Downtown Redevelopment Authority

July 16, 2026
11:00am, Council Chambers

415 W 6th Street
Vancouver, WA 98660

AGENDA

1. **Call to order** – President Robertson
    a) Roll Call – Krista Liles
    b) Excusal of Absence, if needed
2. **Approval of Minutes (April 16, 2026)** – President Robertson
3. **Approval of Claims and Admin Expenses** – Erin Jacobson
4. **Update of Financials: June -** Erin Jacobson
5. **Approval of Capital Expense** – Erin Jacobson
6. **Approval of Capital Budget Amendment** – **SR 07.16.26.04** Chris Harder
7. **Approval of Capital Items – SR 07.16.26.03** Chris Harder
8. **Approval to Finalize Contracts** – **SR 07.16.26.05** Chris Harder
9. **Approval of Legal Contract** – **SR 07.16.26.01** Chris Harder
10. **Approval of Capital Asset Policy – SR 07.16.26.02** Chris Harder
11. **Executive Updates** – Chris Harder
    a) DRA Project Status Update
    b) DRA & City Site Planning
    c) Audits Update
12. **Hotel Manager Report** – Alex Dawes, Hilton General Manager
13. **Asset Manager Report** – Bob Hayward, CHM Warnick
14. **Executive Session** – **Employee Performance Review [RCW 42.30.110(1)(g)]**

Members

Jan Robertson
President

Kathleen Kee
Secretary/Treasurer

Dyann Bernatz
Tom Donovan
Marc Fazio
Debra McCracken
Tyler Pace

Board Support

Chris Harder
Executive Director

Erin Jacobson
Principal Accountant

Krista Liles
Executive Assistant

Microsoft Teams meeting:
Join the meeting now
Meeting ID: 284 993 661 921 5
Dial by Phone
1-347-941-5324, 883 810 911#

Community Communications: Commentary will be accepted no later than 24 hours prior to the meeting date. Please send all comments to Krista Liles at krista.liles@cityofvancouver.us

To request accommodation or other formats, please contact:
Tawny Maruhn | 360-487-8621 | TTY: 711 | tawny.maruhn@cityofvancouver.us

Downtown Redevelopment Authority

Meeting Summary/Meeting Minutes

Thursday, April 16, 2026

11:00am, Birch Conference Room

Board Members Present: Robertson, Kee, Donovan, Pace, Fazio, Bernatz
Board Members Absent: McCracken

Staff Present: Liles, Jacobson

Guests: Chris Harder, Deputy Director EPH, City of Vancouver

AGENDA

1. **Call to order** 11:02am – Jan Robertson, President
   1. Roll Call –Liles
   2. Excusal of Absence - approved
2. **Approval of Minutes (February 19, 2026)** – ***Motion to approve by*** Donovan, seconded by Kee. *Approved as presented.*
3. **Executive Session – applicant evaluation [RCW 42.30.110(1)(g)] & potential litigation [RCW 42.30.110(1)(i)(iii)]** Lloyd – 30 minute session
4. **Approval of Claims and Admin Expenses** – ***Motion to approve*** by Kee, seconded by Donovan. Approved as presented.
5. **Update of Financials** – Jacobson.
6. **Approval of Capital Expenses – *Motion to approve by*** Kee, seconded by Donovan. Approved as presented.
7. **Finance Committee Appointment –** Robertson announced that Board Member Donovan will be filling the open position on the committee, left by Hutton.
8. **Appointment of Executive Director –** SR 2026-04-16-00 – Approval of appointment of Chris Harder as Executive Director **Vote**: *ayes – 5; nays – 0; abstention – 1. Appointment approved.*
9. **Resolution 2026-04-16-01 – Contract Amendment with Ramras Financial Consulting, LLC**

Members

Jan Robertson
President

Kathleen Kee
Secretary/Treasurer

Dyann Bernatz
Tom Donovan
Marc Fazio
Debra McCracken
Tyler Pace

Staff Support

Chris Harder
Executive Director

Erin Jacobson
Principal Accountant

Krista Liles
Executive Assistant

Financial Management Services
City Hall
360-487-8437; TTY: 711

Microsoft Teams meeting:
Click here to join the meeting
Meeting ID: 274 377 421 997
Or call in (audio only)
+1 347-941-5324, 593032339#
Conference ID: 593 032 339#

1. ***Proposed Action**: to approve the resolution, authorizing the DRA President to sign the proposed First Amendment to Consulting Services Agreement with Ramras Financial Consulting, LLC. **Vote**: ayes – 6; nays – 0; abstentions – 0. Motion passed.*
2. ***Approve Resolution 2026-04-16-01**, amending the contract as presented in the resolution. **Motion to approve by** Pace, seconded by Kee. Approved.*

Discussion: Harder requested to speak on the terms of the resolution- denied by Robertson.

10. **Resolution 2026-04-16-02 – Appointment of Authorized Authority Representative – *2 calls for a motion were unanswered***: resolution dies, per Roberts Rules of Order.
11. **Resolution 2026-04-16-03 – Reject Bids (Guest Room Design) – *Motion to approve by*** Pace, seconded by Donovan. Approved.
12. **DRA Updates**
13. **Asset Manager Report**
14. **Hotel Manager Report**
15. **Public Comment – N/A**
16. **Adjourn**

Meeting adjourned at 11:57am.

Approval:

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Jan Robertson, President Date

VANCOUVER DOWNTOWN REDEVELOPMENT AUTHORITY VOUCHER AND ADMINISTRATIVE EXPENSE APPROVAL

Ratification of Claims Paid by Trustee

We, the undersigned members of the Board of Directors of the Downtown Redevelopment Authority, do hereby certify that the merchandise or services hereinafter specified have been received and the vouchers listed below are hereby approved in the amounts of **$5,642,719.23** this 16th day of July 2026.

Approval of New Administrative Expenses

Additionally, we, the undersigned members of the Board of Directors of the Downtown Redevelopment Authority, do hereby approve for payment Administrative Expense Fund expenses in the amount of **$127,618.29** this 16th day of July 2026.

______________________________	______________________________
PRESIDENT	SECRETARY/TREASURER
______________________________	______________________________
EXECUTIVE DIRECTOR	BOARD MEMBER

DOWNTOWN REDEVELOPMENT AUTHORITY			
Claims Paid April 2026 - June 2026			
Date	**Supplier**	**Amount**	**Description**
4/14/2026	***City of Vancouver***	7,086.00	Administrative Services - Executive Director, Mar-26
4/14/2026	***City of Vancouver***	(7,086.00)	<CREDIT> Administrative Services - Executive Director, Mar-26
4/14/2026	***City of Vancouver***	5,414.00	Administrative Services - Other City Admin, Mar-26
4/14/2026	***City of Vancouver***	485.68	Reimbursement for Supply Expense - 2/19/2026 Board Meeting lunches
4/14/2026	***City of Vancouver***	92.36	Reimbursement for Service Expense - Columbian Advertising, Board Meeting, 2/19/2026
4/14/2026	***City of Vancouver***	4,029.36	Lot 24 Parking, Mar-26
4/14/2026	***CHM Warnick***	12,175.18	Asset Management Fees, Mar-26
4/9/2026	***Clark Nuber***	19,162.50	FY25 Hilton Financial Statement Audit, Progress billing through 3/22/2026
4/14/2026	***Lighthouse Law Group***	5,760.00	Legal Services, Mar-26
4/14/2026	***Ramras Financial Consulting LLC***	8,892.58	Executive Director & Financial Services, Mar-26
4/1/2026		48,356.58	Hilton Base Management Fee (Inv# 11578-1327784), Mar-26 (paid Apr-26)
4/1/2026		14,401.85	Hilton Subordinate Mgmt Fee (Inv# 11578-1327784), Mar-26 (paid Apr-26)
4/8/2026		328,490.90	OPCA 2623 - PAYROLL
4/8/2026		243,330.53	OPCA 2624 - AP
4/13/2026		191,423.34	OPCA 2625 - AP
4/16/2026		203,144.81	OPCA 2626 - SALES & USE TAX RETURN
4/20/2026	***Hilton Hotel***	307,056.80	OPCA 2627 - PAYROLL
4/20/2026		73,658.14	OPCA 2628 - AP
4/29/2026		424,001.55	OPCA 2629 - INTERCOMPANY
4/29/2026		65,331.88	OPCA 2630 - AP
4/30/2026		391,554.69	OPCA 2631 - PAYROLL
4/30/2026		71,703.66	OPCA 2632 - AP
4/30/2026		129.41	OPCA 2633 - Month End True Up
5/8/2026	***City of Vancouver***	7,086.00	Administrative Services - Executive Director, Apr-26
5/8/2026	***City of Vancouver***	(7,086.00)	<CREDIT> Administrative Services - Executive Director, Apr-26
5/8/2026	***City of Vancouver***	5,414.00	Administrative Services - Other City Admin, Apr-26
5/8/2026	***City of Vancouver***	136.29	Reimbursement for Supply Expense - 4/16/2026 Board Meeting lunches
5/8/2026	***City of Vancouver***	4,029.36	Lot 24 Parking, Apr-26
5/8/2026	***CHM Warnick***	12,175.18	Asset Management Fees, Apr-26
5/8/2026	***US Bank***	1,400.00	Q1 Bank Admin Fees, 1/1 - 3/31/2026
5/8/2026	***Lighthouse Law Group***	7,645.35	Legal Services, Apr-26
5/8/2026	***Ramras Financial Consulting LLC***	8,444.33	Executive Director & Financial Services, Apr-26
5/1/2026		48,356.58	Hilton Base Management Fee (Inv# 11578-1331379), Apr-26 (paid May-26)
5/1/2026		14,401.85	Hilton Subordinate Mgmt Fee (Inv# 11578-1331379), Apr-26 (paid May-26)
5/13/2026		303,301.18	OPCA 2634 - AP
5/19/2026		364,971.11	OPCA 2635 - PAYROLL
5/19/2026		134,532.60	OPCA 2636 - AP
5/22/2026	***Hilton Hotel***	212,593.07	OPCA 2637 - SALES & USE TAX RETURN
5/26/2026		84,873.38	OPCA 2638 - AP
5/26/2026		123,488.19	OPCA 2639 - INTERCOMPANY
5/31/2026		371,909.60	OPCA 2640 - PAYROLL
5/31/2026		98,944.04	OPCA 2641 - AP
5/31/2026		129.41	OPCA 2642 - Month End True Up
6/11/2026	***City of Vancouver***	3,844.36	Administrative Services - Executive Director, May-26
6/11/2026	***City of Vancouver***	5,414.00	Administrative Services - Other City Admin, May-26
6/11/2026	***City of Vancouver***	2,293.13	Administrative Services - Executive Director, Apr-26 (accrued)
6/11/2026	***City of Vancouver***	145.13	Reimbursement for Service Expense - Columbian Advertising, Bylaws Amendment, 3/19/2026
6/11/2026	***City of Vancouver***	87.96	Reimbursement for Service Expense - Columbian Advertising, Board Meeting, 4/16/2026
6/11/2026	***City of Vancouver***	4,029.36	Lot 24 Parking, May-26
6/11/2026	***CHM Warnick***	12,175.18	Asset Management Fees, May-26
6/11/2026	***Ramras Financial Consulting LLC***	4,373.00	Financial Services, May-26
6/1/2026		48,356.58	Hilton Base Management Fee (Inv# 11578-1334190), May-26 (paid Jun-26)
6/1/2026		14,401.85	Hilton Subordinate Mgmt Fee (Inv# 11578-1331490), May-26 (paid Jun-26)
6/8/2026		245,425.87	OPCA 2643 - AP
6/17/2026		69,571.46	OPCA 2645 - AP
6/18/2026	***Hilton Hotel***	218,238.15	OPCA 2644 - SALES & USE TAX RETURN
6/18/2026		326,125.44	OPCA 2646 - PAYROLL
6/18/2026		140,723.20	OPCA 2647 - AP
6/18/2026		239,587.83	OPCA 2648 - INTERCOMPANY
6/29/2026		92,456.00	OPCA 2649 - AP
6/30/2026		129.41	OPCA 2650 - Month End True Up
	Total	**5,642,719.23**	

$ 127,618.29 Highlighted items reflect the total Administrative Expense amount on the Approval Request

Downtown Redevelopment Authority

Narrative Overview of Jun 2026 - Financial Statements

FY25 final financial statements are pending final SAO audit; As such, the commentary below focuses primarily on Jun-26 activity as compared to Jun-25.

STATEMENT OF NET POSITION

- Major cash outlays in January were for the January 1st bond payments (principal + interest = $3.74 million)
- As of June 30, 2026, overall debt to Clark County PFD totals $338.8k, which is $662.0k less than June 30, 2025.
  - For 2026, the tax cap decreased to $2.254 million, down $721k from the 2025 limit of $2.975 million, in accordance with the 2013 Refinancing Debt Indenture.

STATEMENT OF REVENUES & EXPENSES AND CHANGES IN NET POSITION

- Operations in June resulted in cumulative operating income of $1.54 million, which is $40.9k more than the budgeted Operating Income of $1.50 million.
  - Cumulative operating revenues were higher than YTD budget by $426.0k. June was higher than budget by $239.0k across Room and F&B categories but offset by $16.6k less in Other and Misc Revenues. June Room revenue variance of $118.4k was due to increase in Transient guests up nearly 20% to budget and ADR increase of $4.05 over budget; Catering bookings contributed $102k of the $121k F&B overage, with Outlets contributing the other $18k from increase in Transient guests; offsets from reduced Self-Parking and no group cancellation/attrition.
  - Operating expenses were worse than YTD budget by $385.1k, driven primarily by
    - Depreciation, an Operating Expense which has no effect on cash, totaled $624.5k which is $103.6k more than the budget of $520.9k, an overage of nearly 20%. Future period forecast has been updated to reflect current trend.
    - Supplies and contractual expenses were higher than YTD budget by $281.5k. June hotel expenses were lower than budget by $20.1k driven primarily by payroll savings due to open Kitchen positions, favorable Hilton Supply Mgmt rebates, and Conventions & Travel being pushed to future months. Increases to expenses occurred primarily in Loyalty Program costs from Transient guests, ongoing A&G and Equipment Maintenance overages due to unbudgeted contracts, and kitchen equipment repairs.
- Net non-operating activity was better than budget by $803.5k.
- Year-over-year investment earnings are down $11.1k. This decrease is attributed to lower interest rates, on average between 0.02% – 0.04%.
- As of June, Hilton forecasts annual Gross Operating Profit to be $5.52 million, which is $112.8k more than annual budget of $5.41 million.
  - The forecast for Jun-26 is $126k more than May-26 forecast of $5.39 million.

STATEMENT OF CASH FLOWS

- Overall cash reflects an increase of $594k compared to year end 2025.
  - Notable sources of cash for the year included $11.2 million from operating activities and $3.01 million in tax receipts from the City and County PFD.
  - Notable uses of cash included $9.10 million for goods and services related to operating activities, and debt service payments of $3.74 million.

TAX REVENUE COLLECTIONS

- Through June 2026, tax revenue collections are at 133.6% of the Tax Cap, compared to 98.1% for the prior year.
  - The annual tax cap decreased $721k from 2025 to 2026.
  - As of June 2026, overall tax collections are up compared to June 2025. Receipts of City Lodging Tax, City PFD STC and County PTD STC are up 0.1%, up 0.8%, and up 8.4%, respectively.
- The 2026 annual tax cap was met 5/12/2026; total of $757.4k in excess revenues has been applied toward the Clark County PFD loan.
- As of June 30, 2026, overall debt to Clark County PFD totals $338.8k, which is $662.0k less than June 30, 2025.
  - Current estimates are that the loan will be paid in full Aug-26; Per the Interlocal Agreement, at that point, any excess revenues will be paid to City PFD.

FLOW OF FUNDS

- On July 1, 2026, $1.16 million of excess cash was transferred from the Lockbox Fund to the Project Revenue Debt Service Fund. This transfer resulted from better-than-expected cash inflows during the month.
- On July 1, 2026, the DRA made interest-only debt service payments of $705,181.25 and $118,525.00 for the Project Revenue and Sales & Lodging Tax Revenue Bonds, respectively. Activity for these debt payments will be reported on Jul-26 financial statements.
- Even after the July 1, 2026 interest-only payments, the DRA's Tax Revenue Debt Service Funds has sufficient cash to pay the January 1, 2027 debt service payment (principal + interest). The Project Revenue Fund has about 98% of funds needed to pay the January 1, 2027 debt service payment (principal + interest).

Vancouver Downtown Redevelopment Authority
Condensed Report on Financial Activity
Activity Through June 30, 2026

Revenue & Expense	Year to Date June 2026 Actual	June 2025 Actual	Actual $ Change (2026 - 2025)	Actual % Change (2026 - 2025)	Budget through June 2026	Actual-Budget Comparison	2026 Annual Budget	Actual as % of Annual Budget
Total Operating Revenue	$ 11,826,287	$ 11,096,232	$ 730,055	6.6%	$ 11,400,258	$ 426,029	$ 21,956,450	53.86%
Total Operating Expense	(10,286,080)	(9,712,772)	(573,308)	5.9%	(9,901,034)	(385,046)	(19,516,616)	52.70%
Net Operating Income	**1,540,207**	**1,383,460**	**156,747**	**11.3%**	**1,499,224**	**40,983**	**2,439,834**	**63.13%**
Non-Operating/Special/Prior Period Adj (*)	1,340,853	1,269,499	71,354	**5.6%**	537,348	803,505	1,072,535	125.02%
Change in Net Position	**$ 2,881,060**	**$ 2,652,959**	**$ 228,101**	**8.6%**	**$ 2,036,572**	**$ 844,488**	**$ 3,512,369**	**82.03%**
Depreciation (In Operating Expense)	$ (624,482)	$ (467,277)	$ (157,205)	33.6%	$ (520,915)	$ (103,567)	$ (1,041,831)	59.94%

(*)
Refers to items not directly associated with operations. These items include interest earned, city tax collections, and interest expense.
Items are listed separately under "Non-Operating Revenues/ (Expenses)" and "Special Items" on the DRA's Operating Statement.

Dedicated Taxes	Year to Date June 2026 Actual	June 2025 Actual	Actual $ Change (2026 - 2025)	Actual % Change (2026 - 2025)
City Lodging Tax (2%)	$ 775,323	$ 774,700	$ 623	0.1%
City Sales Tax Credit	1,151,488	1,142,689	8,799	0.8%
County Sales Tax Credit	1,084,560	1,000,797	83,764	8.4%
Total Tax Revenue	**$ 3,011,371**	**$ 2,918,185**	**$ 93,185**	**3.2%**
Annual Tax Revenue Cap	$ 2,254,000	$ 2,975,000	$ (721,000)	-24.2%
% of Cap	133.6%	98.1%		

Capital Projects	Year to Date June 2026 Actual	2026 Budgeted
Capital Project Expenses	$ 180,999	$ 4,903,500

Cash Balance Reconciliation	Year to Date Ending Balances after Flow of Funds	Monthly Fund Balance Change	June 2025 Actual	Required Amounts (6/30/2026)	% of Required Amounts (6/30/2026)
Operating Petty Cash	$ 47,203	$ (468,111)	$ 62,155	$ -	N/A
Lockbox/Available Revenue Fund	562,758	$ -	560,990	500,000	112.6%
Taxes & Insurance Fund	235,000	$ 50,000	250,000	158,057	148.7%
Administrative Expense Fund	88,319	$ 5,957	68,220	50,000	176.6%
Project Revenue Debt Service Fund	2,609,259	$ 1,162,422	1,963,005	1,675,272	155.8%
Tax Revenue Debt Service Fund	2,254,000	$ -	2,918,185	807,788	279.0%
Primary R & R Fund	692,054	$ (77,509)	679,644	-	N/A
Contingency Fund	1,570,000	$ -	1,455,000	-	N/A
Management Fee Fund	-	$ -	-	-	N/A
Subordinate R & R Fund	557,630	$ -	409,680	-	N/A
Cash Trap Fund	2,500,000	$ -	2,500,000	-	N/A
Authority Reserve Fund - Excess	6,863,822	$ -	4,871,039	-	N/A
Authority Reserve Fund - Restricted	500,000	$ -	500,000	-	N/A
Total Escrow Fund Cash Balances	**$ 18,480,045**	**$ 672,760**	**$ 16,237,918**	**$ 3,191,117**	
County PFD Fund - Loan Balance **	(338,813)		(1,000,797)		

Comments

- On July 1, 2026, the DRA transferred $1.16M of excess cash to the Project Revenue Debt Service Fund. This transfer resulted from better than expected cash inflows during the month.
- On July 1, 2026, the DRA made interest-only debt service payments of $705,181.25 and $118,525.00 for the Project Revenue and Sales & Lodging Tax Revenue Bonds, respectively. Activity for these debt payments will be reported on Jul-26 financial statements.
- Even after the July 1, 2026 interest-only payments, the DRA's Tax Revenue Debt Service Funds has sufficient cash to pay the January 1, 2027 debt service payment (principal + interest). The Project Revenue Fund has about 98% of funds needed to pay the January 1, 2027 debt service payment (principal + interest).
- The Required Amounts (6/30/2026) listed above include both the July 1, 2026 interest-only payments, and accrued amount of January 1, 2027 principal + interest payments.
- Excluding depreciation, the DRA has realized an increase of Net Position totaling $3.51M which is $948k more than the cumulative budgeted increase in Net Position of $2.56M. *Depreciation has no effect on cash in the current period*

** The 2026 Annual Tax Cap of $2.254 million was met 5/12/2026. Total of $757,370.60 in excess revenues has been applied toward the Clark County PFD loan balance, and is included loan balance above.

** All future tax revenues will be applied toward the balance on the Clark County PFD Loan. Current estimates are that the County PFD Loan will be paid in full in Aug-26. Per the Interlocal Agreement, at that point, any excess revenues will be paid to City PFD.

Downtown Redevelopment Authority

(A Component Unit of the City of Vancouver)

Statement of Net Position

Substantially all Disclosures Required by GAAP are omitted.

As of June 30, 2026 and December 31, 2025

	6/30/2026	Un-Audited 12/31/2025	Change from Prior Year-End	% Change
ASSETS				
Current assets				
Cash and cash equivalents	103,827	255,675	(151,848)	(59.4%)
Restricted cash with fiscal/escrow agent	18,480,045	17,733,722	746,323	4.2%
Receivables (net)				
Taxes	1,543,086	1,509,994	33,092	2.2%
Accounts	1,699,267	1,204,632	494,635	41.1%
Interest	48,564	52,997	(4,433)	(8.4%)
Inventory	53,875	53,726	149	0.3%
Prepaid expenses	310,520	331,325	(20,805)	(6.3%)
Total current assets	22,239,184	21,142,071	1,097,113	5.2%
Noncurrent assets				
Capital assets				
Buildings and equipment	59,209,579	61,282,903	(2,073,324)	(3.4%)
Accumulated depreciation	(30,642,492)	(32,064,011)	1,421,519	(4.4%)
Total noncurrent assets	28,567,087	29,218,892	(651,805)	(2.2%)
TOTAL ASSETS	**50,806,271**	**50,360,963**	**445,308**	**0.9%**
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized deferred amount on refunding	521,567	556,338	(34,771)	(6.2%)
LIABILITIES				
Current liabilities				
Accounts payable	464,455	226,224	238,231	105.3%
Accrued interest payable	823,706	886,581	(62,875)	(7.1%)
Accrued liabilities	1,451,347	1,144,660	306,687	26.8%
Unearned revenue	1,708,075	1,857,155	(149,080)	(8.0%)
Bonds, notes and leases payable	2,495,000	2,850,000	(355,000)	(12.5%)
Total current liabilities	6,942,583	6,964,620	(22,037)	(0.3%)
Noncurrent liabilities				
Bonds, notes and leases payable from restricted assets	35,483,242	37,992,894	(2,509,652)	(6.6%)
Due to other governments	910,094	528,409	381,685	72.2%
Total noncurrent liabilities	**36,393,336**	**38,521,303**	**(2,127,967)**	**(0.3%)**
TOTAL LIABILITIES	**43,335,919**	**45,485,923**	**(2,150,004)**	**(4.7%)**
NET POSITION				
Net investment in capital assets	(8,889,588)	(11,067,664)	2,178,076	(19.7%)
Restricted for capital purposes	1,249,684	339,366	910,317	100.0%
Restricted for debt service	3,700,837	6,776,618	(3,075,781)	(45.4%)
Unrestricted	11,930,987	9,243,450	2,687,537	29.1%
TOTAL NET POSITION	**7,991,919**	**5,291,770**	**2,700,149**	**51.0%**

Downtown Redevelopment Authorit
(A Component Unit of the City of Vancouver)
Statement of Revenues Expenses and Changes in Net Position
Substantially all Disclosures Required by GAAP are omitted.
For the months ended June 30, 2026 and 2025

	Actuals				Original Budget		
	Six months ending June 30, 2026	**Six months ending June 30, 2025**	**$ Change**	**% Change**	**YTD Budget**	**Variance to Budget Favorable/ (Unfavorable)**	**%**
OPERATING REVENUES							
Charges for services	11,826,287	11,096,232	730,055	6.6%	11,400,258	426,029	3.7%
Miscellaneous	-	-	-		-	-	
Total operating revenues	**11,826,287**	**11,096,232**	**730,055**	**6.6%**	**11,400,258**	**426,029**	**3.7%**
OPERATING EXPENSES							
Supplies and contractual services	9,661,598	9,245,495	416,103	4.5%	9,380,119	(281,479)	-3.0%
Depreciation	624,482	467,277	157,205	33.6%	520,915	(103,567)	-19.9%
Total operating expenses	10,286,080	9,712,772	573,308	5.9%	9,901,034	(385,046)	-3.9%
Operating income (loss)	1,540,207	1,383,460	156,747		1,499,224	40,983	2.7%
NONOPERATING REVENUES (EXPENSES)							
Intergovernmental contributions	1,926,810	1,917,389	9,421	0.5%	1,127,000	799,810	71.0%
Interest earnings	270,482	281,549	(11,067)	-3.9%	299,759	(29,277)	-9.8%
Proceeds (Loss) from Sale of Capital Assets	-	(7,575)	7,575	0.0%	-	-	0.0%
Interest and fiscal charges	(856,439)	(921,864)	65,425	7.1%	(889,411)	32,972	3.7%
Total nonoperating revenues (expenses)	**1,340,853**	**1,269,499**	**71,354**	**-5.6%**	**537,348**	**803,505**	**149.5%**
Change in net position	**2,881,060**	**2,652,959**	**228,101**	**-8.6%**	**2,036,572**	**844,488**	**41.5%**
TOTAL NET ASSETS - BEGINNING	5,110,857	1,191,080	3,919,777	-329.1%			
TOTAL NET ASSETS - ENDING	**7,991,917**	**3,844,039**	**4,147,878**	**-107.9%**			

Downtown Redevelopment Authority
(A Component Unit of the City of Vancouver)
STATEMENT OF CASH FLOWS

For the month ended June 30, 2026

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from operating activities	$	11,182,572
Cash payments for goods and services		(9,096,024)
Net cash provided (used) by operating activities		2,086,548
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from other governments		3,011,371
Payments to other governments		(958,499)
Net cash provided (used) by noncapital financing activities		2,052,872
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on capital debt		(2,850,000)
Interest paid on capital debt		(886,581)
Purchase of capital assets		(83,278)
Net cash provided (used) by capital and related financing activities		(3,819,859)
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipt of interest		274,915
Net cash provided (used) by investing activities		274,915
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		594,475
CASH AND CASH EQUIVALENTS - BEGINNING		17,989,397
CASH AND CASH EQUIVALENTS - ENDING	**$**	18,583,872
Reconciliation of operating income (loss) to net cash used by operating activities:		
Net operating income (loss)	**$**	1,540,207
Adjustments to reconcile net operating income (loss) to net cash provided by operations:		
Depreciation expense		624,482
(Increase) Decrease in receivables		(494,635)
(Increase) Decrease in inventories		(149)
(Increase) Decrease in prepaid items		20,805
Increase (Decrease) in current payables		544,918
Increase (Decrease) in unearned revenue		(149,080)
Total adjustments		546,341
Net cash provided (used) by operating activities	$	2,086,548

Flow of Funds and Operating Cash Pursuant to Trust Indenture

Financial Statement Period June 2026

	Account name	Beginning Balances (6/1/2026)	Ending Balances (6/30/2026)	July 1, Flow of Funds deposits, use of Cash Trap, and management fee payment	Cash balances after monthly flow of funds	Amounts Required 1/1 through 6/30/2026	Excess/(Deficit) through 6/30/2026	Requirement Description
1	Operating Petty Cash Account	515,314	47,203	-	47,203	-	47,203	Remaining balance intended to cover automatically deducted banking/merchant charges.
2	Available Revenue Account & Lockbox Account	1,203,521	1,813,500	(1,250,741)	562,758	500,000	62,758	Must have $500,000 balance as of 1st business day. ***Amount in cash balance after flow of funds includes Hilton management fee of $62,758.43 which is withdrawn the 1st of every month separately.***
3	Taxes and Insurance Fund	135,000	185,000	50,000	235,000	158,057	76,943	Cash moved throughout the year to cover estimated policy renewals due in 2026. Budget = $316,114.79 total for 3 policies.
4	Administrative Expense Fund	15,440	50,000	38,319	88,319	50,000	38,319	Amounts required represent average monthly amount for known and budgeted Administrative Expenses remaining (not yet paid). Any excess balance will be applied to future administrative expenses.
5	Project Revenue Debt Service Fund	922,996	1,446,837	1,162,422	2,609,259	1,675,272	933,987	Amounts required through 6/30/2026 represent debt service payments payable **July 1, 2026 (interest only)**, plus 6 months of amortized debt payments payable January 1, 2027 (principal + interest).
6	Tax Revenue Debt Service Fund	2,254,000	2,254,000	-	2,254,000	807,788	1,446,213	Amounts required through 6/30/2026 represent debt service payments payable **July 1, 2026 (interest only)**, plus 6 months of amortized debt payments payable January 1, 2027 (principal + interest).
7	Renewal and Replacement Fund	769,563	692,054	-	692,054	-	692,054	Monthly calculation of 4% of gross operating revenues. Funds flow annual only to the extent that there is combined excess of Funds in #5 and #6 above. Funds are transferred from Contingency as needed.
8	Contingency Fund	1,570,000	1,570,000	-	1,570,000	-	1,570,000	Amounts flow annually into this Fund, up to the requirement only and only to the extent there is excess available beyond the requirements of Funds #5 through #7, above. Once requirement is met amounts flow below this point.
9	Management Fee Fund	-	-	-	-	-	-	Beginning in calendar year 2016, pursuant to the Amended and Restated Project Operating agreement, the subordinate component of the management fee becomes due on the first of every month.
10	Subordinate Renewal and Replacement Fund	557,630	557,630	-	557,630	-	557,630	Monthly calculation of 1% of gross operating revenues. Funds flow annual to satisfy the deficit calculation only and only to the extent that there is combined excess in Funds described in #5 through #9, above. Once the requirement is met amounts flow below this point. Funds are transferred from Contingency as needed.
11	Cash Trap Fund	2,500,000	2,500,000	-	2,500,000	-	-	Funds flow annual only to the extent that there is combined excess in Funds described in #5 through #10, above. Once the requirement is met amounts flow below this point.
12	Authority Revenue Fund	6,863,822	6,863,822	-	6,863,822	-	-	Funds flow annual only to the extent that there is combined excess in Funds described in #5 through #11, above. Once the requirement is met amounts flow below this point.
13a	Authority Revenue Fund - RESTRICTED	500,000	500,000	-	500,000	-	-	Funds flow annual only to the extent that there is combined excess in Funds described in #5 through #12, above. Amounts in the Excess Revenue Fund in each calendar year shall be applied as follows: (i) 50% of such amounts shall be deposited in the Authority Reserve Fund; and (ii) 50% of such amounts shall be paid by the Trustee to the County PFD in accordance with the County Interlocal Agreement.
	Totals	**17,807,285**	**18,480,045**	**-**	**18,480,045**	**3,191,117**	**5,425,106**	
13b	County PFD Fund	-	-	-	-			Funds flow annual only to the extent that there is combined excess in Funds described in #5 through #12, above. Amounts in the Excess Revenue Fund in each calendar year shall be applied as follows: (i) 50% of such amounts shall be deposited in the Authority Reserve Fund; and (ii) 50% of such amounts shall be paid by the Trustee to the County PFD in accordance with the County Interlocal Agreement.
	County PFD Loan, Outstanding Principal Balance	(680,245)	(338,813)	-	(338,813)			Represents the outstanding loan balance owed to the Clark County PFD as of month end.

Notes to Accompany Bank Balances

1	**The Operating Petty Cash Account** is the account from which the Project Manager, Hilton, deposits the funds withdrawn from the Lockbox solely for the purpose of paying Operating Expenses, Pursuant to Section 3.07 of the Amended and Restated Operating Agreement.	6	**Tax Revenue Debt Service Fund** is maintained to meet the debt service requirements of the Conference Center Project Refunding Revenue Bonds Series 2013B, which is the portion of the bond offering secured by the tax revenue flow, without regard to revenue generated by operations of the Hotel and Convention Center Project. Total debt issued = $18,045,000. Full maturity of the debt - January 1, 2034. A complete schedule of interest and principal payments from the Bond offering Official Statement is available upon request.	11	**The Authority Reserve Fund** was established pursuant to Appendix A of the Amended and Restated Trust Indenture - the Authority Reserve Fund Requirement is an amount equal to $500,000. Funds can be used to meet an obligation of the DRA when shortfalls exist in other accounts otherwise designated to pay that obligation but only after the Contingency fund is fully depleted.
2	**The Available Revenue Fund** was established pursuant to Section 5.03 of the Indenture. The Lockbox accounts is maintained pursuant to Section 5.05 of the Indenture and established pursuant to Section 2 of the Amended and Restated Cash Management and Lockbox agreement. At the beginning of each month the Lockbox is required to have the Operating Cost Set Aside Amount, which Pursuant to Appendix A of the Amended and Restated Trust Indenture - the Operating Cost Set Aside Amount means $500,000.	7	**The Renewal and Replacement Fund** is the account for which capital projects are funded. The amount required to be deposited is calculated at 4% of the Monthly Gross Operating Revenue. The deficit is calculated on a cumulative basis from the beginning of the project, less cumulative deposits from the beginning of the project. The ending cash balance represents cumulative deposits from the beginning of the project, less cumulative expenditures from the beginning of the project. The amounts to fund the deficit flow into this account annually. The 4% Subordinate Renewal and Replacement Set Aside Amount requirement is Pursuant to Appendix A of the Amended and Restated Trust Indenture.	12	**The Cash Trap Fund** was established pursuant to Appendix A of the Amended and Restated Trust Indenture - the Cash Trap Fund Requirement means the amount of $2,500,000. Funds can be used to meet an obligation of the DRA when shortfalls exist in other accounts otherwise designated to pay that obligation but only after the Contingency fund and Authority Reserve Fund are fully depleted.
3	**The Taxes and Insurance Fund i**s maintained to ensure significant fund for annual insurance premiums when due. There is no requirement to maintain a minimum balance. Established pursuant to Section 5.03 of the Indenture.	8	**The Contingency Fund** holds an amount Pursuant to Appendix A of the Amended and Restated Trust Indenture - the Contingency Requirement means an amount equal to $2,000,000. These funds can be used to meet an obligation of the DRA when shortfalls exist in other accounts otherwise designated to pay that obligation.	13a	**The Authority Revenue Fund -** Funds flow annual only to the extent that there is combined excess in Funds described in #5 through #12, above. Amounts in the Excess Revenue Fund in each calendar year shall be applied as follows: (i) 50% of such amounts shall be deposited in the Authority Reserve Fund; and (ii) 50% of such amounts shall be paid by the Trustee to the County PFD in accordance with the County Interlocal Agreement. In addition, per the Indenture, the DRA may use amounts in the fund for other purposes.
4	**The Administrative Expense Fund** is maintained to ensure monthly administrative obligations are funded when due. There is no stated minimum amount required to be maintained. Established pursuant to Section 5.03 of the Indenture.	9	**The Management Fee Fund** is the account that will accumulate the funds that the Authority is obligated to pay, in arrears, subject to the availability of amounts in this fund the subordinate component of the management fee. The obligation to accrue the amount monthly becomes effective in calendar year 2016. See Section 8 of the First Amendment to the Mangement Agreement outlines the on-going obligation.	13b	**The County PFD Fund** holds amounts used to repay liability to County PFD. This balance increases monthly with flow of County Sales Tax Credit Revenue. Established pursuant to Section 5.03 of the Indenture. Amounts are applied to interest first. Interest rate is 5.63%. Amounts in the Excess Revenue Fund in each calendar year shall be applied as follows: (i) 50% of such amounts shall be deposited in the Authority Reserve Fund; and (ii) 50% of such amounts shall be paid by the Trustee to the County PFD in accordance with the County Interlocal Agreement.
5	**The Project Debt Service Fund** is maintained to meet the debt service requirements of the Conference Center Project Refunding Revenue Bonds Series 2013A, which is the portion of the bond offering secured by the revenue flow of the Hotel and Convention Center Project. Total debt issued = $41,185,000. Full maturity of the debt - January 1, 2044. A complete schedule of interest and principal payments from the Bond offering Official Statement is available upon request.	10	**The Subordinate Renewal and Replacement Fund** is the second available account for which capital projects are funded. The amount required to be deposited is calculated at 1% of Monthly Gross Operating Revenue. The deficit is calculated on a cumulative basis from the beginning of the project, less deposits made into the account less cumulative deposits from the beginning of the project. The ending cash balance represents cumulative deposits from the beginning of the project, less cumulative expenditures from the beginning of the project. The amounts to fund the deficit flow into this account annually. The 1% Subordinate Renewal and Replacement Set Aside Amount requirement is Pursuant to Appendix A of the Amended and Restated Trust Indenture.		

NOTE: City of Vancouver Commitment to Downtown Redevelopment Authority (DRA), with respect to the Vancouver Conference Center: The City signed an agreement on December 1, 2003, to participate in the construction and operation of the Vancouver Conference Center, using tourism funds. In June 2013, the DRA refinanced the debt associated with the construction of the Vancouver Conference Center. As a part of the refinancing, the City agreed that, if, prior to each Interest Payment Date or Principal Payment Date, the amounts on deposit per the Trust Indenture are insufficient to pay the principal and interest due on the 2013 Project Revenue Bonds, upon notice of such deficiency from the Trustee, the City shall pay to the Trustee an amount equal to the deficiency; the maximum obligation on that payment date being the debt service amount of the 2013 Project Revenue Bonds due on such date. Any payment by the City of this conditional payment amount shall constitute a loan by the City to the DRA, with interest payable on such amounts at the rate or rates on the 2013 Project Revenue bonds. If a payment obligation is made and a loan created, the obligation for repayment become subordinate to the obligation of the Authority Revenue Fund and the County PFD Fund.

VANCOUVER DOWNTOWN REDEVELOPMENT AUTHORITY VOUCHER AND CAPITAL EXPENSE APPROVAL

Ratification of Claims Paid by Trustee

We, the undersigned members of the Board of Directors of the Downtown Redevelopment Authority, do hereby certify that the capital merchandise or services hereinafter specified have been received and the vouchers listed below are hereby approved in the amounts of **$110,452.07** this 16th day of July 2026.

PRESIDENT

SECRETARY/TREASURER

EXECUTIVE DIRECTOR

BOARDMEMBER

HILTON VANCOUVER WASHINGTON 2026 CAPITAL PROJECT SUMMARY								
PREPARED BY:	Krista Liles			DATE:	June 1, 2026			
Contractor	**Description of work**	**Project**	**Amount**	**Invoice Date**	**Invoice Number**	**Request #**	**Project #**	**Project type**
Morse Watchmans	Automated Key Control System	Contingency: Morse Watchmans	$ 24,393.04	4/28/2026	0000277320	601261		QA Finding
Precor	Cardio Equipment	Fitness Center Cardio Equipment	$ 44,863.32	3/26/2026	4534390627	601261		
Precor	Remotes	Fitness Center Cardio Equipment	$ 52.22	3/25/2026	4534390172	601261		
Lerch Bates	Construction Documents	Elevator Modernization	$ 8,200.00	5/13/2026	0104240	601261		Capital Budget-approved Item
JRT Mechanical	Hot Water Boiling Retention	Hot Water	$6,674.99	2/27/2026	022726	0401261		Job#109843
JRT Mechanical	Heating Boiler Retention	Heating Boiler	$6,418.50	2/27/2026	022726	0401261		Job#110475
InSite	Final Fee (50%)	2025 - Building Energy Audit (DRA Contract)	$19,850.00	12/8/2025	INV-20746	0301254		Final invoice - Accrued to FY25
Total			$ 110,452.07					

DOWNTOWN REDEVELOPMENT AUTHORITY STAFF
REPORT NO. 07-16-26-04

TO: Downtown Redevelopment Authority Board **DATE:** 07/16/2026
FROM: Chris Harder, Executive Director

Subject: Downtown Redevelopment Authority 2026 Capital Budget Amendment

Objective: To Amend the 2026 Capital Budget to include appropriation for two additional capital projects

Present Situation:

In December 2025, the DRA Board adopted a 2026 Capital Budget that included a total appropriation of $4,903,500. Of the total appropriation amount, $1,303,500 represents Hilton-related capital projects. The Hilton capital budget included $250k appropriation for a Fire Panel Replacement, $250k for Model Guest Room renovation, and $700k for Elevator Modernization (Yr 1 of 3).

The Hilton has identified two additional major capital items, a boiler and a kitchen steamer, that need urgent replacement. Since the capital budget is appropriated by project, realignment to the capital budget needs to be approved by the DRA Board.

The 2026 Capital Budget was built with the understanding that the elevator modernization project and the remodel of the hotel guest rooms would be completed in the next two to three years. In 2026 several assets were identified that need to be repaired/replaced. Those include a boiler, a kitchen steamer, and a few minor projects that are covered by the contingency. The total for the kitchen steamer and boiler replacement is $196,040. In addition, the proposed 2026 Amended Capital Budgets includes a Fitness Center Cardio Equipment replacement due to it nearing its useful life. The total cost of that project is slightly below $45,000.

Several large, budgeted capital projects are underway, but the current timing is resulting in most of the funds will be needed in 2027-2028, not 2026. Those include both the Model Guest Room and Fire Panel Replacement projects. With the Board's approval, budget for the new capital items will come from the anticipated unspent capital budget allocations in 2026 related to the timing of the Fire Panel Replacement and Model Guest Room projects. The Model Guest Rooms project will be reduced by $150,000 and the Fire Panel Replacement project will be reduced by $195,000. The balance over the sum of the new capital projects is recommended to be placed in the Contingency to cover other potential emergency-type repairs this year.

Attachment B to the attached Resolution outlines changes by project to the 2026 Capital Budget funding changes to support the realignment between projects, as summarized below.

Capital Expense Budget by Category	2026 Capital Budget	2026 Capital Budget Amendment	2026 Amended Capital Budget
Hotel	$250,000	($52,084)	$197,916
Systems, Building, Mechanical, Life Safety	$985,000	($51,960)	$933,040
Information Technology and Contingency	$68,500	$104,044	$172,544
Total HILTON Capital Budget	**$1,303,500**	**$0**	**$1,303,500**

Proposal: To approve the amendment revising the project allocations in the DRA 2026 Capital Budget as proposed.

Action Requested: After considering any public comment, pass a motion to approve the resolution.

An example motion would be: "I move to approve Resolution 07-16-26-04, amending the 2026 Capital Budget to support realignment between projects".

Attachments: Resolution 07-16-26-04

7-16-2026

RESOLUTION NO. 07-16-26-04

A RESOLUTION of the Board of Directors of the Downtown Redevelopment Authority (DRA) approving an amendment to the 2026 Capital Budget.

WHEREAS, the Downtown Redevelopment Authority (DRA) is a public corporation established under the authority of RCW 35.21.730 to promote redevelopment in the downtown area of the City of Vancouver; and,

WHEREAS, the DRA Board has approved its 2026 Operating and Capital Budgets in public session and has invited and received public comment on 12/18/2025; and,

WHEREAS, the DRA Board desires to amend the 2026 Capital Budget to re-align appropriation for three additional capital projects to move forward in 2026.

NOW, THEREFORE, BE IT RESOLVED BY THE DOWNTOWN REDEVELOPMENT AUTHORITY, as follows:

Section 1. The capital budget appropriation is to be realigned from the Model Guestroom Room Project and the Fire Panel Replacement projects to the Kitchen Steamer, Fitness Center Cardio Equipment and Boiler Replacement projects as outlined in the **Attachment B** to the **2026 DRA Budget**.

Section 2. This resolution shall take effect immediately upon its adoption.

ADOPTED by the Board of Directors of the Downtown Redevelopment Authority at a regular meeting held this 16th day of July 2026.

SIGNED BY:

Jan Robertson, President

ATTEST:

Kathleen Kee, Secretary/Treasurer

APPROVED TO FORM:

Council to the Authority

Attachment B

CAPITAL BUDGET AMENDMENT 2026

Capital Expense Budget Summary by Category	2026 Capital Budget	2026 Capital Budget Amendment	2026 Amended Capital Budget
Hotel	$250,000	**($52,084)**	$197,916
Systems, Building, Mechanical, Life Safety	$985,000	**($51,960)**	$933,040
Information Technology and contingency	$68,500	**$104,044**	$172,544
Total Capital Budget Appropriation	**$1,303,500**	**$0**	**$1,303,500**

DOWNTOWN REDEVELOPMENT AUTHORITY
STAFF REPORT No. 07-16-26-03

TO: Downtown Redevelopment Authority (DRA) **DATE:** 7/16/2026
FROM: Chris Harder, Executive Director

Subject: **Hilton Capital Items for Board Approval: Boiler Replacement, Kitchen Steamer**

Objective: **Approve payment(s) and authorize the replacement of items as identified**

Background and Present Situation:
The Hilton has identified two major capital items—a boiler and a kitchen steamer—that are in need of urgent replacement. These items were not originally in the DRA Board Approved 2026 Capital Budget. The total for the combined projects is estimated at **$196,040.15.** With approval, funding for the two items will come from the remaining balance of unspent 2026 capital budget allocations related to the timing of the Fire Panel, Gest Room Prototype, and Elevator Modernization projects, where a majority of the funds for those projects will be needed in 2027 instead of 2026.

Because both items exceed the dollar threshold of the Executive Director's authority ($50,000), as outlined in the DRA's Procurement Policy, the following items are being submitted to the Board for consideration of approval for payment and authorization to proceed:

New Boiler - $143,040.15
The hotel has three heating boilers, one of which was replaced in 2025. The other two are original from 2005 when the hotel was built. Both original boilers are now in need of replacement as they are venting steam through casing cracks that are not repairable. It is believed that due to the increased efficiency of the new models, the hotel will receive sufficient heating by only replacing one of the remaining original boilers.

Fiscal Impact:

- The balance of this will be funded through anticipated savings from the Fire Panel project, currently approved for $250k. Approximately $55k will be spent in 2026 due to the sensor install portion being pushed to coincide with the Guest Room Renovation project now scheduled for 2028.

Kitchen Steamer (Main) - $53,000
The main kitchen steamer oven has failed. Over the last year hotel management has invested over $15k on parts and labor to keep the equipment operating. At this time, no further P&L repair expenses will keep it operational. It is integral to the smooth operation of the kitchen as it is the primary source for preparing vegetables.

Fiscal Impact:

- This will be funded through anticipated savings from the Fire Panel project, currently approved for $250k. Approximately $55k will be spent in 2026 due to the sensor install portion being pushed to coincide with the Guest Room Renovation project now scheduled for 2028.

Action Requested:
Amend the current capital budget and approve the budget realignment between projects. Approve the requested amounts to cover the cost of items as outlined and authorize proceeding with the replacement(s).

Recommended motion: *"I make a motion to approve the payments to replace the capital items as outlined, in the amount of $196,040.15."*

Attachments:

2026 Hilton Vancouver Capital Budget Summary
Hilton Memo for Boiler
JRT Mechanical Quote

Hilton Memo for Kitchen Steamer
HSM Quote

Hilton Vancouver 2026 Capital Budget Summary

Description	*2026 DRA Approved*	*2026 July Capital Budget Amendment*	*2026 Amended Capital Budget*
DOWNTOWN REDEVELOPMENT AUTHORITY (DRA)			
Convention Center Expansion	$3,600,000	$0	$3,600,000
DRA TOTAL	**$3,600,000**	**$0**	**$3,600,000**
HOTEL			
Model Guest Rooms	$250,000	($150,000)	$100,000
Kitchen Steamer		$53,000	$53,000
Fitness Center Cardio Equipment		$44,916	$44,916
HOTEL TOTAL	**$250,000**	**($52,084)**	**$197,916**
SYSTEMS, BUILDING, MECHANICAL, LIFE SAFETY			
Fire Panel Replacement	$250,000	($195,000)	$55,000
Elevator Modernization (Service) Yr 1 of 3	$700,000	$0	$700,000
2025 Pool Project Carryover	$35,000	$0	$35,000
2026 Boiler Replacement		$143,040	$143,040
SMBL TOTAL	**$985,000**	**($51,960)**	**$933,040**
INFORMATION TECHNOLOGY (I.T.)			
Replace MS Office 2021	$8,500	$0	$8,500
I.T. TOTAL	**$8,500**	**$0**	**$8,500**
CONTINGENCY			
Small Project/Contingency	$60,000	$104,044	$164,044
CONTINGENCY TOTAL	**$60,000**	**$104,044**	**$164,044**
TOTAL	**$4,903,500**	**$0**	**$4,903,500**

Memo

To:	Chris Harder Natasha Ramras	**From:**	Robert Hayward
Date:	5/4/2026	**Tel:**	(602) 561-4417

Subject: Hilton Vancouver Washington – Capital Project Approvals

Hilton has requested approval to move forward with the following capital project.

New Boiler - $143,040.15

The hotel has three heating boilers, one of which was replaced in 2025, the other two which are original to 2005. Both of these two original boilers are now in need of replacing as they are venting steam through casing cracks that are not repairable. It is believed that due to the increased efficiency of the new models, the hotel will receive sufficient heating by only replacing one of the remaining original boilers.

Only 2 quotes were received for this project from 8 companies contacted. Both quotes are attached and the hotel has selected JRT for this project as they were both the lowest bid and the installer of the most recent boiler.

This will be a contingency capital expense for 2026 and with the request totaling $143,040.15 to replace one of these boilers, inclusive of tax, shipping and prevailing wage. There is currently $12,725.56 in the Contingency fund which this will be drawn from and deplete. The balance of this will be funded through anticipated savings from the fire panel project. This project, approved at $250k, will be approximately $55k due to the sensor install portion being pushed to coincide with the guest room renovation currently scheduled for 2028.

CHMWarnick recommends that the DRA Board approve payment of this capital project.

JRT Mechanical
Service Solutions
2211 SE Grace Avenue
Battle Ground, WA 98604
360-667-4159

Please Remit all payments to PO Box 1450
Battle Ground, WA, 98604

BILL TO
Hilton Vancouver
301 West 6th Street
Vancouver, WA 98660 USA

ESTIMATE	ESTIMATE DATE
66466563	Apr 15, 2026

JOB ADDRESS
Hilton Vancouver (Capitol Project)
301 West 6th Street
Vancouver, WA 98660 USA

Job:

ESTIMATE DETAILS

1- NEW Aerco Boiler:

POC: Hans Telleson 626-201-2309

Replace 1 Buderus Boiler with Aerco Benchmark BMK-2000 Condensing Boiler. This will require reconfiguring the piping to fit a taller down fire boiler that adds energy efficiency by keeping the heat in the combustion chamber as long as possible. A new separate flue will be ran out the back of the building requiring to core hole through an interior CMU wall and the brick exterior.
1) Aerco Benchmark BMK-2000 Condensing Boiler includes:
• 2000 MBH input each, natural gas firing
• 120V/1PH/60Hz power
• 439 SS heat exchanger
• Fully modulating 20:1 turndown
• 8" vent connection & 50' of Centrotherm Flue piping
• Minimum gas pressure required is 14" w.c., maximum is 2 psi
• Edge [ii] controller with onboard multi unit sequencing logic with mobile app for iOS and Android, standard
• Onboard ModBUS TCP/RTU and BACnet MSTP/IP for BAS communication

JRT Mechanical will provide:
(1) Pietro 1 1/2" Gas Regulator, 2psi inlet / 8" -14" wc outlet
(1) Aerco 75 psi relief valve
(1) Aerco Header Temp Sensor
(1) Aerco 4" BST Enable Motorized Isolation Valves
(1) Axiom model NT15 condensate neutralization tank with media(50') Centrotherm Flue piping

Inclusions:
Material, labor, equipment, and special tools needed to complete install per job walk.
Clean up of site and removal of job-related debris.
Permitting and inspections.
Equipment removal, haul off and disposal.

Start up and programming of new equipment.
All work is quoted to be performed without impacting facilities production schedule.
JRT will be paying prevailing wages on this project.
Pipe insulation and labeling.
Hi-voltage electrical and associated permits.
New low voltage communication for communication between the boilers and the Building BMS
Flue venting and flue terminations.
Condensates, condensate piping to floor drain, and condensate neutralizing system.
Lockout and tagout units and shut down existing systems.
Moving, forklift, rigging, and associated equipment.
Gas piping, sizing and permitting.
Manufacturer certified technicians to perform start-up of equipment.
Performing work during our regular business hours of 8AM- 5PM

Exclusions:
Design-build or engineering services.
Fire protection piping and associated equipment.
Framing, backing, blocking, painting, priming, and coatings of any kind.
Concrete work of any kind including housekeeping and equipment pads.
Testing and inspection of existing waste, vent or drainage system.
For quoting purposes we assume that they're working correctly.
Structural engineering or design of existing structure.
Overtime, after hours or swing shift work.
Protection of installed piping, fixtures, equipment or any other mechanical and plumbing components from theft or damage by others.
Hazardous material testing, sampling, removal, or abatement.

General Note:
This quote is based off of the job walk and conditions that we could foresee onsite but with limited access and as such does not include an allowance for work that is below floor, behind wall, above ceiling, behind cover(s) or otherwise inaccessible and is in poor condition or not installed according to standard practices. e.g. Undersized water or drain, poorly constructed equipment curb or pad, mislabeled pipe and/or duct. Material costs are subject to change without notice. For the purposes of this quote, we assume that system(s) are in good working condition unless stated otherwise. JRT Mechanical is not responsible for sudden material price increases due to tariffs, Force-Majeure, shipping/ fuel surcharges or terrorism. Customer acknowledges that failure to pay for labor, services, equipment, or materials provided may result in a mechanics lien being filed against the property under Washington law (RCW 60.04), which may affect the property title.

Any and all work above and beyond this scope of work will be charged at a T&M price of $185 an hour per Technician.

Payment schedule: Progress payments

Licensing:
(EC01) ECJRTMEMI819Q5
OR LHR462
OR CRE220
JRTMEI*066KE

SERVICE	DESCRIPTION	QTY	PRICE	TOTAL
01-020-220	PLUMBING: Labor and Material: Provide and install gas, hydronic piping, flue venting, condensate neutralizing system.	1.00	$131,350.00	$131,350.00

SUB-TOTAL	$131,350.00
TAX 0%	$0.00
TOTAL	$131,350.00

Thank you for the business! We appreciate it.

Warranty
- JRT Mechanical, Inc warrants that all work has been performed in a workmanlike manner and according to best practices.
- New Install: All work, material and equipment supplied by JRT Mechanical will be free from faults and defects for a period of one (1) year from the date of install.
- Repair work: All work, materials and equipment supplied by JRT Mechanical will be free from faults and defects for a period of thirty (30) days from the date of repair.
- Drain Cleaning Work: No Guarantee
- Warranty will be null and void if equipment is not maintained per manufacturer's recommendations.

CUSTOMER AUTHORIZATION

The summary above is furnished by JRT Mechanical Inc. as a good faith estimate of work to be performed at the location described above and is based on our evaluation and does not include material price increases or additional labor and materials which may be required should unforeseen problems arise after the work has started. I understand that the final cost of the work may differ from the estimate, perhaps with material tariffs or any other force majeure. THIS IS NOT A GUARANTEE OF THE FINAL PRICE OF WORK TO BE PERFORMED. I agree and authorize the work as summarized on these estimated terms, and I agree to pay the full amount for all work performed with payment terms of Net 30 unless otherwise stated. (ESTIMATE IS VALID FOR 30 DAYS)

Sign here Date

Memo

To:	Chris Harder	**From:**	Robert Hayward
Date:	6/27/26	**Tel:**	(602) 561-4417
Subject:	Hilton Vancouver Washington – Capital Project Approvals		

Hilton has requested approval to move forward with the following capital project.

Description – Hotel main kitchen steamer

Amount requested - $53,000

The main kitchen steamer oven has failed. Over the last year hotel management has invested over $15k on parts and labor in keeping this piece of equipment operating. At this time, any further P&L expense will not provide any return. The vast majority of vegetables are prepared using this piece of equipment – it is integral to the smooth operation of the kitchen.

This will be a contingency capital expense for 2026 and management is requesting $53,000 inclusive of tax, shipping and start up. We have allocated and included an additional $1,051 to cover the cost of the gas connection.

5 quotes were received for this project and management is recommending the Hilton Supply Management quote as the least expensive (see attachment).

The Contingency fund has been depleted so this will be funded through anticipated savings from the fire panel project. This project, approved at $250k, will be approximately $55k due to the sensor install portion being pushed to coincide with the guest room renovation.

CHMWarnick recommends that the DRA Board approve payment of this capital project.

Hilton SUPPLY MANAGEMENT

Quote

06/19/2026

Project:
Hilton Resorts Vancouver WA
98660 Cleveland 00325634.1

From:
Hilton Supply Management
HSM Direct
7930 Jones Branch Dr.
McLean, VA 22102
703.883.5820

Job Reference Number: 17833

Item	Qty	Description	Sell	Sell Total
		LEAD TIME: 16 BUSINESS DAYS		
		FREIGHT WOULD BE 3% OF ORDER TOTAL		
1	1 ea	**CONVECTION STEAMER, GAS** Cleveland Range Model No. 36CGM16300 ConvectionPro® XVII Steamer, gas, 2 compartments, 36" cabinet base, (8) 12 x 20 x 2-1/2" pans/compartment, solid state controls, 60-minute mechanical timer & manual (continuous steaming) bypass switch, stainless steel exterior finish, 300,000 BTU gas-fired steam generator with electric steam control	$46,314.41	$46,314.41
	1 ea	1-year parts & labor warranty, standard		
	1 ea	5 year pro-rated parts warranty on boilers & steam generators		
	1 ea	PERFORMANCE START-UP Performance start-up included at customer request after equipment is installed (free water quality check included) (mileage capped at 100 miles round trip) (contact Cleveland sales representative for details)		
	1 ea	FLT0043 Water Treatment System, dual-cartridge, 20,000 gallon capiacity, 5.0 gpm flow rate, total system for steamers prevents limescale formation	$950.37	<Optional>
	1 ea	11000116001 Water Filter Installation of standard system, only for filters include in Cleveland Price List (Note: Pricing based on 100 mile round trip, additional charges may apply, see Installation flyer for details) (Non-discountable NET pricing) (Only applicable for continental US)	$288.41	<Optional>
	1 ea	Must purchase install of the unit in order to get the water filter install		
	1 ea	Gas type to be specified		
	1 ea	(VOS115) 120v/60/1-ph, 5.0 amps, 2-wire (DO NOT connect to GFI outlet)		
			ITEM TOTAL:	**$46,314.41**

Hilton Resorts Vancouver WA 98660
Cleveland 00325634.1

Initial: ______

Merchandise	$46,314.41
Tax 8.9%	$4,121.98
Total	$50,436.39

ORDER QUOTATION ONLY – DO NOT PAY

PRICING IS <u>CONFIDENTIAL</u> AND SUBJECT TO CHANGE WITHOUT NOTICE

THIS QUOTE EXPIRES IN 30 DAYS

**Lead times are estimates. All orders are shipped <u>as soon as ready</u> by default. The receiving party is responsible for providing any limitations to receiving this order in advance of approving the quote.*

IMPORTANT NOTICES:

- HSM Fee Included
- HSM pricing is <u>confidential</u> and may not be distributed
- Payment Terms: NET30 for properties in good standing & within credit limit
- Tax and shipping costs will be added when applicable
- Freight would be an additional 25% of manufacturer total for items without free freight
- A liftgate service charge may apply
- Items are subject to additional fees, not listed on the quote, at any time based on new international tariffs
- It is the <u>customer's</u> responsibility to review all quoted line items to ensure they meet brand standards prior to signature
- Returns are subject to manufacturer's return policy and vary. Restocking fees and return freight charges may apply

RECIPIENT'S RESPONSIBILITIES REGARDING LOSS OR DAMAGE:

As the recipient, you must carefully identify and document loss and/or damage on the delivery receipt at the time of delivery.
There are two types of loss or damage:

- Visible or noted loss or damage.
- Concealed loss or damage.

Visible or Noted Loss or Damage

Visible loss or damage is apparent at the time of delivery and should be noted. Noted loss or damage is recorded in detail on the delivery receipt.
When recording loss or damage, please use specific details and try to avoid general terms such as "box damage" or "torn." This type of notation does not provide adequate support for your claim.

PLEASE NOTE: A notation of "**<u>subject to inspection</u>**" by itself, is not considered a valid notation of loss or damage.

Example of Proper Notation: "1 carton Ink Cartridge #CN-1456 crushed and cartridge cracked"

Hilton Resorts Vancouver WA 98660
Cleveland 00325634.1 **Initial: ______**

Concealed Loss or Damage

These claims are considered and investigated as concealed loss or damage claims and will be handled based on their individual merits. Concealed exceptions should be reported to the carrier within 5 days of delivery. The burden of proof is on the claimant to show the carrier's negligence caused the damage before they will claim liability for the exception.

Acceptance: ______________________________ Date: ______________________________

Printed Name: ______________________________

Project Grand Total: $50,436.39

DOWNTOWN REDEVELOPMENT AUTHORITY
STAFF REPORT No. 07-16-26-05

TO: Downtown Redevelopment Authority (DRA) **DATE:** 7/16/2026
FROM: Chris Harder, Executive Director

Subject: **Approval of the Boiler Replacement Contract Award**

Objective: Approve the award of a contract for the replacement of one of the hotel's two remaining original boilers.

Background and Present Situation:

The hotel has three heating boilers. One boiler was replaced in 2025. The other two boilers are original to the hotel's construction in 2005.

Both original boilers have deteriorated and are venting steam through cracks in their casings. The cracks are not repairable, and continued operation of the boilers presents an increasing risk of equipment failure. Given their current condition, delaying replacement until the 2027 budget year is not advisable.

Based on an evaluation of the hotel's heating requirements and the increased efficiency of current boiler models, hotel management believes that replacing the two remaining original boilers with one new, higher-efficiency boiler will provide sufficient heating capacity.

In alignment with the DRA's Procurement Policy, hotel management directly solicited bids from eight vendors with two quotations received. The lowest responsive bid was submitted by **JRT Mechanical, Inc.** in the amount of $143,040.15, which includes applicable taxes, shipping, prevailing-wage labor, and installation of the new boiler. JRT Mechanical, Inc was also the installer of the boiler installed in 2025.

Today's agenda also includes a proposed budget realignment to provide sufficient funding for the project.

Staff recommend that the Board award the boiler replacement contract to JRT Mechanical, Inc and authorize the Executive Director to execute the contract in an amount not to exceed $143,040.15.

Action Requested:

Award the boiler replacement contract to JRT Mechanical, Inc and authorize the Executive Director to execute the contract in an amount not to exceed $143,040.15.

Recommended Motion:

"I move to award the boiler replacement contract to JRT Mechanical, Inc and authorize the Executive Director to execute the contract in an amount not to exceed $143,040.15.

Attachments:

1. Hilton Memo for Boiler
2. 2026 Aerco Boiler Install Quote – JRT Mechanical

JRT Mechanical
Service Solutions
2211 SE Grace Avenue
Battle Ground, WA 98604
360-667-4159

Please Remit all payments to PO Box 1450
Battle Ground, WA, 98604

BILL TO
Hilton Vancouver
301 West 6th Street
Vancouver, WA 98660 USA

ESTIMATE	ESTIMATE DATE
66466563	Apr 15, 2026

JOB ADDRESS
Hilton Vancouver (Capitol Project)
301 West 6th Street
Vancouver, WA 98660 USA

Job:

ESTIMATE DETAILS

1- NEW Aerco Boiler:

POC: Hans Telleson 626-201-2309

Replace 1 Buderus Boiler with Aerco Benchmark BMK-2000 Condensing Boiler. This will require reconfiguring the piping to fit a taller down fire boiler that adds energy efficiency by keeping the heat in the combustion chamber as long as possible. A new separate flue will be ran out the back of the building requiring to core hole through an interior CMU wall and the brick exterior.
1) Aerco Benchmark BMK-2000 Condensing Boiler includes:
• 2000 MBH input each, natural gas firing
• 120V/1PH/60Hz power
• 439 SS heat exchanger
• Fully modulating 20:1 turndown
• 8" vent connection & 50' of Centrotherm Flue piping
• Minimum gas pressure required is 14" w.c., maximum is 2 psi
• Edge [ii] controller with onboard multi unit sequencing logic with mobile app for iOS and Android, standard
• Onboard ModBUS TCP/RTU and BACnet MSTP/IP for BAS communication

JRT Mechanical will provide:
(1) Pietro 1 1/2" Gas Regulator, 2psi inlet / 8" -14" wc outlet
(1) Aerco 75 psi relief valve
(1) Aerco Header Temp Sensor
(1) Aerco 4" BST Enable Motorized Isolation Valves
(1) Axiom model NT15 condensate neutralization tank with media(50') Centrotherm Flue piping

Inclusions:
Material, labor, equipment, and special tools needed to complete install per job walk.
Clean up of site and removal of job-related debris.
Permitting and inspections.
Equipment removal, haul off and disposal.

Start up and programming of new equipment.
All work is quoted to be performed without impacting facilities production schedule.
JRT will be paying prevailing wages on this project.
Pipe insulation and labeling.
Hi-voltage electrical and associated permits.
New low voltage communication for communication between the boilers and the Building BMS
Flue venting and flue terminations.
Condensates, condensate piping to floor drain, and condensate neutralizing system.
Lockout and tagout units and shut down existing systems.
Moving, forklift, rigging, and associated equipment.
Gas piping, sizing and permitting.
Manufacturer certified technicians to perform start-up of equipment.
Performing work during our regular business hours of 8AM- 5PM

Exclusions:
Design-build or engineering services.
Fire protection piping and associated equipment.
Framing, backing, blocking, painting, priming, and coatings of any kind.
Concrete work of any kind including housekeeping and equipment pads.
Testing and inspection of existing waste, vent or drainage system.
For quoting purposes we assume that they're working correctly.
Structural engineering or design of existing structure.
Overtime, after hours or swing shift work.
Protection of installed piping, fixtures, equipment or any other mechanical and plumbing components from theft or damage by others.
Hazardous material testing, sampling, removal, or abatement.

General Note:
This quote is based off of the job walk and conditions that we could foresee onsite but with limited access and as such does not include an allowance for work that is below floor, behind wall, above ceiling, behind cover(s) or otherwise inaccessible and is in poor condition or not installed according to standard practices. e.g. Undersized water or drain, poorly constructed equipment curb or pad, mislabeled pipe and/or duct. Material costs are subject to change without notice. For the purposes of this quote, we assume that system(s) are in good working condition unless stated otherwise. JRT Mechanical is not responsible for sudden material price increases due to tariffs, Force-Majeure, shipping/ fuel surcharges or terrorism. Customer acknowledges that failure to pay for labor, services, equipment, or materials provided may result in a mechanics lien being filed against the property under Washington law (RCW 60.04), which may affect the property title.

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Payment schedule: Progress payments

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(EC01) ECJRTMEMI819Q5
OR LHR462
OR CRE220
JRTMEI*066KE

SERVICE	DESCRIPTION	QTY	PRICE	TOTAL
01-020-220	PLUMBING: Labor and Material: Provide and install gas, hydronic piping, flue venting, condensate neutralizing system.	1.00	$131,350.00	$131,350.00

DOWNTOWN REDEVELOPMENT AUTHORITY
STAFF REPORT NO. 07-16-26-01

TO: Downtown Redevelopment Authority **DATE: 07-16-26**
FROM: Chris Harder, Executive Director

Subject: Approval of Professional Services Agreement with Kenyon Disend, PLLC.

Present Situation:

The DRA-designated legal counsel transitioned from being City-supported to supported by an outside firm in 2025 under VMC 2.73.080(A). On April 23, 2026, Lighthouse Law Group received notice of termination, effective immediately, from the Downtown Redevelopment's new Executive Director. As a result, Lighthouse Law Group submitted to the DRA Board its intent to withdraw as general counsel, terminating the existing contract.

Because of complex legal work associated with the DRA, it is necessary to obtain replacement legal services to ensure compliance in all legal matters pursuant to the Authority's bylaws, charter and relevant ordinances. The DRA's Executive Director, along with three DRA Board Members (Jan Robertson, Tom Donovan, and Marc Fazio), identified and interviewed three potential law firms. We selected and I have contracted with Kenyon Disend, PLLC to provide legal support to the DRA. Kenyon Disend, PLLC works exclusively with Washington municipalities and special government entities. The contract is for a 24-month period, commencing immediately upon approval. The negotiated rate is up to $450 per hour, depending on the level of staff working on the DRA's issues, with the not-to-exceed total amount set at $50,000. Kenyon Disend, PLLC has designated attorney Robert Zeinemann to serve as the DRA'S legal counsel, with support from attorney Hillary Evans and associated paralegals.

Currently, the attorney's time is reimbursed to the City through the City's administrative charge. There is overall sufficient budget in the 2026 budget to cover this cost, and the City's administrative charge will be updated accordingly.

Proposal: Ratify a contract with Kenyon Disend, PLLC as proposed.

Attachment(s):
Agreement with Kenyon Disend, PLLC

AGREEMENT FOR LEGAL SERVICES

I.
PARTIES

This Agreement for Legal Services ("Agreement") is made on this 2nd day of July, 2026, between the Vancouver Downtown Redevelopment Authority ("DRA") and Kenyon Disend, PLLC ("Attorneys").

II.
SERVICES OF THE ATTORNEYS

Attorneys shall provide the legal services set forth in this Agreement and shall work for DRA under the direction of the DRA's Executive Director. On behalf of Attorneys, Robert Zeinemann will direct the services provided under this Agreement.

III.
QUALITY OF SERVICES

Attorneys shall perform all legal services covered by this Agreement in a capable and efficient manner, and in accordance with the professional standards of the Washington State Bar Association. Attorneys shall be available at all times for consultation and advice, including on weekends and holidays if needed, directly or through telephone, e-mail, or other forms of communication.

IV.
SERVICES PROVIDED

Attorneys shall represent the DRA and provide general counsel legal services to the DRA as needed, to include preparation for and attendance at regularly scheduled and specially scheduled meetings; providing advice on legal matters, including contract disputes; drafting ordinances, resolutions, and agreements; and other related matters as assigned. Attorneys shall not provide any work associated with bonds, including but not be limited to issuing or reissuing bonds. If Attorneys are unable or unwilling to provide services related to a there is a particular project Attorneys shall advise the DRA prior to initiating work on said project.

V.
FEES AND COSTS

The DRA shall be billed for legal services at Attorneys' hourly rates in an amount not to exceed $50,000 over the term of this Agreement. Attorneys' hourly rates for services through December 31, 2026, including necessary travel time, are attached hereto as Exhibit A. Attorneys' hourly rates for subsequent calendar years shall be provided to the DRA on or before November 1 of the immediately preceding calendar year.

Attorneys will also charge the DRA fifteen cents per page for black and white photocopying and facsimile transmissions, twenty-one cents per page for color photocopying, and shall be reimbursed for legal messenger services, postage, computerized legal research charges, filing fees advanced on behalf of the DRA, and other direct expenses without markup. Attorneys shall not charge the DRA for mileage reimbursement costs, nor for long-distance telephone charges.

Attorneys' current rates expressly account for any taxes or related charges ("charges") imposed on professional service providers the State of Washington. In the event that any such additional charges are imposed during the term of this Agreement, Attorneys shall be entitled to recover any such additional charges as a reimbursable cost item on Attorneys' monthly billing statements.

VI.
PAYMENT TERMS

Attorneys will provide the DRA with monthly invoices for legal services performed and expenses incurred. Fees and costs are due in full from the DRA upon billing by Attorneys. A service charge shall accrue at the rate of 12% per annum, but shall only be added to any balance remaining unpaid sixty (60) days after the statement date.

VII.
TIME RECORDS

Attorneys will maintain accurate time records describing the services performed and the dates upon which said services were performed, and shall provide a monthly statement to the DRA setting forth the time expended for such services.

VIII.
AGREEMENT PERIOD

This Agreement shall remain in effect for a period of 24 months from the date of last execution. Each party shall have the right to terminate this Agreement upon 30 days written notice.

IX.
INDEMNIFICATION/HOLD HARMLESS

Attorneys shall defend, indemnify and hold the DRA and its officers and employees harmless from any suits brought against the DRA, and damages awarded as a result of such suits, arising out of or resulting from the fault of Attorneys in performance of this Agreement, except to the extent of any fault of the DRA or its officers or employees.

X.
INSURANCE

Attorneys shall maintain for the protection of the DRA a professional errors and omissions insurance policy with minimum coverage of one million dollars per claim and three million dollars annual aggregate.

VANCOUVER DOWNTOWN REDEVELOPMENT AUTHORITY	KENYON DISEND, PLLC
By:___________________________	By:______________________________
Name: Chris Harder	Hillary J. Evans, Managing Partner
Title: Executive Director	

EXHIBIT A

KENYON DISEND, PLLC
2026 HOURLY RATE SCHEDULE

ATTORNEYS:

Michael R. Kenyon	$450
Lisa M. Marshall	$370
Soojin Kim	$315
Hillary J. Evans	$315
Kendra S. Rosenberg	$300
Robert D. Zeinemann	$285
Colin A. Olivers	$285
Joanna M. Eide	$275
Alexandra L. Kenyon	$250
Matthew Upchurch	$225

PARALEGALS:

Margaret C. Starkey	$185
Antoinette M. Mattox	$165
Janet J. Ito	$150

DOWNTOWN REDEVELOPMENT AUTHORITY
STAFF REPORT NO. 07-16-26-02

TO: Downtown Redevelopment Authority Board **DATE: 7-16-26**
FROM: Chris Harder, Executive Director

Subject: Adoption of DRA Capital Asset Policy

Objective: Approve a Resolution Adopting Capital Asset Policy

Purpose: The purpose of this policy is to provide guidelines to ensure adequate stewardship over the Downtown Redevelopment Authority's (DRA) capital assets as well as to improve the accuracy of information tracking of our capital assets for internal reporting as well as for financial reporting in accordance with Generally Accepted Accounting Principles (GAAP).

GAAP is the standardized framework of accounting rules, standards, and procedures use in the U.S. Established by the Financial Accounting Standards Board (FASB) and the Governmental Accounting Standards Board (GASB) to ensure financial statements are consistent, transparent and easily comparable. All 50 states and many local governments follow GASB's version of GAAP to demonstrate financial accountability to taxpayers and bondholders.

Proposal: Adopt a DRA Capital Asset Policy as outlined in the Resolution 07-16-26-02 and as described in the Attached Exhibit A policy.

Action Requested: Approve the proposed resolution. An example motion would be: "I move to approve Resolution 07-16-26-02, adopting the DRA Capital Asset Policy".

RESOLUTION NO. 07-16-26-02

A RESOLUTION of the Board of Directors of the Downtown Redevelopment Authority (DRA) adopting a Capital Asset Policy.

WHEREAS, the Downtown Redevelopment Authority (DRA) is a public corporation established under the authority of RCW 35.21.730 to promote redevelopment in the downtown area of the City of Vancouver; and

WHEREAS, the DRA owns the Hilton Vancouver Conference Center Hotel and has entered into an Amended and Restated Project Operating Agreement (Management Agreement) with Hilton Hotel Employer, LLC (Manager) to manage the facility; and

WHEREAS, the DRA as a public corporation is committed to operating in compliance with the Generally Accepted Accounting Principles (GAAP); and

WHEREAS, DRA is committed to ensuring adequate stewardship over its capital assets and to improving the accuracy of information tracking for internal and financial reporting, and to demonstrate financial accountability to taxpayers and bondholders.

NOW, THEREFORE, BE IT RESOLVED BY THE DOWNTOWN REDEVELOPMENT AUTHORITY, as follows:

Section 1. The DRA Board hereby approves the Capital Asset Policy as set forth in Exhibit A, a copy of which is attached and incorporated by this reference.

Section 2. The Manager and DRA Executive Director are hereby authorized to implement such policies as necessary to carry out the direction of this Resolution.

Section 3. This resolution shall take effect immediately upon its adoption.

ADOPTED by the Board of Directors of the Downtown Redevelopment Authority at a regular meeting held this 16th day of July, 2026.

____
Jan Robinson, Board President

ATTEST:

____
Kathleen Kee, Secretary-Treasurer

APPROVED AS TO FORM:

____
Counsel to the Authority

Title: Capital Asset Policy	
Policy and Procedure Number: **DRA-002**	Supersedes (Number and Title): **N/A**
Scope (Identify "Citywide" or the affected department(s) and, optionally, the department's division(s)): **Downtown Redevelopment Authority**	
Effective Date: 1/1/2026	Approved by (Name, Title and Signature):

Purpose:

The purpose of this policy is to provide guidelines to ensure adequate stewardship over the DRA's capital assets as well as to improve the accuracy of information tracking of our capital assets for internal reporting as well as for financial reporting in accordance with generally accepted accounting principles.

Table of Contents

1.0 Definitions

Asset

An asset is any item of economic value owned by a governmental unit. The item may be physical in nature (tangible) or a right to ownership (intangible) that is expressed in terms of cost or some other value. Assets are obtained as a result of past transactions or events and have probable future economic benefits. The DRA further classifies assets as capital assets, non-capital assets, small and attractive assets or inventoriable assets.

Betterment/improvement

An addition made to, or change made in, a capital asset, other than maintenance, to prolong its life or to increase its efficiency or capacity. The cost of the addition or change is added to the book value of the asset.

Book value

The recorded cost of a capital asset less accumulated depreciation.

Capital asset

A capital asset is an asset, where the costs are expensed over the asset's useful life, rather than at the time of acquisition. The general rule is that a capital asset has an estimated useful life of more than one year, and with a cost of $10,000 or more. Assets that meet this criterion will be treated as a capital asset. Capital Assets include land, improvements to land, buildings, building improvements, vehicles, machinery, equipment, works of art and all other tangible or intangible assets used in operations. The DRA has established additional guidelines, and more specific criteria can be found in section 2.0, *Capitalization Policy*, of this document.

Capital Aggregate Assets

Assets which individually are less than the DRA's capitalization threshold but which in aggregate, by type are considered significant to the DRA's financial presentation and reporting.

Componentization

Separating an asset into various components to better reflect useful lives of discrete elements.

Cost

The total acquisition price of a purchase or total project expenditures, including sales tax, as well as ancillary charges, (shipping, installation), necessary to place the asset into its intended location and for its intended use. Assets are recorded at historic cost or estimated historic cost if the actual historic cost is not available or applicable (donated assets for example). Additional specific guidance on cost for certain types of assets can be found in section 7.0.

Impairment

The immediate recognition of permanent decreases in the production capacity of capital assets that are expected to remain in service.

Intangible asset

Intangible assets are assets that are not physical in nature. Examples of intangible assets include computer software.

Historical Cost Indexing

A systematic and rational method of estimating historical costs of partially replaced assets in existence.

Materiality

A metric wherein the magnitude of an item's omission or misstatement in a financial report, results in probable likelihood that the judgment of a reasonable person relying upon the report would have been changed or influenced by the inclusion or correction of the item.

Significant

A metric of qualitative or quantitative magnitude, which if omitted could result in a material effect on the financial statements; generally considered less than material.

Substantially complete

An asset is considered substantially complete when any component is ready and available to be used for its intended function. These assets are available for use, even though use may be limited or subject to additional capitalizable improvement.

Useful life

Useful life is the time period over which the DRA expects the asset to have use. This is an estimated time period that ends when the DRA disposes of the asset. An asset's estimated useful life varies with the type of asset and its intended use. Hilton Finance is responsible for estimating the useful life of assets and attesting to the remaining useful life estimated at inventory. See sections 6.2 and 7.1 for more information.

2.0 Capitalization Criteria

The DRA will typically capitalize assets including intangible assets with a cost of $10,000 or more per unit with an expected useful life of more than one year.

2.1 Infrastructure and Buildings

Buildings and infrastructure asset projects will be capitalized if they are $100,000 or more with a useful life of five or more years.

2.2 Discretionary Capital Assets

Some assets that do not meet the unit threshold cost can be capitalized at the DRA's discretion. These include unique items, such as works of art, other small and attractive assets or assets that are considered significant to the DRA's operations, programs, or service delivery.

2.3 Categorically Identified Capital Assets

The following types of assets will be capitalized regardless of costs:

- All leases and software arrangements, with a term of more than 12 months, should be capitalized according to GASB guidelines.

3.0 Depreciation Method

The DRA uses straight-line depreciation. Using the straight-line method, an asset's annual depreciation can be calculated by dividing the cost of the asset, less any residual value, by the asset's estimated useful life. This will give the amount of depreciation for that asset each year of its useful life. At the end of its useful life, the cost of the asset will be fully expensed. Guidance on assigning an estimated useful life for an asset is included in this policy as "Appendix A". However, Hilton Finance is expected to regularly evaluate the useful life assigned to an asset to ensure it is still consistent with the department's expectations for the asset's eventual disposal.

Depreciation will start on the first day of the month following the month in which the item was constructively received for goods delivered or when it is placed into service for capital projects. If a project is partially placed into service either the whole project must be considered to have been placed into service or must be componentized.

The DRA may use the group depreciation method for infrastructure asset systems that are difficult to individually identify as separate assets, such as roof components, windows, etc. Assets that use the group depreciation method will begin depreciation on the first day of the year following the year they were placed into service.

4.0 Repairs and Maintenance Costs

Expenditures that retain the value of an existing asset should be classified as maintenance expenditures. In most cases, the DRA repairs or replaces components of an individual asset in order to maintain the original useful life of the capital asset. Any outlay that does no more than return a capital asset to its original condition, regardless of amount, should be classified as maintenance and repairs. The DRA expenses routine repair and maintenance costs. These costs should never be capitalized.

5.0 Refurbish, Rehabilitation, Replacement, and Improvements

Capital projects that represent an improvement, refurbish, or rehabilitation of an existing asset must be evaluated to determine if those costs should be capitalized. The following criteria should be utilized in addition to the normal capitalization criteria established in section 2.0:

- If a capital project replaces part of an existing capital asset and the cost associated with the replaced part can be identified and removed, the cost of the component of the asset being replaced will be disposed of, along with associated accumulated depreciation, and the cost of the replacement will be capitalized as a separate asset.

- If a capital project replaces part of an existing, non-componentized capital asset and the cost associated with the replaced component is both unidentifiable and above the DRA's capitalization threshold; the DRA may use a third-party inflation index to approximate the replaced component's historical cost. Accounting staff will identify the existing asset and reduce its historical costs and accompanying accumulated depreciation accordingly.

- When using Historical Costs Indexing to partially dispose of an existing asset; Hilton Finance will create a memo detailing the factors and metrics used in the evaluation.

- If the project extends the useful life of an existing asset or increases the assets efficiency or capacity the cost shall be added to the book value of the asset, and remaining useful life adjusted accordingly.

- If the distinction between a repair and betterment/improvement is not easily determinable, the DRA expenses the entire cost of the project.

- See Appendix B to determine if a refurbishment, rehabilitation, or improvement should be capitalized.

6.0 Physical Inventory and Recordkeeping

6.1 Asset Tracking Systems

All capital assets will be tracked in a shared workbook between Hilton Finance and City of Vancouver Accounting.

6.2 Capital Asset Inventory

With the exception of land, City of Vancouver Accounting will provide Hilton Finance with the list of all assets annually. Hilton Finance shall verify:

- Any additional capital assets that are not yet recorded
- Any deletions of capital assets that have been disposed of

- Any impairments of capital assets
- Any other corrections to records that are identified

It is Hilton Finance's responsibility to create and maintain an accurate system that tracks and reports Small and Attractive assets. These should be subject to periodic audit.

The signed and dated list should be returned to City of Vancouver Accounting to update the asset records in the financial system. This process should occur prior to February 1st.

DRA policy requires a physical inventory to be completed every two years, prior to the year-end of each year. Physical inventories will be conducted every even fiscal year. i.e., 2024, 2026, etc.

6.3 Capital Asset Useful Life Valuation

City of Vancouver Accounting will provide Hilton Finance with a list of assets with a remaining useful life of 3 years or less, annually in November. Hilton Finance should evaluate this list and provide confirmation or updated information on the asset's end date. This list should be returned to City of Vancouver Accounting no later than 12/31 each year. City of Vancouver Accounting will update useful life data to match Hilton's updated estimated asset life.

Useful life estimates shall be periodically evaluated jointly by Hilton Finance and City of Vancouver Accounting.

7.0 Asset Acquisition

7.1 Asset Purchases and Donations

Hilton Finance is expected to report any assets that meet the capitalization criteria to City of Vancouver Accounting when acquired and include the asset number of any asset the acquisition is replacing, support for the cost (or valuation in the case of donated assets), and specific identifying information.

In addition, Hilton Finance is expected to provide an updated estimated useful life for capital assets based on past experience and expected use of the asset to City of Vancouver Accounting for calculation of annual depreciation expense.

Capital asset purchases must follow approved DRA procurement policies. All asset purchases should be made via Renewal & Replacement (R&R) requisition requests. Use of Hilton purchasing card (P-Card) on capital assets is not allowed.

7.2 Construction in Progress:

Construction in Progress (CIP) reflects incomplete economic construction activity of assets. These assets may be buildings and other structures, software installation projects, major additions, alterations, or reconstruction. Once the project is <u>substantially complete,</u> the asset status must be changed to "in-service".

Items coded to CIP will generally be the costs directly associated with the project, or items that ultimately become a part of the project.

Examples of costs associated with CIP that should be capitalized include:

- Consultant and contractor payments
- Significant purchases of building materials
- Direct labor and the associated costs, e.g., retirement and payroll taxes
- "*Final* design" work, but not "*preliminary* design work"
- Project management costs charged to the project

Examples of costs associated with CIP that should not be capitalized include:

- Office supplies
- Temporary office help
- Routine maintenance costs associated with the project
- Equipment that will be used beyond the scope of the one project
- Indirect charges
- Overhead allocations, e.g., DRA admin, unless directly related to the capital project *(In the latter case, the costs should be charged directly to the capital project.)*
- Meals and other refreshment type expenditures associated with Capital Project events
- "Preliminary design", "feasibility study", and other "exploratory" costs associated with planning stages prior to the "Final design" stage

Each year City of Vancouver Accounting will reconcile the changes reported in CIP with Hilton Finance.

Hilton Finance will provide City of Vancouver Accounting with a clear description of the project that can identify the resulting asset from other similar assets, as well as current period expenses for the projects that are eligible for capitalization.

Additionally, Hilton Finance will report to City of Vancouver Accounting if the project is substantially complete by the end of the current period and if so what (if any) assets have been replaced by the completed work.

7.3 Machinery and Equipment:

Assets such as furniture, machinery, vehicles, and equipment that meet the cost threshold level are capitalized as historical cost or acquisition cost. Assets that do not meet the threshold individually but are purchased in large quantities will be evaluated by the management as to whether the items should be capitalized. Assets can be capitalized either individually or in the aggregate. Additional costs associated with furniture, machinery, vehicles, and equipment that may be capitalized include:

- Transportation charges
- Sales tax
- Installation costs
- Extended maintenance/warranty contracts
- Any other normal or necessary costs required to place the asset in its intended location and condition for use

7.4 Buildings:

Buildings are recorded at either their acquisition cost or construction cost. Buildings include components such as roof, HVAC, elevators, etc. that should be recorded separately when significant because these components have different useful lives. Additional costs associated with both buildings and non-building improvements that may be capitalized include:

- Professional fees of architects, engineers, attorneys, appraisers, financial advisors, etc.
- Damage payments
- Costs of fixtures permanently attached to structure
- Interest, insurance premiums, and related costs incurred during construction
- Any other costs necessary to place a building or structure into its intended location and condition for use

7.5 Componentization Considerations

Capitalized assets, whether purchased or constructed, which contain distinctly identifiable components with substantially disparate useful life estimates should be evaluated for componentization. Componentization will only be considered for instances where the difference in useful life estimates is greater than 5 years **and** exceeding the DRA's capitalization thresholds identified in Section 2.

The following are examples of component types frequently seen in building acquisitions and construction:

- HVAC systems
- Roofs
- Elevators

8.0 Asset Impairment

A capital asset is considered impaired when its service utility has declined significantly and unexpectedly.

Capital assets generally should be considered impaired if *both*:

(a) the decline in service utility of the capital asset is large in magnitude **and**

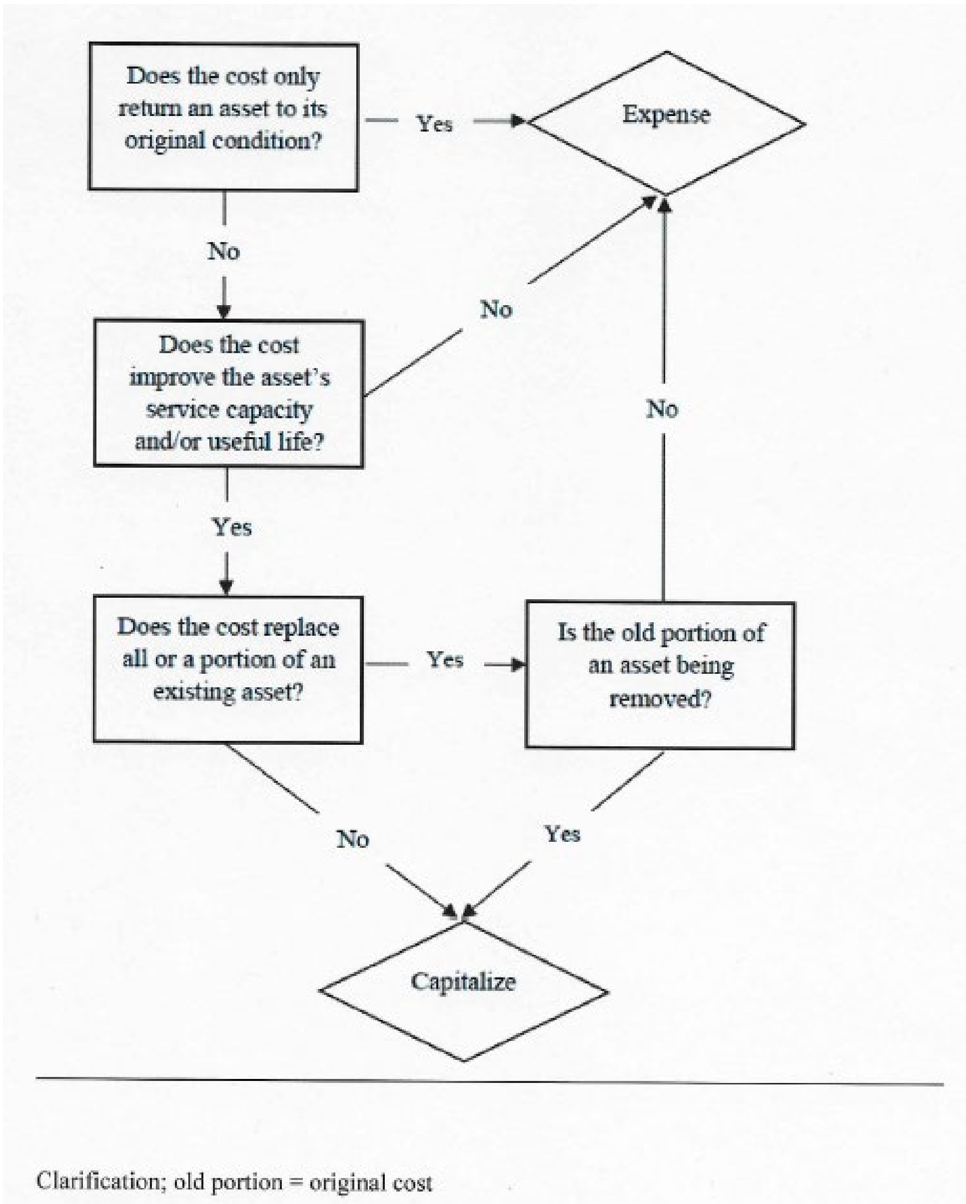
(b) the event or change in circumstance is outside the normal life cycle of the capital asset.

Unfinished significant capital projects which are either indefinitely or permanently halted should be evaluated for potential impairment and disclosed accordingly.

Appendix A -
Asset Guidance Table

Asset Class	Asset Type	Useful Life (Years)	Spend Category	Ledger	Examples
BS-Buildings	BS-Conference Center	80	SC0003	172000	CCB0001
BS-Structures	BS-Other Structures	80	SC0003	172000	BA-405
BS-Structures	BS-Parking Garage	40	SC0003	172000	BA-403
ME-Hotel	ME-Hilton Hotel Equipment	5	SC0141	181000	BA-3831
ME-Restaurant	ME-Gray's Restaurant Equipment	5	SC0141	181000	BA-4652

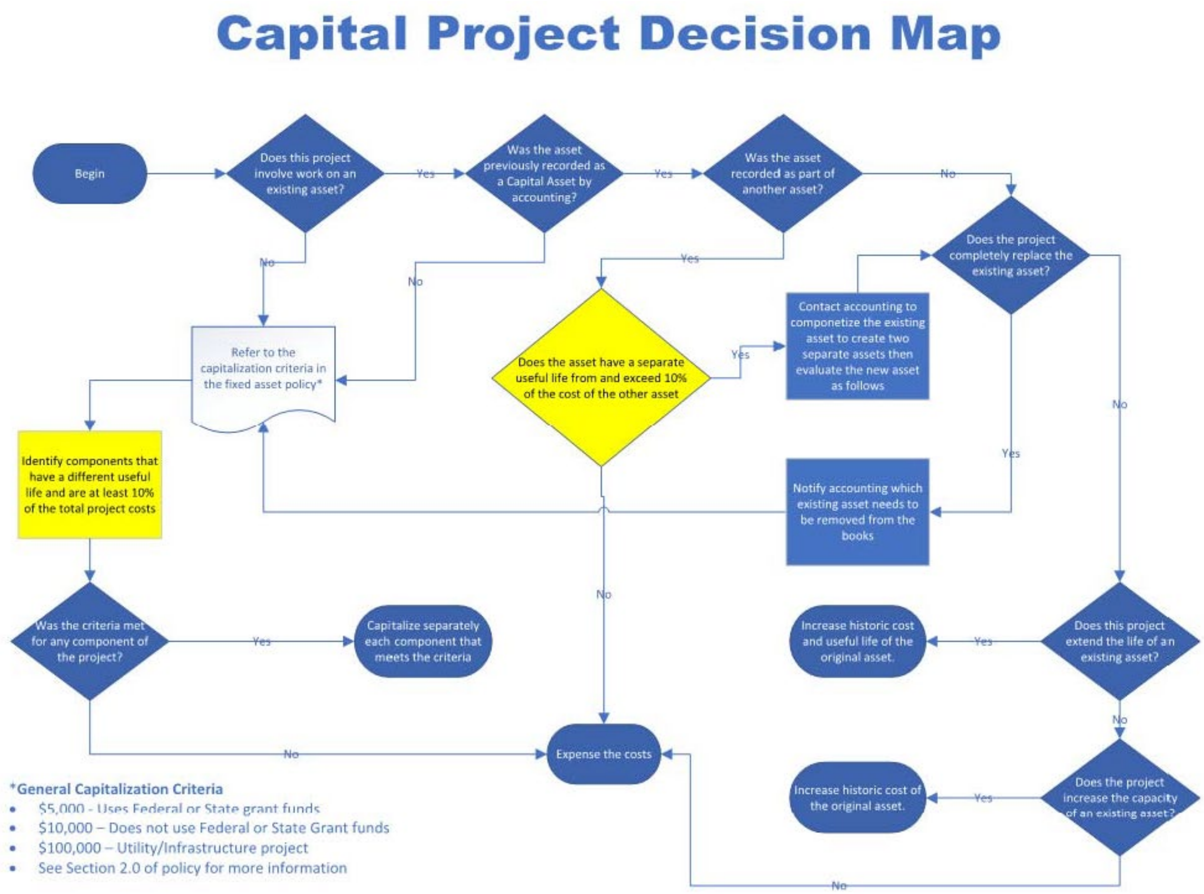
Appendix B -
Should refurbishment, rehabilitation, or improvement be capitalized?



If more guidance is needed, please refer to Appendix C or contact Accounting for assistance.

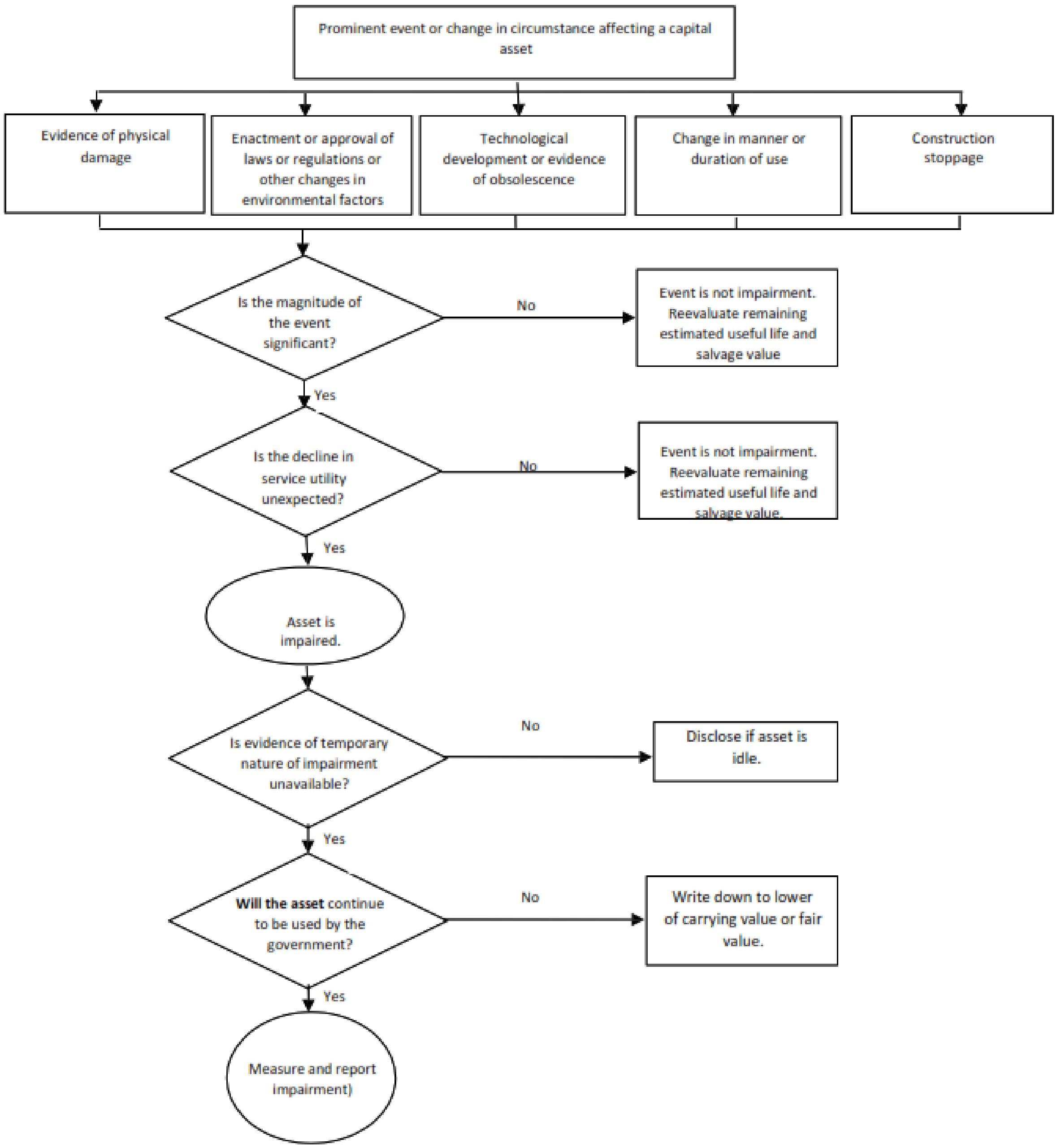
Appendix C -
Capital Project Decision Map

(For Accounting Use Only)



Appendix D -
Asset Impairment Decision Process

(For Accounting Use Only)



Appendix E -
Historical Cost Indexing

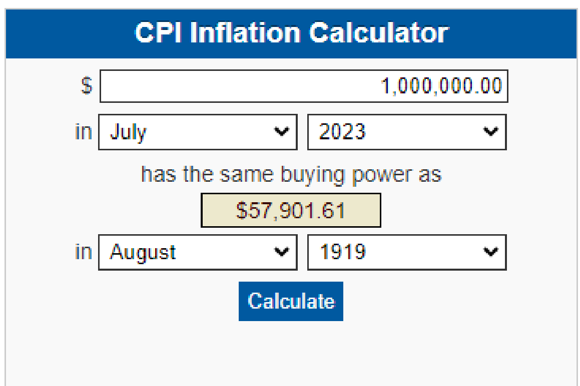
(For Accounting Use Only)

For instances where new capital projects are known to partially replace or impair existing capital assets, City of Vancouver Accounting may approximate the historical cost of the item being replaced. This is spoken in BARS 3.3.10.80.

To do this, staff should work with project managers to:

- Determine what year the pre-existing asset was completed.
- Identify what proportion of the new project is replacing existing assets.

The proportionate percentage shall be applied against the project's total capitalizable costs. The resulting figure and historical year should be factored into a third-party inflation index (https://www.bls.gov/data/inflation_calculator.htm) in order to calculate the historical cost of the partially replaced asset. See below for an example:



Accounting will reduce the assets' historical costs and a proportionate share accumulated depreciation by this result.

Precedence:

- Illustration #5 in GASB 42 here**:**
  - https://gasb.org/page/ShowDocument?path=gasbs-42.pdf&acceptedDisclaimer=true&title=GASB+STATEMENT+NO.+42%2C+ACCOUNTING+AND+FINANCIAL+REPORTING+FOR+IMPAIRMENT+OF+CAPITAL+ASSETS+AND+FOR+INSURANCE+RECOVERIES&Submit=
  - *See illustration #9 for work stoppage*
- The DRA of Houston (see section 7):
  - (houstontx.gov)