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University District Public Development Authority (UDPDA) Meeting Minutes Wednesday, December 2, 2020 – 3:02 PM – 4:15 PM via Zoom

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

Board Members Absent: None

Others Present: Chris Green (City), Taud Hume (legal counsel), Alden Jones (UDDA staff), Lindsey Myhre (2021 incoming UDPDA board chair), and various UDDA board members joined for part or all of the session

Call to Order and Administrative Actions

Chair Gilberts called the meeting to order at 3:02 PM, reminded the group of the Public Decorum Rules, and asked the board to review the draft November 4, 2020, UDPDA board meeting minutes, and the UDPDA financials and voucher certification as of October 31, 2020. **MOTION to approve the consent agenda with minutes and financials** (Antonietti), seconded (Kuney), and passed unanimously.

UW Spokane Center Update

Gilberts shared that the University of Washington (UW) has provided six-months' notice to terminate their lease at 201 W Main Street (vacancy on May 12, 2021) and that the owner/developer of the adjacent to-be-redeveloped property (deChase Miksis) may be interested in the site for a future construction/sales office and laydown area. The UDPDA anticipates an offer from deChase Miksis by the end of 2020. In the meantime, UD staff and the DC are evaluating cash flow impacts and alternative plans for potential tenants (if deChase is not interested) and will report out to the UDPDA board at the February 3, 2021 meeting. Gilberts pointed out that throughout these discussions, Bouten recused himself given his business relationship with deChase Miksis. Public member Brazil (UW Director for Spokane and Eastern WA) indicated that they are moving closer to students and faculty at the new UW/GU Regional Partnership location.

SIP Loan for Sprague Avenue Phase 2b

Gilberts reminded the group that in 2018, the board committed \$4M to Sprague Avenue Phase 2a and b. He noted that Phase 2b is going out to bid this week and that the construction project will require a Spokane Investment Pool (SIP) loan to monetize future revenues. The following loan terms were finalized by Tonya Wallace at the City—in consultation with Kuney, Gilberts, and Hume—and presented for approval.

- Amount: up to \$2.1M
- Duration: 5 years starting the first day of the month the loan is drawn (March 2021)
- Rate: 0.5% above 5-year treasuring note (0.19-0.47% last 6 months)

Finding these terms favorable by all, Gilberts asked for a **MOTION to accept the proposed SIP terms and enter into a loan agreement with the City for Sprague Ave Phase 2b** (Kuney), seconded (Antonietti) and passed unanimously. Warfield praised Wallace for a great job given that the City is short-staffed.

BID Considerations

- With Sprague revitalization well underway and the City's policy not to support additional improvements without an entity to maintain/manage them, the UD has



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been approached by local property owners to help launch exploratory conversations around BID or LID formation.

- On November 17, the UD partnered with ESBA to host a *Lunch and Learn* with a presentation by Brian Scott of BDS Planning around BIDs. Local BID and neighborhood council leaders, business owners, and City staff attended. A follow-up survey on service priorities and preferred rates went out to capture additional community input.
- Gilberts noted that momentum has been gathering on this topic since 2017. Avista, McKinstry, Trudeau Marina, and numerous large and small business and property owners (especially in the South Subarea), are interested. Gilberts also said that BID boundaries need not be contiguous, possibly allowing for more members.
- Warfield and Sheehan cautioned against any “top-down”, UD-led effort. From City experience, Warfield said businesses need to champion BID formation and administration for the long-haul. All board members agreed that the business community needs to be highly engaged and drive this and have skin in the game (whether dollars or pro-bono time or talent).
- Warfield asked about budget and timing and Gilberts indicated that the East Sprague Union (ESU) BID generates about \$70K in revenue (Green clarified that it is closer to \$60K) and that \$15K is set aside in the 2021 UDPDA budget for a consultant but he would like the flexibility to spend up to \$50K if needed. Gilberts agreed that a likely start time is 2022 with community input, development, and planning wrapping up in 2021.
- Gilberts mentioned he is “solution agnostic” and that existing BIDs (DSP, ESU) could be approached or WSU who is providing snow removal, etc. for the City on the UD Gateway Bridge and South Landing. He will provide more BID information at the February 3, 2021, UDPDA board meeting.

UDRA Update and 2021 Budget

Gilberts reported that Wallace is finalizing the sales and property tax calculation methodology for the City and County fairly and sustainably for all the PDAs and he'll present this information at the February 3, 2021 meeting. Wallace also completed a very-close reconciliation for 2020 and prior and she indicated the UDPDA will receive payment(s) by the end of the year and other catch-up payments in 2021. Kunev and all members praised Wallace for her diligence, expertise, and collaboration in resolving this complex issue. Kunev also stated that the 2021 budget will be updated, and a more accurate cash flow drafted once UDRA funding is understood. Gilberts mentioned that the proforma budget still includes placeholder 12 months lease revenue despite the UW vacancy. **MOTION to approve the 2021 budget** (Bouten), seconded (Sheehan), and passed unanimously.

Wayfinding Update

Gilberts reported in the UDDA meeting that Baldwin Sign Company installed the first of several new wayfinding signs in the UD this week. He praised Mark Richards of DSP for carrying the torch to improve City wayfinding for years before handing off the project to the UDPDA.

UDPDA Purpose, Board Roles, and Responsibilities

Gilberts recapped recent UDDA Executive Committee retreat work to clarify the distinct purpose, roles, and responsibilities of the UDDA and UDPDA organizations. He noted that these clarifications are for internal planning purposes and that the UD Mission Statement



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remains unchanged and the benchmark against which UDDA and UDPDA purpose and roles statements are checked.

Mission Statement (updated 2018): *The University District is a place where business and education grow together to create a collaborative, healthy, and prosperous region. The University District uses its unique connectivity to create shared community wellness and vibrancy by developing the infrastructure and programming that enable a globally-recognized hub of education, innovation, research, and health care.*

The group reviewed the following:

Proposed UDPDA purpose – *strategically leverage the PDA's revenues and assets to maximize the lasting economic vitality in the UDRA*

Proposed UDDA purpose - *strategically organize and leverage the UD's partners and place to maximize regional economic prosperity by partnering with the UDPDA to draw resources into the UD that multiply resources in the region*

Proposed UDPDA roles

- Secure or provide funding to create jobs, increase sales and property taxes, and housing development in the UDRA by appropriately investing in:
 - Infrastructure (e.g. roads, sidewalks, stormwater management, parking)
 - Multifamily housing developments
 - Public facilities and place-making amenities
 - Activities that support the preceding items (e.g. marketing, collaterals, staff)
- Identify and address regulatory, environmental, and other barriers that prevent, limit, or slow the creation of jobs, increased sales and property taxes, and housing development.
- Identify critical services that should endure beyond the 2039 end of the UDRA funding and provide an agreed-upon level of 'endowment' or support to sustain critical UDPDA missional elements.

Proposed UDDA roles

- Support the cohesion and growth of the business and educational partners within the University District Revitalization Area (UDRA).
- Advise, advocate, and collaborate with governmental (e.g. City, state), economic development (e.g. UDPDA, ADO), and business groups (e.g. GSI, Valley Chamber, West Plains Chamber, DSP) that impact how one can live, learn, work, or play within the UDRA or partners that operate within the UDRA.
- Lead and support the promotion and marketing of the UD's development opportunities as well as the educational and related business value and prospects both within and outside of the market.
- Support and advocate for high-quality, nimble, future-looking education, and skill-building that is easy for employers and partners to leverage and access.
- Pursue the development of a globally recognized health and life science hub anchored in the UDRA.
- Create and support a vibrant, healthy, connected, and equitable UD through arts, events, diverse amenities, easily access experiences, quality transit, and parking options, etc.

Proposed committee roles and alignment

- UDPDA Committee(s):



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- Development Committee (Murphy and Antonietti would remain co-chairs; Bouten would act as DC rep to the UDPDA board; quorum avoided as Antonietti leaves UDPDA board at end of 2020)
- UDDA Committees:
 - Marketing and Engagement
 - Higher Ed strategy and coordination

During their discussions, the board re-emphasized the following:

- Equity, shared wellness, and prosperity for all both in purpose and in guiding statements
- Wordsmith as needed, but clarify that UDPDA is not a housing developer/owner per se but, depending on the project, could be a supportive "last dollar in"
- Although by statute, UDPDA has a prescribed role within a specific geographic area, public vs UDRA funds provide flexibility
- Be mindful of how the UDPDA can adapt and change over time

Hearing no additional public comment, Gilberts wished all a happy holiday and adjourned the meeting at 4:15 PM.



Lars Gilberts, Secretary (as of 2021)

2/16/2021
Date