City Center Redevelopment Authority Board

Marc Fazio - Allison Reynolds - David Copenhaver - Michi Slick - Alisa Pyszka - Richard Krippaehne - Ken Anderton

City Center Redevelopment Authority Board Meeting Agenda

February 20, 2025
12:30 PM
City Hall, Council Chambers Fl 2, 415 W 6th Street Vancouver, WA 98660
Virtual Viewing: City Center Redevelopment Authority > Clark/Vancouver Television (cvtv.org)
Please see the Community Forum Instructions below to register for public comment

1. **Call to Order and Roll Call**

2. **Approval of Minutes**

    1/16/25 Minutes

3. **Election of Officers**

4. **Executive Director Report**
    Patrick Quinton, Executive Director, Economic Prosperity & Housing

    • Subcommittee Meeting Report
    • Project Updates
    • Development Pipeline Report

5. **Economic Development Strategy Update**

    Presentation - Chris Harder, Deputy Director, Economic Prosperity & Housing

6. **2024 Development Activity Report**

    Presentation - Chim Chune Ko, Real Estate Project Manager, Economic Prosperity & Housing

7. **Community Forum**
    **The public is invited to speak regarding any matter on the agenda. Members of the public testifying are asked to limit testimony to three minutes. Pre-registration is required. There are three ways to provide comments:

    • In Writing: Public comments can be submitted in writing (name, address, contact information and comments) via email to kimberly.kerlee@cityofvancouver.us by 5pm the day before the meeting.
    • Remotely: Pre-register by phone at 360-487-7846 or email kimberly.kerlee@cityofvancouver.us by 5pm the day before the meeting.
    • In Person: Pre-register by phone at 360-487-7846 or email kimberly.kerlee@cityofvancouver.us by 5pm the day before the meeting or fill out a Public Comment form in person prior to the start of the Community Communications portion of the meeting.

8. Executive Session, if needed

9. Adjournment

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Date: January 16, 2025
Time: 12:30-2:00 pm
Location
City Hall – Council Chambers Fl 2
415 W 6th Street
Vancouver, WA 98668

Regular Meeting (Convened in person and via video conference)
The meeting agenda materials referenced in these minutes can be found online. Link to meeting video: 25 01 16 CCRA Meeting Video.

Item 1: Call to Order and Roll Call
The January 16, 2025, meeting of the City Center Redevelopment Authority was called to order at 12:03 pm by Marc Fazio.

Board Members Present: Marc Fazio, Allison Reynolds, Ken Anderton, David Copenhaver, Richard Krippaehne, Michi Slick

Board Members Absent: Alisa Pyszka

Staff Present: Patrick Quinton, Kimberly Kerlee, Taylor Hallvik

Guests: None

Motion by Slick, seconded by Krippaehne, and carried unanimously to excuse the absence of Board Member Pyszka.

Item 2: Approval of Minutes
Motion by Reynolds, seconded by Anderton, and carried unanimously to approve the December 16, 2024, minutes.

Item 3: Executive Directors Report
Patrick Quinton, Executive Director, provided a summary of the January subcommittee meeting and reviewed the Development Pipeline report for November and December. The tentative 2025 CCRA workplan was reviewed with positive feedback from board members. Board member Anderton requested a discussion about staffing levels for permit processing be added to the workplan.

Item 4: Downtown Parking Plan
Patrick Quinton provided an overview of the Downtown Parking Plan working draft and asked board members for any last questions or feedback. Board member Copenhaver asked if parking stalls are being eliminated for curb space. President Fazio asked for

Members

Marc Fazio
President

Richard Krippaehne
David Copenhaver
Michi Slick
Alisa Pyszka
Allison Reynolds
Ken Anderton

CCRA City Center Redevelopment Authority

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Vancouver, WA 98668
cityofvancouver.us

clarification regarding parking minimums downtown. Quinton responded. The Board's overall feedback on the working draft was positive and agreed to recommend the Downtown Parking Plan to City Council for approval. President Fazio asked for a motion.

Motion by Slick, seconded by Anderton, and carried unanimously to recommend that City Council adopt the Downtown Parking Plan.

Item 5: CCRA Business Plan Update

Patrick Quinton presented the CCRA Business Plan Update and reviewed the goals for downtown Vancouver, potential roles and functions of the CCRA, and the investments needed to meet the goals of the Comprehensive Plan. Examples were provided of three potential CCRA business model funding scenarios. Estimated investment outcomes were also reviewed for each option. Pros and cons of alternative business models were also provided. Board members discussed plans for future conversations with City Council about the business plan and their overall involvement. President Fazio asked about the role the CCRA would play in economic opportunity. Quinton responded. Board members were overall pleased with the business plan and appreciated the work put into the plan.

Item 6: Comprehensive Plan Update

Rebecca Kennedy provided an overview of the Comprehensive Plan including updates to chapters and new state requirements. The timeline and process of adopting the plan was reviewed as well as the goals and guiding policies with the downtown vision and other considerations in mind including community feedback. Kennedy reviewed the eight new place types that were formed by collapsing current zones with the intent to simplify zoning districts. Two land use map possibilities were provided including what exists today and potential growth. Kennedy requested that board members explore the land use possibilities and provide feedback. Board member Slick asked about the updated light industrial zoning and what that would look in the new zone model. Kennedy responded. Next steps were discussed for 2025 with the new plan to be adopted by December 31. Board members expressed their appreciation for the presentation and asked questions and provided feedback. President Fazio asked about plans for updating the Vancouver City Center Vision and how it is impacted by the update to the Comprehensive Plan. Quinton and Kennedy responded.

Item 5: Public Comment

None

Item 6: Executive Session (as needed)

None

Adjournment

2:30 pm

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Marc Fazio, Board 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.

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CCRA City Center Redevelopment Authority

CCRA 2025 -2026 Workplan
Revised February 20, 2025

Meeting Date	Actual/Proposed Agenda Items	Comments
January 16, 2025	• CCRA Business Plan	Presentation of CCRA business model options for review and discussion of next steps by Board.
	• Downtown Parking Plan final review and recommendation	Presentation from City staff on final plan for discussion and recommendation by Board.
	• Comp Plan Update	Presentation from City staff on status of Comp Plan process
February 20, 2025	• Election of Officers	Annual election of President and Secretary/Treasurer
	• 2024 Development Activity review	Staff report on development activity in 2024 including progress toward City housing goals and MFTE activity and permit staff adequacy.
	• Economic Development Strategy update	Presentation from consultant team and City staff on draft economic development plan.
March 20, 2025	• Downtown Redevelopment Study	Presentation of final study and recommendations for acceptance by Board
	• Downtown Design Guidelines	Update from City staff on proposed changes to downtown design guidelines.
April 17, 2025	• Green Building Policy update	Presentation by City staff on updated draft of policy for feedback
	• CCRA Business Plan	Presentation of draft CCRA Business Plan for review and feedback by the Board.

May 15, 2025	• Waterfront Gateway Disposition and Development Agreement Amendment (DDA)	Review and recommendation on changes to DDA to reflect proposed changes to project.
	• Main Street Promise project update	Project update from City staff and project team
June 19, 2025	• Value Capture Strategy update	Staff will present update on analysis of potential tax increment and other value capture strategies for redevelopment and next steps
	• Business Improvement District update	Staff will present update on downtown business improvement district work and next steps
July 17, 2025	• Downtown Redevelopment implementation update	Staff will present update on next steps in implementing recommendations from Downtown Redevelopment Study.
	• Green Building Policy review and recommendation	Presentation by City staff on updated draft of policy for recommendation
	• Comp Plan Update	Presentation from City staff on status of Comp Plan
August 21, 2025	No meeting	
September 18, 2025	• Interstate Bridge Replacement (IBR) program update	Project update from City staff and IBR team.
October 16, 2025	• Parking Plan implementation update	Update from staff on initial implementation activities
November 20, 2025	• CCRA Business Plan review and adoption	Presentation of final draft of business plan for approval prior to review by City Council.
December 18, 2025	No meeting	
January 15, 2026	• Election of Officers	Annual election of President and Secretary/Treasurer
	• Comp Plan Update	Presentation from City staff on status of Comp Plan

February 19, 2026	• Interstate Bridge Replacement (IBR) program update	Project update from City staff and IBR team.
March 19, 2026	• 2025 Development Activity review	Staff report on development activity in 2025 including progress toward City housing goals and MFTE activity.
April 16, 2026	• CCRA Business Plan implementation update	Update on activities since adoption of new business plan
May 21, 2026	• Value capture plan implementation update	Staff will present update on progress in implementing a tax increment area or other value capture program for downtown.
June 18, 2026	TBD	
July 16, 2026	• Main Street Promise project update	Project update from City staff and project team
August 20, 2026	No meeting	
September 17, 2026	TBD	
October 15, 2026	• Parking Plan implementation update	Update from staff on 2026 implementation activities
November 19, 2026	TBD	
December 17, 2026	No meeting	

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Economic Development Strategy Update

Chris Harder – Deputy Director
Economic Prosperity & Housing

Center City Redevelopment Authority
February 20, 2025

Agenda

- Project Overview
- Summary of Key Findings
- Strategic Direction
  - Competitive Position
  - Economic Vision
- Strategic Focus & Action
  - Goals
  - Metrics
  - Actions
- Discussion & Input
- Next steps

Project Phases and Timeline

Discovery & Analysis

- Data Analysis
- Community Engagement
- Program Evaluation & Benchmarking

Deliverable: Situation Assessment / SWOT

May – August 2024

Plan Development

- Steering Committee
- Core Planning Team
- Nat'l Thought Leaders

Deliverable: 5-Year Economic Development Strategy

September 2024 - April 2025

Implementation Planning

- Strategy Prioritization
- Resource Assessment

Deliverable: Implementation Plan

May - June 2025

Key Findings from Discovery & Analysis

Growth & Competitiveness

- Clark County is driving regional growth in terms of population & Jobs
- Vancouver is primarily growing and increasingly concentrated in non-traded sector / local serving industries (construction, education, food services, retail)
- Business recruitment and expansion activity is stagnant
- Lukewarm to negative feelings toward residential, commercial, and industrial growth
- Clark County is experiencing a boom in new business starts, reflective of growing small business economy
- Growing perception that entrepreneurs don’t have accessible local resources to support growth

Key Findings from Discovery & Analysis

Quality of Life

- Vancouver more educated and higher income than in the past
- City struggles with racial and ethnic disparities in income, education, and housing
- Increasing concern over the affordability of Vancouver, particularly housing and commercial
- Access to quality jobs identified as top desired outcome for residents
- Current living wage standards are significantly higher than area median income for families with kids
- Concern about safety, vacancies, and homeless downtown and neighborhood business districts
- Shortage of affordable, reliable childcare impacts workforce stability

Strategic Plan Elements

Strategic Clarity

- **Competitive Position – Why Vancouver?**
  What unique and sustainable value does Vancouver deliver to large employers, small businesses, entrepreneurs, and workforce/talent?
- **Long-Term Economic Vision**
  What is the ideal future state – 20 years from now - we are trying to create for Vancouver as a community and an economy?

Strategic Focus & Action

- **Goals**
  What outcomes must Vancouver achieve over the five-year strategy horizon?
- **Metrics**
  How will we know when we are successful? What will we measure?
- **Actions**
  What finite-duration, discretionary projects, initiatives, and investments will we commit to implementing?

Competitive Position – Why Vancouver?

What unique and sustainable value does Vancouver currently deliver to employers, small businesses, entrepreneurs, and workforce/talent?
What must be protected?

Situated at the doorstep of some of the most stunning natural beauty and outdoor recreation opportunities in the United States, Vancouver offers access to big city amenities with the convenience of a smaller, more nimble and connected community. For residents, workers, businesses, and entrepreneurs, Vancouver offers:

- An expanding economy with growing market opportunities for entrepreneurs, small businesses, and startups to scale.
- A diversity of competitive and growing industries, creating pathways to economic opportunity and stability.
- A favorable business climate with a growing talent base, competitive costs, and a predictable regulatory environment that is attractive to new investment.
- Access to major West Coast metropolitan areas and critical global markets with a world-class international airport, convenient highway network, deep-water port, and established rail infrastructure.
- A strong sustainability ethos with climate advantages that position the community to navigate current and future climate change and natural resource challenges.
- A high quality of life with strong K-12 schools, a post-secondary education and workforce system that creates pathways to quality jobs, regional cost advantages, accessible transportation options, and the availability of top-notch medical care.
- A supportive and collaborative community with a shared interest and strong commitment to uplifting people.

Long-term Vision

What is the ideal future state (20 years) we are trying to create for Vancouver as a community and an economy?

Vancouver is an inclusive community with an equitable, competitive, and innovative economy.

Our economic vision will be achieved when:

- Growth is sustained, creating ongoing economic opportunity for workers, businesses, and entrepreneurs.
- Persistent economic disparities experienced by historically marginalized communities are closed and the city's median household incomes exceeds the regional average.
- Individuals and families, regardless of background or identity, have opportunities to create wealth.
- Jobs paying livable-wages are accessible and available across a diversity of industries.
- Entrepreneurs, innovators, and risk-takers are celebrated and supported.
- Small businesses are thriving and able to access the resources they need to scale.
- Neighborhood business districts are safe, vibrant, and welcoming.

Strategic Actions

- **Goals:** What high level outcomes must Vancouver achieve over the five-year strategy horizon?
- **Success Metrics:** How will we know when we are successful? What will we measure?
- **Actions:** What finite-duration, discretionary programs, initiatives, and investments will we commit to implementing?

Approach to Implementation

- Stakeholders and partner organizations will be involved in the design and implementation of actions
- Certain actions acknowledge existing efforts by stakeholder organizations and position the City to be a more engaged partner
- Where new programs are proposed, the City will help launch but not necessarily own long-term

Actions

A. Advance career opportunities in the trades

B. Support growth of emerging MBE/WBE/SBE construction and trades firms

C. Develop an investment toolbox to support the recruitment and expansion of businesses offering access to quality jobs

D. Incentivize employers to invest in childcare options, particularly for lower-income workers

Goal 1.

Establish pathways to accessible quality jobs and reduce barriers to economic opportunity

Metrics

- Median household income compared to the regional average
- Percent of jobs created resulting from City of Vancouver and partner supported programs that pay at or above Vancouver's living wage standards
- Percent of total jobs in Vancouver occupied by Vancouver residents

Actions

A. Enhance product-to-market opportunities for local consumer product entrepreneurs

B. Connect local small businesses to City of Vancouver public contracting opportunities

C. Establish a citywide small business revolving loan fund

Goal 2.

Create opportunities for wealth creation, especially for historically marginalized communities, by strengthening support for small businesses.

Metrics

- Number of new business starts in Vancouver whose owners are from historically marginalized communities
- Number of new businesses in operation past the first two years
- Annual sales/revenues of small businesses whose owners are from historically marginalized communities supported by City of Vancouver or contracted partner programs

Goal 3.

Position Vancouver as an inclusive center of innovation and entrepreneurship.

Metrics

- Number of jobs created in the region’s innovation-centered industry clusters (computers & electronics, software, clean tech, technology enhanced manufacturing, life sciences)
- Number and amount of local startup investment deals (angel, seed, venture capital)
- Number and amount of successful startup exits (IPO, M&A)

Actions

A. Develop a storytelling and marketing campaign to position Vancouver as a center of innovation

B. Support and host startup networking, pitch, and investment events

C. Help launch a local early-stage startup investment fund

Actions

A. Establish a neighborhood commercial district improvement program

B. Leverage city-controlled real estate assets or redevelopment projects to provide affordable commercial solutions

Goal 4.

Invest in neighborhood commercial districts that result in safe, vibrant, and accessible communities

Metrics

- Number of vacant or underutilized commercial property in priority neighborhood commercial districts
- Number of jobs in priority neighborhood commercial districts
- Access to essential neighborhood services (food, housing, transportation, childcare, medical, etc.) near priority neighborhood commercial districts

Discussion

- Any thoughts or reactions to the proposed Goals & Actions? What excites you? Where do you have concerns?
- What real estate/development trends should we be mindful of that could impact our ability to grow Vancouver's economy? (positive or negative)
- What redevelopment opportunities should the City consider to spur job creation, encourage small business growth, or enhance innovation/research & development in Vancouver?

Next Steps

- Month of February – Online Community Feedback
- March 10 – National Thought Leaders Meeting
- March 17 – Council Workshop #2
- End of March – Joint Core Planning Team / Steering Committee Meeting
- April 21, 2025 - Council Hearing and Adoption

Thank You

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2024 Development Activity Summary

Chim Chune Ko - Real Estate Project Manager
Economic Prosperity & Housing

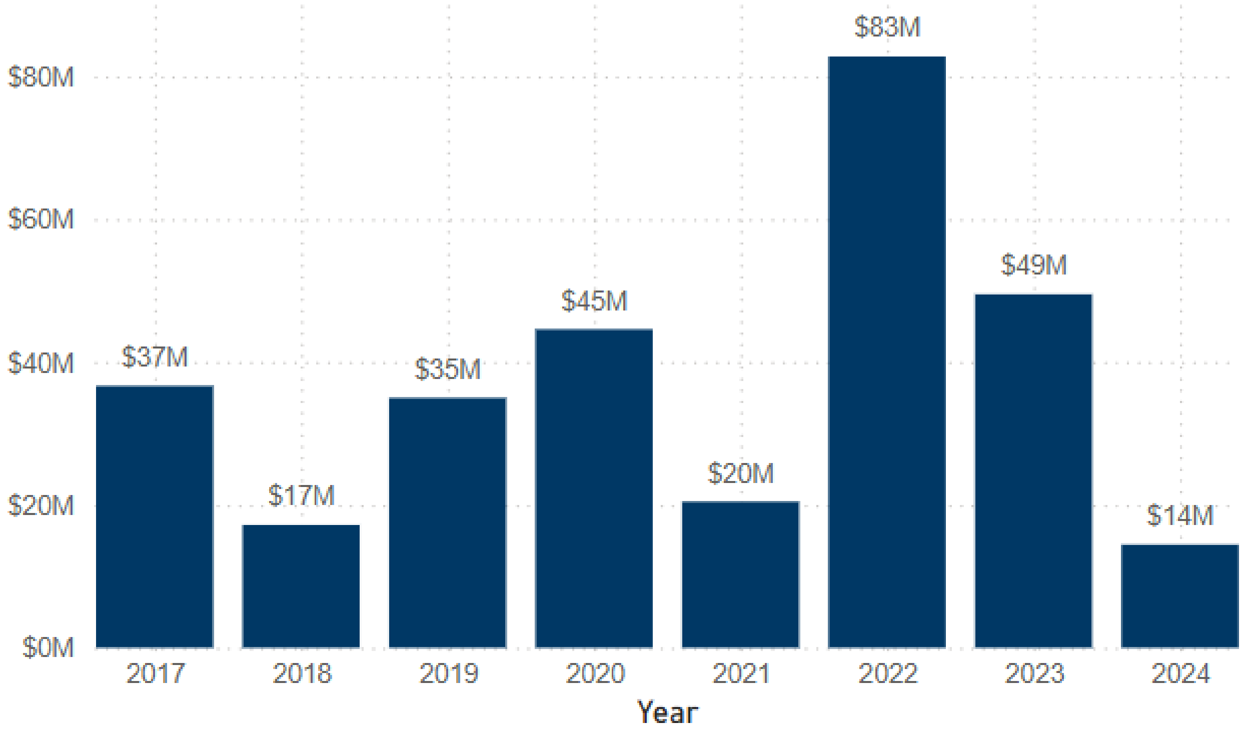
City Center Redevelopment Authority
February 20, 2025

Agenda

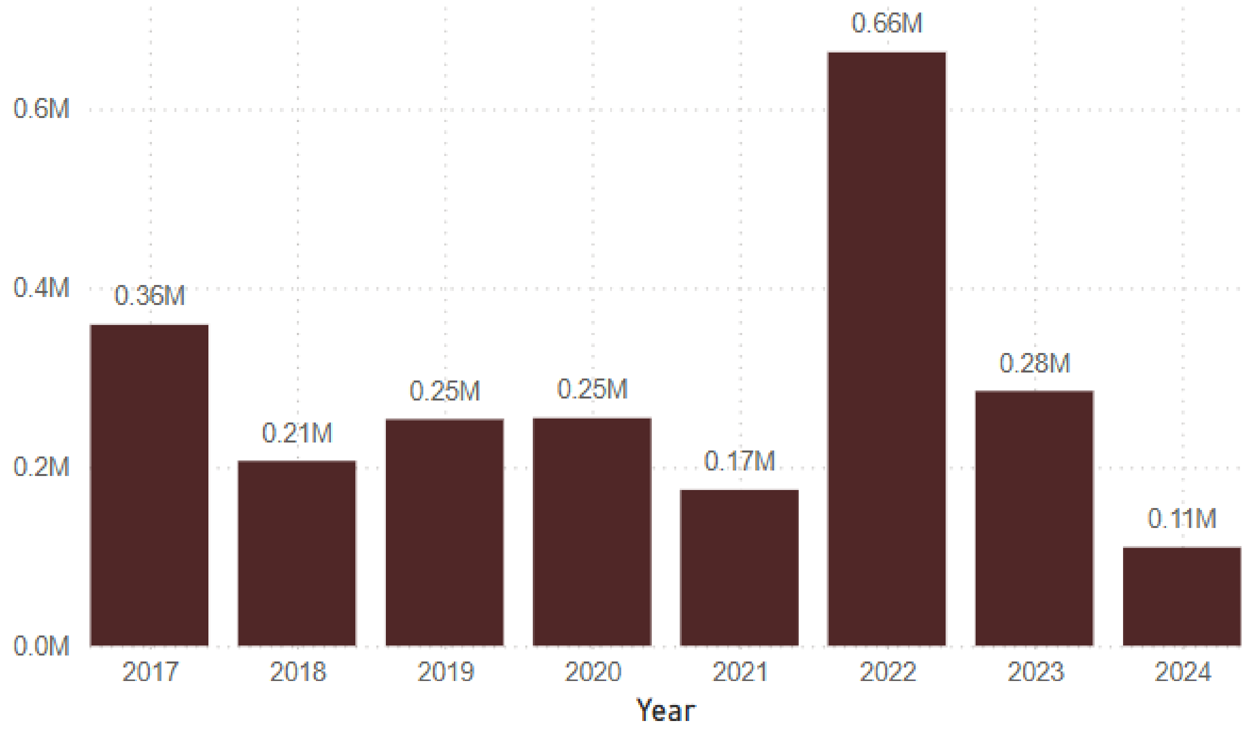
- 2024 Development Activity
- Current Residential Pipeline
- Affordable Housing & MFTE Production
- Commercial/Industrial Observations
- Causes of Residential Slowdown
- Implications & Opportunities
- Policy Priorities
- Discussion

Commercial Issued Building Permits

Permit Valuation



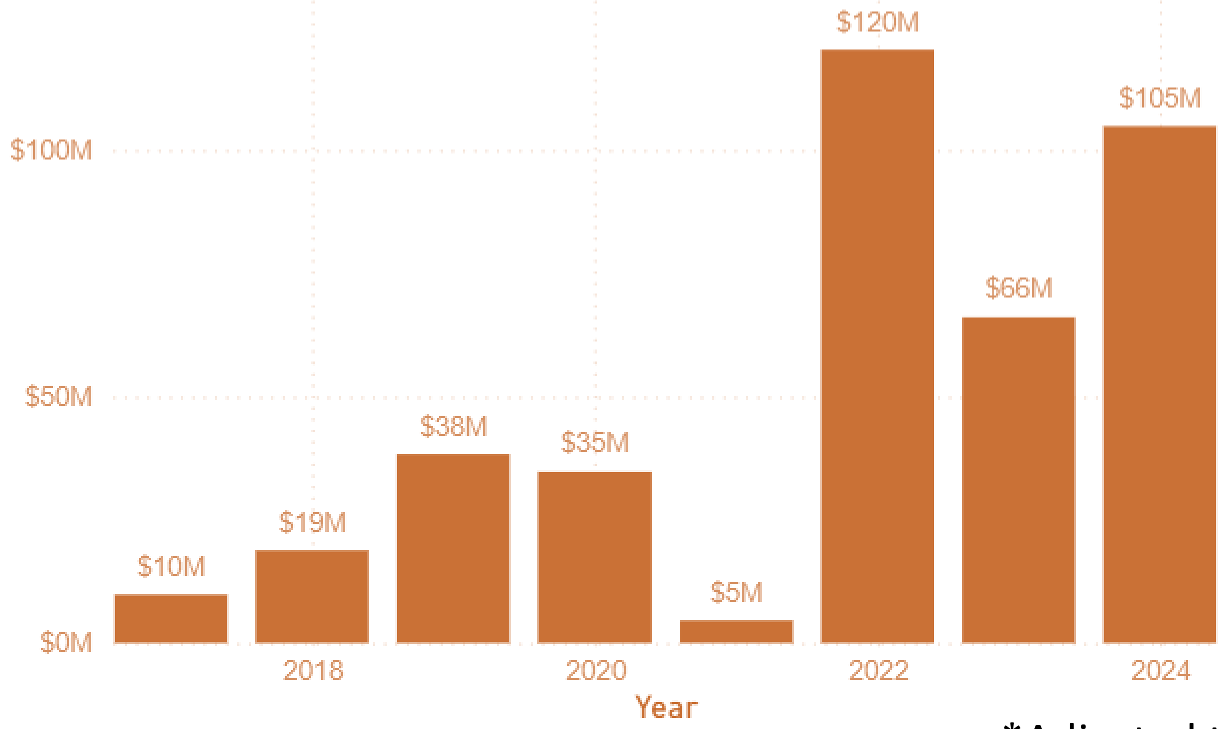
Permitted SF



*Adjusted to 2024 Dollars

Industrial Issued Building Permits

Permit Valuation



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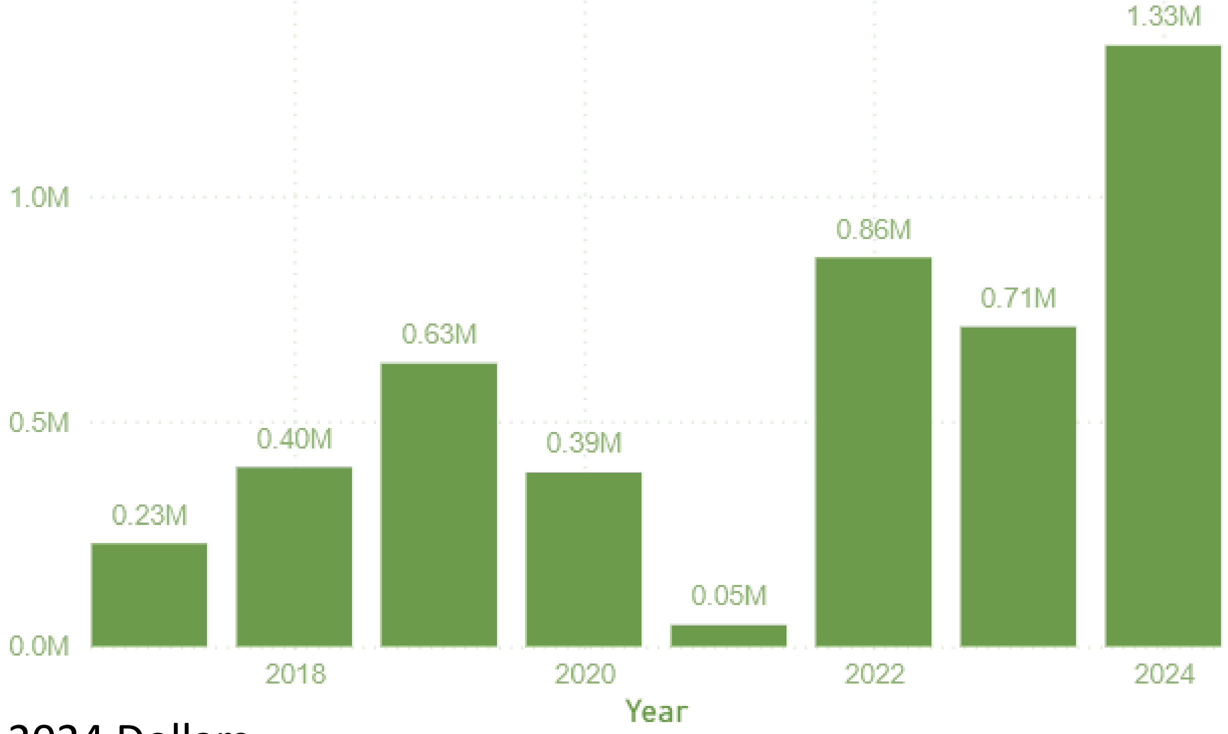
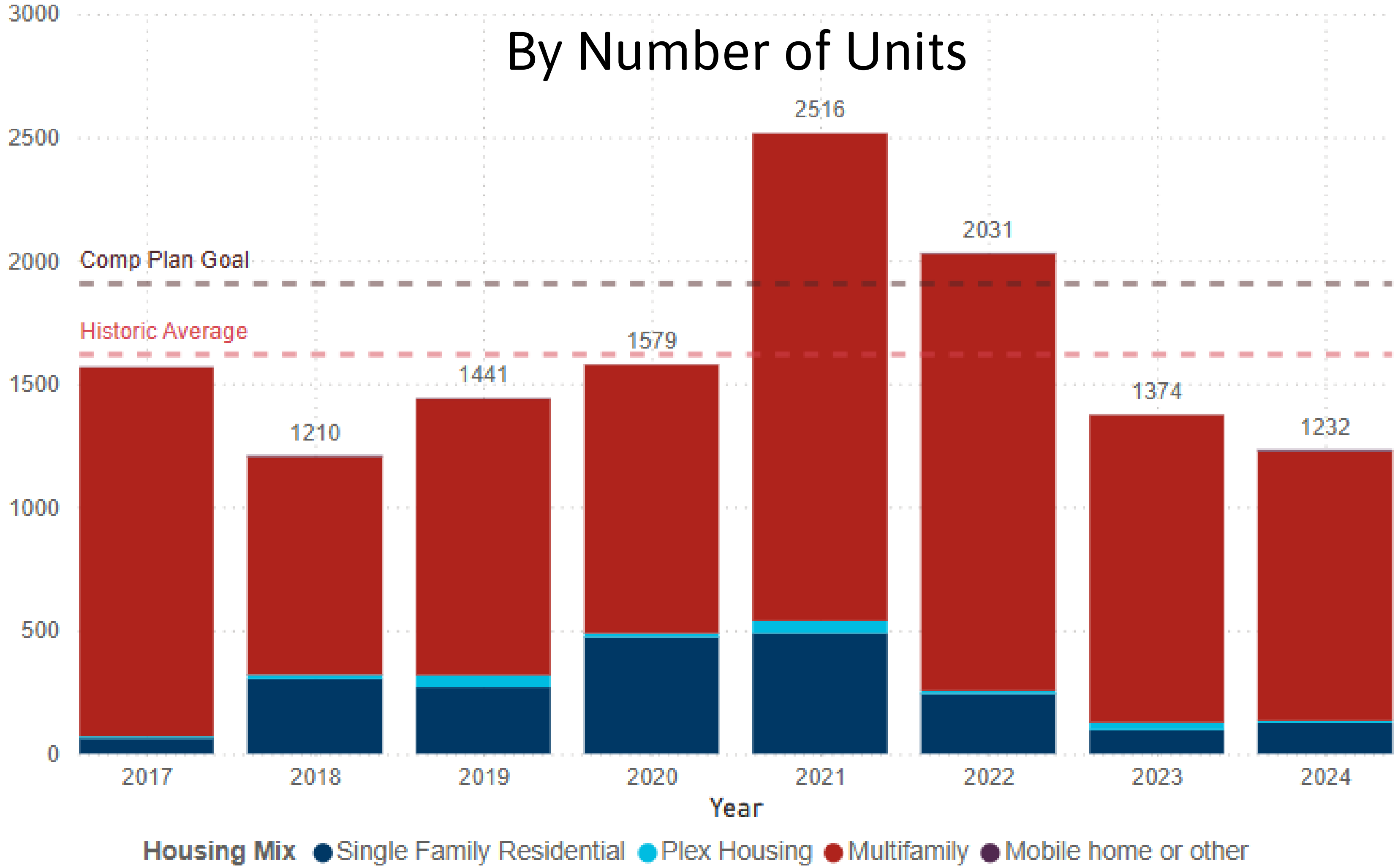


*Adjusted to 2024 Dollars

**2024 Activity driven by Harmony Logistics, HP Inc., and self storage projects in East Vancouver

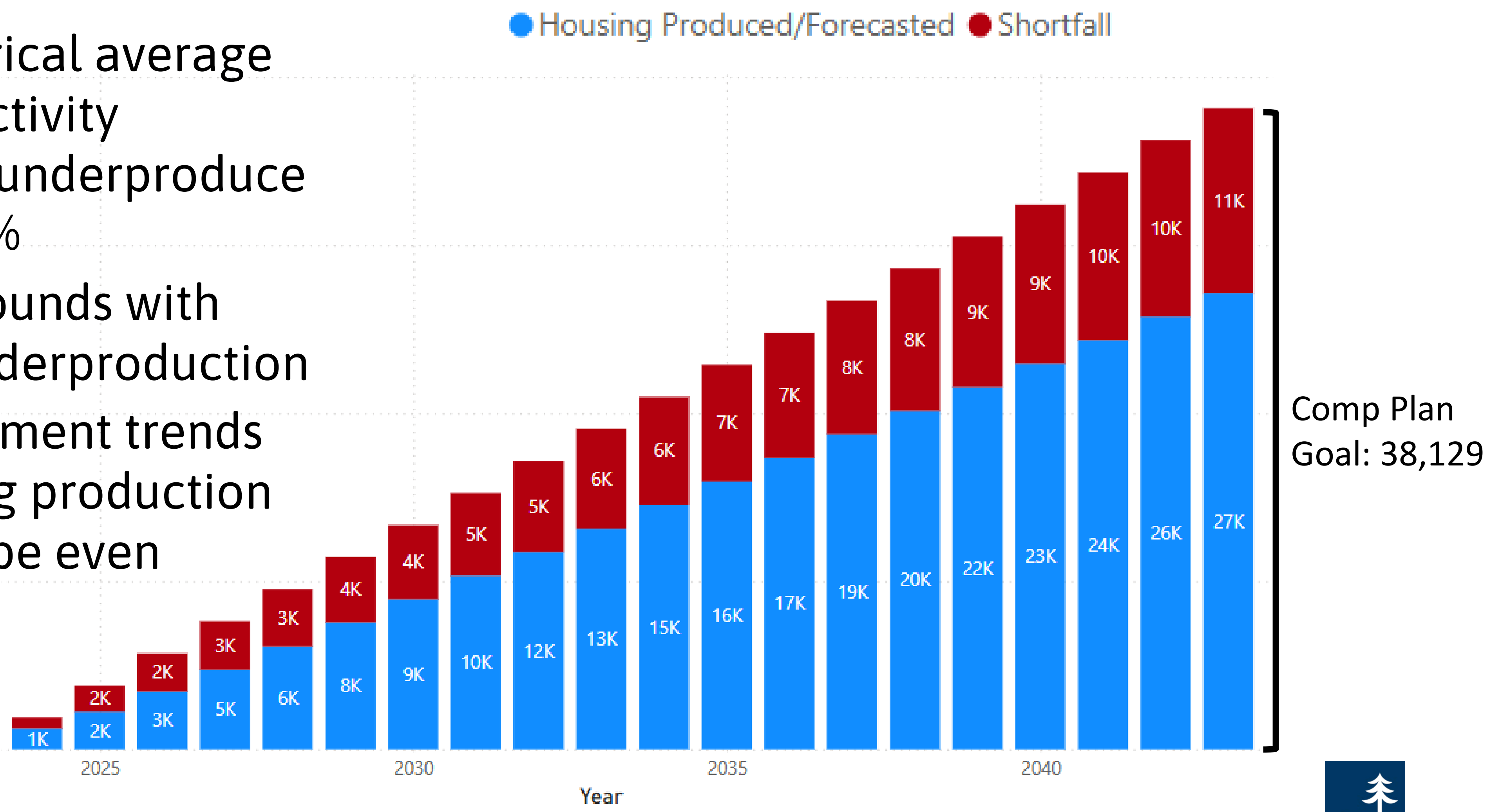
Residential Issued Building Permits



Permit activity in 2024 was 11% below the 10-year historic average and 38% below annual housing goal

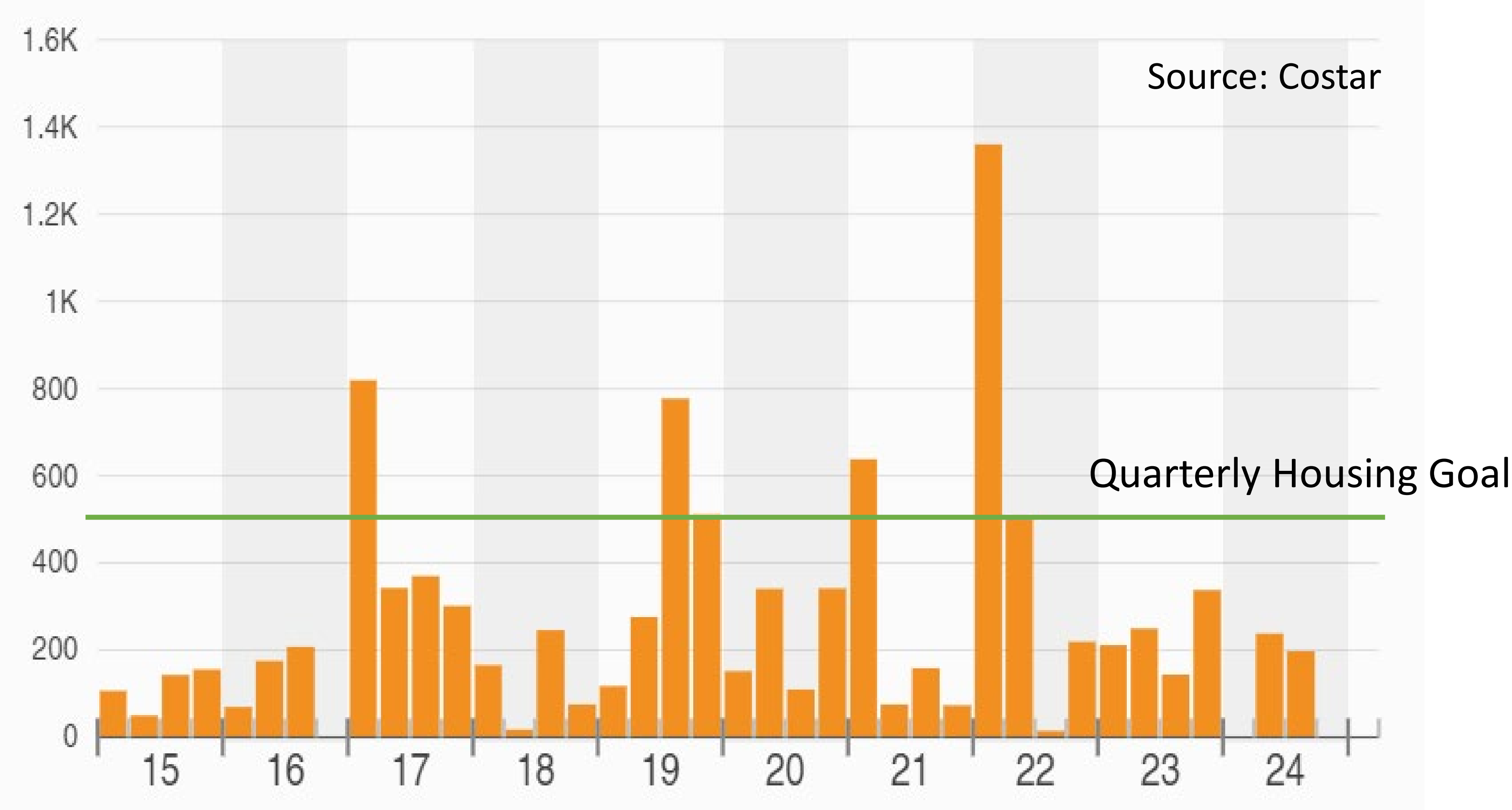
Projected Housing Production Shortfall

- Assuming historical average development activity Vancouver will underproduce housing by ~29%
- Shortfall compounds with each year of underproduction
- Recent development trends indicate housing production shortfall could be even greater



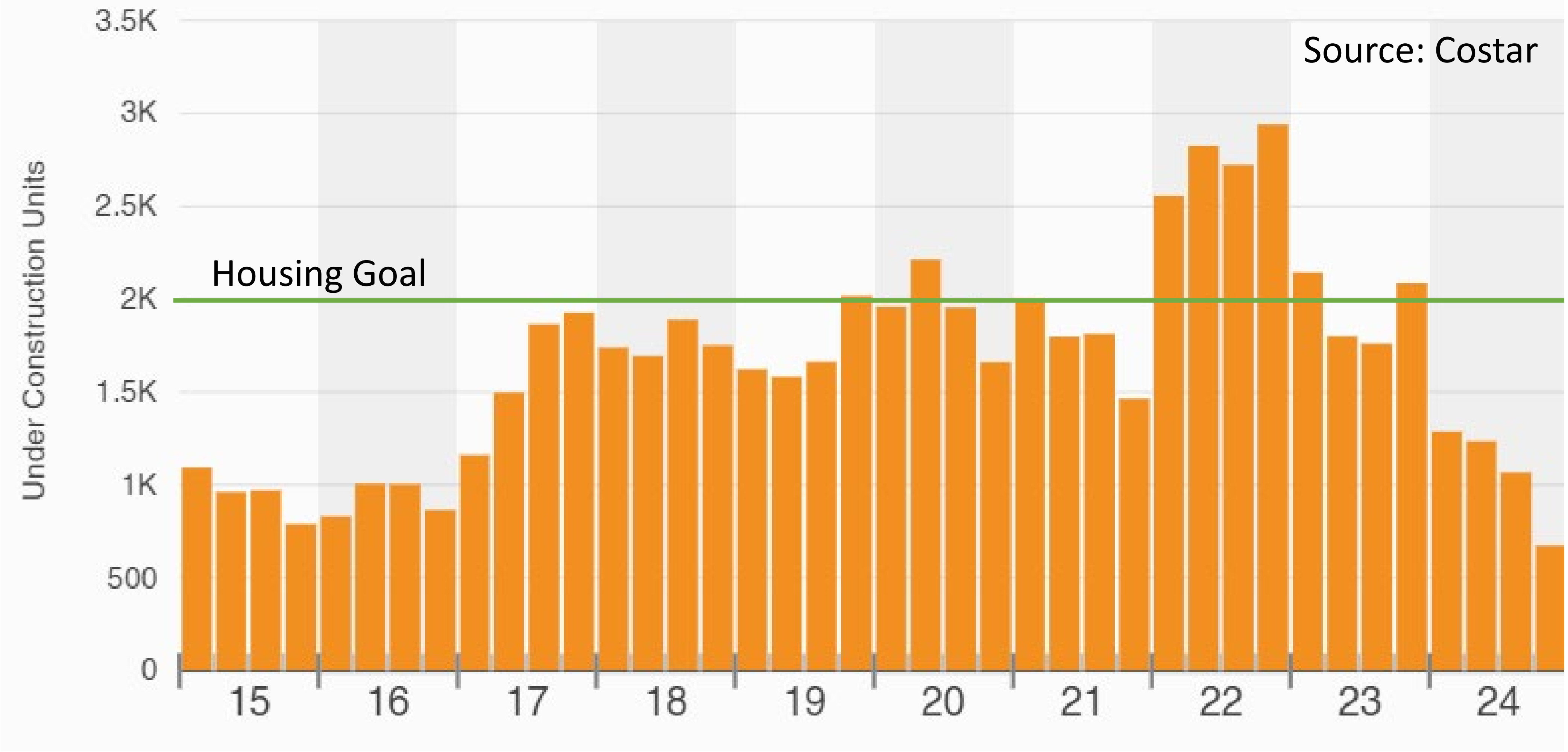
Residential Unit Construction Starts

Construction Starts in 2024 were 58% below the 10-year historic annual average



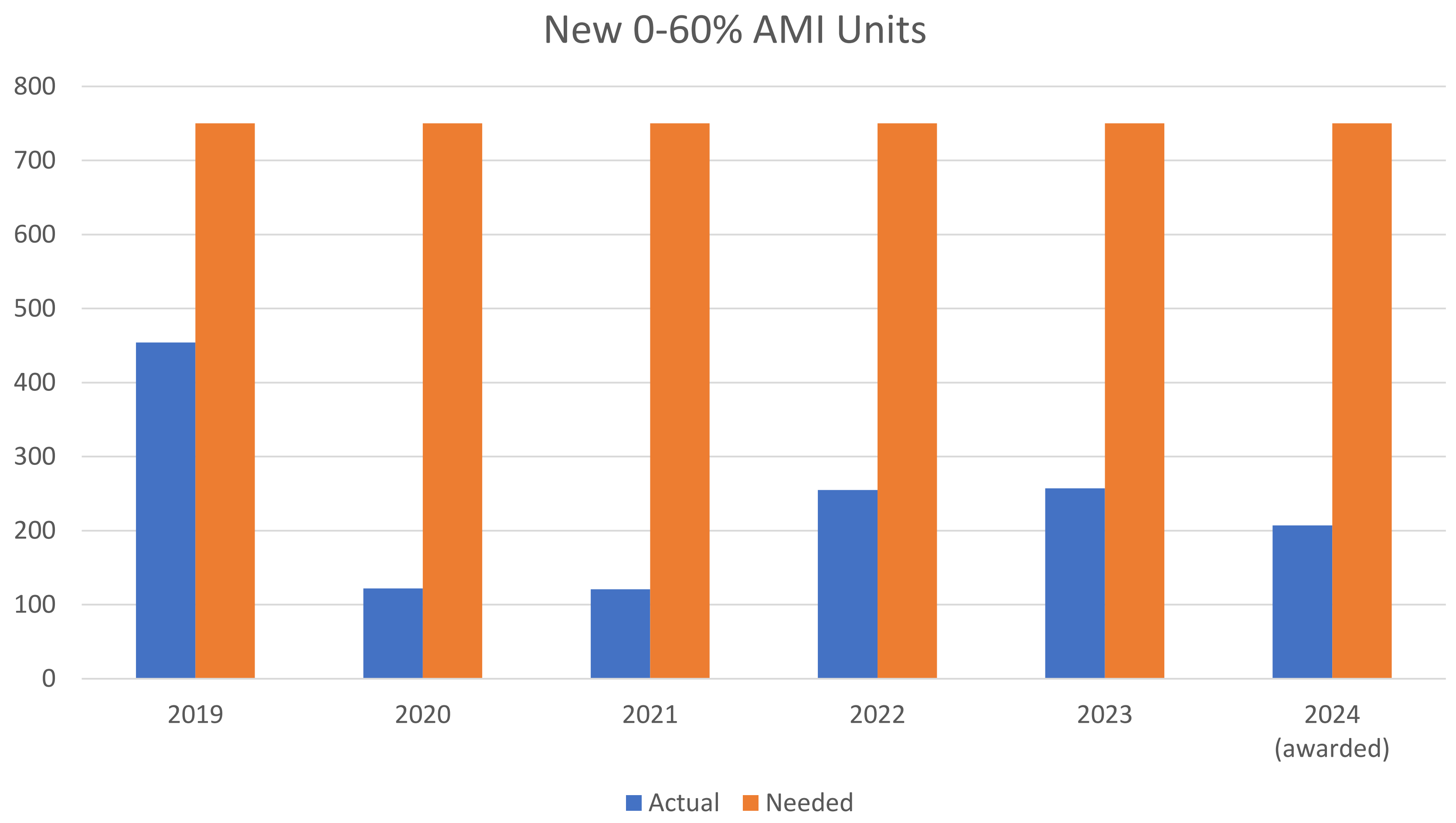
Residential Units Under Construction

Units under construction in Q4 2024 were 55% below the 10-year historic annual average

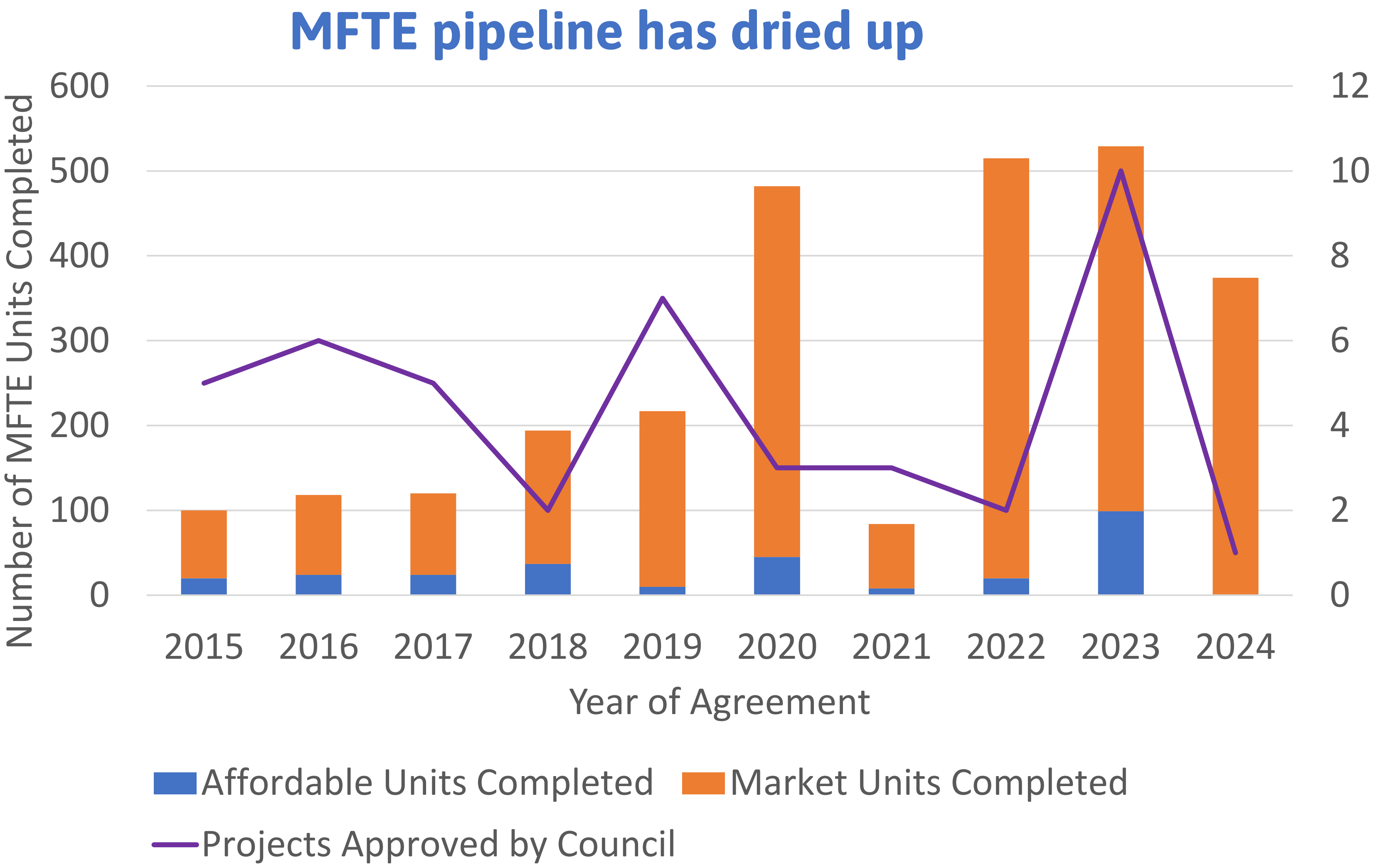


Affordable Housing Production

Average annual shortfall of 536 affordable units



Multifamily Tax Exemption (MFTE) Activity



- 6 projects in Construction (984 market, 20 affordable)
- 4 projects being permitted (572 market, 4 affordable)
- 1 approved application in 2024

Commercial/Industrial Observations

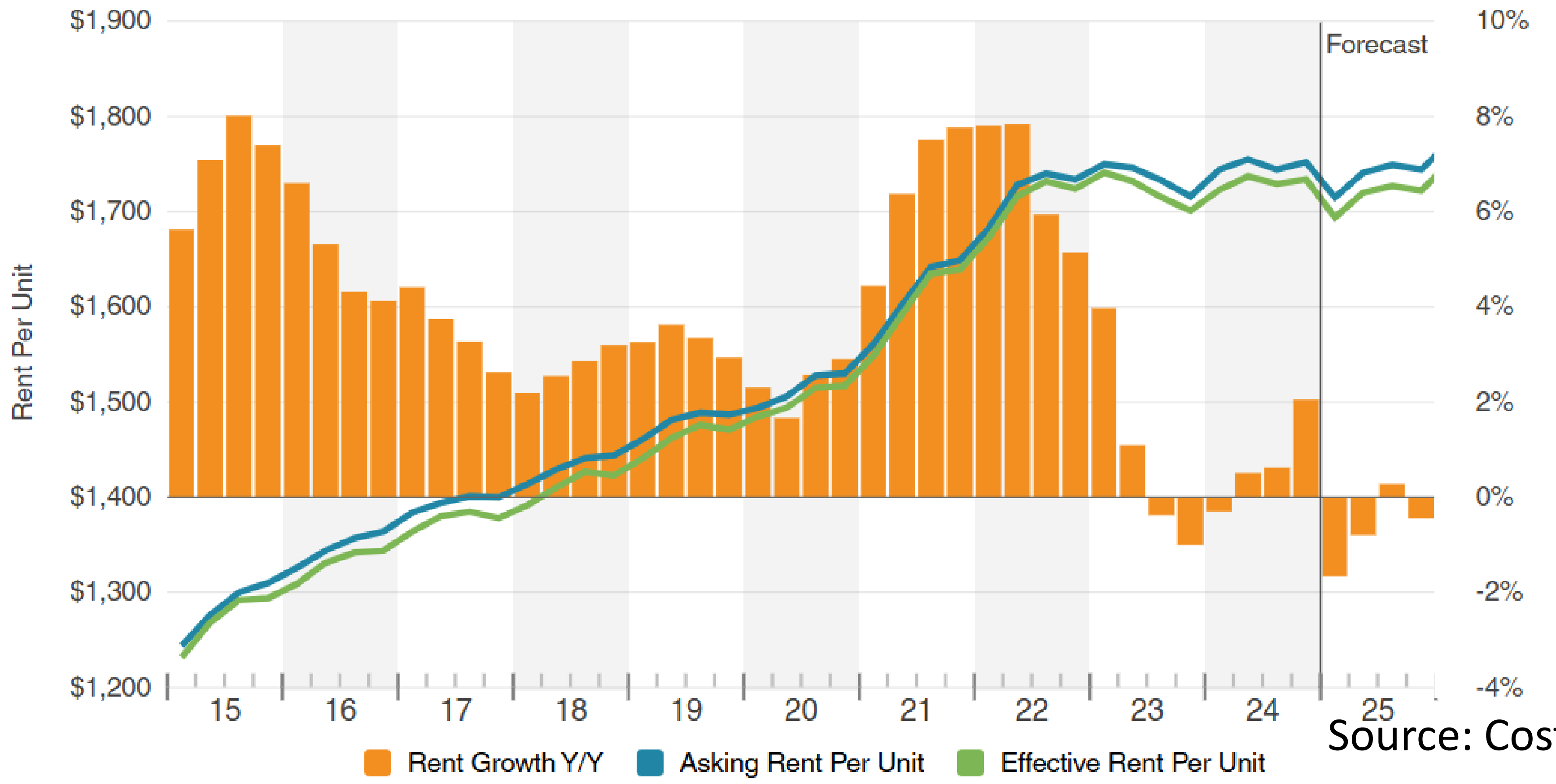
- Commercial development sector dragged down by struggling office sector
  - Lack of demand, high vacancy, and lender avoidance make new office unlikely for foreseeable future
- Built-to-suit (e.g., HP) will drive commercial and industrial development for the next few years
  - Speculative industrial possible but limited shovel ready sights and competition from other land uses expected to limit this segment.

Drivers of Residential Slowdown

- High Interest Rates
  - Lower leverage
  - Higher return requirements
- Construction/Material costs
  - Labor shortage
  - Increasing building standards/requirements
  - Material cost increases/tariffs
- Stagnant Rent Growth
- Increased Operating Costs
- Investor preference for existing properties
  - Lower cost and stabilized performance

Projected Rent Growth

Lack of rent growth a contributing factor to stagnating production



Uncertain rent growth in 2025 will likely keep development interest slow

Source: Costar

Impact of Stagnant Rent Growth

25% increase in rent needed to achieve feasibility

Current market rent = $2,300

Return on Cost = 4.7%

Needed Rent= $2,900

Return on Cost = 6%

Incentive programs like MFTE help fill gap and temper rent growth

Development Timeline

Improvements in financial feasibility will impact housing supply in 4-5 years.

Due Diligence (Developer Sentiment)

Year 1

Design and Entitlements (Permit Activity)

Year 2

Construction (Construction Starts)

Year 3

Construction and Delivery (Units Under Construction)

Year 4

Implications

- Housing deficit will continue to grow over the next 4-5 years while market corrects
- All projects currently in the pipeline have feasibility challenges that need to be addressed
- Ongoing challenges to feasibility will extend period of underproduction
- Labor shortages may worsen if construction workforce shifts to other markets
- Development slowdown will continue downward pressure on City and local government revenues

Current Housing Programs

Existing tools are insufficient to address current feasibility issues

- Most housing investment programs target deeply affordable housing (60% AMI and lower) and can't be used to support workforce and market rate development
- Existing state and local subsidies for affordable housing only support 1/3 of required annual production of deeply affordable units.
- Existing fee waivers and deferrals targeted to deeply affordable housing
- MFTE supports workforce and market rate projects but impacts projects closest to feasibility; cannot close gaps in subareas with lagging rents

Potential Opportunities in Current Market

- Use public debt capacity to lower borrowing costs for workforce housing
- Identify and seek private philanthropic dollars to support housing production
- Leverage public resources for equity and interest rate buydowns
- Invest public dollars in shared parking and other project infrastructure to lower development costs
- Explore partnerships with local institutions (e.g., employers, higher ed) to advance projects

Ongoing Policy Priorities

- Don’t make development more expensive, time consuming or unpredictable
  - Continue to pursue time and cost savings for all projects
  - Examine timing of SDCs and Impact Fees for all projects
- Position city for change in market conditions
  - Continue to prepare City sites for redevelopment – e.g., Heights, Ops Center
  - Align incentives and public investment with available sites – e.g., MFTE, infrastructure
  - Establish clear policies and priorities - Comp Plan, Green Building Policy, Downtown Redevelopment Study
- Take advantage of market lull to build affordable and workforce housing
  - Leverage all City resources (e.g., direct investment, land, fees) in income-restricted housing and not for profit projects
  - Prioritize shovel ready projects for permitting and investment

Discussion

- What additional observations and insights do you have about current market conditions?
- What levers or interventions would have the greatest impact on project feasibility?
- Where should City focus its efforts during this period?
- Additional thoughts and recommendations?