

Downtown Redevelopment Authority Agenda – December 21, 2023

In accordance with the Open Public Meetings Act (OPMA), the Downtown Redevelopment Authority meeting will be open to in-person attendance. Options for viewing/participating in the meeting remotely will also be accommodated as detailed below.

MEETING ACCESS INFORMATION

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 234 607 030 748

[Download Teams](#) | [Join on the web](#)

Or call in (audio only)

[+1 347-941-5324,783402430#](tel:+13479415324783402430) United States

Phone Conference ID: 783 402 430#

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 			Jan Robertson, Board President Krista Liles, Staff
2.	Approval of Minutes October 19, 2023	2	Approval	Jan Robertson, Board President
3.	Claims and Administrative Expenses	4	Approval	Natasha Ramras, Executive Director
4.	Review November 2023 Financials	10	Update	Natasha Ramras, Executive Director
5.	2024 Hilton Budget Approval (SR12-21-23-01)	17	Approval	Natasha Ramras, Executive Director Mike McLeod, Hilton General Manager
6.	Approval of Architectural Work Tasks selected by the DRA A&D Firm and Authorization to Proceed (SR 12-21-23-03)	26	Approval	Natasha Ramras, Executive Director
7.	Procurement Policy Approval (SR 12-21-23-02)	79	Approval	Natasha Ramras, Executive Director
8.	Other Business			Natasha Ramras, Executive Director
	a. Year End Flow of Funds Estimate		Update	
	b. 2024 Work/Meeting Plan	99	Approval	
	c. Other		Update	
9.	Asset Manager Report	100	Update	Bob Hayward, CHM Warnick
10.	Hotel Manager's Report		Update	Mike McLeod, Hotel General Manager
11.	Executive Session, if needed			Taylor Hallvik, Assistant City Attorney

Next Board Meeting: Thursday, February 15th 2023

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 – 10.19.23

ITEM 1: CALL TO ORDER AND ROLL CALL

The October 19, 2023 meeting of the Downtown Redevelopment Authority was called to order at 11:07 am.

Present: Kathleen Kee, Brad Hutton, Jan Robertson, Debi Ewing,

Absent: Marc Fazio, David Copenhaver

ITEM 2: APPROVAL OF MINUTES - APPROVAL

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

ITEM 3: CLAIMS AND ADMINISTRATIVE EXPENSES- APPROVAL

Item Summary – Ramras provided overview of Claims and Vouchers for July, August, & September in the amounts of **\$4,137,359.53** and **\$115,699.12**, respectfully.

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

ITEM 4: FINANCIALS – SEPTEMBER 2023 - UPDATE

Item Summary – Ramras provided overview of September 2023 financial statements as presented in the meeting packet.

Board discussion regarding future dollar allocation for PFD payments once they are paid off. NR-monthly sales tax revenues will get paid first, remaining goes into the waterfall for 2024 contingencies.

ITEM 5: CAPITAL EXPENSES - APPROVED

Item Summary – Ramras provided explanation of August and September Capital expense payment approval requests totaling **\$174,907.15** as presented in the meeting packet.

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

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

Item Summary - Ramras provided an update of the remodel project including an update on new issues, as presented in the packet on page 51.

ITEM 6B: OTHER BUSINESS – PARKING LICENSE EXTENSION LOT 24 - APPROVAL

Item Summary – Ramras provided an overview of the Staff Report requesting an amendment and extension to the Lot 24 contract, effective November 1, 2023 through September 30th, 2026.

Motion to approve the amendment and extension to the Lot 24 contract as presented in SR 09-14-23-01 by Hutton, seconded by Kee. Approved.

ITEM 6c: OTHER BUSINESS – N/A

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.

Board discussion regarding and options for refinancing for better rates. No plan at this time.

ITEM 8: HOTEL MANAGER REPORT

Item Summary – Hilton General Manager Mike McLeod provided hotel performance updates and revenue highlights including comparisons to local and statewide business. Overall customer satisfaction will continue to improve now that construction is complete and lobby renovation is near completion.

ITEM 9: EXECUTIVE SESSION – N/A

ADJOURNMENT - Meeting adjourned at 11:48am.

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 **\$3,319,648.52** this 21st day of December 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 **\$57,570.27** this 21st day of December 2023.

PRESIDENT

SECRETARY/TREASURER

Natasha Ramras, EXECUTIVE DIRECTOR

BOARDMEMBER

DOWNTOWN REDEVELOPMENT AUTHORITY

Claims Paid October - November 2023

Date	Supplier	Amount	Description	
31-Oct-2023	City of Vancouver	10,000.00	Administrative Services, Oct-23	
31-Oct-2023	City of Vancouver	5,089.72	Lot 24 Parking, Oct-23	
31-Oct-2023	CHM Warnick	11,000.00	Asset Mgmt Fees and Travel Expenses, Sep-23	
01-Oct-2023	Hilton Hotels	42,921.95	Hilton Base Management Fee (Inv# 11578-1233017), Oct-23	
10-Oct-2023		219,770.17	OPCA 2337 - AP	
10-Oct-2023		280,941.03	OPCA 2338 - Payroll	
13-Oct-2023		116,777.74	OPCA 2340 - AP	
17-Oct-2023		126,724.86	OPCA 2339 - Intercompany	
23-Oct-2023		67,794.41	OPCA 2342 - AP	
23-Oct-2023		313,225.72	OPCA 2343 - Payroll	
26-Oct-2023		174,819.86	OPCA 2341 - Sales & Use Tax True Up	
30-Oct-2023		71,213.99	OPCA 2344 - AP	
31-Oct-2023		22,551.24	OPCA 2345 - Month End True Up	
30-Nov-2023		City of Vancouver	10,000.00	Administrative Services, Nov-23
30-Nov-2023		City of Vancouver	9,755.29	Lot 24 Parking, Nov-23
30-Nov-2023	CHM Warnick	11,725.26	Asset Mgmt Fees and Travel Expenses, Oct-23	
01-Nov-2023	Hilton Hotels	42,921.95	Hilton Base Management Fee (Inv# 11578-1235960), Nov-23	
06-Nov-2023		241,111.24	OPCA 2346 - AP	
06-Nov-2023		297,497.78	OPCA 2347 - Payroll	
13-Nov-2023		51,900.18	OPCA 2348 - AP	
17-Nov-2023		118,862.20	OPCA 2350 - Intercompany	
20-Nov-2023		123,539.63	OPCA 2349 - AP	
20-Nov-2023		305,087.74	OPCA 2351 - Payroll	
24-Nov-2023		75,889.12	OPCA 2352 - AP	
28-Nov-2023		196,427.99	OPCA 2353 - Sales & Use Tax True Up	
30-Nov-2023		76,253.07	OPCA 2354 - AP	
30-Nov-2023		269,486.97	OPCA 2355 - Payroll	
30-Nov-2023		26,359.41	OPCA 2356 - Month End True Up	
Total		3,319,648.52		

\$ 57,570.27 Highlighted items reflect the total Administrative Expense amount on the Approval Request

FORM OF ADMINISTRATIVE EXPENSE FUND REQUISITION

ADMINISTRATIVE EXPENSE FUND (156002)

(204969002)


REQUEST NO. 254

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 \$26,089.72

Date: September 30, 2023

DOWNTOWN REDEVELOPMENT AUTHORITY

By:  _____
13CF1393F71146D...

Name: Carrie Lewellen

Title: Auditing Officer

Exhibit A

Supplier	Invoice #	Amount	Description of Services
City of Vancouver	00036855	10,000.00	Administrative Services, Oct-23
City of Vancouver	00036856	5,089.72	Lot 24 Parking, Oct-23
CHM Warnick	14386	11,000.00	Asset Mgmt Fees and Travel Expenses, Sep-23
Total		26,089.72	

FORM OF ADMINISTRATIVE EXPENSE FUND REQUISITION

ADMINISTRATIVE EXPENSE FUND (156002)

(204969002)

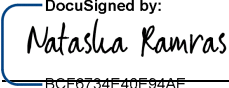
REQUEST NO. 255

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 \$31,480.55

Date: October 31, 2023

DOWNTOWN REDEVELOPMENT AUTHORITY

By:  _____
BCF6734E40E94AE...

Name: Natasha Ramras

Title: Auditing Officer

Exhibit A

Supplier	Invoice #	Amount	Description of Services
City of Vancouver	00037488	10,000.00	Administrative Services, Nov-23
City of Vancouver	00037489	9,755.29	Lot 24 Parking, Nov-23 - NEW RATE
CHM Warnick	14467	11,725.26	Asset Mgmt Fees and Travel Expenses, Oct-23
Total		31,480.55	

Downtown Redevelopment Authority

Narrative Overview of November 2023

Financial Statements

STATEMENT OF NET POSITION

- The DRA's net position has increased by approximately \$4.8 million from year end 2022. This is due in large part to the following:
 - Total assets increased by \$1.0 million 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 \$3.91 million from year end reflecting a \$2.35 million reduction in bond principal, and \$3.64 million reduction in the PFD principal.
- As of November 30th, overall debt to the Clark County PFD totals \$1.16 million, representing a decrease of \$1.85 million from year end 2022.

STATEMENT OF REVENUES EXPENSES AND CHANGES IN NET POSITION

- Operations in November resulted in operating income of \$2.70 million; a decrease over the budgeted Operating Income of \$305k.
 - Depreciation, an Operating Expense which has no effect on cash, totaled \$1.34 million in November 2023.
- Year-over-year investment earnings are up \$426k. This increase is attributed to higher cash balances earning interest at increasing rates.

STATEMENT OF CASH FLOWS

- Overall cash reflects a decrease of \$364k compared to year end 2022.
 - Notable sources of cash for the year included \$18.25 million from operating activities and \$5.54 million in tax receipts from the City and County PFD.
 - Notable uses of cash included \$13.9 million for goods and services related to operating activities and debt service payments of \$5.5 million.

TAX REVENUE COLLECTIONS

- Through November 2023, tax revenue collections are at 196.2% of the Tax Cap compared to 188.5% for the prior year.
- All tax revenues received from Jun-23 until the end of 2023 will be applied toward the outstanding balance on the County PFD Loan.
- As of November 2023, overall tax collections are up \$354k compared to November 2022. Receipts of City Lodging Tax, City PFD STC and County PTD STC are up 19.7%, 3.5%, and 0.9%, respectively.

FLOW OF FUNDS

- Due to timing of OPCA requests and net negative cashflow in the operating cash account for Nov-23, there was not sufficient cash in the Available Revenue + Lockbox accounts to meet the \$500k minimum balance required.
 - Management approved the transfer of \$234k from the Contingency Fund to cover the balance.
- As of November 30th, the DRA had \$4.39 million reserved in the Project Revenue Debt Service Fund.
 - The month-end balance is sufficient to fully fund the principal + interest payment totaling \$1.86 million, due January 1, 2024.
- As of November 30th, the DRA had \$2.6 million reserved in the Tax Revenue Debt Service Fund.
 - The month-end 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 November 2023

	Year to Date							
	November 2023 Actual	November 2022 Actual	Actual \$ Change (2022-2023)	Actual % Change (2022-2023)	Budget through November 2023	Actual-Budget Comparison	2023 Annual Budget	Actual as % of Annual Budget
Revenue & Expense								
Total Operating Revenue	\$ 16,665,763	\$ 17,840,066	\$ (1,174,303)	-6.6%	\$ 19,088,827	\$ (2,423,064)	\$ 23,612,477	70.6%
Total Operating Expense	(15,647,173)	(14,729,320)	(917,853)	6.2%	(16,084,117)	436,944	(18,474,079)	84.7%
Net Operating Income	1,018,590	3,110,746	(2,092,156)	-67.3%	3,004,710	(1,986,120)	5,138,398	19.8%
Non-Operating/Special/Prior Period Adj (*)	2,125,683	1,206,516	919,167	76.2%	432,271	1,693,412	5,187,252	41.0%
Change in Net Position	\$ 3,144,273	\$ 4,317,262	\$ (1,172,989)	-27.2%	\$ 3,436,981	\$ (292,708)	\$ 10,325,650	30.5%
Depreciation (In Operating Expense)	\$ 1,335,078	\$ 1,990,329	\$ (655,251)	-32.9%	\$ 2,108,333	\$ (773,255)	\$ 2,300,000	58.0%

(*)

Refers to items not directly associated with operations. These items include interest earned, city tax collections, excise tax payments and interest accrued.

Items are listed separately under "Non-operating revenues/expenses and special items in the DRA's operating statement."

	Year to Date			
	November 2023 Actual	November 2022 Actual	Actual \$ Change (2022-2023)	Actual % Change
Dedicated Taxes				
City Lodging Tax (2%)	\$ 1,624,150	\$ 1,356,886	\$ 267,264	19.7%
City Sales Tax Credit	2,130,610	2,058,908	71,702	3.5%
County Sales Tax Credit	1,790,019	1,774,699	15,320	0.9%
Total Tax Revenue	\$ 5,544,779	\$ 5,190,493	\$ 354,286	6.8%
Annual Tax Revenue Cap	\$ 2,826,000	\$ 2,753,000	\$ 73,000	2.7%
% of Cap	196.2%	188.5%		

	Year to Date	
	November 2023 Actual	2023 Budgeted
Capital Project Expenses	\$ 2,329,018	\$ 2,392,428
		None for Nov-23

	Year to Date							
	November 2023 Actual	Flow of Funds 12/1/2023	Cash Balances after Flow of Funds	November 2022 Actual	Actual \$ Change (2022-2023)	Actual % Change (2022-2023)	Required Amounts (12/31/2023)	% of Required Amounts (12/31/2023)
Cash Balance Reconciliation								
Operating Petty Cash	\$ 390,611	\$ -	\$ 390,611	\$ 53,167	337,444	634.7%	\$ -	NA
Lockbox/Available Revenue Fund	321,016	221,906	542,922	500,000	42,922	8.6%	500,000	108.6%
Taxes & Insurance Fund	113,060	12,000	125,060	95,385	29,675	31.1%	125,000	100.0%
Administrative Expense Fund	100,000	-	100,000	137,517	(37,517)	-27.3%	100,000	100.0%
Project Revenue Debt Service Fund	4,393,576	-	4,393,576	4,438,270	(44,694)	-1.0%	1,859,306	236.3%
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	-	-	-	847,693	(847,693)	-100.0%	-	N/A
Contingency Fund	1,400,795	(233,906)	1,166,889	1,546,563	(379,674)	-24.5%	-	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	\$ 15,663,227		\$ 15,663,227	\$ 15,623,590	\$ 39,637	0.3%	\$ 4,251,731	
County PFD Fund - Loan Balance	(1,116,493)			(3,286,801)	2,170,308	-66.0%		

Comments

- For the Dec-23 Flow of Funds, there was not sufficient cash in the Available Revenue + Lockbox accounts to cover the \$500k minimum balance. Management approved a \$234k cash transfer from the Contingency Fund.
- As of December 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). Excluding depreciation, the DRA has realized an increase of Net Position totaling \$6.16 million which is \$615k more than the cumulative budgeted increase in Net Position of \$5.55 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 annual tax cap is met will be applied to the outstanding debt balance on the County PFD Loan (\$2.72 million cumulative as of Nov-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 November 30, 2023 and December 31, 2022

	11/30/2023	Audited 12/31/2022	Change from Prior Year-End	% Change
ASSETS				
Current assets				
Cash and cash equivalents	92,762	91,217	1,545	1.7%
Restricted cash with fiscal/escrow agent	15,317,487	15,683,146	(365,659)	(2.3%)
Receivables (net)				
Taxes	1,423,424	1,423,424	(0)	(0.0%)
Accounts	1,871,787	1,386,951	484,836	35.0%
Interest	65,547	48,235	17,312	35.9%
Inventory	55,147	43,407	11,740	27.0%
Prepaid expenses	113,885	272,182	(158,297)	(58.2%)
Total current assets	18,940,039	18,948,562	(8,523)	(0.0%)
Noncurrent assets				
Capital assets				
Buildings and equipment	62,090,155	59,764,071	2,326,084	3.9%
Accumulated depreciation	(30,432,409)	(29,097,331)	(1,335,078)	4.6%
Total noncurrent assets	31,657,746	30,666,740	991,006	3.2%
TOTAL ASSETS	50,597,785	49,615,302	982,483	2.0%
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized deferred amount on refunding	701,218	764,965	(63,747)	(8.3%)
LIABILITIES				
Current liabilities				
Accounts payable	127,881	80,059	47,822	59.7%
Accrued interest payable	834,776	1,060,606	(225,830)	(21.3%)
Accrued liabilities	1,400,494	1,231,359	169,135	13.7%
Subordinate fee amortization	-	53,096	(53,096)	(100.0%)
Unearned revenue	1,134,258	742,623	391,635	52.7%
Bonds, notes and leases payable	2,525,000	2,384,304	140,696	5.9%
Total current liabilities	6,022,409	5,552,857	470,362	8.5%
Noncurrent liabilities				
Bonds, notes and leases payable from restricted assets	45,019,499	47,542,057	(2,522,558)	(5.3%)
Due to other governments	1,630,825	3,484,420	(1,853,595)	(53.2%)
Total noncurrent liabilities	46,650,324	51,026,477	(4,376,153)	(0.3%)
TOTAL LIABILITIES	52,672,733	56,579,334	(3,905,790)	(6.9%)
NET POSITION				
Net investment in capital assets	(15,185,535)	(18,494,656)	3,309,121	(17.9%)
Restricted for capital purposes	-	945,428	(945,428)	(100.0%)
Restricted for debt service	7,007,151	6,945,345	61,806	0.9%
Unrestricted	6,804,654	4,404,816	2,399,838	54.5%
TOTAL NET POSITION	(1,373,730)	(6,199,067)	4,825,337	(77.8%)

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 November 30, 2023 and 2022

	Actuals				Budget		
	Eleven months ending November 30, 2023	Eleven months ending November 30, 2022	\$ Change	% Change	YTD Budget	Variance to Budget Favorable/ (Unfavorable)	%
OPERATING REVENUES							
Charges for services	18,346,802	17,840,066	506,736	2.8%	19,088,827	(742,025)	-3.9%
Miscellaneous	-	-	-		-	-	
Total operating revenues	18,346,802	17,840,066	506,736	2.8%	19,088,827	(742,025)	-3.9%
OPERATING EXPENSES							
Supplies and contractual services	14,312,095	12,738,991	1,573,104	12.3%	13,975,784	(336,311)	-2.4%
Depreciation	1,335,078	1,990,329	(655,251)	-32.9%	2,108,333	773,255	36.7%
Total operating expenses	15,647,173	14,729,320	917,853	6.2%	16,084,117	436,944	2.7%
Operating income (loss)	2,699,629	3,110,746	(411,117)		3,004,710	(305,081)	10.2%
NONOPERATING REVENUES (EXPENSES)							
Interest earnings	582,068	156,312	425,756	272.4%	41,250	540,818	1311.1%
Intergovernmental contributions	3,754,760	3,415,793	338,967	9.9%	2,590,500	1,164,260	44.9%
Excise Tax	(270,534)	(261,170)	(9,364)	3.6%	(242,832)	(27,702)	11.4%
Interest and fiscal charges	(1,994,517)	(2,203,248)	208,731	9.5%	(2,055,477)	60,960	-3.0%
Total nonoperating revenues (expenses)	2,071,777	1,107,687	964,090	-87.0%	333,442	1,738,335	-521.3%
SPECIAL ITEMS							
Gain on extinguishment of Debt	53,906	98,829	(44,923)		98,829	(44,923)	
Claims Settlement	-	-	-		-	-	
Total special items	53,906	98,829	(44,923)		98,829	(44,923)	
Change in net position	4,825,312	4,317,262	508,050	-11.8%	3,436,980	1,388,332	-40.4%
TOTAL NET ASSETS - BEGINNING	(6,199,041)	(11,542,837)	5,343,796	46.3%			
Prior Period Adjustment							
TOTAL NET ASSETS - ENDING	(1,373,729)	(7,225,575)	5,851,846	81.0%			

Downtown Redevelopment Authority
(A Component Unit of the City of Vancouver)

STATEMENT OF CASH FLOWS

For the month ended November 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from operating activities	\$ 18,253,601
Cash payments for goods and services	(13,948,554)
Net cash provided (used) by operating activities	<u>4,305,047</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Receipts from other governments	5,544,779
Payments to other governments	(2,989,313)
Net cash provided (used) by noncapital financing activities	<u>2,555,466</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	(2,326,084)
Net cash provided (used) by capital and related financing activities	<u>(7,789,381)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipt of interest	564,756
Net cash provided (used) by investing activities	<u>564,756</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(364,112)
CASH AND CASH EQUIVALENTS - BEGINNING	15,774,363
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ <u>15,410,251</u></u>
Reconciliation of operating income (loss) to net cash used by operating activities:	
Net operating income (loss)	\$ 2,699,629
Adjustments to reconcile net operating income (loss) to net cash provided by operations:	
Depreciation expense	1,335,078
(Increase) Decrease in receivables	(484,811)
(Increase) Decrease in inventories	(11,740)
(Increase) Decrease in prepaid items	158,297
Increase (Decrease) in current payables	216,958
Increase (Decrease) in unearned revenue	391,635
Total adjustments	<u>1,605,416</u>
Net cash provided (used) by operating activities	<u>\$ 4,305,045</u>

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

	Account name	Beginning Balances (11/1/2023)	Ending Balances (11/30/2023)	December 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	47,286	390,611	-	390,611	-	390,611	Remaining balance intended to cover automatically deducted banking/merchant charges.
2	Available Revenue Account & Lockbox Account	1,165,783	321,016	221,906	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	73,060	113,060	12,000	125,060	125,000	60	Cash to be moved as needed to meet estimated renewal due in December for Casualty & Crime policy (last of the three annual policies).
4	Administrative Expense Fund	100,000	100,000	-	100,000	100,000	-	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	3,842,195	4,393,576	-	4,393,576	1,859,306	2,534,270	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	1,400,795	1,400,795	(233,906)	1,166,890	-	1,166,890	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	15,573,289	15,663,227	-	15,663,227		5,080,903	
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	(1,475,855)	(1,116,493)	-	(1,116,493)			Represents the outstanding loan balance owed to the Clark County PFD as of month end.

Notes to Accompany Bank Balances

<p>The Operating Petty Cash Account is the account from which the Project Manager, Hilton, deposits the funds withdrawn from the Lockbox solely for the purpose of paying Operating Expenses, Pursuant to Section 3.07 of the Amended and Restated 1 Operating Agreement.</p>	<p>Tax Revenue Debt Service Fund is maintained to meet the debt service requirements of the Conference Center Project Refunding Revenue Bonds Series 2013B, which is the portion of the bond offering secured by the tax revenue flow, without regard to revenue generated by operations of the Hotel and Convention Center Project. Total debt issued \$18,045,000. Full maturity of the debt - January 1, 2034. A complete schedule of interest and principal payments 6 from the Bond offering Official Statement is attached.</p>	<p>The Authority Reserve Fund was established pursuant to Appendix A of the Amended and Restated Trust Indenture - the Authority Reserve Fund Requirement is an amount equal to \$500,000. Funds can be used to meet an obligation of the DRA when shortfalls exist in other accounts otherwise designated to pay that obligation but only after the Contingency 11 fund is fully depleted.</p>
<p>The Available Revenue Fund was established pursuant to Section 5.03 of the Indenture. The Lockbox accounts is maintained pursuant to Section 5.05 of the Indenture and established pursuant to Section 2 of the Amended and Restated Cash Management and Lockbox agreement. At the beginning of each month the Lockbox is required to have the Operating Cost Set Aside Amount, which Pursuant to Appendix A of the Amended and Restated Trust Indenture - the Operating Cost Set Aside Amount 2 means \$500,000.</p>	<p>The Renewal and Replacement Fund is the account for which capital projects are funded. The amount required to be deposited is calculated at 4% of the Monthly Gross Operating Revenue. The deficit is calculated on a cumulative basis from the beginning of the project, less cumulative deposits from the beginning of the project. The ending cash balance represents cumulative deposits from the beginning of the project, less cumulative expenditures from the beginning of the project. The amounts to fund the deficit flow into this account annually. The 4% Subordinate Renewal and Replacement Set Aside Amount requirement is Pursuant to Appendix A of the 7 Amended and Restated Trust Indenture.</p>	<p>The Cash Trap Fund was established pursuant to Appendix A of the Amended and Restated Trust Indenture - the Cash Trap Fund Requirement means the amount of \$2,500,000. Funds can be used to meet an obligation of the DRA when shortfalls exist in other accounts otherwise designated to pay that obligation but only after the Contingency fund and 12 Authority Reserve Fund are fully depleted.</p>
<p>The Taxes and Insurance Fund is maintained to ensure significant fund for annual insurance premiums when due. There is no requirement to maintain a minimum 3 balance. Established pursuant to Section 5.03 of the Indenture.</p>	<p>The Contingency Fund holds an amount Pursuant to Appendix A of the Amended and Restated Trust Indenture - the Contingency Requirement means an amount equal to \$2,000,000. These funds can be used to meet an obligation of the DRA when shortfalls exist in other accounts 8 otherwise designated to pay that obligation.</p>	<p>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. 13a</p>
<p>The Administrative Expense Fund is maintained to ensure monthly administrative obligations are funded when due. There is no stated minimum amount required to 4 be maintained. Established pursuant to Section 5.03 of the Indenture.</p>	<p>The Management Fee Fund is the account that will accumulate the funds that the Authority is obligated to pay, in arrears, subject to the availability of amounts in this fund the subordinate component of the management fee. The obligation to accrue the amount monthly becomes effective in calendar year 2016. The 2021 annual obligation is \$139,055. See Section 8 of the First 9 Amendment to the Management Agreement outlines the on-going obligation.</p>	<p>The County PFD Fund holds amounts used to repay liability to County PFD. This balance increases monthly with flow of County Sales Tax Credit Revenue. Established pursuant to Section 5.03 of the Indenture. Amounts are applied to interest first. Interest rate is 5.63%. Amounts in the Excess Revenue Fund in each calendar year shall be applied as follows: (i) 50% of such amounts shall be deposited in the Authority Reserve Fund; and (ii) 50% of such amounts shall be paid by the 13b Trustee to the County PFD in accordance with the County Interlocal Agreement.</p>
<p>The Project Debt Service Fund is maintained to meet the debt service requirements of the Conference Center Project Refunding Revenue Bonds Series 2013A, which is the portion of the bond offering secured by the revenue flow of the Hotel and Convention Center Project. Total debt issued - \$41,185,000. Full maturity of the debt - January 1, 2044. A complete schedule of interest and principal payments from the 5 Bond offering Official Statement is attached.</p>	<p>The Subordinate Renewal and Replacement Fund is the second available account for which capital projects are funded. The amount required to be deposited is calculated at 1% of Monthly Gross Operating Revenue. The deficit is calculated on a cumulative basis from the beginning of the project, less deposits made into the account less cumulative deposits from the beginning of the project. The ending cash balance represents cumulative deposits from the beginning of the project, less cumulative expenditures from the beginning of the project. The amounts to fund the deficit flow into this account annually. The 1% Subordinate Renewal and Replacement Set Aside Amount requirement is Pursuant to Appendix A of the Amended and Restated Trust 10 Indenture.</p>	
<p>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.</p>		



HILTON VANCOUVER WASHINGTON

2024 Budget Presentation

December 21, 2023

Hilton

MARKET OVERVIEW



Market Performance: October 2023

- +3.9% RevPAR growth YTD – Hilton
- +5.5% RevPAR growth YTD – Vancouver
- +4.6% RevPAR growth YTD – Portland

Group Room Nights for 2024:

- Definite group room nights on the books for 2024 are +122% when compared to our position for 2020. ADR is +8%.

NEW SUPPLY:

Ritz Carlton Portland – Oct '23

251 ROOMS

Tru by Hilton – May '24

82 ROOMS






2024

- Worked with Hilton to develop revenue, expense and labor targets.
- Budget reflects our continued recovery.
- The hotels mix of business will shift slightly to more Group, Transient & Group Catering.
- Hilton and CHMWarnick have reviewed and approved the hotels final budget for presentation.

OPERATING TRENDS

	2024 Budget	2023 Forecast	2019 Actual
Total Revenue	\$21M	\$19.7M	\$20.29M
RevPAR	\$145.44	\$139.89	\$130.18
Gross Operating Profit (GOP)	\$5.58M	\$5.46M	\$6.38M
GOP Margin	26.5%	27.7%	31.5%
Net Operating Income	\$4.54M	\$4.48M	\$5.51M

2024 CAPITAL



ITEM	AMOUNT
Kitchen Equipment	\$183K
EV Charging Stations (4) & Garage Parking Gate Replacement	\$23K
Information Technology	\$105K
3rd Floor Patio Furniture & Outdoor Entrance Pots	\$14K
Brand Standard Requirements	\$14K
Operations	\$122K
Contingency	\$23K
TOTAL	\$483K

**DOWNTOWN REDEVELOPMENT AUTHORITY
STAFF REPORT NO. 12-21-23-01**

TO: Downtown Redevelopment Authority
FROM: Board Natasha Ramras, Executive Director

DATE: 12/21/23

Subject: Downtown Redevelopment Authority 2024 Operating and Capital Budgets

Objective: Adopt the DRA 2024 Operating and Capital Budget

Present Situation:

The estimated revenues and expenses for 2024 for the Vancouver Downtown Redevelopment Authority are shown in Attachment A. The proposed operating budget totals \$21,088,218 for the year, and the proposed capital budget totals \$982,940. Projects included in the Capital Budget are shown in Attachment B.

As detailed in Attachment A, the DRA will receive revenue primarily from hotel/convention center operations, and from the three tax sources dedicated to the conference center project: the City's Lodging Tax, the City Public Facilities District Sales Tax Credit, and the 8 Public Facilities District Sales Tax Credit. The City will continue to serve as the DRA's fiscal agent and provide management, legal, accounting, and other fiscal services to the DRA.

Proposal: To approve the 2024 Operating and Capital Budgets.

Action Requested:

Approve the resolution. An example motion would be: "I move to approve Resolution 12-21-23-01, adopting the Downtown Redevelopment Authority Operating and Capital Budgets for the year ending December 31, 2023."

Attachments:

- Resolution
- Attachment A
- Attachment B

RESOLUTION NO. 12-21-23-01

A RESOLUTION of the Board of Directors of the Downtown Redevelopment Authority (DRA) approving the 2024 Operating and Capital Budgets.

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

WHEREAS, the DRA Board has received and considered its 2024 Operating and Capital Budgets in public session and has invited and received public comment, all as related in DRA Staff Report 12-21-23-01

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

Section 1. An operating budget appropriation in the amount of \$21,088,281 for 2024 is hereby approved and adopted. A capital budget appropriation in the amount of \$982,940 is hereby approved and adopted.

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

ADOPTED by the Board of Directors of the Downtown Redevelopment Authority at a regular meeting held this 21st day of December 2023.

ATTEST:

APPROVED TO FORM:

Jan Robertson, Chairwoman of the Board

Taylor Hallvik, Attorney to DRA

Kathleen Kee, Secretary-Treasurer

**Downtown Redevelopment Authority
2024 Operating and Capital Budget**

Attachment A

<u>Revenues</u>	<u>2024 Budget</u>
Tax Revenues	\$ 2,900,000
Conference Center & Hotel Operations	\$ 21,022,528
Total Revenues	\$ 23,922,528

Operating Expenses

Conference Center & Hotel Operations	\$ (14,816,815)
Room Expenses	\$ (3,468,899)
Total Overhead	\$ (5,590,042)
F&B	\$ (5,757,874)
Professional Services (Includes Management Fee)	\$ (934,430)
City Administrative Support, Exec. Director & Accounting	\$ (155,000)
Insurance, Taxes and Other Operating Expenses	\$ (712,424)
Total Operating Expenses	\$ (16,618,669)

Other Income/(Expense)

Interest Earnings & Other	\$ 10,000
County Interest Expense	\$ (2,000)
Interest Charges-Series 2013 Project Revenue Bonds	\$ (1,551,863)
Interest Charges-Series 2013 Tax Revenue Bonds	\$ (395,750)
Total Other Income/Expenses	\$ (1,939,613)

Net Budgeted Revenue and Expense Affecting Cash \$ 5,364,247

Non-Cash Budgeted Expense Items

Depreciation	\$ (2,450,000)
Amortization	\$ (70,000)
Total Non-Cash Budgeted Expense Items	\$ (2,520,000)

Projected Income/(Loss) **\$ 2,844,247**

Total Operating Budget Appropriation A+B+C+D+E **\$ (21,088,281)**

2024 Capital Budget

Capital Expense Budget Summary by Category

Building Improvements	
Assessment of all building systems, envelope, expansion feasibility, repair	\$ 500,000
Building FF&E - new requests	\$ 355,840
Information Technology and contingency	\$ 127,100
Total Capital Budget Appropriation	\$ 982,940

2024 Additional Cash expense (principal)	\$ 2,525,000
2024 Projected Impact on DRA reserves	\$ 1,856,307

DRA 2024 Capital Budget

<i>Description</i>	<i>TOTAL</i>	<i>20 Year Capital</i>	<i>Comments</i>
Hotel			
Ice Machines for guestroom floors (2)	\$6,210	Y	2 original equipment ice machines remain on 2 floors. The most recent was replaced in 2023.
Tilt Skillet	\$29,000	Y	Original Equipment
Tilt Kettle Gas (2)	\$80,000	Y	Original Equipment
Replace original Super-cooled Refrigeration-Freezer	\$74,000	Y	Original Equipment. Super-cooled refrigerator/freezer intended to quick cool large batches of cooked product. This is a replacement unit for current original unit as repair company has given it a limit life expectancy.
Banquet Items: upgraded buffet station	\$47,180		Intended to bring upgrades and compete with new products
EV Charging Station (4) and installation	\$15,000	N	Includes electrical installation
2 way radios (12)	\$9,336	N	The hotels main form of internal communication with operating departments. 12 new radios to replace or rebuild pars. Last large purchase occurred in 2019.
Vacuums for housekeeping and banquets	\$8,718	N	Windsor Sensor S12 Vacuum Cleaner - 10 (5 banquet & 5 Housekeeping)
Banquet Coffee Machine	\$16,171	N	Replacement of banquet coffee machine
Espresso Machine Gray's Coffee Shop	\$22,006	N	Replacement of espresso machine
Stainless Steel Scullery Station	\$12,170	N	Breakdown station on wheels for banquets to use in service hall, currently build our own stacking tables on glass racks
Outdoor Flower Pots	\$4,000	N	Pots for building exterior. Our large pots at the entrance were broken last year and need to be replaced
3rd Floor Patio Furniture	\$10,000	N	Replace original patio furniture on the rooms with patios and the two guest patios
Parking Equipment	\$8,000	Y	Replacement of parking gate, original equipment
Night Lights	\$3,832	N	Room night lights - Hilton Brand Standard
Bedside Power	\$10,218	N	Bedside power strips - Hilton Brand Standard
Hotel TOTAL	\$355,840		
INFORMATION TECHNOLOGY (I.T.)			
Hardware Refresh	\$5,500		Complete the computer refresh - PC's, laptops and printers
Electronic Key Locker	\$12,000		Electronic key locker at PBX to secure and monitor hotel keys
Run Data Lines for Grays (6 lines)	\$10,000		Run (6) new data lines from Grays Restaurant to server room so the POS system is not running on its own switch - Hilton Brand Standard
Meeting Room Reader Boards (10 out of 21)	\$10,000		Replacement of (10) of our (21) electronic meeting room
New Telephone System	\$60,000		Replacement of original 2005 phone system to include new PBX swithboards and telephones throughout the hotel.
EMV Terminals	\$7,000		(5) Move 5000 EMV for Grays allowing pay at table functionality. (3) hardwired EMV Lane 7000 for front desk to bring all EMV readers up to date (purchased in 2018).
I.T. TOTAL	\$104,500		
Small Project/Contingency (226 x \$100)	\$22,600		
Total Contingency	\$22,600		
DRA Capital			
Evaluation of all major systems (roof, HVAC, etc.)	50,000		
Evaluation of building envelope	40,000		
Feasibility study for potential expansion	50,000		
Contingency for repairs, design	360,000		
Subtotal DRA Capital	500,000		
TOTAL CAPITAL BUDGET	<u>982,940</u>		

**DOWNTOWN REDEVELOPMENT AUTHORITY
STAFF REPORT NO. 12-21-23-03**

TO: Downtown Redevelopment Authority Board
FROM: Natasha Ramras, Executive Director

DATE: 12/21/23

Subject: Authorization of work to be performed under tasks 1 and 2 by Ankrom Moisan

Objective: Authorize the Executive Director to Sign an authorization of work under the Professional Services Agreement with Ankrom Moisan to evaluate water penetration and study feasibility of Convention Center expansion.

Present Situation: In 2023 DRA advertised and issued a Request for Proposal/Qualifications for architectural and engineering work that DRA is interested in pursuing over the next several years. The scope of work included architectural and engineering work related to the urgent or cyclical repair, remodeling existing facilities and tenant improvements, HVAC, plumbing and other building systems evaluations/upgrades, electrical, building envelope maintenance and preparation of architectural documents and construction documents on an as-needed basis. Ankrom Moisan has been selected to perform the work identified in the Request for Proposal, with specific scope and costing defined for each specific task. The total value of the contract with Ankrom Moisan is set at not-to-exceed \$300,000.

Two of the three high priority tasks Ankrom Moisan and staff defined for performing during early to mid-2024 are identified in this request for authorization (SR 12-21-23-03) as indicated below.

The first task is to perform additional evaluation of the building envelope and prior reports and make recommendations to eliminate water penetration. This task is estimated to cost \$37,659.

The second task is for pre-design and feasibility of expansion of the Convention Center by adding additional 20,000 square feet of ballroom space. The estimate is \$42,740.

The budget for each task has been included in the DRA Capital budget for 2024. There is also a contingency in the budget for the actual repair work that might need to take place in 2024, consistent with recommendations.

Proposal: DRA staff recommends that the DRA Board approves tasks 1 and 2 under the contract.

Action Requested: Authorize the Executive Director to authorize work consistent with tasks number 1 and 2. “I move to authorize notice to proceed with tasks number 1 and 2.”

Attachments:

1. Contract with Ankrom Moisan
 2. Task No 1 Notice to Proceed
 3. Task No 1 Scope of Work
 4. Task No 2 Notice to Proceed
 5. Task No 2 Scope of Work
-

**SERVICES AGREEMENT
No. DRA1-23**

This Services Agreement (hereinafter referred to as the “Agreement”) is entered into by and between the City of Vancouver Downtown Redevelopment Authority, a municipal corporation organized under the laws of the State of Washington, (hereinafter referred to as the "DRA") and Ankrom Moisan (hereinafter referred to as the "Contractor"). The DRA and Contractor may be collectively referred to herein as the “parties” or individually as a “party”.

WHEREAS, the DRA desires to engage the Contractor to perform services as described in this Agreement; and

WHEREAS, the DRA advertised and issued a Request for Proposal/Qualifications, numbered DRA1-23 (hereinafter referred to as the “solicitation”) and after evaluation of the Contractor’s responsive proposal, found the Contractor be capable of performing the required services; and

WHEREAS, the Contractor represents by entering into this Agreement that it is fully qualified to perform the services described herein in a competent and professional manner, and to the full satisfaction of the DRA.

NOW, THEREFORE, in consideration of the terms, conditions, covenants, and performance contained herein, or attached and incorporated and made a part hereof, the parties hereto agree as follows:

- 1. SCOPE OF WORK:** The Contractor agrees to provide the DRA all services and materials set forth below, and as further described in the DRA’s solicitation, and the Contractor’s responsive proposal to the DRA’s solicitation, (collectively referred to herein as the “work”) which are each incorporated herein by this reference, and made a part of this Agreement as if fully set forth herein.

The scope of work could include architectural and engineering work related to the urgent or cyclical repair, like window replacement; remodeling existing facilities and tenant improvements, including ADA upgrades; finishes and flooring replacements; lighting and electrical service evaluations/upgrades/replacements; door hardware upgrades; HVAC, plumbing and other building systems evaluations/upgrades/replacements; building envelope maintenance, repairs and replacements; backup generator power needs; preparation of technical studies; and preparation of architectural documents and construction documents on an as needed basis, depending on the project.

The exact scope of services for each project/task will be negotiated during the development of specific task orders and will be based on the selected firm's input as well as the DRA's requirements. Once selected for a specific project, the firm shall provide a cost proposal that will be based on the approved hourly rates established as part of the master contract award. It is anticipated that all of these projects/tasks will be locally or state funded, as such all requirements of the funding source must be adhered to.

All work must be authorized and approved by the DRA's Project Manager before any work can begin. The Contractor shall approach each project in a manner consistent with its usual customary business practices. The Contractor shall actively seek collaborative input from DRA staff.

- 2. COMPENSATION:** Payment to the Contractor for the work described in this Agreement shall not exceed \$ 300,000.00 USD.

This payment shall be maximum compensation for the work and for all labor, materials, supplies, equipment and incidentals necessary to complete the work as set forth herein, and it shall not be exceeded without the DRA's prior written authorization in the form of a negotiated and executed amendment.

Compensation is limited to the amount specified for each specific task and/or sub-task, unless amended in writing. The DRA requires the Contractor to complete the work stated within the number of hours stated for each task, and/or sub-task, or the lump sum amount. If compensation is made on an hourly basis and the work requires fewer hours than those estimated, the Contractor will be paid for the actual worked hours necessary to complete that task and/or sub-task. If the Contractor underestimated the number of hours required to perform the work, the Contractor shall be paid up to the maximum number of hours stated for the task and/or sub-task. Compensation may be amended, at the DRA's sole discretion, for documentable circumstances not reasonably foreseeable to either party at the time the task and/or subtask is initiated, or for changes to the scope of work or deliverables requested by the DRA. All deliverables must be acceptable to the DRA, at the sole discretion of the DRA.

Travel expenses are limited to airfare, or mileage at the current IRS rate, and lodging at the U.S. General Services Administration rates. The Contractor is solely responsible for its staff's travel time, including travel to and from the DRA. The DRA will reimburse only pre-approved miscellaneous Contractor expenses at-cost upon submission of receipts to DRA.

- 3. PAYMENT FOR CONTRACTOR SERVICES:** The Contractor shall submit monthly invoices to DRA covering both professional fees and project expenses, if any, for fees and expenses from the previous month. Payments to Contractor shall be net thirty (30) days.

The DRA reserves the right to correct any invoices paid in error. The Contractor shall be paid according to the rates set forth in Attachment “B”, incorporated herein by this reference, and made a part of this Agreement as if fully set forth herein.

DRA and Contractor agree that any amount paid in error by DRA does not constitute a rate change in the amount of the contract. The DRA’s contract/purchase order (PO) number given on the notice to proceed **must** be referenced on any invoice submitted for payment.

4. **TERM OF AGREEMENT:** The term of this Agreement shall commence on August 1, 2023 and continue until July 31, 2028. Unless directed otherwise by the DRA, Contractor shall perform the work in accordance with any schedules made a part of this Agreement.
5. **ORDER OF PRECEDENCE:** Where there is a conflict among or between any of these documents, the controlling documents shall be the first listed in the following sequence: Amendments to this Agreement; this Agreement; Contract Purchase Orders; the Contractor’s responsive proposal to the DRA’s solicitation, and the DRA’s solicitation.
6. **RELATION OF PARTIES:** The Contractor, and its subcontractors, agents, employees, or other vendors contracted by the Contractor to provide services or other work for the purpose of meeting the Contractor’s obligations under this agreement (collectively referred to as “subcontractors”), are independent contractors performing professional services for the DRA and are not employees of the DRA. The Contractor and its subcontractors shall not, as a result of this Agreement, accrue leave, retirement, insurance, bonding or any other rights, privileges, or benefits afforded to DRA employees. The Contractor and its subcontractors shall not have the authority to bind DRA in any way except as may be specifically provided herein.
7. **E-VERIFY:** The Contractor shall enter into and register a Memorandum of Understanding with the Department of Homeland Security E-Verify program within sixty (60) days after execution of this Agreement. The Contractor shall ensure all Contractor employees and any subcontractors assigned to perform work under this Agreement are eligible to work in the United States. The Contractor shall provide verification of compliance upon the request of the DRA. Failure by the Contractor to comply with this subsection shall be considered a material breach.
8. **DELAYS AND EXTENSIONS OF TIME:** If the Contractor is delayed at any time in the progress of the work covered by this Agreement, by any causes beyond Contractor's control, the time for performance may be extended by such time as shall be mutually agreed upon by the Contractor and the DRA and shall be incorporated in a written amendment to this Agreement. Any request for an extension of time shall be made in writing to the DRA.

9. OWNERSHIP OF RECORDS AND DOCUMENTS: Any and all work product prepared by the Contractor in the course of performing this Contract shall immediately become the property of the DRA. In consideration of the compensation provided for by this Agreement, the Contractor hereby further assigns all copyright interests in such work product to the DRA. A copy may be retained by the Contractor. Previously owned intellectual property of Contractor, and any know-how, methodologies or processes used by the Contractor to provide the services or project deliverables under this Agreement shall remain property of the Contractor.

10. TERMINATION FOR PUBLIC CONVENIENCE: The DRA, at its sole discretion, may terminate this contract for convenience at any time for any reason deemed appropriate. Termination is effective immediately upon notice of termination given by the DRA.

In the event this Agreement is terminated prior to the completion of work, the Contractor will only be paid for the portion of the work completed at the time of termination of the Agreement.

11. TERMINATION FOR DEFAULT: If the Contractor defaults by failing to perform any of the obligations of the Agreement, including violating any law, regulation, rule or ordinance applicable to this Agreement, or becomes insolvent or is declared bankrupt or commits any act of bankruptcy or insolvency or makes an assignment for the benefit of creditors, the DRA may, by depositing written notice to the Contractor in the U.S. mail, postage prepaid, terminate the Agreement, and at the DRA's option, obtain performance of the work elsewhere.

If the Agreement is terminated for default, the Contractor shall not be entitled to receive any further payments under the Agreement until all work called for has been fully performed. Any extra cost or damage to the DRA resulting from such default(s) shall be deducted from any money due or coming due to the Contractor. The Contractor shall bear any extra expenses incurred by the DRA in completing the work, and all damage sustained, or which may be sustained by the DRA by reason of such default.

If a notice of termination for default has been issued and it is later determined for any reason that the Contractor was not in default, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to the termination for public convenience paragraph herein.

12. OPPORTUNITY TO CURE: The DRA at its sole discretion may in lieu of a termination allow the Contractor to cure the defect(s), by providing a "Notice to Cure" to Contractor setting forth the remedies sought by DRA and the deadline to accomplish the remedies. If the Contractor fails to remedy to the DRA's satisfaction the breach or default of any of the terms, covenants, or conditions of this Contract within the time stated time, the DRA shall have the right to terminate the Contract without any further obligation to the Contractor. Any such termination for default shall not in any way operate to preclude the DRA from also pursuing all available remedies against the Contractor and its sureties for said breach or default, including but not limited to termination of this Contract for convenience.

13. COMPLIANCE WITH THE LAW: The Contractor agrees to comply with all relevant, Federal, State, and Municipal laws, rules, policies, regulations or ordinances in the performance of work under this Agreement.

14. CITY BUSINESS AND OCCUPATION LICENSE: The Contractor will be required to obtain a business license when contracting with the City unless allowable exemptions apply. The Contractor shall contact the State of Washington Business License Service (BLS) at: <http://bls.dor.wa.gov/file.aspx>, or by phone at 800-451-7985, or go to www.bls.dor.wa.gov/cities/vancouver.aspx or www.cityofvancouver.us/businesslicense, to determine whether a business license is required pursuant to the Vancouver Municipal Code (VMC) Chapter 5.04.

15. LIABILITY AND HOLD HARMLESS: The Contractor agrees to indemnify, defend, save and hold harmless the DRA, its officials, employees and agents from any and all liability, demands, claims, causes of action, suits or judgments, including costs, attorney fees and expenses incurred in connection therewith, of whatsoever kind or nature (including patent infringement or copyright claims) to the extent arising out of, or in connection with, or incident to, the negligent performance or willful misconduct pursuant to this Agreement. This indemnity and hold harmless shall include any claim made against the DRA by an employee of Contractor or subcontractor or agent even if Contractor is thus otherwise immune from liability pursuant to the workers' compensation statute, Title 51 Revised Code of Washington (RCW), except to the extent that such liability arises from the concurrent negligence of both the DRA and the Contractor, such costs, fees and expenses shall be shared between the DRA and the Contractor in proportion to their relative degrees of negligence. The Contractor specifically acknowledges the provisions contained herein have been mutually negotiated by the parties and it is the intent of the parties that the Contractor provide the broadest scope of indemnity permitted by RCW 4.24.115. The Contractor is an independent contractor and responsible for the safety of its employees.

16. INSURANCE: The Contractor shall obtain and keep in force during the entire term of this agreement, liability insurance against any and all claims for damages to person or property which may arise out of the performance of this Contract whether such work shall be by the Contractor, subcontractor or anyone directly or indirectly employed by either the Contractor or a subcontractor.

All liability insurance required herein shall be under a Comprehensive or Commercial General Liability and business policies.

COVERAGE	LIMITS OF LIABILITY
I. Commercial General Liability:	
Policy shall include Bodily Injury, Property Damage, Personal Injury and Broad Form Contractual Liability	
Each Occurrence	\$1,000,000
General Aggregate Per Occurrence	\$2,000,000
Products & Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury	\$1,000,000
Blanket Contractual Liability	\$1,000,000
II. Commercial Automobile Liability	
Policy shall include Bodily Injury and Property Damage, for any owned, Hired, and/or Non-owned vehicles used in the operation, installation and maintenance of facilities under this agreement.	
Combined Single Limit	\$1,000,000
III. Workers' Compensation (applicable to the State of Washington)	
Per Occurrence	
Employer's Liability	\$1,000,000
Disease Each Employee	\$1,000,000
Disease Policy Limit	\$1,000,000
Each Claim	\$1,000,000
Annual Aggregate	\$1,000,000
IV. Umbrella Liability	
Each Claim	\$1,000,000
Annual Aggregate	\$5,000,000
V. Professional Liability	
Policy shall include coverage against any and all claims for damages to person or property which may arise out of the performance of this Contract whether such work shall be by the Contractor, subcontractor or anyone directly or indirectly employed by either the Contractor or a subcontractor	\$1,000,000

In addition to the coverage and limits listed above the Contractor's insurance must all contain the following:

- a. DRA Listed as an Additional Insured. The City of Vancouver Downtown Redevelopment Authority, its Agents, Representatives, Officers, Directors, Elected and Appointed Officials, and Employees must be named as an additional insured. The required Additional Insured endorsements shall be at least as broad as ISO CG 20 10 11 85, or its equivalent CG 20 10 07 04 and CG 20 37 07 04 must be included with the Certificate of Insurance.
- b. Either the Commercial General Liability or the Workers' Compensation policy must be endorsed to include "Washington Stop Gap" insurance. The limits and aggregates

referenced must apply to the Stop Gap coverage as well and must be indicated on the certificate.

- c. Employment Security. The Contractor shall comply with all employment security laws of the State in which services are provided and shall timely make all required payments in connection therewith.
- d. The City of Vancouver Downtown Redevelopment Authority shall be listed on the Certificate as the Certificate Holder.
- e. Coverage Trigger: The insurance must be written on an “occurrence” basis. This must be indicated on the Certificate.

Contractor shall provide evidence of all insurance required, at the DRA’s request, by submitting an insurance certificate to the DRA on a standard “ACORD” or comparable form.

All policies shall be issued by an insurance company licensed to do business in the State of Washington. The DRA may inspect all policies and copies shall be provided to the DRA upon request.

17. NOTICES: All notices which are given or required to be given pursuant to this Agreement shall be hand delivered, mailed postage paid, or sent by electronic mail as follows:

For the DRA:
Natasha Ramras
Downtown Redevelopment Authority
415 W 6th Street
P O Box 1995
Vancouver WA 98668-1995
Email: natasha.ramras@cityofvancouver.us

For the Contractor:
Bethanne Mikkelsen
Ankrom Moisan
38 NE Davis Street, Suite 300
Portland, OR 97209
Email: bethannem@ankrommoisan.com

Either party may change the designated contact or any information listed above by giving advance notice in writing to the other party.

18. AMENDMENTS: All changes to this Agreement, including changes to the scope of work and compensation sections, must be made by written amendment and signed by all parties to this Agreement.

19. SCOPE OF AGREEMENT: This Agreement incorporates all the agreements, covenants and understanding between the parties hereto and are merged into this written Agreement. No prior

agreement or prior understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless set forth in this Agreement.

20. RATIFICATION: Acts taken pursuant to this Agreement but prior to its effective date are hereby ratified and confirmed.

21. GOVERNING LAW/VENUE: This Agreement shall be deemed to have been executed and delivered within the State of Washington, and the rights and obligations of the parties hereunder shall be construed and enforced in accordance with, and governed by, the laws of the State of Washington without regard to the principles of conflict of laws. Any action or suit brought in connection with this Agreement shall be brought in the Superior Court of Clark County, Washington.

22. COOPERATIVE PURCHASING: The Washington State Inter-local Cooperation Act, Ch. 39.34 RCW, authorizes public agencies to cooperatively purchase goods and services if all parties agree. By having executed this Agreement, the Contractor agrees that other public agencies may purchase goods and services under this solicitation or contract at their own cost and without the DRA incurring any financial or legal liability for such purchases. The DRA agrees to allow other public agencies to purchase goods and services under this solicitation or contract, provided that the DRA is not held financially or legally liable for purchases and that any public agency purchasing under such solicitation or contract file a copy of this invitation and such contract in accordance with RCW 39.34.040.

23. PUBLIC DISCLOSURE COMPLIANCE: The parties acknowledge that the DRA is an “agency” within the meaning of the Washington Public Records Act, Chapter 42.56 RCW, and that materials submitted by the Contractor to the DRA become public record. Such records may be subject to public disclosure, in whole or part and may be required to be released by the DRA in the event of a request for disclosure. In the event the DRA receives a public record request for any data or deliverable that is provided to the DRA and that is licensed from the Contractor, the DRA shall notify the Contractor of such request and withhold disclosure of such information for not less than five (5) business days, to permit the Contractor to seek judicial protection of such information, provided that the Contractor shall be responsible for attorney fees and costs in such action and shall save and hold harmless the DRA from any costs, attorney fees or penalty assessment under Chapter 42.17 RCW for withholding or delaying public disclosure of such information.

24. DEBARMENT: The Contractor certifies that that it is not presently debarred, suspended, proposed for debarment, and declared ineligible or voluntarily excluded from covered transactions by any Federal, State or local department or agency.

25. NONDISCRIMINATION: The City of Vancouver Downtown Redevelopment Authority, WA is an equal opportunity employer. In the performance of this Agreement, the Contractor will not discriminate against any employee or applicant for employment on the grounds of race, creed, color, national origin, sex, sexual orientation, marital status, age or the presence of any sensory, mental or physical handicap.

The undersigned, as the authorized representatives of the DRA and Contractor respectively, agree to all of the terms and conditions contained in this Agreement, as of the dates set forth below.

**CITY OF VANCOUVER DOWNTOWN
REDEVELOPMENT AUTHORITY**

A municipal corporation

DocuSigned by:
Natasha Ramras
BCF6734E40E94AE...
Natasha Ramras, Executive Director

8/17/2023
Date

Attest:

DocuSigned by:
Mark Fazio
9ABC2E0A021E4TF...
Mark Fazio, Treasurer

Approved as to form:

DocuSigned by:
Taylor Hallvik
2435BFEB7E334C8...
Taylor Hallvik, City Attorney

CONTRACTOR:

Ankrom Moisan

DocuSigned by:
Bethanne Mikkelsen
47D4343BAF7F448...
Signature

Bethanne Mikkelsen
Managing Principal
Printed Name /Title

8/9/2023
Date

2023 BILLING RATES

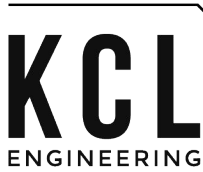
DESCRIPTION	RATES
PRESIDENT EXECUTIVE VICE PRESIDENT VICE PRESIDENT	\$360
MANAGING PRINCIPAL	\$277
PRINCIPAL	\$240
ARCHITECTURAL STAFF:	
SENIOR PROJECT MANAGER	\$202
PROJECT MANAGER	\$169
SENIOR PROJECT DESIGNER	\$189
PROJECT DESIGNER	\$152
SENIOR TECHNICAL DESIGNER	\$179
TECHNICAL DESIGNER	\$158
ARCHITECTURAL DESIGN STAFF	\$130
ARCHITECTURAL RECENT COLLEGE GRADUATE	\$106
INTERIOR DESIGN STAFF:	
INTERIOR DESIGNER V	\$188
INTERIOR DESIGNER IV	\$157
INTERIOR DESIGNER III	\$146
INTERIOR DESIGNER I - II	\$125
SPECIALISTS:	
TECHNICAL ADVOCATE (QA/QC)	\$198
PRACTICE COORDINATOR PRACTICE MANAGER	\$147
VISUALIZATION ARTISTS	\$160
BIM MANAGER BIM SPECIALISTS	\$169
GRAPHIC DESIGN BRAND MARKETING STAFF	\$141
RISK MANAGEMENT	\$170

REIMBURSABLE EXPENSES

Expense of Consulting Services x 1.10.

Expense of Reimbursable Items x 1.10, including but not limited to:

DESCRIPTION
LARGE SMALL FORMAT PRINTS
POSTAGE DELIVERIES
MILEAGE PARKING TRAVEL
RENDERINGS
INTERNATIONAL PHONE CALLS
DISPLAY BOARDS MODELS
ELECTRONIC DATA TRANSFER
ONLINE MEETING INTERNET CONFERENCE



KCL Engineering, LLC
Hourly Rates for Engineering Services - 2023

<u>CLASSIFICATION</u>	<u>RATE</u>
Senior Engineer III.....	\$230.00
Senior Engineer II.....	\$210.00
Senior Engineer I.....	\$190.00
Engineer III.....	\$170.00
Engineer II.....	\$150.00
Engineer I.....	\$125.00
Designer II.....	\$115.00
Designer I.....	\$100.00
CAD.....	\$95.00
Office Admin.....	\$80.00

All amounts due KCL Engineering, LLC shall be payable upon presentation of an invoice which shall be rendered from time to time but not more frequently than monthly. Invoiced amounts for professional time shall be billed at the hourly rates cited above for the time incurred on the project. Reimbursable expenses shall be included on invoices as the expenses are incurred. Any franchises, sales, service, use and/or value-added taxes levied by any governmental authority which would be deemed applicable by KCL Engineering, LLC will be invoiced in addition to any stated fee and/or reimbursable limits.

KCL Engineering, LLC reserves the right to suspend work or terminate this Agreement and charge 1.5% interest per month on invoiced amounts when invoices are thirty (30) days past due. All attorney fees, court costs, accrued interest and other interest and other collection costs incurred during collection procedures for delinquent accounts shall be paid to KCL Engineering, LLC.

KCL Reserves the right to modify this rate sheet and increase rates on an annual basis, generally in January of each year.

BILLING RATES

Effective June 1, 2023

The fees for our services will be based upon the rates listed below. All fee quotations are applicable for a period of one hundred eighty (180) days from the date of the proposal to which this schedule is attached.

Senior Principal	\$200.00 per hour
Principal	\$190.00 per hour
Associate Principal	\$170.00 per hour
Senior Project Engineer	\$145.00 to \$150.00 per hour
Project Engineer	\$120.00 to \$140.00 per hour
Staff Engineer	\$110.00 to \$115.00 per hour
Designer	\$ 95.00 to \$105.00 per hour
Technician	\$120.00 per hour
Administrative	\$ 95.00 per hour

These rates apply to regular time and travel in the United States. A maximum travel time of eight (8) hours will be charged in any day. Overtime, if required, will be charged at 1.5 times the above rates. Overtime will apply to time in excess of eight (8) hours per day, and all time on Saturdays, Sundays and holidays.

For multiple year agreements, a two percent (2%) to three percent (3%) increase shall be anticipated.

Reimbursable Items

Outside services performed by others and direct expenses incurred on the client's behalf are charged at 1.1 times our cost. Such items include, but are not limited to: Delivery services, plotting for non-scheduled review sets or if we must print our own review sets of other team members' drawings, printing outside of normal expected prints, printing of large shop drawing files, outside consultants and testing laboratories, special permits and inspection fees, photographs, providing electronic files for non-design team use and, if required, travel-related costs, including lodging, auto rentals and meals. These expenses, excluding travel-related costs, will be billed at 1.1 times our cost.

Please note: These rates are subject to adjustment in the future.





ESTIMATING ● COST CONTROL ● CONSTRUCTABILITY REVIEW ● VALUE ANALYSIS ● LCCA ● VALUE ENGINEERING

Hourly Fees:

• Principal	\$245/hr
• Director	\$215/hr
• Senior Consultant	\$190/hr
• Consultant	\$175/hr
• Associate Consultant	\$155/hr
• Associate	\$140/hr
• Administration	\$120/hr

Insurance

• General Liability	\$2M/\$4M
• Automobile Liability	\$2M
• Workers Comp	\$1M
• Professional Liability	\$2M/\$4M

We may refer all out-of-pocket expenses direction to you for payment. Or reimbursables are separate from our standard professional services hours and include vehicle travel billed at standard IRS mileage rates, other reimbursable expenses include, mail, courier, printing costs and related items are all billed at market rates & vendor rates with 1.1 cost factor. When possible, we respectfully request payment within 30 days after invoicing or 10 days after payment receipt from client. Past due invoices may accrue a finance charge at the rate of 1.5% per month.

On an annual basis JLD Cost Consulting request the opportunity to adjust our Labor Rates based on the Labor Cost Index for Professional Services published by the Federal Reserve Economic Data (FRED).

We maximize return on investment. That is the JLD difference!



38 NW Davis St
Third Floor
Portland, OR 97209

503
876 5201

1505 5th Ave
Third Floor
Seattle, WA 98101

206
876 3103

secrets
@welcometosociety
.com

welcometosociety
.com

hourly rates

Director -	\$277 avg.
Interior Designer V -	\$188 avg.
Interior Designer IV -	\$157 avg.
Interior Designer III -	\$146 avg.
Interior Designer II -	\$132 avg.
Interior Designer I -	\$125 avg.
BIM Manager -	\$169 avg.
Technical Advocate -	\$196 avg.

Don't mention it.





**NORTHWEST ENGINEERING SERVICE
 COMMISSIONING SERVICES
 BILLING RATES**

Effective January 1, 2023 through December 31, 2023

COMMISSIONING SERVICES, HOURLY

Commissioning Division Manager	\$211
Senior Commissioning Authority	\$168 - \$193
Commissioning Authority	\$125
Commissioning Engineer	\$113
Assistant Commissioning Engineer	\$100
Commissioning Technician	\$97
Clerical	\$90

Overtime is billed at 133% of the listed rates

Expenses

Mileage	IRS Allowable rate per mile
Travel expenses	Cost
Equipment rental, project specific equipment expenses	Cost plus 5%
Consultants / Sub-consultants	Cost plus 5%

**CITY OF VANCOUVER DOWNTOWN REDEVELOPMENT AUTHORITY (DRA)
FORMAL TASK ASSIGNMENT
SERVICES AGREEMENT # DRA1-23
TASK ORDER NUMBER 1**

The general provisions and clauses of Contract #DRA1-23, between the DRA and Ankrom Moisan, shall be in full force and effect for this Task Assignment. This Task Order defines a specific task to be performed under the terms of the original contract listed above and in no way alters other provisions of the original agreement. The signature below authorizes your firm to proceed with this specific task.

Project Title: Exterior Maintenance and Water Mitigation Investigation
Location of Project: Hilton Hotel

PART 1 – WORK REQUEST

Task Order #1 shall consist of the following:

Scope of Work: See attached scope of work proposal.
Fee: \$37,659
Schedule: Final Report is to be delivered by January 19, 2024

PART II NOTICE TO PROCEED APPROVAL

The signature below authorizes your firm to proceed with this specific task.

Agency Approving Authority: _____

Printed Name: _____

Authorization Date: _____

EXHIBIT A1: ARCHITECTURAL SCOPE OF SERVICES

INVESTIGATION PHASE

1. 1. Scope:
 - a. Initial investigation and study of existing exterior façade, design documents, and previous envelope reports.
 - b. Initial nondestructive conditions assessment to determine the quality and extent of previous repairs and execution of the previous report recommendations.
 - c. Determine if and where an In-depth non-destructive inspection of exterior façade elements requires façade access via Suspended Rope Access. If required, suspended rope access will be provided as an additional service.
 - d. Determine if and where destructive investigation is required, on owner's approval coordinate with owner's contractor for destructive investigation. If required, destructive investigation will be provided as an additional service.
2. Meetings: Architect will lead reporting meeting to present findings and recommendations.
3. Deliverables:
 - a. Final report
 - i. Initial conditions.
 - ii. Inspection report.
 - iii. 20 year exterior façade maintenance plan.
 - iv. Destructive investigation report (if required.)
 - v. Minor repairs and maintenance items will be identified in the report.
 - vi. Recommended next steps.
 1. If items requiring major repairs are identified, the report will include a recommended scope of work to design and permit the repair work.
4. Owner: Provide access to the building façade for initial conditions review and façade inspection. Façade inspection will require access to all areas of the exterior façade by train personnel. Provide access to all existing design and construction documents. Provide previous envelope reports. Contract with a general contractor for destructive investigation and repair (if required.)

PROJECT APPROVALS / PERMITS

1. It is assumed that no permits will be involved with this portion of work.

CONSTRUCTION ADMINISTRATION

2. It is there will be no construction phase for this portion of work. If items requiring construction to repair are identified they will be addressed via a separate project.

SCOPE CLARIFICATIONS

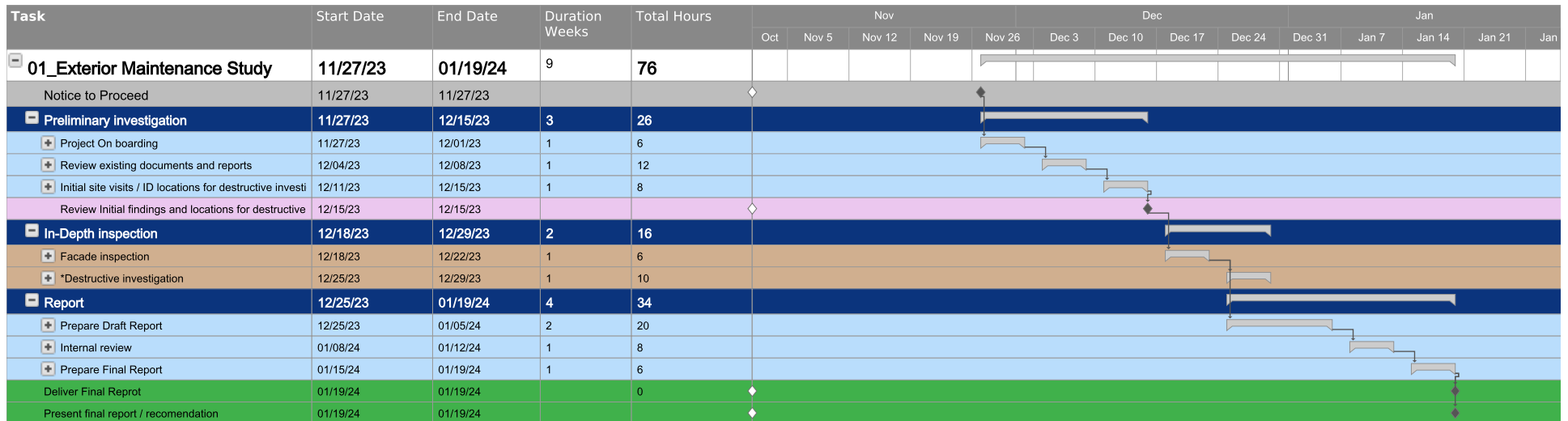
1. Architect will provide a schedule outlining phases of work and major milestones. Schedule will include design team deliverables, and site access requirements.
2. Project billed as Phase-Fixed-Fee or Time and Materials as indicated in Compensation Schedule. Fee in proposal includes a \$3,000 T&M allowance for Ankrom Moisan, and a \$3,000 allowance for the envelope consultant for rope access or destructive investigation.
3. The Architect's services assume a consecutive, orderly process. If the project goes on hold, the Architect is asked to accelerate the schedule, or is otherwise require to work in an inefficient manner by causes outside of the Architects control, additional services may be required.
4. AM utilizes 3D software to create conceptual designs and construction documents. With this software, we can create images for design meetings, jurisdictional reviews, and owner/contractor coordination. AM will produce 2D Construction Documents using Autodesk Revit Building Information Modeling (BIM) Software. Revit 3D models will be used internally by AM and its sub-consultants but cannot be relied upon by the Contractor for cost estimating or sub-contractor coordination.
5. The Architects services assume that any consultant services provided by the Owner or Contractor be engaged as noted on the attached schedule so as not to delay the services of the Architect.
6. The design team, Owner, and Contractor are to use the Architect's software "Bluebeam" to review and comment on the documents.
7. The owner and Architect acknowledge that the timing of decisions can impact the efficient development of the work. To the extent untimely design decisions or value engineering cause the Architect additional work, that work shall be provided as an Additional Service. The Architect will create and regularly update an Additional Service Request Log (ASR) for owner review and approval.
 - a. Any additional Work related to material availability issues shall be provided as an Additional Service.
8. The Owner shall furnish all existing drawings, specifications, and related reports relevant to the scope of work. The Architect shall be entitled to rely on the information provided by those consultants.
9. Interior design and documentation are specifically excluded from the architect's scope of work.

EXHIBIT C: SCHEDULE OF COMPENSATION

Project Name: Hilton Exterior Maintenance & Water Mitigation Investigation
AM# 231431
Client Name: City of Vancouver
Date: 10/9/2023

ANKROM MOISAN SERVICES		Architectural	Interior Design	Total Fee	
Base Services					
Preliminary Investigation (Fixed Fee)	\$	5,000	\$ -	\$ 5,000	
Indepth Inspection (Time and Materials Estimate 12 Hrs)	\$	3,000	\$ -	\$ 3,000	
Report Preparation (Fixed Fee)	\$	7,000	\$ -	\$ 7,000	
Sub-Total AM Base Services	\$	15,000	\$ -	\$ 15,000	
			Sub-Total AM Services	\$ 15,000	
OUTSIDE SERVICES					
Civil Engineering	\$	-		\$ -	N.I.C.
Landscape	\$	-		\$ -	N.I.C.
Structural Engineering	\$	-		\$ -	N.I.C.
MEP / FP	\$	-		\$ -	N.I.C.
Energy Modeling (Code+LEED)	\$	-		\$ -	N.I.C.
Lighting	\$	-		\$ -	N.I.C.
Acoustical Consulting	\$	-		\$ -	N.I.C.
Elevator Consulting	\$	-		\$ -	N.I.C.
Envelope	\$	19,350		\$ 19,350	
Permit Expediter	\$	-		\$ -	N.I.C.
Accessibility	\$	-		\$ -	N.I.C.
			Sub-Total Outside Services	\$ 19,350	
			TOTAL FEE	\$ 34,350	
			Consultant Admin / Markup (% Outside Services)	\$ 1,935	10%
			Estimated Reimbursable Expenses (% of Total Fee, Rounded)	\$ 1,374	4%
			TOTAL FEES Including Admin and Reimbursable Expenses	\$ 37,659	

01_Vancouver Facade Evaluation Exhibit D



2023 BILLING RATES Exhibit E

DESCRIPTION	RATES	AVERAGE
PRESIDENT EXECUTIVE VICE PRESIDENT VICE PRESIDENT	\$300 - \$475	\$360
MANAGING PRINCIPAL	\$270 - \$290	\$277
PRINCIPAL	\$200 - \$300	\$240
ARCHITECTURAL STAFF:		
SENIOR PROJECT MANAGER	\$183 - \$250	\$202
PROJECT MANAGER	\$147 - \$185	\$169
SENIOR PROJECT DESIGNER	\$173 - \$206	\$189
PROJECT DESIGNER	\$139 - \$165	\$152
SENIOR TECHNICAL DESIGNER	\$170 - \$217	\$179
TECHNICAL DESIGNER	\$147 - \$174	\$158
ARCHITECTURAL DESIGN STAFF	\$114 - \$187	\$130
ARCHITECTURAL RECENT COLLEGE GRADUATE	\$100 - \$122	\$106
INTERIOR DESIGN STAFF:		
INTERIOR DESIGNER V	\$170 - \$215	\$188
INTERIOR DESIGNER IV	\$135 - \$175	\$157
INTERIOR DESIGNER III	\$130 - \$175	\$146
INTERIOR DESIGNER I - II	\$110 - \$145	\$125
SPECIALISTS:		
TECHNICAL ADVOCATE (QA/QC)	\$158 - \$215	\$198
PRACTICE COORDINATOR PRACTICE MANAGER	\$98 - \$215	\$147
VISUALIZATION ARTISTS	\$160	\$160
BIM MANAGER BIM SPECIALISTS	\$160 - \$181	\$169
GRAPHIC DESIGN BRAND MARKETING STAFF	\$105 - \$260	\$141
RISK MANAGEMENT	\$113 - \$244	\$170

REIMBURSABLE EXPENSES

Expense of Consulting Services x 1.10.

Expense of Reimbursable Items x 1.10, including but not limited to:

DESCRIPTION
LARGE SMALL FORMAT PRINTS
POSTAGE DELIVERIES
MILEAGE PARKING TRAVEL
RENDERINGS
INTERNATIONAL PHONE CALLS
DISPLAY BOARDS MODELS
ELECTRONIC DATA TRANSFER
ONLINE MEETING INTERNET CONFERENCE

Consultant Proposals



VANCOUVER HOTEL CONVENTION CENTER BUILDING ENVELOPE CONDITION ASSESSMENT

OCTOBER 9, 2023

SUBMITTED TO: ANKROM MOISAN ARCHITECTS



October 9, 2023

MH Proposal No. 2400014 99

Mr. Chris Ebert
Ankrom Moisan Architects
38 NW Davis St #300
Portland, OR 97209

**Re: Building Envelope Condition Assessment
Vancouver Hotel Convention Center – 301 W 6th Street, Vancouver, WA 98660**

Dear Chris,

Morrison Hershfield (MH) is pleased to provide this proposal to perform a visual building envelope condition assessment of the Vancouver Hilton Convention Center to evaluate the current condition of the building's exterior envelope and roofing.

With over 250 people focused on Building Science, Morrison Hershfield's goal is to help our clients reduce the risks associated with water penetration, air leakage, vapor diffusion and thermal performance while increasing building durability and energy efficiency on new and existing buildings. By determining the conditions of buildings, causes of failure and assessing and developing rehabilitation we strive to make the entire process as seamless as possible. We are dedicated to maintaining a strong consistency in our technical approach, from person-to-person and project-to-project. Since 2007, our Portland office has established extensive experience in undertaking condition assessments and rehabilitation projects across all of Oregon and Southwest Washington. We will utilize this experience to assist you in achieving your project goals.

We look forward to assisting the Ankrom Moisan with the proposed services outlined within this proposal. Please do not hesitate to contact us if you require additional information or if you have any questions regarding the information that follows.

Thank you,



John Duncan, RA, LEED AP BD+C
Principal, Department Manager
Morrison Hershfield
Building Specialty Services



Nick McElmurry, BECxP, CxA+BE
Building Science Consultant
Morrison Hershfield
Building Specialty Services

JED/njm

PROJECT DESCRIPTION

This proposal is based on the email dated September 28 and 29, 2023 from Chris Ebert of Ankrom Moisan to John Duncan of Morrison Hershfield and subsequent meeting on October 4, 2023. In addition, MH reviewed the following documents: “rpf_2023-09-25_mh” and “Vancouver Hilton Convention Center MM Exhibit”.

The Hilton Convention Center is a six-story mixed-use building located at 301 W 6th Street in Vancouver, Washington. MH has reviewed photos of the property along with the J2 report, and the envelope assemblies appear to be as follows: The roofs consist of low-sloped assemblies (assumed to be multi-ply asphaltic sheets) with metal coping along the parapets. Exterior walls are clad with brick masonry, stone veneer and stucco. Windows consist of aluminum-framed storefront. Glass canopies adorn the northeast corner of the roof and the first level on the north elevation, as well as over the primary convention center entrance. Canvas canopies are present along the first level of the east elevation.

SERVICE APPROACH

The primary objective of this proposal is to provide a visual assessment of the current condition of the building’s exterior envelope and roofing. Review of the exterior walls will be conducted from grade and from roof level. MH has provided an optional extended service to also review from suspended rope access.

After the assessment, if it is determined that any of the building envelope assemblies require additional review, destructive assessment can be coordinated, where approved by the Owner, as an additional service. All deconstruction and repair is to be performed by the Owner’s contractor.

MH will provide a summary report of our findings and 20-year repair matrix, including recommendations for immediate repair. This document is intended to supplement deliverables provided by Ankrom Moisan.

SCOPE OF MH SERVICES

The following tasks form our proposed scope of work for this assessment:

Assessment Phase – Base Services

1. Background Information

- a. Review documents such as relevant maintenance records, previously prepared property reports, as-built architectural drawings (if available) and applicable documents related to the building envelope. Drawings are expected to be digital, scalable copies for quantity take-offs used in rough order of magnitude pricing. If the drawings are not accurately scalable, additional time will be required on-site.

2. Visual Exterior Review

- a. Conduct a visual review of the building during the allocated time on-site. One (1) day on-site has been allotted for this fieldwork. If provided drawings are not accurately scalable, additional time on-site will be required at additional cost. Our field review will cover the following:
 - i. The visual assessment will include observations of the cladding assemblies, exterior doors and windows, small wall penetrations, transitions between dissimilar materials, wall terminations and transitions, sealants and flashing and roof assemblies. The visual review will not include removal of any cladding assemblies.

- ii. The review will be performed from ground level, roofs and terraces.
- iii. An optional fee for additional visual review by rope access has been provided below. All anchors on the roof must be certified or be tested and certified prior to the work.

3. Visual Interior Review

- a. Visual review of the interior finishes and window assembly at a sample of locations, targeted near any reported leak issues. Interior access must be provided by the Owner.

4. Client Meetings

- a. Meet with Ankrom Moisan to discuss our findings and recommendations, upon completion of our fieldwork.

5. Documentation

- a. Prepare a summary of our observations in a summary report format, based on the outcome of the assessment and subsequent meeting(s).
 - i. Sorted photographs of our observations will be issued on digital media to accompany the report.
 - ii. A 20-year projected summary repair matrix will be provided appended to the report. Matrix will include rough order of magnitude cost estimation for immediate repairs and replacement at the projected end of life. The matrix will include exterior building envelope elements, including cladding, roofing and fenestration elements.

Assessment Phase – Extended Services

1. Review of Exploratory Openings (Destructive)

- a. Perform review of exploratory openings to assess the underlying condition of the envelope assemblies as well as to confirm the construction of the hidden components.
 - i. Select section of the exterior envelope assemblies to be removed based on the findings during our visual review. Our assumption is that this additional time on-site will occur *prior* to any issuance of report.
 - ii. Openings will be made at locations that are considered to be at high risk of water ingress or where specific detailing may be suspect and require verification (i.e., around windows, miscellaneous wall penetrations, roof to wall interfaces, transitions and terminations, etc.). Sections of the exterior sheathing may also be removed to allow for the review of the framing behind.
 - iii. The services of a contractor will be necessary to perform and repair the openings. The Contractor will issue a separate contract for their services. Morrison Hershfield will coordinate directly with the Contractor throughout the field work. After the openings are reviewed, the Contractor will ensure that the cladding system is restored to weatherproof manner and that the exterior appearance is reinstated back to its original condition.

2. Exterior Visual Review via Suspended Rope Access

- a. Conduct a visual review of the building to supplement the visual exterior review noted above. Review will be provided over the course of one (1) day on-site. Our assumption is that this additional time on-site will occur *prior to* any issuance of report.
 - i. Suspended rope access locations will be targeted to transitions between cladding and conditions of concern observed during the visual review. Review locations are limited to where accessible by existing roof anchors.
 - ii. All anchors on the roof must be certified or be inspected and certified prior to the work. Any fee for inspection and/or testing of anchors is expressly excluded.
 - iii. Rope access supervisor will be subcontracted. An estimated fee has been appended to this proposal. Final fee to be determined based on observations during initial visual review.

3. Building Envelope Maintenance Manual

- a. Create a manual that includes descriptions, material cut sheets and manufacturer's warranties for all building envelope items and materials.
 - i. Manual will define appropriate operating parameters, such as temperature and relative humidity, for the building envelope and describe the life expectancy as well as required maintenance frequency.

Assumptions/Limitations

1. This proposal is based on the email dated September 28 and 29, 2023 from Chris Ebert of Ankrom Moisan to John Duncan of Morrison Hershfield and subsequent meeting on October 4, 2023. In addition, MH reviewed the following documents: "rpf_2023-09-25_mh" and "Vancouver Hilton Convention Center MM Exhibit".
2. Meeting is assumed to be via teleconference call or in the Portland Metro area.
3. Existing conditions are evaluated for water intrusion, vapor diffusion control and minimization of air leakage only.
4. Contractor for deconstructive review will be contracted directly by the Owner.
5. Schedule is weather dependent as exterior access may be delayed due to inclement weather.
6. The Owner is responsible to coordinate any and all interior access to private areas such as individual balconies, storage rooms, etc.
7. As-built drawings to be provided by the Owner, if available.
8. If existing drawings are not suitably scalable, additional time on site will be required to provide quantity take-offs. This will occur at an additional fee to be approved by the Owner.
9. Our findings will be based on a sampling of existing conditions through our visual review. To get a full understanding of the existing conditions, additional investigative work may be required.
10. All documents will be delivered electronically in PDF format.
11. Construction pricing is volatile. Any pricing estimates provided in MH documentation are intended to be accurate to the rough order of magnitude for initial budgeting only and *do not* replace pricing provided by contractors. All numbers are based on previous project pricing. All numbers are shown in today's dollars and do not account for inflation or market fluctuations.

12. This proposal is based on the assumption that the following language will be included in the contract: *“To the maximum extent permitted by law, **MH’s liability** for any and all causes of action whatsoever, including, without limitation, tort, contract, strict liability, indemnity or otherwise, arising out of, or in connection with, this PSA, the Project or MH’s performance of the Services **shall be limited in the aggregate to the total fee paid by the Client to MH under this PSA.**”*

Exclusions

1. Site drainage, fire and life safety issues, interior finishes, mechanical, electrical and structural systems and other components not related to the building enclosure.
2. Attendance at additional meetings. MH is available to attend additional meetings on a time and expense basis.
3. Additional time and/or expenses for further investigation that may be warranted as a result of the information obtained during the initial visual condition assessment.
4. Cleaning and/or repairs. Rope access work by nature may mark coping and dirty cladding surfaces. MH has not provided any scope or fee to clean the building or areas of access. By accepting this proposal, MH is held harmless of any responsibility for cleaning or repair due to work required performing review.

SCHEDULE

Morrison Hershfield is prepared to start work within five (5) business days of receiving written authorization to proceed. The following are typical turnaround times. If the Client requires an expedited project schedule, we would be pleased to discuss how that might be accommodated.

- Background document review: within five (5) business days of receiving the documents.
- Field Work: within fifteen (15) business days of completing background document review.
- Meeting with the Architect: scheduled to accommodate parties.
- Report of findings will be issued within fifteen (15) business days of completing the fieldwork and subsequent meetings.

FEES AND EXPENSES

Morrison Hershfield proposes a fixed fee of as follows for the above base scope of work:

Assessment Phase: \$10,250 _____ Authorized

Extended Services (Fees listed below will be added to Visual Assessment fees listed above as an initial estimated budget to be billed against using Time and Expense. Please reference the rates listed below. MH anticipates that these fee estimates will be updated prior to the work.):

Limited Exploratory Openings: \$2,150

Visual Exterior Review via Rope Access: \$4,150

Building Envelope Maintenance Manual: \$6,100

Morrison Hershfield’s complete proposal is formed by the written description of services, detailed fee breakdown and our standard terms and conditions. This proposal is valid for 60 days following the issuance date.



US PROJECT HOURLY RATES - BUILDING SCIENCE 2023

Employee Technical Level	Hourly Rate
Technical Support	\$100.00
Technical I	\$125.00
Technical II	\$145.00
Technical III	\$165.00
Technical IV	\$190.00
Technical V	\$210.00
Senior Specialist	\$230.00
Senior Principal	\$280.00



Ankrom Moisan Architects - Vancouver Hotel Convention Center BECA
MH Proposal No. 2400014 99
Morrison Hershfield Table of Fees

October 9, 2023

	Quantity	Units	Phase Fee (w expenses included)
1. Assessment (Lump Sum)			
Background Information	1	Review	
Visual Exterior Review	1	Visit	
Visual Interior Review	1	Visit	
Client Meeting	1	Meetings	
Assessment Report	1	Report	
Phase Total			\$10,250
TOTAL FEES			\$10,250

<u>EXTENDED SERVICES</u>	Quantity	Units	Phase Fee (w expenses included)
Limited Exploratory Openings (Estimated 1 day of site review)	1	Day	\$2,150
Visual Exterior Review via Rope Access (Estimated Budget)	1	Day	\$4,150
Building Envelope Maintenance Manual	1	Manual	\$6,100

Included

\$3,000 Allowance included on fee sheet

Morrison Hershfield - US 2023 Hourly Rates	
Employee Technical Level	Hourly Rate
Technical Support	\$100.00
Technical I	\$125.00
Technical II	\$145.00
Technical III	\$165.00
Technical IV	\$190.00
Technical V	\$210.00
Senior Specialist	\$230.00
Senior Principal	\$280.00

Consultant Total:
 \$10,250 Base Services
 \$6,100 Maintenance Manual
 \$3,000 Inspection Allowance
 \$19,350 Included

Note

This document outlines our fee schedule for each phase of our consulting services. The table defines the allowed for quantities for fixed deliverables (meetings, document reviews, site visits, etc.) and the number of staff hours associated with the ongoing consultation allowance or other services. The proposed scope of work with a description of specific services for each phase is enclosed. Our complete proposal is formed by the written description of services, fee breakdown table, and our standard terms and conditions.

CLIENT AUTHORIZATION

To: John Duncan jduncan@morrisonhershfield.com
Morrison Hershfield Corporation

MH ref.: Vancouver Hotel Convention Center - BECA
2400014 99

This proposal for a building envelope condition assessment is accepted and Morrison Hershfield Corporation is hereby authorized to provide the services as outlined in the proposal dated October 9, 2023. This is a binding contract and I am authorized to bind the client company named below. I have read and accept the Professional Services Agreement – Terms and General Conditions of this proposal.

Please check appropriate fee options. All fees are subject to the appropriate taxes.

BASE SCOPE	Fee	Approved
Assessment Phase	\$10,250	<input type="checkbox"/>
EXTENDED SERVICES (TIME AND EXPENSE BUDGET)		
Limited Exploratory Openings	\$2,150 (est.)	<input type="checkbox"/>
Visual Exterior Review via Rope Access	\$4,150 (est.)	<input type="checkbox"/>
Building Envelope Maintenance Manual	\$6,100 (est.)	<input type="checkbox"/>

Client Company Name (Print)

Mailing Address for Invoices (Incl. Postal Code/ZIP Code)

Electronic Invoices Accepted: <input type="checkbox"/>
Email Address and Contact Name for Electronic Invoice Submission:

Signed by (authority to bind) Signature

Position Date

Telephone

Thank you for retaining Morrison Hershfield Corporation for the above noted project. Please sign, date and return this authorization to us.



**PROFESSIONAL SERVICES AGREEMENT
TERMS AND GENERAL CONDITIONS**

All professional services provided by Morrison Hershfield Corporation (“**Morrison Hershfield**”) to the client identified in the attached proposal (the “**Client**”), are subject to the terms and conditions set forth in this Professional Services Agreement.

1) Scope of Services and Standard of Care. Morrison Hershfield will provide the services outlined in the attached proposal (the “**Services**”). The Services shall include any assumptions, exclusions or schedules that form part of the attached proposal and shall be limited to those Services expressly set forth therein. If a service, work or activity is not specifically identified, it is expressly excluded. Morrison Hershfield will perform the Services in a manner consistent with that level of care and skill ordinarily exercised by other members of the engineering and science professions currently practicing in the same or similar locality, under the same or similar conditions, subject to the time limits and financial, physical or any other constraints applicable to the Services. No other warranty, express or implied, is made or intended to be made with respect to the Services and the same are specifically disclaimed.

2. Reimbursable Expenses: Reimbursable expenses and services not directly provided by Morrison Hershfield will be charged at 1.1 times the applicable rate or cost.

3. Instructions and Approvals. Client shall name an authorized representative at or before the start of the work who shall be responsible for providing information, instructions, and approvals on Client’s behalf. Such representative shall be available to Morrison Hershfield at all reasonable times. Client shall be responsible for all delays in performance of the Services caused by or arising out of Client’s unavailability or its failure to timely provide information, instructions, or approvals.

4. Terms of Payment. Invoices shall be issued by Morrison Hershfield monthly and shall be payable on presentation. Within ten (10) days of receipt of an invoice Client shall notify Morrison Hershfield of any dispute with the invoice. Invoices not paid within thirty (30) days of invoice date shall be subject to a carrying charge of 1.0 percent per month or the maximum rate allowed by law, whichever is less. If the Client fails to pay any invoice within thirty (30) days of the invoice date and such failure continues fifteen (15) days after Morrison Hershfield gives Client notice of such failure, Morrison Hershfield shall have the right to terminate this Professional Services Agreement immediately. Client shall have no right of setoff against any billings of Morrison Hershfield for disputed claims or withholding of services.

5. Data and Information. Morrison Hershfield shall be entitled to rely on the accuracy and completeness of all testing, services, reports, data, and other information furnished by Client or other consultants regarding the project or works that forms the subject of the Proposal (the “**Project**”), the Services, or the location of the Project (the “**Site**”) and assumes no responsibility or liability with respect to such information.

6. Differing Conditions. Prior to commencement of the Services, Client will inform Morrison Hershfield in writing of all

known materials categorized as hazardous or toxic by any federal, state, provincial or local law, or regulation and of any conditions existing on or near the Site that are relevant to the Services or that may present a danger to health, the environment or Morrison Hershfield’s equipment or personnel. If Morrison Hershfield believes that any condition encountered at the Site or during the course of the Project is inaccurate or differs materially from the conditions disclosed, indicated, reflected or referred to by the Client at the time of the proposal, Morrison Hershfield shall notify Client within a reasonable time. In such a case, Morrison Hershfield shall not be required to continue performing the Services until such time as a resolution to address the differing condition has been mutually agreed to by Client and Morrison Hershfield, including any change in compensation, time for performance or both. Morrison Hershfield shall have no responsibility for the discovery, presence, handling, removal, disposal of, or exposure of persons to, hazardous materials in any form at the Site, except to the extent directly caused by the negligence of Morrison Hershfield. Morrison Hershfield shall not be liable for any costs or damages resulting from any concealed condition of the Site or other condition of the Site not disclosed to Morrison Hershfield in writing.

7. Changes and Delays. Morrison Hershfield shall be entitled to an increase in compensation or time or both for performance of the Services where any changes are required or made to the scope of the Services to the extent that such changes do not arise from the negligence of Morrison Hershfield. Morrison Hershfield shall not be required to perform any Services related to a change unless the parties have agreed on the amount of or the basis for calculating the time and compensation associated with such change. Morrison Hershfield shall be entitled to additional time or compensation or both for any delays caused by or resulting from acts of Client, contractors, subcontractors, suppliers, or other third parties over whom Morrison Hershfield has no control so long to the extent such delay is not caused by Morrison Hershfield’s negligence.

8. Insurance. Morrison Hershfield, at its own expense, shall carry insurance in the amounts listed in Exhibit A, Insurance. If Client desires insurance coverage in addition to that carried by Morrison Hershfield at the time this Professional Services Agreement is issued, Morrison Hershfield will cooperate to obtain such additional insurance, if available, at Client’s expense. Notwithstanding any other provision in this Professional Services Agreement, nothing shall be construed to void, vitiate or adversely affect the insurance coverage of either party.

9. Limitation of Liability. MH and Client each waive their rights to recover from the other any consequential, indirect, or incidental damages (including, but not limited to, loss of use, income, profits, financing or reputation), arising out of, or related to, this PSA, the Project or the performance of the Services. To the maximum extent permitted by law, **MH’s liability** for any and all causes of action whatsoever, including, without limitation, tort, contract, strict liability, indemnity or otherwise, arising out of, or in connection with, this PSA, the Project or MH’s performance of the Services **shall be limited**



**PROFESSIONAL SERVICES AGREEMENT
TERMS AND GENERAL CONDITIONS**

in the aggregate to the total fee paid by the Client to MH under this PSA. Client further agrees that, to the fullest extent permitted by law, no shareholder, officer, director, partner, principal or employee of MH shall have personal liability under any provision of this PSA, or for any matter in connection with the Services provided. Client expressly agrees to this limitation of liability.

10. Performance by Contractors, Subcontractors and Suppliers and Construction Means and Safety. The Services do not include supervision or direction of the means, methods or actual work of other consultants, contractors, subcontractors or suppliers not retained by Morrison Hershfield. Morrison Hershfield shall not be required to make exhaustive, extensive, or continuous on-site or off-site inspections of work performed by consultants, contractors, subcontractors or suppliers not retained by Morrison Hershfield. No acceptance or approval by Morrison Hershfield of the work of consultants, contractors, subcontractors or suppliers not retained by Morrison Hershfield, whether express or implied, shall relieve such persons of their obligations to Client for the proper performance of their work and Morrison Hershfield shall have no liability with respect to the work performed by such persons. Morrison Hershfield shall have no responsibility for, control, right of control or liability with respect to the means, methods, techniques, sequences, procedures and equipment used or not used by such parties in their performance of any phase of the work at the Site or with respect to any safety precautions or programs related to the Project or the Site.

11. Ownership of Documents. All plans, designs, drawings, specifications, notes, data, samples, materials, reports, reproducibles and other work developed by Morrison Hershfield (the "**Deliverables**") and all patent, trademark, copyright, industrial or other intellectual property rights therein shall remain the property of Morrison Hershfield after the Services have been completed or terminated. Client agrees not to use, reuse, or adapt any Deliverables for any other Project or application. Client shall release, defend, indemnify and hold harmless Morrison Hershfield from all claims, losses, liabilities, damages, expenses, and costs arising out of the unauthorized use, reuse, alteration or relation on the Deliverables.

12. Termination for Material Breach. Either party may terminate this PSA upon seven (7) days' written notice to the other party and without further liability in the event the other party is in material breach of this Agreement and fails to remedy such breach within seven (7) days of receiving written notice of the breach, provided that the breach was not caused or contributed to by the party seeking to terminate this PSA. Upon termination Client shall pay Morrison Hershfield for all Services performed to the date of termination. All representations, indemnities and obligations shall survive indefinitely the termination of this PSA.

13. No Third-Party Beneficiaries. Nothing in this Agreement shall be interpreted or construed as giving any rights or benefits to any person or third party other than Morrison Hershfield and Client.

14. Claims and Disputes. Any claim, dispute or matter in question shall be resolved by one or more of the following means in the order listed, until a resolution is arrived at. Unless mutually agreed to in writing by both parties, the means to be used are: a) negotiation, b) mediation, in accordance with the procedures of the Construction Industry Arbitration Rules of the American Arbitration Association, c) arbitration, in accordance with the procedures of the Construction Industry Arbitration Rules of the American Arbitration Association.

15. Governing Law and Severability. This PSA shall be governed by the law of the State or Province in which the Project is located. If any term, condition or provision of this PSA or the application thereof is determined to be invalid or unenforceable, the remaining provisions of this PSA shall not be affected but shall instead remain valid and fully enforceable. This PSA incorporates and supersedes all prior negotiations, agreements and representations either written or oral. No cancellation, modification, amendment, deletion, addition, waiver or other change in this Professional Services Agreement shall have effect unless specifically set forth in writing and signed by both parties.

16. Conflicts. In the event of a conflict between the terms of the Proposal and this PSA, the terms of this PSA shall govern and prevail.

17. Confidentiality and Publication. Both parties shall keep all information designated as "confidential", whether disclosed in writing or orally, strictly confidential and shall not disclose any such information to any other person except (i) as required for performance of the Services provided that any person to whom such information is disclosed is subject to similar obligations of confidentiality, or (ii) where required by law. Morrison Hershfield shall have the right to include references to the Project among its promotional and professional materials.

18. Waivers. No waiver of any right or remedy shall have effect unless specifically set forth in writing and signed by both parties and no waiver of any right or remedy in respect of any occurrence on one occasion shall be deemed to be a waiver of such right or remedy in respect of such occurrence on any other occasion.

19. Headings. The headings used in this PSA are for convenience and reference purposes only and are not to be used in interpreting or construing the substantive provisions of the Memorandum.

Exhibit A – Insurance

MH will carry insurance coverage during the performance of this PSA that is required by law. In addition, MH maintains the following insurance coverage:

Commercial General Liability Insurance	\$500,000 per claim and in aggregate.
Automobile Liability Insurance	\$500,000 per claim and in aggregate.
Workers Compensation Insurance	Statutory where required by law, and \$500,000 per claim.
Professional Liability Insurance	\$500,000 per claim and per policy period (June 1 thru May 31)



PROJECT PROPOSAL

Prepared For: Nick McElmurry, C/O Morrison Hershfield

Project Name: Vancouver Hilton Convention Center

Scope of Work: Rope Access Assist

Date of Proposal: 10/6/2023

SWAY MECHANIKA LLC

Contractors License No. SWAYMML820NZ

17825 59th Ave NE, Ste D, Arlington WA 98223 USA

Contact us: 425-263-1220

Swaymechanika.com



Sway Mechanika, LLC SWAYMML820NZ
 17825 59th Ave NE Ste D
 Arlington, WA 98223
 +1 4252631502
 mark@swaymechanika.com
 https://www.swaymechanika.com

Estimate



ADDRESS
Nick McElmurry C/O Morrison Hershfield Vancouver Hilton Convention Center 5100 S Macadam Avenue, Suite 500 Portland, OR 97239 USA

SHIP TO
Nick McElmurry C/O Morrison Hershfield Vancouver Hilton Convention Center 301 W 6th St Vancouver, WA 98660 USA

ESTIMATE #	DATE	EXPIRATION DATE
1954	10/06/2023	11/06/2023

SHIP VIA
N/A

TRACKING NO.
N/A

ACTIVITY	QTY	RATE	AMOUNT
Vancouver Hilton Convention Center 301 W 6th St Vancouver, WA 98660 USA			
Scope of Work: Rigging Supervision Services and Rescue Assistance. Add On: Rope Rental			
Rigging Supervision Services and Contingency Rescue Assistance, Mark Hanna, SPRAT No. 2000930 Assumes 1 Day Onsite with documentation review. We will adhere to SPRAT Safe Work Practices, and methodology including documentation requirements and guidelines. Operations will incorporate contingency rigging to lower from safe surface where feasible.	8	195.00	1,560.00
Drivetime Rate \$75.00 Per Hour	7	75.00	525.00
Daily Rope Rental & Carabiner Rental Fee 11 mm rope	1	400.00	400.00
Mileage as needed, round trip portal to portal. To/From project location only. \$.655/Per Mile Driven.	416	0.655	272.48
Reimbursable Expense Items as needed. Actual Cost + 15% Administrative Processing Fee (L&I Intent/Affidavit Fee if required, Lodging, Meals, & Parking) Cost will be on Expense Form with receipts. COST TBD	0	1.15	0.00
Assumptions: 1) M-F 9-5 typical workday. No off-hours or dusk/night work has been contemplated in this estimate. 2) Restroom facilities will be provided onsite. 3) Commercial Liability Insurance to meet client requirements. If client requests additional insurance beyond what SM holds, client agrees to pay additional costs incurred. 4) Client is responsible for public protective measures and establishing work/hazard zones and controls.			

ACTIVITY	QTY	RATE	AMOUNT
5) If client needs LR (Lien Releases) or waivers, client must transmit payment application requirements/emails/processes during acceptance. 6) WE RESERVE THE RIGHT TO IMPOSE A 1 1/2% (18% PER ANNUM) FINANCE CHARGE ON ALL PAST DUE INVOICES. 7) Invoices are due on receipt. 8) 1 Day job only. 9) Copy of stamped certification with as-built drawings are required prior to scheduling. 10) Weather dependent work. Exclusions: 1) Excludes street use permit procurement, sidewalk use permits, or other project specific permitting if required. 2) Excludes any fees or time related to background checks, or procurement of access permissions. 3) SM job box /tools to be secured onsite for work duration. 4) Any other rope access gear rental is excluded.			

SUBTOTAL	2,757.48
TAX	0.00
TOTAL	\$2,757.48



2023 Rate Sheet

Service Tech/Consultant Type	Rates							
	Regular Field/Office	Regular Drivetime	Overtime Field/Office	Overtime Drivetime	Off Hours Field/Office	Off Hours Drivetime	Off Hours Overtime Field	Off Hours Overtime Drivetime
Primary Consultant, Principal	\$ 195.00	\$ 75.00	\$ 292.50	\$ 112.50	\$ 234.00	\$ 90.00	\$ 351.00	\$ 135.00
Project Management I & II	\$ 130.00	\$ 75.00	\$ 195.00	\$ 112.50	\$ 156.00	\$ 90.00	\$ 234.00	\$ 135.00
Field Technician I	\$ 110.00	\$ 75.00	\$ 165.00	\$ 112.50	\$ 132.00	\$ 90.00	\$ 198.00	\$ 135.00
Field Technician II	\$ 85.00	\$ 75.00	\$ 127.50	\$ 112.50	\$ 102.00	\$ 90.00	\$ 153.00	\$ 135.00
Field Technician III	\$ 60.00	\$ 75.00	\$ 90.00	\$ 112.50	\$ 72.00	\$ 90.00	\$ 108.00	\$ 135.00
Rope Access Technician SPRAT Level 1	\$ 130.00	\$ 75.00	\$ 195.00	\$ 112.50	\$ 156.00	\$ 90.00	\$ 234.00	\$ 135.00
Rope Access Technician SPRAT Level 2	\$ 110.00	\$ 75.00	\$ 165.00	\$ 112.50	\$ 132.00	\$ 90.00	\$ 198.00	\$ 135.00
Fabrication, Test Tooling, and Prototyping Services	\$ 135.00	\$ 75.00	\$ 135.00	\$ 112.50	\$ 135.00	\$ 90.00	\$ 202.50	\$ 135.00
Clerical Staff & Notary	\$ 85.00	\$ 75.00	\$ 85.00	\$ 112.50	\$ 85.00	\$ 90.00	\$ 127.50	\$ 135.00
AutoCAD Drafter	\$ 115.00	\$ 75.00	\$ 115.00	\$ 112.50	\$ 115.00	\$ 90.00	\$ 172.50	\$ 135.00
Reimbursable Expenses (Parking, Badging Fees, etc)	Actual Cost x 15%	Actual Cost x 15%	Actual Cost x 15%	Actual Cost x 15%	Actual Cost x 15%	Actual Cost x 15%	Actual Cost x 15%	Actual Cost x 15%
Mileage per mile, to and from project location.	\$0.655 per mile	\$0.655 per mile	\$0.655 per mile	\$0.655 per mile	\$0.655 per mile	\$0.655 per mile	\$0.655 per mile	\$0.655 per mile

Defined Terms:
Overtime is any excess of 40 Hours in 1 workweek.
1 Work Week is defined as 5 Days
Regular Rates are M-F 5:00 AM-5:00 PM
Off Hours 12:00 AM-4:59 AM, 5:01 PM-12:00 AM
Rates is priced per 1 Hour worked
Mileage Rate is subject to change if IRS Mileage Rate Increases/Decreases.

Revised to include drivetime on March 21st, 2023.



GENERAL CONDITIONS Est 1954

- 1. PARTIES AND SCOPE OF WORK:** Sway Mechanika LLC (SM) shall include said company or its particular division, subsidiary or affiliate, performing the “Work” means the specific analytical, testing, or other service to be performed by SM as set forth in SM’s estimate/proposal for services, the client’s acceptance thereof, and these General Conditions. “Client” refers to the person or business entity ordering the work to be done by SM. If the client is ordering work on behalf of another, the Client represents and warrants that the Client is the duly authorized agent of said party for the purpose of ordering and directing said Work. Client shall communicate these General Conditions to each and every third party to whom the Client transmits any part of SM’s Work. The ordering of work from SM shall constitute acceptance of the terms of SM’s estimate/proposal and these General Conditions.
- 2. OWNERSHIP OF DOCUMENTS:** Drawings, specifications, reports, and other documents, including those in electronic form (“Documents”) prepared by SM are for the use solely with respect to the subject project. SM is deemed the author and owner of the Documents, and shall retain all common law, statutory, and other reserved rights, including copyrights. Upon Client’s acceptance of SM’s proposal, SM grants a non-exclusive license to reproduce SM’s Documents solely for the purposes of constructing, using, and maintaining the subject project, provided that Client complies with all obligations, including payment of all sums when due to SM. Any termination of this Agreement prior to completion of the subject project shall terminate this license, effective immediately upon termination, unless SM is adjudged to be in default.
- 3. TESTS AND INSPECTIONS:** No claims for loss, damages, or injury shall be brought against SM by Client or any third party unless all tests and inspections have been so performed and unless SM’s recommendations have been followed. This includes separate equipment manufacturer’s requirements for periodic inspections, upkeep of user logs, recertification, and any required tests or inspections mandated by current safety standards.
- 4. SCHEDULING OF WORK:** If SM is required to delay commencement of the Work or if, upon embarking on its work, SM is required to stop or interrupt the progress of its Work as a result of changes in the scope of work requested by the Client, to fulfill the requirements of third parties, interruptions in the progress of construction, or other causes beyond SM’s control, Client shall pay to SM all costs and expenses arising from such delay or interruption.
- 5) ACCESS TO SITE:** Client will arrange and provide such access to the site as is necessary for SM to perform the Work. SM shall take reasonable measures and precautions to minimize damage to the site and any improvements located thereon as the result of its Work or use of its equipment. Excessive deflections of roof members during anchorage proof testing may result in cosmetic or other minor damage to interior finishes. SM is not responsible for this type of potential damage but will carefully monitor for signs of excessive deflections in an effort to prevent damage to interior finished surfaces.
- 6) CLIENT’S DUTY TO NOTIFY CONSULTANT:** Client represents and warrants that it has advised SM of any known or suspected hazardous materials at any site at which SM is to perform work hereunder, and unless SM has assumed in writing the responsibility of locating subsurface objects, structures, lines or conduits, SM shall have no such responsibility for damages, delay or stoppage of Work arising from such conditions.
- 7. SAMPLE DISPOSAL:** Unless otherwise agreed, test specimens or samples will be disposed of immediately by SM upon completion of the test.
- 8. PAYMENT:** Client shall be invoiced once each month for work performed in the preceding period. Client agrees to pay invoice within thirty (30) days of its receipt. Client further agrees to pay interest on all amounts invoiced and not paid within said thirty (30) day period at the rate of 18% per annum (or the maximum interest rate permitted under applicable law), until paid in full. Failure to make payment within 30 days shall constitute a release of SM from any and all claims which Client may have, either in tort or contract, and whether known or unknown at the time.
- 9. WARRANTY:** SM’s services will be performed, its findings obtained, and its reports prepared in accordance with its estimate/proposal, Client’s acceptance thereof, these General Conditions, and with generally accepted principles and practices. In performing its professional services, SM will use that degree of care and skill ordinarily exercised under similar circumstances by members of its profession. This warranty is in lieu of all other warranties or representations, either express or implied. Statements made in SM reports are opinions based upon industry specific knowledge and the experience of the consultant, and are not to be construed as representations of fact. The Consultant (SM) is not responsible for ventilation calculations, life safety issues as defined by Code, rooftop anchorage load to structure capacity calculations, window or cladding selection, design, and installation or compatibility of sealants, or coatings.

Should SM or any of its employees be found to have been negligent in the performance of its Work, or to have made and breached any express or implied warranty, representation or contract, Client, all parties claiming through Client, and all parties claiming to have in any way relied upon SM’s Work agree that the maximum aggregate amount of liability of SM officers, employees, and agents shall be limited to the total amount as noted in the proposal document labeled Professional Liability Insurance (PLI) provided that the Client accepts and pays all invoiced fees. In the case that the fees for PLI are not accepted, the maximum aggregate liability shall be limited to the maximum fees paid by Client to SM. Nothing in this paragraph or in this Contract shall create a relationship between SM and third parties other than Client; this Contract expressly disclaims any third party beneficiaries.
- 10. TERMINATION:** This agreement may be terminated by either party upon seven days’ prior written notice. In the event of termination, Client shall compensate SM for all services up to and including the termination date, including reimbursable expenses owed up through the date of termination.
- 11. DISPUTES:** All claims and causes of actions against SM pertaining to acts or failure to act will be deemed to have accrued and the applicable limitation period for commencement of arbitration shall commence to run not later than the date when SM’s services are substantially completed. All unresolved claims and causes of action shall be waived and released unless arbitration as specified below is commenced against SM not later than 6 years from the accrual of the claims or causes of action.

All claims and disputes between SM and Client shall be resolved by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then obtaining. In any dispute between Client and SM, the prevailing party shall be awarded its reasonable attorneys’ fees, expert fees, and costs. Any arbitration award shall be binding on the parties with no right of appeal. As a condition precedent to the hearing of any arbitration, SM and Client agree to submit any and all disputes between them to non-binding mediation with the assistance of an experienced mediator.
- 12. WITNESS FEES:** SM’s employees or owners shall not be retained as expert witness except by separate written agreement. Client agrees to pay SM pursuant to SM’s then current fee schedule for any SM employee or owner subpoenaed by any party as an occurrence witness as a result of SM’s Work.
- 13. HAZARDOUS MATERIALS:** Nothing contained in this agreement shall be construed or interpreted as requiring SM to assume the status of an owner, operator, generator, storer, transporter, or disposal facility as those terms appear within RCRA or within any federal or state statute or regulation governing the generation, transportation, treatment, storage, and disposal of pollutants. Client assumes full responsibility for compliance with the provisions of RCRA, and any other federal or state statute or regulation governing the handling, treatment, storage, and disposal of pollution.
- 14. PROVISIONS SEVERABLE:** In the event any of the provisions of these General Conditions should be found to be unenforceable, it shall be stricken, and the remaining provisions shall be enforceable.

15. **ENTIRE AGREEMENT:** This Agreement constitutes the entire understanding of the parties, and there are not representations, warranties, or undertakings made other than as set forth herein. This agreement may be amended, modified, or terminated only in writing signed by each of the parties hereto.

16. **FORCE MAJEURE:** Any delays or failure of performance by Seller/Consultant shall not constitute default or give any rise to damages if and to the extent such delays or failures of performance are caused by events of force majeure. Force majeure events shall include but not be limited to acts of God, the enactment, issuance or operation of any municipal, county, state, or federal law, ordinance, or executive, administrative or judicial regulation, order or decree, any local or national emergency or unusual condition, acts of war, civil unrest, epidemic or pandemic, sabotage, fires, floods, earthquakes, or other physical disasters, strikes, or other industrial dispute, conflicts, or delays in work.

Sway Mechanika LLC is a Licensed Washington General Contractor SWAYMML82oNZ

By signing this document, the Client agrees with all terms/conditions, scopes of work, and pricing within this project proposal.

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute this Contract as of the date first above written.

"OWNER":

By:

Name:

Title:

Address (for Notice):

Signature:

Date:

"CONTRACTOR":

Sway Mechanika, LLC

a Washington limited liability company

By: Sway Mechanika LLC

Name: Mark Hanna, Owner/Principal

License #: SWAYMML820NZ

Address (for Notice): 17825 59th Ave NE Ste D, Arlington, WA 98223.

Date: 10/6/23

Signature: 

**CITY OF VANCOUVER DOWNTOWN REDEVELOPMENT AUTHORITY (DRA)
FORMAL TASK ASSIGNMENT
SERVICES AGREEMENT # DRA1-23
TASK ORDER NUMBER 2**

The general provisions and clauses of Contract #DRA1-23, between the DRA and Ankrom Moisan, shall be in full force and effect for this Task Assignment. This Task Order defines a specific task to be performed under the terms of the original contract listed above and in no way alters other provisions of the original agreement. The signature below authorizes your firm to proceed with this specific task.

Project Title: Convention Center Expansion – Pre-Design Services
Location of Project: Hilton Hotel

PART 1 – WORK REQUEST

Task Order #1 shall consist of the following:

Scope of Work: See attached scope of work proposal.
Fee: \$42,740
Schedule: Final Report is to be delivered by January 2, 2024

PART II NOTICE TO PROCEED APPROVAL

The signature below authorizes your firm to proceed with this specific task.

Agency Approving Authority: _____

Printed Name: _____

Authorization Date: _____

Project Scope - Exhibit A1

General Scope and Project Clarifications

TASKS

- Pre-Design phase to include Macro Programming, Visioning + Program Development, and Feasibility Study. Subsequent phasing will be an additional service in the future. No consultants are included with these initial phases other than a basic consultation with PLACE for Waterfront Gateway Masterplan Coordination. Assumptions made on buildings when studying expansion are as follows:
 - Assume that basic LEED certification is to be attained.
 - No major Structural upgrade to existing building is anticipated.
 - MEP systems for the expansion assumed to be independent from Existing Building until further analysis is possible with additional consultants in a later phase.

Macro Programming, Visioning + Program Development

SCOPE

- Initial project setup. Client to provide areas, information already gathered, standards to follow and CAD or .PDF backgrounds.
- Meet with designated representatives of the Client to start-up the project, as well a review known program requirements as already determined and outlined by the Client, such as roles and responsibilities, communication protocols, project budget and project schedule.
- Discuss the project schedule with the Client and come to an agreement on how the work will progress and refine presentation, deliverable, and approval dates.
- Work with Client and relevant parties to gather information about current issues, unmet programmatic needs, desired building uses, programmatic adjacencies, technology used, specialty equipment requirements, desired aesthetic and architectural targets, and goals for the completed facility.
- Create programming for site and buildings.

MEETINGS

- One (1) site visit to Convention Center location in Vancouver, Washington.
- One (1) kick-off meeting.
- One (1) In-person meeting with the Client for Preliminary Review, Programming, and Visioning Session with key staff.

DELIVERABLES

- Program document (PDF)

CLIENT

- Coordinate access to project location, as required.

- Provide Ankrom Moisan with any known program requirement listed above prior to initial meeting.
- Provide Ankrom Moisan with CAD or .PDF backgrounds.
- Provide feedback and approval for program.

- Provide information on adjacent properties if they are to be studied
- Provide feedback and approval for General direction and design progress

Feasibility Study

SCOPE

- Feasibility Study of the Convention Center expansion is to include 25,000sf of conference space plus supportive service areas and toilet rooms, including two levels of underground parking once the Webber building is demolished. Masterplan of the Webber building parcel to include the existing Hilton and will take the Waterfront Gateway masterplan into consideration. Loading area functionality will be analyzed for efficiency in relationship to proposed expansion.
- The Feasibility Study shall provide Site Analysis, Zoning Information, Buildable Area Diagrams, Site Diagrams, preliminary Building Elevations, preliminary Building Sections, Precedent Imagery, and preliminary conceptual Perspective Renderings.

MEETINGS

- One (1) Site configuration review
- One (1) Architectural

DELIVERABLES

- Site Options (PDF)
- Final site selection with adjacencies (PDF)
- Final package that includes all deliverables as Executive Summary (PDF)

CLIENT

- Provide Ankrom Moisan with CAD or .PDF backgrounds.

EXCLUSIONS

- Future phases are to be discussed at a future date.

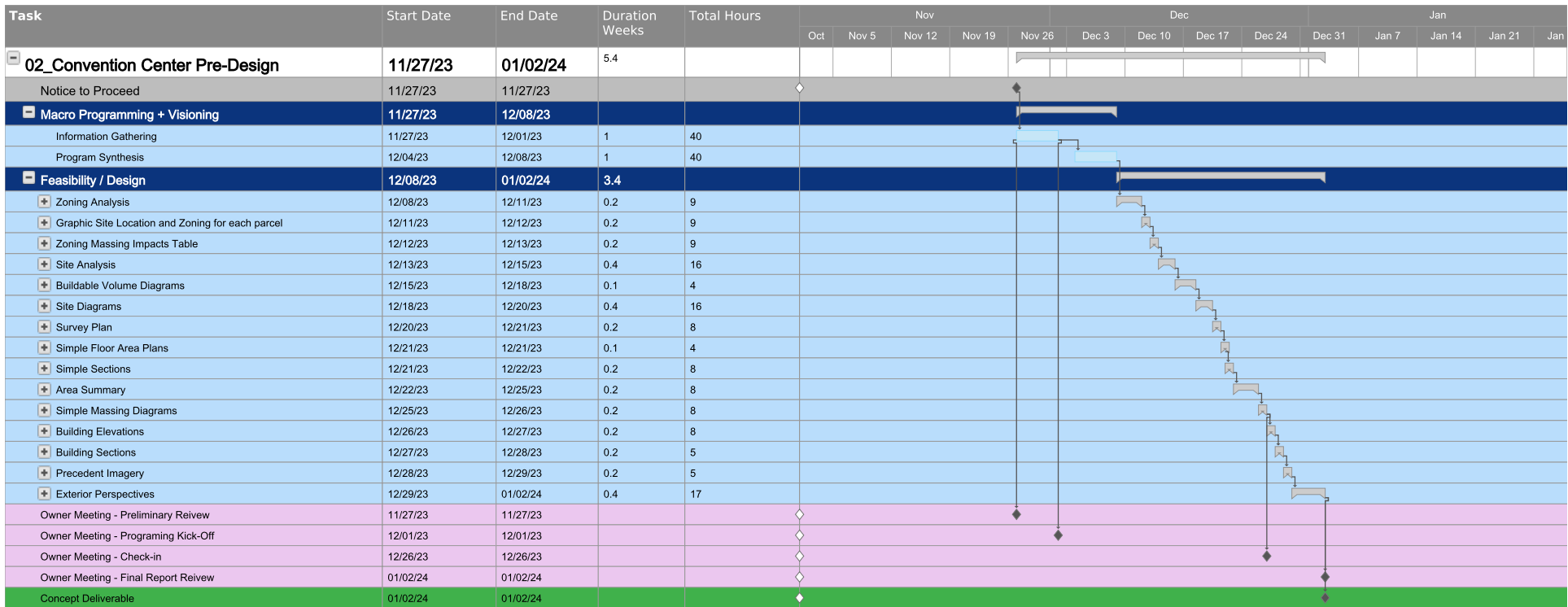
AMA Project # 231432
EXHIBIT A1: SCOPE BOUNDARY



EXHIBIT C: SCHEDULE OF COMPENSATION

Project Name: Hilton Convention Center Expansion
AM# 231432
Client Name: City of Vancouver
Date: 10/13/2023

ANKROM MOISAN SERVICES		Architectural	Interior Design	Total Fee	
Base Services					
Macro Programming + Visioning (Fixed Fee)	\$	15,000	\$ -	\$ 15,000	
Preliminary Investigation (Fixed Fee)	\$	5,000	\$ -	\$ 5,000	
Analysis and Feasibility (Time and Materials)	\$	14,000	\$ -	\$ 14,000	
Pre-Design Report Preparation (Fixed Fee)	\$	6,000	\$ -	\$ 6,000	
Sub-Total AM Base Services	\$	40,000	\$ -	\$ 40,000	
			Sub-Total AM Services	\$ 40,000	
OUTSIDE SERVICES					
Landscape	\$			1,000	
Structural Engineering	\$			-	N.I.C.
MEP / FP	\$			-	N.I.C.
Energy Modeling (Code+LEED)	\$			-	N.I.C.
Lighting	\$			-	N.I.C.
Acoustical Consulting	\$			-	N.I.C.
Elevator Consulting	\$			-	N.I.C.
Envelope	\$			-	N.I.C.
Permit Expediter	\$			-	N.I.C.
Accessibility	\$			-	N.I.C.
			Sub-Total Outside Services	\$ 1,000	
			TOTAL FEE	\$ 41,000	
			Consultant Admin / Markup (% Outside Services)	\$ 100	10%
			Estimated Reimbursable Expenses (% of Total Fee, Rounded)	\$ 1,640	4%
			TOTAL FEES Including Admin and Reimbursable Expenses	\$ 42,740	



2023 BILLING RATES EXHIBIT E

DESCRIPTION	RATES	AVERAGE
PRESIDENT EXECUTIVE VICE PRESIDENT VICE PRESIDENT	\$300 - \$475	\$360
MANAGING PRINCIPAL	\$270 - \$290	\$277
PRINCIPAL	\$200 - \$300	\$240
ARCHITECTURAL STAFF:		
SENIOR PROJECT MANAGER	\$183 - \$250	\$202
PROJECT MANAGER	\$147 - \$185	\$169
SENIOR PROJECT DESIGNER	\$173 - \$206	\$189
PROJECT DESIGNER	\$139 - \$165	\$152
SENIOR TECHNICAL DESIGNER	\$170 - \$217	\$179
TECHNICAL DESIGNER	\$147 - \$174	\$158
ARCHITECTURAL DESIGN STAFF	\$114 - \$187	\$130
ARCHITECTURAL RECENT COLLEGE GRADUATE	\$100 - \$122	\$106
INTERIOR DESIGN STAFF:		
INTERIOR DESIGNER V	\$170 - \$215	\$188
INTERIOR DESIGNER IV	\$135 - \$175	\$157
INTERIOR DESIGNER III	\$130 - \$175	\$146
INTERIOR DESIGNER I - II	\$110 - \$145	\$125
SPECIALISTS:		
TECHNICAL ADVOCATE (QA/QC)	\$158 - \$215	\$198
PRACTICE COORDINATOR PRACTICE MANAGER	\$98 - \$215	\$147
VISUALIZATION ARTISTS	\$160	\$160
BIM MANAGER BIM SPECIALISTS	\$160 - \$181	\$169
GRAPHIC DESIGN BRAND MARKETING STAFF	\$105 - \$260	\$141
RISK MANAGEMENT	\$113 - \$244	\$170

REIMBURSABLE EXPENSES

Expense of Consulting Services x 1.10.

Expense of Reimbursable Items x 1.10, including but not limited to:

DESCRIPTION
LARGE SMALL FORMAT PRINTS
POSTAGE DELIVERIES
MILEAGE PARKING TRAVEL
RENDERINGS
INTERNATIONAL PHONE CALLS
DISPLAY BOARDS MODELS
ELECTRONIC DATA TRANSFER
ONLINE MEETING INTERNET CONFERENCE

Consultant Proposals

10.10.2023

Via E-mail:

Ramin Rezvani
Senior Associate
Ankrom Moisan Architects
38 NW Davis #300
Portland, OR 97209

RE: City of Vancouver City Feasibility Studies

Ramin,
We appreciate the invitation to support the AMA team with feasibility studies for the City of Vancouver. As discussed, our scope will be peer review feedback during the studies and meetings as required.

PLACE will share the Vancouver Waterfront Gateway materials released to the City to date as well as to engage with your team informing future explorations. PLACE proposes a Time & Material engagement with a fee not to exceed \$2,000, organized between the Hilton Convention Center Expansion Study and Performing Arts Center Study with the following T&M billing rates:

Principal	\$250.00
Landscape Architect/Urban Designer	\$200.00
Landscape Designer	\$175.00

Please let us know if you have questions. We are happy to discuss this in more detail. Looking forward to our continued partnership.

Sincerely,
PLACE



Mauricio Villarreal
Principal



Melinda McMillan
Urban Designer | Architect

**DOWNTOWN REDEVELOPMENT AUTHORITY
STAFF REPORT NO. 12-21-23-02**

TO: Downtown Redevelopment Authority Board **DATE:** 12/21/23
FROM: Natasha Ramras, Executive Director
Subject: Amendment of DRA Procurement Policies and Guidelines

Objective: Approve a Resolution Amending Procurement Policies and Guidelines

Background: DRA approved new Procurement Policies and Guidelines in June of 2020 and amended in July of 2021 and February of 2023. During the last year, it became apparent that several minor modifications to the policies and a limited delegation of authority to the DRA Executive Director to execute certain professional services contracts would improve the contracting process and the ability to meet project timelines. The attached, amended Policies clarify and define this process.

Proposal: The proposed changes are outlined below:

1. Section 3.4.6 is recommended to be updated. The suggested language authorizes the Executive Director of the DRA to approve professional services contracts with the total value below \$50,000. All contracts above this threshold are to be approved by the DRA Board.
2. Exhibit A to the Policies is being updated for consistency with the above change.

Action Requested: Approve the proposed resolution. An example motion would be: “I move to approve Resolution 12-21-23-02, adopting changes to the DRA Procurement Policies and Guidelines”.

12-21-23-02

RESOLUTION NO. 12-21-23-02

A RESOLUTION of the Board of Directors of the Downtown Redevelopment Authority (DRA) amending Procurement Policies and Guidelines.

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

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

WHEREAS, the DRA as a public corporation is committed to operating in compliance with the Washington State procurement laws but is not subject to the City of Vancouver procurement rules; and

WHEREAS, DRA approved the adoption of its own Procurement Policies and Guidelines in June of 2020 and modified in July of 2021 and February 2023; and

WHEREAS, During the last year, it became apparent that several minor modifications to the policies might improve the process and project timelines, the DRA deems it appropriate to make such modifications.

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

Section 1. The DRA Board hereby approves amendments to its Procurement Policies and Guidelines as set forth in Exhibit A, a copy of which is attached and incorporated by this reference.

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

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

ADOPTED by the Board of Directors of the Downtown Redevelopment Authority this 1st day of January 2024.

Jan Robinson, Chairwoman of the Board

ATTEST:

Kathleen Kee, Secretary-Treasurer

APPROVED AS TO FORM:

Taylor Hallvik, Counsel to the Authority



City of Vancouver, WA Downtown Redevelopment Authority Procurement Policies and Guidelines

Table of Contents

<u>Section</u>	<u>Page</u>
1. Introduction	1
1.1. Purpose	
1.2. Purchasing Code of Ethics	
2. Controlling Requirements	1
2.1. City of Vancouver	
2.2. State of Washington	
2.3. Project Operating Agreement	
2.4. Trust Indenture	
2.5. Exemptions from State Requirements	
3. Purchases of Goods and Services	5
3.1. Management Agreement References	
3.2. General Guidelines	
3.3. Purchased Services	
3.4. Personal Services	
4. Purchases of Architectural and Engineering Services	7
4.1. Management Agreement References	
4.2. A&E Services Definition	
4.3. A&E Services Procurement and Project Management	
4.4. A&E Services Advertising	
4.5. A&E Vendor Selection	
4.6. A&E Contract Award	
5. Purchases Related to Capital Projects	10
5.1. Management Agreement References	
5.2. Public Works Project Definition	
5.3. Capital Project Procurement and Project Management	
5.4.. Capital Projects with a Budget Under \$75,000	
5.5.. Capital Projects with a Budget between \$75,000 and \$300,000	
5.6.. Capital Projects with a Budget Over \$300,000	
5.7. Bidder Qualifications	
5.8.. Bid Award and Contract Negotiation: Capital Projects =>\$75,000	
5.9. Prevailing Wages	
5.10. Capital Contract Management	
Exhibit A: Procurement Thresholds and Process Summary	
Exhibit B: Vancouver Conference Center Hotel Operating Standards	
Exhibit C: Architectural and Engineering Advertisement Example	
Exhibit D: Mandatory Responsible Bidder Certification Form Example	
Exhibit E: Public Works Contract Bid Tabulation Worksheet Example	
Exhibit F: Public Works Contract Addendum Example	
Exhibit G: MRSC Contract Closure Guidelines	

1. Introduction

1.1. Purpose

The purpose of this document is to establish policies and procedures to guide the Downtown Redevelopment Authority's (DRA/Authority) procurement of goods, supplies and services including public works. The Authority follows state requirements with regard to the expenditure of public funds and follows other practices to help ensure that goods and services are procured at least cost to the public while avoiding fraud and favoritism. The DRA's procurement policies and guidelines shall apply to the DRA and its contractors and agents.

1.2. Purchasing Code of Ethics

The DRA adopts the following code of ethics with regard to DRA contracting to instill public confidence in the award of public contracts and the expenditure of public funds.

1.2.1. Actions of the Board of Directors, DRA contractors and agents, and all others representing the DRA shall be impartial and fair.

1.2.2. All decisions shall comply with adopted policies and procedures and shall be made through the proper channels of the DRA's structure and/or as specified in the Project Operating Agreement (see Section 2.3 below).

1.2.3. No business or contracting relationship with the DRA, DRA contractors or DRA agents shall be for personal gain. Purchasing decisions shall be impartial, based upon the specifications for the procurement and the responses of those bidding on the supply or service.

1.2.4. No DRA Board Member, officer or agent may participate in the selection, award, or administration of a contract if she or he has a real or apparent conflict of interest. This conflict of interest extends beyond an individual Board Member, officer, or agent to include the individual's immediate family members, partners and other within the immediate household.

1.3. Procurement Thresholds and Processes Summary

1.3.1. A summary of the procurement thresholds and the related process for each type of procurement is included in Exhibit A.

2. Controlling Requirements

2.1. City of Vancouver

2.1.1. The DRA was created by the City of Vancouver in 1997 via ordinance No. M-3302 as a Public Development Authority as authorized through the Revised Code of Washington (RCW) Chapter 35.21.730.

2.1.2. The DRA operates according to Vancouver Municipal Code (VMC) Section 2.72.010-2.73.300.

2.1.3. The City's authorizing ordinance and the VMC state that the DRA was established to plan, design, finance, acquire, construct, equip, own, maintain, operate, repair, remodel, expand, and promote the Vancouver Convention Center and Hotel Project.

2.2. State of Washington

2.2.1. State law does not require a competitive process for the procurement of general operating supplies and services by public development authorities.

2.2.2. RCW 39.04.020 outlines the state requirements related to the procurement process for Public Works.

2.2.2.1. RCW 39.04.010 defines Public Works as "all work, construction, alteration, repair, or improvement other than ordinary maintenance."

2.2.3. RCW 39.80.030 outlines the state requirements related to the procurement process for Architectural and Engineering services.

2.2.4. RCW 39.12 outlines the state requirements related to paying prevailing wages.

2.2.5. RCW 39.10 outlines the state requirements allowing the use of alternative contracting procedures.

2.3. Project Operating Agreement

2.3.1. The DRA owns the Vancouver Conference Center Hotel which consists of a 226 room "upscale" hotel, approximately 30,000 square feet of meeting space, a 150 space parking garage and a restaurant and bar.

2.3.2. The DRA has entered into an Amended and Restated Project Operating Agreement (Management Agreement) with Hilton Management LLC as the manager (Manager) of the Vancouver Conference Center Hotel project (Project). The Project constitutes the majority of the Authority's operations.

2.3.3. The Management Agreement includes Operating Standards that the Manager must meet. The Operating Standards are included as Exhibit B.

2.3.4. The Management Agreement includes certain purchasing procedures and guidelines specific to the operation of the Vancouver Conference Center Hotel project. Where appropriate language from the Management Agreement is included in the DRA's procurement policies and guidelines.

2.4. Trust Indenture

2.4.1. The DRA and Manager are bound by the Amended and Restated Trust Indenture that secures the payment of the principal and interest on bonds issued by the DRA to construct the Vancouver Conference Center Hotel project.

- 2.4.2. The Trust Indenture identifies the terms and conditions that secure the bonds for the benefit of bondholders. The Management Agreement is referenced in the Trust Indenture.
- 2.4.3. The Trust Indenture identifies certain financial and operational requirements and metrics including actions to be taken by the Trustee, the DRA and Manager if they are not met.
- 2.4.4. All of the revenue and expenses related to the operation of the Vancouver Conference Center Hotel project are subject to the terms and conditions of the Trust Indenture and flow through funds and accounts managed by the Trustee.

2.5. Exemptions from State Requirements

- 2.5.1. RCW 39.04.280 provides uniform exemptions to state competitive bidding requirements when awarding contracts for public works and other purchases. Allowable exemptions include:
 - 2.5.1.1. Purchases that are clearly and legitimately limited to a single source of supply.
 - 2.5.1.2. Purchases involving special facilities or market conditions.
 - 2.5.1.3. Purchases in the event of an emergency.
 - 2.5.1.4. Purchases of insurance or bonds.
 - 2.5.1.5. Public works in the event of an emergency.
- 2.5.2. Special Facilities or Market Conditions
 - 2.5.2.1. The DRA finds that the operation and maintenance of the Vancouver Conference Center Hotel project and the terms and conditions included in the Management Agreement and Trust Indenture involve “special facilities or market conditions” and qualify the DRA for an exemption from state bidding requirements. Examples include the Management Agreement’s allowed use of specific vendors for certain goods and services and the Conference Center Hotel’s Operating Standards which include operating as a “full service, first class, conference oriented Upscale Hotel.” Other examples include the being the only publicly owned hotel in Washington and the only LEED certified hotel in SW Washington.
 - 2.5.2.2. Notwithstanding the special facilities or market conditions exemption, the DRA and the Manager shall endeavor to comply with all state purchasing requirements and follow the procurement policies and procedures as outlined in this document.
 - 2.5.2.3. Prior to or immediately after the award of any public works contract where state competitive bidding requirements were not followed the contract and the factual basis for the

exception will be approved by the DRA Board in an open public meeting.

2.5.3. Emergencies

2.5.3.1. The DRA and the Manager shall follow emergency procurement procedures identified in the Management Agreement and Indenture.

2.5.3.2. Competitive bidding is not required when an emergency exists; however, in making emergency purchases, the DRA or the Manager shall endeavor to include the level of competition that is practical under the circumstances. The Manager, or Executive Director, is authorized to make emergency purchases upon a finding of the existence of an emergency. An emergency is any unforeseen circumstances beyond the control of the DRA that either a) present a real, immediate threat to the proper performance of essential functions; or b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken. Examples include any breakage or loss of equipment or other circumstance where necessary service is interrupted or is about to be interrupted; or situations where DRA assets may suffer a substantial loss by reason of the time required for following the regular purchasing procedures.

2.5.3.3. If an emergency exists, the Executive Director or Manager is authorized to act and will ask the DRA Board to pass a resolution at the next open public meeting that: Declares or confirms that an emergency situation exists or existed; Waives competitive bidding requirements for purposes of responding to the emergency situation; and authorizes, on behalf of the DRA, the execution of any contract necessary to address the emergency situation.

2.5.4. Sole Source of Supply

2.5.4.1. RCW 39.04.280(1)(a) allows the DRA or Manager to waive competitive bidding if a purchase is clearly and legitimately limited to a single supplier.

2.5.4.2. The DRA or Manager should base the decision to waive competitive bidding on an objective review of the required product or service, making sure to document why that particular product or service is mandatory, whether efforts were made to find other vendors and why the sole source procurement is justified.

3. Purchases of Goods and Services

3.1. Management Agreement References

- 3.1.1. Section 2.04. Negotiation of Contracts.
- 3.1.2. Section 2.07. Purchase of Inventories, Supplies and Consumables.
- 3.1.3. Section 2.09. Legal Services.
- 3.1.4. Section 2.23. Project Marketing Program.
- 3.1.5. Section 2.25. Purchasing.

3.2. General Guidelines

- 3.2.1. Manager shall, as agent on behalf of Authority and for the benefit of the Conference Center Hotel project, purchase, or arrange for the purchase of, all inventories, provisions, consumable supplies and operating supplies that are necessary and proper and act in a commercially reasonable and economical manner in purchasing such items, provided that the ownership of all such inventories, provisions, consumable supplies and operating supplies (with the exception of proprietary information) shall be in the Authority.
- 3.2.2. Manager shall select vendors based on Manager's reasonable judgment of which vendors provide the best combination of cost and quality of goods and services. Manager shall use its commercially reasonable efforts to purchase products from those vendors who have the needed items available, at the lowest price.
- 3.2.3. Manager shall act in an economical manner in purchasing items for the Project, but in selecting such items for purchase Manager also shall be entitled to reasonably consider the environmental consequences of its selections and the desirability of encouraging such things as recycling of materials.
- 3.2.4. Manager shall comply with the standard practices and policies applicable to Other Hilton Hotels (including competitive bidding) in the selection of vendors under contracts for goods and services.
- 3.2.5. National Vendors. Manager may elect to purchase inventories, supplies and consumables under vendor contracts available to Manager under the purchasing program of Manager and its related entities for so long as such a program is maintained.
- 3.2.6. Affiliates. Manager may enter into contracts for goods and services with related parties for goods and services normally provided by third party vendors, so long as (i) the contracts do not provide for a price in excess of the market price for such goods and/or services and the goods and/or services are of a quality that would be at least equivalent to that provided by an unrelated third party contractor pursuant to an arms-length contract for the same price as is charged by the Affiliate; and (ii)

such contracts do not result in any such Affiliate receiving any direct or indirect profit by reason thereof. Hilton Supply Management is an affiliate.

- 3.2.7. Procurement of information technology equipment and services shall meet all requirements of Manager.
- 3.2.8. Manager shall solicit bids from a minimum of three vendors for all contracts providing for payments in any one (1) year, in excess of \$25,000. Bids shall be from reputable vendors (if available) known to Manager to provide high quality service at competitive prices and permit Manager to operate the Project in the manner contemplated under the Management Agreement (at least one of whom must not be either a National Vendor or an Affiliate of Manager and may be designated by Authority, at Authority's election).
- 3.2.9. Manager shall use a formal Request for Proposals process or sealed bids for all contracts over \$300,000. Approval of all goods and services contracts over \$300,000 shall be by the DRA Board.
- 3.2.10. The Manager shall provide the DRA with a report each year on or before January 31 identifying all vendors with contracts that were paid \$25,000 or more in the prior year. The report shall list the vendor, contract effective date, amount paid in the prior year and a brief description of the goods or services provided.
- 3.2.11. Where applicable, the Manager shall make diligent efforts to ensure contractors and vendors pay prevailing wages for all services.
- 3.2.12. Applicable state and DRA requirements may be included in a contract addendum with a separate acknowledgement by the contractor.

3.3. Purchased Services

- 3.3.1. Purchased Services are those provided by vendors for routine, necessary, and continuing functions mostly relating to physical activities. These services are usually repetitive, routine, or mechanical in nature, support day-to-day operations, involve the completion of specific tasks or projects, and involve minimal decision-making.
- 3.3.2. All purchased services, regardless of the contract value, will be procured using a process that identifies the vendor that offers the best value considering qualifications as the primary factor but also considering cost.
- 3.3.3. The Manager shall procure all purchased services in relation to the operation of the Conference Center Hotel project. In procuring purchased services the Manager shall comply with the guidelines identified in Section 3.2 above.

3.4. Personal Services

- 3.4.1. Management Agreement Reference
 - 3.4.1.1. Section 2.09. Legal Services. Retaining Special Assistant City Attorneys or attorneys to represent or advise the DRA in a given situation, investigative services, and/or expert witnesses shall be by rules adopted by the DRA Attorney and approved by the Manager.
- 3.4.2. Personal services involve technical expertise provided by a consultant to accomplish a specific study, project, task, or other work. Personal services activities and products are mostly intellectual in nature and do not include architecture and engineering services, which are addressed in Section 4 below.
- 3.4.3. Personal services contracts for services, regardless of contract value, will be procured using a process that identifies the contractor that offers the best value for the project or task considering qualifications as the primary factor but also considering cost.
- 3.4.4. The Manager shall procure all personal services contracts for services provided in relation to the operation of the Conference Center Hotel project. In procuring purchased services the Manager shall comply with the guidelines identified in Section 3.2 above.
- 3.4.5. In the case of legal services, the Manager shall use legal counsel for the Project (which legal counsel shall be reasonably acceptable to the DRA) that has been procured by corporate Hilton. Manger's legal counsel shall provide legal services under Manager's direction and in coordination with the DRA's legal counsel.
- 3.4.6. The DRA Executive Director is authorized to execute personal services contracts for services provided directly to the DRA where the total value of the contract is less than \$50,000. Personal services contracts in excess of \$50,000 shall be presented for vote and approval by the DRA Board. In situations whereby immediate contracting is required, the Board President may provide authorization to proceed with ratification to follow at the next available public meeting of the DRA Board.

4. Purchases of Architectural and Engineering Services

4.1. Management Agreement References

- 4.1.1. Section 2.05. Maintenance of Project and Furniture, Fixtures and Equipment (FF&E).
- 4.1.2. Section 2.06. Supervision and Coordination of Renovations, Improvements, Etc.
- 4.1.3. Section 2.19. FF&E, Capital, Repair and Maintenance Expenses.

4.2. A&E Services Definition

- 4.2.1. Professional architectural and engineering (A&E) services are services provided by any person, other than an employee, that fall

City of Vancouver Downtown Redevelopment Authority
Procurement Policies and Guidelines
Adopted Final

under the general state definitions of:

4.2.1.1. Architecture (chapter 18.08 RCW).

4.2.1.2. Engineering (chapter 18.43 RCW).

4.2.1.3. Land surveying (chapter 18.43 RCW).

4.2.1.4. Landscape architecture (chapter 18.96 RCW).

4.3. A&E Services Procurement and Project Management

4.3.1. The Manager shall manage all DRA projects requiring A&E services unless otherwise directed by the DRA.

4.3.2. The DRA and the Manager will follow the uniform requirements of chapter 39.80 RCW when procuring A&E services.

4.3.3. The DRA and Manager may use alternative contracting procedures including design-build. Any use of alternative contracting procedures must be approved by the DRA Board and follow the state requirements for alternative contracting procedures identified in RCW 39.10.

4.3.4. All vendor invoices shall be approved by the DRA and the Manager prior to payment. The DRA may also request that City of Vancouver Procurement Services review vendor invoices prior to payment.

4.3.5. The DRA, the Manager and City Procurement Services shall collaborate on the contract close out process and on any vendor requirements to be completed prior to final payment on the contract.

4.4. A&E Services Advertising

4.4.1. Annually, on or before January 31, the DRA will publish a description of the need for architectural and engineering services for the coming year as identified in the DRA's approved capital budget. The advertisement shall concisely state the general scope and nature of the projects or work for which services are required and any minimum vendor qualifications. The notice will provide information on when and where interested vendors can obtain additional details regarding the projects.

4.4.2. As an alternative to an annual advertisement the DRA may advertise separately for each project or group of projects that have a need for architectural and engineering services.

4.4.3. Minimum vendor requirements can include requirements identified by the Manager.

4.4.4. DRA or the Manager will publish a separate announcement regarding the need for A&E services if the DRA approves an amendment to its capital budget after January 31 that includes one or more new capital projects that require A&E services.

4.4.5. The DRA and Manager shall ensure that all qualified firms are afforded the maximum practicable opportunity to compete for and obtain contracts for services.

4.4.6. An A&E services advertisement example is included in Exhibit C.

City of Vancouver Downtown Redevelopment Authority
Procurement Policies and Guidelines
Adopted Final

4.4.7. The advertisement for A&E services and any additional information regarding the services shall be posted on the DRA's web site.

4.5. A&E Vendor Selection

4.5.1. The DRA or the Manager will develop and document the evaluation of vendors to provide A&E services as outlined in RCW 39.80.040. Potential evaluation criteria may include, but will not be limited to, the following:

- 4.5.1.1. Experience in designing/surveying the type of project envisioned.
- 4.5.1.2. Quality of previous performance.
- 4.5.1.3. Ability to meet contract deadlines.
- 4.5.1.4. Responsiveness to solicitation requirements.
- 4.5.1.5. Compliance with statutes and rules relating to contracts or services.
- 4.5.1.6. References.
- 4.5.1.7. Staff readily available for the project.
- 4.5.1.8. Financial capacity.
- 4.5.1.9. Licensing and certification.
- 4.5.1.10. History of errors and omissions.
- 4.5.1.11. Construction change order history.

4.5.2. The Manager shall offer the DRA the opportunity to include a representative from the DRA in the review of A&E vendors and the selection of the preferred vendor for DRA capital projects in excess of \$350,000.

4.6. A&E Contract Award

4.6.1. A&E contracts shall be awarded to the most qualified firm at a price which is deemed fair and reasonable, a process known as "qualifications-based selection" (QBS).

4.6.2. Contracts Under \$50,000.

4.6.2.1. Once the preferred vendor has been identified the Manager shall negotiate a cost for the services. If an agreement with the preferred vendor cannot be reached the Manager may negotiate a cost with the next most qualified firm.

4.6.2.2. The Manager shall negotiate a contract with the preferred vendor. The contract shall reflect normal and customary requirements as identified by City of Vancouver Procurement Services and shall incorporate any additional provisions required by the Manager.

4.6.3. Contracts Over \$50,000.

4.6.3.1. Once the preferred vendor has been identified the DRA, with input from the Manager, shall negotiate a cost for the services. If an agreement with the preferred vendor cannot be reached the Manager may negotiate a cost

with the next most qualified firm.

- 4.6.3.2. The DRA shall negotiate a contract with the preferred vendor. The contract shall reflect normal and customary requirements as identified by City of Vancouver Procurement Services and shall incorporate any additional provisions required by the Manager.
- 4.6.4. No contract for A&E services related to a DRA capital project shall be let by the Manager without the approval and authorization of the DRA Board in an open public meeting.
- 4.6.5. The Executive Director of the DRA is authorized to negotiate and approve amendments and/or change orders for A&E services contracts that have been approved by the DRA Board by up to twenty percent of the initial value of the contract. Any increases above twenty percent of the initial value of the contract shall require DRA Board approval.

5. Purchases Related to Capital Projects

5.1. Management Agreement References

- 5.1.1. Section 2.05. Maintenance of Project and Furniture, Fixtures and Equipment (FF&E).
- 5.1.2. Section 2.06. Supervision and Coordination of Renovations, Improvements, Etc.
- 5.1.3. Section 2.19. FF&E, Capital, Repair and Maintenance Expenses.
- 5.1.4. Section 2.21. (a)(viii) Prevailing Wages.

5.2. Public Works Project Definition

- 5.2.1. RCW 39.04.010 defines Public Works as "...all work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the state or of any municipality, or which is by law a lien or charge on any property therein."
- 5.2.2. Not all DRA capital projects will meet the state definition for public works. In addition, some maintenance contracts may meet the definition of public works. The Manager, with assistance from the DRA, shall determine whether a specific project or contract meets the state definition of public works.

5.3. Capital Project Procurement and Project Management

- 5.3.1. The DRA, with the assistance of City of Vancouver Procurement Services, shall manage the procurement of all DRA capital projects over \$300,000. Management of the completion of these projects shall be the responsibility of the Manager in coordination with the DRA and City of Vancouver Procurement Services.
 - 5.3.2. The Manager shall manage the procurement and completion of all other DRA capital projects unless otherwise directed by the DRA.
- As stated in Section 2.5.2.1. the DRA finds that the operation and

City of Vancouver Downtown Redevelopment Authority
Procurement Policies and Guidelines
Adopted Final

maintenance of the Vancouver Conference Center Hotel project and the terms and conditions included in the Management Agreement and Trust Indenture involve “special facilities or market conditions” and qualify the DRA for an exemption from state bidding requirements. Accordingly, the DRA and Manager shall follow the procurement process for capital and Public Works projects as outlined in this document.

- 5.3.3. The DRA may enter into a contract with a third party to serve as the “Owner’s Representative” during construction.
- 5.3.4. For contracts under \$300,000 the DRA shall maintain a list of the contractors contacted and the contracts awarded during the previous 24 months. The list shall include the name of the contractor, the contractor’s registration number, the amount of the contract, a brief description of the work performed, and the date the contract was awarded.
- 5.3.5. The DRA and Manager may use alternative contracting procedures including design-build. Any use of alternative contracting procedures must be approved by the DRA Board and follow the state requirements for alternative contracting procedures identified in RCW 39.10.
- 5.3.6. All capital/Public Works contracts for projects included in the DRA’s approved capital budget shall be reviewed and approved by the DRA’s Asset Manager and the DRA Board regardless of dollar amount.

5.4. Capital Projects with a Budget Under \$75,000

- 5.4.1. Competitive procurement is not required for capital/Public Works projects with a budget/contract amount under \$75,000.
- 5.4.2. Manager shall solicit bids from a minimum of three vendors for all capital/Public Works projects under \$75,000 utilizing the small works roster. Bids shall be solicited from reputable vendors known to Manager to provide high quality work at competitive prices.
- 5.4.3. Manager shall select a preferred vendor based on Manager’s reasonable judgment of which vendor provides the best combination of cost and quality.

5.5. Capital Projects with a Budget of \$75,000 to \$300,000

- 5.5.1. The Manager or DRA shall directly solicit quotations from no less than three vendors for capital projects with a budget over \$75,000 but less than \$300,000. The solicitation is intended to assure that a competitive price is established and to award contracts to the lowest responsible bidder, as defined in RCW 39.04.010.
- 5.5.2. Invitations for quotations sent to prospective contractors shall include an estimate of the scope and nature of the work to be performed as well as the materials and equipment to be furnished. However, detailed plans and specifications need not be included in the invitation.

**City of Vancouver Downtown Redevelopment Authority
Procurement Policies and Guidelines
Adopted Final**

5.6. Capital Projects with a Budget Over \$300,000

- 5.6.1. The DRA or their agent shall prepare plans, specifications and estimates for any project expected to cost \$300,000 or more. The plans, specifications and estimates shall be approved by the DRA Board prior to soliciting bids for the project.
- 5.6.2. The DRA shall work with the City of Vancouver Procurement Services to develop and assemble bid documents for solicitation of bids. The Manager shall provide any additional requirements and minimum qualifications.
- 5.6.3. The DRA shall advertise the opportunity to bid on any capital or Public Works project with a budget of \$300,000 or more in The Columbian newspaper. The advertisement shall appear at least fifteen (15) days prior to the date the bids are to be submitted. The advertisement shall include, at a minimum, the following items:
 - 5.6.3.1. Title of the project.
 - 5.6.3.2. Nature and scope of the work to be performed.
 - 5.6.3.3. Minimum qualifications including mandatory criteria for responsible bidders (see Section 5.61 below).
 - 5.6.3.4. Where contract documents (plans and specifications) may be reviewed and/or obtained.
 - 5.6.3.5. Costs, if any, to obtain a set of contract documents, or instructions on how to obtain electronic documents if available.
 - 5.6.3.6. The time after which bids will not be received.
 - 5.6.3.7. The place, date, and time set for opening of the sealed bids.
 - 5.6.3.8. The requirements for an accompanying bid bond, if applicable.
 - 5.6.3.9. Statement that the DRA retains the right to reject any and all bids and waive minor irregularities in the bidding process.
 - 5.6.3.10. Statement on requirement to pay prevailing wages.
- 5.6.4. The DRA and/or City of Vancouver Procurement Services shall provide bid documents to interested contractors. The bid documents shall include plans and specifications along a description of mandatory and supplemental responsible bidder requirements (see Section 5.7.2 below). Bid documents will also include a standard contract. The DRA may send bid documents or notices of the bid opportunity directly to known qualified firms.

5.7. Bidder Qualifications

- 5.7.1. Responsible bidders, as defined in RCW 39.04.010 and 39.04.350, must meet a number of mandatory criteria. The bidder must:
 - 5.7.1.1. Be a registered contractor.
 - 5.7.1.2. Have a current Unified Business Identifier (UBI) number.

City of Vancouver Downtown Redevelopment Authority
Procurement Policies and Guidelines
Adopted Final

- 5.7.1.3. Have industrial insurance/workers' compensation coverage.
- 5.7.1.4. Have an Employment Security Department (ESD) account.
- 5.7.1.5. Have a state excise tax registration number.
- 5.7.1.6. Not be disqualified from bidding under RCW 39.06.010 or 39.12.065(3).
- 5.7.1.7. Not have any apprenticeship violations, if applicable.
- 5.7.1.8. Certify through a sworn statement that they are not a willful violator of labor laws in reference to RCW 49.48.082 within the past three years.
- 5.7.1.9. Have received training, provided by the Department of Labor and Industries or by a provider whose curriculum has been approved by L&I, on the requirements related to Public Works and prevailing wages. However, bidders that have completed three or more Public Works projects and maintained a valid business license in Washington for at least three years are exempt from this requirement.
- 5.7.2. The DRA or Manager may include supplemental bidder responsibility criteria. An example of supplemental responsibility criteria includes project experience with full service, upper upscale, conference-oriented hotels, or Hilton branded hotels. Other supplemental bidder responsibility criteria may include:
 - 5.7.2.1. The ability, capacity, and skill of the bidder to perform the contract or provide the service required.
 - 5.7.2.2. The character, integrity, reputation, judgment, experience, and efficiency of the bidder.
 - 5.7.2.3. Whether the bidder can perform the contract within the time specified.
 - 5.7.2.4. The quality of performance of previous contracts or services.
 - 5.7.2.5. The previous and existing compliance by the bidder with laws relating to the contract or services.
 - 5.7.2.6. Such other information as may be secured having a bearing on the decision to award the contract.
- 5.7.3. The DRA or Manager shall obtain a signed statement from each bidder, to be included with the bid, verifying that the bidder has complied with the responsible bidder criteria.
- 5.7.4. An example of a Mandatory Responsible Bidder Certification form is included as Exhibit D.

5.8. Bid Award and Contract Negotiation: Capital Projects =>\$75,000

- 5.8.1. The DRA or Manager shall assign two people to open bids at the assigned date and time. Information included in the bids, including the cost, shall be recorded on a form created to document the bid results for the project. When all bids have been recorded the

City of Vancouver Downtown Redevelopment Authority
Procurement Policies and Guidelines
Adopted Final

witnesses to the bid opening shall sign the form. An example of a form used to record bids is included in Exhibit E.

The DRA or Manager shall identify the lowest responsive and responsible bidder as the apparently successful bidder. Immediately after the apparently successful bidder is identified, the bid quotations obtained shall be made available to the public.

- 5.8.2. The DRA or Manager may not negotiate with any of the bidders prior to identifying the apparently successful bidder. Some submissions may involve errors, omissions, or other irregularities, and the DRA or Manager must decide how to handle them on a case by case basis.
- 5.8.3. The DRA or Manager shall review the bid from the apparently successful bidder, resolve any questions and initiate contract negotiations.
- 5.8.4. The DRA or Manager shall work with the apparently successful bidder, and legal staff as appropriate, to prepare a draft contract document, substantially in the form prepared for the bid documents.
- 5.8.5. All capital/Public Works contracts for projects included in the DRA's approved capital budget shall be reviewed and approved by the DRA's Asset Manager and the DRA Board regardless of dollar amount.
- 5.8.6. The Executive Director of the DRA is authorized to negotiate and approve amendments and/or change orders for Capital/Public Works contracts and FF&E contracts that have been approved by the DRA Board by up to twenty percent of the initial value of the contract. Any increases above twenty percent of the initial value of the contract shall require DRA Board approval.

5.9. Prevailing Wages

- 5.9.1. The Manager or the DRA will endeavor to ensure that prevailing wages are paid for any public works project as required under RCW 39.12 regardless of the amount of the contract.
- 5.9.2. The Management Agreement Section 2.21(1)(viii) states that: Pursuant to RCW Chapter 39.12, "Prevailing Wages on Public Works," no worker, laborer, or mechanic employed at the Project shall be paid less than the "prevailing rate of wage" then in effect as determined by the Industrial Statistician of the State Department of Labor and Industries.
- 5.9.3. All contractors and subcontractors on DRA Public Works projects will be required to file a Statement of Intent to Pay Prevailing Wage prior to initiation of work on the project and a Prevailing Wage Affidavit after completion of work on the project. The forms are filed with the Department of Labor and Industries.

5.10. Capital Contract Management

City of Vancouver Downtown Redevelopment Authority
Procurement Policies and Guidelines
Adopted Final

- 5.10.1. The Manager shall administer all contracts under \$300,000 unless otherwise directed by the DRA.
- 5.10.2. The DRA or City of Vancouver Procurement Services shall administer all contracts of \$300,000 or more.
- 5.10.3. Prior to the first payment the DRA and Manager shall verify that the contractor has met all the conditions of the contract including all insurance, bond, and prevailing wage filing requirements.
- 5.10.4. Prior to approving any contract payment, the DRA or Manager shall require the contractor to provide a conditional lien release for the current payment request and a final lien release for any prior payments.
- 5.10.5. The Manager shall approve all progress invoices for payment. The DRA shall also approve all invoices for contracts of \$300,000 or more. If applicable, the DRA or Manager shall hold back five percent (5%) of each payment request as retainage (or another amount per the contract).
- 5.10.6. At the completion of any project with a contract value of \$35,000 or more, prior to the final contract payment/release of retainage, the DRA, Manager and/or the contractor shall file the following or verify that they have been filed:
 - 5.10.6.1. Intents and affidavits regarding prevailing wages from the contractor and all subcontractors.
 - 5.10.6.2. Release from the Department of Labor & Industries.
 - 5.10.6.3. Notice of completion and release from the Department of Revenue.
 - 5.10.6.4. Release from the Employment Security Department.
 - 5.10.6.5. Final lien releases from the contractor and all subcontractors.
- 5.10.7. At the completion of any project with a contract value of \$300,000 or more the City of Vancouver Procurement Services and the DRA Board shall approve the final contract payment and release of retainage.
- 5.10.8. At the completion of all capital projects the Manager and/or the DRA shall obtain all warranty information from the contractor along with the contact information for all subcontractors.
- 5.10.9. The Manager or DRA may waive retainage requirements for contracts under \$300,000 per RCW 60.28.011(1)(a).
- 5.10.10. Contract closure guidelines prepared by the Municipal Research and Services Center (MRSC) are provided in Exhibit G.

Exhibit A: Procurement Thresholds and Process Summary
Vancouver Downtown Redevelopment Authority
Procurement Thresholds and Process Summary

Effective Date: January 1, 2024

Type of Purchase	Dollar Amount	Process/Requirements	Approval Required
Goods, Materials, Services and Equipment (Excluding A&E)	\$25,000 or less	No specific competitive requirements	Manager
	> \$25,000 to ≤ \$300,000	Solicitation of a minimum of three vendors for documented quotes	Manager
	> \$300,000	Request for Proposals or sealed bid	DRA Board
DRA Professional Services (Excluding A&E)	< \$50,000	No specific competitive requirements	Executive Director
	< \$50,000	Request for Proposals	DRA Board
Public Works/Capital Projects (Requires Prevailing Wages)	\$75,000 or less	Solicitation of a minimum of three vendors for documented quotes	DRA Asset Manager and DRA Board
	\$75,000 up to \$300,000	Solicitation of a minimum of three vendors for documented quotes; Award to lowest responsive and responsible bidder	DRA Asset Manager and DRA Board
	> \$300,000	Sealed bid process; Award to lowest responsive and responsible bidder	DRA Asset Manager and DRA Board
Architectural & Engineering Services	\$50,000 or less	RFQ advertisement and post to website; Follow up with most qualified firm on specific projects	Manager
	> \$50,000		DRA Asset Manager and DRA Board

Revised 12/21/23



2024 DRA Meeting and Work Plan Schedule

Regular Board Meetings will take place on the third Thursday of the relevant month, starting at 11:00am unless specified otherwise.

Month	Work Plan Item
* <i>January (No Meeting)</i>	<ul style="list-style-type: none"> • 2023 Preliminary Financial Report and year-end Flow of Funds • Preparation of the RFP for Audit Services • Preparation of the DRA financial statements for 2023
February 15, 2024 (11:00 a.m.)	<ul style="list-style-type: none"> • Draft DRA Annual Report to City Council • 2023 Audit Report
<i>March (No Meeting)</i>	<ul style="list-style-type: none"> • Coordinate Audit of the DRA Financials
April 18, 2024 (11:00 a.m.)	<ul style="list-style-type: none"> • Review 1Q 2024 Results
<i>May, June (No Meeting)</i>	<ul style="list-style-type: none"> • SAO audit
July 18, 2024 (11:00 a.m.)	<ul style="list-style-type: none"> • 2Q 2024 Financial Report & Flow of Funds Forecast
<i>August (No Meeting)</i>	
<i>September (No Meeting)</i>	
October 17, 2024 (11:00 a.m.)	<ul style="list-style-type: none"> • 3Q 2024 Financial Report and Flow of Funds Forecast
<i>November (No Meeting)</i>	<ul style="list-style-type: none"> • 2025 Budget Review
December 19, 2024 (11:00a.m.)	<ul style="list-style-type: none"> • Approval of 2025 Operating and Capital Budget

**Executive Director report provided in months when there is no Board meeting*

Finance Committee will meet monthly, with the exception of August, September and November or as notified by the Executive Director)

Asset Manager's Report to the DRA Board

Hilton Vancouver Washington Vancouver, WA

November 2023

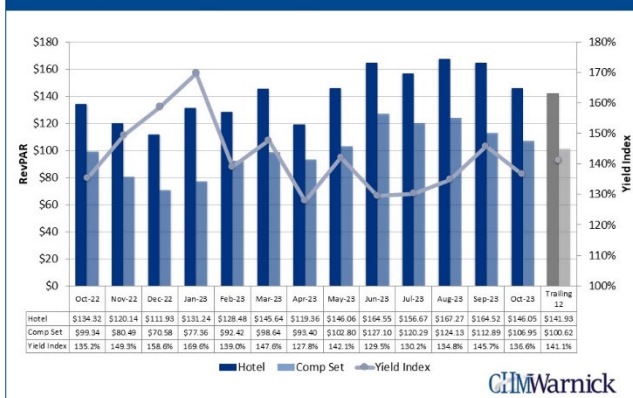


1 Performance Relative to the Competitive Set

The table and chart below summarize the Hotel's performance compared with the competitive set of Vancouver hotels in October 2023 (the most current information available).

Performance of the Competitive Set			
	Occupancy	ADR	RevPAR
October 2023			
Competitive Set	71.8%	\$148.93	\$106.95
% Chg. from Prior Yr.	5.4%	3.2%	8.8%
Hilton Vancouver	77.7%	\$188.02	\$146.05
% Chg. from Prior Yr.	2.1%	6.5%	8.7%
Yield Index	108.2%	126.2%	136.6%
Trailing 12 Months			
Competitive Set	68.2%	\$147.54	\$100.62
% Chg. from Prior Yr.	6.0%	2.7%	8.8%
Hilton Vancouver	73.6%	\$192.86	\$141.93
% Chg. from Prior Yr.	-2.5%	7.2%	4.6%
Yield Index	107.9%	130.7%	141.1%

RevPAR Performance vs. Competitive Set



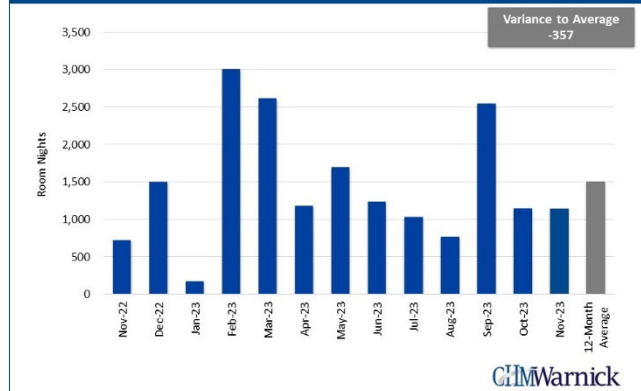
Indicator Explanation: RevPAR is calculated by multiplying the occupancy percentage times the average room rate. RevPAR helps management identify the optimal mix of occupancy and average rate. The RevPAR yield index measures the performance of an individual hotel against its competitive set. A yield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

- Month-over-month the Hotel gained ground to September in overall RevPAR yield.
- Notwithstanding the increased competitive environment, the Hotel continues to perform very well against the competitive set.
- The Hotel has consistently maintained a sizable average daily rate ("ADR") premium. On the strength of ADR and, to a lesser extent, occupancy (both yielding well above fair share), the Hotel achieved a 136.6% RevPAR index during October with a trailing 12-month index of 141.1%.

2 Future Group Bookings

The following table summarizes future group business booked during the past 12 months.

Group Rooms Booked vs. 12-Mo. Average

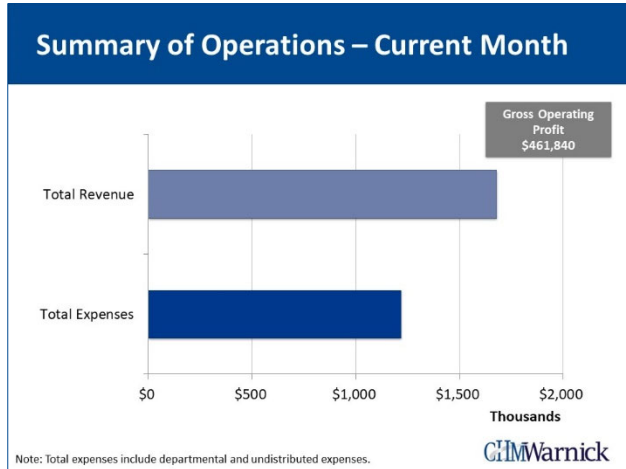


Indicator Explanation: Group business is one of the most important market segments for the Hotel because it fills the meeting rooms and generates banquet, as well as room, revenue.

- The group and local catering lead volume remains very encouraging. During September, the sales team received 118 leads representing strong revenue potential for the remainder of 2023 and beyond.
- Lead conversion continues to be strong; during the month, the sales team turned 38 bookings definite representing approximately 1,000 room nights.
- The Hotel has Delta Airlines crews contracted through 2024 and FedEx crews contracted through 1st quarter 2025.
- The sales and catering department is fully staffed with one catering manager out on leave; that position is being covered by task force to appropriately cover incoming sales leads.
- During the month, the Hotel participated in the Associated Headquarters annual convention, which represents over 20 regional and national associations.
- While the market remains competitive there are continued signs that individual hotels are pushing their rates, which will enhance rate growth opportunity throughout the market as a whole.
- Management continues to monitor the impact of the recently opened Ilani Hotel; the Ilani is currently adding more meeting space, which will ultimately enhance its competitiveness to the Hotel.

3 Monthly Financial Results

The following table summarizes financial results for November 2023.

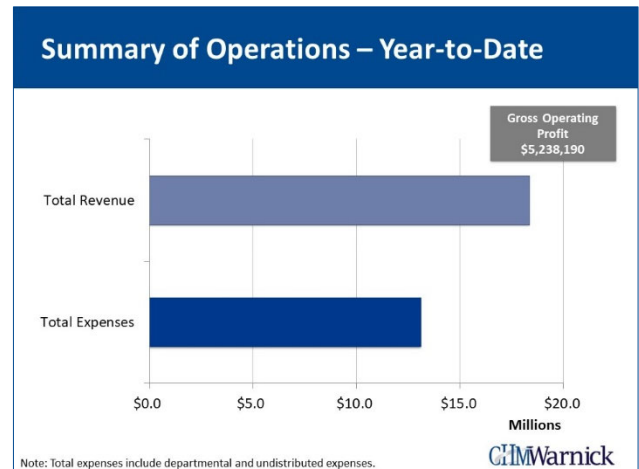


Indicator Explanation: Rooms and food and beverage (“F&B”) are the primary source of Hotel revenues. Expenses are impacted by the large amount of meeting space in relation to a relatively small number of guest rooms. Payroll is the largest individual expense.

- November total operating revenue was up to budget but fell slightly below prior year. The modest increase to budget was driven by higher room revenue which outpaced a decline in F&B and Other department activity. The decline to prior year was the result of lower miscellaneous income (collection of a large cancellation fee prior year) that mitigated notable increases in rooms and F&B income.
- In contrast to lower occupancy (transient oriented), ADR increased to both budget and prior year performance.
- Total F&B revenue fell modestly below budget but increased to prior year performance. The decline to budget was driven by lower banquet and catering, in-room dining, and meeting room rental activity, while the increase to prior year was driven by banquet and catering activity.
- Gross operating profit (“GOP”) increased to budget and was positively impacted by rooms department profit and lower undistributed expenses.

4 Year-to-Date Financial Results

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



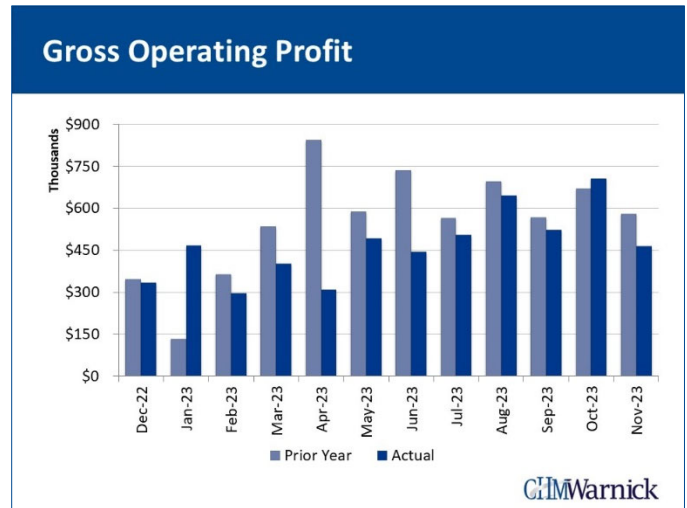
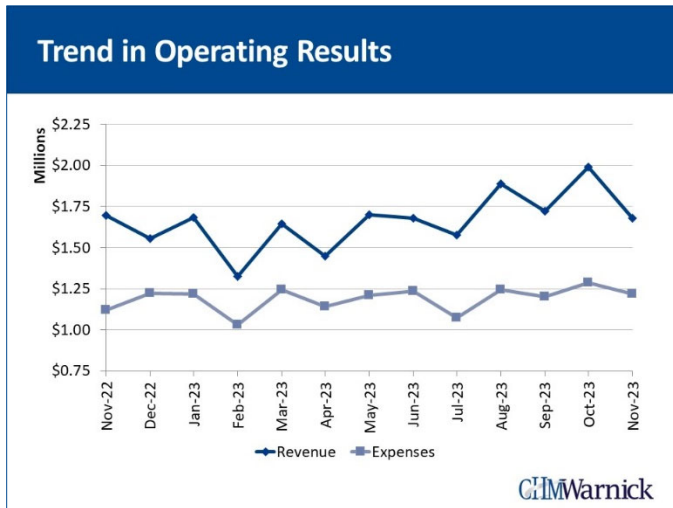
Indicator Explanation: Year-to-date financial results give a better picture of the progression in business than any one month of operation.

- Through November, year-to-date total revenue is below budget; the decline is the result of lower rooms and F&B department revenues. The shortfall in rooms is being driven by lower transient and group demand, while the F&B decline is attributed to lower outlet and banquet capture.
- Year-to-date Room and F&B department revenues continue to trend above prior year performance. Misc revenues are trending below due solely to the impact of the cancellation fee collected in November of 2022.
- While management continues to focus on cost containment, higher than anticipated labor and operating expenses continue to adversely impact profit potential with flow through and resultant year-to-date GOP falling below budget and prior year 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.

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 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.