

Summer 2021

## Vancouver Anchor District, Vancouver

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THE  
**ANCHOR DISTRICT**  
VANCOUVER, WA

WELCOME TO THE ANCHOR DISTRICT  
A NEW DISTRICT DEVELOPMENT ENVISIONING AND MASTER PLAN PROPOSAL

CLIENT: City of Vancouver, Washington

DEVELOPER: Harbor Development Partners, LLC.

PURPOSE: Portland State University, School of Business MRED Development Workshop, Summer 2021

SPONSOR: NAIOP Oregon

Cover photo credits in order of appearance: City of Vancouver, Esther Short Park; Theatre Gilles Vignault; Gramor Development, Waterfront Masterplan.

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TABLE OF CONTENTS

DEVELOPMENT TEAM	3
EXECUTIVE SUMMARY	4
EXISTING SITE SUMMARY	8
ENTITLEMENT SUMMARY	9
DESIGN PROGRAM	11
CENTER FOR THE ARTS	11
DISTRICT PARKING + CIRCULATION	14
MARKET RATE HOUSING TOWER	17
RETAIL	19
AFFORDABLE HOUSING TOWER	21
MEDICAL OFFICE + CONVENTION CENTER EXPANSION	23
HISTORIC WEBBER BUILDING REPURPOSE	26
PUBLIC AMENITIES	27
DIVERSITY, EQUITY, AND INCLUSION	32
PROJECT PHASING	33
CONSOLIDATED PROFORMA + CONSTRUCTION COSTS SUMMARIES	34
ACKNOWLEDGEMENTS	35
APPENDIX	36

## DEVELOPMENT TEAM

Harbor Development Partners, LLC.



*Sandra Rollinson*



*Bryan Husin*



*Huy Le*



*Alicia Tillery*



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*Dawnna Wilder*

### Mission Statement:

*Driven by Quality of Life, Passionate with Community Enhancement and Commitment to Elegance in Design are the Backbones of Our Work and Dedication.*

## EXECUTIVE SUMMARY

*In response to the City of Vancouver's Request for Quote (RFQ), Harbor Development Partners, LLC (HDP) is proud to present The Anchor District: A gateway master plan development that will anchor together Esther Short Park, the historic core, and the new Waterfront District. The theme of this new district is **an experiential celebration of the rich culture and history of Vancouver**, by way of expansive pavilions, enhanced transit hub, community-centric buildings, placemaking lighting, and an inner-urban promenade that promotes access and blurs the line between private and public spaces. All paths are designed to lead to the centric point of the district- the heart of our proposal: The Center for the Arts.*

***A celebration of culture.** The Center for the Arts (CFTA) will be an 800 seat state-of-the-art performance hall and plaza that is synergistic with the City's vision of creating a destination for locals, employees, and tourists. CFTA will be designed with agility to host symphony, opera, theatre, dance, magic, and more. It will complement the expansion of the convention center, provide performance space for schools and community organizations, and create employment opportunities.*

***A response to community needs, with bonuses that serve the city.** In direct response to the RFQ request for housing options for persons with a variety of income levels, 269 new residential units, consisting of 125 affordable units and 144 market rate units, will be constructed in two complementary towers- attached by a public/private pavilion. Approximately 6k square feet of ground floor retail under the market rate tower will entice guests into the district, and two large parking structures located on both ends of the district will provide ample and convenient parking for all district uses. 46k sf of ground floor medical office space below the Convention Center Expansion will provide essential services and employment opportunities.*

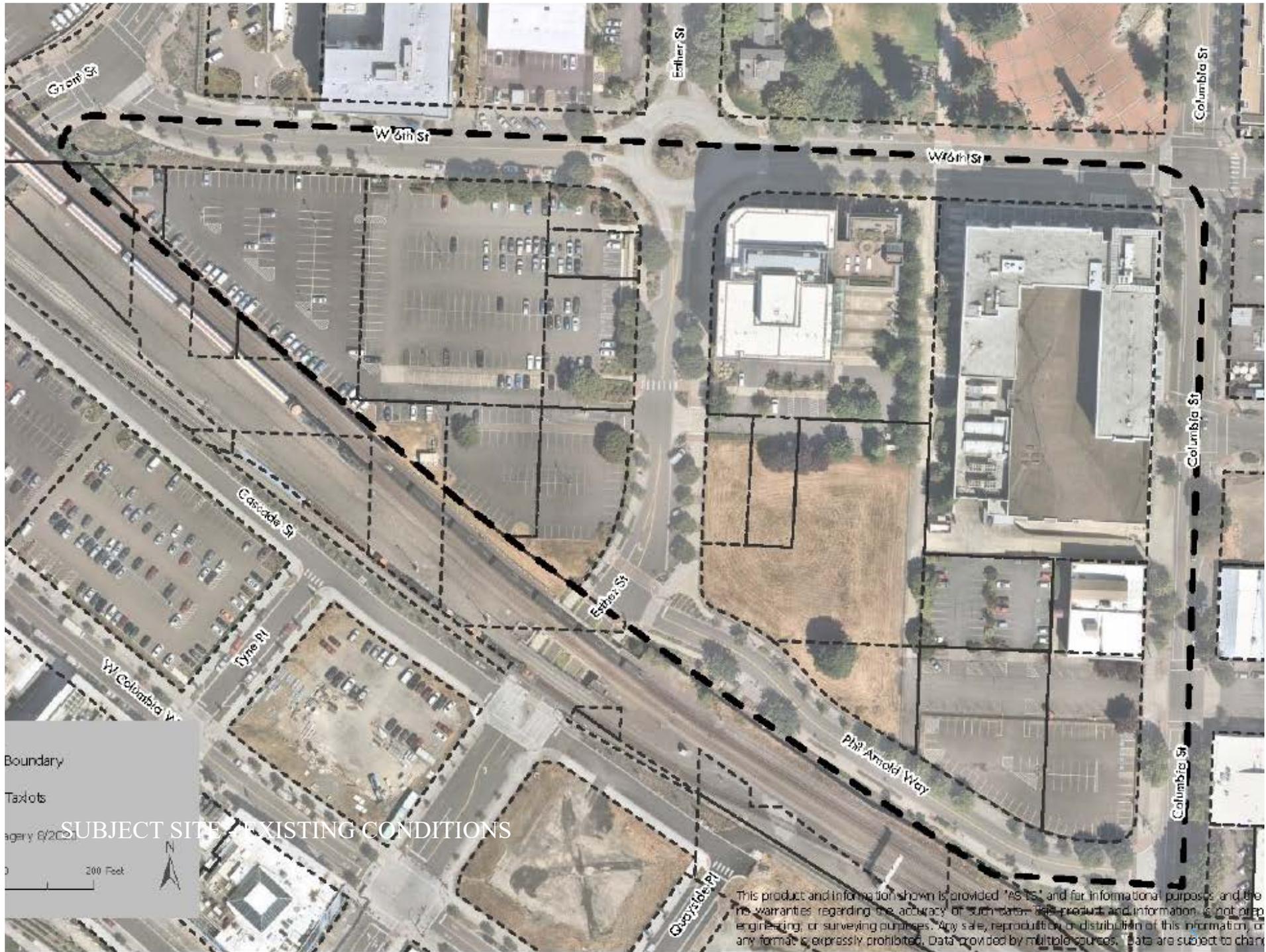
***A place where nature blends with art.** Elements from nature carried-thru from Esther Short Park, expansive sustainability features, and public art will be integrated throughout the Anchor District to establish a sense of place and identity. An 'Art Alley' will eliminate blank walls on the CFTA and offer passersbyers a glimpse of digital and stationary artwork. Digital screening around generators that currently service City Hall will highlight CFTA, Convention Center, and community events. These features will be set within an expansive pavilion, with a bioswale farm that conceals existing well equipment.*

***A quilting of old and new.** Prevalent within the RFQ is the desire for this new district to celebrate the Waterfront development, while honoring and re-engaging the historic downtown core. Traditional building materials, complemented with contemporary building lines will help to blend old and new architecture. An expansive overhead lighting network will connect future downtown lighting with the Waterfront overhead lighting- creating a seamless starry-nite across Vancouver. A waterfall along the railway berm will soften a stark separation, and offer tourists, residents, and employees a calm sensory experience that celebrates Vancouver's rich history as a town intimately connected to the Columbia River.*

*Welcome to The Anchor District.*



**The Anchor:**  
*a strong, deep, resistant,  
invincible bond;  
a tool or point that unites,  
providing stability and security.*



Boundary

Taxlots

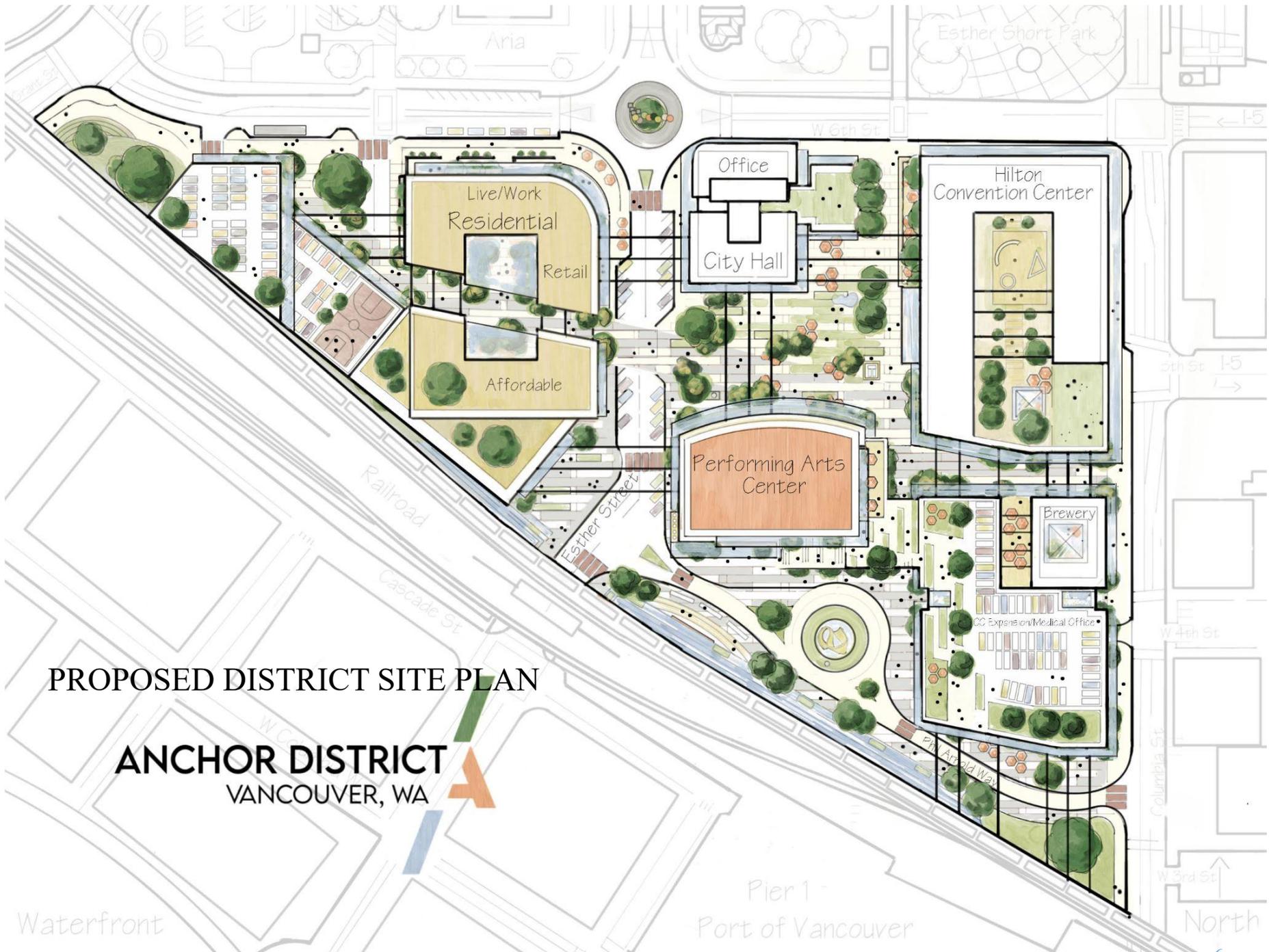
Legend

200 Feet

N

**SUBJECT SITE - EXISTING CONDITIONS**

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PROPOSED DISTRICT SITE PLAN

**ANCHOR DISTRICT**  
VANCOUVER, WA

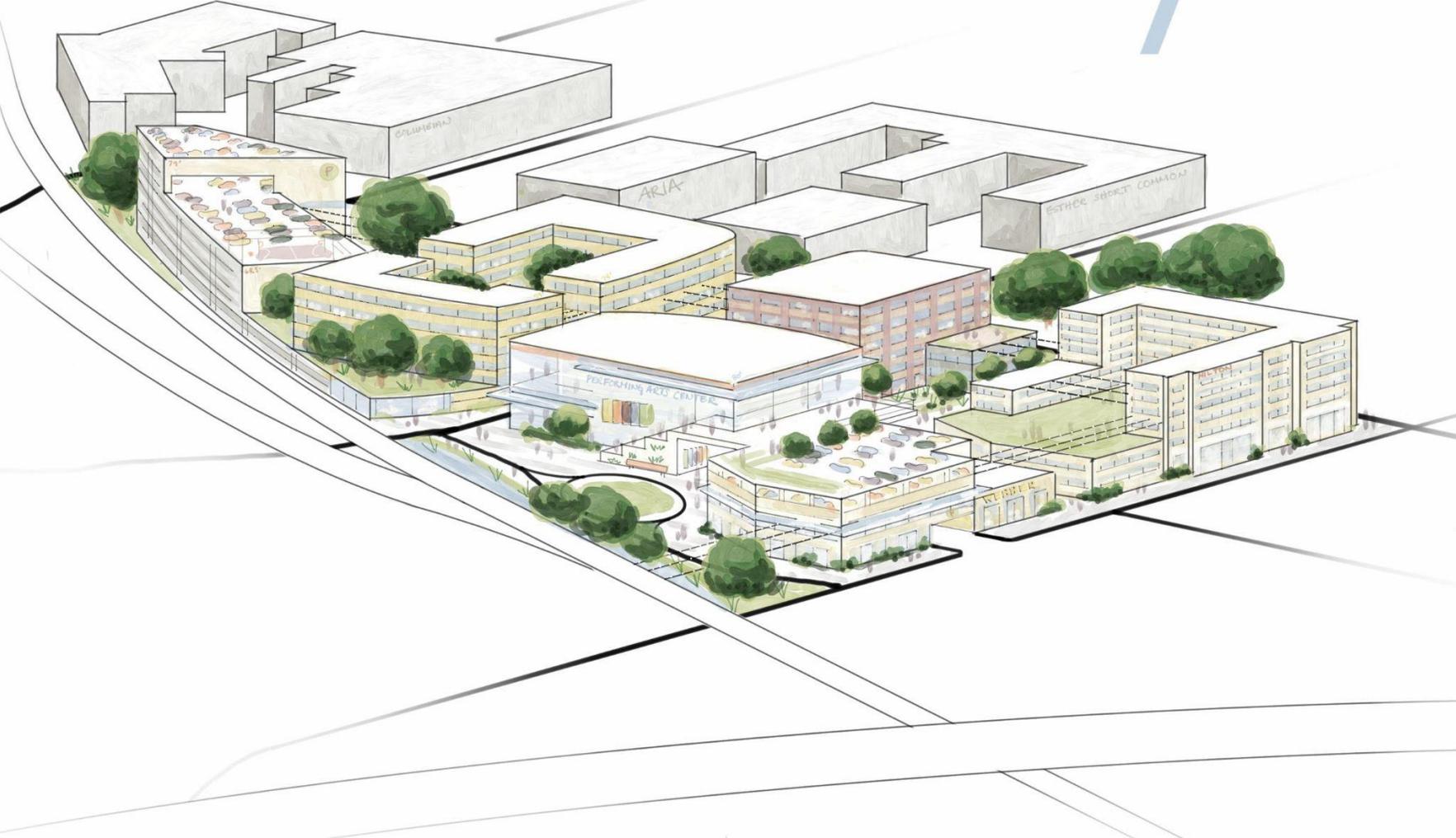


Waterfront

Pier 1 - Port of Vancouver

North

THE  
**ANCHOR DISTRICT**  
VANCOUVER, WA



## EXISTING SITE SUMMARY

The development of a new district in Vancouver has been in discussion for years with state, county and city leaders. Located in Downtown Vancouver, the site is situated between the Vancouver Waterfront and Esther Short Park. Vancouver City Hall, Hilton Hotel & Convention Center, the Webber building, raw land and surface parking currently occupy the site. Owned by the City of Vancouver, the district consists of an 10.1 acre parcel. City Hall at 1.38 acres, Hilton Hotel & Convention Center at 2.10 acres, Webber Building at 0.23 acres, Block X (3.4 ac.), Block Y (1.5 ac.) and Block Z (1.5 ac.). 6.4 ac. is being considered for development.

## OLD + NEW NEIGHBORHOODS

The vibrant historic district includes the 5 acre Esther Short Park, the oldest public square in the State of Washington, and the location of numerous events and public gatherings including the City's Farmers Market and Holiday Tree Lighting. Downtown is also home to numerous local shops and eateries as well as the Vancouver Arts District, featuring Main Street with the historic Kiggins movie theater, several art galleries, public murals, restaurants and boutique shops. The historic core scale is intimate and rich with historic architectural detail.



Contrasting the historic core is the new grandiose Columbia Waterfront development project, consisting of over 32 acres of waterfront property. When completed the Waterfront will be home to over 3,300 residential units, over a million square feet of Class A office, Hotel Indigo, as well as 25,000 sq. ft. of new retail and dining, hosting several wine tasting rooms and high-end restaurants. The 1.5 billion dollar development project

is projected to add 10,000 new jobs and nearly 400 million dollars to the region's economy.<sup>1</sup> The Waterfront offers an expansive 7-acre public park and the iconic Grant Street Pier. Just east of the Columbia Waterfront development, the Port of Vancouver is developing a 10-acre Terminal One Project which will be home to a new AC Hotel and a public market.

The subject site has tremendous exposure and access abutting several major arterials. There are unobstructed views of Esther Short Park and views of the Columbia River, with easy access to transit hubs and pedestrian trails. The site has exceptional potential for a well-connected, well-blended, and well-designed district meant for living, working, and entertaining. An inclusive full-service living experience.



<sup>1</sup> <https://thewaterfrontvancouverusa.com/about/>

## ENTITLEMENT SUMMARY

The subject site is zoned CX-City Center, which allows for a variety of retail, office, civic and dense housing. In addition, the site is located within the downtown district overlay, which requires development follow extended municipal codes. The proposed development was designed to be in compliance with these requirements. For a full list and description of applicable municipal codes, please see the appendix.

- Building Lines 20.630: New construction shall extend to the edge of street right-of-way.
- Blank Walls 20.630: At least 75% of new buildings must have interest-creating features.
- Rain Protection 20.630: New buildings within 15' of street shall be required to provide rain protection.
- Transit Overlay 20.550: Tier 1 shall design new features to increase pedestrian circulation.
- Central City Plan District 20.265: New construction is subject to a design review process.
- Floor Area Ratio 2:1 20.550: Maximum density shall be 125% base zone. Minimum FAR 2:1/1:1.
- Noise Impact Overlay District 20.520: Noise mitigation materials shall be prescribed to affected areas.
- Max Bldg Height (100-200) 20.630: Building heights are limited to 95ft, 80ft, and 75ft.
- Limited Surface Parking 20.630: No new surface parking shall be permitted.
- Parking Requirements 20.945.070-1: (CX District) 1 parking space will be provided per dwelling unit.

### UTILITIES

The RFQ provides a comprehensive map of existing utility improvements for water, sewer, gas pipes, and pressure lines across the site. Adequate installment of water and sanitary sewer will be connected to service the proposed buildings with associated system development charges.

### WELLS AND GENERATORS

Existing on the site are two wells and an injection system that services City Hall's HVAC system. In addition, several large generators are located south of the City Hall building, which serves as back-up power. Rather than relocation, both systems will remain and will be concealed in bioswales or digital screening. Excess well water will be used to irrigate the bioswale farm native landscaping.

### SOIL CONTAMINATION

It is noted in the RFQ that lead deposits were discovered during a Phase I environmental report, on the northern half of Block Y. The City of Vancouver has approved a Phase II environmental report. The development team will review and assess that Phase II report during the due diligence process. It is anticipated that the City of Vancouver will mitigate the contamination prior to execution of a formal development agreement, including any additional testing required.

### BNSF RAILWAY

The title reports provided in the RFQ, drafted by Chicago Title were reviewed, which revealed several easements for utility access. Those easements will be recognized in this development proposal. Additionally, notated in Block X title report is the right-of-way for the Burlington Northern and Santa Fe Railway (BNSF), which cuts diagonally between the Waterfront and The Anchor District. The right of way spans 42 feet from the center of the railway, which is not anticipated to encroach upon any of the areas proposed in this development master plan. Notwithstanding, the developer will include BNSF in discussions relating to construction of buildings or design features that are in close proximity to the railway berm, specifically the waterfall and Veterans Memorial. It is expected that this proposed design will not build upon, atop or in any other way encroach BNSF's designated right of way, as illustrated in the survey dated 7/2009 (see appendix).

## PROPOSED LEGAL OWNERSHIP, PARCELIZATION, AND ENTITY DESIGNATIONS

PROPOSED BUILDINGS	OWNERSHIP	ENTITY	CONTRACT
<u>Parking Structure &amp; Housing Towers</u>	<u>Condo Association</u>		
Public Parking	Condominium Unit 1	City of Vancouver	Turn-Key
Residential Parking Affordable	Condominium Unit 2	HDP Parking, LLC	Development Agreement
Residential Parking Market Rate	Condominium Unit 3	HDP Parking, LLC	Development Agreement
Affordable Housing Tower	Condominium Unit 4	HDP 1, LLC	Development Agreement
Market Rate Housing Tower	Condominium Unit 5	HDP 2, LLC	Development Agreement
Center for the Arts (CFTA)	Fee Simple	City of Vancouver	Turn-Key
<u>Office/Parking Structure</u>	<u>Condo Association</u>		
Medical Office	Condominium Unit 1	HDP 3, LLC	Development Agreement
Convention Center Expansion	Condominium Unit 2	City of Vancouver	Turn-Key
Parking Level 3 + 4	Condominium Unit 3	City of Vancouver*	Turn-Key

\*Reciprocal Easement Agreement; HDP 3 LLC granted use of 113 office parking spaces during day; public use in evening & weekends

## DEVELOPMENT STATISTICS + FUNDING SNAPSHOT

Total Developable Acreage: 6.4 acres  
 Proposed Development Ground Area: 186,550 sf  
 Proposed Building Area (non-parking): 391,500 sf  
 Proposed Parking Structure: 388,000 sf  
 Proposed Public Space/Landscaping: 48,674 sf

Total Estimated Project Cost: \$246.6M  
 City of Vancouver (bond + reserves) & Philanthropy Contributions: \$110.3M\*  
 Developer Contributions (debt + equity): \$136.3M

\*Publically funded projects are subject to BOLI Prevailing Wage, reflected in proformas (see appendix).  
 For full proforma(s) and project timeline see appendix.

### Phasing + Timeline

(1A + 1B) Affordable/Market Rate Housing/Parking Structure  
 (2) Office/Convention Center Expansion/Parking  
 (3) Center for the Arts/Pavilions  
 Ground Breaking: Q3 2023  
 Estimated Completion: Q2 2029  
 For full phasing and project timeline, see appendix.

## DESIGN PROGRAM

### CENTER FOR THE ARTS

A vigorous new pulse beats in the Waterfront District, as tourists, employees, and residents explore the new community and seek-out moments of surprise and celebration along the Columbia River. In the historic Arts District, the pulse is steady and warm, where intimate settings of entertainment can be found

at the Magenta Theater and the Historic Slocum Theatre House in Esther Short Park. At the heart of the Anchor District, where all arterials will intentionally merge, will rest a new Center for the Arts (CFTA) that will lure, complement, and carry-through these moments of discovery from all veins in downtown Vancouver. CFTA will be a space for everyone - to gather, engage, feel welcomed, and enriched. It is a place where the old and the new merge - together becoming a unified and strong heartbeat of downtown Vancouver. (CFTA conceptual photo credits: Jodoin Lamarre Pratte Architect; Théâtre Gilles-Vigneault)



### PROGRAMMING + DESIGN

To serve a diverse community, and leverage public investment as much as possible, the Center for the Arts will feature a main theatre with 575 seats, and a smaller community-style theatre with a 225 seat capacity. The seating arrangement and demising wall between the two theatres will be designed so that once the CFTA is established and recognized by national entertainment outfits, it may be converted into one large theatre with an 800 seating capacity.

The Center for the Arts will be located within a downtown noise ordinance district, due to the nearby industrial railway and Pearson Airport. In response to the noise mitigation requirements, the theaters will be placed within the inner concrete core of the building, surrounded by mezzanines and an insulated glass curtain wall. The expansive glazing will generate interest for outside spectators, eliminate the typical blank walls notorious with performing arts venues, and leverage energy efficiency from passive solar heating. Large timber eaves will be locally sourced, and will provide architectural interest as well as rain coverage that is required in the downtown district zoning.





A contiguous interior/exterior staircase will provide pedestrian access to interior mezzanine areas and balconies, and on the exterior provide access to the parking structure and future over-railway pedestrian bridge. This monumental stairway will synergize with the ‘spanish steps’ being designed for a new multi-use building in the Terminal 1 development by Lincoln Property Group. These stairs are designed to receive the pedestrian bridge on the south side of the railway berm leading into the Waterfront district.

The Center for the Arts will be built on approximately 33,400 square feet of raw land and fill the maximum allowed building height of 80 feet. With a construction Type 1, the slabs, stairs, mezzanine will be post-tension concrete, and the inner-core will be concrete reinforced with steel. The interior theatre spaces will be a combined 20,000 sf.

The performance stages will be located on the south end of the CFTA, to leverage the natural slope of the site. The area underneath the stairs will host a back-of-house staging area, dressing rooms, and storage spaces. The main entrance follows the inner-urban promenade, providing expansive rain coverage and visually interesting building lines that promote wayfinding. All elevations will be designed without blank walls, resulting in a rare design that will be a visually stunning centerpiece in the community.

#### EVENTS + REVENUE PROJECTIONS

The CFTA will be designed to accommodate many different types of performances that mirror a diverse community, such as; theater, opera, symphony, ballet and dance, music concerts, performance art, corporate events, and more. Potential users of the CFTA include local schools, chamber orchestras, dance organizations. In addition, the CFTA may serve as an overflow event space for the Convention Center, which hosts annual cheerleading competitions. The City of Vancouver owns the Convention Center and the Hilton, which offers an opportunity to streamline operations across several buildings in a central entertainment hub. The CFTA will provide the community with new employment opportunities, with an anticipated job creation of 50+ positions. Based on other performing arts centers, it is anticipated that by year 20 the CFTA can produce 330+ events per year with an estimated annual revenue of \$3M.



#### OWNERSHIP, FUNDING + CONSTRUCTION COSTS

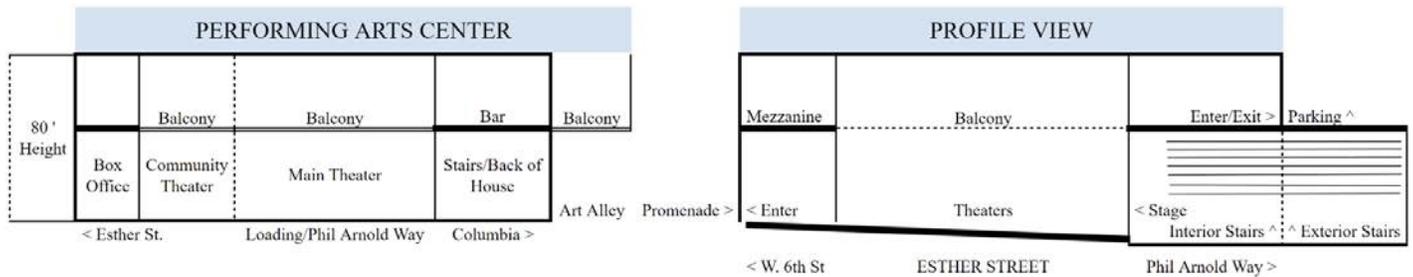
The development team will oversee the design and construction of the CFTA, including the surrounding landscaping, right of ways, and pavilions, then deliver the finished product to the City of Vancouver as the owner and manager of operations.



Based upon construction costs estimated by Turner Construction Company, in addition to primary source data from the recently completed Center for the Arts in Beaverton, Oregon (Patricia Reser Center for the Arts), construction costs are estimated to be approximately \$52.8M.

The CFTA will be owned fee-simple by the City throughout the construction of the site, independent from other buildings in order to facilitate a public bond offering. To allow for adequate time for public funding, the CFTA will be constructed in Phase 3 of the district development masterplan (see appendix for full timeline).

### BUILDING STACKING PLAN



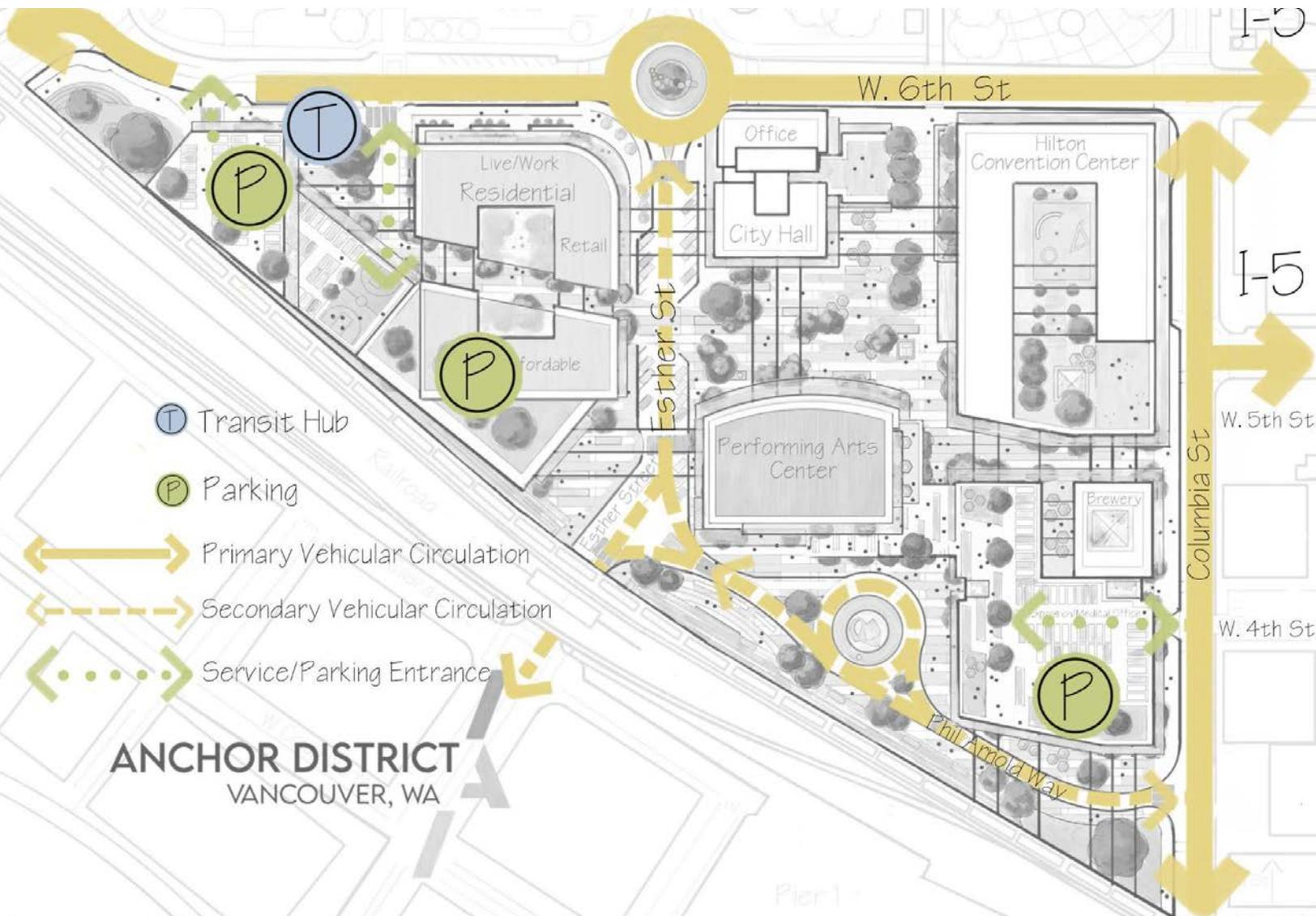
### CENTER FOR THE ARTS INITIATIVE

Community support for a cultural arts venue in Southwest Vancouver is strong, and a Board of Directors has already been established to develop a strategic plan, space planning, philanthropy funding, community outreach, and partnership opportunities<sup>2</sup>. The Anchor District development team will work closely with the Board of Directors on behalf of the City of Vancouver to design and build a venue that fulfills the initiative’s mission. The Center for the Arts initiative is being spearheaded by several members on Vancouver’s Symphony Orchestra Board of Directors.

*In 2003, we set out with a mission to build a dedicated arts center to serve as an economic driver, educational catalyst, and cultural asset to Southwest Washington. Together our community can answer Vancouver’s call for culture. Our team is committed to setting the stage for a future where the arts are always growing and thriving.*

*Center of the Arts, Board of Directors*

<sup>2</sup> <https://centerforartswwa.org/>



## DISTRICT PARKING + CIRCULATION

### VEHICULAR CIRCULATION

Considerable circulation planning was necessary to ensure ease of access to and from the Waterfront, reduce queuing during Center for the Arts events, and ensure adequate loading and turning radius. It is anticipated that Columbia St and W. 6th St will serve as the primary vehicular circulation routes from Interstate 5, downtown Vancouver, and to or from the Waterfront. Esther St and Phil Arnold Way will serve as secondary vehicular circulation, as illustrated above.

The proposed plan will not remove any current functionality on Esther Street. Currently, this street has newer improvements with intent to reduce speeds: metered pull-in parking and a traffic-calming roundabout. Esther St will be reinforced as a main pedestrian and bicycle thoroughfare, with design details for shorter pedestrian crosswalks, and a slightly raised promenade to enforce speed control. Phil Arnold Way will serve as an Uber or Ryd drop-off zone, parking valet service area, and loading zone for the Center for the Arts. The new Phil Arnold Way roundabout will calm traffic between Columbia St and Esther St and provide a secondary entrance area for the Convention Center Expansion and Medical Office building. The loading zone will be designed with the capacity to serve as a potential bus transit stop.

## I-5 BRIDGE REDESIGN + MASS TRANSIT

The subject site is located in close proximity to the I-5 bridge, which is planned for redesign with construction beginning in 2025. Currently, I-5 northbound exits into downtown Vancouver on W. 6th St;

however, the new I-5 bridge is expected to take an alternative path, with potential to be an underground tunnel that could exit onto Washington St or Columbia St; subsequently, changing the vehicular circulation pattern. There is potential for the Anchor District to become the main entrance into downtown Vancouver from Portland. The CFTA is designed to provide a stunning first impression of the city, and the office building will have high exposure, subsequently promoting occupancy and rental rates.

In the 2017 conceptual designs, Washington State Department of Transportation prescribed a mass transit line, exiting I-5 onto Washington St, just one block East of the Anchor District. To complement the mass transit line, a large park-and-ride may be located on Columbia St, adjacent to the district.



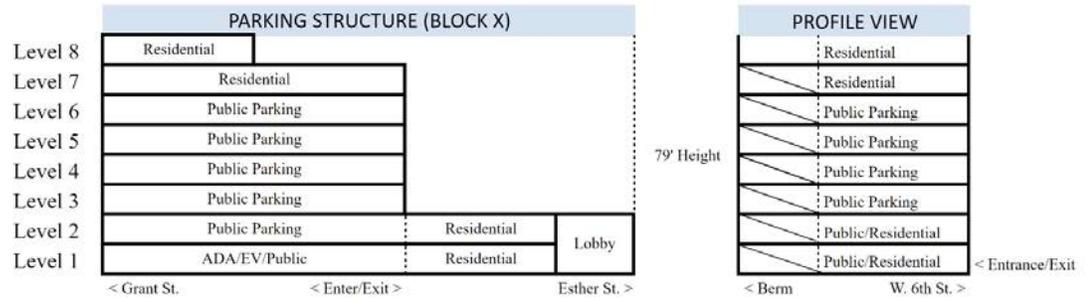
## DISTRICT PARKING

A considerable amount of structured parking is being proposed, pursuant to the City of Vancouver RFQ, in order to replace existing surface parking. for city workers, office tenants, and Convention Center guests. Structured parking will be spread across two primary buildings, on opposite sides of the District, to promote use of the inner-urban promenade.

The Anchor District parking strategy will maximize demand, efficiency, and promote shared use of the parking structures through complementary programming. The largest parking structure will include public parking serving City Hall users during the day and the Center for the Arts during the evenings and weekends. A portion of the garage will include private parking that will serve the housing towers. Entrances/exits, ramping, and mechanical equipment will be shared to reduce capital expenses; however, the residential area will be separated by a gate. To activate the street level, an enhanced transit hub will be constructed, offering commuters rain coverage, enhanced lighting, seating, priority parking, and EV charging pursuant to WA 51-50-0427 requirements. To make the parking structure aesthetically pleasing, the facade will be wrapped in metal paneling that can be removed if in the future the structure is converted into offices or other adaptive use.



Just northeast of the Anchor District is Vancouvercenter, which delivered an underground parking structure with 800 spaces for \$21M in private funding. To make the development more attractive for the developer, the City of Vancouver purchased the 800 space garage from the previous owner Vandeco for \$13.2M, while allowing some spaces to be owned separately by the building and condo owners (Portland Business Journal, July 11, 2004). Similarly, this parking garage will be owned through a condominium association, with the developer and City of Vancouver each owning their respective units. The development team will manage the design and build, then at time of completion the City of Vancouver and Developer will purchase their respective units and manage their operations in perpetuity.



The second parking structure will be located in the southeast corner of the district, in the upper two floors of the Medical Office and Convention Center Expansion Building. This garage will serve office and convention center employees and guests during the day, and Center for the Arts guests during the evening and weekends. The prescribed parking will yield 3 spaces for every 1,000 square feet of office. This parking structure will be constructed by the developer and delivered to the City of Vancouver as the owner. A reciprocal easement agreement will be executed between the developer and the City for use of the office parking spaces needed during the day, at predetermined rates.

The second parking structure will be located in the southeast corner of the district, in the upper two floors of the Medical Office and Convention Center Expansion Building. This garage will serve office and convention center employees and guests during the day, and Center for the Arts guests during the evening and weekends. The prescribed parking will yield 3 spaces for every 1,000 square feet of office. This parking structure will be constructed by the developer and delivered to the City of Vancouver as the owner. A reciprocal easement agreement will be executed between the developer and the City for use of the office parking spaces needed during the day, at predetermined rates.

Parking Solutions			
District Parking	Needed	Available	Variance
Public Parking Garage (Northwest Corner)		689	689
Residential North (Market Rate)	144	244	
Residential South (Affordable)*	100		
City Hall/Existing Convention Center	425	445	20
Sub Total	669	689	20
Office/CC Expansion (Southeast Corner)	113	215	102
<b>Sub Total</b>	<b>782</b>	<b>904</b>	<b>122</b>
Center for the Arts	133	122	-11
District Parking Summary (Base Case)	915	904	-11

The table above demonstrates the parking needed across the site according to the RFQ, and zoning code, compared to what is being provided in the Anchor District master plan. The public parking garage in the northwest corner of the district will provide a total of 689 parking spaces of which 244 spaces will be purchased as a condo by the developer, as discussed above. The parking garage on the southeast corner

will provide 215 parking spaces, which brings the total parking proposed in our master plan to 904 spaces. The design program anticipates a need for 915 spaces; a deficiency of only 11 spaces.

Design Programming	Day-Time			Night-Time		
	Needed	Available	Variance	Needed	Available	Variance
Residential North (Market Rate)	144	244	0	144	244	
Residential South (Affordable)*	100			100		
City Hall/Existing Convention Center	425	445	20	128	445	318
Office/CC Expansion (Southeast Corner)	113	215	102	34	215	181
Sub Total	782	904	122	405	904	499
Center for the Arts	40	122	82	133	499	365
District Parking Day/Night-Time Summary	822	904	82	539	904	365

However, analyzing complementary uses between daytime office users, and night time and weekend CFTA guests, it is anticipated that the parking proposal will accommodate all users, increase demand and efficiency, as well as provide an excess of parking spaces above and beyond the minimums required in the RFQ. Specifically, daytime use is assumed at full capacity for City Hall/Existing Convention Center and Office/CC Expansion employees and guests. Only 30% capacity is assumed for the Center for the Arts during the daytime, which brings the total needed capacity during the daytime to 822, with a remaining 82 spaces available. During night time, a 30% capacity is assumed for the City Hall/Existing Convention Center and Office/CC Expansion, and a full capacity for the Center for the Arts, which yields a total needed capacity to 539, with a remaining 365 spaces available. Therefore, all parking needs will be met, and the guiding principles in the RFQ will be satisfied.

## MARKET RATE HOUSING TOWER

### MARKET RATE ANALYSIS

The Vancouver multi-family market has been growing considerably with a 30% increase in inventory over the past decade with more apartments under construction in Vancouver than anywhere else in the Portland Metro area. Despite this increase in supply, demand has remained high with an overall vacancy rate of 3.8% within the submarket.<sup>3</sup> Rents have also remained strong with year-over-year growth of 8% (compared to Portland at 7.5%). Vancouver rental rates along the Waterfront and Downtown are the highest in the submarket. With what is either currently under construction, or planned, Vancouver's inventory is expected to increase over 10% over the next few years.

The percentage of renter occupied households and forecasted population increase indicate a need for additional rental housing. According to the American Community Survey (ACS), the subject site is a predominant tract in the Vancouver area for renter occupied housing, at a 75.40% tenure. Of the 916 housing units; 190 are owner-occupied, whereas 691 units are renter-occupied. Of the total housing units only 3.8% are vacant. The average renter household size in this census tract is 1.28 persons, compared to

<sup>3</sup> <https://product.costar.com/Market/#/search/detail/submarket/USA/type/1/property/11/geography/7197/slice/all>



1.45 owner-occupied households<sup>4</sup>. The average household size in Clark County is 2.69<sup>5</sup>. Single person households comprise 76% of households in this census tract, compared to 23% in Clark County<sup>6</sup>. Within the census tract, the estimated population growth between 2021 - 2026 is 6.21%, compared to a national average of .71%<sup>7</sup>.

#### MARKET RATE DEMAND

Over 2,300 units were delivered in the Vancouver Submarket between 2019 and 2020 and another 1,100 are currently under construction with vacancy for market rent apartments still below 5%. A total of 3,300 units are being planned along the Waterfront in

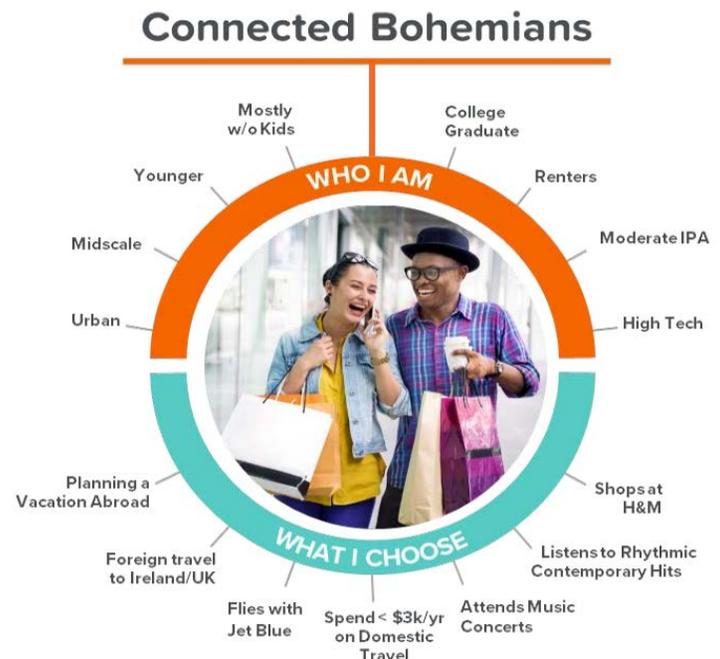
the next few years as part of the Gramor Development.<sup>8</sup> These additional multifamily units will test the strength of the market. However, after looking at the percentage of residents in the market renting over buying, population growth, Washington's lack of income tax, the market has enough demand for expansion. For competitive market information see appendix.

#### MARKET RATE RESIDENTIAL AND RETAIL CUSTOMER PROFILE

In analyzing Claritas data<sup>9</sup> for the subject site zip code, the market rate units and retail component will target the three lifestyle groups below. The *Connected Bohemian* will be drawn to the project's location and its proximity to dining, theaters, Waterfront, events at the park, etc. Additionally, the residential units will appeal to the *Urban Achievers* who like living close-in and are very connected to their community. The retail component as well as the public facing medical services will also appeal to the *Cosmopolitans* living in or near Downtown Vancouver.

#### Connected Bohemians:

A collection of mobile urbanites, Connected Bohemians represent the nation's most liberal lifestyles. Its residents are a progressive mix of tech savvy, young singles, couples, and families ranging from students to professionals. They are the early adopters who are quick to check out the latest movie, nightclub and technology.



<sup>4</sup> Census Bureau's API for American Community Survey

<sup>5</sup> U.S. Census Bureau QuickFacts: Clark County, Washington

<sup>6</sup> American Community Survey 2019 5-year estimates, Tables B09019, B11005, B11007, S2501.

<sup>7</sup> [https://demographics5.arcgis.com/arcgis/rest/services/USA\\_Demographics\\_and\\_Boundaries\\_2021/MapServer](https://demographics5.arcgis.com/arcgis/rest/services/USA_Demographics_and_Boundaries_2021/MapServer)

<sup>8</sup> <https://product.costar.com/Market/#/search/detail/submarket/USA/type/1/property/11/geography/7197/slice/all>

<sup>9</sup> Lifestyle traits and descriptions from Claritas <https://claritas360.claritas.com/mybestsegments/#zipLookup>

Urban Achievers:

Midscale, Urban Achievers are midscale, middle-aged, ethnically diverse living in urban neighborhoods with established careers and college degrees. They are active participants in their communities and strong supporters of college sports and Major League soccer.

Demographics Traits

Urbanicity : Urban

Age Ranges : Age <55

Education Levels : College Graduate

Employment Levels : Mix

Presence of Kids : Mostly w/o Kids

The Cosmopolitans:

Educated and upscale, The Cosmopolitans are urban couples in America's fast growing cities. Concentrated in major metro areas, a vibrant social scene surrounds their older homes. These residents tend to live an eco-friendly lifestyle and enjoy eating at organic/health food establishments.

Demographic Traits

Urbanicity : Urban

Presence of Kids : Family Mix

Income : Upscale

Age Ranges : Age 25-44

Education Levels : Graduate Plus

Employment Levels : Management and Professional

## RETAIL

Market retail rents have been relatively flat averaging around \$19.62 psf with vacancy averaging between 6 and 8%. The current supply pipeline is close to non-existent, and given the projected population growth, residential/office development pipeline as well as hotel development (550 rooms are currently underway in the Portland Airport/ Vancouver submarket a 5.6% expansion to the existing inventory),<sup>10</sup> the project can support a limited amount of new retail. Currently, 6,000 sq.ft. of retail is planned for the ground floor of the residential building. To avoid duplication of retail uses planned for the Waterfront District and to appeal to the largest consumer base, the project will focus on services such as optical (Warby Parker), Amazon, salon/spas. (Retailer photos direct from tenant sites).



<sup>10</sup> <https://product.costar.com/detail/lookup/11495442/analytics/submarket>

## MARKET RATE HOUSING PROGRAMMING + DESIGN

The market rate housing tower is five-over-one wood frame construction above a one-story concrete podium. Three retail unit spaces will anchor the street level facing Esther Street. The ground floor will also feature 10 Live/Work units. The decision was made to add residential to the ground floor, instead of additional retail, to allow for contemporary creative live/work space. A bike hub, the leasing office and package hub will round out the street level. Floors two through six will feature the bulk of the residential units: 30 studio units, 70 one bedroom units and 34 two bedroom apartments. The sixth floor will also feature a 1,200 sq.ft. community balcony. Pursuant to zoning code 20.630.060, a 1:1 parking space per unit will be provided. Parking is located under the affordable residential tower along with the shared lobby.



### AMENITIES

The market rate tower will include amenities such as: in room laundry, energy star appliances, quartz countertops, high speed internet, smart locks, EV charging stations in parking structure, bike hub, low VOC and other sustainable materials, LED lighting, and many units with exceptional views of Esther Short Park. (Countertop image photo credit: District at Biltmore).



The Anchor District's average rent per sq. foot is on the higher-end of market rate units, however given the superior location and amenities it is priced accordingly.

### HOUSING STACKING PLAN

Residential Community Building Stacking Plans									
	Studios	1 Bedroom	2 Bedroom		Studios	Bedroom	2 Bedroom		
Level 7	8	12	5		6	14	6   Balcony	Level 6	74' Height
Level 6	8	12	5		6	14	7	Level 5	
Level 5	8	12	5		6	14	7	Level 4	
Level 4	8	12	5		6	14	7	Level 3	
Level 3	8	12	5		6	14	7	Level 2	
Level 2	Parking		Lobby		Live (10)		Retail (3)	Lofts	
Level 1	Parking				Work (10)				
	Affordable Housing			Promenade	Market Rate Housing				

Concrete | Wood Frame

## AFFORDABLE HOUSING TOWER

### MARKET ANALYSIS

An affordable housing market analysis was conducted, which revealed a critical need for affordable housing. The average median income (AMI) in the subject census tract is \$27,891, compared to Clark County's average median income of \$80,233. 55.5% of all renter households spent more than 30% of their income on housing, compared to 49.6% of owner-occupied households. Of the 2,177 population in the census tract, an alarming 1,373 persons are identified as being in poverty and 438 persons (31.9%) are below the federal poverty line<sup>11</sup>. 12.56% of units in this tract accepts Housing Choice Vouchers (HCV)<sup>12</sup>. Between 2009-2014 Vancouver's median household income rose 3.1%, while rents rose 38.3%<sup>13</sup>.

According to CoStar, Vancouver's significant growth is largely influenced by Oregon's restrictive housing policies, such as Inclusionary Housing Zoning, the Urban Growth Boundary<sup>14</sup> and Portland's newly passed supportive housing income taxes<sup>15</sup>. An anticipated population growth of 11.97% is anticipated by 2026<sup>16</sup>. Rapid population growth and development will likely displace low-income households and drive-up rents. With few affordable housing projects in the permitting pipeline, there is a critical need for more affordable housing. This project directly responds to this need by delivering 125 affordable units at 40% and 70% AMI .

### SUPPLY

According to the City of Vancouver, there are more than 13,798 households in need of low income housing. According to LIHTC there have been 4,880 units delivered since 1988, of which 1,136 have been delivered since 2016<sup>17</sup>. The City of Vancouver building permit department reports that there are 198 affordable units in the pipeline, of which only 83 units are located in downtown<sup>18</sup>. With so few existing affordable units and a rather insignificant amount of units in the permitting pipeline, absorption at the time of our projected delivery is anticipated to be exceptionally high and immediate.

### COMPETITIVE MARKET ANALYSIS SNAPSHOT

Low Income Tax Credit Projects - Downtown Vancouver, WA

Average Vacancy: 0%

Average Total Units Per Project: 124

Average Unit Mix: Studio (10); 1 Bedroom (62); 2 Bedroom (49); 3 Bedroom (3)

Average Unit Square Feet: 759.67 (For a complete listing of comparables, see appendix.)

### DEMAND

In an efficient multi-family housing market vacancy is typically 5%. The comparative properties noted above have an average zero-percent vacancy, and all LIHTC properties in the Vancouver area are on a waiting list. The Anchor District will deliver 1.1% of demand, based upon Vancouver's Housing Authority current waitlist of 11,320 households<sup>19</sup>.

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<sup>11</sup> <https://www.census.gov/data/developers/data-sets.html>

<sup>12</sup> [Housing Choice Vouchers by Tract \(arcgis.com\)](https://www.arcgis.com/rest/services/USA_Demographics_and_Boundaries_2021/MapServer)

<sup>13</sup> [2010-2014 American Community Survey estimates and 2010- 2014 Norris Beggs & Simpson Multifamily Market Reports.](https://www.arcgis.com/rest/services/USA_Demographics_and_Boundaries_2021/MapServer)

<sup>14</sup> CoStar, Multi-Family Submarket Report Vancouver, WA.

<sup>15</sup> [Oregon imposes new local income taxes for Portland Metro and Multnomah County \(ev.com\)](https://www.ev.com)

<sup>16</sup> [https://demographics5.arcgis.com/arcgis/rest/services/USA\\_Demographics\\_and\\_Boundaries\\_2021/MapServer](https://demographics5.arcgis.com/arcgis/rest/services/USA_Demographics_and_Boundaries_2021/MapServer)

<sup>17</sup> <https://lihtc.huduser.gov/>

<sup>18</sup> <https://www.cityofvancouver.us/ced/multi-family-residences-arnada>

<sup>19</sup> [Vancouver Housing Authority](https://www.vancouverhousingauthority.com/)

## AFFORDABLE HOUSING PROGRAMMING + DESIGN

The affordable housing tower will be located west of Esther Street, south of the market rate housing tower. It will be constructed with 5 floors of Type III wood construction above a Type I 2-story post-tension concrete podium that also hosts structured parking and the lobby, for a total of 7 floors. The facade will be brick to complement the City Hall design, and provide superior water protection, noise mitigation, and affordable material costs. Approximately 15% of units will require double-paned windows to help mitigate the noise from the railway and comply with the noise overlay district requirements. 100% of the 125 units will be affordable at 40% and 70% AMI, with a mix of studios, one, and two bedroom units. Pursuant to zoning code 20.630.060, a 1:1 parking space per unit will be provided; however, the developer will seek a 20% reduction (20.945.070 E.2.), in exchange for providing long-term bicycle parking, and a new transit plaza within 200 feet that will provide bus service via C-Tran Route 71.

## AFFORDABLE HOUSING REQUIREMENTS

Pursuant to municipal code 20.430.030, the affordable housing building is required to guarantee rent restrictions for a minimum of 15-years, with an additional 15-year phase out. Maximum rent amounts are based on unit type determined by the State of Washington Finance Committee. This project will apply for Low Income Housing Tax Credits (LIHTC), with 40% of units at 60% AMI and 60% of units at 70% AMI.

## FINANCIAL INCENTIVES

### Low Income Housing Tax Credits (LIHTC)

Total available tax credit funding is based upon the population in the State of Washington, at \$1.25 per person (approximately \$9.5M, 2019 census data<sup>20</sup>), and is allocated and regulated by the State of Washington Housing Finance Committee. LIHTC reduces annual tax liability for equity investors dollar-for-dollar for 10 years, which is calculated by the IRS to yield a present value (PV) of 30% (4% tax credit program). Additionally, according to the U.S. Department of Housing and Urban Development (HUD), the subject site is located within a Qualified Census Tract (QCT)<sup>21</sup>. QCT's are required to have 50% of households with incomes below 60% AMI or a poverty rate of 25% or greater<sup>22</sup>. QCT's can receive a 30% boost in funding. The subject property is a designated QCT and is anticipated to receive and increase of 30%; that is, 30% PV will be increased to 60% PV<sup>23</sup>. However, time is of the essence. Substantial population growth and Waterfront multi-family market rate housing is attracting higher income households that will subsequently reduce the percentage ratio of households earning below 60% AMI. If this happens, the QCT designation will be terminated and will likely lead to lower income displacement and a wider polarization of diverse household demographics in the area.

### Multi-Family Tax Exemption Program (MFTE)

In addition to LIHTC, this affordable housing development will utilize City of Vancouver's Multi-Family Tax Exemption Program (MFTE). Pursuant to municipal chapter 3.22, this project will qualify to receive a 12-year tax exemption period<sup>24</sup>.

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<sup>20</sup> [Census - Table Results](#)

<sup>21</sup> [2020 and 2021 Small DDAs and OCTs | HUD USER](#)

<sup>22</sup> [Data.Hud.Gov](#)

<sup>23</sup> <https://data.census.gov/cedsci/table?q=state%20of%20washington%20population&tid=ACSDT1Y2019.B01003>

<sup>24</sup> [Multi-Family Tax Exemption Program | City of Vancouver Washington](#)

## Opportunity Zone

The subject site is designated as a low income census tract that qualifies as an Opportunity Zone in the State of Washington. Limited liability partners will benefit from tax deferral of capital gains.

## OWNERSHIP

The affordable housing tower will be owned through a Limited Liability Partnership, so LIHTC tax credits can be passed through to equity investor partners (as well as any losses). A condominium association will be created, with other partners consisting of the market rate tower and City of Vancouver for the parking structure. Under a separate legal entity, the parking area (100 spaces) serving the affordable housing units will be purchased, at an anticipated cost of \$3.1M (2026 estimate).

## FINANCIAL SOLUTIONS PROFORMA + CONSTRUCTION COSTS

The anticipated hold period for this development project is 15 years, with a targeted exit aimed at a converting market rate asset for the remaining 15 year phase-out period. Utilizing Costar projections for rent growth, CPI increases in operating expenses, and projected CAP rates, an exit at the end of the hold period may result in a sales price of this housing asset of \$49.8M, at a CAP rate of 6.08%. The exit CAP rate was increased from 5.83% to account for reduced rents and increase in vacancy in the remaining 15-year phase out term.

The total estimated construction costs for this project is \$45.6M (including parking), of which \$15.6M will qualify for LIHTC tax credits, and \$27.7M will be financed by a 30-year fixed rate loan at a projected 2026 interest rate of 4.97%.<sup>25</sup> The development team will bring approximately \$2.3M in equity. The anticipated IRR is 23.43%, with a Developer fee totaling 18%. See full proforma in appendix. To ensure the mission of diversity, equity and inclusion in the affordable housing tower, the same quality construction materials, appliances, furniture and other design features will be identical to the market rate housing tower. Quality materials will also position the building to trade at a higher value after the rent restriction term expires.

## MEDICAL OFFICE + CONVENTION CENTER EXPANSION

### SUBMARKET OFFICE CONDITIONS OVERVIEW

The CBD/West Vancouver office submarket has seen a significant amount of negative absorption since 2020 as a result of Covid 19. Out of nearly 3.2M SF of existing office space in this submarket, 33.21% is 4 & 5 Star, 28.45% is 3 Star, and 38.84% is 1 & 2 Star. Despite negative absorption, the market is considered healthy by industry standards, with total vacancy at 7.7% and annual rent growth is at 1.6%.<sup>26</sup>

### SUPPLY ANALYSIS

The most recent office space delivered to the submarket has been in or close proximity to the downtown core and Waterfront District. Those deliveries include 28,280 SF in 2019; 41,795 SF in 2020, and 127,800

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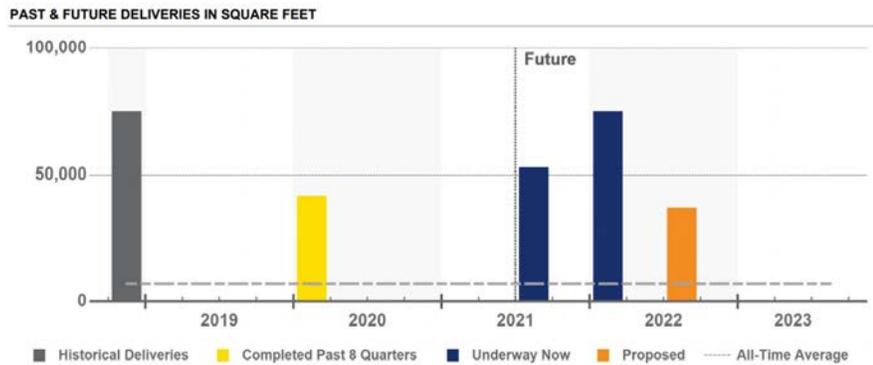
<sup>25</sup> [Fannie Mae Multifamily Interest Rates - Interest Rates for Fannie Mae Multifamily Loans \(crefcoa.com\)](https://www.crefcoa.com)

<sup>26</sup> [CoStar CBD/West Vancouver Submarket Q2-2021](#)

SF under construction with 37,098 SF currently being proposed<sup>27</sup> (graph to right<sup>28</sup>).

### MEDICAL OFFICE GROWTH POTENTIAL

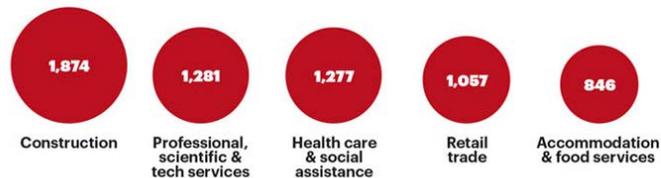
Demand for medical office space is driven by sector growth and location. According to the *Portland Business Journal*, the health care sector has had a very strong and healthy growth potential, ranking first-place in employee and payroll in 2020. Healthcare establishments is ranked third, with the construction industry and professional, scientific & tech services ranking second. With a diverse economy consisting of a wide range of industries and occupations, the county has seen robust growth and activities in recent years. This trend, combined with population growth, indicates that Clark County’s economy and the healthcare industry will continue to see growth in the near future.<sup>29</sup>



#### EMPLOYEES



#### ESTABLISHMENTS



#### PAYROLL



SOURCE: U.S. CENSUS BUREAU.

An analysis of the local market indicates that the closest medical urgent care is Providence Esther Short that is 0.5 miles from the site. There is a ZoomCare opening in the Waterfront District; however, ZoomCare doesn’t offer urgent care services. Most other urgent cares, hospitals, doctors’ offices, eye doctors, dentists, and pharmacies are more than 1 mile from the site. It is concluded that the site is well underserved- considering the amount of residential developments in the pipeline. The site is primed for medical office development. For a map of nearby medical care facilities, see appendix.

### MEDICAL OFFICE & CONVENTION CENTER EXPANSION PROGRAMING

An expansion of the Convention Center, new office space to accommodate needs for medical care, and additional parking to serve the district uses (as well as other uses across the site) will be constructed on the southeast section of the Anchor District. The total gross floor area will be 46,000 sf which will house ground floor medical office, the convention center expansion on the second floor, topped by two levels of

<sup>27</sup>CoStar CBD/West Vancouver Submarket Q2-2021

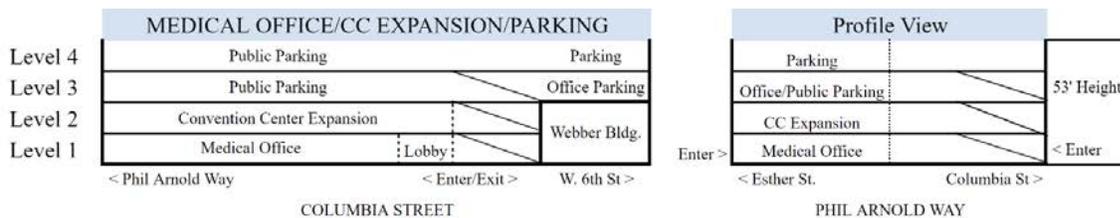
<sup>28</sup>CoStar CBD/West Vancouver Submarket Q2-2021

<sup>29</sup>[https://www.bizjournals.com/portland/digital-edition?issue\\_id=17410](https://www.bizjournals.com/portland/digital-edition?issue_id=17410)

parking. The top-story parking will provide an option for a pedestrian bridge to be received over the railway berm, which will provide another connection between the Anchor District and the Waterfront.

Reinforced concrete & steel frame with a ground floor glass curtain wall will promote activation, and create an elegant design aesthetic. While the ground and second floor ceiling heights are 16ft to accommodate overhead medical and visual equipment, the parking levels will have a 10.5ft ceiling height making the total building height 53ft (Photo credit below <sup>30</sup>).

### STACKING PLAN



### OWNERSHIP, PROJECT COSTS + FUNDING



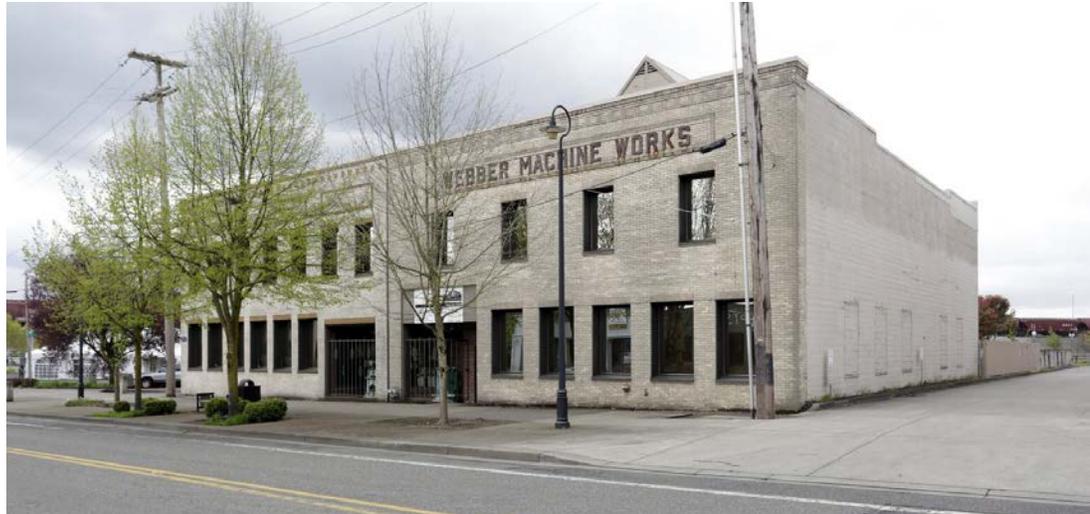
The development team will design and build the medical office/convention center expansion and parking structure. Based on the city of Vancouver’s preference indicated in the RFQ, this building will remain a facility owned by the city, except for the ground floor Medical Office, which will be owned separately by the developers through an Owner’s Association. The total construction cost is estimated at \$51M. The development team is estimating a purchase price for the ground floor office condo at \$15M with tenant improvement cost estimated at \$4.3M. The estimated cost of ownership for the City of Vancouver is \$36M. Although the market research above suggests medical office growth, there is still

risk associated with delivering a large amount of specialized space. The development team will stand by the decision to take the risk to own and operate the office space floor; however, the design will include options for adaptability into general office or retail such as a restaurant or a grocery store once the district is established. For the full proforma, see appendix.

<sup>30</sup> <https://abbeysecurity.co.uk/security-solutions-for-business-parks/>

## HISTORIC WEBBER BUILDING REPURPOSE

The Webber Building, which has stood on the site since the late 1800s, will be preserved and repurposed into a brew pub that will activate the district and memorialize the Anchor Districts historical roots. With the expansion of the convention center, the addition of the Center for the Arts and the thousands of new residential units coming online, the Webber Building is perfectly situated to be a successful business opportunity. It will be an homage to Vancouver's brewing



history. From 1880 - 1915, the corner of 6th and Columbia was home to Star Brewing, a favorite of soldiers during the Spanish American War.<sup>31</sup> It later was the home to Lucky Lager for 35 years and was a major employer in the city. While keeping the iconic Webber sign, the 10,000 sq ft. ground floor will be occupied by the Lucky Star Brew Pub, operated by a Pacific Northwest Hospitality Group that specializes in transforming historic buildings into warm and inviting pubs. Once the developer secures a commitment from Pacific Northwest Hospitality Group, a purchase agreement will be negotiated with the City of

Vancouver, and a proforma drafted (not included in this proposal).



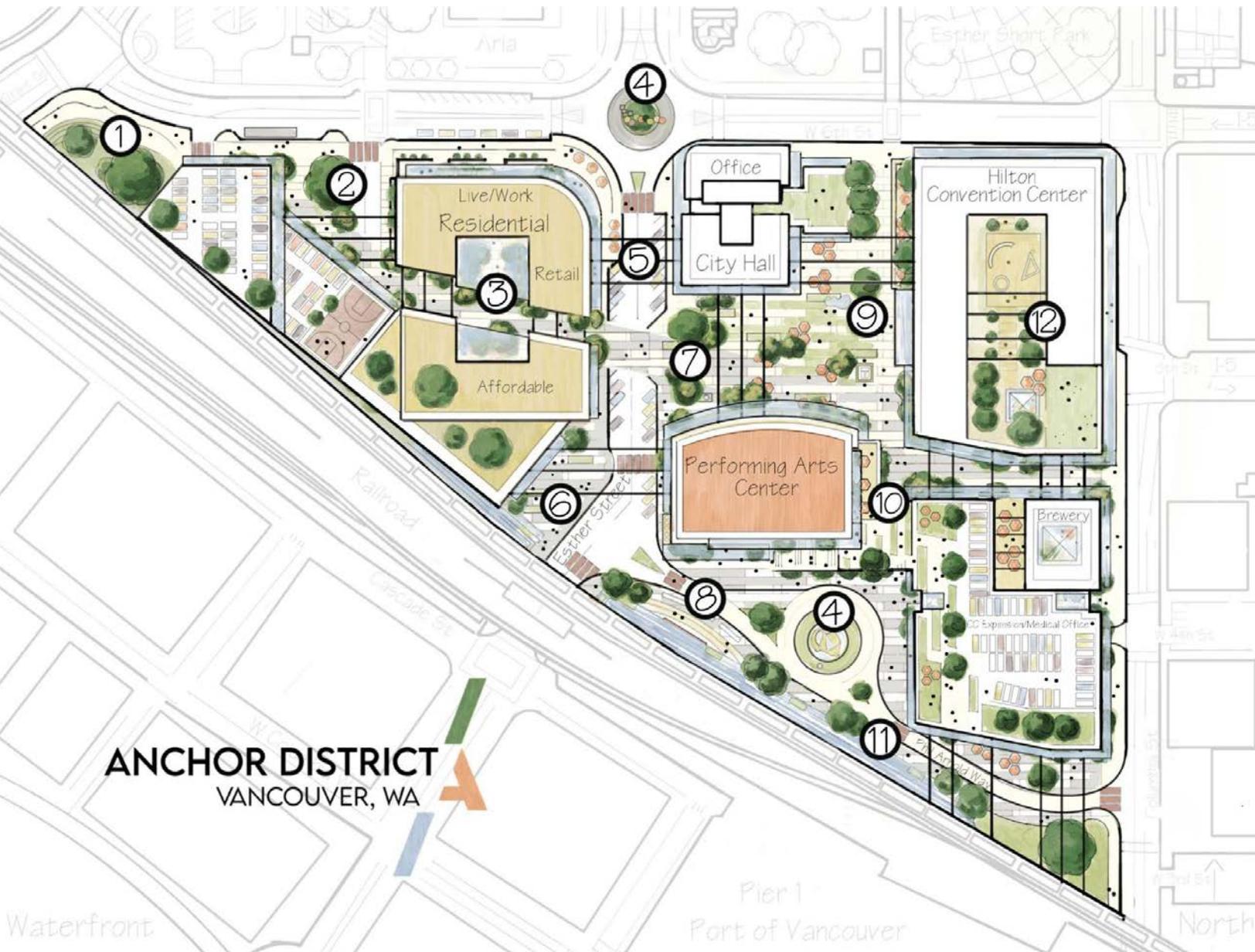
The Webber Building was once owned by a blacksmith named Joseph Webber, who repaired ships<sup>32</sup>. Today, the tiled namesake remains and will be preserved. Large ground floor windows showcase areas inside the building where intricate machinery once buzzed. The brewing machinery will be located in these windows to create street-level interest.<sup>33</sup>

An outdoor patio will be constructed on the West side of the building, just off the inner-urban promenade path.

<sup>31</sup> <https://www.columbian.com/news/2020/aug/21/vancouvers-waterfront-gateway-may-be-rebranded-lucky-star-district/>

<sup>32</sup> <https://www.columbian.com/news/2019/oct/03/webber-building-in-downtown-vancouver-faces-uncertain-future/>

<sup>33</sup> Photo Credits: upper right, Costar; lower- Anthony Tahlier - Corridor Brewing & Provisions Chicago.



## PUBLIC AMENITIES

1. Enhanced railway berm landscaping and rainwater harvesting bioswale. Entrance to the Anchor District from the Waterfront via Grant St.
2. C-Tran transit pavilion. Improved overhead lighting, rain cover, seating, and public parking. West starting point to the inner-urban promenade.
3. Private/Public inner-residential courtyards Expansive rain coverage, landscaping, and seating. Entrance points for both residential and parking garage.
4. District gateway art installations on (2) round-abouts. Establishes district identity and sense of place.
5. Expansive overhead lighting network, anchoring the site together across Esther St.
6. Illuminated Waterfront Gateway monument sign. Lobby entrance to residential.
7. City Hall Center pavilion, featuring bioswale farm; concealing existing well equipment.
8. New Veterans Memorial; art installation, engravings, seating, and gathering area.
9. Activated City Hall ground floor. Enhanced existing water feature. Ample seating and overhead lighting. Digital advertising screen around existing generators, display for Center for the Arts or Convention Center events.
10. Art Alley. Digital film, artwork, or interactive installations. CFTA mezzanine stairs to parking/pedestrian bridge.
11. Extensive 475 linear foot railroad berm waterfall; enhanced landscaping and lighting.
12. Rooftop garden and bar atop Convention Center. Dog park, seating, overhead lighting (proposed, not included in this development proposal).



Photo credit: Beekman St. Plaza James Corner Field Operations, Landscape Architecture & Urban Design

### INNER-URBAN PROMENADE

The Anchor District will feature approximately 1.5 acres of public amenity space. Central to the district is an expansive inner-urban promenade, connecting pedestrians from Grant Street to Columbia Street, and Esther Short Park to the Waterfront District. From the northwest, the promenade opens via a new C-Tran bus transit pavilion, offering covered seating, improved lighting, and public parking. From the transit pavilion the promenade's distinctly patterned granite pavers guide pedestrians into a passageway through the residential campus, enticing exploration into two covered courtyards that blur the lines of public/private spaces. The promenade is capped with overhead lighting that will create an intimate inner-urban neighborhood experience.

The promenade anchors Block X to Block Y via a raised pedestrian crossing over Esther Street, which will help to reduce vehicular speed. Pedestrians may choose to travel south towards the Waterfront Gateway at Esther St, north towards Esther Short Park, or east into City Hall Center. From City Hall Center, the promenade hosts enhanced entrances into City Hall, the Convention Center, and the Center for the Arts. City Hall Center will feature a rainwater bioswale farm, similar to as illustrated above. The

existing City Hall water feature will be improved and reactivated. To anchor Esther Short Park to the district, trees will be planted to provide shade and sense of place. Abundant covered seating will promote year-round activation of the space. An interactive digital screening around the generators will provide advertising opportunities for the Convention Center and Center for the Arts, community event information, brewery menu, wayfinding maps, or short digital art films.



The promenade exits City Hall Center and enters into the Art Alley, which features a covered outdoor art gallery, overhead district lighting and outdoor gallery seating. The art gallery will feature local artists and will rotate seasonally. The Art Alley is designed to activate an otherwise blank wall on the Center for the Arts and conform to zoning restrictions. After experiencing the Art Alley, pedestrians may continue south towards the waterfall feature or enter the breezeway that connects the main Convention Center building to the expansion building. The breezeway and promenade will end at the historic Webber Building, with an attached outdoor dining area. (Photo credit: [Screenly](#)).

## DESIGN FEATURES +WAYFINDING

Significant district design has already been established in the area, such as distinct granite pavers, landscaping beds, street pole lighting, and wayfinding. The Anchor District will carry these design features through the development to synthesize, complement, and provide cohesive and reliable wayfinding. A mix of grey and cream colored stone will be used through the promenade to provide direction and a sense of distinct pathway through the district. In accordance with Section 20.630.030 of the Downtown District Municipal Code, extensive rain protection will be installed on the buildings throughout the site, with concentration on major arterial streets. Rain coverage will promote year-round economic vitality. Extending across the district will be a distinct overhead lighting network, to complement existing overhead lighting in the Waterfront District see photo above; The Murdock.



## PUBLIC ART INSTALLATIONS

The City of Vancouver has invested in expansive vehicular circulation within the area, notably two major roundabouts at W. 6th Street at Esther Street and Waterfront Way at Esther Street. The Anchor District will add an additional roundabout between Esther Street and Columbia Street. To signify the Anchor District as a distinct district, promote public art and culture, and to calm traffic, two large installations will be placed within the roundabouts.

## GATEWAY BERM WATERFALL

The Anchor District is divided from the Waterfront District by the BNSF railway, sitting atop a 12-20 foot berm. Passageways infiltrate the berm at Esther St, Grant S, and Columbia St, allowing for pedestrian and vehicular access to the Waterfront. To overcome the physical and mental separation of space, approximately 475 lineal feet of waterfall will span across the berm and cross over Esther Street for approximately 50 lineal feet. Instead of being an obstacle, it will become a focal point. Accompanying the waterfall will be a large meandering path, with spotlighting, landscaping, benches. The sound of the waterfall will provide sensory clues for persons with differing abilities, and a sense of calmness against the crudeness of the industrial railway above. It may be possible for the waterfall to utilize the water from the existing two wells that serve City Hall, which are notated in the RFQ as having larger capacity than needed. (Photo credit: [Stimson](#)).



## RENEWED VETERAN MEMORIAL MONUMENT

Vancouver's Veteran Remembrance Wall is currently located on the berm of the BNSF railway. This is a significantly meaningful area for the community, and the development team is committed to approaching a redesign with sensitivity that incorporates the views and desires of the community and Vancouver's Veterans. The conceptual design has an eye towards an art installation, granite towers with engravings and quotes, ample seating, nearby ADA parking, enhanced lighting and landscaping, and an area for group gatherings. (Photo credit: [SOMA Waterwall](#)).



## EVERGREEN SUSTAINABLE DEVELOPMENT STANDARDS

The affordable housing building, in accordance with tax credit funding requirements, must adhere to the Evergreen Sustainable Development Standards (ESDS). The goal of ESDS is to produce long-term economically viable affordable housing, while preserving resources and protecting the environment and enhancing the quality of life of residents. The building will be scored against an 89 point criteria, and must pass with at least 50 points for new construction. The proposed site plan was designed to be sensitive to the ESDS criteria; for example, the inner-urban promenade enhances the walkability and access to open space, transit, and other essential services (Criteria 2.05B). Additionally, the open space pavilions were set aside to increase the quality of life (Criteria 2.06A). Other notable criteria considered in the construction and operation of the building are: native plantings, heat-island roof reduction materials, centralized laundry facility, energy star appliances, improved venting, and lifecycle and reuse of sustainable construction materials<sup>34</sup>.

To complement the existing hardscapes in and around the district, the Anchor District will feature thoughtfully designed and expanded permeable pavers, which will provide a sense of identity, wayfinding through the promenade, and celebrate the importance of sustainable building. Many bioswales will be incorporated to recapture and filter rainwater, mitigate runoff, and conceal existing well equipment. Native plantings will be irrigated using the existing well water system that services City Hall's HVAC system<sup>35</sup>. Distinct native trees and grasses will line the inner-urban promenade, which will change colors with the season. Corrugated steel will line the bioswale beds



to incorporate the industrial history of the district and synergize with the steel railway and views of the I-5 bridge. To promote activity, wood benches will be incorporated throughout the district, sourced from regional Douglas Fir timber. ( Photo credit: [Cullen Meeves](#))

## URBAN HEAT EFFECTS AND LANDSCAPE NOISE MITIGATION

This development proposal will necessarily convert a large amount of grass areas into hardscapes. To counter the urban heat island effects, as well as help reduce railway and airport noise, native trees and landscaping will be installed atop the residential parking garage structure on the south side of the affordable housing tower. The housing tower's first floor will just crest the top of the railway berm, so sound mitigation is extremely important for tenants and to reduce vacancy in those units. As a result, the residents will have a community rooftop amenity that overlooks the Center for the Arts, waterfall feature, and have potential river views. Tree species and placement will be selected with sensitivity to structural loads, in consultation with a qualified landscape architect.

<sup>34</sup> [WSHFC | Evergreen Sustainable Development Standard](#)

<sup>35</sup> [Permeable pavers photo credit](#)



## DIVERSITY, EQUITY, AND INCLUSION

The City of Vancouver challenged the Anchor District development team to intentionally propose a development master plan that promotes access, diversity, equity and inclusion. After thoughtful consideration, the following plan, with a bias towards action, will be implemented.

The Anchor District will establish a diverse neighborhood association, with at least 51% of people with diverse backgrounds, to implement and benchmark a Diversity, Equity and Inclusion mission. It is expected that this leadership team will partner with local community organizations and nonprofits dedicated to supporting people of color, marginalized and underrepresented communities in Vancouver; organizations such as *Partners in Diversity*, *YWCA*, *Impact NW* and *iUrbanteams*.

*Partners in Diversity* is a non-profit organization that is committed to helping enhance diversity and inclusion through the employment of professionals of color. *Partners in Diversity* will help employ a diverse leadership team to manage and direct all buildings and programs. *YWCA* (eliminating racism empowering women) is a Clark County organization dedicated to eliminating racism and empowering women. *Impact NW*, is an organization that helps houseless families find permanent housing. Partnering with *YWCA* and *Impact NW* will help supply affordable housing for women and oppressed populations. Working with *iUrbanteams*, an organization that focuses on career opportunities for underrepresented youth, and local high school to offer internships/mentorship/employment opportunities to

youth interested in theater, music, dance and health care. Partnering with *iUrbanteams* and local high schools will increase community awareness around the importance of arts and supply a career path for young adults. Lastly, to establish, support, and sustain diversity, equity, and inclusion, partnering with City Council members will be essential to implement DEI efforts across the greater Vancouver area.

To enhance the visibility of a diverse community, the Art Alley gallery will be reserved for at least one month a year to showcase local artists of color, women, LGBTQIA+, or any other historically excluded or persons with differing abilities. Exhibits may include paintings, quilting, beadwork, interpretive expression, historic artifacts, audio or sensory experiences.

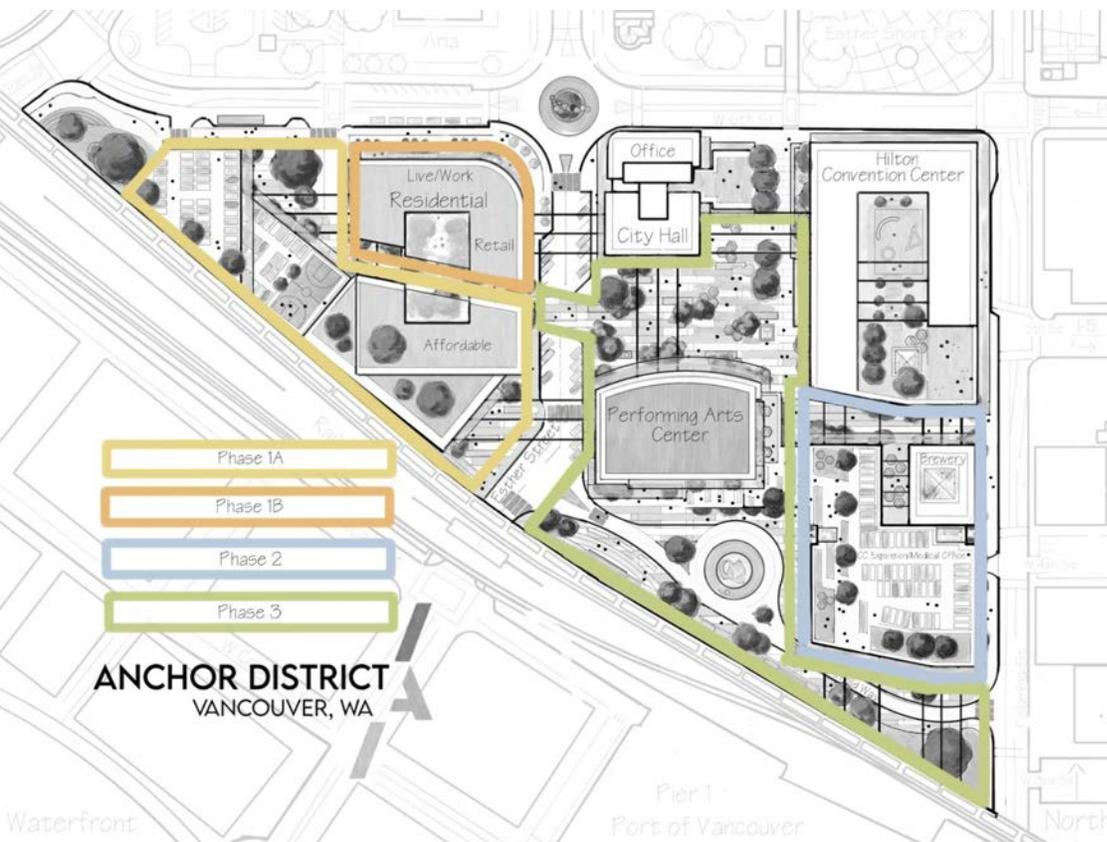
It is important to the development team that this district be intentionally designed to blur the lines between private and public spaces, removing all fencing or obstacles, creating a space where people feel welcomed to wander and explore the many paths and pavilions: *a returning of land back to the community*.

## PROJECT PHASING

The Anchor District will be developed in three consecutive phases, beginning with Phase 0 which includes relocating existing parking servicing City Hall employees and guests to be temporarily relocated to Block Y, where recycled crushed concrete will be placed. The existing paved parking lot just South of City Hall and the surface parking on the southeast corner that serves office users will remain for ADA parking. Phase I will deliver the parking structure and affordable housing tower on Block X. Staging for

Phase I will take place on the northeast corner of Block X- where the future market rate tower will be located. The second half of Phase I will deliver the market rate housing tower, ground floor retail, and live/work units.

Phase II will deliver the medical office, convention center expansion and parking building. Staging for these buildings will be on Block Y where the recycled crushed concrete will have already been placed. The public parking garage will be opened at Phase II commencement to serve City Hall and other office employees and guests.



Phase III will consist of the Center for the Arts, the new roundabout and loading areas, the bioswale farm, berm waterfall, and remaining public amenity spaces. The amenities in Phase III will likely require public bonding and philanthropic efforts, anticipated to take several years, which is the reason for planning for these improvements as Phase III. If the CFTA does not come to fruition, a mixed affordable housing building or an outdoor community amenity, such as a carousel or winter ice skating rink are potential alternatives. For an in-depth project timeline, see appendix.

## CONSOLIDATED PROFORMA + CONSTRUCTION COSTS SUMMARIES

Market Rate Assumptions	
<b>Use of Funds</b>	
Land Costs (including demolition, etc.)	\$2,237,275
Hard Costs	\$46,532,395
Soft Costs	\$6,705,116
Parking	\$4,118,400
Contingencies & Fees	\$4,796,776
Financing Costs	\$3,481,500
<b>Total - Uses of Funds</b>	<b>\$67,331,461</b>
Cost Per Unit	\$471,746
<b>Sources of Funds</b>	
Construction Loan	\$44,600,000
Equity	\$23,331,461
<b>Key Metrics</b>	
First Stabilized Year NOI	\$3,539,514
Stabilized YOC	5.21%
Stabilized Cap	4.25%
Stabilized Value	\$83,282,687
<b>Perm Loan</b>	
Interest	4.50%
DCR	1.25
<b>Exit (Assuming 10 year hold)</b>	
Exit Cap	5%
Exit NOI	\$4,914,224
Exit Value	\$98,284,471
IRR	14.10%

Public Space Amenities	Cost
Total Hard Costs	\$8,425,000.00
Developer Fee	\$842,500.00
BOLI Prevailing Wage	\$842,500.00
Total Soft Costs	\$2,443,250.00
Total Project Costs	\$10,868,250.00
Development SF	48,674
Cost PSF	\$223.29
Developer Contributions	\$543,412.50
City of Vancouver Contributions	\$10,324,837.50

AFFORDABLE HOUSING + PARKING CONSOLIDATED FINANCIAL SUMMARY	
<b>DESIGN ASSUMPTIONS</b>	
Affordable Building GSF	101,000
Rentable SF	82,820
Affordable Units	125
Parking Stalls	100
Parking GSF	42,857
<b>COST ASSUMPTIONS</b>	
Hard Costs (\$/SF)	\$ 29,595,482.94
Parking Purchase (Condo Unit)	\$ 3,064,479.37
Soft Costs (\$/SF)	\$ 12,952,888.70
Total Development Costs (affordable + parking) (\$/GSF)	\$ 317.07
Total Development Costs	\$ 45,612,851.21
<b>INCOME + OPERATING EXPENSE ASSUMPTIONS</b>	
Total Projected Gross Revenue (Year 1)	\$2,305,440
Base Year 1 Operating Expenses (\$/SF/Yr)(- tax exemption)	-\$327,309
NOI	\$1,978,130
<b>EXIT ASSUMPTIONS</b>	
CAP Rate	6.08%
Future Value (Year 15 After initial rent restriction term)	\$49,808,860
Value (\$/GSF)	\$ 493.16
<b>CONSTRUCTION DEBT ASSUMPTIONS</b>	
Low Income Tax Credits	\$ 15,631,420.77
Developer Equity	\$ 2,280,643
Loan to Value	60.73%
Debt Service Coverage	1.25
Total Debt	\$ 45,612,851
Blended Interest Rate (construction/permanent)	4.97%
Amortization Period (Years)	30
Loan Term (Years)	30
Hold Period (Years)	15
<b>RETURN ASSUMPTIONS</b>	
Return on Equity	8.76%
IRR	23.43%

Center for the Arts Construction Costs + Funding Sources			
<b>Sources</b>			
Public Bond	50% of Total Costs		\$26,400,000
Lead Donor(s)	25% of Total Costs		\$13,200,000
Private Funding	25% of Total Costs		\$13,200,000
<b>Uses</b>			
Hard Costs	77.26% of Total Costs		\$40,800,000
Soft Costs	16.45% of Total Costs		\$8,700,000
Contingency	6.16% of Total Costs		\$3,300,000
			<b>\$52,800,000</b>

Medical Office + CC Expansion & Parking Building Summary	
<b>Building Design Proposal</b>	
Ground Area sf	46,000
Actual Building Height	53
Total Building Floors	4
Medical Office Gross SF	46,000
CC Expansion Gross SF	46,000
Parking Gross SF	92,000
<b>Total Building Gross SF</b>	<b>184,000</b>
<b>Construction costs</b>	
Hard Costs	\$ 35,627,000
Soft Costs	\$ 15,374,750
<b>Total</b>	<b>\$ 51,001,750</b>
Costs PSF	\$ 277
<b>Medical Office Condo Return Measures</b>	
Exit Cap	5%
Sales Price	\$ 28,105,193
Equity Invested	\$ (4,826,250)
NPV	\$ 3,911,567
BIRR	17.44%
Cash on Cash	5.87%
<b>CC Expansion &amp; Parking Return Measures</b>	
BIRR	12.87%
Cash on Cash	15.62%

Parking Garage Summary	
City Parking (425)	\$135.00 ( per month)
Guest Parking (20)	\$1.25 (per hour)
<b>Costs Summary</b>	
	<b>Total</b>
Total Hard costs	\$ 12,099,184.50
Total Soft Costs	\$ 6,281,529.87
<b>Total Project Costs</b>	<b>\$ 18,380,714.37</b>
<b>Income and Operating Assumptions</b>	
Parking PGI (Year 1)	\$ 1,583,550.00
Parking Opex (Year 1)	\$ (407,737.84)
<b>Total NOI (Year 1)</b>	<b>\$ 1,175,812.16</b>

# Thank You.

## ACKNOWLEDGEMENTS

Justin Dennett, Morrison Street Capital; Development Team Project Mentor  
Eric Grodahl, DBG Properties LLC; Affordable Housing advisor  
John Collum, Economic Development Principal Planner, City of Vancouver; Planning advisor  
Jay M. Blackwell, Chief Estimator, Turner Construction Company; Construction costs  
Marc Strabic, Director of Leasing, Gramor Development; Waterfront development advisor  
David Copenhaver, Cascadia Development Partners; Site Tour  
Patrick Gilligan, Lincoln Property Company; Pier 1 Port of Vancouver development advisor  
Tamara Fuller; Capacity Commercial Group; Waterfront retail advisor  
Meagan An, Portland State University  
Julie Gibson, Portland State University  
Jerry Johnson, Johnson Economics; Development Workshop Mentor  
Gerry Mildner, Portland State University; Development Workshop Mentor  
Our professors, mentors, partners, pets, family and friends who have helped us along the way



## APPENDIX

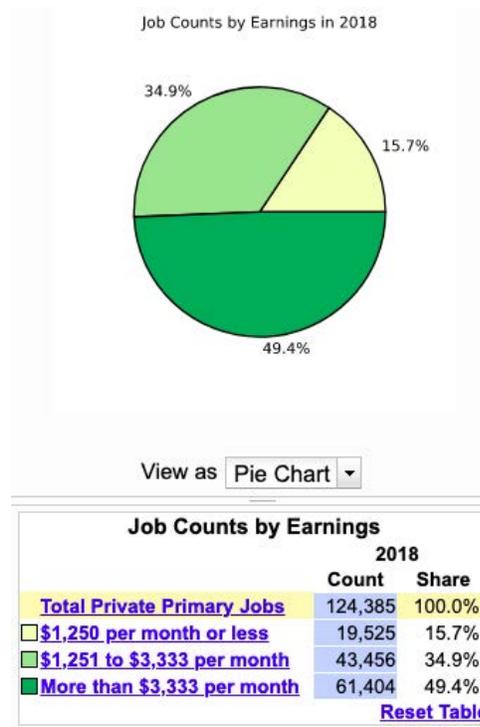
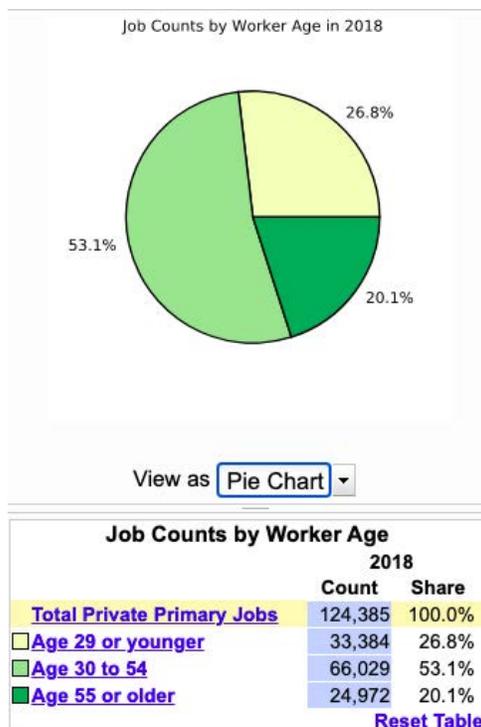
### DEMOGRAPHIC INFORMATION

Residential Demographics	1 Mile	3 Mile	5 Mile
2010 Population	6,198	54,640	205,083
2021 Population	7,770	62,378	232,733
2026 Population Projection	8,323	65,953	242,903
Annual Growth 2010-2021	3%	1.30%	1.20%
Annual Growth 2021-2026	1.40%	1.10%	0.90%
Median Age	43	39.2	37.7
Bachelor's Degree or Higher	31%	28%	35%
Average Household Size	1.8	2.3	2.4
Owner Occupied Households	1,504	13,262	52,703
Renter Occupied Households	2,494	14,836	45,095
Median Home Value	\$336,153	\$342,855	\$376,831
Average Household Income	\$71,926	\$79,451	\$90,225

### Employment

The employment sector is changing in Vancouver and increasingly attracting white collared employees. Headquartered in Clark County - PeaceHealth, Banfield Pet Hospital, Fisher Investments, Nautilus, Barrett Business Systems ZoomInfo, nLight, Absci and Sigma Design. These nine businesses employ over 37,000 pp.

### Clark County Employment Data



EXISTING CONDITIONS (June 2021)

Esther St & Phil Arnold Way (Northeast)



City Hall (South)



Convention Center (West)



BNSF Railway Berm



W. 6th St (South)



W. 6th St & Esther St (South)



City Hall & Convention Center (South)



City Hall Generators



## DOWNTOWN DISTRICT OVERLAY

### Building Lines 20.630

Street frontages. All new construction along the street frontages shall extend to the edge of the street right-of-way line for the first two stories. New construction along street frontages shall have no less than 75% of the building line shall be located at the building line. Portions of a building at the building line shall not be less than one story in height.

### Blank Walls 20.630

The blank wall regulations are intended to afford interest to pedestrians and to enhance the urban quality and shopping environment and to encourage pedestrian traffic within Downtown Vancouver. Blank walls at pedestrian level shall be discouraged in certain areas. All new construction and major reconstruction along certain street frontages must provide windows and entrances or other features. At least 75% of the width of any new or reconstructed first-story building wall facing a street shall be devoted to interest-creating features, pedestrian entrances, transparent show or display windows, or windows affording views into retail, office or lobby space.

### Rain Protection 20.630

The rain protection regulations are intended to provide weather- protection for pedestrians, to enhance the economic vitality of the downtown core area and provide a needed amenity for employees, visitors and shoppers and link parking facilities, places of work, shopping and visitor areas. All proposed new buildings within 15' of the street property line shall be required to provide a rain protection feature with a minimum vertical clearance above the sidewalk or walkway of no less than 8'. There shall be a maximum vertical clearance above the sidewalk or walkway of 13'.

### Transit Overlay Tier One 20.550

Transit Overlay shall establish densities and development regulations applicable to any development in the Transit Overlay District but shall also provide for separate standards for different development environments. The Tier 1 environment will be oriented towards higher densities and more transit-friendly urban design that could be associated with high capacity transit or increased transit service. The purpose of this section is to provide for safe and convenient pathways or sidewalks between uses, as well as along street frontages which will increase the convenience and appeal of leaving one's car and walking from place to place. The pedestrian access standards encourage a safe, attractive, and usable pedestrian circulation system in all developments and ensure a direct pedestrian connection between the street and buildings on the site. Parking areas should facilitate pedestrian access to and from buildings via clearly designated pedestrian walkways connecting building entrances with parking areas and with pedestrian systems in the public right-of- way. The walkways and landscaping area will be of compatible design.

### Central City Plan District 20.265

The purpose of the design review process is to allow for architectural and design review of new construction and exterior improvements to building and development in the downtown and Vancouver Central Park areas prior to or in conjunction with a formal land use approval. 1. Preserve the character and quality of the City's cultural, historical and architectural heritage. 2. Protect certain public investments and ensure compatibility between public and private developments. 3. Encourage innovation and flexibility in design of new developments while maintaining standards necessary to protect the public interest. 4. Ensure design compatibility between existing and new development. 5. Promote qualities in the built environment that enhance the value of the area to the community.

### Floor Area Ratio 2:1 20.550

Maximum residential density is 125% of base zone designation. Minimum FAR in the subject site is 2:1 and 1:1 on several lots closest to the railway berm.

### Noise Impact Overlay District 20.520

The purpose of the Noise Impact Overlay District is to provide a means by which the public and owners of property within the overlay district can be advised that unusually high levels of aircraft, railroad and/or traffic noise are to be expected on properties in such a district, and that such levels of sound reasonably require that special construction standards involving sound insulation hereinafter set forth be met on all new residential construction in such a district. A 15% construction premium was added to affected units.

**Max Bldg Height (100-200) 20.630**

The maximum building height regulations are intended to facilitate redevelopment opportunities and maximize Waterfront development, to meet historic preservation goals (including preservation of architectural character), to protect adjacent residential and commercial neighborhoods (including compatibility in scale and character), comply with Federal Aviation Administration Regulations and to ensure safety and livability. Building heights are limited to 95ft, 80ft, and 75ft on blocks X, Y, and Z respectively due to flight zone constraints.

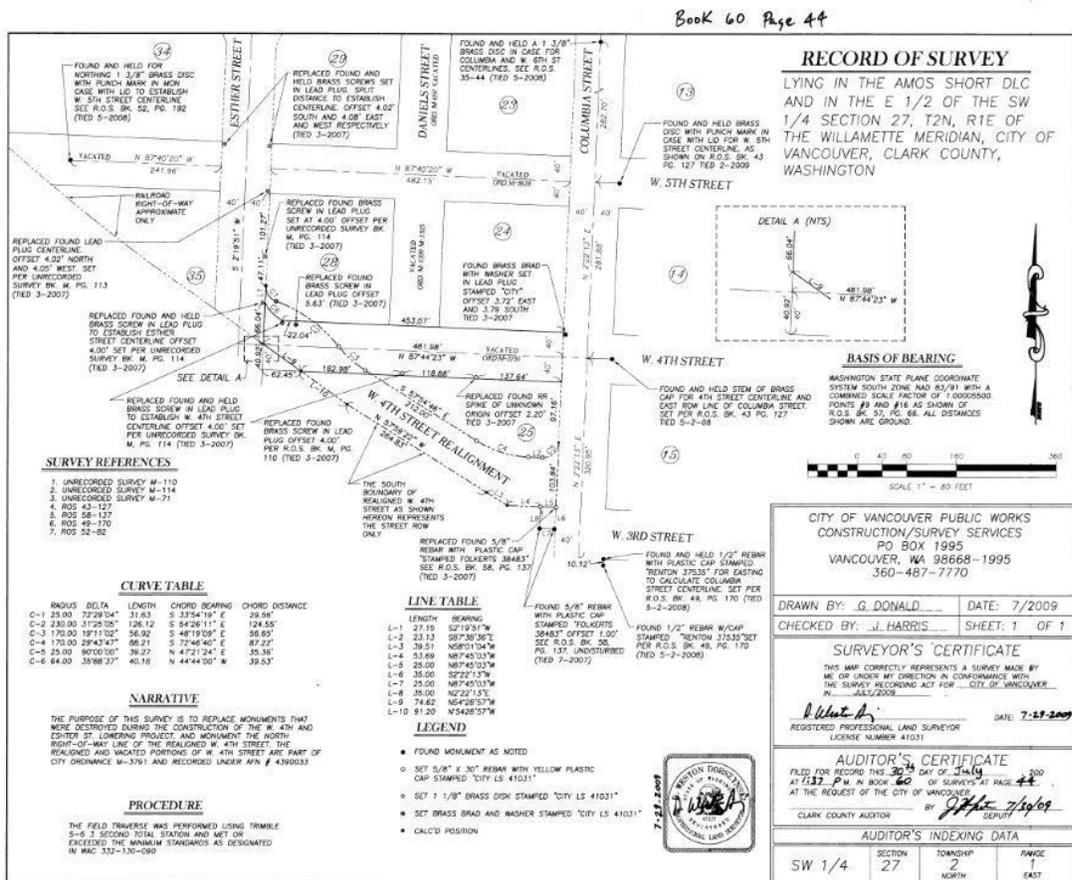
**Limited Surface Parking 20.630**

This district is intended to prevent disruption of pedestrian circulation; to provide for smooth traffic flow; to prevent excessive use of downtown land for parking; to ensure the most efficient provision of parking facilities; to preserve the continuity of retail use and building frontage in the downtown shopping area; and to protect the public health and safety. No new surface parking lot shall be permitted.

**Minimum Off-Street Parking Requirements 20.945.070-1**

(CX District) 1 parking space will be provided per dwelling unit. A 20% reduction in required minimum parking spaces for the affordable housing units will be requested, pursuant to 20.945.070 E.2.

**SITE SURVEY**



MUNICIPAL CODE

Site Description		
Waterfront Gateway	Total Area: 280,481SF	Development Standards 20.430.040-1
No Maximum/Minimum FAR, Setbacks, Landscaping & 100% Lot Coverage allowance	Zoning code: CX - Commercial and Mixed-Use Districts	
Proposal Developments: Structured Parking, Multifamily with Market Rate and Affordable Housing Components, Center of the Arts, Medical Office, and Convention Center Expansion		
Complementary Proposal designs: Waterfall, Remembrance Wall Redesign, Overhead Lighting, Connectivity and Pedestrian Friendly,		

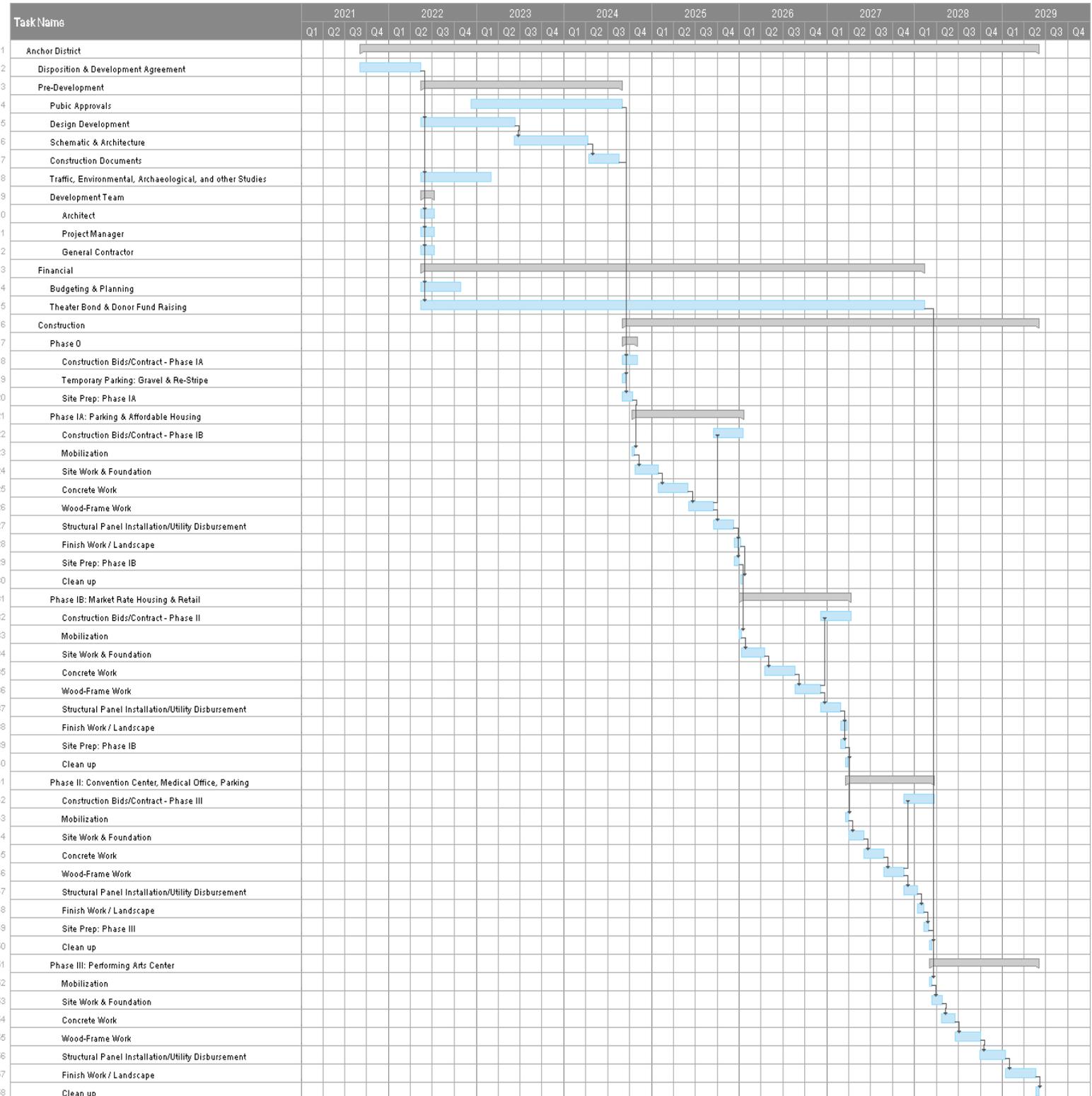
Proposing Items	Designated Parcels	Notes
Landscaping, Sidewalk, & Parking Garage Driveway	49861000, 49360000	Uses are permitted Ch. 20.430.030
Parking Garage, Sidewalk, and Driveway	49360000, 49315000, 49250000	Uses are permitted Ch. 20.430.030
Multifamily Residential Building w/ Retail Mixed-Use, Sidewalk, and Landscaping	49250000, 49315000, 49305000, 49230000, 49240000, 49290000, 49300000	Multifamily use is limited with all requirements met according to Ch. 20.430.030. Multifamily will have parking to service its own residents with a parking ratio of 1:1.20.945
Center for the Arts	48900000, 48890000, 48860000	Uses are permitted Ch. 20.430.030
Center for the Arts Loading Zone & Roundabout	48852000	Uses are permitted Ch. 20.430.030
Medical Office, Convention Center Expansion w/ Structured Parking	48740000, 48760000, 48760000	Uses are permitted Ch. 20.430.030
Webber Building Repurpose into Brewery	48750000	Limited use with requirements met Ch. 20.430.030
Railroad Berm Waterfall, Remembrance Wall Redesign	Railroad berm and sidewalk alongside Phil Arnold Way	Negotiation needed with BNSF Railway

Block X Entitlement Summary (In Accordance to CX Ch. 20.430.040 & RFQ)			
Item	Zoning Code	Provided	Comments
Building Heights	95 Ft	90 & 95 Ft	Requirements met
Maximum Lot Coverage	Up to 100%	65.50%	Requirements met
Maximum Setbacks	None	Various on all sides	Requirements met
Minimum Setbacks	5' sideyard	None	No side yard proposed adbutting residential
Setbacks between buildings	None	None	Requirements met
Minimum Landscaping	None	-----	Requirements met
FAR	None	5.49	Requirements met
Affordable Housing	40% units @ 60% AFI	125 over 269 units (46.5%) with LIHTC 4% programing	Requirements met

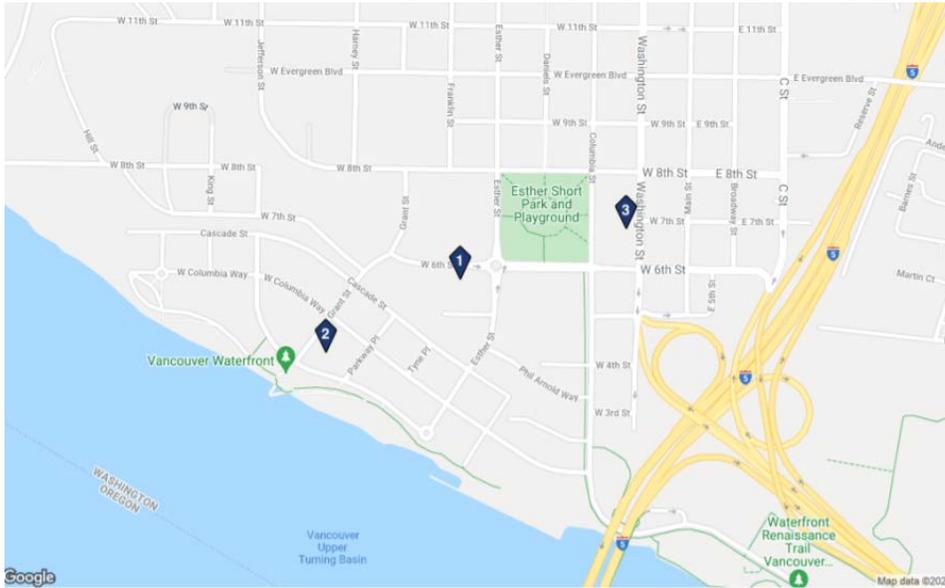
Block Y Entitlement Summary (In Accordance to CX Ch. 20.430.040 & RFQ)			
Item	Zoning Code	Provided	Comments
Building Height	80Ft	80Ft	Requirements met
Maximum Lot Coverage	Up to 100%	51.11%	Requirements met
Maximum Setbacks	None	Various on all sides	Requirements met
Minimum Setbacks	None	Various on all sides	Requirements met
Setbacks between buildings	None	None	
Minimum Landscaping	None	None	
Maximum FAR	None	0.51	Requirements met

Block Z Entitlement Summary (In Accordance to CX Ch. 20.430.040 & RFQ)			
Item	Zoning Code	Provided	Comments
Building Height	75ft	47.5ft & 48ft	Requirements met
Maximum Lot Coverage	Up to 100%		Requirements met
Maximum Setbacks	None		
Minimum Setbacks	None	-----	Requirements met
Setbacks between buildings	None	None	Requirements met
Minimum Landscaping	None	None	Requirements met
Maximum FAR	None	4.35	Requirements met

# PROJECT TIMELINE



## MARKET RATE COMPARABLES



**Name:** The Aria (Cascadia)  
**Address:** 636 W 6<sup>th</sup> St.  
**Built:** April 2021  
**Total Sq. Ft.:** 120,000  
**Units:** 127 (9 studios; 91 1bed; 27 2bed)  
**Ave Unit Size:** 753 sf  
**Current Vacancy:** 48%  
**Occupancy at Delivery:** 40%  
**Concessions:** 8.3%  
**RPSF:** \$2.55



**Name:** Rediviva at Waterfront (Gramor)  
**Address:** Address: 111 Parkway Pl  
**Built:** 2018  
**Total Sq. Ft.:** 215,148  
**Units:** 63 (All 1bd)  
**Ave. Unit Size:** 794 sf  
**Current Vacancy:** 1.1%  
**Concessions:** .4%  
**RPSF:** \$2.82



**Name:** Coen & Columbia (Holland)  
**Address:** 608 Washington  
**Built:** 2020  
**Total Sq. Ft.:** 186,393  
**Units:** 200 (100 studios; 57 1bd; 39 2bd; 4 3bd)  
**Ave. Unit Size:** 650 sf  
**Current Vacancy:** 7.5%  
**Concessions:** 1.5%  
**RPSF:** \$2.6

## MARKET RATE AMENITIES

EV Charging Stations (Photo Credit: The Driven)



Bike Hub (Photo Credit: iStock)



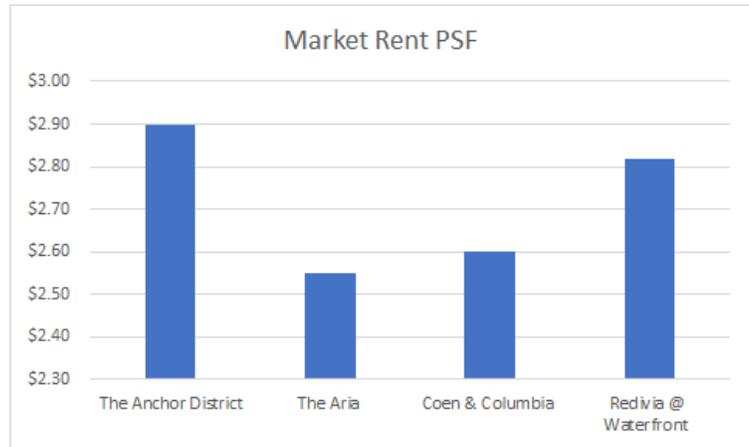
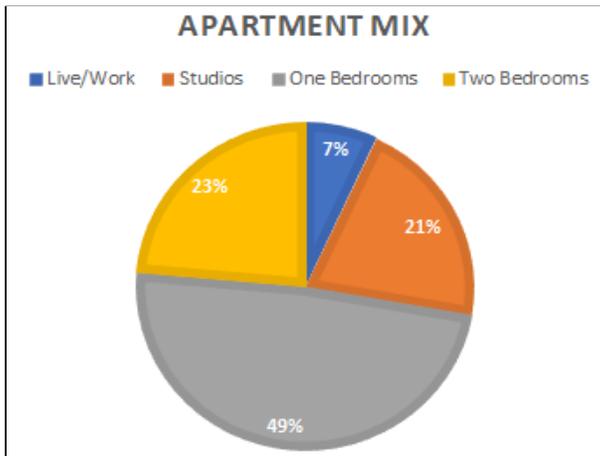
Live Work Apartments Above  
(Photo Credit -Dwell Magazine)



Outdoor Patio (Photo Credit - Apartment Guide)

MARKET RATE DETAILS

<b>Sources &amp; Uses</b>			
<b>Use of Funds</b>			
Land Costs (including demolition, etc.)		\$2,237,275	3.29%
Hard Costs		\$46,592,395	68.59%
Soft Costs		\$6,705,116	9.87%
Parking		\$4,118,400	6.06%
Contingencies & Fees		\$4,796,776	7.06%
Financing Costs		\$3,481,500	5.13%
<b>Total - Uses of Funds</b>		<b>\$67,931,461</b>	<b>100.00%</b>
<b>Sources of Funds</b>			
Construction Loan		\$44,600,000	70%
Equity		\$23,331,461	30%
<b>Total - Sources of Funds</b>		<b>\$67,931,461</b>	<b>100%</b>
First Stabilized Year NOI		\$3,539,514	
Stabilized YOC		5.21%	
<b>COST PER UNIT</b>		<b>\$471,746</b>	

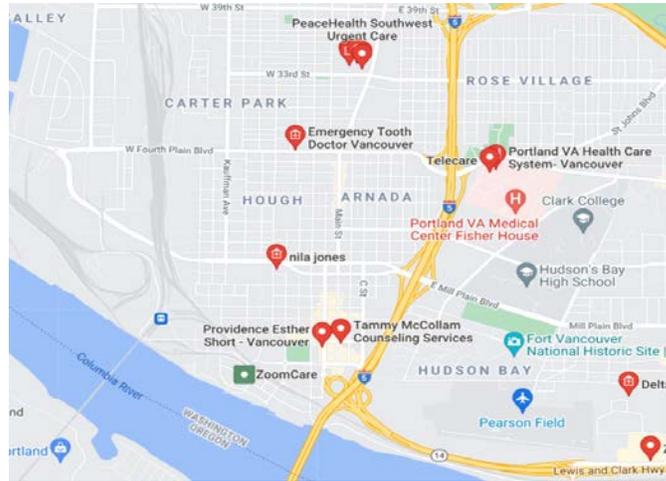


## MARKET RATE PROFORMA

Cash Flow Assumptions													
Annual Rent Growth Rate Year 1-3	4%												
Annual Rent Growth Rate Year 4-10	3%												
Annual Expense Growth Rate	3%												
		Construction	Lease Up	Stabilization									
		Year 0 - 2024	Year 1- 2025	Year 2 - 2026	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Vacancy Rate Apartment	%		25%	10%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Vacancy Rate Retail			25%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
<b>Revenues</b>													
Apartments - Rents escalated 4% annually from 2021 numbers			\$ 5,000,163	\$ 5,200,163	\$ 5,408,176	\$ 5,570,421	\$ 5,737,534	\$ 5,909,660	\$ 6,086,950	\$ 6,269,558	\$ 6,457,645	\$ 6,651,374	\$ 6,850,915
Expense Reimbursement	\$100 per unit		\$ 112,800	\$ 177,984	\$ 183,324	\$ 188,823	\$ 194,488	\$ 200,323	\$ 206,332	\$ 212,522	\$ 218,898	\$ 225,465	\$ 232,229
Other Income			\$ 213,120	\$ 219,514	\$ 226,039	\$ 232,882	\$ 239,868	\$ 247,064	\$ 254,476	\$ 262,111	\$ 269,974	\$ 278,073	\$ 286,415
Total GPR			\$ 5,386,083	\$ 5,597,667	\$ 5,817,539	\$ 5,992,126	\$ 6,171,890	\$ 6,357,047	\$ 6,547,758	\$ 6,744,191	\$ 6,946,517	\$ 7,154,912	\$ 7,369,560
Less 2 Week Concessions			\$ (164,391)	\$ (170,366)	\$ (177,805)	\$ (183,139)	\$ (188,633)	\$ (194,292)	\$ (200,121)	\$ (206,125)	\$ (212,309)	\$ (218,678)	\$ (225,238)
Less Vacancy			\$ (1,346,521)	\$ (559,767)	\$ (290,880)	\$ (299,606)	\$ (308,595)	\$ (317,852)	\$ (327,388)	\$ (337,210)	\$ (347,326)	\$ (357,746)	\$ (368,478)
<b>Effective Gross Income</b>			<b>\$ 3,875,171</b>	<b>\$ 4,866,934</b>	<b>\$ 5,348,913</b>	<b>\$ 5,509,381</b>	<b>\$ 5,674,662</b>	<b>\$ 5,844,902</b>	<b>\$ 6,020,249</b>	<b>\$ 6,200,857</b>	<b>\$ 6,386,882</b>	<b>\$ 6,578,489</b>	<b>\$ 6,775,844</b>
<b>Retail - Rents escalated 4% annually from 2021 numbers</b>													
Retail - Rents escalated 4% annually from 2021 numbers			\$ 193,729	\$ 201,478	\$ 209,537	\$ 215,823	\$ 222,298	\$ 228,967	\$ 235,836	\$ 242,911	\$ 250,198	\$ 257,704	\$ 265,435
Other Income	N/A		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total GPR			\$ 193,729	\$ 201,478	\$ 209,537	\$ 215,823	\$ 222,298	\$ 228,967	\$ 235,836	\$ 242,911	\$ 250,198	\$ 257,704	\$ 265,435
Less Vacancy			\$ (48,432)	\$ (20,148)	\$ (20,354)	\$ (21,582)	\$ (22,230)	\$ (22,837)	\$ (23,584)	\$ (24,291)	\$ (25,020)	\$ (25,770)	\$ (26,543)
<b>Effective Gross Income</b>			<b>\$ 145,296</b>	<b>\$ 181,330</b>	<b>\$ 188,583</b>	<b>\$ 194,241</b>	<b>\$ 200,068</b>	<b>\$ 206,070</b>	<b>\$ 212,252</b>	<b>\$ 218,620</b>	<b>\$ 225,178</b>	<b>\$ 231,933</b>	<b>\$ 238,891</b>
<b>Total Effective Gross Income</b>			<b>\$ 4,020,468</b>	<b>\$ 5,048,264</b>	<b>\$ 5,537,497</b>	<b>\$ 5,703,622</b>	<b>\$ 5,874,730</b>	<b>\$ 6,050,972</b>	<b>\$ 6,232,501</b>	<b>\$ 6,419,476</b>	<b>\$ 6,612,061</b>	<b>\$ 6,810,422</b>	<b>\$ 7,014,735</b>
<b>Expenses</b>													
Opex	31%		\$ 1,201,303.08	\$ 1,508,749.44	\$ 1,658,163.18	\$ 1,707,908.08	\$ 1,759,145.32	\$ 1,811,919.68	\$ 1,866,277.27	\$ 1,922,265.59	\$ 1,979,933.55	\$ 2,039,331.56	\$ 2,100,511.51
Reserve													
Total Expenses			\$ 1,201,303.08	\$ 1,508,749.44	\$ 1,658,163.18	\$ 1,707,908.08	\$ 1,759,145.32	\$ 1,811,919.68	\$ 1,866,277.27	\$ 1,922,265.59	\$ 1,979,933.55	\$ 2,039,331.56	\$ 2,100,511.51
Expense Ratio													
<b>NOI</b>			<b>\$ 2,819,165</b>	<b>\$ 3,539,514</b>	<b>\$ 3,879,333</b>	<b>\$ 3,995,713</b>	<b>\$ 4,115,585</b>	<b>\$ 4,239,052</b>	<b>\$ 4,366,224</b>	<b>\$ 4,497,211</b>	<b>\$ 4,632,127</b>	<b>\$ 4,771,091</b>	<b>\$ 4,914,224</b>
<b>Debt Service</b>			<b>\$ (2,831,611)</b>										
Construction Loan													
Construction Equity Contribution		-\$23,331,461											
Construction Loan Repayment				-\$44,600,000									
Perm Loan Payoff													-\$37,298,324
Refinance				\$ 46,570,842									
Reversion													\$98,284,471
Sales Costs (4%)													-\$3,931,379
<b>Total</b>		<b>-\$23,331,461</b>	<b>\$2,819,165</b>	<b>\$2,678,744</b>	<b>\$1,047,722</b>	<b>\$1,164,102</b>	<b>\$1,283,974</b>	<b>\$1,407,441</b>	<b>\$1,534,613</b>	<b>\$1,665,599</b>	<b>\$1,800,516</b>	<b>\$1,939,479</b>	<b>\$59,137,381</b>
<b>Permanent Financing</b>													
Stabilized NOI	\$	3,539,514								Exit Cap	5.00%		
Cap Rate	4.25%									IRR	14.10%		
Stabilized Value	\$	83,282,687								NPV	\$11,058,329		
Maximum LTV	75%												
Maximum Loan Amount	\$	62,462,015											
DCR Max	1.25												
Annual Payment Max	\$	2,831,611.36											
Maximum Loan Amount													
Loan	\$	46,570,842											
Term	10												
Interest - Fixed	4.5												
Amortization Period (years)	30												
Monthly Payment		-\$235,968											
Annual Payment		-\$2,831,611											

MEDICAL OFFICE & CONVENTION CENTER EXPANSION + PARKING PROFORMA

CC Expansion/Medical Office/Parking		CC Expansion Income Projections				2017-2020 Convention Center revenues are actual figures from the existing CC with 2020 almost cut in half because of COVID. The new CC expansion is assumed to achieve 50% capacity of the existing CC prior to								
		2017	2018	2019	2020									
Ground Area sf	46,000	Convention Revenues	\$ 3,719,806.00	\$ 4,928,180.00	\$ 6,040,086.00					\$ 3,020,043.00				
Building Height Max ft	75	Group Rooms	\$ 3,718,876.00	\$ 3,089,898.00	\$ 3,817,719.00					\$ 1,908,859.50				
Actual Building Height	53	Total	\$ 7,438,682.00	\$ 8,018,078.00	\$ 9,857,805.00					\$ 4,928,902.50				
Total Building Floors	4	Annual growth		8%	23%					-50%				
Total Gross Building SF	184000													
CC Expansion		Medical Office Rent Model												
		Tenant Name	SF	Percentage of Net Rentable Area:	Monthly Gross Rent	Monthly Rent PSF	NNN/Yr	NNN/PSF/Yr	Total PSF					
Floor Level	2			of Medical Office										
Stories	1	Urgent Care	3500	9.28%	\$ 7,875.00	\$ 2.25	\$ 18,900.00	\$ 5.40	\$ 32.40					
Floor Height ft	16	Doctor's Office	5500	14.58%	\$ 12,375.00	\$ 2.25	\$ 29,700.00	\$ 5.40	\$ 32.40					
Gross Area sf	46,000	CVS Pharmacy	9,000	23.86%	\$ 22,500.00	\$ 2.50	\$ 54,000.00	\$ 6.00	\$ 36.00					
Efficiency Ratio	82%	Orthodontist's Office	7000	18.56%	\$ 15,750.00	\$ 2.25	\$ 37,800.00	\$ 5.40	\$ 32.40					
Total USF	37,720	Eye Doctor's Office w/ lenses	3,700	9.81%	\$ 8,325.00	\$ 2.25	\$ 19,980.00	\$ 5.40	\$ 32.40					
Lobby	6,000	General Office 1	5,020	13.31%	\$ 9,287.00	\$ 1.85	\$ 22,288.80	\$ 4.44	\$ 26.64					
CC USF	31,720	General Office 2	4000	10.60%	\$ 7,400.00	\$ 1.85	\$ 17,760.00	\$ 4.44	\$ 26.64					
Target sf (RFQ)	35,000			<b>Annual Total</b>	\$ 1,002,144.00		\$ 200,428.80							
Variance sf	-3,280													
Medical Office		Parking Garage Income Model (Monthly)												
				Day-time (9am-5pm)	Night-time (6pm-8am)	Total								
Floor Level	1	Office Parking	113	\$ 15,255.00	\$ 41,527.50	\$ 56,782.50								
Stories	1	Guest parking	102	\$ 22,950.00	\$ 37,485.00	\$ 60,435.00								
Floor Height ft	16				Total Annually	\$ 1,406,610.00								
Office Area sf	46,000													
Efficiency Ratio	82%													
Office USF	37,720													
Parking Garage		Parking Assumptions												
Garage Floors	2	Office Parking	\$ 135.00	per month										
Floor Level	3&4	Guest Parking	\$ 1.25	per hour										
Floor Height ft	10.5	Daytime capacity	113	100%										
Gross Area sf	92,000		102	75%										
Efficiency Ratio	70%	Nighttime capacity	215	70%	averaging nights with events at Performing Art Center and nights with no events									
Garage USF	64,400													
Spaces	215													
Office spaces needed (3/1k)	113													
Excess Spaces	102													



Office Condo Sale Comps			
<b>1. Hurley Office Tower - 4 Star - 275 W 3rd St, Vancouver WA 98660</b>		<b>4. 3 Star Office Condo - 12330 SE 5th St, Vancouver, WA 98683</b>	
Year Built	2020	Year Built	2022
Sale Date	Mar-16-2020	Sale Date	n/a (advertisement)
Sale Price	\$9,780,000	Sale Price	\$1,750,000
Total SF	19,629	Total SF	5,000
Price/SF	\$ 498.24	Price/SF	\$350
<b>2. Madison Office Condos - 3 Star - 1140 SW 11th Ave, Portland OR 97205</b>		<b>3. Office Condo - 3 Star - 714 N Fremont St, Portland OR 97227</b>	
Year Built	2006	Year Built	2005
Sale Date	May-20-2021	Sale Date	Nov-30-2020
Sale Price	\$2,250,000	Sale Price	\$3,000,000
Total SF	5,318	Total SF	6,397
Price/SF	\$423.09	Price/SF	\$468.97
<b>Average price/SF</b>	<b>\$ 435.08</b>	<b>Actual purchase price PSF</b>	<b>\$ 326.09</b>

Medical Office - CC Expansion Costs Summary			
	PSF	Total	Notes
<b>Hard Costs</b>			
Parking garage	\$ 23.37	\$ 4,300,000.00	\$20k per stall
CC expansion and office space costs	\$ 290.00	\$ 26,680,000.00	\$290 PSF according to Turner's
Hard costs contingency	\$ 25.26	\$ 4,647,000.00	15% of all hard costs
<b>Total Hard costs</b>	<b>\$ 193.63</b>	<b>\$ 35,627,000.00</b>	
<b>Soft Costs</b>			
Appraisal	\$ 0.16	\$ 30,000.00	
Architecture	\$ 9.68	\$ 1,781,350.00	5% of hard costs
Engineering	\$ 9.68	\$ 1,781,350.00	5% of hard costs
Geotechnical Report	\$ 0.05	\$ 10,000.00	
Insurance	\$ 1.09	\$ 200,000.00	
Marketing	\$ 0.54	\$ 100,000.00	
Legal Permits and Fees	\$ 5.81	\$ 1,068,810.00	3% of hard costs
Overhead	\$ 4.35	\$ 800,000.00	
Developer Fees	\$ 22.50	\$ 4,139,851.00	10% of soft + hard costs
BOLI Prevailing Wage	\$ 28.12	\$ 5,174,813.75	12.5% of soft + hard costs
Soft Cost Contingency	\$ 1.57	\$ 288,575.50	5% of all soft costs
<b>Total Soft Costs</b>	<b>\$ 83.56</b>	<b>\$ 15,374,750.25</b>	
<b>Total Project Costs</b>	<b>\$ 277.18</b>	<b>\$ 51,001,750.25</b>	

Assumptions & Inputs			Cost to build	\$ 51,001,750.25								
Office Opex/SF Annually	\$ 5.16	CoStar Clark County Avg.	Office sale price	\$ 15,000,000.00								
Office Taxes/SF Annually	\$ 2.39		Total Cost investment	\$ 36,001,750.25								
Total Floor Area	138,000											
Opex increase/Inflation	2.00%											
Garage rent increases per 5 yrs	10%											
CC expansion annual increase	5%											
CC Expansion & Garage Cashflow												
	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037		
CC Expansion PGI	\$ 4,928,903	\$ 5,175,348	\$ 5,434,115	\$ 5,705,821	\$ 5,991,112	\$ 6,290,667	\$ 6,605,201	\$ 6,935,461	\$ 7,282,234	\$ 7,646,346		
Garage PGI	\$ 1,406,610	\$ 1,406,610	\$ 1,406,610	\$ 1,406,610	\$ 1,406,610	\$ 1,547,271	\$ 1,547,271	\$ 1,547,271	\$ 1,547,271	\$ 1,547,271		
Total PGI/EGI	\$ 6,335,513	\$ 6,581,958	\$ 6,840,725	\$ 7,112,431	\$ 7,397,722	\$ 7,837,938	\$ 8,152,472	\$ 8,482,732	\$ 8,829,505	\$ 9,193,617		
Opex	\$ (712,080)	\$ (726,322)	\$ (740,848)	\$ (755,665)	\$ (770,778)	\$ (786,194)	\$ (801,918)	\$ (817,956)	\$ (834,315)	\$ (851,002)		
BTCF	\$ 5,623,433	\$ 5,855,636	\$ 6,099,877	\$ 6,356,766	\$ 6,626,944	\$ 7,051,745	\$ 7,350,554	\$ 7,664,776	\$ 7,995,190	\$ 8,342,615		
Taxes	\$ (329,820)	\$ (336,416)	\$ (343,145)	\$ (350,008)	\$ (357,008)	\$ (364,148)	\$ (371,431)	\$ (378,860)	\$ (386,437)	\$ (394,165)		
ATCF	\$ 5,293,613	\$ 5,519,220	\$ 5,756,732	\$ 6,006,758	\$ 6,269,936	\$ 6,687,597	\$ 6,979,123	\$ 7,285,916	\$ 7,608,753	\$ 7,948,450		
Discounted Cash Flow Analysis												
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	
BTCF	\$	\$ 5,623,433	\$ 5,855,636	\$ 6,099,877	\$ 6,356,766	\$ 6,626,944	\$ 7,051,745	\$ 7,350,554	\$ 7,664,776	\$ 7,995,190	\$ 8,342,615	
BTER												\$ -
Total Equity Invested	\$ (36,001,750)											
Total Cash Flow (before tax)	\$ (36,001,750)	\$ 5,623,433	\$ 5,855,636	\$ 6,099,877	\$ 6,356,766	\$ 6,626,944	\$ 7,051,745	\$ 7,350,554	\$ 7,664,776	\$ 7,995,190	\$ 8,342,615	
BIRR	12.87%											
Cash on Cash	15.62%											

Assumptions & Inputs			Permanent Loan Underwriting									
Rent increase	4.00%		LTC	75%								
Opex increase/Inflation	3.00%		Interest	3.64%								
Average Office Vacancy	7.80%	CoStar W. Vancouver Avg.	Amortization	30								
Office Opex/SF Annually	\$ 5.16	CoStar Clark County Avg.	Fees	\$ -								
Office Taxes/SF Annually	\$ 1.09	average between Hurley @ \$0.66 and Angelo @ \$1.51	Total cost	\$ 19,305,000.00								
Office Lease Terms	5 Yrs		Loan Amount	\$ 14,478,750								
Floor area	46,000 SF		Loan Payment	\$ (801,097.66)								
Useable SF	37,720 SF		Equity Required	\$ 4,826,250								
Total Medical Office space	28,700 SF											
Office NNN/Yr	\$ 200,428.80											
Office Space Condo Purchase Price	\$ 15,000,000											
Lease commissions	3% total 6% between years 1-5, split 50-50 between landlord & tenants											
	1% total 2% between years 6-10, split 50-50 between landlord & tenants											
Required return	10%											
Medical Office TI	\$ 4,305,000.00 \$150 PSF											
Operating Cash Flows*												
	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037		
Office PGI	\$ 1,318,753	\$ 1,318,753	\$ 1,318,753	\$ 1,318,753	\$ 1,318,753	\$ 1,604,465	\$ 1,604,465	\$ 1,604,465	\$ 1,604,465	\$ 1,604,465		
Office Vacancy	\$ (630,364)	\$ (102,863)	\$ (102,863)	\$ (102,863)	\$ (102,863)	\$ (125,148)	\$ (125,148)	\$ (125,148)	\$ (125,148)	\$ (125,148)		
Total EGI	\$ 688,389	\$ 1,215,890	\$ 1,215,890	\$ 1,215,890	\$ 1,215,890	\$ 1,479,317	\$ 1,479,317	\$ 1,479,317	\$ 1,479,317	\$ 1,479,317		
NNN Reimbursement	\$ 147,901	\$ 253,897	\$ 261,514	\$ 269,360	\$ 277,440	\$ 285,764	\$ 294,336	\$ 303,167	\$ 312,262	\$ 321,629		
Lease commissions	\$ (20,652)	\$ (36,477)	\$ (36,477)	\$ (36,477)	\$ (36,477)	\$ (14,793)	\$ (14,793)	\$ (14,793)	\$ (14,793)	\$ (14,793)		
Opex	\$ (291,923)	\$ (300,681)	\$ (309,701)	\$ (318,992)	\$ (328,562)	\$ (338,419)	\$ (348,571)	\$ (359,028)	\$ (369,799)	\$ (380,893)		
Office NOI	\$ 523,716	\$ 1,132,630	\$ 1,131,227	\$ 1,129,781	\$ 1,128,292	\$ 1,411,868	\$ 1,410,289	\$ 1,408,662	\$ 1,406,986	\$ 1,405,260		
Loan Payment	\$ (801,098)	\$ (801,098)	\$ (801,098)	\$ (801,098)	\$ (801,098)	\$ (801,098)	\$ (801,098)	\$ (801,098)	\$ (801,098)	\$ (801,098)		
BTCF	\$ (277,382)	\$ 331,533	\$ 330,129	\$ 328,684	\$ 327,195	\$ 610,771	\$ 609,191	\$ 607,564	\$ 605,888	\$ 604,162		
Tax	\$ (61,666)	\$ (63,516)	\$ (65,421)	\$ (67,384)	\$ (69,405)	\$ (71,488)	\$ (73,632)	\$ (75,841)	\$ (78,116)	\$ (80,460)		
ATCF	\$ (339,048)	\$ 268,017	\$ 264,708	\$ 261,300	\$ 257,789	\$ 539,283	\$ 535,559	\$ 531,723	\$ 527,772	\$ 523,702		
Pro-Forma: Equity reversion												
Sales price	\$ 28,105,193	Exit cap rate	5%									
Selling costs	\$ 281,052	Brokerage Fee	1%									
Net selling price	\$ 28,386,245											
Mortgage balance	\$ (11,242,633)											
Before Tax equity reversion (BTER)	\$ 17,143,612											
Discounted Cash Flow Analysis												
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	
BTCF	\$	\$ (277,382)	\$ 331,533	\$ 330,129	\$ 328,684	\$ 327,195	\$ 610,771	\$ 609,191	\$ 607,564	\$ 605,888	\$ 604,162	
BTER											\$ 17,143,612	
Total Equity Invested	\$ (4,826,250)											
Total Cash Flow (before tax)	\$ (4,826,250)	\$ (277,382)	\$ 331,533	\$ 330,129	\$ 328,684	\$ 327,195	\$ 610,771	\$ 609,191	\$ 607,564	\$ 605,888	\$ 17,747,774	
10-year DCR		0.65	1.41	1.41	1.41	1.41	1.76	1.76	1.76	1.76	1.75	
Before tax Cash-on-cash		-5.75%	6.87%	6.84%	6.81%	6.78%	12.66%	12.62%	12.59%	12.55%	12.52%	
NPV	\$ 3,911,567											
BIRR	17.44%											
Cash on Cash	5.87%											

PUBLIC PARKING GARAGE CONSTRUCTION COSTS + PROJECTED REVENUE (TURN-KEY)

Parking Garage		Parking Garage Income Model (Monthly)				
Garage Floors	7.5			Day-time (9am-5pm)	Night-time (6pm-8am)	Total
Floor Height ft	10.5	City Parking	425	\$ 57,375.00		\$ 57,375.00
Gross Area sf	296,000	Guest parking	20	\$ 4,500.00	\$ 70,087.50	\$ 74,587.50
Efficiency Ratio	70%	Total	445		Total Annually	\$ 1,583,550.00
Garage USF	206,800	<b>Parking Assumptions</b>				
Spaces	689	Office Parking	\$135.00	per month		
Ground Area SF	67,200	Guest Parking	\$ 1.25	per hour		
Floor Height (ft)	10.5		425	100% 425 as specified in RFQ for City and Convention Center parking demands		
Building Height Max (ft)	95	Daytime capacity	20	75% Guest parking		
Stories	7.5	Nighttime capacity	445	30%		
Gross SF	240,000					
Efficiency Ratio	70%					
USF	206,800					
Spaces	689					
Target Min/Max (RFQ)	425					
Average Target	508					
Variance	181					

Assumptions & Inputs		Operating Cost Breakout			Per Space	Per SF
Rent increase	10.00% per 5 years	Property Tax	\$282.76	\$0.81	Average Cost	\$26,677
Parking increase/Inflation	2.00%	Insurance	\$289.11	0.83		
Parking Opex/SF annually	\$ 1.97	Management	\$114.92	\$0.33	Tax Rate	1.06%
Parking Lease Terms*	\$135.00 per month					
Floors total area	206,800 SF	Total	\$686.79	\$1.97		5%

	Operating Cash Flows									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Parking PGI	\$ 1,583,550.00	\$ 1,583,550.00	\$ 1,583,550.00	\$ 1,583,550.00	\$ 1,583,550.00	\$ 1,741,905.00	\$ 1,741,905.00	\$ 1,741,905.00	\$ 1,741,905.00	\$ 1,741,905.00
Parking Opex	\$ (407,737.84)	\$ (415,892.59)	\$ (424,210.45)	\$ (432,694.66)	\$ (441,348.55)	\$ (450,175.52)	\$ (459,179.03)	\$ (468,362.61)	\$ (477,729.86)	\$ (487,284.46)
Total NOI	\$ 1,175,812.16	\$ 1,167,657.41	\$ 1,159,339.55	\$ 1,150,855.34	\$ 1,142,201.45	\$ 1,291,729.48	\$ 1,282,725.97	\$ 1,273,542.39	\$ 1,264,175.14	\$ 1,254,620.54

Parking Garage Costs Summary			
	PSF	Total	Notes
<b>Hard Costs</b>			
Parking garage	\$ 43.84	\$ 10,521,030.00	\$26,600 per stall
Hard Costs Contingency	\$ 6.58	\$ 1,578,154.50	15% of all hard costs
<b>Total Hard costs</b>	\$ 50.41	\$ 12,099,184.50	
<b>Soft Costs</b>			
Appraisal	\$ 0.13	\$ 30,000.00	
Architecture	\$ 2.52	\$ 604,959.23	5% of hard costs
Engineering	\$ 2.52	\$ 604,959.23	5% of hard costs
Geotechnical Report	\$ 0.04	\$ 10,000.00	
Insurance	\$ 0.83	\$ 200,000.00	
Marketing	\$ 0.42	\$ 100,000.00	
Legal Permits and Fees	\$ 1.51	\$ 362,975.54	3% of hard costs
Overhead	\$ 3.33	\$ 800,000.00	
Soft Cost Contingency	\$ 0.87	\$ 209,705.09	5% of all soft costs
Developer Fee	\$ 6.17	\$ 1,481,207.85	10% of soft + hard costs
BOLI Prevailing Wage	\$ 7.82	\$ 1,877,722.95	12.5% of soft + hard costs
<b>Total Soft Costs</b>	\$ 26.17	\$ 6,281,529.87	
<b>Total Project Costs</b>	\$ 76.59	\$ 18,380,714.37	
Total project Costs per Parking stall		\$26,677.38	

# AFFORDABLE HOUSING COMPARABLES

## 410 W Mill Plain Blvd - 15 West

Vancouver, WA 98660 - Downtown Vancouver Submarket

★★★★★



### BUILDING

Type	3 Star Mid-Rise Apartments
Year Built	Dec 2015
Units	120
GBA	96,000 SF
Stories	4
Construction	Reinforced Concrete
Rent Type	Affordable
Market Segment	All

### LAND

Land Acres	0.75 AC
Parcel	052180-000

## 1314 Columbia St - 13 West Apartments

Vancouver, WA 98660 - Downtown Vancouver Submarket

★★★★★



### BUILDING

Type	4 Star Mid-Rise Apartments
Year Built	Feb 2017
Units	92
GBA	74,516 SF
Stories	4
Metering	Individually Metered
Construction	Reinforced Concrete
Rent Type	Affordable
Market Segment	All

### LAND

Land Acres	0.72 AC
Zoning	CC

## 555 W 8th St - Esther Short Commons

Vancouver, WA 98660 - Downtown Vancouver Submarket

★★★★★



### BUILDING

Type	4 Star Mid-Rise Apartments
Year Built	2004
Units	160
GBA	140,000 SF
Stories	5
Metering	Individually Metered
Rent Type	Market/Affordable
Market Segment	All

### LAND

Land Acres	1.94 AC
Zoning	CC

## AFFORDABLE HOUSING PROFORMA

Pro-Forma Operating Cash Flows																
Holding Period	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
PGI	\$2,147,076	\$2,217,174	\$2,289,560	\$2,364,309	\$2,441,498	\$2,521,208	\$2,603,520	\$2,688,519	\$2,776,293	\$2,866,933	\$2,960,532	\$3,057,187	\$3,156,997	\$3,260,066	\$3,366,500	\$3,476,409
Additional Revenue (Parking, Pet, Late)	\$175,785	\$180,742	\$185,839	\$191,079	\$196,468	\$202,008	\$207,705	\$213,562	\$219,585	\$225,777	\$232,144	\$238,690	\$245,421	\$252,342	\$259,458	\$266,775
V&C	-\$17,421	-\$16,629	-\$17,172	-\$17,732	-\$18,311	-\$18,909	-\$19,526	-\$20,164	-\$20,822	-\$21,502	-\$22,204	-\$22,929	-\$23,677	-\$24,450	-\$25,249	-\$26,073
EGI	\$2,305,440	\$2,381,287	\$2,458,227	\$2,537,656	\$2,619,655	\$2,704,307	\$2,791,698	\$2,881,917	\$2,975,055	\$3,071,208	\$3,170,471	\$3,272,948	\$3,378,741	\$3,487,958	\$3,600,709	\$3,717,110
OPEX	-\$327,309	-\$336,540	-\$346,030	-\$355,788	-\$365,821	-\$376,137	-\$386,744	-\$397,651	-\$408,864	-\$420,394	-\$432,249	-\$444,439	-\$463,603	-\$465,471	-\$469,842	-\$468,732
CAPEX	-\$28,729	-\$29,540	-\$30,373	-\$31,229	-\$32,110	-\$33,067	-\$34,051	-\$35,062	-\$36,102	-\$37,172	-\$38,272	-\$39,402	-\$40,565	-\$41,760	-\$42,989	-\$44,253
NOI	\$1,978,130	\$2,044,747	\$2,112,197	\$2,181,868	\$2,253,833	\$2,328,169	\$2,404,953	\$2,484,266	\$2,566,191	\$2,650,813	\$2,738,222	\$2,828,509	\$2,745,138	\$2,836,487	\$2,930,867	\$3,028,379
DS	-\$1,778,356	-\$1,778,356	-\$1,778,356	-\$1,778,356	-\$1,778,356	-\$1,778,356	-\$1,778,356	-\$1,778,356	-\$1,778,356	-\$1,778,356	-\$1,778,356	-\$1,778,356	-\$1,778,356	-\$1,778,356	-\$1,778,356	-\$1,778,356
Developer Fee (10% financed, 8% cash flow)	-\$184,638	-\$184,638	-\$184,638	-\$184,638	-\$184,638	-\$184,638	-\$184,638	-\$184,638	-\$184,638	-\$184,638	-\$184,638	-\$184,638	-\$184,638	-\$184,638	-\$184,638	-\$184,638
BTCF	\$15,136	\$266,391	\$333,841	\$403,512	\$475,477	\$549,813	\$626,597	\$705,910	\$787,835	\$872,457	\$959,866	\$1,050,153	\$966,781	\$1,058,131	\$1,152,511	\$1,250,023

Pro-Forma: Equity Reversion	
Sales price	\$49,808,860
Selling costs	\$996,177
NSP	\$48,812,683
Mortgage balance	\$18,777,292
BTER	\$30,035,391
IRR	23.43%
Return on Cost (- tax credits)	8.76%
Exit CAP Rate	6.08%

LIHTC	
Construction Costs PSF	\$ 252.82
Total Residential SF	101,000
Hard Construction Costs	\$ 32,659,962.50
Land	\$ -
Developer Fee/Contingency (10% ea.)	\$ 7,293,855.59
Parking Garage	\$ (3,064,479.57)
Soft Costs & BOLI Prevailing Wage	\$ 5,659,033.12
Eligible Basis	\$42,548,371.64
QCT	130.00%
Adjusted Eligible Basis	\$55,312,883.13
Percentage of Units	100.00%
Qualified Basis	\$55,312,883.13
Current IRS 4% Rate (8/21)	3.14%
Annual Credit Amount	\$ 1,736,824.53
Annual Single Project Max Limit	\$ 2,824,642.55
10 Year Term	\$17,368,245.30
Tax Credit Factor	\$ 0.90
<b>Total LIHTC Equity</b>	<b>\$15,631,420.77</b>
<b>Total Project Costs</b>	<b>\$45,612,851.21</b>
<b>Debt/Equity Needed</b>	<b>\$29,981,430.43</b>

Construction Costs Estimates		Inflation	
	2021	\$	220.00
	2022	\$	226.20
	2023	\$	232.58
	2024	\$	239.14
	2025	\$	245.89
	2026	\$	252.82
Garage			2
Estimated Parking Spaces			100
Cost Per Space	\$	26,666.67	
Lobby/Amenity Space		3,000	
Efficiency SF		35,380	
Rent		\$100.00	
Total Residential Construction Costs	\$	25,534,775.99	
Elevators/Mechanical (5%)	\$	1,276,738.80	
Site prep/SDC's/Utilities (5%)	\$	1,276,738.80	
Lobby/Communal Space	\$	379,229.35	
Courtyard/Pavilion	\$	468,000.00	
Signage/Wayfinding/Monument	\$	100,000.00	
Rain Cover	\$	125,000.00	
FFE	\$	35,000.00	
Appliances	\$	400,000.00	
Parking Structure	\$	3,064,479.57	
Sub-Total	\$	32,659,962.50	
BOLI Prevailing Wage (12.5%)	\$	3,699,435.37	
Soft Costs (6%)	\$	1,959,597.75	
Developer Fee (18%)	\$	3,461,956.03	
Contingency (10%)	\$	3,831,899.56	
<b>Total Construction Costs</b>	<b>\$</b>	<b>45,612,851.21</b>	
Per unit cost	\$	364,902.81	
Per unit cost - parking structure	\$	340,386.97	
Per square foot cost	\$	317.07	
<b>Construction Costs Per Type</b>			
	Studio	\$	219,483.62
	1 Bed	\$	314,773.83
	2 Bed	\$	403,741.48

<b>Construction Costs</b>	<b>\$ 45,612,851</b>
<b>LTV</b>	<b>60.73% \$ 27,700,788</b>
<b>Equity Needed</b>	<b>\$ 17,912,063</b>
<b>LIHTC</b>	<b>34.27% \$ 15,631,421</b>
<b>Developer Equity</b>	<b>5.00% \$ 2,280,643</b>
	<b>100.00%</b>
DSCR Requirement	1.25
Amount Borrowed	\$ 27,700,788
Periods	360
Interest Rate	0.004141666667
Payment	\$148,196.35
Annual Payment	(\$1,778,356.17)