



University District Public Development Authority (UDPDA) Meeting Minutes

Wednesday, May 5, 2021 – 3:00 PM – 3:45 PM via Zoom

Board Members and/or Proxies Present: Council President Breean Beggs, Bill Bouten, Lars Gilberts, Mary Kunej, Lindsey Myhre, Katy Sheehan, and Paul Warfield

Board Members and/or Proxies Absent: None

Others Present: Chris Green (City), Taud Hume (legal counsel), and some UDDA board members for part or all of the session

Call to Order and Administrative Actions

Myhre called the meeting to order at 3:00 PM and asked the board to review the draft March 3, 2021, UDPDA board meeting minutes, and the UDPDA financials as of March 31, 2021. **MOTION to approve the consent agenda with minutes and financials** (Warfield), seconded (Bouten), and passed unanimously.

Development Opportunity

As a member of the joint UDDA/UDPDA Development Committee (DC), Bouten took lead on this development opportunity conversation and noted the DC's report to the UDDA board below by way of reference.

- *The DC has focused on catalytic **structured parking development opportunities** for several months and shared a "white paper" outlining preferred parking structure development types, and the constraints, opportunities, and risks related to parcel acquisition.*
- *Out of thirteen initial sites identified in the white paper, the DC recommends two based on the Desman-drafted, UDPDA board-approved evaluation criteria: (aggregated) 411 E Sprague Avenue parcel (which had EPA Coalition grant Phase 1 assessment) and WSU Health Science Spokane's Green Lot 6. Although the latter is a good option, WSU leadership is still assessing the best use for this site.*
- **411 E Sprague** is for sale and because the UDPDA may lack the cash or cash flow to support an independent purchase or loan, staff approached Avista Development (AD) to explore a partnership whereby property is aggregated and prepared for redevelopment. A draft development agreement is underway that gives the UDPDA three years to plan, partner, and act. The agreement minimizes risk and cost for the UDPDA.
- *In addition to DC members Murphy, Bouten, Dugger, and legal counsel Hume, other volunteers are welcome to participate on the evaluation/acquisition team.*
- *Another nearby, ideal property that is under contract until May 21 has just come to light and the DC will evaluate the site if it becomes available.*
- *The UDDA board praised Murphy and the DC for their ongoing work on this topic and was in favor of the following four steps: 1) pursue a development agreement for action at the June 2 meeting; 2) negotiate to acquire desired parcel(s) and begin diligence; 3) if successful, do site prep and remediation, determine highest/best use; and 4) plan to sell or restructure within three years.*

With this 411 E Sprague background, board deliberations and discussions ensued.

- *Members Gilberts and Bouten noted the upside of an agreement with AD who is willing to purchase and hold the aggregated property for the UDPDA to achieve the highest/best use of an important parcel around the South Landing.*



**UNIVERSITY
DISTRICT**


- Counsel Hume affirmed the draft agreement's three-year window offers adequate time to make an informed decision and/or provides a clear exit strategy.
- Gilberts noted no earnest money and no broker fees as other advantages but said that the UDPDA would cover the cost of capital (6%) and remediation expenses. He also said that public funds are available to defray the latter.
- Members discussed the risks including unclear funding strategy, economic and pandemic uncertainties, contamination unknowns, Verizon Tower barrier, and UDPDA responsibility for up to 85% of the deficit. Even so, all felt that 411 East Sprague is still a wise investment.
- Gilberts mentioned the other nearby ideal site under contract until May 21 and that there's openness to exploring partnership options for that property as well; and that the current owner might be interested in retaining an equity stake.
- Beggs was in favor of moving forward with either or both properties but is skeptical of the UDPDA being in the parking business. He also wants to compare the assessed value to the asking price.
- Sheehan requested that Gilberts circulate the final draft development agreement to afford ample time to review.
- Warfield, Myhre, and Kuney thanked the DC, Murphy, Bouten, and Gilberts for a deliberative, thoughtful, comprehensive conversation.
- In summary, the UDPDA board endorsed the following next steps:
 1. pursue a development agreement for action at the June 2 meeting;
 2. negotiate to acquire desired parcel(s) and begin diligence;
 3. if successful, do site prep and remediation, determine highest/best use; and
 4. plan to sell or restructure within three years.

Public Comment

Asking for and hearing no public comment, Myhre adjourned the meeting at 3:45 PM.



Lars Gilberts, Secretary



Date




University District Public Development Authority (UDPDA) Voucher Certification – March 2021 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
3/5/2021	1068	Greater Spokane Inc. – annual fee per Advantage Spokane partnership contract	\$3,500.00
3/18/2021	Online xfer	UDDA per Services Agreement	\$12,625.00
3/22/2021	1066	Baldwin Sign Company – for balance on wayfinding contract	\$31,273.90


Lars Gilberts, CEO, UDDA and UDPDA board secretary

9/18/21
Date