



*University District Development Association and
Public Development Authority*

STRATEGIC MASTER PLAN UPDATE AND SOUTH SUBAREA ACTION PLAN

Summary



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PURPOSE

Unprecedented yet much-anticipated growth has begun to transform Spokane’s University District. Healthy and sustained growth can create record amounts of jobs, innovations, and equitable wealth for the region. A reaffirmed vision and updated plan are necessary to steward this singular opportunity.

This Summary of the [University District Strategic Master Plan Update \(UDSMP-U\)](#) provides developers, community members, property owners, municipal partners, institutions, and other interested parties concise data and analysis to encourage the continued growth of the University District. The University District Public Development Authority (UDPDA), University District Development Association (UDDA), and the City of Spokane are looking at redevelopment opportunities, a University District South Subarea Action Plan, and outstanding Priority Projects (page 15) to maintain the District’s momentum.

BACKGROUND

The University District, located east of Spokane's Downtown, has 770 acres divided into three distinct sections bounded in part by the Spokane River and the BNSF railroad corridor (Exhibit 1). The District is home to nearly 12,000 undergraduate and graduate students in two medical schools and six notable higher education institutions, including Community Colleges of Spokane, Eastern Washington University, Gonzaga University, University of Washington, Washington State University Health Sciences Spokane, and Whitworth University.

In 1987, a group of Spokane regional leaders launched the *Momentum* initiative which created a vision to transform a desolate railyard into a campus for thousands of students and researchers. Thanks to foresight, intentional community and institutional collaboration, and strategic planning over the following decades the University District has benefited from more than \$1 billion in public and private investments including the iconic University District Gateway Bridge (that unites the academic core with the Medical District to the south), new development and revitalization at the south landing of the bridge, nearly a dozen new institutional buildings, and an arterial (MLK Jr. Way) that opens up and connects the entire community.

The tremendous momentum in the District over the past 15 years is due in no small part to transformative City and County incentives and community-wide collaboration that resulted in a pivotal document: the [2004 University District Strategic Master Plan \(UDSMP\)](#). Building off the UDSMP's significant success and accomplishments, the UDPDA and UDDA commissioned an update, the [UDSMP-U](#), to confirm the vision for the area, identify opportunities to further implement that vision, and provide tools to continue unifying and engaging public and private stakeholders.

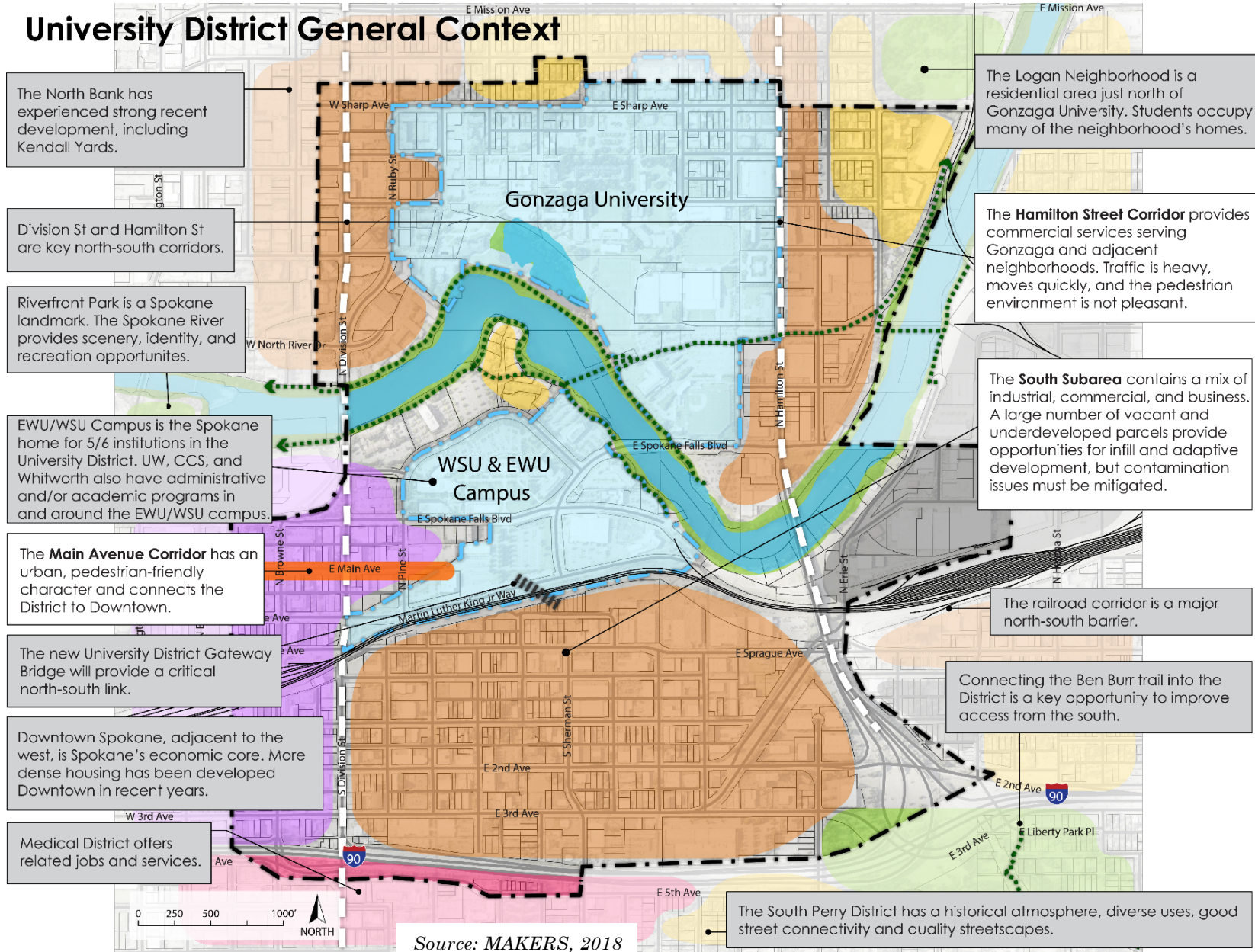
Looking forward, more than \$100 million in private development is underway, nearly \$100 million in public infrastructure is planned for the next three years, businesses are expanding in or relocating to the University District, and multiple new medical and technical degree paths are anticipated. *Momentum* indeed!

The UDDA, a 501(c)(3) nonprofit corporation, and the UDPDA, a quasi-municipal corporation, work in parallel to create and leverage opportunity. The UDDA facilitates revitalization within the District and serves as a unifying voice of the District's many educational, business, and civic partners. The UDPDA plans, coordinates, and implements public improvements in partnership with the City of Spokane within the boundaries of the University District Revitalization Area (UDRA), and serves as the vehicle for revitalization financing.

Readers who need greater detail and explanation of various items (including Exhibits referenced but not included in this Summary) can call the University District CEO at (509) 255-8093, refer to the full [UDSMP-U](#), and/or visit SpokaneUDistrict.org.

Exhibit 1. University District General Context, 2018

University District General Context



Source: MAKERS, 2018

SYNTHESIZED VISION, 2004 – 2018

The original 2004 UDSMP vision for the University District was that it would become a “24/7 type of environment where students, faculty, businesses, entrepreneurs, and neighborhoods can thrive (because) when people thrive, companies and neighborhoods thrive right along with them.” Additional plans referenced visions that aligned with this fundamentally place-based strategy for attracting “knowledge workers” who would leverage the District’s assets and resources to create a competitively unique, one-of-a-kind area.

The following themes capture and clarify the key components of the 2004 UDSMP vision and subsequent plans since the UDSMP’s publication:

- The University District will continue to develop the connectivity, infrastructure, and programming needed to enable a globally-recognized hub of education, innovation, research, and health care.
- The University District will balance its role as a regional employment center with growth in a variety of multifamily housing typologies to house employees, residents, and students.
- The intellectual dynamism and focus on health will be mirrored in a physical environment that encourages outdoor recreational activities and the healthy lifestyle of workers, residents, and visitors.
- The University District will emerge as a model urban center that will embody the leading edge of physical and social urbanism in the City of Spokane.
- The University District will seamlessly connect with Downtown Spokane and surrounding neighborhoods via “complete streets”, transit, bike lanes and paths, and pedestrian walkways and bridges.
- The University District will serve as a demonstration area for innovative public-private partnerships, planning, and financing structures.
- The University District will reinforce an authentic, original, and unique sense of place that will compete successfully with other urban centers for high-quality talent.
- The urban fabric of the University District will be dense, walkable, mixed-use, well-connected, and green; the District will be river-facing and will facilitate vibrant street-level energy and an activated public realm.
- The human-scaled and -focused physical, social, and commercial environment of the University District will be deeply supportive of both emerging and legacy small businesses and organizations.
- The history and industrial legacy of the University District will be honored and integrated into the area’s modern identity and future.

REAFFIRMED DISTRICT VISION, 2019

The 2004 UDSMP vision has strengthened rather than shifted over the years. Perhaps most critically, an “Innovation District” was reaffirmed during multiple recent meetings, surveys, and a community charrette. (Detailed in **Appendix A of the**

UDSMP-U). This guidance informed the UDSMP-U and identified broad sectors with differing character, all under the overarching Innovation District concept. These sectors are:

- **Science, Tech, and Institutional Activity Centers:** Areas with substantial buildings for research laboratories and offices supported by the latest technical infrastructure systems. Facilities may be clustered into connected complexes and will often be in campus settings. These uses form the core of the Innovation District.
- **Mixed-Use Neighborhoods:** Pedestrian-oriented areas with safe and attractive streets, featuring a mix of commercial, entertainment, institutional and residential uses. Light industrial, art, artisan fabrication activities, restaurants, child care, and existing businesses may be part of the mix. Emphasize the adaptive reuse of structures.
- **Special Purpose Residential:** A residential area with assisted living facilities, health services, special needs housing, child/elder care, and commercial services to support quality of life objectives.
- **Mixed Commercial:** An area that serves the needs of diverse business activities. A variety of new and existing commercial structures with convenient truck access characterize this area. The area also provides a logical place for new businesses growing out of local research activities.

The Innovation District concept also promotes the following elements:

- **Greenways:** Pedestrian-oriented streets that are attractively landscaped with streetscape amenities and points of interest.
- **Green Spaces:** A complex of open space resources for active and passive activities and environmental restoration.
- **Small Parks, Plazas and Open Spaces:** High amenity open spaces and gathering places that may be developed by the City or be part of private development(s).
- **Gateways and Wayfinding:** Gateway features can be artworks, automobile- or pedestrian-scaled signs or landscaping schemes that help to identify the District.

KEY FINDINGS FOR STRATEGIC PLANNING

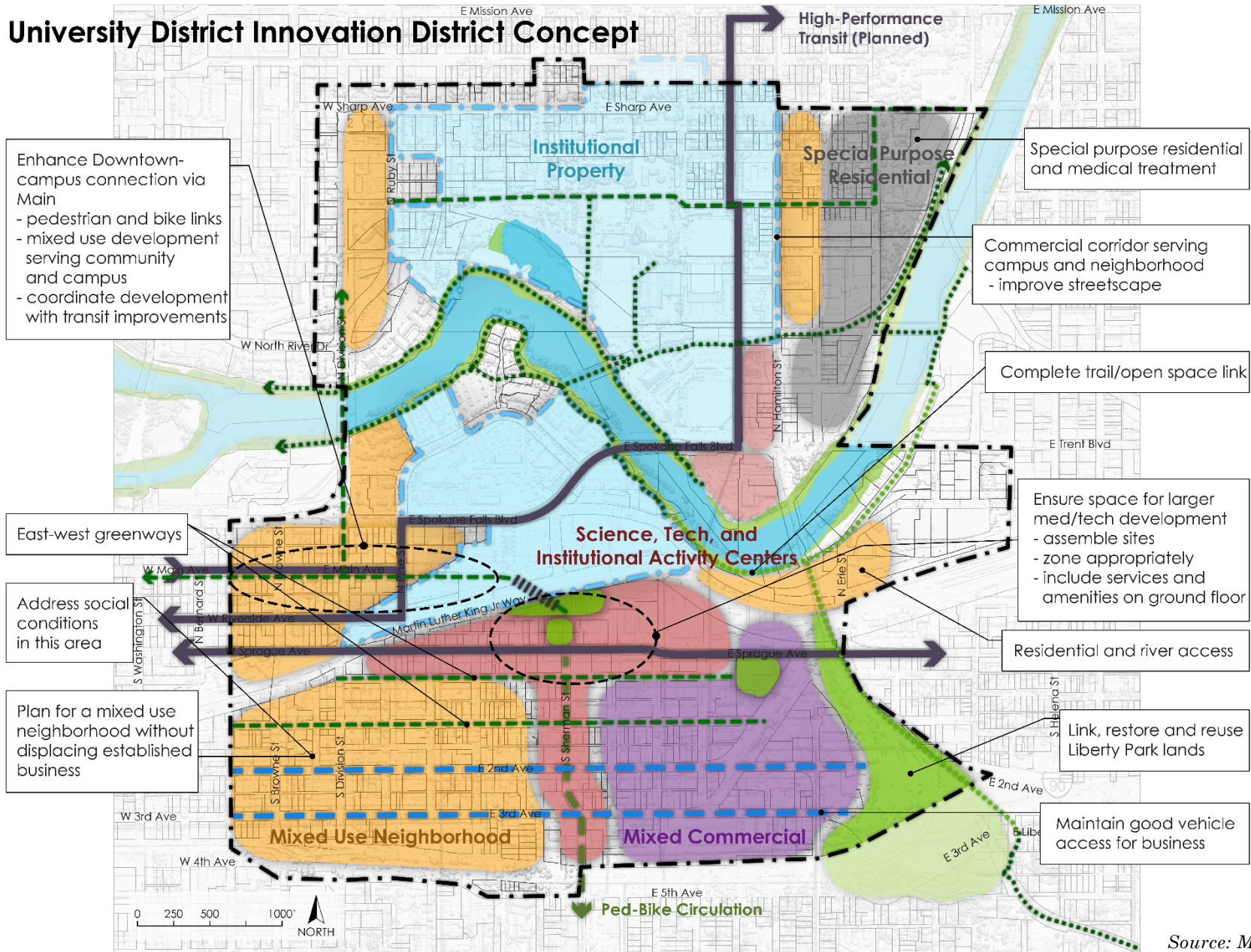
The UDSMP-U presents a robust assessment of demographic and market trends that have bearing for planning for the University District. **Exhibit 48** (page 7) illustrates how the District could integrate the following key findings:

- **Recent and planned developments present new opportunities.** Development trends present an opportunity to focus development near Spokane Transit Authority's new high-performance transit lines and other new investments.
- **Zoning designations in the University District are varied and may require amendment for consistency with a more urban District vision.**

- **Since 2004, population and employment in the University District have been growing faster than either the City or County overall.** If the District's population growth from 2004-2017 continues at the same pace, it would add 2,500 new residents by 2035.
- **Stakeholders' vision for the University District requires higher density development.** Development intensity is generally low across the District, especially in the south area. Using conservative development standards, vacant, and underutilized lands could accommodate development to support an additional 3,700 jobs.
- **Health-care employment is heavily concentrated southwest of the District.** Connecting the campuses to this area is an opportunity for future redevelopment.
- **Young people comprise the District's resident base, reflecting student housing needs near the universities.**

Exhibit 48. 2018 University District "Innovation District" Concept Vision

University District Innovation District Concept



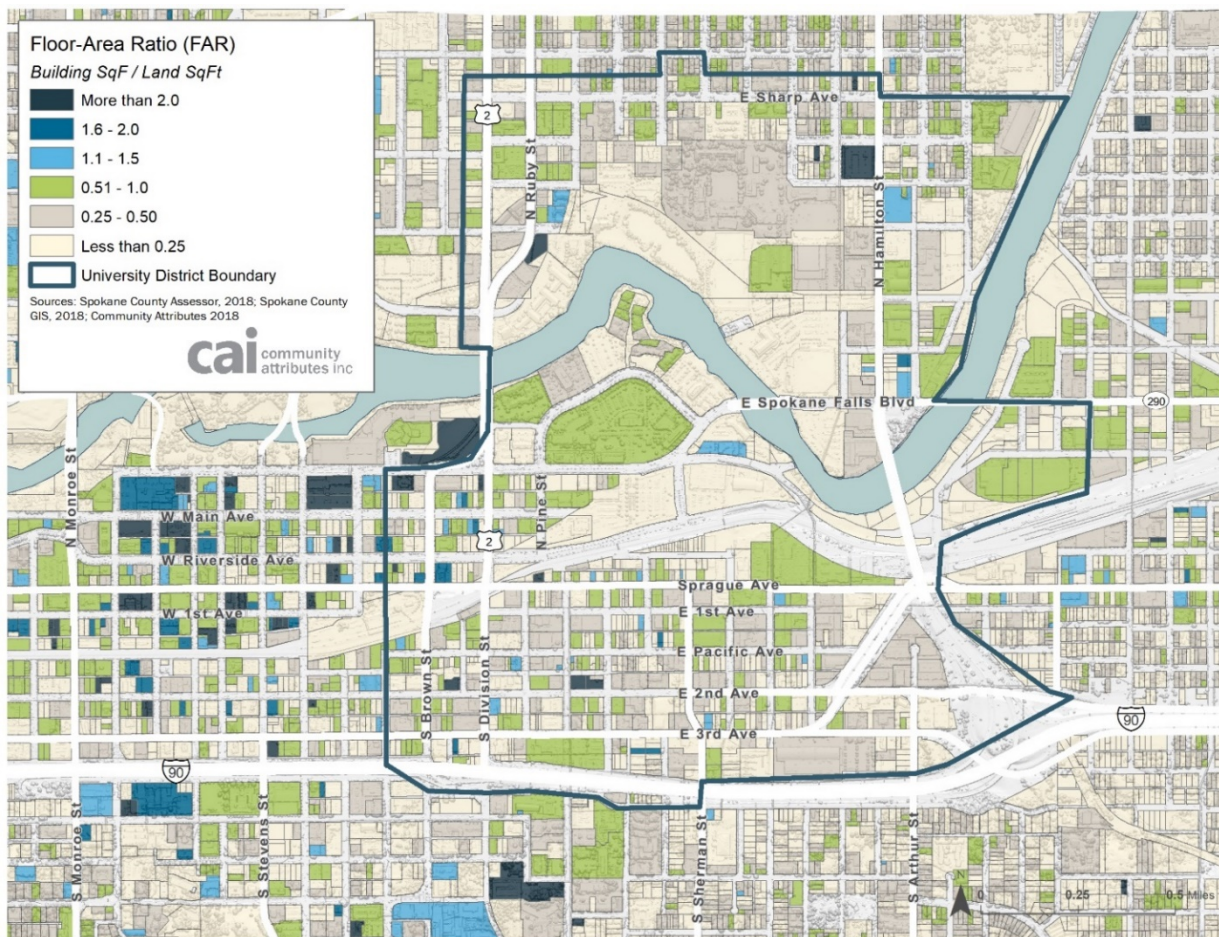
Source: MAKERS, 2018

EXISTING CONDITIONS

The University District has a large supply of parcels with improvement values per square foot under \$0.01 (classified as “vacant”), and with values between \$0.01 and \$5.00 (classified as “underutilized”). These make up nearly 120 acres of land although some parcels may be unavailable for development due to market, environmental, or other limiting factors. In addition, some surface parking lots and buildings in the District look vacant or underutilized but are located on parcels that include higher value existing improvements. These calculations and **Exhibit 9** highlight the general scope of development opportunities without limiting or specifying the development opportunities.

On developed parcels, the intensity of the development, as measured by Floor-Area Ratio (FAR), is illustrated on the map in **Exhibit 12**.

Exhibit 12. FAR of Existing Development by Parcel, University District and Surrounding Area, 2018



Sources: Spokane County Assessor, 2018; Spokane County GIS, 2018; Community Attributes Inc., 2018

DEVELOPMENT TYPES AND TRENDS

Multifamily Housing

On a per square foot basis, multifamily lease rates in the District remained slightly higher than the City and County from 2000-2014 (**Exhibit 28**). In 2014, rents dropped and have tracked closely with the Countywide average since that time. Multifamily vacancy has been relatively steady between 4% and 8%, with notable spikes in the vacancy rate in 2005-2006 and 2009. There have been several significant new multifamily developments in the District in recent years, all of which were occupied relatively quickly.

Office Space

Average office lease rates in the District have generally lagged slightly below those found elsewhere in Spokane since 2009. Vacancy for office uses in the University District has been lower compared to the City and the County and is currently at the lowest level experienced during this period (**Exhibits 33 and 34**).

No new office space has been completed in the District since 2013; the Catalyst project on the South Landing of the University District Gateway Bridge is anticipated to bring office and lab space online in 2020. When combined, net office absorption was positive across the last six quarters in the University District.

A large share of the District's existing supply of office space was built before 1920, with another large portion built in the 1980s (**Exhibit 37**).

Industrial/Flex

Industrial/Flex¹ lease rates were relatively flat from 2007-2016 in the District. Rates were more consistent compared to the rest of the region, which saw a decline from 2007-2015 followed by a recovery (**Exhibit 38**). Lease rates in the District are currently consistent with the Countywide average. Average local Industrial/Flex vacancy has been more variable during the same period. Vacancy has been dropping from a 2010 high of 16% and is currently around 3% (**Exhibit 39**).

There was no Industrial/Flex development in the District in the past 10 years (**Exhibit 40**). The City of Spokane has captured the majority of Spokane County's recent industrial development. Consistent with vacancy trends, the District saw persistent negative absorption from 2008-2010, and generally positive absorption since then

¹ Industrial space is used for "assemblage, processing, and/or manufacturing products from raw materials or fabricated parts. Additional uses include warehousing, distribution, and maintenance facilities". Flex space can be used as office, medical, warehouse, distribution, quasi-retail, or R&D space. (Costar 2018).

(**Exhibit 41**)². The University District’s current stock of Industrial/Flex real estate is aging, with a high portion built before 1950.

Retail

Retail lease rates in the District dropped in 2018, reversing an upward trend from 2011-2017 (**Exhibit 43**). Prior to this upswing, retail rents had lagged below the rest of the region. Before 2016, retail vacancy in the District was much higher than the City or County (**Exhibit 44**). A large amount of retail space was absorbed in 2015, likely explained by a 131,500-square-foot marijuana growing and processing facility which opened in a former Costco store around this time. Since 2015, retail vacancy has generally been similar to the City and County overall, hovering between 4% and 7%.

FUTURE DEVELOPMENT SCENARIOS

Three future development scenarios were analyzed based on land capacity, types of development, and regional growth projections. These scenarios represent variations on the absorption of vacant and underutilized land at three separate scales: strong, moderate, and weak. Visual representations of the strong, as well as the maximum, build-out scenarios are presented in **Appendix B**. While 2035 was used for some calculations, these scales should be compared to absorption trends to assess how much time would be required to achieve each scenario.

The analysis uses six types of development consistent with the Reaffirmed District Vision. These development types may deviate from the current zoning for these areas, but reflect a balance of vision, market realities, and current standards where possible. The typologies, which are defined in detail in sections of the UDSMP-U, are summarized here as follows:

1. **Midrise Residential Block.** Five-story residential building.
2. **Midrise Mixed-Use.** Six-story building with five stories of apartments over one story of retail.
3. **Three Story Residential.** Three-story residential building.
4. **Lab/R&D or Office Building.** Five-story building, either entirely Class A office space or a split between Class A office and lab/flex space.
5. **Live-Work.** Two-story “townhouse”-type homes with ground floor commercial space.
6. **Mixed-Use Tower.** 13-story mixed-use tower with 12 stories of residential over one story of retail.

Based on the future vision, each focus area was assigned a unique allocation of these typologies to model how future development may occur in that area (**Exhibit 50**). This

² Absorption is a measure of leasing activity. When positive, more space is being occupied than is being vacated, and vacancy should drop. Negative absorption also occurs when new development comes on the market and has not yet been occupied.

allocation reflects both the specific vision for each focus area and the characteristics of developable lands.

See the UDSMP-U for a deeper description and analysis regarding: assumptions applied to all types (parking, vacancy, development costs, rate of return, etc.), detailed typology description, site and building size description, expected site improvements, description of rentable or salable assets, and market characteristics (cap rates and construction costs displayed tabularly to highlight breakeven points).

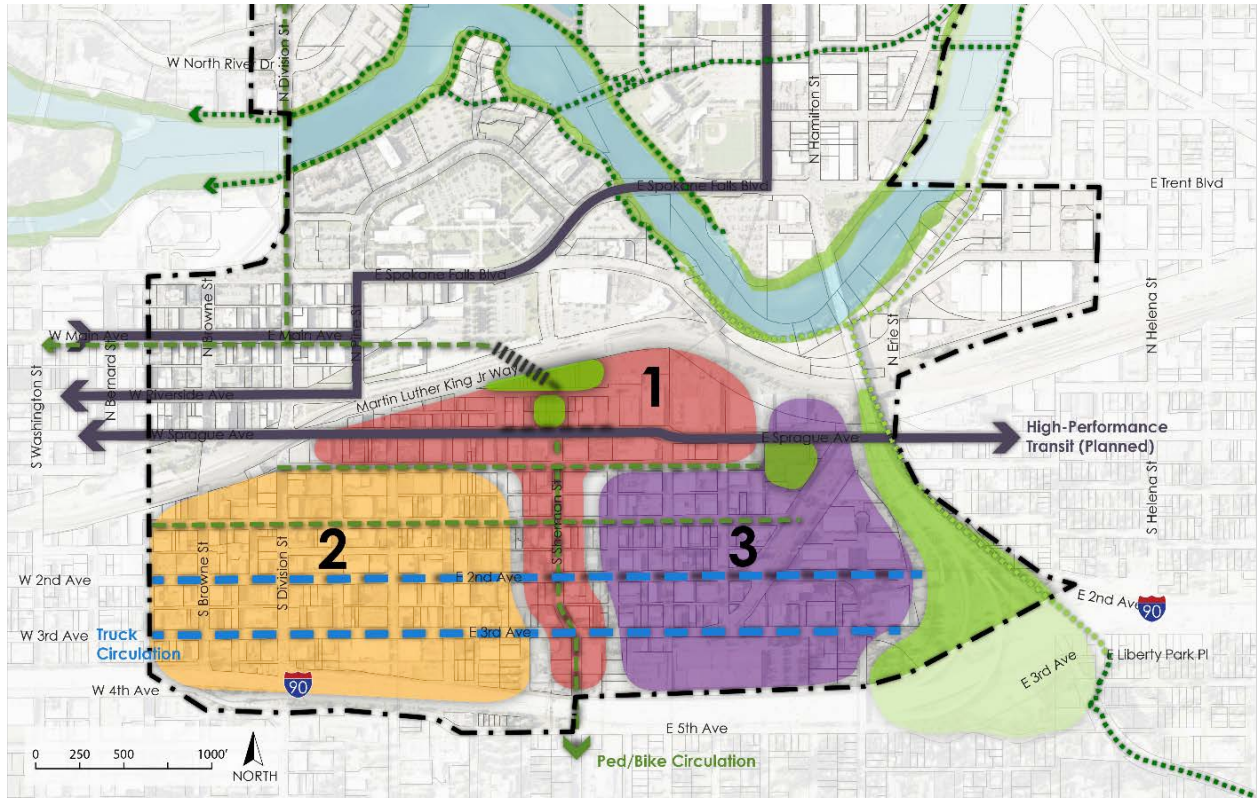
UNIVERSITY DISTRICT CURRENT DEVELOPMENT CAPACITY

The total amount of capacity for development in the District includes up to 925 dwelling units, 441,000 s.f. of commercial space, and 126,500 s.f. of retail space (all based on the development of the six typologies). Within those totals, vacant land in the District can accommodate up to 425 dwelling units, 241,000 s.f. of commercial development, and 64,000 s.f. of retail space. Underutilized land, in total, can accommodate an additional 500 dwelling units, 200,000 s.f. of commercial space, and 62,500 s.f. of retail space. The full UDSMP-U highlights three (strong, moderate, weak) growth scenarios that assume varying levels of absorption of this total capacity by 2035 (**Exhibits 52-54**).

The District has the capacity to accommodate a high share of the City of Spokane's total forecasted employment and population growth. The UDSMP-U's estimates of population and employment growth in each focus area and growth scenarios compared to past absorption trends. The models project that by 2035 population growth potential ranges from 922 to 2,151 new residents, while estimated employment growth ranges from 743 to 1,691 new jobs.

As commercial activity, educational programming, zoning, demand, and other underlying assumptions and factors evolve, the University District's capacity will grow.

Exhibit 71. Summary of Preferred Scenario, University District South Subarea



Source: MAKERS, 2018

SOUTH SUBAREA ASSESSMENT AND PREFERRED SCENARIO

The preferred scenario for the South Subarea is a conceptual plan informed by previous plans and extensive public input. The South Subarea and the three focus areas within the Subarea are highlighted in **Exhibit 71**. This assessment identifies specific opportunities and unique roles each focus area could potentially play within the context of the Subarea and the larger University District.

This is not intended to discourage a mixture of uses throughout the District, but rather to describe the dominant character and purpose of each area. This conceptual plan is intended to provide a basis for more detailed Subarea planning, to commence in 2019. It is also important to note that the anticipated 2029 completion of the North Spokane Corridor (US 395) will impact access to and opportunities in the South Subarea.

1. Sprague-Sherman Corridor

The Sprague-Sherman Corridor, shown in red in **Exhibit 71**, consists of the blocks along Sprague and Sherman within the District, extending to the Subarea's northern edge along the BNSF tracks. This corridor provides critical connections to Downtown Spokane via Sprague, the Medical District to the southwest via Sherman, and the university campuses to the north via the University District Gateway Bridge. A new

high-performance transit line is planned to run along Sprague, enhancing connections to Downtown and residential areas on the City's periphery. Division Street also provides a critical north-south link.

An activity node is developing at the intersection of Sprague and Sherman, where the University District Gateway Bridge's southern landing and the future Catalyst development are located. This node will develop as a clearly defined, compact, commercial center for the South Subarea. The Reaffirmed District Vision has established Sprague and Sherman as well-suited for denser development, particularly for uses consistent with a globally-recognized Innovation District concept. This includes large laboratories, office buildings, larger apartment buildings, integrated parking structures, and related uses. The design of larger buildings should remain consistent with the District's pedestrian-friendly vision. In general, buildings should be oriented to sidewalks and pleasant pedestrian experiences, and mixed-use developments with small, street-level commercial spaces should be encouraged.

2. Southwest Section

The Southwest Section, shown in yellow in **Exhibit 71**, is the area located south of Sprague and west of Sherman. This area has more direct connections to Downtown Spokane, the rest of the University District and the Medical District compared to the eastern half of the Subarea. As a result, participants identified this area as being better suited for redevelopment in the near term.

The vision for the Southwest Section is to provide a mixture of housing and services to support the larger employment opportunities focused on Sprague and Sherman. This includes finding ways to incorporate existing social services and affordable housing developments located in the neighborhood. The neighborhood should feature pedestrian-oriented areas with safe and attractive streets, featuring a mix of commercial, entertainment, institutional, and residential uses. Light industrial, art, artisan fabrication activities, food production, and existing businesses may be part of the mix. Buildings should be generally smaller-scale and oriented to the street. The architectural character may vary, and the adaptive reuse of historic buildings should be encouraged.

The development pattern and street infrastructure should support walkability and safe cycling, consistent with the overarching District concept of healthy living. Pacific and 1st Avenues were envisioned as opportunities to promote nonmotorized traffic, while truck traffic required by many local light industrial uses could be channeled further south.

3. Southeast Section

The Southeast Section, shown in purple in **Exhibit 71**, is the area located south of Sprague and east of Sherman. Stakeholders indicated that this area is less likely to be attractive for redevelopment in the short term. This area's character is more predominantly light industrial and includes existing legacy businesses which are assets to be preserved. As a result, the focus for this section is on supporting and growing

existing businesses rather than redevelopment. Where vacancies exist, there could be opportunities to connect new businesses emerging from the Innovation District concept with affordable spaces. Adaptive reuse is particularly appropriate for this area. Live-work housing is a good infill housing option for this area that can blend crafter/maker industrial uses with urban residential.

SUMMARY OF BARRIERS TO REDEVELOPMENT

The full UDSMP-U provides a detailed assessment of barriers as well as a set of infrastructure, policy, and programming actions to overcome many of the barriers.

Barriers include:

- Environmental – contamination and soil conditions
- Land Use – zoning and parking
- Connectivity and Infrastructure – multimodal connectivity and water/sewer issues.
- Market Conditions – factors impacting new uses and densification
- Social – community services and safety perceptions

Suggested actions are categorized as follows:

- Define and adopt development standards consistent with South Subarea and University District Reaffirmed Vision.
- Enhance livability and sense of place.
- Develop a safe, enjoyable street network for pedestrians, bicyclists, and transit users.
- Support and grow new and existing businesses.
- Attract high-quality commercial development.
- Facilitate remediation of brownfield sites.

2004 PRIORITY PROJECTS UPDATE

The 2004 UDSMP identified priority projects. These are listed, with their status.

Item	2004 Plan Description	2019 Status
Transportation study	Identify design solutions that relieve the development community of the burden of generating project-by-project transportation studies.	Complete
Riverside extension	Extend Riverside Avenue and relieve traffic off Spokane Falls Boulevard. Second, its design will include provisions for future light rail.	Complete
UDDA District marketing	Create the UDDA to form strong partnerships with groups within and in neighboring areas.	Complete
Detailed economic market study	Conduct a study to enable the City and affiliated economic development organizations to create a comprehensive strategy to encourage long-term growth within the University District.	Complete
District incentive program	Develop and promote development incentives that encourage mixed-use, research and development uses, entertainment, and neighborhood services.	Complete
District High-Performance Transit	Create a high-frequency bus line(s) to serve each campus, designated parking areas, Downtown, the Sprague Area, and the Medical District.	Underway
University District Gateway Bridge	This is the major catalyst project for the Sprague Area. Completion of this project will create a connection to the universities and spark mixed-use and high-tech research development.	Complete
Site selector with enhanced selection tools	Leverage city/county site-selector site in development to feature an enhanced set of GIS tools to allow a more interactive and a greater level of detail for properties within the University District.	Complete
Division Street gateway	Make significant aesthetic and functional improvements to Division Street and the railroad viaduct from the off-ramp to the Convention Center.	Complete
Main Avenue streetscape and pedestrian	Improve the pedestrian environment along Main Avenue from the EWU/WSU Campus, across Division, and into Downtown. This project gives special consideration to pedestrian safety.	Underway
Non-motorized boat launches, riparian habitat restoration,	Increase recreational access to the river above the Division Street Bridge, repair and increase riparian habitat along the river, and incorporate education about the River's ecosystem.	Underway

Item	2004 Plan Description	2019 Status
river education station		
Sherman Street streetscape	Improve Sherman Street to create a better environment for pedestrians and bicyclists traveling to and from the Medical District/South Hill and the University District and Downtown.	Critical but not started
Sharp and Hamilton streetscape	This project will improve pedestrian amenities and safety within this activity center. Emphasis would be on facilities for bicycles and pedestrian crossings.	Underway
Sprague Avenue streetscape	Improve the vehicular and pedestrian environment along Sprague Avenue to Division Street. The focus would be to address parking, safety, and providing a pleasant pedestrian and bicyclist environment.	Underway
District wayfinding project	This project will develop a comprehensive wayfinding system for pedestrians, bicyclists, and automobiles within the University District.	Underway
Main Avenue conversion	Convert traffic from one-way to two-way initially between Pine Street and Brown Street. This could be extended further into Downtown in the future.	Scope changed, underway
Hamilton Street streetscape	Improve the aesthetic and pedestrian environment along Hamilton Street between Trent and Sharp Avenues.	Critical but not started
Pacific Avenue streetscape (Browne to Scott)	Improve Pacific Ave's sidewalks and streets between Sherman Street and Pine Street to encourage Pacific Avenue has the potential for development as a mixed-use and residential corridor.	Not started
Grant Street streetscape	Complete the connection of the Sprague area to the University District Gateway Bridge and facilitate pedestrian traffic.	Scope changed, underway
Area-specific development guidelines	Ensure that development is occurring within the University District that is contributing the desired character and that future development does as well.	Underway
Iron Bridge refurbishment	Refurbish the Iron Bridge to accommodate pedestrians and bicyclists adding another connection across the river.	Complete
Riverside Extension Phase Two	Extend and bypass the Trent Hamilton intersection and allow development along much of the underutilized land in the area and near the river. This also sets the stage for the extension of a trail	Complete

Item	2004 Plan Description	2019 Status
	system along the river in conjunction with the proposed Burr Trail extension.	
Pedestrian Trail Extension under Hamilton Bridge	Extend the Ben Burr Trail to connect portions of the East Central Neighborhood to the Spokane River, Centennial Trail, and the University District.	Underway

APPENDIX B: SOUTH SUBAREA MASSING MODELS

Capacity Visualizations

The massing model in **Exhibit 76** is an illustration of what the South Subarea could look like if the development under the strong development scenario takes place. This scenario only assumes future development will take place on vacant and underutilized parcels, and also removes a portion of available parcels to account for market and other factors limiting development. This assumption is consistent with Spokane County’s current development assumptions used for land capacity planning purposes.

These current assumptions may not be as useful if the South Subarea is able to capture an increased share of Spokane’s development, and if the UDPDA, UDDA, and their partners are able to encourage new development that would not be likely otherwise in the market. **Exhibits 78 and 79** present an alternate, even stronger vision for the Subarea’s future. In this case, all vacant and underutilized parcels are developed, along with several parcels in key areas that are just past the definition of “underutilized”.

Exhibit 76. "Strong Growth" Massing of South Subarea

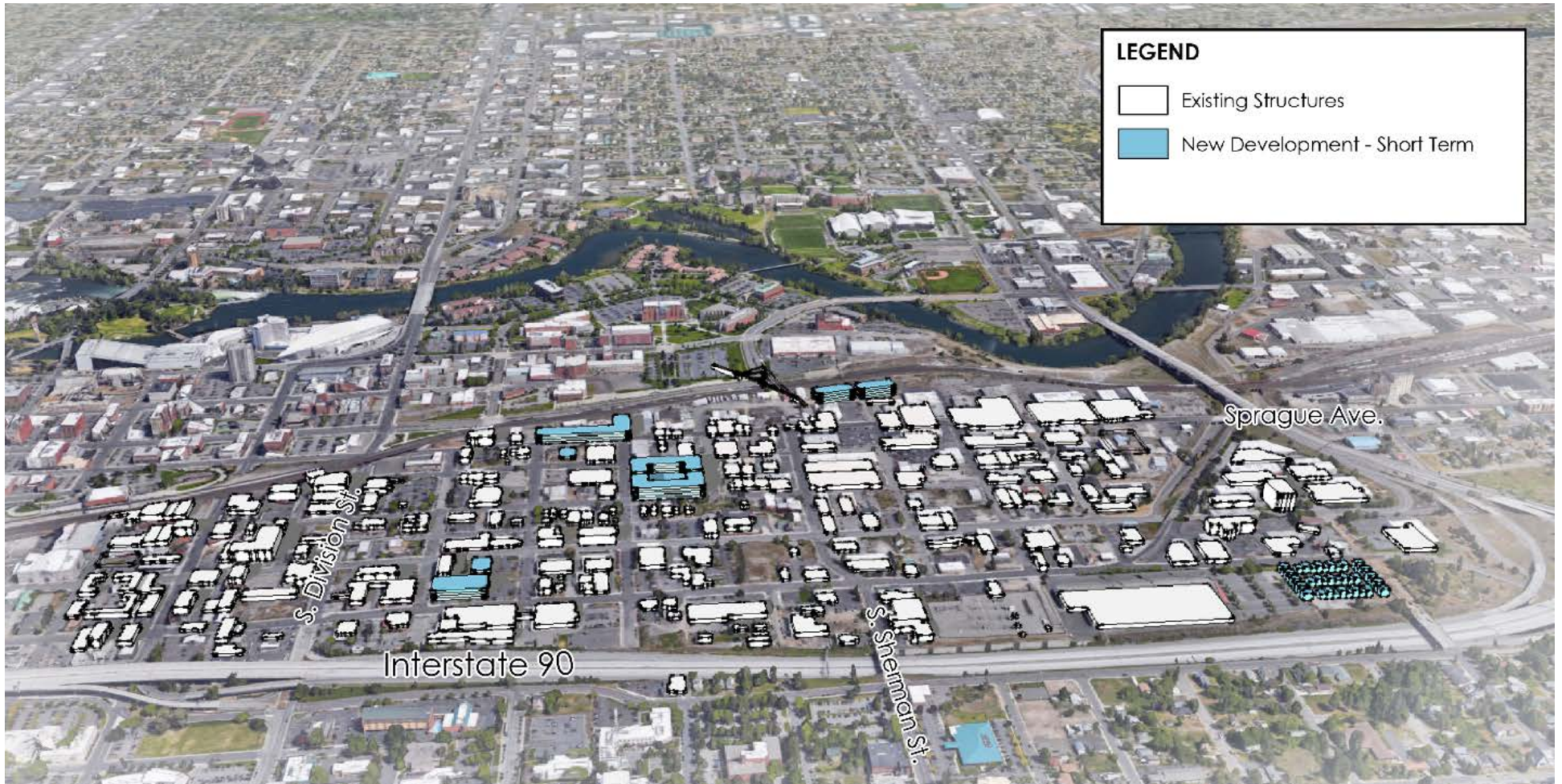
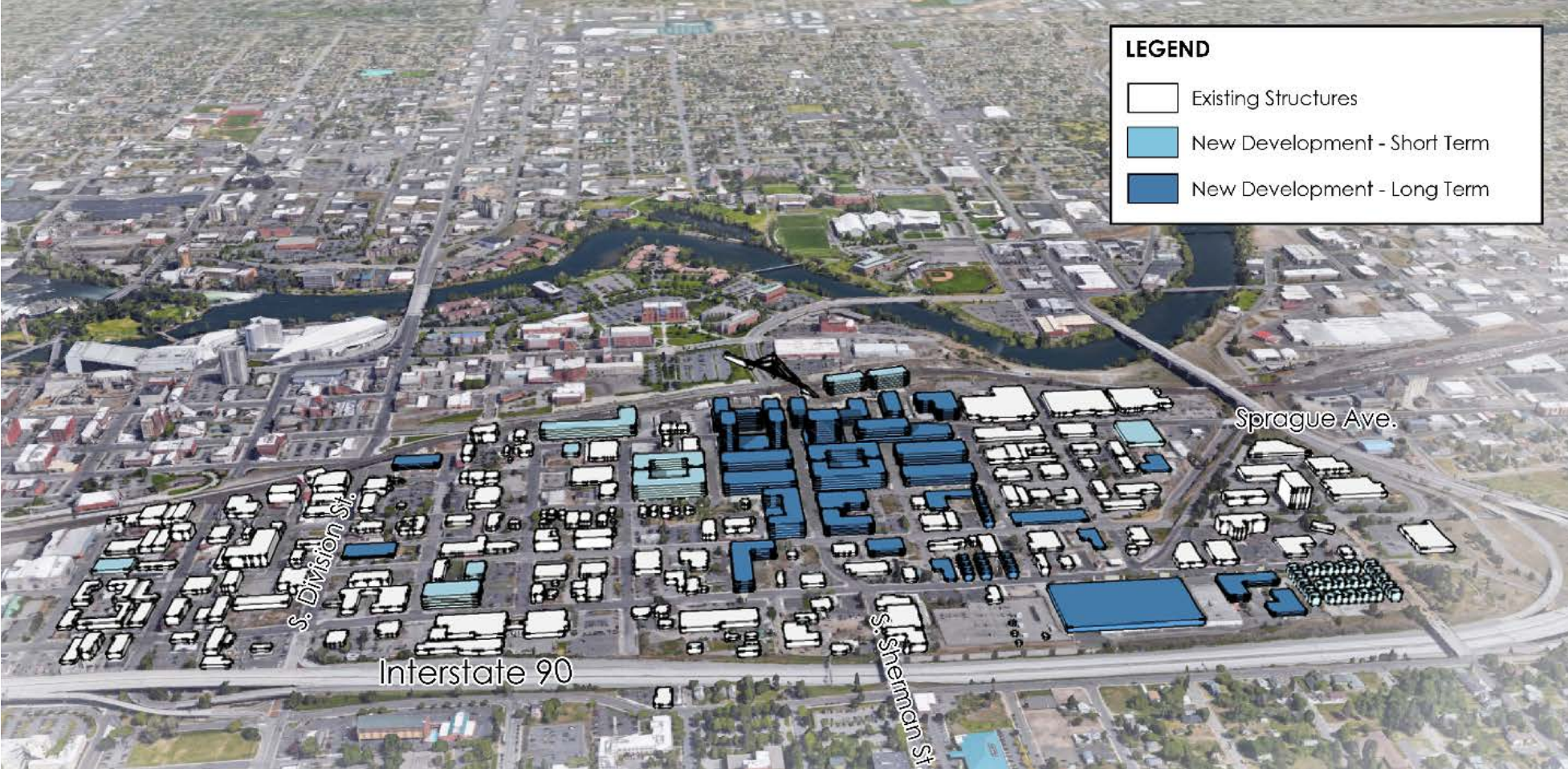


Exhibit 78. "Maximum Growth" Massing of South Subarea – Plan View



Exhibit 79. "Maximum Growth" Massing of South Subarea





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