



## **University District Public Development Authority (UDPDA)**

### **Board of Directors' Meeting Minutes**

**Tuesday, May 1, 2018 – 2:04pm-3:45pm**

Whitworth University, UD Campus, 534 E Spokane Falls Blvd - lower floor conference room

**Board Members Present:** Bill Bouten, Catherine Brazil, Mayor David Condon (non-voting), Elaine Couture (via phone) Dr. Daryll DeWald, Teresa Dugger, Ezra Eckhardt, Lou Gust, Mary Joan Hahn (Gonzaga proxy), Taudd Hume (non-voting), Latisha Hill, Dr. Christine Johnson (via phone), Cindy Leaver, Mariah McKay, David O'Brien, Kim Pearman-Gillman, Brandon Ropez-Betty, Mark Richard, Sara Sexton-Johnson (EWU proxy), Council President Ben Stuckart, Beck Taylor, Dr. Francisco Velazquez, Kim Zentz

**Board Members Absent:** Dr. Mary Cullinan (see proxy Sexton-Johnson above), Dr. Thayne McCulloh (see proxy Hahn above), Todd Mielke

**Other Participants and Invited Guests Present:** Andrew Worlock (City), Charlie Wolff (City), Katherine Miller (City)

**Staff Present:** Lars Gilberts, Alden Jones

#### **Call to Order:**

Chair Hill called the meeting to order at 2:04pm. Pearman-Gillman was lauded for her Spokane Citizen Hall of Fame recognition. The board then proceeded with the following consent agenda items. Hill asked the board to review the March 6 UDPDA board meeting minutes and the UDPDA financials as of February 28 and March 31, 2018. **MOTION to approve minutes and financials as presented** (Leaver); seconded (Eckhardt) and passed unanimously.

#### **Conflict of Interest Reminder**

Legal Counsel Hume (non-voting director) reviewed the UDPDA Conflict of Interest Policy. Prior to discussions commencing around the University District Development Association (UDDA)'s Development Committee's recommendations, Chair Hill asked directors to state their conflicts. The following directors responded:

- Mayor Condon (a non-voting member of the UDPDA) recused himself, left the meeting and did not participate in the discussion or vote due to his position as presiding officer of the City of Spokane.
- Past Chair Pearman-Gillman recused herself and left the room for the discussion and vote due to her employment as a partner with McKinstry whose executive leadership is the developer of the south landing Catalyst project.
- Board Member Brazil indicated she would abstain during the vote re City-owned properties due to her position with the University of Washington (UW) and the fact that the UW is a tenant of one of the City-owned properties under consideration.
- Chair Hill recused herself and left the room for the discussion and vote due to her employment with Avista, a major property owner in the south University District and developer of Catalyst South Landing Project.

The meeting continued with Vice-Chair Gust leading the meeting in Chair Hill's absence.

## **UDDA Development Committee Report**

In the UDDA Development Committee co-chair Pearman-Gillman's absence, CEO Gilberts and co-chair Andrew Worlock presented the Development Committee's four recommendations to the UDPDA Board of Directors as follows.

### **1. City-Owned Properties and Motion Revision**

The Board of Directors considered the UDDA Development Committee's recommendation to revise a January 9, 2018 UDPDA Board of Directors' motion regarding City-owned properties. Gilberts explained that the January 9 motion did not adequately allow the UDPDA to enter into negotiations with the City. He reminded the group that the consent of the full board is still required to approve any final commitment. The following action was taken:

**MOTION by (Zentz), seconded by (Eckhardt), to revise the January 9, 2018 UDPDA board motion to "allow the UDPDA Board to authorize the UDDA CEO Gilberts to enter into negotiations and explore all options up to but excluding a full and final commitment on City-owned properties, with counsel from the UDDA Development Committee and Executive Committee."** The motion carried unanimously and was adopted by 18 voting directors present: Bouten, Couture, DeWald, Dugger, Eckhardt, Gust, Hahn (Gonzaga proxy), Johnson, Leaver, McKay, O'Brien, Rapez-Betty, Richard, Stuckart, Sexton-Johnson (EWU proxy), Taylor, Velazquez, Zentz; with Brazil (abstaining) and Condon, Hill, Pearman-Gillman (recused).

### **2. City Investment in Grant, Riverside and Sheridan Streets**

The Board of Directors then considered the UDDA Development Committee's recommendation to strongly support City investment in Grant, Riverside and Sheridan Streets. The City has approx. \$5M in one-time infrastructure funds available for the three local PDAs and proposes to use \$900K of that for Grant, Riverside and Sheridan Street infrastructure improvements to spur private investment. The infrastructure spending would be consistent with the UDDA-led Maul Foster plan recommendations and the City's 2015 Memorandum of Understanding "University District Gateway Bridge South Landing Catalyst Development," which was signed by all affected property owners. No PDA funds are needed for this project. The board asked if the funds remain with the City. Stuckart said yes, so no administration or obligations on the part of the PDA.

The following action was taken:

**MOTION by (Zentz), seconded by (Velazquez), to so move to accept the University District Development Association (UDDA) Development Committee's recommendation to strongly support the City's investment in Grant, Riverside and Sheridan Streets for infrastructure improvements.** The motion carried unanimously and was adopted by 19 voting directors present: Bouten, Brazil, Couture, DeWald, Dugger, Eckhardt, Gust, Hahn (Gonzaga proxy), Johnson, Leaver, McKay, O'Brien, Rapez-Betty, Richard, Stuckart, Sexton-Johnson (EWU proxy), Taylor, Velazquez, Zentz; with Condon, Hill, Pearman-Gillman (recused).

### **3. Reducing Barriers to Development**

The Board of Directors then considered the UDDA Development Committee's recommendation to request supplementary funding from the City in the amount \$83,333 to support updating and implementing past planning efforts in the UD. One of the Board's strategic objectives is to identify barriers to development in the UD (brownfields, regulatory issues, zoning, floor area ratio, building height, parking, etc.); especially along critical corridors (Hamilton, Sprague, Main). To confirm and operationalize the recommendations set forth by the City's Comprehensive Plan, the Miller Hull (2016) visioning process, the Maul Foster (2015) implementation strategy, the MIG (2012) work, and the 2004 UD Strategic Master Plan (UDSMP), the UDDA needs to develop

implementation strategies related to likely development scenarios, infrastructure and land use. Additional resources are necessary to identify and advance the most effective strategies in a speedy manner given timelines of municipal and private projects within the UDRA. While the Sprague Ave corridor is the most time-sensitive, the development needs along Hamilton and Main are critical to the District's long-term health.

Gilberts indicated that this is an implementing vs planning process and that the full \$83K will be requested up front by the UDPDA for the UDDA to seek to identify possible contractors ASAP. Director Richard requested that clear goals are communicated to contractor and that staff go through proper selection process. Gilberts reminded the group that the UDDA will manage this process, so there is not a prescribed procurement process unless specifically specified by the City. The group suggested that Chair Hill and Past Chair Pearman-Gillman consider recusing themselves from contractor selection. The following action was taken:

**First MOTION by (Taylor), seconded by (Eckhardt), to accept the UDDA Development Committee's recommendation to request supplementary funding from the City of Spokane in the amount \$83,333 to support an update to the University District Strategic Master Plan, to coincide with the opening of the UD Gateway Bridge and the launch of south UD Sub-Area Planning efforts.** The motion carried unanimously and was adopted by 19 voting directors present: Bouten, Brazil, Couture, DeWald, Dugger, Eckhardt, Gust, Hahn (Gonzaga proxy), Johnson, Leaver, McKay, O'Brien, Rapez-Betty, Richard, Stuckart, Sexton-Johnson (EWU proxy), Taylor, Velazquez, Zentz; with Condon, Hill, Pearman-Gillman (recused); and Mielke (absent).

**Second MOTION by (Taylor), seconded by (Richard), to so move to authorize the UDDA CEO Gilberts to negotiate a MOU and/or other contractual agreements for the use of said funds.** The motion carried unanimously and was adopted by 19 voting directors present: Bouten, Brazil, Couture, DeWald, Dugger, Eckhardt, Gust, Hahn (Gonzaga proxy), Johnson, Leaver, McKay, O'Brien, Rapez-Betty, Richard, Stuckart, Sexton-Johnson (EWU proxy), Taylor, Velazquez, Zentz; with Condon, Hill, Pearman-Gillman (recused); and Mielke (absent).

#### **4. Sprague Avenue Phase 2 Option A or B**

The Board of Directors then considered the UDDA Development Committee's recommendation to consider two options (A and B) relating to the City's Sprague Avenue Phase 2 project.

Option A would ask the UDPDA Board to:

- Approve the current City schedule (full build out of Phase 2 in 2023); and
- Request that the City fund the 3-5 year resurface of the Phase 2 portion of Sprague to maintain safety and aesthetics.

Option B would ask the UDPDA Board to:

- Use up to \$4M of UDRA revenue to provide partial funding for the full reconstruction of Sprague Avenue Phase 2 (Bernard to Scott Street) in 2019;
- Request that the City use future UDRA revenue to finance the UDRA contribution, while working to identify assets, proceeds, and/or revenues to reduce or refund the UDPDA's significant investment (e.g. sale of surplus City property in the UD);
- Authorize the UDDA's staff and committees to explore and negotiate all terms up to the \$4M limit to implement the UDPDA's wishes; and
- Strongly support the City's investment in the Sprague Avenue "gap" grind and overlay (\$550K) between Scott and Helena Streets.

Vice-Chair Gust asked if directors wished to present any additional options for the Sprague Phase 2 project. Hearing none, Gust requested that the board select one of two options (A or B).

**MOTION was made by (Richard), seconded by (Dugger), to select the UDDA Development Committee's Option B recommendation.**

Discussion ensued and some key points and concerns were raised:

- President Stuckart highlighted the inherent limitations in calculating ROI based on current UDRA project criteria and how ROI is dis-incentivized by the \$650K per year cap;
- Several directors noted the "speculative" nature of the 2020-2022 "conservative" and "moderate" ROI estimates provided; they wondered if some figures were aggressive and what degree of confidence the Development Committee has in them;
- Director Zentz noted that, although the recently documented increase in available UDRA funds is good news, it remains to be seen if these revised numbers will stand into the future;
- Several directors spoke of the vehicular, bike/ped and transit challenges along Sprague; Director Richard encouraged the City to engage early and often on this topic and give due deference to business and property owners along Sprague. Stuckart highlighted the City's clear process and strong standards around communication and implementation much like Sprague Phase 1. He also noted that it was Sprague Phase 1 business owners who specifically requested the four- to three-lane reduction.

**MOTION to amend initial motion by (Richard), seconded by (Dugger), to adopt the first of two Sprague Phase 2 Option B motions to:**

1. **use of up to \$4M of UDRA revenue to provide partial funding for the full reconstruction of Sprague Avenue Phase 2 (Bernard to Scott Street) in 2019;**
2. **request that the City use future UDRA revenue to finance the UDRA contribution, while working to identify assets, proceeds, and/or revenues to reduce or refund the UDPDA's significant investment;**
3. **authorize the UDDA's staff and committees to explore and negotiate all terms up to the \$4M limit to implement the UDPDA Board of Directors' wishes.**

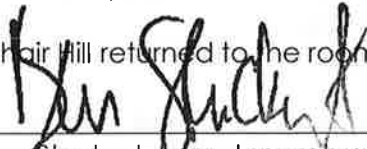
The motion carried unanimously and was adopted by 19 voting directors present: Bouten, Brazil, Couture, DeWald, Dugger, Eckhardt, Gust, Hahn (Gonzaga proxy), Johnson, Leaver, McKay, O'Brien, Rapez-Betty, Richard, Stuckart, Sexton-Johnson (EWU proxy), Taylor, Velazquez, Zentz; with Condon, Hill, Pearman-Gillman (recused).

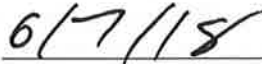
**MOTION to amended initial motion by (Rapez-Betty), seconded by (Leaver), to adopt the second of two Sprague Phase 2 Option B motions to:**

1. **strongly support the City's investment in the Sprague Avenue "gap" grind and overlay (\$550K) between Scott and Helena Streets.**

The motion carried unanimously and was adopted by 19 voting directors present: Bouten, Brazil, Couture, DeWald, Dugger, Eckhardt, Gust, Hahn (Gonzaga proxy), Johnson, Leaver, McKay, O'Brien, Rapez-Betty, Richard, Stuckart, Sexton-Johnson (EWU proxy), Taylor, Velazquez, Zentz; with Condon, Hill, Pearman-Gillman (recused).

Chair Hill returned to the room and adjourned the meeting at 3:45pm.

  
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Ben Stuckart, board secretary

  
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Date