



## University District Public Development Authority (UDPDA) Meeting Minutes Wednesday, March 9, 2022, from 4:43 PM – 5:18 PM, Via Zoom

**Board Members Present:** Council President Breean Beggs, Bill Bouten, Commissioner Mary Kuney, Steve MacDonald, Juliet Sinisterra

**Board Members Absent:** Lindsey Myhre, Katy Sheehan

**Others Invited to Present:** Taudd Hume (legal counsel), Chuck Murphy (Gonzaga proxy)

### Call to Order and Administrative Actions

In Myhre's absence, board secretary Bouten called the meeting to order at 4:43 PM and asked the board to review the draft February 2, 2022, UDPDA board meeting minutes and financials as of January 31, 2022. **MOTION to approve the minutes and financials** (Kuney), seconded (Beggs), and passed unanimously.

### Development Committee (DC) Report

- Chair Murphy reported that Avista Development begins cleanup of 411 E Sprague Ave and 12 N Grant Ave this Spring.
- Staff is negotiating the contract with Century Pacific for Public-Private Property Development Advisory Services for the 400-Block and work will commence in March.
- The city is beginning design work on the Riverside Avenue (north) sidewalk and the purchasing process for the road compression work.
- A [Transit-Oriented Development \(TOD\) Study](#) was completed by Jason Graf of Center-Based Planning. Recommended build-out strategies were illustrated for the Pine Street and the Sherman/Sprague STA stations. The former includes extending the existing commercial vibrancy along Main Ave down to a "Gateway Plaza" at the north landing of the Gateway Bridge. Infill student housing and a WSU expansion were also represented. The Sherman/Sprague strategy includes a Sprague Ave West "Activity Hub" with street-oriented commercial, a Gateway Park, and a parking garage. The Sprague Ave West "Neighborhood" includes a Grant St "Promenade", a park, folk market, and infill cluster housing. The Sprague Ave East "Activity Hub" includes parking and housing. The Sprague Ave East "Neighborhood" includes a park and infill cluster housing. The build-out strategy also calls for district connections to 2<sup>nd</sup> and 3<sup>rd</sup> Ave protected bikeways and the Pacific Ave Greenway. The latter is expected to receive \$3.5M in funding from the state legislature this session.

### 415 E Sprague Ave Right of First Offer (ROFO) Summary and Discussion

Murphy and Sinisterra shared the 400-Block Sprague Ave map and the following Right of First Offer (ROFO) Summary:

- Five additional parcels in the 400-Block of Sprague Ave are to be sold to the UDPDA by Avista Development Company (ADC) at cost plus related expenses with 6% compounding annual interest. Terms aligned with 411 E Sprague Ave and 12 N Grant Purchase and Sale Agreement.
- ADC commits to selling the additional five parcels to the UDPDA, but 411 E Sprague Ave and 12 North Grant need to be purchased first.
- UDPDA requested a delay in purchase: "The term of this ROFO shall commence on the date of closing on the First Property, and the Closing of the purchase of the Real





Property by UDPDA shall occur on or before the latter of either (a) 365 days from the date of closing on the First Property or (b) December 23, 2024.”

- Total estimated ADC costs for all seven parcels: \$3.77M (includes demolition and site cleanup and interest to date; but excludes interest going forward, estimated to be \$200,000 annually (6%).

Hume confirmed the summary points and noted that if the UDPDA wishes to proceed with all seven properties and secure ownership of the 400-Block it's in its best interest to do sooner vs later given compounding interest.

Bouten asked, and Sinisterra answered that *(per the language in the Real Property Acquisition Agreement executed in November 2021)* if the UDPDA moves ahead with the ROFO but decides not to purchase the properties, and if ADC then sells to a third party at a price less than what the UDPDA purchase price would have been, then *“the UDPDA agrees to pay ADC the lesser amount of a) the difference between the purchase price received by ADC and the UDPDA purchase price; or b) the difference between the UDPDA purchase price and an amount equal to 85% of the appraised value of the property at the date of the sale.”*

Asking for and hearing no other comments or questions, Bouten asked for a **MOTION to execute the ROFO as presented for 415 E Sprague Ave** (Kuney), seconded (Bouten), and passed unanimously.

### 2022 UDPDA Budget

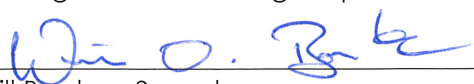
Sinisterra provided a detailed financial summary of the 2022 proposed budget that replaces the January-March “bridge” budget the board approved in December. She itemized past, present, and anticipated—but not yet finalized—UDPDA funding commitments. Although the final tax methodology for the PDAs remains unresolved, Sinisterra spoke to 2022 sales tax projections for major construction projects (the UDPDA receives 50% of the City's .85% sales tax share for construction sales tax) and noted discrepancies in county tax rolls vs owner-reported taxes paid. Bouten offered to help get more accurate numbers on some projects.


As it relates to the proposed 2022 net-zero budget, the UDPDA will increase its request to the City to \$897K to cover general operations, strategic planning costs related to the 400-Block and the UDRA Business and Development Plan, as well as funds for the board-approved public right of way improvements for the Boxcar, Riverside, and Don Kardong Bridge projects.

Asking for and hearing no comments, **MOTION to approve the 2022 proposed budget** (MacDonald), seconded (Kuney), abstained (Bouten), and passed unanimously.

### Public Comment

Asking for and hearing no public comment, Bouten adjourned the meeting at 5:18 PM.

  
\_\_\_\_\_  
Bill Bouten, Secretary

  
\_\_\_\_\_  
Date




## University District Public Development Authority (UDPDA) Voucher Certification – January 2022 Close

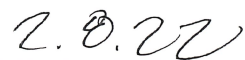
Per the Office of the Washington State Auditor and the BARS Voucher Certification and Approval Process set forth here

[https://www.sao.wa.gov/bars\\_cash/accounting/expenditures/voucher-certification-and-approval/](https://www.sao.wa.gov/bars_cash/accounting/expenditures/voucher-certification-and-approval/), I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described, or that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the (city/county/district), and that I am authorized to authenticate and certify to said claim.

**The following voucher/warrants/electronic payments were approved for payment and cleared the UDPDA bank account:**

Date	Voucher Warrant #	Description	Amount
1/11/22	1079	Desman, Inc for parking structure site analysis report	\$850
1/14/22	1080	Budinger for Phase II ESA for 411 E Sprague Ave	\$12,600
1/25/22	1081	HUB International for additional D&O premium	\$575

  
Juliet Sinisterra, CEO

  
Date