



CITY OF  
**Vancouver**  
WASHINGTON

# Waterfront Gateway Ground Lease Review

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# Agenda

- Review objectives
- Plaza design update
- Affordable housing building update
- Review key terms of ground lease
- Next steps
- Questions & Discussion







# Objectives

- Provide project updates
- Review terms of ground lease between City of Vancouver and Lincoln
- Make recommendation to City Council on form ground lease





# Plaza Design Update

- Open house February 1, 2024
- 359 online survey responses
- Key themes;
  - Venue for markets, live music, multi-cultural events
  - Feature art by local artists reflective of Vancouver's history
  - Retail space for local businesses
  - Destination and connection point
  - Multi-modal accessibility
- Updated design late spring





# Affordable Housing Update

- NAYA non-profit partner - provide resident services catered to residents' needs
- Awarded \$7.5M in funding to date
- Estimated close on property transfer and construction start in Q1 2025





# Ground Lease Terms

- 50-year lease term with two 15-year options (up to 80 years)
- Lease payments based on appraised value of parcels and 6% CAP rate
- Payments adjusted annually according to Seattle/Tacoma/Bellevue CPI, capped at 5.5% with 2.5% floor
- Rent abated for 2 years during construction
- Discounted lease payments for Years 3-7 to assist project cash flow
- Rent reset every 20 years, not to exceed 10% of preceding year
- Buildings and improvements revert to City ownership after 80 years
- Right of first refusal to purchase property
- DDA development and construction requirements carried forward



# Next Steps



- City Council action on ground lease April 8<sup>th</sup>
- PSA review and approval Q4 2024
- Plaza design update late spring 2024
- Refined building designs Q3 2024
- Target construction start date Q3 2025





# Requested Action

Recommend proposed form of ground lease in its substantive form to City Council for approval.





# Questions & Discussion

