



University District Public Development Authority (UDPDA) Board of Directors' Meeting Agenda

Wednesday, September 2, 2020 – 3:00pm-4:15pm

Join Zoom Meeting <https://us02web.zoom.us/j/83091926573?pwd=OzA4OU1oeGpCekpoOFJlZUJYZlBzd09>

Meeting ID: 830 9192 6573

Passcode: 283592

One tap mobile +12532158782,,83091926573#,,,,,0#,,283592# US (Tacoma)

Dial by your location +1 253 215 8782 US (Tacoma)

Find your local number: <https://us02web.zoom.us/j/83091926573?pwd=OzA4OU1oeGpCekpoOFJlZUJYZlBzd09>

Pursuant to the March 24, 2020 Proclamation by the Governor (20-28)—which amends Proclamation 20-05 relating to the Open Public Meetings Act (OPMA) and Public Records Act—the UDPDA is “prohibited from conducting any meeting subject to RCW 42.30 unless (a) the meeting is not conducted in-person and instead provides an option to attend the proceedings through at minimum, telephonic access, and may also include other electronic, internet or other means of remote access, and (b) provides the ability for all persons attending the meeting to hear each other at the same time.” Therefore, in-person attendance at this UDPDA board meeting is prohibited and Zoom access info is above. Furthermore, in accordance with guidelines issued by the Washington Attorney General (AG) on March 6, 2020, only matters that are necessary and routine or matters necessary to the current public health circumstances will be addressed at this meeting. In accordance with OPMA and guidance issued by the AG, no public comment will be permitted at this meeting. If you have public comment for the UDPDA board, please submit it in writing by November 3 to lgilberts@spokaneudistrict.org.

3:00 Welcome, call to order, reminder re rules of decorum – Gilberts

3:03 Administrative actions – Gilberts

- Proposed MOTION – Consent Agenda
 - September 2, 2020 draft UDPDA board meeting minutes
 - Financials as of Sept 30, 2020 and Voucher Certifications for Aug-Sep

Date	Voucher Warrant #	Warrant Description	Amount
08/11/2020	1060	Desman, Inc. for shared parking analysis contract	980.00
08/26/2020	1061	Baldwin Sign Company contract deposit on wayfinding fabrication and installation	29,820.09
09/03/2020	Online xfer	To UDDA for 2020 Q2 Services Agreement	20,000.00
09/29/2020	1062	Desman, Inc. balance due on shared parking analysis contract (paid in full)	3,920.00

3:05 UDRA finance update – Gilberts

- Ordinance C35940 amending C34470 passed by City Council
- Update on methodology
- 2021 budget being finalized

3:10 Parking update – *Gilberts/Murphy*

- Development subcommittee recap
- Parking recommendation and discussion
- Proposed MOTION to accept criteria

3:18 Other updates – *Gilberts*

- Sprague Ave Phase 2b timing and funding – proposed MOTION to adopt terms
- Congrats to Catalyst team and UW/GU Health Partnership
- Wayfinding

3:25 Development – *Gilberts/Antonietti*

- Development Committee recap
- Presentation regarding request for funding of public right of way improvements

3:30 Adjourn into Executive Session per RCW 42.30.110(1)(b-c)

3:55 Executive Session ends, regular session resumes

- UDDA Development Committee recommendation on funding public right of way improvements
- Board discussion and proposed MOTION

4:05 Public comment

4:15 Adjourn – *Gilberts*

Next UDPDA meeting (*start/end times may be adjusted to account for UDDA meeting timing*)

- Dec 2 – 2:30pm-4:30pm via Zoom



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University District Public Development Authority Board Meeting Public Decorum Rules

University District Public Development Authority (UDPDA) Board meetings adhere to the following public decorum rules. These rules will be observed during UDPDA board meetings, including open forum, public comment period on allowed agenda items, and board deliberations. These rules are derived from the City of Spokane City Council Rules.

- No clapping, cheering, booing, or public outbursts.
- Three-minute time limit for comments made during open forum and public testimony on allowed legislative agenda items.
- No person shall be permitted to speak at open forum more often than once per month. In addition, cell phones should be silenced when entering the meeting.

Further, keep the following Rules in mind:

Rule 1: Open Forum

- The open forum is a limited public forum; all matters discussed in the open forum shall relate to the affairs of the UDPDA. No person shall be permitted to speak regarding items on the current or advance agendas. Individuals speaking during the open forum shall address their comments to the UDPDA Chair and shall not use profanity, engage in obscene speech, or make personal comments or verbal insults about any individual.
- To encourage wider participation in open forum and a broad array of public comment and varied points of view, no person shall be permitted to speak at open forum more often than once per month. However, there is no limit on the number of items on which a member of the public may testify before the UDPDA Board.

Rule 2: Public Testimony Regarding Agenda Items – Time Limits

- The UDPDA Board shall take public testimony on all matters included on its public agenda except those items listed in the next bullet. **Public testimony shall be limited to the final UDPDA Board action.** Public testimony shall be limited to three (3) minutes per speaker, unless, at his or her discretion, the UDPDA Chair determines that, because of the number of speakers signed up to testify, less time will need to be allocated per speaker in order to accommodate all of the speakers. The Chair may allow additional time if the speaker is asked to respond to questions from the UDPDA Board.
- No public testimony shall be taken on parliamentary or administrative matters of the UDPDA Board.
- The time taken for staff or UDPDA Board member questions and responses thereto shall be in addition to the time allotted for any individual testimony.



University District Public Development Authority (UDPDA) Annual Meeting Minutes - DRAFT

Wednesday, September 2, 2020 – 2:37 pm - 4:35 pm via Zoom

Board Members Present: Dan Antonietti, Council President Breean Beggs, Bill Bouten, Lars Gilberts, Commissioner Mary Kunev, Katy Sheehan, Paul Warfield

Board Members Absent: None

Special/Invited Guests: Chuck Murphy and Chris Green (UDDA Development Committee co-chairs), Mark Desmond and Dean Pape (deChase Miksis, Boise)

Call to Order and Administrative Actions

Chair Gilberts called the annual meeting to order at 2:37 pm and reminded the group to follow Public Decorum Rules. Gilberts noted that there was a UDPDA quorum present at the July 8, 2020, University District Development Association (UDDA) Development Committee meeting, but no action was taken. Gilberts then asked the board to review the draft June 3, 2020, UDPDA board meeting minutes, and the UDPDA financials and voucher certifications as of July 31, 2020. **MOTION to approve the consent agenda with minutes and financials** (Warfield), seconded (Antonietti), and passed unanimously.

2021 Board and Officers

Gilberts reminded the group that per the bylaws, UDPDA permanent directors are Beggs, UDDA CEO (Gilberts), Kunev, and Warfield with jointly-selected director Sheehan. Also, per the bylaws, the UDDA annually appoints two members to serve on the UDPDA board. At the UDDA meeting, the board appointed Bouten and Myhre to the UDPDA board in 2021. The 2021 proposed officers are Chair – Myhre, Vice-Chair/Secretary – Gilberts, Treasurer – Kunev. **MOTION to approve 2021 officer slate** (Bouten), seconded (Antonietti), and passed unanimously.

University District Revitalization Area (UDRA) Finance Update

A thorough reconciliation of UDRA revenue and expenses before 2020 will result in a net payable to the UDPDA of \$1,937,769. The balance of these funds will be applied to the future Sprague 2b commitment. The board recognized Tonya Wallace's leadership in resolving this longstanding issue. **MOTION to accept the City's pre-2020 UDRA contribution reconciliation and terms** (Kunev), seconded (Bouten), and passed unanimously.

As a result of this reconciliation process and the involvement of other regional PDAs, the City and County are working together to test a proposed 2020+ sales tax methodology calculation. Likewise, work on the cap and cliff issue continues with the City Council who is drafting an ordinance change.

Gilberts provided an overview of UDRA finance projections (LIFT not included) using graphs to depict "worst", "cautions", "healthy", and "original" growth scenarios. The various trajectories helped the group visualize and quantify income over time. Under the current "worst" scenario, the cap of \$650K is enforced and there is a "cliff" of City matching only County contributions 2036-2039. Various scenarios explore various changes to the City ordinance and economic conditions. The "original" path represents what the



UDPDA was negotiating for last year: a 50/50 split on sales tax with no cap through the end of 2039 and property tax stays 75/25.

These scenarios are important as they impact Sprague Avenue Phase 2b funding. To recap, in 2018, the UDPDA board approved \$4M to revitalize Sprague Avenue in two phases. With the first phase complete, and based on the projections shared by Gilberts, even with the \$1.9M applied to the project, additional funding will be needed for Phase 2b. As a result, Gilberts asked for a **MOTION to authorize the UDPDA Executive Committee to evaluate and secure a loan (likely SIP or SCIF) with the best available terms to facilitate the construction of Sprague Ave Phase 2b and exhaust the outstanding UDRA funds due to the UDPDA (accrued before 2020) to satisfy the first payments of the loan** (Kuney), seconded (Bouten), and passed unanimously.

Parking Analysis and Recommendation

Gilberts and Bouten (who serve on the UDDA Development Committee) reminded the board that today's parking presentation is the culmination of years of work by the UDPDA, UDDA, the universities, local business and property owners, developers, neighbors, etc. Parking outreach, convenings, and studies have been ongoing and at the 2020 board retreat parking was stated as a top priority. Since then, the UDDA Development Committee has led an effort to provide the UDPDA board with a fully-researched parking analysis, summary, and recommendation.

At the most recent June 3 board meeting, Casey Jones (Desman, Inc.) walked the UDPDA board through a summary of the "Shared Parking Analysis Report". He spoke to site context, assumptions for the parking analysis, existing conditions relating to land uses and parking supply, 14 proposed or active developments in the study area, future parking supply, a summary parking analysis, a dynamic model for scenario analysis, next steps, and matrices showing draft site selection and parking management evaluation criteria.

Informed by Desman's work and an internal UD parking structure white paper by staff, and given the UD's history of identifying and funding critical infrastructure that supports its chartered purpose of economic development, the Development Committee reached a consensus to support and invest in structured parking that facilitates new and ongoing development because:

- It is consistently a top priority for most stakeholders;
- Desman's 2020 Shared Parking Analysis Report identified a growing parking deficit around the UD Gateway Bridge;
- Parking garages are critical to increasing density yet are not currently financially feasible for individual projects given development costs and likely rates of return;
- 'Eliminating' the problem of parking is one of the most direct ways to spur more, bigger, faster developments and support job growth; and
- 'But for the PDA' University District parking will not be addressed, development will be slowed, and the UDRA will underperform over the next 10 years.

More specifically, the Development Committee summarized their recommendation to the UDPDA board as follows:



- Engage the City, Spokane Transit Authority, owners of off-street parking, and other relevant partners to increase efficient parking sharing and management;
- Adopt the Site/Project Evaluation Criteria developed in conjunction with the Desman Shared Parking Analysis Report;
- Reserve up to 80% of the UDRA's projected revenue through 2039 to invest in structured parking in compliance with the Site/Project Evaluation Criteria; and
- Review Site/Project Evaluation Criteria and available funds in 18 months (and annually) to confirm or adapt parking and UDRA strategies.

Sheehan asked about other priorities that surfaced during parking outreach meetings. Bouten indicated that housing and supporting the higher ed health, education, and research complex were paramount. Sheehan asked that the words "including housing" be called out as important in the mixed-use Site/Project Evaluation Criteria. Director Warfield noted that structured parking does not necessarily mean a physical structure. Gilberts concurred saying parking solutions require a suite of options (transit, City metering, shared parking, lease vs own, etc.) to adequately address the coming deficit. Beggs encouraged the group to think about convertibility, not just expandability and focusing on/investing in shared partnerships where the UDPDA is "the last dollar in". Guest Dean Pape spoke of Boise's parking projects and the importance of maximizing the turnover of stalls and vetting partners.

After these discussions, **MOTION to acknowledge and accept the Desman Shared Parking Analysis Report and its findings as preliminary guidance** (Bouten), seconded (Beggs), and passed unanimously.

The board then moved to adopt the proposed "Whereas" MOTION as presented except for Section 3 so the board can discuss evaluation criteria in greater detail at the next regular board meeting. **MOTION** (by Warfield), seconded (Antonietti), and passed unanimously: **"WHEREAS, the UDPDA board acknowledges the UDRA funds reconciliation is in progress; WHEREAS, the UDPDA board recognizes a specific UDRA parking project is yet to be identified; NOW, THEREFORE, the UDPDA board agrees as follows:**

- **Section 1: That parking is the most pressing UDRA project within the UD and that the next 18 months are critical to advance the project;**
- **Section 2. That up to 80% of current and future UDRA funds should be set aside for parking;**
- ~~**Section 3. That the proposed Site/Project Evaluation Criteria be adopted;**~~ *(defer until next meeting)*
- **Section 4: That parking mitigation strategies should be pursued; and**
- **Section 5. That UDRA executive staff has full authority to act on behalf of the UDPDA board to seek, pursue, and evaluate UDRA parking project(s).**

Project Updates

Gilberts provided the following UDRA project updates:

- Sherman/5th Avenue signal design has no funding path so will likely be postponed.
- Wayfinding signage should be in before the snow flies.
- A purchase and sale agreement (with a three-day turnaround request) was received for the UW Spokane Center and shared with the Executive Committee.



Due to the unrealistic timeframe, no action was taken. However, to be responsive to future inquiries, the board directed the UDDA Development Committee and staff to seek a formal valuation of the UW Spokane Center property under various assumptions so they can deliberate how to best utilize the property under its charter and objectives.

After public comments, Gilberts adjourned the meeting at 4:35 pm.

Mary Kuney, Secretary

Date

UD Public Development Authority
Balance Sheet
As of August 31, 2020

	<u>Aug 31, 20</u>
ASSETS	
Current Assets	
Checking/Savings	
10128 · NUM Checking UDPDA	56,242.58
10129 · NUM MM UDPDA	2,500.44
Total Checking/Savings	<u>58,743.02</u>
Total Current Assets	58,743.02
Fixed Assets	
12005 · Fixed Asset	515,930.00
Total Fixed Assets	<u>515,930.00</u>
TOTAL ASSETS	<u><u>574,673.02</u></u>
LIABILITIES & EQUITY	
Equity	
32000 · Retained Earnings	31,147.67
32001 · 201 W Main	515,930.00
Net Income	27,595.35
Total Equity	<u>574,673.02</u>
TOTAL LIABILITIES & EQUITY	<u><u>574,673.02</u></u>

UD Public Development Authority
Profit & Loss Budget vs. Actual

Cash Basis

August 2020

	Aug 20	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
3000000 · REVENUES				
3300000 · INTERGOV REVENUES				
3370000 · LOCAL GRANTS ENTITLMNT OT...	0.00	10,000.00	-10,000.00	0.0%
Total 3300000 · INTERGOV REVENUES	0.00	10,000.00	-10,000.00	0.0%
3600000 · MISC REVENUES				
3620000 · RENTS AND LEASES	5,000.00	5,631.25	-631.25	88.8%
3600000 · MISC REVENUES - Other	0.11			
Total 3600000 · MISC REVENUES	5,000.11	5,631.25	-631.14	88.8%
Total 3000000 · REVENUES	5,000.11	15,631.25	-10,631.14	32.0%
Total Income	5,000.11	15,631.25	-10,631.14	32.0%
Expense				
5000000 · EXPENDITURES				
5580000 · CMTY PLANNING ECON DEV				
5586000 · Planning				
5586040 · Planning Services	980.00	0.00	980.00	100.0%
5586060 · Planning Capital Outlays	29,820.09	0.00	29,820.09	100.0%
Total 5586000 · Planning	30,800.09	0.00	30,800.09	100.0%
5587000 · Economic Development				
5587040 · Econ Dev Services	0.00	713.00	-713.00	0.0%
Total 5587000 · Economic Development	0.00	713.00	-713.00	0.0%
Total 5580000 · CMTY PLANNING ECON DEV	30,800.09	713.00	30,087.09	4,319.8%
Total 5000000 · EXPENDITURES	30,800.09	713.00	30,087.09	4,319.8%
Total Expense	30,800.09	713.00	30,087.09	4,319.8%
Net Ordinary Income	-25,799.98	14,918.25	-40,718.23	-172.9%
Net Income	-25,799.98	14,918.25	-40,718.23	-172.9%



**University District Public Development Authority (UDPDA)
Voucher Certification – August 2020 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/, 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
8/11/20	1060	DESMAN for balance due on parking contract	980.00
8/26/20	1062	Baldwin Sign Company for deposit on wayfinding fabrication and installation	29,820.09


Lars Gilberts, CEO, UDDA and UDPDA board chair

9/3/2020
Date

UD Public Development Authority
Balance Sheet
As of September 30, 2020

	<u>Sep 30, 20</u>
ASSETS	
Current Assets	
Checking/Savings	
10128 · NUM Checking UDPDA	40,606.37
10129 · NUM MM UDPDA	2,500.55
Total Checking/Savings	<u>43,106.92</u>
Total Current Assets	43,106.92
Fixed Assets	
12005 · Fixed Asset	515,930.00
Total Fixed Assets	<u>515,930.00</u>
TOTAL ASSETS	<u>559,036.92</u>
LIABILITIES & EQUITY	
Equity	
32000 · Retained Earnings	31,147.67
32001 · 201 W Main	515,930.00
Net Income	11,959.25
Total Equity	<u>559,036.92</u>
TOTAL LIABILITIES & EQUITY	<u>559,036.92</u>

UD Public Development Authority
Profit & Loss Budget vs. Actual

September 2020

	Sep 20	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
3000000 · REVENUES				
3300000 · INTERGOV REVENUES				
3370000 · LOCAL GRANTS ENTITLMNT OTH...	0.00	0.00	0.00	0.0%
Total 3300000 · INTERGOV REVENUES	0.00	0.00	0.00	0.0%
3600000 · MISC REVENUES				
3620000 · RENTS AND LEASES	8,283.79	5,631.25	2,652.54	147.1%
3600000 · MISC REVENUES - Other	0.11			
Total 3600000 · MISC REVENUES	8,283.90	5,631.25	2,652.65	147.1%
Total 3000000 · REVENUES	8,283.90	5,631.25	2,652.65	147.1%
Total Income	8,283.90	5,631.25	2,652.65	147.1%
Expense				
5000000 · EXPENDITURES				
5580000 · CMTY PLANNING ECON DEV				
5586000 · Planning				
5586040 · Planning Services	3,920.00	0.00	3,920.00	100.0%
5586060 · Planning Capital Outlays	0.00	0.00	0.00	0.0%
Total 5586000 · Planning	3,920.00	0.00	3,920.00	100.0%
5587000 · Economic Development				
5587040 · Econ Dev Services	20,000.00	25,000.00	-5,000.00	80.0%
Total 5587000 · Economic Development	20,000.00	25,000.00	-5,000.00	80.0%
Total 5580000 · CMTY PLANNING ECON DEV	23,920.00	25,000.00	-1,080.00	95.7%
Total 5000000 · EXPENDITURES	23,920.00	25,000.00	-1,080.00	95.7%
Total Expense	23,920.00	25,000.00	-1,080.00	95.7%
Net Ordinary Income	-15,636.10	-19,368.75	3,732.65	80.7%
Net Income	-15,636.10	-19,368.75	3,732.65	80.7%



UNIVERSITY
DISTRICT

**University District Public Development Authority (UDPDA)
Voucher Certification – September 2020 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/, 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
09/03/2020	Xfer	UDDA 2020 Q2 Services Agreement	20,000.00
09/29/2020	1062	Desman, Inc. balance due on contract	3,920.00


Lars Gilberts, CEO, UDDA and UDPDA board chair

10/7/2020
Date

University District Parking Structure Site/Project Evaluation Criteria Scoring Rubric

Note: The following Scoring Rubric is intended to provide structure and rationale when deliberating/evaluating one or multiple projects. The Scoring Rubric does not bind the UDPDA Board, but rather acts as a tool for informed conversation. The Rubric should be used as a guide to provide uniform results relating to Site/Project use, interpretation, implementation.

	Criteria	Definition	0	5	10	Notes
1	But for the UDPDA this would not happen or at scale	The likelihood of the development, its size, or presence of a meaningful parking solution is significantly less or absent without PDA support; or the delay would be two years or greater.	Development would happen regardless	Development scale or timeline would be reduced by up to 50% or 2+ years	Development would not happen at any scale in the foreseeable future	The UDPDA seeks to be the 'last dollar in' to improve effectiveness (only investing in 'but for us' projects) and efficiency (net cost per stall).
2	Positive impact on existing properties and residents	Existing business, property owners, and residents are likely to realize a benefit (e.g., additional shared parking, complementary use, increase in activity/safety).	Provides no new parking or activity for surrounding businesses, organizations or residences	Provides parking or additional activity for five surrounding businesses, organizations or residences	Provides parking or additional activity for 10 surrounding businesses, organizations or residences	
3	Projected cost per stall	Cost to the PDA (e.g., land, design, construction, etc.) divided by the total number of stalls created.	>\$31,440/stall	\$24,640-\$28,640	<\$21,840/stall	National median cost/stall is \$22,200 for hard costs only and for a basic pre-cast parking structure without ground floor commercial space. Soft costs such as land acquisition, engineering and architectural design typically adds an additional 20% or more. 20% is used here.
4	Potential to catalyze additional development	Likelihood this parking will facilitate coordinated and subsequent development of adjacent sites. Primarily focused on a 10-year horizon but future considerations and mode shift can be factored in.	Project is not likely to catalyze other (re)developments	Lease or agreement likely that will allow (re)development of neighboring sites	Lease or agreement in hand that will allow (re)development of neighboring sites.	
5	Anticipated community/stakeholder support	Is there support by community members and stakeholders for a parking development on the site?	Strong opposition to site	General openness to site and plan with no critical opposition	Broad community support and negligible opposition.	If project is confidential, explore as well as confidentiality and previous community engagement allows.
6	Net parking supply added	The percentage of stalls created that exceed stalls cannibalized by the development	No new parking is added	50% increase in parking supply	>100% increase in parking supply	
7	Supports mixed use	The site supports or allows for mixed uses either on the site itself or on adjacent parcels. Can be through placement, integration, and management. Housing is one of the most critical uses to support.	Site only supports a single use	Site is within 200 ft of property with a high probability of being redeveloped (surface parking, low FAR, low improved value/sqft)	Site is designed to support 2+ uses onsite or is developed in coordination with a neighboring development	When scoring, value or priority should be given to housing. The potential for efficient parking use and community vitality is greater with housing as a component of mixed use.
8	Anticipated impact on tax revenue	Calculated direct (parking site and coordinated developments) and indirect (e.g., development of adjacent sites, value increase, retail activity) impact on sales and property tax within the UDRA.	Development will produce combined direct 10 year local taxes of less than 10% of the net investment and/or cost.	Development will produce combined direct 10 year local taxes equal to 30% of the net investment and/or cost.	Development will produce combined direct 10 year local taxes equal or greater to 50% of the net investment and/or cost.	combined taxes = construction sales tax, increased property taxes, retail sales tax Net = portion of investment unlikely to be recouped at sale or cumulative subsidy of operation
9	Anticipated UDRA ROI	Amount of annual cash flow and/or projected proceeds from a future sale.	Projected cumulative cashflow and residual value expected to offset initial investments and operating expenses by < 50%	Projected cumulative cashflow and residual value expected to offset initial investments and operating expenses by 75%	Projected cumulative cashflow and residual value expected to exceed initial investments and operating expenses	
10	Future expandability and adaptability	Site supports additional growth such that a parking facility could be built in phases if desired or optimal). Structure is designed to be repurposed if parking demand ceases before the structure's useful life ends.	Site cannot be repurposed or expanded in the future	Adaptable to most uses with moderate internal structural changes and/or 50% increase at comparable price or 100%+ at a rate slightly above what current rents/demand can justify	Adaptable to virtually all uses with minimal internal structural changes and/or 100% increase is possible at a comparable price	When scoring, score on either expandability or adaptability as applicable. If scoring on both double the weight or value of the score.

Memo

To: Lars Gilbert & UDistrict PDA Board Members
From: Michelle Hughes, Accounting Director
Date: October 14, 2020
Re: City of Spokane SIP Loan for Construction of East Phase II

Background: A Spokane Investment Pool loan is needed to monetize future revenues to construct a project located on East Sprague. The project has been split into two phases. The SIP Loan is needed for phase II. The amount of 4 million dollars will be amortized over 5 years with principal and interest payment being due June 1 and Dec 1. The interest will be calculated at the 5yr Treasury note rate on the first day of the month the loan is issued plus .50 basis points. The amounts described below along with an estimated amortization schedule is an estimation only based on when the budget for the City of Spokane was developed.

Can this amount increase after closing? NO

Loan Amount \$ 4,000,000

Interest Rate (Estimate) 5 year Treasury note rate on the first day of the month the loan is drawn plus .50 basis points. This estimated calculation uses .76% which is the 9/1 note rate of .26% plus .50% = .76%

Semi Annual Principal and Interest Payment (Estimate) \$ 409,140.43 due June 1 and December 1 for 5 years. Total annual principal and interest is \$ 818,280.86.

See Estimated Amortization Schedule attached

East Sprague Project

Compounding Period: Semiannual

Nominal Annual Rate: 0.760%

Cash Flow Data - Loans and Payments

Event	Date	Amount	Number	Period	End Date
1 Loan	09/07/2020	4,000,000.00	1		
2 Payment	06/01/2021	409,140.43	10	Semiannual	12/01/2025

TValue Amortization Schedule - Normal, 360 Day Year

Date	Payment	Interest	Principal	Balance
Loan 09/07/2020				4,000,000.00
2020 Totals	0.00	0.00	0.00	
1 06/01/2021	409,140.43	22,405.05	386,735.38	3,613,264.62
2 12/01/2021	409,140.43	13,730.41	395,410.02	3,217,854.60
2021 Totals	818,280.86	36,135.46	782,145.40	
3 06/01/2022	409,140.43	12,227.85	396,912.58	2,820,942.02
4 12/01/2022	409,140.43	10,719.58	398,420.85	2,422,521.17
2022 Totals	818,280.86	22,947.43	795,333.43	
5 06/01/2023	409,140.43	9,205.58	399,934.85	2,022,586.32
6 12/01/2023	409,140.43	7,685.83	401,454.60	1,621,131.72
2023 Totals	818,280.86	16,891.41	801,389.45	
7 06/01/2024	409,140.43	6,160.30	402,980.13	1,218,151.59
8 12/01/2024	409,140.43	4,628.98	404,511.45	813,640.14
2024 Totals	818,280.86	10,789.28	807,491.58	
9 06/01/2025	409,140.43	3,091.83	406,048.60	407,591.54
10 12/01/2025	409,140.43	1,548.89	407,591.54	0.00
2025 Totals	818,280.86	4,640.72	813,640.14	
Grand Totals	4,091,404.30	91,404.30	4,000,000.00	

Last interest amount increased by 0.04 due to rounding.

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of your credit as a yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf.	The amount you will have paid after you have made all payments as scheduled.
0.760%	\$91,404.30	\$4,000,000.00	\$4,091,404.30

UDPDA PROPERTY TRANSACTION EVALUATION CRITERIA – *DRAFT V2*



The UDPDA has broad powers under Section 5.1 of its Charter and under RCW 35.81 which allow it to conduct community renewal activities; acquire, manage, rehabilitate and oversee the development and operation of properties; spur private sector growth for economic gain and diversification, including downtown revitalization; and to encourage the highest and best use of urban land, infrastructure, natural resources, and buildings. From time to time—as the UDPDA makes decisions regarding property it owns or manages—the following evaluation criteria are intended to provide a framework for making informed decisions regarding proposed transactions.

Transaction Criteria:

- Transactions must meet all relevant city ordinances and state standards regarding Tax Increment Financing (TIF) investments, if any.
- Transactions must align with UDPDA/UDDA strategic goals and the highest/best use of property and proceeds.
- To maximize revitalization and continued UDRA/UDPDA growth, transactions must be rated “HR” in three of the five criteria.
- ROI takes into account transactions that produce rent, fees, or other revenue to the UDPDA to fund future projects; and/or directly or indirectly increases taxable property values or sales tax within the UDRA.

Rating Level	UDPDA/UDRA REVENUE or ROI	COMPLEMENTARY USE (Property and Proceeds)	TIMELINESS/LEVERAGE	ADJACENT DEVELOPMENT/CONNECTIVITY	PLACEMAKING OR OTHER VALUE
HR	Maximum one-time revenue gain and/or highest ongoing revenue stream for the UDPDA	Highly complementary proposed use(s) that align extremely well with UDPDA goals	Very time critical Very strong leverage and/or capacity to build leverage or scale	Significant cooperation with surrounding properties/ development partners creates the best outcomes for UDPDA	Significant place making or other opportunities that will catalyze redevelopment or investment in the UDRA
R	Moderate one-time revenue gain and/or moderate ongoing revenue stream for the UDPDA	Somewhat complementary proposed use(s) that align well with UDPDA goals	Somewhat time critical Good leverage and/or capacity to build leverage or scale	Some cooperation with surrounding properties/ development partners creates acceptable outcomes for UDPDA	Moderate place making or other opportunities that will catalyze redevelopment or investment in the UDRA
NR	Little to no revenue gain or stream to the UDPDA	Minimal complementary proposed use(s) that align with UDPDA goals	Not time critical Poor leverage in place or little capacity to build leverage	Little to no cooperation with surrounding properties/ development partners anticipated	Minimal place making or other opportunities to catalyze redevelopment or investment in the UDRA



October 28, 2020

University District
Attn: Lars Gilberts
CEO
120 N Pine St, Ste 292
Spokane, WA 99202

VIA EMAIL: lgilberts@spokaneudistrict.org

**RE: Browne and Riverside Project
Request for Assistance with Public Improvements**

Dear Mr. Gilberts:

This letter is a request for assistance with public improvements associated with our proposed mixed-use project located at the corner of Browne Street and Riverside Avenue in the University District. The project is designed to include 139 workforce and market rate homes, about 1,500 square-feet of retail, residential amenities, and approximately 65 parking stalls tucked-in behind the retail and front of the residential building on Riverside Avenue.

Currently we have gap in our public infrastructure funding of approximately \$400,000. This includes improvements to the streetscape, alleyway, utilities, and public infrastructure around the property. Over the past few months we have been working with the City of Spokane, the Spokane Transportation Authority, the Spokane Public Works Department, and the Downtown Spokane Partnership to see if there was any assistance with public improvements or overlaps in areas of work. Below is a breakdown of the current commitments by these public agencies:

City of Spokane – Public Infrastructure Assistance	\$106,865
City of Spokane – Neighborhood Planning Assistance	\$10,000
Spokane Transportation Authority	TBD
Spokane Public Works Department	TBD
Downtown Spokane Partnership	\$0

We continue to work with the Spokane Transportation Authority and Spokane Public Works Department as they both have projects planned on Riverside Avenue. At this point it is unclear if there is an overlap in these proposed projects and our project. It is our hope that any project overlap would provide savings or funding to lower the current funding gap.

We respectfully request the assistance of the University District to help us with this catalytic project by providing the current gap in funding for public improvements of up to \$285,000. To assist in your review of this project’s eligibility I addressed each of the URDA’s Project Evaluation Criteria below:

1. ROI – UDPDA Revenue. The project has a projected increase in taxable value of approximately \$22 million, which we have estimated the yearly tax at approximately \$260,000. We are working with the City to provide the property with the Multi-Family Tax Exemption for 12 years. Assuming we are successful with receiving the City’s approval the increased property tax would start in year 13 and provide more than 100% ROI within in 15 years or be **Highly Recommended** per the University District’s Project Evaluation Criteria.
2. ROI – UDRA. We expect the public improvements around this property will provide additional value to the surrounding properties, but we are unable to provide how much of a lift in taxable value will be provided. With that in mind, we have a greater interest in the University District’s property just north of our proposed project, the “UW Building”. If we are successful this property would be put back on the tax roll and provide a boost to help meet the ROI, which we would assume would be more then 200% in less than 3 years or **Highly Recommended** per the University District’s Project Evaluation Criteria.
3. TIMELINESS/LEVERAGE. The timing of this project is very critical as we look to start construction in the spring to provide the needed housing to the district next summer. We need to start in the spring to meet a construction timeline that will align with both the leasing season (spring and summer) along with students returning to school. Although the building is not design as a student housing project, we expect students of all kinds to be residents. The project will include a mix of housing types including studios, one-bedroom units, and two-bedroom units. We

believe this will provide a much-needed supply of housing for a mix of residents. Timing is very critical or **Highly Recommended** per the University District's Project Evaluation Criteria.

4. BUT FOR THE UDPDA. Only the University District can provide the needed funds for this project. The project's financial plan would not be successful if the funding for these public improvements were not provided by the public. As noted above we are looking at all opportunities to work with public agencies to see if there are funding sources to assist with the public improvements. With some assistance from the City of Spokane the project is still short of the needed funds to complete the public improvements. Only the UDPDA can make this happen in the necessary time period or **Highly Recommended** per the University District's Project Evaluation Criteria.

5. PLACE MAKING OR OTHER VALUE. It is hard to quantify the value added through the University District's participation in this project but adding over 140 new residents to the neighborhood will add a new element to the neighborhood. As we have seen in other markets adding residents to a neighborhood changes the overall look and feel for the better. We see this project as a catalyst for more projects in the area that will create a sense of place. The place making or infrastructure would beset be integrated and leveraged by the University District or **Recommended** per the University District's Project Evaluation Criteria.

We are excited to start development as soon as possible and appreciate your prompted response to this request. I have included a rendering of the project for your use and would be happy to meet as needed to discuss how best to proceed.

As with other urban renewal districts we have worked in, we assume funds provided by the University District would be upon completion of the project. Please let me know if this is accurate.

Please contact me if you have any questions at 208.830.7071.

Sincerely,



J. Dean Papé

Enclosed: 206 Riverside Rendering

Cc: Mark Edlen (electronic copy of letter only)

