



## University District Public Development Authority (UDPDA)

### Board of Directors' Meeting Agenda

Wednesday, June 1, 2022 – 4:30 PM – 5:15 PM

In-Person, Bouten Construction, 627 N Napa, Spokane

**4:30 Welcome, Call to Order, Administrative Actions** – *Myhre*

- Proposed MOTION – Consent Agenda
  - UDPDA March 9, 2022, Board Meeting Minutes
  - UDPDA Financials as of April 30, 2022

**4:35 Development Committee Update** – *Murphy*

- 400-Block Sprague Avenue Update
  - 411 Avista Clean-up Costs
  - Century Pacific Update
  - Riverside Ave Discussion: Requested use of Boxcar Property Sale Funds for North Sidewalk

**4:55 Tax Methodology Update and State Request Letter** - *Sinisterra*

**5:10 Public Comment**

**5:15 Reminder: September 7 Annual Meeting at Joya and Adjourn** – *Myhre*

### 2022 UDPDA Board Meetings

- Sep 7 (annual meeting at Joya), Oct 5 (board retreat), Nov 2, Dec 7 (meeting and holiday social)



## University District Public Development Authority (UDPDA) Meeting Minutes - DRAFT 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:** Taud 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

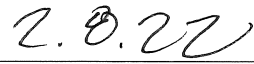
Per the Office of the Washington State Auditor and the BARS Voucher Certification and Approval Process set forth here

[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

UD Public Development Authority  
**Balance Sheet**  
As of April 30, 2022

---

	<u>Apr 30, 22</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
10128 · NUM Checking UDPDA	604,706.32
10129 · NUM MM UDPDA	35,505.64
<b>Total Checking/Savings</b>	<u>640,211.96</u>
<b>Total Current Assets</b>	640,211.96
<b>Fixed Assets</b>	
12005 · Fixed Asset	515,930.00
<b>Total Fixed Assets</b>	<u>515,930.00</u>
<b>TOTAL ASSETS</b>	<b><u><u>1,156,141.96</u></u></b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Equity</b>	
32000 · Retained Earnings	333,089.56
32001 · 201 W Main	515,930.00
Net Income	307,122.40
<b>Total Equity</b>	<u>1,156,141.96</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u><u>1,156,141.96</u></u></b>

11:10 AM  
 05/06/22  
 Cash Basis

**UD Public Development Authority**  
**Profit & Loss Budget vs. Actual**  
 April 2022

	<u>Apr 22</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Ordinary Income/Expense			
Income			
3000000 · REVENUES			
3100000 · TAXES - PROP, SALES, B&O			
3111000 · Property Tax	-1,731,580.00	0.00	-1,731,580.00
3132200 · Lcl Rvitalztn Financing SalesUse	2,452,182.83	0.00	2,452,182.83
3100000 · TAXES - PROP, SALES, B&O - Other	0.00	0.00	0.00
Total 3100000 · TAXES - PROP, SALES, B&O	720,602.83	0.00	720,602.83
3300000 · INTERGOV REVENUES			
3370000 · LOCAL GRANTS ENTITLMNT OTHER	-130,000.00	0.00	-130,000.00
Total 3300000 · INTERGOV REVENUES	-130,000.00	0.00	-130,000.00
3600000 · MISC REVENUES			
3620000 · RENTS AND LEASES	0.00	3,500.00	-3,500.00
3600000 · MISC REVENUES - Other	18.43	20.00	-1.57
Total 3600000 · MISC REVENUES	18.43	3,520.00	-3,501.57
Total 3000000 · REVENUES	590,621.26	3,520.00	587,101.26
Total Income	590,621.26	3,520.00	587,101.26
Expense			
5000000 · EXPENDITURES			
5580000 · CMTY PLANNING ECON DEV			
5586000 · Planning			
5586040 · Planning Services	5,175.00	30,220.00	-25,045.00
Total 5586000 · Planning	5,175.00	30,220.00	-25,045.00
5587000 · Economic Development			
5587040 · Econ Dev Services	17,057.72	16,326.54	731.18
Total 5587000 · Economic Development	17,057.72	16,326.54	731.18
Total 5580000 · CMTY PLANNING ECON DEV	22,232.72	46,546.54	-24,313.82
5590000 · PROPERTY DEVELOPMENT			
5593000 · Prop Dev Depr Amor Xfer Out			
5593060 · Prop Dev Capital Outlay	265,867.33	0.00	265,867.33
Total 5593000 · Prop Dev Depr Amor Xfer Out	265,867.33	0.00	265,867.33
Total 5590000 · PROPERTY DEVELOPMENT	265,867.33	0.00	265,867.33
5900000 · DBT EXP, CAP OUTLAYS, OTHR DECR			
5920000 · INTEREST OTHR DBT SVC COST			
5925800 · Int Othr Dbt CmtyPlan/EconDev	0.00	0.00	0.00
Total 5920000 · INTEREST OTHR DBT SVC COST	0.00	0.00	0.00
Total 5900000 · DBT EXP, CAP OUTLAYS, OTHR DECR	0.00	0.00	0.00
Total 5000000 · EXPENDITURES	288,100.05	46,546.54	241,553.51
Total Expense	288,100.05	46,546.54	241,553.51
Net Ordinary Income	302,521.21	-43,026.54	345,547.75
Net Income	<u>302,521.21</u>	<u>-43,026.54</u>	<u>345,547.75</u>

11:11 AM  
 05/06/22  
 Cash Basis

**UD Public Development Authority**  
**Profit & Loss Budget vs. Actual**  
 January through December 2022

	Jan - Dec 22	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
3000000 · REVENUES			
3100000 · TAXES - PROP, SALES, B&O			
3111000 · Property Tax	-1,731,580.00	432,976.00	-2,164,556.00
3132200 · Lcl Rvitalzn Financing SalesUse	2,452,182.83	649,464.00	1,802,718.83
3100000 · TAXES - PROP, SALES, B&O - Other	0.00	0.00	0.00
Total 3100000 · TAXES - PROP, SALES, B&O	720,602.83	1,082,440.00	-361,837.17
3300000 · INTERGOV REVENUES			
3370000 · LOCAL GRANTS ENTITLMNT OTHER	-80,000.00	50,000.00	-130,000.00
Total 3300000 · INTERGOV REVENUES	-80,000.00	50,000.00	-130,000.00
3600000 · MISC REVENUES			
3620000 · RENTS AND LEASES	14,363.27	42,000.00	-27,636.73
3600000 · MISC REVENUES - Other	134.54	260.00	-125.46
Total 3600000 · MISC REVENUES	14,497.81	42,260.00	-27,762.19
Total 3000000 · REVENUES	655,100.64	1,174,700.00	-519,599.36
Total Income	655,100.64	1,174,700.00	-519,599.36
Expense			
5000000 · EXPENDITURES			
5580000 · CMTY PLANNING ECON DEV			
5586000 · Planning			
5586040 · Planning Services	12,375.00	302,200.00	-289,825.00
Total 5586000 · Planning	12,375.00	302,200.00	-289,825.00
5587000 · Economic Development			
5587040 · Econ Dev Services	76,935.91	193,300.00	-116,364.09
Total 5587000 · Economic Development	76,935.91	193,300.00	-116,364.09
Total 5580000 · CMTY PLANNING ECON DEV	89,310.91	495,500.00	-406,189.09
5590000 · PROPERTY DEVELOPMENT			
5593000 · Prop Dev Depr Amor Xfer Out			
5593060 · Prop Dev Capital Outlay	265,867.33	655,000.00	-389,132.67
Total 5593000 · Prop Dev Depr Amor Xfer Out	265,867.33	655,000.00	-389,132.67
Total 5590000 · PROPERTY DEVELOPMENT	265,867.33	655,000.00	-389,132.67
5900000 · DBT EXP, CAP OUTLAYS, OTHR DECR			
5920000 · INTEREST OTHR DBT SVC COST			
5925800 · Int Othr Dbt CmtyPlan/EconDev	0.00	24,200.00	-24,200.00
5920000 · INTEREST OTHR DBT SVC COST - ...	12,100.00		
Total 5920000 · INTEREST OTHR DBT SVC COST	12,100.00	24,200.00	-12,100.00
Total 5900000 · DBT EXP, CAP OUTLAYS, OTHR DE...	12,100.00	24,200.00	-12,100.00
Total 5000000 · EXPENDITURES	367,278.24	1,174,700.00	-807,421.76
Total Expense	367,278.24	1,174,700.00	-807,421.76
Net Ordinary Income	287,822.40	0.00	287,822.40
Net Income	287,822.40	0.00	287,822.40




## University District Public Development Authority (UDPDA) Voucher Certification – February 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
2/8/22	1082	Traveler's Insurance – public official bonds for Sinisterra, Kuney, and Myhre	\$508
2/15/22	e-transfer	UDPDA Numerica Visa credit card annual fee	\$35
2/28/22	ACH	Harland Clarke for checking account endorsement stamp	\$53.28

  
\_\_\_\_\_  
Julie Sinisterra, CEO

  
\_\_\_\_\_  
Date





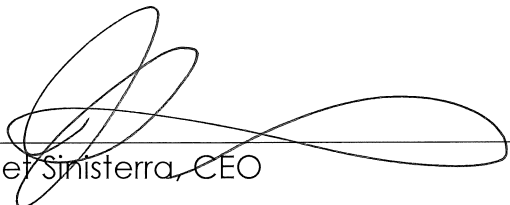
## University District Public Development Authority (UDPDA) Voucher Certification – March 2022 Close

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
3/1/22	1083	Witherspoon Brajcich McPhee, PLLC – Jan legal fees	\$1,650.00
3/10/22	e-transfer	UDDA Feb Services at new board-approved rate	\$14,422.72
3/11/22	e-transfer	UDDA March Services at new board-approved rate	\$14,422.72
3/22/22	1084	Witherspoon Brajcich McPhee, PLLC – Jan legal fees	\$1,163.75
3/25/22	e-transfer	UDDA April Services at new board-approved rate	\$14,422.72

  
Juliet Sinisterra, CEO

4.7.22  
Date



## University District Public Development Authority (UDPDA) Voucher Certification – April 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
4/25/22	1085	MRSC Rosters Annual Subscription fee	\$135.00
4/19/22	1086	Century Pacific, LLLP – first invoice for public private property development consulting	\$675.00
4/20/22	1087	GSI – Advantage Spokane Partnership website	\$2,500.00
4/25/22	1088	Boxcar Spo LLC – draw one for public right of way improvements	\$265,867.33
4/28/22	1089	Desman – additional parking feasibility study work	\$4,500.00
4/21/22	e-transfer	UDDA Feb Services at new board-approved rate	\$14,422.72

  
\_\_\_\_\_  
Juliet Sinisterra, CEO

5.9.2022  
\_\_\_\_\_  
Date



DRAFT

To: Vikki Smith, Director; Gil Brewer, Senior Assistant Director of Tax Policy  
Fr: Juliet Sinisterra, CEO, University District Public Development Authority; Todd Coleman, Executive Director, S3R3 (formerly known as West Plains/Airport Area Public Development Authority)  
Date: May 21, 2022  
**RE: Spokane Public Development Authorities (PDA) Tax Methodology Concerns**

On behalf of the West Plains/S3R3 and the Spokane University District PDAs, we are writing to request that the State Department of Revenue (DOR) reconsider its tracking of sales tax revenue based on a geographically-determined boundary that has been formally adopted by local municipalities.

The DOR provided sales tax revenues for the identified UDRA (University District Revitalization Area) boundary between 2009-2015. Thereafter, DOR declined to continue providing these reports. Since that time, Spokane City and Spokane County have been working to find a way to track, reconcile, and distribute accurate PDA sales tax revenues.

Both the Spokane City and County governments, along with the PDAs, agree that there is no way to accurately gather this information without reports from DOR. In lieu of an accurate solution, all parties have agreed to a revenue distribution based on a County-wide average for projected sales tax growth.

Sales tax distribution based on a County-wide average is in no way responsive to the focused development efforts underway at both PDAs. It also does not accurately reflect the extraordinary construction around life sciences and manufacturing that both PDAs are now benefiting from.

Because our mission is to make this State-legislated economic tool as successful as possible and because the State created this sales tax funding mechanism specifically for the PDAs, we ask for your support in making it viable and sustainable over the long term. Without verifiable sales tax reports from DOR, there is no way for us to accurately calculate sales tax.

We are happy to discuss in greater detail this barrier to our basic operations and our public impact. Thank you in advance for your willingness to listen and resolve this critical issue for the Spokane region's PDAs.

Sincerely,

A handwritten signature in black ink, appearing to be 'Juliet Sinisterra', written over a white background.

Juliet Sinisterra, CEO, UDPDA

Todd Coleman, Executive Director, S3R3