



University District Public Development Authority (UDPDA) Meeting Minutes Wednesday, December 21, 2021, from 8:31 AM – 9:24 AM | Via Zoom

Board Members Present: Bill Bouten, Commissioner Mary Kuney, Steve MacDonald, Lindsey Myhre, Katy Sheehan, and Juliet Sinisterra

Board Members Absent: Council President Breean Beggs

Others Present: Troy Dehnel (Avista), Taudd Hume (legal counsel), Alden Jones (UD staff)

Call to Order

Myhre welcomed the group and called the meeting to order at 8:31 AM. She briefly reviewed the agenda and then provided background information on a Real Property Acquisition Agreement (RPAA)—dated August 6, 2021, between the UDPDA and Avista Development Company (ADC)—for properties located at 411 E Sprague Avenue and 12 N Grant Street, and 430 E Sprague Avenue. The RPAA terms:

- Provide a roadmap for the potential purchase of all or some of the properties by ADC and the potential sale of all or some of the properties to the UDPDA;
- State that before the UDPDA purchases the properties, the board must understand and agree to the general condition of the properties;
- Secure the option to purchase properties by the third anniversary of the closing of the purchase of the properties by ADC; and
- State that the UDPDA Purchase & Sale Agreement (P&SA) purchase price shall be equal to the acquisition costs plus all property redevelopment costs, plus an annual percentage rate of 6%.

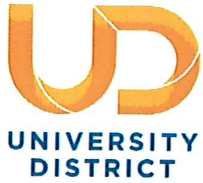
As it relates to these properties and per a letter to ADC dated September 2, 2021, the following due diligence was requested and completed in December 2021:

- An appraisal of the properties;
- Phase II Environmental Site Assessment (ESA);
- HazMat abatement study;
- Assessment of demolition costs;
- Structural analysis concerning the impact to adjoining structures; and
- Completion of a UDPDA-financed Parking Structure Feasibility Analysis.

To discuss the P&SA purchase price, reductions, and a follow-up letter to ADC, the board adjourned into Executive Session per RCW 42.30.110(1)(b) to discuss matters related to considering “the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price.” Myhre invited Dehnel and Hume to join the Executive Session and indicated the Public Session would resume at 8:55 AM.

The board came out of Executive Session and spoke to the following:

- The board understands the current conditions of the properties as a result of the due diligence process and is satisfied with their condition (for their intended purpose) but requests clarity regarding whether a decommissioning report for the fuel storage tank(s) is available and any impact on the title.
- The board acknowledged ADC's request to revoke the agreement to purchase 430 East Sprague.

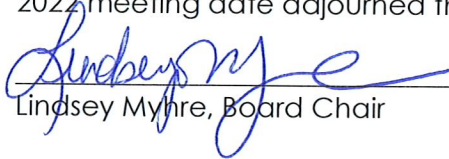


- The board reiterated their understanding that the parties always contemplated that they would execute a Right of First Offer which would allow the UDPDA the opportunity to acquire adjacent parcels.
- The board chair will prepare, and counsel will review for alignment with agreements in place, a letter to ADC documenting the following board action.

With that, Myhre asked for a **MOTION to support the purchase of the properties at 411 E Sprague Avenue and 12 North Grant Street per the RPAA dated August 6, 2021**, (MacDonald), seconded (Bouten), and passed unanimously.

Public Comment

Asking for public comment and hearing none, Myhre reminded the group of the February 2, 2022 meeting date adjourned the meeting at 9:24 AM.



Lindsey Myhre, Board Chair

2/15/22

Date