

Downtown Redevelopment Authority Agenda – February 16, 2023

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MEETING AGENDA

11:00 AM

#	ITEM	PAGE #	ACTION TO BE TAKEN	
1.	Call to Order <ul style="list-style-type: none"> • Roll Call • Excusal of absence, if needed 			Board President
2.	Approval of Minutes <i>December 15, 2022</i>	1	Approval	Board President
3.	Officer Elections		Approval	Taylor Hallvik
4.	Financials: Preliminary Year-end 2022 & January 2023	7	Update	Natasha Ramras, Executive Director
5.	Claims and Administrative Expenses	14	Approval	Anna Diaz, Accounting
6.	Capital Expenses	26	Update	Natasha Ramras, Executive Director
7.	Other Business			
	a. Hotel Remodel	46	Update	Natasha Ramras, Executive Director
	b. CSG Contract Amendment- SR 02-16-23-01	47	Approval	Natasha Ramras, Executive Director
	c. Lobby Remodel Change Order Review- SR 02-16-23-02	51	Approval	Natasha Ramras, Executive Director
	d. DRA Procurement Policies Revision- 02-16-23-03	53	Approval	Natasha Ramras, Executive Director
8.	Asset Manager Report	73	Update	Bob Hayward, CHM Warnick
9.	Hotel Manager's Report		Update	Mike McLeod, Hotel General Manager
10.	Executive Session, if needed			Taylor Hallvik, Assistant City Attorney

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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

Thursday, December 15, 2022

REGULAR MEETING (Convened both in-person and telephonically)

ITEM 1: CALL TO ORDER AND ROLL CALL – 11:01 A.M.

Appointment of Temporary Chair during President Robertson’s excused absence: motion by Kee to appoint Secretary Fazio, all members approved, motion passes.

The December 15, 2022 meeting of the Downtown Redevelopment Authority was called to order at 11:31 a.m. by temporary Chair Fazio.

Present: Marc Fazio, Kathleen Kee, Brad Hutton, *David Copenhaver, Debi Ewing

Absent: Jan Robertson

Motion to approve the absence of Chair Robertson by Ewing, seconded by Kee, approved.

*Director Copenhaver arrived at approximately 11:34am for the meeting and was formally marked as “present”.

ITEM 2: APPROVAL OF MINUTES

Motion by Kee, seconded by Ewing, and carried unanimously to approve the minutes from the October 20th, 2022 meeting. Approved.

ITEM 3: CLAIMS AND ADMINISTRATIVE EXPENSES -APPROVAL

Item Summary

Anna Diaz presented December claims in the amount of approximately \$4.2mil and vouchers and administrative expenses totaling \$27,517.20 for approval.

Fazio asked about the increase in Accounts Receivable and Mike confirmed it was due to airline business.

Motion to approve December Claims, Vouchers and Administrative expenses as presented by Kee, seconded by Ewing, approved.

ITEM 4: MONTHLY CONDENSED FINANCIAL REPORT AND FLOW OF FUNDS - UPDATE

Item Summary

The DRA’s net position has increased by approximately \$4.3 million from year end 2021. This is due in large part to the increase in total assets and decrease in total liabilities as outlined in the Narrative Overview.

Overall debt to the Clark County PFD totals \$3.7 million, which is a decrease of \$440k from year end 2021. The DRA reached the 2022 Tax Cap in July 2022 and since has applied \$848k of excess tax revenues to the outstanding debt owed to the Clark County PFD.

Operations through November resulted in operating income of \$3.1 million; an improvement over the budget of \$1.17 million. Depreciation, an Operating Expense which has no effect on cash, totaled \$1.9 million through November 2022.

Overall cash reflects an increase of \$3.19 million compared to year end 2021, which includes \$16.1 million from operating activities and \$5.19 million in tax receipts from other governments. Notable uses of cash included \$13.3 million for goods and services related to operating activities and debt service payments of \$4.3 million.

Through November 2022, tax revenue collections are at 188.5% of the Tax Cap compared to 166% for the prior year and as of November 30, 2022, receipts of City Lodging Tax, City PFD STC and County PTD STC are up 45%, up 8%, and up 7%, respectively, compared to November 2021.

On December 1st \$158k of cash was transferred from the Lockbox Fund to the Project Revenue Bond. These transfers resulted from cash flows in excess of operating expenses during the months of October and November. As of December 1st, the DRA has \$4.4 million reserved in the Project Revenue Debt Service Fund, which is sufficient to fully fund the January 1st, 2023, Project Revenue Bond debt service payment totaling \$1.82 million. As of December 1st, the DRA has a \$2.5 million reserved in the Tax Revenue Debt Service Fund, which will fully fund the January 1st, 2023, Tax Revenue Bond debt service payments totaling \$1.58 million.

Copenhaver asked what the balance of the of the bond payments and are we on schedule – Diaz confirmed that we are on schedule as of December with a balance of \$2.9 million

ITEM 5: CAPITAL EXPENSES - UPDATE

Ramras provided an overview of the attached Renewal and Replacement fund requests totaling approximately \$228k. Copenhaver asked if this included change orders but those will be covered in Item 7, which is specific to the current change orders. Fazio asked if the capital items had been previously approved and if not, do they need to be ratified. Taylor Hallvik advised that they should.

Motion to approve R&R funds of approximately \$228k by Ewing, seconded by Kee, approved.

ITEM 6: 2023 BUDGET APPROVAL (SR 12-15-22-01) - APPROVAL

Item Summary

Ramras provided an overview of the Operating Budget (\$20,854,078) and *Capital Budget (\$2,142,422) for consideration as outlined in the attached SR 12-15-22-01.

*A caveat to the Capital total is a list provided by Hilton Management suggesting a few items that may require an emergency approval to the current total in 2023, pending equipment failure and/or replacement.

Motion to adopt 2023 Operating and Capital Budget as defined and presented in SR 12-15-22-01 by Hutton, approved.

ITEM 7: REVIEW AND RATIFY CHANGE ORDERS (SR 12-15-22-02) - APPROVAL

Item Summary

Ramras outlined the current three change orders (COR) and the process for how they are submitted, discussed, and approved.

COR #1 – Stop work order due to hotel noise during events

COR #2 – Mold evaluation in the lobby

COR #3 – Air sampling related to mold evaluation

The attachment (SR 12-15-22-02) provides detail for the specific COR's in the total of \$17,303.69, to be considered for ratification by the Board.

Ewing asked if we are pushing back on the change orders and/or negotiating the totals of charges. Ramras responded that very specific explanations have been given and justified so far, but at least one COR was denied because even though it wasn't written specifically in the current scope of work, the specific step in the process would have been required to complete the work, no matter how it was written. Additional examples were provided and there are current COR's submitted that are under review and will be discussed at the next meeting. Copenhaver asked about COR #2 and if the windows end up needing repair or caulking/flashing needs fixing, would that be under repairs in the general budget or under the general contractor and are they opening the walls to determine the extent and location of damage? If damage exists from mold, would it be an insurance claim to submit or added to the capital expenses? If remediation is required, we would need to bid on the project. All COR's will be evaluated as either a capital expense or project expense, depending on the nature of the issue and current scope of work. The insurance policy and premiums will be reviewed so the options for recommendation to remediate are well defined.

Fazio added that it should be noted that our project manager, Lance Meinhold (from Livermore) has been a very good advocate on our behalf during this process and is scrutinizing all the submissions for accuracy and fairness.

Motion to approve as provided by Kee, seconded by Hutton, approved.

ITEM 8: FF&E CONTRACT AWARD (SR 12-15-22-03) - APPROVAL

Item Summary

Request approval of the contract with Source for FF&E, including rug procurement and placement as defined in the attached SR 12-15-22-03 and allow Executive Director to execute contract.

Ewing asked about what happens to furniture that gets replaced during renovation. McLeod responded that by the time furniture or TV's need replacing, their useful life is typically over. If anything is useful it gets donated.

Motion to approve by Hutton, Ewing seconded. Approved.

ITEM 9: OTHER BUSINESS

9a – Year End Flow of Funds Estimate - Summary of funds provided by Ramras. Copenhaver asked about the Cash Trap Fund and how/when it would be used. Ramras explained that it's an additional fund to be considered as needed if other funds are drained for the project.

9b – Audit Services Agreement TDJ (SR 12-15-22-04) – As defined in SR 12-15-22-04, Ramras explained that the reason for the amendment to the current agreement to reduce the fees is a result of having a competent, full-

time Senior Accountant now that we had not had in the recent year. The extension of the contract is due to requiring backup should any anomalies, or questions outside the current knowledge come up and require addressing by a certified CPA.

9c – Hilton Audit Review/Contract Award – Ramras updated the board that Perkins is still wrapping up the 2022 audit. We asked them to re-bid for 2023 and they did not. RFP for 2023 went out and Hanford & Associates LLC replied, and they were selected so Ramras signed the contract for \$17,000. Copenhaver asked why Perkins didn't reapply and Ramras stated that their internal cost exceeded their expectations and is not financially feasible for them going forward.

9d – Warnick Contract Extension Amendment (SR 12-15-22-05) – approval

Ramras presented SR 12-15-22-06 detailing the request to approve the extension of CHM Warnick's current contract for asset management for another five years. The only change to the contract is the implementation of the annual inflationary CPI (Consumer Price Index) adjustment, based on Seattle -Tacoma rate as of October per year. Kee asked how Seattle-Tacoma rate was chosen vs. Portland Metro (includes SW Washington) and Ramras explained that the size of the market and rate of movement is more consistent with Vancouver market, as Portland is smaller and moving slower at this time. Ewing asked if it was common to use a CPI vs. percentage and Ramras explained that current inflation fluctuations make utilizing percentages difficult as it's hard to accurately apply a standard number. Copenhaver asked what the CPI would have been had we had one in place and Ramras confirmed the Seattle-Tacoma rate at 8.9%.

Motion to approve as written by Kee, seconded by Ewing. Unanimous approval.

9e – 2023 Work/Meeting Plan – approval

In addition to reviewing the planned schedule, Natasha offered to provide a monthly summary on the remodel, capital expenses and general issues. Board agreed.

Motion to approve the schedule by Hutton, seconded by Kee. Unanimous approval.

ITEM 10: ASSET MANAGER REPORT

Item Summary

Bob Hayward provided an overview of the attached Asset Manager Report, including state and regional comparisons in room rate and occupancy. Copenhaver asked if the increase in national room rate is contributing also to expense increases. Hayward answered that with RevPAR increases nationally and inflation so high, expenses will be impacted indefinitely so they are constantly pushing rate to maintain some stability until inflation comes down.

Fazio asked if the industry was concerned over possible recession and how that would impact business travelers. Hayward said that budgets and forecasts are being monitored and assessed frequently to counteract any impending recession fears. Business travelers are slowly returning to the office and travel, so recovery is dependent on how quickly that occurs.

ITEM 11: HOTEL MANAGER REPORT

Item Summary

November Actuals:

- Op Revenues of \$1.7M, up +\$221K (+14.9%) to budget & +\$543K (+47.0%) to LY
- RevPAR of \$119.95, up +\$12.37 (+11.5%) to budget and +(\$10.48) (+9.6%) to LY
- Occupancy: 71.1%, up +1.3pts. to budget & -3.6 pts to LY
- ADR @ \$168.76, up +\$14.66 (+9.5%) to budget & +\$22.08 (+15.1%) to LY

November YTD Actuals:

- Revenues of \$17.8M, up +\$1.2M (+7.2%) to budget & +\$6M (+50.3%) to LY
- RevPAR of \$139.86, up +\$10.02 (+7.7%) to budget & +\$22.48 (+19.1%) to LY
- Occupancy: 75.6%, down -1.8pts. to budget and -1.4 pts to LY
- ADR @ \$184.92, up +\$17.27 (+10.3%) to budget & +\$32.57 (+21.4%) to LY
- F&B at \$6.3M, up +\$103K (+1.7%) to budget & +\$3.8M (+150.9%) to LY
- GOP of \$6.2M, up +\$1.6M (+34.2%) to budget (133.7% Flow-Thru) & +\$2.4M (40.7%) to LY (40.7% Flow-Thru)
- NOI at \$5.4M, up +\$1.5M (40.4%) to budget & +\$2.3M (74.5%) to LY

YE 2022

- Total Op Revenues of \$19.23M, up +\$1.3M (+7.1%) to budget & +\$6.0M (+46.3%) to LY
- RevPAR of \$136.31, up +\$11.29 (+9.0%) to budget & \$20.17 (+17.4%) to LY
- Occupancy: 74.3%, down -1.0 pts. to budget and -2.1 pts to LY
- ADR @ \$183.44, up +\$17.32 (+10.4%) to budget & +\$31.53 (+20.8%) to LY
- F&B at \$7.0M, up +\$12K (+0.2%) to budget but +\$4.0M (+132.8%) to LY
 - Outlets -\$692K & Bqt/Catering +\$703K to budget
- GOP of \$6.5M, up +\$1.6M (+33.0%) to budget (126.5% Flow-Thru) & +\$2.3M (+56.2%) (38.5% Flow-Thru) to LY
- NOI at \$5.5M, up +\$1.6M (+39.3%) to budget & +\$2.2M (+65.7%) to LY

Market Share:

- The hotel's RevPAR was up +3.3% compared to our Set, up 14.3%, Clark County, up 7.1% and the Portland Market, +28.8%

SALT

- Overall Experience (OE) for November was 64.0, down -12.1 to LY and YTD is 68.7, up +0.3 to LY and +0.1 over our goal of 68.6. Heavy impact from the Lobby Renovation.
 - OE YTD was ranked #31 out of 307 hotels.
- YTD Meeting Planner Survey (MPS) Event Experience score is 88.2 (LY 90.3 with -37 less surveys)

ITEM 12: EXECUTIVE SESSION

N/A

ADJOURNMENT

Meeting adjourned at 12:19pm.

—

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

Downtown Redevelopment Authority

Narrative Overview of January 2023

Financial Statements

STATEMENT OF NET POSITION

- The DRA's net position has increased by approximately \$620k from year end 2022. This is due in large part to the following:
 - Total assets decreased by \$2.7 million largely due to cash outlay to pay for the January 1st bond payments, and the PFD loan payment, partially offset by a sharp increase in accounts receivables of almost \$400 thousand.
- Total liabilities decreased by \$3.2 million in January reflecting a \$2.35 million reduction in bond principal, and \$1.04 million reduction in the PFD loan.
- Overall debt to the Clark County PFD totals \$2.17 million. This is a decrease of \$850k from year end 2022.

STATEMENT OF REVENUES EXPENSES AND CHANGES IN NET POSITION

- Operations in January resulted in operating income of \$278k; an improvement over the budgeted Operating Income of \$18k.
 - Depreciation, an Operating Expense which has no effect on cash, totaled \$191k in January 2023.
- Year-over-year investment earnings are up \$39k. This increase is attributed to higher cash balances earning interest at increasing rates.

STATEMENT OF CASH FLOWS

- Overall cash reflects a decrease of \$3.27 million compared to year end 2022.
 - Notable sources of cash for the year included \$1.4 million from operating activities and \$491k in tax receipts from other governments.
 - Notable uses of cash included \$698k for goods and services related to operating activities and debt service payments of \$4.4 million.

TAX REVENUE COLLECTIONS

- Through January 2023, tax revenue collections are at 17.4% of the Tax Cap compared to 17% for the prior year.
- As of January 2023, receipts of City Lodging Tax, City PFD STC and County PTD STC are down 5.9%, up 9.7%, and up 17.1%, respectively, compared to January 2022.

FLOW OF FUNDS

- On February 1st \$895k of cash was transferred from the Lockbox Fund to the Project Revenue Bond. These transfers resulted from cash flows in excess of operating expenses during the months of January.
- As of February 1st, the DRA has \$895k reserved in the Project Revenue Debt Service Fund. This is sufficient to fully fund the July 1st, 2023 Project Revenue Bond debt service (interest) payment totaling \$789k.
- As of February 1st, the DRA has a \$491k reserved in the Tax Revenue Debt Service Fund. This amount is sufficient to fully fund the July 1st Tax Revenue Bond debt service (interest) payment totaling \$212k.

Vancouver Downtown Redevelopment Authority
Condensed Report on Financial Activity
Activity Through January 2023

	Year to Date				Budget through January 2023	Actual-Budget Comparison	2023 Annual Budget	Actual as % of Annual Budget
	January 2023 Actual	January 2022 Actual	Actual \$ Change (2022-2023)	Actual % Change (2022-2023)				
Revenue & Expense								
Total Operating Revenue	\$ 1,684,247	\$ 996,117	\$ 688,130	69.1%	\$ 1,460,499	\$ 223,748	\$ 23,612,477	7.1%
Total Operating Expense	(1,406,236)	(1,143,385)	(262,851)	23.0%	(1,432,599)	26,363	(18,474,079)	7.6%
Net Operating Income	278,011	(147,268)	425,279	-288.8%	27,900	250,111	5,138,398	5.4%
Non-Operating/Special/Prior Period Adj	152,468	84,274	68,194	80.9%	46,013	106,455	552,156	27.6%
Change in Net Position	\$ 430,479	\$ (62,994)	\$ 493,473	-783.4%	\$ 73,913	\$ 356,566	\$ 5,690,554	7.6%
Depreciation (In Operating Expense)	\$ 123,942	\$ 182,845	\$ (58,903)	-32.2%	\$ 191,667	\$ (67,725)	\$ 2,300,000	5.4%

	Year to Date			
	January 2023 Actual	January 2022 Actual	Actual \$ Change (2020-2021)	Actual % Change
Dedicated Taxes				
City Lodging Tax (2%)	\$ 113,644	\$ 120,818	\$ (7,174)	-5.9%
City Sales Tax Credit	197,870	180,334	17,536	9.7%
County Sales Tax Credit	180,221	153,946	26,275	17.1%
Total Tax Revenue	\$ 491,735	\$ 455,098	\$ 36,637	8.1%
Annual Tax Revenue Cap	\$ 2,826,000	\$ 2,683,000	\$ 143,000	5.3%
% of Cap	17.4%	17.0%		

	Year to Date	
	January 2023 Actual	2023 Budgeted
Capital Projects		
Capital Project Expenses	\$ -	\$ 2,142,428

Note: In January 2023, the DRA incurred \$146,765 in capital expenses. However, these expenses are related to 2022 and have not been included in 2023 YTD.

	Year to Date				Required Amounts (07/01/2023) **
	January 2023 Actual	January 2022 Actual	Actual \$ Change (2021-2022)	Actual % Change (2021-2022)	
Cash Balances After Flow of Funds*					
Operating Petty Cash	\$ 72,276	\$ 52,009	\$ 20,267	39.0%	-
Lockbox/Available Revenue Fund	500,000	500,000	-	0.0%	500,000
Taxes & Insurance Fund	15,424	25,000	(9,576)	-38.3%	85,000
Administrative Expense Fund	97,614	133,820	(36,206)	-27.1%	110,000
Project Revenue Debt Service Fund	895,659	232,397	663,262	285.4%	789,306
Tax Revenue Debt Service Fund	491,734	455,097	36,637	8.1%	212,425
Primary R & R Fund	1,180,639	1,213,815	(33,176)	-2.7%	472,250
Contingency Fund	2,000,000	1,546,563	453,437	29.3%	-
Management Fee Fund	148,928	30	-	0.0%	-
Subordinate R & R Fund	587,865	393,897	-	0.0%	118,062
Authority Reserve Fund - Restricted	500,000	500,000	-	0.0%	-
Authority Reserve Fund - Excess	3,330,593	2,784,633	545,960	19.6%	-
Cash Trap Fund	2,500,000	2,319,360	-	0.0%	-
Total Escrow Fund Cash Balances	\$ 12,320,732	\$ 10,156,621	\$ 2,164,111	21.3%	\$ 2,287,043
County PFD Fund - Loan Balance	(2,117,850)	(3,877,173)	(1,759,323)		

* Balances after flow of funds on the first of the following month.

** Required Amounts are based on current figures YTD, and budgeted figures for remaining months. These are estimated numbers and subject to change.

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 January 31, 2023 and December 31, 2022

	1/31/2023	*unaudited 12/31/2022	Change from Prior Year End	% Change
ASSETS				
Current assets				
Cash and cash equivalents	93,609	93,609	0	0.0%
Restricted cash with fiscal/escrow agent	12,404,863	15,683,146	(3,278,282)	(20.9%)
Receivables (net)				
Taxes	1,354,647	1,354,647	0	0.0%
Accounts	1,783,725	1,386,951	396,774	28.6%
Interest	38,137	46,535	(8,399)	(18.0%)
Inventory	45,633	43,407	2,226	5.1%
Prepaid expenses	281,555	175,606	105,949	60.3%
Total current assets	16,002,169	18,783,901	(2,781,732)	(14.8%)
Noncurrent assets				
Capital assets				
Buildings and equipment	59,762,931	59,762,931	0	0.0%
Accumulated depreciation	(29,221,272)	(29,097,331)	(123,942)	0.4%
Total noncurrent assets	30,541,658	30,665,600	(123,942)	(0.4%)
TOTAL ASSETS	46,543,828	49,449,501	(2,905,673)	(5.9%)
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized deferred amount on refunding	759,170	764,965	(5,795)	(0.8%)
LIABILITIES				
Current liabilities				
Accounts payable	(175,380)	62,545	(237,925)	(380.4%)
Accrued interest payable	166,955	1,060,606	(893,651)	(84.3%)
Accrued liabilities	1,924,381	1,339,172	585,210	43.7%
Unearned revenue	865,987	742,623	123,364	16.6%
Bonds, notes and leases payable	2,525,000	2,355,000	170,000	7.2%
Total current liabilities	5,306,943	5,559,946	(253,003)	(4.6%)
Noncurrent liabilities				
Other long-term payables	44,922	(53,907)	98,829	(183.3%)
Bonds, notes and leases payable from restricted assets	45,043,919	47,571,361	(2,527,442)	(5.3%)
Due to other governments	2,603,495	3,454,074	(850,579)	(24.6%)
Total noncurrent liabilities	47,692,336	50,971,529	(3,279,193)	(0.3%)
TOTAL LIABILITIES	52,999,280	56,531,475	(3,532,196)	(6.2%)
NET POSITION				
Net investment in capital assets	(16,268,091)	(18,495,796)	2,227,705	(12.0%)
Restricted for capital purposes	1,768,504	945,428	823,076	87.1%
Restricted for debt service	491,734	6,945,345	(6,453,611)	(92.9%)
Unrestricted	8,311,571	4,288,015	4,023,556	93.8%
TOTAL NET POSITION	(5,696,282)	(6,317,009)	620,727	(9.8%)

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 January 31, 2023 and 2022

	Actuals				Budget		
	One month ending January 31, 2023	Month ended January 31, 2022	\$ Change	% Change	YTD Budget	Variance to Budget Favorable/ (Unfavorable)	%
OPERATING REVENUES							
Charges for services	1,684,247	996,117	688,130	69.1%	1,460,499	223,748	15.3%
Miscellaneous	-	-	-		-	-	
Total operating revenues	1,684,247	996,117	688,130	69.1%	1,460,499	223,748	15.3%
OPERATING EXPENSES							
Supplies and contractual services	1,282,294	960,540	321,754	33.5%	1,250,458	(31,836)	-2.5%
Depreciation	123,942	182,845	(58,903)	-32.2%	191,667	67,725	35.3%
Total operating expenses	1,406,236	1,143,385	262,851	23.0%	1,442,125	35,889	2.5%
Operating income (loss)	278,011	(147,268)	425,279		18,374	259,637	-1413.0%
NONOPERATING REVENUES (EXPENSES)							
Interest earnings	39,846	76	39,769	52108.7%	3,750	36,096	962.6%
Intergovernmental contributions	311,513	301,152	10,361	3.4%	235,500	76,013	32.3%
Intergovernmental payments	(22,408)	(9,526)	(12,882)	135.2%	(9,526)	(12,882)	135.2%
Proceeds (Loss) from Sale of Capital Assets	-	-	-	0.0%	-	-	0.0%
Interest and fiscal charges	(185,468)	(198,444)	12,976	6.5%	(192,695)	7,227	-3.8%
Total nonoperating revenues (expenses)	143,483	93,258	50,225	-53.9%	37,029	106,454	-287.5%
SPECIAL ITEMS							
Gain on extinguishment of Debt	8,984	8,984	-		8,984	(0.01)	
Claims Settlement	-	-	-		-	-	
Total special items	8,984	8,984	-		8,984	(0)	
Change in net position	430,479	(45,026)	475,505	1056.1%	64,388	366,091	-568.6%
TOTAL NET ASSETS - BEGINNING	(6,126,761)	(11,848,557)	5,721,796	48.3%			
Prior Period Adjustment		-	-				
TOTAL NET ASSETS - ENDING	(5,696,282)	(11,893,583)	6,197,301	52.1%			

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

STATEMENT OF CASH FLOWS

For the month ended January 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from operating activities	\$ 1,410,852
Cash payments for goods and services	(698,604)
Net cash provided (used) by operating activities	<u>712,248</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Receipts from other governments	491,735
Payments to other governments	(22,408)
Net cash provided (used) by noncapital financing activities	<u>469,327</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal paid on capital debt	(3,400,960)
Interest paid on capital debt	(1,060,606)
Net cash provided (used) by capital and related financing activities	<u>(4,461,566)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipt of interest	<u>1,709</u>
Net cash provided (used) by investing activities	<u>1,709</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,278,282)
CASH AND CASH EQUIVALENTS - BEGINNING	15,776,755
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 12,498,473</u>
Reconciliation of operating income (loss) to net cash used by operating activities:	
Net operating income (loss)	\$ 278,011
Adjustments to reconcile net operating income (loss) to net cash provided by operations:	
Depreciation expense	123,942
(Increase) Decrease in receivables	(396,759)
(Increase) Decrease in inventories	(2,226)
(Increase) Decrease in prepaid items	(105,949)
Increase (Decrease) in current payables	823,135
Increase (Decrease) in unearned revenue	<u>123,364</u>
Total adjustments	<u>565,506</u>
Net cash provided (used) by operating activities	<u>\$ 843,518</u>

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

	Account name	Beginning Balances (01/01/2023)	Ending Balances (01/31/2023)	February 1st, flow of funds deposits, use of Cash Trap, and management fee payment	Cash balances after monthly flow of funds	Amounts Required 01/01 through 07/01/2023	Excess/(Deficit) through 07/01/2023	Requirement Description
1	Operating Petty Cash Account	46,372	72,276	-	72,276	-	72,276	Remaining balance intended to cover automatically deducted banking/merchant charges.
2	Available Revenue Account/Lockbox	500,000	1,495,471	(995,471)	500,000	500,000	(0)	Must have \$500,000 balance as of 1st business day.
3	Taxes and Insurance Fund	97,000	424	15,000	15,424	85,000	(69,576)	Cash to be moved over the next 3 months to meet required amounts. No amounts expected until December 2022. Current balance will carry forward and be applied to the next insurance invoice
4	Administrative Expense Fund	141,746	55,724	41,890	97,614	110,000	(12,386)	Amounts required represent known and budgeted Administrative Expenses remaining (not yet paid) for the next six months. Current balance will be applied to future administrative expenses.
5	Project Revenue Debt Service Fund	-	-	895,659	895,659	789,306	106,353	Amounts required represent debt service payments scheduled for July 1, 2023
6	Tax Revenue Debt Service Fund	-	491,734	-	491,734	212,425	279,309	Amounts required represent debt service payments scheduled for July 1, 2023
7	Renewal and Replacement Fund	1,327,404	1,180,639	-	1,180,639	472,250	708,389	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.
8	Contingency Fund	2,000,000	2,000,000	-	2,000,000	-	2,000,000	Amounts flow annually into this Fund, up to the requirement only and only to the extent there is excess available beyond the requirements of Funds #5 through #7, above. Once requirement is met amounts flow below this point.
9	Management Fee Fund	148,928	148,928	-	148,928	-	148,928	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. The 2021 amount totals \$138,883.79 and is being deferred in accordance with the Operating Agreements
10	Subordinate Renewal and Replacement Fund	587,865	587,865	-	587,865	118,062	469,803	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.
11	Cash Trap Fund	2,500,000	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 #11, above. Once the requirement is met amounts flow below this point.
12	Authority Revenue Fund	3,330,593	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 #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.
12	Authority Revenue Fund - RESTRICTED	500,000	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	11,179,908	12,363,654	(42,922)	12,320,732	2,787,043	9,533,689	
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	(1,922,469)	(2,117,850)	-	(2,117,850)	-	-	Represents the outstanding loan balance owed to the Clark County PFD as of month end.

Notes to Accompany Bank Balances

<p>1 The Operating Petty Cash Account is the account from which the Project Manager, Hilton, deposits the funds withdrawn from the Lockbox solely for the purpose of paying Operating Expenses, Pursuant to Section 3.07 of the Amended and Restated Operating Agreement.</p>	<p>6 Tax Revenue Debt Service Fund is maintained to meet the debt service requirements of the Conference Center Project Refunding Revenue Bonds Series 2013B, which is the portion of the bond offering secured by the tax revenue flow, without regard to revenue generated by operations of the Hotel and Convention Center Project. Total debt issued \$18,045,000. Full maturity of the debt - January 1, 2034. A complete schedule of interest and principal payments from the Bond offering Official Statement is attached.</p>	<p>11 The Authority Reserve Fund was established pursuant to Appendix A of the Amended and Restated Trust Indenture - the Authority Reserve Fund Requirement is an amount equal to \$500,000. Funds can be used to meet an obligation of the DRA when shortfalls exist in other accounts otherwise designated to pay that obligation but only after the Contingency fund is fully depleted.</p>
<p>2 The Available Revenue Fund was established pursuant to Section 5.03 of the Indenture. The Lockbox accounts is maintained pursuant to Section 5.05 of the Indenture and established pursuant to Section 2 of the Amended and Restated Cash Management and Lockbox agreement. At the beginning of each month the Lockbox is required to have the Operating Cost Set Aside Amount, which Pursuant to Appendix A of the Amended and Restated Trust Indenture - the Operating Cost Set Aside Amount means \$500,000.</p>	<p>7 The Renewal and Replacement Fund is the account for which capital projects are funded. The amount required to be deposited is calculated at 4% of the Monthly Gross Operating Revenue. The deficit is calculated on a cumulative basis from the beginning of the project, less cumulative deposits from the beginning of the project. The ending cash balance represents cumulative deposits from the beginning of the project, less cumulative expenditures from the beginning of the project. The amounts to fund the deficit flow into this account annually. The 4% Subordinate Renewal and Replacement Set Aside Amount requirement is Pursuant to Appendix A of the Amended and Restated Trust Indenture.</p>	<p>12 The Cash Trap Fund was established pursuant to Appendix A of the Amended and Restated Trust Indenture - the Cash Trap Fund Requirement means the amount of \$2,500,000. Funds can be used to meet an obligation of the DRA when shortfalls exist in other accounts otherwise designated to pay that obligation but only after the Contingency fund and Authority Reserve Fund are fully depleted.</p>
<p>3 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 balance. Established pursuant to Section 5.03 of the Indenture.</p>	<p>8 The Contingency Fund holds an amount Pursuant to Appendix A of the Amended and Restated Trust Indenture - the Contingency Requirement means an amount equal to \$2,000,000. These funds can be used to meet an obligation of the DRA when shortfalls exist in other accounts otherwise designated to pay that obligation.</p>	<p>13a The Authority Revenue Fund - additional holds amounts used to repay ACA Note Payable Pursuant to the Financing Agreement between ACA and the Authority. ACA was the Authority's bond issuer for the 2003 debt series. Principal amount is \$1,430,554.61 with 4.42% interest, bringing the total amount due to \$3,123,161. Maturity Date is January 1, 2044. Principal and Interest Payment are scheduled to commence on January 1, 2033. Funds flow annual only to the extent that there is combined excess in Funds described in #5 through #12, above. Amounts in the Excess Revenue Fund in each calendar year shall be applied as follows: (i) 50% of such amounts shall be deposited in the Authority Reserve Fund; and (ii) 50% of such amounts shall be paid by the Trustee to the County PFD in accordance with the County Interlocal Agreement. In addition, per the Indenture, the DRA may use amounts in the fund for other purposes. Planned uses include payments to the City of Vancouver per the Lot 24 Parking License Agreement and costs related to major renovation projects planned for 2020-2022.</p>
<p>4 The Administrative Expense Fund is maintained to ensure monthly administrative obligations are funded when due. There is no stated minimum amount required to be maintained. Established pursuant to Section 5.03 of the Indenture.</p>	<p>9 The Management Fee Fund is the account that will accumulate the funds that the Authority is obligated to pay, in arrears, subject to the availability of amounts in this fund the subordinate component of the management fee. The obligation to accrue the amount monthly becomes effective in calendar year 2016. The 2021 annual obligation is \$139,055. See Section 8 of the First Amendment to the Management Agreement outlines the on-going obligation.</p>	<p>13b The County PFD Fund holds amounts used to repay liability to County PFD. This balance increases monthly with flow of County Sales Tax Credit Revenue. Established pursuant to Section 5.03 of the Indenture. Amounts are applied to interest first. Interest rate is 5.63%. Amounts in the Excess Revenue Fund in each calendar year shall be applied as follows: (i) 50% of such amounts shall be deposited in the Authority Reserve Fund; and (ii) 50% of such amounts shall be paid by the Trustee to the County PFD in accordance with the County Interlocal Agreement.</p>
<p>5 The Project Debt Service Fund is maintained to meet the debt service requirements of the Conference Center Project Refunding Revenue Bonds Series 2013A, which is the portion of the bond offering secured by the revenue flow of the Hotel and Convention Center Project. Total debt issued - \$41,185,000. Full maturity of the debt - January 1, 2044. A complete schedule of interest and principal payments from the Bond offering Official Statement is attached.</p>	<p>10 The Subordinate Renewal and Replacement Fund is the second available account for which capital projects are funded. The amount required to be deposited is calculated at 1% of Monthly Gross Operating Revenue. The deficit is calculated on a cumulative basis from the beginning of the project, less deposits made into the account less cumulative deposits from the beginning of the project. The ending cash balance represents cumulative deposits from the beginning of the project, less cumulative expenditures from the beginning of the project. The amounts to fund the deficit flow into this account annually. The 1% Subordinate Renewal and Replacement Set Aside Amount requirement is Pursuant to Appendix A of the Amended and Restated Trust Indenture.</p>	
<p>NOTE: City of Vancouver Commitment to Downtown Redevelopment Authority (DRA), with respect to the Vancouver Conference Center: The City signed an agreement on December 1, 2003, to participate in the construction and operation of the Vancouver Conference Center, using tourism funds. In June 2013, the DRA refinanced the debt associated with the construction of the Vancouver Conference Center. As a part of the refinancing, the City agreed that, if, prior to each Interest Payment Date or Principal Payment Date, the amounts on deposit per the Trust Indenture are insufficient to pay the principal and interest due on the 2013 Project Revenue Bonds, upon notice of such deficiency from the Trustee, the City shall pay to the Trustee an amount equal to the deficiency; the maximum obligation on that payment date being the debt service amount of the 2013 Project Revenue Bonds due on such date. Any payment by the City of this conditional payment amount shall constitute a loan by the City to the DRA, with interest payable on such amounts at the rate or rates on the 2013 Project Revenue bonds. If a payment obligation is made and a loan created, the obligation for repayment become subordinate to the obligation of the Authority Revenue Fund and the County PFD Fund.</p>		

**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 **\$3,032,814.71** this 16th day of February 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 **\$69,094.94** this 16th day of February 2023.

PRESIDENT

SECRETARY/TREASURER

Natasha Ramras, EXECUTIVE DIRECTOR

BOARDMEMBER

DOWNTOWN REDEVELOPMENT AUTHORITY

Claims Paid December 2022, January 2023

Date	Supplier	Amount	Description
31-Dec-2022	CHM Warnick	11,000.00	Asset Management Fees and Travel Expenses November 2022
31-Dec-2022	City of Vancouver	10,000.00	December 2022 Administrative Services
31-Dec-2022	City of Vancouver	4,818.90	Lot 24 Parking - December 2022
31-Dec-2022	US Bank	1,350.00	Quarterly Fees - Q3
31-Dec-2022	SAO	348.30	CPA Review& Financial Audit 2021
30-Nov-2022		41,670.83	Hilton Base Management Fee - December 2022
05-Dec-2022		71,810.80	OPCA 2230 - Intercompany
05-Dec-2022		344,695.10	OPCA 2229 - AP
12-Dec-2022		75,474.36	OPCA 2231 - Payroll
19-Dec-2022		68,992.40	OPCA 2232 - AP (Week 1)
19-Dec-2022		301,309.36	OPCA 2234 - AP (Week 2)
19-Dec-2022		250,745.56	OPCA 2237 - Payroll
27-Dec-2022		68,766.27	OPCA 2236 - AP
28-Dec-2022		170,296.00	OPCA 2233 - Intercompany
31-Dec-2022		238,817.08	OPCA 2235 - Sales & Use Tax True Up
31-Dec-2022		103,010.56	OPCA 2238 - AP
31-Dec-2022	Hilton Hotels	17,877.65	OPCA 2241 - Month End True Up
11-Jan-2023	CHM Warnick	11,481.18	Asset Management Fees and Travel Expenses December 2022
11-Jan-2023	TDJ, CPA	163.72	Technical Accounting Assistance - December 2022
11-Jan-2023	SAO	5,282.55	CPA Review & Financial Audit 2021
03-Jan-2023		42,921.95	Hilton Base Management Fee - January 2023
03-Jan-2023		61,833.71	OPCA 2251 - AP
09-Jan-2023		4,461.08	OPCA 2252 - AP
09-Jan-2023		206,493.16	OPCA 2255 - AP
17-Jan-2023		135,145.14	OPCA 2254 - Intercompany
18-Jan-2022		34,625.66	OPCA 2256 - AP
23-Jan-2023		161,012.84	OPCA 2253 - Sales & Use Tax True Up
26-Jan-2023		253,126.66	OPCA 2257 - Payroll
27-Jan-2023		38,354.80	OPCA 2258 - AP
30-Jan-2023		269,043.17	OPCA 2259 - Payroll
31-Jan-2023	Hilton Hotels	27,885.92	OPCA 2260 - Month End True Up
Total		3,032,814.71	

FORM OF ADMINISTRATIVE EXPENSE FUND REQUISITION

ADMINISTRATIVE EXPENSE FUND (156002)

(204969002)

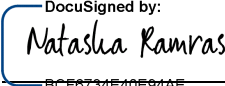
REQUEST NO. **245**

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 **\$69,094.94**

Date: January 31, 2022

DOWNTOWN REDEVELOPMENT AUTHORITY

By: 
BCF6734E40E94AE...

Name: Natasha Ramras

Title: Auditing Officer

Exhibit A

Supplier	Invoice #	Amount	Description of Services
CHM Warnick	13597	12,385.90	Asset Mgmt Fees and Travel Expenses - January 2023
City of Vancouver	00031183	10,000.00	January 2023 Administrative Services
City of Vancouver	00031182	5,089.72	January 2023 - Lot 24 Parking
City of Vancouver	00031522	10,000.00	February 2023 Administrative Services
City of Vancouver	00031521	5,089.72	February 2023 - Lot 24 Parking
Perkins & Co	30181	21,000.00	Final Billing - Hilton 2021 Audit Services
US Bank	6703868	1,350.00	Quarterly Fees - 2022 Q4
SAO	L152215	4,179.60	CPA Review & Financial Audit 2021
	Total	69,094.94	



HOTEL ASSET MANAGERS • BUSINESS ADVISORS

CHMWarnick, Inc.
 548 Cabot Street Beverly, MA 01915
 Tel 978.522.7000 Fax 978.522.7008

INVOICE

DATE	INVOICE #
1/31/2023	13597

BILL TO:
Downtown Redevelopment Authority Executive Director P. O. Box 1995 Vancouver, WA 98668-1995

DESCRIPTION	AMOUNT
Asset Management Fees Jan 2023 related to the Hilton Vancouver	11,000.00
Total Reimbursable Expenses	1,385.90

Tax ID # 47-3752261
By ACH/Wire Transfer Remit to: ABA # 211371298 North Shore Bank CHMWarnick, Inc. A/C # 063035562

Total	\$12,385.90
Payments/Credits	\$0.00
Balance Due for This Invoice	\$12,385.90



For correspondence mail to:
 City of Vancouver
 P.O. Box 8995
 Vancouver, WA 98668-8995
 For payment mail to:
 P.O. Box 24987
 Seattle, WA 98124-0987

INVOICE

BILL TO:
 DOWNTOWN REDEVELOPMENT AUTHORITY
 ATTN: NATASHA RAMRAS
 PO BOX 8995
 VANCOUVER, WA 98668-8995

Due Date	Invoice Date	Customer Number
1/31/23	1/1/23	30790

Terms	PO Number	Invoice Number
Net 30	January 2023 billing	00031183

Item #	Description	Qty	Unit Price	Extended Amount
1	Monthly Administrative Costs	1.00	\$10,000.00	\$10,000.00

Special Instructions	Subtotal	Invoice Tax	Shipping	TOTAL
	\$10,000.00	\$0.00		\$10,000.00

1 of 1

A penalty may be assessed if payment is received after the due date.
Payments accepted at Customer Service: 415 W. 6th Street
 Call 360-487-8454 option 5 to pay by credit card
 Call 360-487-8410 if you have questions regarding this invoice

Please detach and return this portion with your payment.

BILL TO:
 DOWNTOWN REDEVELOPMENT AUTHORITY
 ATTN: NATASHA RAMRAS
 PO BOX 8995
 VANCOUVER, WA 98668-8995

Customer Number: 30790
Due Date: 1/31/23
Invoice Number: 00031183
Invoice Amount: **\$10,000.00**

*For a mailing address change,
 please contact phone number above*

Make Check Payable To: City of Vancouver



For correspondence mail to:
 City of Vancouver
 P.O. Box 8995
 Vancouver, WA 98668-8995

For payment mail to:
 P.O. Box 24987
 Seattle, WA 98124-0987

INVOICE

BILL TO:
 DOWNTOWN REDEVELOPMENT AUTHORITY
 ATTN: NATASHA RAMRAS
 PO BOX 8995
 VANCOUVER, WA 98668-8995

Due Date	Invoice Date	Customer Number
1/31/23	1/1/23	30790

Terms	PO Number	Invoice Number
Net 30	Lot 24 Parking - January 2023	00031182

Item #	Description	Qty	Unit Price	Extended Amount
1	DRA/Hilton lot 24 parking lot. Parking spaces \$93.97 + 12.84% tax (48 spaces) for a total of \$5,089.72	48.00	\$93.97	\$4,510.56

Special Instructions	Subtotal	Invoice Tax	Shipping	TOTAL
	\$4,510.56	\$579.16		\$5,089.72

1 of 1

A penalty may be assessed if payment is received after the due date.
Payments accepted at Customer Service: 415 W. 6th Street
 Call 360-487-8454 option 5 to pay by credit card
 Call 360-487-8410 if you have questions regarding this invoice

Please detach and return this portion with your payment.

BILL TO:
 DOWNTOWN REDEVELOPMENT AUTHORITY
 ATTN: NATASHA RAMRAS
 PO BOX 8995
 VANCOUVER, WA 98668-8995

Customer Number: 30790
Due Date: 1/31/23
Invoice Number: 00031182
Invoice Amount: **\$5,089.72**

*For a mailing address change,
 please contact phone number above*

Make Check Payable To: City of Vancouver



For correspondence mail to:
 City of Vancouver
 P.O. Box 8995
 Vancouver, WA 98668-8995
 For payment mail to:
 P.O. Box 24987
 Seattle, WA 98124-0987

INVOICE

BILL TO:
 DOWNTOWN REDEVELOPMENT AUTHORITY
 ATTN: NATASHA RAMRAS
 PO BOX 8995
 VANCOUVER, WA 98668-8995

Due Date	Invoice Date	Customer Number
3/3/23	2/1/23	30790

Terms	PO Number	Invoice Number
Net 30	February 2023 billing	00031522

Item #	Description	Qty	Unit Price	Extended Amount
1	Monthly Administrative Costs	1.00	\$10,000.00	\$10,000.00

Special Instructions	Subtotal	Invoice Tax	Shipping	TOTAL
	\$10,000.00	\$0.00		\$10,000.00

1 of 1

A penalty may be assessed if payment is received after the due date.
Payments accepted at Customer Service: 415 W. 6th Street
 Call 360-487-8454 option 5 to pay by credit card
 Call 360-487-8410 if you have questions regarding this invoice

Please detach and return this portion with your payment.

BILL TO:
 DOWNTOWN REDEVELOPMENT AUTHORITY
 ATTN: NATASHA RAMRAS
 PO BOX 8995
 VANCOUVER, WA 98668-8995

Customer Number: 30790
Due Date: 3/3/23
Invoice Number: 00031522
Invoice Amount: **\$10,000.00**

*For a mailing address change,
 please contact phone number above*

Make Check Payable To: City of Vancouver



For correspondence mail to:
 City of Vancouver
 P.O. Box 8995
 Vancouver, WA 98668-8995
 For payment mail to:
 P.O. Box 24987
 Seattle, WA 98124-0987

INVOICE

BILL TO:
 DOWNTOWN REDEVELOPMENT AUTHORITY
 ATTN: NATASHA RAMRAS
 PO BOX 8995
 VANCOUVER, WA 98668-8995

Due Date	Invoice Date	Customer Number
3/3/23	2/1/23	30790

Terms	PO Number	Invoice Number
Net 30	Lot 24 Parking - February 2023	00031521

Item #	Description	Qty	Unit Price	Extended Amount
1	DRA/Hilton lot 24 parking lot. Parking spaces \$93.97 + 12.84% tax (48 spaces) for a total of \$5,089.72	48.00	\$93.97	\$4,510.56

Special Instructions	Subtotal	Invoice Tax	Shipping	TOTAL
	\$4,510.56	\$579.16		\$5,089.72

1 of 1

A penalty may be assessed if payment is received after the due date.
Payments accepted at Customer Service: 415 W. 6th Street
 Call 360-487-8454 option 5 to pay by credit card
 Call 360-487-8410 if you have questions regarding this invoice

Please detach and return this portion with your payment.

BILL TO:
 DOWNTOWN REDEVELOPMENT AUTHORITY
 ATTN: NATASHA RAMRAS
 PO BOX 8995
 VANCOUVER, WA 98668-8995

Customer Number: 30790
Due Date: 3/3/23
Invoice Number: 00031521
Invoice Amount: **\$5,089.72**

*For a mailing address change,
 please contact phone number above*

Make Check Payable To: City of Vancouver



Perkins & Company, P.C.
1211 SW Fifth Avenue Ste 1000
Portland, OR 97204-3710
Tel: (503) 221-0336

Vancouver Hotel and Convention Center Project
301 W 6th Street
Vancouver, WA 98660

Terms: 30 Days

Due Date: 01/08/2023

Invoice No.: 30181
Date: 12/09/2022
Client No.: 85760

Final billing in connection with audited financial statements for the year ended December 31, 2021	\$ 3,000.00
Additional services related to audited financial statements for the year ended December 31, 2021, including client readiness, correspondence and consulting with various parties at Hilton Corporate, excess time reviewing account reconciliations and revisions.	18,000.00

Total Amount Due \$ 21,000.00

Jordan Sherman
1/24/2023



Corporate Trust Services
 EP-MN-WN3L
 60 Livingston Ave.
 St. Paul, MN 55107

Invoice Number: 6803334
 Invoice Date: 01/25/2023
 Account Number: 204969000
 Direct Inquiries To: LINDA MCCONKEY
 Phone: 503-464-3757

**CITY OF VANCOUVER DOWNTOWN REDEVELOPMENT
 AUTHORITY
 CONFERENCE CENTER PROJECTS REF REV BONDS
 SERIES 2013 & REF ESCROW**

Accounts Included	204969000	204969001	204969002	204969003	204969004	204969005
In This Relationship:	204969006	204969007	204969008	204969009	204969010	204969011
	204969012	204969013	204969014	204969015	204969017	204969018
	204969019					

CURRENT CHARGES SUMMARIZED FOR ENTIRE RELATIONSHIP

Detail of Current Charges	Volume	Rate	Portion of Year	Total Fees
07120 Paying Agent	1.00	2,200.00	25.00%	\$550.00
07200 Trustee	1.00	3,200.00	25.00%	\$800.00
Subtotal Administration Fees - In Arrears 10/01/2022 - 12/31/2022				\$1,350.00
TOTAL AMOUNT DUE				\$1,350.00



Invoice Voucher

Remit To: State Auditor's Office
PO Box 40021
Olympia, WA 98504-0021
Federal ID No. 91-6001098



Page: 1 of 1
Invoice No.: L152215
Invoice Date: 01/12/2023
MCAG No.: 1271
County: Clark

Downtown Redevelopment Authority
 Attn: Natasha Ramras, City of Vancouver CFO
 PO Box 1995
 Vancouver, WA 98668-1995

Now accepting electronic payments
 Send to: Washington State Auditor's Office
 Routing: 123000848 Account: 153911801147
 Account type: Checking
 Please include invoice number



(Return this portion with your payment)

State Auditor's Office

(Detach and retain for your records)

Entity Name: Downtown Redevelopment Authority

Invoice No.: L152215

Invoice Date: 01/12/2023

Audit No.: 50850

Audit Period: 21 - 21

Purchase Order:

<i>Month/Year</i>	<i>Work Performed</i>	<i>Bill Rate</i>	<i>Hrs</i>	<i>Amount</i>	<i>Travel/Other Expenses</i>	<i>Total</i>
12/22	CPA Review	\$116.10	9.0	\$1,044.90	\$0.00	\$1,044.90
12/22	Financial Audit	\$116.10	27.0	\$3,134.70	\$0.00	\$3,134.70
Sub Total:			36.0	\$4,179.60	\$0.00	\$4,179.60

Total Due This Invoice: 36.0 \$4,179.60 \$0.00 \$4,179.60
 (Hrs rounded to nearest tenth)

JV Number: 230480

**FULL PAYMENT DUE
 IN 30 DAYS**

I hereby certify the amount listed herein is a proper charge for services rendered:

Janel M Roper

By: Janel M. Roper, Director of Administrative Services

For questions, please call (564) 999-0933 or (564) 999-0941 fax (360) 586-3105 or e-mail accreceivable@sao.wa.gov

EXHIBIT E -1

FORM OF RENEWAL & REPLACEMENT FUND REQUEST

(204969006)

RENEWAL & REPLACEMENT FUND
REQUEST NO. 01202038

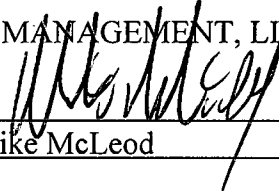
This request is being delivered to U.S. Bank National Association, as trustee (the "Trustee") under the Amended and Restated Trust Indenture, dated as of June 1, 2013 and effective June 27, 2013, amending and restating the Trust Indenture, dated as of December 1, 2003 (collectively, the "Indenture"),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

Pursuant to Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture, you are hereby authorized and directed to disburse from the Renewal and Replacement Fund the amounts set forth in Appendix I attached hereto to the persons named therein in payment of Hotel expenditures permitted to be paid from the Renewal and Replacement Fund under Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture. The total amount to be disbursed pursuant to this Request from the Renewal and Replacement Fund is **\$145,624.79**.

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

Dated: 01/12/2023

HILTON MANAGEMENT, LLC, as Manager

By: 
Name: Mike McLeod

Title: General Manager
DOWNTOWN REDEVELOPMENT AUTHORITY

By: Natasha Ramras

Name: Natasha Ramras

Title: AUDITING OFFICER

HILTON VANCOUVER WASHINGTON
2023 CAPITAL PROJECTS

PREPARED BY:

Andrew Dowie

DATE:

January 11, 2023

Contractor	Description of work	Project	Amount	Invoice Date	Invoice Number	Request #	Project #	Project type
Livermore	Construction Services	Lobby	\$ 1,200.00	12/31/2022	6174	2038	2023-01	Renovation - Capitalize
Livermore	Construction Services	Lobby	\$ 1,037.50	12/21/2022	6173	2038	2023-01	Renovation - Capitalize
Insight	Synergy Equipment Replacement	Synergy	\$ 5,037.87	12/13/2022	923929054	2038	2023-01	Replacement Item - Capitalize
Insight	Synergy Equipment Replacement	Synergy	\$ 382.85	12/14/2022	923941809	2038	2023-01	Replacement Item - Capitalize
Insight	Synergy Equipment Replacement	Synergy	\$ 449.06	9/30/2022	923389219	2038	2023-01	Replacement Item - Capitalize
Insight	Synergy Equipment Replacement	Synergy	\$ 897.51	9/30/2022	923389660	2038	2023-01	Replacement Item - Capitalize
Construction Services Group LLC	Construction Services	Lobby	\$ 136,620.00	12/30/2022		2038	2023-01	Renovation - Capitalize
Items to be capitalized/CIP								
Items to be expensed								
Total			\$ 145,624.79					



1500 SW First Avenue
 Suite 240
 Portland, OR 97201
 503-892-3002

Downtown Redevelopment Authority
 Krista Liles
 PO Box 1995
 Vancouver, WA 98668

Invoice number 6174
 Date 12/31/2022

Project 221072.02 VANCOUVER HILTON -
 ADDITIONAL SERVICES

Description	Contract Amount	Percent Complete	Total Billed	Current Billed
Project Management Services	10,000.00	35.00	3,500.00	1,000.00
Construction Administration Services	2,000.00	20.00	400.00	200.00
Total	12,000.00	32.50	3,900.00	1,200.00

Invoice total 1,200.00

Approved by:

Elaine Edgar
 Office Manager



1500 SW First Avenue
 Suite 240
 Portland, OR 97201
 503-892-3002

Downtown Redevelopment Authority
 Krista Liles
 PO Box 1995
 Vancouver, WA 98668

Invoice number 6173
 Date 12/31/2022

Project **221072.00 VANCOUVER HILTON LOBBY
 AND POOL AREA REMODEL**

Description	Contract Amount	Percent Complete	Total Billed	Current Billed
Design Document Review and Preliminary Estimate	8,015.20	100.00	8,015.20	0.00
Supplemental Construction Documents	28,000.00	100.00	28,000.00	0.00
Building Permit Process	6,750.00	100.00	6,750.00	0.00
Bidding Assistance	8,000.00	100.00	8,000.00	0.00
Construction Administration	20,750.00	15.00	3,112.50	1,037.50
Total	71,515.20	75.34	53,877.70	1,037.50

Invoice total 1,037.50

Approved by:

Elaine Edgar
 Office Manager



Ship To 10099112

Hilton
Mike McLeod
301 W 6TH ST
VANCOUVER WA 98660-3109

Invoice

Table with 8 columns: Invoice No., Date, Sales Order No., Account No., Payment Terms, Due Date, Sales Rep Name, Account Clerk. Includes PO No., PO Release No., Contract No., State Contract No., Ship Via, FEIN, BN, Service Order No., Service Rep Name, Original Invoice No.

Register for Electronic Invoicing at www.insight.com/einvoice

Table with 5 columns: Material, Material Description, Qty, Unit Price, Extended Price. Lists items like MI-OSKCD12WWT2 and SM-A136UZKDXAA.

Sub Total 4,630.68
Ttl Freight Charge 12.52
TAX 394.67
Total Amount Due 5,037.87
Currency USD

(T) Denotes taxable item * Denotes non-shippable item

Funding Type na
Inn Code na



Please Remit To:
Insight Direct USA, Inc.
PO BOX 731069
Dallas, TX 75373-1069

Ship To 10099112

Hilton
Mike McLeod
301 W 6TH ST
VANCOUVER WA 98660-3109

Send address changes to addresschange@insight.com
For proper credit, please return this portion with payment.

DEC 27 2022

Table with 2 columns: Field Name, Value. Includes ACCOUNT NO, INVOICE DATE, INVOICE NUMBER, BALANCE DUE, Amount Paid, CURRENCY.

Bill to: 10099112
HILTON
301 W 6TH ST
VANCOUVER WA 98660-3109

Please remit electronically to:
Insight Direct USA, Inc
c/o JPMorgan Chase
Account: 816338339
Swift code: chasus33
Wire ABA: 021000021
ACH ABA: 124001545



Hilton
 Mike McLeod
 301 W 6TH ST
 VANCOUVER WA 98660-3109

Invoice

Invoice No. 923929054	Date: 13-DEC-2022	Sales Order No. 332582775	Account No. 10099112	Payment Terms Net 45 Days	Due Date 27-JAN-2023	Sales Rep Name Radford Richardson	Account Clerk: Virgilio Pedrena
PO No. SYNERGYMMS	PO Release No:		Contract No.	State Contract No.		Ship Via Ground/ESD	
FEIN: 36-3948996	BN: 866766850 RT	Service Order No		Service Rep Name		Original Invoice No	

Register for Electronic Invoicing at www.insight.com/einvoice

Material	Material Description	Qty	Unit Price	Extended Price
Brand OU-Department	na na			

THANK YOU FOR YOUR ORDER.
FOR ALL INQUIRIES PLEASE CALL 800-934-4477.
 Effective Oct. 1, the U.S. government imposed tariffs on technology-related goods. Technology manufacturers are evaluating the impact on their cost and are providing us with frequent cost updates. For this reason, quote and ecommerce product pricing is subject to change as costs are updated. If you have any questions regarding the impact of the tariff on your pricing, please reach out to your sales team.
 The Terms and Conditions and Return Policy and Procedures set forth on <https://www.insight.com/us/en/terms-conditions/terms-of-sale-products.html> are specifically incorporated herein.

002610202G0000P6874720300261



Invoice

Invoice No. 923941809	Date: 14-DEC-2022	Sales Order No. 332582775	Account No. 10099112	Payment Terms Net 45 Days	Due Date 28-JAN-2023	Sales Rep Name Radford Richardson	Account Clerk: Virgilio Pedrena
PO No. SYNERGYMMS		PO Release No:		Contract No.	State Contract No.	Ship Via Federal Express/Ground	
FEIN: 36-3948996		BN: 866766850 RT	Service Order No	Service Rep Name	Original Invoice No		

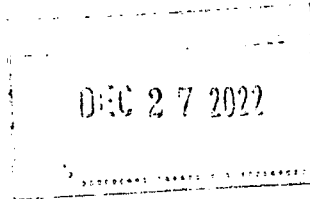
Register for Electronic Invoicing at www.insight.com/einvoice

Material	Material Description	Qty	Unit Price	Extended Price
T 77-87987	OtterBox Commuter Series Lite - back cover for cell phone	18	13.59	244.62

Sub Total 244.62
Ttl Freight Charge 108.24
TAX 29.99
Total Amount Due 382.85
Currency USD

(T) Denotes taxable item * Denotes non-shippable item

Funding Type na
 Inn Code na
 Brand na
 OU-Department na



Please Remit To:
 Insight Direct USA, Inc.
 PO BOX 731069
 Dallas, TX 75373-1069

Ship To 10099112
 Hilton
 Mike McLeod
 301 W 6TH ST
 VANCOUVER WA 98660-3109

Send address changes to addresschange@insight.com

For proper credit, please return this portion with payment.

ACCOUNT NO	10429126
INVOICE DATE	14-DEC-2022
INVOICE NUMBER	923941809
BALANCE DUE	382.85
Amount Paid	
CURRENCY	USD

Bill to: 10099112
 HILTON
 301 W 6TH ST
 VANCOUVER WA 98660-3109

Please remit electronically to:
 Insight Direct USA, Inc
 c/o JPMorgan Chase
 Account: 816338339
 Swift code: chasus33
 Wire ABA: 021000021
 ACH ABA: 124001545



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Ship To 10099112

Page 2 of 2

Hilton
Mike McLeod
301 W 6TH ST
VANCOUVER WA 98660-3109

Invoice

Invoice No. 923941809	Date: 14-DEC-2022	Sales Order No. 332582775	Account No. 10099112	Payment Terms Net 45 Days	Due Date 28-JAN-2023	Sales Rep Name Radford Richardson	Account Clerk: Virgilio Pedrena
PO No. SYNERGYMMS	PO Release No:		Contract No.	State Contract No.		Ship Via Federal Express/Ground	
FEIN: 36-3948996	BN: 866766850 RT	Service Order No		Service Rep Name		Original Invoice No	

Register for Electronic Invoicing at www.insight.com/einvoice

Material	Material Description	Qty	Unit Price	Extended Price
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THANK YOU FOR YOUR ORDER.
 FOR ALL INQUIRIES PLEASE CALL 800-934-4477.
 Effective Oct. 1, the U.S. government imposed tariffs on technology-related goods. Technology manufacturers are evaluating the impact on their cost and are providing us with frequent cost updates. For this reason, quote and ecommerce product pricing is subject to change as costs are updated. If you have any questions regarding the impact of the tariff on your pricing, please reach out to your sales team.
 The Terms and Conditions and Return Policy and Procedures set forth on <https://www.insight.com/us/en/terms-conditions/terms-of-sale-products.html> are specifically incorporated herein.





Ship To 10820625

Page 1 of 2

HILTON VANCOUVER, WA
 Name2:
 MIKE MCLEOD
 301 W 6TH ST
 VANCOUVER WA 98660-3109

Invoice

Invoice No. 923389219	Date: 30-SEP-2022	Sales Order No. 331957772	Account No. 10099112	Payment Terms Net 45 Days	Due Date 14-NOV-2022	Sales Rep Name Radford Richardson	Account Clerk: Jessica Inovejas
PO No. PDXVA-HF-1006933- INSIGHT	PO Release No:		Contract No. 6072763	State Contract No.		Ship Via Ground/ESD	
FEIN: 36-3948996	BN: 866766850 RT	Service Order No		Service Rep Name		Original Invoice No	

Register for Electronic Invoicing at www.insight.com/einvoice

Material	Material Description	Qty	Unit Price	Extended Price
*T 79P-05855-SLP	Microsoft Office LTSC Professional Plus 2021 - license - 1 PC SEL PLUS LICENSE-D APPS License Type: License Only Media Type: ESD	1	413.88	413.88

Sub Total 413.88
Ttl Freight Charge 0.00
TAX 35.18
Total Amount Due 449.06
Currency USD

(T) Denotes taxable item * Denotes non-shippable item

For questions about this invoice you may email us at Hilton.Invoices@Insight.com.

Funding Type	HF
Inn Code	PDXVA
Brand	HFS



Please Remit To:
 Insight Direct USA, Inc.
 PO BOX 731069
 Dallas, TX 75373-1069

Ship To 10820625

HILTON VANCOUVER, WA
 Name2:
 MIKE MCLEOD
 301 W 6TH ST
 VANCOUVER WA 98660-3109

Send address changes to addresschange@insight.com
 For proper credit, please return this portion with payment.

ACCOUNT NO	10820625
INVOICE DATE	30-SEP-2022
INVOICE NUMBER	923389219
BALANCE DUE	449.06
Amount Paid	
CURRENCY	USD

Bill to: 10099112
 Hilton
 Mike McLeod
 301 W 6TH ST
 VANCOUVER WA 98660-3109

Please remit electronically to:
 Insight Direct USA, Inc
 c/o JPMorgan Chase
 Account: 816338339
 Swift code: chasus33
 Wire ABA: 021000021
 ACH ABA: 124001545

001082062560923389219400000449067497000000000000000



Ship To 10820625

Page 1 of 2

HILTON VANCOUVER, WA
 Name2:
 MIKE MCLEOD
 301 W 6TH ST
 VANCOUVER WA 98660-3109

Invoice

Invoice No. 923389660	Date: 30-SEP-2022	Sales Order No. 331957772	Account No. 10099112	Payment Terms Net 45 Days	Due Date 14-NOV-2022	Sales Rep Name Radford Richardson	Account Clerk: Jessica Inovejas
PO No. PDXVA-HF-1006933- INSIGHT	PO Release No:		Contract No.	State Contract No.		Ship Via Federal Express/Ground	
FEIN: 36-3948996	BN: 866766850 RT	Service Order No		Service Rep Name		Original Invoice No	

Register for Electronic Invoicing at www.insight.com/einvoice

Material	Material Description	Qty	Unit Price	Extended Price
* T 95-WS-CUSTOM	CUSTOM DELIVERABLES	1	37.46	37.46
T ANB-00001-HIL	HILTON COMPANY - MICROSOFT WIRED KEYBOARD	1	11.37	11.37
* HHC-WINDOWS-10	WINDOWS 10 INSTALLATION	1	0.01	0.01
T K72356US-HIL	Kensington Mouse-in-a-Box USB - mouse - USB - black	1	8.27	8.27
AIUSA	CONFIGURATION ORDER	1	737.48	737.48
T 27133-HIL	HILTON COMPANY - 10FT CAT6 SNAGLESS PATC	2	4.42	8.84
T 4A7C1UP#ABA-HIL	HP EliteBook 835 G8 - 13.3" - Ryzen 5 Pro 5650U - 8 GB RAM - 512 GB SSD - US Serial #:5CG2322XQ1	1	703.36	703.36
T USB31000S-HIL	StarTech.com USB 3.0 to Gigabit Ethernet Adapter - 10/100/1000 NIC Network Adapter - USB 3.0 Laptop to RJ45 LAN (USB31000S) - network adapter - USB 3.0 - Gigabit Ethernet	1	25.28	25.28

Sub Total 794.59
 Ttl Freight Charge 32.61
 TAX 70.31
 Total Amount Due 897.51
 Currency USD



Please Remit To:
 Insight Direct USA, Inc.
 PO BOX 731069
 Dallas, TX 75373-1069

Ship To 10820625

HILTON VANCOUVER, WA
 Name2:
 MIKE MCLEOD
 301 W 6TH ST
 VANCOUVER WA 98660-3109

Send address changes to addresschange@insight.com

For proper credit, please return this portion with payment.

ACCOUNT NO	10820625
INVOICE DATE	30-SEP-2022
INVOICE NUMBER	923389660
BALANCE DUE	897.51
Amount Paid	
CURRENCY	USD

Bill to: 10099112
 Hilton
 Mike McLeod
 301 W 6TH ST
 VANCOUVER WA 98660-3109

Please remit electronically to:
 Insight Direct USA, Inc
 c/o JPMorgan Chase
 Account: 816338339
 Swift code: chasus33
 Wire ABA: 021000021
 ACH ABA: 124001545

00108206256092338966040000089751049700000000000000

Estimate Number: 3

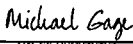
Project: Lobby Tenant Improvements for Hilton Vancouver Washington

Labor and Materials as of: 12/30/2022
 Bid Number: DRA22-1

Original Bid Amount:	\$ 1,897,870.07	Revised Contract Amount:	
Original Completion Date:	120 Working Days	Estimated Completion:	17%
Revised Completion Date:			

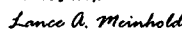
	Previous to Date	This Estimate	To Date
Subtotal	\$ 182,442.66	\$ 132,000.00	\$ 314,442.66
Sales Tax 8.5%	\$ 15,507.63	\$ 11,220.00	\$ 26,727.63
Total Amount Earned	\$ 197,950.29	\$ 143,220.00	\$ 341,170.29
Less Retainage	\$ 9,122.13	\$ 6,600.00	\$ 15,722.13
Total Amount Due	\$ 188,828.16	\$ 136,620.00	\$ 325,448.16


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

DocuSigned by:

 Contractor
 Construction Services Group LLC President
 For
 1/12/2023
 Date

Construction Services Group
 5706 NE 112th Avenue
 Vancouver WA 98682

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

DocuSigned by:

 Project Architect
 1/12/2023
 Date

DocuSigned by:

 Project Manager
 1/12/2023
 Date

Subs
Accurate Electric
Harten's Drywall
Cosco Fire
LaneCo

APPLICATION AND CERTIFICATE FOR PAYMENT

<p>TO OWNER: City of Vancouver -DRA 415 W. 6th Street Vancouver, WA 98660</p>	<p>PROJECT: Lobby Tenant Improvement for Hilton 301 W. 6th Street Vancouver, WA 98660</p>	<p>APPLICATION # 3 APPLICATION DATE 01/06/23</p>
<p>FROM CONTRACTOR Construction Services Group LLC 5706 NE 112th Ave Vancouver, WA 98682</p>	<p>VIA ARCHITECT Livermore Architecture and Engineering 1500 SW First Ave. Suite #240 Portland, OR 97201</p>	<p>PERIOD FROM: 12/01/22 PERIOD TO: 12/31/22</p>
<p>CONTRACT FOR: Tenant Improvements</p>		<p>PROJECT # 326 CONTRACT DATE 10/03/22 JOB # 326</p>

CONTRACTORS APPLICATION FOR PAYMENT

Application is made for payment as shown below, in connection with the contract

Continuation sheet is attached

1 ORIGINAL CONTRACT SUM	\$	1,749,189.00
2 Net change by Change Orders	\$	-
3 CONTRACT SUM TO DATE	\$	1,749,189.00
3 SALES TAX 8.50%	\$	148,681.07
4 CONTRACT SUM WITH SALES TAX	\$	1,897,870.07
5 TOTAL COMPLETE AND STORED TO DATE	\$	314,442.66
6 SALES TAX ON COMPLETED AND STORED	\$	26,727.63
7 TOTAL PLUS SALES TAX (item 5 + 6)	\$	341,170.29
8 RETAINAGE (5% item 7)	\$	17,058.51
9 TOTAL EARNED LESS RETAINAGE (item 7 - 6)	\$	324,111.77
10 LESS PREVIOUS CERTIFICATES FOR PAYMENT	\$	188,052.77
11 CURRENT PAYMENT DUE	\$	136,059.00
12 BALANCE TO FINISH, INCL. RETAINAGE & WSST	\$	1,573,758.29

The undersigned Contractor certifies that to the best of the contractors knowledge, information and the belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR **Construction Services Group LLC**

Digitally signed by M. Gage
 DN: C=US, E=gage.csg@gmail.com
 O=Construction Services Group,
 OU=CSGQ, CN=M. Gage
 Date: 2023.01.06 14:34:06-08'00'

By: _____ Date: **1-6-23**
 State Of: WA County of: CLARK

Subscribed and sworn to before me this:

This certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Insurance, payment and acceptance of payment are without prejudice to any rights of Owner or Contractor under this agreement.

OWNER
 BY: _____ Date: _____

CONTINUATION SHEET

APPLICATION AND CERTIFICATE FOR PAYMENT,

containing Contractors signed Certification, is attached

In tabulations below, amounts are stated to the nearest dollar.

Use Column 1 on Contracts where variable retainage fo lin items may apply

Lobby Tenant Improvement for Hilton

APPLICATION # 3

APPLICATION DATE 01/06/23

PERIOD TO: 12/31/22

PROJECT # 326

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED FROM PREV (D+E)	E THIS PERIOD	F MATERIALS CURR STORED	G TOTAL COMPL AND STORED TOT DATE	H % G/C	I BALANCE TO FINISH	J RETAINAGE
1	Bond - Insurance	\$ 36,060.00	\$ 36,060.00		\$ -	\$ 36,060.00	100%	\$ -	\$ 1,803.00
1	B & O Tax	\$ 5,500.00	\$ 500.00	\$ 1,000.00	\$ -	\$ 1,500.00	27%	\$ 4,000.00	\$ 75.00
2	Permits	\$ 8,682.66	\$ 8,682.66		\$ -	\$ 8,682.66	100%	\$ -	\$ 434.13
3	Project Management	\$ 65,000.00	\$ 10,000.00	\$ 10,000.00	\$ -	\$ 20,000.00	31%	\$ 45,000.00	\$ 1,000.00
4	Temp Facilites	\$ 15,200.00	\$ 15,200.00		\$ -	\$ 15,200.00	100%	\$ -	\$ 760.00
5	Mobilization	\$ 14,000.00	\$ 14,000.00		\$ -	\$ 14,000.00	100%	\$ -	\$ 700.00
6	Demolition	\$ 65,000.00	\$ 55,000.00	\$ 10,000.00	\$ -	\$ 65,000.00	100%	\$ -	\$ 3,250.00
7	Core Drilling	\$ 4,500.00	\$ 1,500.00	\$ 3,000.00	\$ -	\$ 4,500.00	100%	\$ -	\$ 225.00
8	Structural Steel Fabrication	\$ 21,500.00	\$ 21,500.00		\$ -	\$ 21,500.00	100%	\$ -	\$ 1,075.00
9	Welding	\$ 12,500.00		\$ 12,500.00	\$ -	\$ 12,500.00	100%	\$ -	\$ 625.00
10	Framing	\$ 13,500.00		\$ 10,000.00	\$ -	\$ 10,000.00	74%	\$ 3,500.00	\$ 500.00
11	Insulation	\$ 4,500.00			\$ -	\$ -	0%	\$ 4,500.00	\$ -
12	Standard doors/ hardware	\$ 6,500.00			\$ -	\$ -	0%	\$ 6,500.00	\$ -
13	Storefront	\$ 9,580.00			\$ -	\$ -	0%	\$ 9,580.00	\$ -
14	Auto Entrance	\$ 40,256.00			\$ -	\$ -	0%	\$ 40,256.00	\$ -
15	Mirrors	\$ 18,962.00			\$ -	\$ -	0%	\$ 18,962.00	\$ -
16	Steel Panel System	\$ 52,500.00			\$ -	\$ -	0%	\$ 52,500.00	\$ -
17	Drywall / Metal Studs	\$ 95,469.00		\$ 25,000.00	\$ -	\$ 25,000.00	26%	\$ 70,469.00	\$ 1,250.00
18	Ceramic Tile	\$ 83,805.00			\$ -	\$ -	0%	\$ 83,805.00	\$ -
19	Floor Mat	\$ 3,570.00			\$ -	\$ -	0%	\$ 3,570.00	\$ -
20	Wall Covering	\$ 12,500.00			\$ -	\$ -	0%	\$ 12,500.00	\$ -
21	Painting	\$ 29,800.00			\$ -	\$ -	0%	\$ 29,800.00	\$ -
22	Window Covering	\$ 24,200.00			\$ -	\$ -	0%	\$ 24,200.00	\$ -
23	Casework	\$ 238,375.00			\$ -	\$ -	0%	\$ 238,375.00	\$ -
24	Stone Work	\$ 165,339.07			\$ -	\$ -	0%	\$ 165,339.07	\$ -
25	Wall Paneling	\$ 145,985.00			\$ -	\$ -	0%	\$ 145,985.00	\$ -
26	Ceiling Paneling	\$ 113,650.00			\$ -	\$ -	0%	\$ 113,650.00	\$ -
27	Fire Suppression	\$ 26,945.00		\$ 1,500.00	\$ -	\$ 1,500.00	6%	\$ 25,445.00	\$ 75.00
28	HVAC	\$ 18,400.00			\$ -	\$ -	0%	\$ 18,400.00	\$ -
29	Electrical	\$ 184,560.27		\$ 39,000.00	\$ -	\$ 39,000.00	21%	\$ 145,560.27	\$ 1,950.00
30	Lighting	\$ 52,350.00			\$ -	\$ -	0%	\$ 52,350.00	\$ -
31	Close-out	\$ 10,500.00			\$ -	\$ -	0%	\$ 10,500.00	\$ -
32	Fee	\$ 150,000.00	\$ 20,000.00	\$ 20,000.00	\$ -	\$ 40,000.00	27%	\$ 110,000.00	\$ 2,000.00
					\$ -	\$ -	#DIV/0!	\$ -	\$ -
	TOTAL	\$ 1,749,189.00	\$ 182,442.66	\$ 132,000.00	\$ -	\$ 314,442.66	18%	\$ 1,434,746.34	\$ 15,722.13

Lobby Tenant Improvement for Hilton

APPLICATION # 3
 APPLICATION DATE 01/06/23
 PERIOD TO: 12/31/22
 PROJECT # 326

Change Orders

A		B DESCRIPTION OF WORK	C	D	E	F	TOTAL COMPL AND STORED TOT DATE	% G/C	H	I
ITEM NO.			SCHEDULED VALUE	WORK COMPLETED FROM PREV (D+E)	THIS PERIOD	MATERIALS CURR STORED			BALANCE TO FINISH	RETAINAGE
CO	COR									
			\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -
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			\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -
		TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -

EXHIBIT E -2

FORM OF RENEWAL & REPLACEMENT FUND REQUEST

(204969006)

**RENEWAL & REPLACEMENT FUND
REQUEST NO. 01202040**

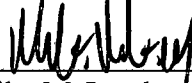
This request is being delivered to U.S. Bank National Association, as trustee (the "Trustee") under the Amended and Restated Trust Indenture, dated as of June 1, 2013 and effective June 27, 2013, amending and restating the Trust Indenture, dated as of December 1, 2003 (collectively, the "Indenture"),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

Pursuant to Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture, you are hereby authorized and directed to disburse from the Renewal and Replacement Fund the amounts set forth in Appendix I attached hereto to the persons named therein in payment of Hotel expenditures permitted to be paid from the Renewal and Replacement Fund under Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture. The total amount to be disbursed pursuant to this Request from the Renewal and Replacement Fund is **\$1,140.25**.


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

Dated: 01/27/2023

HILTON MANAGEMENT, LLC, as Manager

By: 
Name: Mike McLeod

Title: General Manager
DOWNTOWN REDEVELOPMENT AUTHORITY

By: 
DocuSigned by: BCF6734E40E94AE...

Name: Natasha Ramras

Title: AUDITING OFFICER



INVOICE

Portland, OR
503-659-3281

Project Mgr: Landon Freeman

Project: Vancouver Hilton Lobby Tenant Improvements
301 W 6th Street
Vancouver, WA 98660

To: Downtown Redevelopment Authority
Attn: Krista Liles
PO Box 1995
Vancouver, WA 98668

REMIT TO:

Invoice Number: TH83777

Terracon Consultants, Inc.
PO Box 959673
St Louis, MO 63195-9673

Federal E.I.N.: 42-1249917

Project Number: 82221279
Contract Amount: \$2,726.00
Billed to Date: \$1,140.25
Invoice Date: 12/19/2022
Services Through: 12/10/2022

Date	Report	Description of Services	Quantity	Rate	Total
11/21/22	82221279.0001	Structural Steel Fabrication Inspection, per hour	2.00	\$113.00	\$226.00
11/21/22	82221279.0001	Trip Charge, each	1.00	\$47.00	\$47.00
12/7/22	82221279.0002	Proprietary Anchor Inspection, per hour	2.00	\$68.00	\$136.00
12/7/22	82221279.0002	Trip Charge, each	1.00	\$47.00	\$47.00
12/9/22	82221279.0003	Structural Steel Inspection, per hour	4.00	\$80.00	\$320.00
12/9/22	82221279.0003	Trip Charge, each	1.00	\$47.00	\$47.00
12/10/22	Administrative	Administrative Services, per hour	2.00	\$73.00	\$146.00
12/10/22	Project Management	Project Management, per hour	1.25	\$137.00	\$171.25

Invoice Total \$1,140.25

TERMS: DUE UPON PRESENTATION OF INVOICE



Date: February 3, 2023
To: Bob Hayward
CHMWarnick
From: Mike McLeod
Hilton Vancouver Washington
Subject: **Capital Request**
Bulk Amenity Bracket
Amount of this Request: \$1,814.60

Hilton Brand Standards requires the hotel to transition to bulk amenities in the guest bathrooms by June 30, 2023. We will be converting to large shampoo, conditioner and lotion containers but keep individual soaps. The purchase of the bulk product will be expensed like our existing product but the mounting brackets to hold the bulk amenity is a capital purchase. The conversion will reduce plastic waste and is anticipated to be a cost neutral expense once converted.

The mini mounting brackets will be purchased through Hilton Guest Supply and installed by hotel staff. Funding for this purchase will be covered by contingency.

Mini Bulk Amenity Brackets	\$1,670.90
8.6% Sales Tax	\$143.70
Total	\$1,814.60

Please let me know if you have any questions.



Date: February 3, 2023
To: Bob Hayward
CHMWarnick
From: Mike McLeod
Hilton Vancouver Washington
Subject: **Capital Request**
Unifocus Time Clock Replacement
Amount of this Request: \$11,973.15

Hilton requires the use of biometric verification for hotel timeclocks. Our current timeclocks are 8-10 years old and do not have a functioning biometric verification so we need to purchase new timeclocks to be compliant and to allow the timeclocks to communicate with our labor management system.

Hilton's preferred provider, Unifocus provides a timeclock with biometric verification that will also communicate with our labor management scheduling system. The cost includes (2) time clocks, installation, software and training. Funding for this purchase will be covered by contingency.

(2) Time Clocks w/biometric verification	\$3,000.00
Unifocus T&A Software	\$4,375.00
T&A Interfaces	\$350.00
Installation	\$1,500.00
Hilton Project Implementation	\$1,800.00
8.6% Sales Tax	\$948.15
Total	\$11,973.15

Please let me know if you have any questions.

LOBBY REMODEL PROJECT

2/14/2023

	Projected costs	Contracted Amount	COR Totals	Current Contract	Paid	Remaining
Livermore	123,500	\$ 123,410			\$ (57,178)	\$ 66,232
CGS	2,277,444	\$ 1,897,870	\$ 209,950	\$ 2,107,820	\$ (481,739)	\$ 1,626,082
Terracon	-	\$ 5,000			\$ (1,140)	\$ 3,860
Lusive	88,000	\$ 88,067			\$ (44,034)	\$ 44,033
FF&E	378,000	\$ 378,000				\$ 378,000
Contingency 10%	58,950	\$ 94,894				\$ 94,894
Total Project	2,925,894	\$ 2,587,240	\$ 209,950	\$ 2,107,820	\$ (584,091)	\$ 2,213,100
Budget 2022-23	2,287,362					
Currently Projected Shortfall	(638,532)					

DOWNTOWN REDEVELOPMENT AUTHORITY
STAFF REPORT No. 02-16-23-01

TO: Downtown Redevelopment Authority (DRA)
FROM: Natasha Ramras, Executive Director

DATE: 2/16/23

Subject: Hilton Remodel Project: Amend Contract with CSG

Objective: To amend the contract with Construction Services Group.

Background and Present Situation:

DRA entered into a contract with Construction Services Group (CSG) for Lobby Tenant Improvements for the Hilton Vancouver, Washington, per the DRA-issued Invitation to Bid (ITB) No. DRA22-2, on September 15, 2022.

The scope of work includes remodel of the lobby in accordance with the DRA approved design and construction drawings. During the first phase of the projects, it has been uncovered that there is water damage to the north and west-facing walls of the building. A study was commissioned to determine where the water was coming from and to make recommendations of how to prevent the water from coming into the building. The study was performed by J2 consultants and delivered to the DRA and the Hilton in early January of 2022. The major findings of the study were that the water penetration was due to sealant failure as well as due to the incorrect sill flashing installed when the building was constructed, not allowing for the moisture to escape. A copy of the report was forwarded to the Board with my January of 2023 DRA update. The Hilton Management and I are recommending moving forward with sealing all of the external areas of water penetration and continuing with the Lobby Remodeling project. I am hoping to bring back an estimate of flashing replacement along the windows and discuss the next steps at the April DRA Board meeting. The project team believes the likelihood of damage is reasonably small. The Hilton has authorized a maintenance company to move forward with sealing work. The walls are exposed and will allow to assess whether any water is continuing to come through after this work is completed.

Since the recommendation is to move forward with sealing the exterior and proceeding with the interior work, the amendment is needed to release CSG from damage to materials if the damage is caused by water penetration.

Action Requested:

Staff recommends approving the Amendment to the CSG contract to hold Contractor harmless from any property or construction damage claims arising from work performed under this contract to the extent that the damage is caused by water infiltration through the North and East exterior walls of the building.

Recommended motion:

“I make a motion to approve the amendment to the CSG contract.”

Attachments:

1. Amendment to the CSG Contract.

AMENDMENT No. #1

ITB #DRA22-2: Lobby Tenant Improvements for Hilton Vancouver, Washington

This Agreement amends the Agreement by and between the City of Vancouver Downtown Redevelopment Authority, hereinafter referred to as “DRA”, and Construction Services Group hereinafter referred to as "Contractor", for services offered.

This amendment amends the original agreement as follows:

1. **Amend** the language contained in Section 13, Indemnification to read:

13. INDEMNIFICATION: Except as otherwise provided herein, Contractor agrees to indemnify, defend, save and hold harmless the DRA, its officials, employees and agents from any and all liability, including but not limited to demands, claims, causes of action, suits or judgments, claims of copyright or patent infringement, including costs, attorney fees and expenses incurred in connection therewith, or whatsoever kind or nature, arising out of, or in connection with, or incident to, the performance of services by Contractor pursuant to this Contract.

In the event that any suit based on such a claim, demand, loss, damage, cost, or cause of action is brought against the Contractor, the DRA retains the right to participate in said suit.

This indemnity and hold harmless shall include any claim made against the DRA by an employee of Contractor or subcontractor or agent of the Contractor, even if Contractor is thus otherwise immune from liability pursuant to the workers’ compensation statute, Title 51 RCW. To the extent that such liability arises from the concurrent negligence of both the DRA and the Contractor, such cost, fees and expenses shall be shared between the DRA and the Contractor in proportion to their relative degrees of negligence. This indemnity and hold harmless shall NOT apply in the case where liability arises from the sole negligence of the DRA. Contractor specifically acknowledges that the provisions contained herein have been mutually negotiated by the Parties and it is the intent of the Parties that Contractor provide the broadest scope of indemnity permitted by RCW 4.24.115.

DRA agrees to release, defend, and hold Contractor harmless from and against any personal injury, property or construction damage, claims, costs, losses or expenses arising from or relating to work performed under the Agreement to the extent that the damage, claim, cost, loss or expense is caused—in whole or in part—by the water infiltration issues identified in the J2 Preliminary Rapid Report dated 1/13/23.

This includes, but is not limited to, all storefront systems, curtainwall systems, glazing, gasketing, caulk joints, masonry cladding, decking system above the lobby area,

roofing system, parapet entry awning system, ground water, flashings, and any existing exterior wall penetrations.

- 2. Ratification: Acts taken pursuant to this Amendment but prior to its effective date are hereby ratified and confirmed.

This amendment in no way alters any other provisions of the original agreement.

**CITY OF VANCOUVER DOWNTOWN
REDEVELOPMENT AUTHORITY**

A municipal corporation

CONTRACTOR:

Construction Services Group

Natasha Ramras, Executive DRA Director

Signature

Date

Printed Name /Title

Date

**DOWNTOWN REDEVELOPMENT AUTHORITY
STAFF REPORT No. 02-16-23-02**

TO: Downtown Redevelopment Authority (DRA)
FROM: Natasha Ramras, Executive Director

DATE: 2/16/23

Subject: Hilton Remodel Project: Ratify Change Order Requests

Objective: Ratify approved to-date change orders with Construction Services Group.

Background and Present Situation:

DRA entered into a contract with Construction Services Group (CSG) for Lobby Tenant Improvements for the Hilton Vancouver, Washington, per the DRA-issued Invitation to Bid (ITB) No. DRA22-2, on September 15, 2022.

The scope of work includes remodel of the lobby in accordance with the DRA approved design and construction drawings. The scope of work does not include FF&E procurement for furniture, rugs, and custom design lighting. The total contract was awarded of \$1,897,870.07.

CSG mobilized and started work in November of 2022. To-date there are several change orders submitted for items that were not included in the original construction documents. Change order requests are reviewed by the project management team consisting of the Project Manager, Executive Director, and Hilton General Manager. Three order requests, totaling \$17,304 were approved by the Board at the December of 2022 meeting.

Since the three requests were approved, several additional requests were submitted that have been reviewed and approved by the Executive Director. These additional change orders total \$192,647 dollars, bringing the total cost of the contract to \$2,107,820, and are recommended to be ratified by the DRA Board.

A list of all known to-date change orders and their relative status is also attached for the Board’s review.

Action Requested:

Staff recommends ratifying the Change Orders to the CSG Contract for a total of \$192,647.

Recommended motion: “I make a motion to authorize and ratify change orders of \$192,647 for the CSG contract.”

Attachments: 1. Tracking of costs and payments for Construction Services Group

CSG (Construction Services Group)

CGS		Contract Total	COR	Pending Amount	Total Adjusted	Status	Notes
Original Contract		\$ 1,897,870.07					
Approved CORs							
1	Stop work 11/17: work had to be stopped due to noise	\$ 10,260			\$ 1,908,130	Approved	DRA Reviewed 12.15.22
2	Mold evaluation in the lobby - included in COR 14				\$ 1,908,130	Partially Appro	DRA Reviewed 12.15.22
3	Air sampling related to mold evaluation	\$ 1,388			\$ 1,909,519	Approved	DRA Reviewed 12.15.22
4	Temp floor at coffee shop	\$ 3,370			\$ 1,912,889	Approved	For DRA Review 2.16.23
5	Demo drapes - \$2,373.41	\$ -			\$ 1,912,889	Rejected	
6	Power to (3) vestibule heaters	\$ 12,108			\$ 1,924,997	Approved	For DRA Review 2.16.23
7	Circuit discovery	\$ -		\$ 2,933		Pending	
8	Balcony added paneling	\$ 29,880			\$ 1,954,877	Approved	For DRA Review 2.16.23
9	Sundries casework revisions	\$ 5,808			\$ 1,960,685	Approved	For DRA Review 2.16.23
10	Custom doors 106A and 109A	\$ 7,240			\$ 1,967,924	Approved	For DRA Review 2.16.23
11	Wall coverings	\$ 1,095			\$ 1,969,020	Approved	For DRA Review 2.16.23
12	Coffee bar tile	\$ 12,696			\$ 1,981,716	Approved	For DRA Review 2.16.23
13	Temporary wall relocation	\$ 9,942			\$ 1,991,658	Approved	For DRA Review 2.16.23
14	Storefront water infiltration testing	\$ 10,913			\$ 2,002,570	Approved	For DRA Review 2.16.23
15	Framing Balcony Soffit	\$ 4,975			\$ 2,007,545	Approved	For DRA Review 2.16.23
16	Window Treatment			\$ 87,788		Pending	
17	Replace all recessed lighting	\$ 59,058			\$ 59,058	Approved	For DRA Review 2.16.23
18	Credit to relocate power runs	\$ (5,673)			\$ 53,385	Approved	For DRA Review 2.16.23
19	ASI #5, Item #2, Storefront Doors and Sidelights	\$ 44,500			\$ 97,885	Approved	For DRA Review 2.16.23
20	Demo Bell Casework	\$ 2,391			\$ 100,275	Approved	For DRA Review 2.16.23
21	Vestibule Paneling ASI 5.3			\$ 6,115		Pending	
TOTAL		\$ 1,897,870.07	\$ 209,950	\$ 96,836	\$ 2,107,820		
	DRA reviewed 12.15.22	\$ 17,304					
	DRA review 2.16.23	\$ 192,647					
<u>Payments</u>							
	Pay estimate 1				\$ (37,322)		
	Pay estimate 2				\$ (151,506)		
	Pay estimate 3				\$ (136,620)		
	Pay estimate 4				\$ (156,291)		
Total Payments					\$ (481,739)		
Total Remaining under contract					\$ 1,626,082		
Total Budget for Construction only (2022+2023)					\$ 2,124,150		
<i>Remaining Budget Contingency</i>					\$ 16,330		
<i>Total contract with 20% COR</i>					\$ 2,277,444		
<i>Remaining authority for change orders, not including pending</i>					\$ 169,624		
<i>Remaining Exec. Director authority including pending orders</i>					\$ 72,787		

**DOWNTOWN REDEVELOPMENT AUTHORITY
STAFF REPORT NO. 02-16-23-03**

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

DATE: 02/16/23

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 an amendment to allow Cooperative Purchasing in July of 2021. During the last year, it became apparent that it would be helpful to authorize the DRA Executive Director to approve contract change orders or amendments up to 20% if the total amount of the awarded contract.

Proposal: The proposed changes are outlined below:

1. A new Section 4.6.5 is recommended to be added. The suggested language specifically allows the Executive Director of the DRA to negotiate and approve amendments and/or change orders for A&E service contracts that have been approved by the DRA Board by up to 20% of the initial value of the contract.
2. A new Section 5.8.7. is added to allow a similar authorization for Capital Projects and Furniture, Fixtures and Equipment (FF&E) contracts.

Any increases above this amount shall require DRA Board approval.

Action Requested: Approve the proposed resolution. An example motion would be: "I move to approve Resolution 02-16-23 -03 adopting changes to the DRA Procurement Policies and Guidelines".

02-16-23

RESOLUTION NO. 02-16-23-03

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

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 at a regular meeting held this 16th day of February 2023.

Jan Robertson, Board Chair

ATTEST:

Marc Fazio, Secretary-Treasurer

APPROVED AS TO FORM:

Taylor Hallvik, Counsel to the Authority



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

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Exhibit A:	Procurement Thresholds and Process Summary
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Exhibit E:	Public Works Contract Bid Tabulation Worksheet Example
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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.
- 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 shall procure personal services contracts for services provided directly to the DRA. Personal services contracts for services to the DRA 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 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.
- 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.
- 5.3.3. As stated in Section 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. Accordingly, the DRA and Manager shall follow the procurement process for capital and Public Works projects as outlined in this document.

- 5.3.4. The DRA may enter into a contract with a third party to serve as the “Owner’s Representative” during construction.
- 5.3.5. 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.
- 5.3.6. 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.
- 5.3.7. 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. 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.

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

- 5.6.1. The DRA or their agent shall prepare plans, specifications and

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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.

5.7.1.3. Have industrial insurance/workers' compensation coverage.

5.7.1.4. Have an Employment Security Department (ESD) account.

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- 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 witnesses to the bid opening shall sign the form. An example of a form used to record bids is included in Exhibit E.
- 5.8.2. The DRA or Manager shall identify the lowest responsive and

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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.

- 5.8.3. 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.
- 5.8.4. The DRA or Manager shall review the bid from the apparently successful bidder, resolve any questions and initiate contract negotiations.
- 5.8.5. 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.
- 5.8.6. 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.

5.8.7. The Executive Director of the DRA is authorized 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

- 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.

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- 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: June 18, 2020

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)	All	No specific competitive requirements; Process to be approved by the DRA Board	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 06/18/2020

Asset Manager's Report to the DRA Board

Hilton Vancouver Washington Vancouver, WA

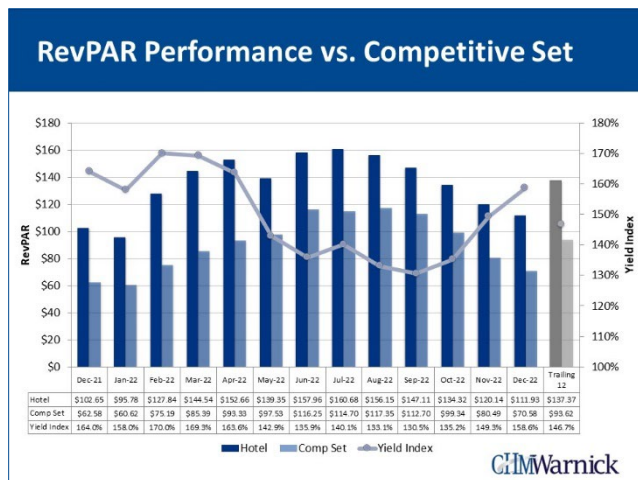
January 2023



1 Performance Relative to the Competitive Set

The table and chart to the left summarize the Hotel's performance compared with the competitive set of Vancouver hotels in December 2022 (the most current information available).

Performance of the Competitive Set			
	Occupancy	ADR	RevPAR
December 2022			
Competitive Set	56.4%	\$125.22	\$70.58
% Chg. from Prior Yr.	17.4%	-3.9%	12.8%
Hilton Vancouver	63.9%	\$175.09	\$111.93
% Chg. from Prior Yr.	-8.7%	19.4%	9.0%
Yield Index	113.4%	139.8%	158.6%
Trailing 12 Months			
Competitive Set	65.3%	\$143.34	\$93.62
% Chg. from Prior Yr.	12.7%	12.4%	26.7%
Hilton Vancouver	75.0%	\$183.16	\$137.37
% Chg. from Prior Yr.	-1.9%	20.6%	18.3%
Yield Index	114.8%	127.8%	146.7%

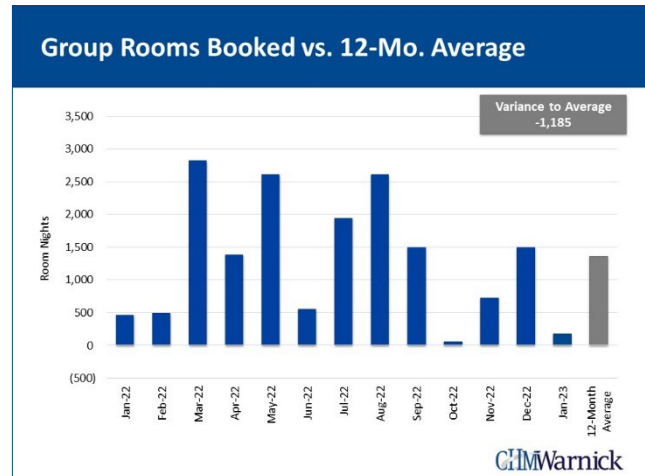


Indicator Explanation: RevPAR is calculated by multiplying the occupancy percentage times the average room rate. RevPAR helps management identify the optimal mix of occupancy and average rate. The RevPAR yield index measures the performance of an individual hotel against its competitive set. A yield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

- The Hotel continues to capture more than its fair share of occupancy yielding an above fair share occupancy index of 113.4%, while holding its strong rate position (with a \$49.87 ADR advantage and a strong 139.8% rate index. The ADR positioning is notable given the Hotel's higher mix of crew demand, which is typically lower rated when compared to group and transient.
- On the strength of ADR and occupancy, ADR, the Hotel achieved a 158.6% RevPAR index during December and the index for the trailing 12 months is 146.7%.

2 Future Group Bookings

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

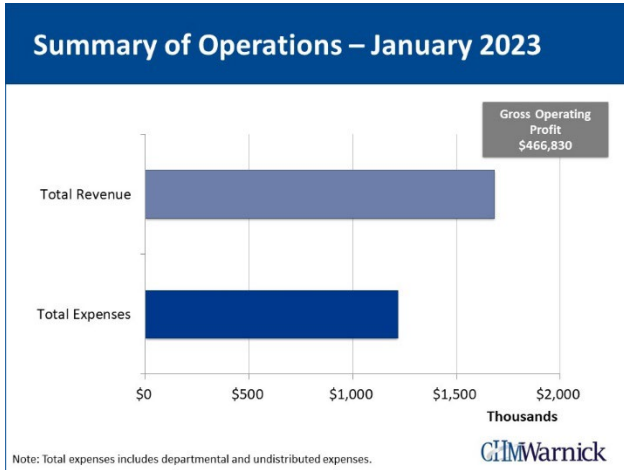


Indicator Explanation: Group business is one of the most important market segments for the Hotel because it fills the meeting rooms and generates banquet, as well as room, revenue.

- Going into 2023, group leads (both group and F&B) continue to track higher on a month-over-month basis.
- During January, crew business consisted of Delta and FedEx. The Hotel also captured temporary rooms from Horizon Airlines during the month.
- The sales team is currently short one sales manager.
 - Current staffing includes seven managers and two administrative assistants.
 - Management is aggressively recruiting for the open management position.

3 Monthly Financial Results

The following table summarizes financial results for January 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.

- January performance represented a strong start to 2023.
- Overall, the Hotel continues to move in a very positive direction exceeding budgeted revenues and net operating income (“NOI”).
- Occupancy increased to budget due to stronger than anticipated group capture and additional Permanent (airline crew) volume.
- January’s ADR experienced increases across virtually all channels.
- F&B revenues exceeded budget due to higher than anticipated banquet and local catering activity.
- Labor costs and other controllable expenses continue to be well managed resulting in excellent flow through on incremental revenue.
- Maintaining a stabile labor force to appropriately service the Hotel is an ongoing focus area for management.

Asset Manager’s Focus and Strategic Initiatives

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

Group Booking Position

Group Room Night Pace as of Jan-23		
	Definite	Variance to Last Month
2023	13,543	(194)
2024	9,964	370
2025	3,499	0
2026	1,660	0

Group Pace Commentary

- While there are headwinds within the industry (economic, etc.), group lead volume continues to be solid, maintaining at or above 2019 levels.
- Building the group base for 2023 and beyond continues to be the major focus of the sales team. Pace
- The sales team is actively touring representatives for future groups and conventions with positive response.
- 2023 sales revenue goals have been established and have been built into the annual budget.

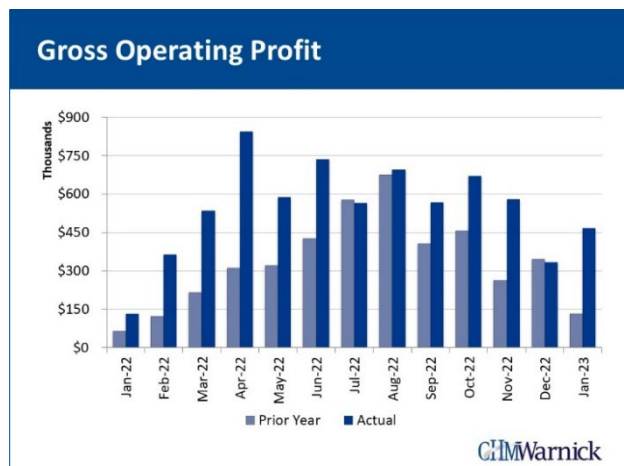
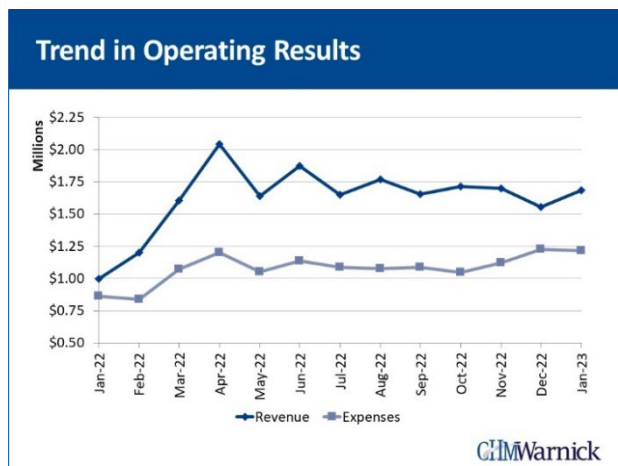
Summary of Operations



Hotel Operations Commentary

- Management continues to do an excellent job of controlling expenses.
- During January, management achieved strong flow through on incremental revenue resulting in a notable increase in gross operating profit performance compared to budget.
- Recruiting and maintaining associate and management labor is still a major focus for the Hotel.
- The lobby renovation is well underway (project is currently scheduled to be completed in April). Management continues to be effective in mitigating confusion related to the closure of the main lobby and directional issues to and from the temporary lobby.

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.