MINUTES OF THE
CITY CENTER REDEVELOPMENT AUTHORITY
THURSDAY, December 20, 2012
COUNCIL CHAMBERS, CITY HALL

MEMBERS PRESENT: Ward Cook, Jack Onder, Dick Pokornowski, Deborah Ewing
MEMBERS ABSENT: Marc Fazio, Christine Wamsley, Richard Keller
STAFF PRESENT: Alisa Pyszka, Brent Boger

APPROVAL OF MINUTES
MOTION MADE BY DEBORAH EWING, SECONDED BY DICK POKORNOWSKI AND PASSED UNANIMOUSLY TO APPROVE THE MINUTES FOR OCTOBER 18, 2012.

GENERAL PROJECT UPDATES

Economic Development Programs

- **Destination Downtown** - A hugely successful program. Within 6 months, through active outreach, 140 businesses and 325 people participated. Resulted in transit ridership increase of 3.9%, increase in carpool ridership of 4.2% and new walking mode increase of 1.7%. Encourages people to shift habits and use alternative modes so we can start shifting how we will build out in the future. Further results are that 89% of participants are satisfied and 62% stated that the information received really helped them reduce their drive-alone trips. In addition, all of the local businesses in the coupon book saw an increase in new customers. A very targeted thoughtful recruitment for the appropriate businesses. A website was developed that helped show bike and transit routes and where to find carpooling partners. A very direct level of involvement. Will be continuing the program next year and will expand it to Clark College.

- **Open for Business** – A pre-lease program where, prior to signing a lease, our business assistance coordinator sets up a meeting with the Fire Department, Police Department, Liquor Control Board, and Building and Planning staff to meet with the business and inform them of what will be before them in terms of any improvements. In four months we have gone through the process with seven businesses of which three have signed on. We received accolades from one business who said that because of this level of attention they decided to bring their business here. These businesses are asking what amenities are available downtown, which encourages further investment.

- **Vancouver Business Resource Website** – A website that shows where to get business, marketing, and finance plan information. Provides businesses with all the information to ensure that they are successful.

**Waterfront Park** – Held a thorough meeting going through our construction plans getting ready for permit submittal. Gramor and Steve Hanson, one of the investors, attended. We are making significant progress and anticipate submitting for permits in February. Believe the lead agency will be the Federal Highway Administration and if that is the case, it will reduce our permitting process by about 6 months. Jean Akers, Parks project manager, Gramor and Alisa will be meeting to discuss what part of the project will be developed first for phasing the park development in conjunction with the project development. Gramor is confident about the retail on the waterfront but they have also been receiving significant interest in a hotel at the end of Grant Street but looking at that waterfront parcel as well.

**Prestige Plaza** – Building permits are revised and close to being released.
Main Place Garage - Alisa provided a Power Point presentation giving an overview and update of the project. Please see “Main Place Garage (Lot #9)” presentation dated December 20, 2012. The parking structures are critical from an economic development standpoint to leverage higher density. Did this intentionally as a policy to get more density downtown to maximize our land value. Presenting to Council and discussing many strategies. Through these discussions an article in the Columbian published about four months ago motivated the sale of the garage. At the same time, the owners of the Main Place office building expressed some interest in purchasing the garage since they are leasing the majority of the stalls. Started exploring that offer through our surplus and disposition process. The presentation included highlights of the study are the Financial Analysis, Break Even Analysis with no rate increases and Break Even Analysis with rate increase of 2.5% annually. Based on this information and the appraisal we presented to City Council on December 3, 2012 a resolution to surplus the property, which City Council approved. At the last hearing we were going to go through a disposition of actually selling the property, which the hearing was continued. In January we will have a disposition process.

Deborah asked how is that parking garage performing differently than it was projected to when it was first built. It looks like it is full so it is performing. If it’s performing at 100%, it’s not the occupancy but the rental rate that is not where it should be.

Mike Merrill, Parking Manager, agreed.

Alisa agreed and added the consideration of the market will actually bear based on current lease rates..

Ward asked if we have compared the projection to what we started with to what it is now.

Mike Merrill stated that he did not recall seeing what the original projection was but that he recalls that the rates were a lot less. The garage has been nearly 100% leased by two entities from the beginning and currently nearly 100% by three entities. The rates started very low, starting at $40 a stall and currently $84 a stall. Never realized a positive income partly because of the debt service that was originally floated for the construction of the facility.

Ward asked how many spaces are in the garage.

Mike stated that there are 207 spaces.

Dick asked how the lease price compares to some of the leases that are paid for in other parking facilities we have.

Mike stated that the rate is $84 a stall in all the City owned parking facilities. The City seems to be the leader and therefore the rates in the private garages correlate to what the City charges.

Ward asked if the City owns the land as well as the garage itself.

Mike answered that the City owns both the land and garage.

Ward stated that when building a garage it costs about $20,000 - $30,000 a space. The cost here is $5,000.

Alisa said that the appraisal is based on basically just income and what the market will bear.

Ward asked how will the City evaluate the offers.
Tim Haldeman, Facilities Manager, stated that the current appraisal that we have completed by CBRE in cooperation with the City. The Main Place Partners ordered the appraisal and allowed us to review it before it was submitted. Rick Williams validated it and said it was the right method and a good appraisal. It did not include breaking out the land therefore a new appraisal has been ordered that will break out the building and the land. It will use the same mythology to compare the different appraisals.

Ward asked if Rick Williams think that we have gotten the maximum we could on the rents we have been charging. Expressed worry on what kind of precedence we are setting.

Alisa stated that it is a concern and we are discussing and addressing that there is the necessary subsidy in terms of what is the revenue versus the cost of developing.

Jack asked that if a developer wanted to develop downtown there isn’t any reason why we couldn’t offer them that facility for $150 a month even though there is a lease right now.

Deborah asked if the space is leased to the person or is it leased to the tenant. She asked if the City oversees and collects the rent.

Alisa stated that the City does oversee and collects the rent. We just entered into a lease agreement so Main Place Partners owns 90% of the 207 stalls. They own 37 outright.

Mike said that 131 stalls are leased to Main Place Partners, 25 leased to the First Independent Bank, 6 leased to Columbia Collectors, and 4 stalls that Main Place Partners has first right of refusal on.

Deborah asked if the Main Place Partners leases “x” number of spaces and they in turn lease space to tenants.

Jack asked when the leases are up.

Mike stated that First Independent Bank’s lease is up in 2014 but they have a right to an extension if they chose to request one. It is at the City's discretion whether they want to approve it. The Main Place Partners lease just renewed for another 20 years and they have the right to continue to, at their option, to continue to have 20-year leases on the stalls four more times. So they have another 80 years of potential lease arrangement.

Jack asked if the City would set the rates.

Mike stated that the City would set the lease rate for all the individual stalls.

Columbia River Crossing

Matt Ransom, Project Development and Policy Manager, gave an update on the Columbia River Crossing project.

Bridge Height

The project is intending to proceed with a permit to the U.S Coast Guard at 115 to 116 feet in height above the Columbia River Datum (CRD), increased from the original assumed height of 95 feet. An extensive analysis with users of the river and land use along the river, property owners was completed and available upon request. Matt directed the Board to the presentation slide Refined analysis – 115 –
116 feet, 9-11 vessels/users potentially impacted. The hope is to submit the permit to the U.S Coast Guard in January, 2013. The Coast Guard has six to seven months to review the permit.

Matt directed the Board to 2 additional slides:

- **Bridge height comparison – 95, 110 and 125 feet/Vancouver light rail landing – 95, 115, and 125 feet.** At the height of 115/116 feet there is no physical impact of substance to the City and to downtown. There would have been a significant impact at 125 feet. At 115 feet, what they are able to do is to just keep the light rail bridge continuing to go upward beyond the BNSF berm until they meet the appropriate height that they need to reach. At 115 feet the light rail will land at the same place as it does at the 95 foot height.

- **Vancouver circulation access at 115’** – One difference of substance at the taller height bridge is the pedestrian and bicycle path coming down off the bridge resembling a corkscrew. The City will be working with the project to try to come up with a better design. This facility that is proposed is a different environment than what the City has envisioned with the Waterfront Park space.

The Coast Guard guidelines say that you have to minimize the impact. The impact are very few properties and vessels.

Jack asked about the how the antennas influence the height of the bridge.

Matt stated that basically there is a dredge that the Corp. of Engineers own that has some outrigger pieces that are located on the side of it that they would need to rotate down or slightly modify. At the 95 feet it may be problematic because they would need to do some major modifications however at 115 feet they might have to do very minor modifications. At 95 feet over 40 vessels would be impacted, but at 115 feet only roughly 10 vessels will be impacted.

Ward asked if the measurement was at the bottom of the thickness of the bridge.

Matt answered yes and explained that they take the boat, the antenna and they also include an air gap, which is a buffer space. All of these measurements include some type of buffer gap because the river goes up and down.

Ward asked what the thickness of the bridge is.

Matt said to envision a lower and top deck similar to the Marquam Bridge in Portland. It is 30+ feet.

Ward stated that it seems that if it was one level versus two levels we wouldn’t have the problems.

Matt said that that is true at some level although the bridge thickness is dictated on the structure and the engineering and many factors. Going to the double deck only adjusts the main beam by 5 to 10 feet.

Ward gave the 205 bridge as an example.

Matt said that look is deceptive. It is only about a 5 – 10 foot difference.

Ward expressed concern about how the trucks have to shift down to make the hump.
Matt stated that that is a criteria that they examined and part of why they rejected the 125 foot height as a major design defect.

- **Funding**
  The Oregon State Legislature is to receive the proposal from Governor Kitzhaber recommending that they pursue the $450 million commitment for the State of Oregon’s share of the project. The Legislative leadership, as the City understands it, is willing to take that up and consider it. The Governor, when he announced this and presented his budget, is asking the Oregon State Legislature to resolve this issue by March. Governor Gregoire released her budget December 18th and it did not include a recommendation to fund Columbia River Crossing. The Legislature and Governor Inslee may take this up. The City and others are hopeful for this. The City’s position and will advocate that the State of Washington move forward with the package this year. It is still listed as one of five transportation projects across the nation to be expedited on Pres. Obama’s *We Can’t Wait* initiative.

Matt stated that he will report on the Transit Oriented Design Study and the different configurations at the January or February Board meeting.

**NEXT MEETING**

There being no other business, the meeting was adjourned at 1:35 PM

The next meeting will be Jan., 17, 2013 at City Hall, Council Chambers.

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Ward Cook, President