

Downtown Redevelopment Authority *Special Meeting Agenda – September 14, 2023

In accordance with the Open Public Meetings Act (OPMA), the Downtown Redevelopment Authority meeting will be open to in-person attendance. The September 14th meeting is being held at the Hilton Vancouver Washington and will be in-person only with no remote attendance options available due to lack of meeting space availability at City Hall.

MEETING AGENDA

11:00 AM

#	ITEM	PAGE #	ACTION TO BE TAKEN	
1.	Call to Order (Board President) <ul style="list-style-type: none"> • Roll Call • Excusal of absence, if needed 			Board President Krista Liles, Staff
2.	Approval of Minutes July 20, 2023	1	Approval	Board President
3.	Claims and Administrative Expenses	3	Approval	Erin Jacobson, Principal Accountant
4.	Review August 2023 Financials	11	Update	Erin Jacobson, Principal Accountant
5.	Capital Expenses	18	Approval/ Update	Natasha Ramras, Executive Director
6.	Other Business			Natasha Ramras, Executive Director
	a. Hilton Lobby Remodel	33	Update	
	b. Parking License Extension Lot 24	34	Approval	- SR 09-14-23-01
	c. Other		Update	
7.	Asset Manager Report	43	Update	Bob Hayward, CHM Warnick
8.	Hotel Manager's Report		Update	Mike McLeod, Hotel General Manager
9.	Executive Session, if needed			Taylor Hallvik, Assistant City Attorney

Next Board Meeting: Thursday, October 19th 2023

**This meeting is considered 'Special' due to the change in monthly timing and revised location due to lack of meeting space at City Hall.*

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

Anyone needing language interpretation services or accommodations with a disability may contact Amanda Delapena at (360)487-6815 (Voice/TTY 487-8602). Every attempt at reasonable accommodation will be made. To request this agenda in another format, please also contact the phone numbers listed above.



DOWNTOWN REDEVELOPMENT AUTHORITY MEETING MINUTES

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

www.cityofvancouver.us

Marc Fazio • Debi Ewing • Brad Hutton • David Copenhaver • Jan Robertson • Kathleen Kee

REGULAR MEETING – 7.20.23

ITEM 1: CALL TO ORDER AND ROLL CALL

The July 20, 2023 meeting of the Downtown Redevelopment Authority was called to order at 11:02 am.

Present: Marc Fazio, Brad Hutton, Jan Robertson, Debi Ewing

Absent: Kathleen Kee, *David Copenhaver

Motion by Ewing, seconded by Fazio, to excuse Kathleen Kee for today’s meeting. Approved.

*Copenhaver was excused at the end of the meeting: **Motion** by Ewing, seconded by Fazio. Approved.

ITEM 2: APPROVAL OF MINUTES - APPROVAL

Motion by Ewing, seconded by Fazio, and carried unanimously to approve the minutes from the April 20, 2023 meeting. Approved.

ITEM 3: CLAIMS AND ADMINISTRATIVE EXPENSES- APPROVAL

Item Summary – Ramras provided overview of Claims and Vouchers for in the amounts of **\$4,646,184.60** and **\$31,823.22**, respectfully.

Motion to approve Claims and Administrative expenses as presented by Ewing, seconded by Fazio. Approved.

ITEM 4: FINANCIALS – JUNE 2023 - UPDATE

Item Summary – Ramras provided overview of financials as presented in pages 13-19.

- Member Robertson asked for clarification on timing of the quarterly approvals, and Natasha confirmed that it isn’t now, and will specify it in the future.

ITEM 5: CAPITAL EXPENSES - APPROVED

Item Summary – Ramras provided explanation of all Capital expenses as presented in the packet, beginning on page 20. This includes emergency replacement items as a ratification of approval, and remaining capital items as it relates to the remodel.

Motion to ratify Emergency Capital expenses as presented, by Hutton, seconded by Fazio. Approved.

Motion to approve Capital expenses as presented, by Ewing, seconded by Fazio. Approved.

ITEM 6A: OTHER BUSINESS – 2023 AUDIT STATUS- UPDATE

Item Summary - Ramras provided an update on the independent 2021-2022 audit by Hanford & Associates, Inc. as presented in the packet, starting on page 77.

ITEM 6B: OTHER BUSINESS – HILTON LOBBY REMODEL - UPDATE

Item Summary – Ramras provided an overview of the lobby remodel in combination with the capital expense explanations.

ITEM 7: ASSET MANAGER REPORT

Item Summary – Bob Hayward, CHM Warnick SVP, presented an update and overview of global, statewide, and local market information, as well as business updates for the Hilton Vancouver Washington, as provided in the CHM Asset Manager’s Report.

- Member Fazio asked about the impact of Ilani Casino hotel on Group business at the hotel. Bob replied that the business is not direct competition due it being a very niche market and not the same business needs as the Downtown Vancouver traveler/Group.

ITEM 8: HOTEL MANAGER REPORT

Item Summary – Hilton General Manager Mike McLeod provided hotel performance updates including current and forecasted revenue/expenses, ongoing staffing challenges, and overall improvement in customer satisfaction surveys due to the end of the construction and repair of air conditioner in fitness center. Board discussion regarding construction impact on guests and balancing work delays.

- Member Ewing asked about the circumstances and obstacles surrounding staffing issues and retention efforts. McLeod replied that it’s multi-factor and mostly due to turnover. Culinary positions continue to be a challenge in hospitality and in all industries.
- Member Fazio asked about patio business. McLeod replied that breakfast/brunch and weekend bar business is picking up, but lunch/dinner continues to be a challenge.

ITEM 9: EXECUTIVE SESSION – N/A

ADJOURNMENT - Meeting adjourned at 11:54 am.

Approved by:

Date:

Jan Robertson, President



To request other formats, please contact:

City Manager’s Office (360) 487-8600 | WA Relay: 711 | Amanda.Delapena@cityofvancouver.us

**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 **\$2,875,739.12** this 14th day of September 2023.

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 **\$88,207.94** this 14th day of September 2023.

PRESIDENT

SECRETARY/TREASURER

Natasha Ramras, EXECUTIVE DIRECTOR

BOARD MEMBER

DOWNTOWN REDEVELOPMENT AUTHORITY

Claims Paid July - August 2023

Date	Supplier	Amount	Description	
31-Jul-2023	CHM Warnick	11,000.00	Asset Mgmt Fees and Travel Expenses, Jun-23	
31-Jul-2023	City of Vancouver	10,000.00	Administrative Services, Jul-23	
31-Jul-2023	City of Vancouver	5,089.72	Lot 24 Parking, Jul-23	
31-Jul-2023	SAO	4,483.50	FY21-22 Accountability Audit & Financial Audit, May-23	
31-Jul-2023	BLX Group LLC	1,250.00	Interim Arbitrage Rebate, Period Ending 6/26/2022; Duplicate payment, to be refunded Sep-23	
01-Jul-2023	Hilton Hotels	42,921.95	Hilton Base Management Fee (Inv# 11578-1224263), Jul-23	
10-Jul-2023		52,844.26	OPCA 2309 - AP	
17-Jul-2023		188,918.27	OPCA 2310 - AP	
18-Jul-2023		131,639.81	OPCA 2311 - Intercompany	
24-Jul-2023		71,067.97	OPCA 2312 - AP	
26-Jul-2023		167,033.83	OPCA 2313 - Sales & Use Tax True Up	
31-Jul-2023		37,915.57	OPCA 2314 - AP	
31-Jul-2023		253,210.88	OPCA 2315 - Payroll	
31-Jul-2023		258,564.35	OPCA 2316 - Payroll	
31-Jul-2023		19,517.93	OPCA 2317 - Month End True Up	
31-Aug-2023		City of Vancouver	10,000.00	Administrative Services, Aug-23
31-Aug-2023		City of Vancouver	5,089.72	Lot 24 Parking, Aug-23
31-Aug-2023	CHM Warnick	11,000.00	Asset Mgmt Fees and Travel Expenses, Jul-23	
31-Aug-2023	BLX Group LLC	1,250.00	Interim Arbitrage Rebate Report - Sales Tax & Lodging Tax, Period Ending 6/26/2023	
31-Aug-2023	BLX Group LLC	1,250.00	Interim Arbitrage Rebate Report - City Debt Service Guaranty, Period Ending 6/26/2023	
31-Aug-2023	US Bank	1,350.00	Q2 Bank Admin Fees, 4/1 - 6/30/2023	
31-Aug-2023	SAO	10,696.35	FY21-22 Accountability Audit & Financial Audit, Jun-23	
31-Aug-2023	Hanford & Associates	15,748.65	FY22 Financial Statement Audit, Jun-23	
01-Aug-2023	Hilton Hotels	42,921.95	Hilton Base Management Fee (Inv# 11578-1227230), Aug-23	
04-Aug-2023		133,384.65	OPCA 2318 - AP	
14-Aug-2023		150,039.27	OPCA 2319 - AP	
18-Aug-2023		80,210.85	OPCA 2320 - Intercompany	
21-Aug-2023		192,351.01	OPCA 2322 - AP	
28-Aug-2023		73,755.53	OPCA 2323 - AP	
28-Aug-2023		155,864.14	OPCA 2324 - Sales & Use Tax True Up	
28-Aug-2023		303,449.95	OPCA 2325 - Payroll	
31-Aug-2023		263,185.80	OPCA 2321 - Payroll	
31-Aug-2023		139,100.02	OPCA 2326 - AP	
31-Aug-2023		29,633.19	OPCA 2327 - Month End True Up	
Total		2,875,739.12		

\$ 88,207.94 Highlighted items reflect the total in the monthly Administrative Expense amount

FORM OF ADMINISTRATIVE EXPENSE FUND REQUISITION

ADMINISTRATIVE EXPENSE FUND (156002)

(204969002)

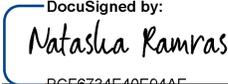
REQUEST NO. **250**

This request is being delivered to U.S. Bank National Association, as trustee (the “Trustee”) under the Amended and Restated Trust Indenture, dated as of June 1, 2013 and effective June 27, 2013, amending and restating the Trust Indenture, dated as of December 1, 2003 (collectively, the “Indenture”), between the Downtown Redevelopment Authority (the “Authority”) and the Trustee pursuant to Section [6(a)] of the Cash Management and Lockbox Agreement (the “Cash Management Agreement”) among the Depository Bank, the Trustee, the Authority and Hilton Management, LLC (the “Manager”). The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture or the Cash Management Agreement.

Pursuant to Section [6(a)] of the Cash Management Agreement and Section 5.15 of the Indenture, you are hereby authorized and directed to disburse from the Administrative Fee Fund the amounts set forth in Exhibit A attached hereto to the persons named therein in payment of administrative expenses and fees related to the administration of Bonds and the Project, including fees and expenses of any Consultant and the expenses of the Authority. The Authority hereby certifies that (1) such amounts are for the purposes set forth in Exhibit A, (2) each such amount constitutes a proper charge against said fund, and (3) no part of any such amounts shall be applied to any item which has been previously paid from said fund. The total amount to be disbursed pursuant to this request is **\$31,823.22**

Date: June 30, 2023

DOWNTOWN REDEVELOPMENT AUTHORITY

By:  _____
BCF6734E40E94AE...

Name: Natasha Ramras

Title: Auditing Officer

Exhibit A

Supplier	Invoice #	Amount	Description of Services
CHM Warnick	14053	11,000.00	Asset Mgmt Fees and Travel Expenses - June 2023
SAO	L155196	4,483.50	FY21-22 Accountability Audit and Financial Audit - May 2023
City of Vancouver	00034827	10,000.00	Administrative Services - July 2023
City of Vancouver	00034828	5,089.72	Lot 24 Parking - July 2023
BLX Group LLC	41612-13414/072522	1,250.00	Interim Arbitrage Rebate Report - Period Ending 6/26/2022
	Total	31,823.22	

FORM OF ADMINISTRATIVE EXPENSE FUND REQUISITION

ADMINISTRATIVE EXPENSE FUND (156002)

(204969002)

REQUEST NO. **251**

This request is being delivered to U.S. Bank National Association, as trustee (the "Trustee") under the Amended and Restated Trust Indenture, dated as of June 1, 2013 and effective June 27, 2013, amending and restating the Trust Indenture, dated as of December 1, 2003 (collectively, the "Indenture"), between the Downtown Redevelopment Authority (the "Authority") and the Trustee pursuant to Section [6(a)] of the Cash Management and Lockbox Agreement (the "Cash Management Agreement") among the Depository Bank, the Trustee, the Authority and Hilton Management, LLC (the "Manager"). The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture or the Cash Management Agreement.

Pursuant to Section [6(a)] of the Cash Management Agreement and Section 5.15 of the Indenture, you are hereby authorized and directed to disburse from the Administrative Fee Fund the amounts set forth in Exhibit A attached hereto to the persons named therein in payment of administrative expenses and fees related to the administration of Bonds and the Project, including fees and expenses of any Consultant and the expenses of the Authority. The Authority hereby certifies that (1) such amounts are for the purposes set forth in Exhibit A, (2) each such amount constitutes a proper charge against said fund, and (3) no part of any such amounts shall be applied to any item which has been previously paid from said fund. The total amount to be disbursed pursuant to this request is **\$40,636.07**

Date: July 31, 2023

DOWNTOWN REDEVELOPMENT AUTHORITY

DocuSigned by:
Natasha Ramras
By: BCE6734E40E94AE...

Name: Natasha Ramras

Title: Auditing Officer

Exhibit A

Supplier	Invoice #	Amount	Description of Services
City of Vancouver	00035489	10,000.00	Administrative Services, Aug-23
City of Vancouver	00035490	5,089.72	Lot 24 Parking, Aug-23
CHM Warnick	14166	11,000.00	Asset Mgmt Fees, Jul-23
BLX Group LLC	41612-13414/072623	1,250.00	Interim Arbitrage Rebate Report - Sales Tax & Lodging Tax, Period Ending 6/26/2023
BLX Group LLC	41612-13413/072623	1,250.00	Interim Arbitrage Rebate Report - City Debt Service Guaranty, Period Ending 6/26/2023
US Bank	6998069	1,350.00	Q2 Bank Admin Fees, 4/1 - 6/30/2023
SAO	L155764	10,696.35	FY21-22 Accountability Audit and Financial Audit, Jun-23
Total		40,636.07	

FORM OF ADMINISTRATIVE EXPENSE FUND REQUISITION

ADMINISTRATIVE EXPENSE FUND (156002)

(204969002)

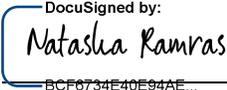
REQUEST NO. 252

This request is being delivered to U.S. Bank National Association, as trustee (the "Trustee") under the Amended and Restated Trust Indenture, dated as of June 1, 2013 and effective June 27, 2013, amending and restating the Trust Indenture, dated as of December 1, 2003 (collectively, the "Indenture"), between the Downtown Redevelopment Authority (the "Authority") and the Trustee pursuant to Section [6(a)] of the Cash Management and Lockbox Agreement (the "Cash Management Agreement") among the Depository Bank, the Trustee, the Authority and Hilton Management, LLC (the "Manager"). The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture or the Cash Management Agreement.

Pursuant to Section [6(a)] of the Cash Management Agreement and Section 5.15 of the Indenture, you are hereby authorized and directed to disburse from the Administrative Fee Fund the amounts set forth in Exhibit A attached hereto to the persons named therein in payment of administrative expenses and fees related to the administration of Bonds and the Project, including fees and expenses of any Consultant and the expenses of the Authority. The Authority hereby certifies that (1) such amounts are for the purposes set forth in Exhibit A, (2) each such amount constitutes a proper charge against said fund, and (3) no part of any such amounts shall be applied to any item which has been previously paid from said fund. The total amount to be disbursed pursuant to this request is \$15,748.65

Date: August 3, 2023

DOWNTOWN REDEVELOPMENT AUTHORITY

By:  _____
BCF6734E40E94AE...

Name: Natasha Ramras

Title: Auditing Officer

Exhibit A

Supplier	Invoice #	Amount	Description of Services
Hanford & Associates	1269	15,748.65	FY22 Financial Statement Audit
	Total	15,748.65	

Downtown Redevelopment Authority

Narrative Overview of August 2023

Financial Statements

STATEMENT OF NET POSITION

- The DRA's net position has increased by approximately \$3.1 million from year end 2022. This is due in large part to the following:
 - Total assets decreased by \$273k largely due to cash outlay to pay for the January 1st and July 1st bond payments, and the PFD loan payment.
 - Total liabilities have decreased by \$3.4 million from year end reflecting a \$2.35 million reduction in bond principal, and \$1.99 million reduction in the PFD principal.
- As of August 31st, overall debt to the Clark County PFD totals \$2.24 million, representing a decrease of \$726k from year end 2022.

STATEMENT OF REVENUES EXPENSES AND CHANGES IN NET POSITION

- Operations in August resulted in operating income of \$1.70 million; a decrease over the budgeted Operating Income of \$446k.
 - Depreciation, an Operating Expense which has no effect on cash, totaled \$975k in August 2023.
- Year-over-year investment earnings are up \$339k. This increase is attributed to higher cash balances earning interest at increasing rates.

STATEMENT OF CASH FLOWS

- Overall cash reflects a decrease of \$1.31 million compared to year end 2022.
 - Notable sources of cash for the year included \$13.5 million from operating activities and \$3.9 million in tax receipts from the City and County PFD.
 - Notable uses of cash included \$10.1 million for goods and services related to operating activities and debt service payments of \$5.5 million.

TAX REVENUE COLLECTIONS

- Through August 2023, tax revenue collections are at 137.0% of the Tax Cap compared to 130.8% for the prior year.
- All tax revenues received from Jun-23 forward will be applied toward the outstanding balance on the County PFD Loan.
- As of August 2023, overall tax collections are up \$269k compared to August 2022. Receipts of City Lodging Tax, City PFD STC and County PTD STC are up 22.6%, 3.1%, and 1.9%, respectively.

FLOW OF FUNDS

- On September 1st, \$670k of cash was transferred from the Lockbox Fund to the Project Revenue Bond. These transfers resulted from cash flows in excess of operating expenses during the month of August.
- As of August 31st, the DRA had \$2.45 million reserved in the Project Revenue Debt Service Fund.
 - The August 31 balance is sufficient to fully fund the principal + interest payment totaling \$1.86 million, due January 1, 2024.
- As of August 31st, the DRA had \$2.6 million reserved in the Tax Revenue Debt Service Fund.
 - The August 31 balance is sufficient to fully fund the principal + interest payment totaling \$1.67 million, due January 1, 2024.

Vancouver Downtown Redevelopment Authority - Condensed Report on Financial Activity through August 2023

Revenue & Expense	Year to Date							
	August 2023 Actual	August 2022 Actual	Actual \$ Change (2022-2023)	Actual % Change (2022-2023)	Budget through August 2023	Actual-Budget Comparison	2023 Annual Budget	Actual as % of Annual Budget
Total Operating Revenue	\$ 12,950,420	\$ 12,772,869	\$ 177,551	1.4%	\$ 13,785,744	\$ (835,324)	\$ 23,612,477	54.8%
Total Operating Expense	(11,254,163)	(10,625,698)	(628,465)	5.9%	(11,643,873)	389,710	(18,474,079)	60.9%
Net Operating Income	1,696,257	2,147,171	(450,914)	-21.0%	2,141,871	(445,614)	5,138,398	33.0%
Non-Operating/Special/Prior Period Adj (*)	1,391,008	697,837	693,171	99.3%	314,968	1,076,040	3,779,616	36.8%
Change in Net Position	\$ 3,087,265	\$ 2,845,008	\$ 242,257	8.5%	\$ 2,456,839	\$ 630,426	\$ 8,918,014	34.6%
Depreciation (In Operating Expense)	\$ 975,193	\$ 1,452,479	\$ (477,286)	-32.9%	\$ 1,533,333	\$ (558,140)	\$ 2,300,000	42.4%

(*)
Refers to items not directly associated with operations. These items include interest earned, city tax collections, excise tax payments and interest accrued. Items are separately listed under "Non-operating revenues/expenses and special items in the DRA's operating statement."

Dedicated Taxes	Year to Date			
	August 2023 Actual	August 2022 Actual	Actual \$ Change (2022-2023)	Actual % Change
City Lodging Tax (2%)	\$ 1,087,089	\$ 886,954	\$ 200,135	22.6%
City Sales Tax Credit	1,515,471	1,470,021	45,450	3.1%
County Sales Tax Credit	1,267,704	1,244,430	23,274	1.9%
Total Tax Revenue	\$ 3,870,264	\$ 3,601,405	\$ 268,859	7.5%
Annual Tax Revenue Cap	\$ 2,826,000	\$ 2,753,000	\$ 73,000	2.7%
% of Cap	137.0%	130.8%		

Capital Projects	Year to Date	
	August 2023 Actual	2023 Budgeted
Capital Project Expenses	\$ 2,195,208	\$ 2,392,428

Cash Balance Reconciliation	Year to Date							
	August 2023 Actual	Flow of Funds 9/1/2023	Cash Balances after Flow of Funds	August 2022 Actual	Actual \$ Change (2022-2023)	Actual % Change (2022-2023)	Required Amounts (12/31/2023)	% of Required Amounts (12/31/2023)
Operating Petty Cash	\$ 449,598	\$ -	\$ 449,598	\$ 123,050	326,548	265.4%	\$ -	NA
Lockbox/Available Revenue Fund	1,267,698	(724,776)	542,922	500,000	42,922	8.6%	500,000	108.6%
Taxes & Insurance Fund	43,167	10,000	53,167	43,477	9,690	22.3%	150,000	35.4%
Administrative Expense Fund	84,251	44,490	128,741	148,862	(20,121)	-13.5%	100,000	128.7%
Project Revenue Debt Service Fund	2,446,597	670,286	3,116,882	3,396,197	(279,314)	-8.2%	1,859,306	167.6%
Tax Revenue Debt Service Fund	2,613,575	-	2,613,575	2,507,075	106,500	4.2%	1,667,425	156.7%
Primary R & R Fund	-	-	-	855,111	(855,111)	-100.0%	-	N/A
Contingency Fund	1,534,605	-	1,534,605	1,546,563	(11,958)	-0.8%	-	N/A
Management Fee Fund	-	-	-	30	(30)	-100.0%	-	N/A
Subordinate R & R Fund	-	-	-	393,897	(393,897)	-100.0%	-	N/A
Cash Trap Fund	2,500,000	-	2,500,000	2,319,360	180,640	7.8%	-	N/A
Authority Reserve Fund - Excess	3,330,593	-	3,330,593	2,284,633	1,045,960	45.8%	-	N/A
Authority Reserve Fund - Restricted	500,000	-	500,000	500,000	-	0.0%	-	N/A
Total Escrow Fund Cash Balances	\$ 14,770,084	\$ 14,770,084	\$ 14,618,254	\$ 151,830	1.0%	\$ 4,276,731		
County PFD Fund - Loan Balance	(2,242,789)			(4,289,153)	2,046,364	-47.7%		

Comments

- On September 1, the DRA transferred \$670k of excess cash to the Project Revenue Debt Service Fund. This transfer resulted from better than expected cash inflows during the month of August.
- As of September 1, the DRA's Project Revenue and Tax Revenue Debt Service Funds have sufficient cash to pay the January 1, 2024 debt service payments (principal + interest). In August, the DRA paid the 2023 - 2024 Property & Terrorism Insurance policy = \$107k. This is a 25.4% increase over the 2022 - 2023 policy = \$85k. Drivers of the increase include natural disaster recovery, fewer insurers in the hospitality property market, and inflation related to cost of construction, labor, materials and fuel. In addition, the insurable value for this location increased approximately 10% per the independent appraiser trending of Building/Content replacement values.
- To be conservative, the estimated renewal rates for the other two policies have been increased by 25% as well. The Public Officials policy renews in October; Casualty & Crime renews in December. Before depreciation, the DRA has realized an increase of Net Position totaling \$4.06 million which is \$72k more than the cumulative budgeted increase in Net Position of \$3.99 million. *Depreciation has no effect on cash in the current period*
- The DRA met the annual tax cap in Jun-23. All tax revenues received after the tax cap is met will be applied to the outstanding debt balance on the County PFD Loan (\$1.04 million cumulative as of Aug-23).

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 August 31, 2023 and December 31, 2022

	8/31/2023	Audited 12/31/2022	Change from Prior Year-End	% Change
ASSETS				
Current assets				
Cash and cash equivalents	92,290	91,217	1,073	1.2%
Restricted cash with fiscal/escrow agent	14,367,798	15,683,146	(1,315,348)	(8.4%)
Receivables (net)				
Taxes	1,423,424	1,423,424	(0)	(0.0%)
Accounts	1,278,035	1,386,951	(108,916)	(7.9%)
Interest	57,813	48,235	9,578	19.9%
Inventory	50,913	43,407	7,506	17.3%
Prepaid expenses	187,498	272,182	(84,684)	(31.1%)
Total current assets	17,457,771	18,948,562	(1,490,791)	(7.9%)
Noncurrent assets				
Capital assets				
Buildings and equipment	61,956,345	59,764,071	2,192,274	3.7%
Accumulated depreciation	(30,072,524)	(29,097,331)	(975,193)	3.4%
Total noncurrent assets	31,883,821	30,666,740	1,217,081	4.0%
TOTAL ASSETS	49,341,592	49,615,302	(273,710)	(0.6%)
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized deferred amount on refunding	718,603	764,965	(46,362)	(6.1%)
LIABILITIES				
Current liabilities				
Accounts payable	210,449	80,059	130,390	162.9%
Accrued interest payable	333,910	1,060,606	(726,696)	(68.5%)
Accrued liabilities	1,119,172	1,231,359	(112,187)	(9.1%)
Subordinate fee amortization	-	53,096	(53,096)	(100.0%)
Unearned revenue	1,196,552	742,623	453,929	61.1%
Bonds, notes and leases payable	2,525,000	2,384,304	140,696	5.9%
Total current liabilities	5,385,083	5,552,857	(166,964)	(3.0%)
Noncurrent liabilities				
Bonds, notes and leases payable from restricted assets	45,026,825	47,542,057	(2,515,232)	(5.3%)
Due to other governments	2,760,065	3,484,420	(724,355)	(20.8%)
Total noncurrent liabilities	47,786,890	51,026,477	(3,239,587)	(0.3%)
TOTAL LIABILITIES	53,171,973	56,579,334	(3,406,550)	(6.0%)
NET POSITION				
Net investment in capital assets	(14,949,401)	(18,494,656)	3,545,255	(19.2%)
Restricted for capital purposes	-	945,428	(945,428)	(100.0%)
Restricted for debt service	5,060,172	6,945,345	(1,885,173)	(27.1%)
Unrestricted	6,777,451	4,404,816	2,372,635	53.9%
TOTAL NET POSITION	(3,111,778)	(6,199,067)	3,087,289	(49.8%)

Downtown Redevelopment Authority
(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 August 31, 2023 and 2022

	Actuals				Budget		
	Eight months ending August 31, 2023	Eight months ending August 31, 2022	\$ Change	% Change	YTD Budget	Variance to Budget Favorable/ (Unfavorable)	%
OPERATING REVENUES							
Charges for services	12,950,420	12,772,869	177,551	1.4%	13,785,744	(835,324)	-6.1%
Miscellaneous	-	-	-		-	-	
Total operating revenues	12,950,420	12,772,869	177,551	1.4%	13,785,744	(835,324)	-6.1%
OPERATING EXPENSES							
Supplies and contractual services	10,278,970	9,173,219	1,105,751	12.1%	10,110,540	(168,430)	-1.7%
Depreciation	975,193	1,452,479	(477,286)	-32.9%	1,533,333	558,140	36.4%
Total operating expenses	11,254,163	10,625,698	628,465	5.9%	11,643,873	389,710	3.3%
Operating income (loss)	1,696,257	2,147,171	(450,914)		2,141,871	(445,614)	20.8%
NONOPERATING REVENUES (EXPENSES)							
Interest earnings	392,102	53,182	338,921	637.3%	30,000	362,102	1207.0%
Intergovernmental contributions	2,602,560	2,356,976	245,584	10.4%	1,884,000	718,560	38.1%
Excise Tax	(196,929)	(181,469)	(15,460)	8.5%	(176,015)	(20,914)	11.9%
Interest and fiscal charges	(1,460,631)	(1,602,726)	142,095	8.9%	(1,494,892)	34,261	-2.3%
Total nonoperating revenues (expenses)	1,337,102	625,962	711,140	-113.6%	243,093	1,094,009	-450.0%
SPECIAL ITEMS							
Gain on extinguishment of Debt	53,906	71,875	(17,969)		71,875	(17,969)	
Claims Settlement	-	-	-		-	-	
Total special items	53,906	71,875	(17,969)		71,875	(17,969)	
Change in net position	3,087,265	2,845,009	242,256	-8.5%	2,456,840	630,425	-25.7%
TOTAL NET ASSETS - BEGINNING	(6,199,041)	(11,542,862)	5,343,821	46.3%			
Prior Period Adjustment							
TOTAL NET ASSETS - ENDING	(3,111,776)	(8,697,853)	5,586,077	64.2%			

Downtown Redevelopment Authority
(A Component Unit of the City of Vancouver)
STATEMENT OF CASH FLOWS
For the month ended August 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from operating activities	\$ 13,513,265
Cash payments for goods and services	(10,183,562)
Net cash provided (used) by operating activities	<u>3,329,703</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Receipts from other governments	3,870,264
Payments to other governments	(1,241,192)
Net cash provided (used) by noncapital financing activities	<u>2,629,072</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal paid on capital debt	(3,400,960)
Interest paid on capital debt	(2,062,338)
Purchase of capital assets	(2,192,274)
Net cash provided (used) by capital and related financing activities	<u>(7,655,571)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipt of interest	382,524
Net cash provided (used) by investing activities	<u>382,524</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,314,272)
CASH AND CASH EQUIVALENTS - BEGINNING	15,774,363
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 14,460,091</u>
Reconciliation of operating income (loss) to net cash used by operating activities:	
Net operating income (loss)	\$ 1,696,257
Adjustments to reconcile net operating income (loss) to net cash provided by operations:	
Depreciation expense	975,193
(Increase) Decrease in receivables	108,941
(Increase) Decrease in inventories	(7,506)
(Increase) Decrease in prepaid items	84,684
Increase (Decrease) in current payables	18,204
Increase (Decrease) in unearned revenue	453,929
Total adjustments	<u>1,633,444</u>
Net cash provided (used) by operating activities	<u>\$ 3,329,701</u>

Flow of Funds and Operating Cash Pursuant to Trust Indenture
Financial Statement Period August 2023

	Account name	Beginning Balances (8/1/2023)	Ending Balances (8/31/2023)	September 1st, flow of funds deposits, use of Cash Trap, and management fee payment	Cash balances after monthly flow of funds	Amounts Required 7/1 through 12/31/2023	Excess / (Deficit) through 12/31/2023	Requirement Description
1	Operating Petty Cash Account	53,287	449,598	-	449,598	-	449,598	Remaining balance intended to cover automatically deducted banking/merchant charges. There are 2-pending OPCA Requests not yet withdrawn from this account as of 8/31/2023 totaling \$402,285.82
2	Available Revenue Account & Lockbox Account	1,016,924	1,267,698	(724,776)	542,922	500,000	42,922	Must have \$500,000 balance as of 1st business day. Amount in cash balance after flow of funds includes Hilton management fee of \$42,921.95 which is withdrawn the 1st of every month separately.
3	Taxes and Insurance Fund	110,424	43,167	10,000	53,167	150,000	(96,833)	Cash to be moved as needed to meet estimated insurance policy renewals due in October and December for Public Officials and Casualty & Crime, respectively.
4	Administrative Expense Fund	100,000	84,251	44,490	128,741	100,000	28,741	Amounts required represent known and budgeted Administrative Expenses remaining (not yet paid) for six month period. Current balance will be applied to future administrative expenses.
5	Project Revenue Debt Service Fund	2,053,231	2,446,597	670,286	3,116,882	1,859,306	1,257,576	Amounts required represent debt service payments scheduled for January 1, 2024 (principal + interest).
6	Tax Revenue Debt Service Fund	2,613,575	2,613,575	-	2,613,575	1,667,425	946,150	Amounts required represent debt service payments scheduled for January 1, 2024 (principal + interest).
7	Renewal and Replacement Fund	-	-	-	-	-	-	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	1,572,142	1,534,605	-	1,534,605	-	1,534,605	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	-	-	-	-	-	-	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	3,330,593	3,330,593	-	3,330,593	-	-	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	13,850,176	14,770,084	(0)	14,770,084		4,162,759	
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	(2,576,739)	(2,242,789)	-	(2,242,789)			Represents the outstanding loan balance owed to the Clark County PFD as of month end.

Notes to Accompany Bank Balances

<p>1 <u>The Operating Petty Cash Account</u> 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.</p>	<p>6 <u>Tax Revenue Debt Service Fund</u> 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 attached.</p>	<p>11 <u>The Authority Reserve Fund</u> 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.</p>
<p>2 <u>The Available Revenue Fund</u> 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.</p>	<p>7 <u>The Renewal and Replacement Fund</u> 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</p>	<p>12 <u>The Cash Trap Fund</u> 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.</p>
<p>3 <u>The Taxes and Insurance Fund</u> is 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.</p>	<p>8 <u>The Contingency Fund</u> 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.</p>	<p>13a <u>The Authority Revenue Fund - additional</u> holds amounts used to repay ACA Note Payable Pursuant to the Financing Agreement between ACA and the Authority. ACA was the Authority's bond issuer for the 2003 debt series. Principal amount is \$1,430,554.61 with 4.42% interest, bringing the total amount due to \$3,123,161. Maturity Date is January 1, 2044. Principal and Interest Payment are scheduled to commence on January 1, 2033. 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. Planned uses include payments to the City of Vancouver per the Lot 24 Parking License Agreement and costs related to major renovation projects planned for 2020-2022.</p>
<p>4 <u>The Administrative Expense Fund</u> 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.</p>	<p>9 <u>The Management Fee Fund</u> 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. The 2021 annual obligation is \$139,055. See Section 8 of the First Amendment to the Management Agreement outlines the on-going obligation.</p>	<p>13b <u>The County PFD Fund</u> 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.</p>
<p>5 <u>The Project Debt Service Fund</u> 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 attached.</p>	<p>10 <u>The Subordinate Renewal and Replacement Fund</u> 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.</p>	

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.

**HILTON VANCOUVER WASHINGTON
CAPITAL PROJECT SUMMARY - AUGUST**

PREPARED BY: **Krista Liles**

DATE: **AUGUST**

Contractor	Description of work	Project	Amount	Invoice Date	Invoice Number	Request #	Project #	Project type
Hilton (Video Only)	Lobby TV Purchase - CORRECTED AMOUNT	Capital	\$ 2,293.55	6/9/2023	4966848	60520235-B		Lobby Remodel
	Lobby TV Purchase - Payment VOID (incorrect pricing on item - approved in July)		\$ (2,933.81)			60520235		
Construction Services Group	Construction Services	Lobby Remodel	\$ 134,436.61	6/30/2023	Est. #9	70120231	221072	Lobby Remodel
Terracon	Construction Services	Lobby	\$ 1,156.00	7/10/2023	TJ64532	80120231	221072	Lobby Remodel
Insight	Ethernet Installation for connecting Rooms	Connecting Rooms	\$ 37,020.99	7/7/2023	925420593	801202302		Capital
Total			\$ 174,907.15					

Notes:

- The TV purchase amount was originally submitted for Board approval at the wrong amount of 2,933.81. That amount was credited in total, so the new purchase amount of \$2,293.55 is reflected here.

CONTINGENCY FUND REQUISITION
(FROM CONTINGENCY FUND TO R&R FUND)

CONTINGENCY FUND (156007)
(204969007)

RENEWAL & REPLACEMENT FUND
(204969006)

REQUEST NO. 060120235

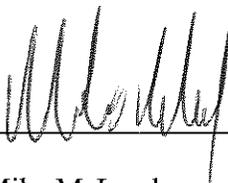
This request is being delivered to U.S. Bank National Association, as trustee (the "Trustee") under the Amended and Restated Trust Indenture, dated as of June 1, 2013 and effective June 27, 2013, amending and restating the Trust Indenture, dated as of December 1, 2003 (collectively, the "Indenture"), between the Downtown Redevelopment Authority (the "Authority") and the Trustee pursuant to Section [6(c)] of the Amended and Restated Cash Management and Lockbox Agreement (the "Cash Management Agreement") among the Depository Bank, the Trustee, the Authority and Hilton Management, LLC (the "Manager"). The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture or the Cash Management Agreement.

Pursuant to Section [6(c)] of the Cash Management Agreement and Section 5.10 of the Indenture, you are hereby authorized and directed to disburse from the Contingency Fund the amounts set forth in Appendix I attached hereto to the persons named therein in payment of expenditures permitted to be paid from the Contingency Fund under Section [6(c)] of the Cash Management Agreement and Section 5.10 of the Indenture. The total amount to be disbursed pursuant to this request is \$ 2,933.81

The Manager hereby certifies that (1) the statements made herein are accurate, (2) each such amount constitutes a proper charge against the Contingency Fund, (3) no part of any such amounts shall be applied to any item which has been previously paid from the Contingency Fund or any other Fund or Account, (4) all conditions precedent to such disbursements have been complied with and satisfied and (5) all consents, if any, required in connection with the submission hereof have been obtained and are attached hereto. The Manager further certifies that no Event of Default (as defined in the Management Agreement) by the Manager has occurred and is continuing nor has the Management Agreement been terminated.

Dated: July 14, 2023

HILTON MANAGEMENT, LLC, as Manager

By:  _____

Name: Mike McLeod

Title: General Manager

CONTINGENCY FUND REQUISITION
(FROM CONTINGENCY FUND TO R&R FUND)

CONTINGENCY FUND (156007)
(204969007)

RENEWAL & REPLACEMENT FUND
(204969006)

REQUEST NO. 070120231

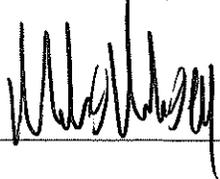
This request is being delivered to U.S. Bank National Association, as trustee (the "Trustee") under the Amended and Restated Trust Indenture, dated as of June 1, 2013 and effective June 27, 2013, amending and restating the Trust Indenture, dated as of December 1, 2003 (collectively, the "Indenture"), between the Downtown Redevelopment Authority (the "Authority") and the Trustee pursuant to Section [6(c)] of the Amended and Restated Cash Management and Lockbox Agreement (the "Cash Management Agreement") among the Depository Bank, the Trustee, the Authority and Hilton Management, LLC (the "Manager"). The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture or the Cash Management Agreement.

Pursuant to Section [6(c)] of the Cash Management Agreement and Section 5.10 of the Indenture, you are hereby authorized and directed to disburse from the Contingency Fund the amounts set forth in Appendix I attached hereto to the persons named therein in payment of expenditures permitted to be paid from the Contingency Fund under Section [6(c)] of the Cash Management Agreement and Section 5.10 of the Indenture. The total amount to be disbursed pursuant to this request is \$ 134,436.61

The Manager hereby certifies that (1) the statements made herein are accurate, (2) each such amount constitutes a proper charge against the Contingency Fund, (3) no part of any such amounts shall be applied to any item which has been previously paid from the Contingency Fund or any other Fund or Account, (4) all conditions precedent to such disbursements have been complied with and satisfied and (5) all consents, if any, required in connection with the submission hereof have been obtained and are attached hereto. The Manager further certifies that no Event of Default (as defined in the Management Agreement) by the Manager has occurred and is continuing nor has the Management Agreement been terminated.

Dated: July 19, 2023

HILTON MANAGEMENT, LLC, as Manager

By:  _____

Name: Mike McLeod

Title: General Manager

CONTINGENCY FUND REQUISITION
(FROM CONTINGENCY FUND TO R&R FUND)

CONTINGENCY FUND (156007)
(204969007)

RENEWAL & REPLACEMENT FUND
(204969006)

REQUEST NO. 080120231

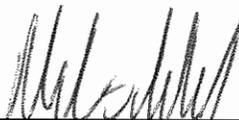
This request is being delivered to U.S. Bank National Association, as trustee (the "Trustee") under the Amended and Restated Trust Indenture, dated as of June 1, 2013 and effective June 27, 2013, amending and restating the Trust Indenture, dated as of December 1, 2003 (collectively, the "Indenture"), between the Downtown Redevelopment Authority (the "Authority") and the Trustee pursuant to Section [6(c)] of the Amended and Restated Cash Management and Lockbox Agreement (the "Cash Management Agreement") among the Depository Bank, the Trustee, the Authority and Hilton Management, LLC (the "Manager"). The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture or the Cash Management Agreement.

Pursuant to Section [6(c)] of the Cash Management Agreement and Section 5.10 of the Indenture, you are hereby authorized and directed to disburse from the Contingency Fund the amounts set forth in Appendix I attached hereto to the persons named therein in payment of expenditures permitted to be paid from the Contingency Fund under Section [6(c)] of the Cash Management Agreement and Section 5.10 of the Indenture. The total amount to be disbursed pursuant to this request is **\$ 515.74**

The Manager hereby certifies that (1) the statements made herein are accurate, (2) each such amount constitutes a proper charge against the Contingency Fund, (3) no part of any such amounts shall be applied to any item which has been previously paid from the Contingency Fund or any other Fund or Account, (4) all conditions precedent to such disbursements have been complied with and satisfied and (5) all consents, if any, required in connection with the submission hereof have been obtained and are attached hereto. The Manager further certifies that no Event of Default (as defined in the Management Agreement) by the Manager has occurred and is continuing nor has the Management Agreement been terminated.

Dated: August 1, 2023

HILTON MANAGEMENT, LLC, as Manager

By:  _____

Name: Mike McLeod _____

Title: General Manager _____

CONTINGENCY FUND REQUISITION
(FROM CONTINGENCY FUND TO R&R FUND)

CONTINGENCY FUND (156007)
(204969007)

RENEWAL & REPLACEMENT FUND
(204969006)

REQUEST NO. 0801202302

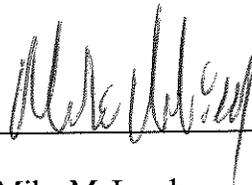
This request is being delivered to U.S. Bank National Association, as trustee (the "Trustee") under the Amended and Restated Trust Indenture, dated as of June 1, 2013 and effective June 27, 2013, amending and restating the Trust Indenture, dated as of December 1, 2003 (collectively, the "Indenture"), between the Downtown Redevelopment Authority (the "Authority") and the Trustee pursuant to Section [6(c)] of the Amended and Restated Cash Management and Lockbox Agreement (the "Cash Management Agreement") among the Depository Bank, the Trustee, the Authority and Hilton Management, LLC (the "Manager"). The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture or the Cash Management Agreement.

Pursuant to Section [6(c)] of the Cash Management Agreement and Section 5.10 of the Indenture, you are hereby authorized and directed to disburse from the Contingency Fund the amounts set forth in Appendix I attached hereto to the persons named therein in payment of expenditures permitted to be paid from the Contingency Fund under Section [6(c)] of the Cash Management Agreement and Section 5.10 of the Indenture. The total amount to be disbursed pursuant to this request is **\$ 37,020.99**

The Manager hereby certifies that (1) the statements made herein are accurate, (2) each such amount constitutes a proper charge against the Contingency Fund, (3) no part of any such amounts shall be applied to any item which has been previously paid from the Contingency Fund or any other Fund or Account, (4) all conditions precedent to such disbursements have been complied with and satisfied and (5) all consents, if any, required in connection with the submission hereof have been obtained and are attached hereto. The Manager further certifies that no Event of Default (as defined in the Management Agreement) by the Manager has occurred and is continuing nor has the Management Agreement been terminated.

Dated: August 24, 2023

HILTON MANAGEMENT, LLC, as Manager

By: 
Name: Mike McLeod
Title: General Manager

DOWNTOWN REDEVELOPMENT AUTHORITY

Renewal & Replacement Requisitions, July - August 2023

Date	Supplier	Amount	Description
14-Jul-2023	<i>Hilton</i>	2,933.81	Lobby TV Purchase - Video Only, via Pcard
19-Jul-2023	Construction Services Group	134,436.61	Construction Services, Lobby Remodel, Est #9
01-Aug-2023	<i>Hilton</i>	(2,933.81)	Payment Void: Lobby TV Purchase - Video Only, via Pcard
01-Aug-2023	<i>Hilton</i>	2,293.55	Corrected Amount: Lobby TV Purchase - Video Only, via Pcard
01-Aug-2023	<i>Terracon</i>	1,156.00	Construction Services, Lobby Remodel
24-Aug-2023	<i>Insight</i>	37,020.99	Ethernet Installation for Connecting Rooms
Total		174,907.15	

Contingency Fund Transfers, July - August 2023

Date	Supplier	Amount	Description
14-Jul-2023	<i>Hilton</i>	2,933.81	Lobby TV Purchase - Video Only, via Pcard
19-Jul-2023	Construction Services Group	134,436.61	Construction Services, Lobby Remodel, Est #9
01-Aug-2023	<i>Terracon</i>	515.74	Funding Balance from Hilton Overage: Construction Services, Lobby Remodel
24-Aug-2023	<i>Insight</i>	37,020.99	Ethernet Installation for Connecting Rooms
Total		174,907.15	

EXHIBIT E

FORM OF RENEWAL & REPLACEMENT FUND REQUEST

(204969006)

**RENEWAL & REPLACEMENT FUND
REQUEST NO. 060120235-B**

This request is being delivered to U.S. Bank National Association, as trustee (the "Trustee") under the Amended and Restated Trust Indenture, dated as of June 1, 2013 and effective June 27, 2013, amending and restating the Trust Indenture, dated as of December 1, 2003 (collectively, the "Indenture"), between the Downtown Redevelopment Authority (the "Authority") and the Trustee pursuant to Section [6(b)] of the Amended and Restated Cash Management and Lockbox Agreement (the "Cash Management Agreement") among the Depository Bank, the Trustee, the Authority and Hilton Management, L (the "Manager"). The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture or the Cash Management Agreement.

Pursuant to Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture, you are hereby authorized and directed to disburse from the Renewal and Replacement Fund the amounts set forth in Appendix I attached hereto to the persons named therein in payment of Hotel expenditures permitted to be paid from the Renewal and Replacement Fund under Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture. The total amount to be disbursed pursuant to this Request from the Renewal and Replacement Fund is **\$2,293.55**.

The Manager hereby certifies that (1) the statements made herein are accurate, (2) each such amount constitutes a proper charge against the Renewal and Replacement Fund, (3) no part of any such amounts shall be applied to any item which has been previously paid from the Renewal and Replacement Fund or any other Fund or Account, (4) all conditions precedent to such disbursements have been complied with and satisfied and (5) all consents, if any, required in connection with the submission hereof have been obtained and are attached hereto. The Manager further certifies that no Event of Default (as defined in the Management Agreement) by the Manager has occurred and is continuing nor has the Management Agreement been terminated.

Dated: 08/01/2023

HILTON MANAGEMENT, LLC, as Manager

By: 
Name: Mike McLeod
Title: General Manager

DOWNTOWN REDEVELOPMENT AUTHORITY

By: 
Name: Natasha Ramras
Title: Auditing Officer

EXHIBIT E

FORM OF RENEWAL & REPLACEMENT FUND REQUEST

(204969006)

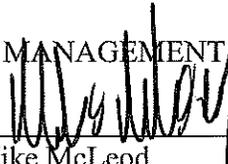
**RENEWAL & REPLACEMENT FUND
REQUEST NO. 070120231**

This request is being delivered to U.S. Bank National Association, as trustee (the "Trustee") under the Amended and Restated Trust Indenture, dated as of June 1, 2013 and effective June 27, 2013, amending and restating the Trust Indenture, dated as of December 1, 2003 (collectively, the "Indenture"), between the Downtown Redevelopment Authority (the "Authority") and the Trustee pursuant to Section [6(b)] of the Amended and Restated Cash Management and Lockbox Agreement (the "Cash Management Agreement") among the Depository Bank, the Trustee, the Authority and Hilton Management, L (the "Manager"). The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture or the Cash Management Agreement.

Pursuant to Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture, you are hereby authorized and directed to disburse from the Renewal and Replacement Fund the amounts set forth in Appendix I attached hereto to the persons named therein in payment of Hotel expenditures permitted to be paid from the Renewal and Replacement Fund under Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture. The total amount to be disbursed pursuant to this Request from the Renewal and Replacement Fund is **\$134,436.61**

The Manager hereby certifies that (1) the statements made herein are accurate, (2) each such amount constitutes a proper charge against the Renewal and Replacement Fund, (3) no part of any such amounts shall be applied to any item which has been previously paid from the Renewal and Replacement Fund or any other Fund or Account, (4) all conditions precedent to such disbursements have been complied with and satisfied and (5) all consents, if any, required in connection with the submission hereof have been obtained and are attached hereto. The Manager further certifies that no Event of Default (as defined in the Management Agreement) by the Manager has occurred and is continuing nor has the Management Agreement been terminated.

Dated: 7/19/2023

HILTON MANAGEMENT LLC, as Manager
By: 
Name: Mike McLeod
Title: General Manager

DOWNTOWN REDEVELOPMENT AUTHORITY
By: 
Name: Natasha Ramras
Title: Auditing Officer

Estimate Number: 9

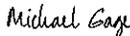
Project: Lobby Tenant Improvements for Hilton Vancouver Washington

Labor and Materials as of: 6/30/2023
 Bid Number: DRA22-1

Original Bid Amount:	\$ 1,897,870.07	Revised Contract Amount:	\$ 2,200,690.51
Original Completion Date:	160 Working Days	Estimated Completion:	96%
Revised Completion Date:			

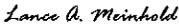
	Previous to Date	This Estimate	To Date
Subtotal	\$ 1,092,110.48	\$ 129,639.93	\$ 1,221,750.41
Sales Tax 8.7%	\$ 164,368.60	\$ 11,278.67	\$ 175,647.27
Total Amount Earned	\$ 2,066,479.08	\$ 140,918.60	\$ 2,207,397.68
Less Retainage	\$ 95,105.52	\$ 6,482.00	\$ 101,587.52
Total Amount Due	\$ 1,971,373.56	\$ 134,436.61	\$ 2,105,810.16

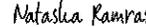
I, having examined the attached estimate, certify that it is true and correct, that the work was actually performed and material furnished as therein charged in accordance with the contract, and that the same or any part therein has not been paid. The prevailing rate of wages has been paid to all workmen, laborers, and mechanics employed by myself and all subcontractors in the performance of this contract in accordance with the provision of Chapter 39.12 RCW.

DocuSigned by:

 Contractor
 Construction Services Group LLC President
 For
 7/12/2023
 Date

Construction Services Group
 5706 NE 112th Avenue
 Vancouver WA 98682

I certify the attached to be based upon the actual measurements, and to be true and correct.

DocuSigned by:

 Project Architect
 7/13/2023
 Date

DocuSigned by:

 Project Manager
 7/17/2023
 Date

Subs	
Skyline	Dan's Top Notch
Accurate	Cosco Fire
Harlens	
Roedel	
Market	

EXHIBIT E

FORM OF RENEWAL & REPLACEMENT FUND REQUEST

(204969006)

**RENEWAL & REPLACEMENT FUND
REQUEST NO. 080120231**

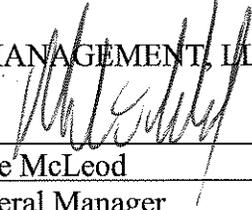
This request is being delivered to U.S. Bank National Association, as trustee (the "Trustee") under the Amended and Restated Trust Indenture, dated as of June 1, 2013 and effective June 27, 2013, amending and restating the Trust Indenture, dated as of December 1, 2003 (collectively, the "Indenture"), between the Downtown Redevelopment Authority (the "Authority") and the Trustee pursuant to Section [6(b)] of the Amended and Restated Cash Management and Lockbox Agreement (the "Cash Management Agreement") among the Depository Bank, the Trustee, the Authority and Hilton Management, L (the "Manager"). The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture or the Cash Management Agreement.

Pursuant to Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture, you are hereby authorized and directed to disburse from the Renewal and Replacement Fund the amounts set forth in Appendix I attached hereto to the persons named therein in payment of Hotel expenditures permitted to be paid from the Renewal and Replacement Fund under Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture. The total amount to be disbursed pursuant to this Request from the Renewal and Replacement Fund is **\$1,156.00**.

The Manager hereby certifies that (1) the statements made herein are accurate, (2) each such amount constitutes a proper charge against the Renewal and Replacement Fund, (3) no part of any such amounts shall be applied to any item which has been previously paid from the Renewal and Replacement Fund or any other Fund or Account, (4) all conditions precedent to such disbursements have been complied with and satisfied and (5) all consents, if any, required in connection with the submission hereof have been obtained and are attached hereto. The Manager further certifies that no Event of Default (as defined in the Management Agreement) by the Manager has occurred and is continuing nor has the Management Agreement been terminated.

Dated: 08/01/2023

HILTON MANAGEMENT, LLC, as Manager

By: 
Name: Mike McLeod
Title: General Manager

DOWNTOWN REDEVELOPMENT AUTHORITY

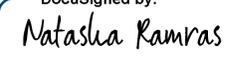
DocuSigned by:
Natasha Ramras
By: 
Name: Natasha Ramras
Title: Auditing Officer

EXHIBIT E

FORM OF RENEWAL & REPLACEMENT FUND REQUEST

(204969006)

**RENEWAL & REPLACEMENT FUND
REQUEST NO. 0801202302**

This request is being delivered to U.S. Bank National Association, as trustee (the "Trustee") under the Amended and Restated Trust Indenture, dated as of June 1, 2013 and effective June 27, 2013, amending and restating the Trust Indenture, dated as of December 1, 2003 (collectively, the "Indenture"), between the Downtown Redevelopment Authority (the "Authority") and the Trustee pursuant to Section [6(b)] of the Amended and Restated Cash Management and Lockbox Agreement (the "Cash Management Agreement") among the Depository Bank, the Trustee, the Authority and Hilton Management, L (the "Manager"). The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture or the Cash Management Agreement.

Pursuant to Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture, you are hereby authorized and directed to disburse from the Renewal and Replacement Fund the amounts set forth in Appendix I attached hereto to the persons named therein in payment of Hotel expenditures permitted to be paid from the Renewal and Replacement Fund under Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture. The total amount to be disbursed pursuant to this Request from the Renewal and Replacement Fund is **\$37,020.99**.

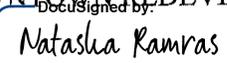
The Manager hereby certifies that (1) the statements made herein are accurate, (2) each such amount constitutes a proper charge against the Renewal and Replacement Fund, (3) no part of any such amounts shall be applied to any item which has been previously paid from the Renewal and Replacement Fund or any other Fund or Account, (4) all conditions precedent to such disbursements have been complied with and satisfied and (5) all consents, if any, required in connection with the submission hereof have been obtained and are attached hereto. The Manager further certifies that no Event of Default (as defined in the Management Agreement) by the Manager has occurred and is continuing nor has the Management Agreement been terminated.

Dated: 08/24/2023

HILTON MANAGEMENT, LLC, as Manager

By: 
Name: Mike McLeod
Title: General Manager

DOWNTOWN REDEVELOPMENT AUTHORITY

By: 
Name: Natasha Ramras
Title: Auditing Officer

LOBBY REMODEL PROJECT

8/31/2023

	Projected Costs	Contracted Amount	COR Totals Approved	Paid	Remaining
Livermore	\$ 125,048	\$ 125,048		\$ (75,318)	\$ 49,729
CSG	\$ 2,248,961	\$ 1,897,870	\$ 348,158	\$ (2,105,246)	\$ 143,714
Terracon	\$ 5,000	\$ 5,000		\$ (2,296)	\$ 2,704
Lusive	\$ 88,000	\$ 88,067		\$ (88,067)	\$ (0)
FF&E (Source)	\$ 275,000	\$ 378,000		\$ (266,134)	\$ 8,866
Contingency 10%	\$ -	\$ -			\$ -
Total Project	\$ 2,742,008	\$ 2,587,240	\$ 348,158	\$ (2,537,062)	\$ 205,012
<i>2022 expense (included in the above)</i>				\$ (375,689)	

	<u>2022</u>	<u>2023</u>	<u>Total: Project</u>
Budget	\$ 375,689	\$ 2,392,428	\$ 2,768,117
Estimated w/unpaid Livermore and Terracon	\$ 375,689	\$ 2,366,386	\$ 2,742,075

DOWNTOWN REDEVELOPMENT AUTHORITY STAFF REPORT

STAFF REPORT NO. 9-14-23-01

TO: Downtown Redevelopment Authority Board **DATE:** 9/14/2023
FROM: Natasha Ramras, Executive Director

Subject: Parking License Agreement Extension and Amendment Lot 24.

Objective: Approve the amendment and extension of Lot 24 Parking License Agreement with the City.

Present Situation:

The City controls an off street parking lot known as Lot 24 constructed in downtown Vancouver. This fenced lot is accessed off of 4th Street, west of Columbia Street and north of Phil Arnold Way (hereinafter referred to as “Lot 24” or “Parking Facility” interchangeably). For the past several years DRA/HILTON has periodically used portions of Lot 24 to provide overflow parking for the Convention Center Hotel Project and the parties formalized DRA/HILTON use of Lot 24 under the original License Agreement. In 2023, the DRA/HILTON leased 48 spaces on Lot 24.

DRA/HILTON has expressed interest in moving employee parking from Lot 16 to an expanded Lot 24. This agreement accommodates interests of the DRA/HILTON.

The attached Agreement outlines that the City will license to DRA/HILTON 69 parking spaces in a parcel designated for vehicular parking known as Lot 24 and an additional 23 parking spaces in the public right-of-way, directly north of Lot 24, known as Expanded Lot 24, for a three-year time period beginning October 1st, 2023. The City reserves the right to designate the on-site location of the spaces provided for therein. The City further reserves the right to access one (1) undesignated spot on a first come first serve basis for City use. The City will provide enforcement and signage services.

In consideration of the prior inter-local agreement whereby the City and PFD have agreed to provide certain financial support to the DRA for the Vancouver Convention Center Hotel Project, the pricing for the 92 parking spaces would be reflected as follows:

- From October 1, 2023, the per-space fee shall be **\$93.97 + 12.84% tax**, per month. The total monthly amount owed for the 92 spaces will be \$9,755.

Fees may be adjusted periodically at the sole discretion of the City as authorized by Vancouver Municipal Code. Payment for each space shall be made to the City of Vancouver, on or before the first of each month. In consideration of the terms in the Amended and Restated Project Operating Agreement between the DRA and Hilton Management LLC the DRA agrees to pay the license fee to the City.

Proposal: Approve a three (3) year extension to the amended Parking License Agreement commencing on October 1st, 2023, ending on September 30th, 2026.

Action Requested: Approve the amended Extension to Parking License Agreement as outlined in the attached Parking License Agreement Between the City of Vancouver and the Vancouver Downtown Redevelopment Authority dba/Hilton Vancouver Washington.

Attachment(s):

Revised Parking License Agreement

**PARKING LICENSE AGREEMENT EXTENTION AND AMENDMENT BETWEEN
THE CITY OF VANCOUVER AND THE VANCOUVER DOWNTOWN
REDEVELOPMENT AUTHORITY DOING BUSINESS AS HILTON VANCOUVER
WASHINGTON**

This License Agreement is made and entered into effective as of October 1, 2023 (Effective Date) by and between the City of Vancouver (City), a municipal corporation formed under the laws of the State of Washington, and the Downtown Redevelopment Authority doing business as the Hilton Vancouver Washington (DRA/HILTON) by its managing agent, Hilton Management LLC, a Delaware limited liability company in which the parties agree that City will license to DRA/HILTON 69 parking spaces in a parcel designated for vehicular parking known as Lot 24 and an additional 23 parking spaces in the public right-of-way, directly north of Lot 24, know as Expanded Lot 24, for certain consideration, and all subject to certain conditions.

WHEREAS, the City created the DRA to, among other things, plan, design, finance, acquire, construct, equip, own, maintain, operate, repair, remodel, expand and promote the Vancouver Convention Center Hotel Project; and

WHEREAS, DRA and Hilton Management LLC are parties to the Amended and Restated Project Operating Agreement dated June 27, 2013, and amended on December 21, 2018, for the operation and management of the Vancouver Convention Center Hotel Project; and

WHEREAS, the City owns the eastern portion of Lot 24; and

WHEREAS, the Vancouver Public Facilities District (PFD) owns the western portion of Lot 24 for the sole purpose of using it for the future extension of the City of Vancouver Convention Center;

WHEREAS, the City has the express consent of the PFD to license that portion to a third party; and

WHEREAS, for the past several years DRA/HILTON has used Lot 24 to provide overflow parking for the Convention Center, construction parking and parking for various purposes supporting operation of the Convention Center, the parties desire to extend the DRA/HILTON use of Lot 24 under this License Agreement for a period of October 1, 2023-September 30, 2026; and

NOW, IT IS HEREBY AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. The City controls an off street parking lot known as Lot 24, constructed in downtown Vancouver, and containing 69 marked parking spaces. Vehicular access to this fenced lot is via 4th Street, west of Columbia Street and north of Phil Arnold Way (hereinafter referred to as “Lot 24” or “Parking Facility” interchangeably), as shown on the map attached as Exhibit A and incorporated by reference.

2. The City hereby grants DRA/HILTON a limited license to use 69 parking spaces in Lot 24 solely for the purposes described in this Agreement. The City reserves the right to designate the on-site location of the specific 69 parking spaces so licensed. The City further reserves the right to access one (1) of the 69 parking spaces (undesignated) for city use, provided that a spot is available. The City will make reasonable efforts to accommodate any additional parking needs by the Hilton Convention Center resulting from the Convention Center activity, on an as-needed basis.

3. The City hereby also grants DRA/HILTON a limited license to use 23 parking spaces in the right of way, directly north of the Lot 24 (to be referred to as “Extension of Lot 24”).

4. Hilton Management LLC shall manage and operate the 92 parking spaces in Lot 24 and the Extension of Lot 24 as part of the Vancouver Conference Center Hotel Project (“Project”), as provided in the Amended and Restated Project Operating Agreement, and the DRA shall reimburse Hilton Management LLC for any costs it incurs under this License Agreement.

5. This License Agreement shall expire on September 30, 2026, unless extended by mutual written agreement by both parties, or earlier terminated pursuant to Section 20 of this Agreement. Notwithstanding other termination provisions this License Agreement shall terminate upon termination of the Amended and Restated Project Operating Agreement.

6. The City further agrees that it has striped the Parking Facility with 69 parking spaces (5 compact, 3 accessible ADA, 57 regular, and 4 regular along the rolling gate at Phil Arnold Way) and additional 23 parking spaces on Extension of Lot 24.

7. The City, DRA, and the PFD have entered into a prior inter-local agreement whereby the City and PFD have agreed to provide certain financial support to the DRA for the Vancouver Convention Center Hotel Project. In consideration of that agreement, the fees for the parking spaces shall be as follows:

- a. From October 1, 2023, the per-space fee shall be **\$93.97 + 12.84% tax**, per month. The total monthly amount owed for the 92 spaces will be \$9,755.

Fees may be adjusted periodically at the sole discretion of the City as authorized by Vancouver Municipal Code. Payment for each space shall be made to the City of Vancouver, on or before the first of each month. In consideration of the terms in the Amended and Restated Project Operating Agreement between the DRA and Hilton Management LLC the DRA agrees to pay the license fee to the City.

8. DRA/HILTON shall have the right to use the licensed spaces only for the purpose of parking vehicles and other uses related to the Vancouver Convention Center Hotel activities 24 hours a day and for no other purpose, and no property right is conveyed or intended to be conveyed to DRA/HILTON under this License.

9. The license to use the parking spaces covered by this License Agreement is nontransferable.

10. Excepting normal use and wear, all damage or injury to the licensed spaces caused by or resulting from use or occupation thereof or caused by or resulting from the negligence or improper conduct of, its agents, employees or invitees, shall be repaired, restored or replaced promptly by DRA/HILTON, at no cost to the City, to the reasonable satisfaction of the City. All said repairs, restoration and replacements shall be of a quality and class equal to the original work or installations. If DRA/HILTON fails to make such repairs, restoration or replacements within thirty (30) days after City notifies DRA/HILTON in writing to make them, the same may be made by City at the expense of DRA/HILTON and such expense shall be paid by DRA/HILTON within ten (10) days after receipt of a bill therefor.

11. The City agrees to maintain the Parking Facility in good order, condition and repair and reserves unrestricted access to the Parking Facility to inspect and maintain. The City will utilize a combination of city staff and third party contractors for maintenance, which shall consist of twice monthly sweeping and monthly litter collection around the Parking Facility perimeter fence (collectively "Maintenance Services"). DRA/HILTON shall exchange direct contact information with the City and its designated contractors to provide access for maintenance for both emergency and routine needs.

12. The City agrees that it will maintain workers' compensation insurance covering any City staff person performing Maintenance Services and will ensure that any third party contractor performing Maintenance Services ("Maintenance Contractors") also maintains workers' compensation insurance covering all employees or subcontractors any Maintenance Contractor assigned to perform Maintenance Services. The City will also carry and maintain, and ensure all Maintenance Contractors carry and maintain, commercial general liability insurance covering against claims for bodily injury or death and property damage in connection with their Maintenance Services performed at Lot 24, as well as personal property insurance covering all equipment, fixtures and personal property of City or a Maintenance Contractor, as applicable, that are used in connection with the Maintenance Services from time to time in, on or upon Lot 24.

13. DRA/HILTON shall carry and maintain, during the entire term of this License Agreement, at no cost to the City, commercial general liability insurance covering Lot 24 and the Extension of Lot 24 and DRA/HILTON's use thereof against claims for bodily injury or death and property damage occurring upon, in or about Lot 24 and the Extension of Lot 24, personal property insurance covering all of DRA/HILTON's equipment, fixtures and personal property from time to time in, on or upon Lot 24 and the Extension of Lot 24, and any other type of insurance typically maintained by reasonably prudent businesses similar to that operated by DRA/HILTON, including, but not limited to, Worker's Compensation Insurance and Employer's Liability Insurance, if applicable. DRA/HILTON shall obtain such other insurance as the City may deem necessary or appropriate from time to time.

All of DRA/HILTON's policies of insurance required under this License shall be issued by an insurance company admitted in Washington with an A.M. Best rating of A-VII or better

and shall specifically name the City of Vancouver as an “additional insured.” All such public liability, property damage and other casualty policies shall be written as primary policies which do not contribute to, and are not in excess of, coverage which the City may carry.

Upon request, DRA/HILTON shall provide the City with appropriate evidence of insurance. All insurance procured as set forth herein shall not be cancelable without thirty (30) days prior written notice from DRA/HILTON’s insurer to the City.

14. To the extent permitted by law, DRA/HILTON agrees to exonerate, save harmless, protect and indemnify the City, its employees, officers, agents, retained independent contractors, and assigns, from and against any and all losses, damages, claims, suits, or actions for any damage or injury to person or property occurring on, or relating to, the licensed Parking Facility, other than such injury, damage, or loss caused by the sole negligence of the City or its employees, agents, retained independent contractors, and assigns. To the extent permitted by law, the City agrees to exonerate, save harmless, protect and indemnify DRA/HILTON, and its respective employees, agents, retained independent contractors, and assigns, from and against any and all losses, damages, claims, suits, or actions for any damage or injury to person or property occurring on, or relating to, the Parking Facility, other than such injury, damage, or loss caused by the sole negligence of the DRA/HILTON or its employees, agents, retained independent contractors, and assigns.

15. If the DRA or DRA/HILTON (a) fails to pay any use fees described above or any part thereof, or fails to pay leasehold tax, or any part thereof, within ten (10) days after notice that payment of such use fees is delinquent, or (b) is in breach of any other covenant under this License thirty (30) days after written notice from the City stating the nature of such breach has been received, unless either the DRA or DRA/HILTON has commenced the correction for such breach and such correction will reasonably require more than thirty (30) days to complete, then the City may cancel this License upon giving such notice as may be required by law.

16. If the City is in breach of any other covenant under this License thirty (30) days after written notice from DRA/HILTON stating the nature of such breach has been received, unless the City has commenced the correction for such breach and such correction will reasonably require more than thirty (30) days to complete, then DRA/HILTON may cancel this License upon giving such notice as may be required by law.

17. Enforcement of parking within the fenced area shall be the responsibility of the City. DRA/HILTON may utilize the Parking Facility, but vehicles intended by DRA/HILTON to utilize the Parking Facility are prohibited from parking outside the fenced area of the Parking Facility. Any vehicle found parking in these areas that is in violation of the applicable parking regulations is subject to citation and or impound. See Exhibit A attached and incorporated by reference.

18. DRA/HILTON shall, at its sole cost and expense, be permitted to display signs in the interior and exterior of the Parking Facility with its parking regulations, including the designation of the parking spaces for use solely by DRA/HILTON, and directions to users of the Parking Facility to vehicular and pedestrian access points. DRA/HILTON shall obtain

written approval from the City before affixing or otherwise displaying any signs inside or outside the Parking Facility. At the end of the term of this License, DRA/HILTON shall remove the signs at its own expense.

19. The City shall pay when due all taxes, assessments, and public charges on Lot 24, but not including leasehold tax, which shall be the responsibility of DRA/HILTON.

20. Either party may terminate this License upon thirty (30) days written notice to the other. In the event that DRA/HILTON terminates this License, user fees will not be prorated for any portion of the month in which termination becomes effective. In the event that the City terminates this License, the City agrees that it shall assist DRA/HILTON with the replacement of parking spaces for a time not to exceed the original expiration date of the License.

21. In the event any controversy or claim arises under this License, the prevailing party shall be entitled to its reasonable costs, disbursements and attorney fees, together with all expenses that it may reasonably incur in taking such action, including, but not limited to, costs incurred in searching records, expert witness and consulting fees, discovery depositions whether or not introduced into evidence in the trial, hearing or further proceeding and travel expenses in any arbitration, trial or other proceeding, including any proceeding brought to enforce an award to judgment and any and all appeals taken from any of the foregoing.

22. The provisions of this License are severable and the holding of any provision, paragraph, sentence or other part thereof to be illegal, invalid or inapplicable to any person or circumstance shall not affect or impair any of the remaining provisions or their application.

23. This License shall be governed by and construed in accordance with the laws of the State of Washington.

24. This License may be executed in any number of counterparts, each of which will be deemed to be an original, and all of such counterparts will constitute one Agreement. To facilitate execution of this Agreement, the parties may execute and exchange by electronic facsimile or e-mail counterparts of the signature pages.

25. This License contains the final and entire agreement between the parties with respect to the licensing of the parking spaces utilized by Hilton relating to Lot 24 and the Extension of Lot 24 and may be amended only in writing signed by both parties.

26. Notices shall be given to DRA/HILTON, at Attn: General Manager 301 W. 6th Street Vancouver, WA 98660, and to City at 415 W. 6th Street, PO Box 1995, Vancouver, WA 98668 attention: Parking Manager.

Dated this 14th day of September 2023.

CITY OF VANCOUVER,

By: _____
Eric Holmes, City Manager

By: _____
Anthony Glenn, Deputy City Clerk

Approved as to form

By: _____
Philip Gigler, Assistant City Attorney

DOWNTOWN REDEVELOPMENT AUTHORITY,

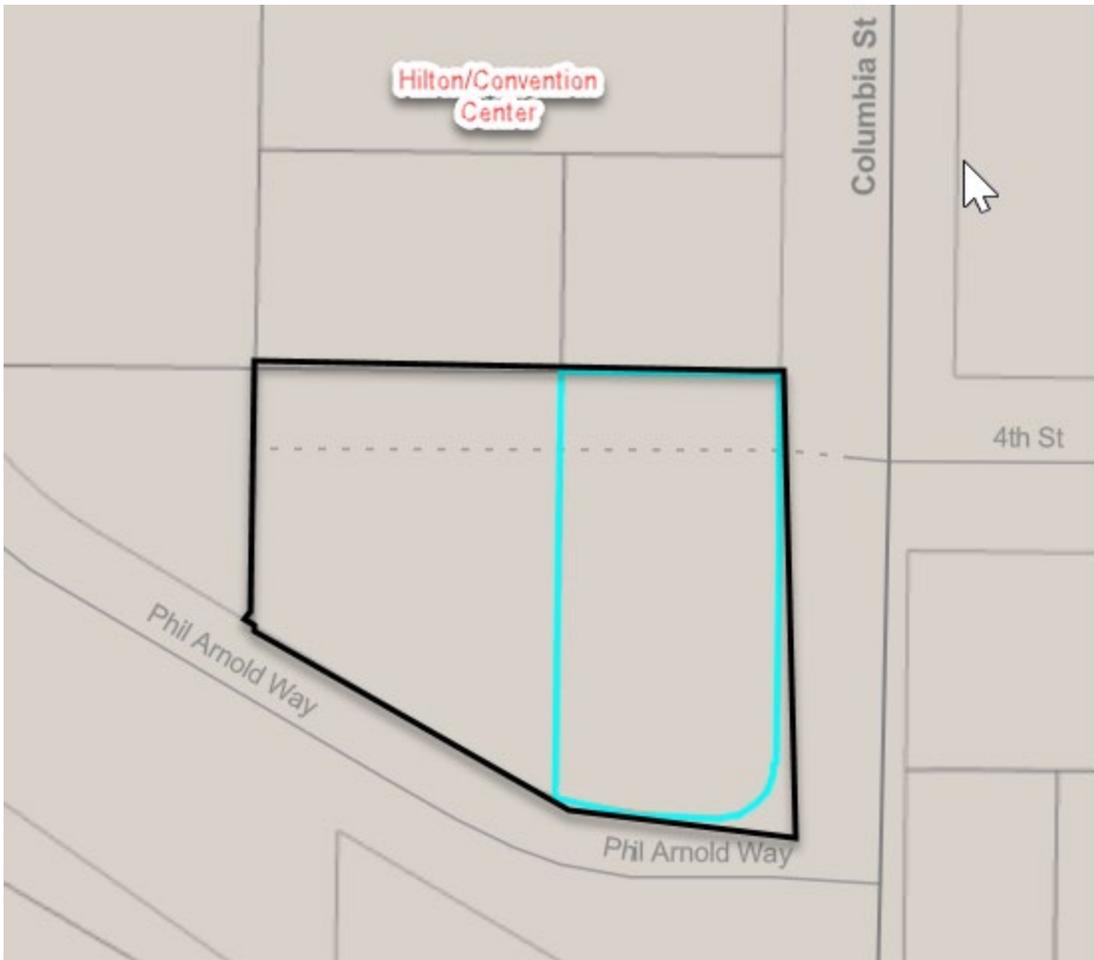
By: _____
Natasha Ramras, DRA Executive Director

DOWNTOWN REDEVELOPMENT AUTHORITY DOING BUSINESS AS HILTON
VANCOUVER WASHINGTON BY ITS MANAGING AGENT, HILTON MANAGEMENT
LLC, A DELAWARE LIMITED LIABILITY COMPANY

By: Hilton Domestic Operating Company Inc.

By: _____
Mike McLeod, General Manager

EXHIBIT A



Asset Manager's Report to the DRA Board

Hilton Vancouver Washington Vancouver, WA

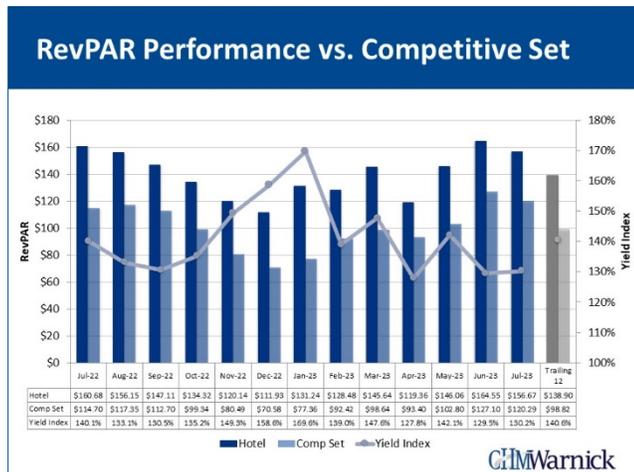
August 2023



1 Performance Relative to the Competitive Set

The table and chart to the left summarize the Hotel's performance compared with the competitive set of Vancouver hotels in June (the most current information available).

Performance of the Competitive Set			
	Occupancy	ADR	RevPAR
July 2023			
Competitive Set	73.3%	\$164.10	\$120.29
% Chg. from Prior Yr.	2.8%	2.1%	4.9%
Hilton Vancouver	73.4%	\$213.38	\$156.67
% Chg. from Prior Yr.	-9.4%	7.7%	-2.5%
Yield Index	100.2%	130.0%	130.2%
Trailing 12 Months			
Competitive Set	67.8%	\$146.52	\$99.30
% Chg. from Prior Yr.	9.1%	3.3%	12.7%
Hilton Vancouver	73.7%	\$188.02	\$138.56
% Chg. from Prior Yr.	-3.6%	6.5%	2.7%
Yield Index	108.7%	128.3%	139.5%

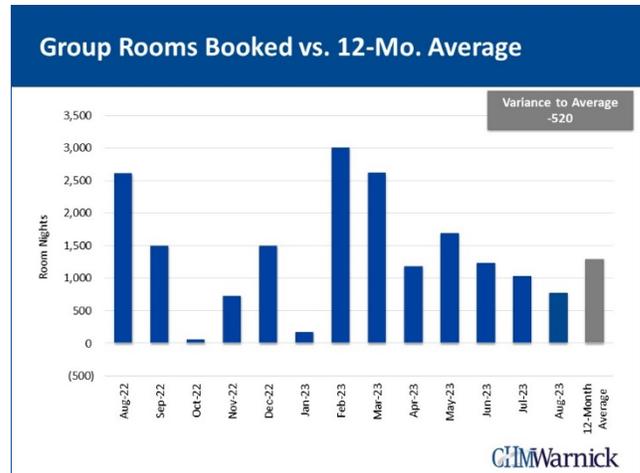


Indicator Explanation: RevPAR is calculated by multiplying the occupancy percentage times the average room rate. RevPAR helps management identify the optimal mix of occupancy and average rate. The RevPAR yield index measures the performance of an individual hotel against its competitive set. A yield index of 100 percent means a hotel is operating at the average of the competitive set.

- Month-over-month the Hotel gained ground to June in overall RevPAR yield. (130.2% vs 129.5%). The strong crew ADR and related occupancy continues to enhance performance to the Comp Set and helps to create compression.
- The Hotel continues to perform well against Comp Set and has been able to maintain a sizable ADR premium (group and transient). The Hotel achieved a 130.2% RevPAR index during July with a trailing 12-month index of 139.5%.

2 Future Group Bookings

The following tables summarize future group business booked during the past 12 months and future year pace.

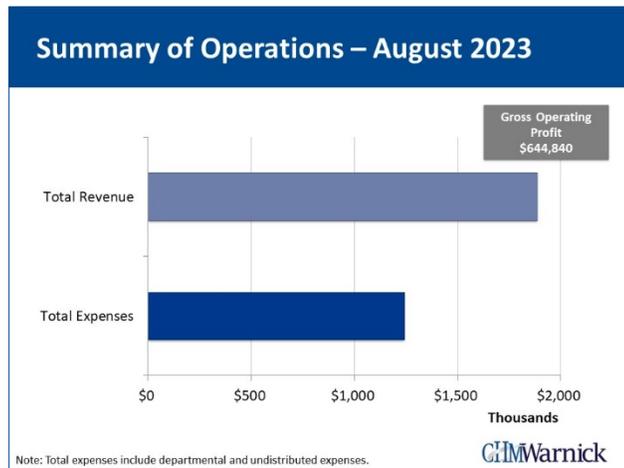


Indicator Explanation: Group business is one of the most important market segments for the Hotel because it fills the meeting rooms and generates banquet, as well as room, revenue.

- Group and local catering lead volume remains very encouraging. Building the group base for 2023 and beyond continues to be the major focus of the sales team.
- The Hotel received 102 leads in for group rooms and F&B functions.
- Lead conversion was strong for the month; the team turned 49 bookings definite for group rooms and F&B functions.
- During August, crew business consisted of Delta and FedEx. Both airlines are contracted through the end of 2023.
- While not quantifiable, enhanced competitive pressure from the AC and Indigo are impacting capture. In addition, the Ilani Hotel recently opened; the property is located at the Ilani Casino and offers full-service facilities and amenities. Management will monitor the competitive impact of the hotel going forward.

3 Monthly Financial Results

The following table summarizes financial results for August 2023.

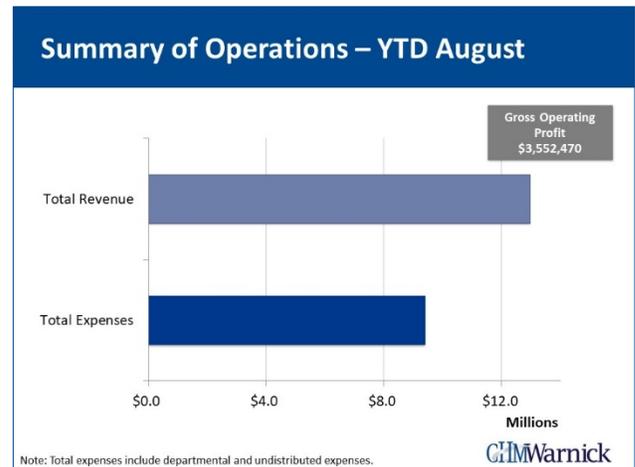


Indicator Explanation: Rooms and food and beverage (“F&B”) are the primary source of Hotel revenues. Expenses are impacted by the large amount of meeting space in relation to a relatively small number of guest rooms. Payroll is the largest individual expense.

- The shortfall in total revenue during August was driven by lower than anticipated rooms and F&B activity. The decline in room revenues was the result of lower occupancy which outpaced an increase in ADR. F&B activity declined in the outlets and in banquet/catering volume.
- The overall loss in total revenue was mitigated somewhat by an increase in other operating departments.
- For the month, management did an effective job in controlling expenses (operating department and undistributed), Lower than anticipated F&B profitability along with higher undistributed expenses adversely impacted flowthrough and related GOP performance.
- Savings in Fixed Expenses enhanced overall NOI flow through and related performance.
- The lobby renovation has been completed and the space reopened to the public although management is still awaiting the delivery of certain FF&E items. The reopening of the main lobby continues to have a positive impact on guest satisfaction scores.

4 Year-to-Date Financial Results

The following table summarizes financial results year-to-date through August 2023.



Indicator Explanation: Year-to-date financial results give a better picture of the progression in business than any one month of operation.

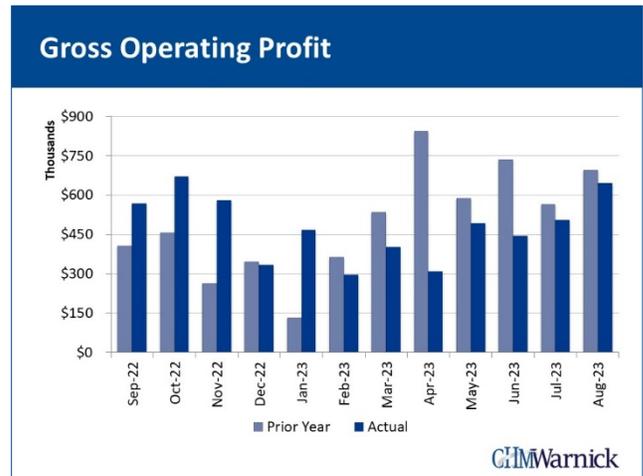
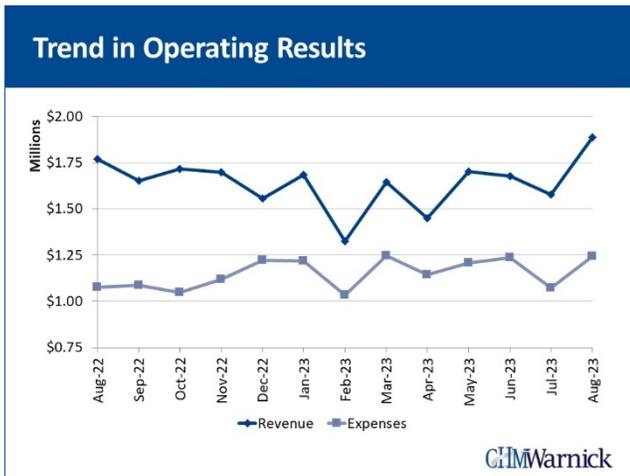
- Through August, YTD rooms and F&B department revenues are trending below budget.
 - The shortfall in rooms is being driven by lower transient and group demand; rooms department revenues remain above prior year performance on a YTD basis.
 - The F&B decline is attributed to lower outlet and banquet capture.
- While management continues to make a concerted effort to contain costs, higher than anticipated labor and operating expenses have negatively impacted profit potential. YTD GOP continues to trend below budget and prior year performance.

Asset Manager’s Focus and Strategic Initiatives

- Monitor capital outlay to appropriately preserve the asset and maximize its appeal and guest experience while building and preserving appropriate reserves for future capital requirements
- Achieve operational budget through revenue generation, cost containment, and capital controls
- Track and consider refinancing options
- Monitor operations, develop metrics, and plan ongoing strategic initiatives in relation to the market’s post-COVID activity
- Continue to strategize with management to promote additional F&B utilization, particularly in Grays
- Work with management to develop strategies to mitigate the impact of new competition in the market (hotel and restaurant) and enhance the overall competitiveness and appeal of the Hotel
- Work with management to ensure smooth operations and a positive guest experience throughout the ongoing lobby renovation
- Monitor ongoing union negotiations



Trailing 12-Month Trend in Operating Results



DEFINITIONS

Competitive Set – A sample of hotels in the Vancouver market. The RevPAR for the Vancouver Hilton are measured against these hotels using what is called a “yield index.” A yield index that is greater than 100 percent means that a hotel is performing at a level that is above the average for its competitive set. A yield index that is below 100 means that performance trails the average for the competitive set.

Departmental Expenses – Expenses that are incurred in relation to the operation of each distinct operating department. Generally, departmental expenses include costs of goods sold, payroll, and other expenses.

Fixed Costs – Expenses are costs of occupancy that cannot be influenced by property management. These include business taxes, insurance expenses, Hilton management fees, and other miscellaneous expenses.

F&E Reserve – The F&E reserve is a fund for the future replacement of fixtures and equipment. The intent of the F&E Reserve is to accumulate monies over a period of time to spend on periodic hotel renovations. Periodic renovations are needed to keep the Hotel in good physical condition so that it can maintain its competitive position against other hotels in the market.

Gross Operating Profit – Calculated by deducting departmental expenses and undistributed expenses from total revenues. Gross Operating Profit (referred to as GOP) measures the profit that is under the control of hotel management. Hilton uses the term “Income Before Fixed Charges” and the HVS study used the term “House Profit” rather than GOP. We use the term GOP because that is the term used in the Bond Documents.

Group Booking Pace – A measure of the future group business that is on the books. Usually, the pace is broken into three classifications: 1) Definite bookings, for which a signed contract has been received; 2) Tentative bookings for which a contract has been issued but not signed; and 3) Prospects, which represent groups that have been contacted but for which a contract has not yet been issued. Booking pace information is used to track performance relative to the budget, to prepare and update forecasts, to quote rates for future business and to track the productivity of sales personnel.

Hotel Payroll – Hotel payroll represents the salaries and wages, payroll taxes and employee benefits for all Hotel employees. Payroll is the largest single operating expense in a hotel.

RevPAR or Revenue Per Available Room – Calculated by multiplying the occupancy percentage times the average room rate. The occupancy percentage can be managed, to a certain degree, by manipulating room rates. For example, hotel operators may choose to lower (or discount) room rates during certain periods in an effort to maximize occupancy. RevPAR helps management identify the optimal mix of occupancy and average rate.

Total Revenue – The revenues generated by all departments in the Hotel, net of allowances.

Undistributed Expenses – Expenses that apply to the hotel as a whole and cannot be assigned to an individual operating department (such as rooms). Undistributed expenses are further classified as Administrative and General, Sales and Marketing, Property Operations and Energy.