryout	11.34 <u>11.79</u> per pick up
----------	---

Return trip fee	11.15 <u>11.66</u> per trip
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Overweight/overfilled cart	Billed as an extra
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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	46.03 <u>16.67</u> per month
Each additional cart	46.03 <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
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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
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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
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Return trip fee	11.15 <u>11.66</u> per trip
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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	7
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	\$ 1,181.16	\$ 1,771.74	\$ 2,362.32	\$ 2,952.90	\$ 3,543.48	\$ 4,134.06

Size (In Yards)	1	2	3	4	5	6	7
	<u>\$ 617.13</u>	<u>\$ 1,234.26</u>	<u>\$ 1,851.39</u>	<u>\$ 2,468.52</u>	<u>\$ 3,085.65</u>	<u>\$ 3,702.78</u>	<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 <u>\$ 461.73</u>	\$ 883.71 <u>\$ 923.46</u>	\$ 1,325.57 <u>\$ 1,385.19</u>	\$ 1,767.42 <u>\$ 1,846.92</u>	\$ 2,209.28 <u>\$ 2,308.65</u>	\$ 2,651.13 <u>\$ 2,770.38</u>	\$ 3,092.99 <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.

	2019 2020
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>
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 2020
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~~ 38.83 per trip

Trucking Fee (empty and return - roundtrip haul charge):

Drop box

10-yard ~~145.61~~ 152.33

20-yard ~~145.61~~ 152.33

30-yard ~~145.61~~ 152.33

40-yard ~~145.61~~ 152.33

Compactor

10-yard ~~161.79~~ 169.26

20-yard ~~161.79~~ 169.26

30-yard ~~161.79~~ 169.26

40-yard ~~161.79~~ 169.26

Organics Trucking Fee (empty and return - roundtrip haul charge):

Drop box

10-yard ~~105.86~~ 108.31

20-yard ~~105.86~~ 108.31

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>
---------	---------------------------------

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
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Monthly demurrage - Monthly Maximum	104.54 <u>109.36</u> monthly max
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Special/modified box rental

(Lid/screen/winch, etc.) - Per day	4.98 <u>5.21</u> per day
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Monthly Maximum	149.98 <u>156.90</u> monthly max
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Waiting time

(after first 10 minutes) - Charge Per Minute	1.76 <u>1.84</u> per minute
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Mileage Charge (over 10)	3.22 <u>3.37</u> per mile
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Locking system

Materials plus labor @ per hour	37.12 <u>38.83</u> per hour
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ORDINANCE - 18

"Check only" service

(price per container and per check) ~~11.13~~ 11.64

Return trip charge (per container) ~~29.73~~ 31.10

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.

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

Bulky item pickup:	2019 2020	
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	per hour

	<u>106.44</u>	
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*
 - 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, within one year of last service	10.39 <u>10.63</u>
Subscription service, on-call with no cart (not available effective October 1, 2019)	5.67 per pickup

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.

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

ORDINANCE - 24

Approved as to form:

Jonathan Young, Acting City Attorney

SUMMARY

ORDINANCE NO. _____

ORDINANCE - 25

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).



Staff Report 161-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/4/2019
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.

Action Requested

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

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, Acting 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).



Staff Report 162-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/4/2019
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.

Action Requested

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

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

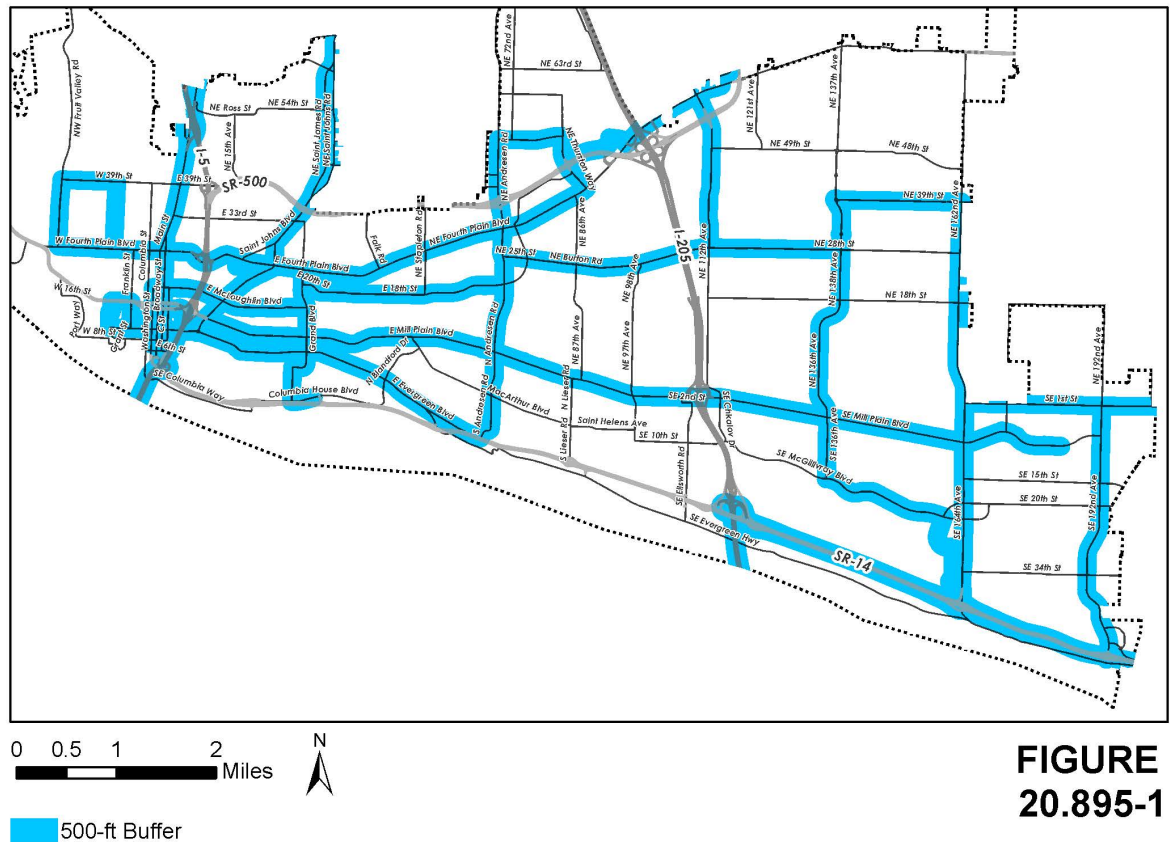
Section 2. Section 20.895 of the Vancouver Municipal Code entitled “Miscellaneous Special Use Standards” is hereby amended to add subsection 20.895.100 Self-Service Storage to read as follows:

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, Acting City Attorney

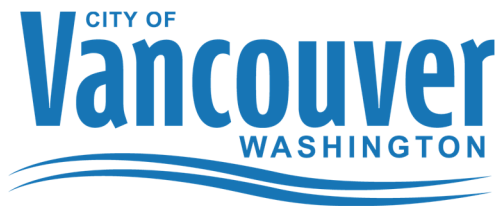
ORDINANCE - 8

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>	<u><i>p</i>⁵⁰</u>	X	X		X	X

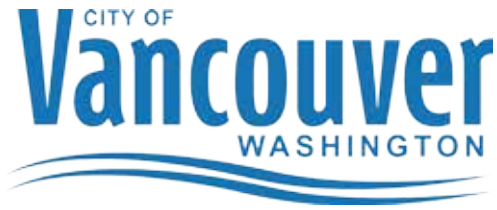
50 Subject to requirements and standards within the Miscellaneous Special Use Standards for Self-Service Storage, pursuant to VMC 20.895.100.

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	<u><i>p</i>³⁵</u>	<u><i>p</i>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.



MEMORANDUM

DATE: Monday, November 4, 2019
TO: Mayor and City Councilmembers
FROM: Council Committee I (Hansen, Glover, Paulsen)
CC: Eric J. Holmes, City Manager
Amanda Delapena, Assistant to the City Council

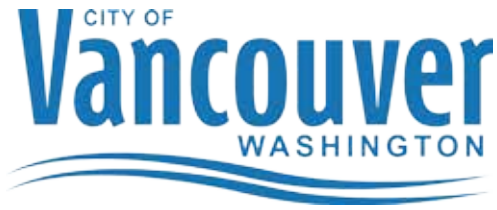
RE: Recommendation for Reappointment to the Planning Commission
--

The Vancouver Planning Commission is appointed by City Council to lead the development or update of the Comprehensive Plan and Development Code, and to monitor implementation to ensure that the City achieves its land use and community livability goals. The Planning Commission also reviews, considers public input and makes recommendations to Council regarding major planned developments, mixed use developments and subarea plans.

Committee 1 recently interviewed five candidates for one full-term position on the commission and recommends the reappointment of Steve Schulte. Mr. Schulte's term would begin January 1, 2020, and expire December 31, 2023.

If there are no objections, Council Committee I would like to make this appointment at the **Monday, November 4, 2019**, Council meeting.

Attachments:
Application
Current Roster



MEMORANDUM

DATE: Monday, November 4, 2019

TO: Mayor and City Councilmembers

FROM: Council Committee I (Hansen, Glover, Paulsen)

CC: Eric J. Holmes, City Manager
Amanda Delapena, Assistant to the City Council

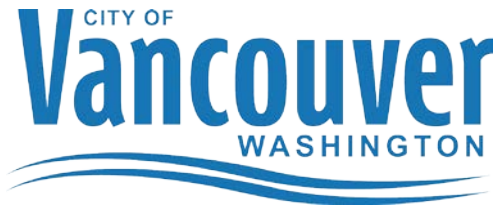
RE: Recommendation for Appointments to the Telecommunications Commission

The Telecommunication Commission serves in an advisory capacity to the board of county commissioners and the city council on matters related to cable television franchising. The commission establishes rules and regulations for cable television franchises and monitors compliance with franchise agreements.

Committee 1 recently interviewed candidates for three full-term positions on the commission and recommends the reappointment of Lance Leland and the appointments of Lloyd Johnson and Robert Hinds. The terms would begin January 1, 2020, and expire December 31, 2022.

If there are no objections, Council Committee I would like to make this appointment at the **Monday, November 4, 2019**, Council meeting.

Attachments:
Applications
Current Roster



MEMORANDUM

DATE: Monday, November 4, 2019

TO: Mayor and City Councilmembers

FROM: Council Committee II (Turlay, Stober and Lebowsky)

CC: Eric J. Holmes, City Manager
Amanda Delapena, Assistant to City Council

RE: Recommendation for Mid-Term Appointments to the Lodging Tax Advisory Committee

The Lodging Tax Advisory Committee was formed under RCW67.28.1817 which requires any City or County that wishes to impose a new hotel-motel tax, raise the rate of an existing tax, repeal an exemption from hotel-motel tax or change the use of the tax proceeds to form a hotel-motel tax advisory committee. The purpose of the Vancouver Lodging Tax Advisory Committee is to make recommendations to the Vancouver City Council regarding expenditures of lodging tax revenue. The Lodging Tax Advisory Committee has a minimum of 5 members including a non-voting chair. The committee is chaired by a Vancouver City Councilmember. 50% of the members must represent businesses that are required to collect the hotel-motel tax. 50% of the members of the committee must be staff, board members or volunteers from organizations or activities that are authorized to be funded by this tax.

Committee II recently interviewed four candidates for two vacant mid-term positions and recommends the appointment of Brad Richardson and Carla Rise, terms beginning immediately and expiring September 30, 2020.

If there are no objections, Committee II would like to make these appointments at the **Monday, November 4, 2019** Council meeting.

Attachments:
Applications
Current Roster

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:

\$ **14,119,512.18** this 4th day of November 2019.

MAYOR

COUNCILMEMBER



AUDITING OFFICER

COUNCILMEMBER

DATE	INCLUSIVE CHECK NUMBERS	CHECK TOTAL
October 15 - October 28	Accounts Payable Checks (see attached)	\$ 11,091,118.83
October 15 - October 28	Hansen City Payments (see attached)	\$ 40,459.10
October 15 - October 28	Visa Refunds (see attached)	\$ 5,945.27
October 15 - October 28	Payroll Checks (see attached)	\$ 2,981,988.98
TOTAL		\$ 14,119,512.18

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	10/1/2019	2,783.58	Athlactron Holding	
Supplier Payment	Manual Wire	No Reference	10/1/2019	105,821.95	Bank Of America N.A. - Remit-To: Charlotte NC	
Supplier Payment	Manual Wire	No Reference	10/4/2019	648.72	Government Revenue Solutions Holdings I LLC	
Supplier Payment	Manual Wire	No Reference	10/11/2019	108.00	State of Washington Department of Licensing	
Supplier Payment	Manual Wire	No Reference	10/15/2019	9,109.53	Bank Of America N.A. - Remit-To: Charlotte NC	
Supplier Payment	Manual Wire	No Reference	10/15/2019	192,577.64	Blue Cross Blue Shield of Oregon	
Supplier Payment	Manual Wire	No Reference	10/15/2019	15,164.22	Lynn K Wittwer MD PC	
Supplier Payment	Manual Wire	No Reference	10/15/2019	4,924.87	Lynn K Wittwer MD PC	
Supplier Payment	Manual Wire	No Reference	10/15/2019	9,054.32	VSP Vision Care Inc	
Supplier Payment	Manual Wire	No Reference	10/15/2019	16,445.00	Washington Dental Service	
Supplier Payment	Manual Wire	No Reference	10/16/2019	25,655.75	Gallagher Bassett Services Inc	
Supplier Payment	Manual Wire	No Reference	10/16/2019	313,808.92	Kaiser Permanente - Remit-To: Kaiser Permanente	
Supplier Payment	Manual Wire	No Reference	10/16/2019	50,679.16	Symetra Life Insurance Company	
Supplier Payment	Manual Wire	No Reference	10/18/2019	216.00	State of Washington Department of Licensing	
Supplier Payment	Manual Wire	No Reference	10/21/2019	93,230.05	Blue Cross Blue Shield of Oregon	
Supplier Payment	Manual Wire	No Reference	10/21/2019	12,605.30	Washington Dental Service	
Supplier Payment	Manual Wire	No Reference	10/23/2019	32,929.46	Gallagher Bassett Services Inc	
Supplier Payment	Manual Wire	No Reference	10/25/2019	11,884.78	Allegiance Benefit Plan Management Inc	
Supplier Payment	Manual Wire	No Reference	10/25/2019	75.00	HRA VEBA Plan	
Supplier Payment	Manual Wire	No Reference	10/25/2019	6,558.30	ICMA 401A	
Supplier Payment	Manual Wire	No Reference	10/25/2019	161,862.32	ICMA Corp	
Supplier Payment	Manual Wire	No Reference	10/25/2019	23,481.01	ING	
Supplier Payment	Manual Wire	No Reference	10/25/2019	33,462.77	Operations Management International Inc	
Supplier Payment	Manual Wire	No Reference	10/25/2019	10,092.08	Operations Management International Inc	
Supplier Payment	Manual Wire	No Reference	10/25/2019	439,322.31	Operations Management International Inc	
Supplier Payment	Manual Wire	No Reference	10/25/2019	597.80	Oregon SDU	
Supplier Payment	Manual Wire	No Reference	10/25/2019	805,447.73	State of Washington Department of Retirement System (PERS)	
Supplier Payment	Manual Wire	No Reference	10/25/2019	1,467.94	Vancouver Fire Command Officers	
Supplier Payment	Manual Wire	No Reference	10/25/2019	24,416.56	Vancouver Firefighters Union Health & Welfare Trust	
Supplier Payment	Manual Wire	No Reference	10/25/2019	4,074.11	Washington SDU	
Supplier Payment	Manual Wire	No Reference	10/25/2019	21,350.00	Washington State Firefighters	
Supplier Payment	Manual Wire	No Reference	10/25/2019	13,633.50	Western States Health & Welfare Trust	
Supplier Payment	Manual Wire	No Reference	10/28/2019	846,480.31	Internal Revenue Service	
Expense Payment	Direct Deposit	EFT-00026158	10/17/2019	150.68	John Collum	Employee Reimbursement
Expense Payment	Direct Deposit	EFT-00026159	10/17/2019	73.52	Dustin Nicholson	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00026160	10/17/2019	247.14	Mitch Bielas	Travel Advance
Expense Payment	Direct Deposit	EFT-00026161	10/17/2019	42.52	Peggy Sheehan	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00026162	10/17/2019	489.00	Chadd Nolan	Travel Advance
Expense Payment	Direct Deposit	EFT-00026163	10/17/2019	666.77	Jen Thomas	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00026164	10/17/2019	356.80	Keith Kircher	Travel Advance
Expense Payment	Direct Deposit	EFT-00026165	10/17/2019	209.00	Michelle Cary	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-00026166	10/17/2019	478.00	Sara Baynard-Cooke	Travel Advance
Expense Payment	Direct Deposit	EFT-00026167	10/17/2019	174.20	Linda Glover	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00026168	10/17/2019	100.75	Chris Malone	Travel Advance
Cash Advance Payment	Direct Deposit	EFT-00026169	10/17/2019	418.00	James McElvain	Travel Advance
Expense Payment	Direct Deposit	EFT-00026170	10/17/2019	99.99	Dareen Thielbar	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00026171	10/17/2019	418.00	Kimberly Kapp	Travel Advance
Expense Payment	Direct Deposit	EFT-00026172	10/17/2019	25.00	Tara Erickson	Employee Reimbursement
Expense Payment	Direct Deposit	EFT-00026173	10/17/2019	301.42	Dan Lloyd	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00026174	10/17/2019	418.00	Mike Lester	Travel Advance
Expense Payment	Direct Deposit	EFT-00026175	10/17/2019	175.50	Cody Beebe	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00026176	10/17/2019	87.75	Braun Tacon	Travel Advance
Expense Payment	Direct Deposit	EFT-00026177	10/17/2019	130.00	Luke Koistinen	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00026178	10/17/2019	260.50	Eric Holmes	Travel Advance
Expense Payment	Direct Deposit	EFT-00026179	10/17/2019	259.64	Jan Bader	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00026180	10/17/2019	211.75	Steven Ulibarri	Travel Advance
Cash Advance Payment	Direct Deposit	EFT-00026181	10/17/2019	31.50	Danielle Wass	Travel Advance
Expense Payment	Direct Deposit	EFT-00026182	10/17/2019	34.80	Jude Blocker	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00026183	10/17/2019	211.75	Dean Bray	Travel Advance
Expense Payment	Direct Deposit	EFT-00026184	10/17/2019	209.00	Josh Honomichl	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00026185	10/17/2019	211.75	Chad Lawry	Travel Advance
Expense Payment	Direct Deposit	EFT-00026186	10/17/2019	147.75	Maria Ryan	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00026187	10/17/2019	334.50	Lee Gelsinger	Travel Advance
Cash Advance Payment	Direct Deposit	EFT-00026188	10/17/2019	152.50	Darren McShea	Travel Advance
Expense Payment	Direct Deposit	EFT-00028213	10/24/2019	31.50	Brad Miller	Employee Reimbursement
Expense Payment	Direct Deposit	EFT-00028214	10/24/2019	751.89	Jackie St. Louis	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00028215	10/24/2019	107.25	James Bullinger	Travel Advance
Expense Payment	Direct Deposit	EFT-00028216	10/24/2019	264.43	Elaine Huber	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00028217	10/24/2019	107.25	Ian Crawford	Travel Advance
Expense Payment	Direct Deposit	EFT-00028218	10/24/2019	25.70	Corri Powell	Employee Reimbursement

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-00028219	10/24/2019	107.25	Stephen Kesler-Marosi	Travel Advance
Expense Payment	Direct Deposit	EFT-00028220	10/24/2019	2.50	Chris Malone	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00028221	10/24/2019	284.94	Sreekanth Thirunagari	Travel Advance
Expense Payment	Direct Deposit	EFT-00028222	10/24/2019	158.92	Christel Nelson	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00028223	10/24/2019	107.25	Nicholas Gravelle	Travel Advance
Cash Advance Payment	Direct Deposit	EFT-00028224	10/24/2019	306.98	Jeri Newbold	Travel Advance
Expense Payment	Direct Deposit	EFT-00028225	10/24/2019	174.33	Tyler Clary	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00028226	10/24/2019	418.00	Jeff Mori	Travel Advance
Expense Payment	Direct Deposit	EFT-00028227	10/24/2019	125.28	Tanya Gray	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00028228	10/24/2019	80.75	Chad Williams	Travel Advance
Expense Payment	Direct Deposit	EFT-00028229	10/24/2019	209.00	Cale Baker	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00028230	10/24/2019	248.50	Shawn Kandoll	Travel Advance
Expense Payment	Direct Deposit	EFT-00028231	10/24/2019	797.70	Charles Ray	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00028232	10/24/2019	87.00	Todd Lukes	Travel Advance
Expense Payment	Direct Deposit	EFT-00028233	10/24/2019	512.16	Chad Eiken	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00028234	10/24/2019	87.00	Trevor Hurn	Travel Advance
Expense Payment	Direct Deposit	EFT-00028235	10/24/2019	69.39	Jeffery Kipp	Employee Reimbursement
Expense Payment	Direct Deposit	EFT-00028236	10/24/2019	4.39	Deborah Hartsoch	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00028237	10/24/2019	87.00	Douglas Van Aalst	Travel Advance
Cash Advance Payment	Direct Deposit	EFT-00028238	10/24/2019	87.00	Tony Davidson	Travel Advance
Expense Payment	Direct Deposit	EFT-00028239	10/24/2019	192.10	Jennifer Campos	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00028240	10/24/2019	87.00	Austin Craig	Travel Advance
Expense Payment	Direct Deposit	EFT-00028241	10/24/2019	13.49	Brian Potter	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00028242	10/24/2019	87.00	Harrison Glavin	Travel Advance
Expense Payment	Direct Deposit	EFT-00028243	10/24/2019	250.00	Steven Neal	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00028244	10/24/2019	248.48	Russell Stacks	Travel Advance
Expense Payment	Direct Deposit	EFT-00028245	10/24/2019	159.61	Justin Brooke	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00028246	10/24/2019	31.50	Steve Savage	Travel Advance
Expense Payment	Direct Deposit	EFT-00028247	10/24/2019	4.50	John Janisch	Employee Reimbursement

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-00028248	10/24/2019	291.00	Sean Dumas	Travel Advance
Ad Hoc Payment	Check	€118	10/16/2019	17.53	Collins, Leonard	Utility Refunds: 0121001304-06
Ad Hoc Payment	Check	€119	10/16/2019	61.60	Dayle A Riley and, Nathan L Armstrong	Utility Refunds: 0045007995-02
Ad Hoc Payment	Check	€120	10/16/2019	60.83	Etta Goerl	Utility Refunds: 0147001214-04
Ad Hoc Payment	Check	€121	10/16/2019	44.26	Eva M Keith	Utility Refunds: 0061034790-02
Ad Hoc Payment	Check	€122	10/16/2019	69.92	John R Little III	Utility Refunds: 0038007500-05
Ad Hoc Payment	Check	€123	10/16/2019	198.82	Lawrence M Goldberg	Utility Refunds: 0091017400-02
Ad Hoc Payment	Check	€124	10/16/2019	100.00	Lorna V Clark	Utility Refunds: 000200C112-01
Ad Hoc Payment	Check	€125	10/16/2019	12.05	Nancy K Dallman	Utility Refunds: 0085002100-28
Ad Hoc Payment	Check	€126	10/16/2019	150.00	Novak Real Estate LLC	Utility Refunds: 000200C112-01
Ad Hoc Payment	Check	€127	10/16/2019	15.72	Robert A & Kimberly A Klein	Utility Refunds: 005600C021-01
Ad Hoc Payment	Check	€128	10/16/2019	42.89	Smith, Daniel	Utility Refunds: 002803C101-11
Ad Hoc Payment	Check	€129	10/16/2019	115.63	Tuchtenhagen, James L and Carolyn L	Utility Refunds: 000200C112-01
Ad Hoc Payment	Check	€130	10/16/2019	25.72	Wayne F Ranslem & Sharon E Smith	Utility Refunds: 007404C100-10
Ad Hoc Payment	Check	€131	10/16/2019	20.00	Abra Auto Body & Glass LP	refund alarm
Ad Hoc Payment	Check	€132	10/16/2019	120.00	Airport Green Neighborhood Association	20191010
Ad Hoc Payment	Check	€133	10/16/2019	10.05	Alex Martin	ref overpmt pkg cit 160402187
Ad Hoc Payment	Check	€134	10/16/2019	118.10	Arlis K Borjesson	September - 50+ Driver/Planner Reimbursement
Ad Hoc Payment	Check	€135	10/16/2019	89.00	Brooke Wright	Voucher # 2004936,058
Ad Hoc Payment	Check	€136	10/16/2019	20.00	Cascadia Search Group LLC	refund pkg permit COV9032
Ad Hoc Payment	Check	€137	10/16/2019	20.00	Chipotle Mexican Grill #796	refund alarm INV #99374408
Ad Hoc Payment	Check	€138	10/16/2019	140.00	Clifford Bell	voucher # 200
Ad Hoc Payment	Check	€139	10/16/2019	1 000.00	David Carter	refund CIVICGOV
Ad Hoc Payment	Check	€140	10/16/2019	39.01	David Jacky	September - 50+ Driver/Planner Reimbursement
Ad Hoc Payment	Check	€141	10/16/2019	40.00	Dress Barn #1012	refund alarm
Ad Hoc Payment	Check	€142	10/16/2019	4 878.00	Earthworks Excavating Services Inc	SCIP reimbursement #WA153-19
Ad Hoc Payment	Check	€143	10/16/2019	20.00	East West Martial Arts	refund alarm
Ad Hoc Payment	Check	€144	10/16/2019	174.24	Eckles Stephen Floyd & Eckles Sherry Lee	RES-271123 refund
Ad Hoc Payment	Check	€145	10/16/2019	20.00	Fabiano Scheiner/ Juliana Rizzo	refund alarm
Ad Hoc Payment	Check	€146	10/16/2019	18.00	Frank Wilson	September - 50+ Driver/Planner Reimbursement
Ad Hoc Payment	Check	€147	10/16/2019	250.00	Freedom House Ministries	Damage Deposit Refund - Permit #5368
Ad Hoc Payment	Check	€148	10/16/2019	25.00	Ian McClelland	ref overpmt pkg cit 7201705550
Ad Hoc Payment	Check	€149	10/16/2019	290.00	Ion Mihalut	refund business lic fees
Ad Hoc Payment	Check	€150	10/16/2019	28.44	Jacob Beuselinck	Customer Refund - Prorated Oct Membership Dues
Ad Hoc Payment	Check	€151	10/16/2019	1,297.55	Jedidiah Barnett	20190828
Ad Hoc Payment	Check	€152	10/16/2019	13.12	Jensina Tech	ref overpmt pkg citation 7200403996
Ad Hoc Payment	Check	€153	10/16/2019	30.00	Jeremy Henson	overpmt pkg cit #7201209598
Ad Hoc Payment	Check	€154	10/16/2019	39.75	Kevin Grant	September - 50+ Driver/Planner Reimbursement
Ad Hoc Payment	Check	€155	10/16/2019	19.28	Kevin Grant	August - 50+ Driver/Planner Reimbursement
Ad Hoc Payment	Check	€156	10/16/2019	21.03	Kevin Paff	September - 50+ Driver/Planner Reimbursement
Ad Hoc Payment	Check	€157	10/16/2019	50.00	Leann Komm	voucher 2003498,030
Ad Hoc Payment	Check	€158	10/16/2019	10.00	Lenora Oftedahl	September - 50+ Driver/Planner Reimbursement
Ad Hoc Payment	Check	€159	10/16/2019	50.00	Linda Forker	voucher 2003493,030
Ad Hoc Payment	Check	€160	10/16/2019	29.25	Linda Thompson	September - 50+ Driver/Planner Reimbursement
Ad Hoc Payment	Check	€161	10/16/2019	20.00	Linda Thompson	August - 50+ Driver/Planner Reimbursement
Ad Hoc Payment	Check	€162	10/16/2019	1,263.00	Lung Cancer Research Foundation	Esther Short Park (vancouver,WA) Refund
Ad Hoc Payment	Check	€163	10/16/2019	5.03	Marina Gritchenko	ref overpmt pkg cit 100606154
Ad Hoc Payment	Check	€164	10/16/2019	56.80	MARVIN NOBLE	Voucher # 2003510,030
Ad Hoc Payment	Check	€165	10/16/2019	79.00	Opus 205 Business Park - Bldg A	refund CIVICGOV

INVOICE PAYMENTS REPORT

Payment Category	Payment Type	Check Number	Payment Date	Payment Amount	Payment Payee	Payment Memo if applicable
Ad Hoc Payment	Check	6166	10/16/2019	650.00	Parkinson's Resources of Oregon	Esther Short Deposit Refund
Ad Hoc Payment	Check	6167	10/16/2019	180.00	PCS	refund alarms INV #99270084
Ad Hoc Payment	Check	6168	10/16/2019	80.00	PCS	refund alarms INV #99306030
Ad Hoc Payment	Check	6169	10/16/2019	40.00	PCS	ref alarms INV #99323193
Ad Hoc Payment	Check	6170	10/16/2019	20.00	PCS	refund alarms INV 99364628
Ad Hoc Payment	Check	6171	10/16/2019	20.00	PCS	ref alarms Inv #99280940
Ad Hoc Payment	Check	6172	10/16/2019	102.91	PCS	NSF trust 8076 Inv 8421
Ad Hoc Payment	Check	6173	10/16/2019	158.08	PCS	9170 Neg. Trust dated 9/25/19
Ad Hoc Payment	Check	6174	10/16/2019	63.74	Prairie Electric	MPE-270678 refund
Ad Hoc Payment	Check	6175	10/16/2019	63.74	Prairie Electric	MPE-270677 refund
Ad Hoc Payment	Check	6176	10/16/2019	20.00	Richard Yancy	refund alarm
Ad Hoc Payment	Check	6177	10/16/2019	290.00	Rivkah Loewus	refund business license fee
Ad Hoc Payment	Check	6178	10/16/2019	9.74	Sean Persels	overpmt pkg cit 170100885
Ad Hoc Payment	Check	6179	10/16/2019	20.77	Shelby J Richards	refund pkg permit COV00173
Ad Hoc Payment	Check	6180	10/16/2019	7,485.00	State of Washington	3rd Qtr 2019 A8 form
Ad Hoc Payment	Check	6181	10/16/2019	301.94	Steve Morasch	refund pkg permit CVO00402
Ad Hoc Payment	Check	6182	10/16/2019	87.20	Susan Robins	September - 50+ Driver/Planner Reimbursement
Ad Hoc Payment	Check	6183	10/16/2019	38.00	Susan Robins	August - 50+ Driver/Planner Reimbursement
Ad Hoc Payment	Check	6184	10/16/2019	42.31	Suzan Heglin	August - 50+ Driver/Planner Reimbursement
Ad Hoc Payment	Check	6185	10/16/2019	264.10	Synergy Restoratn & Const LLC	CMI-269013 refund
Ad Hoc Payment	Check	6186	10/16/2019	59.52	Valerie Deming	September - 50+ Driver/Planner Reimbursement
Ad Hoc Payment	Check	6187	10/16/2019	20.00	Vancouver Radiologists	refund alarms
Supplier Payment	Check	6189	10/16/2019	3,414.05	ABM Onsite Services West Inc	
Supplier Payment	Check	6190	10/16/2019	130,398.15	Advanced Excavating Specialists LLC	
Supplier Payment	Check	6191	10/16/2019	1,606.00	Allegheny Answering Services	
Supplier Payment	Check	6192	10/16/2019	134.75	Allegiance Benefit Plan Management Inc	
Supplier Payment	Check	6193	10/16/2019	32,305.00	Allegis Group Holdings Inc - Remit-To: TekSystems Inc - Atlanta	
Supplier Payment	Check	6194	10/16/2019	50,141.52	Alpine Products Inc	
Supplier Payment	Check	6195	10/16/2019	156.79	Aramark Uniform & Career Apparel LLC - Remit-To: Aramark - Pasadena	
Supplier Payment	Check	6196	10/16/2019	11,188.04	Arborscape Ltd Inc	
Supplier Payment	Check	6197	10/16/2019	399.29	Archaeological Investigations Northwest Inc	
Supplier Payment	Check	6198	10/16/2019	160.76	Archaeological Services LLC	
Supplier Payment	Check	6199	10/16/2019	1,316.43	AT & T Mobility II LLC	
Supplier Payment	Check	6200	10/16/2019	7,481.25	Avolve Software Corp	
Supplier Payment	Check	6201	10/16/2019	351,218.30	Blackline Inc	
Supplier Payment	Check	6202	10/16/2019	991.86	Blairco Inc	
Supplier Payment	Check	6203	10/16/2019	460.41	Bound Tree Medical LLC	
Supplier Payment	Check	6204	10/16/2019	150.00	Bradford Davis	
Supplier Payment	Check	6205	10/16/2019	3,558.72	Cadman Materials - Remit-To: Cadman - Chicago	
Supplier Payment	Check	6206	10/16/2019	1,611.92	CD Aero, LLC	
Supplier Payment	Check	6207	10/16/2019	14,133.28	Centennial Contractors Ent Inc	
Supplier Payment	Check	6208	10/16/2019	32,768.98	Century West Engineering Corp	
Supplier Payment	Check	6209	10/16/2019	9,609.00	CFM Strategic Communications Inc	
Supplier Payment	Check	6210	10/16/2019	18,075.65	CH2M Hill Inc - Remit-To: CH2M - Dallas	
Supplier Payment	Check	6211	10/16/2019	3,258.80	Cintas	
Supplier Payment	Check	6212	10/16/2019	2,254.21	City of Battle Ground - Remit-To: City of Battle Ground PD	
Supplier Payment	Check	6213	10/16/2019	10.70	City of Portland - Remit-To: City of Portland - General AR	

*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	6214	10/16/2019	96.00	City of Vancouver - Remit-To: COV Main	
Supplier Payment	Check	6215	10/16/2019	927.92	City of Washougal	
Supplier Payment	Check	6216	10/16/2019	1,279.48	Clark County Historical Society	
Supplier Payment	Check	6217	10/16/2019	1,286.18	Clark County - Remit-To: Clark County - Sheriff	
Supplier Payment	Check	6218	10/16/2019	552,841.25	Clark County - Remit-To: Clark County - Treasurer Vancouver	
Supplier Payment	Check	6219	10/16/2019	477.04	Clark Public Utility District No. 1	
Supplier Payment	Check	6220	10/16/2019	56.30	Clark Public Utility District No. 1	
Supplier Payment	Check	6221	10/16/2019	409.35	Clark Public Utility District No. 1	
Supplier Payment	Check	6222	10/16/2019	2,372.91	Clark Public Utility District No. 1	
Supplier Payment	Check	6223	10/16/2019	387.45	Clark Public Utility District No. 1	
Supplier Payment	Check	6224	10/16/2019	51.06	Clark Public Utility District No. 1	
Supplier Payment	Check	6225	10/16/2019	609.60	Clark Public Utility District No. 1	
Supplier Payment	Check	6226	10/16/2019	605.56	Clark Regional Emergency Services Agency (CRESA)	
Supplier Payment	Check	6227	10/16/2019	1,643.50	Columbia Resource Company	
Supplier Payment	Check	6228	10/16/2019	4,510.66	Columbia West Engineering	
Supplier Payment	Check	6229	10/16/2019	108.27	Comcast - Remit-To: Comcast Business - City of Industry	
Supplier Payment	Check	6230	10/16/2019	314.40	Comcast - Remit-To: Comcast Business - City of Industry	
Supplier Payment	Check	6231	10/16/2019	102.12	Comcast - Remit-To: Comcast Business - City of Industry	
Supplier Payment	Check	6232	10/16/2019	6,167.05	Consolidated Supply Co	
Supplier Payment	Check	6233	10/16/2019	301.21	Corporate Translation Services Inc	
Supplier Payment	Check	6234	10/16/2019	4,515.00	Crandall Arambula PC	
Supplier Payment	Check	6235	10/16/2019	155,006.31	Davidson Kilpatric & Krislock PLLC	
Supplier Payment	Check	6236	10/16/2019	157,123.66	Dell Marketing LP	
Supplier Payment	Check	6237	10/16/2019	130.85	DKS Associates Inc	
Supplier Payment	Check	6238	10/16/2019	7,959.50	DLT Solutions LLC	
Supplier Payment	Check	6239	10/16/2019	4,009.45	Eagle Newspaper Inc	
Supplier Payment	Check	6240	10/16/2019	116.00	Emergency Rooms PS	
Supplier Payment	Check	6241	10/16/2019	750.00	EMS Technology Solutions LLC	
Supplier Payment	Check	6242	10/16/2019	2,000.00	Entercom Communications Corp - Remit-To: Entercom Communications Corp. Cleveland	
Supplier Payment	Check	6243	10/16/2019	6,400.91	Erickson Structural Consulting Engineers	
Supplier Payment	Check	6244	10/16/2019	12,450.30	Esix Sportswear	
Supplier Payment	Check	6245	10/16/2019	22,132.07	Ferguson Enterprises - Remit-To: Ferguson - Dallas	
Supplier Payment	Check	6246	10/16/2019	1,462.50	Foster Pepper PLLC	
Supplier Payment	Check	6247	10/16/2019	7,015.00	Gallagher Bassett Services Inc	
Supplier Payment	Check	6248	10/16/2019	316.77	Galls LLC	
Supplier Payment	Check	6249	10/16/2019	11,930.23	Gelco Supply Inc	
Supplier Payment	Check	6250	10/16/2019	68.00	Gilbarco Veeder-Root	
Supplier Payment	Check	6251	10/16/2019	855.32	Gordon Truck Centers	
Supplier Payment	Check	6252	10/16/2019	4,914.39	Gray & Osborne Inc	
Supplier Payment	Check	6253	10/16/2019	365,890.56	Halme Excavating Inc	
Supplier Payment	Check	6254	10/16/2019	16,488.43	Harper Houf Peterson Righellis Inc	
Supplier Payment	Check	6255	10/16/2019	457.46	Harrys Key Service Inc	
Supplier Payment	Check	6256	10/16/2019	56,170.00	Holt Services Inc	
Supplier Payment	Check	6257	10/16/2019	745.56	Industrial Scientific Corporation - Remit-To: Industrial Scientific Corp - Pittsburgh	

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<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	6258	10/16/2019	476.13	Iron Mountain Inc - Remit-To: Iron Mountain - New York	
Supplier Payment	Check	6259	10/16/2019	317.62	J-2 Blueprint Supply Co.	
Supplier Payment	Check	6260	10/16/2019	1,500.00	JCI Jones Chemicals Inc	
Supplier Payment	Check	6261	10/16/2019	305.00	J D Fulwiler & Company Insurance Inc.	
Supplier Payment	Check	6262	10/16/2019	6,091.40	Jing Chin	
Supplier Payment	Check	6263	10/16/2019	135.00	Kathleen Miller	
Supplier Payment	Check	6264	10/16/2019	8,129.49	Keating Bucklin & McCormack Inc PS	
Supplier Payment	Check	6265	10/16/2019	8,714.15	Kelly Services Inc - Remit-To: Kelly Services - Pasadena	
Supplier Payment	Check	6266	10/16/2019	85,865.81	Key Code Media, Inc	
Supplier Payment	Check	6267	10/16/2019	250.00	Kiggins Theater LLC	
Supplier Payment	Check	6268	10/16/2019	944.93	Kittelson & Associates Inc	
Supplier Payment	Check	6269	10/16/2019	1,187.50	Kramer Gehlen & Associates	
Supplier Payment	Check	6270	10/16/2019	46.00	Law, Lyman, Daniel, Kamerrer & Bogdanovich	
Supplier Payment	Check	6271	10/16/2019	1,676.70	Linguava Interpreters Inc	
Supplier Payment	Check	6272	10/16/2019	117,798.53	Mackay Sposito Inc	
Supplier Payment	Check	6273	10/16/2019	63,878.73	Mackenzie Engineering Inc	
Supplier Payment	Check	6274	10/16/2019	2,603.00	Maria Tunno	
Supplier Payment	Check	6275	10/16/2019	18,356.42	Mead & Hunt Inc	
Supplier Payment	Check	6276	10/16/2019	1,000.00	Message Gears LLC	
Supplier Payment	Check	6277	10/16/2019	4,410.38	Minister & Glaeser Surveying Inc	
Supplier Payment	Check	6278	10/16/2019	405.00	MKE & Associates Inc	
Supplier Payment	Check	6279	10/16/2019	927.47	National Safety Inc	
Supplier Payment	Check	6280	10/16/2019	1,794.07	Net Transcripts Inc	
Supplier Payment	Check	6281	10/16/2019	186.00	Northwest Cascade Inc	
Supplier Payment	Check	6283	10/16/2019	1,218.43	Northwest Natural Gas Company - Remit-To: NW Natural - Portland	
Supplier Payment	Check	6284	10/16/2019	12,119.57	Otak Inc	
Supplier Payment	Check	6285	10/16/2019	353.51	Otis Elevator	
Supplier Payment	Check	6286	10/16/2019	4,485.00	Pacifica Law Group LLP	
Supplier Payment	Check	6287	10/16/2019	2,670.01	Pacific Furnishings (DO NOT USE / SAVE)	
Supplier Payment	Check	6288	10/16/2019	3,210.00	PBS Engineering and Environmental Inc	
Supplier Payment	Check	6289	10/16/2019	520.00	Petty Cash Custodian - Remit-To: Chad Williams	
Supplier Payment	Check	6290	10/16/2019	6,713.00	Portland Adventist Medical Center	
Supplier Payment	Check	6291	10/16/2019	157.02	Potter Webster Co	
Supplier Payment	Check	6292	10/16/2019	4,966.10	PPC Solutions Inc	
Supplier Payment	Check	6293	10/16/2019	748.50	Praxair Distribution Inc	
Supplier Payment	Check	6294	10/16/2019	1,211.90	Projects NW LLC	
Supplier Payment	Check	6295	10/16/2019	860.00	Public Safety Testing Inc	
Supplier Payment	Check	6296	10/16/2019	2,636.25	Reid Middleton Inc	
Supplier Payment	Check	6297	10/16/2019	1,713.50	ROP Consulting Inc	
Supplier Payment	Check	6298	10/16/2019	1,744.32	Roth Staffing Companies LLC	
Supplier Payment	Check	6299	10/16/2019	639,588.63	Rotschy Inc	
Supplier Payment	Check	6300	10/16/2019	18,944.00	S & F Land Services Inc	
Supplier Payment	Check	6301	10/16/2019	3,000.00	Seanette Corkill	
Supplier Payment	Check	6302	10/16/2019	9,535.50	Sequence Graphics LLC	
Supplier Payment	Check	6303	10/16/2019	5,500.00	SERA Architects	
Supplier Payment	Check	6304	10/16/2019	8,222.84	Sharon Rice	
Supplier Payment	Check	6305	10/16/2019	144.53	Shred It USA LLC	

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<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	6306	10/16/2019	493.22	Siemens Industry Inc - Remit-To: Siemens - Carol Stream	
Supplier Payment	Check	6307	10/16/2019	536.63	Software House International SHI - Remit-To: SHI - Dallas	
Supplier Payment	Check	6308	10/16/2019	6,219.93	Stantec Consulting Services Inc - Remit-To: Stantec - Chicago	
Supplier Payment	Check	6309	10/16/2019	15.83	State of Oregon Department of Transportation - Remit-To: OR DMV - Salem	
Supplier Payment	Check	6310	10/16/2019	3,693.68	State of Washington Auditor's Office	
Supplier Payment	Check	6311	10/16/2019	50,000.00	State of Washington Department of Employment Security	
Supplier Payment	Check	6312	10/16/2019	136.07	State of Washington Department of Licensing - Remit-To: DOL - Seattle Remit	
Supplier Payment	Check	6313	10/16/2019	2,572.00	State of Washington State Patrol	
Supplier Payment	Check	6314	10/16/2019	76.48	Stericycle Inc	
Supplier Payment	Check	6315	10/16/2019	650.00	The Austringer LLC	
Supplier Payment	Check	6316	10/16/2019	200.54	Towing & Recovering Services Inc	
Supplier Payment	Check	6317	10/16/2019	736.68	Transunion Risk & Alternative Data Solutions Inc	
Supplier Payment	Check	6318	10/16/2019	6,000.00	Trauma Intervention Programs	
Supplier Payment	Check	6319	10/16/2019	1,219.50	Triple J Enterprises	
Supplier Payment	Check	6320	10/16/2019	70.74	United Parcel Service	
Supplier Payment	Check	6321	10/16/2019	19,837.85	Universal Field Services Inc	
Supplier Payment	Check	6322	10/16/2019	4,935.00	Vancouvercenter Condominium Association	
Supplier Payment	Check	6323	10/16/2019	4,125.00	Vancouver Slow Pitch Umpires Association - Remit-To: VSPUA - Vancouver	
Supplier Payment	Check	6324	10/16/2019	4,748.24	Waldron & Company Inc	
Supplier Payment	Check	6325	10/16/2019	20,641.06	Wallis Engineering PLLC	
Supplier Payment	Check	6326	10/16/2019	349.33	Walter E Nelson Company	
Supplier Payment	Check	6327	10/16/2019	3,347.00	Washington State Criminal Justice Training Commission - Remit-To: Criminal Justice Training Commission - Olympia	
Supplier Payment	Check	6328	10/16/2019	4,248.50	Waste Connections of Washington - Remit-To: Waste Connections - Vancouver	
Supplier Payment	Check	6329	10/16/2019	34,511.78	Williams Kastner & Gibbs PLLC - Remit-To: Williams Kastner - Seattle	
Supplier Payment	Check	6330	10/16/2019	1,385,456.02	Willis of Seattle Inc - Remit-To: Willis - Pasadena	
Supplier Payment	Check	6331	10/16/2019	11,111.04	Wood's Logging Supply Inc	
Supplier Payment	Check	6332	10/16/2019	4,900.00	Workday Inc	
Supplier Payment	Check	6333	10/16/2019	3,363.00	W Todd Pascoe	
Supplier Payment	Check	6334	10/16/2019	1,977.79	WW Grainger Inc	
Supplier Payment	Check	6335	10/16/2019	428.92	XPO Logistics Enterprise Services, Inc - Remit-To: XPO - Portland	
Supplier Payment	Check	6336	10/16/2019	6,962.68	YOLO Washington LLC	
Supplier Payment	Check	6337	10/16/2019	10,185.02	Clark County - Remit-To: Clark County - Treasurer Vancouver	
Supplier Payment	Check	6338	10/23/2019	100.10	State of Washington Auditor's Office	
Ad Hoc Payment	Check	6339	10/23/2019	170.00	Albrecht Ludwig Steiner and, Luisa Gaines Steiner	Utility Refunds: 0101002082-04 Consolidated refund created from multiple refunds
Ad Hoc Payment	Check	6340	10/23/2019	203.31	Aleksandr A & Lyudmila V Manzhura	Utility Refunds: 0118000119-08
Ad Hoc Payment	Check	6341	10/23/2019	351.23	Becki Johnson	Utility Refunds: 0072025905-11
Ad Hoc Payment	Check	6342	10/23/2019	1,000.00	Carol Schafer	Utility Refunds: 0021002500-08
Ad Hoc Payment	Check	6343	10/23/2019	106.92	Chi Keung Yeung and Wei Ping Yeung	Utility Refunds: 0055034550-01
Ad Hoc Payment	Check	6344	10/23/2019	140.21	Circle N Properties - Broadway LLC or, Marcia A Nevin	Utility Refunds: 0008004800-03

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Payment Category	Payment Type	Check Number	Payment Date	Payment Amount	Payment Payee	Payment Memo if applicable
Ad Hoc Payment	Check	6345	10/23/2019	194.89	Donna S Wolther	Utility Refunds: 0002000112-01
Ad Hoc Payment	Check	6346	10/23/2019	1,919.25	Engie Insight Services INC	Utility Refunds: 0000005037-02
Ad Hoc Payment	Check	6347	10/23/2019	190.00	Harland G and Sandra J Kraft	Utility Refunds: 0099053100-03 Consolidated refund created from multiple refunds
Ad Hoc Payment	Check	6348	10/23/2019	100.00	Huntington, John	Utility Refunds: 0000006999-02
Ad Hoc Payment	Check	6349	10/23/2019	117.55	Johnny Whisenhunt and Kayli Freund	Utility Refunds: 0000005977-02
Ad Hoc Payment	Check	6350	10/23/2019	177.92	Juanita B Lopez	Utility Refunds: 0000001396-02
Ad Hoc Payment	Check	6351	10/23/2019	51.62	Judith Kirsling	Utility Refunds: 0048010000-04
Ad Hoc Payment	Check	6352	10/23/2019	161.51	June M Swanson	Utility Refunds: 0500001276-01
Ad Hoc Payment	Check	6353	10/23/2019	1,000.00	Kenneth Petersen	Utility Refunds: 0077056119-02
Ad Hoc Payment	Check	6354	10/23/2019	125.21	Li Chieh Chang	Utility Refunds: 0137005974-03
Ad Hoc Payment	Check	6355	10/23/2019	80.79	Li Chieh Chang and Fu Yun Lee	Utility Refunds: 0137005974-03
Ad Hoc Payment	Check	6356	10/23/2019	46.88	Silver Buckle Homes LLC	Utility Refunds: 0500002426-01
Ad Hoc Payment	Check	6357	10/23/2019	63.85	Simonton, Dale and Lynda	Utility Refunds: 0037009900-01
Ad Hoc Payment	Check	6358	10/23/2019	61.01	Spurlock, Kennith	Utility Refunds: 0124033030-01
Ad Hoc Payment	Check	6359	10/23/2019	142.36	Wayne Jacobsen	Utility Refunds: 0047084147-09
Ad Hoc Payment	Check	6360	10/23/2019	190.00	Wehner, Gordon	Utility Refunds: 0111010606-02 Consolidated refund created from multiple refunds
Ad Hoc Payment	Check	6361	10/23/2019	57.09	Accurate Electric Unlimited, Inc	MPE-270215 refund
Ad Hoc Payment	Check	6362	10/23/2019	5.71	Amy Manning	refund overpmt pkg cit 160602620
Ad Hoc Payment	Check	6363	10/23/2019	797.50	BATTLE GROUND SCHOOL DISTRICT	INV0000037689
Ad Hoc Payment	Check	6364	10/23/2019	200.00	Beit Shalom Balevav Church	Damage Deposit Refund Permit #R7837
Ad Hoc Payment	Check	6365	10/23/2019	27.10	Brent Waddle	refund parking perm COV00152
Ad Hoc Payment	Check	6366	10/23/2019	362.92	Camas School District #117	INV0001014043
Ad Hoc Payment	Check	6367	10/23/2019	786.00	Camas School District #117	INV#0001014246
Ad Hoc Payment	Check	6368	10/23/2019	509.95	Carrie Bobbitt-Ashworth	MPE-271238 refund
Ad Hoc Payment	Check	6369	10/23/2019	85.00	Clark County District Court	Citations #7201704444; 7201207761
Ad Hoc Payment	Check	6370	10/23/2019	969.56	Clark Public Utilities	CMI-225943 refund
Ad Hoc Payment	Check	6371	10/23/2019	27.00	Denise Taylor	Voucher #2003512.030
Ad Hoc Payment	Check	6372	10/23/2019	57.09	Duron Home Solutions LLC	MPE-271550 refund
Ad Hoc Payment	Check	6373	10/23/2019	120.00	Ellsworth Springs Neighborhood Association	20191017
Ad Hoc Payment	Check	6374	10/23/2019	100.00	Ellsworth Springs Neighborhood Association	20191014
Ad Hoc Payment	Check	6375	10/23/2019	360.00	Evergreen School District #114	0000012178
Ad Hoc Payment	Check	6376	10/23/2019	46.45	George Taylor	refund pkg permit COV09077
Ad Hoc Payment	Check	6377	10/23/2019	2,845.07	IRS - ACS Support	191023 ID # 650054168
Ad Hoc Payment	Check	6378	10/23/2019	8,701.67	Jason Zhen	SWR-271359
Ad Hoc Payment	Check	6379	10/23/2019	63.74	JC Electric Inc.	MPE-262530 refund
Ad Hoc Payment	Check	6380	10/23/2019	1,026.00	Jet Fire Protection LLC	FRI-271453 refund for overpayment thru online system
Ad Hoc Payment	Check	6381	10/23/2019	50.00	Kenneth Seppa	refund overpmt pkg cit 7201903296
Ad Hoc Payment	Check	6382	10/23/2019	9,539.20	L & S Contractors	Inv #19439 (Colaiuta/Korten)
Ad Hoc Payment	Check	6383	10/23/2019	82.00	Leak Seal Roofing Inc	CMI-271157 refund
Ad Hoc Payment	Check	6384	10/23/2019	200.00	Monique Rogers	refund business lic
Ad Hoc Payment	Check	6385	10/23/2019	14,440.00	National Assoc of Clean Water Agencies	59274
Ad Hoc Payment	Check	6386	10/23/2019	30.00	Notary Public Program	Notary Public Comm fee for - M. Conjugacion
Ad Hoc Payment	Check	6387	10/23/2019	116.00	PCS	neg trust inv #8495 & 9103
Ad Hoc Payment	Check	6388	10/23/2019	796.40	Ryan Wilson	LUP-76463 refund
Ad Hoc Payment	Check	6389	10/23/2019	200.00	Showtime Baseball	refund business lic fee
Ad Hoc Payment	Check	6390	10/23/2019	120.00	Shumway Neighborhood Association	2019 RecycleU Grant - Solid Waste
Ad Hoc Payment	Check	6391	10/23/2019	73,015.85	Specht Holdings	CMI-260624 refund
Ad Hoc Payment	Check	6392	10/23/2019	250.00	SWACH	Voucher #2003556.030
Ad Hoc Payment	Check	6393	10/23/2019	1,896.77	Tirzah Fjellman	CMI-268158
Ad Hoc Payment	Check	6394	10/23/2019	189.20	Vancouver Height's United Methodist Church	Refund Voucher #2000278.082

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>
Ad Hoc Payment	Check	6395	10/23/2019	2,217.96	Vancouver School District	LUP-76160 refund
Ad Hoc Payment	Check	6396	10/23/2019	254.00	Victoria Thoreson	refund pkg permit COV09008
Ad Hoc Payment	Check	6397	10/23/2019	120.00	Wildwood Neighborhood Association	20191018
Ad Hoc Payment	Check	6398	10/23/2019	57.00	Wolfers Home Services	MPE-271534 refund
Supplier Payment	Check	6399	10/23/2019	180.20	Accurate Corporate Services Inc	
Supplier Payment	Check	6400	10/23/2019	4,611.20	Action Technology Systems	
Supplier Payment	Check	6401	10/23/2019	1,860.00	Acuity Group PLLC	
Supplier Payment	Check	6402	10/23/2019	152,629.44	Advanced Excavating Specialists LLC	
Supplier Payment	Check	6403	10/23/2019	772.40	Advance Stores Company Incorporated - Remit-To: Advance Auto Parts - Atlanta	
Supplier Payment	Check	6404	10/23/2019	74.60	Airgas, Inc	
Supplier Payment	Check	6405	10/23/2019	1,129.00	Albina Holdings Inc	
Supplier Payment	Check	6406	10/23/2019	900.80	A-Line Asphalt Maintenance Inc	
Supplier Payment	Check	6407	10/23/2019	46,335.00	Allcon LLC	
Supplier Payment	Check	6408	10/23/2019	14,083.75	Allegis Group Holdings Inc - Remit-To: TekSystems Inc - Atlanta	
Supplier Payment	Check	6409	10/23/2019	600.00	American Medical Response Northwest Inc - Remit-To: AMR - Vancouver	
Supplier Payment	Check	6410	10/23/2019	121.80	American Sani-Can	
Supplier Payment	Check	6411	10/23/2019	440.34	Aramark Uniform & Career Apparel LLC - Remit-To: Aramark - Pasadena	
Supplier Payment	Check	6412	10/23/2019	2,222.20	Arborscape Ltd Inc	
Supplier Payment	Check	6413	10/23/2019	57.00	Archaeological Services LLC	
Supplier Payment	Check	6414	10/23/2019	21.00	Ashley Webb	
Supplier Payment	Check	6415	10/23/2019	10,281.54	Aspect Consulting LLC	
Supplier Payment	Check	6416	10/23/2019	10,335.26	Blairco Inc	
Supplier Payment	Check	6417	10/23/2019	888.61	Bound Tree Medical LLC	
Supplier Payment	Check	6418	10/23/2019	3,609.87	Boys and Girls Clubs of Southwest Washington	
Supplier Payment	Check	6419	10/23/2019	200.00	Bradford Davis	
Supplier Payment	Check	6420	10/23/2019	8,463.05	Cadman Materials - Remit-To: Cadman - Chicago	
Supplier Payment	Check	6421	10/23/2019	441.00	Cale America Inc	
Supplier Payment	Check	6422	10/23/2019	1,263.75	Cellco Partnership - Remit-To: Cellco - Dallas	
Supplier Payment	Check	6423	10/23/2019	9,609.00	CFM Strategic Communications Inc	
Supplier Payment	Check	6424	10/23/2019	159,353.21	CH2M Hill Engineers Inc - Remit-To: CH2M - Dallas	
Supplier Payment	Check	6425	10/23/2019	5,903.91	Chanh C Le	
Supplier Payment	Check	6426	10/23/2019	200.00	Charles Suniga	
Supplier Payment	Check	6427	10/23/2019	48.00	City of Vancouver - Remit-To: COV Main	
Supplier Payment	Check	6428	10/23/2019	155,188.00	Clark County	
Supplier Payment	Check	6429	10/23/2019	562.66	Clark County - Remit-To: Clark County - Treasurer Vancouver	
Supplier Payment	Check	6430	10/23/2019	30.00	Clark County - Remit-To: Reeta Fees	
Supplier Payment	Check	6431	10/23/2019	846.26	Clark Public Utility District No. 1	
Supplier Payment	Check	6432	10/23/2019	804.40	Clark Public Utility District No. 1	
Supplier Payment	Check	6433	10/23/2019	782.85	Clark Public Utility District No. 1	
Supplier Payment	Check	6434	10/23/2019	504.08	Clark Public Utility District No. 1	
Supplier Payment	Check	6435	10/23/2019	565.05	Clark Public Utility District No. 1	
Supplier Payment	Check	6436	10/23/2019	513.11	Clark Public Utility District No. 1	
Supplier Payment	Check	6437	10/23/2019	3,203.22	Columbia Cascade Company	
Supplier Payment	Check	6438	10/23/2019	109.95	Comcast - Remit-To: Comcast Business - City of Industry	

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	6439	10/23/2019	241.11	Comcast - Remit-To: Comcast Business - City of Industry	
Supplier Payment	Check	6440	10/23/2019	113.27	Comcast - Remit-To: Comcast Business - City of Industry	
Supplier Payment	Check	6441	10/23/2019	160.00	Community Housing Resource Center	
Supplier Payment	Check	6442	10/23/2019	16,127.93	Copiers Northwest	
Supplier Payment	Check	6443	10/23/2019	6,699.12	Core and Main LP	
Supplier Payment	Check	6444	10/23/2019	39.76	Corporate Translation Services Inc	
Supplier Payment	Check	6445	10/23/2019	214.41	Corwin Beverage	
Supplier Payment	Check	6446	10/23/2019	1,099.99	Craig and Julie Pfeifer	
Supplier Payment	Check	6447	10/23/2019	1,644.09	CUES Inc - Remit-To: CUES Inc - Cincinnati	
Supplier Payment	Check	6448	10/23/2019	975.00	David Corey PHD PC	
Supplier Payment	Check	6449	10/23/2019	211.39	Day Management Corp	
Supplier Payment	Check	6450	10/23/2019	528.46	Day Management Corp - Remit-To: Day Wireless - Milwaukee	
Supplier Payment	Check	6451	10/23/2019	12,281.56	Dell Marketing LP	
Supplier Payment	Check	6452	10/23/2019	82,770.88	Del Sol Inc	
Supplier Payment	Check	6453	10/23/2019	4,135.52	Distinctive Landscape LLC	
Supplier Payment	Check	6454	10/23/2019	2,639.49	DKS Associates Inc	
Supplier Payment	Check	6455	10/23/2019	2,832.30	Eagle Newspaper Inc	
Supplier Payment	Check	6456	10/23/2019	2,000.00	Entercom Communications Corp - Remit-To: Entercom Communications Corp. Cleveland	
Supplier Payment	Check	6457	10/23/2019	275.00	ERF Company Inc	
Supplier Payment	Check	6458	10/23/2019	1,259.52	Eric Atwell	
Supplier Payment	Check	6459	10/23/2019	56.37	Experian Marketing Solutions - Remit-To: Experian - Los Angeles	
Supplier Payment	Check	6460	10/23/2019	6,493.84	Ferguson Enterprises - Remit-To: Ferguson - Dallas	
Supplier Payment	Check	6461	10/23/2019	3,140.00	Fifth Realm Consulting LLC	
Supplier Payment	Check	6462	10/23/2019	11,755.98	Fire Systems West	
Supplier Payment	Check	6463	10/23/2019	5,210.37	Flames	
Supplier Payment	Check	6464	10/23/2019	40.69	Frontier Communications	
Supplier Payment	Check	6465	10/23/2019	2,608.48	Gallagher Bassett Services Inc	
Supplier Payment	Check	6466	10/23/2019	174.74	Genuine Parts Company - Remit-To: NAPA - Los Angeles	
Supplier Payment	Check	6467	10/23/2019	2,523.28	George Elevator Service LLC	
Supplier Payment	Check	6468	10/23/2019	142,114.44	GGLO Inc	
Supplier Payment	Check	6469	10/23/2019	4,882.13	Global Transportation Engineering Corporation	
Supplier Payment	Check	6470	10/23/2019	1,634.91	Governmentjobs.com	
Supplier Payment	Check	6471	10/23/2019	275.00	H&H Wood Recyclers	
Supplier Payment	Check	6472	10/23/2019	135,880.59	Halme Excavating Inc	
Supplier Payment	Check	6473	10/23/2019	543.75	Hanford & Associates LLC	
Supplier Payment	Check	6474	10/23/2019	13,062.25	Harper Houf Peterson Righellis Inc	
Supplier Payment	Check	6475	10/23/2019	3,332.43	H D Fowler Company Inc - Remit-To: H D Fowler - Bellevue	
Supplier Payment	Check	6476	10/23/2019	8,446.15	HDR Engineering Inc - Remit-To: HDR Engineering - Chicago	
Supplier Payment	Check	6477	10/23/2019	4,583.33	Hispanic Metropolitan Chamber	
Supplier Payment	Check	6478	10/23/2019	745.56	Industrial Scientific Corporation - Remit-To: Industrial Scientific Corp - Pittsburgh	
Supplier Payment	Check	6479	10/23/2019	1,453.90	Interior Office Solutions	
Supplier Payment	Check	6480	10/23/2019	2,646.73	Interlocked Filtration Systems	
Supplier Payment	Check	6481	10/23/2019	5,282.89	International Business Machines	

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INVOICE PAYMENTS REPORT

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Supplier Payment	Check	6482	10/23/2019	1,570.00	Invintus Media Inc	
Supplier Payment	Check	6483	10/23/2019	916.48	Iron Mountain Inc - Remit-To: Iron Mountain - New York	
Supplier Payment	Check	6484	10/23/2019	1,626.00	Jamestown Networks	
Supplier Payment	Check	6485	10/23/2019	24,289.67	Janus Youth Programs Inc	
Supplier Payment	Check	6486	10/23/2019	1,250.00	JCI Jones Chemicals Inc	
Supplier Payment	Check	6487	10/23/2019	2,919.00	Judith L Bufford	
Supplier Payment	Check	6488	10/23/2019	170.00	Judy Adams	
Supplier Payment	Check	6489	10/23/2019	1,588.00	Kelly Services Inc - Remit-To: Kelly Services - Pasadena	
Supplier Payment	Check	6490	10/23/2019	1,942.59	Kittelson & Associates Inc	
Supplier Payment	Check	6491	10/23/2019	22.79	Kronos Incorporated - Remit-To: Atlanta	
Supplier Payment	Check	6492	10/23/2019	752.68	L.N. Curtis & Sons	
Supplier Payment	Check	6493	10/23/2019	75,069.29	Lakeside Industries Inc - Remit-To: Lakeside - Issaquah	
Supplier Payment	Check	6494	10/23/2019	6,890.90	Lifeline Connections	
Supplier Payment	Check	6495	10/23/2019	1,609.00	Lile International Companies	
Supplier Payment	Check	6496	10/23/2019	10,006.15	Mackenzie Engineering Inc	
Supplier Payment	Check	6497	10/23/2019	676.50	Makhan Uppal	
Supplier Payment	Check	6498	10/23/2019	1,354.91	Mallory Safety & Supply LLC	
Supplier Payment	Check	6499	10/23/2019	710.00	Marquam Group LTD	
Supplier Payment	Check	6500	10/23/2019	406.50	Metro Overhead Door Inc	
Supplier Payment	Check	6501	10/23/2019	234.81	Miller Mendel Inc	
Supplier Payment	Check	6502	10/23/2019	3,355.88	Municipal Emergency Services Inc - Remit-To: Municipal Emergency Services - Chicago	
Supplier Payment	Check	6503	10/23/2019	1,368.00	Murray Smith Inc	
Supplier Payment	Check	6504	10/23/2019	1,654.30	Net Transcripts Inc	
Supplier Payment	Check	6505	10/23/2019	3,820.00	Nina Lonskaya	
Supplier Payment	Check	6506	10/23/2019	300.00	Nolsen Enterprises LLC	
Supplier Payment	Check	6507	10/23/2019	127.76	Northwest Cascade Inc	
Supplier Payment	Check	6508	10/23/2019	595.92	Northwest Natural Gas Company - Remit-To: NW Natural - Portland	
Supplier Payment	Check	6509	10/23/2019	1,602.86	One Call Concepts Inc	
Supplier Payment	Check	6510	10/23/2019	1,032.00	Otak Inc	
Supplier Payment	Check	6511	10/23/2019	722.51	Pacific Furnishings (DO NOT USE / SAVE)	
Supplier Payment	Check	6512	10/23/2019	4,726.24	Pacific Power Group LLC	
Supplier Payment	Check	6513	10/23/2019	8,615.00	Parkeon	
Supplier Payment	Check	6514	10/23/2019	440.00	Petty Cash Custodian - Remit-To: Chad Williams	
Supplier Payment	Check	6515	10/23/2019	468.07	Physio-Control Inc	
Supplier Payment	Check	6516	10/23/2019	1,162.00	Portland Adventist Medical Center	
Supplier Payment	Check	6517	10/23/2019	9,246.02	PPC Solutions Inc	
Supplier Payment	Check	6518	10/23/2019	131.92	Praxair Distribution Inc	
Supplier Payment	Check	6519	10/23/2019	39,566.00	Procore Technologies Inc	
Supplier Payment	Check	6520	10/23/2019	8,000.00	Proud Ground	
Supplier Payment	Check	6521	10/23/2019	1,210.00	Public Safety Testing Inc	
Supplier Payment	Check	6522	10/23/2019	10,318.08	Qwest Corp - Remit-To: Qwest Corp- Seattle	
Supplier Payment	Check	6523	10/23/2019	1,394.33	Rapid Response Bio Clean	
Supplier Payment	Check	6524	10/23/2019	649.86	Rentokil North America Inc	
Supplier Payment	Check	6525	10/23/2019	4,766.28	Retail Lockbox Inc	
Supplier Payment	Check	6526	10/23/2019	255.75	Richard L Hepper	
Supplier Payment	Check	6527	10/23/2019	2,008.10	Right of Way Associates Inc	

INVOICE PAYMENTS REPORT

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Supplier Payment	Check	6528	10/23/2019	92.14	Riverside Containers LLC	
Supplier Payment	Check	6529	10/23/2019	412.50	Robertson Engineering PC	
Supplier Payment	Check	6530	10/23/2019	11,707.20	Ron Turley Associates	
Supplier Payment	Check	6531	10/23/2019	4,285.21	Roth Staffing Companies LLC	
Supplier Payment	Check	6532	10/23/2019	288.00	Rotschy Inc	
Supplier Payment	Check	6533	10/23/2019	155,948.14	Sawyer & Sons Construction LLC	
Supplier Payment	Check	6534	10/23/2019	1,158.57	Scatter Creek Pet Products Inc	
Supplier Payment	Check	6535	10/23/2019	1,762.58	Sea Reach LTD	
Supplier Payment	Check	6536	10/23/2019	11,665.56	Second Step Housing	
Supplier Payment	Check	6537	10/23/2019	135,233.59	Share Inc	
Supplier Payment	Check	6538	10/23/2019	200.00	Sheldon Wong	
Supplier Payment	Check	6539	10/23/2019	4,114.66	Shrums Pest Control	
Supplier Payment	Check	6540	10/23/2019	8,564.38	Sierra-Cedar Inc - Remit-To: Sierra-Cedar Inc. / Atlanta	
Supplier Payment	Check	6541	10/23/2019	85,103.50	Software House International SHI - Remit-To: SHI - Dallas	
Supplier Payment	Check	6542	10/23/2019	32.34	State of Washington Department of Transportation	
Supplier Payment	Check	6543	10/23/2019	10.36	Stericycle Inc	
Supplier Payment	Check	6544	10/23/2019	105.30	T2 Systems Inc - Remit-To: T2- Atlanta	
Supplier Payment	Check	6545	10/23/2019	160.00	The Columbian Publishing Co	
Supplier Payment	Check	6546	10/23/2019	300.00	Todd Jordan Consulting LLC	
Supplier Payment	Check	6547	10/23/2019	1,530.08	Towing & Recovering Services Inc	
Supplier Payment	Check	6548	10/23/2019	425.00	Triangle Resources Inc	
Supplier Payment	Check	6549	10/23/2019	850.27	Triple J Enterprises	
Supplier Payment	Check	6550	10/23/2019	39.22	United Parcel Service	
Supplier Payment	Check	6551	10/23/2019	892.05	United States Department of Agriculture - Remit-To: USDA APHIS - St Louis	
Supplier Payment	Check	6552	10/23/2019	635.23	United States Dosimetry Technology Inc	
Supplier Payment	Check	6553	10/23/2019	4,526.03	Univar USA Inc	
Supplier Payment	Check	6554	10/23/2019	1,084.00	US Water Services Inc - Remit-To: US Water - Minneapolis	
Supplier Payment	Check	6555	10/23/2019	282.50	Vancouver Aire LLC	
Supplier Payment	Check	6556	10/23/2019	15,310.88	Vancouver Downtown Association	
Supplier Payment	Check	6557	10/23/2019	3,207.36	Vancouver Farmers Market Association	
Supplier Payment	Check	6558	10/23/2019	37,500.00	Vancouver Watershed Council	
Supplier Payment	Check	6559	10/23/2019	229.00	Vast Data Concepts	
Supplier Payment	Check	6560	10/23/2019	8.56	Walter E Nelson Company	
Supplier Payment	Check	6561	10/23/2019	995.51	Wapiti NW LLC	
Supplier Payment	Check	6562	10/23/2019	21,751.93	Waste Connections of Washington - Remit-To: Waste Connections - Vancouver	
Supplier Payment	Check	6563	10/23/2019	2,310.00	Why Community	
Supplier Payment	Check	6564	10/23/2019	26,127.00	Willis of Seattle Inc - Remit-To: Willis - Pasadena	
Supplier Payment	Check	6565	10/23/2019	4,214.59	Wire Works LLC	
Supplier Payment	Check	6566	10/23/2019	70.25	WW Grainger Inc	
Supplier Payment	Check	6567	10/23/2019	2,282.68	Zayo Group Holding Inc	
Supplier Payment	Check	6568	10/23/2019	1,005.16	Broadway Investors LLC	
Supplier Payment	Check	6569	10/23/2019	9,500.77	Brown & Wilson Partnership LLC	
Supplier Payment	Check	6570	10/23/2019	120,235.78	Clark County	
Supplier Payment	Check	6571	10/23/2019	221,162.47	Clark County - Remit-To: Clark County - Treasurer Vancouver	
Supplier Payment	Check	6572	10/23/2019	487,082.59	Clark Public Utility District No. 1	
Supplier Payment	Check	6573	10/23/2019	8,463.38	Esther Short Commons LLP	

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INVOICE PAYMENTS REPORT

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Supplier Payment	Check	6574	10/23/2019	32,735.92	Life Insurance Company of North America	
Supplier Payment	Check	6575	10/23/2019	500.00	Nagra & Atwal Corporation	
Supplier Payment	Check	6576	10/23/2019	4,278.32	National Park Service	
Supplier Payment	Check	6577	10/23/2019	54,509.98	Northwest Staffing Resources Inc - Remit-To: NW Staffing - Portland	
Supplier Payment	Check	6578	10/23/2019	4,752.00	State of Washington Department of Licensing - Remit-To: DOL - Motor Carriers Unit	
Supplier Payment	Check	6579	10/25/2019	8,669.66	Aflac	
Supplier Payment	Check	6580	10/25/2019	5,290.88	AFSCME Local #307	
Supplier Payment	Check	6581	10/25/2019	3,612.00	Chapter 13 - Trustee	
Supplier Payment	Check	6582	10/25/2019	21,336.28	IAFF Local #452	
Supplier Payment	Check	6583	10/25/2019	751.06	IAM Local #1374	
Supplier Payment	Check	6584	10/25/2019	76.60	Legal Shield	
Supplier Payment	Check	6585	10/25/2019	8,163.96	Life Insurance Company of North America	
Supplier Payment	Check	6586	10/25/2019	575.00	MFS Service Center Inc	
Supplier Payment	Check	6587	10/25/2019	4,918.90	OPEIU Local #11	
Supplier Payment	Check	6588	10/25/2019	140.04	OPEIU Local #11	
Supplier Payment	Check	6589	10/25/2019	383.52	OPEIU Local #11	
Supplier Payment	Check	6590	10/25/2019	608.00	Teamsters Local #53	
Supplier Payment	Check	6591	10/25/2019	350.00	UA Local #290	
Supplier Payment	Check	6592	10/25/2019	1,327.28	United Way of the Columbia Willamette	
Supplier Payment	Check	6593	10/25/2019	13,093.26	Vancouver Police Officer Guild	
Supplier Payment	Check	6594	10/25/2019	3,012.00	Western Conference of Teamsters	
Supplier Payment	Check	6595	10/25/2019	1,115.08	Western Metal Industry Pension Plan	
			SUBTOTAL	11,091,118.83		
Hansen			10/15/2019	6,014.68	City Payments	Posted 10-15-19 thru 10-21-19
Hansen			10/29/2019	34,444.42	City Payments	Posted 10-22-19 thru 10-27-19
			SUBTOTAL	40,459.10		
VISA			10/22/2019	1,282.27	Miscellaneous	Parks Class Refunds - FCC 10-15-19 thru 10-21-19
VISA			10/22/2019	1,195.00	Miscellaneous	Parks Class Refunds - MCC 10-15-19 thru 10-21-19
VISA			10/22/2019	-	Miscellaneous	Parks Class Refunds - Special Events 10-15-19 thru 10-21-19
VISA			10/22/2019	-	Miscellaneous	Parks Class Refunds - WREC 10-15-19 thru 10-21-19
VISA			10/29/2019	1,751.40	Miscellaneous	Parks Class Refunds - FCC 10-22-19 thru 10-27-19
VISA			10/29/2019	1,195.00	Miscellaneous	Parks Class Refunds - MCC 10-22-19 thru 10-27-19
VISA			10/29/2019	-	Miscellaneous	Parks Class Refunds - Special Events 10-22-19 thru 10-27-19
VISA			10/28/2019	521.60	Miscellaneous	Parks Class Refunds - WREC 10-22-19 thru 10-27-19
			SUBTOTAL	5,945.27		
			TOTAL	11,137,523.20		

City of Vancouver
Payroll Council Report
October 15, 2019 - October 28, 2019

Check No.	Date	Explanation	Amount
1821 - 1879	10/25/19	20 2019 Payroll	\$ 23,411.41
26305 - 28212	10/25/19	20 2019 Direct Deposits	\$ 2,958,577.57
N/A	10/25/19	NACHA return	\$ (1,532.75)
1880	10/25/19	Replacement Check for NACHA Return	\$ 1,532.75

\$ 2,981,988.98



Staff Report 163-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/4/2019

SUBJECT Disposition of Real Property - Waterfront parcel

Key Points

- Section 3.2.2 of the initial Development Agreement between the City of Vancouver and Waterfront LLC provides for the City to convey to Developer the Developer Exchange Land, consisting of approximately 36,000 square feet of property, within sixty (60) days after all rights-of-way within the Developer Exchange Land have been improved with the public street improvements.
- The Third Amendment to the D.A. revised the above condition to allow the transfer to occur after the first phase of public improvements had been completed and inspected, which has since occurred, thereby satisfying the requirement in the D.A.
- A city sewer force main which serves the Waterfront extends east-west through the parcel, and a public easement will be recorded over it prior to any transfer, to allow for periodic maintenance as well as to protect it from adjacent development.

Strategic Plan Alignment

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

Goal 7, Objective 7.1: Support redevelopment of the Columbia River waterfront.

Goal 7, Objective 7.2: Adopt infrastructure improvements, tax incentives and other tools to stimulate redevelopment of Vancouver's urban waterfront.

Present Situation

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.

Advantage(s)

1. Formal action to dispose of the subject property fulfills a commitment by the City contained in the 2009 Downtown Waterfront Development Agreement
2. Transfer of the property to CWLLC will further advance the Waterfront redevelopment efforts.
3. A 15-foot-wide public easement will be recorded over the existing sewer force main, which will ensure that the City retains future access to it for maintenance.

Disadvantage(s)

None

Budget Impact

None

Prior Council Review

On October 21, 2019, Council approved a resolution declaring the real property to be surplus.

Action Requested

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

ATTACHMENTS:

- ▣ Resolution
- ▣ Vicinity Map
- ▣ Legal Description
- ▣ Downtown Waterfront Development Agreement
- ▣ 3rd Amendment to Waterfront DA
- ▣ Appraisal of CWLLC ROW Dedications
- ▣ Appraisal of City Property to be Surplused

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.

11/04/19

RESOLUTION NO. _____

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

WHEREAS, the City of Vancouver acquired the real property listed on the attached Exhibit D (“Subject Property”); and

WHEREAS, Council reviewed Staff Report No. _____ and the disposition property report related to the Subject Property; and

WHEREAS, the real property described in Exhibit D has been declared surplus to the needs of the City by Resolution No. _____; and

WHEREAS, the Subject Property on Exhibit C is surplus to the needs of the City; and should be disposed of by transfer to Columbia Waterfront LLC (CWLLC) as prescribed in the Downtown Waterfront Development Agreement between the City of Vancouver and CWLLC, dated October 19, 2009;

NOW THEREFORE,

BE IT RESOLVED BY THE CITY OF VANCOUVER:

Section 1. The Subject Property shall be disposed of by transfer to CWLLC as provided for in the Downtown Waterfront Development Agreement, section 3.2.2

Section 2. The City Manager or his designee may execute Deed and other real estate documents transferring ownership as provided for in the Downtown Waterfront Development Agreement.

ADOPTED at a Regular Meeting of the Vancouver City Council this 4th day of November, 2019.

Anne McEnery-Ogle, Mayor

Attest:

Natasha Ramras, City Clerk

Approved as to form:

Jonathan Young, Acting City Attorney

LEGAL DESCRIPTION FOR
CITY OF VANCOUVER SURPLUS PROPERTY
EAST OF VACATED ESTHER STREET

October 4, 2017

A parcel of property in a portion of the Amos Short Donation Land Claim No. 51 and located in the Southwest quarter of Section 27, Township 2 North, Range 1 East, of the Willamette Meridian, City of Vancouver, Clark County, Washington, being a portion of Lots 1, 2, 3, 4, 7 and 8 of Block 26 and Lots 4, 5, 6, 7 and 8 of Block 27 and of those portions of 3rd and Daniels Street in the Plat of West Vancouver recorded in Book "D" of Plats, at Page 30, records of the Clark County, lying Southwesterly of a line drawn parallel with and 30.00 feet from, when measured perpendicular to, the Burlington Northern and Santa Fe Railway Company's Main Track centerline as described in deed to the City of Vancouver, recorded under Auditor's File No. 3222569, records of Clark County, and lying Southerly of the following described line:

COMMENCING at a brass cap set at the Southeast corner of said Short Donation Land Claim;

THENCE North 02° 19' 17" East towards a stone with an "X" at the intersection of Main & 12th Streets as shown in Book 17 of Surveys at Page 21, records of the Clark County Auditor, a distance of 1046.42 feet;

THENCE North 87° 40' 43" West 1309.17 feet to the TRUE POINT OF BEGINNING;

THENCE South 57° 15' 28" East 112.45 feet;

THENCE South 58° 31' 22" East 1.07 feet;

THENCE South 55° 18' 29" East 21.51 feet;

THENCE South 60° 20' 03" East 21.69 feet;

THENCE South 58° 28' 53" East 399.69 feet;

THENCE South 26° 55' 22" West 13.87 feet;

THENCE South 63° 18' 52" East 11.14 feet;

THENCE South 63° 31' 50" East 181.27 feet;

THENCE South 57° 39' 23" East 13.79 feet to the South line of said Burlington Northern Santa Fe Railroad Company tract;

THENCE South 54° 22' 26" East along said South line 60.92 feet, more or less, to the West line of Columbia Street and the TERMINUS of said line.

EXCEPT any portions lying West of the West line of Block 27, said Plat of West Vancouver, and that parcel conveyed by deed to the Port of Vancouver recorded under Auditor's File No. 9308180176, records of Clark County.

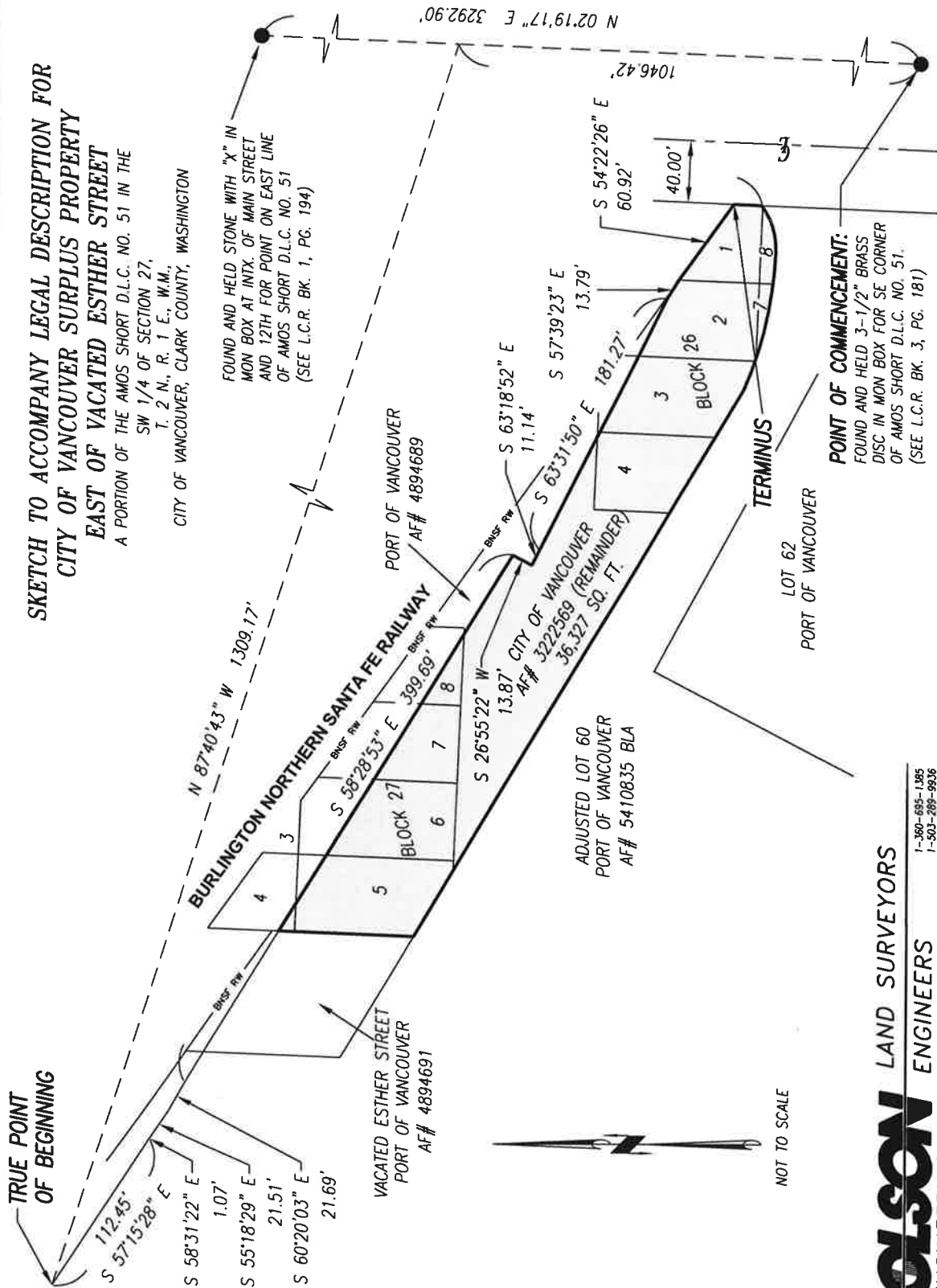
The intent of the above described parcel of land is to convey all that remainder of that parcel described in deed to the City of Vancouver, recorded under Auditor's File No. 3222569, records of Clark County.

Containing 36,327 square feet, more or less.



10-4-17

SKETCH TO ACCOMPANY LEGAL DESCRIPTION FOR
CITY OF VANCOUVER SURPLUS PROPERTY
EAST OF VACATED ESTHER STREET
A PORTION OF THE AMOS SHORT D.L.C. NO. 51 IN THE
SW 1/4 OF SECTION 27,
T. 2 N., R. 1 E., W.M.,
CITY OF VANCOUVER, CLARK COUNTY, WASHINGTON



OLSON LAND SURVEYORS
ENGINEERS
ENGINEERING INC. 222 E. EVERGREEN BLVD., VANCOUVER, WA 98660

1-360-695-1285
1-503-299-9936

J:\DATA\8000\8200\8210\8218\SURVEY\8218.SLS00023-CITY-2-PORT.dwg



STAFF REPORT NO. 144-09

TO: Mayor and City Council
FROM: Pat McDonnell, City Manager

DATE: 10/19/09

Subject: Public Hearing -- approval of a Development Agreement with Columbia Waterfront, LLC for a conceptual master plan on approximately 32 acres generally located south of the BNSF right-of-way, west of Columbia, East of Jefferson and north of the Columbia River. (Parcels 49335-000, 502180-000, 48841-000, 48843-000, 502240-000).

Objective: Encourage and facilitate redevelopment of the site consistent with the Vancouver City Center Vision Plan (VCCV), the Esther Short Neighborhood Revitalization Strategy Area, City Center (CX) zoning, and to secure financial contributions to off-site access improvements and assure development of public amenities within the redevelopment consistent with the VCCV.

Present Situation: Columbia Waterfront LLC owns approximately 28 acres and has executed a long-term land lease with the Port of Vancouver for an adjacent 4 acres for a total of approximately 32 acres within the Columbia West Renaissance District of the VCCV ("Site"). Columbia Waterfront LLC intends to pursue approval of a master development plan for the site consistent with goals and policies of the VCCV to redevelop the site with an urban, mixed use addition to the City's downtown core. The development goals found in the VCCV, along with a range of mix of uses in the conceptual master plan appended to the Development Agreement (DA) is as follows:

Use	VCCV Goal	Master Development Concept	
		min	Max
Residential (units)	3014	2,500	3,300
Office/Commercial	450,000	400,000	1,120,000
Retail	125,000	100,000	400,000
Hotel (rooms)	200	0	160 rooms
Industrial/Institutional	110,000	0	0

In addition, the master concept plan calls for a total of approximately 10 acres of parks, plazas esplanades and open spaces to be developed or set aside for public use and access on full build out of the site. The master open space concept plan was created through a public process, and reviewed and endorsed by the Parks and Recreation Advisory Commission (PRAC) on March 20, 2009.

On September 17, 2009, the City Center Revitalization Authority reviewed the draft development agreement at a public meeting and forwarded a recommendation of conditional approval. The specifics of their recommendation were included in the draft of the agreement delivered to City Council at the September 21 work session. There are other modifications to the draft that are addressed in the attached memorandum.

Advantage(s): Advantages related to the proposed development agreement include:

1. Facilitates realization of the community vision as adopted in the VCCV.
2. Assures a range of density and mix of uses to be developed on the site over the full build out of the redevelopment area consistent with the VCCV.

3. Assures a total of approximately 10 acres of new public parks, plazas, esplanades and open spaces within the project, including continuous access to the shore of the Columbia River.
4. Assures an extension of the downtown grid through private improvement of public amenities within the redevelopment project, including streets, sidewalks, utilities, street lights, consistent with the City's vision and dedicated to the city, at an estimated private cost of approximately \$31 million.
5. Provides for continuation of the Renaissance Trail by assuring approximately .5 miles of continuous public access along the Columbia River, the full length of the project.
6. Provides for the addition of 20 new blocks to the downtown core, opening up additional opportunities for new development incomparable to any found in the greater metropolitan area.
7. Secures an \$8 million private contribution to off-site public access infrastructure by contract, personal guarantee and restriction of building permit issuance.
8. Assures that the public investment in the off-site access project will ultimately result in the private development envisioned in the VCCV.
9. Secures the potential for creation of up to 4,100 direct permanent jobs and approximately 12,000 construction jobs over the full build-out of the private redevelopment project.
10. Leverages public infrastructure investment to potential private investment at a ratio of 30:1.
11. Secures the potential return on investment from private development as follows:

ESTIMATED NET PRESENT VALUE OF FISCAL BENEFIT OVER 25 YEARS	
City of Vancouver	\$ 40.3
Other Local Government	\$ 50.9
State of Washington	\$ 146.9
TOTAL NET FISCAL BENEFIT	\$ 238.1

12. The access project embodied within the agreement has multiple collateral benefits, as follows:
 - a. Will result in establishment of a quiet zone in the downtown core.
 - b. Will improve vehicle safety by eliminating two at-grade crossings in the downtown.
 - c. Will add reliable, safe 24/7 access to the crescent area, improving industrial traffic movement and accessibility for emergency vehicles to 30 businesses located in the crescent area.
 - d. Will maximize the effectiveness of the Port of Vancouver West Vancouver Freight Access Project and the WSDOT West Vancouver Bypass projects, ultimately resulting in a 40% enhanced main-line freight rail efficiency.

Disadvantage(s): The City's commitment to build the access project as embodied in the agreement dedicates capital funding that may otherwise be used for other City transportation capital projects.

Budget Impact: The Development Agreement requires the City to complete the full access project in two phases, currently estimated at a total of \$44.3 million over two biennia. The City has secured through multiple sources \$34.8 million funding and financing for Phase I, much of which was adopted as part of or anticipated by the 2009-2010 budget. The City anticipates, based on existing legislative requests, an additional \$4.8 million in grants and earmarks, and has identified or applied

for an additional \$5.3 million in funding from state and federal grant sources, for a total of \$44.9 million of either secured, anticipated or identified funding and financing sources for the overall project. The specific funding and financing program for public street construction will be addressed with the 2011-2012 biennial budget, and the City will continue to strategically pursue outside funding in a manner that limits the local share of the project.

Action Requested:

On October 19, 2009, following a public hearing on the development agreement, adopt a resolution authorizing the City Manager or his designee to execute a development agreement with Columbia Waterfront, LLC vesting and reserving transportation capacity for the project, as well as the proprietary terms of the master redevelopment concept plan for the former Boise Cascade site.

Attachments:

- Staff analysis memorandum dated September 14, 2009.
- September 16, 2009 letter from Randy Printz re: draft DA
- Staff review of September 16, 2009 letter from Randy Printz re: outstanding issues on draft Development Agreement, dated October 7, 2009
- Resolution
- Development Agreement

C9100801/PM:EH:MW9



To: Ward Cook, Chair
City Center Revitalization Authority

From: Eric J. Holmes, Economic Development Director

Date: September 14, 2009

RE: Waterfront Redevelopment Project Development Agreement Overview and Analysis

Background

In June 2007, the City adopted the Vancouver City Center Vision Plan (VCCV), a vision for redevelopment of the downtown area that set goals to transform the downtown into an 18/7 environment embodying the concept of "messy vitality", a dynamic and rich mix of residential, cultural, civic, retail and entertainment places designed to attract growth, jobs and round-the-clock activity.

The VCCV carved the downtown core into six districts and established specific development goals for each. Included among these six areas is the Columbia West Renaissance district, more commonly referred to as the Waterfront District, which includes the highest concentration of new residential, commercial, office and new public open space of any district within the VCCV planning area. The Waterfront District includes approximately 60% of the total future planned development within the downtown core over the next 20 years.

In early 2008, the 28 acre former Boise Cascade mill site was purchased by Columbia Waterfront, LLC, a group of local investors comprised of Steve Oliva, Al Kirkwood, Steve Hansen and Gramor Waterfront LLC, represented by Barry Cain, and George Diamond. At that same time, this investor group secured a long term land lease for an additional 4 acres from the Port of Vancouver, bringing a total of approximately 32 acres under their control for redevelopment purposes.

Since that time, the City has been working with the developer and their design team, as well as the City and Developer's legal advisors, to craft the terms of a development agreement and master redevelopment concept plan for the redevelopment project. Attached to this memorandum is the final draft of the development agreement and the master redevelopment concept plan (as exhibits) for the CCRA's review.

On the whole, the agreement achieves three critical, primary objectives:

- **Provides certainty to both the City and Developer of a minimum development plan that runs with the land for the 20 year period of the agreement.**
 - Assuring a minimum development program (uses, mix, general configuration and density) for the site consistent with the goals of the VCCV.
 - Vesting the site with current development regulations and infrastructure capacity necessary to accommodate future redevelopment consistent with the master concept plan.
- **Assures construction of the off site Access Project.**
 - Obligates and secures an \$8 million contribution from the Developer to the off site access project.
 - Obligates the City to construct the access project if all other agreement terms are met.
- **Assures approximately 10 acres of public park, plazas and open spaces in the project, including a continuous public waterfront park along the sites river frontage.**
 - Provides for dedication of the waterfront park upon notice by the City after entitlement.
 - Obligates the developer to construct a core, useable park improvement prior to occupancy of the first building.

The agreement - except where expressly intended to, such as relative to a limited set of design standards - does not circumvent the development review process. Rather, it augments and provides some new parameters for development review to rely upon as they and the Planning Commission review the project.

Though the full agreement is essential to meet the mutual and individual interests and obligations of the City and the Developer for the project, analysis of the more substantive elements of the agreement and associated exhibits are provided below, by Section.

Analysis

- | | |
|-------------------|---|
| Recitals. | No substantive issues. |
| Section 1. | No substantive issues. |
| Section 2: | Sets the duration of the agreement at 20 years, and provides for both parties to vigorously resist any appeals. |
| Section 3: | Defines project site and minor land exchanges between City and developer. |
| Section 4: | Master Development Plan. This section is critical to assuring the community's goals, as reflected in the VCCV, are implemented on build out of the project. |

- Minimum density on the site at 4.5:1 floor area ratio. This ratio will result in a minimum of approximately 3 million s.f. of development upon build out of the project, which is consistent with the goals of the VCCV.
- Minimum and maximum densities for office, retail, residential and open space uses. The range for each of the se uses is consistent with the goals of the VCCV.
- Minimum sustainable design standard for all vertical development. Neither the VCCV nor the code specifies a sustainable design standard for vertical development in this district. This provision will assure that all new buildings within the redevelopment project meet, at a *minimum*, the design standards equivalent to USGBC LEED Silver.
- Basic configuration of the essential components of the master development concept plan (Exhibit B). While this agreement establishes the master concept plan against which, in part, the entitlement application will be measured, the agreement does not circumvent any of the development review processes required for the project.
- Development and design standards that will apply to full build out of the project. This includes vesting of current development regulations as well as a limited set of specific designs standards (Exhibit L) that apply to the project moving forward.

Section 5: Outlines the required land use approvals and a time frame for the Developer to pursue such approvals. Given that the technically complete application has been made, the substance of this section is generally limited to the fact that the entitlement submittal must be consistent with this agreement and that the City and developer will resist any future appeals of the master plan entitlement approvals.

Section 6: This section defines the specific circumstances under which either the City or Developer may terminate the agreement.

Section 7: This is critical to accomplishing some of the most substantive objectives of the agreement for both parties. This section:

- Defines the off-site transportation improvement that is essential to be able to develop the property consistent with the VCCV and conceptual master plan, and obligates the City to build the off site (provided all other agreement conditions are met).
- Defines \$8 million as the total amount of the developer's contribution to the off-site transportation improvements. This equates to approximately 18% of the total project costs, which are estimated at \$44.3 million. In addition, this section defines the terms of that contribution and the mechanism the developer will provide to secure it. The payment is assured in three primary ways:
 - The development agreement as a binding business contract. Execution of the DA obligates the developer to a stream of "transportation mitigation payments" over a maximum of 5 years totaling \$8 million. 10% of this amount (\$800,000) will be paid prior to the City going to construction of the access project, and the balance over the subsequent 5 years.
 - Personal guarantees of the individual investors. In addition to the DA as a contract, the individual investors will execute personal guarantees to guarantee

their share of the obligation proportionate to their ownership in the LLC. This distribution is outlined in Section 7.3.1.3. *Ball Janik, the City's outside counsel in this matter, has retained a CPA firm to perform a review of the financial statements of each of the investors and advice of the probability of the investors to meet their share of the \$8 million obligation as defined in this agreement. The opinion based on a review of financials was not available as of this writing, but is expected before final action on the agreement by the City Council. Should the CCRA forward a recommendation of approval to the Council, it should be contingent upon satisfactory conclusion of this financial review.*

- Payment in full by date certain. In addition to the schedule provided for in Section 7.3.1.1 and 7.3.1.2, the full outstanding balance must be paid in full prior to issuance of the first building permit for vertical construction (see section 7.3.1.2).

Section 8: This section vests the following project aspects for 20 years following execution of the agreement:

- Vests the project with the regulations in effect at the time of execution, except as modified by Section 4.3 and Exhibit I.
- Vests the certificate of concurrency and transportation capacity in the system of 2,391 PM peak hour trips, as well as provides a method for tracking trip consumption.
- Clarifies that these benefits and obligations run with the land.

Section 9: This section outlines other City and Developer obligations, and is critical to assuring the public parks, plazas and open spaces are established and built as envisioned by the community. This section:

- Provides for dedication of on site streets and utilities consistent with the master concept plan and typical entitlement processes.
- Defines the park, plazas, open space and trail components of the project, including:
 - The overall conceptual parks plan, which is generally consistent with the concept plan reviewed and endorsed by the Parks and Recreation Advisory Commission in spring of 2009.
 - The Waterfront Esplanade Plan design concept, as well as the triggering conditions that will result in dedication of the property to the City. This section also clarifies the lack of obligation of the City or developer to construct the full esplanade plan, but commits both to a cooperative effort to find funding to finish construction of the esplanade (Section 9.3.2).
 - The Core Park Improvements, which are those that will be built by the developer, at the developer's expense and maintained by the developer for 2 years following completion, which must occur prior to occupancy of the first building on site (Section 9.3.3).
 - Parameters for future use of the Waterfront Park & esplanade (Section 9.3.4).

- Provides for relevant and appropriate system development charge and impact fee credits consistent with the City's regulations and codes governing such credits.
- Provides for a temporary staging site for the City's waterfront access project on the development site.

Section 10: Provides for the general provisions, notices, etc.

LANDERHOLM, MEMOVICH, LANSVERK & WHITESIDES, P.S.

ATTORNEYS AT LAW

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Email randy.printz@landerholm.com

Randall B. Printz

September 16, 2009

Eric Holmes, Economic Development Services Manager
City of Vancouver
210 E. 13th Avenue
Vancouver, WA 98666

Re: Columbia Waterfront Development Agreement

Dear Eric:

Eric, we received the City's latest revisions to the Development Agreement yesterday. We understand that you have sent that draft to the CCRA for their review prior to our meeting with them scheduled for Thursday of this week. Most of the changes that the City proposed are acceptable to us, but there are a few that we would like to comment on and have considered by the CCRA. We acknowledge the effort that has been put forth by both sides and that no agreement is ever perfect, nor can it address every conceivable situation that might arise in the future.

Following is a short list of provisions that are currently unacceptable to Columbia Waterfront (Columbia) in their current form and a corresponding proposed resolution that is intended to address the City's reason for including the provision, but in a manner that is acceptable to Columbia:

1) 7.1.3.2

In this section, the City has now added an "acceleration clause" that provides a stiff penalty for being more than ten days late with a payment. The City's new language requires that all payments provided for under the Agreement are accelerated and become immediately due and payable if the developer is late with any of the annual payment. Because this is an annual payment and because of the significance of the acceleration to not only Columbia Waterfront LLC, but to the guarantors under this Agreement, we propose a 30 day notice period in place of the ten day notice period, and we propose that the City would provide all of the guarantors with written notice. To effectuate these changes we propose the following language:

In the event that the Developer fails to make any payment when due and as required under this Section 7.3.1.2, then upon Thirty (30) days written notice to the Developer, and the guarantors identified in Section 7.3.1.3, the City may accelerate the required payment of all unpaid amounts

due under this Section 7.3.1.2, plus interest thereon at the rate of the City's cost of capital for financing the off-site transportation improvements.

2) 9.3.2

In this section, Columbia is donating the land to the City for its park. Columbia has requested that the City allow two restrictive covenants to be placed upon the property: (1) to have the property remain as a park in perpetuity; and, (2) that the limitation that the City (staff) has agreed to in Section 9.3.4 (no construction of buildings or permanent structures - and limited commercial activities) also remain in perpetuity beyond the life of the Agreement. The City as now placed language in the Agreement that accomplishes the park purposes in perpetuity, but not the other restrictions.

The vision for this area is a vibrant public park that will be functionally integrated with the development project and provide building owners and tenants with a unique waterfront experience. In order to attract the types of future building owners and tenants that will invest 100 – 150 million dollars to build buildings that are proposed for this site, there needs to be assurance that at the expiration of this agreement, that space will not be cluttered with future buildings that block views or otherwise detract from the unique urban waterscape that both Columbia and the City have envisioned for this area.

Those assurances need to be in place now, as these buildings will be here long after this agreement expires and few if any private entities would make that kind of investment with the possibility that at the expiration of this agreement, the entire area could detrimentally change. The City has agreed with these concerns as evidenced by the language in Section 9.3.4 restricting certain uses and structures for the life of the agreement. We are simply asking that these provisions survive the expiration of the agreement. The following language is proposed to address this issue:

The City agrees to allow a restrictive covenant to be placed upon the property that limits or restricts certain uses and structures as provided for in Section 9.3.4.

3) 9.3.2

In this provision the City has asked that the developer “warrant” that the land it purchased from Boise Cascade and which it is donating to the City for a park, be free of any hazardous substances that would require remediation. Columbia did extensive investigation into the environmental condition of the property as part of its purchase of it. Columbia is willing to make available to the City all of that information and material. Because Columbia has taken no action

on the property, it is clear that they have not contaminated the property. The issue is whether there is any remaining contamination on the site, not previously cleaned up by Boise. Based upon its investigation, Columbia does not believe there is any additional contamination; however, it is not in a position to warrant or guarantee that it does not.

As part of Columbia's purchase of the property, they obtained an indemnification agreement with Boise that essentially provides that in the event that additional contamination is found during construction, Boise would pay for any clean up costs in excess of \$500,000 for a period of eight years after the closing of the sale. This right does not appear to be assignable, but Columbia is willing to retain the property through the period that provision is in effect (assumedly the city would construct its park during this period.), in order to provide additional protection to the City for this risk. In this situation, the City would "effectively" although not "contractually" step into the shoes of Columbia. Thus, if additional contamination were found, the City's exposure would be limited to \$500,000 during the period that the Boise provision was in effect.

If this is acceptable to the City, the City and Columbia would need to work out the details (indemnification, rights of access etc.) of the City's construction of a park on property then owned by Columbia. Transfer of the property could occur as soon as the City constructed their park. Please understand that this is property that is being donated to the City, not purchased by the City. In the latter case, it is certainly typical for the seller to provide some type of indemnification for environmental liability. However, where property is being donated for parks, rights of way or other public purposes, it does not seem appropriate, nor is it typical for the person making the donation to also indemnify the donee. Such a practice would have a substantial chilling effect on the willingness of civic and philanthropic donors to make donations such as this.

4) 9.6

In order to preserve the aesthetics of the park area and to better integrate the park with the project, the developer and the City have agreed that the most appropriate place for permanent restrooms is in or attached to one of the buildings near the park. The developer has agreed to lease such space to the City at no cost to the City, but is requesting that the City pay to the developer the costs of what the City would have spent, if they constructed their own facilities or the pro-rata share of the costs of the building shell, whichever is less. The City is currently unwilling to make such a payment.

The City has agreed to pay for its utility costs for operating and maintaining the restrooms, but only if the utilities are separately metered. It is very common in commercial buildings to not have separate utility meters for each tenant, but rather to fairly pro rate the utility costs amongst the tenants. That is what Columbia is requesting in this case. Finally, the City desires to have the ultimate say in the precise location of the restrooms. The developer wishes to identify one or

more locations now, where such facilities would be located that are acceptable to the City. The following language is proposed to address this issue:

The Developer agrees that the City may lease one permanent public men's restroom and one permanent women's restroom within a building to be built by the Developer in one of the locations identified in Exhibit ___. The ultimate location shall be determined by the developer, but must be in one of the areas depicted upon Exhibit ___. The Developer shall lease ground floor space within that building to the City for a term equal to the life of the building for \$1.00. The Developer shall create "shell space" served by sewer, water, HVAC and electricity stubbed to the interior walls. The City shall pay the cost of all restroom fixtures and improvements and pay to the Developer the pro-rata share of the cost of building shell based upon the respective square footages of the building shell and the restroom; or an amount equal to the cost of the City constructing its own restrooms of comparable size, whichever is less. The City shall pay the cost of maintaining these restrooms in a first class manner, including the payment of all utilities and janitorial services. The parties agree to enter into commercially reasonable documents to implement the above, including hours of operation.

5) 10.14

The City is not willing to let Columbia assign its rights or obligations under this agreement without consent from the City. As the project moves forward and blocks are potentially sold or conveyed to other third parties for construction (example: company XYZ Inc wants to relocate its offices from California to Vancouver and build and own its own building) or to affiliated entities of Columbia, it is imperative that Columbia's rights under this agreement are able to be assigned to those future entities. For example, if buildings are sold to others, those owners would have no ability to enforce the Agreement's provisions requiring the City to maintain the park or restrooms or, or to construct the transportation improvements. Any future developer of these blocks, will want and require the same rights as provided to Columbia under this Agreement. The following language is proposed to address this issue:

Neither party may assign its respective rights or obligations under this agreement without the written consent of the other party, but such consent shall not be unreasonably withheld; provided however, that no assignment of Developers payment obligations arising under Section 7.3 shall be allowed without the written consent of the City in its sole discretion.

Columbia does understand that the City would be very cautious before it agreed to allow Columbia's payment obligations under the Agreement to be assigned to a third party; Columbia is not asking for that. They are only asking that the rights that they have under this agreement be transferrable to subsequent purchasers or affiliated entities.

Eric, on behalf of Columbia, I want to reiterate our appreciation for all of the hard work and spirit in which this agreement was negotiated. I hope you and Steve, as well as CCRA and Council will find these last items to be in the same spirit. We understand the interests that the

Re: Columbia Waterfront
October 8, 2009
Page 5

City is trying to further with these identified provisions and hope that our proposed changes will still further those interests, but do so in a manner that will allow the project to achieve the success that everyone wants. We look forward to seeing you on Thursday and discussing the DA with the CCRA.

Sincerely,

LANDERHOLM, MEMOVICH,
LANSVERK & WHITESIDES, P.S.

RANDALL B. PRINTZ

RBP/kf
Enclosure

c: Steve Janik, Ball Janik, LLP



To: Pat McDonnell, City Manager
City Council

From: Eric J. Holmes, Economic Development Director

Date: October 7, 2009

RE: Waterfront development Agreement ~ follow up items from September 21, 2009
City Council work session

At the September 21 work session on the draft development agreement recommended by the City Center Revitalization Authority (CCRA), Council requested some additional information, outlined below.

Landerholm Letter regarding draft Agreement

On September 21, City Council was given a copy of a letter from Randy Printz, representing Columbian Waterfront, LLC, outlining five outstanding items to resolve in the agreement. It is important to note that this letter was originally delivered to the City the evening of September 16, and delivered to the CCRA on September 17. The September 21st date on the copies of the letter distributed to Council at the workshop was the result of an automatic date stamp feature in the electronic document, and reflected the date it was printed, not the date it was delivered.

The items identified in the letter, and the City's stance on each, is addressed below:

1. Proposed amendment to Section 7.1.3.2. Mr. Printz proposed changing the notice provisions for accelerating required payments from 10 days to 30 days, and it includes all guarantors. **This is acceptable to the City and was incorporated into the CCRA recommended draft agreement delivered to the City Council at the workshop.**
2. Proposed amendment to Section 9.3.2 to require a restrictive covenant to be placed on the proposed waterfront park property. The draft agreement restricts the placement of buildings in the waterfront park to preserve views from the buildings facing the river as well as maintain the integrity of the overall project design. In order to accommodate this restriction, Section 9.6 provides for public restrooms to be incorporated into one of the permanent buildings. However, the restriction only runs for the life of the agreement, or 20 years. The developer proposes to record a covenant that contains these same restrictions that would survive the 20 year agreement term. **The staff and the developer have formulated an approach to address this issue as follows:**
 - **The provisions of Section 9.3.4 would apply to the waterfront park area for a period of 25 years following dedication of the park land to the City.**

- **A covenant restricting the use waterfront park area as a public park, including public park uses generally consistent with public parks in Vancouver, would be acceptable.**
3. Section 9.3.2 of the draft agreement provides that the developer will warrant or otherwise assure to the City's satisfaction that there are no hazardous materials in the waterfront park area. Mr. Printz's September 16 letter suggests a shared risk approach to addressing the potential hazardous waste on the site. **The City is continuing to work with the developer to understand the level of risk associated with any potential contamination, and to fashion a satisfactory approach to addressing this issue prior to the October 19 hearing.**
 4. Section 9.6 addressed the location and costs of the permanent public restrooms serving the waterfront park. **The CCRA recommended draft agreement delivered to City Council on September 21 reflects the resolution of this item.**
 5. Proposed amendment to Section 10.14 to refine the assignment provisions. Staff agrees with this proposed change, and **the CCRA recommended draft agreement delivered to Council on September 21 reflects resolution of this item.**

Fact sheet on Section 108 Loan Guarantee Program

A fact sheet on the Section 108 program was delivered to Council in early spring. A copy of this fact sheet is attached for Council's reference.

Visual Timeline

A basic visual timeline of activities associated with the project is attached for Council's reference.

H:\Econ dev\waterfront\development agreement\council follow up memo.10.7.09

10/19/09

RESOLUTION NO. M-3700

A RESOLUTION of the City Council of the City of Vancouver, Washington, conditionally authorizing the City Manager to execute a development agreement with Columbia Waterfront, LLC, a Washington Limited Liability Company.

WHEREAS, the Vancouver Civic Center Vision Plan (VCCV) contemplates a high density commercial, office, residential, and recreational development for the former Boise-Cascade site along the Columbia River waterfront area adjacent to downtown Vancouver; and

WHEREAS, the Boise-Cascade site has been acquired by investors acting through Columbia Waterfront, a Washington Limited Liability Company (Columbia Waterfront, LLC); and

WHEREAS, Columbia Waterfront, LLC proposes to develop the Columbia River waterfront area consistent with the VCCV if the City provides the necessary public infrastructure to connect to the waterfront; and

WHEREAS, Columbia Waterfront, LLC desires to financially contribute to the costs of infrastructure; and

WHEREAS, Columbia Waterfront, LLC and the City desire to enter an agreement to define the financial arrangement and the provision of such public infrastructure as well as to provide certain vesting rights; and

WHEREAS, land use regulatory matters will be provided for in subsequent land use approvals, including possible amendments to this Development Agreement after Planning Commission review and City Council approval.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY OF VANCOUVER:

Section 1. The City Manager is authorized to execute the Development Agreement as attached hereto.

Section 2. . Effective Date. The Development Agreement shall take effect upon execution by the parties thereto.

SIGNED this 19th day of October, 2009.



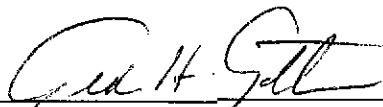
Royce E. Pollard, Mayor

Attest:



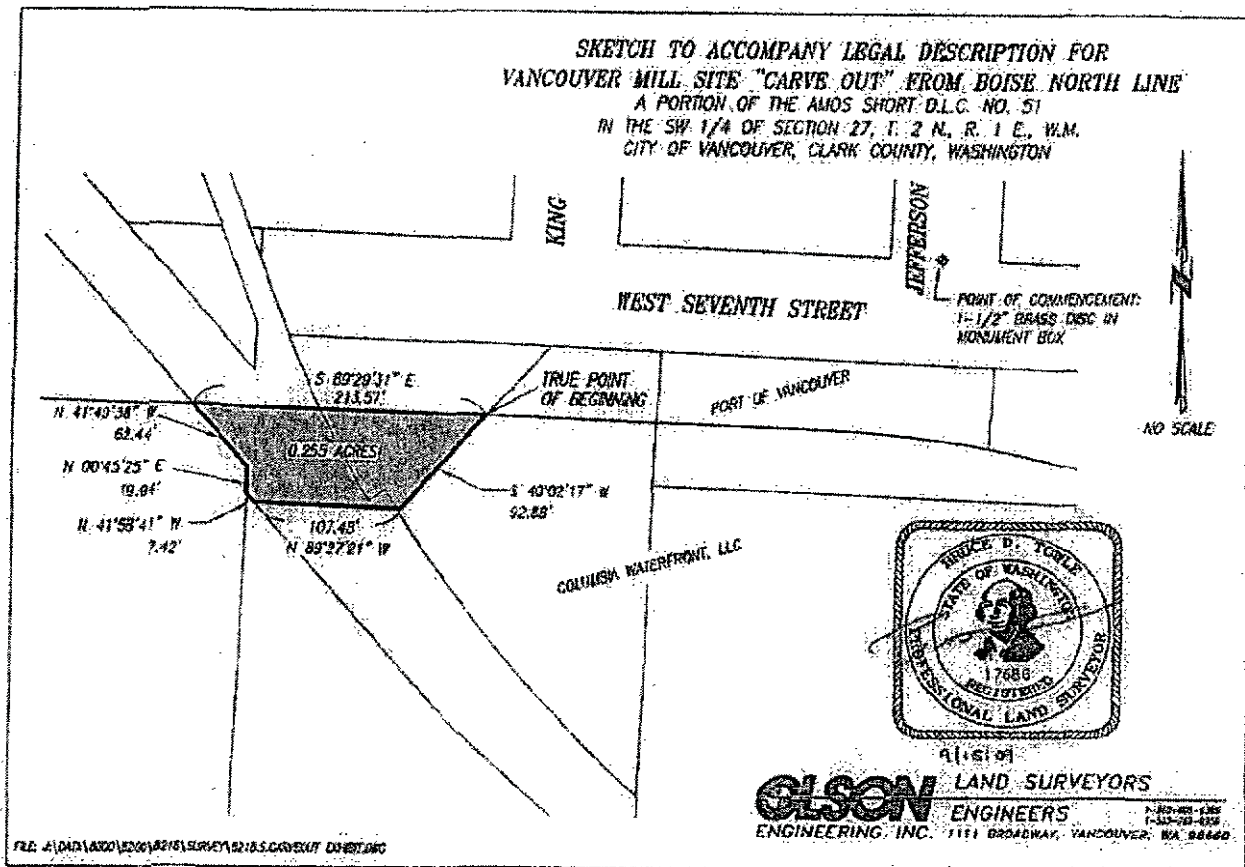
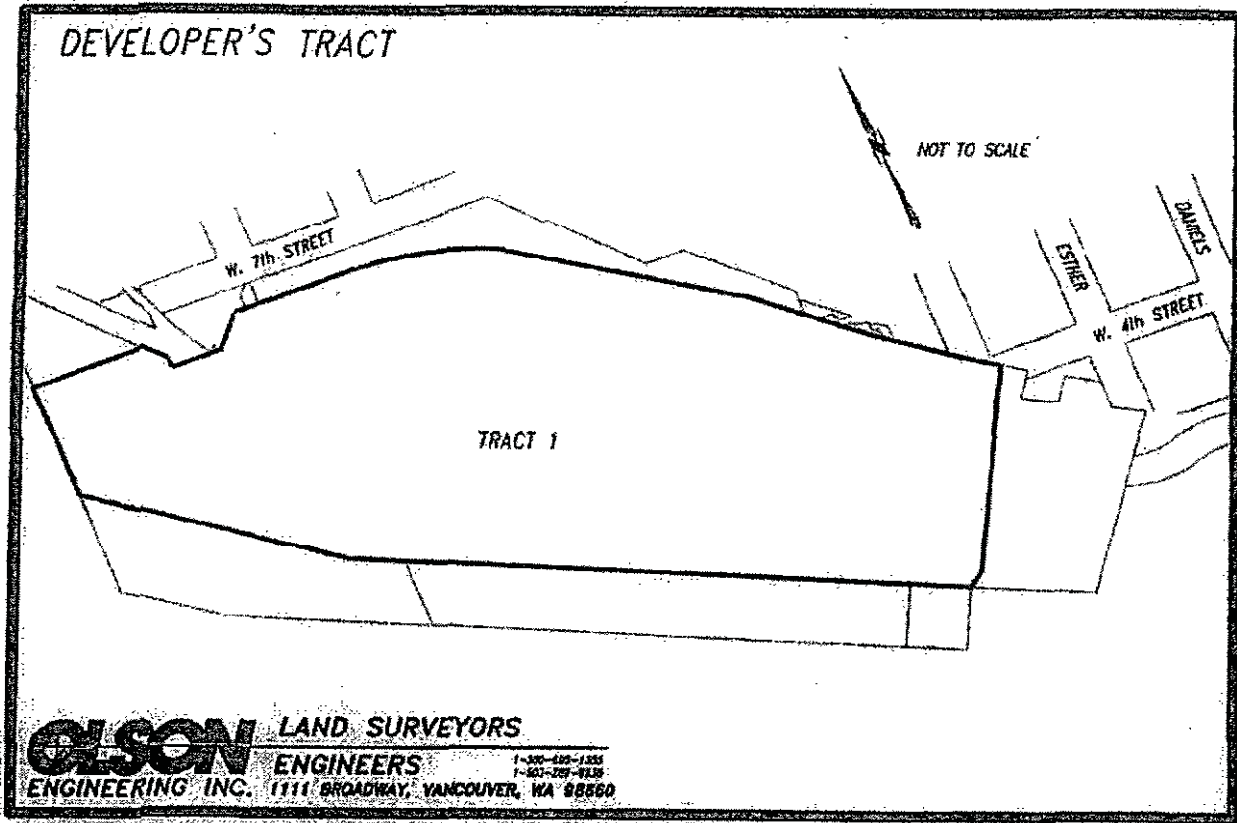
R. Lloyd Tyler, City Clerk
By: Carrie Lewellen, Deputy City Clerk

Approved as to form:



Ted H. Gathe, City Attorney

Resolution Exhibit - Waterfront Development Agreement



4636752 AGR

RecFee - \$225.00 Pages: 164 - CITY OF VANCOUVER
Clark County, WA 01/22/2010 02:40



WHEN RECORDED RETURN TO:
City of Vancouver – City Clerk’s Office
PO Box 1995
Vancouver, WA 98668-1995

Document Title(s):
Downtown Waterfront Development Agreement

Reference Numbers(s) of Related Documents:

Additional Reference #'s on Page _____

Grantor(s):
The City of Vancouver, a Washington municipal corporation

Additional Grantors on Page _____

Trustee(s)

Grantee(s):
Columbia Waterfront LLC, A Washington limited liability company

Additional Grantees on Page _____

Legal Description: (abbreviated form i.e. lot, block, plat or section township, range, quarter/quarter)

Development agreement
SW 1/4, S27428, T2N, R1E

Additional Legal on Page _____

Assessor’s Property Tax Parcel/Account Number:

49335-000 ; 502180-000 ; 48841-000 ; 48843-000 ; 502240-000

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.

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D	Dept. of Natural Resources Leasehold	Section 3.1.3
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DOWNTOWN WATERFRONT DEVELOPMENT AGREEMENT

DATED: October 19, 2009

BETWEEN: THE CITY OF VANCOUVER,
a Washington municipal corporation (the "City")

AND: COLUMBIA WATERFRONT LLC,
a Washington limited liability company
c/o 19767 SW 72nd Avenue
Tualatin, OR 97062 (the "Developer")

RECITALS

The City adopted the Vancouver City Center Vision and District Plan on June 18, 2007 (the "VCCV"). The VCCV establishes a long-term comprehensive plan for several districts within the central part of the City of Vancouver. The VCCV sets forth the City's vision and comprehensive plan for the Columbia West Renaissance (Waterfront) District (the "CWRD").

The VCCV contains Guiding Principles and Plan Policies. Among the Guiding Principles are the following:

- Build on the successes and experience with the Esther Short Plan;
- Promote residential development, including affordable housing as key to a vital and attractive City Center;
- Support the Vision with strategic investments and public infrastructure – especially transportation.

Among the VCCV's Plan Policies are the following:

- Encourage residential development, including affordable housing, as the key to the City Center vitality ;
- Focus waterfront redevelopment on residential uses supported by significant public access, recreation, cultural, hospitality, entertainment and limited commercial uses;

- Overcome the barrier-like feeling of the BNSF railroad berm between downtown and the waterfront.

The VCCV established development goals for the CWRD. Those goals are not mandates; but rather, are aspirational goals for the CWRD. The public benefits from achieving the development goals of the VCCV for the CWRD are numerous and include: high-density urban redevelopment of a former industrial site, a vibrant mixed-use neighborhood, public access to riverfront development, a neighborhood including public parks, plazas and a riverside esplanade, and sustainable development.

Developer has acquired ownership of that approximately twenty-eight -acre parcel of land which constitutes most of the CWRD. A description of the Developer Parcel is attached as Exhibit A. Developer also has the right to acquire a small parcel of land adjacent to and northeast of the property described in Exhibit A, which is described on Exhibit A-1. The parcels described in attached Exhibits A and A-1 are collectively the "Developer Parcel." Developer intends to build a multi-phase redevelopment project (the "Project") that seeks to achieve the development goals of the VCCV for the CWRD.

The VCCV recognizes that the development goals for the CWRD cannot be accomplished, given the existing BNSF berm and tunnels and the existing street pattern in the vicinity of the berm. These conditions are extraordinary impediments to accomplishing the development goals of the VCCV for the redevelopment of the CWRD. In addition, to further the goals of the VCCV, the CWRD right-of-way acquisition and the relocation of a sewer trunkline will need to occur. The cost of overcoming these impediments are beyond the economic capability of the redevelopment of the Developer Parcel or any other property within the CWRD.

In order to further the development goals of the VCCV for the CWRD and to thereby achieve the public benefits of this redevelopment, the City is willing to invest public funds in the work which is necessary to tunnel through the BNSF berm and build the related

infrastructure improvements so that the CWRD can become an integral and exciting part of the central city of the City of Vancouver. The Developer cannot proceed with the development of the Developer's Parcel in a manner consistent with the VCCV without an assurance of this public investment. In addition, the Developer cannot proceed with the Project without certain other long-term assurances regarding the land use entitlements for the Developer's Parcel.

In order for the City to determine if the Developer's plans for the Project further the goals of the VCCV, and in order for the Developer to obtain the necessary predictability about what design and regulatory standards will apply to the development of the Project over the long term development of the Project, Developer has prepared a Master Development Plan which is attached as Exhibit B (the "Master Development Plan").

The Master Development Plan identifies certain development thresholds (such as square footages of certain uses and design standards). The intent of this Agreement is to establish the Master Development Plan and the design standards provided for in this agreement as the framework for the future development approvals required for the Project and described below. The execution of this agreement by the City, including the Master Development Plan, expressly does not constitute any quasi-judicial or legislative approvals of the Project.

The parties desire to enter into this Downtown Waterfront Development Agreement (the "Agreement") in order to assure sufficient funding for the necessary infrastructure work, to establish a collaborative framework to achieve the development goals of the VCCV and to provide certain basic commitments so that the parties can proceed with further planning and development activities.

The City has the authority to enter into this Agreement pursuant to RCW 36.70B.170(1), and the purposes of this Agreement are consistent with the legislative findings in RCW 36.70B.170(1).

NOW, THEREFORE, in consideration of the mutual promises of the parties set forth in this Agreement, the City and the Developer agree as follows:

SECTION 1 NATURE OF THIS AGREEMENT

This Agreement is a development agreement authorized pursuant to RCW 36.70B.170 through RCW 36.70B.210 and VMC 20.250.010 through VMC 20.250.050. Accordingly, it is a contractual agreement between the City and the Developer, subject to the City's approval by resolution adopted following a public hearing as provided for in RCW 36.70B.170 and VMC 20.250.050.

SECTION 2 EFFECTIVE DATE AND DURATION OF AGREEMENT

2.1 Effective Date.

This Agreement shall not be effective unless and until it is approved by the City Council of the City of Vancouver as provided in Section 1 above, subject to Section 2.2. The "Effective Date" of this Agreement is the date of the approval by the City Council of the City of Vancouver of the resolution adopting this Agreement.

2.2 Effect of Appeal.

In the event that the resolution of the City Council adopting this Agreement is appealed, then this Agreement shall remain effective during the pendency of the appeal or subsequent appeals; however, the obligations of the parties set forth in this Agreement shall be suspended pending the determination and final outcome of any and all appeals. In the event an appeal is filed, the City and the Developer both agree to vigorously resist any appeal. In the event that an appeal results in an outcome that is not an affirmation of the resolution adopting this Agreement, then the City agrees to appeal that initial determination until a final appeal has been determined. In the event that any final appeal of the City's resolution does not affirm the resolution adopting this Agreement, then either the City or the Developer may, by written notice

to the other, terminate this Agreement within sixty (60) days of the effective date of any such final appeal.

2.3 Duration.

The duration of this Agreement shall be for a period of twenty (20) years commencing with the Effective Date of this Agreement and terminating at the end of the 20th anniversary of the Effective Date, unless sooner terminated pursuant to the terms of this Agreement, except for the provisions of Section 9.3.4 which shall terminate as provided in Section 9.3.4.

SECTION 3 PROJECT SITE

3.1 Necessary Components of Project Site.

The parties agree that the following parcels of property or property interests are all of the required components of the "Project Site":

3.1.1 The Developer's Parcel described on attached Exhibit A;

3.1.2 A leasehold estate in that parcel of property owned by the Port of Vancouver and described on attached Exhibit C;

3.1.3 A leasehold estate in the shoreline and submersible lands along the north bank of the Columbia River owned by the State of Washington, Department of Natural Resources ("DNR") and described on attached Exhibit D;

3.1.4 That parcel of property owned by the City and described in Exhibit E;

3.1.5 An access easement on land owned by the Port of Vancouver and described on attached Exhibit F;

3.1.6 Those rights-of-way owned by the City and described on attached Exhibit G; and

3.2 Assemblage and Acquisition of Project Site.

With respect to the above components of the Project Site, other than the Developer's Parcel, the parties acknowledge and agree as follows.

3.2.1 Developer has obtained from the Port of Vancouver a leasehold estate with respect to the property described on attached Exhibit C for the term of not less than 80 years.

3.2.2 The City agrees within ten (10) days of the Effective Date to initiate the process necessary to declare that portion of property owned by the City and described in Exhibit E (the "Surplus Property") as surplus. If the Surplus Property has been declared surplus by the action of the City Council, then the City agrees to convey the Surplus Property to the Developer in exchange for the conveyance to the City and dedication of that land owned by the Developer and described on attached Exhibit H (the "Developer Exchange Land"). The appraised fair market value of the Surplus Property and the Developer Exchange Land shall be determined by an MAI appraiser, mutually acceptable to the City and the Developer, experienced in the valuation of commercial property in the central city of the City of Vancouver. The appraisal shall be completed within sixty (60) days of the determination that the Surplus Property is surplus. After the issuance of the Final Development Approvals with conditions acceptable to the Developer, the closing of the exchange of the Surplus Property and the Developer Exchange Land shall occur at the earlier of: (i) a mutually agreeable date within 160-180 days after written notice from the City to the Developer that the City is prepared to close; or (ii) on a mutually agreeable date within sixty (60) days after all rights-of-way within the Developer Exchange Land have been improved with public street improvements which have been completed and accepted by the City. Closing shall occur at a title insurance company mutually acceptable to the parties. At the closing, the parties shall convey their respective property to each other by means of bargain and sale deeds without any representations or warranties regarding the condition of

each property except for the warranty of title contained in the bargain and sale deed and free and clear of any monetary liens or encumbrances. Each party, at its expense, shall provide the other party with a standard ALTA form owner's title insurance policy insuring Developer as the owner of the Surplus Property and the City as owner of the Developer Exchange Land, subject to only those non-monetary liens and encumbrances which are of record. In addition, the Developer shall provide the City with lien releases from all contractors and subcontractors that were involved in constructing the above-described street improvements. All closing costs, including transfer taxes, shall be shared equally between the City and Developer. If the appraised fair market value of the Surplus Property exceeds the fair market value of the Developer Exchange Land, the Developer shall pay the excess to the City in cash. In the event the fair market value of the Surplus Property exceeds the fair market value of the Developer Exchange Land, the City shall not be required to make any payment to the Developer.

3.2.3 Within sixty days of the date that the Development Approvals are Final, the City agrees to commence the process of vacating the street rights-of-way described on attached Exhibit G and to thereafter expeditiously process the street vacation of these rights-of-way so as to declare these rights-of-way as surplus within six (6) months of the Final approval of the Development Approvals. Developer acknowledges that the vacation of a right-of-way is an exercise of the City's police power and, accordingly, the City cannot and is not committing to the vacation of these rights-of-way. Upon the final action of the City necessary for the vacation of these streets rights-of-way, the City agrees to convey these vacated street rights-of-way to Developer. Any consideration that may be owed to the City under the applicable provisions of RCW 35.79.030, shall be paid to the City by the Developer within thirty (30) days of the effective date of the street vacation.

SECTION 4 MASTER DEVELOPMENT PLAN

4.1 City Approval of Master Development Plan.

In reviewing the attached Master Development Plan, the City acted in its proprietary capacity as a party to this Agreement and did not act in its regulatory capacity, and the action of the City in reviewing the Master Development Plan was not a land use approval.

4.2 Preparation of Development Approvals.

Any application for the Development Approvals (defined below) submitted by the Developer for the Project Site shall be consistent with the Master Development Plan, the provisions of this Agreement and provide for the following:

4.2.1 An average floor area ratio (the ratio of square feet of gross floor area divided by the buildable area, including above ground parking), of the Project exclusive of rights-of-way, public parks and open spaces and esplanade area across the entire Project Site equal to 4.5:1. The Developer shall establish a minimum FAR for each block. The average FAR of all blocks combined, (except for blocks 9 and 12 which shall not be considered for FAR purposes, but shall exceed an FAR of 1:1) shall equal or exceed 4.5:1. The Developer may vary below the minimum per block FAR by up to 10%, provided a commensurate amount of square footage is transferred to another block. In the event that the Developer constructs a development on a block and the FAR of that development exceeds the minimum FAR assigned to that block, then the excess may be used to reduce the minimum FAR for a development on a different block. The Developer acknowledges the scope of the Environmental Impact Statement issued as part of the adoption of the VCCV, as well as any additional environmental review that may accompany the Development Approvals, and acknowledges that levels of development, density or transportation impacts beyond those covered by that Environmental Impact Statement or any additional SEPA review that may occur with respect to the Development Approvals may require further compliance with the State Environmental Protection Act.

4.2.2 Office Uses: No less than 400,000 square feet and no more than 1,120,000 square feet;

4.2.3 Residential Uses: No less than 2,500 residential units and no more than 3,300 residential units.

4.2.4 Retail Uses: No less than 100,000 square feet and no more than 400,000 square feet;

4.2.5 Park, trail and open space areas of approximately ten (10) acres in the general configuration and locations identified in the Master Development Plan.

4.2.6 All vertical development within the Project shall meet, at a minimum, the equivalent of a Leadership in Energy Efficiency and Design (LEED) silver standard or better, as published by the U.S. Green Building Council, or other equivalent sustainable design standard acceptable to the City that complies with the then currently adopted IBC.

4.2.7 Uses that would otherwise be allowed in the CX zone.

4.3 Design Standards.

The Developer intends to incorporate the design standards set forth in attached Exhibit I in its application for Development Approvals. The design standards attached as Exhibit I are acceptable to the City in its proprietary, non-regulatory capacity. The design standards that apply to the Project will be those set forth in the Final Development Approvals.

SECTION 5 LAND USE APPROVALS

5.1 Generally.

In general, Developer acknowledges that in order for the Developer to commence construction of the Project, the Developer will need to submit applications for and obtain the City's approval of the land use reviews described below. The Developer acknowledges that by approving the Master Development Plan, in its proprietary capacity, the City is not thereby

approving applications to be submitted for the following described land use approvals set forth in Section 5.2.

5.2 Required Land Use Approvals.

Developer agrees to submit technically complete applications for the following Development Approvals (defined below) no later than October 15, 2009. All of the applications for the Development Approvals must be consistent with: (i) the provisions of this Agreement; (ii) the Master Development Plan; and (iii) the Core Park Improvement Plan referred to in Section 9.3.3. After submittal of a technically complete application by the date set forth above, the Developer agrees to vigorously pursue the Development Approvals. The "Development Approvals" are the following land use approvals: Planned Unit Development approval; Preliminary Plat approval; Critical Areas Permit approval; Tree Removal Permit approval; Street Vacation approval; Planned Action Ordinance Concurrence approval; Shoreline Conditional Use approval; and Shoreline Substantial Development Permit approval.

5.3 City Regulatory Authority.

Notwithstanding the City's execution and approval of this Agreement, the City retains its regulatory authority over the Development Approvals referred to in Section 5.2. The City shall be free to approve, approve with conditions or disapprove any or all of the Development Approvals referred to in Section 5.2, based on the applicable criteria for such approvals. In the event that the City disapproves of an application for a Development Approval, then the Developer shall have no claim or cause of action against the City on account of the City's execution of this Agreement.

5.4 Potential Appeals.

In the event that, after the City approves a Development Approval referred to in Section 5.2, an appeal of that approval is filed, then the City and the Developer agree to vigorously resist any appeal until all appeals are exhausted and until there is final judicial

resolution of any and all appeals. In the event that any Development Approval granted by the City is ultimately resolved in a manner that overturns the Development Approval, then either party may terminate this Agreement by written notice to the other given within sixty (60) days of final judicial action. The Development Approval shall be "Final" upon the earlier of: (i) the City's issuance of the Development Approvals and the expiration of all appeal periods with no appeal being filed; or (ii) the resolution of all appeals in favor of the Development Approvals, with no further appeal being possible.

SECTION 6 TERMINATION BASED ON CONDITION SUBSEQUENT

6.1 Termination Events.

In the event that any of the following events occur, then either party may terminate this agreement by written notice to the other within sixty (60) days of the occurrence of such event:

6.1.1 The resolution of the City Council approving this Agreement is ruled invalid by final judicial action.

6.1.2 Developer is unable to obtain from the Port of Vancouver the easement referred to in Section 3.1.5.

6.1.3 Developer is unable to obtain the leasehold estate from the State of Washington, Department of Natural Resources referred to in Section 3.1.3.

6.1.4 Developer fails to pay the amount referred to in Section 7.3.1.1, the amounts referred to in Section 7.3.1.2 when and as due, or fails to provide the security referred to in Section 7.3.2, when and as required by those Sections.

6.1.5 The City is unable to enter into an agreement or agreements with BNSF, acceptable to the City, covering the relative rights and obligations of the City and BNSF with respect to the rail improvement and relocation project and the transportation improvement projects referred to in Section 7.2 below.

6.1.6 The Developer fails to diligently and in good faith pursue the Final Development Approvals; provided however, that only the City may terminate under this subsection.

6.1.7 The City fails to diligently and in good faith process the Developer's application for the Development Approvals; provided however, that only the Developer may terminate under this subsection.

6.2 Effect of Termination.

In the event of a termination elected pursuant to Section 6.1 prior to the date when the Developer's payment under Section 7.3.1.1 is due, such a termination shall terminate this Agreement in its entirety. In the event of a termination elected pursuant to Section 6.1 after the date when the Developer's payment under Section 7.3.1.1 is due, then the Agreement shall terminate except for the payment and performance obligations of the parties set forth in Section 7.

SECTION 7 TRANSPORTATION IMPROVEMENTS, CONSTRUCTION AND FUNDING

7.1 City Obligation to Commence and Complete Construction.

7.1.1 The City and Developer agree that in order to achieve the densities and uses called for in the VCCV and the Master Development Plan and to adequately mitigate the transportation impacts associated with the VCCV and the Project, off-site transportation infrastructure improvements must be completed. The City agrees to cause the following described off-site transportation improvements to be substantially completed no later than December 31, 2011, subject to the conditions in Section 7.1.2. The City agrees to pay the cost of completing the off-site transportation improvements, subject to Developer's obligation to make a contribution to the cost of these improvements pursuant to Section 7.3.1. The City's obligations under this Section 7.1 and 7.2 shall survive and supersede the termination provisions of Section 6, if Developer has

timely made all of its required payments and provided security to the City as provided for under Section 7.3

7.1.2 The City's obligations under Section 7.1.1 are subject to the following pre-conditions:

7.1.2.1 Developer has obtained the property interests referred to in Section 3.1.2, 3.1.3 and 3.1.5; and

7.1.2.2 Developer has paid the amount referred to in Section 7.3.1.1 and provided the City with security as described in Section 7.3.2

7.2 Required Off-Site Transportation Improvements.

The following are the off-site transportation improvement projects that need to be completed pursuant to the terms of this Agreement. These off-site transportation improvements are described on attached Exhibit J. The City agrees to cause the following described off-site transportation improvements to be substantially completed no later than December 31, 2011 (unless an earlier date is specified below), subject to the conditions in Section 7.1.2.

7.2.1 The relocation of the sewer trunkline located in Sixth Street North through a future Grant Street extension to Eighth Street, then west under the BNSF rail line at Eighth Street and Jefferson, by December 31, 2009.

7.2.2 The reconstruction of the BNSF main line and associated berm from approximately Columbia Street on the east to approximately Jefferson Street on the west, including construction of two new bridge structures located approximately at the current south terminus of Esther Street ("Esther Street Portal") and the former south terminus of Grant Street ("Grant Street Portal").

7.2.3 The construction of the extension of Esther Street, including the installation of sewer, water, and storm water utilities but not cable, fiber optic, telephone or gas (the "Private Utilities"), south through the Esther Street Portal to the north boundary of the Project Site. The City

will cooperate with the providers of the Private Utilities by granting easements for the location of the Private Utilities and coordinating the work of the City with the installation work of the providers of the Private Utilities. The City will not pay any of the cost of installing the Private Utilities.

7.2.4 The construction of Grant Street, including the installation of sewer, water and storm water utilities, but not the Private Utilities, from the north boundary line of the Project Site through the Grant Street Portal to a full movement intersection at Eighth Street. The City will cooperate with the providers of the Private Utilities by granting easements for the location of the Private Utilities and coordinating the work of the City with the installation work of the providers of the Private Utilities. The City will not pay any of the cost of installing the Private Utilities.

7.2.5 The construction of urban design elements on the north side the of Esther Street Portal and the Grant Street Portal, including landscaping, streetscaping, hardscaping, pedestrian walkways, street improvements and bike improvement, consistent with City construction drawings.

7.2.6 The City has commenced the process with the Federal Railway Administration ("FRA") to establish a "quiet" zone for the rail crossings at West 8th Street (east of Jefferson Street) and at Jefferson Street (north of West 8th Street). The City agrees to diligently pursue this process and to fund any improvements necessary (in excess of the costs paid by the Washington Department of Transportation or BNSF) to establish an exemption from FRA regulations and establish quiet zones at these intersections. The City makes no commitment as to the outcome of these efforts because the outcome is not within the City's control.

7.3 Funding of Off-Site Transportation Improvements.

7.3.1 Developer Contribution. Developer agrees to pay a total of \$8,000,000, which shall be used for paying a portion of the cost of the off-site transportation improvements described in Section 7.2 and any other transportation mitigation measure imposed by the City as

a condition of the Development Approvals, except as follows. In addition to the \$8,000,000, the Developer shall pay for: (i) all traffic improvements and mitigation measures that are on the Project Site; (ii) a temporary traffic signal and related improvements at the intersection of Columbia Street and the Projects ease/west arterial; and (iii) any transportation mitigation improvements required in the event the Project generates P.M. peak-hour trips in excess of the number of trips referred to in Section 8.3.1. This amount of \$8,000,000 shall be paid on the following schedule:

7.3.1.1 Developer shall pay to the City the sum of \$800,000 upon the later of: (i) the date the City executes a binding construction and maintenance agreement with BNSF or (ii) the Effective Date of this Agreement. This represents Developer's share of the civil design costs incurred as of the Effective Date with respect to the design of the off-site transportation improvements

7.3.1.2 On or before June 30, 2010 ("Initial Payment Date"), Developer shall pay to the City \$350,000. For the next three years, on the anniversary date of the Initial Payment Date, the Developer shall make an additional \$350,000 payment to the City. On the fourth anniversary date of the Initial Payment Date, the Developer shall make a final payment in the amount of \$5,800,000, subject to the early payment provisions set forth below. These funds shall be used by the City to pay a portion of the cost of the off-site transportation improvements. Payment of the first payment under this subsection prior to June 30, 2010 shall not cause the Initial Payment Date to be other than June 30, 2010. All amounts referred to in this Section 7.3.1.2 shall be accelerated and be due and payable within thirty (30) days after Developer (or an assignee, grantee or transferee of a portion of the Project Site) is issued the first building permit for the construction of a vertical structure intended for occupancy on the Project Site. In the event that the Developer fails to make any payment when and as required under this Section 7.3.1.2, then thirty (30) days written notice to Developer and the guarantors referred to in

Section 7.3.1.3, the City may accelerate the required payment of all unpaid amounts due under this Section 7.3.1.2 plus interest thereon at the rate of the City's cost of capital for financing the off-site transportation improvements.

7.3.1.3 Developer Payment Security. The following persons or entities agree to provide to the City personal guarantees, in the form attached as Exhibit K within thirty (30) days of the Effective Date, in the following percentages of the total amount of the Developer's payment obligations under Section 7.3.1.2:

Gramor Columbia Waterfront LLC	30.00%
Al Kirkwood	20.00%
Steve Hansen	20.00%
Steve Oliva	20.00%
Barry Cain	6.67%
George Diamond	3.33%

7.3.2 Effect of Appeal. In the event that an appeal is filed with respect to the City's resolution referred to in Section 2.1 or with respect to any land use approval referred to in Section 5.2, then Developer shall continue to be obligated to make the payments referred to in Section 7.3.1.2, so long as the City continues to construct and pay for the off-site transportation improvements referred to in Section 7.2.

7.3.3 Payment Default. In the event of a payment default of Developer's payment obligations in Section 7.3.1, the City shall have the right to terminate or suspend its obligation to fund and construct the transportation improvements referred to in Section 7.2.

SECTION 8 VESTING

The Project shall be vested to and have the right to utilize the following uses, design standards, urban services capacities, including transportation capacity allocations and mitigation measures through the year 2029, as follows.

8.1 Uses.

All uses currently allowed under existing zoning, as well as uses set forth in the Master Development Plan, including conditional uses, will be vested.

8.2 Design Standards.

All setbacks, landscape standards, design and architectural standards, street and pedestrian standards, parking standards, critical area and shoreline standards, floor area ratio and building coverage standards, stormwater, sewer, water and other utility standards and all other planning standards applicable to the development of the Project provided for under: state statutes and regulations (to the extent this Agreement can legally affect state statutes and regulations), City ordinances and regulations in effect on the submission date of the Developer's pre-application for the Development Approvals, all as provided for in this Agreement, the Master Development Plan, as it may be modified by any subsequent land use approvals issued by the City.

8.3 Transportation Concurrency Standards.

8.3.1 The Project shall be vested with 2,391 P.M. peak-hour trips ("Maximum Trips") which will be evidenced by the issuance of the City's Certificate of Concurrency attached as Exhibit L. The Project's trip generation and distribution to the City's transportation system shall be vested through the year 2029.

8.3.2 Pursuant to VMC 20.250.040, the Project, through execution of this Agreement, shall be deemed to have satisfied all transportation concurrency-regulations. The Developer's payment of funds under Section 7.3 shall constitute full and final satisfaction of any and all off-site mitigation or other regulatory requirements related to any of the Project's off-site transportation impacts (subject to Section 7.3.1); provided, however, if changes in the Project are proposed and approved in the future that increase the number of P.M. peak-hour trips above the

amount provided for in the attached Certificate of Concurrency, then the City shall have the right to impose additional lawful mitigation requirements upon such excess future trips.

8.3.3 For each building constructed as part of the Project, the City will determine the number of P.M. peak-hour trips that that building is expected to utilize and shall subtract that number of trips from the Maximum Trips. The number of vested trips remaining for the yet to be developed portions of the Project after subtracting trips for developed portions of the Project as described in this Section, shall be referred to as "Remaining Trips." The Developer shall, as part of the sale of a block or development parcel within the Project, assign a portion of the Remaining Trips to the block or development parcel being sold, based upon the building described in the Final Development Approvals (as they may be amended) and the P.M. peak-hour trips to be generated by such a building by setting forth such an assignment in an instrument to be recorded after approval of the instrument by the City, and thereafter, by recording the approved instrument. The Developer may not assign any of the Maximum Trips or Remaining Trips to parcels outside of the Project Site. Nothing herein shall be construed to reduce the Maximum Trip allocation to the Project as evidenced by the Certificate of Concurrency attached as Exhibit L, during the vesting period provided for in this Agreement. The purpose of the preceding sentence is to assure that if there is a change of use in a building or a part thereof that increases the number of PM Peak hour trips above the original trip determination by the City under this Section, that such trips are vested and allowed, provided they do not cause the Project as a whole to exceed the Maximum Trips.

8.4 Benefits and Obligations Run With the Land.

The vested rights set forth in Section 8 shall be binding on the Developer Parcel, shall burden and benefit the Developer Parcel, shall run with the land (the Developer Parcel) and shall be binding upon and inure to the benefit of the parties to this Agreement and their

respective transferees, successors in interest or assignees, and shall benefit and bind the City, all according to the terms of this Agreement.

SECTION 9 ADDITIONAL PROJECT REQUIREMENTS

The following are additional requirements and agreements between the City and the Developer with respect to the Project.

9.1 Dedication of On-Site Streets.

The Developer agrees that as the Project's infrastructure is being completed, the Developer will dedicate all on-site Project streets to the City, as required by the City's street dedication process. Nothing in this Agreement shall be construed to limit the Developer's right to receive transportation impact fee credits for any dedicated right-of-way qualifying for such credits.

9.2 Dedication of On-Site Utilities.

The Developer agrees that as the Project's infrastructure is being completed, the Developer will dedicate to the City all sewer, water and drainage improvements as required by the City's dedication process.

9.3 Public Parks, Esplanade and Open Spaces; Trail.

9.3.1 Conceptual Parks Plan. The City and the Developer have completed a public involvement process to secure public input regarding the ultimate design and amenities to be included in the City's park, (Conceptual Parks Plan) attached as Exhibit M.

9.3.2 Waterfront Esplanade. The parties desire that a public esplanade be constructed along the length of the Developer Parcel or leased by the Developer from the State of Washington, Department of Natural Resources ("DNR") and for it to be built in conformance to the Waterfront Esplanade Concept Plan attached as Exhibit N. After the issuance of the Final Development Approvals with conditions acceptable to the Developer, the Developer agrees to provide to the City (through the dedication of land owned by the Developer and/or assignment

of the DNR lease), at no cost to the City (other than Park Impact Fee Credits if such dedicated or leased land is on or placed upon in the future, the City's Capital Facilities Plan for Parks), the land identified in the Waterfront Esplanade Concept Plan and the Core Park Improvements Plan (defined below). The land leased by the Developer from the DNR and described in attached Exhibit D shall be assigned to the City, and the City shall accept such assignment within thirty (30) days of the Developer receiving the Final Development Approvals with conditions acceptable to the Developer. The Developer shall dedicate the land (except for the DNR leasehold) identified in the Waterfront Esplanade Concept Plan and the Core Park Improvements Plans on a mutually agreeable date (i) within 160-180 days after notice from the City; or (ii) within thirty (30) days after final completion of the improvements shown on the Core Park Improvements Plan, subject to the following. The dedication of this land may be delayed at the request of the City to a mutually agreeable date, or alternatively, the City may direct the Developer to convey this land to a third-party, non-profit organization dedicated to holding land for public park purposes. The Developer shall convey this land to the City free and clear of any liens or encumbrances (except for below-grade utility easements), and Developer shall provide the City with lien releases from all contractors and subcontractors that were involved in the construction of the Core Park Improvements. The City agrees to accept the conveyance of this land subject to a restrictive covenant restricting the use of this land in perpetuity to public park use consistent with the use of other City owned parks and the placement of buildings that are not inconsistent or not otherwise provided for in Exhibit M, each and benefiting the Developer Parcel, and with no other restrictions. Developer shall defend, indemnify and hold harmless the City from any and all costs of remediation of hazardous substances on or under the property described in attached Exhibit R ("Former Boise Property") as required by any state or federal agency, on the following terms and conditions:.

9.3.2.1 Developer shall have the right to conduct all excavation on the Former Boise Property associated with the Waterfront Esplanade Plan and the Core Park Improvement Plan;

9.3.2.2 The City shall be responsible for any cost of such excavation in excess of the estimated costs of the Core Park Improvements, provided that those cost are incurred for work consistent with Exhibit M;

9.3.2.3 Developer shall have the right to develop the plan for any required remediation of hazardous substances on the Former Boise Property and Developer shall have the right to control such remediation;

9.3.2.4 Developer shall not be required to transfer title to the Former Boise Property to the City prior to the completion of such remediation;

9.3.2.5 Developer shall complete the Core Park Improvements by January 30, 2016; and

9.3.2.6 All obligations on the part of Developer under this paragraph shall terminate on January 30, 2016.

At the present time, the City has not identified sufficient funding to construct the Waterfront Esplanade Concept Plan, nor have the parties agreed upon the final plans and specifications for its construction. As such, the City shall not be obligated to construct the Waterfront Concept Plan unless and until appropriate capital funding has been secured through mutual or exclusive efforts of the parties for such construction. All park improvements constructed by the City shall be constructed consistent with the Waterfront Esplanade Concept Plan, unless otherwise agreed by the parties. Except as otherwise provided in this Agreement, the Developer

shall not be obligated to construct the Waterfront Esplanade Concept Plan, unless the parties have agreed upon and have secured sources of funding for the construction of the public esplanade and park. However, upon mutual agreement, the Developer is free to cause the Waterfront Esplanade Concept Plan or a portion thereof to be built at the Developer's sole cost and expense.

9.3.3 Core Park Improvements. The Developer agrees to construct the Core Park Improvements for the waterfront park that are part of the Waterfront Esplanade Concept Plan on or before the issuance of the first certificate of occupancy (temporary or permanent) for any vertical development within the Project. "Core Park Improvements" shall consist of: demolition and removal of existing concrete, asphalt and other construction debris and rubble; grading of the public use areas all as depicted on Exhibit P to a useable finish and approximate final grade; installation of turf in the graded areas and necessary irrigation systems; physical demarcation of the upland boundary of the public use areas through the installation of appropriate signage; and construction of a 14-foot wide waterfront trail along the Project Site's entire Columbia River shoreline in the primary trail alignment depicted in Exhibit O that meets the City's multi-use waterfront trail standards published as of the date of this Agreement. The trail shall be a concrete trail (or other hard surface acceptable to the City) or shall consist of other hard surface material that is ADA compliant, all weather and which meets LEED neighborhood design standards. The park and trail improvements described above shall be in the approximate location as depicted on the Core Park Improvement Plan attached as Exhibit O or another mutually agreeable location established in the final design and permitting process. This trail and park area will be open to the public subject to the City's park rules and regulations and any additional reasonable rules and regulations to be agreed upon between the Developer and the

City needed to accommodate development of the Project. The Developer shall be entitled to any applicable park impact fee credits based upon construction of the trail or dedication of any park land to the City to the extent that such improvements are eligible for such credits under the City's Park Capital Facility Plan, as amended. The Developer agrees to maintain the trail and Core Park Improvements for a period of two (2) years after the completion of the trail for its entire length to a level equivalent to the City's urban regional park maintenance standard. Thereafter, the City shall be responsible for the maintenance of the trail and the Core Park Improvements to the same standard.

9.3.4 Use of Open Spaces, Parks and Pedestrianways. The Developer agrees that all open spaces, parks and pedestrian ways as identified in Exhibit O, within the Project will be open to the general public, subject only to reasonable rules and regulations designed to protect public safety and private property. The City agrees that it shall not permit any commercial activities to take place on any of the property dedicated by the Developer to the City, except for temporary commercial activities that are associated with ticketed or non-ticketed events, festivals and similar public gatherings. Temporary commercial activities shall be those that run for not more than three (3) consecutive days (with an additional day for set-up and an additional day for removal) and which cumulatively do not occur for more than thirty (30) days during a calendar year. After a period of three (3) years of active use of the park space, open space and trail, either party may, by written notice to the other, require a reassessment of the above restriction on commercial activities, and both parties shall consider modifying the above restrictions in good faith. With respect to any land dedicated to the City for park, open space, trails, utilities, streets or pedestrian walkways, the City agrees that it will not construct any permanent buildings or structures, except park furniture or other non-commercial amenities

reflected in the Conceptual Parks Plan or are otherwise typical for a regional park such as portable public restrooms, signage or information kiosks, and the City shall use such land in a manner generally consistent with the use of other City-owned public parks. The City shall provide and/or allow the Developer to reserve easements upon, above or below ground with respect to land dedicated to the City for the extension and construction of utilities, installation of piping for solar-heated water, maintenance of vegetation for views, outdoor restaurant seating and underground parking, provided such activities or uses are executed consistent with all applicable regulations. The provisions of this Section 9.3.4 will terminate on the 25th anniversary of when the Developer first conveys land to the City pursuant to Section 9.3.2.

9.4 System Development Charge Credits.

9.4.1 The City has determined that portions of the transportation improvements to be constructed by the Developer or paid for by the Developer pursuant to this agreement, are eligible for TIF credits pursuant to VMC Section 20.915.090. The City, having applied Section 20.915.040 and 20.915.090 of the VMC, has determined that the expenditure by Developer of the sum of \$8,000,000 pursuant to Section 7.3.2 and the construction by the Developer of transportation improvements eligible to receive TIF credits, will, upon that expenditure and completion of the transportation improvements, entitle Developer to a Transportation Impact Fee credit in the amount of \$8,000,000.

9.4.2 With respect to the Project's utility infrastructure, including sewer, water and drainage improvements, including the replacement of the Columbia Blvd. sewer pump station, listed on the City's sewer, water or storm water Capital Facilities Plans, upon construction of those improvements by the Developer and acceptance by the City, the City has determined that the

Developer shall receive systems development charge credits, subject to Section 14.04.235 of the VMC and the provisions of Resolution M-2492.

9.4.3 If Developer elects to construct the esplanade using its own funds, then the City's staff agrees to recommend that the City place the Waterfront Esplanade Plan on the Parks Capital Facilities Plan. The estimated value of the land and cost of the park improvements to be placed in the Parks Capital Facilities Plan shall be mutually agreed upon by the City and the Developer. If placed on the City's Parks Capital Facilities Plan and dedicated and constructed by the Developer, the Developer shall be entitled to Park Impact Fee Credits in the amount of the estimated value provided for in the Parks Capital Facilities Plan.

9.5 Staging Site.

The Developer agrees to make available to the City approximately two (2) acres of land west of the Grant Street Bridge, south of the railroad berm all within blocks 10, 13 and 14 as depicted on Exhibit P, for construction staging secured by temporary fencing. This property should be approximately square in shape and will be used for the staging of construction materials, equipment and other purposes associated with construction of the City's waterfront infrastructure improvements. The City reserves the right to supply temporary electrical power to the site for the purposes of installing security lighting and power to a construction trailer across the Developer's land at a location mutually agreed to by the City and the Developer. The City will hold the Developer harmless for liability associated with the use of this land and, at completion of the improvements, will return the property to its original condition or better. In the event of contamination caused by the above construction activity, the City will clean up and properly restore the property at no expense to the Developer. The Developer agrees to permit

access to this site across the Developer Parcel. The duration of this use is limited up to the earlier of: (i) the completion of the above construction activities; or (ii) December 31, 2011.

9.6 Permanent Restrooms.

The Developer agrees that the City may build permanent public restrooms within a building to be built by the Developer on either Block 6, 8, 9, 11 or 12, at a location identified on attached Exhibit Q. The ultimate location of the public restrooms shall be selected by the Developer at one of the locations identified on **Exhibit Q** and shall be made available as part of the first phase of Developer's Project. Until the City and the Developer have agreed on the location of the public restrooms, no building permits for permanent structures may be issued for any of the above-referenced blocks. The Developer shall lease ground floor space within that building to the City for a term equal to the life of the building for \$1.00. The Developer shall create "shell space" served by sewer, water, HVAC and electricity stubbed to the interior walls. The City shall pay the cost of all restroom fixtures and improvements. The City shall pay the cost of maintaining these restrooms. The public restrooms will be operated consistent with other City-owned public restrooms. If sewer, water and electricity are separately metered to these restrooms, then the City shall pay for such utility services. After the public restrooms are open, temporary restrooms shall be allowed under Section 9.3.4 only in conjunction with events, festivals and similar gatherings. The parties agree to enter into commercially reasonable documents to implement the above.

SECTION 10 GENERAL PROVISIONS

10.1 Effective Date.

The "Effective Date" is that date by which this Agreement has been executed by both parties.

10.2 Waiver.

The failure of either party at any time to require performance of any provision of this Agreement shall not limit the party's right to enforce the provision, nor shall any waiver of any breach of any provision constitute a waiver of any succeeding breach of that provision or a waiver of that provision itself.

10.3 Prior Agreements.

This Agreement is the entire, final, and complete agreement of the parties pertaining to the matters covered by this Agreement, and supersedes and replaces all prior or existing written and oral agreements between the parties and/or their representatives relating to the same matters.

10.4 Notices.

Any notice under this Agreement shall be in writing and shall be effective when actually delivered in person, or one (1) business day after being sent by facsimile, with receipt being electronically confirmed or one (1) business day after deposit with a nationally recognized overnight courier service, with charges pre-paid, or three (3) days after being deposited in the U.S. mail, registered or certified, return-receipt requested, postage prepaid and addressed or sent by facsimile to the party at the address or number set forth below or such other address or number as either party may designate by written notice to the other.

If to the City:	City of Vancouver
	PO Box 1995
	Vancouver, WA 98668
	Attn: Pat McDonnell
	City Manager
	Fax No.:(360) 487-8625

With a copy to:
Office of the City Attorney
Attn: Brent Boger
Assistant City Attorney
Fax No.: (360) 487-8501

If to the Developer: Columbia Waterfront LLC
c/o Gramor, Inc.
19767 SW 72nd Avenue
Tualatin, OR 97062-8352
Attn: Barry Cain
President
Fax No.: (503) 654-9188

With a copy to: Landerholm, Memovich, Lansverk & Whitesides, P.S.
805 Broadway, Suite 1000
Vancouver, WA 98660
Attn: Randall B. Printz
Fax No.: (360) 696-2122

10.5 Applicable Law; Venue.

This Agreement has been entered into in Washington, and the Project Site is located in Washington. The parties agree that the laws of the state of Washington shall be used in construing this Agreement and enforcing the rights and remedies of the parties. Venue shall be in the Superior Court for Clark County, Washington; provided that, if litigation is properly brought in federal court, venue shall be in the U.S. District Court for the State of Washington.

10.6 Attorneys' Fees.

In the event of litigation to enforce or interpret this Agreement, the prevailing party shall recover its litigation costs, disbursements, paralegal fees, expert fees and attorneys' fees as determined by the judge at trial or upon any appeal or petition for review.

10.7 Condition of City Property.

The City makes no representation or warranty regarding the physical or environmental condition of any property to be conveyed by the City to the Developer pursuant to this Agreement.

10.8 Brokerage Commissions.

Neither the City nor the Developer have used a real estate broker, agent or finder in connection with this Agreement. Each party (for purposes of this Section, the "Indemnitor") agrees to defend, indemnify and hold harmless the other party (for purposes of this Section, the "Indemnitee") from and against any and all commissions or fees and arising out of the actions of the Indemnitor.

10.9 Invalid Provision.

If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be severable, this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never been a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and not be affected by such illegal, invalid or unenforceable provision or by its severance.

10.10 Time.

Time is of the essence in this Agreement.

10.11 City Inspection Rights.

The City shall be entitled at any reasonable time, to come upon any portion of the Project Site for purposes of inspecting the Project Site and the Developer's development of such portions for purposes of determining the Developer's compliance with its obligations under this Agreement. The City shall comply with any safety regulations generally imposed by the Developer with respect to construction activities on the Project Site.

10.12 Defined Terms.

A word that is capitalized and is not the first word in a sentence or is set off in quotation marks is a defined term. A defined term has the meaning given to it when first used in this Agreement.

10.13 Exhibits.

All Exhibits to this Agreement are an integral part of this Agreement and are incorporated into the text of this Agreement by reference.

10.14 Assignment.

Neither party may assign its respective rights or obligations under this Agreement without the prior written consent of the other party which consent shall not be unreasonably withheld; provided, however, that the Developer's obligations under Section 7.3.1 may only be assigned with the City's prior consent which may or may not be given in City's sole and complete discretion.

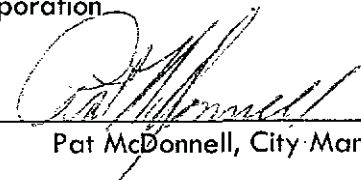
10.15 Amendment.

Any amendment to or modification of this Agreement must be in writing and signed by the parties.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement to be effective as of the date set forth above.

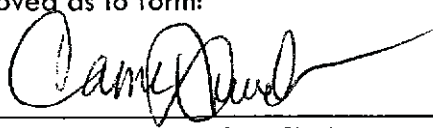
CITY:

CITY OF VANCOUVER, a Washington municipal corporation

By: 

Pat McDonnell, City Manager

Approved as to form:

By: 

R. Lloyd Tyler, City Clerk

By: Carrie Lewellen, Deputy City Clerk

Approved as to form:

By: Ted H. Gathe
Ted H. Gathe, City Attorney

DEVELOPER:

COLUMBIA WATERFRONT LLC, a Washington
limited liability company

By: Gramor Columbia Waterfront LLC

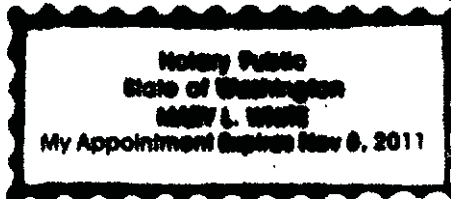
By: Gramor Investments Inc.

By: Barry A. Cain
Its: President

STATE OF WASHINGTON)
)ss
COUNTY OF CLARK)

I hereby certify that I know or have satisfactory evidence that Pat McDonnell is the person who appeared before me, and that said person acknowledged that he (he/she) is authorized to execute the foregoing document and acknowledges 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 therein mentioned.

Dated this 19th day of January, 2010
~~2009~~



Mary L. White
Notary Public for the State of Washington
Residing at Vancouver
My commission expires 11-8-11
Name (print) MARY L. White

STATE OF OREGON)
)ss
COUNTY OF WASHINGTON)

I hereby certify that I know or have satisfactory evidence that Barry Cain is the person who appeared before me, and that said person acknowledged that he (he/she) is authorized to execute the foregoing document and acknowledges it as the President of Gramor Investments, Inc., an Oregon corporation, Manager of Gramor Columbia Waterfront LLC, a Washington Limited Liability Company, Manager of Columbia Waterfront LLC, a Washington Limited Liability Company, to be the free and voluntary act of such party for the uses and purposes therein mentioned.

Dated this 8th day of January, 2010
~~2009~~



Kristin Woods
Notary Public for the State of Oregon
Residing at Portland
My commission expires May 19, 2010
Name (print) Kristin Woods

EXHIBIT A and A-1

Developer Parcel

EXHIBIT A
Developer's Parcel

Exhibit A

Real property in the City of Vancouver, County of Clark, State of Washington, described as follows:

TRACT 1:

A tract of land in the Southwest quarter of Section 27 and the Southeast quarter of Section 28, Township 2 North, Range 1 East, of the Willamette Meridian, Clark County, Washington, being more particularly described as follows:

COMMENCING at a 1 1/2" brass disk set in a monument box at the centerline of West Jefferson Street at a point on the North right-of-way line of West 7th Street (being 40.00 feet from centerline); THENCE S36°10'29"E, 1334.26 feet to a 1/2" iron rod with a plastic cap, scribed "Mursell 23856", said point marking the Northeast corner of First Class Tideland Tract No. 24 at a point on the West line of the Public Levee as shown on the Plat of Plan of a Part of the City of Vancouver as recorded in Book D of Plats, Page 30, Plat Records, Clark County, Washington, said iron rod being shown on that record of survey as recorded in Book 33 of Surveys, Page 13, Survey Records, Clark County, Washington; THENCE S00°45'25"W, along the West line of said Public Levee as shown on said Record of Survey, 219.19 feet to a 5/8" iron rod with a plastic cap, scribed "Mursell 30447" set at the Southwest corner of First Class Tideland Tract No. 25, said point being the TRUE POINT OF BEGINNING of the parcel herein described; THENCE S64°24'56"E, along the South line of said Tideland Tract No. 25, a distance of 132.26 feet to a 5/8" iron rod with a plastic cap, scribed "Mursell 30447"; THENCE N54°27'34"E, 41.54 to a 5/8" iron rod with a plastic cap, scribed "Mursell 30447"; THENCE N27°29'06"E, 493.71 feet; THENCE Northwesterly, along the arc of a 3916.33 foot radius curve, concave Northerly, through a central angle of 06°01'08", an arc distance of 411.42 feet (chord bears N51°55'04"W, 411.23') to a 5/8" iron rod with a plastic cap, scribed "Mursell 30447"; THENCE N48°54'29"W, 160.63 feet; THENCE N55°25'47"W, 567.92 feet to a 5/8" iron rod with a plastic cap, scribed "Mursell 30447"; THENCE Northwesterly, along the arc of a 784.49 foot radius curve, concave Southerly, through a central angle of 25°10'39", an arc distance of 344.73 feet (chord bears N76°54'12"W, 341.96 feet) to a 5/8" iron rod with a plastic cap, scribed "Mursell 30447"; THENCE N89°29'31"W, 250.73 feet; THENCE S40°02'17"W, 92.88 feet to a 5/8" iron rod with a plastic cap, scribed "Mursell 30447"; THENCE N89°27'21"W, 107.48 feet to a 5/8" iron rod with a plastic cap, scribed "Mursell 30447"; THENCE N41°58'41"W, 7.42 feet to a 5/8" iron rod with a plastic cap, scribed "Mursell 30447"; THENCE N00°45'25"E, 19.94 feet to a 5/8" iron rod with a plastic cap, scribed "Mursell 30447"; THENCE N41°49'38"W, 62.44 feet to a 5/8" iron rod with a plastic cap, scribed "Mursell 30447"; THENCE N89°29'31"W, 254.74 feet to a 5/8" iron rod with a plastic cap, scribed "Mursell 30447" set of the West line of Lot 8 of the West half of the Amos Short Donation Land Claim as shown in said Record of Survey, Book 33, Page 13; THENCE S00°45'25"W, along the West line of said Lot 8 and the West line of First Class Tideland Tract No. 17, a distance of 275.71 feet to a 5/8" iron rod with a plastic cap, scribed "Mursell 30447" set at the Southwest corner of said Tideland Tract No. 17, said point being on the Inner Harbor line as shown on said Record of Survey, Book 33, Page 13; THENCE S52°48'29"E, along said Inner Harbor Line, 603.87 feet to an angle point in said Line; THENCE S64°24'56"E, continuing along said Inner Harbor Line, 1226.38 feet to the point of beginning.

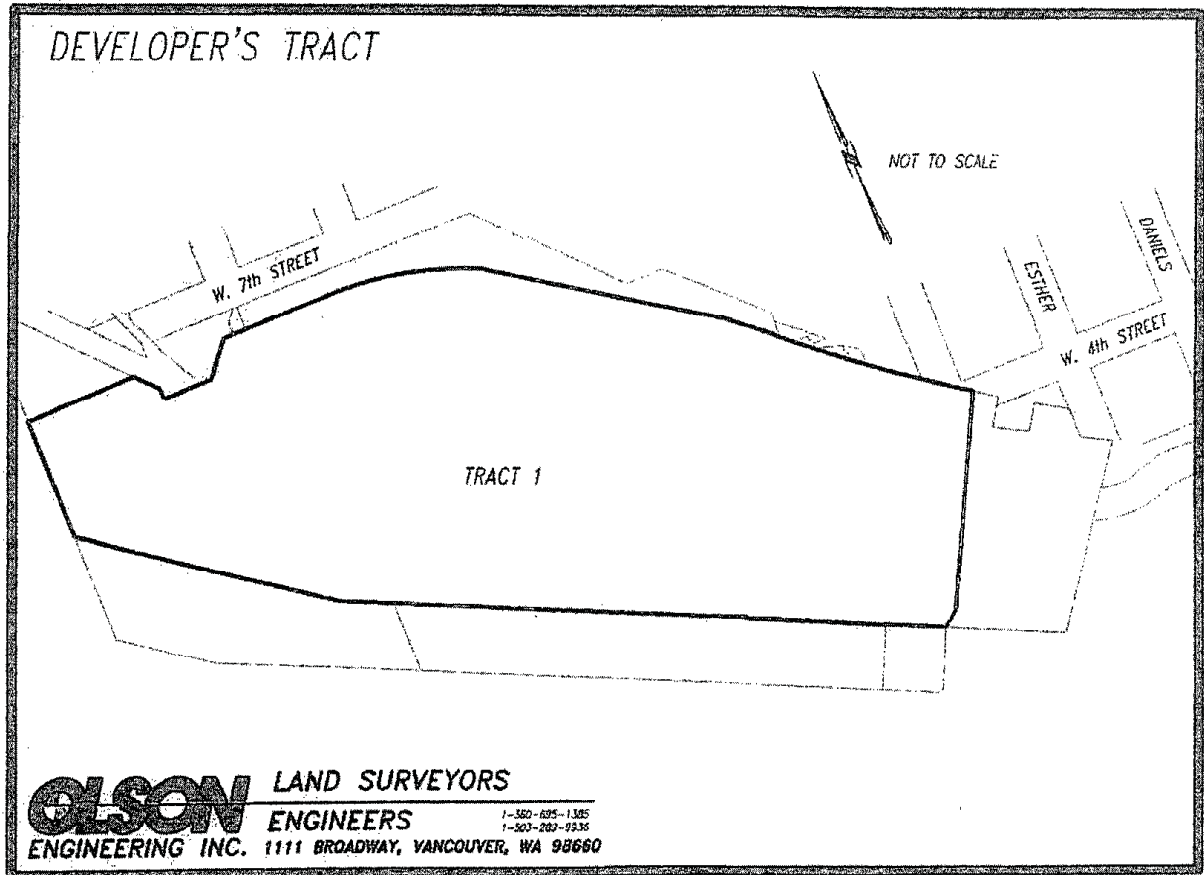


Exhibit A



LAND SURVEYORS
ENGINEERS

(509) 289-9936
1111 Broadway
Vancouver, WA
98660

LEGAL DESCRIPTION FOR COLUMBIA WATERFRONT
VANCOUVER MILL SITE
"CARVE OUT" FROM BOISE NORTH LINE

September 15, 2009

A tract of land in the Southwest quarter of Section 27 and the Southeast quarter of Section 28, Township 2 North, Range 1 East, of the Willamette Meridian, Clark County, Washington, being more particularly described as follows:

COMMENCING at a 1-1/2" brass disk set in a monument box at the centerline of West Jefferson Street at a point on the North right-of-way line of West 7th Street (being 40.00 feet from centerline);

THENCE South 36° 10' 29" East, 1334.26 feet to a 1/2" iron rod with a plastic cap, scribed "Mursell 23856", said point marking the Northeast corner of First Class Tideland Tract No. 24 at a point on the West line of the Public Levee as shown on the Plat of Plan of a Part of the City of Vancouver as recorded in Book D of Plats, Page 30, Plat Records, Clark County, Washington, said iron rod being shown on that record of survey as recorded in Book 33 of Surveys, Page 13, Survey Records, Clark County, Washington;

THENCE South 00° 45' 25" West, along the West line of said Public Levee as shown on said Record of Survey, 219.19 feet to a 5/8" iron rod with a plastic cap, scribed "Mursell 30447" set at the Southwest corner of First Class Tideland Tract No. 25;

THENCE South 64° 24' 56" East, along the South line of said Tideland Tract No. 25, a distance of 132.26 feet to a 5/8" iron rod with a plastic cap, scribed "Mursell 30447";

THENCE North 54° 27' 34" East, 41.54 feet to a 5/8" iron rod with a plastic cap, scribed "Mursell 30447";

THENCE North 27° 29' 06" East, 493.71 feet;

THENCE Northwesterly, along the arc of a 3916.33 foot radius curve, concave Northerly, through a central angle of 06° 01' 08", an arc distance of 411.42 feet (chord bears North 51° 55' 04" West, 411.23 feet) to a 5/8" iron rod with a plastic cap, scribed "Mursell 30447";

THENCE North 48° 54' 29" West, 160.63 feet;

Z:\8060\8209\8210\8215\8218\803016leg.doc
JMB

Page 1 of 2

THENCE North $55^{\circ} 25' 47''$ West, 567.92 feet to a $5/8''$ iron rod with a plastic cap scribed "Mursell 30447";

THENCE Northwesterly, along the arc of a 784.49 foot radius curve, concave Southerly, through a central angle of $25^{\circ} 10' 39''$, an arc distance of 344.73 feet (chord bears North $76^{\circ} 54' 12''$ West, 341.96 feet) to a $5/8''$ iron rod with a plastic cap scribed Mursell 30447";

THENCE North $89^{\circ} 29' 31''$ West, 250.73 feet said point being the TRUE POINT OF BEGINNING of the parcel herein described;

THENCE South $40^{\circ} 02' 17''$ West, 92.88 feet to a $5/8''$ iron rod with a plastic cap, scribed "Mursell 30447";

THENCE North $89^{\circ} 27' 21''$ West, 107.48 feet to a $5/8''$ iron rod with a plastic cap, scribed "Mursell 30447";

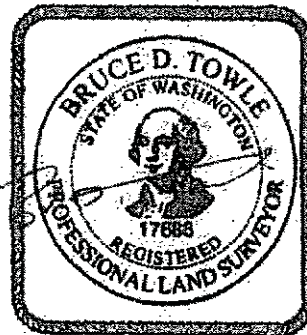
THENCE North $41^{\circ} 58' 41''$ West, 7.42 feet to a $5/8''$ iron rod with a plastic cap, scribed "Mursell 30447";

THENCE North $00^{\circ} 45' 25''$ East, 19.94 feet to a $5/8''$ iron rod with a plastic cap, scribed "Mursell 30447";

THENCE North $41^{\circ} 49' 38''$ West, 62.44 feet to a $5/8''$ iron rod with a plastic cap, scribed "Mursell 30447";

THENCE South $89^{\circ} 29' 31''$ East, 213.57 feet to the point of beginning.

Containing 0.26 acres more or less.



FILE: J:\DATA\8000\8200\02181\SURVEY\5218.S\CHRYCUT EXHIBIT.DWG

Exhibit A₁

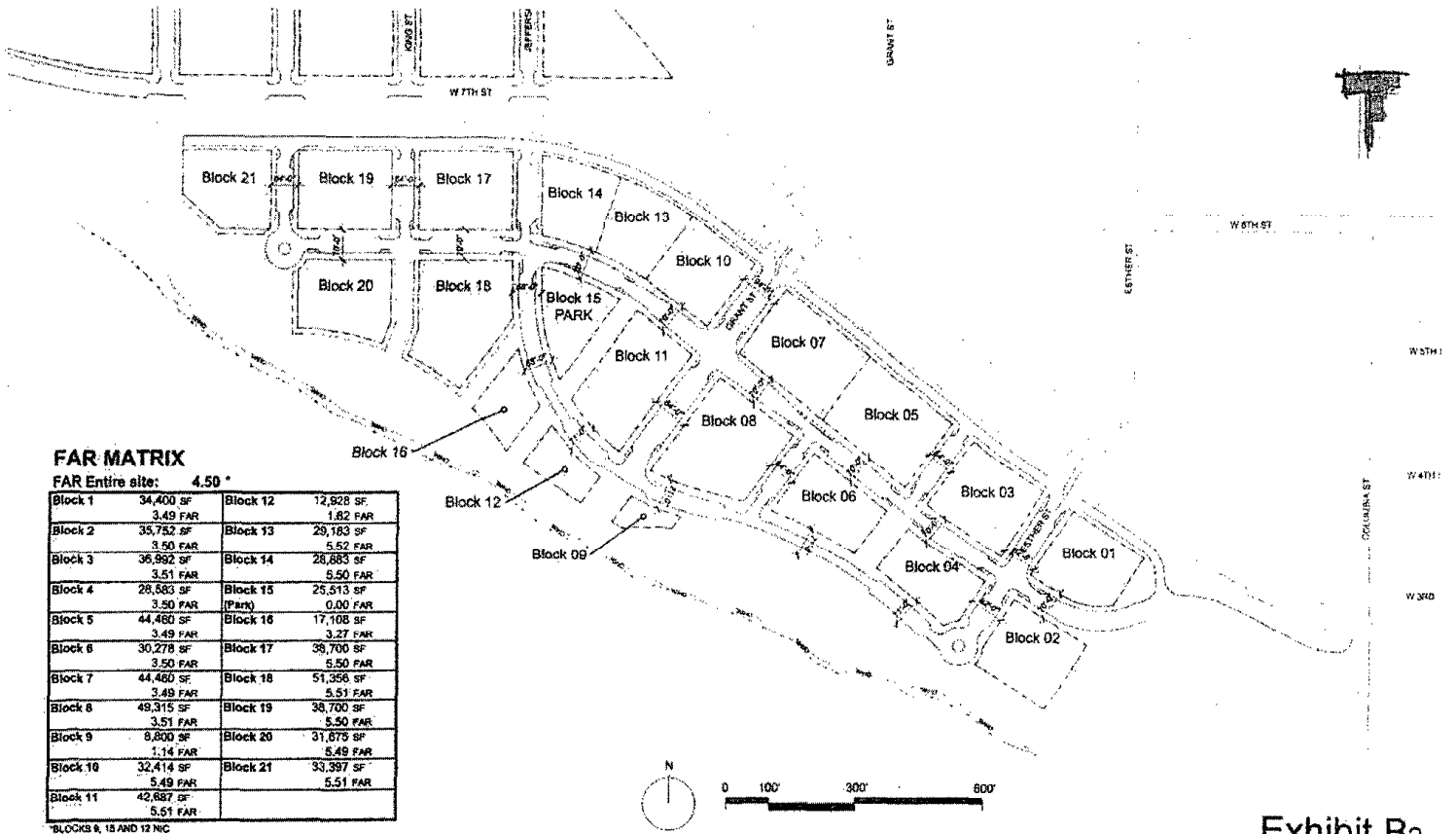
EXHIBIT B

Master Development Plan

EXHIBIT B

Master Development Concept Plan

- B1: Master Site Plan, lot and block pattern and street grid configuration
- B2: Minimum floor area ratio by block
- B3: Conceptual use mix and location; maximum density and floor area ratio by block
- B4: Massing diagram of range of floor area ratio
- B5: Conceptual parking diagram
- B6: Park, plaza and open space locations and configuration



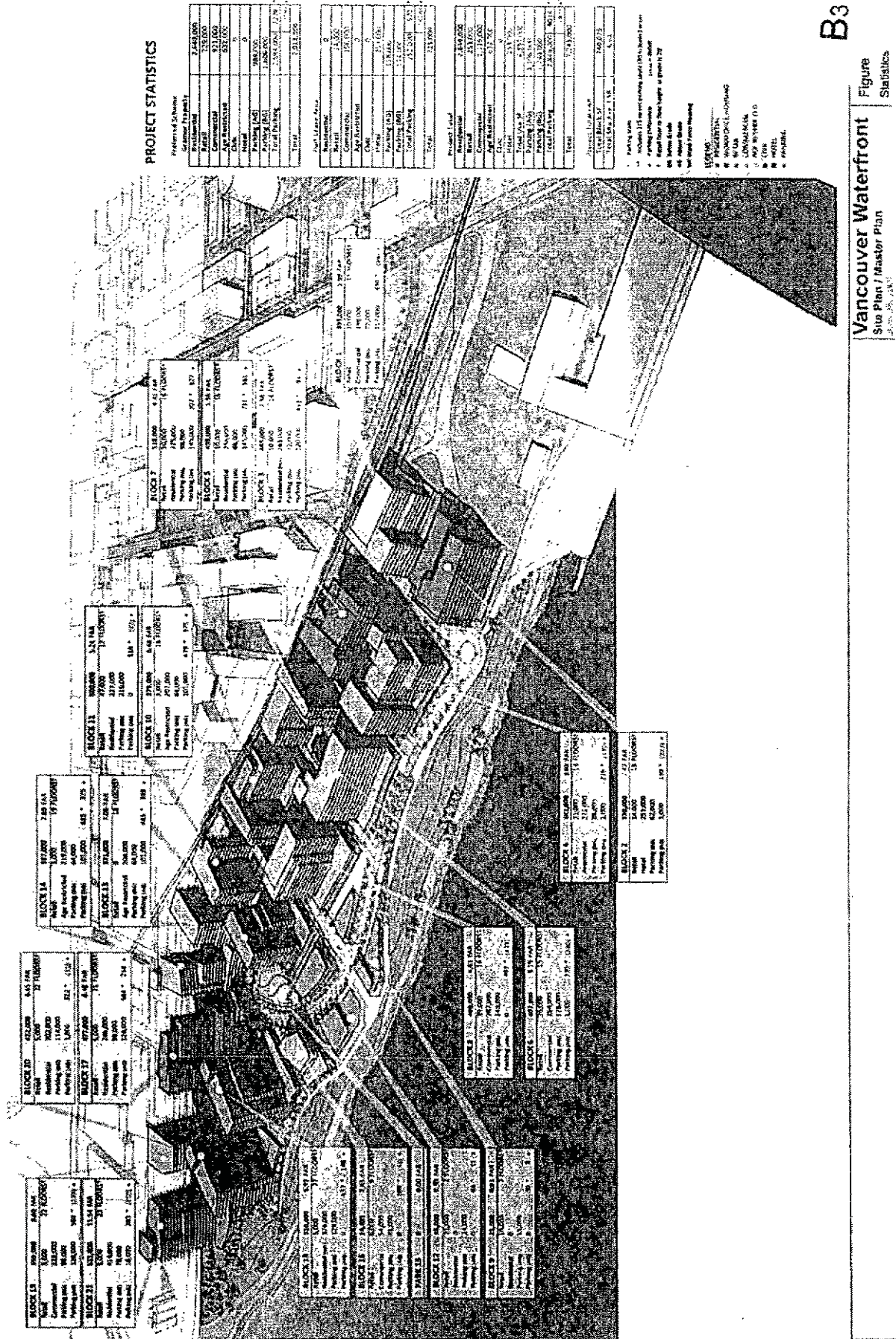
TWIST
ARCHITECTURE • DESIGN

Columbia Waterfront LLC

The Waterfront
Preferred Scheme
Based on Work Order 101-101
March 10, 2010

Exhibit B2

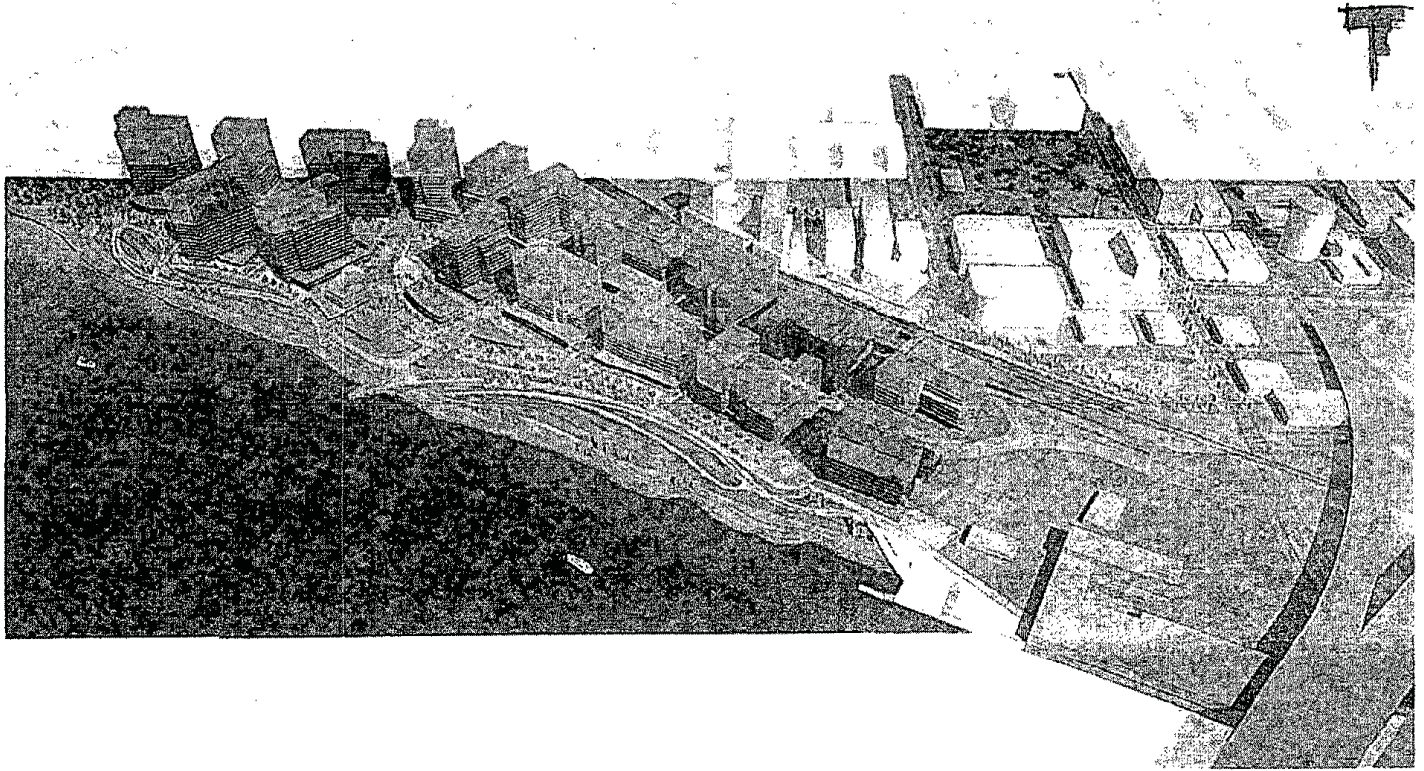
Minimum FAR &
Street ROW



Vancouver Waterfront
Site Plan / Master Plan
June 19, 2007

B3

Figure
Statistics



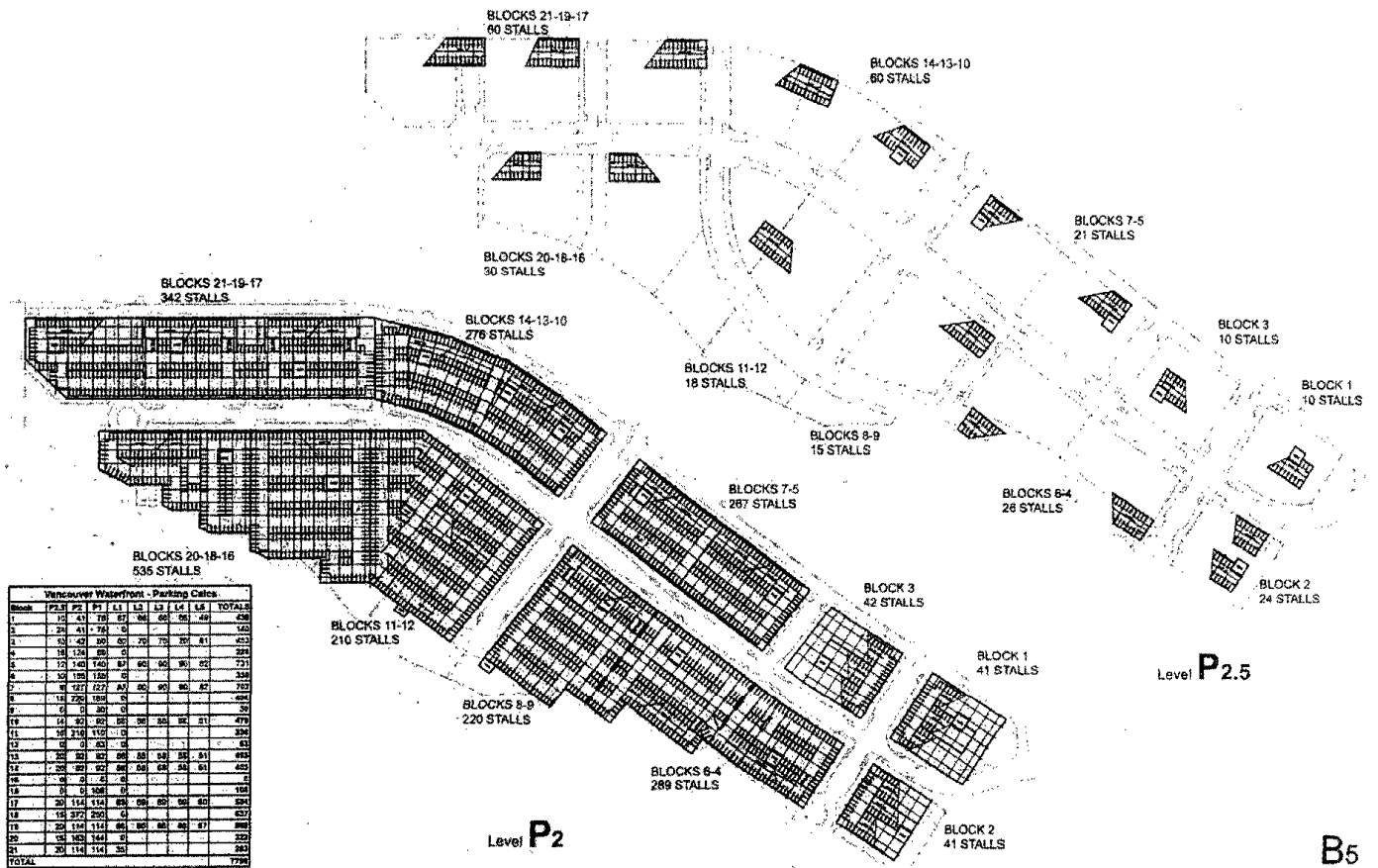
TWIST
ARCHITECTURE • DESIGN

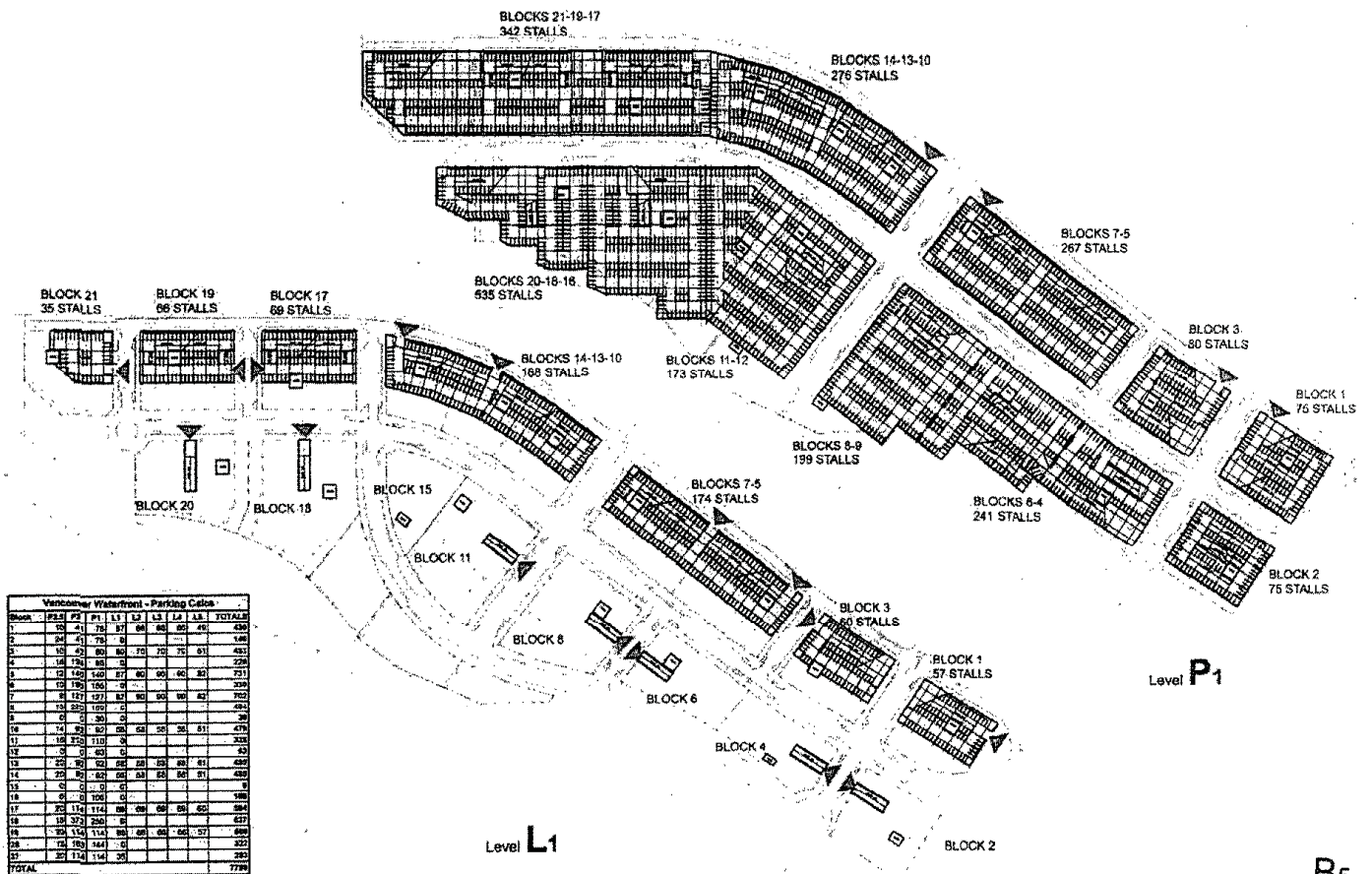
Columbia Waterfront LLC

The Waterfront
Preferred Scheme
August 2008
July 1, 2009

FAR **4.5 to 7.5**
FAR Comparison

Exhibit B4



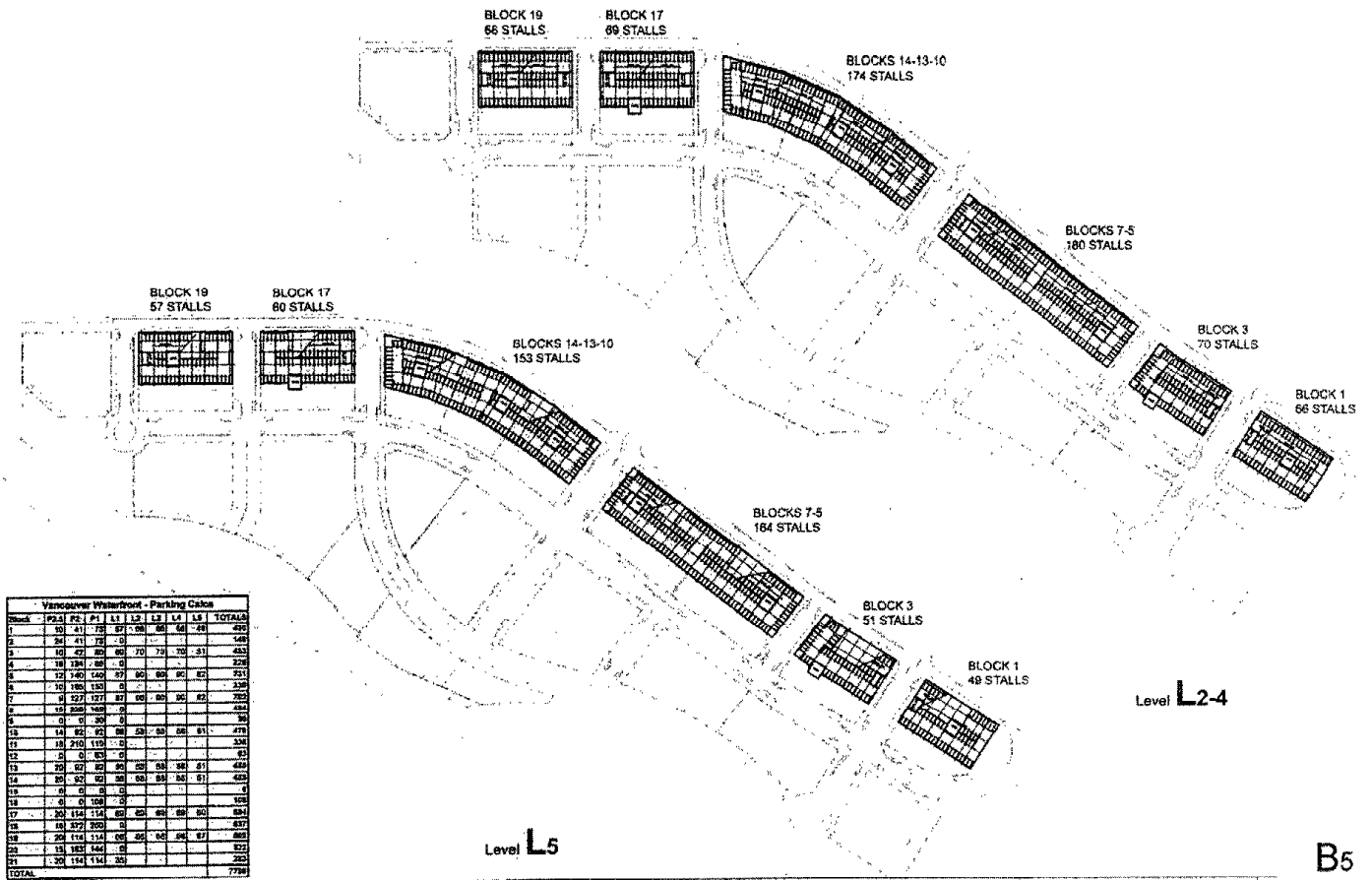


Block	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13	P14	P15	P16	P17	P18	P19	P20	P21	TOTAL
1	35	41	75	37	66	69	66	46														439
2	35	41	75	37	66	69	66	46														439
3	35	41	75	37	66	69	66	46														439
4	35	41	75	37	66	69	66	46														439
5	35	41	75	37	66	69	66	46														439
6	35	41	75	37	66	69	66	46														439
7	35	41	75	37	66	69	66	46														439
8	35	41	75	37	66	69	66	46														439
9	35	41	75	37	66	69	66	46														439
10	35	41	75	37	66	69	66	46														439
11	35	41	75	37	66	69	66	46														439
12	35	41	75	37	66	69	66	46														439
13	35	41	75	37	66	69	66	46														439
14	35	41	75	37	66	69	66	46														439
15	35	41	75	37	66	69	66	46														439
16	35	41	75	37	66	69	66	46														439
17	35	41	75	37	66	69	66	46														439
18	35	41	75	37	66	69	66	46														439
19	35	41	75	37	66	69	66	46														439
20	35	41	75	37	66	69	66	46														439
21	35	41	75	37	66	69	66	46														439
TOTAL	35	41	75	37	66	69	66	46														7794

Potential Parking Garage Entry

Vancouver Waterfront
Conceptual Parking Diagrams

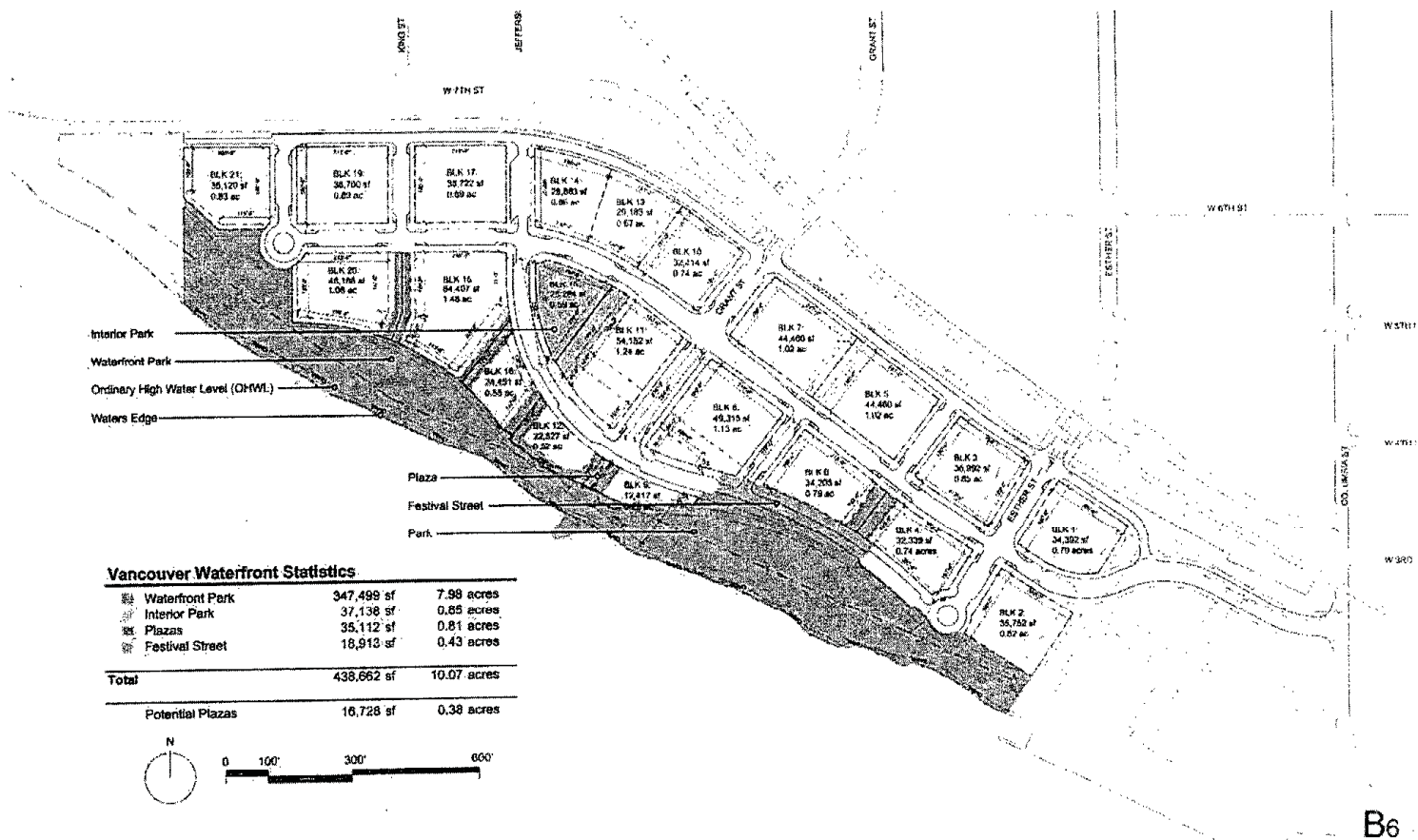
Figure B5
Below Grade Parking
and At Grade Parking



Vancouver Waterfront
Conceptual Parking Diagrams
June 19, 2007

Figure
Above Grade
Parking

B5



Vancouver Waterfront Statistics

Waterfront Park	347,499 sf	7.99 acres
Interior Park	37,136 sf	0.85 acres
Plazas	35,112 sf	0.81 acres
Festival Street	18,913 sf	0.43 acres
Total	438,662 sf	10.07 acres
Potential Plazas	16,728 sf	0.38 acres

Vancouver Waterfront
Site Plan / Master Plan

Figure
Open Space
Areas

B6

EXHIBIT C

Port of Vancouver Leasehold Property



LAND SURVEYORS
ENGINEERS

(509) 289-9936
1111 Broadway
Vancouver, WA
98660

LEGAL DESCRIPTION FOR GRAMOR DEVELOPMENT
PORT OF VANCOUVER LEASE PARCEL.

January 24, 2008

A portion of Lot 59 and Lot 60 of Binding Site Plan for a portion of the Port of Vancouver, recorded in Book 53 of Surveys at Page 141, sheet 8 of 8, records of the Clark County Auditor, lying in the Amos Short Donation Land Claim, situated in the Southwest quarter of Section 27, Township 2 North, Range 1 East of the Willamette Meridian in the City of Vancouver, Clark County, Washington, described as follows:

BEGINNING at the Southeast corner of Block 36, of the "City of Vancouver" as shown in Book 53 of Surveys at Page 141, records of the Clark County Auditor, said point also being the Northeast corner of said Lot 59 as shown on said Survey;

THENCE South $59^{\circ} 12' 14''$ East, along the North line of said Lot 60, a distance of 71.99 feet;

THENCE leaving said North line, South $37^{\circ} 58' 31''$ West, a distance of 443.92 feet to the Inner Harbor line as described in Harbor Line Commission - First Biennial Report - Appendix;

THENCE North $62^{\circ} 51' 57''$ West, along said Inner Harbor Line, a distance of 270.37 feet to a point which bears South $56^{\circ} 00' 44''$ West, from a 1/2" iron rod with plastic cap stamped "Mursell 23856";

THENCE leaving said Inner Harbor line, North $56^{\circ} 00' 44''$ East, a distance of 1.13 feet to said 1/2" iron rod;

THENCE continuing, North $56^{\circ} 00' 44''$ East, a distance of 41.54 feet to a 5/8" iron rod with plastic cap stamped "Mursell 30447";

THENCE North $29^{\circ} 02' 16''$ East, a distance of 419.30 feet to a point on the North line of said Lot 59;

THENCE North $29^{\circ} 02' 16''$ East, a distance of 74.41 feet to a point which bears North $29^{\circ} 02' 16''$ East, a distance of 493.71 feet from said 5/8" iron rod;

THENCE South $53^{\circ} 48' 42''$ East, a distance of 59.64 feet;

THENCE South $34^{\circ} 55' 44''$ West, a distance of 68.95 feet to the North line of said Lot 59;

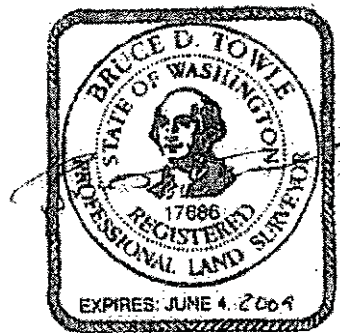
THENCE South $59^{\circ} 12' 14''$ East, along said North line, a distance of 81.75 feet;

THENCE North $34^{\circ} 55' 44''$ East, a distance of 62.73 feet;

THENCE South $56^{\circ} 00' 41''$ East, a distance of 78.14 feet to the West line of vacated Esther Street;

THENCE South $02^{\circ} 18' 57''$ West, along said West line, a distance of 66.23 feet to the POINT OF BEGINNING.

Containing 137,880 Sq. Ft. or approximately 3.165 acres.



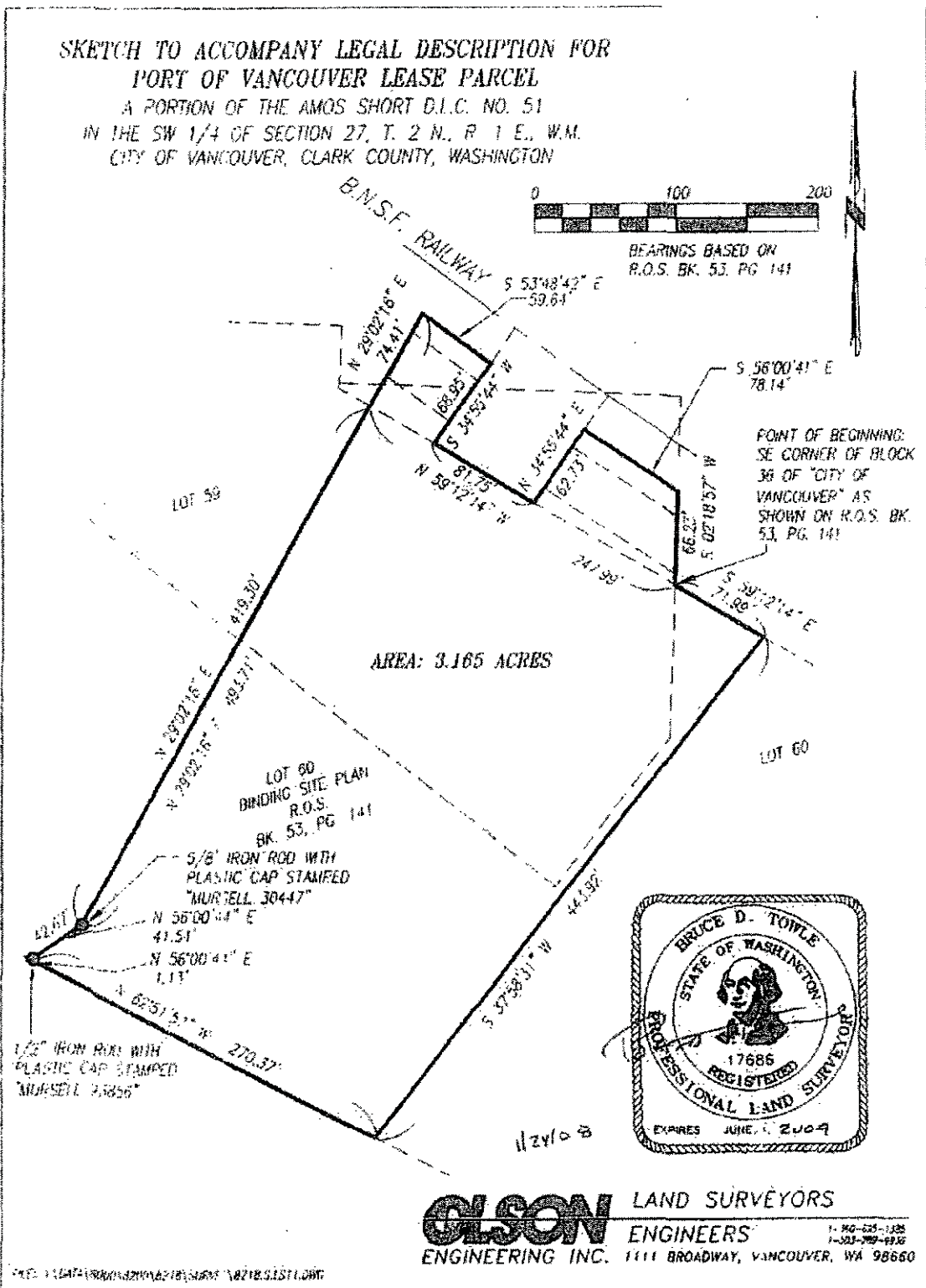


EXHIBIT D

Department of Natural Resources Leaschold

EXHIBIT D
Department of Natural Resources
Leasehold Submersible Lands

Exhibit D

Parcel "A"

HARBOR LANDS IN FRONT OF SECTION 27, TOWNSHIP 2 NORTH, RANGE 1 EAST, W.M., IN CLARK COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:
THE HARBOR AREA LYING IN FRONT OF TRACTS 19, 20, 21, 22, 23 AND 24 AND INTERVENING VACATED INGALLS AND HARNEY STREETS, VANCOUVER TIDELANDS, BOUNDED BY THE INNER AND THE OUTER HARBOR LINES, THE PRODUCED WEST LINE OF SAID TRACT 19, AND A LINE RUNNING SOUTHWESTERLY AT RIGHT ANGLES TO THE HARBOR LINES, FROM, THE SOUTHEAST CORNER OF SAID TRACT 24, TO THE OUTER HARBOR LINE, AS SHOWN ON THE OFFICIAL MAPS OF SAID TIDELANDS ON FILE IN THE OFFICE OF THE COMMISSIONER OF PUBLIC LANDS AT OLYMPIA, WASHINGTON, CONTAINING AN AREA OF 160,890 SQUARE FEET.

Parcel "B"

HARBOR LANDS IN FRONT OF SECTIONS 27 AND 28, TOWNSHIP 2 NORTH, RANGE 1 EAST, W.M. IN CLARK COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:
BEGINNING AT THE SOUTHEAST CORNER OF THE AMOS SHORT D.L.C.; THENCE S00°46'30" W, ALONG THE SOUTHERLY EXTENSION OF THE EAST LINE OF SAID SHORT D.L.C. 150.47 FEET TO THE INNER HARBOR LINE; THENCE N64°24'56" W, ALONG SAID INNER HARBOR LINE, 2997.01 FEET TO THE TRUE POINT OF BEGINNING; THENCE N64°24'56" W ALONG SAID INNER HARBOR LINE, 119.05 FEET; THENCE N52°48'29" W, ALONG SAID INNER HARBOR LINE, 604.00 FEET; THENCE S00°46'37" W, 248.52 FEET TO THE OUTER HARBOR LINE; THENCE S52°48'28"E ALONG SAID OUTER HARBOR LINE 228.30 FEET; THENCE S64°24'56"E, ALONG SAID OUTER HARBOR LINE, 452.19 FEET TO A POINT WHICH BEARS S00°45'25"W FROM THE TRUE POINT OF BEGINNING; THENCE N00°45'25"E, 165.27 FEET TO THE TRUE POINT OF BEGINNING; CONTAINING AN AREA OF 126,070 SQUARE FEET.

Parcel "C"

HARBOR LANDS IN FRONT OF SECTION 27 OF TOWNSHIP 2 NORTH RANGE 1 EAST OF THE WILLAMETTE MERIDIAN IN CLARK COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:
BEGINNING AT A POINT ON THE INNER HARBOR LINE AT THE SOUTH EAST CORNER OF FIRST CLASS TIDELAND TRACT NO. 24; THENCE S25°35'04"W, PERPENDICULARLY TO SAID INNER HARBOR LINE, 150.00 FEET TO THE OUTER HARBOR LINE; THENCE S64°24'56"E ALONG SAID OUTER HARBOR LINE, 132.26 FEET; THENCE N25°35'04"E, 150.00 FEET TO SAID INNER HARBOR LINE; THENCE N64°24'56"W ALONG SAID INNER HARBOR LINE, 132.26 FEET TO THE POINT OF BEGINNING, CONTAINING AN AREA OF 19,840 SQUARE FEET.

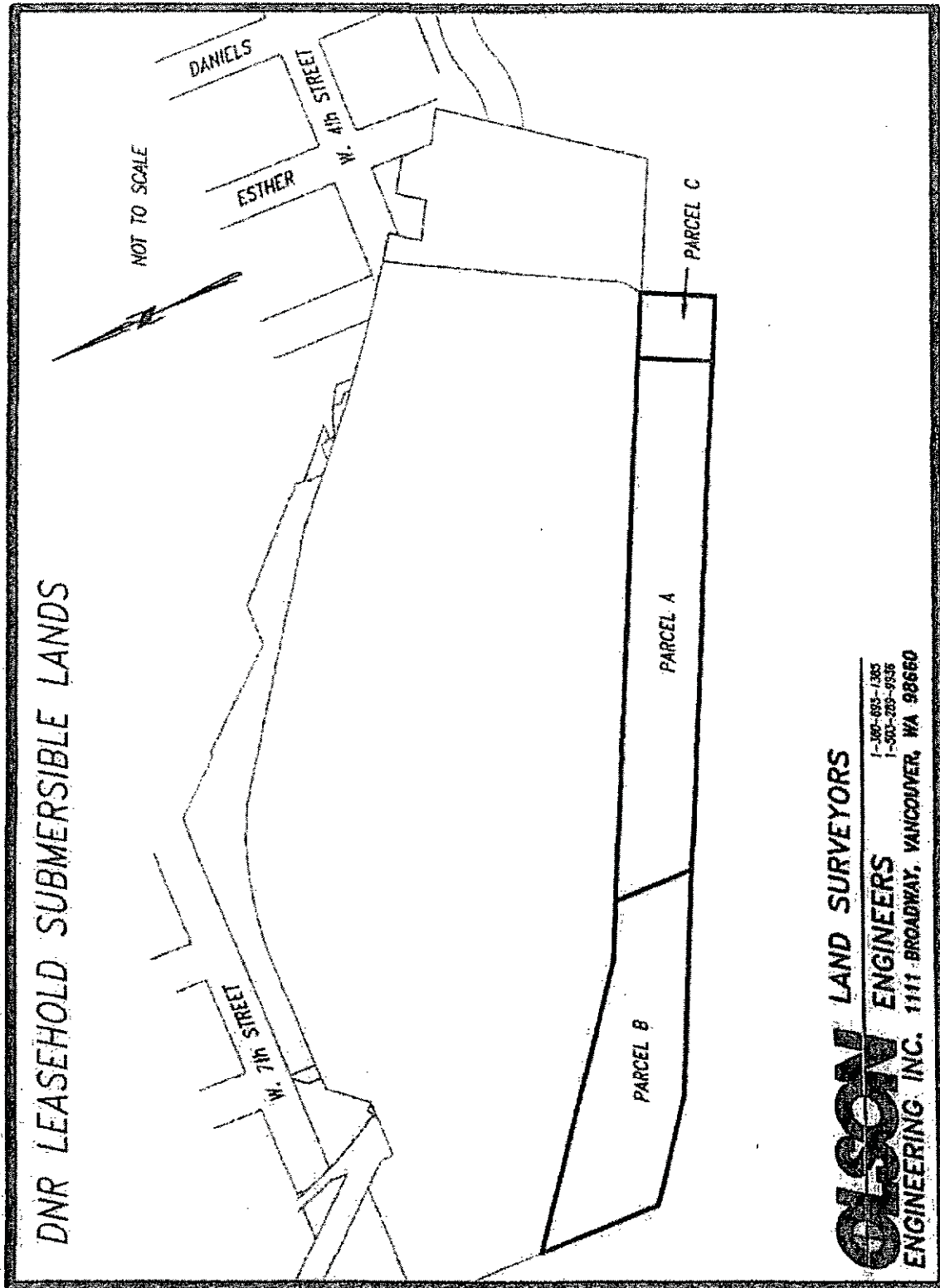


EXHIBIT E

City Surplus Property

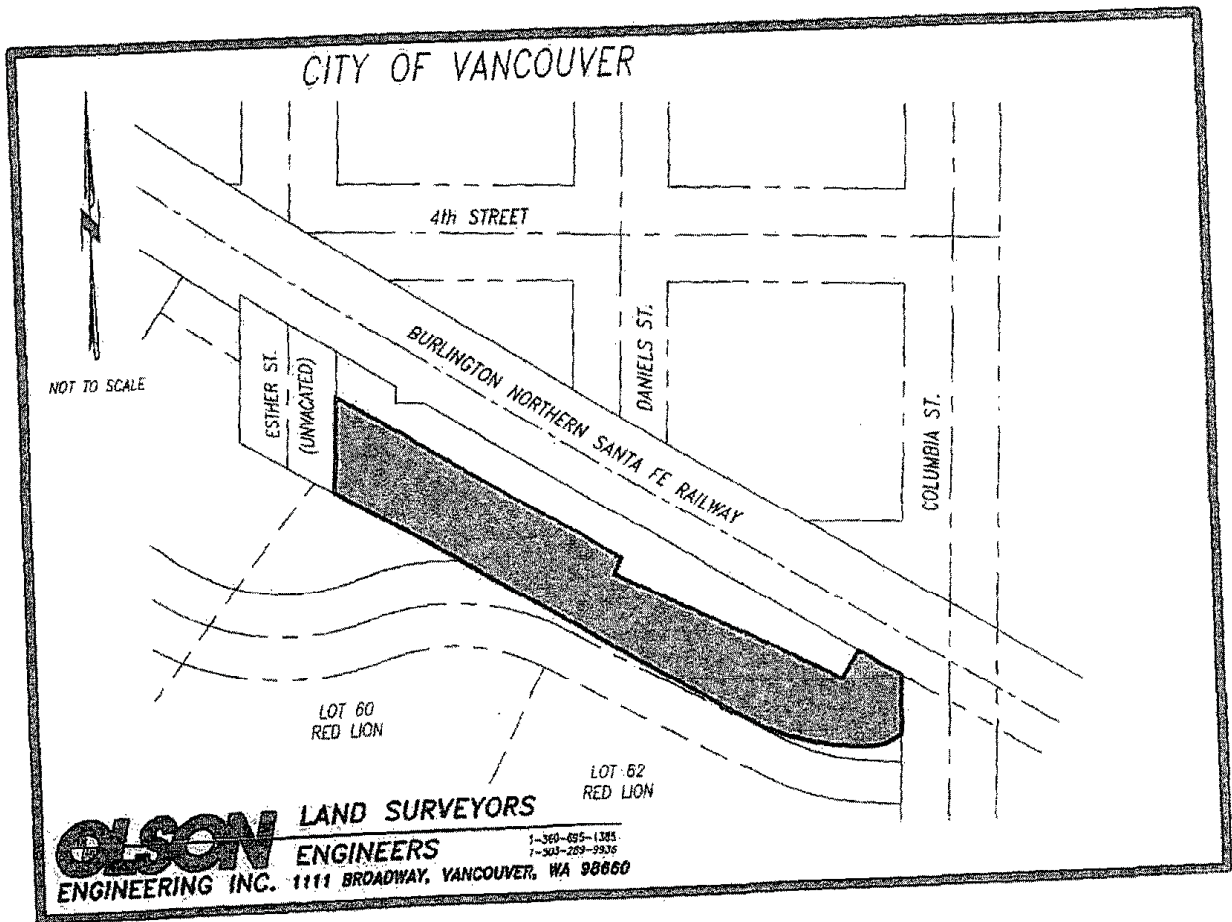


Exhibit E

EXHIBIT F

Port of Vancouver Easement Parcel



LAND SURVEYORS
ENGINEERS

(503) 289-9916
1111 Broadway
Vancouver, WA
98661

LEGAL DESCRIPTION FOR GRAMOR DEVELOPMENT
72.00 FOOT ROADWAY
PORT OF VANCOUVER PROPERTY

January 24, 2008

All that portion of the following described parcel of land lying Southerly of the North line of Lot 60 of Binding Site Plan for a portion of the Port of Vancouver, recorded in Book 53 of Surveys at Page 141, Sheet 8 of 8, records of the Clark County Auditor, lying in the Amos Short Donation Land Claim, situated in the Southwest quarter of Section 27, Township 2 North, Range 1 East of the Willamette Meridian in the City of Vancouver, Clark County, Washington, being a strip of land 72.00 feet wide, lying 36.00 feet on each side of the following described centerline:

COMMENCING at the Southeast corner of Block 36, of the "City of Vancouver" as shown in Book 53 of Surveys at Page 141, records of the Clark County Auditor, said point also being the Northeast corner of Lot 59 as shown on said Survey;

THENCE South 59° 12' 14" East, along the North line of said Lot 60, a distance of 71.99 feet;

THENCE leaving said North line, South $37^{\circ} 58' 31''$ West, a distance of 149.30 feet to a point on the arc of a non-tangent 200.00 foot radius curve to the left and TRUE POINT OF BEGINNING;

THENCE from a tangent bearing of South $69^{\circ} 47' 30''$ East, along said curve to the left, through a central angle of $39^{\circ} 28' 06''$, an arc distance of 137.77 feet to a point of reverse curvature with a 200.00 foot radius curve to the right;

THENCE along said curve to the right, through a central angle of $47^{\circ} 49' 25''$, an arc distance of 166.94 feet;

THENCE South-61° 26' 41" East, a distance of 210.68 feet to a point of curvature with a 170.00 foot radius curve to the left;

THENCE along said curve to the left, through a central angle of $23^{\circ} 29' 12''$, an arc distance of 69.69 feet;

THENCE South $84^{\circ} 55' 23''$ East, 32.47 feet, more or less, to a point on the West right of way line of Columbia Street, said point being 40.00 feet from, when measured perpendicular to the centerline of said Street, said point also being the Terminus of said centerline.

The intent of this description is to provide a uniform strip of land, 72.00 feet wide, the sidelines of which shall be lengthened or shortened as necessary to intersect said West line of Columbia Street and a line which bears South $37^{\circ} 58' 31''$ West and North $37^{\circ} 58' 31''$ East from the TRUE POINT OF BEGINNING to provide a uniform strip of land.



1124108

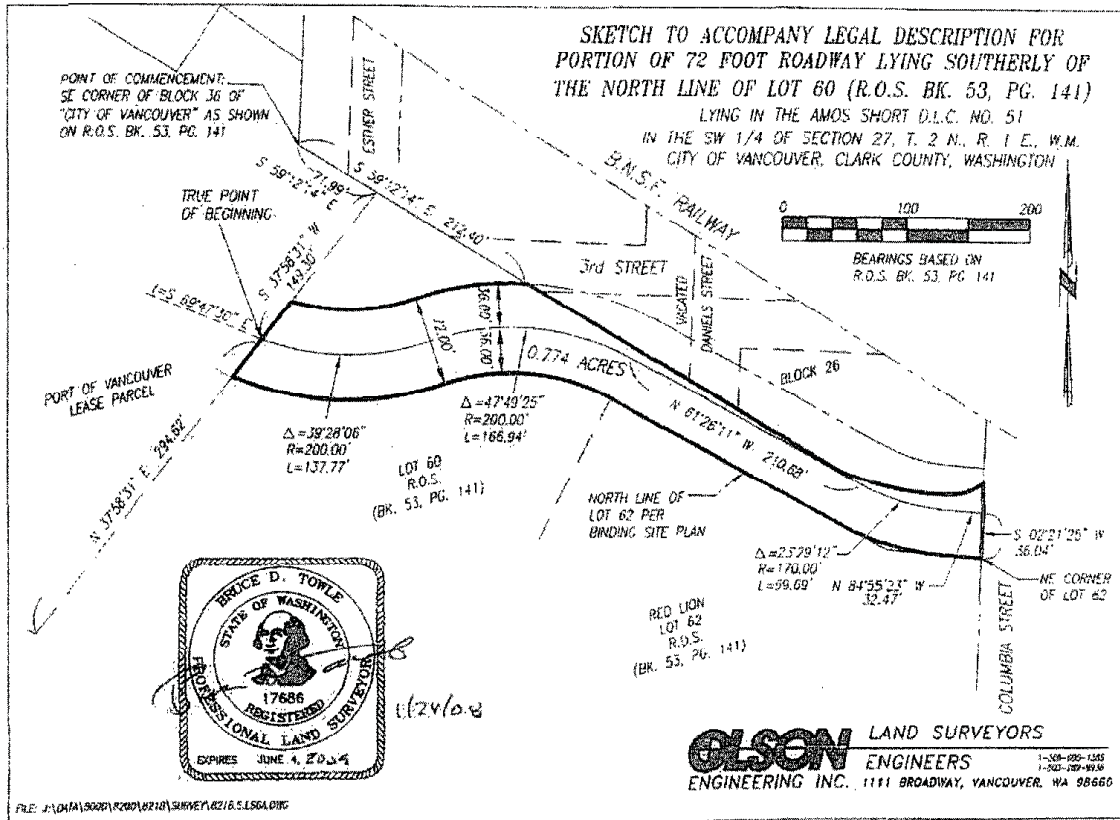


Exhibit F

EXHIBIT G

To Be Vacated Street Rights-of-Way

Exhibit G



LAND SURVEYORS
ENGINEERS

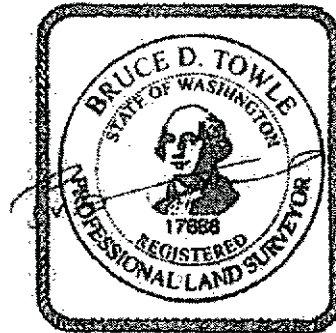
(503) 289-9936
1111 Broadway
Vancouver, WA
98660

LEGAL DESCRIPTION FOR COLUMBIA WATERFRONT Esther Street Right-of-Way to be Vacated

May 7, 2009

A parcel of property in the Plat of "West Vancouver" as platted in Book "D", Page 30 of Clark County Plat records and lying in the Southwest quarter of Section 27, Township 2 North, Range 1 East of the Willamette Meridian, Clark County, Washington described as follows:

All of Esther Street within said Plat of West Vancouver lying South of the Burlington Northern Santa Fe Railroad right-of-way.



5/7/09

EXHIBIT SKETCH FOR
GRAMOR DEVELOPMENT, INC.
COLUMBIA WATERFRONT

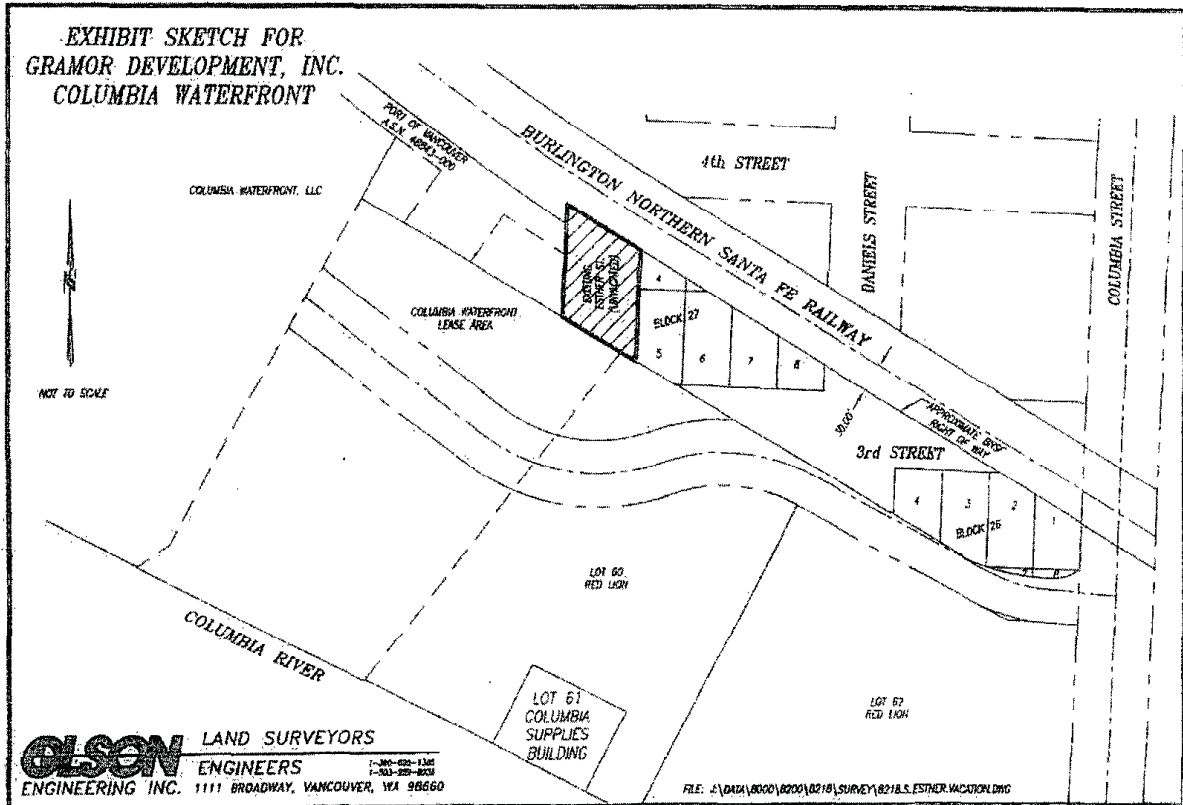
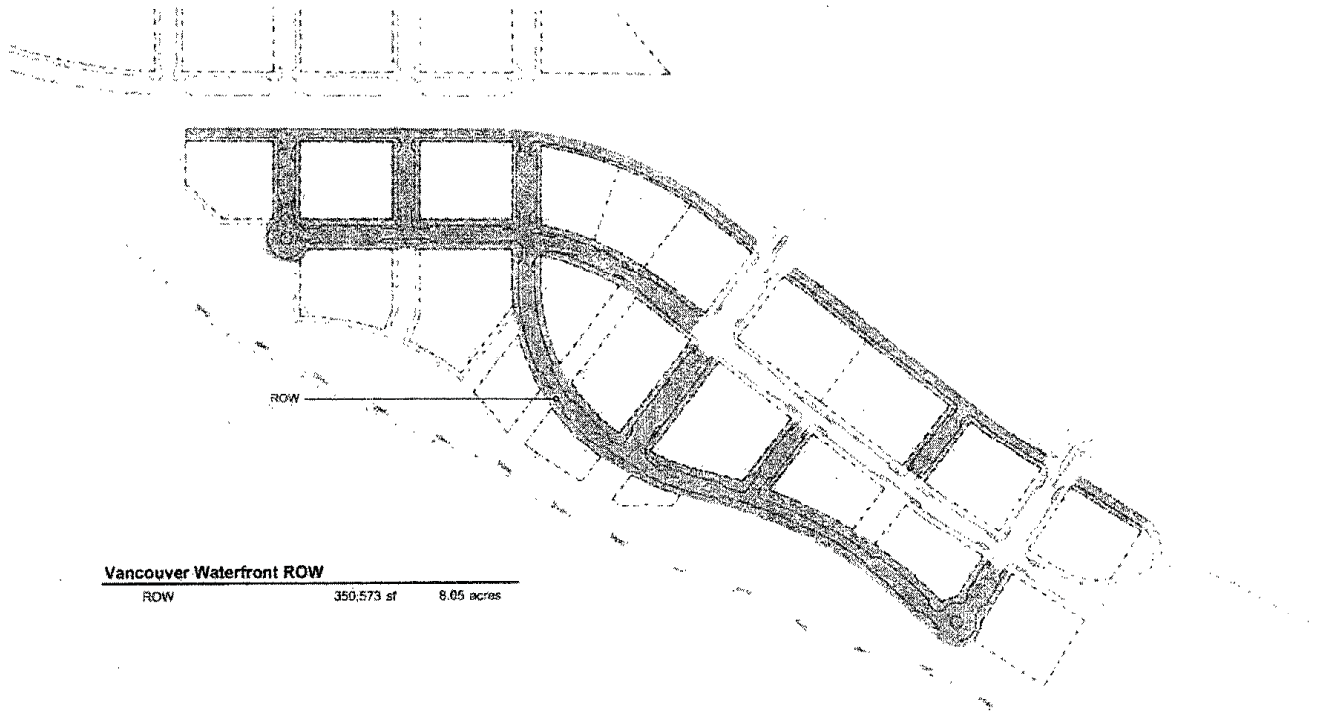


Exhibit G

EXHIBIT H

Developer Exchange Land



Vancouver Waterfront ROW

ROW 350,573 sf 8.05 acres

TWIST
ARCHITECTURE · DESIGN

Columbia Waterfront LLC

The Waterfront
Preferred Scheme

scheme
plan

Exhibit H

EXHIBIT I

Design Standards

The design standards set forth in this Exhibit I do not eliminate all other applicable City code established design standards, but rather only override the City code design standards that directly conflict with the following design standards.

EXHIBIT I

- 1) Notwithstanding VMC 20.630.020(G), construction and permitted uses will be allowed under designated right-of-ways as determined by the master plan. The City will be responsible for the construction and maintenance of the at grade right-of-way. Right-of-way must be designed to accommodate current and future infrastructure needs including, but not limited to, the following:
 1. Design guidelines established by an approved master plan on the Property.
 2. Accommodate both current and future utility needs.
 3. Design adequate clearances and design tolerances for below grade parking and service uses.
- 2) Notwithstanding VMC 20.630.040, new construction facing a service or "alley" street on one side only may reduce the transparency requirement to 50% to include parking and service access. The balance of the building wall facing the service street shall be devoted to interest-creating features.
- 3) Notwithstanding VMC 20.630.050(C)(2)(b), for buildings over 120' in height, street façade (podiums) shall not exceed 68 feet in height and towers above podiums shall not be less than 50% or more than 75% of the footprint of the podium. When a tower/podium combination is proposed, no less than two adjoining faces of the tower shall form an unbroken plan from street level to at least 50% of total building height for blocks over 50,000 square feet.
- 4) Notwithstanding VMC 20.630.060(F), surface parking lots, including off-site accessory parking lots, may be allowed upon approval of a phased development plan, which provides for future buildings and elimination of the surface parking.
- 5) Notwithstanding VMC 20.630.080(D)(1), the design of the street system shall be based on a grid pattern and pedestrian system similar to the existing City Center grid of 200 foot blocks. Based on site and environmental constraints the planning official may approve smaller or larger blocks. Where blocks are 400 feet or longer on a face, a mid block pedestrian connections shall be provided, except for Grant and Esther Streets where no mid block connection shall be required.
- 6) Notwithstanding VMC 20.630.080(D)(4), The Developer may depart from the light design guidelines provided in the City's standards. The Developer shall submit proposed light design standards for approval by the City as part of the Development Approvals.

- 7) Notwithstanding VMC 20.630.080(D)(5), above grade structural parking is prohibited between the river and the first 90 feet of the buildings floor plate located nearest to the shoreline and at the interface of buildings and the river shoreline on blocks 2, 4, 6, 8, 9, 11, 12, 16, 15, 18, 20, 21, but shall be allowed beyond that 90 foot line if appropriately screened at the ground floor level consistent with the applicable provisions of VMC 20.630.
- 8) Notwithstanding VMC Table 20.430.030 – 1, ground floor residential units shall be allowed in multi story buildings, providing the floor area ratio requirements provided for in the Agreement are complied with.

EXHIBIT J

Off-Site Transportation Improvements

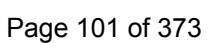


EXHIBIT K

Form of Guaranty

Exhibit K

GUARANTY AGREEMENT

Effective
Date: _____

From: _____ ("Guarantor")

In Favor of: The City of Vancouver, (the "City")
a Washington municipal corporation

Columbia Waterfront LLC, a Washington limited liability company, entered into that Downtown Waterfront Development Agreement dated _____, 2009 with the City (the "Agreement"). Pursuant to the Agreement, Columbia Waterfront LLC is obligated to pay to the City the sum of \$8,000,000, when and as set forth in Section 7.3.1 of the Agreement.

Guarantor is a member in Columbia Waterfront LLC and Guarantor will benefit from the City entering into the Agreement. The City would not have entered into the Agreement unless Guarantor agreed to enter into this Guaranty Agreement (the "Guaranty").

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor agrees as follows.

SECTION 1 GUARANTEED OBLIGATION

As used in this Agreement, the "Guaranteed Obligation" means the obligation of Columbia Waterfront LLC to pay to the City the sum of \$_____, when and as required by Section 7.3.1 of the Agreement, which is a portion of the obligation of Columbia Waterfront LLC to pay a total of \$8,000,000 to the City.

SECTION 2 AGREEMENT OF GUARANTY

2.1 Guarantor hereby guarantees, as primary obligor and not as surety, the punctual and complete performance and payment when due (whether at the stated maturity, by acceleration or otherwise) of the Guaranteed Obligation, in every instance without requiring any notice of nonpayment, nonperformance or nonobservance or proof of notice or demand in order to charge Guarantor therefor, and Guarantor agrees to pay any and all reasonable expenses which may be paid or incurred by the City in collecting any or all of the Guaranteed Obligation and/or enforcing any rights under this Guaranty.

2.2 Guarantor waives any and all notice of the creation or accrual of any of the Guaranteed Obligation and notice of or proof of reliance by the City upon this Guaranty or acceptance of this Guaranty, and the Guaranteed Obligation shall conclusively be deemed to have been created, contracted, incurred or continued, as the case may be, in reliance upon this Guaranty, and all dealings between Columbia Waterfront LLC or Guarantor and the City after the date hereof shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guaranty.

2.3 Guarantor agrees that whenever at any time or from time to time it shall make any payment to the City on account of Guarantor's liability hereunder, it will notify the City in writing that such payment is made under this Guaranty for such purposes. No payment or payments made by Columbia Waterfront LLC or any other guarantor or any other person, or received or collected by the City from Columbia Waterfront LLC or any other guarantor or any other person, in any manner and at any time or from time to time, in reduction of or in payment of the Guaranteed Obligation shall be deemed to modify, reduce, release or otherwise affect the

liability of Guarantor hereunder which shall, notwithstanding any such payment or payments, remain liable for the Guaranteed Obligation until the Guaranteed Obligation is paid in full, which shall occur when the obligation of Columbia Waterfront LLC to pay the City \$8,000,000 has been paid in full.

2.4 Guarantor expressly agrees that the City may, without notice to the undersigned, modify the obligations of Columbia Waterfront LLC under the Agreement and grant extensions and concessions to Columbia Waterfront LLC in respect thereof (including, without limitation, changes in the time, manner or place of payment or any other term of any such obligations of Columbia Waterfront LLC) without in any manner affecting the liability of Guarantor hereunder.

2.5 This Guaranty shall remain in effect, and all rights of the City hereunder, and all obligations of Guarantor under this Guaranty, shall be continuing, absolute and unconditional notwithstanding: (a) any lack of validity or enforceability of the Guaranteed Obligation; (b) the absence of any attempt to collect the Guaranteed Obligation from Columbia Waterfront LLC, or Guarantor, any other guarantor or any other person or of any other action to enforce the same; (c) any bankruptcy, reorganization or insolvency of Columbia Waterfront LLC or Guarantor, or any successor or assignee thereof, or any disaffirmance or abandonment by a trustee thereof; (d) any law, regulation or order of any jurisdiction affecting any term of the Guaranteed Obligation or the City's rights with respect thereto; (e) any other circumstance which might otherwise constitute a defense, set-off or counterclaim applicable to, or a discharge of, Columbia Waterfront LLC, Guarantor or any other guarantor.

SECTION 3 SUBROGATION

3.1 Guarantor hereby agrees, notwithstanding anything to the contrary in this Guaranty, to expressly, irrevocably and unconditionally waive and relinquish any and all claims (as that term is defined in title 11 of the United States Code) it may now have or later have against Columbia Waterfront LLC for any payment or transfer of anything of value Guarantor may make, or may be obligated to make, for any reason whatsoever, including, without limitation, any and all rights of subrogation, reimbursement, indemnity, exoneration and contribution which Guarantor may have now or hereafter have against Columbia Waterfront LLC. This section shall inure to the benefit of the City and its respective successors and assigns.

3.2 GUARANTOR HEREBY WAIVES AND RELINQUISHES ANY DEFENSE BASED UPON THE LOSS OF ANY REIMBURSEMENT OR SUBROGATION RIGHTS AND ANY OTHER DEFENSE WHICH MAY ARISE OUT OF ANY ANTI-DEFICIENCY STATUTES OR OTHER LAWS OR LEGISLATIVE ENACTMENTS, AND ANY DEFENSE THAT MAY ARISE OUT OF ELECTION OF REMEDIES, OR DISCHARGE OR SATISFACTION OF OBLIGATIONS.

SECTION 4 RENEWALS, EXTENSIONS, MODIFICATIONS, ETC.

Guarantor hereby consents that, without the necessity of any reservation of rights against Guarantor: (a) any demand for payment of any of the Guaranteed Obligation made by the City may be rescinded and the Guaranteed Obligation continued; (b) the Guaranteed Obligation or the liability of any party upon or for any part thereof or guaranty thereof, may from time to time, in whole or in part, be renewed, extended, modified, accelerated, compromised, waived, surrendered or released by the City; and (c) subject to the terms thereof, any instrument

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or agreement evidencing, relating to, securing or guaranteeing the Guaranteed Obligation may be amended, modified, supplemented or terminated, in whole or in part, as the City may deem advisable from time to time, all without notice to or further assent by Guarantor, who will remain bound hereunder notwithstanding any such renewal, extension, modification, acceleration, compromise, amendment, supplement, termination, sale, exchange, waiver, surrender or release. Guarantor acknowledges and agrees that the City has no obligation to provide Guarantor with any information regarding Columbia Waterfront LLC or any other guarantor and that Guarantor has the ability to obtain without the assistance of the City all such information.

SECTION 5 FAILURE OR INDULGENCE NOT WAIVER; REMEDIES CUMULATIVE

No failure or delay on the part of the City in the exercise of any power, right or privilege under this Guaranty, and no course of dealing with respect thereto, shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any power, right or privilege thereunder preclude any other or further exercise thereof or the exercise of any other power, right or privilege. All rights and remedies existing under this Guaranty are cumulative to, and not exclusive of, any rights and remedies provided by law or otherwise available.

SECTION 6 WAIVER OF DEMAND, PROTEST, NOTICE, ETC.

Except as otherwise specifically provided in this Guaranty, Guarantor waives presentment, demand and protest and notice of presentment, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any documents evidencing the Guaranteed Obligation at any time held by the City on which Guarantor may in any way be liable.

SECTION 7 AMENDMENT; ASSIGNMENT

Except as otherwise provided herein, no amendment, modification, termination, or waiver of any provision of this Guaranty, or consent to any departure by any Guarantor therefrom shall in any event be effective unless the same shall be in writing and signed by Guarantor and the City.

SECTION 8 SEVERABILITY

The invalidity, illegality or unenforceability in any jurisdiction of any provision in or obligation under this Guaranty shall not affect or impair the validity, legality or enforceability of the remaining provisions or obligations under this Guaranty.

SECTION 9 SUCCESSORS AND ASSIGNS

This Guaranty shall be binding upon and inure to the benefit of the City and shall be binding upon Guarantor's heirs, personal representatives, administrators, successors and assigns, except that Guarantor may not assign his or her rights or obligations hereunder or any portion hereof without the written consent of the City, which may be withheld in the City's sole discretion.

SECTION 10 TERMINATION OF GUARANTY

This Guaranty, and all obligations of Guarantor hereunder, shall terminate upon payment and performance in full of all Guaranteed Obligation. If, at any time, all or part of any payment of the Guaranteed Obligation theretofore made by Guarantor or any other person is rescinded or otherwise must be returned by the City for any reason whatsoever (including,

without limitation, the insolvency, bankruptcy or reorganization of any Guarantor or any other person), this Guaranty shall continue to be effective or shall be reinstated as to the Guaranteed Obligation which was satisfied by the payment to be rescinded or returned, all as though such payment had not been made.

SECTION 11 WAIVER OF TRIAL BY JURY

GUARANTOR ACKNOWLEDGE(S) AND AGREE(S) THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS GUARANTY OR THE RELATIONSHIP ESTABLISHED HEREBY WOULD BE BASED UPON DIFFICULT AND COMPLEX ISSUES, AND THEREFORE, GUARANTOR HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING (INCLUDING ACTIONS SOUNDING IN TORT) TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS GUARANTY OR ANY OTHER LOAN DOCUMENT OR ARISING FROM THE TRANSACTION CONTEMPLATED HEREUNDER OR THE RELATIONSHIP ESTABLISHED HEREBY AND AGREE(S) THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE AND NOT BY A JURY.

SECTION 12 ATTORNEYS' FEES

In the event any suit, action, arbitration, or other proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code) is instituted in connection with any controversy arising out of this Guaranty or to enforce or interpret any provision herein, the prevailing party shall be entitled to recover its attorneys' and other experts' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in

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connection therewith, as determined by the court or arbitrator at trial or by the court on any appeal or review, in addition to all other amounts provided by law.

SECTION 13 VOLUNTARY GUARANTY

Guarantor represents and acknowledges that it is executing this Guaranty voluntarily and for its own benefit.

IN WITNESS WHEREOF, this Guaranty has been duly executed by Guarantor as of the date and year first above written.

Guarantor: _____



P.O. Box 1995 • Vancouver, WA 98668-1995

www.ci.vancouver.wa.us

December 16, 2009

Barry Cain, Managing Member
Columbia Waterfront, LLC
19767 SW 72nd AVE, SUITE 100
Tualatin, OR 97062

RE: Waterfront Development Agreement – Personal Guarantees

Barry:

We are in receipt of your requested changes to the form of the personal guaranty that was attached as Exhibit "K" to the Council-approved Columbia Waterfront, LLC Development Agreement.

There has been some discussion about the effect of interim payments on the amount of the guaranty. It is our intent that the interim payments will operate to proportionately reduce the amount of the guaranty consistent with each individual's share for the overall obligation. For example, a 20% guarantor would guaranty \$1.6 million prior to initial payment (20% of the \$8,000,000 developer contribution). After payment of the \$800,000 payment due under paragraph 7.3.1.1 of the Development Agreement, the guaranty amount would drop to \$1.44 million, or 20% of \$7.2 million. The enclosed chart expresses the City's view of how the guaranty will operate.

We believe that the intent expressed in this letter has been the intent expressed by the parties throughout negotiations, before the City Center Revitalization Authority and before the City Council. We do not believe that there is any need to change the language of the Development Agreement or to depart from the guaranty form attached at Exhibit K if your intent as to how the guaranty operates is consistent with the enclosed chart.

Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Eric J. Holmes'.

Eric J. Holmes
Economic Development Director

OPERATION OF DEVELOPMENT AGREEMENT
EXHIBIT K
GUARANTY

Guarantor	Share	Guaranty amount prior to initial payment	Guaranty amount after initial payment	Guaranty amount after payment due on 6/30/2010	Guaranty amount after Payment due on 6/20/2011	Guaranty Amount After Payment due on 6/30/2012	Guaranty Amount After Payment Due on 6/30/2013
Gramor LLC							
(Barry Cain)	30%	\$ 2,400,000	\$ 2,160,000	\$ 2,055,000	\$ 1,950,000	\$ 1,845,000	\$ 1,740,000
Al Kirkwood	20%	\$ 1,600,000	\$ 1,440,000	\$ 1,370,000	\$ 1,300,000	\$ 1,230,000	\$ 1,160,000
Steve Hansen	20%	\$ 1,600,000	\$ 1,440,000	\$ 1,370,000	\$ 1,300,000	\$ 1,230,000	\$ 1,160,000
Steve Oliva	20%	\$ 1,600,000	\$ 1,440,000	\$ 1,370,000	\$ 1,300,000	\$ 1,230,000	\$ 1,160,000
Barry Cain	6.67%	\$ 533,600	\$ 480,240	\$ 456,895	\$ 433,550	\$ 410,205	\$ 386,860
George Diamond	3.33%	\$ 266,400	\$ 239,760	\$ 228,105	\$ 216,450	\$ 204,795	\$ 193,140
Total	100.00%	\$ 8,000,000	\$ 7,200,000	\$ 6,850,000	\$ 6,500,000	\$ 6,150,000	\$ 5,800,000

GUARANTY AGREEMENT

Effective

Date: January 8, 2010

From: Barry A. Cain ("Guarantor")

In Favor of: The City of Vancouver, (the "City")
a Washington municipal corporation

Columbia Waterfront LLC, a Washington limited liability company, entered into the Downtown Waterfront Development Agreement dated October 19, 2009 with the City (the "Agreement"). Pursuant to the Agreement, Columbia Waterfront LLC is obligated to pay to the City the sum of \$8,000,000, when and as set forth in Section 7.3.1 of the Agreement.

Guarantor is the manager of BAC Columbia Waterfront LLC, a Washington limited liability company, which is a member in Columbia Waterfront LLC and Guarantor will benefit from the City entering into the Agreement. The City would not have entered into the Agreement unless Guarantor agreed to enter into this Guaranty Agreement (the "Guaranty").

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor agrees as follows.

SECTION 1 GUARANTEED OBLIGATION

As used in this Agreement, the "Guaranteed Obligation" means the obligation of Columbia Waterfront LLC to pay to the City the sum of \$533,600 when and as required by Section 7.3.1 of the Agreement, which is a portion of the obligation of Columbia Waterfront LC to pay a total of \$8,000,000 to the City.

SECTION 2 AGREEMENT OF GUARANTY

2.1 Guarantor hereby guarantees, as primary obligor and not as surety, the punctual and complete performance and payment when due (whether at the stated maturity, by acceleration or otherwise) of the Guaranteed Obligation, in every instance without requiring any notice of nonpayment, nonperformance or nonobservance or proof of notice or demand in order to charge Guarantor therefor, and Guarantor agrees to pay any and all reasonable expenses which may be paid or incurred by the City in collecting any or all of the Guaranteed Obligation and/or enforcing any rights under this Guaranty.

2.2 Guarantor waives any and all notice of the creation or accrual of any of the Guaranteed Obligation and notice of or proof of reliance by the City upon this Guaranty or acceptance of this Guaranty, and the Guaranteed Obligation shall conclusively be deemed to have been created, contracted, incurred or continued, as the case may be, in reliance upon this Guaranty, and all dealings between Columbia Waterfront LLC or Guarantor and the City after the date hereof shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guaranty.

2.3 Guarantor agrees that whenever at any time or from time to time it shall make any payment to the City on account of Guarantor's liability hereunder, it will notify the City in writing that such payment is made under this Guaranty for such purposes. No payment or payments made by Columbia Waterfront LLC or any other guarantor or any other person, or received or collected by the City from Columbia Waterfront LLC or any other guarantor or any other person, in any manner and at any time or from time to time, in reduction of or in payment of the Guaranteed Obligation shall be deemed to modify, reduce, release or otherwise affect the

liability of Guarantor hereunder which shall, notwithstanding any such payment or payments, remain liable for the Guaranteed Obligation until the Guaranteed Obligation is paid in full, which shall occur when the obligation of Columbia Waterfront LLC to pay the City \$8,000,000 has been paid in full.

2.4 Guarantor expressly agrees that the City may, without notice to the undersigned, modify the obligations of Columbia Waterfront LLC under the Agreement and grant extensions and concessions to Columbia Waterfront LLC in respect thereof (including, without limitation, changes in the time, manner or place of payment or any other term of any such obligations of Columbia Waterfront LLC) without in any manner affecting the liability of Guarantor hereunder.

2.5 This Guaranty shall remain in effect, and all rights of the City hereunder, and all obligations of Guarantor under this Guaranty, shall be continuing, absolute and unconditional notwithstanding: (a) any lack of validity or enforceability of the Guaranteed Obligation; (b) the absence of any attempt to collect the Guaranteed Obligation from Columbia Waterfront LLC, or Guarantor, any other guarantor or any other person or of any other action to enforce the same; (c) any bankruptcy, reorganization or insolvency of Columbia Waterfront LLC or Guarantor, or any successor or assignee thereof, or any disaffirmance or abandonment by a trustee thereof; (d) any law, regulation or order of any jurisdiction affecting any term of the Guaranteed Obligation or the City's rights with respect thereto; (e) any other circumstance which might otherwise constitute a defense, set-off or counterclaim applicable to, or a discharge of, Columbia Waterfront LLC, Guarantor or any other guarantor.

SECTION 3 SUBROGATION

3.1 Guarantor hereby agrees, notwithstanding anything to the contrary in this Guaranty, to expressly, irrevocably and unconditionally waive and relinquish any and all claims (as that term is defined in title 11 of the United States Code) it may now have or later have against Columbia Waterfront LLC for any payment or transfer of anything of value Guarantor may make, or may be obligated to make, for any reason whatsoever, including, without limitation, any and all rights of subrogation, reimbursement, indemnity, exoneration and contribution which Guarantor may have now or hereafter have against Columbia Waterfront LLC. This section shall inure to the benefit of the City and its respective successors and assigns.

3.2 GUARANTOR HEREBY WAIVES AND RELINQUISHES ANY DEFENSE BASED UPON THE LOSS OF ANY REIMBURSEMENT OR SUBROGATION RIGHTS AND ANY OTHER DEFENSE WHICH MAY ARISE OUT OF ANY ANTI-DEFICIENCY STATUTES OR OTHER LAWS OR LEGISLATIVE ENACTMENTS, AND ANY DEFENSE THAT MAY ARISE OUT OF ELECTION OF REMEDIES, OR DISCHARGE OR SATISFACTION OF OBLIGATIONS.

SECTION 4 RENEWALS, EXTENSIONS, MODIFICATIONS, ETC.

Guarantor hereby consents that, without the necessity of any reservation of rights against Guarantor: (a) any demand for payment of any of the Guaranteed Obligation made by the City may be rescinded and the Guaranteed Obligation continued; (b) the Guaranteed Obligation or the liability of any party upon or for any part thereof or guaranty thereof, may from time to time, in whole or in part, be renewed, extended, modified, accelerated, compromised, waived, surrendered or released by the City; and (c) subject to the terms thereof, any instrument

or agreement evidencing, relating to, securing or guaranteeing the Guaranteed Obligation may be amended, modified, supplemented or terminated, in whole or in part, as the City may deem advisable from time to time, all without notice to or further assent by Guarantor, who will remain bound hereunder notwithstanding any such renewal, extension, modification, acceleration, compromise, amendment, supplement, termination, sale, exchange, waiver, surrender or release. Guarantor acknowledges and agrees that the City has no obligation to provide Guarantor with any information regarding Columbia Waterfront LLC or any other guarantor and that Guarantor has the ability to obtain without the assistance of the City all such information.

SECTION 5 FAILURE OR INDULGENCE NOT WAIVER; REMEDIES CUMULATIVE

No failure or delay on the part of the City in the exercise of any power, right or privilege under this Guaranty, and no course of dealing with respect thereto, shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any power, right or privilege thereunder preclude any other or further exercise thereof or the exercise of any other power, right or privilege. All rights and remedies existing under this Guaranty are cumulative to, and not exclusive of, any rights and remedies provided by law or otherwise available.

SECTION 6 WAIVER OF DEMAND, PROTEST, NOTICE, ETC.

Except as otherwise specifically provided in this Guaranty, Guarantor waives presentment, demand and protest and notice of presentment, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any documents evidencing the Guaranteed Obligation at any time held by the City on which Guarantor may in any way be liable.

SECTION 7 AMENDMENT; ASSIGNMENT

Except as otherwise provided herein, no amendment, modification, termination, or waiver of any provision of this Guaranty, or consent to any departure by any Guarantor therefrom shall in any event be effective unless the same shall be in writing and signed by Guarantor and the City.

SECTION 8 SEVERABILITY

The invalidity, illegality or unenforceability in any jurisdiction of any provision in or obligation under this Guaranty shall not affect or impair the validity, legality or enforceability of the remaining provisions or obligations under this Guaranty.

SECTION 9 SUCCESSORS AND ASSIGNS

This Guaranty shall be binding upon and inure to the benefit of the City and shall be binding upon Guarantor's heirs, personal representatives, administrators, successors and assigns, except that Guarantor may not assign his or her rights or obligations hereunder or any portion hereof without the written consent of the City, which may be withheld in the City's sole discretion.

SECTION 10 TERMINATION OF GUARANTY

This Guaranty, and all obligations of Guarantor hereunder, shall terminate upon payment and performance in full of all Guaranteed Obligation. If, at any time, all or part of any payment of the Guaranteed Obligation theretofore made by Guarantor or any other person is rescinded or otherwise must be returned by the City for any reason whatsoever (including,

without limitation, the insolvency, bankruptcy or reorganization of any Guarantor or any other person), this Guaranty shall continue to be effective or shall be reinstated as to the Guaranteed Obligation which was satisfied by the payment to be rescinded or returned, all as though such payment had not been made.

SECTION 11 WAIVER OF TRIAL BY JURY

GUARANTOR ACKNOWLEDGE(S) AND AGREE(S) THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS GUARANTY OR THE RELATIONSHIP ESTABLISHED HEREBY WOULD BE BASED UPON DIFFICULT AND COMPLEX ISSUES, AND THEREFORE, GUARANTOR HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING (INCLUDING ACTIONS SOUNDING IN TORT) TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS GUARANTY OR ANY OTHER LOAN DOCUMENT OR ARISING FROM THE TRANSACTION CONTEMPLATED HEREUNDER OR THE RELATIONSHIP ESTABLISHED HEREBY AND AGREE(S) THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE AND NOT BY A JURY.

SECTION 12 ATTORNEYS' FEES

In the event any suit, action, arbitration, or other proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code) is instituted in connection with any controversy arising out of this Guaranty or to enforce or interpret any provision herein, the prevailing party shall be entitled to recover its attorneys' and other experts' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in

GUARANTY AGREEMENT

Effective Date: January 8, 2010

From: Gramor Columbia Waterfront LLC ("Guarantor")

In Favor of: The City of Vancouver, (the "City")
a Washington municipal corporation

Columbia Waterfront LLC, a Washington limited liability company, entered into the Downtown Waterfront Development Agreement dated October 19, 2009 with the City (the "Agreement"). Pursuant to the Agreement, Columbia Waterfront LLC is obligated to pay to the City the sum of \$8,000,000, when and as set forth in Section 7.3.1 of the Agreement.

Guarantor is a member in Columbia Waterfront LLC and Guarantor will benefit from the City entering into the Agreement. The City would not have entered into the Agreement unless Guarantor agreed to enter into this Guaranty Agreement (the "Guaranty").

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor agrees as follows.

SECTION 1 GUARANTEED OBLIGATION

As used in this Agreement, the "Guaranteed Obligation" means the obligation of Columbia Waterfront LLC to pay to the City the sum of \$2,400,000 when and as required by Section 7.3.1 of the Agreement, which is a portion of the obligation of Columbia Waterfront LLC to pay a total of \$8,000,000 to the City.

SECTION 2 AGREEMENT OF GUARANTY

2.1 Guarantor hereby guarantees, as primary obligor and not as surety, the punctual and complete performance and payment when due (whether at the stated maturity, by acceleration or otherwise) of the Guaranteed Obligation, in every instance without requiring any notice of nonpayment, nonperformance or nonobservance or proof of notice or demand in order to charge Guarantor therefor, and Guarantor agrees to pay any and all reasonable expenses which may be paid or incurred by the City in collecting any or all of the Guaranteed Obligation and/or enforcing any rights under this Guaranty.

2.2 Guarantor waives any and all notice of the creation or accrual of any of the Guaranteed Obligation and notice of or proof of reliance by the City upon this Guaranty or acceptance of this Guaranty, and the Guaranteed Obligation shall conclusively be deemed to have been created, contracted, incurred or continued, as the case may be, in reliance upon this Guaranty, and all dealings between Columbia Waterfront LLC or Guarantor and the City after the date hereof shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guaranty.

2.3 Guarantor agrees that whenever at any time or from time to time it shall make any payment to the City on account of Guarantor's liability hereunder, it will notify the City in writing that such payment is made under this Guaranty for such purposes. No payment or payments made by Columbia Waterfront LLC or any other guarantor or any other person, or received or collected by the City from Columbia Waterfront LLC or any other guarantor or any other person, in any manner and at any time or from time to time, in reduction of or in payment of the Guaranteed Obligation shall be deemed to modify, reduce, release or otherwise affect the

liability of Guarantor hereunder which shall, notwithstanding any such payment or payments, remain liable for the Guaranteed Obligation until the Guaranteed Obligation is paid in full, which shall occur when the obligation of Columbia Waterfront LLC to pay the City \$8,000,000 has been paid in full.

2.4 Guarantor expressly agrees that the City may, without notice to the undersigned, modify the obligations of Columbia Waterfront LLC under the Agreement and grant extensions and concessions to Columbia Waterfront LLC in respect thereof (including, without limitation, changes in the time, manner or place of payment or any other term of any such obligations of Columbia Waterfront LLC) without in any manner affecting the liability of Guarantor hereunder.

2.5 This Guaranty shall remain in effect, and all rights of the City hereunder, and all obligations of Guarantor under this Guaranty, shall be continuing, absolute and unconditional notwithstanding: (a) any lack of validity or enforceability of the Guaranteed Obligation; (b) the absence of any attempt to collect the Guaranteed Obligation from Columbia Waterfront LLC, or Guarantor, any other guarantor or any other person or of any other action to enforce the same; (c) any bankruptcy, reorganization or insolvency of Columbia Waterfront LLC or Guarantor, or any successor or assignee thereof, or any disaffirmance or abandonment by a trustee thereof; (d) any law, regulation or order of any jurisdiction affecting any term of the Guaranteed Obligation or the City's rights with respect thereto; (e) any other circumstance which might otherwise constitute a defense, set-off or counterclaim applicable to, or a discharge of, Columbia Waterfront LLC, Guarantor or any other guarantor.

SECTION 3 SUBROGATION

3.1 Guarantor hereby agrees, notwithstanding anything to the contrary in this Guaranty, to expressly, irrevocably and unconditionally waive and relinquish any and all claims (as that term is defined in title 11 of the United States Code) it may now have or later have against Columbia Waterfront LLC for any payment or transfer of anything of value Guarantor may make, or may be obligated to make, for any reason whatsoever, including, without limitation, any and all rights of subrogation, reimbursement, indemnity, exoneration and contribution which Guarantor may have now or hereafter have against Columbia Waterfront LLC. This section shall inure to the benefit of the City and its respective successors and assigns.

3.2 GUARANTOR HEREBY WAIVES AND RELINQUISHES ANY DEFENSE BASED UPON THE LOSS OF ANY REIMBURSEMENT OR SUBROGATION RIGHTS AND ANY OTHER DEFENSE WHICH MAY ARISE OUT OF ANY ANTI-DEFICIENCY STATUTES OR OTHER LAWS OR LEGISLATIVE ENACTMENTS, AND ANY DEFENSE THAT MAY ARISE OUT OF ELECTION OF REMEDIES, OR DISCHARGE OR SATISFACTION OF OBLIGATIONS.

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Guarantor hereby consents that, without the necessity of any reservation of rights against Guarantor: (a) any demand for payment of any of the Guaranteed Obligation made by the City may be rescinded and the Guaranteed Obligation continued; (b) the Guaranteed Obligation or the liability of any party upon or for any part thereof or guaranty thereof, may from time to time, in whole or in part, be renewed, extended, modified, accelerated, compromised, waived, surrendered or released by the City; and (c) subject to the terms thereof, any instrument

or agreement evidencing, relating to, securing or guaranteeing the Guaranteed Obligation may be amended, modified, supplemented or terminated, in whole or in part, as the City may deem advisable from time to time, all without notice to or further assent by Guarantor, who will remain bound hereunder notwithstanding any such renewal, extension, modification, acceleration, compromise, amendment, supplement, termination, sale, exchange, waiver, surrender or release. Guarantor acknowledges and agrees that the City has no obligation to provide Guarantor with any information regarding Columbia Waterfront LLC or any other guarantor and that Guarantor has the ability to obtain without the assistance of the City all such information.

SECTION 5 FAILURE OR INDULGENCE NOT WAIVER; REMEDIES CUMULATIVE

No failure or delay on the part of the City in the exercise of any power, right or privilege under this Guaranty, and no course of dealing with respect thereto, shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any power, right or privilege thereunder preclude any other or further exercise thereof or the exercise of any other power, right or privilege. All rights and remedies existing under this Guaranty are cumulative to, and not exclusive of, any rights and remedies provided by law or otherwise available.

SECTION 6 WAIVER OF DEMAND, PROTEST, NOTICE, ETC.

Except as otherwise specifically provided in this Guaranty, Guarantor waives presentment, demand and protest and notice of presentment, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any documents evidencing the Guaranteed Obligation at any time held by the City on which Guarantor may in any way be liable.

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Except as otherwise provided herein, no amendment, modification, termination, or waiver of any provision of this Guaranty, or consent to any departure by any Guarantor therefrom shall in any event be effective unless the same shall be in writing and signed by Guarantor and the City.

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This Guaranty shall be binding upon and inure to the benefit of the City and shall be binding upon Guarantor's heirs, personal representatives, administrators, successors and assigns, except that Guarantor may not assign his or her rights or obligations hereunder or any portion hereof without the written consent of the City, which may be withheld in the City's sole discretion.

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without limitation, the insolvency, bankruptcy or reorganization of any Guarantor or any other person), this Guaranty shall continue to be effective or shall be reinstated as to the Guaranteed Obligation which was satisfied by the payment to be rescinded or returned, all as though such payment had not been made.

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SECTION 12 ATTORNEYS' FEES

In the event any suit, action, arbitration, or other proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code) is instituted in connection with any controversy arising out of this Guaranty or to enforce or interpret any provision herein, the prevailing party shall be entitled to recover its attorneys' and other experts' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in

connection therewith, as determined by the court or arbitrator at trial or by the court on any appeal or review, in addition to all other amounts provided by law.

SECTION 13 VOLUNTARY GUARANTY

Guarantor represents and acknowledges that it is executing this Guaranty voluntarily and for its own benefit.

IN WITNESS WHEREOF, this Guaranty has been duly executed by Guarantor as of the date and year first above written.

Guarantor:

Gramor Columbia Waterfront LLC,
a Washington limited liability company

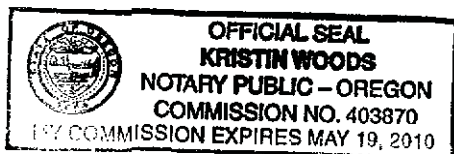
By: Gramor Investments, Inc.,
an Oregon corporation, Manager

By: [Signature]
Barry A. Cain, President

STATE OF OREGON)
)ss
COUNTY OF WASHINGTON)

I hereby certify that I know or have satisfactory evidence that Barry A. Cain is the person who appeared before me, and that said person acknowledged that he (he/she) is authorized to execute the foregoing document and acknowledges it as President of Gramor Investments Inc., an Oregon corporation, Manager of Gramor Columbia Waterfront LL, a Washington limited liability company to be the free and voluntary act of such party for the uses and purposes therein mentioned.

Dated this 8th day of January, 2010.



Kristin Woods
Notary Public for the State of Oregon
Residing at Portland
My commission expires May 19, 2010

GUARANTY AGREEMENT

Effective Date: January 8, 2010

From: Steven J. Oliva ("Guarantor")

In Favor of: The City of Vancouver, (the "City")
a Washington municipal corporation

Columbia Waterfront LLC, a Washington limited liability company, entered into the Downtown Waterfront Development Agreement dated October 19, 2009 with the City (the "Agreement"). Pursuant to the Agreement, Columbia Waterfront LLC is obligated to pay to the City the sum of \$8,000,000, when and as set forth in Section 7.3.1 of the Agreement.

Guarantor is the manager of Oliva Columbia Waterfront LLC, a Washington limited liability company, which is a member in Columbia Waterfront LLC and Guarantor will benefit from the City entering into the Agreement. The City would not have entered into the Agreement unless Guarantor agreed to enter into this Guaranty Agreement (the "Guaranty").

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor agrees as follows.

SECTION 1. GUARANTEED OBLIGATION

As used in this Agreement, the "Guaranteed Obligation" means the obligation of Columbia Waterfront LLC to pay to the City the sum of \$1,600,000 when and as required by Section 7.3.1 of the Agreement, which is a portion of the obligation of Columbia Waterfront LLC to pay a total of \$8,000,000 to the City.

SECTION 2 AGREEMENT OF GUARANTY

2.1 Guarantor hereby guarantees, as primary obligor and not as surety, the punctual and complete performance and payment when due (whether at the stated maturity, by acceleration or otherwise) of the Guaranteed Obligation, in every instance without requiring any notice of nonpayment, nonperformance or nonobservance or proof of notice or demand in order to charge Guarantor therefor, and Guarantor agrees to pay any and all reasonable expenses which may be paid or incurred by the City in collecting any or all of the Guaranteed Obligation and/or enforcing any rights under this Guaranty.

2.2 Guarantor waives any and all notice of the creation or accrual of any of the Guaranteed Obligation and notice of or proof of reliance by the City upon this Guaranty or acceptance of this Guaranty, and the Guaranteed Obligation shall conclusively be deemed to have been created, contracted, incurred or continued, as the case may be, in reliance upon this Guaranty, and all dealings between Columbia Waterfront LLC or Guarantor and the City after the date hereof shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guaranty.

2.3 Guarantor agrees that whenever at any time or from time to time it shall make any payment to the City on account of Guarantor's liability hereunder, it will notify the City in writing that such payment is made under this Guaranty for such purposes. No payment or payments made by Columbia Waterfront LLC or any other guarantor or any other person, or received or collected by the City from Columbia Waterfront LLC or any other guarantor or any other person, in any manner and at any time or from time to time, in reduction of or in payment of the Guaranteed Obligation shall be deemed to modify, reduce, release or otherwise affect the

liability of Guarantor hereunder which shall, notwithstanding any such payment or payments, remain liable for the Guaranteed Obligation until the Guaranteed Obligation is paid in full, which shall occur when the obligation of Columbia Waterfront LLC to pay the City \$8,000,000 has been paid in full.

2.4 Guarantor expressly agrees that the City may, without notice to the undersigned, modify the obligations of Columbia Waterfront LLC under the Agreement and grant extensions and concessions to Columbia Waterfront LLC in respect thereof (including, without limitation, changes in the time, manner or place of payment or any other term of any such obligations of Columbia Waterfront LLC) without in any manner affecting the liability of Guarantor hereunder.

2.5 This Guaranty shall remain in effect, and all rights of the City hereunder, and all obligations of Guarantor under this Guaranty, shall be continuing, absolute and unconditional notwithstanding: (a) any lack of validity or enforceability of the Guaranteed Obligation; (b) the absence of any attempt to collect the Guaranteed Obligation from Columbia Waterfront LLC, or Guarantor, any other guarantor or any other person or of any other action to enforce the same; (c) any bankruptcy, reorganization or insolvency of Columbia Waterfront LLC or Guarantor, or any successor or assignee thereof, or any disaffirmance or abandonment by a trustee thereof; (d) any law, regulation or order of any jurisdiction affecting any term of the Guaranteed Obligation or the City's rights with respect thereto; (e) any other circumstance which might otherwise constitute a defense, set-off or counterclaim applicable to, or a discharge of, Columbia Waterfront LLC, Guarantor or any other guarantor.

SECTION 3 SUBROGATION

3.1 Guarantor hereby agrees, notwithstanding anything to the contrary in this Guaranty, to expressly, irrevocably and unconditionally waive and relinquish any and all claims (as that term is defined in title 11 of the United States Code) it may now have or later have against Columbia Waterfront LLC for any payment or transfer of anything of value Guarantor may make, or may be obligated to make, for any reason whatsoever, including, without limitation, any and all rights of subrogation, reimbursement, indemnity, exoneration and contribution which Guarantor may have now or hereafter have against Columbia Waterfront LLC. This section shall inure to the benefit of the City and its respective successors and assigns.

3.2 GUARANTOR HEREBY WAIVES AND RELINQUISHES ANY DEFENSE BASED UPON THE LOSS OF ANY REIMBURSEMENT OR SUBROGATION RIGHTS AND ANY OTHER DEFENSE WHICH MAY ARISE OUT OF ANY ANTI-DEFICIENCY STATUTES OR OTHER LAWS OR LEGISLATIVE ENACTMENTS, AND ANY DEFENSE THAT MAY ARISE OUT OF ELECTION OF REMEDIES, OR DISCHARGE OR SATISFACTION OF OBLIGATIONS.

SECTION 4 RENEWALS, EXTENSIONS, MODIFICATIONS, ETC.

Guarantor hereby consents that, without the necessity of any reservation of rights against Guarantor: (a) any demand for payment of any of the Guaranteed Obligation made by the City may be rescinded and the Guaranteed Obligation continued; (b) the Guaranteed Obligation or the liability of any party upon or for any part thereof or guaranty thereof, may from time to time, in whole or in part, be renewed, extended, modified, accelerated, compromised, waived, surrendered or released by the City; and (c) subject to the terms thereof, any instrument

or agreement evidencing, relating to, securing or guaranteeing the Guaranteed Obligation may be amended, modified, supplemented or terminated, in whole or in part, as the City may deem advisable from time to time, all without notice to or further assent by Guarantor, who will remain bound hereunder notwithstanding any such renewal, extension, modification, acceleration, compromise, amendment, supplement, termination, sale, exchange, waiver, surrender or release. Guarantor acknowledges and agrees that the City has no obligation to provide Guarantor with any information regarding Columbia Waterfront LLC or any other guarantor and that Guarantor has the ability to obtain without the assistance of the City all such information.

SECTION 5 FAILURE OR INDULGENCE NOT WAIVER; REMEDIES CUMULATIVE

No failure or delay on the part of the City in the exercise of any power, right or privilege under this Guaranty, and no course of dealing with respect thereto, shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any power, right or privilege thereunder preclude any other or further exercise thereof or the exercise of any other power, right or privilege. All rights and remedies existing under this Guaranty are cumulative to, and not exclusive of, any rights and remedies provided by law or otherwise available.

SECTION 6 WAIVER OF DEMAND, PROTEST, NOTICE, ETC.

Except as otherwise specifically provided in this Guaranty, Guarantor waives presentment, demand and protest and notice of presentment, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any documents evidencing the Guaranteed Obligation at any time held by the City on which Guarantor may in any way be liable.

SECTION 7 AMENDMENT; ASSIGNMENT

Except as otherwise provided herein, no amendment, modification, termination, or waiver of any provision of this Guaranty, or consent to any departure by any Guarantor therefrom shall in any event be effective unless the same shall be in writing and signed by Guarantor and the City.

SECTION 8 SEVERABILITY

The invalidity, illegality or unenforceability in any jurisdiction of any provision in or obligation under this Guaranty shall not affect or impair the validity, legality or enforceability of the remaining provisions or obligations under this Guaranty.

SECTION 9 SUCCESSORS AND ASSIGNS

This Guaranty shall be binding upon and inure to the benefit of the City and shall be binding upon Guarantor's heirs, personal representatives, administrators, successors and assigns, except that Guarantor may not assign his or her rights or obligations hereunder or any portion hereof without the written consent of the City, which may be withheld in the City's sole discretion.

SECTION 10 TERMINATION OF GUARANTY

This Guaranty, and all obligations of Guarantor hereunder, shall terminate upon payment and performance in full of all Guaranteed Obligation. If, at any time, all or part of any payment of the Guaranteed Obligation theretofore made by Guarantor or any other person is rescinded or otherwise must be returned by the City for any reason whatsoever (including,

without limitation, the insolvency, bankruptcy or reorganization of any Guarantor or any other person), this Guaranty shall continue to be effective or shall be reinstated as to the Guaranteed Obligation which was satisfied by the payment to be rescinded or returned, all as though such payment had not been made.

SECTION 11 WAIVER OF TRIAL BY JURY

GUARANTOR ACKNOWLEDGE(S) AND AGREE(S) THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS GUARANTY OR THE RELATIONSHIP ESTABLISHED HEREBY WOULD BE BASED UPON DIFFICULT AND COMPLEX ISSUES, AND THEREFORE, GUARANTOR HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING (INCLUDING ACTIONS SOUNDING IN TORT) TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS GUARANTY OR ANY OTHER LOAN DOCUMENT OR ARISING FROM THE TRANSACTION CONTEMPLATED HEREUNDER OR THE RELATIONSHIP ESTABLISHED HEREBY AND AGREE(S) THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE AND NOT BY A JURY.

SECTION 12 ATTORNEYS' FEES

In the event any suit, action, arbitration, or other proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code) is instituted in connection with any controversy arising out of this Guaranty or to enforce or interpret any provision herein, the prevailing party shall be entitled to recover its attorneys' and other experts' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in

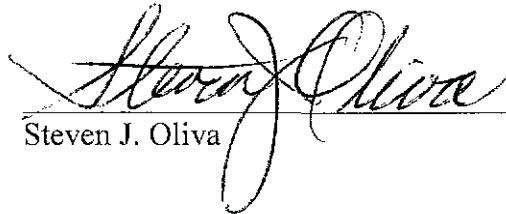
connection therewith, as determined by the court or arbitrator at trial or by the court on any appeal or review, in addition to all other amounts provided by law.

SECTION 13 VOLUNTARY GUARANTY

Guarantor represents and acknowledges that it is executing this Guaranty voluntarily and for its own benefit.

IN WITNESS WHEREOF, this Guaranty has been duly executed by Guarantor as of the date and year first above written.

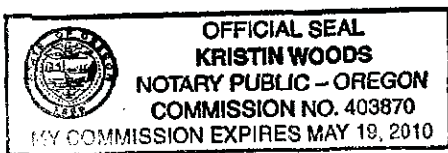
Guarantor:


Steven J. Oliva

Oregon
STATE OF ~~WASHINGTON~~)
Washington)ss
COUNTY OF ~~CLARK~~)

I hereby certify that I know or have satisfactory evidence that Steven J. Oliva is the person who appeared before me, and that said person acknowledged that he (he/~~she~~) is authorized to execute the foregoing document and acknowledges it to be the free and voluntary act of such party for the uses and purposes therein mentioned.

Dated this 22nd day of December, 2009.



Oregon
Notary Public for the State of ~~Washington~~
Residing at Portland, OR
My commission expires May 19, 2010

GUARANTY AGREEMENT

Effective Date: January 8, 2010

From: George N. Diamond ("Guarantor")

In Favor of: The City of Vancouver, (the "City")
a Washington municipal corporation

Columbia Waterfront LLC, a Washington limited liability company, entered into the Downtown Waterfront Development Agreement dated October 19, 2009 with the City (the "Agreement"). Pursuant to the Agreement, Columbia Waterfront LLC is obligated to pay to the City the sum of \$8,000,000, when and as set forth in Section 7.3.1 of the Agreement.

Guarantor is the manager of Diamond Columbia Waterfront LLC, a Washington limited liability company, which is a member in Columbia Waterfront LLC and Guarantor will benefit from the City entering into the Agreement. The City would not have entered into the Agreement unless Guarantor agreed to enter into this Guaranty Agreement (the "Guaranty").

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor agrees as follows.

SECTION 1 GUARANTEED OBLIGATION

As used in this Agreement, the "Guaranteed Obligation" means the obligation of Columbia Waterfront LLC to pay to the City the sum of \$266,400 when and as required by Section 7.3.1 of the Agreement, which is a portion of the obligation of Columbia Waterfront LLC to pay a total of \$8,000,000 to the City.

SECTION 2 AGREEMENT OF GUARANTY

2.1 Guarantor hereby guarantees, as primary obligor and not as surety, the punctual and complete performance and payment when due (whether at the stated maturity, by acceleration or otherwise) of the Guaranteed Obligation, in every instance without requiring any *notice of nonpayment, nonperformance or nonobservance or proof of notice or demand* in order to charge Guarantor therefor, and Guarantor agrees to pay any and all reasonable expenses which may be paid or incurred by the City in collecting any or all of the Guaranteed Obligation and/or enforcing any rights under this Guaranty.

2.2 Guarantor waives any and all notice of the creation or accrual of any of the Guaranteed Obligation and notice of or proof of reliance by the City upon this Guaranty or acceptance of this Guaranty, and the Guaranteed Obligation shall conclusively be deemed to have been created, contracted, incurred or continued, as the case may be, in reliance upon this Guaranty, and all dealings between Columbia Waterfront LLC or Guarantor and the City after the date hereof shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guaranty.

2.3 Guarantor agrees that whenever at any time or from time to time it shall make any payment to the City on account of Guarantor's liability hereunder, it will notify the City in writing that such payment is made under this Guaranty for such purposes. No payment or payments made by Columbia Waterfront LLC or any other guarantor or any other person, or received or collected by the City from Columbia Waterfront LLC or any other guarantor or any other person, in any manner and at any time or from time to time, in reduction of or in payment of the Guaranteed Obligation shall be deemed to modify, reduce, release or otherwise affect the

liability of Guarantor hereunder which shall, notwithstanding any such payment or payments, remain liable for of the Guaranteed Obligation until the Guaranteed Obligation is paid in full, which shall occur when the obligation of Columbia Waterfront LLC to pay the City \$8,000,000 has been paid in full.

2.4 Guarantor expressly agrees that the City may, without notice to the undersigned, modify the obligations of Columbia Waterfront LLC under the Agreement and grant extensions and concessions to Columbia Waterfront LLC in respect thereof (including, without limitation, changes in the time, manner or place of payment or any other term of any such obligations of Columbia Waterfront LLC) without in any manner affecting the liability of Guarantor hereunder.

2.5 This Guaranty shall remain in effect, and all rights of the City hereunder, and all obligations of Guarantor under this Guaranty, shall be continuing, absolute and unconditional notwithstanding: (a) any lack of validity or enforceability of the Guaranteed Obligation; (b) the absence of any attempt to collect the Guaranteed Obligation from Columbia Waterfront LLC, or Guarantor, any other guarantor or any other person or of any other action to enforce the same; (c) any bankruptcy, reorganization or insolvency of Columbia Waterfront LLC or Guarantor, or any successor or assignee thereof, or any disaffirmance or abandonment by a trustee thereof; (d) any law, regulation or order of any jurisdiction affecting any term of the Guaranteed Obligation or the City's rights with respect thereto; (e) any other circumstance which might otherwise constitute a defense, set-off or counterclaim applicable to, or a discharge of, Columbia Waterfront LLC, Guarantor or any other guarantor.

SECTION 3 SUBROGATION

3.1 Guarantor hereby agrees, notwithstanding anything to the contrary in this Guaranty, to expressly, irrevocably and unconditionally waive and relinquish any and all claims (as that term is defined in title 11 of the United States Code) it may now have or later have against Columbia Waterfront LLC for any payment or transfer of anything of value Guarantor may make, or may be obligated to make, for any reason whatsoever, including, without limitation, any and all rights of subrogation, reimbursement, indemnity, exoneration and contribution which Guarantor may have now or hereafter have against Columbia Waterfront LLC. This section shall inure to the benefit of the City and its respective successors and assigns.

3.2 GUARANTOR HEREBY WAIVES AND RELINQUISHES ANY DEFENSE BASED UPON THE LOSS OF ANY REIMBURSEMENT OR SUBROGATION RIGHTS AND ANY OTHER DEFENSE WHICH MAY ARISE OUT OF ANY ANTI-DEFICIENCY STATUTES OR OTHER LAWS OR LEGISLATIVE ENACTMENTS, AND ANY DEFENSE THAT MAY ARISE OUT OF ELECTION OF REMEDIES, OR DISCHARGE OR SATISFACTION OF OBLIGATIONS.

SECTION 4 RENEWALS, EXTENSIONS, MODIFICATIONS, ETC.

Guarantor hereby consents that, without the necessity of any reservation of rights against Guarantor: (a) any demand for payment of any of the Guaranteed Obligation made by the City may be rescinded and the Guaranteed Obligation continued; (b) the Guaranteed Obligation or the liability of any party upon or for any part thereof or guaranty thereof, may from time to time, in whole or in part, be renewed, extended, modified, accelerated, compromised, waived, surrendered or released by the City; and (c) subject to the terms thereof, any instrument

or agreement evidencing, relating to, securing or guaranteeing the Guaranteed Obligation may be amended, modified, supplemented or terminated, in whole or in part, as the City may deem advisable from time to time, all without notice to or further assent by Guarantor, who will remain bound hereunder notwithstanding any such renewal, extension, modification, acceleration, compromise, amendment, supplement, termination, sale, exchange, waiver, surrender or release. Guarantor acknowledges and agrees that the City has no obligation to provide Guarantor with any information regarding Columbia Waterfront LLC or any other guarantor and that Guarantor has the ability to obtain without the assistance of the City all such information.

SECTION 5 FAILURE OR INDULGENCE NOT WAIVER; REMEDIES CUMULATIVE

No failure or delay on the part of the City in the exercise of any power, right or privilege under this Guaranty, and no course of dealing with respect thereto, shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any power, right or privilege thereunder preclude any other or further exercise thereof or the exercise of any other power, right or privilege. All rights and remedies existing under this Guaranty are cumulative to, and not exclusive of, any rights and remedies provided by law or otherwise available.

SECTION 6 WAIVER OF DEMAND, PROTEST, NOTICE, ETC.

Except as otherwise specifically provided in this Guaranty, Guarantor waives presentment, demand and protest and notice of presentment, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any documents evidencing the Guaranteed Obligation at any time held by the City on which Guarantor may in any way be liable.

SECTION 7 AMENDMENT; ASSIGNMENT

Except as otherwise provided herein, no amendment, modification, termination, or waiver of any provision of this Guaranty, or consent to any departure by any Guarantor therefrom shall in any event be effective unless the same shall be in writing and signed by Guarantor and the City.

SECTION 8 SEVERABILITY

The invalidity, illegality or unenforceability in any jurisdiction of any provision in or obligation under this Guaranty shall not affect or impair the validity, legality or enforceability of the remaining provisions or obligations under this Guaranty.

SECTION 9 SUCCESSORS AND ASSIGNS

This Guaranty shall be binding upon and inure to the benefit of the City and shall be binding upon Guarantor's heirs, personal representatives, administrators, successors and assigns, except that Guarantor may not assign his or her rights or obligations hereunder or any portion hereof without the written consent of the City, which may be withheld in the City's sole discretion.

SECTION 10 TERMINATION OF GUARANTY

This Guaranty, and all obligations of Guarantor hereunder, shall terminate upon payment and performance in full of all Guaranteed Obligation. If, at any time, all or part of any payment of the Guaranteed Obligation theretofore made by Guarantor or any other person is rescinded or otherwise must be returned by the City for any reason whatsoever (including,

without limitation, the insolvency, bankruptcy or reorganization of any Guarantor or any other person), this Guaranty shall continue to be effective or shall be reinstated as to the Guaranteed Obligation which was satisfied by the payment to be rescinded or returned, all as though such payment had not been made.

SECTION 11 WAIVER OF TRIAL BY JURY

GUARANTOR ACKNOWLEDGE(S) AND AGREE(S) THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS GUARANTY OR THE RELATIONSHIP ESTABLISHED HEREBY WOULD BE BASED UPON DIFFICULT AND COMPLEX ISSUES, AND THEREFORE, GUARANTOR HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING (INCLUDING ACTIONS SOUNDING IN TORT) TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS GUARANTY OR ANY OTHER LOAN DOCUMENT OR ARISING FROM THE TRANSACTION CONTEMPLATED HEREUNDER OR THE RELATIONSHIP ESTABLISHED HEREBY AND AGREE(S) THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE AND NOT BY A JURY.

SECTION 12 ATTORNEYS' FEES

In the event any suit, action, arbitration, or other proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code) is instituted in connection with any controversy arising out of this Guaranty or to enforce or interpret any provision herein, the prevailing party shall be entitled to recover its attorneys' and other experts' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in

connection therewith, as determined by the court or arbitrator at trial or by the court on any appeal or review, in addition to all other amounts provided by law.

SECTION 13 VOLUNTARY GUARANTY

Guarantor represents and acknowledges that it is executing this Guaranty voluntarily and for its own benefit.

IN WITNESS WHEREOF, this Guaranty has been duly executed by Guarantor as of the date and year first above written.

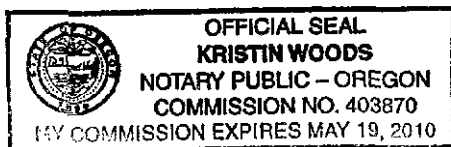
Guarantor:


George N. Diamond

STATE OF OREGON)
)ss
COUNTY OF WASHINGTON)

I hereby certify that I know or have satisfactory evidence that George N. Diamond is the person who appeared before me, and that said person acknowledged that he (he/~~she~~) is authorized to execute the foregoing document and acknowledges it to be the free and voluntary act of such party for the uses and purposes therein mentioned.

Dated this 22nd day of December 2009.



Kristin Woods
Notary Public for the State of Oregon
Residing at Portland, OR
My commission expires May 19, 2010

GUARANTY AGREEMENT

Effective Date: January 8, 2010

From: Allan Kirkwood ("Guarantor")

In Favor of: The City of Vancouver, (the "City")
a Washington municipal corporation

Columbia Waterfront LLC, a Washington limited liability company, entered into the Downtown Waterfront Development Agreement dated October 19, 2009 with the City (the "Agreement"). Pursuant to the Agreement, Columbia Waterfront LLC is obligated to pay to the City the sum of \$8,000,000, when and as set forth in Section 7.3.1 of the Agreement.

Guarantor is the president of Kirkwood & Kirkwood, Inc. which is the manager of Kirkwood Columbia Waterfront LLC, a Washington limited liability company, which is a member in Columbia Waterfront LLC and Guarantor will benefit from the City entering into the Agreement. The City would not have entered into the Agreement unless Guarantor agreed to enter into this Guaranty Agreement (the "Guaranty"). ✓

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor agrees as follows.

SECTION 1 GUARANTEED OBLIGATION

AKK
As used in this Agreement, the "Guaranteed Obligation" means the obligation of ~~Columbia Waterfront LLC~~ to pay to the City the sum of \$1,600,000 when and as required by ~~"Guarantor"~~ Section 7.3.1 of the Agreement, which is a portion of the obligation of Columbia Waterfront LLC to pay a total of \$8,000,000 to the City.

SECTION 2. AGREEMENT OF GUARANTY

2.1 Guarantor hereby guarantees, as primary obligor and not as surety, the punctual and complete performance and payment when due (whether at the stated maturity, by acceleration or otherwise) of the Guaranteed Obligation, in every instance without requiring any notice of nonpayment, nonperformance or nonobservance or proof of notice or demand in order to charge Guarantor therefor, and Guarantor agrees to pay any and all reasonable expenses which may be paid or incurred by the City in collecting any or all of the Guaranteed Obligation and/or enforcing any rights under this Guaranty.

2.2 Guarantor waives any and all notice of the creation or accrual of any of the Guaranteed Obligation and notice of or proof of reliance by the City upon this Guaranty or acceptance of this Guaranty, and the Guaranteed Obligation shall conclusively be deemed to have been created, contracted, incurred or continued, as the case may be, in reliance upon this Guaranty, and all dealings between Columbia Waterfront LLC or Guarantor and the City after the date hereof shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guaranty.

2.3 Guarantor agrees that whenever at any time or from time to time it shall make any payment to the City on account of Guarantor's liability hereunder, it will notify the City in writing that such payment is made under this Guaranty for such purposes. No payment or payments made by Columbia Waterfront LLC or any other guarantor or any other person, or received or collected by the City from Columbia Waterfront LLC or any other guarantor or any other person, in any manner and at any time or from time to time, in reduction of or in payment of the Guaranteed Obligation shall be deemed to modify, reduce, release or otherwise affect the

liability of Guarantor hereunder which shall, notwithstanding any such payment or payments, remain liable for the Guaranteed Obligation until the Guaranteed Obligation is paid in full, which shall occur when the obligation of Columbia Waterfront LLC to pay the City \$8,000,000 has been paid in full.

2.4 Guarantor expressly agrees that the City may, without notice to the undersigned, modify the obligations of Columbia Waterfront LLC under the Agreement and grant extensions and concessions to Columbia Waterfront LLC in respect thereof (including, without limitation, changes in the time, manner or place of payment or any other term of any such obligations of Columbia Waterfront LLC) without in any manner affecting the liability of Guarantor hereunder. ✓

2.5 This Guaranty shall remain in effect, and all rights of the City hereunder, and all obligations of Guarantor under this Guaranty, shall be continuing, absolute and unconditional notwithstanding: (a) any lack of validity or enforceability of the Guaranteed Obligation; (b) the absence of any attempt to collect the Guaranteed Obligation from Columbia Waterfront LLC, or Guarantor, any other guarantor or any other person or of any other action to enforce the same; (c) any bankruptcy, reorganization or insolvency of Columbia Waterfront LLC or Guarantor, or any successor or assignee thereof, or any disaffirmance or abandonment by a trustee thereof; (d) any law, regulation or order of any jurisdiction affecting any term of the Guaranteed Obligation or the City's rights with respect thereto; (e) any other circumstance which might otherwise constitute a defense, set-off or counterclaim applicable to, or a discharge of, Columbia Waterfront LLC, Guarantor or any other guarantor.

SECTION 3 SUBROGATION

3.1 Guarantor hereby agrees, notwithstanding anything to the contrary in this Guaranty, to expressly, irrevocably and unconditionally waive and relinquish any and all claims (as that term is defined in title 11 of the United States Code) it may now have or later have against Columbia Waterfront LLC for any payment or transfer of anything of value Guarantor may make, or may be obligated to make, for any reason whatsoever, including, without limitation, any and all rights of subrogation, reimbursement, indemnity, exoneration and contribution which Guarantor may have now or hereafter have against Columbia Waterfront LLC. This section shall inure to the benefit of the City and its respective successors and assigns.

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SECTION 4 RENEWALS, EXTENSIONS, MODIFICATIONS, ETC.

Guarantor hereby consents that, without the necessity of any reservation of rights against Guarantor: (a) any demand for payment of any of the Guaranteed Obligation made by the City may be rescinded and the Guaranteed Obligation continued; (b) the Guaranteed Obligation or the liability of any party upon or for any part thereof or guaranty thereof, may from time to time, in whole or in part, be renewed, extended, modified, accelerated, compromised,

waived, surrendered or released by the City; and (c) subject to the terms thereof, any instrument or agreement evidencing, relating to, securing or guaranteeing the Guaranteed Obligation may be amended, modified, supplemented or terminated, in whole or in part, as the City may deem advisable from time to time, all without notice to or further assent by Guarantor, who will remain bound hereunder notwithstanding any such renewal, extension, modification, acceleration, compromise, amendment, supplement, termination, sale, exchange, waiver, surrender or release. Guarantor acknowledges and agrees that the City has no obligation to provide Guarantor with any information regarding Columbia Waterfront LLC or any other guarantor and that Guarantor has the ability to obtain without the assistance of the City all such information.

SECTION 5 FAILURE OR INDULGENCE NOT WAIVER; REMEDIES CUMULATIVE

No failure or delay on the part of the City in the exercise of any power, right or privilege under this Guaranty, and no course of dealing with respect thereto, shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any power, right or privilege thereunder preclude any other or further exercise thereof or the exercise of any other power, right or privilege. All rights and remedies existing under this Guaranty are cumulative to, and not exclusive of, any rights and remedies provided by law or otherwise available.

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Except as otherwise specifically provided in this Guaranty, Guarantor waives presentment, demand and protest and notice of presentment, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any documents evidencing

the Guaranteed Obligation at any time held by the City on which Guarantor may in any way be liable.

SECTION 7 AMENDMENT; ASSIGNMENT

Except as otherwise provided herein, no amendment, modification, termination, or waiver of any provision of this Guaranty, or consent to any departure by any Guarantor therefrom shall in any event be effective unless the same shall be in writing and signed by Guarantor and the City.

SECTION 8 SEVERABILITY

The invalidity, illegality or unenforceability in any jurisdiction of any provision in or obligation under this Guaranty shall not affect or impair the validity, legality or enforceability of the remaining provisions or obligations under this Guaranty.

SECTION 9 SUCCESSORS AND ASSIGNS

This Guaranty shall be binding upon and inure to the benefit of the City and shall be binding upon Guarantor's heirs, personal representatives, administrators, successors and assigns, except that Guarantor may not assign his or her rights or obligations hereunder or any portion hereof without the written consent of the City, which may be withheld in the City's sole discretion.

SECTION 10 TERMINATION OF GUARANTY

This Guaranty, and all obligations of Guarantor hereunder, shall terminate upon payment and performance in full of all Guaranteed Obligation. If, at any time, all or part of any

payment of the Guaranteed Obligation theretofore made by Guarantor or any other person is rescinded or otherwise must be returned by the City for any reason whatsoever (including, without limitation, the insolvency, bankruptcy or reorganization of any Guarantor or any other person), this Guaranty shall continue to be effective or shall be reinstated as to the Guaranteed Obligation which was satisfied by the payment to be rescinded or returned, all as though such payment had not been made.

SECTION 11 WAIVER OF TRIAL BY JURY

GUARANTOR ACKNOWLEDGE(S) AND AGREE(S) THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS GUARANTY OR THE RELATIONSHIP ESTABLISHED HEREBY WOULD BE BASED UPON DIFFICULT AND COMPLEX ISSUES, AND THEREFORE, GUARANTOR HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING (INCLUDING ACTIONS SOUNDING IN TORT) TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS GUARANTY OR ANY OTHER LOAN DOCUMENT OR ARISING FROM THE TRANSACTION CONTEMPLATED HEREUNDER OR THE RELATIONSHIP ESTABLISHED HEREBY AND AGREE(S) THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE AND NOT BY A JURY.

SECTION 12 ATTORNEYS' FEES

In the event any suit, action, arbitration, or other proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code) is instituted in connection with any controversy arising out of this Guaranty or to enforce or interpret any

provision herein, the prevailing party shall be entitled to recover its attorneys' and other experts' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the court or arbitrator at trial or by the court on any appeal or review, in addition to all other amounts provided by law.

SECTION 13 VOLUNTARY GUARANTY

Guarantor represents and acknowledges that it is executing this Guaranty voluntarily and for its own benefit.

IN WITNESS WHEREOF, this Guaranty has been duly executed by Guarantor as of the date and year first above written.

Guarantor:

Allan Kirkwood
Allan Kirkwood

STATE OF WASHINGTON)
)ss
COUNTY OF CLARK)

I hereby certify that I know or have satisfactory evidence that Allan Kirkwood is the person who appeared before me, and that said person acknowledged that he (he/she) is authorized to execute the foregoing document and acknowledges it to be the free and voluntary act of such party for the uses and purposes therein mentioned.

Dated this 5th day of January, 2010.



Jeanine Wisbeck
Notary Public for the State of Washington
Residing at Vancouver, WA
My commission expires 02/15/2012

GUARANTY AGREEMENT

Effective Date: January 8, 2010

From: Steven Hansen ("Guarantor")

In Favor of: The City of Vancouver, (the "City")
a Washington municipal corporation

Columbia Waterfront LLC, a Washington limited liability company, entered into the Downtown Waterfront Development Agreement dated October 19th, 2009 with the City (the "Agreement"). Pursuant to the Agreement, Columbia Waterfront LLC is obligated to pay to the City the sum of \$8,000,000, when and as set forth in Section 7.3.1 of the Agreement.

Guarantor is the manager of Waterfront Development, LLC, which is a member in Columbia Waterfront LLC and Guarantor will benefit from the City entering into the Agreement. The City would not have entered into the Agreement unless Guarantor agreed to enter into this Guaranty Agreement (the "Guaranty").

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor agrees as follows.

SECTION 1 GUARANTEED OBLIGATION

As used in this Agreement, the "Guaranteed Obligation" means the obligation of the Guarantor & Columbia Waterfront LLC to pay to the City the sum of \$1,600,000 when and as required by Section 7.3.1 of the Agreement, which is a portion of the obligation of Columbia Waterfront LLC to pay a total of \$8,000,000 to the City.

SECTION 2 AGREEMENT OF GUARANTY

2.1 Guarantor hereby guarantees, as primary obligor and not as surety, the punctual and complete performance and payment when due (whether at the stated maturity, by acceleration or otherwise) of the Guaranteed Obligation, in every instance without requiring any notice of nonpayment, nonperformance or nonobservance or proof of notice or demand in order to charge Guarantor therefor, and Guarantor agrees to pay any and all reasonable expenses which may be paid or incurred by the City in collecting any or all of the Guaranteed Obligation and/or enforcing any rights under this Guaranty.

2.2 Guarantor waives any and all notice of the creation or accrual of any of the Guaranteed Obligation and notice of or proof of reliance by the City upon this Guaranty or acceptance of this Guaranty, and the Guaranteed Obligation shall conclusively be deemed to have been created, contracted, incurred or continued, as the case may be, in reliance upon this Guaranty, and all dealings between Columbia Waterfront LLC or Guarantor and the City after the date hereof shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guaranty.

2.3 Guarantor agrees that whenever at any time or from time to time it shall make any payment to the City on account of Guarantor's liability hereunder, it will notify the City in writing that such payment is made under this Guaranty for such purposes. No payment or payments made by Columbia Waterfront LLC or any other guarantor or any other person, or received or collected by the City from Columbia Waterfront LLC or any other guarantor or any other person, in any manner and at any time or from time to time, in reduction of or in payment of the Guaranteed Obligation shall be deemed to modify, reduce, release or otherwise affect the

liability of Guarantor hereunder which shall, notwithstanding any such payment or payments, remain liable for the Guaranteed Obligation until the Guaranteed Obligation is paid in full, which shall occur when the obligation of Columbia Waterfront LLC to pay the City \$8,000,000 has been paid in full.

2.4 Guarantor expressly agrees that the City may, without notice to the undersigned, modify the obligations of Columbia Waterfront LLC under the Agreement and grant extensions and concessions to Columbia Waterfront LLC in respect thereof (including, without limitation, changes in the time, manner or place of payment or any other term of any such obligations of Columbia Waterfront LLC) without in any manner affecting the liability of Guarantor hereunder.

2.5 This Guaranty shall remain in effect, and all rights of the City hereunder, and all obligations of Guarantor under this Guaranty, shall be continuing, absolute and unconditional notwithstanding: (a) any lack of validity or enforceability of the Guaranteed Obligation; (b) the absence of any attempt to collect the Guaranteed Obligation from Columbia Waterfront LLC, or Guarantor, any other guarantor or any other person or of any other action to enforce the same; (c) any bankruptcy, reorganization or insolvency of Columbia Waterfront LLC or Guarantor, or any successor or assignee thereof, or any disaffirmance or abandonment by a trustee thereof; (d) any law, regulation or order of any jurisdiction affecting any term of the Guaranteed Obligation or the City's rights with respect thereto; (e) any other circumstance which might otherwise constitute a defense, set-off or counterclaim applicable to, or a discharge of, Columbia Waterfront LLC, Guarantor or any other guarantor.

SECTION 3 SUBROGATION

3.1 Guarantor hereby agrees, notwithstanding anything to the contrary in this Guaranty, to expressly, irrevocably and unconditionally waive and relinquish any and all claims (as that term is defined in title 11 of the United States Code) it may now have or later have against Columbia Waterfront LLC for any payment or transfer of anything of value Guarantor may make, or may be obligated to make, for any reason whatsoever, including, without limitation, any and all rights of subrogation, reimbursement, indemnity, exoneration and contribution which Guarantor may have now or hereafter have against Columbia Waterfront LLC. This section shall inure to the benefit of the City and its respective successors and assigns.

3.2 GUARANTOR HEREBY WAIVES AND RELINQUISHES ANY DEFENSE BASED UPON THE LOSS OF ANY REIMBURSEMENT OR SUBROGATION RIGHTS AND ANY OTHER DEFENSE WHICH MAY ARISE OUT OF ANY ANTI-DEFICIENCY STATUTES OR OTHER LAWS OR LEGISLATIVE ENACTMENTS, AND ANY DEFENSE THAT MAY ARISE OUT OF ELECTION OF REMEDIES, OR DISCHARGE OR SATISFACTION OF OBLIGATIONS.

SECTION 4 RENEWALS, EXTENSIONS, MODIFICATIONS, ETC.

Guarantor hereby consents that, without the necessity of any reservation of rights against Guarantor: (a) any demand for payment of any of the Guaranteed Obligation made by the City may be rescinded and the Guaranteed Obligation continued; (b) the Guaranteed Obligation or the liability of any party upon or for any part thereof or guaranty thereof, may from time to time, in whole or in part, be renewed, extended, modified, accelerated, compromised, waived, surrendered or released by the City; and (c) subject to the terms thereof, any instrument

or agreement evidencing, relating to, securing or guaranteeing the Guaranteed Obligation may be amended, modified, supplemented or terminated, in whole or in part, as the City may deem advisable from time to time, all without notice to or further assent by Guarantor, who will remain bound hereunder notwithstanding any such renewal, extension, modification, acceleration, compromise, amendment, supplement, termination, sale, exchange, waiver, surrender or release. Guarantor acknowledges and agrees that the City has no obligation to provide Guarantor with any information regarding Columbia Waterfront LLC or any other guarantor and that Guarantor has the ability to obtain without the assistance of the City all such information.

SECTION 5 FAILURE OR INDULGENCE NOT WAIVER; REMEDIES CUMULATIVE

No failure or delay on the part of the City in the exercise of any power, right or privilege under this Guaranty, and no course of dealing with respect thereto, shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any power, right or privilege thereunder preclude any other or further exercise thereof or the exercise of any other power, right or privilege. All rights and remedies existing under this Guaranty are cumulative to, and not exclusive of, any rights and remedies provided by law or otherwise available.

SECTION 6 WAIVER OF DEMAND, PROTEST, NOTICE, ETC.

Except as otherwise specifically provided in this Guaranty, Guarantor waives presentment, demand and protest and notice of presentment, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any documents evidencing the Guaranteed Obligation at any time held by the City on which Guarantor may in any way be liable.

SECTION 7 AMENDMENT; ASSIGNMENT

Except as otherwise provided herein, no amendment, modification, termination, or waiver of any provision of this Guaranty, or consent to any departure by any Guarantor therefrom shall in any event be effective unless the same shall be in writing and signed by Guarantor and the City.

SECTION 8 SEVERABILITY

The invalidity, illegality or unenforceability in any jurisdiction of any provision in or obligation under this Guaranty shall not affect or impair the validity, legality or enforceability of the remaining provisions or obligations under this Guaranty.

SECTION 9 SUCCESSORS AND ASSIGNS

This Guaranty shall be binding upon and inure to the benefit of the City and shall be binding upon Guarantor's heirs, personal representatives, administrators, successors and assigns, except that Guarantor may not assign his or her rights or obligations hereunder or any portion hereof without the written consent of the City, which may be withheld in the City's sole discretion.

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without limitation, the insolvency, bankruptcy or reorganization of any Guarantor or any other person), this Guaranty shall continue to be effective or shall be reinstated as to the Guaranteed Obligation which was satisfied by the payment to be rescinded or returned, all as though such payment had not been made.

SECTION 11 WAIVER OF TRIAL BY JURY

GUARANTOR ACKNOWLEDGE(S) AND AGREE(S) THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS GUARANTY OR THE RELATIONSHIP ESTABLISHED HEREBY WOULD BE BASED UPON DIFFICULT AND COMPLEX ISSUES, AND THEREFORE, GUARANTOR HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING (INCLUDING ACTIONS SOUNDING IN TORT) TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS GUARANTY OR ANY OTHER LOAN DOCUMENT OR ARISING FROM THE TRANSACTION CONTEMPLATED HEREUNDER OR THE RELATIONSHIP ESTABLISHED HEREBY AND AGREE(S) THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE AND NOT BY A JURY.

SECTION 12 ATTORNEYS' FEES

In the event any suit, action, arbitration, or other proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code) is instituted in connection with any controversy arising out of this Guaranty or to enforce or interpret any provision herein, the prevailing party shall be entitled to recover its attorneys' and other experts' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in

connection therewith, as determined by the court or arbitrator at trial or by the court on any appeal or review, in addition to all other amounts provided by law.

SECTION 13 VOLUNTARY GUARANTY

Guarantor represents and acknowledges that it is executing this Guaranty voluntarily and for its own benefit.

IN WITNESS WHEREOF, this Guaranty has been duly executed by Guarantor as of the date and year first above written.

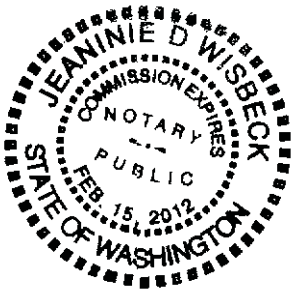
Guarantor:


Steven Hansen

STATE OF WASHINGTON)
)ss
COUNTY OF CLARK)

I hereby certify that I know or have satisfactory evidence that Steven Hansen is the person who appeared before me, and that said person acknowledged that he (he/she) is authorized to execute the foregoing document and acknowledges it to be the free and voluntary act of such party for the uses and purposes therein mentioned.

Dated this 5th day of January 2009.



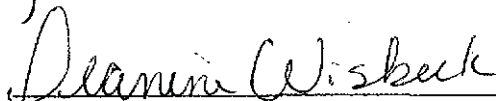

Notary Public for the State of Washington
Residing at Vancouver, WA
My commission expires 02/15/2012

EXHIBIT L

Certificate of Concurrency



P.O. Box 1995
Vancouver, WA 98668-1995

www.cityofvancouver.us

October 19, 2009

Columbia Waterfront LLC
19767 SW 72nd Avenue
Suite 100
Tualatin, Oregon 97062

Columbia Waterfront
PRJ2008-02040; ENG2009-00056; TIA2009-00051
CERTIFICATE OF CONCURRENCY-Revised

All projects submitted for review by the City of Vancouver require a certificate of concurrency, per VMC 11.95 and City Ordinances M-3354, M-3538, M-3536 and M-3537. Additionally, the applicant is required to submit a traffic study to assess the impact of the development to intersections serving the site per VMC 11.90 and VMC 11.95.

The project proposes to develop a master planned waterfront development at the site of the former Boise Cascade Paper facility located along the Columbia River in Downtown Vancouver. The proposed development has the characteristics that will extend the Downtown to Waterfront connecting the Esther Short neighborhood to the Columbia River. The project is anticipated to be completed 10 to 15 years. The development will include approximately 1,676 Condominiums, 1,624 Apartments, a 160 Room Hotel, approximately 218,000 SF of retail, approximately 1,119,000 SF of General Office and approximately 35,000 of restaurant. Based on submitted information, the parcel numbers are 0488410-000.

The following Average Daily Trips (ADT) and AM and PM peak hour vehicular trips are based on the Request for Certificate of Concurrency and Transportation dated May 12, 2009, from Chris Brehmer PE, with Kittelson & Associates. The trip generation is based on the ITE Trip Generation Manual, Land Use Codes 814 (Retail), 710 (General Office), 932 (Restaurant), 310 (Hotel), 230 (Condominiums), 220 (Apartments)

The net new trips are as follow after 40% Central City Transit/Internal Reduction. The reduction has been justified in the traffic information.

Land Use	Time Period	Entering Trips	Exiting Trips	Total Trips
ITE Codes 814 (Retail), 710 (General Office), 932 (Restaurant), 310 (Hotel), 230 (Condominiums), 220 (Apartments)	ADT	12,320	12,320	24,640
	AM Peak Hour	1,085	923	2,008
	PM Peak Hour	1,079	1,312	2,391

The project is located within the following Transportation Analysis Zone (TAZ) and adopted Transportation Management Zones (TMZ).

TMZ Corridor Name	TMZ Corridor Limit	Number of PM Peak Trips to Corridor	TAZ
VCCV	See Attached	2,391	#20

The project will also send trips to the following Transportation Management Zones (TMZs) that the project is not located within:

Corridor Name	Corridor Limit	Number of PM Peak Trips to Corridor
NE 112 th Avenue	NE 28 th Street to NE 51 st Street	3
NE 112 th Avenue	Mill Plain Blvd. to 28 th Street	5
NE Fourth Plain Blvd	I-5 to Stapleton Road	0
NE Fourth Plain Blvd	Port of Vancouver to I-5	89
Andresen Road	Mill Plain Blvd to SR-500	7
Andresen Road	SR-500 to 78 th Street	2
SE 164 th Avenue	SR-14 to SE 1 st Street	37
SE 192 nd Avenue	SR-14 to NE 18 th Street	13
SE Mill Plain Blvd	I-5 to Andresen Road	347
SE Mill Plain Blvd	Andresen to I-205	3
SE Mill Plain Blvd	I-205 to SE 136 th Avenue	4
SE Mill Plain Blvd	SE 136 th Ave to SE 164 th Ave	1
SE Mill Plain Blvd	SE 164 th Ave to SE 192 nd Ave	1

NE 18 th Street	NE 112 th Ave to NE 138 th Ave	1
NE 28 th Street	NE 112 th Ave to NE 138 th Ave	1
NE Burton Road	Andresen Road to NE 112 th Ave	3
St. John's Boulevard	Fourth Plain to 78 th Street	47
NE Fourth Plain Blvd	NE 117 th Ave to NE 162 nd Ave	0
NE Fourth Plain Blvd	Port of Vancouver to I-5	4
136 th Avenue	Mill Plain Blvd to NE 28 th Street	0
NE 138 th Avenue	NE 28 th Street to Fourth Plain	0
NE 162 nd Avenue	SE 1 st Street to Fourth Plain	0
NE 18 th Street	NE 138 th Ave to NE 162 nd Ave	0

I. VESTED TRIPS:

The proposed development does not have trips vested as part of any previous applications.

II. FINDINGS:

The proposed development is located within the recently adopted Planned Action Ordinance M-3833 known as Vancouver City Center Vision (VCCV). The City adopted plans included Final Environmental Impact Assessment (FEIS) which included a detailed traffic study and other analysis to determine the impacts of future developments within the area. The VCCV has been divided in to six different zones known as Columbia West Renaissance, Esther Short, Central Downtown, Westside Government, Central Downtown and Uptown Village. The proposed development is located at Columbia West Renaissance and as part adopted plan indicated on Table 2-4, Page 2-7, that the area has potential of generating 2,030 net new PM peak trips. The applicant's traffic study shows that the proposed development has potential of generating 2,391 PM peak trips.

On June 16, 2009 the City's traffic engineering consultant DKS Associates, completed an updated traffic analysis within in the VCCV area to determine if the added trips within the Columbia West Renaissance would have an adverse impacted to the system. The analysis determined that the impact would be negligible and LOS Standards will be maintained. *(Please see attached memo dated June 16, 2009)*

The applicant submitted a master plan level Traffic Analysis dated May 12, 2009, which includes a trip generation and distribution, level of service analysis, safety analysis, and queuing analysis. The applicant held a pre-application meeting with City staff. The pre-application staff report included a traffic study scoping from City concurrency staff requiring a traffic study to evaluate the impact of the proposed development onto the affected City of Vancouver intersections and concurrency corridors. The applicant's traffic engineer completed the required analysis and the following are the findings:

A. Level of Service (LOS)

The applicant's Traffic Analysis includes a LOS analysis for signalized and non-signalized intersections receiving 10 or more the AM or PM peak hour trips based on the scoping provided by the City of Vancouver. The scope of the analysis was limited to the following intersection around the project and interaction inside the development. Other impacted intersections within the VCCV were analyzed as part of the over all area traffic study.

- SE Columbia Shores Boulevard/SE Columbia Way
- Columbia Street/SE Columbia Way
- Esther Street/SE Columbia Way
- Grant Street/SE Columbia Way
- Esther Street/Alley North
- Grant Street/Alley North

The LOS analysis assumes the buildout development projects. The results of the LOS and mitigation plans are outlined Pages 13 to 22.

The applicant's traffic study identifies a potential need for future signalization of the SE Columbia Way/Columbia Street intersection, though the need for signalization will be dependant in part on the timing and configuration of the Columbia River Crossing project. Staff concurs with this finding. In conjunction with the trip compliance letter to be required of each development phase, the applicant shall provide an operations analysis and traffic signal warrant analysis at the SE Columbia Way/SE Columbia Street intersection. If and when one or more traffic signal traffic warrants are met at the intersection, the applicant shall signalize the intersection.

The applicant's traffic analysis identifies a future level of service failure at the SE Columbia Shores Boulevard/SE Columbia Way intersection that will occur regardless of site development. The applicant further identifies a proposed mitigation strategy that would involve converting the existing traffic signal north-south phasing from permitted phasing to split phasing. Staff supports the proposed mitigation. The applicant shall pay a proportionate share fee of the future split phasing project at the intersection.

B. Accident History

Detailed accident history were not analyzed as part this project, it will be analyzed as part of each detailed site plan review and approval. The applicant will be required to submit a traffic study compliance letter with each detailed site plan approvals.

C. Project Access Review

Based on the submitted master plan, the project is proposing number of accesses form the future parking garages on to the public streets. However, at the time detailed site plans each access will need to be evaluated to meet the City's Standards

D. Queuing Analysis

The applicant's traffic engineer performed a queuing analysis at the key intersections in the study scope. There are preliminary recommendations on page 21 of the study, however, at the time detailed site plans each access will need to be evaluated to meet the City's Standards

E. Concurrency Modeling

The City will incur a modeling expense for evaluating the impact of the proposed development on the concurrency corridors. The following are the operational model corridors impacted by the development and appropriate fees based on the submitted trip distribution. The fee is based on \$43.72/PM peak hour trip entering the corridor. The applicant shall reimburse this expense to the City prior to civil plan approval.

Corridor Name & Limits	Number of PM Peak Trips to Corridor	Fee Per Trip	Extension
NE 112 th Avenue 28 th Street to 51 st Street	3	\$43.72	\$131.16
NE 112 th Avenue Mill Plain to 28 th Street	5	\$43.72	\$218.60
Andresen Road Mill Plain Blvd to SR-500	7	\$43.72	\$306.04
Andresen Road SR-500 to 78 th Street	2	\$43.72	\$87.44
SE 164 th Avenue SR-14 to SE 1 st Street	37	\$43.72	\$1,500.00*
192 nd Avenue SR-14 to NE 18 th Street	13	\$43.72	\$568.36
Mill Plain Blvd. Andresen Road to I-205	3	\$43.72	\$131.16
Mill Plain Blvd. I-205 to 136 th Avenue	4	\$43.72	\$174.88
Mill Plain Blvd. 136 th Avenue to 164 th Avenue	1	\$43.72	\$43.72
NE 18 th Street NE 112 th Ave to NE 138 th Ave	1	\$43.72	\$43.72
Total			\$3,205.08

* The maximum fee per corridor is \$1500.00.

F. Transportation Impact Fee (TIF)

The proposed project is located within the Vancouver TIF Subarea which has a rate of \$139/ADT. This project is multiphase and multi year project. There will be site plan application for each phase; therefore TIF will be calculated separately based on the TIF rate at the time of site plan approval.

G. Traffic Mitigations / Proportionate Share

Based on the applicant's submitted traffic information as part of the master plan the following table lists predictions of PM peak hour vehicular trips generated by the proposed project that will enter intersections that have been identified by the City of Vancouver as being in need of mitigation due to insufficient infrastructure to support both existing and anticipated traffic. Developments sending new PM peak hour trips to identified intersections are required to pay a proportionate share fee to help fund the necessary improvements.

The following table provides a breakdown and summary of the impacted intersections and required proportionate share fees based on trip distribution submitted by the applicant's traffic engineer. The applicant shall pay these fees to the City prior to civil plan approval.

Intersection	Number of PM Peak Trips by Intersection	Fee per Trip	Extension
Mill Plain Blvd. / 164th Ave	1 trip	\$184.20	\$184.20
Mill Plain Blvd. / NE 136 th Avenue*	1 trip	\$1,851.85	\$1,851.85
SE 20 th Street/SE 164 th Avenue	2 trips	\$143.95	\$287.90
SE McGillivray/ SE 164 th Avenue	8 Trips	\$494.51	\$3,956.08
SE 34 th Street/SE 164 th Avenue	36 Trips	\$844.59	\$30,405.24
NE 18 th Street / NE 112 th Avenue*	5 trips	\$3,608.55	\$18,042.75
Total			\$54,728.02

* Denotes TIF creditable location.

H. Prior to Issuance Occupancy

The proposed project is subject to VMC 11.95.120, which requires that the applicant obtain Final Occupancy for the proposed project within 30 months from the issuance date of the certificate of concurrency and prior to permanently vesting the trips for the project. The applicant may apply for an additional 6-month extension if 50% of the required improvements are complete at time of application, or obtain an approved development agreement to extend the trip vesting for the duration as approved by the City Council. Based on the City records, the applicant is working with City staff to prepare a development

agreement for the City Council approval that will depict the total vested trips and other requirements.

The applicant will be required a compliance letter for each phase site plan application that will contain a trip generation, trip accounting and trip distribution for accounting and tracking purposes only.

III. CONCLUSIONS:

This letter certifies that concurrency requirements have been met for the project with conditions, based on the traffic analysis submitted by the applicant. The following are the conditions that will apply to the project as part of this certificate of concurrency:

A. Prior to Issuance of Final Master Plan:

1. The applicant shall pay the model run and maintenance fees totalling \$3,205.08 for the trips entering the modeled corridors. Payment can be made at 4400 NE 77th Avenue, Development Review Department, lower level.
2. The applicant shall pay proportionate share fees totalling \$54,728.02. Payment can be made at 4400 NE 77th Avenue, Development Review Department, lower level.

B. Prior to Issuance of any Building Permits:

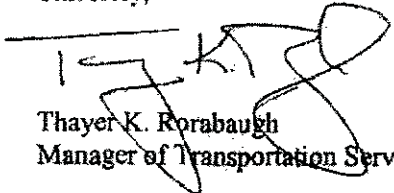
1. The applicant shall pay Transportation Impact Fee (TIF) due based on the TIF rate at the time each site plan.

C. Prior to Final Plat Approval:

1. The applicant shall comply with VMC 11.95 and City Ordinances M-3354, M-3538, M-3536 and M-3537 requirements.
2. To permanently vest the trips for the project, certificate of occupancy shall be obtained within 30-months from the issuance date of this certificate of concurrency, or obtain an approved developer's agreement with the City. Development agreements are subject to the City Council approval. Otherwise, the certificate of concurrency for the proposed project shall expire in 30-months from the issuance date of this certificate per amended VMC 11.95.120, adopted on February 20, 2001, by the City Council.

Additional transportation improvements are required as part of site development review, per the City of Vancouver's Street Standards, including but not limited to VMC 11.90.020 (Abutting street - Frontage improvements - Traffic Signal Participation), VMC 11.90.060 (Sight Distances), and VMC 11.90.083 (Arterial-Residential Street Intersections).

Sincerely,

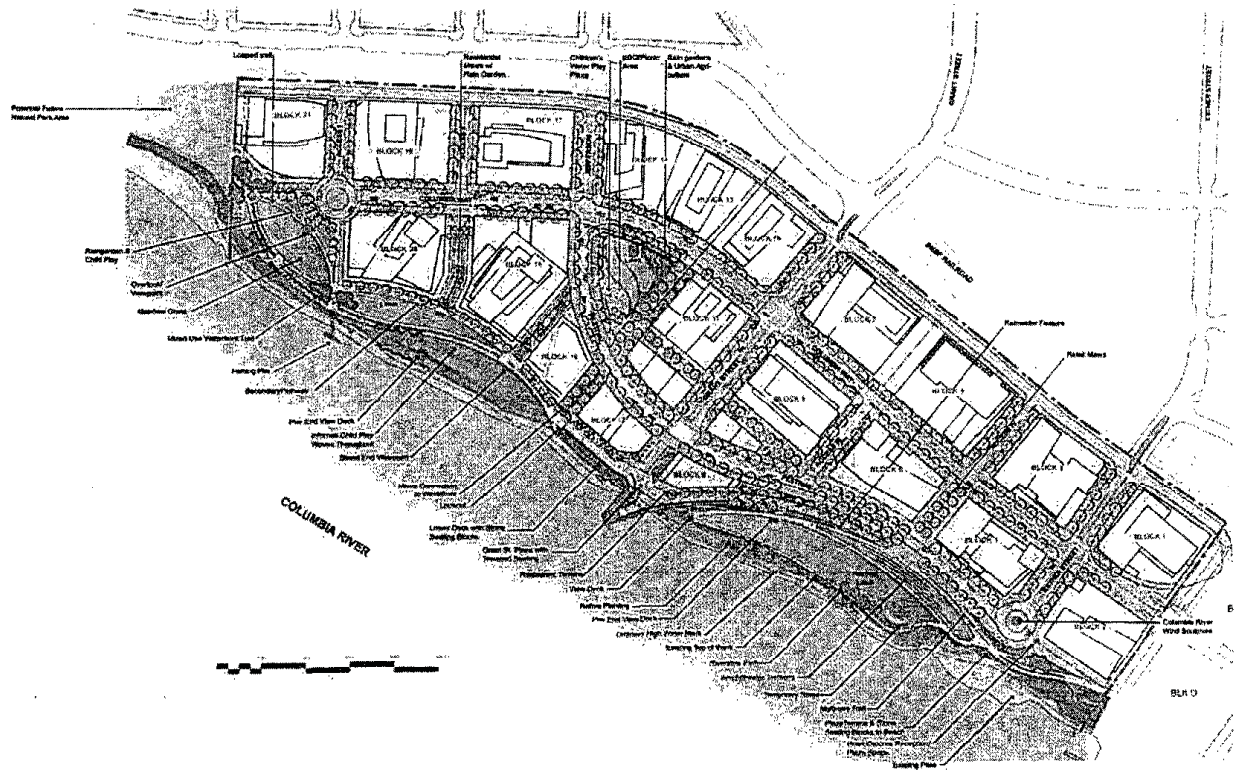


Thayer K. Rorabaugh
Manager of Transportation Services

cc Ahmad Qayoumi, PE, Transportation Services
Jon Wagner, Planning Case Manager, Development Review Services
Greg Turner, Planning Case Manager, Development Review Service
Randall Stark, PE, Transportation Services
File: Waterfront Development

EXHIBIT M

Conceptual Parks Plan



Scale 1" = 100'-0" (A1/C11.1)

Vancouver Waterfront
Parks & Open Space Vision
May 15, 2004

figure **M**

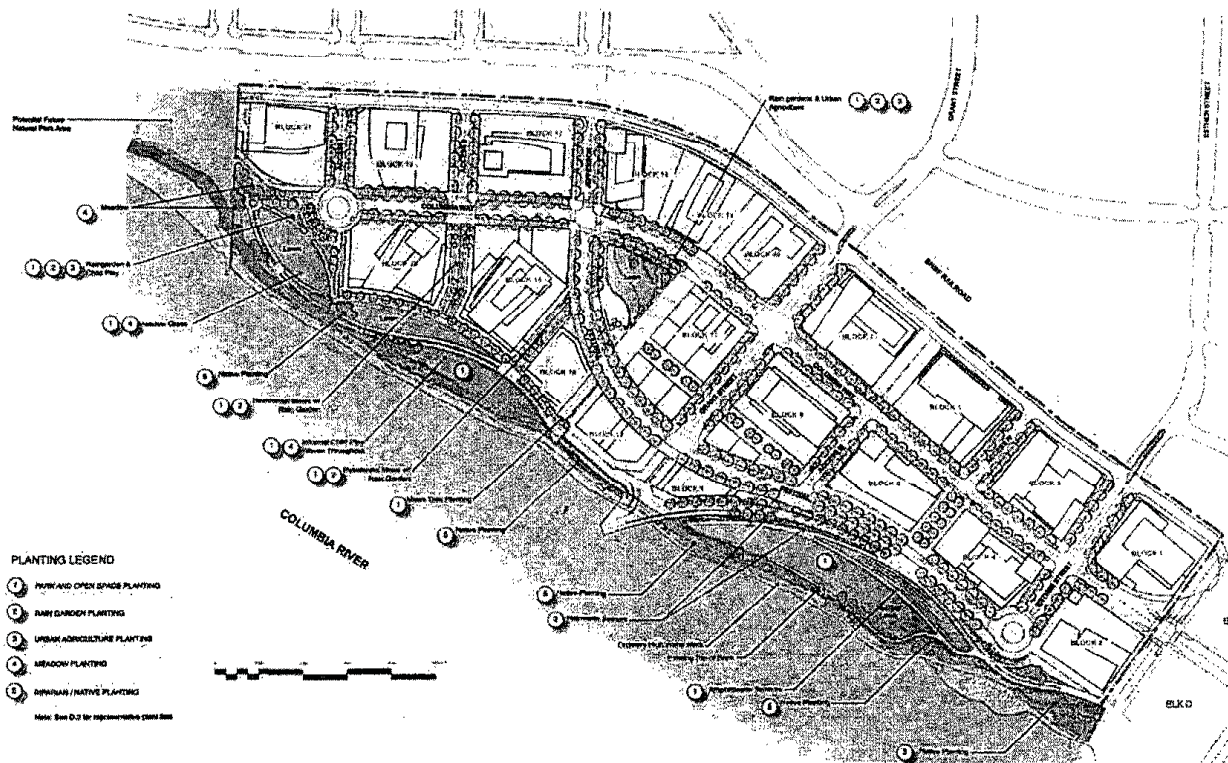
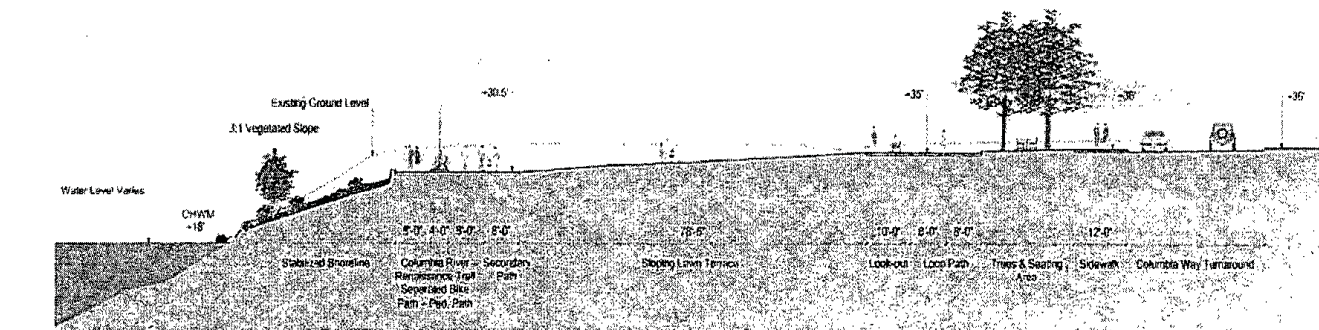
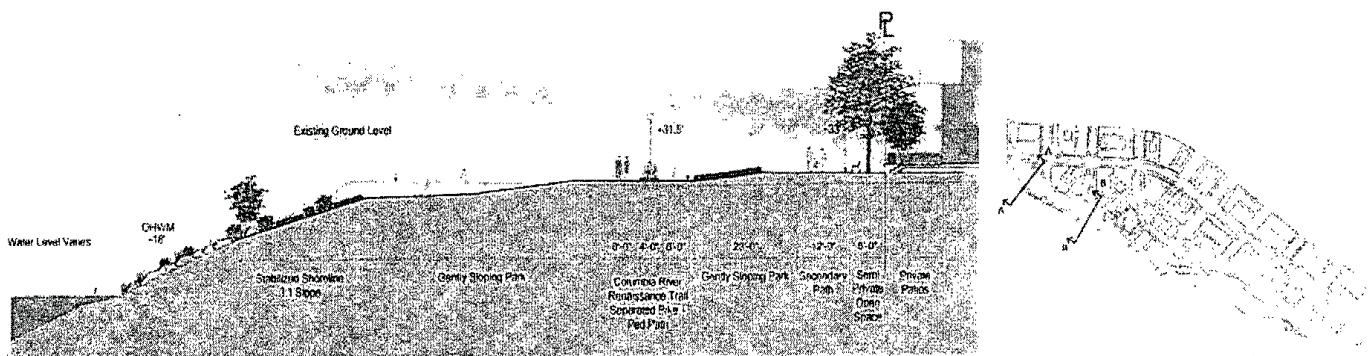


figure **M**



Section A - Pathway, Park & Street Interface - Western Riverfront Park

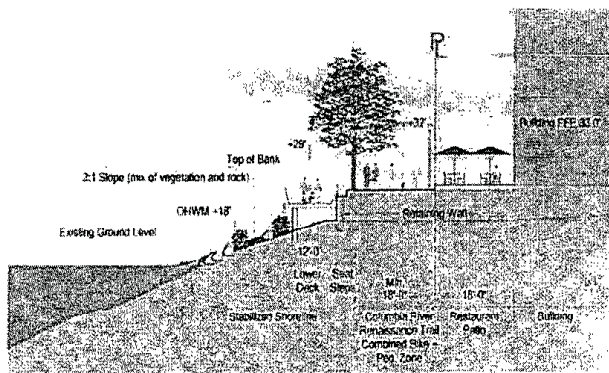


Section B - Pathway, Park & Residential Interface - Western Riverfront Park

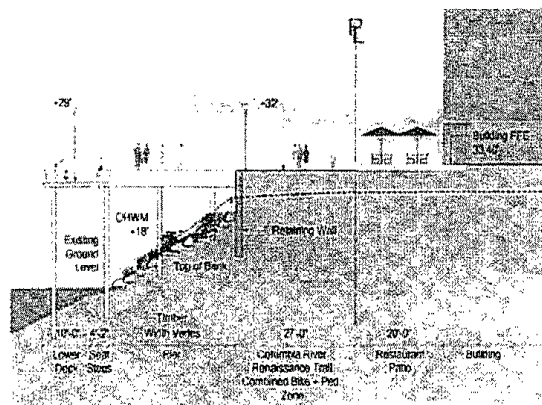
Scale 1" = 30'-0" (ARCH D)

Vancouver Waterfront
Parks & Open Space Vision
May 2010

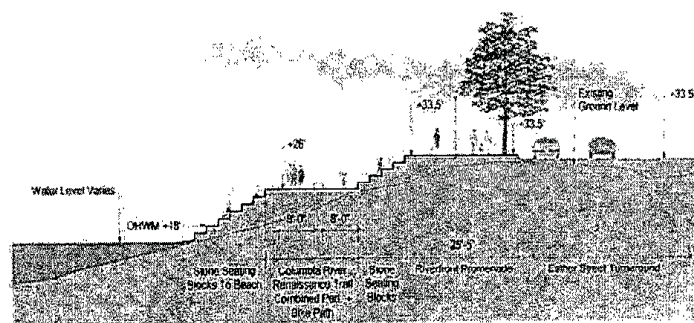
figure M



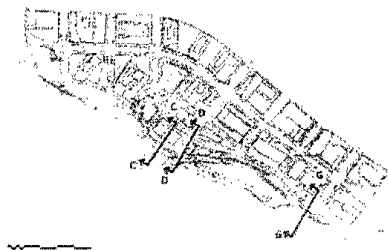
Section C - Park, Pathway & Retail/Restaurant Interface - Waterfront Park by Grant St.



Section D - Grant St. Plaza - Potential lookout and view deck



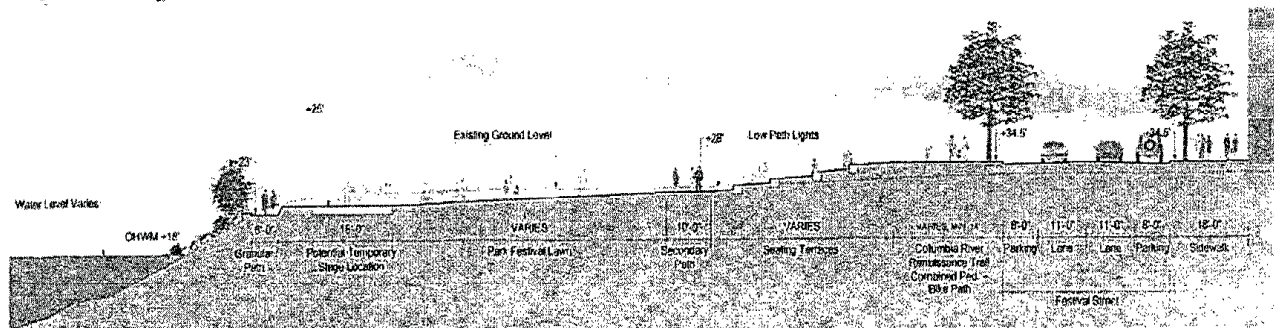
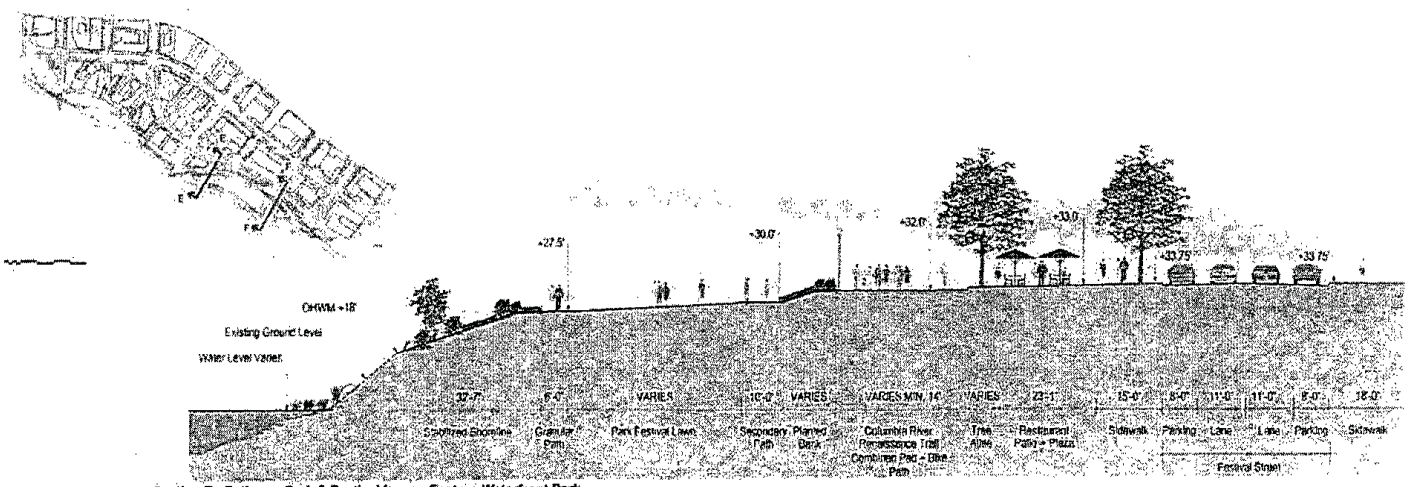
Section G - Esther Street End Riverfront Viewing - Eastern Waterfront Park



Scale 1" = 10'-0" (AS214.1)

Vancouver Waterfront
Parks & Open Space Vision
2010-2020

figure **M**



Scale 1" = 10'-0" (ARCH. E)

Vancouver Waterfront
Parks & Open Space Vision
May 20, 2009

figure **M**

4 WESTERN WATERFRONT COMMONS

- Stormwater collection & cleansing
- Looped multi-use trails & pathways
- On leash dog trail
- Plonic lawn for watching sunset
- Informal children's play
- Bench seating along path
- Viewing promontory with public art
- Natural meadow/native plant gardens
- Stormwater collection
- Park terraces feature
- Separated and combined waterfront trails

5 NATURAL AREA

- Bird Watching
- River Viewing
- Native Planting (Discovery/Exploration)
- Informal Seating
- Fishing Pier
- Riverfront Ecology Interpretation

6 WESTERN WATERFRONT TRAIL PARK

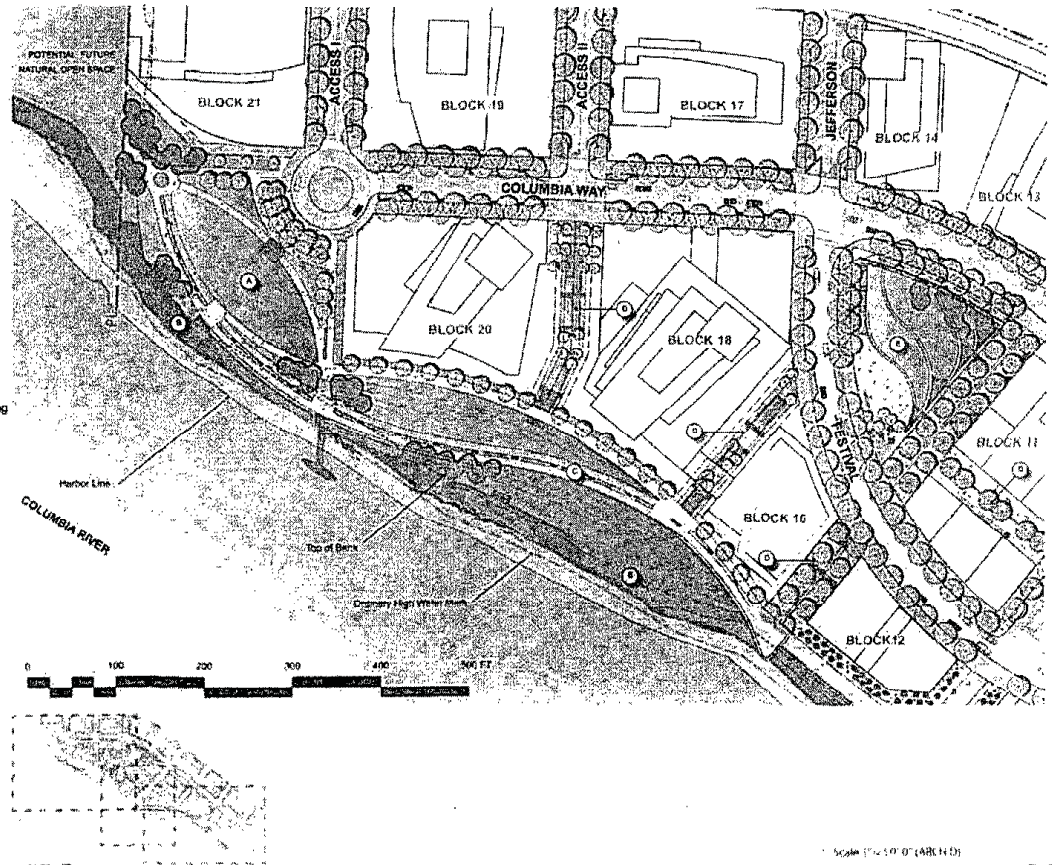
- "Front Lawn" - passive open space
- Viewing plaza with variety of seating opportunities & amount of shelter
- Informal children's play integrated within lawn area
- Separated waterfront multi-use recreational trail with seating
- Separated pathway mews connections to residential area
- Natural areas with native planting
- Historic references / memories / future references
- Meadowgrass areas
- Appropriate lighting levels and planting to ensure visibility / safety (CPTED)

7 MEWS/PEDESTRIAN PARK CONNECTIONS

- Connections through site
- Waterfront character drawn into the site
- Stormwater collection & bio-swales
- Pathway connections to the water

8 INTERNAL NEIGHBORHOOD PARK

- Informal play area
- Water play park
- Informal lawn for sunning, seating
- Neighborhood Plonic / BBQ area
- Bench and seat wall seating
- Covered picnic shelter/gathering space
- Stormwater collection



Vancouver Waterfront
Parks & Open Space Vision
2010-2015

figure M

④ RETAIL MEWS/PEDESTRIAN PARK CONNECTIONS

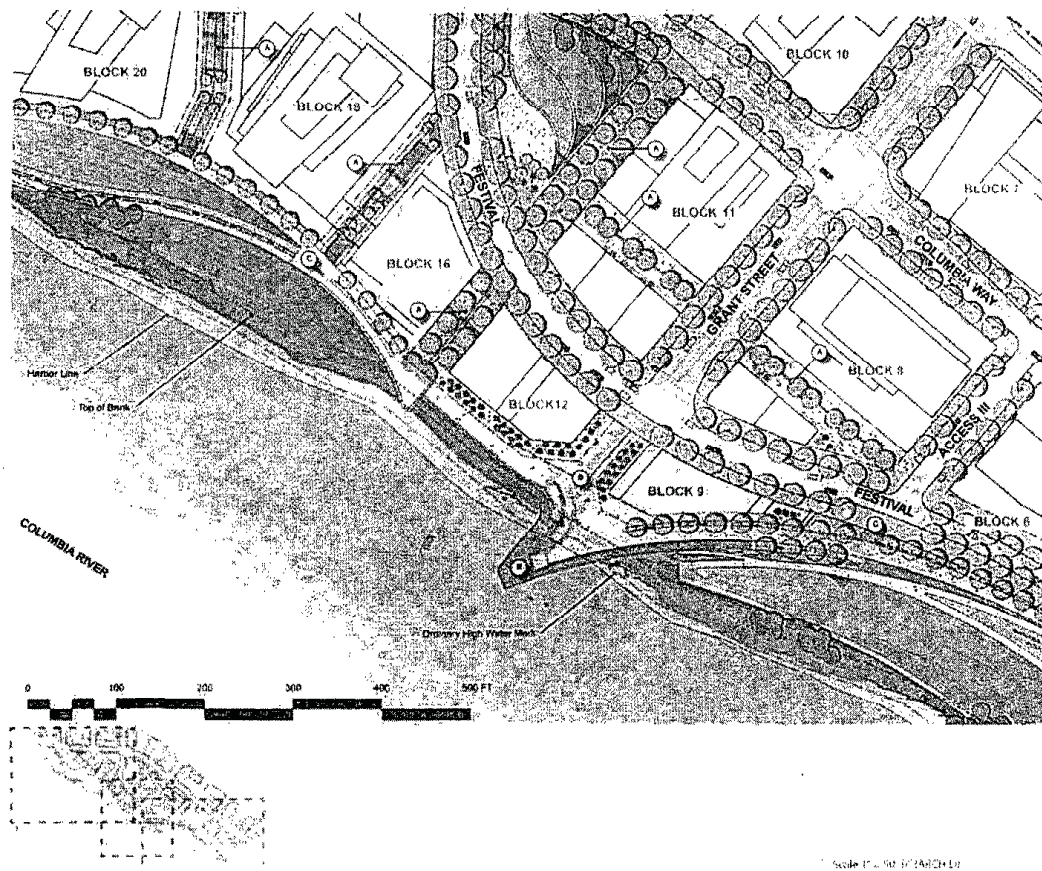
- Connections through site
- Waterfront character drawn into the site
- Stormwater collection & cleansing
- Pathway connections to the water

⑤ GRANT STREET WATERFRONT PLAZA

- Multi-use plaza space
- Restaurant/cafe patios and terraces
- People gathering
- Dock(s) for dinner cruise boats & water taxi
- Pier structure over water with potential to use existing piles/dolphins
- Viewing promontory
- Combined multi-use waterfront trail with variety of seating
- Landmark public art feature
- Historic references / memories / future references
- Terraced seating
- Residential

⑥ RETAIL MEWS/PEDESTRIAN CONNECTION

- Connections through site
- Waterfront character drawn into the site
- Viewing piers



Scale 1" = 50' (1" = 20M)

Vancouver Waterfront
Parks & Open Space Vision
Public Open Space Framework

figure **M**

1 RETAIL MEWS/PEDESTRIAN CONNECTION

- Connections through site
- Waterfront character drawn into the site
- Pathway connections to the water

2 ESPLANADE

- Pedestrian area
- Public gathering spaces
- Seasonal artist space
- Public restrooms
- Informal and formal seating opportunities
- Combined bike/pedestrian waterfront trail

3 WATERFRONT TRAIL

- Pedestrian trail
- Viewing areas with shelter
- Variety of seating opportunities
- Natural areas with native vegetation

4 OPEN, FLEXIBLE MULTI-USE LAWN

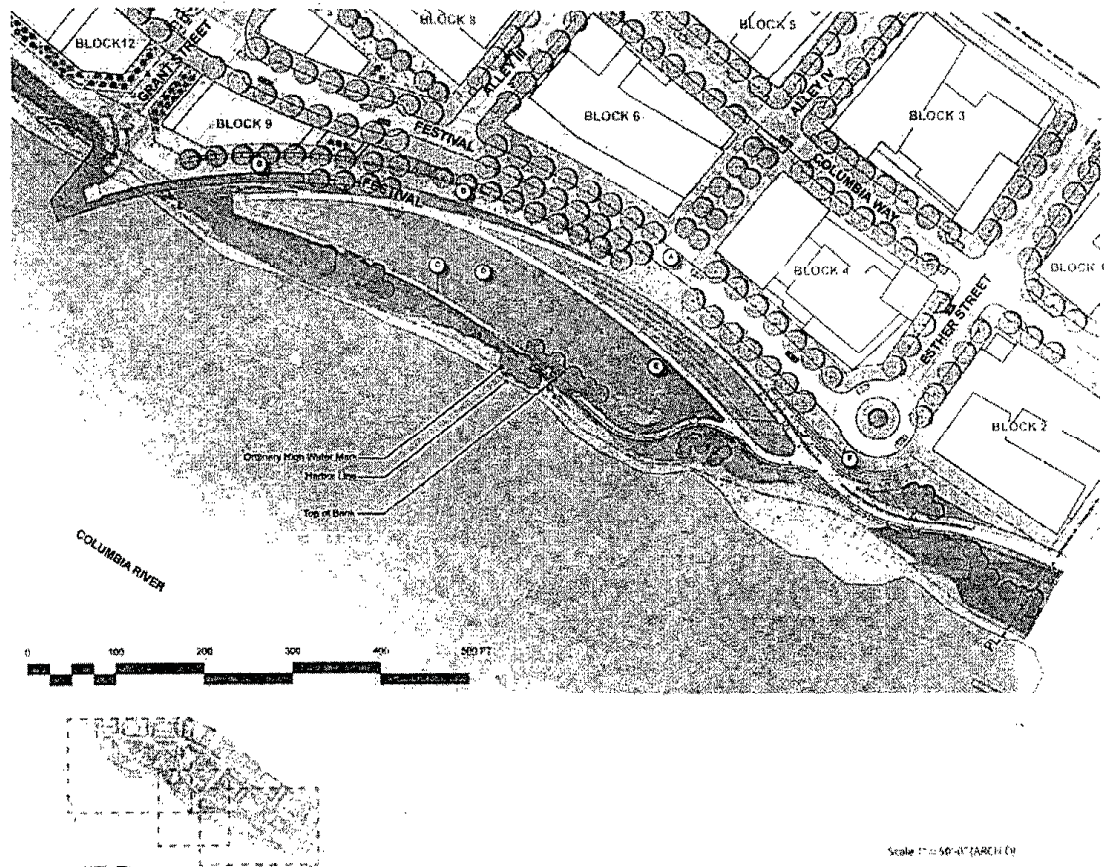
- Multi-use Trail
- Informal sport activities (frisbee, etc.)
- Seating/sunbathing
- Riverfront viewing
- Overflow seating for festivals
- Community gathering/event space

5 FESTIVAL LAWN

- Terraced lawn area with hard and soft seating opportunities
- Riverfront viewing from sloping lawn (place to watch fireworks)
- Informal performance space / Temporary Stage
- Gently sloped for lawnchair seating
- Power

6 RIVERFRONT VIEWING PROMONTORY

- Terraced viewing areas
- Visitor information kiosk
- Directional signs & wayfinding markers
- Ramps for universal accessibility
- Landmark/wayfinding public art about history/industry/nature/river
- Connection to Esther St. and the city
- Outdoor, hotel restaurant on waterfront



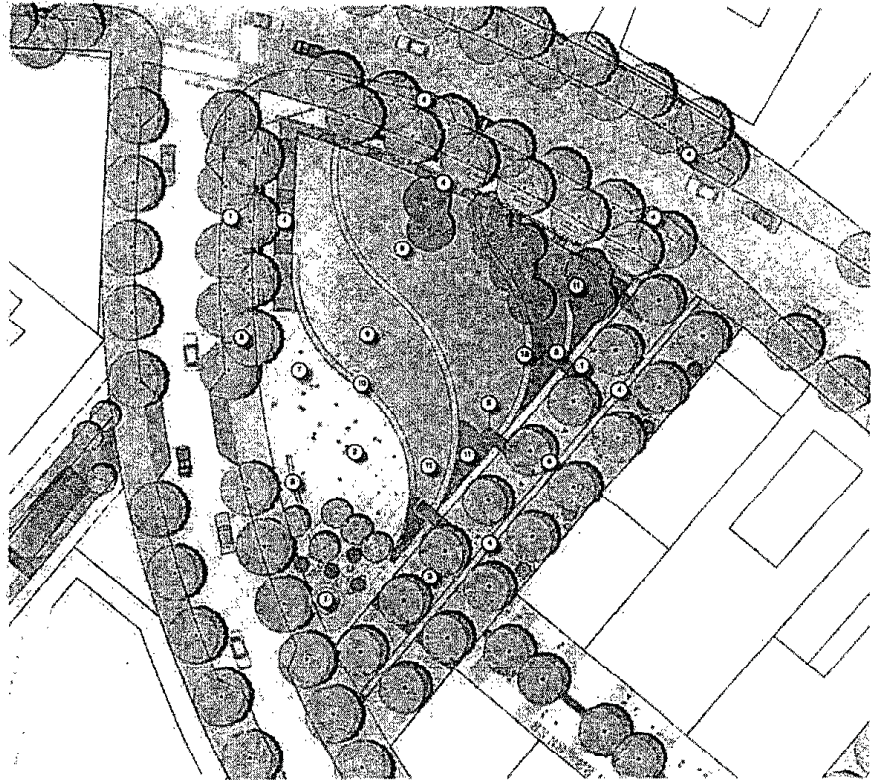
Scale: 1" = 50'-0" (ARCH. IN)

Vancouver Waterfront
 Jan. 20, 2001 Parks & Open Space Vision
 City of Vancouver Parks & Recreation - Downtown

figure **M**

KEY

- ① BIOPHONIC ROBOGAZEBO
- ② WATERPLAY JETTS
- ③ UNIT PAVED BIOPHONIC
- ④ PLANT GARDEN
- ⑤ TIMBER BRIDGE CROSSING
- ⑥ PEDESTRIAN PROMENADE WITH LIGHT COLUMNS
- ⑦ WATER PLAY PLAZA
- ⑧ UPTOWN BAKERY BEATWELL
- ⑨ POND/SWIMMING LAWN
- ⑩ TERRACE BENCHES
- ⑪ PLAYERS



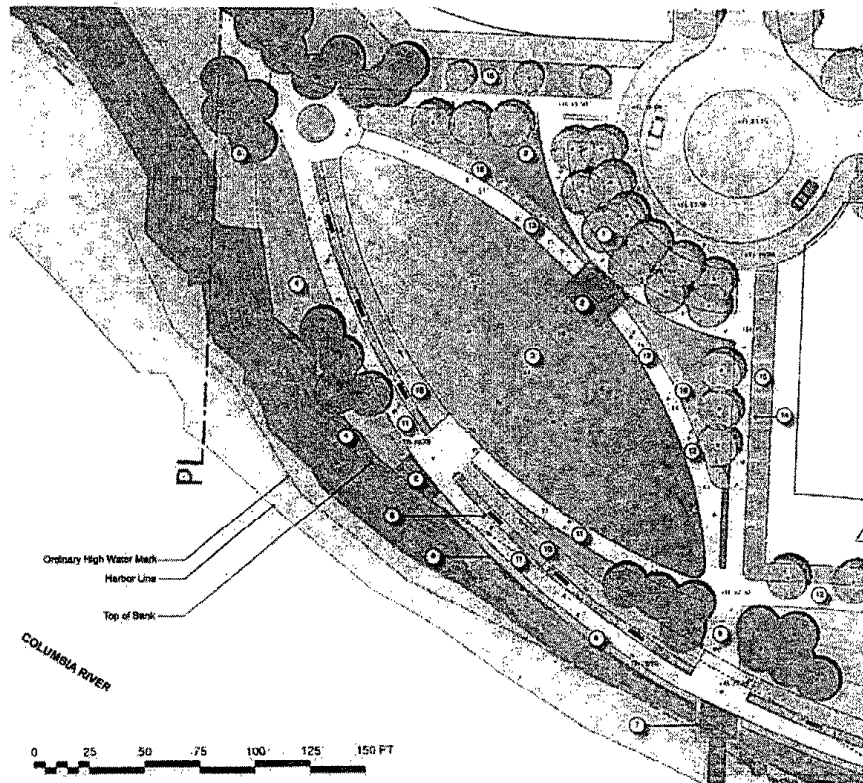
Scale 1" = 20'-0" (500:1)

Vancouver Waterfront
 May 22, 2009 Parks & Open Space Vision
 Prepared by: [illegible] [illegible] [illegible]

figure **M**

DETAIL LEGEND:

1. PICNIC AREA WITH PICNIC TABLES, TREE BIOSCOPES AND GRANULAR PAVING
2. FISHERY VIEWING AREA
3. SLOPED LAWN TERRACE
4. MEADOW GRASS AND NATURAL PLANTINGS
5. BIRD VIEWING AREA
6. STONE RETAINING WALL
7. TIMBER PLATFORM AND RAMP TO FISHING PIER
8. BENCHES
9. STAIRS
10. COLUMBIA RIVER RENAISSANCE TRAIL - BIKE PATH
11. COLUMBIA RIVER RENAISSANCE TRAIL - PEDESTRIAN PATH
12. COMBINED PATH
13. RAMP TO RIVERFRONT
14. PLAIN GARDEN
15. PARK BUFFER TO TOWN PLACES
16. WATER FEATURE WITH INFORMAL CHILDREN'S PLAY

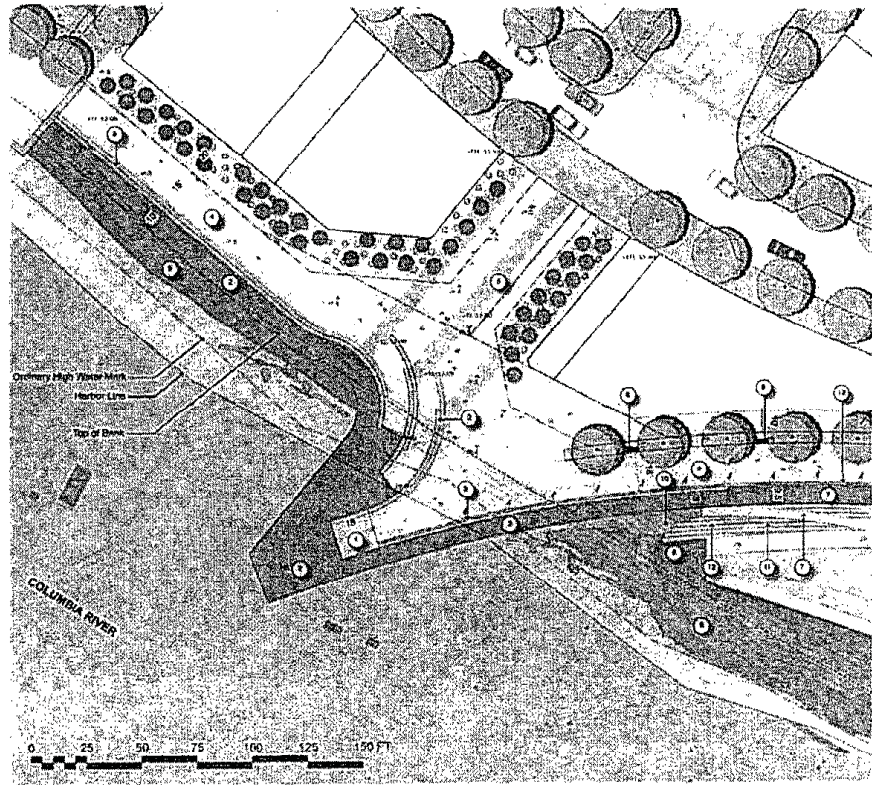


Vancouver Waterfront
 May 20, 2008 Parks & Open Space Vision
 Prepared by: [illegible] / [illegible]

figure **M**

DETAIL LEGEND:

- ① SEATING FEATURE
- ② TRIMMED DECK CONNECTED TO EXISTING COLUMBIAS
- ③ STONE CLAY WALL
- ④ COLUMBIA RIVER RENAISSANCE TRAIL - COMBINED BIKE AND PEDESTRIAN
- ⑤ SPECIAL PLAZA PAVING
- ⑥ BENCHES
- ⑦ RAMP
- ⑧ TRIMMED DECK VIEWING PLATFORM
- ⑨ NATURAL PLANTING
- ⑩ MAIN GARDEN
- ⑪ STONE TERRACE
- ⑫ NIGHTLIGHT STRUCTURES - REMINISCENT OF BOAT FRAMES
- ⑬ STAIRS



Scale: 1" = 25'-0" (ARCH D)

Vancouver Waterfront
Parks & Open Space Vision
Plan - General Vision - 2008/09 (Detail)

figure **M**



- 1 INFORMATION BOOK
- 2 COLLAGE WITH MINERALS THAT REPAIRED BRICKS AND PESTLESTAMS
- 3 STONE TERRACES SLATING
- 4 STAIRS
- 5 PUMP
- 6 SECONDARY CONCRETE WITH
- 7 SPARKLE PORCELANE PATH
- 8 NATURAL PLANTING
- 9 FESTIVAL LAWN
- 10 TEMPORARY SANDSHELL PERFORMANCE STAGE
- 11 BUCKED LAWN
- 12 STONE RETAINING WALL
- 13 FEATURE WIND SCULPTURE
- 14 CONCRETE TERRACES WITH LAWN
- 15 ART LIGHT FEATURES
- 16 EXISTING RULES
- 17 TEXTURED PAVING

0344-2700(2011)160007-01

figure VI

EXHIBIT N

Waterfront Esplanade Concept Plan

Exhibit N



Scale 1" = 100' or 30.48m
Vancouver Waterfront
 Parks and Open Spaces
 Plan
 PG

EXHIBIT O

Core Park Improvement Plan

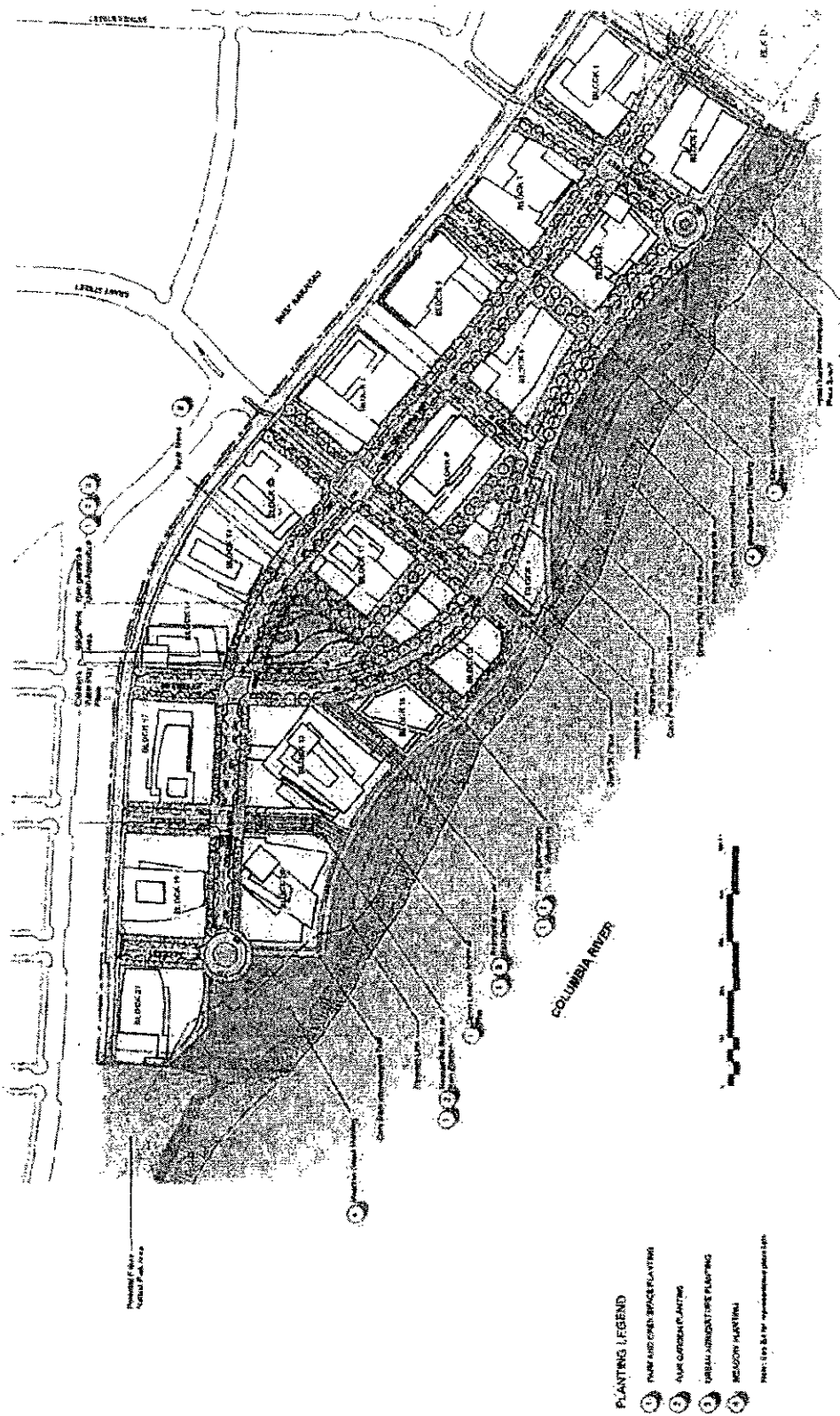


EXHIBIT P

Description of Staging Area

To be established by City and Developer prior to execution of the Development Agreement.

Exhibit P

Staging area

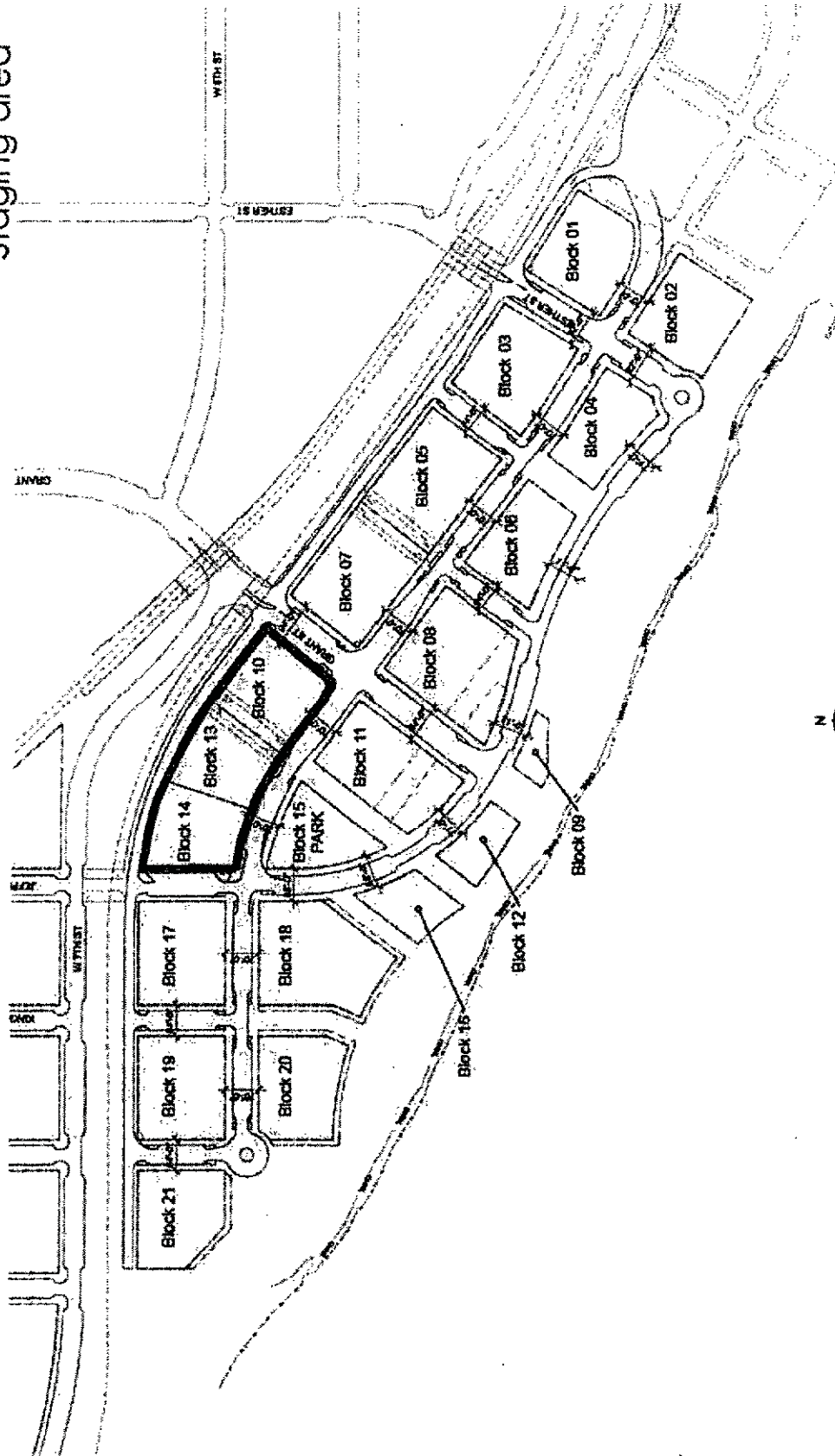
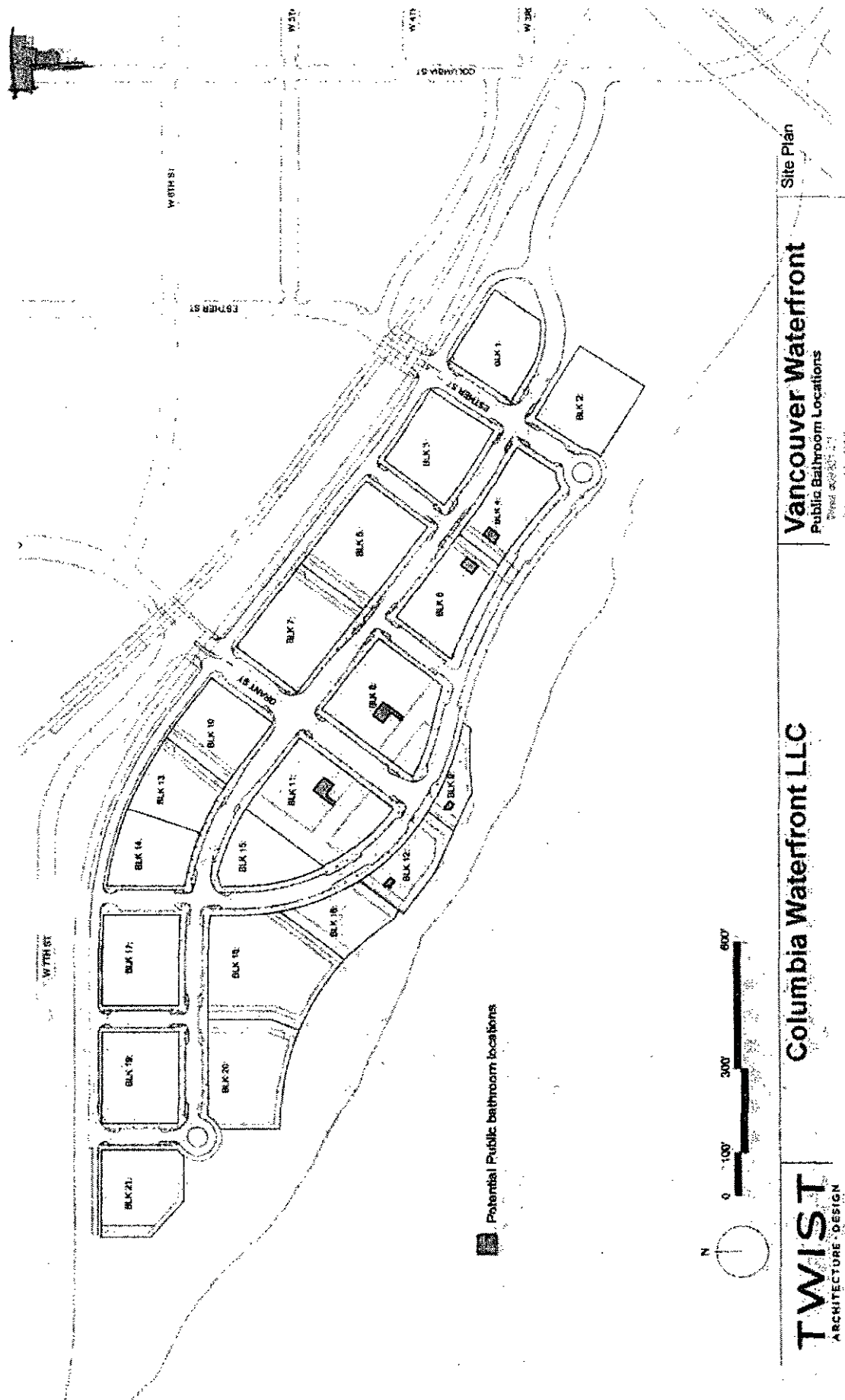


EXHIBIT Q

Public Restroom Locations



Vancouver Waterfront
Public Bathroom Locations
TWIST ARCHITECTURE DESIGN
JANUARY 2017

Columbia Waterfront LLC

TWIST
ARCHITECTURE DESIGN

Site Plan



Item #10.

Staff Report 113-18

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 7/16/2018

SUBJECT Third Amendment to the Development Agreement with Columbia Waterfront, LLC

Key Points

- Unanticipated issues and prior construction delays are prompting City and Columbia Waterfront, LLC to propose several amendments to the Development Agreement;
- The minimum required density for the project would be reduced by approximately 24% due to a revised determination by the Federal Aviation Administration regarding allowable building heights;
- In addition to three previously approved surface parking lots, Blocks 7 and 10 would be allowed to be developed as interim surface parking to serve the project for up to 12 years, at which time structured parking must be provided;
- Developer agrees to pay for and install three free-standing public restroom units, in locations approved by Developer and City, and the location of a fourth future restroom unit would be selected, in lieu of public restrooms being located in one or more of the private buildings;
- Developer would make annual payments to the City for 12 years for the access project, in lieu of a final lump sum payment of \$4.75 million this fall;
- Developer agrees to pay the City \$3 million toward the waterfront park improvements in three \$1 million installments by 12/21/19, according to a payment schedule outlined by the City;
- A small City-owned tract of land north of Port of Vancouver's Terminal One project would be conveyed to the Developer sooner than originally anticipated, in order to facilitate a subsequent transfer to the Port of Vancouver for development.

Strategic Plan Alignment

Goal 7: Build on our status as the largest city on the Columbia River by strengthening connections to the river and the waterfront.

Goal 7, Objective 7.1: Support redevelopment of the Columbia River waterfront.

Present Situation

The City of Vancouver and Columbia Waterfront, LLC (CWLLC) entered into a Downtown Waterfront Development Agreement dated October 19, 2009, addressing a number of development issues relating to the development of a project known as the Waterfront and to be located on the shoreline of the Columbia River in downtown Vancouver, Washington.

Two separate amendments to the Development Agreement were approved by the City Council, on June 6, 2011 and on August 3, 2015.

Currently the first phase of private construction is underway, including restaurants on Blocks 9 and 11, an office tower and apartment tower on Block 6, and an apartment building on Block 8. A seven acre city park with a cable-stay pier structure over the Columbia River is under construction and should be complete later this summer. Additional blocks are in the conceptual design or permitting phases, and several blocks of surface parking have been completed.

The current set of proposed amendments is intended to address changes to the project that were not anticipated at the time of the initial development agreement or amendments, including:

1. A reduction in the minimum density of the project due to a recent revision to the allowable building heights by the Federal Aviation Administration;
2. Allow for two additional blocks to be developed for interim surface parking spaces, for a total of four surface parking lots, until such time as a permanent parking structure can be built, up to a maximum of 12 years;
3. Replace one or more public restroom facilities that were originally intended to be located in one or more of the private buildings near the park with four individual "Portland-Loo-style" restroom units, three of which will be paid for by CWLLC, and establish the locations and timing of their installation;
4. Spread out developer payments to the City for the access project instead of the currently-required final lump sum payment of \$4.75 million;
5. Formalize prior commitments that CWLLC will pay the City \$3 million toward the completion of the public park, according to an agreed upon schedule;
6. Inclusion of a reference to several changes to the adopted Waterfront Master Plan that were approved by the City on September 27, 2016;
7. Formalize a commitment by both parties to work together to survey property lines and easements in areas where City and CWLLC properties abut, in order to determine any encroachments or conflicts, and agreement to work cooperatively in resolving any such encroachments or conflicts; and
8. Allow for a small tract of city-owned land to be transferred to CWLLC upon completion and acceptance of all Phase 1 road and infrastructure improvements, instead of waiting until the road and infrastructure improvements are completed for the entire project as is stated in the current agreement.

Regarding the change in project density, the Federal Aviation Administration issued a new determination that the heights of the buildings in the Project must be lower than was originally approved, which reduces the potential development of the size of buildings and therefore requires reduction in the average floor area ratios (FAR) of the buildings and the minimum number of residential units. City staff met with the FAA and agree that the revised determination, which is final, does reduce the maximum allowable height of most buildings and therefore minimum required floor area ratios should be decreased proportionately.

More specifically, the existing reference to a required minimum overall FAR of 4.5:1 would be substituted with an FAR of 3.4:1, and would reference a new exhibit to the agreement that lists each block and its associated minimum FAR. The overall minimum density of the project would be decreased by approximately 24 percent. CWLLC indicates that the development will still be able to accommodate up to 2.3 million square feet of buildings, with 2,300 residential units.

Regarding parking lots, the approved master plan contemplates that all off-street parking will be provided in parking structures at full build-out. Until later phases can be built, there is not sufficient density to financially support stand-alone parking structures, so CWLLC has proposed interim surface parking lots, which will be phased out as parking structures are built later.

The change to the number of blocks that may be used for interim surface parking is necessary in order to serve the initial development projects as well as the public who will access the park, until such time as structure parking can be constructed. Previously, City and CWLLC agreed that Blocks 5, 11, and 15 could be developed for surface parking, which would be phased out when structured parking is constructed. CWLLC wishes to increase (by one net block) the number of blocks that are allowed to be developed for surface parking on an interim basis, to include Blocks 5, 7, 10, and 11. Block 15, previously allowed to be developed for surface parking, would be developed instead for the internal park.

Regarding public restrooms, the proposed revisions would amend Section 9.6 of the Agreement regarding responsibilities of both CWLLC and City in regard to the provision of public restrooms. The current agreement would require the public restrooms to be located within one or more of the private buildings, with the Developer to construct the shell space and provide utilities, with the City to fund and complete the interior improvements. As plans have evolved, and as both parties are continuing to discuss the final location of the restrooms, City staff and CWLLC are in agreement that public restrooms could be provided in three or four stand-alone restroom units (in the "Portland Loo" style), which are easier to monitor for safety as well as to maintain.

Regarding the timing of the developer's contribution to the access project, CWLLC requests an amendment to Section 8 of the Second Amendment in order to extend deadline for the Developer's Contribution to the Access Project (to be made in annual installments) by one year as well as to spread out the final lump sum payment over 12 years. Per the current agreement, CWLLC has been making a \$350,000 payment to the City every year, but has a \$4.75 million balance remaining which, per the agreement, is to be paid as a final lump sum. Per the proposed agreement, a new series of annual payments of \$392,307.70 would begin September 1, 2018, and would continue for the next 11 years. This revision would free up funds that could be put to use for more infrastructure and vertical construction to keep the momentum going, and would not have any adverse impact on the City's ability to make payments on any outstanding federal loans for the access project.

Regarding the Developer's contribution to the Waterfront Park, a Memorandum of Understanding between the City and CWLLC dated August 13, 2013 states that the Developer will contribute \$2,000,000 to the City for improvements to the Waterfront Park in exchange for the City constructing the Columbia Way improvements, which would be formalized in the proposed amendment. In addition, the Developer would agree to a \$1,000,000 contribution in exchange for the City constructing the core park improvements. Proposed changes to Section 9 of the Second Amendment are intended to clarify what is included in scope of work that triggers the payments, and extends the timeline for making the phased payments, due to weather-related delays in the

park construction. The final payment by CWLLC toward the park will be made by December 31, 2019.

The City Center Redevelopment Authority held a public meeting to consider the requested revisions to the development agreement at their June 15, 2017 meeting, and unanimously recommended that Council approve the amendment.

Advantage(s)

1. The amendment will acknowledge the revised density goals for the overall project in response to corresponding reductions in allowable building heights imposed by the FAA for much of the project;
2. Allowing the Developer to pay their remaining share of access infrastructure costs through annual installments instead of a final lump sum payment provides needed flexibility to invest in more vertical development in the near term;
3. The amendment will formalize commitments made by the Developer to pay \$3 million toward the City park improvements, in three installments;
4. The amendment will provide specifications for the design, location, and responsibility for funding and installation of three individual restroom units, and the location and design of a fourth future restroom unit.

Disadvantage(s)

1. Allowing two additional blocks to be used for interim surface parking lots results in an inefficient use of land and may delay vertical construction on these blocks; however, more density is needed in order for structured parking to be financially feasible, and ensuring sufficient parking for the first phase of construction is considered essential to the long-term success of the area;
2. The change from a public restroom(s) that is built into one or more buildings to three or four separate restroom units will result in fewer toilets, however the units will be more convenient to the public and easier to maintain and monitor than a more traditional enclosed building.

Budget Impact

None. Allowing the Developer to pay the remaining share of access infrastructure costs through annual installments will not affect the ability of the City to meet its obligations on remaining construction loans. The Developer's contribution to the park improvements has already been accounted for in the budget.

Prior Council Review

Council Workshop held June 11, 2018

Action Requested

On July 16, 2018, following a public hearing, adopt a resolution approving the amendments to the development agreement.

Chad Eiken, Community & Economic Development Director, 487-7882; Julie Hannon, Parks & Recreation Director, 487-8309; Bronson Potter, City Attorney, 487-8500

ATTACHMENTS:

- ▣ Resolution
- ▣ Development Agreement Amendment No. 3
- ▣ CCRA Minutes

7/16/18

RESOLUTION NO. M-3974

A RESOLUTION of the City Council of the City of Vancouver approving a Third Amendment to the Development Agreement with Columbia Waterfront, LLC for development of the Vancouver Columbia River Waterfront.

WHEREAS, the City of Vancouver and Columbia Waterfront, LLC (CWLLC) entered into a Downtown Waterfront Development Agreement on October 19, 2009, relating to the development of a project known as the Waterfront located on the shoreline of the Columbia River in downtown Vancouver, Washington; and

WHEREAS, such Development Agreement was authorized under RCW 36.70B.170 and VMC 20.250.010; and

WHEREAS, the Development Agreement has been amended twice in 2011 and 2015; and

WHEREAS, the first phase of private construction is underway, including restaurants on Blocks 9 and 11, an office tower and apartment tower on Block 6, an apartment building on Block 8, and a seven acre city park with a cable-stay pier structure over the Columbia; and

WHEREAS, additional blocks are in the conceptual design or permitting phases, and several blocks of surface parking have been completed; and

WHEREAS, the activities of CWLLC have demonstrated a significant commitment to proceeding with development of the Waterfront in an expeditious manner; and

WHEREAS, certain changed circumstances since the execution of the Development Agreement and amendments require revisions to the Agreement; and

RESOLUTION - 1

WHEREAS, those required revisions include: (1) a reduction in minimum density of the project due to a recent Federal Aviation Administration regulatory changes related to maximum building heights, (2) replacement of restroom requirements at the park, (3) spreading out developer payments provided for in the Development Agreement, (4) formalize prior commitments of CWLLC to pay the City \$3.0 million for the completion of a public park, (5) adding references to changes to the Waterfront Master Plan, (6) formalize a commitment to survey property lines, and (7) provide for the transfer of a small tract of city-owned land upon completion Phase I road and infrastructure improvements; and

WHEREAS, Council concludes that the public interest would be served by approval of such Third Amendment.

NOW, THEREFORE,

BE IT RESOLVED BY THE TRANSPORTATION BENEFIT DISTRICT OF THE
CITY OF VANCOUVER:

Section 1. The City Council of the City of Vancouver approves the Third Amendment to the Development Agreement as presented to the Council in the record herein.

Section 2. The City Council authorizes the City Manager to execute such Third Amendment.

DATED this 16th day of July, 2018.

DocuSigned by:

Anne McEnerney-Ogle

58CB15C0632F403...

Anne McEnerney-Ogle, Mayor

Attest:

DocuSigned by:

Carrie Lewellen

661359AB277E439...

Natasha Ramras, City Clerk

By: Carrie Lewellen, Deputy City Clerk

Approved as to form:

DocuSigned by:

E. Bronson Potter

AAC4768B6D2D446...

E. Bronson Potter, City Attorney

RESOLUTION - 3

THIRD AMENDMENT TO DOWNTOWN WATERFRONT DEVELOPMENT AGREEMENT

THIS THIRD AMENDMENT TO DOWNTOWN WATERFRONT DEVELOPMENT AGREEMENT (“**Third Amendment**”) is made and entered into effective July_____, 2018 (“**Effective Date**”), by and between the CITY OF VANCOUVER, a Washington municipal corporation (the “**City**”), and COLUMBIA WATERFRONT LLC, a Washington limited liability company (the “**Developer**”).

RECITALS

A. City and Developer entered into a Downtown Waterfront Development Agreement (“**Agreement**”) dated October 19, 2009, addressing a number of development issues relating to the development of a project known as the Waterfront and to be located on the shoreline of the Columbia River in downtown Vancouver, Washington.

B. On June 6, 2011, City and Developer entered into a First Amendment to the Downtown Waterfront Development Agreement (“**First Amendment**”) making certain changes to the Agreement.

C. On August 3, 2015, City and Developer entered into a Second Amendment to the Downtown Waterfront Development Agreement (“**Second Amendment**”) making certain changes to the Agreement. For the purpose of this Third Amendment, all references to “**Agreement**” shall mean the original Agreement as modified by the First and Second Amendments. Terms using initial capital letters herein that are not otherwise defined shall have the meanings given to them in the Agreement.

D. The Federal Aviation Administration issued its determination that at this time that the heights of the buildings in the Project must be limited which, if unchanged in the future, reduces the potential development of the size of buildings and therefore requires reduction in the average floor area ratios of the buildings and the minimum number of residential units.

E. City and Developer now desire to make further changes and modifications to the Agreement as detailed below. To the extent of an express conflict between the terms and provisions of this Third Amendment and the terms and provisions of the Agreement, the terms and provisions of this Third Amendment shall prevail.

AGREEMENT

NOW, THEREFORE, based upon the foregoing Recitals and the mutual covenants hereinafter set forth, City and Developer agree that the Second Amendment is amended as follows:

1. FAR. Section 4.2.1 of the Agreement is hereby amended by deleting all references to an average FAR of 4.5:1 for the entire Project site and substituting in their places references to an average FAR of 3.4:1 and a replacement Exhibit B2 is attached hereto setting forth the updated FAR Matrix.

Section 4.2.3 of the Agreement is amended to provide that the minimum number of residential units shall be no less than 2,000.

2. Surface Parking. Item 4) of Exhibit I of the Agreement addresses surface parking. On September 27, 2016, the Vancouver Planning Commission approved a request by the Developer to reduce the amount of required underground parking and allow two blocks of temporary surface parking on Blocks 11 and 15 to accommodate parking for the development occurring on Blocks 9 and 12. The Developer no longer wishes to use Block 15 for temporary surface parking. The City hereby approves the use of Blocks 5, 7, 10 and 11 for temporary surface parking as provided by VMC 20.630.080(D)(5). No other Block shall be used for surface parking without the City's approval. The surface parking is needed because the Project is a regional hub with parking needs for the park, the restaurants and the public. The interior landscaping requirements of VMC 20.945.040 are waived for the temporary surface parking; however, all other applicable requirements of VMC 20.945.040 shall apply. The temporary surface parking shall be made available to all members of the public on an equal basis including users of the park except for Block 5 which is subject to reserved parking rights for office tenants between 7:00 a.m. and 5:00 p.m. Monday through Friday for 120 spaces and shall be open to the public at all other times.

The temporary surface parking is authorized to be utilized for a period of six (6) years from the Effective Date of this Third Amendment. The Director of Community and Economic Development shall authorize temporary surface parking for an additional six (6) years if structured parking in the Waterfront is not economically feasible at the end of the first six (6) years based on then current commercial market conditions. If the temporary surface parking continues for more than six (6) years from the Effective Date of this Third Amendment, then the interior landscaping requirements of VMC 20.945.040 shall apply to such surface parking thereafter and Developer or the then current owners of the temporary surface parking Blocks shall have six (6) months thereafter to bring those Blocks into compliance with the interior landscaping requirements of VMC 20.945.040. The temporary surface parking is in all events only authorized to be utilized as temporary surface parking for a period of twelve (12) years from the Effective Date of this Third Amendment (with the second six (6) being subject to approval as detailed above).

A mixed-use project was approved for Block 8 (LUP-62534) on July 14, 2017. The approval required parking spaces to be provided for in the temporary surface parking. Developer provided 10 spaces pursuant to a Parking License Agreement dated September 18, 2017, Recorded October 2, 2017, Recording No. 5448275, AGR Records of Clark County, Washington.

3. Section 3 of the Second Amendment is amended to read as follows:

3. Restrooms, Electrical Building and Exhibit Q. The Second Amendment to the Agreement gave the Developer the option of building shell space for restrooms in one of its buildings or providing stand-alone restrooms. The Developer has chosen to provide stand-alone restrooms. The Developer shall provide and install three "Portland Loo" restrooms at its sole expense. Two of these restrooms shall be installed approximate to the water feature on the location noted as "Site A" on the attached Replacement Exhibit Q. These two restrooms on Site A shall be installed and operational by July 31, 2018. For

these two restrooms, the City shall be responsible for construction of the concrete pads, rough sewer, water and electrical service to the restroom site and the installation of an adjacent seat wall. The Developer shall be responsible for all other costs associated with the purchase, installation and operability of the restrooms.

If the City determines, in its sole discretion, that there is sufficient demand for a third restroom, then a third restroom shall be installed by the Developer within six (6) months of receiving notice from the City for the installation of the third restroom. The third restroom shall be installed at the location noted as "Site B" on the attached Replacement Exhibit Q. With respect to this third restroom, the City shall be responsible for construction of the concrete pad, rough sewer, water and electrical service to the restroom site. The Developer shall provide a utility easement for the benefit of this restroom between Blocks 18 and 20 connecting to Columbia Way as shown on the attached Replacement Exhibit Q and shall be responsible for all other costs associated with the purchase, installation and initial operability of the restroom.

The City shall have the right to install, at its sole expense, a fourth restroom on the location noted as "Site A" on the attached replacement Exhibit Q (for a total of three restrooms at "Site A"). The Developer shall not have any financial obligation for the acquisition or installation of this restroom, its sole obligation being to make the location available for the installation and maintenance of the restroom.

The City shall be responsible for all of the cost of the installation an electrical building that will house all the panels needed for the park, water feature and pier which will be located near the loos at Site A. If Developer elects to make design or aesthetic improvements to the Electrical Building, the Developer shall only pay the added costs to make those design or aesthetic improvements.

All the terms and conditions of Section 9.6 of the Agreement not expressly modified by this Section shall remain in full force and effect.

4. Section 8 of the Second Amendment is amended to read as follows:

8. Developer Contribution. Under Section 7.3.1 of the Agreement, as modified by Section 7.3.1.2 of the First Amendment and Section 8 of the Second Amendment, Developer is required to make a contribution ("**Contribution**") to the cost of the Access Project and other transportation mitigation measures. City and Developer agree that in lieu of paying as provided in the Agreement, Developer will make these payments as follows:

- a. The current balance of the Contribution is Four Million Seven Hundred Fifty Thousand and No/100 Dollars (\$4,750,000.00) after the payment of Three Hundred Fifty Thousand and No/100 Dollars (**\$350,000.00**) made on June 30, 2017.
- b. The Contribution shall not bear interest.

c. For the purpose of this Section, “**Commencement of Construction**” has occurred prior to the execution of this Third Amendment.

d. The **\$4,750,000** unpaid balance of the Contribution shall be amortized and paid in equal annual installments of Three Hundred Ninety-Five Thousand Eight Hundred Thirty-Three and 33/100 Dollars (**\$395,833.33**), with the first payment due September 1, 2018, and a like payment due on or before the same day of each of the following eleven (11) calendar years.

e. If the payments have not been made when due then the then-unpaid balance of the Contribution shall be due and payable in full at that time.

5. Section 9 of the Second Amendment is amended to read as follows:

9. Developer’s Contribution to Park. Under Section 9.3 of the Agreement and the August 23, 2013, Memorandum of Understanding (“**MOU**”) between Developer and the City, Developer agreed to dedicate land for the park and make the Core Park Improvements. In addition, in consideration of the City’s construction of Columbia Way, which was the responsibility of Developer, Developer agreed to contribute **\$2,000,000** towards the cost of the improvements to the park.

a. For the purpose of this Section, “**Phase I Work**” means the Phase Work I as set forth in Exhibit R of the Second Amendment with the date changes set forth below. “**Phase II Work**” means the Phase Work II work as set forth in Exhibit R of the Second Amendment with the date changes set forth below. For the purpose of this Section 9, the Phase I Work and the Phase II Work does not include the Columbia River water feature (although such water feature shall eventually be installed) or any planned, designed public art or future art installation or the fishing dock. A map of Phase I Work and Phase II Work is attached as Exhibit R to the Second Amendment.

b. City and Developer now agree that in lieu of Developer making the Core Park Improvements, Developer will make a cash contribution to the park construction in the sum of **\$1,000,000** upon execution of this Third Amendment and City will assume the responsibility for designing and constructing the Core Park Improvements. The date of that first **\$1,000,000** payment is hereinafter referred to as the “**Initial Payment Date**.”

c. City and Developer now agree that Developer will make a second payment of **\$1,000,000** to City on December 31, 2018. City and Developer now agree that Developer will make a third and final payment of **\$1,000,000** to City on December 31, 2019. City and Developer now agree that City shall substantially complete the Phase I Work by August 15, 2018 and Phase II Work by October 31, 2018.

6. Master Plan. The City approved the changes to the Master Plan on September 27, 2016 under City File Number PRJ2008-02040/LUP- 52910 (“**Master Plan Amendments**”) and to the extent of a conflict between the City approved Master Plan Amendments and the Agreement, as amended by this Third Amendment, the Agreement, as amended by this Third Amendment shall

control. In general, the Master Plan Amendments adopted design guidelines, revised the locations and amount of Open Spaces and reduced the amount of total parking shown for the maximum buildout plan of FAR 6.2:1, to delete the number of parking spaces shown under the park and under the streets.

7. Future Survey. Developer and City agree to prepare surveys, or collaborate on a single survey, within one year of the physical completion of the Phase I and II Park Work improvements for the purpose of identifying any public or private improvements that encroach into each other's property and to prepare deeds or easements to resolve such encroachments.

8. Developer Exchange Land. Section 3.2.2 of the Agreement provides for City to convey to Developer the Developer Exchange Land "within sixty (60) days after all rights-of-way within the Developer Exchange Land have been improved with public street improvements which have been completed and accepted by the City." Developer Exchange Land is described in Exhibit H of the Agreement. A replacement Exhibit H is attached to this Third Amendment removing certain public street improvements that must first be improved by Developer as a condition precedent to City's conveyance to Developer of the Developer Exchange Land.

9. Remaining Terms. All of the remaining terms and conditions of the Agreement not expressly amended by the terms of this Third Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, City and Developer executed this Third Amendment with the intent that it be effective as of the Effective Date.

CITY:

CITY OF VANCOUVER, a Washington municipal corporation

By: _____
Eric Holmes, City Manager

Approved as to form:

By: _____
E. Bronson Potter, City Attorney

Attest:

By: _____
[], City Clerk

DEVELOPER:

COLUMBIA WATERFRONT LLC, a Washington limited liability company

By: Gramor Columbia Waterfront LLC, a Washington limited liability company, its Manager

By: Gramor Investments, Inc., an Oregon corporation, its Manager

By: _____
Barry A. Cain, President

Exhibit B2

Development Agreement
Revised Minimum FAR by Block

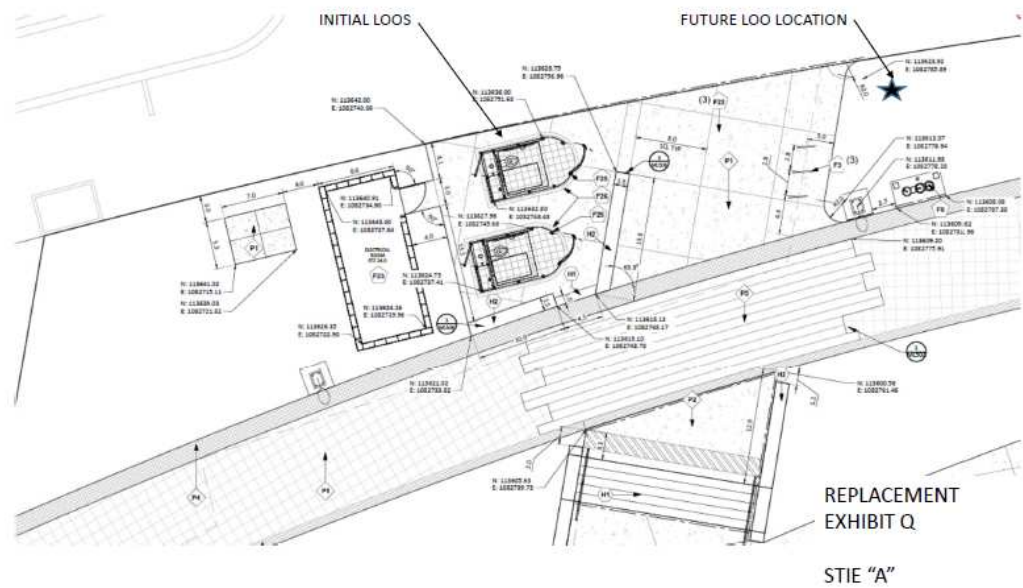
March 13, 2017

Block	Revised Reduced Min FAR	Block Size SF	Revised Min Building Area SF
1	3.49	35,770	124,837
2	3.22	35,752	115,251
3	3.20	36,877	118,102
4	3.00	32,229	96,695
5	2.93	45,202	132,451
6	2.82	34,205	96,446
7	2.71	44,315	120,221
8	2.69	48,670	130,726
9	1.14	13,540	15,436
10	4.22	32,288	136,148
11	4.07	54,152	220,566
12	1.62	22,582	36,583
13	3.80	29,183	110,749
14	3.59	28,833	103,368
15	0.00	25,284	0
16	3.27	32,193	105,271
17	3.51	38,722	136,071
18	3.70	56,784	209,955
19	3.60	38,700	139,471
20	3.69	46,187	170,421
21	3.69	36,372	134,087
a	3.19	767,840	2,452,857
b	3.40	706,434	2,400,838

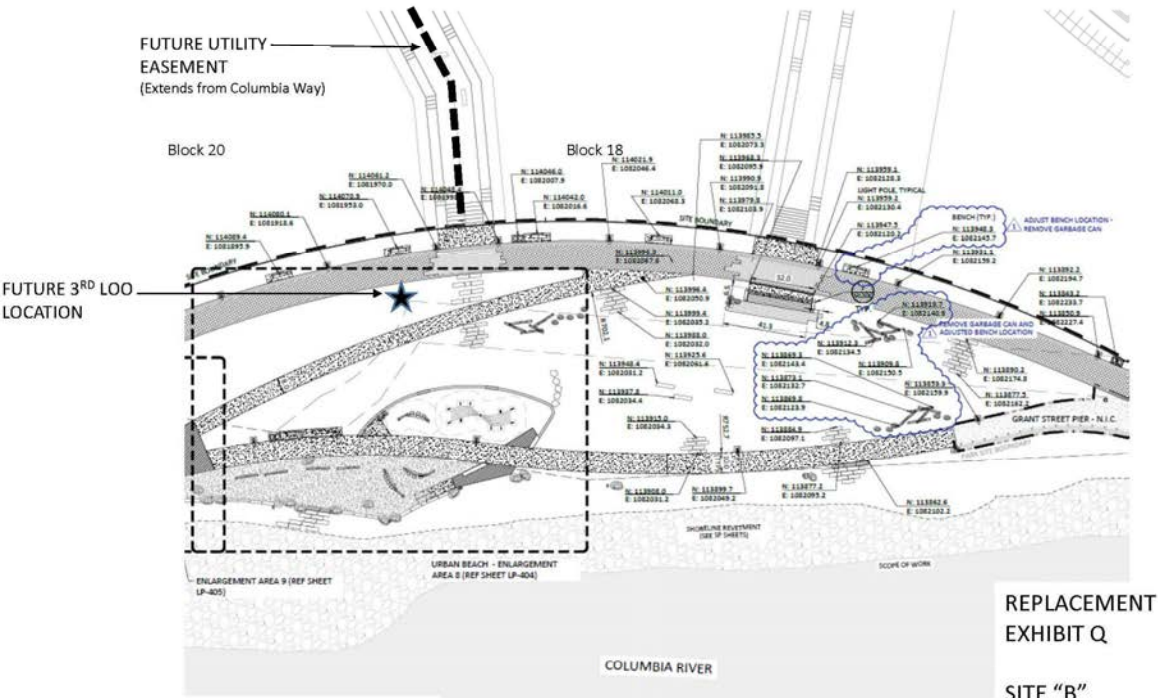
*Notes:**a. Totals and FAR with all blocks included**b. Totals and FAR with Blocks 9, 12 and 15 excluded.*



Replacement Exhibit Q – Site A



Replacement Exhibit Q – Site B





Richard Keller
President

Marc Fazio
Secretary/Treasurer

Christine Wamsley
Jack Onder
Deborah Ewing
David Copenhaver
Brad Hutton

Staff
Chad Eiken
Teresa Brum
Brent Boger
Rosemary Armour

**Community and
Economic
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City of Vancouver City Center Redevelopment Authority

Meeting Summary/Meeting Minutes

June 15, 2017
11:50 a.m.
Council Chambers, City Hall

ROLL CALL

Present: Brad Hutton, David Copenhaver, Marc Fazio, Jack Onder, Deborah Ewing, Richard Keller
Absent: Christine Wamsley

Staff Present: Brent Boger, Chad Eiken, Greg Turner, Rosemary Armour

APPROVAL OF MINUTES

Motion made by Debi Ewing, seconded by David Copenhaver, and passed unanimously to approve the Minutes for May 18, 2017.

EXECUTIVE DIRECTOR'S REPORT

Development activity updates

Chad Eiken, Director, Community and Economic Development, City, reported on changes and updates on the Development Project List. Please see "CCRA Updated Development Project List" dated June 2017.

Chad gave an update on the Building Height Ordinance that was brought before the board back in March and went before Planning Commission on June 13, 2017, for a Public Hearing. There was very lengthy discussion and public testimony, and in the end there was a split vote to recommend approval of the changes to building heights to City Council. One of the main concerns by three of the planning commission members was doing away with the range of heights as they felt it was too limiting on future development in the downtown. Chad's sense was if the range had been left in and the control over the final building height was given to the local authority then they would have been okay with that.

Richard Keller, President, stated wasn't the whole basis for that, that the FAA decision was what the heights needed to be.

Chad responded that the current Ordinance is based on the heights that FAA would allow or could potentially allow. The concern was raised by the Pearson Aviation Advisory Committee that the FAA doesn't necessarily take all the local conditions into consideration from their desk in Renton when they do their computer modeling, it doesn't always take into consideration the cumulative effect of multiple buildings and it just looks at that particular elevation of the building and whether it meets their criteria.

Richard asked if this is completely separate from the issue with the Gramor Waterfront Group's allowable building heights.

Chad responded that was correct.

Richard asked if this was just building heights in regards to Pearson Airport.

Chad responded yes and also concerns raised by the pilots who use Pearson that their safe space has been narrowed because of the waterfront and that pushes them north of the railroad tracks and the FAA had approved a couple of buildings in that corridor that were taller than what Pearson felt was safe. The proposal is to lower the building heights to a maximum height. The input from this board was to make it as predictable as possible, not only to pilots but also developers, so staff came up with just one number and that's what developments will have to meet.

Board member Jack Onder asked if the three dissenting votes would have preferred to keep the maximum height the same but step it down for certain buildings.

Chad responded that they would have preferred to have an option in that each building could be looked at separately and reviewed by Pearson, as well as staff and the FAA, but to allow for the option of additional height and not just cap it.

Jack asked if they wanted the height to be above the maximum.

Chad clarified that it would be above the base height of a range. The low number in the range is what is allowed as of right; to go higher than that you have to get approval from the FAA and now Pearson and the local authority.

Richard asked what is going to happen.

Chad responded that is a good question. There was testimony from the development community as well as the pilots, both made excellent points and it will be up to council to determine whether the concerns about safety in the near term are more important than the long term growth of the downtown. They may decide to take another look at it when staff opens up the VCCV downtown plan for an update in a couple of years.

Board member David Copenhaver asked what is the zone of influx, is it from the waterfront up to 8th or 9th, or is it the entire city core.

Chad responded the real area of concern is essentially a narrow band north of the tracks, south of city hall, extending from I-5, south of City Hall all the way rounding the corner to the north up to about 9th Street.

David asked if this would not apply to Block 10.

Chad responded that is correct; Block 10 would be out of this area.

Board member Debi Ewing asked how it would impact any submittals or development projects that are in the queue now.

Chad responded that the projects that are in for review right now are currently vested under the current regulations as long as the projects keep moving forward to have a taller building than the new regulations would allow.

Richard asked if this impacts the city owned property south of the hotel.

Chad responded primarily yes.

Richard asked how many stories up those buildings can go, per this discussion.

Chad responded the proposal would be to take allowable range of heights from 100 up to 200 feet and reduce it to a flat number between 80 and 95 feet, so it is a pretty significant decrease in stories. Of all the properties that are affected, the city owned properties are the only ones that see a decrease in that allowed height limit.

Richard asked if you could still go up 10 stories.

Chad responded probably more like 6 or 7 stories.

TOWER MALL ACQUISITION OVERVIEW

Chad stated that the board had probably read about the city's recent acquisition of a portion of Tower Mall, which is located on Mill Plain. This was an opportunity that came up and staff conferred with City Council in executive session about whether to put in a bid. This was listed as a distressed property that was up for auction. Chad explained that he wanted to cover some of the slides that were presented to City Council in executive session so the board understands the background on why the city decided to take advantage of this opportunity.

Tower Mall was built in early 1970 to basically serve the residential community up there. It was the first indoor mall in Vancouver. Not long after this mall was built, Vancouver Mall was built further out and ever since Tower Mall has struggled to get decent tenants and has not been a vibrant center since. 12 acres came up for auction, including the main building associated with the mall; there are a number of outlying parcels, some of which are developed but most are underdeveloped or undeveloped. The previous assessed value was \$10 million and the previous sales price was \$12 million; the city purchased it for \$5 million and it will close in a week or two.

The idea behind this is that this property is located pretty centrally between I-5 and 205 and there are a lot of market forces at play that are resulting in development downtown as well as out on the eastern end of the city. There is really nothing happening in the middle part of the city and Tower Mall is basically surrounded by a number of city owned properties, Blandford Canyon, Cemetery to the east, including a portion that could be redeveloped, Burnt Bridge Creek to the north and then a fire station and water station also to the north. It is in close proximity to the Lower Grand Employment Area, Fourth Plain, and Peace Health and under the school levy there are three new replacement schools within a tenth of a mile, so there is a lot of activity in the nearby area.

Most of the properties are owned by LLCs, so they are investor owned properties and council gave authority to pursue acquisition of any other property that made sense in order to really consolidate the ownership of this mall. The thinking is similar to what the city has done in the Esther Short Redevelopment area where they would control a piece of it but create a plan for a larger area; a sub-area plan with an environmental analysis and market analysis. The board will be asked for their advice on the mix of uses that would make the most sense, but it is really to create an environment that will attract private investment. It is a long-term play that could take years or a decade to

come to fruition, but the city felt that it really couldn't pass this opportunity by and try to make a difference in the central part of the city. A total of 38 acres could be redeveloped and assembled, which is enough to create as much as 25 new city blocks.

Debi asked if the other properties are zoned the same as the compliment ownerships.

Chad responded yes, they are all zoned Community Commercial (CC). Some of the properties to the south have a covenant to prevent any residential housing, but residences are allowed above the ground-floor everywhere else in the CC district.

David asked if there was any preliminary analysis done on what this kind of density would do to the transportation corridor.

Chad responded not at this time. This all came up pretty quickly and they had to react and there was assistance from a qualified appraiser. They didn't give an appraisal but gave a ball park range of what a property in this condition might go for.

Jack asked if there were other bids.

Chad responded that there were others bids, in fact the auction was a failure and the city was the top private bidder. It was an online auction, the owner bided up twice after the city put in their bid because under the conditions of the auction it added more time to the clock and they were hoping somebody else would come in with a higher bid. The city did not bid against the property owner and then the city got a call saying that there was someone on the line who was interested at \$6 million and the city said no. The next morning they called and said that bid had fallen through and so they were willing to talk about the city's bid of \$5 million.

Richard asked what kind of revenue this would generate in its current condition.

Chad responded that there was an analysis of the revenue and it is underperforming right now, but it is about 40 percent leased and it is enough to cover the operations and maintenance.

Richard stated that this location was the center of the universe in World War II with all the war housing and when that was all torn down the Tower Mall showed up and it too was the center of the commercial universe for Vancouver. This seems like a unique opportunity and the challenge Richard had when he heard about it is that the board was not consulted at all and that gets back to the CCRA trying to partner with the city and coming up with priorities of where they should spend their time and money and allocating the resources.

Richard noted that this is unfortunately another example where there is a communication disconnect and the only way that the board is going to get on the same page with the city and be involved in key decisions like this is if they are representing the entire city. There are only so many hours in the day for the board members but maybe it would mean that they are just involved in very large projects that come through. He confessed that he was disappointed that the board was not included in this discussion and believes it is to the city's benefit and the board's benefit if they can have regular discussions and regular input as to what the development priorities for the city ought to be and try and get a handle on what kind of resources may be available and then help to allocate them, because you could take \$5 million and buy a big parcel in downtown Vancouver, or maybe get a location for a performing arts center,

or jump start the public parking facility. He is not saying that this is a bad investment of public funds.

Chad responded that there is a long list of needs.

Richard responded he doesn't believe that the board is part of that discussion and there is a risk of losing board members and interest of the people around the table if they are not included in those discussions.

Chad responded that he understands and stated that this was a very sensitive issue as this is a small community and it was very closely held. Council talked about it in an executive session before they came out to give the city manager the direction to move forward with the purchase. Frankly, there wasn't time and it is really the city manager's call who to include in something like this, but he would be happy to arrange a meeting with the city manager to talk about it; but that was the decision that was made.

David asked where the funds are coming from.

Chad stated that it was from undesignated general funds, as revenues came in higher than projected and budgeted for last year. Some of that undesignated set of funds will be used to do some pre-planning for the new operations center on Fourth Plain. Council felt comfortable spending the remainder of that on this project and they know all of the competing interests to, so they are not looking at this in a vacuum.

CCRA Development Subcommittee Report

Chad stated that the subcommittee met on June 1, 2017, and discussed the item on today's Agenda for Gramor Development, who has requested amendments to the development agreement.

WATERFRONT: DRAFT DEVELOPMENT AGREEMENT AMENDMENT #3

Chad Eiken went over his presentation. Please see "Waterfront Development Agreement – Third Amendment" Staff Report, dated June 15, 2017, and "Waterfront D.A. Proposed Third Amendment" Presentation, dated June 15, 2017.

Chad stated that approximately two months ago, Julie Hannon, Parks and Recreation Director, City, was before the board regarding proposed amendments to the waterfront agreement that the city was requesting, and had to do with the timing on when the city's portion of the park improvements would be constructed and moving those deadlines out, mainly because of the weather this winter that have caused some delays. Gramor also had some requested changes, which are before the board.

Julie Hannon, Parks and Recreation Director, stated that right now they are in a little bit of a flux due to the consistent weather we are having. Up until this week the water level was hovering at about 14; 15 is really flood level. It dropped a bit last week pretty dramatically but it is still at about 12.5. The tricky part is some of the floor of the nearby shore way has shifted with the current rain and fast currents. Last week they completed a survey at the bottom of the shoreline and are still waiting to get the data from that before they can decide if there is a change in how they can stagger and stage the construction. Right now Tapani, who is doing the two sides of the park, the east and west side, are on a suspended contract and are not on the site at all. They have put in all utilities they can and have done all the work they can do. They really need the water to get down to about 9.5 before they can get back on site, so

they are still several weeks away from getting restarted. They are hoping that the survey information will give some alternates of staging the equipment and construction, but they don't have enough information yet to look at any firm deadlines.

Richard asked for purposes of the board making a recommendation to the City Council, this is undecided which is a little odd and asked how they can recommend anything.

Chad responded that staff would really like to get the board's input on the first two items and if the board has input on the others that would be great as well.

Richard asked Julie if the basic point was that they need money from Gramor in time to be able to finish the park.

Julie responded that right now the way the schedule is, or the way it is anticipated moving forward, payments would be set back according to the construction that is in the current schedule, so the timing of getting the money and the construction they don't anticipate that relationship changing. It is just when the dates are going to occur, so it's date certain in the contract, but she does not believe there is any disagreement on either party that the funding will have the same relationship to the contract and one payment will come in and the next payment will come in a year later and then one comes in on final completion. So those relationships will still stay intact, it is just when the first trigger point is and that is what they do not know, which triggers the rest of the payments.

Richard asked if how it works is to get the last payment on final completion.

Julie responded that has worked and that has been the understanding from the beginning.

Richard asked Chad if he could define the board's role with regards to this.

Chad responded that staff would like a recommendation from the Board to move forward with the changes to the agreement, to the extent that if the board wants to narrow that to the two items, that would be fine as well. Staff is comfortable working through the remaining details on the other items.

Matt Grady, Gramor Development, stated he was glad to hear these discussions going on today; he and Chad have been working together and he knew that the FAA description of what has happened and what they are asking for would probably be the most complex piece of information to educate people about, so Matt helped Chad work on some of the slides generated and shown today. The line of thinking from the partnership was that the FAA took a difference change. They extended their permits a second time and lasts for 18 months. The whole development agreement and the whole development plan and everybody's investment strategies were all devoted to assuming that there would be that much density in everything on this project site. There was a change in the way the FAA likes to review their rules and regulations and they came back and determined basically that the 178 feet above sea level was what determines the maximum allowable height, pretty much across the site. This impacts the middle to the western part of the site, which is where there is more density and there is also provisions in the development agreement which state maximum and minimum amounts of square-footage. The partners take on that is even though the FAA has limited a number of the stories, they as developers of the site want to be given the opportunity to build as many dwelling units as they can, so the maximum capacity was

3,300 dwelling units. They could lose 500 dwelling units with this exercise that is going on right now by the FAA, but this project is going to keep on going for many years. After these first six blocks get developed there are 15 more blocks to get developed and they want the ability to capture as much density as they can.

Trends may change and people may want smaller units and therefore they build more units so they can get back close to the 3,300 units, but it is going to be a test of time and there are market shifts which may happen and they want to be prepared as a developer. The city has devoted a huge sum of money for the most robust park ever. The roads are going in now, the lift station, which is almost completed and was built on the assumption of close to the maximum build-out, so they are not going to unwind the new lift station which is ready to go online. They believe it is premature to give up on the ranges of numbers of units which are allowed in a certain section within the development agreement, so today we are talking about what we know.

They know the FAA's stance right now and when they go to renew again maybe there will be another change and somebody says there is something different going on and the interpretation is the same regulations they had in 2009. They also do not know where the bridge is going, that bridge design was designed once already and pretty much ready to go and now it is going to go through another redesign and there is push to actually work on that bridge and that will have a huge impact of patterns coming out of Pearson Airfield. That dice has not been thoroughly cast yet and he believes that it is pretty premature of them to give up on the FAA heights that they know today.

Richard asked if they decided as a group not to go through an appeal process, if there is such a process, with the FAA.

Matt responded that they have conferred with consultants they hired out of Chicago and they have accepted the heights only for those blocks that they are developing right now. The rest of them are held in advance so he can go back to the FAA in Seattle and explain they have another buyer for say block 17 and they want a height certain, so they will accept their height and will go with it right now because the options right now do not say anything, which means that they are subject to the city's heights because you cannot go higher than the range that the city has allocated. So they are holding those in advance right now just to let them sit there, because if they actually make a decision on all the rest of the lots right now then they have tainted their ability to go back to Washington DC in front of a whole new committee and actually petition the FAA, which is going to be the next step. Right now they can hold the decision and not actually cast it to go against the FAA, which takes a process. They think with the test of time they can get the density back up to where the city believes it was going to be even with the reductions in stories.

Richard asked if Matt was okay with this interim approach as amended.

Matt responded that they are.

Board member Brad Hutton asked regarding parking where it indicates that the 15-year period was too long, and would it be temporary standards for 5 to 6 years or is the city asking them to fully improve it.

Chad responded that it would be almost fully improved and the one missing piece would be the internal landscaping that would be required typically, which would not apply.

David asked if the waterfront has the option to charge for that parking or is it just free for the use of the retail and the park.

Matt responded that they will be privately owned and operated, so the waterfront will be charging for parking, commensurate with the same amount of parking fees which will be instituted on the streets.

David commented if you have a 7 F.A.R. and you have so much height and you reduce that to 3.5, theoretically the math for the bulk of the building is the same and if there was any analysis in a previous versus now to meet that F.A.R. Do they become squattier or wider or not as much pin tower, as he thought at some point there was a discussion about more view corridors and the idea was with the higher height, a certain max F.A.R. promoted or allowed the use of pin towers and assumes that this would not because they are maximizing that under a lower F.A.R.

Matt responded to a certain degree, as you are talking about buildings which would still be up 14 stories, and whether somebody can actually come up with a design which still maximizes the density. If you have a hallway and you go double-loaded on both sides and come up with a certain width, then soon it becomes uneconomical to build even at a wider platform because you are trying to get bigger more square footage in a lower elevation. So there comes a point where you have to push and pull both of those factors together.

David asked if that maybe opens up the waterfront to opposition from a shoreline issue who want to argue the fact that now the view corridors have been reduced from earlier designs.

Matt responded that they really haven't got into that type of a discussion as nobody has got that far. People are still gulping at the fact that they got chopped down in elevation that nobody has really thought what a collection of towers look like now that they are squattier and fatter.

Jack commented on David's question and Matt's response that it does limit the options and makes for perhaps a less exciting plan overall.

Matt responded that he would have to agree with that.

Board member Marc Fazio stated he was a little disappointed with the FAA as this development agreement is 10 years old.

Motion by Debi Ewing, seconded by Brad Hutton, and passed unanimously to recommend to City Council the proposed changes to the Waterfront Development Agreement with Columbia Waterfront LLC with regard to surface parking lots and F.A.R.

1505 BUILDING (15TH AND MAIN)

Patrick Tiland, Tiland Schmidt Architects, and Albert Angelo, gave a brief presentation on their project on 15th and Main. Please see "1505 Building Plans" document.

Richard asked if this project would be going in this year or is it a next year deal.

Albert responded that it would be this year.

David asked if the current parking meets all the current codes relative to surface parking.

Chad responded yes it does.

Richard asked how they would accommodate bikes.

Patrick responded that they have a secure bike locker in the garage that will serve 12 bikes.

Albert stated that there will be a shower and some other amenities downstairs that could be used for co-op and they want to make this a spot that is synergistic with the uptown development and other folks on Main Street where you are getting that crossover appeal from either retail or office and biking up to the restaurants. They are flexible and have had a few possible tenants already.

Richard asked what types of retail they hoped to get in there.

Albert responded that right now it is looking more office than retail even on the ground floor. There are some new companies coming in from Portland and others that are on second basis and hopefully coming round for third. It might need more than one-story and if they need the full building and they are able to take it all then they can work around and be flexible.

OVERVIEW OF CITY TO CITY VISIT TO MINNEAPOLIS - ST. PAUL

Chad and Richard showed the board slides from their trip to Minneapolis and St. Paul.

OTHER BUSINESS

There was no other business to be addressed.

EXECUTIVE SESSION (AS NEEDED)

No executive session was needed.

PUBLIC TESTIMONY

Richard opened Public Testimony.

- Todd Boulanger, 215 W. 4th Street. Todd stated he had comments on almost every item. Admin meeting housekeeping; it is tough for the public to follow what goes on in these meetings; for example when the March 16th Minutes aren't on the website, meeting materials aren't put up, the Tower Mall item wasn't on the Agenda; the board members got a handout but the public could not see what was going on.

On the 1505 project per circulation, the west driveway entrance maybe too close to SR 500, especially when the Vine is loading. He is not sure that WSDOT really looked into that driveway when the Vine project went in, so the developer may want to check that.

Richard responded that is beyond the board's scope and suggested Todd put it in writing.

Regarding the waterfront development agreement he concurs and believes that Richard and other board members asked about the message and believes the FAA is being tarred unfairly regarding the building height issue. It is a more complex issue; Pearson Pilots and the market not supporting all of the floors that potentially the developers could build and he believes that is missing in the message.

David asked if he could retrace that statement as he is not following.

Todd responded that he had read in the Columbian, and can only know what he reads at this meeting, that for one of the initial buildings the number of floors was lower than what the FAA would allow. That would mean that it is the financial market that is potentially holding that building to reach the F.A.R. Overall he is saddened that the waterfront is proposing about 2,500 people. It has been sold to the public as being a much larger area given the investment. Specifically on the materials handed out, attachment figure H may need to be rechecked. The short-term F.A.R. may be as low as 2.95 based on figure H, and that was the figure with the additional request for more blocks to be surface parking and that F.A.R. of 2.95 is actually 35 percent lower than the minimum in the 2009 development agreement. Additionally, for the development agreement he would recommend massaging the topic of surface parking and maybe put in language regarding mechanical parking as an additional option versus just another parking lot that could be there 6, 10, 15 years. He supports the city's stance that it should not underwrite private parking, which is important given some of the issues in the past. He supports Marc's comments about Gramor seeking to work with FAA legally on raising the heights and maybe the city should request that the building structural design support the addition of additional floors in the future if the FAA changes its mind as it may.

Richard thanked Todd for his feedback and stated that everybody, including the developer, wants the ability to do taller buildings down the road and he is sure they will fight for that. He suggested Todd put his details in a memo for Chad to review.

Richard closed Public Testimony.

NEXT MEETING

There being no additional business, the meeting adjourned at 1:30 p.m.

The next regular meeting will be held on July 20, 2017, at 11:50 a.m. at City Hall, Council Chambers.

Approved:

Richard Keller, President



To request other formats, please contact: Rosemary Armour (360) 487-7813 | WA Relay 711 | TTY: (360) 487-8602 | rosemary.armour@cityofvancouver.us

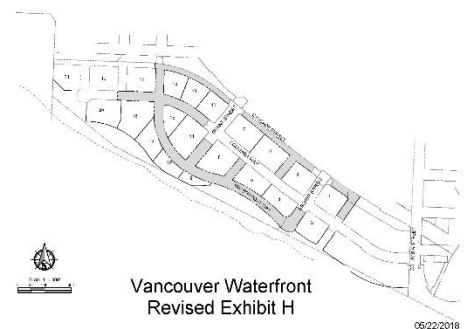
DEVELOPER EXCHANGE LAND (VANCOUVER WATERFRONT)

Various Streets in the Vancouver Waterfront, Including
Cascade Way & Waterfront Way
Vancouver, Washington 98660

APPRAISAL REPORT

Date of Report: July 31, 2019

Colliers File #: VAN190064



PREPARED FOR
Matt Grady
Columbia Waterfront, LLC
19767 SW 72nd Avenue, #100
Tualatin, OR 97062

PREPARED BY
COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

LETTER OF TRANSMITTAL

COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES



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July 31, 2019

Matt Grady
Columbia Waterfront, LLC
19767 SW 72nd Avenue, #100
Tualatin, OR 97062

RE: Developer Exchange Land (Vancouver Waterfront)

Various Streets in the Vancouver Waterfront, Including Cascade Way & Waterfront Way
Vancouver, Washington 98660

Colliers File #: VAN190064

Mr. Grady:

This appraisal report satisfies the scope of work and requirements agreed upon by Columbia Waterfront, LLC and Colliers International Valuation & Advisory Services. At the request of the client, this appraisal is presented in an Appraisal Report format as defined by *USPAP* Standards Rule 2-2(a). My appraisal format provides a summary description of the appraisal process, subject and market data and valuation analyses.

The purpose of this appraisal is to develop an opinion of the Current Market Value (As Vacant) of the subject property's fee simple interest. Please refer to the Scope of Work and Extraordinary Assumptions regarding our valuation of the subject property. The following table conveys the final opinion of market value of the subject property that is developed within this appraisal report:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
Current Market Value ("As Vacant")	Fee Simple	July 19, 2019	\$12,170,000

The subject is a property which consists of a series of publicly dedicated right-of-way areas located throughout the Vancouver Waterfront development. These right-of-way areas, constructed by the developers as part of the Vancouver Waterfront development, are, in essence, a component of the larger mixed-use development, similar to streets dedicated as part of a subdivision. The subject property is irregular in shape and is broken into several components/streets. However, for purposes of this analysis and specified in the Extraordinary Assumptions below, the subject's shape is not factored into our valuation analysis. The subject property is a 6.65-acre area of various streets in the Vancouver Waterfront development, including Cascade Way & Waterfront Way, in Vancouver, Washington. The client has provided a site size for this right-of-way area, owned and dedicated to the City of Vancouver after being improved with street improvements by the developer of the Vancouver Waterfront, Columbia Waterfront, LLC. The subject property has been part of a long and complex process involving the re-development of the Vancouver Waterfront property, along with the construction of the West Vancouver Freight Access Project, as well as two new "tunnels" under the Burlington Northern Railroad Tracks connecting the Esther Short Park area with the new Vancouver Waterfront area.

As part of the Development Agreement, and with the construction of the road infrastructure in the Vancouver Waterfront, the City of Vancouver is now moving forward with the process of conveying ownership of an adjoining "Surplus Property" just NE of the subject property to Columbia Waterfront, LLC. However, before conveying ownership to our client, the City of Vancouver needs to compare the underlying land value of the subject property "As Vacant" with the underlying value of the Surplus Property. Columbia Waterfront, LLC, will then transfer ownership of the nearby Surplus Property to the Port of Vancouver, who will construct an extension of Cascade Street over the Surplus Property, providing north access to the Port of Vancouver parcels. The subject property has been improved with street improvements (curbs, gutters, asphalt paving, etc.). However, as discussed below, the subject property is being valued "As Vacant", in order to simply compare the underlying land value to the Surplus Property.

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. *USPAP* defines an Extraordinary Assumption as, "an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions". *USPAP* defines a Hypothetical Condition as, "that which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis".

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at my opinion of value are fully discussed below. I advise the client to consider these issues carefully given the intended use of this appraisal, as their use might have affected the assignment results.

EXTRAORDINARY ASSUMPTIONS

The subject property is not comprised of any individual tax parcels. Rather, the subject is publicly dedicated right-of-way owned by the City of Vancouver which was constructed as streets for the Vancouver Waterfront by the developer of the Vancouver Waterfront property and then dedicated to the City of Vancouver. For the purposes of this analysis, the client and the City of Vancouver are interested in comparing the underlying land value of the subject property site "As Vacant" with the value of a nearby Surplus Property owned by the City of Vancouver. Although the subject area is not a separate tax parcel and is not separately marketable, the Scope of Work for this appraisal assignment will value the subject property "As Vacant" on a "Price Per Square Foot" basis, with no site improvements, using comparable land sales of typical land sizes in downtown Vancouver. This concluded "Per Square Foot" land value will be assigned to the entire site area, with no differentiation with respect to the subject's shape, acknowledging the subject is part of a larger development site. This recognizes that the subject property is not a typical shape compared with other downtown Vancouver properties. We will make an attempt to adjust for the subject's larger, less marketable size. However, for the comparative purposes of this appraisal, this Scope of Work is considered reasonable given the scope of work for this appraisal assignment. This is considered a reasonable scope of work for this appraisal.

No other Extraordinary Assumptions were made for this assignment.

HYPOTHETICAL CONDITIONS

No Hypothetical Conditions were made for this assignment.

RELIANCE LANGUAGE

My opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

The signature below indicates my assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers International Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

**COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES**

Dean Meyer, MAI
Senior Valuation Services Director
Certified General Real Estate Appraiser
State of Washington License #1100795
+1 360 823 5263
dean.meyer@colliers.com

REPORT ORGANIZATION**PROPERTY AND ASSIGNMENT OVERVIEW**

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CERTIFICATION OF APPRAISAL**ASSUMPTIONS & LIMITING CONDITIONS****ADDENDA**

Professional Service Agreement (PSA)	
Valuation Glossary	
Qualifications of Appraiser	
Qualifications of Colliers International Valuation & Advisory Services	

GENERAL INFORMATION

Property Name	Developer Exchange Land (Vancouver Waterfront)
Property Type	Land - Commercial Land
Address	Various Streets in the Vancouver Waterfront Including Cascade Way & Waterfront Way
City	Vancouver
State	Washington
Zip Code	98660
County	Clark
Core Based Statistical Area (CBSA)	Portland-Vancouver-Hillsboro, OR-WA
Market	Portland-Vancouver Metro Area
Submarket	Clark County
Latitude	45.623419
Longitude	-122.674193
Number Of Parcels	4
Assessor Parcels	Dedicated Right-of-Way
Census Tract Number	424.00

SITE INFORMATION

Land Area	Acres	Square Feet
Usable	6.65	289,780
Unusable	0.00	0
Excess	0.00	0
<u>Surplus</u>	<u>0.00</u>	<u>0</u>
Total	6.65	289,780
Topography	Generally Level at street grade	
Shape	Irregular	
Access	Good	
Exposure	Good	
Current Zoning	City Center (CX)	
Flood Zone	Zone X (Shaded)	
Seismic Zone	High Risk	

HIGHEST & BEST USE

As Vacant	Street Improvements As Part Of The Vancouver Waterfront Development
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EXPOSURE TIME & MARKETING PERIOD

Exposure Time	12 to 18 Months
Marketing Period	12 to 18 Months

VALUATION SUMMARY

VALUATION INDICES	CURRENT MARKET VALUE ("AS VACANT")
INTEREST APPRAISED	FEE SIMPLE
DATE OF VALUE	JULY 19, 2019

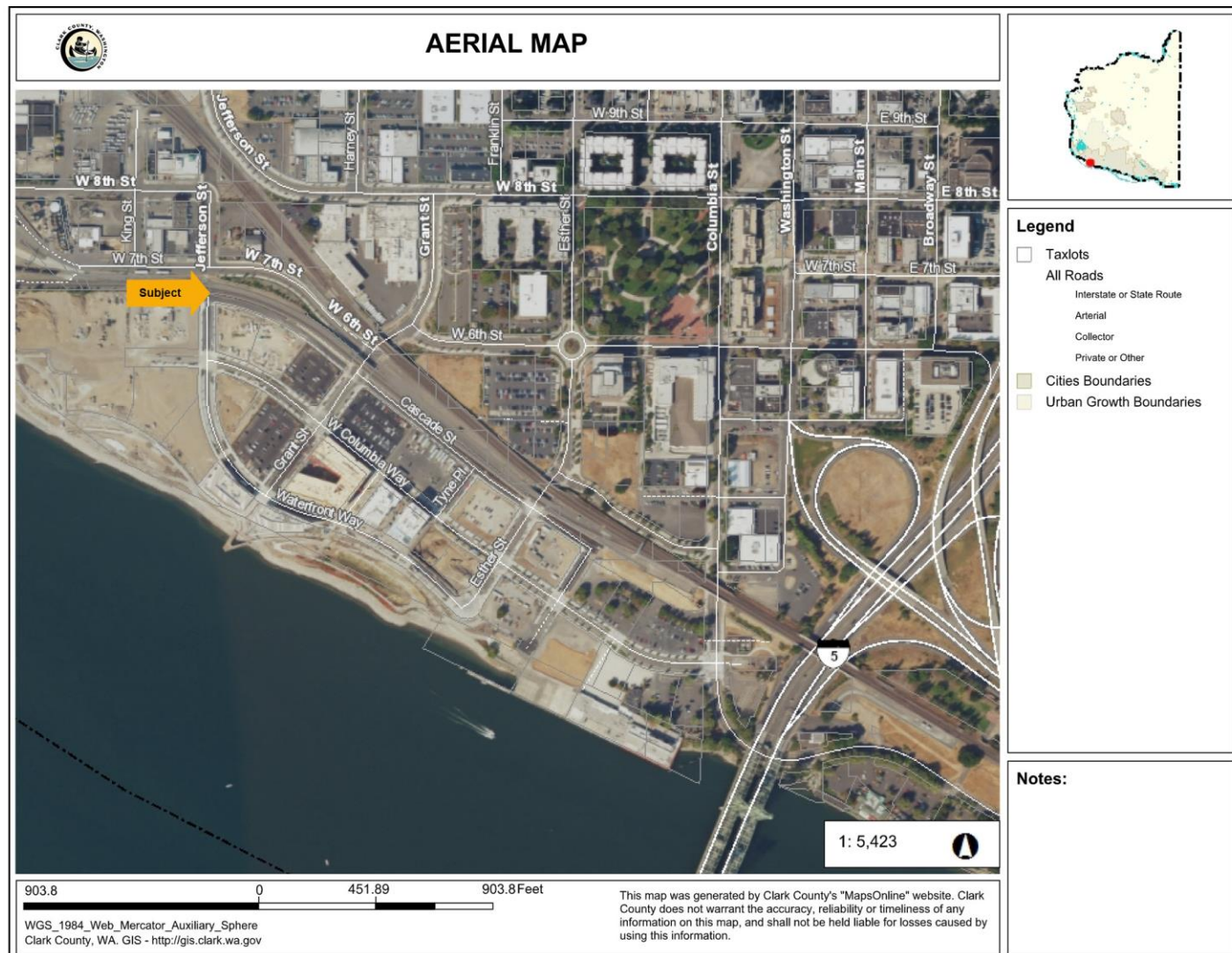
FINAL VALUE CONCLUSION

MARKET VALUE ("AS VACANT")	\$12,170,000
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LAND VALUATION

LAND VALUE ("AS VACANT")	\$12,170,000
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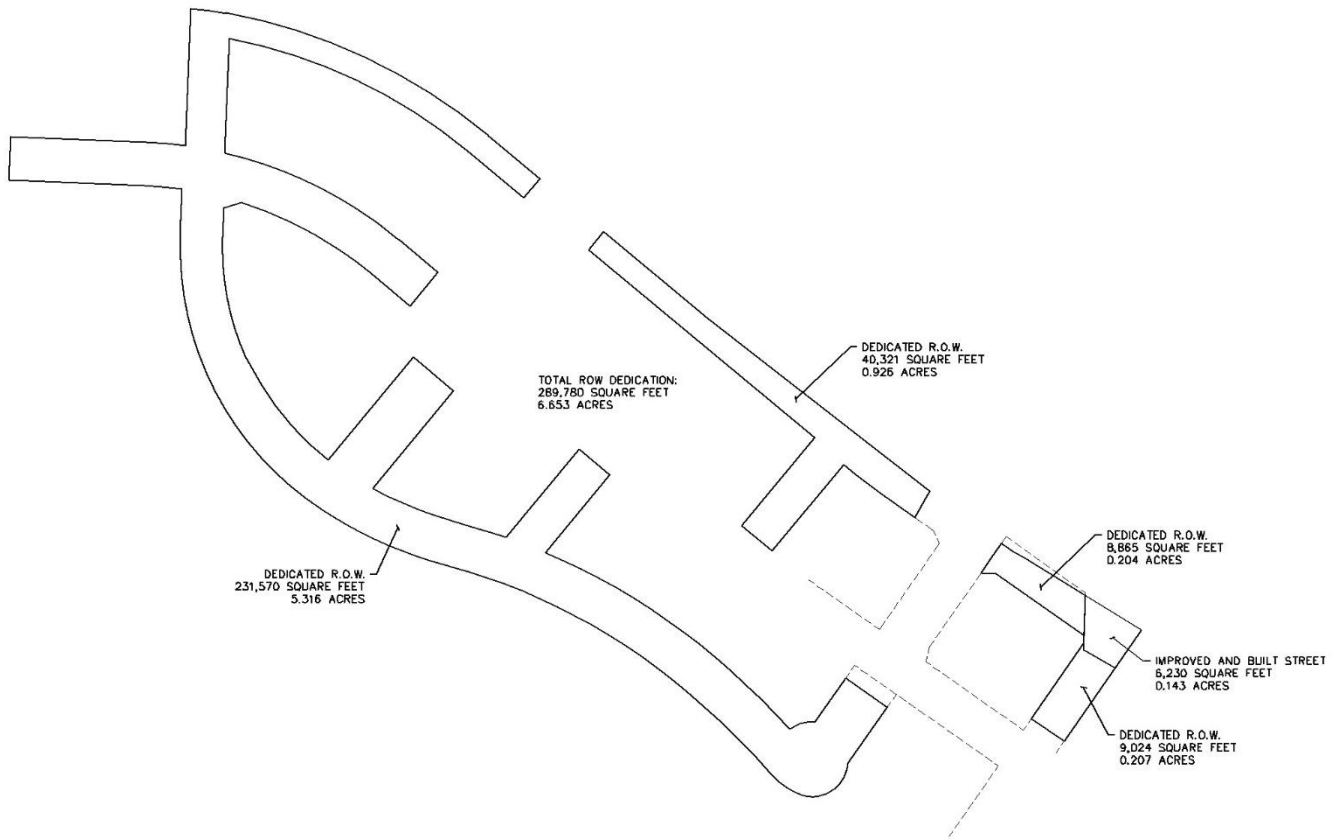
AERIAL PHOTOGRAPH



STREET MAP



STREET AREA MAP



SUBJECT PHOTOGRAPHS



**STREET SCENE: FACING WEST ALONG
CASCADE STREET FROM GRANT STREET**



**STREET SCENE: FACING EAST ALONG
CASCADE STREET FROM GRANT STREET**



**STREET SCENE: FACING SW ALONG
CASCADE STREET FROM WATERFRONT WAY**



**STREET SCENE: FACING SOUTH ALONG
WATERFRONT WAY AT CASCADE STREET**



**STREET SCENE: FACING SE ALONG
WATERFRONT WAY**



**STREET SCENE: FACING EAST ALONG
WATERFRONT WAY**



STREET SCENE: FACING NE ALONG GRANT STREET FROM WATERFRONT WAY



STREET SCENE: FACING NE ALONG PARKWAY PLACE FROM WATERFRONT WAY



STREET SCENE: FACING SE ALONG WATERFRONT WAY



STREET SCENE: FACING NE TOWARD INTERSECTION OF WATERFRONT WAY AND ESTHER STREET



STREET SCENE: FACING SW ALONG QUAYSIDE PLACE FROM CASCADE STREET



STREET SCENE: FACING SE ALONG CASCADE STREET FROM ESTHER STREET

PROPERTY IDENTIFICATION

The subject is a property which consists of a series of publicly dedicated right-of-way areas located throughout the Vancouver Waterfront development. The subject property is a 6.65-acre area of various streets in the Vancouver Waterfront development, including Cascade Way & Waterfront Way, in Vancouver, Clark County, Washington. There are no assessor's parcel numbers.

A detailed legal description was not provided.

SCOPE OF WORK

The scope of work for this appraisal assignment is outlined below:

- The appraiser analyzed the regional and local area economic profiles including employment, population, household income, and real estate trends.
- The appraiser confirmed and analyzed legal and physical features of the subject, and how they impact the functionality and overall competitive position of the property.
- The appraiser completed an office and multi-family supply/demand market analysis of the Portland-Vancouver Metro Area market and Clark County sub-market. Conclusions were drawn regarding the subject property's competitive position given its physical and locational characteristics, the prevailing economic conditions and external influences.
- The appraiser conducted Highest and Best Use analysis and conclusions were drawn for the highest and best use of the subject property As-Vacant.
- The appraiser confirmed and analyzed financial features of the subject property. This information, as well as trends established by confirmed market indicators, was used to forecast performance of the subject property.
- Selection of the valuation methods was based on the identifications required in USPAP relating to the intended use, intended users, definition and date of value, relevant property characteristics and assignment conditions. This appraisal developed the Sales Comparison Approach (Site Valuation) approach to value as the sole indicator of value for the subject property. The subject property will first be valued on a "Per Square Foot" basis using land sales of a typical size and shape in the downtown Vancouver area. The concluded "Price Per Square Foot" will then be applied to the subject's entire site size, with no consideration given to the site improvements (street improvements) on the subject property. The client and the City of Vancouver will use this value to compare with the value of a nearby property in determining any compensation necessary in the transfer of this nearby parcel from the City of Vancouver to the client.
- Reporting of this appraisal is in an Appraisal Report format as required in USPAP Standard 2. The appraiser's analysis and conclusions are summarized within this document.
- I understand the Competency Rule of USPAP and the author of this report meets the standards.
- No one provided significant real property appraisal assistance to appraiser signing this certification.

SOURCES OF INFORMATION

The following sources were contacted to obtain relevant information:

SOURCES OF INFORMATION	
ITEM	SOURCE
Tax Information	Clark County Tax Assessor
Zoning Information	City of Vancouver Zoning Code
Site Size Information	Clark County Tax Assessor
New Construction	City of Vancouver / Clark County
Flood Map	InterFlood
Demographics	Pitney Bowes/Gadberry Group - GroundView®
Comparable Information	See Comparable Charts and Photo Pages for details
Subject Boundaries	Client

SUBJECT PROPERTY INSPECTION

The following table illustrates the Colliers International professionals involved with this appraisal report and their status related to the property inspection.

SUBJECT PROPERTY INSPECTION			
APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
Dean Meyer, MAI	Yes	Site Only	July 19, 2019

CLIENT IDENTIFICATION

The client of this specific assignment is the Columbia Waterfront, LLC.

PURPOSE

The purpose of this appraisal is to develop an opinion of the Current Market Value ("As Vacant") of the subject property's fee simple interest.

INTENDED USE

The intended use of this appraisal is to assist the client in making internal business decision purposes regarding the details of the transfer of ownership of a nearby property to the client.

INTENDED USERS

Intended users of this report include the client, Columbia Waterfront, LLC. Additional intended users include the City of Vancouver. No other users are intended. Use of this report by Third-Parties and other unintended users is not permitted. This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.

ASSIGNMENT DATES

Date of Report	July 31, 2019
Date of Inspection	July 19, 2019
Valuation Date - As-Is	July 19, 2019

PERSONAL AND INTANGIBLE PROPERTY

No personal property or intangible items are included in this valuation.

PROPERTY AND SALES HISTORY

Current Owner

The subject property is currently public right-of-way which was constructed by Columbia Waterfront, LLC, and dedicated to the City of Vancouver to serve as access/circulation roads to the Vancouver Waterfront development, according to the Clark County Assessor's Office.

Three-Year Sales History

The Subject has not sold in the last three years.

Subject Sale Status

The subject is not currently listed for sale. According to Matt Grady, with Gramor Development, the subject property includes roads which are now public. These public right-of-way areas (public roads) were constructed by Columbia Waterfront, LLC, to serve the Vancouver Waterfront development. The subject property became involved around 12 to 14 years ago as part of a lengthy and complicated process of a Development Agreement between Columbia Waterfront, LLC (Developers of the Vancouver Waterfront), the City of Vancouver, Port of Vancouver, and Burlington Northern Railroad. Approximately 12 to 14 years ago, Columbia Waterfront, LLC, was making plans to develop the former Boise Cascade site and was working through a Development Agreement with the City of Vancouver. The Port of Vancouver was interested in improving access to the Port of Vancouver, further to the west/northwest, through the West Vancouver Freight Access Project. And Burlington Northern was planning to realign the railroad tracks to assist the Port of Vancouver with this access project, but also to allow for new "tunnels" being constructed at Esther Street and Grant Street, connecting the Esther Short Park area with the planned Vancouver Waterfront development, now being developed with vertical construction. Furthermore, the Port of Vancouver was involved in these planned projects because they own property immediately east of the subject property and is now interested in re-developing this property into a mixed-use development. As part of this Development Agreement, which has been modified several times, the City of Vancouver is to now transfer ownership of an adjoining property (Surplus Property) to Columbia Waterfront, LLC, with consideration to the value of the underlying subject land only, exclusive of the road improvements made by Columbia Waterfront, LLC, in the Vancouver Waterfront development. The subject property has not been listed for sale in the last 3 years and is not currently listed for sale.

DEFINITIONS OF VALUE

Given the scope and intended use of this assignment, the definition of Market Value is applicable. The definition of Market Value, along with all other applicable definitions for this assignment, is located in the Valuation Glossary section of the Addenda.

PROPERTY RIGHTS APPRAISED

The property rights appraised constitute the fee simple interest.

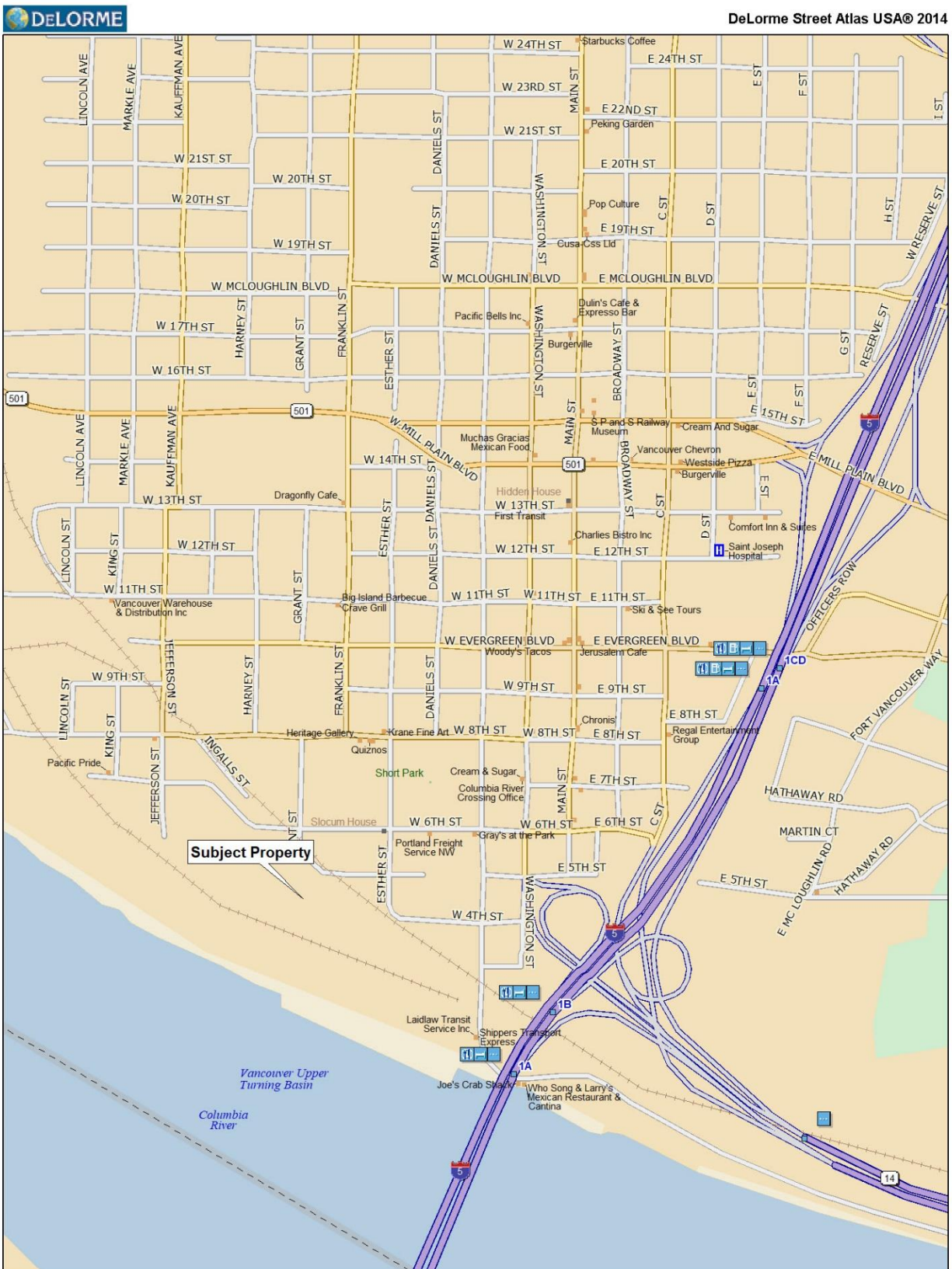
VALUE SCENARIOS

The valuation scenarios developed in this appraisal report include the Current Market Value ("As Vacant") of the subject property's fee simple interest.

REGIONAL MAP



LOCAL AREA MAP



Data use subject to license.

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www.delorme.com

REGIONAL ANALYSIS

Clark County is one of the 7 counties in Oregon and Washington within the Portland Metropolitan Statistical Area (MSA). It is located in the southwest section of the state of Washington, north of the Columbia River and Multnomah County Oregon. Clark County's 2018 population of 481,425 residents comprises roughly 20% of the total population for the entire Portland MSA. The city of Vancouver serves as the center for commerce and manufacturing within Clark County and is located directly across the Columbia River from the city of Portland.



DEMOGRAPHIC ANALYSIS

Based on regional data provided by Pitney Bowes/Gadberry Group – Groundview®, Clark County's population is anticipated to grow at a faster rate than both the State of Washington and the nation as a whole. While the median household income in Clark County is similar to the rest of the state of Washington, the median home value is slightly lower. Both regionally and statewide, more housing units are owner occupied rather than rented. Overall, the area has a growing population achieving wages higher than the national median and average, which is a positive for the region.

YEAR	US	WA	COUNTY	YEAR	US	WA	COUNTY
POPULATION				NUMBER OF HOUSEHOLDS			
2010 Total Population	308,745,538	6,724,540	425,363	2018	122,929,625	2,795,379	172,209
2018 Total Population	328,062,672	7,498,909	481,425	2023	126,604,011	2,901,737	180,828
2023 Total Population	339,788,898	7,964,865	515,450	CAGR	0.6%	0.7%	1.0%
2010 - 2018 CAGR	0.8%	1.4%	1.6%	AVERAGE HOUSEHOLD SIZE			
2018 - 2023 CAGR	0.7%	1.2%	1.4%	2018	2.60	2.63	2.78
POPULATION DENSITY				2023	2.62	2.69	2.83
2018 Per Square Mile	91	111	735	CAGR	0.13%	0.48%	0.40%
2023 Per Square Mile	94	118	787	HOUSING UNITS			
MEDIAN AGE				Owner Occupied	80,041,309	1,779,071	113,589
2018	37.35	37.07	37.54	Renter Occupied	42,888,316	1,016,308	58,620
2023	38.09	37.74	38.22	AVERAGE HOUSEHOLD INCOME			
CAGR	0.39%	0.36%	0.36%	2018	\$84,367	\$91,881	\$88,264
MEDIAN HOME VALUE				2023	\$100,862	\$108,814	\$104,615
2018	\$183,983	\$268,977	\$250,144	CAGR	3.6%	3.4%	3.5%
PER CAPITA INCOME				MEDIAN HOUSEHOLD INCOME			
2018	\$32,413	\$34,919	\$31,800	2018	\$58,828	\$66,860	\$66,992
2023	\$38,504	\$40,382	\$36,953	2023	\$70,600	\$79,241	\$78,764
CAGR	3.5%	2.9%	3.0%	CAGR	3.7%	3.5%	3.3%

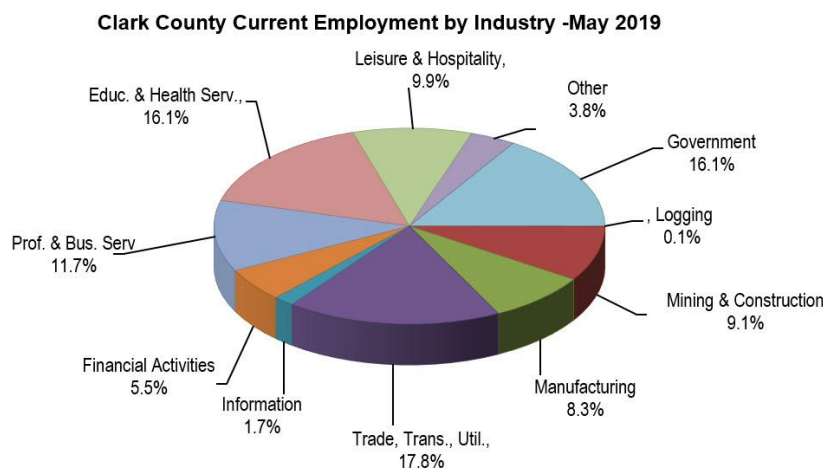
Source: Pitney Bowes/Gadberry Group - GroundView®

*Demographics present income projections in *constant dollars* (adjusted for inflation), rather than *current dollars* (not adjusted). All forecasts, are subject to demographer methodologies for modeling and definitional assumptions and procedures.

ECONOMY

Industry employment information from the Washington State Employment Security Department provides one of the best measures of state and local economic trends. It is important to note that eight out of eleven sectors have seen employment gains. The sectors that experienced gains are: Construction and Mining gained (+1,000 jobs or (+9.1%)), Education and Health Services gained (+500 jobs or (+16.1%)), Leisure and Hospitality gained (+500 jobs or (+9.9%)), Trade, Transportation and Utilities gained (+400 jobs or (+17.8%)), Financial Activities gained

(+300 jobs or (+5.5%), Professional and business services gained (+300 jobs or (+11.7%), Other services gained (+200 jobs or (+3.8%), and Government gained (+100 jobs or (+16.1%). Two employment sectors posted year over year losses - those sectors are: Information decreased by (-200 jobs or (-1.7%), and Manufacturing decreased by (-200 jobs or (-8.3%). One employment sector posted neither gains nor losses year over year - that sector is: Logging.



There are numerous large employers in Clark County; however, many employers have a larger presence on the Oregon side of the Portland MSA, which is where many residents of Clark County find employment. The following table lists the top employers in Clark County. The top employer in Clark County is PeaceHealth, which has recently expanded in East Vancouver.

TOP EMPLOYERS		
EMPLOYER NAME	EMPLOYEES	INDUSTRY
Peacehealth	4,571	Healthcare
Evergreen Public Schools	2,577	Education
Legacy Salmon Creek Medical Center	1,946	Healthcare
Battle Ground Public Schools	1,519	Education
The Vancouver Clinic Inc	1,374	Healthcare
Bonneville Power Administration	1,095	Communications
City of Vancouver	1,045	Government
WaferTech LLC	1,015	Communications
Camas School District No 117	793	Education

Source: Vancouver Business Journal as of 3/29/18

Residents in the region further benefit from the many large corporations, universities, hospitals and public sector (government) employers located in Portland. Regionally, the Ports of Vancouver and Portland serve as a West Coast hub for trade, commerce and travel. Also under the authority of the Port of Portland, Portland International Airport (PDX) accounts for the vast majority of passenger travel and air cargo in SW Washington and Oregon.

EMPLOYMENT

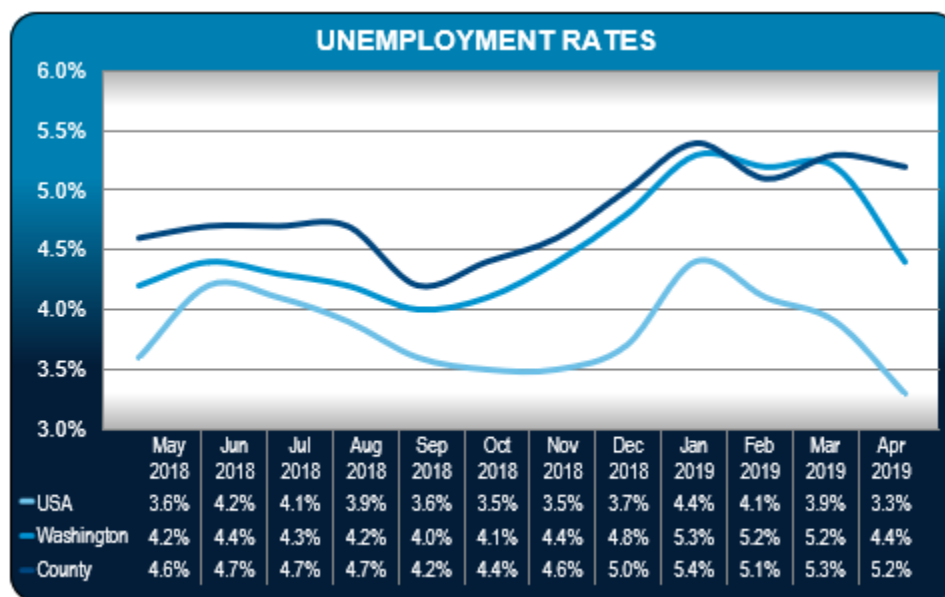
Triggered by the recession, there were three years of declines in the region beginning in 2009, but Clark County has since seen consecutive years of employment growth since. The most recent years of employment data (2009-2018) show employment growth, as well as a significantly decreasing unemployment rate.

EMPLOYMENT & UNEMPLOYMENT STATISTICS 2009 - 2018

TOTAL EMPLOYMENT					UNEMPLOYMENT RATE		
Year	Washington		Clark County, WA		United States*	Washington	Clark County, WA
	Total	% Δ Yr Ago	Total	% Δ Yr Ago			
2009	3,211,649	(2.4%)	190,185	(4.4%)	9.3%	9.2%	13.3%
2010	3,160,544	(1.6%)	188,628	(0.8%)	9.6%	10.0%	12.9%
2011	3,140,190	(0.6%)	186,816	(1.0%)	8.9%	9.3%	11.7%
2012	3,189,271	1.6%	189,704	1.5%	8.1%	8.1%	9.4%
2013	3,219,842	1.0%	190,701	0.5%	7.4%	7.0%	8.5%
2014	3,277,540	1.8%	194,319	1.9%	6.2%	6.1%	7.0%
2015	3,349,995	2.2%	200,230	3.0%	5.3%	5.6%	6.5%
2016	3,451,378	3.0%	207,286	3.5%	4.9%	5.3%	6.0%
2017	3,543,665	2.7%	215,888	4.1%	4.4%	4.7%	5.1%
2018	3,622,299	2.2%	219,230	1.5%	3.9%	4.5%	4.8%
2019 YTD May	3,876,783	7.0%	236,041	7.7%	3.4%	4.2%	4.8%

Source: U.S. Bureau of Labor Statistics *Unadjusted Non-Seasonal Rate

Clark County's not-seasonally adjusted unemployment rate slightly wavered through the course of the last 12 months. The most current unemployment rate (May 2019) sits at 4.8%. As seen on the following graph, the unemployment rate in Clark County has typically been higher than the state and national averages each month.



SUMMARY

Employment gains throughout the last many years are noteworthy as evidenced by the highest employed level in the history of the MSA and the low annual unemployment rates. This trend of an increasing employment level and a stable to decreasing unemployment rate is expected to continue over the near term, as it did throughout 2017 and 2018. Most importantly, nearly all private-sector industries gained jobs over the year, indicating a broad-based and healthy economy. The positive employment indicators suggest good economic conditions overall.

LOCAL AREA ANALYSIS

The subject property is located in the downtown “core” area of the city of Vancouver, in Clark County. The subject property is located on the south side of the Burlington Northern Railroad Tracks, on publicly dedicated right-of-way within the Vancouver Waterfront blocks, many of which either have been or are currently being developed with a mix of commercial and multi-family residential uses. The subject’s immediate market is characterized as a mixed-use area, with office, multi-family, County-related buildings, and residential uses all in the area, and industrial uses at the extreme west end of the neighborhood. The following paragraphs summarize factors pertinent to the social, economic, and physical development of the market. The following paragraphs summarize factors pertinent to the social, economic, and physical development of the market area.

Demographics

The demographics for the subject’s local area are provided by (Pitney Bowes/Gadberry Group - GroundView On-line 2015), an on-line resource center that provides information used to analyze and compare the past, present, and future trends of properties and geographical areas. Please note that our demographics provider sets forth income projections in *constant dollars* which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in *current dollars*, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

LOCAL AREA DEMOGRAPHICS							
DESCRIPTION	1 MILE	3 MILES	5 MILES	DESCRIPTION	1 MILE	3 MILES	5 MILES
POPULATION				AVERAGE HOUSEHOLD INCOME			
2000 Population	6,609	53,132	189,032	2018	\$63,687	\$66,743	\$74,636
2010 Population	7,385	56,033	205,607	2023	\$80,173	\$80,532	\$89,015
2018 Population	8,443	62,113	228,782	Change 2018-2023	25.89%	20.66%	19.27%
2023 Population	9,055	65,692	242,897	MEDIAN HOUSEHOLD INCOME			
Change 2000-2010	11.74%	5.46%	8.77%	2018	\$41,690	\$48,530	\$55,800
Change 2010-2018	14.33%	10.85%	11.27%	2023	\$54,271	\$58,230	\$65,585
Change 2018-2023	7.25%	5.76%	6.17%	Change 2018-2023	30.18%	19.99%	17.54%
POPULATION 65+				PER CAPITA INCOME			
2010 Population	1,107	6,821	22,910	2018	\$33,109	\$28,314	\$29,477
2018 Population	1,478	8,957	29,745	2023	\$40,505	\$33,406	\$34,206
2023 Population	1,786	10,826	35,894	Change 2018-2023	22.34%	17.98%	16.04%
Change 2010-2018	33.51%	31.32%	29.83%	2018 HOUSEHOLDS BY INCOME			
Change 2018-2023	20.84%	20.87%	20.67%	<\$15,000	21.7%	13.2%	10.6%
NUMBER OF HOUSEHOLDS				\$15,000-\$24,999	12.7%	12.1%	10.7%
2000 Households	2,887	22,107	74,196	\$25,000-\$34,999	8.9%	10.2%	9.7%
2010 Households	3,536	23,959	83,564	\$35,000-\$49,999	13.9%	16.2%	14.1%
2018 Households	3,833	25,390	88,226	\$50,000-\$74,999	13.2%	18.1%	18.8%
2023 Households	4,020	26,287	91,235	\$75,000-\$99,999	11.9%	12.3%	13.1%
Change 2000-2010	22.48%	8.38%	12.63%	\$100,000-\$149,999	9.2%	10.4%	14.1%
Change 2010-2018	8.40%	5.97%	5.58%	\$150,000-\$199,999	5.0%	4.5%	5.0%
Change 2018-2023	4.88%	3.53%	3.41%	\$200,000 or greater	3.5%	3.0%	3.9%
HOUSING UNITS (2018)				MEDIAN HOME VALUE			
Owner Occupied	1,491	12,205	48,397	2018	\$209,934	\$204,403	\$247,499
Renter Occupied	2,399	13,173	39,852	AVERAGE HOME VALUE			
HOUSING UNITS BY YEAR BUILT				2018	\$237,840	\$236,546	\$279,497
Built 2010 or later	104	338	2,012	HOUSING UNITS BY UNITS IN STRUCTURE			
Built 2000 to 2009	671	2,786	11,626	1, detached	1,251	12,039	52,551
Built 1990 to 1999	268	3,138	10,344	1, attached	80	1,204	4,913
Built 1980 to 1989	175	1,874	6,976	2	241	2,565	5,090
Built 1970 to 1979	589	5,099	13,340	3 or 4	206	1,486	4,983
Built 1960 to 1969	417	3,186	9,120	5 to 9	204	1,359	5,436
Built 1950 to 1959	236	2,738	9,004	10 to 19	199	1,672	4,135
Built 1940 to 1949	250	2,854	7,874	20 to 49	292	1,379	3,288
Built 1939 or earlier	1,122	3,378	17,929	50 or more	1,120	2,490	5,456
				Mobile home	226	982	2,160
				Boat, RV, van, etc.	70	204	239

Source: Pitney Bowes/Gadberry Group - GroundView®

As noted in the table above, moderate population growth is anticipated to occur in the subject's market area (3-miles radius) over the next few years. This reflects the built-up character of the downtown area.

Residential Development

There is a considerable amount of residential development located in the subject's market area. Residential uses in the downtown area are primarily single-family residences located along the northern portion of downtown, primarily north of Mill Plain Boulevard and just west of the Interstate-5 freeway, with some older single-family residences on CX- and IL-zoned land northwest of the subject property. High-end apartment and condominium developments also exist along the Columbia River in the Tidewater Cove and Columbia Shores developments, and in the downtown "core" area. Residential uses in the downtown "core" area consist primarily of new condominiums constructed on the upper levels of the West Coast Bank, VancouverCenter, and Heritage Place mixed-use projects. The Uptown Village, further north of the downtown "core" area, consists of townhomes along Main Street, with some live-work units. And, as will be described below, the Vancouver Waterfront has added new multi-family units and will be adding more multi-family units to the market in 2019.

The residences in the area are commonly in average to good condition and were typically built in the 1960s and earlier. The average home price for single-family residences within a 3-mile radius of the subject property is \$236,546 (Pitney Bowes/Gadberry Group – GroundView Online). Homes are generally older and on small lots, as is typical of downtown residential areas. Many of the single-family homes along major thoroughfares and/or located around the “core” of downtown Vancouver have since been converted to commercial office uses, especially attorney’s offices in the areas east and south of the Clark County Courthouse.

Multi-family developments within proximity to the subject were generally built in the 2000’s and earlier and consist of mid-rise style facilities. There has been some multi-family development in the “core” area of the subject neighborhood, including Heritage Place and the Vancouver Center, both located near Esther Short Park. The Esther Short Commons project, located on the west end of the Esther Short Park, includes “for rent” apartments for residents at certain reduced income levels. There have also been scattered condominium conversions of older apartment buildings in the neighborhood. New development in downtown Vancouver includes The Vista Court Senior Housing apartment complex at West 14th and Esther Streets, completed in early 2012. Also, the Kirkland Union Plaza multi-family development for retired citizens is located along Mill Plain Boulevard and the Tinnakorn Loft units are under construction next to Kirkland Union Plaza. In the downtown “core” area, some apartments are proposed on the western portion of the Academy Site, along C Street, north of Evergreen Boulevard. This will be a positive impact on downtown Vancouver.

Prestige Plaza, a mixed-use project with 96 apartment units and ground floor commercial, was one of the first projects completed in recent years in downtown Vancouver. The same developer is now constructing Our Heroes Place, comprised of two adjacent projects (Ed Tower and Dollie Tower) and totaling 51 units. Construction was recently completed on a 6-story full-block apartment project called the Uptown (167 units), located on the full block bounded by Main Street, McLoughlin Boulevard, Washington Street, and West 17th Street, at the south end of the Uptown Village portion of downtown Vancouver. This project is located at the south end of the Uptown Village corridor of downtown Vancouver and will transform this area, bringing more residents downtown and enhancing the “critical mass” that is being sought for downtown Vancouver. The West 15 Apartments (120 units), a subsidized apartment project was completed in 2016 between Mill Plain Boulevard and 15th Streets, west of Columbia Street. The West 13 Apartments (96 units) were more recently completed in 2017 at Columbia and West 13th Streets. Another mixed-use project is proposed at the full block bounded by Washington, Main, 15th and 16th Streets, and a smaller project was recently completed (48 units) at the NE corner of 15th Street and E Street. Additional units are planned near Esther Short Park, showing a large concentration of new apartments being developed in the downtown “core” area of Vancouver. Also, The Holland Partnership recently revealed plans to construct a mixed-use project on Block 10, immediately NE of Esther Short Park. This project is proposed to include approximately 150,000 SF of office space, 125 units of housing, structured internal parking, and approximately 12,000 SF of retail and restaurant space on the ground floor. Also, the Holland has now begun construction of the 4th building in the Vancouver Center project. It will include 6 stories and 116 multi-family residential units and will continue to add to the “critical mass” in downtown Vancouver.

Waterfront Development

Columbia Waterfront LLC (a group of investors formed by Gramor Development, a local/regional developer), is now in the process of developing vertical buildings along the Waterfront neighborhood of Vancouver. This 35 acre area is just south of the downtown core and follows the Columbia River. The Vancouver Waterfront project has a long term tentative plan to be improved with an estimated 3,300 residential units (a mix of for-sale condos and apartments, as market conditions dictate), 1,000,000 SF of office space, and 250,000 SF of retail space. There is also a 7 acre park which was recently opened to the public in Fall 2018, and, more recently, now has a water feature completed in Summer 2019. With the current strong market conditions in the Portland region, as well as the recent successful absorption of at least one new, luxury property in Downtown Vancouver, the

developer is now constructing vertical apartment units in the first phase of the master plan. Phase 1 includes a pair of 2-story restaurant buildings which are now open and in the lease-up stage (intended to hold 2+ tenants each) on Blocks 9 and 12, Rediviva, a 7-story (55 to 60-Unit) apartment tower with ground floor retail (recently completed) on Block 6, The Murdock, a 7-story office building with about 60,000 SF of office space (anchored by the MJ Murdock Charitable Trust) and about 17,000 SF of ground floor retail space (recently completed), also on Block 6, and Riverwest, a 7-story (250-unit) apartment project on Block 8 (nearing completion). Another developer has an upscale hotel (138 Rooms) and condominiums (40 condo units) now under construction on Block 4, with ground floor commercial space. Several restaurants have announced plan to lease various space on the ground floor commercial space of these buildings.

More apartments are proposed for the area, showing a significant amount of new development to kickstart this major project in downtown Vancouver. This includes a wood-frame “all timber” apartment project on Block 3, a proposed 7-story, 239-Unit apartment building on Block 20. Most recently, a 12-story, 200-unit senior living building is now proposed on Block 18, with Blocks 18 and 20 located in the western portion of the Vancouver Waterfront. The Waterfront development is expected to have a positive impact on the appeal of Downtown Vancouver and the developer is planning to make the area very upscale, with ambitious planned retail, office, and apartment rent levels. Also proposed nearby is a re-development project by the Port of Vancouver, to include a mix of hotels, public space, and commercial space.

Commercial Development

Commercial development in the area is concentrated in the downtown “core” area, and along major thoroughfares, including Main and Broadway Streets, as well as Fourth Plain Boulevard and Mill Plain Boulevard. Other major transportation routes in the area include SR-14, which is an east/west freeway connecting downtown Vancouver with the Columbia River Gorge; and I-5, which is a major north/south freeway that connects downtown Vancouver to downtown Portland to the south and Seattle to the far north. The Downtown area was predominantly residential at one time with retail storefronts along Main and Broadway. Since then, the city has expanded and the demand for commercial products has led to numerous single-family conversions. Historical buildings exist throughout the area. The southern portion of town has since been redeveloped with newer, more intense, commercial development including: various mixed-use Class A office high-rises and civil and government buildings centered around the Courthouse and Citizens Service Center. Retail is scattered throughout downtown Vancouver, and consists of antique stores and consignment stores, with few retailers still operating. Former retail buildings such as Sparks Furnishings (Furniture Store) and Koplan’s Furniture have been purchased and renovated/converted to office/service uses.

In the downtown “core” area, there have been and are some additional planned development and upgrades around the downtown “core” of Vancouver. The former Vancouver City Hall was purchased by members of the Firstenberg family for use as office space and a parking garage. It has now been renovated and Berger Abam and Stewart Title Company are main tenants in the “Block 56” building which provides some creative office space. In the southern portion of the downtown “core” area, Killian-Pacific recently constructed the Hudson Building, a 3-story, 44,000 SF wood-frame and brick office building, with several banks, Killian-Pacific, and some other professional office tenants in the building. This building is now 100% leased as the newest office building in downtown Vancouver, with creative office space, exposed vaulted ceilings, and a considerable amount of natural lighting. Pacific Energy Concepts recently purchased a commercial building at 210 West 3rd Street and has completely renovated this building for their own occupancy as creative office space for their business. Ryan Hurley is now constructing a 6-level, 33,185 SF office condominium project just south of this property, with ground level parking for this property. A hotel is also planned along Columbia Street in this area.

Light and heavy industrial uses exist in the Columbia Business Center and the area west of the defined boundaries, in the Port of Vancouver neighborhood. In summary, the Downtown area consists mostly of older single-family residences to the north that transition to more intense commercial development to the south and

industrial uses along east/west boundary lines. South of SR-14 is the 248-acre Columbia Business Center, one of the largest industrial developments in the Portland area. This industrial park includes 26 buildings comprising roughly 2.3 million square feet of industrial space. Columbia Shores is another mixed-use development which resides west of the Columbia Business Center and includes: various office/retail buildings, Homewood Suites, Beaches and McMenamin's restaurant.

The subject's immediate area is the downtown "core" area of Vancouver, which has a mix of restaurant, service-oriented uses, and professional offices, in the southern portion of downtown Vancouver.

Community Services/Transportation

Community services and facilities are readily available in the area. These include public services such as fire stations, hospitals, police stations, and schools (all ages). The city also operates two police precincts with the Police Administration Building located next to Officer's Row. The Clark County Sheriff's Station, Jail, and Correction Facility also exist in the subject's neighborhood, next to the Courthouse.

The Mill Plain Extension facilitates industrial flow, linking the Port of Vancouver with Interstate-5 via Mill Plain Boulevard. Fourth Plain Boulevard has been reduced to two lanes (plus a center/third turn lane) east of the Burlington Northern Railroad Tracks in an attempt to focus industrial traffic onto the Mill Plain Boulevard extension and West 39th Street. The Port of Vancouver has now completed their long-term West Vancouver Freight Access Project which has improved access into and efficiency in and around the Port of Vancouver.

One road improvement/change is the extension of West 8th Street to Jefferson Street, where Jefferson Street extends north from West 8th Street. As the Vancouver Waterfront becomes more built-out and traffic increases, the City of Vancouver eventually plans to extend and realign Jefferson Street to Mill Plain Boulevard, near Markle Avenue to better facilitate traffic flow. This will be a positive for the western portion of the subject neighborhood with respect to exposure.

Public transportation, both bus and train, is available throughout and readily accessible from major freeways and thoroughfares. In addition, there are a number of parks in the area which adequately serve the subject's neighborhood. The primary focal point of downtown Vancouver is Esther Short Park, which has been completely renovated and improved with a Bell Tower, a brick plaza and water feature/stream designed for children, a playground, restroom facilities, and a rose garden, as well as a performing arts stage and grass lawn. The area is now an attractive setting for public gatherings and family-oriented/leisure activities.

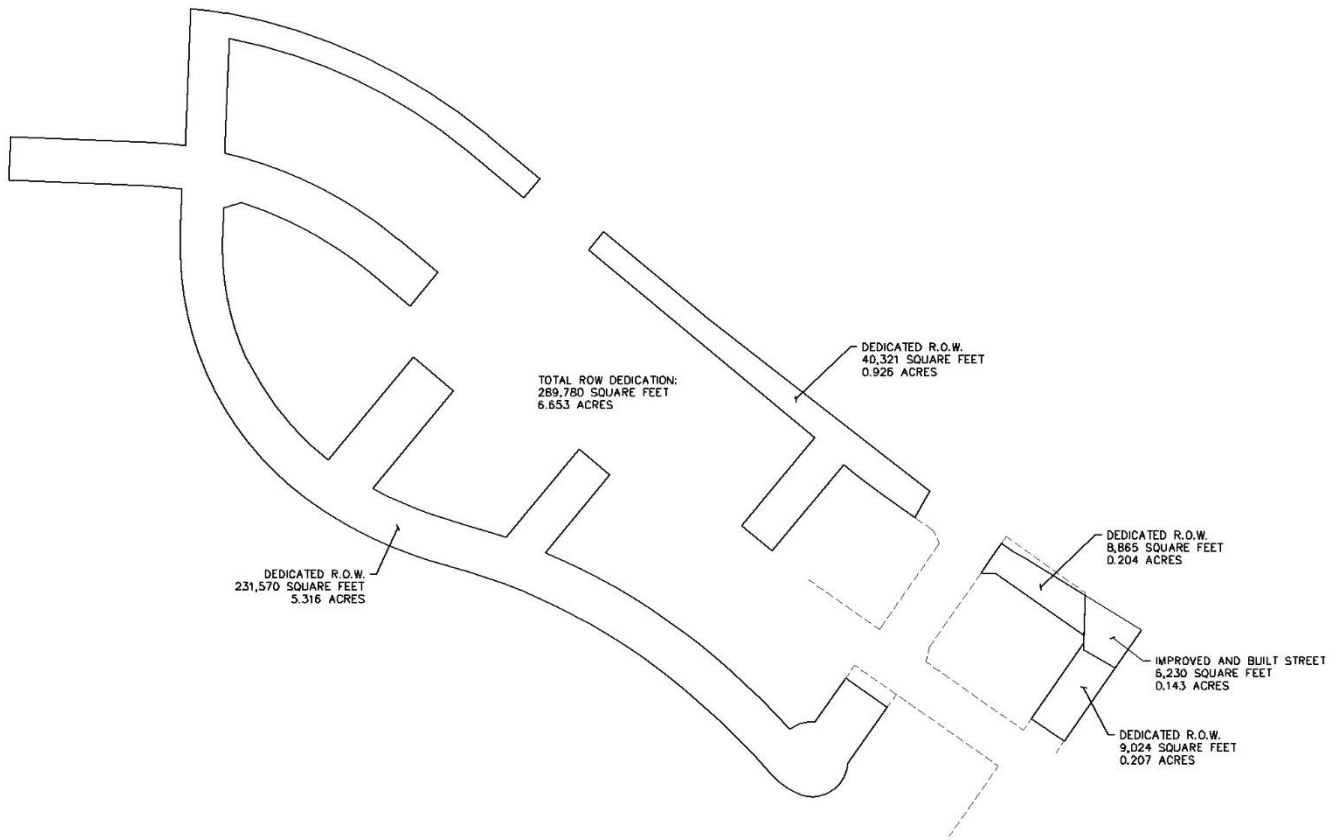
SUMMARY

The subject is in an established area of Vancouver. Residential uses include older single-family development off the main thoroughfares and a significant amount of newer multi-family development in the downtown Vancouver area. The subject has a good location with respect to commercial services, thoroughfares, public transportation, and community services. Condition and appeal of the area is generally good. The area is anticipated to experience moderate growth in the foreseeable future. The growth in the immediate area is expected to be focused specifically on the Vancouver Waterfront property over time, which is located in close proximity to the tunnels at Esther and Grant Streets, connecting the Esther Short Park area with the Vancouver Waterfront property.

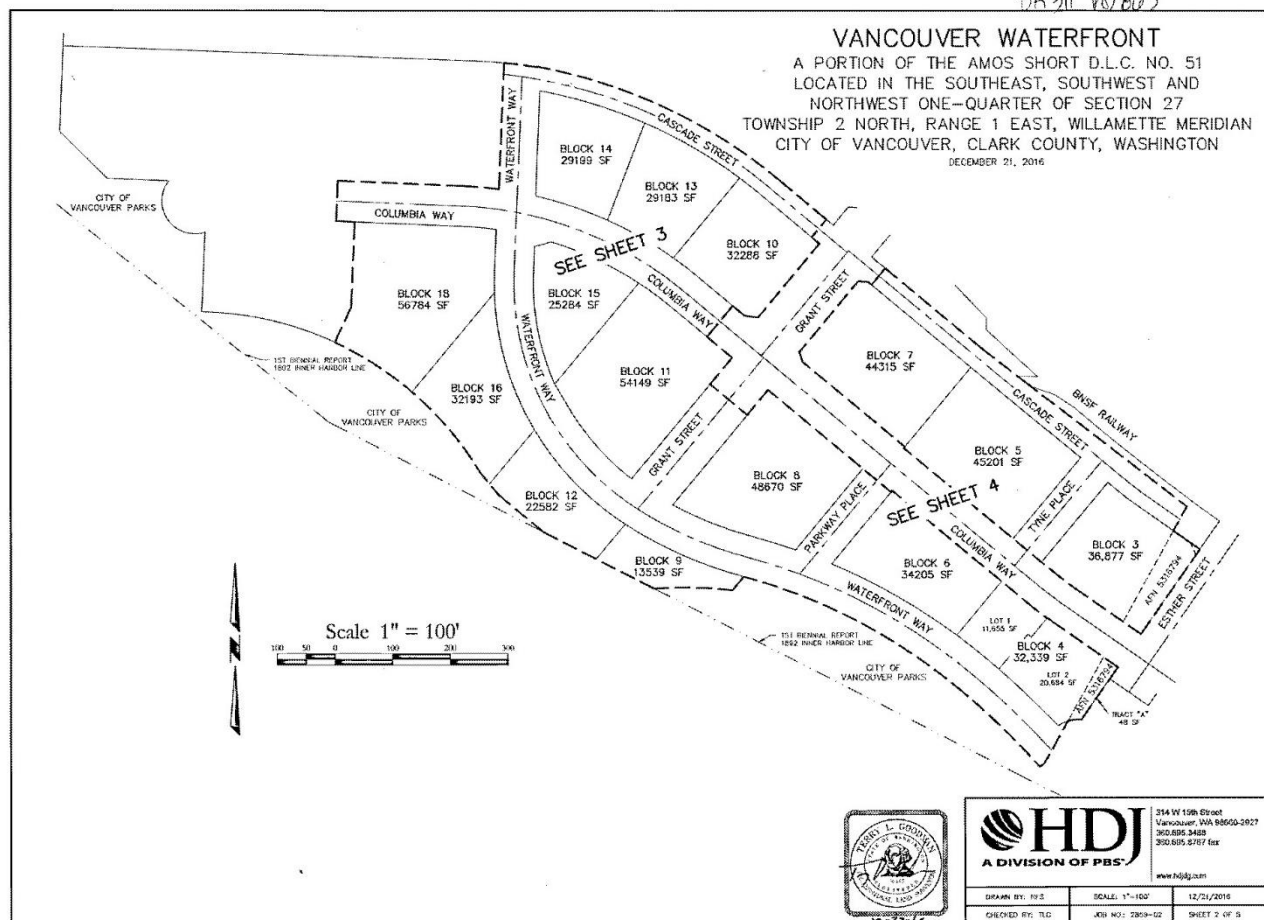
STREET MAP



STREET AREA MAP



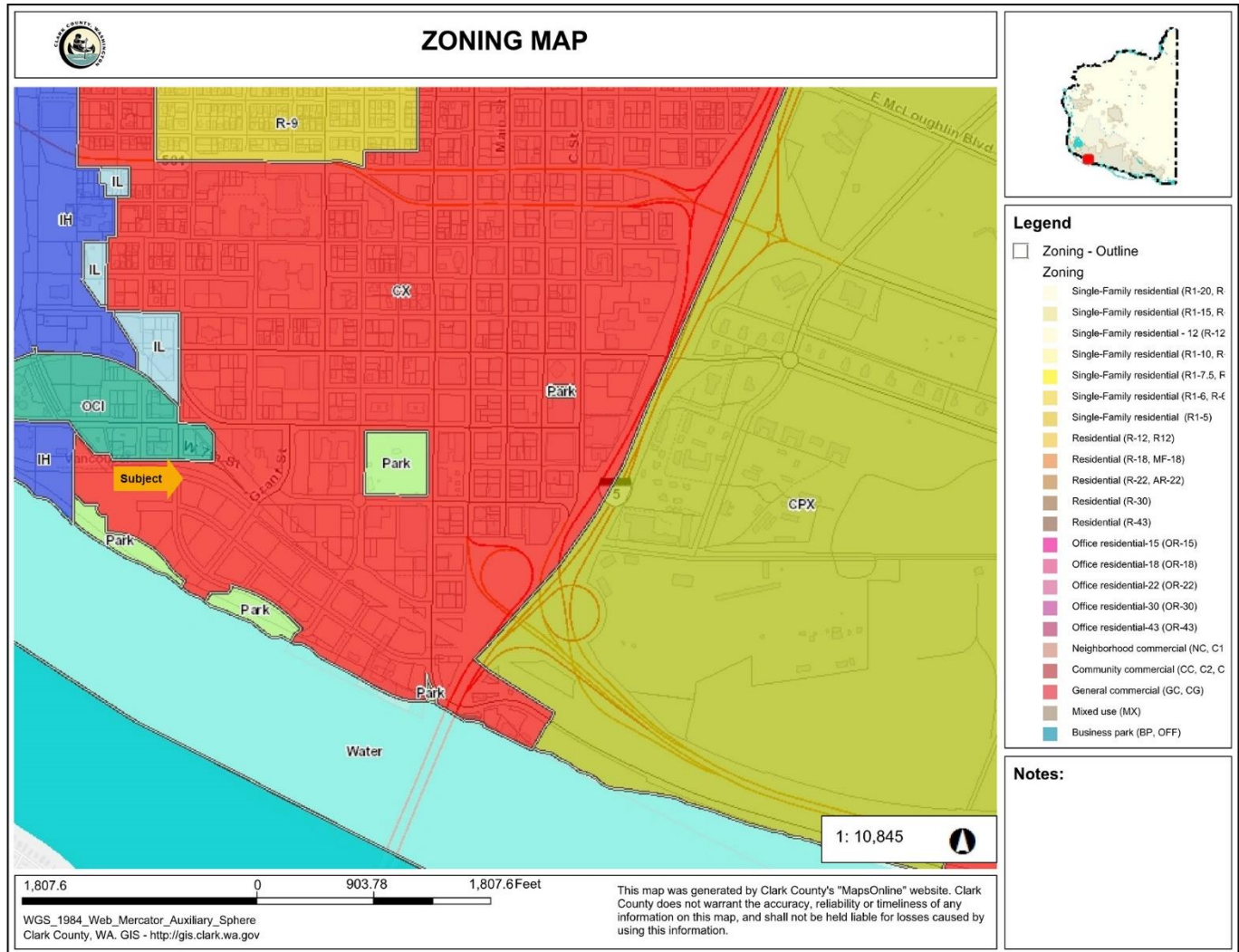
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ZONING MAP



FLOOD MAP



SITE DESCRIPTION

General Description

The subject site does not include individual tax parcels, as the subject site has already been dedicated to the City of Vancouver as Right-of-Way. Rather, the client has designated four (4) separate dedicated right-of-way areas as part of the public road infrastructure in the Vancouver Waterfront. As noted below, based on a survey of the subject property, the subject site has 289,780 SF (6.653 AC) of land area. We have shown these four dedicated right-of-way areas in the chart below. The area is estimated based on the assessor's parcel map, and may change if a professional survey determines more precise measurements. Going forward, our valuation analyses will utilize the usable site area. The following discussion summarizes the subject site size and characteristics.

Adjacent Uses:

The subject property is bordered to the north by the Burlington Northern Railroad Tracks, to the south by the new restaurant buildings in the Vancouver Waterfront and the Columbia River, to the east by downtown commercial land owned by the Port of Vancouver, and to the west by additional blocks in the Vancouver Waterfront. The new Vancouver Waterfront development consists of a mix of commercial and multi-family residential uses, including restaurants and Class A office space, as well as retail space. This area, along with the nearby Esther Short Park on the north side of the Burlington Northern Railroad Tracks, is expected to become more intensely developed as downtown blocks, and the public areas are expected to continue as destination parks for Vancouver/SW Washington residents and a hub of activities and events.

Assessor Parcels See Multiple Parcel Chart For Breakdown

Number Of Parcels 4

Land Area	Acres	Square Feet
Primary Parcel	6.65	289,780
Unusable Land	0.00	0
Excess Land	0.00	0
<u>Surplus Land</u>	<u>0.00</u>	<u>0</u>
Total Land Area	6.65	289,780

Shape Elongated Irregular Shape. This is consistent with surrounding dedicated roads. The subject will be valued on a "Per Square Foot" value "As Vacant" by comparing the subject with land sales of more typical shapes and sizes in downtown Vancouver.

Topography Generally Level

Drainage Assumed Adequate

Utilities All available to the site

Street Improvements

	Street	Direction	No. Lanes	Street Type	Curbs	Sidewalks	Streetslights	Center Lane	Gutters
Columbia Way	Primary Street	two-way	two-lane	connector street	✓	✓	✓		✓
Cascade Street	Secondary Street	two-way	two-lane	connector street	✓	✓	✓		✓
Quayside Place	Secondary Street	two-way	two-lane	connector street	✓	✓	✓		✓
Waterfront Way	Secondary Street	two-way	two-lane	connector street	✓	✓	✓		✓

Frontage The subject property includes the above-mentioned streets and some other smaller stretches of public right-of-way in the Vancouver Waterfront development.

Accessibility Good - The subject has good access from the above-mentioned thoroughfares.

Exposure Good - The subject has good exposure from the above-mentioned thoroughfares.

Seismic High Risk. This is common for properties in SW Washington.

Flood Zone Zone X (Shaded). This is referenced by Community Number 0027, Panel Number 53011-C0481-D, dated September 05, 2012. Zone X (shaded) is a moderate and minimal risk area. Areas of moderate or minimal hazard are studied based upon the principal source of flood in the area. However, buildings in these zones could be flooded by severe, concentrated rainfall coupled with inadequate local drainage systems. Local stormwater drainage systems are not normally considered in a community's flood insurance study. The failure of a local drainage system can create areas of high flood risk within these zones. Flood insurance is available in participating communities, but is not required by regulation in these zones. Nearly 25-percent of all flood claims filed are for structures located within these zones. Moderate risk areas within the 0.2-percent-annual-chance floodplain, areas of 1-percent-annual-chance flooding where average depths are less than 1 foot, areas of 1-percent-annual-chance flooding where the contributing drainage area is less

than 1 square mile, and areas protected from the 1-percent-annual-chance flood by a levee. No BFEs or base flood depths are shown within these zones. (Zone X (shaded) is used on new and revised maps in place of Zone B.)

Site Rating

Overall, the subject site, used in conjunction with the Vancouver Waterfront development, is considered a good to excellent commercial land site in terms of its location, exposure, and access to employment, education, commercial services, and a residential population base, recognizing its location in downtown Vancouver near the Columbia River, and adjacent to the Vancouver Waterfront blocks, which are currently being developed with a mix of commercial and residential uses.

Easements

A preliminary title report was not available for review. During the on-site inspection, no adverse easements or encumbrances were noted. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised. This appraisal assumes that there are no negative value impacts on the subject improvements. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised.

Soils

A detailed soils analysis was not available for review. Based on the development of the subject, it appears the soils are stable and suitable for the existing improvements.

Hazardous Waste

We have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. If questions arise, the reader is strongly cautioned to seek qualified professional assistance in this matter. Please see the Assumptions and Limiting Conditions for a full disclaimer.

ASSESSMENT & TAXATION

The subject property is located within the City of Vancouver municipality within the Clark County jurisdiction. The assessed value and property tax for the current year are summarized in the following table.

ASSESSMENT & TAXES						
Tax Year	2019				Tax Rate	\$9.8757
Tax Rate Area	37000				Taxes Current	Yes
Taxes SF Basis	Total Land Area					
APN	LAND	IMPV	TOTAL	EXEMPTIONS	TAXABLE	BASE TAX
Dedicated R-of-Way	\$0	\$0	\$0	\$0	\$0	\$0
Dedicated R-of-Way	\$0	\$0	\$0	\$0	\$0	\$0
Dedicated R-of-Way	\$0	\$0	\$0	\$0	\$0	\$0
Dedicated R-of-Way	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$0	\$0
Total/SF	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Base Tax						\$0
Total Base Tax Per SF						\$0.00

Source: Clark County Assessment & Taxation

Assessment & Taxation Description

Since the subject property is publicly dedicated right-of-way, there are not assessed values assigned to the subject property.

ZONING ANALYSIS

The zoning characteristics for the subject property are summarized below:

ZONING SUMMARY	
Municipality Governing Zoning	City of Vancouver Planning & Zoning Department
Current Zoning	City Center (CX)
Permitted Uses	Multi-family, Retail, Office, Residential, Light Industrial, Medical
Current Use	Dedicated and Improved Public Right-of-Way
Is Current Use Legally Permitted?	Yes
Zoning Change	Not Likely
ZONING REQUIREMENTS	
Conforming Use	There are a variety of commercial uses which represent a conforming use within this zone.
Minimum Site Area (SF)	None
Minimum Yard Setbacks	
Front (Feet)	None
Rear (Feet)	None
Side (Feet)	None
Maximum Site Coverage	100%
Maximum Building Height	100-200 Feet

Source: City of Vancouver Planning & Zoning Department

Zoning Conclusions

Based on the interpretation of the zoning ordinance, a wide variety of commercial and mixed-uses are outright permitted uses for the subject site that could be rebuilt if unintentionally destroyed.

MARKET ANALYSIS

This section provides a study of office supply/demand conditions for the Portland-Vancouver Metro Area Market and Clark County Submarket, since the subject's surrounding area includes components which would most likely be office. In addition, because the subject area is also being developed with multi-family components, we will also discuss market conditions in the multi-family market. These findings are used to support my conclusions for the competitive position and exposure period for the subject property.

OFFICE

Therefore, this section provides a study of office supply/demand conditions for the Portland-Vancouver Metro Area Market and Clark County Submarket. These findings are used to support my conclusions for the competitive position and exposure period for the subject property.

PORTLAND-VANCOUVER METRO AREA OFFICE MARKET

The following is an analysis of supply/demand trends in the Portland-Vancouver Metro Area Office Market using information provided by CoStar. The table below presents historical data for key market indicators.

PORTLAND-VANCOUVER METRO AREA HISTORICAL STATISTICS (LAST FIVE YEARS)					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2014	103,262,392 SF	1,222,611 SF	1,781,725 SF	8.4%	\$20.88/SF
2015	103,336,501 SF	285,799 SF	344,330 SF	7.9%	\$22.24/SF
2016	104,571,183 SF	1,447,140 SF	1,406,353 SF	7.4%	\$23.61/SF
2017	104,900,307 SF	501,617 SF	818,826 SF	7.2%	\$24.41/SF
2018	106,638,941 SF	1,824,221 SF	1,034,524 SF	7.3%	\$25.74/SF
CAGR	0.6%	-	-	-	4.3%

*Supply numbers based on information which is amended/updated on an on-going basis by Costar.

Source: Costar®

PORTLAND-VANCOUVER METRO AREA TRAILING FOUR QUARTER PERFORMANCE					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2018 Q3	106,060,658 SF	187,932 SF	256,874 SF	7.1%	\$25.53/SF
2018 Q4	106,638,941 SF	614,349 SF	289,343 SF	7.4%	\$26.40/SF
2019 Q1	106,736,001 SF	97,060 SF	155,852 SF	7.3%	\$26.64/SF
2019 Q2	106,731,845 SF	0 SF	(132,013) SF	7.4%	\$27.09/SF

Source: Costar®

PORTLAND-VANCOUVER METRO AREA MARKET TREND ANALYSIS			
	Q2 2019	2018	Last 5
Total SF	106,731,845	106,638,941	104,541,865
Vacant SF	7,927,885	7,731,323	7,957,727
Market Vacancy	7.4%	7.3%	7.6%
Construction Growth Rate	0.0%	1.7%	0.6%
Absorption Rate	(0.1%)	1.0%	1.0%
Average Asking Rent/SF	\$27.09	\$25.74	\$23.38

Source: Costar®

Portland-Vancouver Metro Area Market Conclusion

Based on the preceding analysis, the Portland-Vancouver Metro Area office market demonstrates relatively sound fundamentals and has shown considerable improvement from the 2008 economic downturn. The Portland market is benefiting from an improving economy that has recovered around 90% of jobs lost during the Great Recession. Many local businesses have again begun to expand their footprints and new start-ups have emerged. The growth has been met with diminishing availabilities, especially among large blocks of space. While there remain ample options for large users in the CBD, large blocks of high end office space are scarce in suburban

submarkets. Portland has seen a tendency for traditionally large tenants (legal or finance users, for example) to consolidate and downsize while creative (such as software or design firms) users have shown a tendency to expand their footprints. As can be seen in the charts above, there has been a stabilizing trend in vacancy rates and upward pressure on rents over the past 5 years, with more of a stabilizing in vacancy rates in recent quarters.

CLARK COUNTY OFFICE SUBMARKET OVERVIEW

The following is an analysis of supply/demand trends in the Clark County Office Submarket using information provided by CoStar. The table below presents historical data for key market indicators.

CLARK COUNTY HISTORICAL STATISTICS (LAST FIVE YEARS)					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2014	11,081,286 SF	118,895 SF	17,627 SF	10.4%	\$18.59/SF
2015	11,049,241 SF	0 SF	139,249 SF	10.0%	\$18.80/SF
2016	11,259,224 SF	258,383 SF	424,335 SF	8.0%	\$19.12/SF
2017	11,315,766 SF	59,700 SF	162,008 SF	7.0%	\$20.04/SF
2018	11,452,498 SF	139,432 SF	209,423 SF	6.1%	\$20.36/SF
CAGR	0.7%	-	-	-	1.8%

*Supply numbers based on information which is amended/updated on an on-going basis by CoStar.

Source: CoStar®

CLARK COUNTY TRAILING FOUR QUARTER PERFORMANCE					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2018 Q3	11,358,066 SF	0 SF	22,693 SF	6.1%	\$19.67/SF
2018 Q4	11,452,498 SF	94,432 SF	154,721 SF	5.6%	\$20.83/SF
2019 Q1	11,473,743 SF	21,245 SF	24,355 SF	5.5%	\$22.74/SF
2019 Q2	11,473,743 SF	0 SF	9,811 SF	5.4%	\$22.96/SF

Source: CoStar®

CLARK COUNTY MARKET TREND ANALYSIS			
	Q2 2019	2018	Last 5
Total SF	11,473,743	11,452,498	11,231,603
Vacant SF	624,385	696,312	931,998
Market Vacancy	5.4%	6.1%	8.3%
Construction Growth Rate	0.0%	1.2%	0.7%
Absorption Rate	0.1%	1.8%	1.7%
Average Asking Rent/SF	\$22.96	\$20.36	\$19.38

Source: CoStar®

Clark County Submarket Conclusion

The Clark County Submarket demonstrates a similar trend to the greater Portland-Vancouver Metro Area Market. Over the last five years (2014-2018), the vacancy rate ranged from 6.1% to 10.4%; however, as of the most recent (2nd) quarter in 2019, vacancy increased slightly to 5.5% from the previous quarter (1Q 2019) of 5.4%. Over the last 4 quarters, there has been a relatively stable trend in vacancy rates and positive absorption, with only a limited amount of new construction. Total net absorption from 2014 through 2018 was positive and was positive during the last four quarters. Asking rents during the past five years ranged from \$18.59 to \$20.36/SF and have exhibited mixed trending as of the most recent quarters, with the trend generally being office tenant “shifting” between buildings, both in downtown Vancouver and the suburbs, and not so much an influx of new office tenants into Clark County.

In regards to new construction, there have been very limited new buildings constructed. Near downtown Vancouver, Killian-Pacific constructed a build-to-suit office building for Home Depot’s Quote Center. Also, in the

downtown Vancouver area, along the Columbia River, a new 7-story, 70,000 SF office building was recently completed in the Vancouver Waterfront development, anchored by the MJ Murdock Charitable Trust.

In the suburban neighborhood of Camas along NW Lake Road, Matt Olson recently developed the 87,500 SF Dwyer Creek Business Center, an office/commercial building with a lower level, main level, and 2nd level, consisting of a mix of uses, including an indoor shooting range on the lower level, a mix of flex and commercial space on the main level, and some 2nd floor speculative office space. This reflects some speculative office/commercial space in the subject's immediate Camas area.

In the suburbs, there has generally been limited new construction of suburban office space, as rents have not yet increased enough to justify new construction. This has helped suburban office buildings maintain high occupancy in a strengthening economic and sub-market. Overall, the Clark County Submarket is expected to follow the trends of the larger Portland Market.

MULTI-FAMILY

In this section, an overview of market conditions which influence the marketability of the subject property as an apartment site will be considered. The major factors requiring consideration are the supply and demand conditions that influence multi-family development.

For purposes of this section, apartment complexes within the subject's market area will be analyzed. Emphasis is placed on facilities within proximity to the subject property. The following paragraphs discuss existing development (including projects under construction) and potential inventory will be analyzed. Demand will also be analyzed by examining vacancy, unemployment, and demographic and employment trends.

Existing Supply

A mix of apartment types has been built throughout the city. Vancouver is extensively populated with garden-style communities ranging from 100 to 300 units that were built in the 1970s through the present. These properties have typically been built in suburban neighborhoods of the city. The downtown core has seen primarily elevator-served development of both market and restricted rent nature with and without ground floor commercial space. There are also a few older elevator-served and "bricker" vintage properties in the downtown area but there has been a significant amount of recent apartment development in downtown Vancouver.

Proposed Supply

The number of multi-family building permits issued provides an indication of the potential future supply of multi-family units. (It is important to note that these permits include "For Sale" condominiums and attached homes, as multi-family rental apartment permits are not available.) The following is a profile of historical multi-family building permits issued in Vancouver and Clark County since 2000:

MULTIFAMILY BUILDING ACTIVITY		
Year	City of Vancouver	Clark County
2000	261	562
2002	519	620
2003	693	769
2004	426	575
2005	248	257
2006	586	595
2007	453	547
2008	177	188
2009	9	19
2010	55	107
2011	84	235
2012	214	338
2013	656	1,166
2014	614	748
2015	721	1,088
2016	397	750
2017	1,369	1,840
2018	797	1,026
2019 (February)	292	265

Source: U.S. Bureau of the Census & HUD

Due to the current strong apartment market conditions, multi-family construction has become more consistently feasible in good locations within Vancouver. It is noted that multi-family development in Clark County has historically been almost exclusively located in Vancouver but is now taking place in unincorporated areas such as Orchards in developments such as the Fountain Village Apartments. Market conditions in downtown Vancouver are currently strong, with little to no vacancy in smaller mixed-use projects such as the Murray's Corner and Ludesher mixed-use development. The Murray's Corner owner reports few vacancies in these units, with tenants often staying in their unit for several years. Also, the owner of the Ludesher building next door to the north of Murray's Corner has reported that his 9 units have remained full, acknowledging that he feels like he has kept his rents low in order to maintain 100% occupancy. The Prestige Plaza Apartments, completed in 2014, are now reported to have all of the 96 units leased, reflecting strong market conditions for apartments in downtown Vancouver. This development sold to an investor, prompting additional construction of apartment units in downtown Vancouver, described previously. Overall, the supply of apartment units is expected to continue to expand over the near term. As illustrated in the above chart, the trends show that 2017 was a "peak" year for new construction in the City of Vancouver and in unincorporated Clark County. 2018 showed a reduction in the number of units constructed in the City of Vancouver and in unincorporated Clark County. This is likely going to point towards the market approaching a saturation point in downtown Vancouver, although there is no evidence that this has yet been reached.

Planned/Developing/Recently Completed Supply

At this time, the appraisers are aware of several sites in downtown Vancouver which are known to be in various stages of preliminary planning, under construction, or recently completed. With the subject's location in the downtown "core" area of Vancouver, we have focused on the proposed projects in downtown Vancouver. The following table shows proposed and developing multi-family projects in the subject's immediate market.

POTENTIAL, DEVELOPING, and RECENT MULTIFAMILY ACTIVITY - CITY OF VANCOUVER

Proposed/Planning	Address	Submarket	# of Units
Vancouver Center South Tower	6th & Washington	Downtown	113
Esther Apartments	West 6th Street & Esther Street	Downtown	127
Jefferson Apartments	Jefferson Street & W. 8th Street	Downtown	89
Block 10	Columbia Street & West 8th Street	Downtown	250
Academy Apartments (Phase 1)	Evergreen Boulevard & C Street	Downtown	110
Academy Apartments (Phase 2)	East 11th Street	Downtown	240
Developing	Address	Submarket	# of Units
Our Heroes Place Apartments	Mill Plain Boulevard & D Street	Downtown	51
Block 6 (Waterfront)	West Columbia Way	Downtown	55
Block 8 (Waterfront)	West Columbia Way	Downtown	220
Clark	701 East McLoughlin Boulevard	Downtown	24
Recently Constructed	Address	Submarket	# of Units
The Uptown	Main Street & McLoughlin Boulevard	Downtown	167
Broadway	1901 Broadway Street	Downtown	48
Midtown	500 East 15th Street	Downtown	48
13 West Apartments	13th & Columbia Streets	Downtown	92
Herby ekoHaus	16th & C Streets	Downtown	18
Lincoln Place	1351 W. Lincoln Avenue	Downtown	30
15 West Apartments	401 West 15th Street	Downtown	120
Hamilton	2000 Broadway Street	Downtown	48
Prestige Plaza	307 East Mill Plain Boulevard	Downtown	92

Source: Colliers International Valuation & Advisory Services

As shown above, there are numerous moderate and large-scale apartment projects either planned or developing at this time in the greater Vancouver area, including the subject block. Other planned apartment units in the downtown “core” area include two phases of apartments, including ground floor commercial space, next to The Academy historical property at Evergreen Boulevard and C Street. It is noted that the vacant parcel approximately two blocks south of the subject is expected to be improved with the South Tower building, which will be part of the VancouverCenter development and will add 113 units. This project is expected to begin construction in Spring/Summer 2019. In addition, the Uptown (167 units recently completed in 2018) and 610 Esther (119 units proposed) properties, as well as other multi-family developments in the Vancouver Waterfront are also in Downtown Vancouver and will add to the local competitive supply of market rate units.

DEMAND

Demand for newer apartment units is most typically measured by general demographic trends (including population and employment growth). Vacancy rates, rent trends, and concessions also provide direct source of measuring apartment demand.

Projected Population

As shown in Local Area analyses, moderate to strong population and household growth is anticipated for the area over the next five years. The charts below summarize the expected population growth that will fuel apartment demand over the near term. Overall, demand for apartments and the subject’s units is expected to increase.

POPULATION			
	1 MILE	3 MILES	5 MILES
2000 Population	9,167	68,906	205,591
2010 Population	9,315	74,661	227,678
2017 Population	10,189	81,438	250,230
2022 Population	10,731	87,457	269,758
Change 2000-2010	1.61%	8.35%	10.74%
Change 2010-2017	9.38%	9.08%	9.91%
Change 2017-2022	5.32%	7.39%	7.80%

Source: Pitney Bowes/Gadberry Group - GroundView®

HOUSEHOLDS			
	1 MILE	3 MILES	5 MILES
2000 Households	4,205	28,290	81,259
2010 Households	4,314	31,502	92,549
2017 Households	4,528	33,419	98,316
2022 Households	4,715	35,593	104,562
Change 2000-2010	2.59%	11.35%	13.89%
Change 2010-2017	4.96%	6.09%	6.23%
Change 2017-2022	4.13%	6.51%	6.35%

Source: Pitney Bowes/Gadberry Group - GroundView®

Unemployment Trends

Clark County has elicited low unemployment rates over the last decade, which, coupled with increasing overall total employment, bodes well for the apartment market. The last three years (2015-2017) show strong employment growth. While the current 2018 numbers show a slight decline in county employment, as well as a small increase in the overall unemployment rate, the current figures are still strong and much improved from the post-recession figures of 2009. While the current number of employed is slightly lower than the 2017 annual figures, this is likely due to seasonal employment shifts, and the number of employed is anticipated to increase in the summer months. The Clark County unemployment rate tends to follow national business trends and remain close to Washington state's overall figures. Overall, it is evident that positive employment growth is occurring in the Clark County, which is expected to continue over the near term.

EMPLOYMENT & UNEMPLOYMENT STATISTICS 2008 - 2017							
TOTAL EMPLOYMENT					UNEMPLOYMENT RATE		
Washington		Clark County, WA			United States* Washington Clark County, WA		
Year	Total	% Δ Yr Ago	Total	% Δ Yr Ago			
2008	3,291,309	1.5%	198,972	1.1%	5.8%	5.4%	7.5%
2009	3,211,649	(2.4%)	190,185	(4.4%)	9.3%	9.2%	13.3%
2010	3,160,544	(1.6%)	188,628	(0.8%)	9.6%	10.0%	12.9%
2011	3,140,190	(0.6%)	186,816	(1.0%)	8.9%	9.3%	11.7%
2012	3,189,271	1.6%	189,704	1.5%	8.1%	8.1%	9.4%
2013	3,219,842	1.0%	190,701	0.5%	7.4%	7.0%	8.5%
2014	3,275,753	1.7%	194,621	2.1%	6.2%	6.1%	7.0%
2015	3,345,496	2.1%	200,483	3.0%	5.3%	5.7%	6.5%
2016	3,444,126	2.9%	207,514	3.5%	4.9%	5.3%	6.0%
2017	3,547,430	3.0%	215,782	4.0%	4.4%	4.8%	5.1%
2018-Feb	3,564,199	0.5%	214,233	(0.7%)	4.4%	5.3%	5.6%

Source: U.S. Bureau of Labor Statistics *Unadjusted Non-Seasonal Rate

SUMMARY OF APARTMENT MARKET ANALYSIS

General economic conditions are improving in the Portland MSA (inclusive of Clark County) as elicited by a decreasing unemployment rate coupled with an increased employed level (net positive job growth). On a more local basis, unemployment has been dropping in Clark County as well. Vancouver rent growth has been positive and occupancy rates have remained relatively stable, despite increases in multi-family supply. It is important to note that this new supply will provide some competition for the subject, depending on which projects get built next, for the projects in the downtown "core" area of Vancouver, and the brand new supply is expected to compete at similar rent levels. Overall, current market conditions indicate strong demand for well-located units and the subject is located in a developing area of the downtown "core" area of the Vancouver Waterfront.

Investor Demand

Multi-family and mixed-use commercial lenders in downtown Vancouver are paying close attention to absorption rates for newly constructed projects to help determine the point at which downtown Vancouver is approaching a “saturation point”, and particular attention will be paid to the Vancouver Waterfront projects on Blocks 6 and 8, to see how these projects absorb higher-end apartment units. Furthermore, due to the current amount of single-family residential, multi-family residential, and commercial/industrial construction taking place in Clark County, coupled with increases in the prices of building materials, there is a concern that these increased construction costs will make it more difficult for projects to show financial feasibility.

Based on the sales used in this analysis, and the development of multi-family projects in downtown Vancouver, the proposed purchaser of the Block 10 property just NE of Esther Short Park has proposed a mix of office, multi-family, structured internal parking, and ground floor retail and restaurant space, in an 11-story office tower and 7-story residential tower with workforce housing. This shows demand for downtown commercial land.

Overall, there is expected to be continued demand for downtown commercial land, as new development in downtown Vancouver is anticipated in the near future. This, coupled with the limited supply of prime blocks of downtown land such as the Block 10, is going to increase demand for the subject property area in downtown Vancouver. The Vancouver Waterfront project, coupled with the Port of Vancouver’s proposed mixed-use development, is expected to transform the area along the Columbia River, west of Interstate-5.

EXPOSURE TIME & MARKETING PERIOD

Exposure time is best established based the recent history of marketing periods for comparable sales, discussions with market participants and information from published surveys.

The availability of acquisition financing also factors into exposure time and marketing period. My review of the local capital market indicates that adequate financing options would have been available to consummate a sale of the subject on the date of value. Given the above analysis, the subject’s exposure/marketing period conclusions are summarized below.

Exposure Time Conclusion

12 To 18 Months

Marketing Period Conclusion

12 To 18 Months

HIGHEST AND BEST USE ANALYSIS

This section develops the highest and best use of the subject property as-vacant and as-improved. The highest and best use, or most probable use, must be legally permissible, physically possible, financially feasible, and maximally productive.

As-Vacant Analysis

Permitted uses of the subject's City Center (CX) zoning were listed in the Zoning Analysis section. Regarding physical characteristics, the subject site is elongated and irregular in shape, but serves as road area/infrastructure for the Vancouver Waterfront development. The subject property has good access and good exposure. Overall, the subject property is part of a larger development which is expected to be developed over time with a mix of commercial and residential uses. Based on my observations of land development trends for sites with similar zoning and physical characteristics as the subject and analysis of current supply/demand trends, the highest and best use of the subject site as-vacant is street improvements as part of the Vancouver Waterfront development.

VALUATION METHODS

The following presentation of the appraisal process deals directly with the valuation of the subject property. The paragraphs below describe the standard approaches to value that were considered for this analysis.

The appraisal process, which is applied to most real estate properties, is designed to evaluate all factors that influence value. Regional and market area information has been presented to inform the reader of general outside influences that may affect value. In addition, the subject property has been described and the highest and use concluded. The following section deals directly with the valuation of the property.

The **Sales Comparison Approach** is used to estimate this value through a Land/Site Valuation. The other standard approaches to value, including the cost approach and the income approach, are not typically used when estimating land value and they are not applicable for this analysis. The sales comparison approach is briefly defined below.

LAND VALUATION

As previously discussed within the Valuation Methods section, the subject is valued as one marketable economic site in this appraisal. The most relevant unit of comparison is the price per square foot, as it best reflects the analysis used by buyers and sellers in this market for land with similar utility and zoning. A thorough search was made for similar land sales in terms of proximity to the subject, size, location, development potential, and date of sale. Overall, the sales selected represent the best comparables available for this analysis. The subject property includes various streets and street improvements developed by the client and circulating throughout the Vancouver Waterfront development. We will first estimate a “Per Square Foot” value “As Vacant” for the general subject area in/near the Vancouver Waterfront, based on the underlying zoning designation for the Vancouver Waterfront blocks (CX). This will be done by using downtown land sales in Vancouver and typical sizes of downtown land sales, and then applying this “Per Square Foot” value to the square footage indicated by the streets comprising the subject (6.653 AC), from the Survey Map provided by the client. Finally, at the end of this valuation section, we will make a discount for the subject’s large size as part of a larger development. We will not analyze or conclude any value for the site improvements on the street areas but will rather estimate a value of the subject property “As Vacant”.

Adjustment Process

The following adjustments or general market trends were considered for the basis of valuation.

Transactional Adjustments

Dollar adjustments to the comparable sales were considered and made when warranted for transactional adjustments including property rights transferred, financing terms, conditions of sale, expenditures after purchase such as demolition costs and market conditions. The following table summarizes the market conditions adjustment applied in this analysis.

MARKET CONDITIONS ADJUSTMENT			
Per Year As Of	July 2019	(As-Is)	3%

The analysis applies an upward market conditions adjustment of 3% annually reflecting the conditions between the oldest comparable sale date up through the effective valuation date.

Property Adjustments

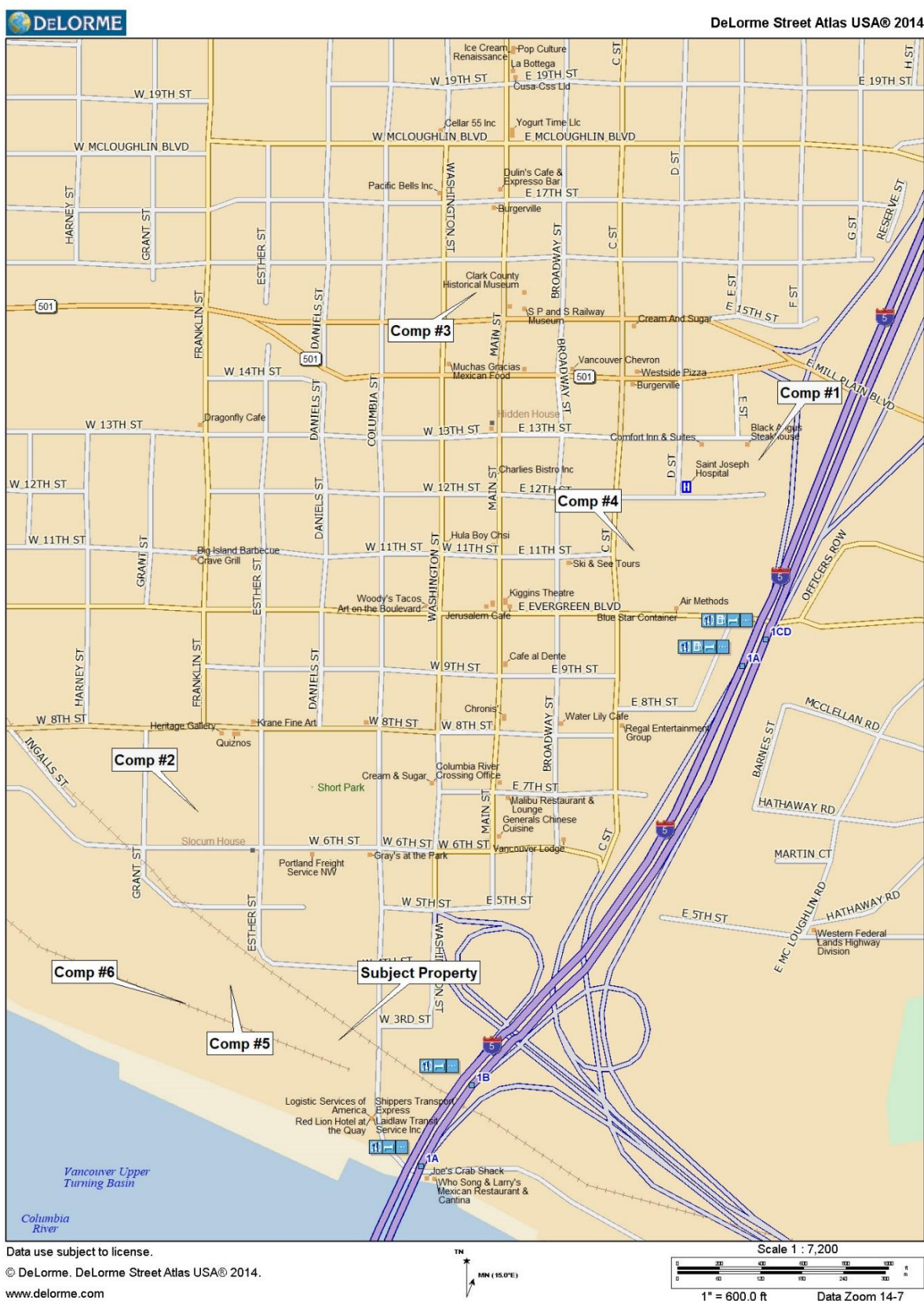
Qualitative adjustments are also made for location and physical characteristics such as size, shape, access, exposure, topography, zoning and overall utility. Where possible the adjustments applied are based on paired data or other statistical analysis. It should be stressed that the adjustments are subjective in nature and are meant to illustrate my logic in deriving a value opinion for the subject site.

Presentation

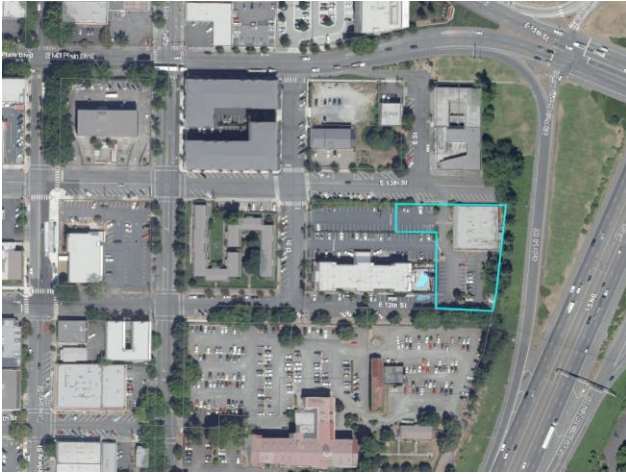
The following Land Sales Summation Table, Location Map and plat maps summarize the sales data used in this analysis. Following these items, the comparable land sales are adjusted for applicable elements of comparison and the opinion of site value is concluded.

LAND SALES SUMMATION TABLE							
COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5	COMPARABLE 6
Name	Developer Exchange Land (Vancouver Waterfront)	Black Angus Property	Esther Apartment Site	15th & Main Full Block	Academy Mixed-Use Land Sale	Vancouver Waterfront (Block 4)	Vancouver Waterfront (Block 3)
Address	Various Streets in the Vancouver Waterfront Including Cascade Way & Waterfront Way	415 East 13th Street	550 W 6th St	1506 Main St	1015 C Street	Esther Street & West Columbia Way	West Columbia Way & Esther Street
City	Vancouver	Vancouver	Vancouver	Vancouver	Vancouver	Vancouver	Vancouver
State	WA	WA	WA	WA	WA	WA	WA
Zip	98660	98660	98660	98660	98660	98660	98660
County	Clark	Clark	Clark	Clark	Clark	Clark	Clark
APN	Dedicated Right-of-Way	039431-001	49443-000	046390-000, 046485-000, 047283-000, 047280-000, 04	986035-621, 986035-622, 039224-000	986041-169 & 986041-168	986041-167
PHYSICAL INFORMATION							
SF	289,780	39,805	36,278	44,875	96,267	32,306	37,785
Location	Excellent	Average/Good	Good	Average/Good	Average/Good	Excellent	Excellent
Exposure	Good	Average	Average	Average	Average/Good	Good	Good
Access	Good	Average/Good	Average/Good	Good	Average/Good	Good	Good
Shape	Irregular	L-shaped	Rectangular	Square	Irregular	Rectangular	Square
Site Utility Rating	Average	Average	Average	Average	Average	Good/Excellent	Good/Excellent
Zoning	CX (City Center)	CX (City Center)	CX (City Center)	CX (City Center)	CX (City Center)	CX (City Center)	CX (City Center)
Flood Zone	Zone X (Shaded)	None	None	None	None	None	None
Corner	Yes	No	No	Yes	No	No	No
Topography	Generally Level	Level	Level	Level	Level	Level	Level
SALE INFORMATION							
Date		6/15/2017	4/11/2017	12/19/2017	11/16/2018	8/3/2017	6/18/2018
Status		Recorded	Recorded	Recorded	Recorded	Recorded	Recorded
Rights Transferred		Leased Fee	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Transaction Price		\$2,461,875	\$2,400,000	\$2,700,000	\$5,494,573	\$3,250,000	\$4,250,000
Analysis Price		\$2,461,875	\$2,400,000	\$2,700,000	\$5,594,573	\$3,250,000	\$4,250,000
\$/SF Land		\$61.85	\$66.16	\$60.17	\$58.12	\$100.60	\$112.48

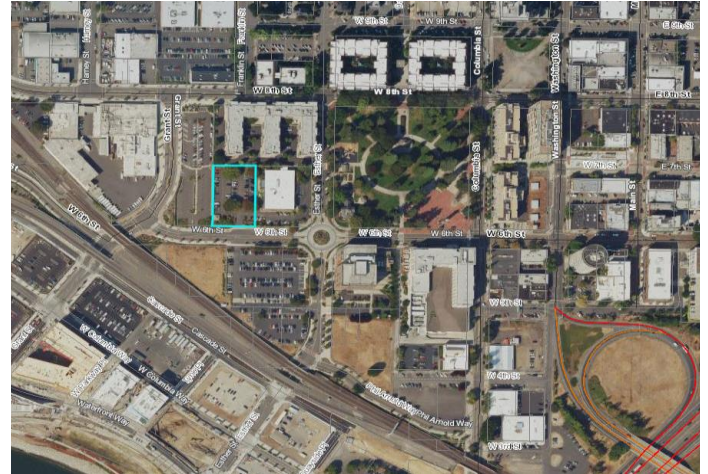
LAND SALES LOCATION MAP



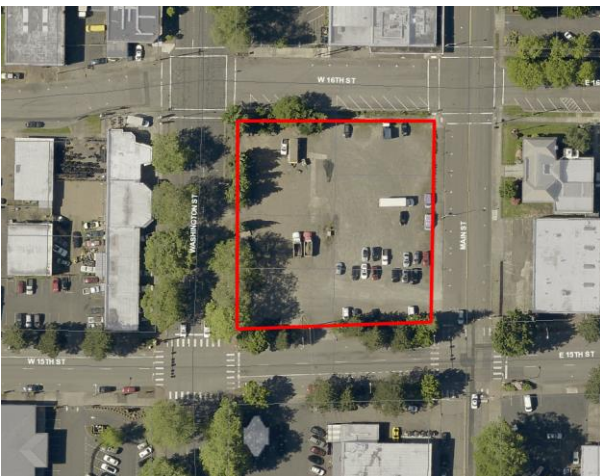
LAND SALES EXHIBITS



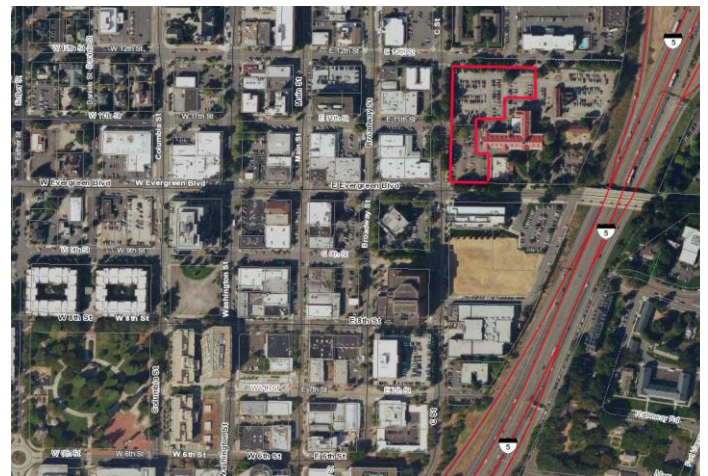
COMPARABLE 1



COMPARABLE 2



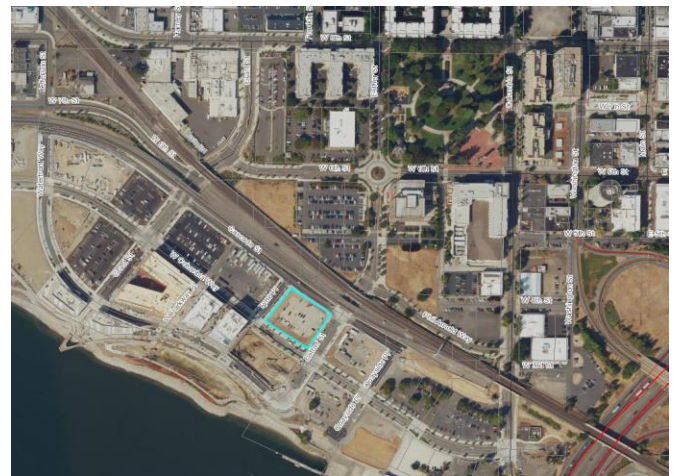
COMPARABLE 3



COMPARABLE 4



COMPARABLE 5



COMPARABLE 6

LAND SALES ADJUSTMENT TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5	COMPARABLE 6
Name	Developer Exchange Land (Vancouver Waterfront)	Black Angus Property	Esther Apartment Site	15th & Main Full Block	Academy Mixed-Use Land Sale	Vancouver Waterfront (Block 4)	Vancouver Waterfront (Block 3)
Address	Various Streets in the Vancouver Waterfront Including Cascade Way & Waterfront Way	415 East 13th Street	550 W 6th St	1506 Main St	1015 C Street	Esther Street & West Columbia Way	West Columbia Way & Esther Street
City	Vancouver	Vancouver	Vancouver	Vancouver	Vancouver	Vancouver	Vancouver
APN	Dedicated Right-of-Way	039431-001	49443-000	046390-000, 046485-000, 047283-000, 047280-000, 04	986035-621, 986035-622, 039224-000	986041-169 & 986041-168	986041-167
SF	289,780	39,805	36,278	44,875	96,267	32,306	37,785
Location	Excellent	Average/Good	Good	Average/Good	Average/Good	Excellent	Excellent
Exposure	Good	Average	Average	Average	Average/Good	Good	Good
Access	Good	Average/Good	Average/Good	Good	Average/Good	Good	Good
Shape	Irregular	L-shaped	Rectangular	Square	Irregular	Rectangular	Square
Site Utility Rating	Average	Average	Average	Average	Average	Good/Excellent	Good/Excellent
SALE INFORMATION							
Date		6/15/2017	4/11/2017	12/19/2017	11/16/2018	8/3/2017	6/18/2018
Status		Recorded	Recorded	Recorded	Recorded	Recorded	Recorded
Rights Transferred		Leased Fee	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Analysis Price		\$2,461,875	\$2,400,000	\$2,700,000	\$5,594,573	\$3,250,000	\$4,250,000
Price/SF		\$61.85	\$66.16	\$60.17	\$58.12	\$100.60	\$112.48
TRANSACTIONAL ADJUSTMENTS							
Property Rights		0%	0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%	0%
Expenditures After the Sale		0%	0%	0%	0%	0%	0%
Market Conditions¹		6%	7%	5%	2%	6%	3%
Subtotal Transactional Adj Price		\$65.56	\$70.79	\$63.18	\$59.28	\$106.64	\$115.85
PROPERTY ADJUSTMENTS							
Location		Inferior	Inferior	Inferior	Inferior	Similar	Similar
Exposure		Inferior	Inferior	Inferior	Sl. Inferior	Similar	Similar
Access		Sl. Inferior	Sl. Inferior	Similar	Sl. Inferior	Similar	Similar
Site Utility Rating		Similar	Similar	Similar	Similar	Superior	Superior
TOTAL ADJUSTED PRICE		\$65.56	\$70.79	\$63.18	\$59.28	\$106.64	\$115.85
STATISTICS	UNADJUSTED	ADJUSTED					
LOW	\$58.12	\$59.28					
HIGH	\$112.48	\$115.85					
MEDIAN	\$64.01						
AVERAGE	\$76.56	\$80.22					

¹ Market Conditions Adjustment: 3%

Date of Value (for adjustment calculations): 7/19/19

LAND SALES ANALYSIS

In this analysis, six comparable land sales were researched in order to estimate a land value for the subject property. An attempt was made to find comparable land sales in the subject's immediate downtown "core" CBD area, of a typical size, acknowledging that the subject's size is larger than this typical size, as it is comprised of publicly dedicated right-of-way which totals 6.65 Acres. Also, the subject's shape is irregular, as the subject is comprised of various streets in and around the Vancouver Waterfront development. As will be mentioned below, due to the apartment market conditions which have strengthened in the past couple of years, driving new construction of apartment and mixed-use projects, there have been some sales for large blocks recently which suggest a trend of some upward pressure on downtown land values, especially for full/large blocks, likely due to the limited supply of available properties. However, in recent years, due to the volume of single-family residential, multi-family residential, and commercial/industrial construction in Clark County, coupled with the increases in construction costs for certain materials, the appreciation in land values has been tempered as developers attempt to achieve financial feasibility for certain projects.

The above land sales indicate a relatively wide range of land value for the subject property of between \$59.28 and \$115.85 per square foot.

The low end of the range is indicated by Comparable 3 (\$63.18), the sale of a full block site bounded by 15th, Main, 16th, and Washington Streets in downtown Vancouver. According to the broker, the buyer plans to develop a mixed-use project, primarily apartments, with some commercial space planned for the first floor. However, this comparable is slightly inferior to the subject property with respect to location and exposure, as it is located further from Esther Short Park, which has been the focal point of development activity and pedestrian traffic. It is slightly superior to the subject property with respect to access. Overall, it is considered to be a slightly low value indicator for the subject property.

The upper end of the range is indicated by Comparables 5 (\$106.64) and 6 (\$115.85). Comparable 5 (\$106.64) is the sale of the site currently being developed with the Hotel Indigo and Kirkland Tower projects in the Vancouver Waterfront. However, downward pressure was placed on this sales price because there was a restriction on this property of only a hotel. Comparable 6 (\$115.85), Block 3, is the most recently closed sale in the Vancouver Waterfront. It was purchased by an apartment developer who has initially proposed a timber-construction apartment project (5-over-1), but an exact unit count was not available. It is located at the NW corner of Esther Street and Columbia Way, immediately south of the Burlington Northern Railroad Tracks. These comparables are similar to the subject with respect to location, exposure, and access. However, as part of an approved Master-Planned Development, they are considered superior with respect to site utility. Overall, Comparables 5 (\$106.64) and 6 (\$115.85) are therefore considered to be upper limit value indicators for the subject property.

Comparable No. 2 (\$70.79) is the 2017 sale of a commercial site in downtown Vancouver, purchased for the development of a downtown apartment complex. The site was originally purchased from the City of Vancouver in January 2015, and the more recent 2017 sale actually reflects an internal transfer between some related parties involved in the development partnership. However, based on our interviews of the parties involved, the buyer and seller attempted to structure this sale at market, so it is utilized in this analysis. It is slightly inferior to the subject property with respect to its location near Esther Short Park, along with its slightly inferior exposure. Overall, however, it is located in relative close proximity to the Vancouver Waterfront development and is considered to be a good value indicator for the subject property.

Comparable No. 4 (\$59.28) is the sale of a commercial parcel in downtown Vancouver, along C Street. It was formerly part of the same ownership as The Academy historical property, which is generally located between East Evergreen Boulevard and East 11th Street, between C Street and Interstate-5. This is a surplus portion of

the historical property which had previously been used as surface parking leased to various office tenants in downtown Vancouver. It was sold as a mixed-use (apartment-commercial) site in downtown Vancouver which is planned to be developed with 110 apartment units to be located over 1st floor commercial retail/service space. It has been adjusted for the buyer's obligation to demolish the adjacent El Presidente restaurant, with the demolition costs estimated at \$100,000, which seems reasonable. Overall, it is a recent sale. However, it is considered to be inferior to the subject property with respect to location, exposure, and access. Therefore, it is considered to be a slightly low value indicator for the subject property.

Comparable 1 (\$65.56) is the sale of the Black Angus site, purchased by a local developer for ultimate re-development. It is currently developed with the Black Angus Restaurant and has some Interstate-5 exposure. Overall, however, it is inferior to the subject property with respect to location and exposure, and slightly inferior with respect to access. Therefore, it is considered a good, but slightly low indicator of value for the subject property.

Factors placing upward pressure on the subject's value are its "prime" location in the downtown CBD "core", its water view/orientation on the south side of the Burlington Northern Railroad Tracks, and its orientation as part of the Vancouver Waterfront development, where there has been a considerable amount of development activity and there is market demand for commercial space and apartment units. Therefore, the subject property is considered to be a desirable piece of commercial property in downtown Vancouver, in the Vancouver Waterfront development.

However, the current construction climate in Clark County and the upward pressure on development costs, both hard and soft costs, have placed some downward pressure on land values, as mentioned previously. The upward pressure on development costs limits what a developer can pay for a site and still achieve a financially feasible project.

Therefore, based on the above analysis, and considering the subject's location/exposure in the downtown "core" CBD of downtown Vancouver, along with current economic and market conditions, a value in the range of \$65.00 to \$75.00 per square foot would be considered appropriate for the subject property, with the mid-range of \$70.00 per square foot concluded. The subject's land value, "As Vacant", is calculated as follows: 6.65 Acres (289,780 SF) X \$70.00/SF = \$20,280,000 (Rounded). This value is based on a Marketing Period of approximately 12 to 18 months.

The following table summarizes the analysis of the comparables, reports the reconciled price per SF value conclusion, and presents the concluded value of the subject site "As Vacant".

CALCULATION OF LAND VALUE

The following table summarizes the analysis of the comparables, reports the reconciled price per square foot value conclusion, and presents the concluded value of the subject site.

CALCULATION OF LAND VALUE					
ANALYSIS				OVERALL	
COMP	PRICE	TRANSACTIONAL ¹	ADJUSTED	NOTES	COMPARISON
1	\$61.85	6%	\$65.56		PRIMARY
2	\$66.16	7%	\$70.79		PRIMARY
3	\$60.17	5%	\$63.18		PRIMARY
4	\$58.12	2%	\$59.28		PRIMARY
5	\$100.60	6%	\$106.64		PRIMARY
6	\$112.48	3%	\$115.85		PRIMARY
LOW	\$59.28			AVERAGE	\$80.22
HIGH	\$115.85			MEDIAN	\$68.18
COMPONENT		SUBJECT SF		\$/SF CONCLUSION	
MARKET VALUE ("AS VACANT")		289,780	x	\$70.00 =	\$20,280,000
Size Discount (Limited Marketability)				40%	(\$8,112,000)
TOTAL ADJUSTED VALUE					\$12,170,000

¹Cumulative ²Additive

Rounded to nearest \$10,000

MARKETABILITY DISCOUNT

The concluded "base" value of the overall subject site, as a fully marketable site with a regular size and a broader range of potential buyers, is \$70.00/SF. The above value is concluded, assuming the subject property has full marketability to a broad range of users/buyers, with a size which is adequate to support a range of commercial/mixed-use developments. However, the subject property is essentially part of a larger development. The subject's size represents 6.65 Acres, and the size/magnitude of the overall Vancouver Waterfront development is even larger. The subject property represents a portion of a significantly larger development, and the subject's size is significantly larger than the comparable land sales.

Therefore, based on the subject's larger size, a considerable discount is appropriate, likely in the range of 30% to 50%, with the mid-range of 40% concluded and applied to the subject property. This indicates a value for the subject property which is calculated as follows: \$70.00/SF X 60% (40% Discount) = \$42.00/SF X 289,780 SF = \$12,170,000, Rounded.

SUMMARY AND RECONCILIATION OF VALUES

The Current Market Value ("As Vacant") of the subject property is summarized as follows:

VALUE SUMMARY

Current Market Value "As Vacant" (7/19/19): **\$12,170,000**

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions of the signer are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The signer of this report has no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- Dean Meyer, MAI has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- The signer is not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.
- The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* and the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute.
- Dean Meyer, MAI inspected the property that is the subject of this report.
- No one provided significant real property appraisal assistance to appraiser signing this certification.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report Dean Meyer, MAI completed the continuing education program for Designated Members of the Appraisal Institute.



Dean Meyer, MAI
Senior Valuation Services Director
Certified General Real Estate Appraiser
State of Washington License #1100795
+1 360 823 5263
dean.meyer@colliers.com

July 31, 2019
Date

This appraisal is subject to the following assumptions and limiting conditions:

- The appraiser may or may not have been provided with a survey of the subject property. If further verification is required, a survey by a registered surveyor is advised.
- We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.
- The exhibits in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.
- Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.
- The appraiser assumes no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein.
- Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.
- This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.
- The appraiser may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made therefore.
- The statements of value and all conclusions shall apply as of the dates shown herein.
- There is no present or contemplated future interest in the property by the appraiser which is not specifically disclosed in this report.
- Without the written consent or approval of the author neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media. This applies particularly to value conclusions and to the identity of the appraiser and the firm with which the appraiser is connected.
- This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the author no portion of the report stands alone.
- The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.
- The liability of Colliers International Valuation & Advisory Services, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser is in no way responsible for any costs incurred to discover or correct any deficiency in the property.
- The appraiser is not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Colliers International Valuation & Advisory Services and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property damage, or personal

injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.

- The appraiser assumes no responsibility for determining if the subject property complies with the *Americans with Disabilities Act (ADA)*. Colliers International Valuation & Advisory Services, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance. This appraisal assumes that the subject meets an acceptable level of compliance with *ADA* standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.
- An on-site inspection of the subject property was conducted. No evidence of asbestos materials on-site was noted. A Phase 1 Environmental Assessment was not provided for this analysis. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.
- A detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.
- This analysis assumes that the financial information provided for this appraisal, including rent rolls and historical income and expense statements; accurately reflect the current and historical operations of the subject property.

Professional Service Agreement (PSA)

Valuation Glossary

Qualifications of Appraiser

Qualifications of Colliers International Valuation & Advisory Services

PROFESSIONAL SERVICE AGREEMENT

COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

700 Washington Street, Suite 600
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June 26, 2019

Dean M. Meyer, MAI
Senior Valuation Services Director
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Matt Grady
Columbia Waterfront, LLC
19767 SW 72nd Avenue, #100
Tualatin, OR 97062
503.245.1976
matt@gramor.com

RE: Appraisal of: Commercial "Developer Exchange" Land (6.653 Acres)
Vancouver Waterfront (Downtown Vancouver), Vancouver, WA 98660

Dear Mr. Grady:

Thank you for considering Colliers International Valuation & Advisory Services, LLC for the assignment identified in the below stated Professional Service Agreement. Please sign one copy of the agreement and return it to me, thereby indicating your authorization for us to proceed with this assignment and your acceptance of the attached Terms and Conditions.

PROFESSIONAL SERVICE AGREEMENT ("Agreement")	
Project	Commercial "Developer Exchange" Land (6.653 Acres), Located in the Vancouver Waterfront Development in Downtown Vancouver, WA 98660 ("Property")
Location	Commercial "Developer Exchange" Land (6.653 Acres), Part of the Vancouver Waterfront Blocks, Downtown Vancouver, WA 98660
Project Description	Downtown Commercial (CX) Zoned Land, Located in a portion of the Vancouver Waterfront development, Vancouver, WA 98660. The property includes various streets developed by the client, but the focus of our analysis is the underlying land value "as vacant". The area totals 6.653 Acres and is part of the Vancouver Waterfront development.
Parties	Colliers International Valuation & Advisory Services, LLC ("CIVAS") and Columbia Waterfront, LLC (herein at times referred to as "Client")
Intended User	The appraisal will be prepared for Columbia Waterfront, LLC. Intended users include the Client. Additional intended users include the City of Vancouver. No other users are intended.
Intended Use	The report to be performed under this Agreement ("Appraisal") is intended only for use in internal decision-making purposes regarding the details of the transfer of ownership of a nearby property to the client. The report is not intended for any other use.
Purpose	Estimate Current Market Value in conformity with USPAP
Type of Appraisal	CIVAS will produce an Appraisal Report in which the appraiser's analysis and conclusions will be summarized within this document.
Rights Appraised	Fee Simple Interest
Date of Value	Current Date (Date of Inspection)

Colliers International Valuation & Advisory Services, and certain of its subsidiaries, is an independently owned and operated business and a member firm of Colliers International Property Consultants, an affiliation of independent companies with over 500+ offices throughout more than 63 countries worldwide.

PROFESSIONAL SERVICE AGREEMENT

CONTINUED

Scope of Work	CIVAS and/or its designated affiliate will provide the Appraisal in accordance with USPAP, and the Code of Ethics and Certifications Standards of the Appraisal Institute and State Licensing Laws. CIVAS will research relevant market data and perform analysis to the extent necessary to produce credible appraisal results. Based on our discussions with the Client, the Client has requested the following valuation scenarios: Current Market Value (As Vacant). CIVAS anticipates developing the following valuation approaches: Land Value (Sales Comparison Approach) An exterior (site) observation of the subject property will be performed. The subject property includes various streets and street improvements developed by the client and circulating throughout the Vancouver Waterfront development. We will first estimate a "Per Square Foot" value "As Vacant" for the general subject area in/near the Vancouver Waterfront, based on the underlying zoning designation for the Vancouver Waterfront blocks. This will be done by using downtown land sales in Vancouver and typical sizes of downtown land sales, and then applying this "Per Square Foot" value to the square footage indicated by the streets comprising the subject (8.853 AC), from the Survey Map provided by the client. We will not analyze or conclude any value for the site improvements on the street areas but will rather estimate a value of the subject property "As Vacant". The client and City of Vancouver will utilize this value to compare with the value of a nearby property in determining any compensation necessary in the transfer of this nearby parcel from the City of Vancouver to the client. The scope of work will be included in the Appraisal. A copy of the Assumptions and Limiting Conditions, which appear in the Appraisal, is available upon request.
Delivery	2 to 3 weeks, upon receipt of the Signed Professional Service Agreement
Professional Fee	\$2,900
Expenses	Fees include all associated expenses.
No. of Reports	One (1) Electronic Final Appraisal. No printed copies will be delivered to the client. If the client requests printed (hard) copies, the additional charge will be \$100 per report copy.
Retainer	No retainer is required.
Payment Terms	CIVAS will invoice Client for the Appraisal in its entirety at the completion of the assignment. Final payment is due and payable within five (5) business days upon delivery of the electronic copy of the Appraisal or within thirty (30) days of your receipt of our Appraisal, whichever is sooner.
Acceptance Date	These specifications are subject to modification if this Agreement is not accepted within three (3) business days from the date of this letter.

Terms and Conditions

The attached Terms and Conditions and Specific Property Data Request are deemed a part of this Agreement as though set forth in full herein. The following is a list of information we will need to begin our analysis. Please forward with the Agreement or as soon as possible.

- › Survey, if Any
- › Information on any offers made on the property in the last 3 years.
- › Any other information pertinent to the appraisal
- › Name and telephone number of property contact for physical inspection and additional information needed during the appraisal process
- › Property Contact **PUBLIC STREETS**
NONE, NEEDED

In addition to the items requested above, please forward any additional materials you would consider relevant in the analysis of the subject property.

Reliance Language – Non-Lender Client

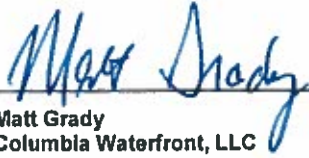
The Appraisal is for the sole use of the Client; however, Client may provide only complete, final copies of the Appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with the stated Intended Use. CIVAS is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow the Appraisal prepared by CIVAS or portions of such Appraisal, to become part of or be referenced in any public offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on condition that CIVAS will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to CIVAS, by a party satisfactory to CIVAS. CIVAS hereby expressly grants to client the right to copy the Appraisal and distribute it to employees of client and to your accountants/auditors in its entirety (but not component parts) without the need to provide CIVAS with an Indemnification Agreement and/or Non-Reliance letter.

PROFESSIONAL SERVICE AGREEMENT

CONTINUED

If you have questions regarding the enclosed, please feel free to contact me. CIVAS appreciates this opportunity to be of service to you on this assignment and looks forward to serving you. If you have additional questions, please contact us.

I, Matt Grady, Columbia Waterfront, LLC, agree to the above stated terms and authorize Colliers International Valuation & Advisory Services, LLC to prepare the above referenced appraisal.



Date:

7.10.19

Matt Grady
Columbia Waterfront, LLC

Respectfully,

Colliers International Valuation & Advisory Services, LLC



Dean M. Meyer, MAI
Senior Valuation Services Director
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PROFESSIONAL SERVICE AGREEMENT

CONTINUED

TERMS AND CONDITIONS

"T&C"

- 1) The Appraisal will be subject to Colliers International Valuation & Advisory Services, LLC's ("CIVAS") Assumptions and Limiting Conditions that are incorporated into each appraisal, and any Extraordinary Assumptions and Hypothetical Conditions that may be incorporated into each appraisal.
- 2) Any capitalized, non-defined words shall have the same meaning as defined in the Agreement to which these T&Cs are attached.
- 3) Client is defined as the party signing the Agreement and shall be responsible for payment of the fees stipulated in the Agreement. Payment of the fee for the Appraisal is not contingent on the appraised value(s) or the outcome of the report(s). Additional fees will be charged on an hourly basis for any work that may exceed the scope of this proposal, including performing additional valuation scenarios, additional research, and conference calls, meetings, deposition preparation, deposition, trial testimony or travel that may exceed the time allotted by CIVAS for an assignment of this nature. If CIVAS is requested to cease working on the Appraisal for any reason prior to the completion of the appraisal(s), CIVAS will be entitled to bill the Client for the time spent to date at CIVAS' hourly rates for the personnel involved. The Client will be billed a minimum \$500 or at a rate of \$250 per hour for associate time, \$300 per hour for valuation services director, \$400 per hour for managing director, and \$450 per hour for executive managing director. If the Client delays completion of the assignment beyond ninety (90) days, the fee may be renegotiated. This may result in the total fee exceeding the original agreed fee agreed upon cost.
- 4) Client agrees to pay all fees and expenses, including attorney's fees, incurred by CIVAS in connection with the collection or attempted collection of the fees and expenses. In the event Client fails to make payments when due and payable, the amount due shall bear interest at 1.5% per month or the maximum rate permitted in the state in which the CIVAS office executing the Agreement is located, whichever is lesser.
- 5) The fee is due upon delivery of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. If a draft is requested, the fee is considered earned upon delivery of our draft report.
- 6) In the event that either party commences any legal action relating to the provisions of the Agreement, including collection, the prevailing party shall be entitled to its actual attorneys' fees and costs. The Agreement shall be governed by and construed in accordance with the laws of the state where the CIVAS office executing the Agreement is located. The venue of any action arising out of the Agreement shall be the county where the CIVAS office executing the Agreement is located. Client will have up to thirty (30) days from receipt of the Draft Appraisal to review and communicate its review to CIVAS. CIVAS reserves the right to bill Client for additional appraisal efforts that may arise from the Client not responding within this time period.
- 7) CIVAS does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to CIVAS by Client.
- 8) CIVAS shall have no responsibility for legal matters, questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The Appraisal will not constitute a survey of the Property analyzed.
- 9) Client shall provide CIVAS with such materials with respect to the Appraisal as requested by CIVAS and which are in the possession or under the control of Client. Client shall provide CIVAS with sufficient access to the Property to be analyzed and hereby grants permission for entry, unless discussed in advance to the contrary.
- 10) The data gathered in the course of the Appraisal (except data furnished by Client) and the Appraisal prepared pursuant to the Agreement are, and will remain, the property of CIVAS. With respect to data provided by Client, such data shall be confidential, and CIVAS shall not disclose any information identified as confidential furnished to CIVAS. Notwithstanding the foregoing, CIVAS is authorized by Client to disclose all or any portion of the Appraisal and the related data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable CIVAS to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
- 11) Unless specifically noted, CIVAS does not assume any duty to analyze or examine the Property or adjacent property for the possible presence of toxic and/or hazardous substances or materials (including but not exclusive to asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (hazardous material), or the cost of encapsulation or removal thereof) and accepts no liability regarding the issue. If such materials exist, CIVAS defers to the expertise of professionals specifically trained in analyzing the cost to remediate, which will not be a part of the appraisal fee proposal. The Appraisal will contain a comprehensive disclaimer to this effect.
- 12) CIVAS understands that there is no major or significant deferred maintenance in the Property which would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, and are not a part of the fee contemplated in the Agreement.
- 13) Client acknowledges that CIVAS is being retained hereunder as an independent contractor to perform the services described herein and nothing in the Agreement shall be deemed to create any other relationship between Client and CIVAS. The Agreement shall be deemed concluded and the services hereunder completed upon delivery to Client of the Appraisal discussed herein.
- 14) Client agrees that its only remedy for losses or damages relating to the Agreement shall be limited to the amount of the appraisal fee paid by the Client and in no circumstances shall CIVAS be liable for any losses or damages in excess of this amount. Should the Client, or any other entitled party, make a claim against CIVAS, its directors, officers, employees and other affiliates and shareholders, relating to this engagement or the appraisal(s), the maximum damages recoverable from CIVAS, its directors, officers, employees and other affiliates and shareholders, shall be the amount of funds actually collected by CIVAS under the Agreement, and no claim shall be made for any consequential or punitive damages.
- 15) If CIVAS or any of its employees receives a subpoena or other judicial notification to produce documents or provide testimony involving the Appraisal in connection with a lawsuit or related proceeding, CIVAS will notify the Client of receipt of the subpoena or notification. However, if CIVAS is not part of the lawsuit or proceedings, Client agrees to compensate CIVAS for the professional

PROFESSIONAL SERVICE AGREEMENT

CONTINUED

time required and to reimburse CIVAS for the expenses incurred in responding to any such subpoena or judicial notification, including any attorneys' fees, as they are incurred. CIVAS is to be compensated at the prevailing hourly rates of the personnel responding to the subpoena or command for testimony.

- 16) If expert witness testimony is required in connection with the Appraisal, the following hourly rates will apply. The Client will be billed at the rate of \$250 per hour for associate time, \$350 per hour for valuation services director, \$400 per hour for managing director, and \$450 per hour for executive managing director. The hourly billings pertain to court preparation, waiting and travel time, document review and preparation (excludes appraisal report) and all meetings related to court testimony.
- 17) Client shall indemnify and hold CIVAS, its parent, subsidiaries, affiliates, its officers, directors, employees and agents ("CIVAS Indemnities"), fully harmless against all losses, damages, claims, and expenses of any kind whatsoever (including costs and reasonable attorneys' fees), sustained or incurred by a third party as a result of the negligence or intentional acts or omissions of Client (including any failure to perform any duty imposed by law), any misrepresentation, distortion or if Client fails to provide complete and accurate information to CIVAS, for which recovery is sought against the CIVAS Indemnities by that third party; however, such obligation to defend and indemnify shall not apply to the extent caused by the negligent act or willful misconduct of CIVAS. Client shall indemnify and hold CIVAS Indemnities harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the Appraisal to any third party. **LIMITATION OF LIABILITY.** EXCEPT FOR THE INDEMNIFICATION PROVISION ABOVE, ANYTHING IN THE AGREEMENT TO THE CONTRARY NOTWITHSTANDING, UNDER NO CIRCUMSTANCES WHATSOEVER SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, OR INCIDENTAL DAMAGES OF ANY KIND WHATSOEVER.
- 18) The Appraisal and the name Colliers International Valuation & Advisory Services may not be used in any marketing or investment material or offering memoranda without CIVAS' prior written consent. CIVAS, its employees and appraisers have no liability to any recipients of any prepared material, and disclaim all liability to any party other than the Client.
- 19) Unless CIVAS consents in writing, the Appraisal cannot be used by any party or for any purpose other than the Client for the purposes specified in the Agreement. Should the Client provide a copy of this Appraisal to any person or entity not authorized by CIVAS in writing, Client hereby agrees to hold CIVAS, its directors, officers, employees and other affiliates and shareholders, harmless from all damages, expenses, claims and costs, including any attorney's fees. The Client acknowledges that any opinions and conclusions expressed by the professionals of CIVAS pursuant to the Agreement are made as employees and not as individuals. CIVAS' responsibility is limited to the Client, and the use of the Appraisal or related product by third parties shall be solely at the risk of the Client and/or third parties.
- 20) The use of this appraisal shall be used only for the purpose as set forth in the Intended Use section of the Agreement. In the event that the client wishes to use this report or portions of this report for any other purpose such as, to become part of or be referenced in, any offering or other material intended for the review of others, or to be submitted to others, will be at the Client's sole and absolute discretion and, if given, will be on condition that CIVAS will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to CIVAS and the Client, by a party satisfactory to CIVAS and the Client. CIVAS does consent to Client submission of the complete Appraisal to rating agencies, loan participants or your accountants/auditors without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.

CONTACT DETAILS

DIR +1 206 695 4200
FAX +1 206 682 7938

Colliers International
601 Union Street
Suite 4800
Seattle, WA 98101

www.colliers.com

Unless specified otherwise, these definitions were extracted from the following sources or publications:

The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015 (*Dictionary*).

Uniform Standards of Professional Appraisal Practice, 2018-2019 Edition (USPAP).

The Appraisal of Real Estate, Fourteenth Edition, Appraisal Institute, Chicago, Illinois, 2013 (*14th Edition*).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (*Dictionary*)

Ad Valorem Tax

A real estate tax based on the assessed value of the property, which is not necessarily equivalent to its market value. (*14th Edition*)

Aggregate of Retail Values (ARV)

The sum of the separate and distinct market value opinions for each of the units in a condominium; subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as sold together in a single transaction; it is simply the total of the individual market value conclusions. Also called *sum of the retail values*. (*Dictionary*)

Arm's-length Transaction

A transaction between unrelated parties who are each acting in his or her own best interest. (*Dictionary*)

As-Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (*Dictionary*)

Assessed Value

The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value. (*14th Edition*)

Average Daily Room Rate (ADR)

In the lodging industry, the net rooms revenue derived from the sale of guest rooms divided by the number of paid occupied rooms. (*Dictionary*)

Band of Investment

A technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted-average rate attributable to the total investment. (*Dictionary*)

Cash-Equivalent Price

The price of a property with nonmarket financing expressed as the price that would have been paid in an all-cash sale. (*Dictionary*)

Common Area

The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities. (*Dictionary*)

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Contract Rent

The actual rental income specified in a lease. *(14th Edition)*

Cost Approach

A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised. *(14th Edition)*

Curable Functional Obsolescence

An element of depreciation; a curable defect caused by a flaw in the structure, materials, or design, which can be practically and economically corrected. *(Dictionary)*

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service, which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. *(Dictionary)*

Deferred Maintenance

Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of a property. *(Dictionary)*

Depreciation

In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. *(Dictionary)*

Direct Costs

Expenditures for the labor and materials used in the construction of improvements; also called *hard costs*. *(Dictionary)*

Discounted Cash Flow (DCF) Analysis

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate. *(Dictionary)*

Discount Rate

A rate of return on capital used to convert future payments or receipts into present value; usually considered to be a synonym for *yield rate*. *(Dictionary)*

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider their best interests.
7. An adequate marketing effort will be made during the exposure time.

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8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.

9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. (*Dictionary*)

Easement

The right to use another's land for a stated purpose. Access or right-of-way easements may be acquired by private parties or public utilities. Governments may be the beneficiaries of easements placed on privately owned land that is dedicated to conservation, open space, or preservation. (*14th Edition*)

Economic Life

The period over which improvements to real property contribute to property value. (*Dictionary*)

Effective Age

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. (*Dictionary*)

Effective Date

The date on which the appraisal or review opinion applies (SVP) (*Dictionary*)

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. (*Dictionary*)

Effective Gross Income Multiplier (EGIM)

The ratio between the sale price (or value) of a property and its effective gross income. (*Dictionary*)

Effective Rent

The rental rate net of financial concessions such as periods of free rent during the lease term and above or below-market tenant improvements (TIs). (*14th Edition*)

Eminent Domain

The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as the *takings clause*, guarantees payment of just compensation upon appropriation of private property. (*Dictionary*)

Entrepreneurial Incentive

The amount an entrepreneur expects to receive for his or her contribution to a project. Entrepreneurial incentive may be distinguished from entrepreneurial profit (often called *developer's profit*) in that it is the expectation of future profit as opposed to the profit actually earned on a development or improvement. (*Dictionary*)

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Entrepreneurial Profit

A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses. (*Dictionary*)

Excess Land

Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. (*Dictionary*)

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. Due to the higher risk inherent in the receipt of excess rent, it may be calculated separately and capitalized or discounted at a higher rate in the income capitalization approach. (*14th Edition*)

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. (*Dictionary*)

Exposure Time

The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. (*Dictionary*)

External Obsolescence

A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be temporary or permanent. (*Dictionary*)

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions. (USPAP)

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Fair Market Value

In nontechnical usage, a term that is equivalent to the contemporary usage of *market value*.

As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency. (*Dictionary*)

Feasibility Analysis

A study of the cost-benefit relationship of an economic endeavor. (*USPAP*)

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat. (*Dictionary*)

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area. (*Dictionary*)

Functional Obsolescence

The impairment of functional capacity of improvements according to market tastes and standards. (*Dictionary*)

Functional Utility

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. (*Dictionary*)

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (*Dictionary*)

Going-concern

An established and operating business having an indefinite future life. (*Dictionary*)

Going-concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern or market value of the total assets of the business*. (*Dictionary*)

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. (*Dictionary*)

Gross Leasable Area (GLA) - Commercial

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. (*Dictionary*)

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Gross Living Area (GLA) - Residential

Total area of finished, above-grade residential area; calculated by measuring the outside perimeter of the structure and includes only finished, habitable, above-grade living space. (Finished basements and attic areas are not generally included in total gross living area. Local practices, however, may differ.) (*Dictionary*)

Highest & Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for that asset when formulating the price that it would be willing to bid (IVS). (*Dictionary*)

Hypothetical Condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (*USPAP*)

Income Capitalization Approach

In the income capitalization approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principle of anticipation is fundamental to this approach. Techniques and procedures from this approach are used to analyze comparable sales data and to measure obsolescence in the cost approach. (*14th Edition*)

Incurable Functional Obsolescence

An element of depreciation; a defect caused by a deficiency or superadequacy in the structure, materials, or design that cannot be practically or economically corrected as of the effective date of the appraisal. (*Dictionary*)

Indirect Costs

Expenditures or allowances for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract. Indirect costs may include administrative costs, professional fees, financing costs and the interest paid on construction loans, taxes and the builder's or developer's all-risk insurance during construction, and marketing, sales, and lease-up costs incurred to achieve occupancy or sale. Also called *soft costs*. (*Dictionary*)

Insurable Replacement Cost

The cost estimate, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design and layout for insurance coverage purposes guaranteeing that damaged property is replaced with a new property (i.e., depreciation is not deducted). (*Dictionary*)

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Interim Use

The temporary use to which a site or improved property is put until a different use becomes maximally productive. (*Dictionary*)

Investment Value

The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. (*Dictionary*)

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.

9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. (*Dictionary*)

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversion right when the lease expires. (*Dictionary*)

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. (*Dictionary*)

Legally Nonconforming Use

A use that was lawfully established and maintained, but no longer conforms to the use regulations of its current zoning; also known as a *grandfathered use*. (*Dictionary*)

Market Area

The geographic region from which a majority of demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas. (*Dictionary*)

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). (*14th Edition*)

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Market Study

An analysis of the market conditions of supply, demand, and pricing for a specific property type in a specific area. (*Dictionary*)

Market Value (Interagency Guidelines)

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 each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Interagency Appraisal and Evaluation Guidelines, December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472)

Marketability Analysis

The study of how a specific property is expected to perform in a specific market. A marketability analysis expands on a market analysis by addressing a specific property. (*Dictionary*)

Neighborhood Analysis

The objective analysis of observable or quantifiable data indicating discernible patterns of urban growth, structure, and change that may detract from or enhance property values; focuses on four sets of considerations that influence value: social, economic, governmental, and environmental factors. (*Dictionary*)

Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization). (*14th Edition*)

Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. (*Dictionary*)

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Off-site Costs

Costs incurred in the development of a project, excluding on-site costs such as grading and construction of the building and other improvements; also called *common costs* or *off-site improvement costs*. (*Dictionary*)

On-site Costs

Costs incurred for the actual construction of buildings and improvements on a particular site. (*Dictionary*)

Overage Rent

The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakeven sales volume. (*14th Edition*)

Overall Capitalization Rate (OAR)

The relationship between a single year's net operating income expectancy and the total property price or value. (*Dictionary*)

Parking Ratio

The ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios for various land uses are often stated in zoning ordinances. (*Dictionary*)

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (*Dictionary*)

Potential Gross Income Multiplier (PGIM)

The ratio between the sale price (or value) of a property and its annual potential gross income. (*Dictionary*)

Present Value (PV)

The value of a future payment or series of future payments discounted to the current date or to time period zero. (*Dictionary*)

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy. (*Dictionary*)

Qualitative Adjustment

An indication that one property is superior, inferior, or the same as another property. Note that the common usage of the term is a misnomer in that an adjustment to the sale price of a comparable property is not made. Rather, the indication of a property's superiority or inferiority to another is used in relative comparison analysis, bracketing, and other forms of qualitative analysis. (*Dictionary*)

Quantitative Adjustment

A numerical (dollar or percentage) adjustment to the indicated value of the comparable property to account for the effect of a difference between two properties on value. (*Dictionary*)

Rentable Area

The amount of space on which the rent is based; calculated according to local practice. (*Dictionary*)

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Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. (*Dictionary*)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building. (*Dictionary*)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." (*Dictionary*)

Sales Comparison Approach

The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered vacant when an adequate supply of comparable sales is available. (*Dictionary*)

Scope of Work

The type and extent of research and analysis in an appraisal or appraisal review assignment. Scope of work includes, but is not limited to:

The extent to which the property is identified;

The extent to which tangible property is inspected;

The type and extent of data researched; and

The type and extent of analysis applied to arrive at opinions or conclusions. (*USPAP*)

Shopping Center Types

Neighborhood Shopping Center: The smallest type of shopping center, generally with a gross leasable area of between 30,000 and 100,000 square feet. Typical anchors include supermarkets. Neighborhood shopping centers offer convenience goods and personal services and usually depend on a market population support of 3,000 to 40,000 people.

Community Shopping Center: A shopping center of 100,000 to 400,000 square feet that usually contains one junior department store, a variety store, discount or department store. A community shopping center generally has between 20 and 70 retail tenants and a market population support of 40,000 to 150,000 people.

Regional Shopping Center: A shopping center of 300,000 to 900,000 square feet that is built around one or two full-line department stores of approximately 200,000 square feet each plus small tenant spaces. This type of center is typically supported by a minimum population of 150,000 people.

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Shopping Center Types (cont.)

Super-Regional Center: A large center of 600,000 to 2.0 million square feet anchored by three or more full-line department stores. This type of center is typically supported by a population area of 300,000 people. (14th Edition)

Superadequacy

An excess in the capacity or quality of a structure or structural component; determined by market standards. (*Dictionary*)

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (*Dictionary*)

Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. (*Dictionary*)

Triple Net Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called *NNN*, *triple net lease*, or *fully net lease*. (*Dictionary*)

Usable Area

The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas. (*Dictionary*)

Useful Life

The period of time over which a structure or a component of a property may reasonably be expected to perform the function for which it was designed. (*Dictionary*)

Vacancy and Collection Loss

A deduction from potential gross income (PGI) made to reflect income deductions due to vacancies, tenant turnover, and non-payment of rent; also called *vacancy and credit loss* or *vacancy and contingency loss*. (*Dictionary*)

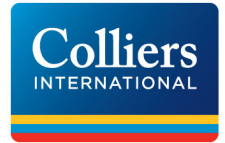
Yield Capitalization

A method used to convert future benefits into present value by 1) discounting each future benefit at an appropriate yield rate, or 2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate. (*Dictionary*)



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EDUCATION AND QUALIFICATIONS

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Dean M. Meyer, MAI, has spent the last 30 years developing local commercial real estate expertise in the Vancouver office of Colliers International Valuation & Advisory Services, specializing geographically in Southwest Washington. His primary local expertise is in Clark County, with a vast range of experience in appraising commercial office, retail, industrial and special-use properties, along with commercial and industrial land. Various clients, including lenders, brokers, developers, attorneys, private owners, and governmental agencies, have turned to Dean for his expertise and service in the local Southwest Washington market. Dean cares about the relationships he has built with these clients in providing valuable real estate services for a variety of property types. Dean received his MAI (Member of the Appraisal Institute) designation in 1999, and continues to provide various real estate appraisal services to an extensive array of clients for various intended uses, including lending, right-of-way acquisition, estate planning, decision-making, tax appeal, divorce and arbitration. Dean has over 15 years of eminent domain experience involving various right-of-way acquisition assignments.

EXPERIENCE

Senior Valuation Services Director, 2006-present, Colliers International Valuation & Advisory Services. Specialty is primarily in office, retail, and industrial properties. Geographic area of specialty is in Southwest Washington.

Manager, 1999-2009, Colliers International Valuation & Advisory Services

Real Estate Appraiser, 1989-present, Colliers International Valuation & Advisory Services.

PROFESSIONAL MEMBERSHIPS & ACCREDITATIONS

Member – Appraisal Institute

APPRAISAL INSTITUTE COURSES

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Today's business climate places valuation in a more pivotal position than ever before. All our appraisals are evaluated and approved by an experienced review team to ensure our clients receive concise and timely appraisals. With clear, prompt reporting and a comprehensive, big picture approach, Colliers International's Valuation and Advisory reports give our clients the information they need to make better business decisions.

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SURPLUS CITY OF VANCOUVER LAND

South Side of Burlington Northern Railroad Tracks,
Between Columbia Street & Esther Street
Vancouver, Washington 98660

APPRAISAL REPORT

Date of Report: April 30, 2019

Colliers File #: VAN190039



PREPARED FOR
Linda Carlson
Property Management Specialist
City of Vancouver
415 West 6th Street
Vancouver, WA 98660

PREPARED BY
COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

LETTER OF TRANSMITTAL

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April 30, 2019

Linda Carlson
Property Management Specialist
City of Vancouver
415 West 6th Street
Vancouver, WA 98660

RE: Surplus City of Vancouver Land

South Side of Burlington Northern Railroad Tracks, Between Columbia Street & Esther Street
Vancouver, Washington 98660

Colliers File #: VAN190039

Ms. Carlson:

This appraisal report satisfies the scope of work and requirements agreed upon by City of Vancouver and Colliers International Valuation & Advisory Services. At the request of the client, this appraisal is presented in an Appraisal Report format as defined by *USPAP* Standards Rule 2-2(a). My appraisal format provides a summary description of the appraisal process, subject and market data and valuation analyses.

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's fee simple interest. The following table conveys the final opinion of market value of the subject property that is developed within this appraisal report:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
As-Is Market Value	Fee Simple	April 12, 2019	\$510,000

The subject is a surplus right-of-way property located on a 0.83-acre site on the South Side of Burlington Northern Railroad Tracks, Between Columbia Street & Esther Street, in Vancouver, Washington. The client has provided a legal description and a site size for this surplus parcel, comprised of two tax parcels owned by the City of Vancouver and some vacated right-of-way in between the two tax parcels. There is only one abutting ownership which would be a logical purchaser of the subject property, the Port of Vancouver, which owns the property immediately south of the subject property. There is a short winding asphalt-paved road which used to circulate traffic through the neighborhood. However, with the construction of Columbia Way, west of Columbia Street, and into the Vancouver Waterfront development, this winding asphalt-paved road has been vacated and is now under the ownership of the Port of Vancouver. The subject property has been a part of a long and complex process of involving the re-development of the Vancouver Waterfront property, as well as the construction of the West Vancouver Freight Access Project, as well as two new "tunnels" under the Burlington Northern Railroad Tracks connecting the Esther Short Park area with the new Vancouver Waterfront area.

As part of the Development Agreement, and with the construction of the road infrastructure in the Vancouver Waterfront, the City of Vancouver is now moving forward with the process of conveying ownership of the subject property to Columbia Waterfront, LLC. Columbia Waterfront, LLC, will then transfer ownership to the Port of Vancouver, who will construct an extension of Cascade Street over the subject property, providing north access to the Port of Vancouver parcels.

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. *USPAP* defines an Extraordinary Assumption as, “an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions”. *USPAP* defines a Hypothetical Condition as, “that which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis”.

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at my opinion of value are fully discussed below. I advise the client to consider these issues carefully given the intended use of this appraisal, as their use might have affected the assignment results.

EXTRAORDINARY ASSUMPTIONS

The subject property is comprised of two individual tax parcels owned by the City of Vancouver, separated from each other by some vacated right-of-way. For the purposes of this analysis, although this area is not a separate tax parcel, this appraisal will call out an As-Is Value for the entire subject property, with the Extraordinary Assumption that the City of Vancouver, through the process of re-conveying the subject property to Columbia Waterfront, LLC, could complete a lot line adjustment, creating the subject parcel, without much delay. This is considered a reasonable assumption for this appraisal.

No other Extraordinary Assumptions were made for this assignment.

HYPOTHETICAL CONDITIONS

No Hypothetical Conditions were made for this assignment.

RELIANCE LANGUAGE

My opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

The signature below indicates my assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers International Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

**COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES**



Dean Meyer, MAI
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REPORT ORGANIZATION**PROPERTY AND ASSIGNMENT OVERVIEW**

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CERTIFICATION OF APPRAISAL**ASSUMPTIONS & LIMITING CONDITIONS****ADDENDA**

Engagement Letter	
Legal Description	
Valuation Glossary	
Qualifications of Appraiser	
Qualifications of Colliers International Valuation & Advisory Services	

GENERAL INFORMATION

Property Name	Surplus City of Vancouver Land
Property Type	Land - Commercial Land
Address	South Side of Burlington Northern Railroad Tracks, Between Columbia Street & Esther Street
City	Vancouver
State	Washington
Zip Code	98660
County	Clark
Core Based Statistical Area (CBSA)	Portland-Vancouver-Hillsboro, OR-WA
Market	Portland-Vancouver Metro Area
Submarket	Clark County
Latitude	45.623419
Longitude	-122.674193
Number Of Parcels	3
Assessor Parcels	048840-000, 048850-000, Right-of-Way
Total Taxable Value	\$91,300
Census Tract Number	424.00

SITE INFORMATION

Land Area	Acres	Square Feet
Usable	0.83	36,327
Unusable	0.00	0
Excess	0.00	0
<u>Surplus</u>	<u>0.00</u>	<u>0</u>
Total	0.83	36,327
Topography	Undulating above street grade	
Shape	Irregular	
Access	Average/Good	
Exposure	Average/Good	
Current Zoning	City Center (CX)	
Flood Zone	Zone X (Shaded)	
Seismic Zone	High Risk	

HIGHEST & BEST USE

As Vacant	Plottage With The Adjoining Property Immediately To The South For A Larger Commercial Development
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EXPOSURE TIME & MARKETING PERIOD

Exposure Time	12 to 18 Months
Marketing Period	12 to 18 Months

VALUATION SUMMARY

VALUATION INDICES	AS-IS MARKET VALUE
INTEREST APPRAISED	FEE SIMPLE
DATE OF VALUE	APRIL 12, 2019

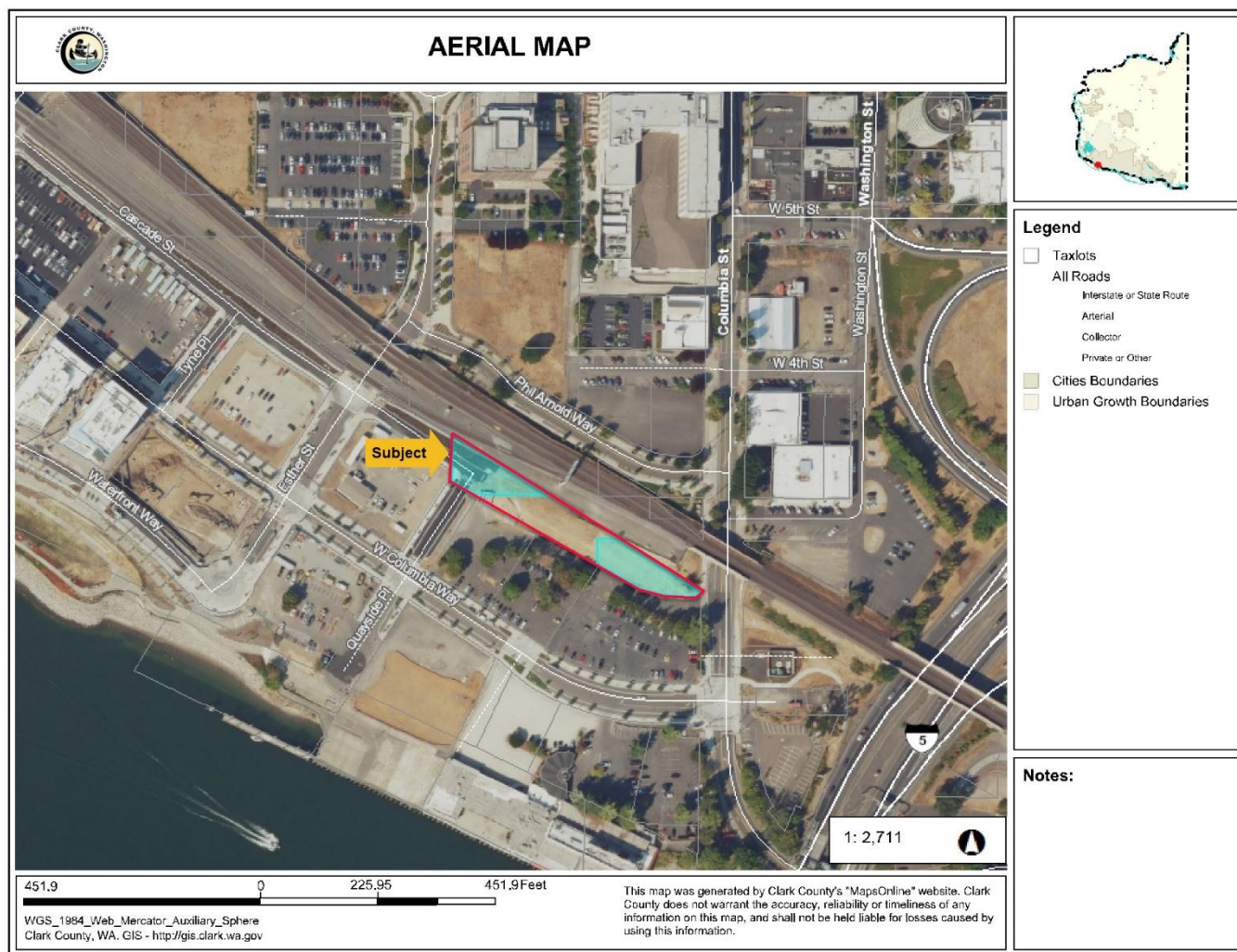
FINAL VALUE CONCLUSION

FINAL VALUE	\$510,000
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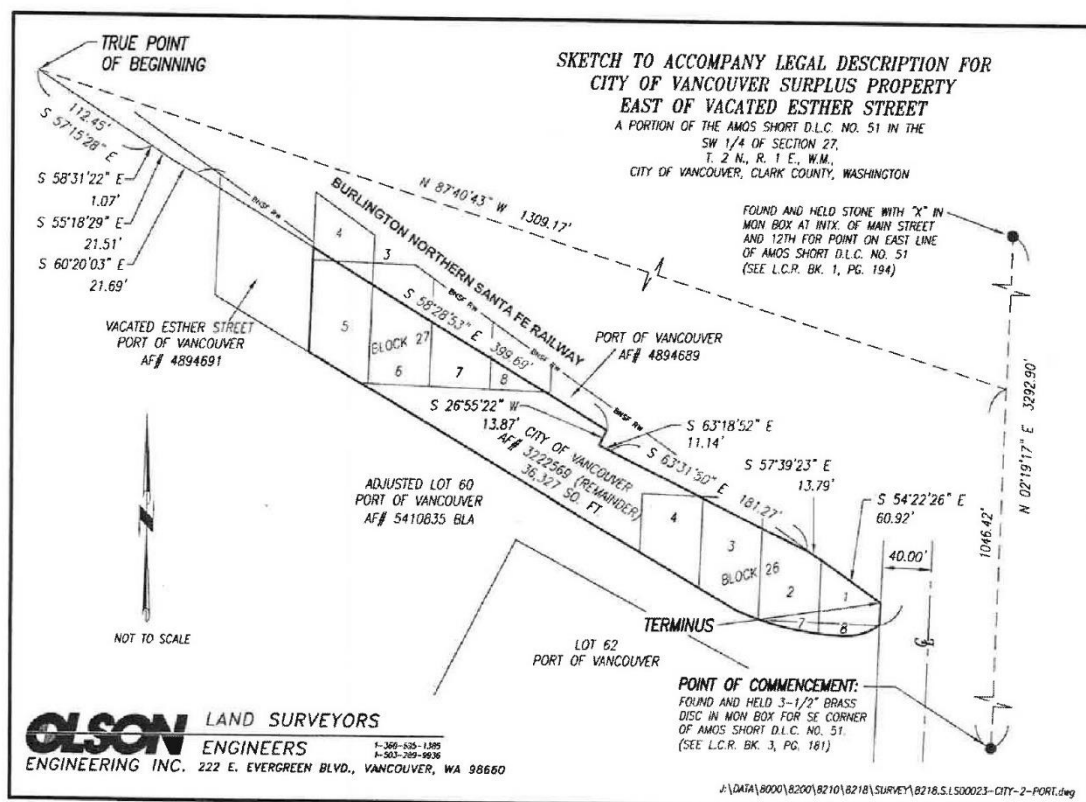
LAND VALUATION

LAND VALUE	\$510,000
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AERIAL PHOTOGRAPH



SURVEY MAP



SUBJECT PHOTOGRAPHS



STREET SCENE: FACING NORTH ALONG COLUMBIA STREET; SUBJECT AT LEFT



STREET SCENE: FACING SOUTH ALONG COLUMBIA STREET; SUBJECT AT RIGHT



STREET SCENE: FACING SOUTH ALONG QUAYSIDE PLACE; SUBJECT AT LEFT



STREET SCENE: FACING NORTH ALONG QUAYSIDE PLACE; SUBJECT AT RIGHT



STREET SCENE: FACING WEST ALONG CASCADE ST. FROM W. PORTION OF SUBJECT



STREET SCENE: FACING EAST ALONG CASCADE STREET TOWARD SUBJECT



**OVERVIEW OF SUBJECT PROPERTY, FACING
NW FROM COLUMBIA STREET**



**FACING WEST TOWARD SUBJECT FROM
COLUMBIA STREET**



FACING EAST TOWARD SUBJECT PROPERTY



**FACING NE TOWARD SUBJECT PROPERTY
FROM COLUMBIA WAY**



**FACING EAST FROM CENTRAL (ELEVATED)
PORTION OF SUBJECT PROPERTY**



**FACING WEST FROM CENTRAL PORTION OF
SUBJECT (VANCOUVER WATERFRONT IN
DISTANCE)**

PROPERTY IDENTIFICATION

The subject is a surplus right-of-way property located on a 0.83-acre site on the South Side of Burlington Northern Railroad Tracks, Between Columbia Street & Esther Street, in Vancouver, Clark County, Washington. The assessor's parcel numbers are: 048840-000, 048850-000, Right-of-Way.

The legal description of the subject property is presented in the Addenda.

SCOPE OF WORK

The scope of work for this appraisal assignment is outlined below:

- The appraiser analyzed the regional and local area economic profiles including employment, population, household income, and real estate trends.
- The appraiser confirmed and analyzed legal and physical features of the subject, and how they impact the functionality and overall competitive position of the property.
- The appraiser completed an office and multi-family supply/demand market analysis of the Portland-Vancouver Metro Area market and Clark County sub-market. Conclusions were drawn regarding the subject property's competitive position given its physical and locational characteristics, the prevailing economic conditions and external influences.
- The appraiser conducted Highest and Best Use analysis and conclusions were drawn for the highest and best use of the subject property As-Vacant.
- The appraiser confirmed and analyzed financial features of the subject property. This information, as well as trends established by confirmed market indicators, was used to forecast performance of the subject property.
- Selection of the valuation methods was based on the identifications required in USPAP relating to the intended use, intended users, definition and date of value, relevant property characteristics and assignment conditions. This appraisal developed the Sales Comparison Approach (Site Valuation) approach to value as the sole indicator of value for the subject property.
- Reporting of this appraisal is in an Appraisal Report format as required in USPAP Standard 2. The appraiser's analysis and conclusions are summarized within this document.
- I understand the Competency Rule of USPAP and the author of this report meets the standards.
- No one provided significant real property appraisal assistance to appraiser signing this certification.

SOURCES OF INFORMATION

The following sources were contacted to obtain relevant information:

SOURCES OF INFORMATION	
ITEM	SOURCE
Tax Information	Clark County Tax Assessor
Zoning Information	City of Vancouver Zoning Code
Site Size Information	Clark County Tax Assessor
New Construction	City of Vancouver / Clark County
Flood Map	InterFlood
Demographics	Pitney Bowes/Gadberry Group - GroundView®
Comparable Information	See Comparable Charts and Photo Pages for details
Legal Description	Client

SUBJECT PROPERTY INSPECTION

The following table illustrates the Colliers International professionals involved with this appraisal report and their status related to the property inspection.

SUBJECT PROPERTY INSPECTION			
APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
Dean Meyer, MAI	Yes	Site Only	April 12, 2019

CLIENT IDENTIFICATION

The client of this specific assignment is the City of Vancouver.

PURPOSE

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's fee simple interest.

INTENDED USE

The intended use of this appraisal is to assist the client in making internal business decisions related to this asset.

INTENDED USERS

City of Vancouver is the only intended user of this report. Use of this report by Third-Parties and other unintended users is not permitted. This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.

ASSIGNMENT DATES

Date of Report	April 30, 2019
Date of Inspection	April 12, 2019
Valuation Date - As-Is	April 12, 2019

PERSONAL AND INTANGIBLE PROPERTY

No personal property or intangible items are included in this valuation.

PROPERTY AND SALES HISTORY

Current Owner

The subject property is currently owned by the City of Vancouver, according to the Clark County Assessor's Office.

Three-Year Sales History

The Subject has not sold in the last three years.

Subject Sale Status

The subject is not currently listed for sale. According to Matt Grady, with Gramor Development, the subject property is now a surplus property owned by the City of Vancouver and also including vacated right-of-way. However, the subject property became involved around 12 to 14 years ago as part of a lengthy and complicated process of a Development Agreement between Columbia Waterfront, LLC (Developers of the Vancouver Waterfront), the City of Vancouver, Port of Vancouver, and Burlington Northern Railroad. Approximately 12 to 14 years ago, Columbia Waterfront, LLC, was making plans to develop the former Boise Cascade site and was working through a Development Agreement with the City of Vancouver. The Port of Vancouver was interested in improving access to the Port of Vancouver, further to the west/northwest, through the West Vancouver Freight

Access Project. And Burlington Northern was planning to realign the railroad tracks to assist the Port of Vancouver with this access project, but also to allow for new "tunnels" being constructed at Esther Street and Grant Street, connecting the Esther Short Park area with the planned Vancouver Waterfront development, now being developed with vertical construction. Furthermore, the Port of Vancouver was involved in these planned projects because they own property immediately south of the subject property, and is now interested in re-developing this property into a mixed-use development. As part of this Development Agreement, which has been modified several times, the City of Vancouver is to now transfer ownership to Columbia Waterfront, LLC, with consideration to road improvements made by Columbia Waterfront, LLC, in the Vancouver Waterfront development. There are several easements which impact the subject property, and these are discussed in this report. These easements, along with the elongated irregular shape of the subject property, are considered to have a negative impact on the marketability of the subject property. The subject property has not been listed for sale in the last 3 years and is not currently listed for sale.

DEFINITIONS OF VALUE

Given the scope and intended use of this assignment, the definition of Market Value is applicable. The definition of Market Value, along with all other applicable definitions for this assignment, is located in the Valuation Glossary section of the Addenda.

PROPERTY RIGHTS APPRAISED

The property rights appraised constitute the fee simple interest.

VALUE SCENARIOS

The valuation scenarios developed in this appraisal report include the As-Is Market Value of the subject property's fee simple interest.

REGIONAL MAP



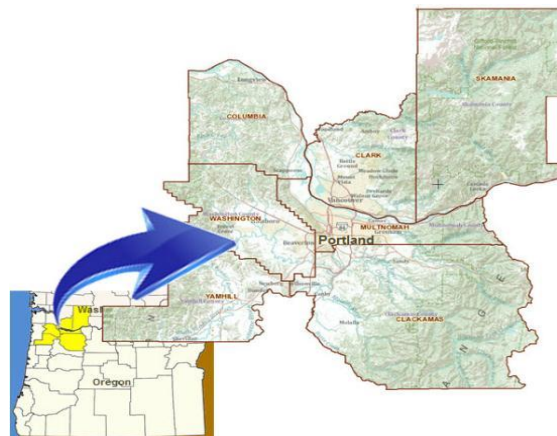
LOCAL AREA MAP



REGIONAL ANALYSIS

Clark County, an important component in the make-up of the Portland Metropolitan Statistical Area (MSA), is located in the southwest section of the state of Washington. One-third of the county's labor force, about 60,000 workers, commute to Portland on a daily basis. The Columbia River, North America's largest source of hydroelectric power, forms the western and southern boundaries of the county.

Clark County's 2018 population of 481,425 residents comprises roughly 20% of the total population for the entire Portland MSA. The city of Vancouver serves as the center for commerce and manufacturing within Clark County. Clark County is located directly across the Columbia River from the city of Portland and is part of the larger Portland MSA, which is home to two Fortune 500 companies: Nike (sportswear and equipment supplier) and Precision Castparts (manufacturer of cast metal parts).



ECONOMY

Because most significant employers have a larger presence on the Oregon side of the Portland MSA, residents of Clark County frequently commute to areas of the Portland MSA for work. The top employer in Clark County is PeaceHealth, which has recently expanded in East Vancouver, occupying roughly 1/3 of the 478,000 SF Columbia Tech Center building. The following table lists the top ten employers in Clark County.

TOP EMPLOYERS		
EMPLOYER NAME	EMPLOYEES	INDUSTRY
Peacehealth	4,571	Healthcare
Evergreen Public Schools	2,577	Education
Legacy Salmon Creek Medical Center	1,946	Healthcare
Battle Ground Public Schools	1,519	Education
The Vancouver Clinic Inc	1,374	Healthcare
Bonneville Power Administration	1,095	Communications
City of Vancouver	1,045	Government
WaferTech LLC	1,015	Communications
Camas School District No 117	793	Education

Source: Vancouver Business Journal as of 3/29/18

DEMOGRAPHIC ANALYSIS

Based on updated 2018-2023 data provided by the online *Pitney Bowes/Gadberry Group - GroundView*, the county's compound annual growth rate (CAGR) is projected to grow at a rate of 1.4%/year, which is slightly faster than the state of Washington at (1.2% CAGR) and well above the national rate (0.7%). As shown in the table below, Clark County comprises a relatively small fraction (6.3%) of Washington's total population, considering that most of Clark County, outside of Vancouver, is rural and less densely populated. This grants more insight into Clark County's inclusion within the Portland CBSA, as many residents reside in Clark County due to the more affordable home values, but commute into the City of Portland for work. Please note that our demographics provider sets forth income projections in *constant dollars* which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in *current dollars*, which does not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodologies, are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

REGIONAL AREA DEMOGRAPHICS							
YEAR	US	WA	COUNTY	YEAR	US	WA	COUNTY
POPULATION				NUMBER OF HOUSEHOLDS			
2010 Total Population	308,745,538	6,724,540	425,363	2018	122,929,625	2,795,379	172,209
2018 Total Population	328,062,672	7,498,909	481,425	2023	126,604,011	2,901,737	180,828
2023 Total Population	339,788,898	7,964,865	515,450	CAGR	0.6%	0.7%	1.0%
2010 - 2018 CAGR	0.8%	1.4%	1.6%	AVERAGE HOUSEHOLD SIZE			
2018 - 2023 CAGR	0.7%	1.2%	1.4%	2018	2.60	2.63	2.78
POPULATION DENSITY				2023	2.62	2.69	2.83
2018 Per Square Mile	91	111	735	CAGR	0.13%	0.48%	0.40%
2023 Per Square Mile	94	118	787	HOUSING UNITS			
MEDIAN AGE				Owner Occupied	80,041,309	1,779,071	113,589
2018	37.35	37.07	37.54	Renter Occupied	42,888,316	1,016,308	58,620
2023	38.09	37.74	38.22	AVERAGE HOUSEHOLD INCOME			
CAGR	0.39%	0.36%	0.36%	2018	\$84,367	\$91,881	\$88,264
MEDIAN HOME VALUE				2023	\$100,862	\$108,814	\$104,615
2018	\$183,983	\$268,977	\$250,144	CAGR	3.6%	3.4%	3.5%
PER CAPITA INCOME				MEDIAN HOUSEHOLD INCOME			
2018	\$32,413	\$34,919	\$31,800	2018	\$58,828	\$66,860	\$66,992
2023	\$38,504	\$40,382	\$36,953	2023	\$70,600	\$79,241	\$78,764
CAGR	3.5%	2.9%	3.0%	CAGR	3.7%	3.5%	3.3%

Source: Pitney Bowes/Gadberry Group - GroundView®

In more recent months, strong housing occupancy has fueled an increase in residential construction, both in single-family and multi-family construction. Further of note is that the 2018 median household income in Clark County (\$66,992) is slightly more than the state of Washington's average (\$66,860) yet has exceeded the Nation's average (\$58,828). The slightly higher income level is a result of Clark County's proximity to major employers within the Portland MSA, which tends to create demand for more skilled labor, resulting in higher paying jobs.

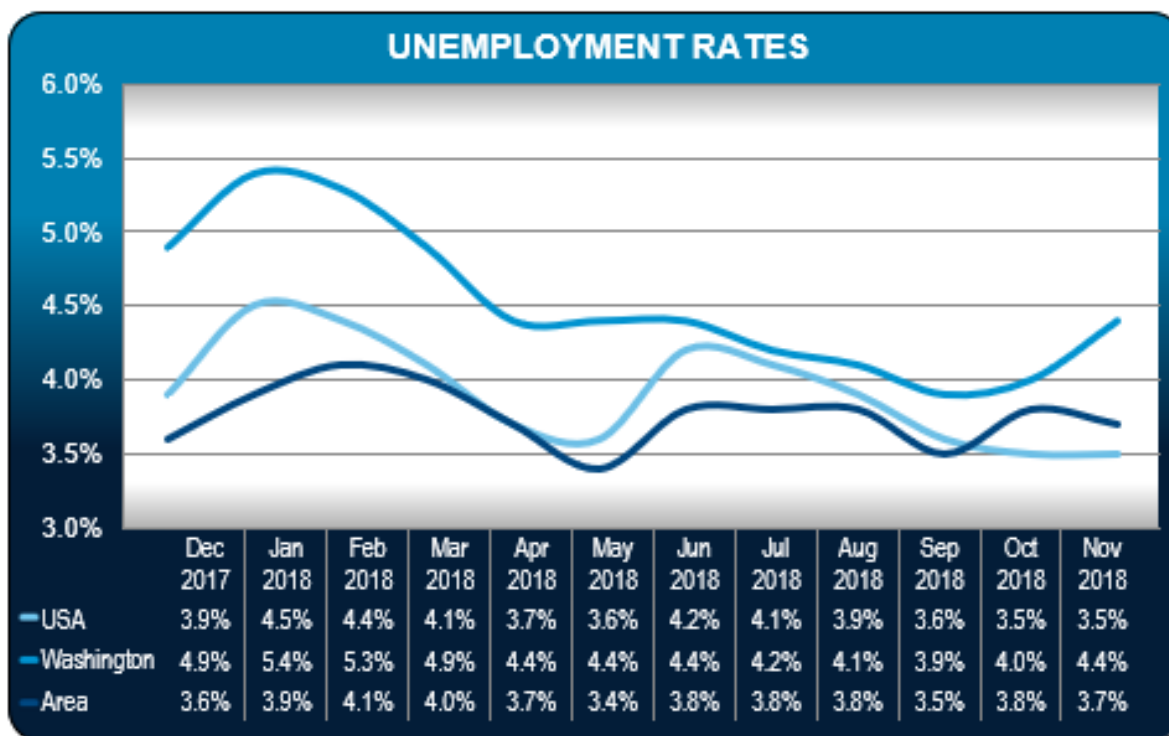
EMPLOYMENT

Total employment has fluctuated over the past decade in the state of Washington and Clark County, with strong gains in the first half of the decade followed by a slight drop corresponding with the recession in 2009. Clark County's local economy was hit even harder than the state as a whole, evidenced by a total employment drop of 4.4% in 2009, compared to 2.4% for the state. Layoffs continued for the State of Washington throughout 2010 and into 2011; however, the rate at which jobs were being lost began to lessen, with incremental employment gains year over year from 2012 through 2017. The state of Washington has since recovered fully from the recession. While annual employment levels in Clark County have also stabilized, it was initially at a slower rate than Washington State as a whole, but has since sped up. It is important to note that the Clark County annual unemployment rate has improved over the past 5 years, declining from 13.3% in 2009 to 5.1% in 2017.

EMPLOYMENT & UNEMPLOYMENT 2008-2017							
Year	EMPLOYMENT				UNEMPLOYMENT RATE		
	Washington		Clark County		United States*	Washington	Clark County
	Total	% Δ Yr Ago	Total	% Δ Yr Ago			
2008	3,291,309	1.5%	198,972		5.8%	5.4%	7.5%
2009	3,211,649	-2.4%	190,185	-4.4%	9.3%	9.2%	13.3%
2010	3,160,544	-1.6%	188,628	-0.8%	9.6%	10.0%	12.9%
2011	3,140,190	-0.6%	188,816	0.1%	8.9%	9.3%	11.7%
2012	3,189,271	1.6%	189,704	0.5%	8.1%	8.1%	9.4%
2013	3,219,842	1.0%	190,701	0.5%	7.4%	7.0%	8.5%
2014	3,275,753	1.7%	194,621	2.1%	6.2%	6.1%	7.0%
2015	3,345,496	2.1%	200,483	3.0%	5.3%	5.7%	6.5%
2016	3,444,126	2.9%	207,514	3.5%	4.9%	5.3%	6.0%
2017	3,547,430	3.0%	215,782	4.0%	4.4%	4.8%	5.1%
2018 YTD Nov	3,671,584	3.5%	224,534	4.1%	3.6%	4.0%	4.4%

Source: U.S. Bureau of Labor Statistics

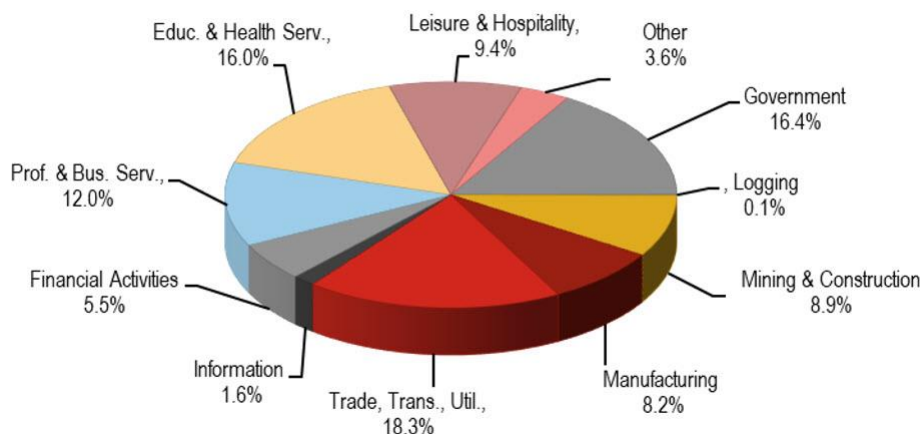
The unemployment rate (shown on the chart below) has fluctuated on a month-to-month basis over the past year but has generally followed seasonal trends. The county's non-seasonally-adjusted unemployment rate reached its peak in January/February 2015 (not shown on the chart below) (7.3%), but has since dropped. The county's unemployment rate continued to decrease at a slow but consistent pace throughout 2016. The current monthly unemployment rate sits at 3.7% as of November 2018, which is slightly higher than the state of Washington's monthly average (4.4%).



LABOR

Industry employment information from the Washington State Employment Security Department provides one of the best measures of state and local economic trends. The following chart displays the current sector employment for Clark County as of November 2018:

Clark County Current Employment by Industry - Nov 2018



After reviewing the most current data available (November 2018), year-over-year the county has experienced gains in nine out of eleven employment sectors. Year over Year gains were seen in the following employment sectors: Construction and Mining gained (+1,700 jobs or (+8.9%), Trade, transportation and Utilities gained (+900 jobs or (+18.3%), Leisure and Hospitality gained (+800 jobs or (+9.4%), Government gained (+700 jobs or (+16.4%), Education and Health Services gained (+600 jobs or (+16.0%), Professional and business services gained (+600 jobs or (+12.0%), Financial Activities gained (+500 jobs or (+5.5%), Manufacturing gained (+300 jobs or (+8.2%), and Other Services gained (+200 jobs or (+3.6%). One employment sector posted losses year over year, that sector is: Information lost (-100 jobs or (-1.6%). One sector posted neither losses year over year nor gains year over year, that sector is: Logging. The overall unemployment rate has been improving as evidenced by the increasing number of jobs in most sectors in Clark County. While not shown in the table above, a net gain of +6,200 jobs occurred between November 2017 and November 2018.

SUMMARY

Economic activities within Clark County indicate a positive trend, recognizing the region's steadily improving unemployment rate, which was 7.0% in 2014 but currently sits at 4.4%. Over-the-year statistics show annual increases in total employment levels, signifying improving economic conditions, particularly in the private sector. Although Clark County has historically lagged behind the state and the nation in regard to employment and other key economic indicators, the region's proximity to Portland is a positive encouragement. The appearance of positive indicators, such as a strong housing occupancy and annual increases in all major employment industries, provides evidence that the Clark County region is on a positive yet moderate upturn.

LOCAL AREA ANALYSIS

The subject property is located in the downtown “core” area of the city of Vancouver, in Clark County. The subject property is located on the south side of the Burlington Northern Railroad Tracks, between Columbia Street and Esther Street, in the downtown “core” area of Vancouver and just east of the Vancouver Waterfront blocks, many of which either have been or are currently being developed with a mix of commercial and multi-family residential uses. The subject’s immediate market is characterized as a mixed-use area, with office, multi-family, County-related buildings, and residential uses all in the area, and industrial uses at the extreme west end of the neighborhood. The following paragraphs summarize factors pertinent to the social, economic, and physical development of the market. The following paragraphs summarize factors pertinent to the social, economic, and physical development of the market area.

Demographics

The demographics for the subject’s local area are provided by (Pitney Bowes/Gadberry Group - GroundView On-line 2015), an on-line resource center that provides information used to analyze and compare the past, present, and future trends of properties and geographical areas. Please note that our demographics provider sets forth income projections in *constant dollars* which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in *current dollars*, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

LOCAL AREA DEMOGRAPHICS							
DESCRIPTION	1 MILE	3 MILES	5 MILES	DESCRIPTION	1 MILE	3 MILES	5 MILES
POPULATION				AVERAGE HOUSEHOLD INCOME			
2000 Population	6,609	53,132	189,032	2018	\$63,687	\$66,743	\$74,636
2010 Population	7,385	56,033	205,607	2023	\$80,173	\$80,532	\$89,015
2018 Population	8,443	62,113	228,782	Change 2018-2023	25.89%	20.66%	19.27%
2023 Population	9,055	65,692	242,897	MEDIAN HOUSEHOLD INCOME			
Change 2000-2010	11.74%	5.46%	8.77%	2018	\$41,690	\$48,530	\$55,800
Change 2010-2018	14.33%	10.85%	11.27%	2023	\$54,271	\$58,230	\$65,585
Change 2018-2023	7.25%	5.76%	6.17%	Change 2018-2023	30.18%	19.99%	17.54%
POPULATION 65+				PER CAPITA INCOME			
2010 Population	1,107	6,821	22,910	2018	\$33,109	\$28,314	\$29,477
2018 Population	1,478	8,957	29,745	2023	\$40,505	\$33,406	\$34,206
2023 Population	1,786	10,826	35,894	Change 2018-2023	22.34%	17.98%	16.04%
Change 2010-2018	33.51%	31.32%	29.83%	2018 HOUSEHOLDS BY INCOME			
Change 2018-2023	20.84%	20.87%	20.67%	<\$15,000	21.7%	13.2%	10.6%
NUMBER OF HOUSEHOLDS				\$15,000-\$24,999	12.7%	12.1%	10.7%
2000 Households	2,887	22,107	74,196	\$25,000-\$34,999	8.9%	10.2%	9.7%
2010 Households	3,536	23,959	83,564	\$35,000-\$49,999	13.9%	16.2%	14.1%
2018 Households	3,833	25,390	88,226	\$50,000-\$74,999	13.2%	18.1%	18.8%
2023 Households	4,020	26,287	91,235	\$75,000-\$99,999	11.9%	12.3%	13.1%
Change 2000-2010	22.48%	8.38%	12.63%	\$100,000-\$149,999	9.2%	10.4%	14.1%
Change 2010-2018	8.40%	5.97%	5.58%	\$150,000-\$199,999	5.0%	4.5%	5.0%
Change 2018-2023	4.88%	3.53%	3.41%	\$200,000 or greater	3.5%	3.0%	3.9%
HOUSING UNITS (2018)				MEDIAN HOME VALUE			
Owner Occupied	1,491	12,205	48,397	2018	\$209,934	\$204,403	\$247,499
Renter Occupied	2,399	13,173	39,852	AVERAGE HOME VALUE			
HOUSING UNITS BY YEAR BUILT				2018	\$237,840	\$236,546	\$279,497
Built 2010 or later	104	338	2,012	HOUSING UNITS BY UNITS IN STRUCTURE			
Built 2000 to 2009	671	2,786	11,626	1, detached	1,251	12,039	52,551
Built 1990 to 1999	268	3,138	10,344	1, attached	80	1,204	4,913
Built 1980 to 1989	175	1,874	6,976	2	241	2,565	5,090
Built 1970 to 1979	589	5,099	13,340	3 or 4	206	1,486	4,983
Built 1960 to 1969	417	3,186	9,120	5 to 9	204	1,359	5,436
Built 1950 to 1959	236	2,738	9,004	10 to 19	199	1,672	4,135
Built 1940 to 1949	250	2,854	7,874	20 to 49	292	1,379	3,288
Built 1939 or earlier	1,122	3,378	17,929	50 or more	1,120	2,490	5,456
				Mobile home	226	982	2,160
				Boat, RV, van, etc.	70	204	239

Source: Pitney Bowes/Gadberry Group - GroundView®

As noted in the table above, moderate population growth is anticipated to occur in the subject's market area (3-miles radius) over the next few years. This reflects the built-up character of the downtown area.

Residential Development

There is a considerable amount of residential development located in the subject's market area. Residential uses in the downtown area are primarily single-family residences located along the northern portion of downtown, primarily north of Mill Plain Boulevard and just west of the Interstate-5 freeway, with some older single-family residences on CX- and IL-zoned land northwest of the subject property. High-end apartment and condominium developments also exist along the Columbia River in the Tidewater Cove and Columbia Shores developments, and in the downtown "core" area. Residential uses in the downtown "core" area consist primarily of new condominiums constructed on the upper levels of the West Coast Bank, VancouverCenter, and Heritage Place mixed-use projects. The Uptown Village, further north of the downtown "core" area, consists of townhomes along Main Street, with some live-work units. And, as will be described below, the Vancouver Waterfront has added new multi-family units and will be adding more multi-family units to the market in 2019.

The residences in the area are commonly in average to good condition and were typically built in the 1960s and earlier. The average home price for single-family residences within a 3-mile radius of the subject property is \$236,546 (Pitney Bowes/Gadberry Group – GroundView Online). Homes are generally older and on small lots, as is typical of downtown residential areas. Many of the single-family homes along major thoroughfares and/or located around the “core” of downtown Vancouver have since been converted to commercial office uses, especially attorney’s offices in the areas east and south of the Clark County Courthouse.

Multi-family developments within proximity to the subject were generally built in the 2000’s and earlier and consist of mid-rise style facilities. There has been some multi-family development in the “core” area of the subject neighborhood, including Heritage Place and the Vancouver Center, both located near Esther Short Park. The Esther Short Commons project, located on the west end of the Esther Short Park, includes “for rent” apartments for residents at certain reduced income levels. There have also been scattered condominium conversions of older apartment buildings in the neighborhood. New development in downtown Vancouver includes The Vista Court Senior Housing apartment complex at West 14th and Esther Streets, completed in early 2012. Also, the Kirkland Union Plaza multi-family development for retired citizens is located along Mill Plain Boulevard and the Tinnakorn Loft units are under construction next to Kirkland Union Plaza. In the downtown “core” area, some apartments are proposed on the western portion of the Academy Site, along C Street, north of Evergreen Boulevard. This will be a positive impact on downtown Vancouver.

Prestige Plaza, a mixed-use project with 96 apartment units and ground floor commercial, was one of the first projects completed in recent years in downtown Vancouver. The same developer is now constructing Our Heroes Place, comprised of two adjacent projects (Ed Tower and Dollie Tower) and totaling 51 units. Construction was recently completed on a 6-story full-block apartment project called the Uptown (167 units), located on the full block bounded by Main Street, McLoughlin Boulevard, Washington Street, and West 17th Street, at the south end of the Uptown Village portion of downtown Vancouver. This project is located at the south end of the Uptown Village corridor of downtown Vancouver and will transform this area, bringing more residents downtown and enhancing the “critical mass” that is being sought for downtown Vancouver. The West 15 Apartments (120 units), a subsidized apartment project was completed in 2016 between Mill Plain Boulevard and 15th Streets, west of Columbia Street. The West 13 Apartments (96 units) were more recently completed in 2017 at Columbia and West 13th Streets. Another mixed-use project is proposed at the full block bounded by Washington, Main, 15th and 16th Streets, and a smaller project was recently completed (48 units) at the NE corner of 15th Street and E Street. Additional units are planned near Esther Short Park, showing a large concentration of new apartments being developed in the downtown “core” area of Vancouver. Also, Gramor Development recently revealed plans to construct a mixed-use project on Block 10, immediately NE of Esther Short Park. This project would include a grocery store on the ground floor, along with upper level apartments. The 4th building in the Vancouver Center project, after several delays, is now proposed for construction in Spring/Summer 2019. It will include 6 stories and 116 multi-family residential units and will continue to add to the “critical mass” in downtown Vancouver.

Waterfront Development

Columbia Waterfront LLC (a group of investors formed by Gramor Development, a local/regional developer), is now in the process of developing vertical buildings along the Waterfront neighborhood of Vancouver. This 35 acre area is just south of the downtown core and follows the Columbia River. The Vancouver Waterfront project has a long term tentative plan to be improved with an estimated 3,300 residential units (a mix of for-sale condos and apartments, as market conditions dictate), 1,000,000 SF of office space, and 250,000 SF of retail space. There is also a 7 acre park which was recently opened to the public and has one more phase with a planned water feature proposed for construction in 2019. With the current strong market conditions in the Portland region, as well as the recent successful absorption of at least one new, luxury property in Downtown Vancouver, the developer is now constructing vertical apartment units in the first phase of the master plan. Phase 1 includes a

pair of 2-story restaurant buildings which are now open and in the lease-up stage (intended to hold 2+ tenants each), a 7-story (55 to 60-Unit) apartment tower with ground floor retail (recently completed), a 7-story office building with about 60,000 SF of office space (anchored by the MJ Murdock Charitable Trust) and about 17,000 SF of ground floor retail space (recently completed), and another 7-story (250-unit) apartment project on Block 8 (under construction). Another developer has an upscale hotel and condominiums now under construction on one of the adjacent blocks. More apartments are proposed for the area, showing a significant amount of new development to kickstart this major project in downtown Vancouver. The Waterfront development is expected to have a positive impact on the appeal of Downtown Vancouver and the developer is planning to make the area very upscale, with ambitious planned retail, office, and apartment rent levels. Also proposed nearby is a redevelopment project by the Port of Vancouver, to include a mix of hotels, public space, and commercial space.

Commercial Development

Commercial development in the area is concentrated in the downtown “core” area, and along major thoroughfares, including Main and Broadway Streets, as well as Fourth Plain Boulevard and Mill Plain Boulevard. Other major transportation routes in the area include SR-14, which is an east/west freeway connecting downtown Vancouver with the Columbia River Gorge; and I-5, which is a major north/south freeway that connects downtown Vancouver to downtown Portland to the south and Seattle to the far north. The Downtown area was predominantly residential at one time with retail storefronts along Main and Broadway. Since then, the city has expanded and the demand for commercial products has led to numerous single-family conversions. Historical buildings exist throughout the area. The southern portion of town has since been redeveloped with newer, more intense, commercial development including: various mixed-use Class A office high-rises and civil and government buildings centered around the Courthouse and Citizens Service Center. Retail is scattered throughout downtown Vancouver, and consists of antique stores and consignment stores, with few retailers still operating. Former retail buildings such as Sparks Furnishings (Furniture Store) and Koplan’s Furniture have been purchased and renovated/converted to office/service uses.

In the downtown “core” area, there have been and are some additional planned development and upgrades around the downtown “core” of Vancouver. The former Vancouver City Hall was purchased by members of the Firstenberg family for use as office space and a parking garage. It has now been renovated and Berger Abam and Stewart Title Company are main tenants in the “Block 56” building which provides some creative office space. In the southern portion of the downtown “core” area, Killian-Pacific recently constructed the Hudson Building, a 3-story, 44,000 SF wood-frame and brick office building, with several banks, Killian-Pacific, and some other professional office tenants in the building. This building is now 100% leased as the newest office building in downtown Vancouver, with creative office space, exposed vaulted ceilings, and a considerable amount of natural lighting. Pacific Energy Concepts recently purchased a commercial building at 210 West 3rd Street and has completely renovated this building for their own occupancy as creative office space for their business. Ryan Hurley is now constructing a 6-level, 33,185 SF office condominium project just south of this property, with ground level parking for this property. A hotel is also planned along Columbia Street in this area.

Light and heavy industrial uses exist in the Columbia Business Center and the area west of the defined boundaries, in the Port of Vancouver neighborhood. In summary, the Downtown area consists mostly of older single-family residences to the north that transition to more intense commercial development to the south and industrial uses along east/west boundary lines. South of SR-14 is the 248-acre Columbia Business Center, one of the largest industrial developments in the Portland area. This industrial park includes 26 buildings comprising roughly 2.3 million square feet of industrial space. Columbia Shores is another mixed-use development which resides west of the Columbia Business Center and includes: various office/retail buildings, Homewood Suites, Beaches and McMenamin’s restaurant.

The subject’s immediate area is the downtown “core” area of Vancouver, which has a mix of restaurant, service-oriented uses, and professional offices, in the southern portion of downtown Vancouver.

Community Services/Transportation

Community services and facilities are readily available in the area. These include public services such as fire stations, hospitals, police stations, and schools (all ages). The city also operates two police precincts with the Police Administration Building located next to Officer's Row. The Clark County Sheriff's Station, Jail, and Correction Facility also exist in the subject's neighborhood, next to the Courthouse.

The Mill Plain Extension facilitates industrial flow, linking the Port of Vancouver with Interstate-5 via Mill Plain Boulevard. Fourth Plain Boulevard has been reduced to two lanes (plus a center/third turn lane) east of the Burlington Northern Railroad Tracks in an attempt to focus industrial traffic onto the Mill Plain Boulevard extension and West 39th Street. The Port of Vancouver has now completed their long-term West Vancouver Freight Access Project which has improved access into and efficiency in and around the Port of Vancouver.

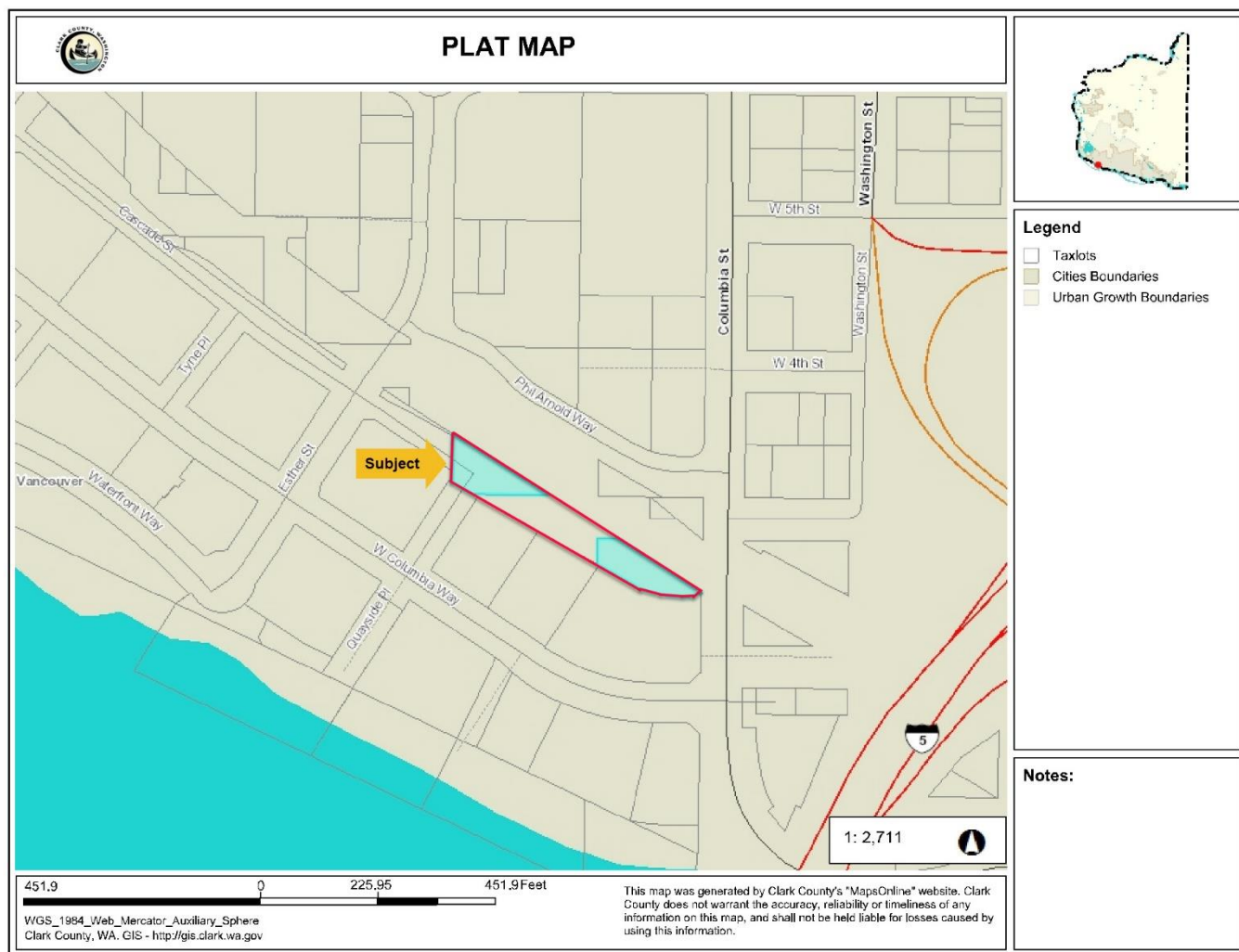
One road improvement/change is the extension of West 8th Street to Jefferson Street, where Jefferson Street extends north from West 8th Street. As the Vancouver Waterfront becomes more built-out and traffic increases, the City of Vancouver eventually plans to extend and realign Jefferson Street to Mill Plain Boulevard, near Markle Avenue to better facilitate traffic flow. This will be a positive for the western portion of the subject neighborhood with respect to exposure.

Public transportation, both bus and train, is available throughout and readily accessible from major freeways and thoroughfares. In addition, there are a number of parks in the area which adequately serve the subject's neighborhood. The primary focal point of downtown Vancouver is Esther Short Park, which has been completely renovated and improved with a Bell Tower, a brick plaza and water feature/stream designed for children, a playground, restroom facilities, and a rose garden, as well as a performing arts stage and grass lawn. The area is now an attractive setting for public gatherings and family-oriented/leisure activities.

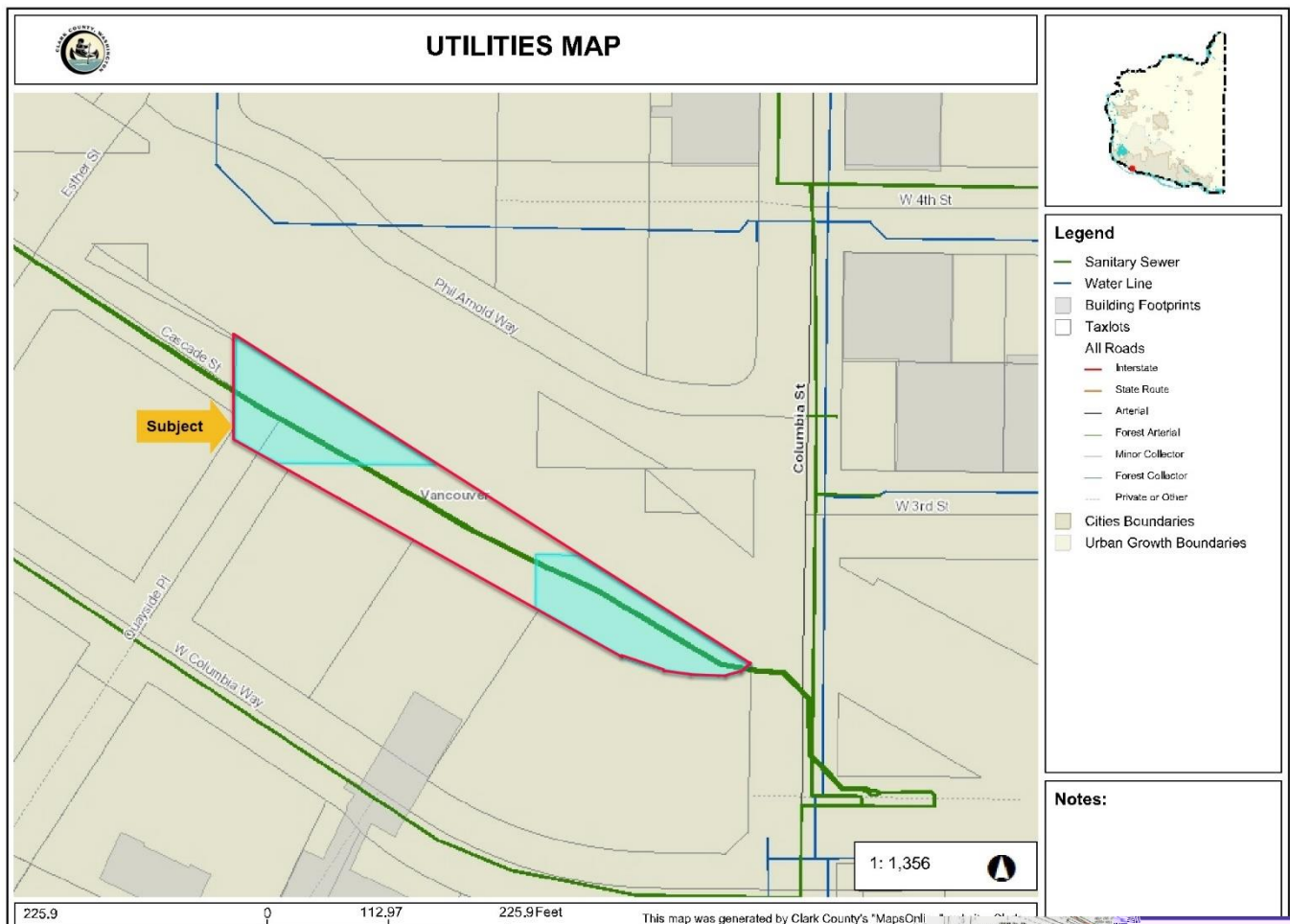
SUMMARY

The subject is in an established area of Vancouver. Residential uses include older single-family development off the main thoroughfares and a significant amount of newer multi-family development in the downtown Vancouver area. The subject has a good location with respect to commercial services, thoroughfares, public transportation, and community services. Condition and appeal of the area is generally good. The area is anticipated to experience moderate growth in the foreseeable future. The growth in the immediate area is expected to be focused specifically on the Vancouver Waterfront property over time, which is located in close proximity to the tunnels at Esther and Grant Streets, connecting the Esther Short Park area with the Vancouver Waterfront property.

PLAT MAP



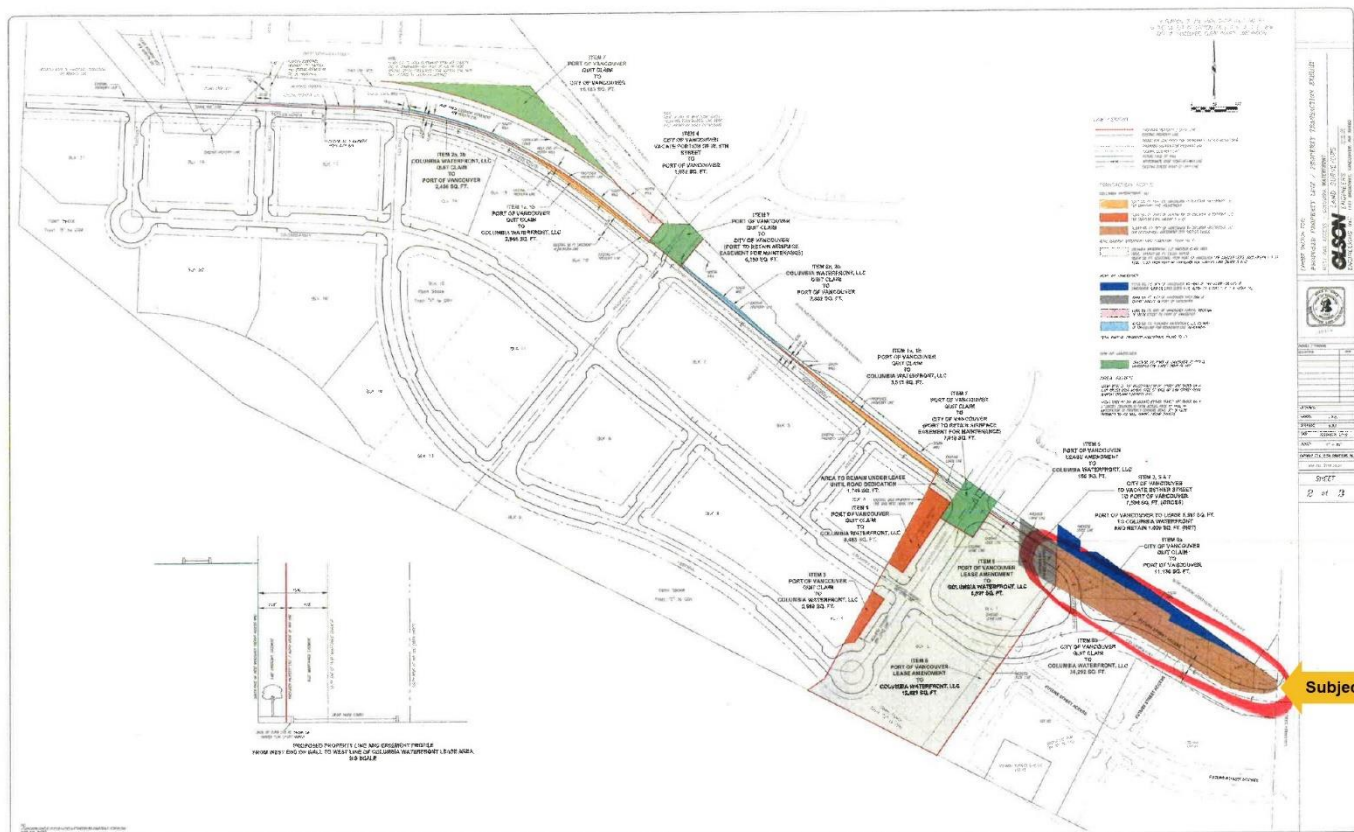
UTILITIES MAP



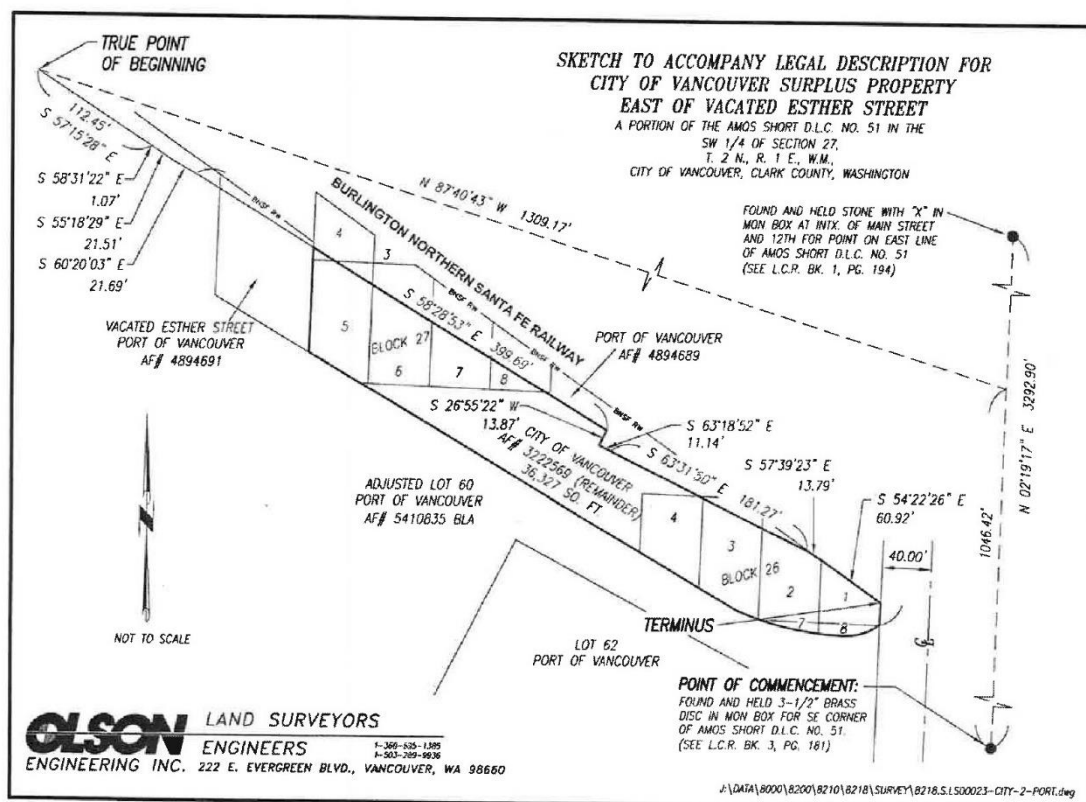
County does not warrant the accuracy, reliability or timeliness of any information on this map, and shall not be held liable for losses caused by using this information.

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Clark County, WA. GIS - <http://gis.clark.wa.gov>

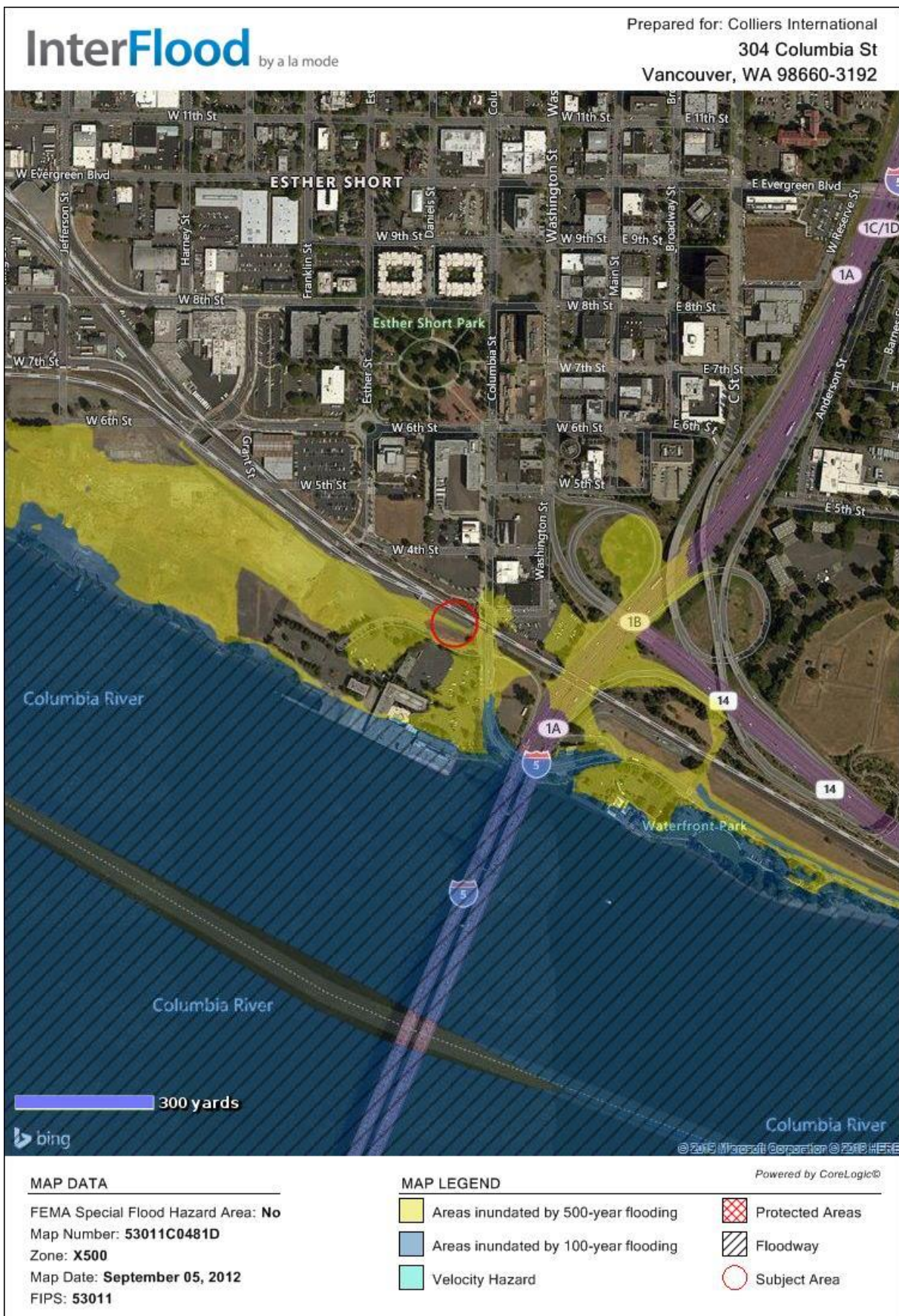
PROPOSED PROPERTY LINES MAP



SURVEY MAP



FLOOD MAP



SITE DESCRIPTION

General Description

The subject site consists of 2 tax parcels and a portion of some vacated right-of-way. As noted below, based on a survey of the subject property, the subject site has 36,327 SF (0.83 AC) of land area. This includes Tax Parcel #'s 048840-000 and 048850-000, which are highlighted in blue in some of our maps, along with the vacated right-of-way area in between these two City-owned tax parcels. The area is estimated based on the assessor's parcel map, and may change if a professional survey determines more precise measurements. Going forward, our valuation analyses will utilize the usable site area. The following discussion summarizes the subject site size and characteristics.

Adjacent Uses:

The subject property is bordered to the north by the Burlington Northern Railroad Tracks, to the south by downtown commercial land owned by the Port of Vancouver, to the east by Columbia Street, which separates the subject property from a sewer lift station associated with the Vancouver Waterfront development, and Interstate-5, and to the west by Quayside Place, which separates the subject property from Cascade Street, which will be extended across the subject property site by the Port of Vancouver. The subject property is also located just northeast of the new Vancouver Waterfront development, consisting of a mix of commercial and multi-family residential uses, including restaurants and Class A office space, as well as retail space. This area, along with the nearby Esther Short Park on the north side of the Burlington Northern Railroad Tracks, is expected to become and continue as destination parks for Vancouver/SW Washington residents and a hub of activities and events.

Assessor Parcels See Multiple Parcel Chart For Breakdown

Number Of Parcels 3

Land Area	Acres	Square Feet
Primary Parcel	0.83	36,327
Unusable Land	0.00	0
Excess Land	0.00	0
<u>Surplus Land</u>	<u>0.00</u>	<u>0</u>
Total Land Area	0.83	36,327

Shape Elongated Irregular Shape. This is considered to have a negative impact on the subject property's value. The maximum width/depth of the subject is approximately 70 feet.

Topography Undulating with both at grade and above street grade elevations. The central portion of the site is a bermed area from the sloped access easement ramp leading from the NW corner of the subject up to the railroad lines, so this berm was constructed to support this sloped access ramp.

Drainage Assumed Adequate

Utilities All available to the site

Street Improvements	Street	Direction	No. Lanes	Street Type	Curbs	Sidewalks	Streetlights	Center Lane	Gutters
Columbia Street	Primary Street	two-way	two-lane	connector street	✓	✓	✓	✓	✓
Cascade Street	Secondary Street	two-way	two-lane	connector street	✓	✓	✓	✓	✓
Quayside Place	Secondary Street	two-way	two-lane	connector street	✓	✓	✓	✓	✓

Frontage The subject property has approximately 30 lineal feet of frontage along Cascade Street, approximately 25 lineal feet of frontage along Quayside Place, and just a portion (tip) with frontage along Columbia Street.

Accessibility Average/Good - The subject has good access from the above-mentioned thoroughfares.

Exposure Average/Good - The subject has average/good exposure from the above-mentioned thoroughfares.

Seismic High Risk. This is common for properties in SW Washington.

Flood Zone Zone X (Shaded). This is referenced by Community Number 0027, Panel Number 53011-C0481-D, dated September 05, 2012. Zone X (shaded) is a moderate and minimal risk area. Areas of moderate or minimal hazard are studied based upon the principal source of flood in the area. However, buildings in these zones could be flooded by severe, concentrated rainfall coupled with inadequate local drainage systems. Local stormwater drainage systems are not normally considered in a community's flood insurance study. The failure of a local drainage system can create areas of high flood risk within these zones. Flood insurance is available in participating communities, but is not required by regulation in these zones. Nearly 25-percent of all flood claims filed are for structures located within these zones.

Moderate risk areas within the 0.2-percent-annual-chance floodplain, areas of 1-percent-annual-chance flooding where average depths are less than 1 foot, areas of 1-percent-annual-chance flooding where the contributing drainage area is less than 1 square mile, and areas protected from the 1-percent-annual-chance flood by a levee. No BFEs or base flood depths are shown within these zones. (Zone X (shaded) is used on new and revised maps in place of Zone B.)

Site Rating

Overall, the subject site, as plottage with the property immediately to the south, is considered a good commercial land site in terms of its location, exposure, and access to employment, education, commercial services, and a residential population base, recognizing its location in downtown Vancouver near the Columbia River, and near the Vancouver Waterfront blocks, which are currently being developed with a mix of commercial and residential uses. However, on its own, the subject is considered to have very limited marketability because of its elongated, irregular shape, as well as the number of existing easements on the property. The subject property will benefit the property to the south by providing a buffer to the Burlington Northern Railroad Tracks and by providing land for the proposed right-of-way extension of Cascade Street, which, when constructed, will provide access to the property to the south via Cascade Street. Therefore, while not able to be developed on its own, it is considered to have contributory value to the property to the south.

Easements

A preliminary title report was not available for review. During the on-site inspection, no adverse easements or encumbrances were noted. According to Matt Grady, with Gramor Development, and the City of Vancouver, there are several easements which have a significant impact on the subject property. First, there is a recorded 17-foot easement extending south from the face of the structural retaining wall of the Burlington Northern Railroad Track, for the purpose of maintaining the existing retaining wall. Second, there is a forced main line for sanitary sewer running through the central portion of the subject property (Please refer to the Utilities Map for more details). Third, there is an easement in favor of Burlington Northern Railroad over the northern portion of the property, along the sloped access ramp up from the street level to the railroad track level. This allows BNSF to access the rail lines over the subject property. Finally, the Port of Vancouver is obligated to construct an easterly extension of Cascade Street, from its existing termination near the subject's western boundary, all the way to Columbia Street. Therefore, while this will be a benefit to the adjoining owner to the south (Port of Vancouver), who is the only logical purchaser of the subject property, the above easements and obligations are considered to have a negative impact on the value of the subject property, and a significant discount to the subject's value is expected for these reasons, as well as the subject's elongated, irregular shape. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised. This appraisal assumes that there are no negative value impacts on the subject improvements. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised.

Soils

A detailed soils analysis was not available for review. Based on the development of the subject, it appears the soils are stable and suitable for the existing improvements.

Hazardous Waste

We have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. If questions arise, the reader is strongly cautioned to seek qualified professional assistance in this matter. Please see the Assumptions and Limiting Conditions for a full disclaimer.

ASSESSMENT & TAXATION

The subject property is located within the City of Vancouver municipality within the Clark County jurisdiction. The assessed value and property tax for the current year are summarized in the following table.

ASSESSMENT & TAXES						
Tax Year	2019			Tax Rate	\$9.8757	
Tax Rate Area	37000			Taxes Current	Yes	
Taxes SF Basis	Total Land Area					
APN	LAND	IMPV	TOTAL	EXEMPTIONS	TAXABLE	BASE TAX
048840-000	\$0	\$0	\$0	\$0	\$0	\$0
048850-000	\$91,300	\$0	\$91,300	\$0	\$91,300	\$902
Right-of-Way	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$91,300	\$0	\$91,300	\$0	\$91,300	\$902
Total/SF	\$2.51	\$0.00	\$2.51	\$0.00	\$2.51	\$0.02
Total Base Tax						\$902
Total Base Tax Per SF						\$0.02

Source: Clark County Assessment & Taxation

Assessment & Taxation Description

Taxes in the State of Washington are paid twice a year, on the 30th of April and the 31st of October. The assessed values typically are approximately 70 to 90 percent of market value. In the case of the subject property, the assessed value for the subject property represents only approximately 18 percent of our concluded as-is market value, which indicates that the subject property's assessed value is considerably low. However, for government/public agencies, which are tax exempt, the assessed value is not regulated/updated as closely as privately-held properties. Also, the subject property includes some right-of-way which, along with one of the tax parcels, has not been assigned an assessed value.

ZONING ANALYSIS

The zoning characteristics for the subject property are summarized below:

ZONING SUMMARY	
Municipality Governing Zoning	City of Vancouver Planning & Zoning Department
Current Zoning	City Center (CX)
Permitted Uses	Multi-family, Retail, Office, Residential, Light Industrial, Medical
Current Use	Vacant
Is Current Use Legally Permitted?	Yes
Zoning Change	Not Likely
ZONING REQUIREMENTS	
Conforming Use	There are a variety of commercial uses which represent a conforming use within this zone.
Minimum Site Area (SF)	None
Minimum Yard Setbacks	
Front (Feet)	None
Rear (Feet)	None
Side (Feet)	None
Maximum Site Coverage	100%
Maximum Building Height	100-200 Feet

Source: City of Vancouver Planning & Zoning Department

Zoning Conclusions

Based on the interpretation of the zoning ordinance, a wide variety of commercial and mixed-uses are outright permitted uses for the subject site that could be rebuilt if unintentionally destroyed. The vacated right-of-way which comprises a portion of the subject property is assumed to also have a City Center (CX) zoning designation, similar to the two tax parcels comprising a portion of the subject property.

MARKET ANALYSIS

This section provides a study of office supply/demand conditions for the Portland-Vancouver Metro Area Market and Clark County Submarket, since the subject includes a component which would most likely be office. In addition, because the subject site would likely be developed with a multi-family component, we will also discuss market conditions in the multi-family market. These findings are used to support my conclusions for the competitive position and exposure period for the subject property.

OFFICE

Therefore, this section provides a study of office supply/demand conditions for the Portland-Vancouver Metro Area Market and Clark County Submarket. These findings are used to support my conclusions for the competitive position and exposure period for the subject property.

PORTLAND-VANCOUVER METRO AREA OFFICE MARKET

The following is an analysis of supply/demand trends in the Portland-Vancouver Metro Area Office Market using information provided by CoStar. The table below presents historical data for key market indicators.

PORTLAND-VANCOUVER METRO AREA HISTORICAL STATISTICS (LAST FIVE YEARS)

PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2014	102,729,235 SF	1,222,611 SF	1,760,903 SF	8.5%	\$20.91/SF
2015	102,803,344 SF	285,799 SF	338,920 SF	7.9%	\$22.26/SF
2016	104,032,870 SF	1,441,984 SF	1,460,851 SF	7.5%	\$23.61/SF
2017	104,336,832 SF	476,455 SF	765,921 SF	7.3%	\$24.40/SF
2018	106,339,448 SF	2,088,203 SF	1,300,214 SF	7.3%	\$25.73/SF
CAGR	0.7%	-	-	-	4.2%

*Supply numbers based on information which is amended/updated on an on-going basis by CoStar.

Source: CoStar®

PORTLAND-VANCOUVER METRO AREA TRAILING FOUR QUARTER PERFORMANCE

PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2018 Q1	104,642,294 SF	335,149 SF	(207,254) SF	7.3%	\$25.51/SF
2018 Q2	105,370,649 SF	728,355 SF	731,002 SF	7.3%	\$25.49/SF
2018 Q3	105,858,747 SF	507,932 SF	586,011 SF	7.2%	\$25.54/SF
2018 Q4	106,339,448 SF	516,767 SF	190,455 SF	7.4%	\$26.36/SF

Source: CoStar®

PORTLAND-VANCOUVER METRO AREA MARKET TREND ANALYSIS

	Q4 2018	2018	Last 5
Total SF	106,339,448	106,339,448	104,048,346
Vacant SF	7,876,536	7,762,780	7,992,994
Market Vacancy	7.4%	7.3%	7.7%
Construction Growth Rate	0.5%	2.0%	0.7%
Absorption Rate	0.2%	1.2%	1.1%
Average Asking Rent/SF	\$26.36	\$25.73	\$23.38

Source: CoStar®

Portland-Vancouver Metro Area Market Conclusion

Based on the preceding analysis, the Portland-Vancouver Metro Area office market demonstrates relatively sound fundamentals and has shown considerable improvement from the 2008 economic downturn. The Portland market is benefiting from an improving economy that has recovered around 90% of jobs lost during the Great Recession. Many local businesses have again begun to expand their footprints and new start-ups have emerged. The growth has been met with diminishing availabilities, especially among large blocks of space. While there remain ample options for large users in the CBD, large blocks of high end office space are scarce in suburban

submarkets. Portland has seen a tendency for traditionally large tenants (legal or finance users, for example) to consolidate and downsize while creative (such as software or design firms) users have shown a tendency to expand their footprints. As can be seen in the charts above, there has been a steady downward trend in vacancy rates and upward pressure on rents over the past 5 years, and more slow and steady improvement of vacancy rates in recent quarters.

CLARK COUNTY OFFICE SUBMARKET OVERVIEW

The following is an analysis of supply/demand trends in the Clark County Office Submarket using information provided by CoStar. The table below presents historical data for key market indicators.

CLARK COUNTY HISTORICAL STATISTICS (LAST FIVE YEARS)					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2014	11,091,231 SF	118,895 SF	17,913 SF	10.4%	\$18.59/SF
2015	11,059,186 SF	0 SF	138,274 SF	10.1%	\$18.80/SF
2016	11,269,169 SF	258,383 SF	427,224 SF	8.0%	\$19.12/SF
2017	11,300,711 SF	34,700 SF	162,008 SF	6.8%	\$19.89/SF
2018	11,454,825 SF	156,814 SF	216,705 SF	5.9%	\$20.32/SF
CAGR	0.6%	-	-	-	1.8%

*Supply numbers based on information which is amended/updated on an on-going basis by Costar.

Source: Costar®

CLARK COUNTY TRAILING FOUR QUARTER PERFORMANCE					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2018 Q1	11,300,711 SF	0 SF	9,753 SF	6.0%	\$20.98/SF
2018 Q2	11,345,711 SF	45,000 SF	11,756 SF	6.2%	\$19.77/SF
2018 Q3	11,343,011 SF	0 SF	24,193 SF	6.0%	\$19.68/SF
2018 Q4	11,454,825 SF	111,814 SF	171,003 SF	5.4%	\$20.84/SF

Source: Costar®

CLARK COUNTY MARKET TREND ANALYSIS			
	Q4 2018	2018	Last 5
Total SF	11,454,825	11,454,825	11,235,024
Vacant SF	622,406	675,835	925,991
Market Vacancy	5.4%	5.9%	8.2%
Construction Growth Rate	1.0%	1.4%	0.6%
Absorption Rate	1.5%	1.9%	1.7%
Average Asking Rent/SF	\$20.84	\$20.32	\$19.34

Source: Costar®

CLARK COUNTY SUBMARKET CONCLUSION

The Clark County Submarket demonstrates a similar trend to the greater Portland-Vancouver Metro Area Market. Over the last five years (2014-2018), the vacancy rate ranged from 5.9% to 10.4%, showing a trend of decreasing vacancies; further, as of the most recent (4th) quarter in 2018, vacancy decreased further to 5.4% from the previous quarter (3Q 2018) of 5.9%. Over, the last 4 quarters, there has been a consistency in vacancy rates asking rates, generally positive absorption, with some new construction in Clark County. Total net absorption from 2014 through 2018 was positive and was also positive during the last four quarters. Asking rents during the past five years ranged from \$18.59 to \$20.32/SF and have exhibited positive trending as of the most recent quarters, with the trend somewhat being office tenant “shifting” between buildings, both in downtown Vancouver and the suburbs, and not so much an influx of new office tenants into Clark County. In recent years/quarters, however, with limited new construction, decreasing vacancies, and increasing rents, this trend is expected to continue to place upward pressure on office rents, to the point where new construction will eventually show feasibility, similar to the industrial market in the past several years.

In regards to new construction, there have been very limited new buildings constructed. Near downtown Vancouver, Killian-Pacific constructed a build-to-suit office building for Home Depot's Quote Center. Also, in the downtown Vancouver area, along the Columbia River, a new 7-story, 70,000 SF Murdock office building was recently completed in the Vancouver Waterfront development, anchored by the MJ Murdock Charitable Trust. According to the developers, this building is now 70% leased to various office tenants, showing demand for Class A office space along the Columbia River waterfront.

In the suburban neighborhood of Camas along NW Lake Road, Matt Olson recently developed the 87,500 SF Dwyer Creek Business Center, an office/commercial building with a lower level, main level, and 2nd level, consisting of a mix of uses, including an indoor shooting range on the lower level, a mix of flex and commercial space on the main level, and some 2nd floor speculative office space. This reflects some speculative office/commercial space in the subject's immediate Camas area.

In the suburbs, there has generally been limited new construction of suburban office space, as rents have not yet increased enough to justify new construction. This has helped suburban office buildings maintain high occupancy in a strengthening economic and sub-market. Overall, the Clark County Submarket is expected to follow the trends of the larger Portland Market. Office uses on the subject property site would most likely be individual buildings for owner-users.

MULTI-FAMILY

In this section, an overview of market conditions which influence the marketability of the subject property as an apartment site will be considered. The major factors requiring consideration are the supply and demand conditions that influence multi-family development.

For purposes of this section, apartment complexes within the subject's market area will be analyzed. Emphasis is placed on facilities within proximity to the subject property. The following paragraphs discuss existing development (including projects under construction) and potential inventory will be analyzed. Demand will also be analyzed by examining vacancy, unemployment, and demographic and employment trends.

Existing Supply

A mix of apartment types has been built throughout the city. Vancouver is extensively populated with garden-style communities ranging from 100 to 300 units that were built in the 1970s through the present. These properties have typically been built in suburban neighborhoods of the city. The downtown core has seen primarily elevator-served development of both market and restricted rent nature with and without ground floor commercial space. There are also a few older elevator-served and "bricker" vintage properties in the downtown area but there has been a significant amount of recent apartment development in downtown Vancouver.

Proposed Supply

The number of multi-family building permits issued provides an indication of the potential future supply of multi-family units. (It is important to note that these permits include "For Sale" condominiums and attached homes, as multi-family rental apartment permits are not available.) The following is a profile of historical multi-family building permits issued in Vancouver and Clark County since 2000:

MULTIFAMILY BUILDING ACTIVITY		
Year	City of Vancouver	Clark County
2000	261	562
2002	519	620
2003	693	769
2004	426	575
2005	248	257
2006	586	595
2007	453	547
2008	177	188
2009	9	19
2010	55	107
2011	84	235
2012	214	338
2013	656	1,166
2014	614	748
2015	721	1,088
2016	397	750
2017	1,369	1,840
2018	797	1,026
2019 (February)	292	265

Source: U.S. Bureau of the Census & HUD

Due to the current strong apartment market conditions, multi-family construction has become more consistently feasible in good locations within Vancouver. It is noted that multi-family development in Clark County has historically been almost exclusively located in Vancouver but is now taking place in unincorporated areas such as Orchards in developments such as the Fountain Village Apartments. Market conditions in downtown Vancouver are currently strong, with little to no vacancy in smaller mixed-use projects such as the Murray's Corner and Ludesher mixed-use development. The Murray's Corner owner reports few vacancies in these units, with tenants often staying in their unit for several years. Also, the owner of the Ludesher building next door to the north of Murray's Corner has reported that his 9 units have remained full, acknowledging that he feels like he has kept his rents low in order to maintain 100% occupancy. The Prestige Plaza Apartments, completed in 2014, are now reported to have all of the 96 units leased, reflecting strong market conditions for apartments in downtown Vancouver. This development sold to an investor, prompting additional construction of apartment units in downtown Vancouver, described previously. Overall, the supply of apartment units is expected to continue to expand over the near term. As illustrated in the above chart, the trends show that 2017 was a "peak" year for new construction in the City of Vancouver and in unincorporated Clark County. 2018 showed a reduction in the number of units constructed in the City of Vancouver and in unincorporated Clark County. This is likely going to point towards the market approaching a saturation point in downtown Vancouver, although there is no evidence that this has yet been reached.

Planned/Developing/Recently Completed Supply

At this time, the appraisers are aware of several sites in downtown Vancouver which are known to be in various stages of preliminary planning, under construction, or recently completed. With the subject's location in the downtown "core" area of Vancouver, we have focused on the proposed projects in downtown Vancouver. The following table shows proposed and developing multi-family projects in the subject's immediate market.

POTENTIAL, DEVELOPING, and RECENT MULTIFAMILY ACTIVITY - CITY OF VANCOUVER

Proposed/Planning	Address	Submarket	# of Units
Vancouver Center South Tower	6th & Washington	Downtown	113
Esther Apartments	West 6th Street & Esther Street	Downtown	127
Jefferson Apartments	Jefferson Street & W. 8th Street	Downtown	89
Block 10	Columbia Street & West 8th Street	Downtown	250
Academy Apartments (Phase 1)	Evergreen Boulevard & C Street	Downtown	110
Academy Apartments (Phase 2)	East 11th Street	Downtown	240
Developing	Address	Submarket	# of Units
Our Heroes Place Apartments	Mill Plain Boulevard & D Street	Downtown	51
Block 6 (Waterfront)	West Columbia Way	Downtown	55
Block 8 (Waterfront)	West Columbia Way	Downtown	220
Clark	701 East McLoughlin Boulevard	Downtown	24
Recently Constructed	Address	Submarket	# of Units
The Uptown	Main Street & McLoughlin Boulevard	Downtown	167
Broadway	1901 Broadway Street	Downtown	48
Midtown	500 East 15th Street	Downtown	48
13 West Apartments	13th & Columbia Streets	Downtown	92
Herby ekoHaus	16th & C Streets	Downtown	18
Lincoln Place	1351 W. Lincoln Avenue	Downtown	30
15 West Apartments	401 West 15th Street	Downtown	120
Hamilton	2000 Broadway Street	Downtown	48
Prestige Plaza	307 East Mill Plain Boulevard	Downtown	92

Source: Colliers International Valuation & Advisory Services

As shown above, there are numerous moderate and large-scale apartment projects either planned or developing at this time in the greater Vancouver area, including the subject block. Other planned apartment units in the downtown “core” area include two phases of apartments, including ground floor commercial space, next to The Academy historical property at Evergreen Boulevard and C Street. It is noted that the vacant parcel approximately two blocks south of the subject is expected to be improved with the South Tower building, which will be part of the VancouverCenter development and will add 113 units. This project is expected to begin construction in Spring/Summer 2019. In addition, the Uptown (167 units recently completed in 2018) and 610 Esther (119 units proposed) properties, as well as other multi-family developments in the Vancouver Waterfront are also in Downtown Vancouver and will add to the local competitive supply of market rate units.

DEMAND

Demand for newer apartment units is most typically measured by general demographic trends (including population and employment growth). Vacancy rates, rent trends, and concessions also provide direct source of measuring apartment demand.

Projected Population

As shown in Local Area analyses, moderate to strong population and household growth is anticipated for the area over the next five years. The charts below summarize the expected population growth that will fuel apartment demand over the near term. Overall, demand for apartments and the subject’s units is expected to increase.

POPULATION			
	1 MILE	3 MILES	5 MILES
2000 Population	9,167	68,906	205,591
2010 Population	9,315	74,661	227,678
2017 Population	10,189	81,438	250,230
2022 Population	10,731	87,457	269,758
Change 2000-2010	1.61%	8.35%	10.74%
Change 2010-2017	9.38%	9.08%	9.91%
Change 2017-2022	5.32%	7.39%	7.80%

Source: Pitney Bowes/Gadberry Group - GroundView®

HOUSEHOLDS			
	1 MILE	3 MILES	5 MILES
2000 Households	4,205	28,290	81,259
2010 Households	4,314	31,502	92,549
2017 Households	4,528	33,419	98,316
2022 Households	4,715	35,593	104,562
Change 2000-2010	2.59%	11.35%	13.89%
Change 2010-2017	4.96%	6.09%	6.23%
Change 2017-2022	4.13%	6.51%	6.35%

Source: Pitney Bowes/Gadberry Group - GroundView®

Unemployment Trends

Clark County has elicited low unemployment rates over the last decade, which, coupled with increasing overall total employment, bodes well for the apartment market. The last three years (2015-2017) show strong employment growth. While the current 2018 numbers show a slight decline in county employment, as well as a small increase in the overall unemployment rate, the current figures are still strong and much improved from the post-recession figures of 2009. While the current number of employed is slightly lower than the 2017 annual figures, this is likely due to seasonal employment shifts, and the number of employed is anticipated to increase in the summer months. The Clark County unemployment rate tends to follow national business trends and remain close to Washington state's overall figures. Overall, it is evident that positive employment growth is occurring in the Clark County, which is expected to continue over the near term.

EMPLOYMENT & UNEMPLOYMENT STATISTICS 2008 - 2017							
TOTAL EMPLOYMENT					UNEMPLOYMENT RATE		
Washington		Clark County, WA			United States* Washington Clark County, WA		
Year	Total	% Δ Yr Ago	Total	% Δ Yr Ago			
2008	3,291,309	1.5%	198,972	1.1%	5.8%	5.4%	7.5%
2009	3,211,649	(2.4%)	190,185	(4.4%)	9.3%	9.2%	13.3%
2010	3,160,544	(1.6%)	188,628	(0.8%)	9.6%	10.0%	12.9%
2011	3,140,190	(0.6%)	186,816	(1.0%)	8.9%	9.3%	11.7%
2012	3,189,271	1.6%	189,704	1.5%	8.1%	8.1%	9.4%
2013	3,219,842	1.0%	190,701	0.5%	7.4%	7.0%	8.5%
2014	3,275,753	1.7%	194,621	2.1%	6.2%	6.1%	7.0%
2015	3,345,496	2.1%	200,483	3.0%	5.3%	5.7%	6.5%
2016	3,444,126	2.9%	207,514	3.5%	4.9%	5.3%	6.0%
2017	3,547,430	3.0%	215,782	4.0%	4.4%	4.8%	5.1%
2018-Feb	3,564,199	0.5%	214,233	(0.7%)	4.4%	5.3%	5.6%

Source: U.S. Bureau of Labor Statistics *Unadjusted Non-Seasonal Rate

SUMMARY OF APARTMENT MARKET ANALYSIS

General economic conditions are improving in the Portland MSA (inclusive of Clark County) as elicited by a decreasing unemployment rate coupled with an increased employed level (net positive job growth). On a more local basis, unemployment has been dropping in Clark County as well. Vancouver rent growth has been positive and occupancy rates have remained relatively stable, despite increases in multi-family supply. It is important to note that this new supply will provide some competition for the subject, depending on which projects get built next, for the projects in the downtown "core" area of Vancouver, and the brand new supply is expected to compete at similar rent levels. Overall, current market conditions indicate strong demand for well-located units and the subject is located in the established downtown "core" area of Vancouver, at the immediate NE corner of Esther Short Park, and is attractive to a large tenant pool.

Investor Demand

The most likely buyer of the subject property is likely an apartment/mixed-use developer. As mentioned previously, due to the current market, financing and economic conditions, there has been market activity for commercial facilities, though not any of a similar quality and condition as the subject. Multi-family and mixed-use commercial lenders in downtown Vancouver are paying close attention to absorption rates for newly constructed projects to help determine the point at which downtown Vancouver is approaching a “saturation point”, and particular attention will be paid to the Vancouver Waterfront projects on Blocks 6 and 8, to see how these projects absorb higher-end apartment units. Furthermore, due to the current amount of single-family residential, multi-family residential, and commercial/industrial construction taking place in Clark County, coupled with increases in the prices of building materials, there is a concern that these increased construction costs will make it more difficult for projects to show financial feasibility. Finally, with respect to the grocery anchor, the subject’s downtown market is much different than the sub-markets in and around downtown Portland, which show much higher critical mass, and a grocery store anchor is going to have slim margins in operating a grocery store in downtown Vancouver; consequently, this is going to place downward pressure on the rent level that a grocery store developer is going to be willing and able to pay for a grocery anchor space in any building proposed for the subject block. These factors are expected to at least temper appreciation in land values, and, in some cases, place some downward pressure on land values. This is considered to impact the subject property, based on the magnitude of the proposed project.

Based on the sales used in this analysis, and the development of multi-family projects in downtown Vancouver, the proposed developer of the Block 10 property just NE of Esther Short Park has also proposed a grocery-store anchor for the ground floor of the property, as the amount of “critical mass” in downtown Vancouver now appears to be approaching the level to support a grocery store. However, no formal announcement has been made regarding a grocery tenant.

Overall, for the subject property as assembled with the property immediately to the south, demand is considered to support a mixed-use office/multi-family development on the subject property site. There is expected to be continued demand for downtown commercial land, as new development in downtown Vancouver is anticipated in the near future, which, coupled with the limited supply of prime blocks of downtown land such as the Block 10, is going to increase demand for the subject property in downtown Vancouver. The Vancouver Waterfront project, coupled with the Port of Vancouver’s proposed mixed-use development, of which the subject property would be a part, is expected to transform the area along the Columbia River, west of Interstate-5.

EXPOSURE TIME & MARKETING PERIOD

Exposure time is best established based the recent history of marketing periods for comparable sales, discussions with market participants and information from published surveys.

The availability of acquisition financing also factors into exposure time and marketing period. My review of the local capital market indicates that adequate financing options would have been available to consummate a sale of the subject on the date of value. Based on our analysis of the subject property and investigation of substitute properties in the marketplace, the subject is considered to have limited overall buyer appeal, with only one logical buyer located immediately south of the subject property, with a good competitive position if the property was exposed to the open market. Given the above analysis, the subject’s exposure/marketing period conclusions are summarized below.

Exposure Time Conclusion

12 To 18 Months

Marketing Period Conclusion

12 To 18 Months

HIGHEST AND BEST USE ANALYSIS

This section develops the highest and best use of the subject property as-vacant and as-improved. The highest and best use, or most probable use, must be legally permissible, physically possible, financially feasible, and maximally productive.

As-Vacant Analysis

Permitted uses of the subject's City Center (CX) zoning were listed in the Zoning Analysis section. Regarding physical characteristics, the subject site is elongated and irregular in shape, which is considered to negatively impacted its marketability. It has varying topography, noting there is a ramp leading up from street level up to the Burlington Northern Railroad Tracks at the north end, with average/good access and average/good exposure. The subject property has several easements which are considered to impact its development. Also, the owner/developer of the parcel immediately south of the subject property (Port of Vancouver), when they acquire the subject property, will have to construct a road (Cascade Street) over the majority of the subject property, all the way to Columbia Street. For the above reasons, the subject would not be developed on its own. The owners of the property immediately to the south (Port of Vancouver) do not have to purchase the subject property to develop their property, but in assembling the subject site as plottage to their existing ownership, they do benefit by deepening their overall site and allowing for more flexible setbacks and landscaping, including a deeper setback from the Burlington Northern Railroad Tracks. Additionally, the subject provides the adjoining property owner with an additional access point from the north end of the site, where Cascade Street will be constructed. Therefore, the subject property is not going to be developed on its own. Rather, it is most likely going to be developed in conjunction with the property immediately to the south. Based on my observations of land development trends for sites with similar zoning and physical characteristics as the subject and analysis of current supply/demand trends, the highest and best use of the subject site as-vacant is plottage with the adjoining property immediately to the south for a larger commercial development.

VALUATION METHODS

The following presentation of the appraisal process deals directly with the valuation of the subject property. The paragraphs below describe the standard approaches to value that were considered for this analysis.

The appraisal process, which is applied to most real estate properties, is designed to evaluate all factors that influence value. Regional and market area information has been presented to inform the reader of general outside influences that may affect value. In addition, the subject property has been described and the highest and use concluded. The following section deals directly with the valuation of the property.

The **Sales Comparison Approach** is used to estimate this value through a Land/Site Valuation. The other standard approaches to value, including the cost approach and the income approach, are not typically used when estimating land value and they are not applicable for this analysis. The sales comparison approach is briefly defined below.

LAND VALUATION

As previously discussed within the Valuation Methods section, the subject is valued as one marketable economic site in this appraisal. The most relevant unit of comparison is the price per square foot, as it best reflects the analysis used by buyers and sellers in this market for land with similar utility and zoning. A thorough search was made for similar land sales in terms of proximity to the subject, size, location, development potential, and date of sale. Overall, the sales selected represent the best comparables available for this analysis.

Adjustment Process

The following adjustments or general market trends were considered for the basis of valuation.

Transactional Adjustments

Dollar adjustments to the comparable sales were considered and made when warranted for transactional adjustments including property rights transferred, financing terms, conditions of sale, expenditures after purchase such as demolition costs and market conditions. The following table summarizes the market conditions adjustment applied in this analysis.

MARKET CONDITIONS ADJUSTMENT			
Per Year As Of	April 2019	(As-Is)	3%

The analysis applies an upward market conditions adjustment of 3% annually reflecting the conditions between the oldest comparable sale date up through the effective valuation date.

Property Adjustments

Qualitative adjustments are also made for location and physical characteristics such as size, shape, access, exposure, topography, zoning and overall utility. Where possible the adjustments applied are based on paired data or other statistical analysis. It should be stressed that the adjustments are subjective in nature and are meant to illustrate my logic in deriving a value opinion for the subject site.

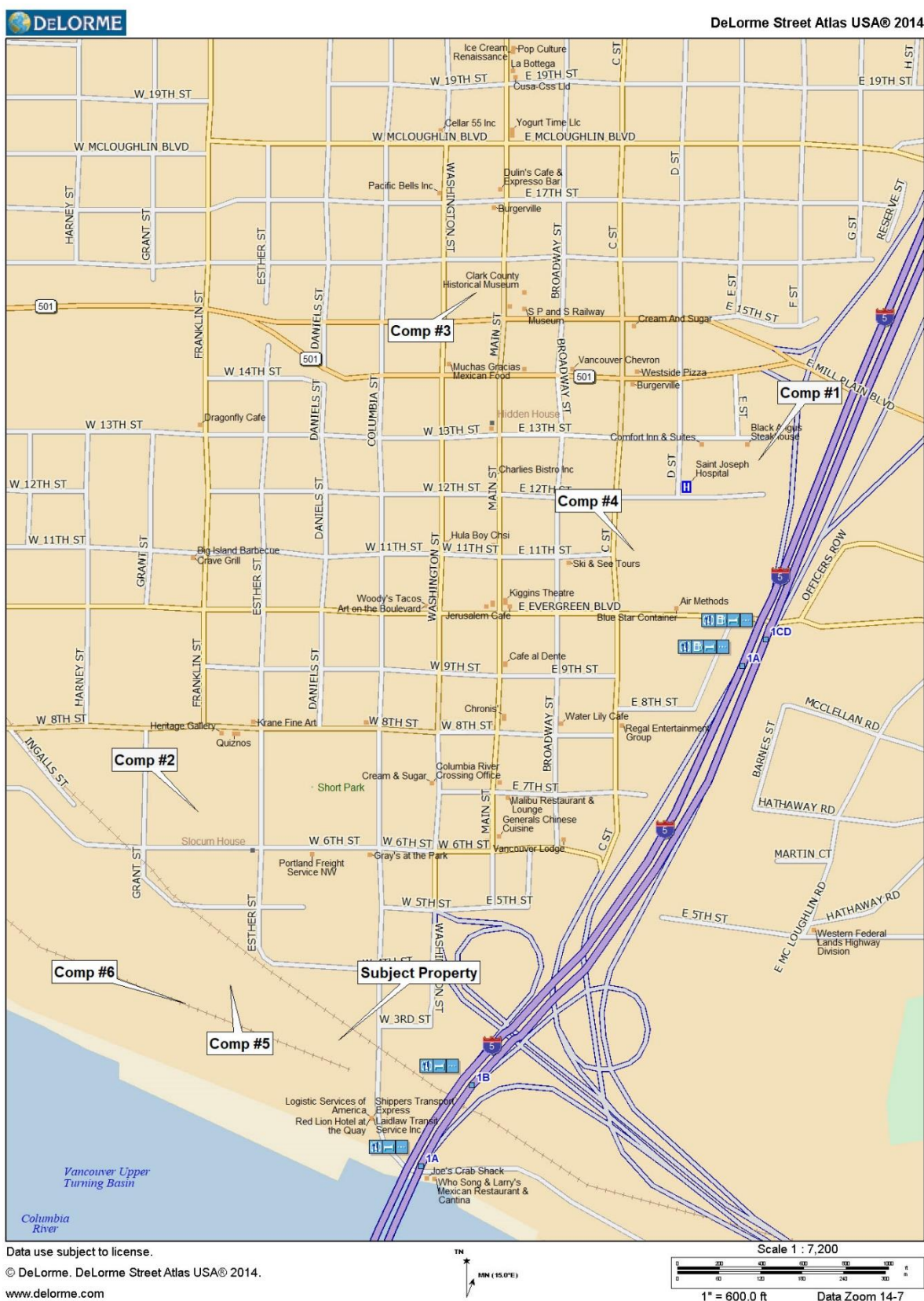
The following sales will be utilized to value the subject property assuming it has a broad range of buyers (buildable, etc.). The concluded "per square foot" value will be applied to the subject property. Following the conclusion of the "per square foot" value for the subject, the concluded value will be discounted to reflect the more limited marketability associated with its narrow, elongated shape, numerous easements and development constraints, along with the fact that it only has one legitimate likely buyer (owner of property to the south – Port of Vancouver), because this adjoining owner is the only legitimate owner which abuts the 36,327 square foot area. The owner to the south is the only likely beneficiary of the surplus subject parcel as an assemblage. Therefore, a discount to the value with full marketability is considered appropriate, because of the limited marketability of the subject's area to a single buyer and these development constraints.

Presentation

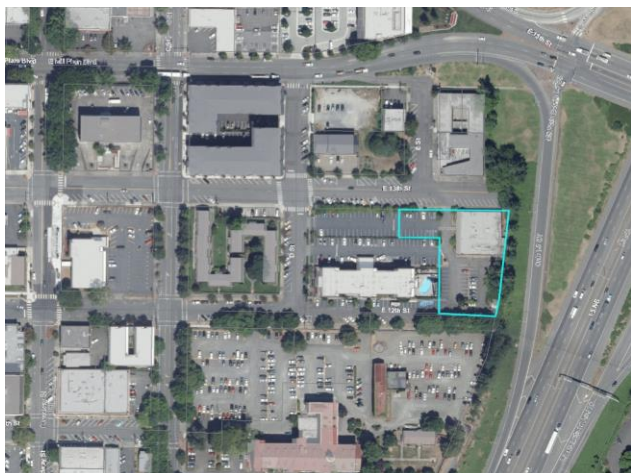
The following Land Sales Summation Table, Location Map and plat maps summarize the sales data used in this analysis. Following these items, the comparable land sales are adjusted for applicable elements of comparison and the opinion of site value is concluded.

LAND SALES SUMMATION TABLE							
COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5	COMPARABLE 6
Name	Surplus City of Vancouver Land	Black Angus Property	Esther Apartment Site	15th & Main Full Block	Academy Mixed-Use Land Sale	Vancouver Waterfront (Block 4)	Vancouver Waterfront (Block 3)
Address	South Side of Burlington Northern Railroad Tracks, Between Columbia Street & Esther Street	415 East 13th Street	550 W 6th St	1506 Main St	1015 C Street	Esther Street & West Columbia Way	West Columbia Way & Esther Street
City	Vancouver	Vancouver	Vancouver	Vancouver	Vancouver	Vancouver	Vancouver
State	WA	WA	WA	WA	WA	WA	WA
Zip	98660	98660	98660	98660	98660	98660	98660
County	Clark	Clark	Clark	Clark	Clark	Clark	Clark
APN	048840-000, 048850-000, Right-of-Way	039431-001	49443-000	046390-000, 046485-000, 047283-000, 047280-000, 04	986035-621, 986035-622, 039224-000	986041-169 & 986041-168	986041-167
PHYSICAL INFORMATION							
SF	36,327	39,805	36,278	44,875	96,267	32,306	37,785
Location	Good	Average/Good	Good	Average/Good	Average/Good	Excellent	Excellent
Exposure	Average/Good	Average	Average	Average	Average/Good	Good	Good
Access	Average/Good	Average/Good	Average/Good	Good	Average/Good	Good	Good
Shape	Irregular	L-shaped	Rectangular	Square	Irregular	Rectangular	Square
Site Utility Rating	Average	Average	Average	Average	Average	Good/Excellent	Good/Excellent
Zoning	CX (City Center)	CX (City Center)	CX (City Center)	CX (City Center)	CX (City Center)	CX (City Center)	CX (City Center)
Flood Zone	Zone X (Shaded)	None	None	None	None	None	None
Corner	No	No	No	Yes	No	No	No
Topography	Undulating	Level	Level	Level	Level	Level	Level
SALE INFORMATION							
Date		6/15/2017	4/11/2017	12/19/2017	11/16/2018	8/3/2017	6/18/2018
Status		Recorded	Recorded	Recorded	Recorded	Recorded	Recorded
Rights Transferred		Leased Fee	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Transaction Price		\$2,461,875	\$2,400,000	\$2,700,000	\$5,494,573	\$3,250,000	\$4,250,000
Analysis Price		\$2,461,875	\$2,400,000	\$2,700,000	\$5,594,573	\$3,250,000	\$4,250,000
\$/SF Land		\$61.85	\$66.16	\$60.17	\$58.12	\$100.60	\$112.48

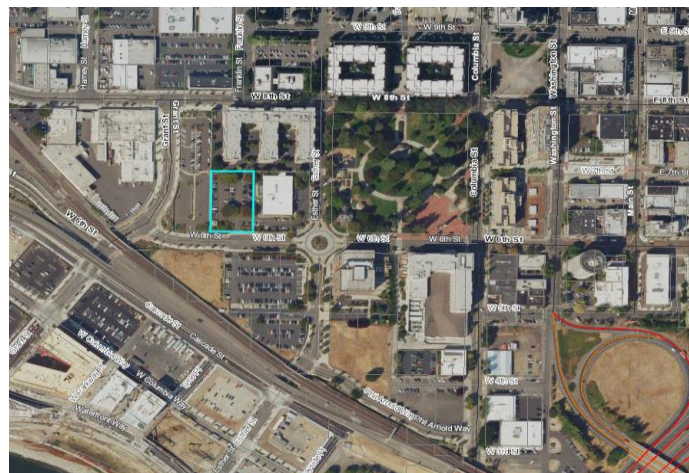
LAND SALES LOCATION MAP



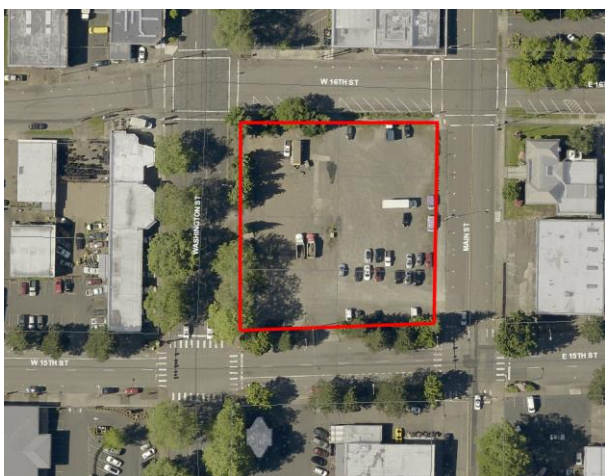
LAND SALES EXHIBITS



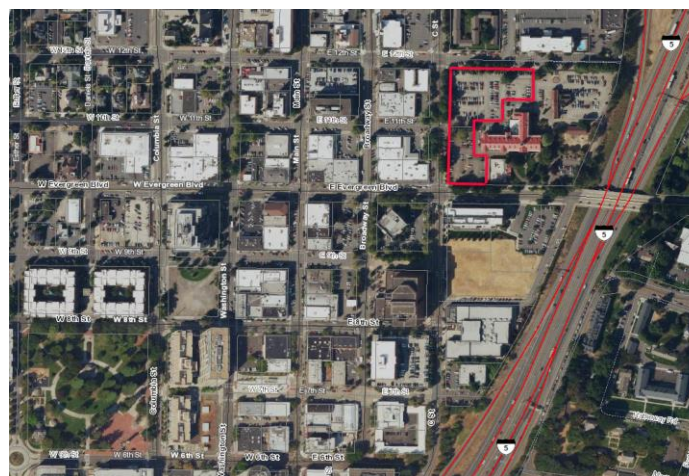
COMPARABLE 1



COMPARABLE 2



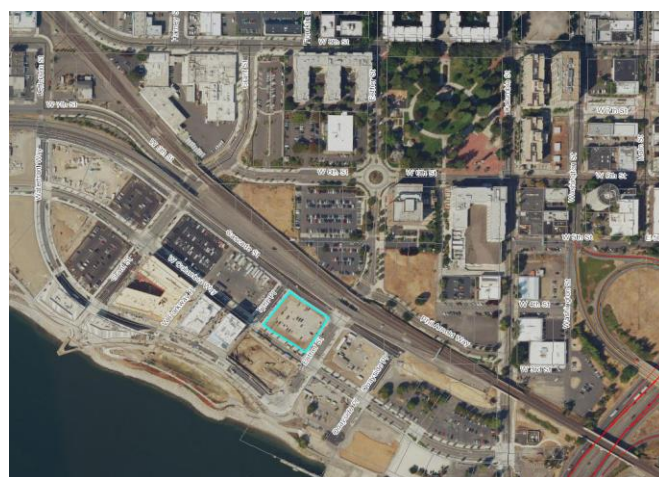
COMPARABLE 3



COMPARABLE 4



COMPARABLE 5



COMPARABLE 6

LAND SALES ADJUSTMENT TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5	COMPARABLE 6
Name	Surplus City of Vancouver Land	Black Angus Property	Esther Apartment Site	15th & Main Full Block	Academy Mixed-Use Land Sale	Vancouver Waterfront (Block 4)	Vancouver Waterfront (Block 3)
Address	South Side of Burlington Northern Railroad Tracks, Between Columbia Street & Esther Street	415 East 13th Street	550 W 6th St	1506 Main St	1015 C Street	Esther Street & West Columbia Way	West Columbia Way & Esther Street
City	Vancouver	Vancouver	Vancouver	Vancouver	Vancouver	Vancouver	Vancouver
APN	048840-000, 048850-000, Right-of-Way	039431-001	49443-000	046390-000, 046485-000, 047283-000, 047280-000, 04	986035-621, 986035-622, 039224-000	986041-169 & 986041-168	986041-167
SF	36,327	39,805	36,278	44,875	96,267	32,306	37,785
Location	Good	Average/Good	Good	Average/Good	Average/Good	Excellent	Excellent
Exposure	Average/Good	Average	Average	Average	Average/Good	Good	Good
Access	Average/Good	Average/Good	Average/Good	Good	Average/Good	Good	Good
Shape	Irregular	L-shaped	Rectangular	Square	Irregular	Rectangular	Square
Site Utility Rating	Average	Average	Average	Average	Average	Good/Excellent	Good/Excellent
SALE INFORMATION							
Date		6/15/2017	4/11/2017	12/19/2017	11/16/2018	8/3/2017	6/18/2018
Status		Recorded	Recorded	Recorded	Recorded	Recorded	Recorded
Rights Transferred		Leased Fee	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Analysis Price		\$2,461,875	\$2,400,000	\$2,700,000	\$5,594,573	\$3,250,000	\$4,250,000
Price/SF		\$61.85	\$66.16	\$60.17	\$58.12	\$100.60	\$112.48
TRANSACTIONAL ADJUSTMENTS							
Property Rights		0%	0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%	0%
Expenditures After the Sale		0%	0%	0%	0%	0%	0%
Market Conditions¹		6%	6%	4%	1%	5%	2%
Subtotal Transactional Adj Price		\$65.56	\$70.13	\$62.58	\$58.70	\$105.63	\$114.73
PROPERTY ADJUSTMENTS							
Location		Sl. Inferior	Similar	Sl. Inferior	Sl. Inferior	Superior	Superior
Size		Similar	Similar	Similar	Larger	Similar	Similar
Exposure		Sl. Inferior	Sl. Inferior	Sl. Inferior	Similar	Sl. Superior	Sl. Superior
Access		Similar	Similar	Sl. Superior	Similar	Sl. Superior	Sl. Superior
Shape		Inferior	Similar	Similar	Inferior	Similar	Similar
Site Utility Rating		Similar	Similar	Similar	Similar	Superior	Superior
TOTAL ADJUSTED PRICE		\$65.56	\$70.13	\$62.58	\$58.70	\$105.63	\$114.73
STATISTICS	UNADJUSTED	ADJUSTED					
LOW	\$58.12	\$58.70					
HIGH	\$112.48	\$114.73					
MEDIAN	\$64.01						
AVERAGE	\$76.56	\$79.56					

¹ Market Conditions Adjustment: 3%

Date of Value (for adjustment calculations): 4/12/19

LAND SALES ANALYSIS

In this analysis, six comparable land sales were researched in order to estimate a land value for the subject property. An attempt was made to find comparable land sales in the subject's immediate downtown "core" CBD area, of a size which is similar to the subject. As will be mentioned below, due to the apartment market conditions which have strengthened in the past couple of years, driving new construction of apartment and mixed-use projects, there have been some sales for large blocks recently which suggest a trend of some upward pressure on downtown land values, especially for full/large blocks, likely due to the limited supply of available properties. However, in recent years, due to the volume of single-family residential, multi-family residential, and commercial/industrial construction in Clark County, coupled with the increases in construction costs for certain materials, the appreciation in land values has been tempered as developers attempt to achieve financial feasibility for certain projects.

The above land sales indicate a relatively wide range of land value for the subject property of between \$58.70 and \$114.73 per square foot.

The low end of the range is indicated by Comparable 3 (\$62.58), the sale of a full block site bounded by 15th, Main, 16th, and Washington Streets in downtown Vancouver. According to the broker, the buyer plans to develop a mixed-use project, primarily apartments, with some commercial space planned for the first floor. However, this comparable is slightly inferior to the subject property with respect to location and exposure, as it is located further from Esther Short Park, which has been the focal point of development activity and pedestrian traffic. It is slightly superior to the subject property with respect to access. Overall, it is considered to be a slightly low value indicator for the subject property.

The upper end of the range is indicated by Comparable 5 (\$105.63) and 6 (\$114.73). Comparable 5 (\$105.63) is the sale of the site currently being developed with the Hotel Indigo and Kirkland Tower projects in the Vancouver Waterfront. However, downward pressure was placed on this sales price because there was a restriction on this property of only a hotel. Comparable 6 (\$114.73), Block 3, is the most recently closed sale in the Vancouver Waterfront. It was purchased by an apartment developer who has initially proposed a timber-construction apartment project (5-over-1), but an exact unit count was not available. It is located at the NW corner of Esther Street and Columbia Way, immediately south of the Burlington Northern Railroad Tracks. These comparables are similar to the subject with respect to location. However, as part of an approved Master-Planned Development, they are considered superior with respect to site utility, and superior with respect to location, exposure, and access. Overall, Comparables 5 (\$105.63) and 6 (\$114.73) are therefore considered to be upper limit value indicators for the subject property.

Comparable No. 2 (\$70.13) is the 2017 sale of a commercial site in downtown Vancouver, purchased for the development of a downtown apartment complex. The site was originally purchased from the City of Vancouver in January 2015, and the more recent 2017 sale actually reflects an internal transfer between some related parties involved in the development partnership. However, based on our interviews of the parties involved, the buyer and seller attempted to structure this sale at market, so it is utilized in this analysis. It is similar to the subject property with respect to its location near Esther Short Park. However, it is slightly inferior with respect to exposure. Overall, it is considered to be a good value indicator for the subject property.

Comparable No. 4 (\$58.70) is the sale of a commercial parcel in downtown Vancouver, along C Street. It was formerly part of the same ownership as The Academy historical property, which is generally located between East Evergreen Boulevard and East 11th Street, between C Street and Interstate-5. This is a surplus portion of the historical property which had previously been used as surface parking leased to various office tenants in downtown Vancouver. It was sold as a mixed-use (apartment-commercial) site in downtown Vancouver which is planned to be developed with 110 apartment units to be located over 1st floor commercial retail/service space. It

has been adjusted for the buyer's obligation to demolish the adjacent El Presidente restaurant, with the demolition costs estimated at \$100,000, which seems reasonable. Overall, it is a recent sale. However, it is considered to be slightly inferior to the subject property with respect to location and shape. It is also inferior to the subject property with respect to its larger, less marketable size. Therefore, it is considered to be a slightly low value indicator for the subject property.

Comparable 1 (\$65.56) is the sale of the Black Angus site, purchased by a local developer for ultimate re-development. It is currently developed with the Black Angus Restaurant and has some Interstate-5 exposure. Overall, however, it is slightly inferior to the subject property with respect to location, exposure, and shape, and is considered a good, but slightly low indicator of value for the subject property.

Factors placing upward pressure on the subject's value are its "prime" location in the downtown CBD "core", its water view/orientation on the south side of the Burlington Northern Railroad Tracks, and its orientation in close proximity to the Vancouver Waterfront development to the west, where there has been a considerable amount of development activity and there is market demand for apartment units. Therefore, the subject property is still considered to be a desirable piece of commercial property in downtown Vancouver, for some type of mixed-use (apartment-commercial) development.

However, the current construction climate in Clark County and the upward pressure on development costs, both hard and soft costs, have placed some downward pressure on land values, as mentioned previously. The upward pressure on development costs limits what a developer can pay for a site and still achieve a financially feasible project.

Therefore, based on the above analysis, and considering the subject's location/exposure in the downtown "core" CBD of downtown Vancouver, along with its shape and size and limited competition, along with current economic and market conditions, a value in the range of \$65.00 to \$75.00 per square foot would be considered appropriate for the subject property, with the mid-range of \$70.00 per square foot concluded, assuming the subject has full marketability. The subject's land value, assuming full marketability, is calculated as follows: 0.83 Acres (36,327 SF) X \$70.00/SF = \$2,540,000 (Rounded). This value is based on a Marketing Period of approximately 12 to 18 months.

The following table summarizes the analysis of the comparables, reports the reconciled price per SF value conclusion, and presents the concluded value of the subject site as a fully marketable site assembled with the adjoining property to the south.

CALCULATION OF LAND VALUE

The following table summarizes the analysis of the comparables, reports the reconciled price per square foot value conclusion, and presents the concluded value of the subject site.

CALCULATION OF LAND VALUE					
ANALYSIS				OVERALL	
COMP	PRICE	TRANSACTIONAL ¹	ADJUSTED	NOTES	COMPARISON
1	\$61.85	6%	\$65.56		PRIMARY
2	\$66.16	6%	\$70.13		PRIMARY
3	\$60.17	4%	\$62.58		PRIMARY
4	\$58.12	1%	\$58.70		PRIMARY
5	\$100.60	5%	\$105.63		PRIMARY
6	\$112.48	2%	\$114.73		PRIMARY
LOW	\$58.70			AVERAGE	\$79.56
HIGH	\$114.73			MEDIAN	\$67.85
COMPONENT		SUBJECT SF		\$/SF CONCLUSION	
TOTAL PROPERTY		36,327	x	\$70.00 =	\$2,540,000
Discount for Limited Marketability (Shape, Easements, One Buyer, Etc				80%	(\$2,032,000)
TOTAL ADJUSTED VALUE					\$510,000

¹Cumulative ²Additive

Rounded to nearest \$10,000

MARKETABILITY DISCOUNT

The concluded "base" value of the overall subject site, as a fully marketable site with a regular shape and a broader range of potential buyers, is \$70.00/SF, or \$2,540,000 (Rounded).

The above value is concluded, assuming the subject property has full marketability to a broad range of buyers/developers, with a size and shape which is adequate to support a range of commercial mixed-use developments, and therefore having full utility. However, the subject property has several physical characteristics that significantly limit its marketability.

First, the subject area has limited marketability because of its narrow, elongated shape which does not allow for many varieties of uses on it. These factors limit the utility of the site to a very narrow range of uses.

Second, the other primary physical factor that limits the marketability of the subject area is that it has several easements which limit the ability of the subject property to be developed. This includes a 17-foot easement along the northern boundary of the subject property for the purpose of maintaining the retaining wall. It also includes a sewer line easement through the central portion of the property which cannot be built upon. Finally, there is an access easement in favor of Burlington Northern Railroad which allows BNSF to access the rail lines. These easements are considered to limit the marketability of the subject property.

Third, the subject property is only abutted by one property owner to the south, the Port of Vancouver, with the railroad tracks bordering the north end, and two streets bordering the east and west ends. Therefore, there is only one legitimate buyer, the Port of Vancouver, which is also considered a significant limitation on the marketability of the subject property.

Therefore, based on this very limited number of buyers for the subject property, along with the easements and the elongated, irregular shape, a significant discount to the above value is considered necessary. The amount of the discount is considered to be commensurate with the number of other potential users/buyers of the subject property. A broad range of users/buyers would require a smaller discount, while a limited number of users/buyers would necessitate a greater discount. For example, one of three logical buyers of a commercial site in Longview purchased this site and, in establishing the purchase price, assigned a 50% discount to establish its value. This parcel only had access from three other abutting ownerships. This helps provide a benchmark for the subject property, which only has "one" likely buyer (public agency). Also, brokers and buyers of other properties with

physical restrictions, such as power lines, have indicated that these physical restrictions necessitate a discount of approximately 50% of the unencumbered value. This also helps establish a discount for the subject.

To provide further support for a discount, we have researched other remnant parcel sales and sales of vacated right-of-way to abutting owners. The results of this survey are summarized in the Land Sales Summation Table on the following page. The comparable land sales utilized indicate a range of discounts from 50% up to 84%-88%. Therefore, based on the number of potential buyers (1), along with the limitations on development because of its size, shape, and topography, a considerable discount is appropriate, higher than 50%, with a discount in the range of 70 to 90 percent considered appropriate for the subject property, and the mid-range of 80% concluded and applied to the subject property. This indicates a value for the subject property which is calculated as follows:

$\$70/\text{SF} \times 20\% \text{ (80\% Discount)} = \$14.00/\text{SF} \times 36,327 \text{ SF} = \$508,578$, rounded to \$510,000. This represents the As-Is Market Value of the subject property.

SUMMARY AND RECONCILIATION OF VALUES

The As-Is Market Value of the subject property is summarized as follows:

VALUE SUMMARY

As-Is Market Value (4/12/19):	\$510,000
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LAND SALES SUMMATION TABLE

Comparable 1	Transaction (Status/Date)	Analysis Price	Site Size (Acres/SF)	Zoning	Price Discount	Price per SF
Vacated Street Right-of-Way NE 152nd Avenue, S. of Fourth Plain Vancouver, WA	Recorded 10/1/2004	\$3,850	0.08 3,350	ML (Light Industrial)	50%	\$1.15
Comments:	Sale included a strip of excess NE 152nd Avenue right-of-way in Vancouver, WA. 10' x approximately 335' (3,350 SF). Sold for \$1.15/SF, which is about a 50% discount of the value of adjacent lands of \$2.50/SF. Purchased by Pedron RV Storage.					
Comparable 2						
Vacated Street Right-of-Way NE 152nd Avenue, S. of Fourth Plain Vancouver, WA	Recorded 10/1/2004	\$3,850	0.08 3,350	ML (Light Industrial)	50%	\$1.15
Comments:	Sale included a strip of excess NE 152nd Avenue right-of-way in Vancouver, WA. 10' x approximately 335' (3,350 SF). Sold for \$1.15/SF, which is about a 50% discount of the value of adjacent lands of \$2.50/SF. Purchased by Aho (Kunze Farms).					
Comparable 3						
Vacated NE Highway 99 NE Highway 99 Vancouver, WA	Recorded 1/1/2003	\$3,950	0.02 878	CH (Highway Commercial)	50%	\$4.50
Comments:	Parcel of excess NE Highway 99 right-of-way which sold from Clark County to the abutting owner. Approximately 15' in depth. Parcel sold to the abutting owner at a discount of approximately 50% of its value as combined with abutting lands. Parcel is used to provide parking and landscaping for the adjacent office building development.					
Comparable 4						
Salmon Creek Land SWC of Salmon Creek Ave. & NE 136th Vancouver, WA	Recorded 1/20/2012	\$5,776	0.09 3,850	OC (Office Campus)	82%	\$1.50
Comments:	Sale of a small surplus right-of-way strip, sold to the abutting owner, who was the only logical buyer, who plans to develop the adjoining site with a hospice care facility. Indicated price of \$9,624.75, but seller indicated the price allocated to the land only was \$5,776 (\$1.50/SF). This price represents a discount of approximately 82% of the market value of the surrounding land.					
Comparable 5						
Vacant Commercial Land 826 River Road Puyallup, WA	Recorded 3/1/1996	\$2,000	0.05 2,035	General Commercial	84% to 88%	\$0.98
Comments:	Parcel had no access and was purchased by the owner of the surrounding lands, who operates two auto dealerships. Price indicates a discount of approximately 84 to 88 percent of the value of surrounding lands.					

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions of the signer are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The signer of this report has no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- Dean Meyer, MAI has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- The signer is not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.
- The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* and the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute.
- Dean Meyer, MAI inspected the property that is the subject of this report.
- No one provided significant real property appraisal assistance to appraiser signing this certification.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report Dean Meyer, MAI completed the continuing education program for Designated Members of the Appraisal Institute.



Dean Meyer, MAI
Senior Valuation Services Director
Certified General Real Estate Appraiser
State of Washington License #1100795
+1 360 823 5263
dean.meyer@colliers.com

April 30, 2019
Date

This appraisal is subject to the following assumptions and limiting conditions:

- The appraiser may or may not have been provided with a survey of the subject property. If further verification is required, a survey by a registered surveyor is advised.
- We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.
- The exhibits in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.
- Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.
- The appraiser assumes no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein.
- Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.
- This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.
- The appraiser may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made therefore.
- The statements of value and all conclusions shall apply as of the dates shown herein.
- There is no present or contemplated future interest in the property by the appraiser which is not specifically disclosed in this report.
- Without the written consent or approval of the author neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media. This applies particularly to value conclusions and to the identity of the appraiser and the firm with which the appraiser is connected.
- This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the author no portion of the report stands alone.
- The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.
- The liability of Colliers International Valuation & Advisory Services, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser is in no way responsible for any costs incurred to discover or correct any deficiency in the property.
- The appraiser is not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Colliers International Valuation & Advisory Services and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property damage, or personal

injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.

- The appraiser assumes no responsibility for determining if the subject property complies with the *Americans with Disabilities Act (ADA)*. Colliers International Valuation & Advisory Services, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance. This appraisal assumes that the subject meets an acceptable level of compliance with *ADA* standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.
- An on-site inspection of the subject property was conducted. No evidence of asbestos materials on-site was noted. A Phase 1 Environmental Assessment was not provided for this analysis. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.
- A detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.
- This analysis assumes that the financial information provided for this appraisal, including rent rolls and historical income and expense statements; accurately reflect the current and historical operations of the subject property.

Engagement Letter
Legal Description
Valuation Glossary
Qualifications of Appraiser
Qualifications of Colliers International Valuation & Advisory Services

Meyer, Dean

From: Carlson, Linda <Linda.Carlson@cityofvancouver.us>
Sent: Thursday, April 11, 2019 9:41 AM
To: Meyer, Dean
Subject: RE: Appraisal needed

Dean – Please move forward with this appraisal. I will get you a PO number once it is in our system.

Matt Grady from Gramor has some great knowledge of this property and would be able to answer most any question you may have. I have asked him if it would be OK for you to contact him with your questions and he said yes. His contact information is

Matt Grady
Matt@gramor.com
503-245-1976 work phone

Matt works for the entity that we will transfer this property to per the development agreement for the waterfront. He is anxious to get this appraisal information so that he can proceed forward with their project.

Thank you.

Linda Carlson | Property Management Specialist | City of Vancouver
Direct: 360.487.8423 | Fax: 360.487.8496 | E-mail: linda.carlson@cityofvancouver.us

From: Meyer, Dean [mailto:Dean.Meyer@colliers.com]
Sent: Monday, April 8, 2019 2:39 PM
To: Carlson, Linda
Subject: RE: Appraisal needed

CAUTION: This email originated from outside of the City of Vancouver. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Linda,

I drove down and took a look at the site and feel like I have a pretty good understanding of where it lies, even though it's tougher to pull up on GIS (right-of-way, etc.) and see.

Our fee to provide a Summary Appraisal on this property, in our own format, would be \$3,800, and our time-frame is about 3 weeks. So we could have it done by the end of April, or possibly a bit sooner.

Again, this would be our standard format. If you need any type of Yellow Book format for this appraisal, please let me know and I can re-quote.

One thing that I need to clarify is whether there will be an easement over this property in favor of BNSF, to access the railway. There are also a lot of notes on the Color Sheet you sent over, so we would need to go over those, as well. Maybe you have a point person who can go over a lot of the notes on that sheet.

Please let me know if you have any questions.

Thanks.

Dean

Dean M. Meyer, MAI

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Valuation & Advisory Services
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View the current issue of [*Knowledge Leader*](#)

From: Carlson, Linda <Linda.Carlson@cityofvancouver.us>
Sent: Thursday, April 4, 2019 11:08 AM
To: Meyer, Dean <Dean.Meyer@colliers.com>
Subject: Appraisal needed
Importance: High

Dean – I need an appraisal completed of the area shown in brown (circled in red) on the attached map. I have also included a legal description of the parcel that was created by Olson Engineering when the waterfront project first began.

This area consists of two parcels and also some maybe ROW area – not exactly sure.

We need an appraisal to determine value before we transfer the property over to Columbia Waterfront LLC. There is also an access road for BNSF on the property.

Please advise cost and timeline to complete this.

I am out of office until Tuesday for my mothers service and will return a message at that time.

Thank you.

Linda Carlson | Property Management Specialist | City of Vancouver
Direct: 360.487.8423 | Fax: 360.487.8496 | E-mail: linda.carlson@cityofvancouver.us

From: irpark01@cityofvancouver.us [<mailto:irpark01@cityofvancouver.us>]
Sent: Thursday, April 4, 2019 11:00 AM
To: Carlson, Linda
Subject: Attached Image

LEGAL DESCRIPTION FOR
CITY OF VANCOUVER SURPLUS PROPERTY
EAST OF VACATED ESTHER STREET

October 4, 2017

A parcel of property in a portion of the Amos Short Donation Land Claim No. 51 and located in the Southwest quarter of Section 27, Township 2 North, Range 1 East, of the Willamette Meridian, City of Vancouver, Clark County, Washington, being a portion of Lots 1, 2, 3, 4, 7 and 8 of Block 26 and Lots 4, 5, 6, 7 and 8 of Block 27 and of those portions of 3rd and Daniels Street in the Plat of West Vancouver recorded in Book "D" of Plats, at Page 30, records of the Clark County, lying Southwesterly of a line drawn parallel with and 30.00 feet from, when measured perpendicular to, the Burlington Northern and Santa Fe Railway Company's Main Track centerline as described in deed to the City of Vancouver, recorded under Auditor's File No. 3222569, records of Clark County, and lying Southerly of the following described line:

COMMENCING at a brass cap set at the Southeast corner of said Short Donation Land Claim;

THENCE North 02° 19' 17" East towards a stone with an "X" at the intersection of Main & 12th Streets as shown in Book 17 of Surveys at Page 21, records of the Clark County Auditor, a distance of 1046.42 feet;

THENCE North 87° 40' 43" West 1309.17 feet to the TRUE POINT OF BEGINNING;

THENCE South 57° 15' 28" East 112.45 feet;

THENCE South 58° 31' 22" East 1.07 feet;

THENCE South 55° 18' 29" East 21.51 feet;

THENCE South 60° 20' 03" East 21.69 feet;

THENCE South 58° 28' 53" East 399.69 feet;

THENCE South 26° 55' 22" West 13.87 feet;

THENCE South 63° 18' 52" East 11.14 feet;

THENCE South 63° 31' 50" East 181.27 feet;

THENCE South 57° 39' 23" East 13.79 feet to the South line of said Burlington Northern Santa Fe Railroad Company tract;

THENCE South 54° 22' 26" East along said South line 60.92 feet, more or less, to the West line of Columbia Street and the TERMINUS of said line.

EXCEPT any portions lying West of the West line of Block 27, said Plat of West Vancouver, and that parcel conveyed by deed to the Port of Vancouver recorded under Auditor's File No. 9308180176, records of Clark County.

The intent of the above described parcel of land is to convey all that remainder of that parcel described in deed to the City of Vancouver, recorded under Auditor's File No. 3222569, records of Clark County.

Containing 36,327 square feet, more or less.

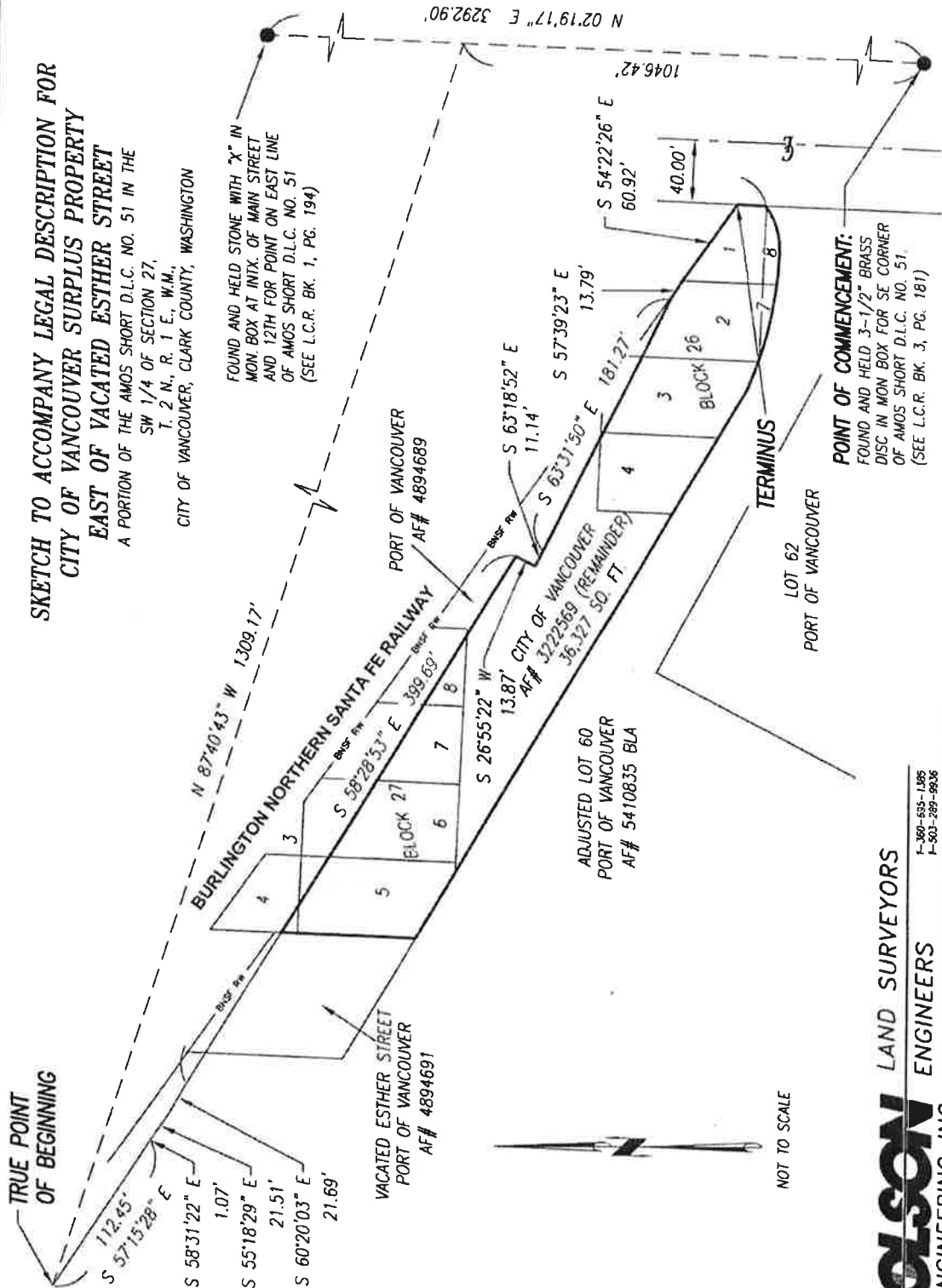


10-4-17

**SKETCH TO ACCOMPANY LEGAL DESCRIPTION FOR
CITY OF VANCOUVER SURPLUS PROPERTY
EAST OF VACATED ESTHER STREET**

A PORTION OF THE AMOS SHORT D.L.C. NO. 51 IN THE
SW 1/4 OF SECTION 27,
T. 2 N., R. 1 E., W.M.,
CITY OF VANCOUVER, CLARK COUNTY, WASHINGTON

FOUND AND HELD STONE WITH "X" IN
MON. BOX AT INTX. OF MAIN STREET
AND 12TH FOR POINT ON EAST LINE
OF AMOS SHORT D.L.C. NO. 51
(SEE L.C.R. BK. 1, PG. 194)



OLSON LAND SURVEYORS
ENGINEERS
ENGINEERING INC., 222 E. EVERGREEN BLVD., VANCOUVER, WA 98660

1-360-635-1108
1-801-289-9838

J:\DATA\8000\8200\8210\8218\SURVEY\8218.S\500023-CITY-2-PORT.dwg

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Unless specified otherwise, these definitions were extracted from the following sources or publications:

The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015 (*Dictionary*).

Uniform Standards of Professional Appraisal Practice, 2018-2019 Edition (USPAP).

The Appraisal of Real Estate, Fourteenth Edition, Appraisal Institute, Chicago, Illinois, 2013 (*14th Edition*).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (*Dictionary*)

Ad Valorem Tax

A real estate tax based on the assessed value of the property, which is not necessarily equivalent to its market value. (*14th Edition*)

Aggregate of Retail Values (ARV)

The sum of the separate and distinct market value opinions for each of the units in a condominium; subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as sold together in a single transaction; it is simply the total of the individual market value conclusions. Also called *sum of the retail values*. (*Dictionary*)

Arm's-length Transaction

A transaction between unrelated parties who are each acting in his or her own best interest. (*Dictionary*)

As-Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (*Dictionary*)

Assessed Value

The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value. (*14th Edition*)

Average Daily Room Rate (ADR)

In the lodging industry, the net rooms revenue derived from the sale of guest rooms divided by the number of paid occupied rooms. (*Dictionary*)

Band of Investment

A technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted-average rate attributable to the total investment. (*Dictionary*)

Cash-Equivalent Price

The price of a property with nonmarket financing expressed as the price that would have been paid in an all-cash sale. (*Dictionary*)

Common Area

The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities. (*Dictionary*)

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Contract Rent

The actual rental income specified in a lease. *(14th Edition)*

Cost Approach

A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised. *(14th Edition)*

Curable Functional Obsolescence

An element of depreciation; a curable defect caused by a flaw in the structure, materials, or design, which can be practically and economically corrected. *(Dictionary)*

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service, which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. *(Dictionary)*

Deferred Maintenance

Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of a property. *(Dictionary)*

Depreciation

In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. *(Dictionary)*

Direct Costs

Expenditures for the labor and materials used in the construction of improvements; also called *hard costs*. *(Dictionary)*

Discounted Cash Flow (DCF) Analysis

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate. *(Dictionary)*

Discount Rate

A rate of return on capital used to convert future payments or receipts into present value; usually considered to be a synonym for *yield rate*. *(Dictionary)*

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider their best interests.
7. An adequate marketing effort will be made during the exposure time.

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8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.

9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. (*Dictionary*)

Easement

The right to use another's land for a stated purpose. Access or right-of-way easements may be acquired by private parties or public utilities. Governments may be the beneficiaries of easements placed on privately owned land that is dedicated to conservation, open space, or preservation. (*14th Edition*)

Economic Life

The period over which improvements to real property contribute to property value. (*Dictionary*)

Effective Age

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. (*Dictionary*)

Effective Date

The date on which the appraisal or review opinion applies (SVP) (*Dictionary*)

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. (*Dictionary*)

Effective Gross Income Multiplier (EGIM)

The ratio between the sale price (or value) of a property and its effective gross income. (*Dictionary*)

Effective Rent

The rental rate net of financial concessions such as periods of free rent during the lease term and above or below-market tenant improvements (TIs). (*14th Edition*)

Eminent Domain

The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as the *takings clause*, guarantees payment of just compensation upon appropriation of private property. (*Dictionary*)

Entrepreneurial Incentive

The amount an entrepreneur expects to receive for his or her contribution to a project. Entrepreneurial incentive may be distinguished from entrepreneurial profit (often called *developer's profit*) in that it is the expectation of future profit as opposed to the profit actually earned on a development or improvement. (*Dictionary*)

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Entrepreneurial Profit

A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses. *(Dictionary)*

Excess Land

Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. *(Dictionary)*

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. Due to the higher risk inherent in the receipt of excess rent, it may be calculated separately and capitalized or discounted at a higher rate in the income capitalization approach. *(14th Edition)*

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. *(Dictionary)*

Exposure Time

The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. *(Dictionary)*

External Obsolescence

A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be temporary or permanent. *(Dictionary)*

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions. (USPAP)

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Fair Market Value

In nontechnical usage, a term that is equivalent to the contemporary usage of *market value*.

As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency. (*Dictionary*)

Feasibility Analysis

A study of the cost-benefit relationship of an economic endeavor. (*USPAP*)

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat. (*Dictionary*)

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area. (*Dictionary*)

Functional Obsolescence

The impairment of functional capacity of improvements according to market tastes and standards. (*Dictionary*)

Functional Utility

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. (*Dictionary*)

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (*Dictionary*)

Going-concern

An established and operating business having an indefinite future life. (*Dictionary*)

Going-concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern or market value of the total assets of the business*. (*Dictionary*)

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. (*Dictionary*)

Gross Leasable Area (GLA) - Commercial

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. (*Dictionary*)

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Gross Living Area (GLA) - Residential

Total area of finished, above-grade residential area; calculated by measuring the outside perimeter of the structure and includes only finished, habitable, above-grade living space. (Finished basements and attic areas are not generally included in total gross living area. Local practices, however, may differ.) (*Dictionary*)

Highest & Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for that asset when formulating the price that it would be willing to bid (IVS). (*Dictionary*)

Hypothetical Condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (*USPAP*)

Income Capitalization Approach

In the income capitalization approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principle of anticipation is fundamental to this approach. Techniques and procedures from this approach are used to analyze comparable sales data and to measure obsolescence in the cost approach. (*14th Edition*)

Incurable Functional Obsolescence

An element of depreciation; a defect caused by a deficiency or superadequacy in the structure, materials, or design that cannot be practically or economically corrected as of the effective date of the appraisal. (*Dictionary*)

Indirect Costs

Expenditures or allowances for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract. Indirect costs may include administrative costs, professional fees, financing costs and the interest paid on construction loans, taxes and the builder's or developer's all-risk insurance during construction, and marketing, sales, and lease-up costs incurred to achieve occupancy or sale. Also called *soft costs*. (*Dictionary*)

Insurable Replacement Cost

The cost estimate, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design and layout for insurance coverage purposes guaranteeing that damaged property is replaced with a new property (i.e., depreciation is not deducted). (*Dictionary*)

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Interim Use

The temporary use to which a site or improved property is put until a different use becomes maximally productive. (*Dictionary*)

Investment Value

The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. (*Dictionary*)

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.

9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. (*Dictionary*)

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversion right when the lease expires. (*Dictionary*)

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. (*Dictionary*)

Legally Nonconforming Use

A use that was lawfully established and maintained, but no longer conforms to the use regulations of its current zoning; also known as a *grandfathered use*. (*Dictionary*)

Market Area

The geographic region from which a majority of demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas. (*Dictionary*)

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). (*14th Edition*)

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Market Study

An analysis of the market conditions of supply, demand, and pricing for a specific property type in a specific area. (*Dictionary*)

Market Value (Interagency Guidelines)

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 each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Interagency Appraisal and Evaluation Guidelines, December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472)

Marketability Analysis

The study of how a specific property is expected to perform in a specific market. A marketability analysis expands on a market analysis by addressing a specific property. (*Dictionary*)

Neighborhood Analysis

The objective analysis of observable or quantifiable data indicating discernible patterns of urban growth, structure, and change that may detract from or enhance property values; focuses on four sets of considerations that influence value: social, economic, governmental, and environmental factors. (*Dictionary*)

Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization). (*14th Edition*)

Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. (*Dictionary*)

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Off-site Costs

Costs incurred in the development of a project, excluding on-site costs such as grading and construction of the building and other improvements; also called *common costs* or *off-site improvement costs*. (*Dictionary*)

On-site Costs

Costs incurred for the actual construction of buildings and improvements on a particular site. (*Dictionary*)

Overage Rent

The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakeven sales volume. (*14th Edition*)

Overall Capitalization Rate (OAR)

The relationship between a single year's net operating income expectancy and the total property price or value. (*Dictionary*)

Parking Ratio

The ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios for various land uses are often stated in zoning ordinances. (*Dictionary*)

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (*Dictionary*)

Potential Gross Income Multiplier (PGIM)

The ratio between the sale price (or value) of a property and its annual potential gross income. (*Dictionary*)

Present Value (PV)

The value of a future payment or series of future payments discounted to the current date or to time period zero. (*Dictionary*)

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy. (*Dictionary*)

Qualitative Adjustment

An indication that one property is superior, inferior, or the same as another property. Note that the common usage of the term is a misnomer in that an adjustment to the sale price of a comparable property is not made. Rather, the indication of a property's superiority or inferiority to another is used in relative comparison analysis, bracketing, and other forms of qualitative analysis. (*Dictionary*)

Quantitative Adjustment

A numerical (dollar or percentage) adjustment to the indicated value of the comparable property to account for the effect of a difference between two properties on value. (*Dictionary*)

Rentable Area

The amount of space on which the rent is based; calculated according to local practice. (*Dictionary*)

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Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. (*Dictionary*)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building. (*Dictionary*)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." (*Dictionary*)

Sales Comparison Approach

The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered vacant when an adequate supply of comparable sales is available. (*Dictionary*)

Scope of Work

The type and extent of research and analysis in an appraisal or appraisal review assignment. Scope of work includes, but is not limited to:

The extent to which the property is identified;

The extent to which tangible property is inspected;

The type and extent of data researched; and

The type and extent of analysis applied to arrive at opinions or conclusions. (*USPAP*)

Shopping Center Types

Neighborhood Shopping Center: The smallest type of shopping center, generally with a gross leasable area of between 30,000 and 100,000 square feet. Typical anchors include supermarkets. Neighborhood shopping centers offer convenience goods and personal services and usually depend on a market population support of 3,000 to 40,000 people.

Community Shopping Center: A shopping center of 100,000 to 400,000 square feet that usually contains one junior department store, a variety store, discount or department store. A community shopping center generally has between 20 and 70 retail tenants and a market population support of 40,000 to 150,000 people.

Regional Shopping Center: A shopping center of 300,000 to 900,000 square feet that is built around one or two full-line department stores of approximately 200,000 square feet each plus small tenant spaces. This type of center is typically supported by a minimum population of 150,000 people.

Valuation Glossary

Valuation & Advisory Services

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Seattle, WA 98101

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Shopping Center Types (cont.)

Super-Regional Center: A large center of 600,000 to 2.0 million square feet anchored by three or more full-line department stores. This type of center is typically supported by a population area of 300,000 people. (14th Edition)

Superadequacy

An excess in the capacity or quality of a structure or structural component; determined by market standards. (*Dictionary*)

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (*Dictionary*)

Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. (*Dictionary*)

Triple Net Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called *NNN*, *triple net lease*, or *fully net lease*. (*Dictionary*)

Usable Area

The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas. (*Dictionary*)

Useful Life

The period of time over which a structure or a component of a property may reasonably be expected to perform the function for which it was designed. (*Dictionary*)

Vacancy and Collection Loss

A deduction from potential gross income (PGI) made to reflect income deductions due to vacancies, tenant turnover, and non-payment of rent; also called *vacancy and credit loss* or *vacancy and contingency loss*. (*Dictionary*)

Yield Capitalization

A method used to convert future benefits into present value by 1) discounting each future benefit at an appropriate yield rate, or 2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate. (*Dictionary*)



Dean M. Meyer, MAI

SENIOR VALUATION SERVICES DIRECTOR
Valuation & Advisory Services



dean.meyer@colliers.com

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with honors, Willamette
University, 1989

STATE CERTIFICATION

Washington

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Dean M. Meyer, MAI, has spent the last 23 years developing local commercial real estate expertise in the Vancouver office of Colliers International Valuation & Advisory Services, specializing geographically in Southwest Washington. His primary local expertise is in Clark County, with a vast range of experience in appraising commercial office, retail, industrial and special-use properties, along with commercial and industrial land. Various clients, including lenders, brokers, developers, attorneys, private owners, and governmental agencies, have turned to Dean for his expertise and service in the local Southwest Washington market. Dean cares about the relationships he has built with these clients in providing valuable real estate services for a variety of property types. Dean received his MAI (Member of the Appraisal Institute) designation in 1999, and continues to provide various real estate appraisal services to an extensive array of clients for various intended uses, including lending, right-of-way acquisition, estate planning, decision-making, tax appeal, divorce and arbitration.

EXPERIENCE

Senior Valuation Services Director, 2006-present, Colliers International Valuation & Advisory Services. Specialty is primarily in office, retail, and industrial properties. Geographic area of specialty is in Southwest Washington.

Manager, 1999-present,

Colliers International Valuation & Advisory Services

Real Estate Appraiser, 1989-present, Colliers International Valuation & Advisory Services.

PROFESSIONAL MEMBERSHIPS & ACCREDITATIONS

Member – Appraisal Institute

APPRAISAL INSTITUTE COURSES

Real Estate Appraisal Principles

Basic Valuation Procedures

Capitalization Theory and Techniques, Parts A&B

Standards of Professional Practice, Parts A&B

Case Studies in Real Estate Valuation

Valuation Analysis and Report Writing

Appraisal of Nonconforming Uses

Scope of Work

Analyzing Distressed Real Estate

Rates & Ratios

Office Building Valuation

Introduction to Valuing Green Buildings

OTHER RELATED COURSES

Finance and Investments

Economic Statistics

Business Practices in Society

Management Strategies and Policies

Advanced Technical Writing

Computer Science

STATE OF WASHINGTON

DEPARTMENT OF LICENSING – BUSINESS AND PROFESSIONS DIVISION

THIS CERTIFIES THAT THE PERSON OR BUSINESS NAMED BELOW IS AUTHORIZED AS A



CERTIFIED GENERAL REAL ESTATE APPRAISER

DEAN MATTHEW MEYER
700 WASHINGTON STREET
SUITE 608
VANCOUVER WA 98660

1100795

License Number

12/18/1991

Issued Date

03/16/2020

Expiration Date


Pat Kohler, Director

PL-630-159 (R/3/16)



Colliers International

Valuation & Advisory Services

Services Offered

Single Asset Valuation
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Loan Pool Valuation
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Lease and Cost Analysis
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Highest and Best Use Studies
Tax Appeals
Litigation Support
Segregated-Cost Analysis

Experience That Counts

Office
Industrial
Retail
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Mixed-Use Properties
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Land
Self-Storage
Manufactured Housing
Net Lease
Hospitality
Health Care
Subdivisions
Embassies & Consulates
GSA Properties
Special Use Properties
Telecommunications

Real estate valuations play a pivotal role in today's business climate. An accurate and well supported opinion of property value can mean the difference between reaching a critical goal—securing a loan, closing a sale, reporting to investors, choosing the best asset—or failing to achieve it altogether.

Colliers Valuation & Advisory Services' reports are designed to deliver insight into a property's fundamentals, its competition and the overall market dynamics affecting value. A solid valuation report can be a strategic asset for investors, lenders and owners, provided that it addresses both a property's unique characteristics and the most current market conditions.

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Our professionals share a commitment to deliver the highest level of service and consistent results. We go the extra mile for our clients, whether this means meeting a tight deadline or working with a complex and challenging property.

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Our unmatched report creation technology speeds appraisals through the pipeline. This secure, centralized production system generates a wide range of reports and high volume portfolio orders without delays.

INFORMATION

Today's business climate places valuation in a more pivotal position than ever before. All our appraisals are evaluated and approved by an experienced review team to ensure our clients receive concise and timely appraisals. With clear, prompt reporting and a comprehensive, big picture approach, Colliers International's Valuation and Advisory reports give our clients the information they need to make better business decisions.

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Staff Report 164-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/4/2019

SUBJECT Presbytery of the Cascades Annexation

Key Points

- Single owner request to annex into the City of Vancouver.
- Site is approximately 4.4 acres located at the NE corner of NE 162nd Avenue and NE 20th Street.
- Applicant is proposing to change the Comprehensive Plan and zoning designation for the eastern 2 acres of the property for a proposed 26-lot residential development.

Strategic Plan Alignment

N/A

Present Situation

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.

Advantage(s)

1. Supports request of property owner
2. Annexes a site already served by City utilities and infrastructure.
3. Ensures future development conforms to City development standards
4. Supports creation of higher density residential units
5. Converts non-taxable land to the taxable property

Disadvantage(s)

None.

Budget Impact

None.

Prior Council Review

Council Memorandum regarding annexation process delivered October 25, 2019.

Action Requested

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

Bryan Monroe, Associate Planner, 487-7958

ATTACHMENTS:

- ▣ Resolution
- ▣ Resolution Exhibits
- ▣ Advance Memo

11/4/2019

RESOLUTION NO. _____

A RESOLUTION relating to support of an annexation request (Exhibit “E”) using the 60% direct petition method pursuant to RCW 35.13.130; 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.

WHEREAS, pursuant to RCW 35.13.005, no city located in a county in which urban growth areas have been designated under RCW 36.70A.110 may annex territory beyond an urban growth area; and

WHEREAS, pursuant to RCW 36.70A, the City of Vancouver has an urban growth area designated under the Growth Management Act; and

WHEREAS, the proposed Annexation area is located in Vancouver’s urban growth boundary, and is contiguous to the City of Vancouver along the eastern border at the NE corner of intersection of 162nd Avenue and NE 20th Street; and

WHEREAS, pursuant to RCW 35.13.125, the owners of real property notified the City of their intent to commence annexation proceedings through submittal of initiation petitions equaling ten percent (10%) or more of the assessed valuation of the proposed annexation area; and

WHEREAS, pursuant to RCW 35.13.125, the Vancouver City Council scheduled and advertised a public meeting with the interested parties to decide whether to accept, reject or geographically modify the proposed annexation area; whether to require simultaneous adoption

RESOLUTION - 1

of comprehensive plan and land use zoning designations as provided for in VMC 20.230.030; and whether to require assumption of all or any portion of the existing city indebtedness by the area to be annexed; and

WHEREAS, the site is currently designated as Commercial (C) in Clark County for comprehensive plan and Community Commercial for zoning; using the straight conversion under VMC 20.230.030(B), the proposed annexation site would convert to the City's corresponding COM (Commercial) comprehensive plan designation and CC zoning; and

WHEREAS, the Applicant is seeking to change the existing Comprehensive Plan designation on the eastern portion of the site from Commercial (C) to Urban High density residential (UH) and changing the existing zoning designation of the site from Community Commercial (CC) to R-18, as depicted in exhibits "C" and "D"; and

WHEREAS, in accordance with VMC 20.230.030(C), the Applicant has proposed to complete the Comprehensive Plan and Zone Change process through the Planning Commission and City Council prior to returning to City Council for the final annexation ordinance hearing; and

WHEREAS, there is no existing indebtedness for the annexation area.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY OF VANCOUVER:

Section 1. Pursuant to Ch. 35.13 RCW, and as discussed in Staff Report _____, the proposed annexation area is 4.4 acres of unincorporated land located in Vancouver's urban growth boundary, and is contiguous to the City of Vancouver along eastern border at the NE corner of intersection of 162nd Avenue and NE 20th Street. The legal description of the proposed

RESOLUTION - 2

annexation area is set forth in Exhibit “A”, attached hereto and incorporated herein. A map of the proposed annexation area is set forth in Exhibit “B”, attached hereto and incorporated herein.

Section 2. City Council hereby supports the proposed annexation, with the following geographic modification. The 20th Street right of way abutting the subject annexation site to the south shall be included in the petition for annexation.

Section 3. Under VMC 20.230.030, a land use plan will be adopted, to become effective in the event the subject area is annexed by the City.

Section 4. Currently there is no City indebtedness for the annexation area to assume therefore assumption of existing debt is not required.

Section 5. This resolution shall become effective immediately upon adoption, and as provided in RCW 35.13.125, is not subject to appeal.

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

Anne McEnery-Ogle, Mayor

Attest:

Natasha Ramras, City Clerk

Approved as to form:

Jonathan Young, Acting City Attorney

RESOLUTION - 3

Exhibit A

Presbytery of the Cascades
Annexation

LEGAL DESCRIPTION Tax Lot 164362-000

A tract of land lying in the Southwest 1/4 of the Southeast 1/4 of Section 24, Township 2 North, Range 2 East of the Willamette Meridian, Clark County, Washington said tract being more particularly described as follows:

Commencing at the SW corner of the SE quarter of Section 24;

Thence North $1^{\circ} 40' 59''$ East, along the West line of said southeast quarter, 645.02 feet to a westerly projection of the North line of that tract conveyed by deed to Dale Haagen as recorded under Auditors File #8901030049;

Thence South $88^{\circ} 38' 00''$ East, along said westerly projection, 30 feet to the northwest corner of the additional right-of-way dedicated to Clark County per deed recorded under Auditors File # 9806230002, said point being on the current City Limits Line as described in City Ordinance number M-3277 (Cascade Park Annexation);

Thence South parallel with said NE 162nd Avenue centerline 33.50 feet to the True Point of Beginning, said point also being on the North line of the Peterkort Annexation as recorded in City of Vancouver Ordinance number M-3773;

Thence South $88^{\circ} 38' 00''$ East, along the South side of the NE 20th Street dedication deed recorded in Auditors File #9806230003, 529 feet, more or less, to a point on the SW corner of NE 20th Street dedicated in Clark County Plat Records Book J, Page 548;

Thence continuing South $88^{\circ} 38' 00''$ East 109.43 feet to a point of curvature;

Thence 15.76 feet along a 10 foot radius curve to the right with a delta angle of $90^{\circ} 18' 59''$;

Thence northerly to a point on the West right-of-way line of NE 164th Avenue and the North end of a 10.00 foot radius curve concave to the northwest with a delta angle of $89^{\circ} 41' 01''$ and a length of 15.65 feet, said point being 27 feet west of NE 164th Avenue centerline;

Thence continuing along said West right-of-way line of NE 164th Avenue 299.55 feet per Dedication Deed # 9806100352, to the Southeast corner of Lot 1, Plat of Mountain View Center Rowhomes recorded in Book 310, Page 929 records of Clark County, Washington;

Thence westerly along the South line of said plat to the Southeast corner of Lot 1, Plat Stein Estates Phase 4 recorded in Book 310, Page 799 records of Clark County, Washington, said point also being the Southeast corner of the Stein MX Annexation recorded in City of Vancouver Ordinance number M-3793;

Thence westerly along the South boundary of said plat 371.50 feet to a point 30 feet east of centerline of NE 162nd Avenue, also being the East line of the Cascade Park Annexation as described in City of Vancouver Ordinance M-3277;

Thence southerly 363.50 feet along said East line of the Cascade Park Annexation to the True Point of Beginning.

Contains 232,477 square feet more or less.



Exhibit B: Annexation Boundary

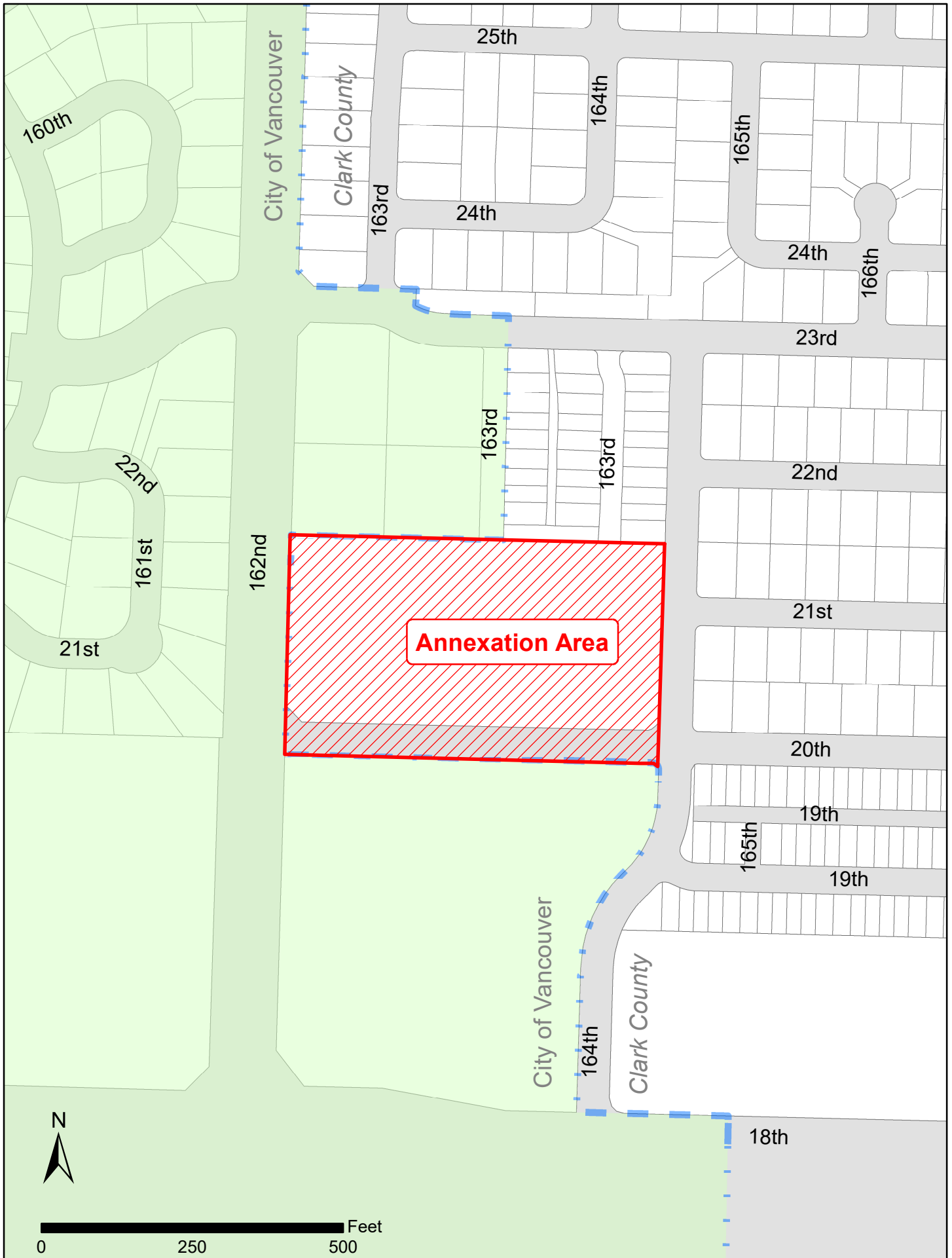
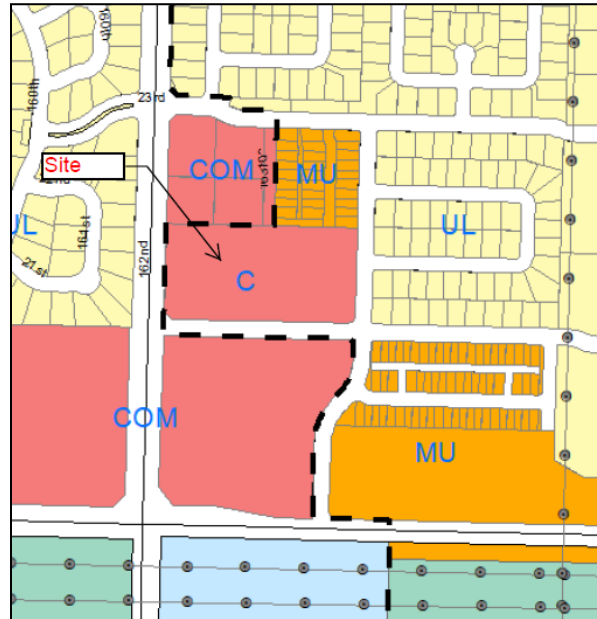


EXHIBIT C

Current County Comp Plan Designation



Proposed City Comp Plan Designation

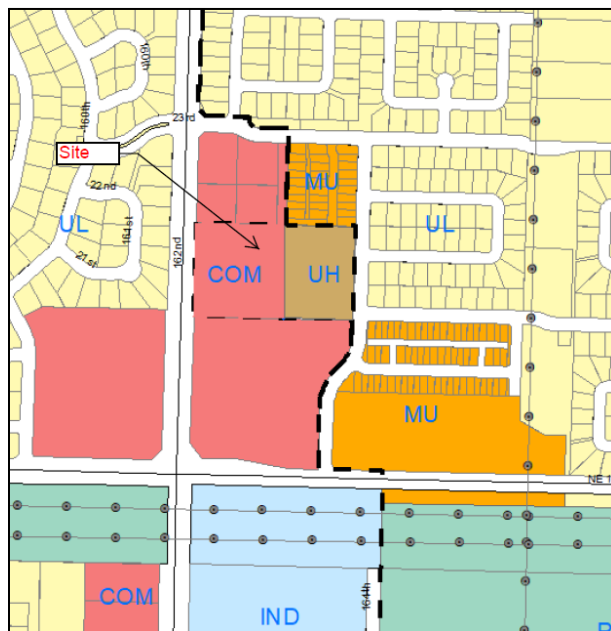
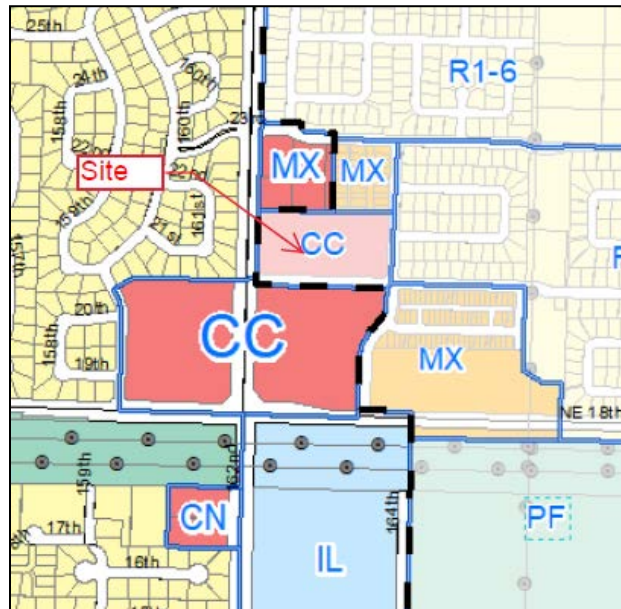


EXHIBIT D

Current County Zoning Designation is Community Commercial



Proposed City Zoning Designation is part Community Commercial and part R-18

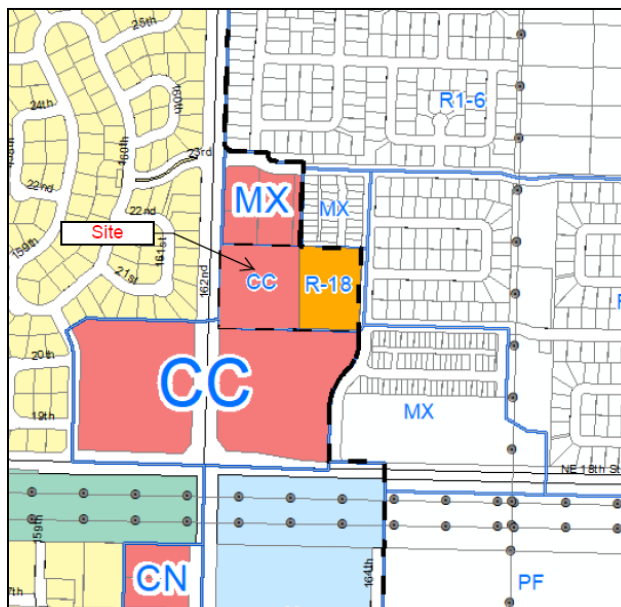


Exhibit E

NOTICE OF INTENT TO COMMENCE ANNEXATION PROCEEDINGS TO THE CITY OF VANCOUVER WASHINGTON

TO: Honorable Mayor Anne McEnerny-Ogle and City Council of Vancouver, Washington
P.O. Box 1995
Vancouver WA 98668

This is a Notice of Intent, submitted to the City Council of Vancouver, Washington, that states the undersigned property owner request that City Council commence annexation proceedings to annex certain property to the City of Vancouver.

This Notice of Intent is presented on behalf of the undersigned property owner who owns real property in the unincorporated Vancouver Urban Growth Area, which is adjacent and contiguous to the City of Vancouver, Washington, and which is legally described in **Exhibit A**. The parties to this Notice of Intent to commence annexation proceedings request annexation of parcels as shown on the map provided as **Exhibit B**. The area proposed to be annexed is approximately 4.71 acres in size. The undersigned owns more than ten percent of the assessed value of the total area as shown in the database provided as **Exhibit C**. This meets the requirements of RCW 35.13.125, the statute under which this Notice of Intent is filed. The City Council of the City of Vancouver, Washington, is hereby requested to proceed under RCW 35.13.125 and to schedule a public meeting to be held within sixty days after the filing of the Notice of Intent and to determine the following:

1. Whether the City of Vancouver will accept this proposed annexation as defined in **Exhibit A** and shown in **Exhibit B**; and,
2. Whether City of Vancouver shall require the simultaneous adoption of comprehensive plan and land use zoning designations; and,
3. Whether the City of Vancouver shall require the assumption of all or any portion of the existing City indebtedness by the area to be annexed.

The undersigned property owners hereby request the following:

1. That the City of Vancouver accept the proposed annexation as defined in **Exhibit A** and shown in **Exhibit B**; and,
2. That the City of Vancouver shall simultaneously adopt a new comprehensive plan (Urban Higher Density Residential) and land use zoning designation (R-18) for a portion of the property as provided for by VMC 20.230.030. C; and,
3. That the City of Vancouver shall not require the assumption of any portion of the existing City indebtedness by the area to be annexed.

Dated this 12th day of September 2019

Jeffrey S. Sievert
(Signature)

Jeffrey S. Sievert
(Print Name)

Oregon
STATE OF ~~WASHINGTON~~)
)
~~COUNTY OF CLARK~~)
Washington County

SS

I hereby certify that I know or have satisfactory evidence that Jeffrey S. Sievert
(Print Name)

signed this instrument, on oath stated that (she/he) is authorized to execute the instrument as a
President, Board of Trustees of The Presbytery of the Cascades
(Position/Title) (Name of Corporation)

and acknowledge it to be (her/his) free and voluntary act of such party for uses and purposes mentioned in the instrument.



Mirla Mendoza
(Signature of Notary)
Mirla Mendoza
(Print Name of Notary)

My Appointment Expires: Feb 16, 2023
Notary Public for the State of ~~Washington~~ Oregon

EXHIBIT B PARCEL MAP

Existing parcel map/configuration:



Proposed configuration at time of annexation:

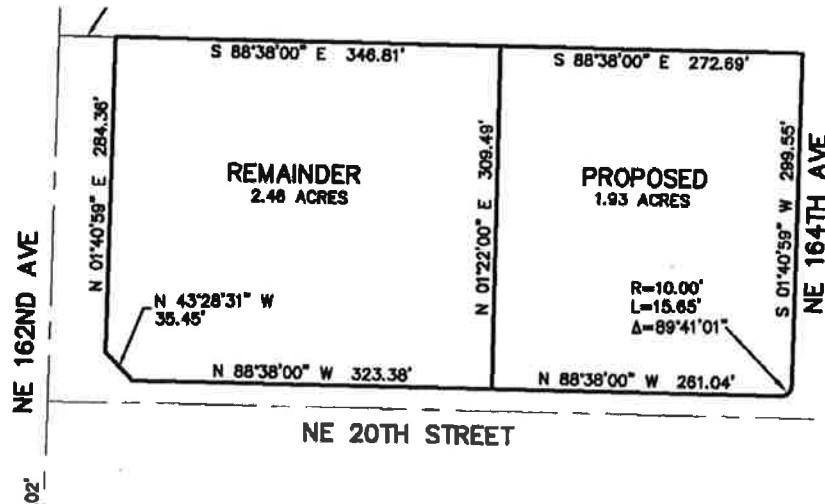


EXHIBIT A
LEGAL DESCRIPTION

A portion of the Southeast quarter of Section 24, Township 2 North, Range 2 East of the Willamette Meridian, Clark County, Washington, more particularly described as follows:

Beginning at the Southwest corner of said Southeast quarter; thence along the West line of said Southeast quarter North 1°40'59" East 645.02 feet to the True Point of Beginning; thence South 88°38'00" East 690.0 feet; thence Northerly parallel with the West line of said Southeast quarter 330.0 feet; thence North 88°38'00" West 690.0 feet to the West line of said Southeast quarter; thence South along the West line of said Southeast quarter 330.0 feet to the True Point of Beginning.

EXCEPTING THEREFROM that portion lying within NE 162nd Avenue.

EXCEPT that portion conveyed to Clark County, Washington, a municipal corporation recorded on June 10, 1998 under Auditor's File No. 9806100352.

EXCEPT that portion conveyed to Clark County, Washington, a municipal corporation recorded on August 18, 1998 under Auditor's File No. 9808180056 and 9808180057.

EXCEPT that portion conveyed to Clark County, Washington, a political subdivision of the State of Washington recorded on January 15, 2008 under Auditor's File No. 4412612.

EXHIBIT C
Property Value
PRESBYTERY OF THE CASCADES ANNEXATION

Current Owners constitute 100% ownership of proposed annexation area.

OWNERSHIP LIST	SERIAL NUMBER	AREA	2018 TAX VALUE
Presbytery of the Cascades	164362000	4.71 Acres	\$3,197,800

DATE: October 9, 2019
TO: Mayor and City Council
CC: Eric Holmes, City Manager
FROM: Rebecca Kennedy-Long Range Planning Manager

RE: Annexation Notice and Process

The purpose of this memo is to provide early notice of an annexation request and a provide a refresher on annexation processing.

Present Situation:

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 commercial and residential development. The current County Comprehensive Plan designation is Commercial (C) and the current zoning designation is Community Commercial (CC). The applicant's intent is to annex into the City with a concurrent application to change the Comprehensive Plan and zoning designation for part of the property to an Urban High (UH) density residential Plan designation and an R-18 zoning designation. Should the plan and zone change application and annexation applications be successful the applicant intends to subdivide 2 acres of the property into a 26 lot single family residential development with the church remaining on its own 2.4 acre site.

Process:

Annexations are subject to the regulations of RCW 35.13. This annexation will use the "direct petition" annexation method. This method typically results in two council actions. In this particular case however two additional actions will be required to process the applicant's requested Comprehensive Plan and zone change.

The first action is a public meeting in which Council votes on a Resolution to proceed.

The meeting is scheduled with 60 days of receiving the notice of intent to annex. The notice of intent must include property owners that equal 10% of the value of the property to be annexed. In this case, as a single ownership request, 100% of the property ownership is represented.

The 10% ownership public meeting has been scheduled for November 4, 2019.

At the November 4th meeting staff will present a Resolution to proceed. The resolution covers three specific areas.

1. Consider the annexation physical boundary
2. Consider the proposed Comprehensive Plan and zoning designations for the annexed area
3. Consider whether to require the applicant to assume any City indebtedness.

Presbytery of the Cascades Annexation

10/9/2019

Page 2 of 2

The second and third actions would be public hearings required for the Comp Plan and zone change request. The applicant submits the change request for Planning Commission review and recommendation to Council in the same manner as annual review requests. (Plan and zone changes that are coupled with an annexation request are exempted from the annual review timeline requirement). Through a public hearing process the Planning Commission will forward a recommendation to Council on the plan and zone changes to become effective upon annexation. City Council would then vote on adopting the plan and zone change ordinance at a public hearing. This process is expected to occur spring of 2020.

If the plan and zone change process is successful staff would schedule the final annexation ordinance public hearing late spring/early summer of 2020.

Required Meetings:

Meeting Type	Body	Task
Public meeting	City Council	Annexation Resolution
Public Hearing	Recommendation to Council	Plan/zone change recommendation
Public Hearing	City Council	Plan/zone change Ordinance
Public Hearing	City Council	Annexation Ordinance

Outreach:

The subject site was posted and a notice was published in the Columbian on October 4, 2019.

A courtesy notice has been sent to the County Manager and Assessor.

A courtesy notice has been sent to potentially impacted internal departments (Police, Fire, CED, Parks, et al)

Future notices will be published and posted for the three remaining public hearings.

Attachment(s):

- Notice of Intent to Annex
- Boundary Map (including recommended right of way)
- Vicinity Map
- Future Development Plan



To request other formats, please contact:
Department
(360) 487-8605 | WA Relay: 711
Amanda.delapena@cityofvancouver.us

**NOTICE OF INTENT TO COMMENCE ANNEXATION PROCEEDINGS
TO THE CITY OF VANCOUVER WASHINGTON**

TO: Honorable Mayor Anne McEnerny-Ogle and City Council of Vancouver, Washington
P.O. Box 1995
Vancouver WA 98668

This is a Notice of Intent, submitted to the City Council of Vancouver, Washington, that states the undersigned property owner request that City Council commence annexation proceedings to annex certain property to the City of Vancouver.

This Notice of Intent is presented on behalf of the undersigned property owner who owns real property in the unincorporated Vancouver Urban Growth Area, which is adjacent and contiguous to the City of Vancouver, Washington, and which is legally described in **Exhibit A**. The parties to this Notice of Intent to commence annexation proceedings request annexation of parcels as shown on the map provided as **Exhibit B**. The area proposed to be annexed is approximately 4.71 acres in size. The undersigned owns more than ten percent of the assessed value of the total area as shown in the database provided as **Exhibit C**. This meets the requirements of RCW 35.13.125, the statute under which this Notice of Intent is filed. The City Council of the City of Vancouver, Washington, is hereby requested to proceed under RCW 35.13.125 and to schedule a public meeting to be held within sixty days after the filing of the Notice of Intent and to determine the following:

1. Whether the City of Vancouver will accept this proposed annexation as defined in **Exhibit A** and shown in **Exhibit B**; and,
2. Whether City of Vancouver shall require the simultaneous adoption of comprehensive plan and land use zoning designations; and,
3. Whether the City of Vancouver shall require the assumption of all or any portion of the existing City indebtedness by the area to be annexed.

The undersigned property owners hereby request the following:

1. That the City of Vancouver accept the proposed annexation as defined in **Exhibit A** and shown in **Exhibit B**; and,
2. That the City of Vancouver shall simultaneously adopt a new comprehensive plan (Urban Higher Density Residential) and land use zoning designation (R-18) for a portion of the property as provided for by VMC 20.230.030. C; and,
3. That the City of Vancouver shall not require the assumption of any portion of the existing City indebtedness by the area to be annexed.

Dated this 12th day of September 2019

Jeffrey S. Sievert
(Signature)

Jeffrey S. Sievert
(Print Name)

Oregon
STATE OF ~~WASHINGTON~~)
) SS
~~COUNTY OF CLARK~~)
Washington County

I hereby certify that I know or have satisfactory evidence that Jeffrey S. Sievert
(Print Name)

signed this instrument, on oath stated that (she/he) is authorized to execute the instrument as a
President, Board of Trustees of The Presbytery of the Cascades
(Position/Title) (Name of Corporation)

and acknowledge it to be (her/his) free and voluntary act of such party for uses and purposes mentioned in the instrument.



Mirla Mendoza
(Signature of Notary)
Mirla Mendoza
(Print Name of Notary)

My Appointment Expires: Feb 16, 2023
Notary Public for the State of ~~Washington~~ Oregon

EXHIBIT B PARCEL MAP

Existing parcel map/configuration:



Proposed configuration at time of annexation:

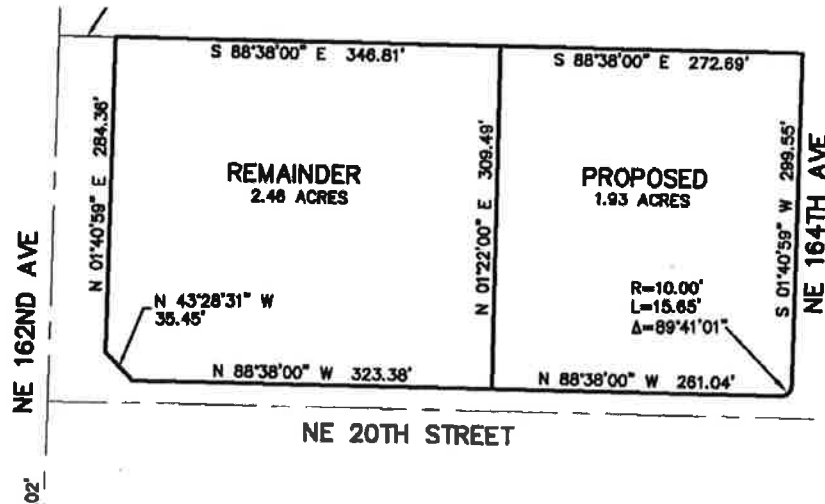


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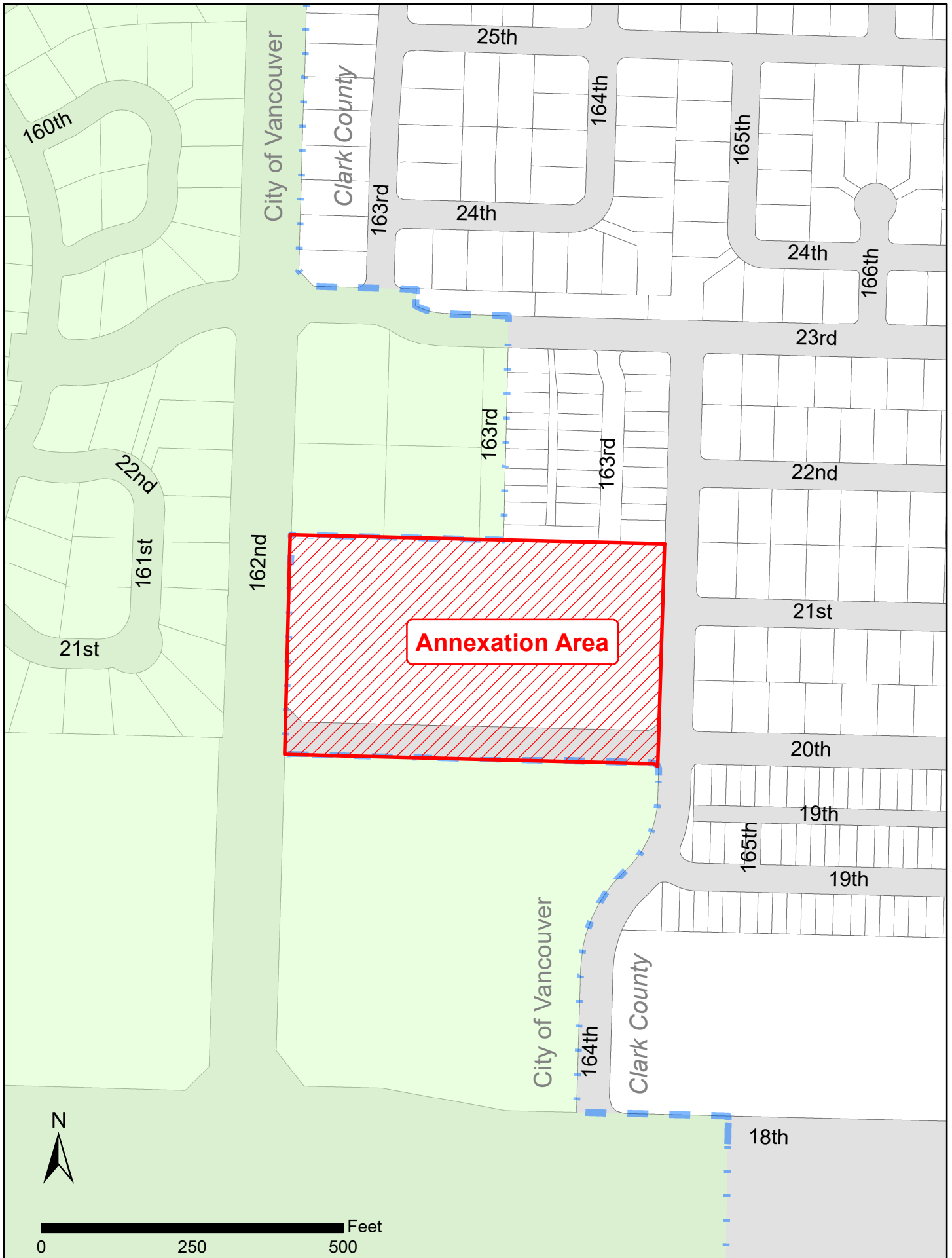
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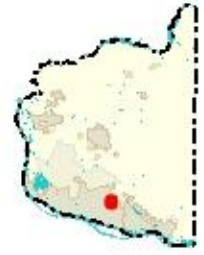
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Exhibit B: Annexation Boundary





 Taxlots
 All Roads
 Interstate or State Route
 Arterial
 Collector
 Private or Other
 Cities Boundaries
 Urban Growth Boundaries

Notes:



1,211.1	0	605.53	1,211.1Feet
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WGS_1984_Web_Mercator_Auxiliary_Sphere
Clark County, WA. GIS - <http://gis.clark.wa.gov>

This map was generated by Clark County's "MapsOnline" website. Clark County does not warrant the accuracy, reliability or timeliness of any information on this map, and shall not be held liable for losses caused by using this information.



DATE: November 1, 2019

TO: Anne McEnerny-Ogle, Mayor
City Council

FROM: Eric J. Holmes, City Manager 

RE: **Confirmation of Jonathan Young as Vancouver City Attorney**

Under Section 3.03 of the City Charter, the City Attorney is appointed by the City Manager, subject to confirmation by the City Council.

Following a full and open competitive recruitment, I have selected Jonathan Young to serve as Vancouver's next city attorney. Jonathan has been with the City of Vancouver since 2011, and has served the last five years as Chief Assistant City Attorney. In addition to this experience, Jonathan served as a member of the Benton County Prosecutors office for three years and has spent four years in private practice. He is a graduate with a degree in accounting from St. Ambrose University in Iowa and a juris doctorate from Gonzaga University in Spokane.

I recommend the City Council, under City Manager communications, confirm Jonathan Young to serve as City Attorney commencing November 4, 2019.

Proposal – an Opioid Treatment Program at the Clark County Jail



Clark County WASHINGTON



Kevin Fischer, MD

Medical Director – Substance Use Disorder Services
Columbia River Mental Health Services

Who are we?

Columbia River Mental Health Services

- Founded over 75 years ago
- Main Building at 6929 NE Fourth Plain Blvd
 - NorthStar Clinic (Opiate Treatment Program)
 - Center for Dual Diagnosis & Recovery
 - Mental Health Services
 - Child & Family Services
- Elahan Place
 - Residential Psychiatric Care Center
- Satellite Clinics
 - Hazel Dell
 - Battle Ground



What & Where: Proposed partnership with Columbia Mental Health Services & Clark County Jail

- Community Announcement – July 25th, 2019
- Goal to establish an opiate treatment program (OTP) within Clark County Jail
 - Addition of methadone and injectable naltrexone as treatment options at the jail
 - Expand availability of buprenorphine treatment services
 - Significantly increase overall availability of opioid use disorder treatment services

What is an opioid treatment
program?

Opioid Treatment Program (OTP)

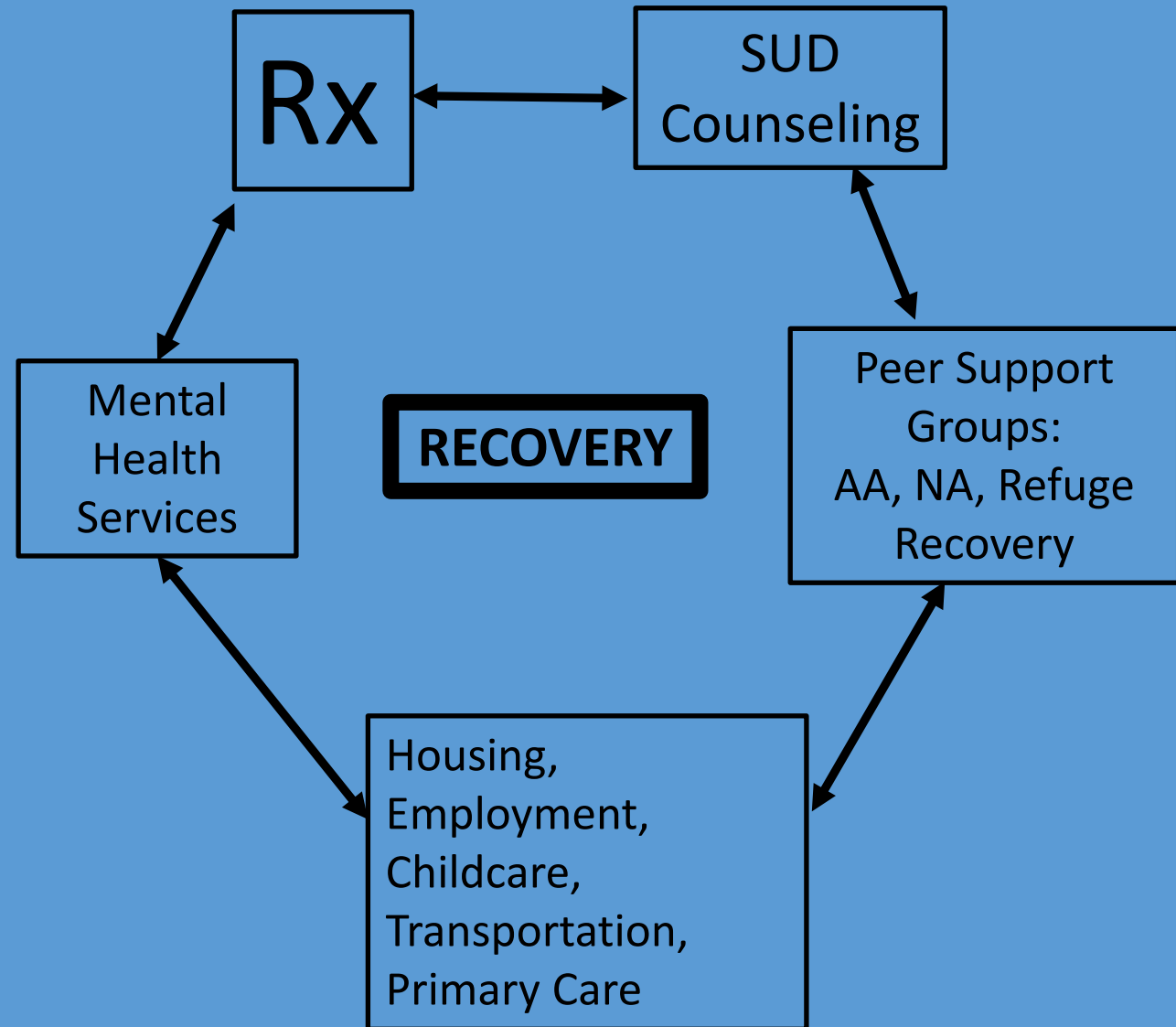
- Specially certified (State & Federal) clinic utilizing methadone, buprenorphine, naltrexone in the treatment of opioid use disorder
- Counseling services & case management
- Two OTP clinics in Clark County
 - NorthStar clinic at CRMHS
 - Vancouver Treatment Solutions – Salmon Creek
- Only clinics certified as an OTP can use methadone to treat opioid use disorder

What is it?

Medication Assisted
Treatment (MAT)

Medication Assisted Treatment (MAT)

- Evidence-based medications to support recovery process from Substance Use Disorder and reduce harmful outcomes
- One tool in the tool box



Addiction is a Chronic Disease – an important concept

- Long term, progressive & relapsing disease of the brain
- Marked by stages of progress and regression
- Patient engagement and self efficacy drive positive outcomes and vary over time
- Relapse and related behaviors are a feature of the illness rather than an indication of failure



MAT – 3 Primary Options

- Buprenorphine products
- Methadone
- Intramuscular naltrexone - Vivitrol

“Suboxone” – Buprenorphine / naloxone

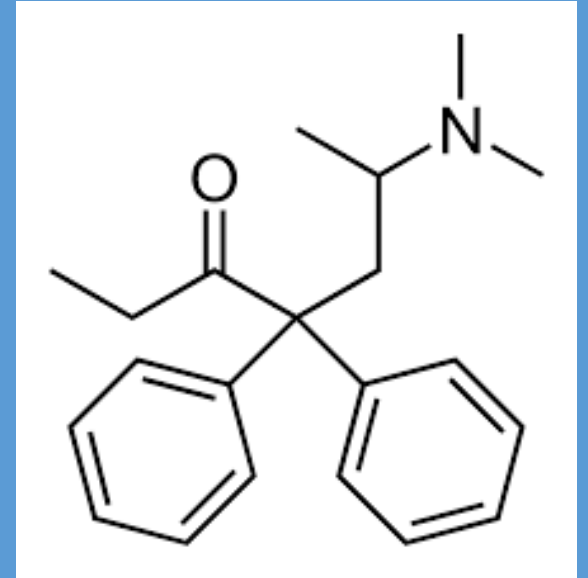
- Buprenorphine stimulates opiate receptors in the brain and spinal cord
 - Prevents withdrawal symptoms
 - Reduces cravings
 - Blocks effect of illicit opioids
- Treatment reduces risk of overdose death about 40%

-SAMHSA



Methadone

- Approved for use in US – 1947
- Stimulates opioid receptors in brain and spinal cord
 - Reduces cravings / prevents withdrawal symptoms
 - Blocks effect of illicit opioids
 - More potent medication: 60% reduction in risk of death.





Methadone at the jail?

- Most effective treatment option
- Clients coming into jail on methadone cannot transition to buprenorphine without detox
- Not everyone tolerates buprenorphine; treatment options improve success
- Connecticut experience: 60% of inmates choose methadone

What about Vivitrol?

- Monthly injection of naltrexone
- Opioid “blocker”
 - Prevents euphoria during use of narcotics
 - Reduction of cravings
- \$\$\$ - expensive
- Outcomes not as effective as buprenorphine or methadone
 - Lower retention in treatment
 - Survival benefit less significant
- Rare treatment choice by patients

Why Treat Addiction at the Jail?

Why treat addiction at the jail?

#1 – The Law Requires it.

- Recent court decisions in WA State and elsewhere directing jails to cover treatment / medications for OUD
 - Americans with Disabilities Act
 - 8th Amendment protections against cruel and unusual punishment

Why treat addiction at the jail?

#1 – The Law Requires it, continued

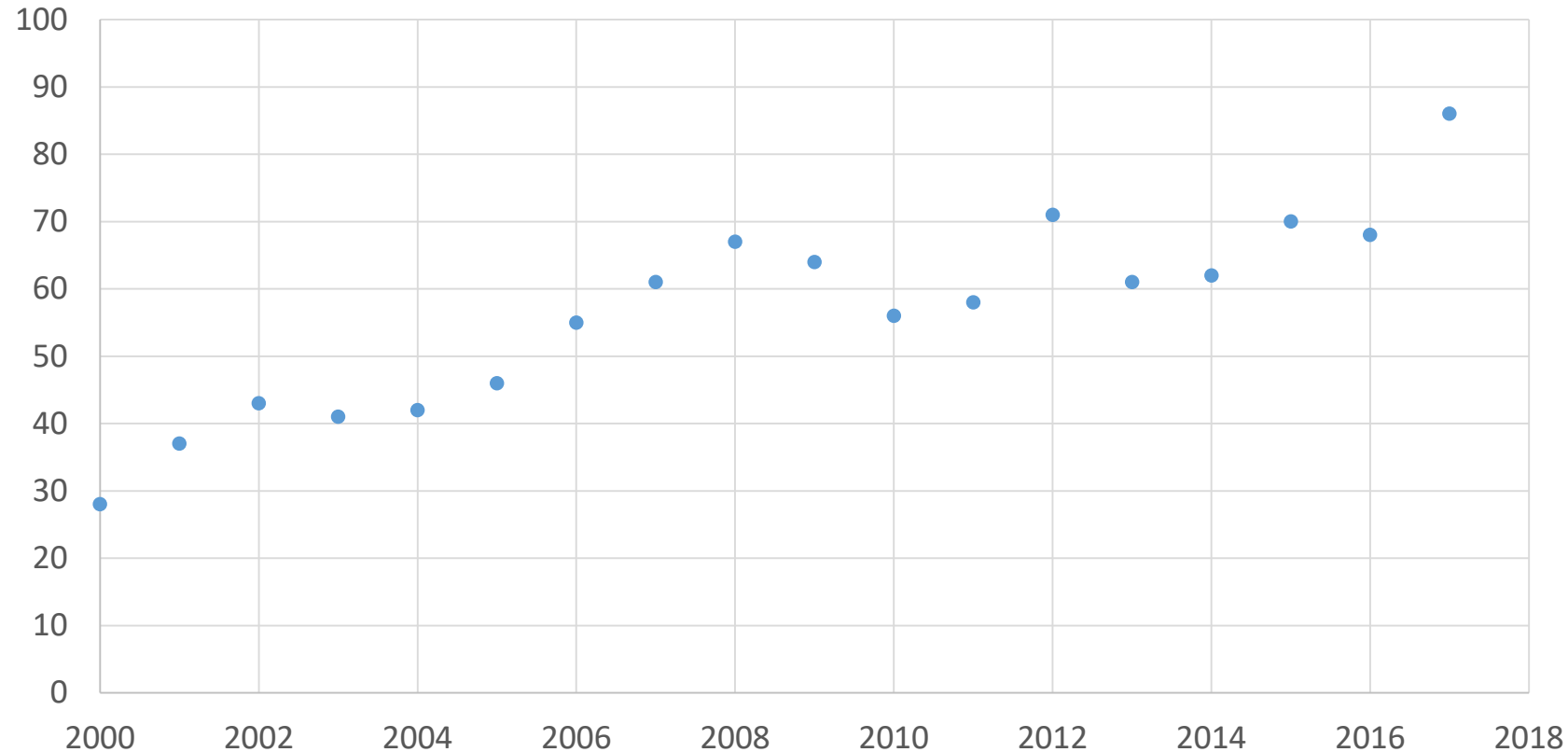
- WA Senate Bill 5380 – (2019)
 - Requires jails to develop OUD treatment services
 - Ability to continue existing medications for incoming inmates
 - Provide new medication / treatments to affected individuals within 30 days of release
 - Requires jails to connect exiting inmates to treatment services
 - Parity of service options

Why treat addiction at the jail?

#2 – Overdose deaths on the rise

Recently released individuals have unique overdose risks

Clark County, WA Drug Related Deaths



After Release from Jail

-Overdose death rate increases 129X in first two weeks, compared to overall population

MAT Works

-MAT reduces death rate post release by 75%

-Department of Health (DOH) – Vital Statistics

-N Engl J Med. 2007 Feb 1;356(5):536

Why treat addiction at the jail?

#3 - Opioid Use Contributes to Homelessness

- Large overlap between frequently jailed individuals who are homeless and individuals with severe opioid use disorder
- 25% of homeless individuals cite chronic drug use as the cause of their homelessness.
- Homeless individuals aged 25-44 - 9X more likely to die in a drug overdose than housed counterparts.
 - ~80% of these deaths attributed to opioids

Why treat addiction at the jail?

#4 - Illicit Opioid Use Drives Criminality - \$\$\$

- 65% of incarcerated individuals meet diagnostic criteria for a substance use disorder
- Recidivism rates significantly higher in individuals with *untreated* opioid use disorder
- Treatment with methadone or buprenorphine reduces “crime costs” by \$18,000 – per patient - in first six months of treatment

Why treat addiction at the jail (continued)?

- Avoiding detox → reduces detox-related deaths
- Improves risk management / medical-legal risk at jail
- Reduction in jail disciplinary problems
- Community solution to a community problem

But wait....

“Don’t we already treat addiction at the jail?”

- Yes, but....
 - Grant resources and available medical staffing limit how many we can reach.
- A Snapshot of Current Jail MAT Services (June 28, 2019):
 - Total Inmates Per Month with daily or frequent opiate use - ~207
 - WellPath – treated 6 patients
 - STAR – 18 patients
- For every patient who receives treatment, ~7 go untreated

In Summary-

- CRMHS & Clark County Jail - partnering to establish an OTP to expand access to opioid use disorder treatment
- Benefits to Clark County include
 - Decreased criminality & recidivism in treated individuals
 - Potential Tool in Homelessness
 - Decreased overdose death rates in community
- WHEN: Next steps
 - Submission of application to state and federal agencies
 - DEA / SAMHSA will develop a plan for community feedback
 - Logistical and treatment space planning with the jail
 - Longer term discussions / planning on funding

Thank you

&

Questions?

Kevin Fischer, MD
kevinf@crmhs.org



Staff Report 165-19

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 11/4/2019

Subject: 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., and is defined by the map included in the ordinance and attached to this staff report.

Key Points:

- State law allows cities and counties to place temporary moratoria on particular uses for up to six months while studies are conducted related to such uses and how they should be regulated.
- Staff has initiated the Commercial Corridors Strategy planning process to facilitate efficient, urban density economic development on and near major corridors, which includes the Evergreen and Grand commercial corridors. Adoption of the moratorium ensures that future development aligns with the vision articulated in the forthcoming plan.
- The Evergreen and Grand commercial corridors represent a significant opportunity to enhance an emerging neighborhood business district; existing development regulations do not recognize its unique built environment or promote improvement and enhancement of the area consistent with City of Vancouver Strategic Plan goals for strengthening neighborhood business districts.
- State law requires Council to hold a hearing on the moratorium and its continuance within 60 days of the adoption of the ordinance initially imposing the moratorium.

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

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

Objective 8.2: Strengthen neighborhood business districts

Present Situation:

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.

Advantage(s):

1. Allows the City time to develop a plan for the Evergreen and Grand commercial corridors, any needed amendments to Title 20, and conduct any required environmental review process.
2. Allows time for a public process that will facilitate community participation in the development of the plan, and provide time for review and comment on any proposed changes to land use regulations and environmental review.
3. Avoids applications for uses that would conflict with the achievement of the long-range vision for this area that will be defined by the plan.

Disadvantage(s): Prohibits 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 that would conflict with the achievement of the long-range vision for this area that will be defined by the plan.

Budget Impact: None.

Prior Council Review: None.

Action Requested:

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

Attachments:

- § Proposed Ordinance
- § Map of Properties subject to the temporary moratorium

11/4/2019

ORDINANCE NO. _____

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.

WHEREAS, the City of Vancouver has the authority to adopt temporary moratoria pursuant to RCW 36.70A.390 and 35.63.200; and

WHEREAS, the City is developing a commercial corridors strategy to make better use of the unique resources that Vancouver's major corridors offer; and

WHEREAS, the City Council finds that in order to preserve the ability to prepare this strategy, which includes the Evergreen and Grand commercial corridors, with the widest range of choices and alternatives for future development, it is necessary to temporarily restrict development of new structures; the expansion of existing structures; and subdivisions within the Evergreen and Grand commercial corridors until the strategy is completed; and

WHEREAS, without a temporary moratorium the City could, in the near future, receive applications for development that would conflict with the achievement of the long-range vision for this area that will be defined by the commercial corridors strategy that is currently underway; and

WHEREAS, the enactment of this ordinance constitutes an emergency, due to potential land use impacts that may result from continued development in the Evergreen and Grand commercial corridors without the implementation of the strategy; and

WHEREAS, current land use regulations in this area do not adequately address long-term planning strategies, or aesthetic congruity with the community; and

WHEREAS, a temporary moratorium as proposed herein will allow the City additional time to research and develop a development strategy for the area, implement additional new regulation elements, and amend existing zoning ordinances if necessary; and

WHEREAS, a temporary moratorium will enable the City to hold public hearings and maximize public input in the development of the new regulations in the project area without jeopardizing any possible land use options that may be precluded by unrestricted development; and

WHEREAS, the City Council believes that a temporary moratorium promotes the public health, safety, and general welfare and convenience of the people of Vancouver, and will encourage the most desirable and productive use of land and properties in the Evergreen and Grand commercial corridors area; and

WHEREAS, a public hearing on this ordinance establishing a temporary moratorium will be held within 60 days of the adoption of this ordinance.

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF VANCOUVER:

Section 1. The recitals to this ordinance are incorporated herein.

Section 2. Temporary Moratorium. As authorized by RCW 36.70A.390 and RCW 35.63.200, the City Council hereby adopts a temporary moratorium on the acceptance,

processing, and granting of applications for permits for the development of new structures; the expansion of existing structures; and subdivisions within the Evergreen and Grand commercial corridors as identified in the map at Exhibit A and the list of parcels at Exhibit B attached hereto.

Section 3. Exemptions. The moratorium established in Section 2 of this ordinance shall not apply to permits required for upkeep, repair, or maintenance of existing buildings or properties, or work mandated by the City to maintain public health and safety.

Section 4. Duration. This moratorium shall be in effect for six months following the effective date of this ordinance.

Section 5. Vested Rights. The moratorium created by this ordinance does not apply to properties with vested rights existing on November 4, 2019, the date of adoption of this moratorium ordinance. “Vested Rights” shall be defined in accordance with VMC 20.210.110.

Section 6. Effective date. The City Council hereby finds and declares that an emergency exists which necessitates that this ordinance become effective immediately in order to preserve the public health, safety and welfare. This ordinance shall become effective immediately upon passage. The City Clerk is directed to publish a summary hereof including the title at the earliest possible publication date.

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, Acting City Attorney

SUMMARY

ORDINANCE NO. _____

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.

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).

EXHIBIT A: PROPERTIES SUBJECT TO DEVELOPMENT MORATORIUM

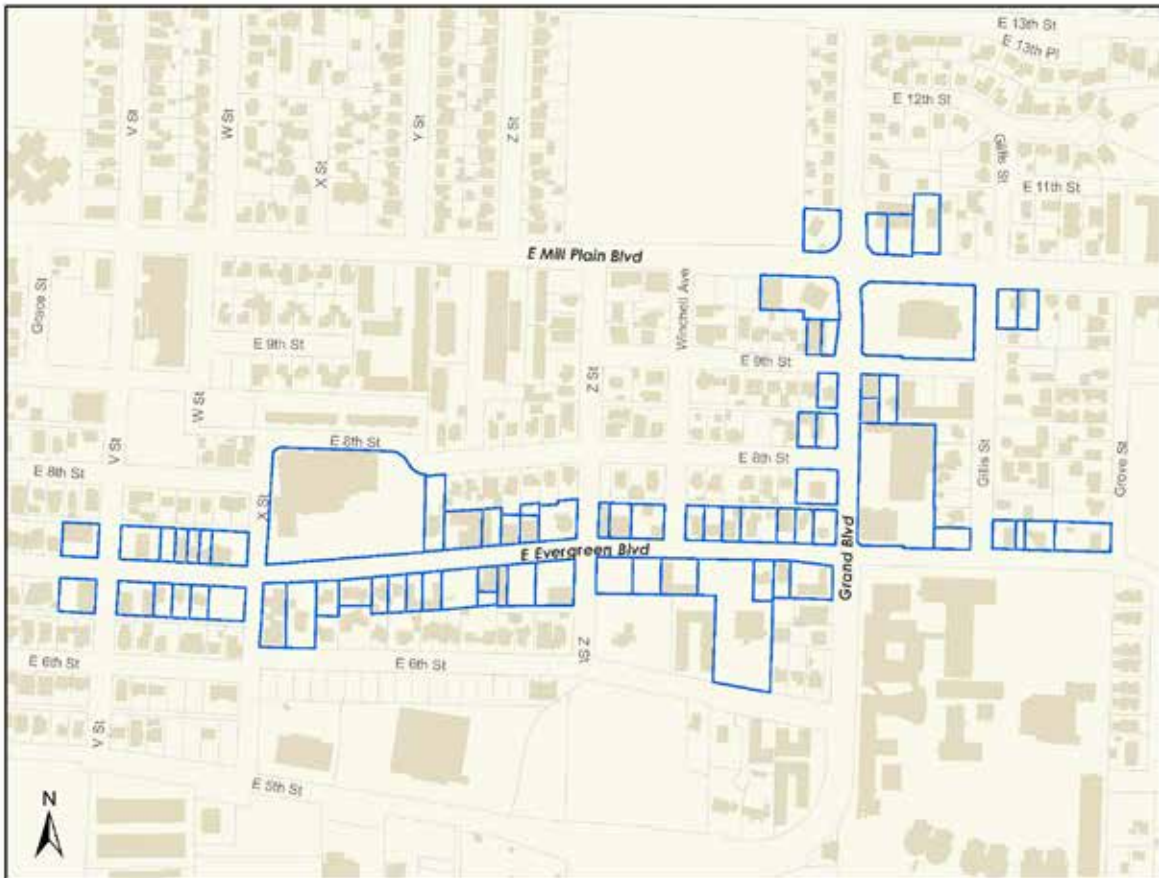


EXHIBIT B: PARCEL NUMBERS OF PROPERTIES SUBJECT TO DEVELOPMENT MORATORIUM

Property Identification Numbers (PIDs) for Properties Subject to Temporary Moratorium

37304080	30879000	30934000
37220000	30908000	31054000
34235030	30945000	34360000
34235040	33370000	30959000
31022000	33130000	30960000
30900000	33410000	34291000
30953000	33400000	34370000
33870000	33390000	33120000
33940000	33380000	33122000
33950000	33250000	30975000
33850000	30971000	33125000
30897000	30918000	30948000
30877000	30989000	33110000
33905000	30917000	33100000
33860000	34396000	33960000
33920000	31044000	31017000
31058000	31050000	37303950
30954000	34390000	30947000
33900000	34380000	30991000
34070000	33240000	986049823
33910000	34375000	37304070
33930000	34355000	30931000
30881000	34340000	34090000
30873000	34330000	34080000
30907000	30869000	30872000

