

Waterfront Gateway

Disposition & Development Agreement (DDA) Public Hearing

October 9, 2023



Marc Fazio, President
Patrick Quinton, Executive Director

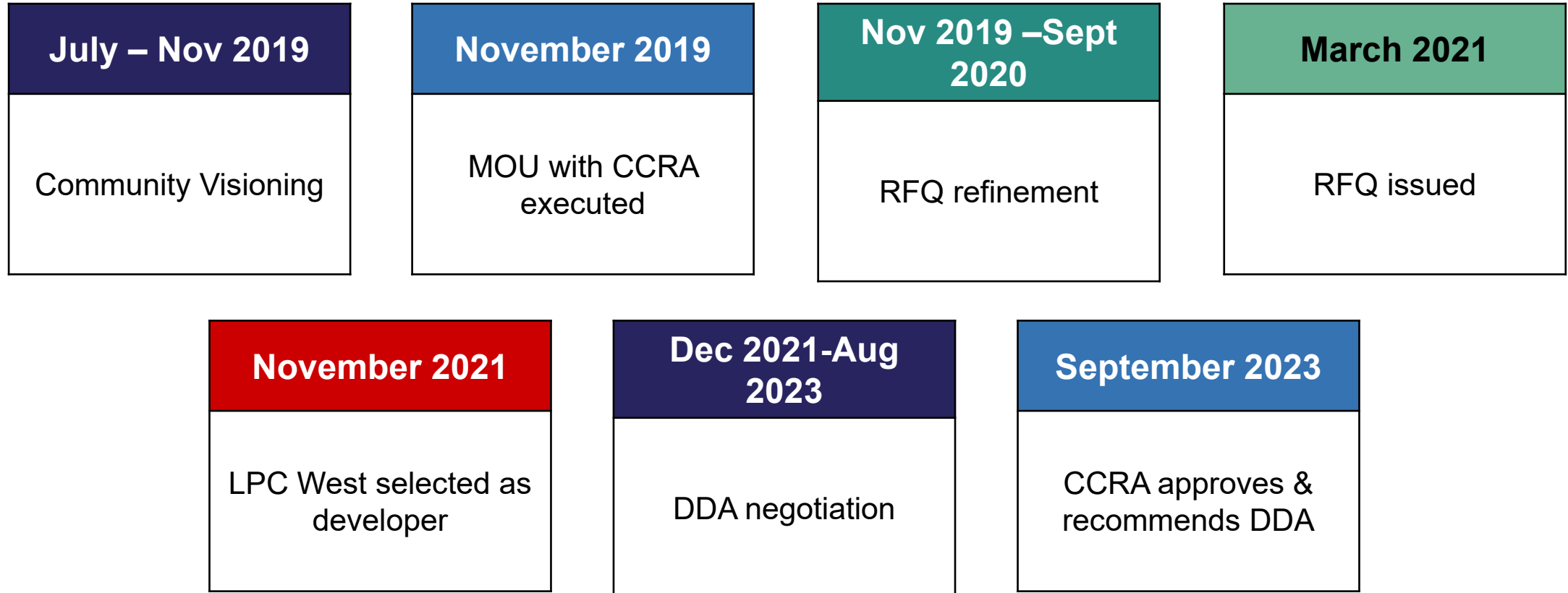
Amy Zoltie, Project Manager
Economic Prosperity & Housing

Agenda

- Project History
- CCRA Role
- Project Vision
- Site Plan and Program
- Public Benefits
- DDA Key Terms
- Project Costs and Cost Sharing
- Next Steps
- Requested Action
- Discussion & Questions



Project History



City Center Redevelopment Authority (CCRA) Role & Review

Memorandum of Understanding (MOU) with City delegated to CCRA responsibility for managing all activities necessary to plan and develop the site.

- Developer solicitation and selection
- Site plan development
- Negotiation of property disposition and funding plan
- Recommendation to Council on agreements, site plan and program.

Project Vision

The district should:

- be **active, urban, inviting** and mixed-use with strong cross-site pedestrian connectivity;
- include any **combination of residential, retail, office, visitor, cultural, signature attraction**, and structured parking uses;
- capitalize on the site's **strategic location**;
- provide **public benefits** including public connectivity and amenities;
- Be **accessible to all** abilities, ages and income levels; and
- create an environment that will **attract from the community** and around the region.



Developer Selection

Rationale for selecting LPC West

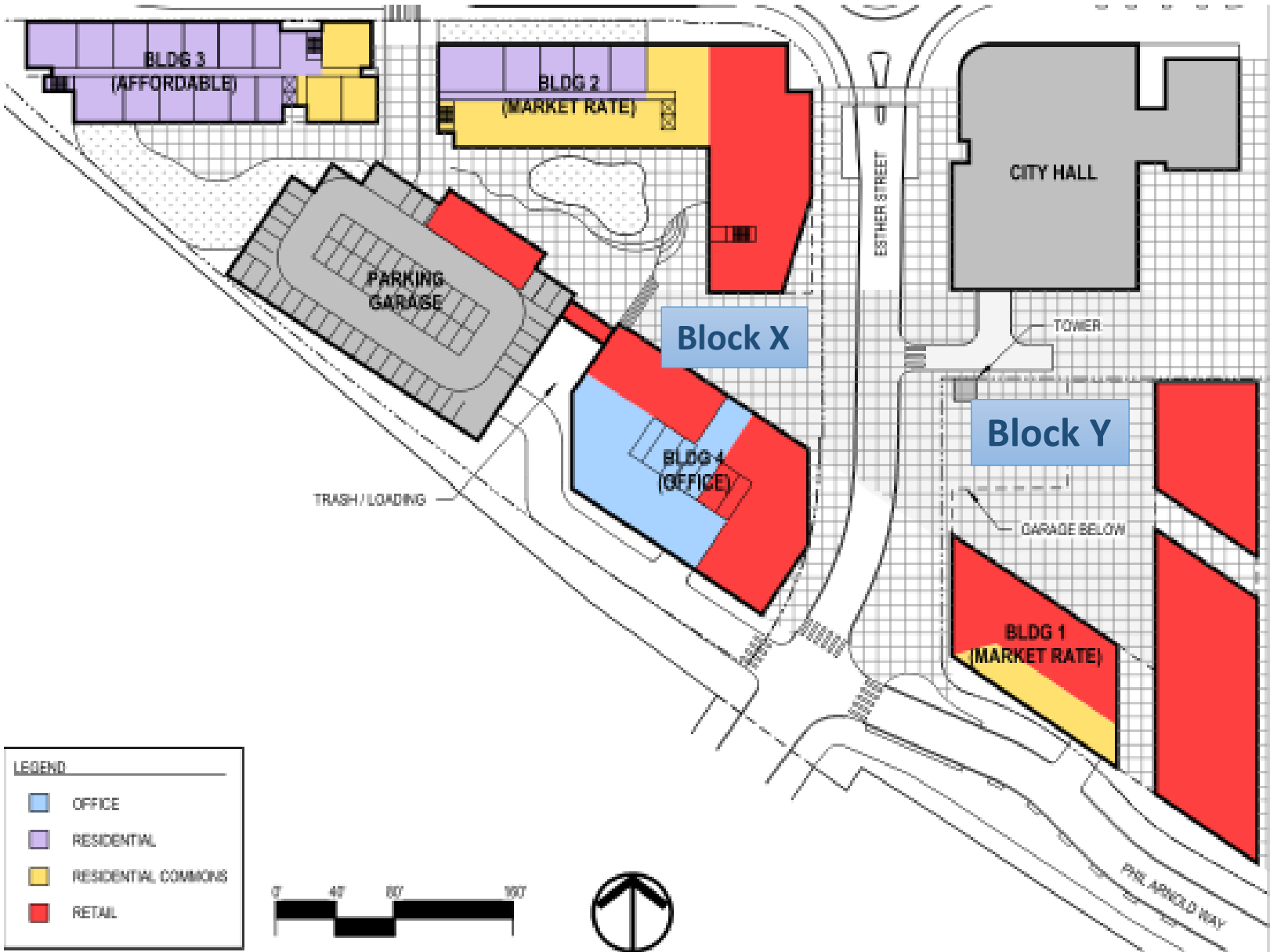
- Most qualified to accomplish desired outcomes
- Financial capacity and access to capital
- Team capacity and experience
- Best positioned to bring major employers to downtown Vancouver
- Commitment to equity & inclusion and relationships with BIPOC contractors

Site Plan & Programming

	Site Plan Program
Market Rate Units	~340 units*
Affordable Units	95 units, 100% @ 50-60% AMI
Retail Space	~35k sq ft
Office Space	~100k sq ft**
Parking Spaces	~510
Open Space	2 acres

*Dependent on height increase to allow for up to two additional floors

**Office Building to be constructed in Phase II



Public Benefits

Affordable Housing

- 95 units
- 100% of units @ or below 60% AMI

Workforce Development

- Employment Opportunities for BIPOC, Women & Apprentices
- Contracting Opportunities for BMWESB
- Community bidding

Public Open Space

- Two acre public plaza for year-round events
- TREECAP Silver Leaf Certification

Small Business Opportunities

- ROFR to lease space in Maker's Alley
- Smaller than standard commercial spaces with shared facilities

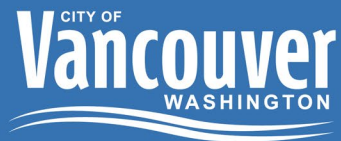
Climate Friendly - Green Building Elements

Economic Impact

<u>Estimated Return on Investment</u>	
Total value of private investment	\$300 m
Total value of Public Investment	\$25 m
Leveraging Ratio (private:public)	12:1
Construction Jobs	1,310
Permanent Jobs	1,000
Total Direct Employment	2,310
Total Indirect Employment	1,100
TOTAL EMPLOYMENT	3,410

Financial Return

\$300 million total investment including parking and office buildings



Estimates for Market Rate Residential

Property Tax

20 years

- \$15.3M total
- \$4.8M COV

Construction Sales Tax

- \$11.75M total
- \$1.5M COV

Retail Sales Taxes

20 years

- \$2.4M total
- \$250k COV

Utility Taxes

20 years

- \$2.2M total
- \$1.8M COV

Disposition & Development Agreement (DDA) Terms

Disposition of Property

- Ground lease for all market rate parcels
- Affordable housing parcel sold for \$1 with 50-year affordability covenant

Office Option

- 36-month option for office parcel

Timing

- 36 months to close and start construction on all parcels except office parcel
- Single phase for all parcels except office parcel

Contaminated Soil Disposal

- City to pay 90% incremental costs but capped at \$2.4M, LPC pay 10% incremental costs
- City to prepare Contaminated Media Management Plan

Performance

- Right of reversion for failure to deliver affordable housing project
- Performance guaranties & standard default and termination provisions

MFTE Market Rate Option

- 8-year program approved under previous MFTE program

Public Benefit Cost Sharing

	LPC	COV
Open Space	Block X & Y	City Hall Plaza + MFTE benefit to LPC
Parking	100%	
ROW Improvements	Block X & Y frontages	City Hall frontages
Affordable Housing		100% of subsidy
Soil Removal	90%/10% standard removal costs	90%/10% contaminated soil removal costs
City Hall Upgrades		100%

Schedule of Performance

Milestone	Target Date
Council approval of ground lease and sale agreement	90 days after DDA execution
Recording of all covenants	90 days following creation of the Legal Lots
Approval of permits to start construction	April 1, 2026
Phase 1 Outside Closing Date	April 1, 2026
Required commencement of construction Phase 1	July 1, 2026
Required completion of construction Phase 1	July 1, 2029 or within 3 years of construction commencement

Next Steps

- Public design process for City Hall plaza – Q3 2023 – Q1 2024
- Review and approval by City Council of form of ground lease and sale agreement - Q1 2024
- Design and permitting by LPC West – Q3 2023 – Q4 2024
- Projected start of construction - Q1 2025
- Projected end of construction – Q2 2027

Requested Actions

- Approve Disposition and Development Agreement (DDA) between City of Vancouver and LPC West
- Adopt Resolution authorizing City Manager to execute the DDA on behalf of City Council