



## University District Public Development Authority Board of Directors' Meeting Agenda

Tuesday, September 3, 2019 – 2:00pm-3:15pm  
Spokane Workforce Council, 140 S Arthur St, Gateway Bldg #5, Ste 300C

### 2:00 Welcome, call to order and administrative actions – *Leaver/Gilberts*

- Proposed MOTION – Consent Agenda
  - June 4, 2019 draft UDPDA board meeting minutes
  - UDPDA financials as July 31, 2019
    - Warrant 1021, 5/2/19, to CAI for UDSMP-U \$5,651.31
    - Warrant 1022, 7/3/19, to PBBH, LLP for UW Spokane Center due diligence/inspection \$7,403
- Wayfinding RFB process completed. Vendor selected and contract negotiations underway.
- Joint UDPDA/UDDA RFP for Financial Services released August 19. Mandatory pre-submittal meeting on September 10. Proposals due September 30.

### 2:07 UDDA Development Committee Report - *Murphy/Gilberts*

- UW Spokane Center Update
- Grant Street development – mixed use and parking structure opportunity
- MOTION for discussion – “The UDPDA board authorizes the expenditure of up to \$300,000 in UDRA funds for reimbursement for improvements in the public right-of-way, or that are publicly-accessible, required by the developer to support the development of the 15 N. Grant property contingent upon the developer building approximately 127 residential units that will activate the area and provide TIF income with some ground floor retail facing a new publicly accessible plaza at the northeast corner of the property.”

### 2:45 County Participation in the UDPDA Update – *Leaver/Gilberts*

### 2:50 Nominating Committee Report – *Leaver*

At this time, the board will consider and discuss the recommendations of the Nominating Committee, as well as additional nominations, if any, relating to the proposed slate of 2020 new UDPDA members and officers.

- Proposed MOTION to accept member 3-year term renewals
- Proposed MOTION to approve 2020 new board member
- Proposed MOTION to approve 2020 proposed slate of officers

### 3:15 Adjourn – *Leaver*

### Upcoming 2019 Meetings:

- **Nov 5** – annual meeting, 2:00pm-4:30pm, *Providence*
- **Dec 3** – 2:00pm-4:30pm, and holiday social 4:30pm-6:00pm, *SIRTI, 4<sup>th</sup> floor*

## UDPDA Bylaws – Key Excerpts for Background

### 3.2 Number and Qualification

There shall be seven (7) voting directors of the Authority. None of the director positions are subject to residency requirements. Some of the directors are categorically and perpetually appointed and some shall be elected by the Board. With the exception of the City staff and University District Development Association (UDDA) CEO all other directors shall be voting members of the UDDA Board of Directors.

#### 3.2.1. Permanent Board Directors (4):

- a. One County appointment, comprised of either an elected official or an administrative position selected by the County Commissioners,
- b. Two City appointments comprised of the Council President and a senior administrative staffer.
- c. The CEO of the UDDA.
- d. Unless removed in accordance with these bylaws, each permanent board director shall hold office for an indefinite term.

#### 3.2.2 Elected UDDA Board Directors (2):

- a. Two UDDA directors selected by the UDDA board from their elected membership.
- b. Unless removed in accordance with these bylaws, each director shall hold office for one year or until the director's successor has been selected and qualified. University representatives or proxies do not qualify for appointment to the UDPDA board.
- c. Elected UDDA directors can be selected to serve indefinitely on the UDPDA board as long as they are active UDDA board members.

#### 3.2.3 Jointly Selected Board Director (1)

- a. A seventh director of the board shall be selected by unanimous vote of the three permanent City and County directors.

However, and notwithstanding the provisions in 3.2.3(a) above, this position shall automatically be filled, or as soon thereafter as is practical, by any governmental entity representative that otherwise chooses to contribute incremental tax to the University District TIF. Should this event occur, the tenure of the director chosen pursuant to this section shall be phased out within the ensuing 12 months or as otherwise deemed appropriate by a majority vote of the Board.

- b. Unless this position is otherwise occupied by a governmental entity that has chosen to participate in the University District TIF (in which case the duration of its term shall be consistent with Section 3.2.1 above), the jointly selected board director will serve a year term and are eligible for indefinite annual reappointments.



## University District Public Development Authority (UDPDA) Meeting Minutes - DRAFT

Tuesday, June 4, 2019 – 9:24am-10:00am

Avista HQ, 1411 E Mission Ave, Spokane, 5<sup>th</sup>-floor boardroom

**Board Members Present:** Dan Antonietti, Alisha Benson (via phone, GSI proxy), Bill Bouten, Elaine Couture, Dr. Daryll DeWald, Teresa Dugger, Ezra Eckhardt, Lou Gust, Latisha Hill, Taudd Hume (non-voting), Cindy Leaver, Amy McCoy (CCS proxy), Mariah McKay, Chuck Murphy (Gonzaga proxy), Dr. David O'Brien (via phone), Sarah Sexton-Johnson (EWU proxy), Council President Ben Stuckart, Dr. Beck Taylor

**Board Members Absent:** Susan Ashe, Catherine Brazil, Mayor David Condon (non-voting), Dr. Mary Cullinan (see proxy above), Dr. Christine Johnson (see proxy above), Dr. Thayne McCulloh (see proxy above), Todd Mielke (see proxy above), Brandon Rapez-Betty, Mark Richard, Dr. Frank Velazquez

**Other Participants and Invited Guests Present:** Chris Green (City and UDDA Development Committee co-chair), Julie Van Wormer (Architects West), Danielle Olson (City of Spokane planning intern)

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

### Call to Order

Chair Leaver called the meeting to order at 9:24am. Leaver thanked Avista for hosting, welcomed guests, and asked the board to review the May 7, 2019, UDPDA board meeting minutes and the UDPDA financials as of April 30, 2019. **MOTION to approve consent agenda minutes and financials** (Eckhardt); seconded (Stuckart) and passed unanimously. Warrants reported:

- Warrant 1019, 4/15/19, to UDDA for City contribution, \$20K
- Warrant 1020, 4/26/19, to MRSC for annual membership, \$135

### UDDA Development Committee Report to the UDPDA

#### University of Washington Spokane Center Update

- The final draft of the lease is expected by the end of the week.
- An Informal RFP (IRFP) was released for property management services with proposals due June 5, proposal review and vendor selection the week of June 10, contract negotiation and completion by the end of June.
- Gilberts noted that RCWs involving public works-related procurement changed in January 2018 and that securing a property management firm conversant with state rules and regulations would be helpful.
- Leaver called for a slight **amendment to the May 7 approved MOTION** as follows: **"The UDPDA Board authorizes the CEO to conclude due diligence on the UW Spokane Center and initiate and conclude final purchase with a closing date after June 4, 2019, but before July 1, 2019"** (McKay); seconded (Taylor) and passed unanimously.

### 2020 Preparation

The Executive Committee has selected Catherine Brazil, Bill Bouten and Cindy Leaver (along with the Mayor and Council President) to serve on the 2019 UDPDA



Nominating Committee. Leaver noted that Gust and Couture are up for renewal (a 2<sup>nd</sup>, 3-year term) and requested that they advise the committee if they wish to renew. Bouten added that any other board members may reach out if they wish to discuss their status or have questions. The 2019 Nominating Committee will propose a slate of 2020 UDPDA officers at the September 3 meeting (unless the UDPDA restructuring is finalized prior). Leaver asked for **MOTION “The UDPDA Board approves the Executive Committee’s selection of Bouten, Brazil, and Leaver to join the Mayor and Council President on the 2019 UDPDA Nominating Committee”** (Hill); seconded (DeWald) and passed unanimously.

### **Continued Review of UDPDA Structure Changes**

The City and County continue to discuss details relating to County participation in the UDPDA. Recent conversations sought clarity regarding profit-sharing or -splitting, ROI calculations, how the UDPDA differs from other local PDAs, board structure, whether to move forward as one or separately, timelines, etc. Taylor spoke to UDPDA restructuring considerations implicit in the redlined UDPDA bylaws which seek to:

- Clean-up some minor administrative errors and omissions;
- Reinforce the UDDA/UDPDA connection;
- Provide UDPDA full fiduciary responsibility and signing rights for UDRA funds with the City remitting quarterly TIF payments;
- Seat a seven-member board with significant UDDA representation.

Leaver and Taylor noted that the UDPDA board’s approval of the following motions signals its early endorsement of the proposed UDPDA structure changes to the County. Hume noted that the UDPDA Charter would need to be amended later as well and approved by the City Council.

Leaver thus asked for **MOTION: “The UDPDA Board approves the proposed redline changes to the UDPDA bylaws except for changes proposed to sections 3.2 (Number and Qualifications), 3.3 (Tenure), 3.10 (Board Committees), and 3.14 (Vacancies)”** (Taylor); and seconded (Couture) and passed unanimously.

Leaver then asked for **MOTION: “The UDPDA Board approves the proposed redline changes to the UDPDA bylaws sections 3.2, 3.3, 3.10, and 3.14 provided that before December 31, 2019 the Spokane County Commission votes to participate in the UDRA TIF and the City of Spokane Council votes to amend the UDPDA Charter to match these changes and give fiscal control to the UDPDA Board”** (DeWald); seconded (Hill) and passed unanimously.

### **UDPDA Board Meeting Public Decorum Rules and Public Comment**

- Leaver asked the board to review the Public Decorum Rules which are based on the City’s rules. Dugger asked if interested/informed parties may speak longer than three minutes. Stuckart noted that the chair may extend



the three-minute limit and Leaver said guests may be invited to present and noticed in the meeting agenda. Leaver called for **MOTION: “The UDPDA Board approves the Public Decorum Rules”** (Couture); seconded (Antonietti) and passed unanimously.

Leaver asked for public comment. Julie Van Wormer (Architects West) thanked the board for their work in the community and appreciated being able to attend the meeting.

Leaver adjourned the meeting at 10:00am.

\_\_\_\_\_  
David O’Brien, MD, board secretary

\_\_\_\_\_  
Date

UD Public Development Authority  
**Balance Sheet**  
As of July 31, 2019

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	<u>Jul 31, 19</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
10000 · USB BARS	2,495.40
Total Checking/Savings	<u>2,495.40</u>
Total Current Assets	<u>2,495.40</u>
<b>TOTAL ASSETS</b>	<b><u>2,495.40</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
Equity	
32000 · Retained Earnings	346.98
Net Income	2,148.42
Total Equity	<u>2,495.40</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>2,495.40</u></b>

**UD Public Development Authority**  
**Profit & Loss Budget vs. Actual**

July 2019

	Jul 19	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
3000000 · REVENUES				
3300000 · INTERGOV REVENUES				
3370000 · LOCAL GRANTS ENTITLMNT OTHER	8,750.00	8,750.00	0.00	100.0%
Total 3300000 · INTERGOV REVENUES	8,750.00	8,750.00	0.00	100.0%
3400000 · CHARGES GOODS/SERVICES	-7,403.00			
3600000 · MISC REVENUES				
3610000 · INTEREST, OTHER EARNINGS				
3614000 · Other Interest receipts	0.17			
Total 3610000 · INTEREST, OTHER EARNINGS	0.17			
3620000 · RENTS AND LEASES	562.13	5,206.25	-4,644.12	10.8%
Total 3600000 · MISC REVENUES	562.30	5,206.25	-4,643.95	10.8%
Total 3000000 · REVENUES	1,909.30	13,956.25	-12,046.95	13.7%
Total Income	1,909.30	13,956.25	-12,046.95	13.7%
Expense				
5000000 · EXPENDITURES				
5580000 · CMTY PLANNING ECON DEV				
5587000 · Economic Development				
5587040 · Econ Dev Services	0.00	8,300.00	-8,300.00	0.0%
Total 5587000 · Economic Development	0.00	8,300.00	-8,300.00	0.0%
Total 5580000 · CMTY PLANNING ECON DEV	0.00	8,300.00	-8,300.00	0.0%
5900000 · DBT EXP, CAP OUTLAYS, OTHR DECR				
5940000 · CAPITAL EXPEND/EXPENSES				
5945900 · Cap Expend Property Dev				
5945940 · Cap Exp Property Dev services	0.00	2,706.25	-2,706.25	0.0%
Total 5945900 · Cap Expend Property Dev	0.00	2,706.25	-2,706.25	0.0%
5940000 · CAPITAL EXPEND/EXPENSES - Other	0.00	0.00	0.00	0.0%
Total 5940000 · CAPITAL EXPEND/EXPENSES	0.00	2,706.25	-2,706.25	0.0%
Total 5900000 · DBT EXP, CAP OUTLAYS, OTHR DE...	0.00	2,706.25	-2,706.25	0.0%
Total 5000000 · EXPENDITURES	0.00	11,006.25	-11,006.25	0.0%
Total Expense	0.00	11,006.25	-11,006.25	0.0%
Net Ordinary Income	1,909.30	2,950.00	-1,040.70	64.7%
Net Income	1,909.30	2,950.00	-1,040.70	64.7%

# UDRA-Eligible Project Evaluation Criteria for Proposed PROJECT ^ Development



The goal of the UDRA funds as defined by the UDRA Business Plan and the UDSMP-U is to revitalize the UDRA area through qualifying projects that can be evaluated per the chart below.

On August 14, the principal of Portland-based Project ^ briefed the UDDA Development Committee (DC) on his firm’s proposed development for the Grant property that Project ^ plans to purchase from the City. In order for the development to proceed, Project ^ requests that the UDPDA provide up to \$300K in UDRA funds for reimbursements for improvements in the public right of way, or that are publicly accessible. The DC strongly supports this request as it has the potential to significantly activate the South Subarea and generate future TIF revenue for the UDPDA.

The Project ^ development proposes to build out approximately 127 residential units, ground-floor street activating retail, and a supporting parking facility. These investments are well-aligned with UDRA-Eligible Project Criteria in that:

- Investments meet all relevant city ordinances and state standards regarding Tax Increment Financing (TIF) investments.
- Project is rated as ‘Highly Recommend’ in at least three (3) of the five (5) criteria including at least one (1) ROI criteria.
- ROI - UDRA: project directly or indirectly increases taxable property values or sales tax within the UDRA.
- Enhances an established/expected development.
- Catalyzes redevelopment that would otherwise take more than 10 years to initiate or fully realize.
- Supports one of the UDSMP-U’s 19 core planning principles that would be unaddressed by private or municipal developments.

	Primary Criteria Evaluation for PROJECT ^				Secondary Criteria
Rating Level	ROI - UDPDA REVENUE	ROI - UDRA	TIMELINESS/LEVERAGE	BUT FOR THE UDPDA...	PLACE MAKING OR OTHER VALUE
HR	Projected UDPDA ROI of 100% or more within 15 years of investment	Projected UDRA ROI of 200% or more within 3 years of investment from surrounding properties	Very time critical Very strong leverage and/or capacity to build leverage or scale	Only the UDPDA can make this happen in the necessary time period	An infrastructure or place making opportunity would not be made by anyone other than the UDPDA
R	Projected UDPDA ROI of 100% or more within 20 years of investment	Projected UDRA ROI of 100% or more within 3 years of investment from surrounding properties	Somewhat time critical Good leverage and/or capacity to build leverage or scale	The UDPDA would be one of several partners but would make the project happen faster or smoother	An infrastructure or place making opportunity would best be integrated and leveraged by the UDPDA
NR	There would be little to no increase in revenue to the UDPDA from the project	There would be little to no increase in revenue to the UDRA from surrounding properties	Not time critical Poor leverage in place or little capacity to build leverage	This likely will happen regardless of UDPDA involvement	Other stakeholders have the capital or influence to ensure this infrastructure or place making opportunity is meaningfully addressed

HR – Highly Recommend

R – Recommend

NR – Not Recommended



August 24, 2019

Mr. Lars Gilberts  
University District / CEO  
120 N. Pine Street  
Spokane, WA 99202

**RE: 15 N. Grant Street Financial Assistance Request**

Mr. Gilberts:

It has been a pleasure learning about your successes and ongoing work / priorities in the University District (UD). We also appreciated presenting our project, and some the challenges to making it happen, to your development subcommittee.

As you heard, the 15 N. Grant site is complicated and costly to develop, not unlike many of the other sites in the South University District. Perhaps an important distinction is that we are proposing to bring complementary residential density to the area- which should have a profound impact on furthering the District's long-term goals.

One way we can work together to make the project viable is for UD to provide financial assistance that would be used to improve connectivity including:

- Publicly accessible pedestrian and bicycle facilities
- Curbs, sidewalks and paving of publicly accessible improvements
- Pathways for pedestrians including a potential trail connection along the north side of the site
- Utility improvements such as undergrounding or relocating utilities in the public right of way in order to enable the site's development
- And finally a publicly accessible ground floor plaza, and its furnishing, located at the northeast corner of the site

To this end, we respectfully request that the UD consider allocating up to \$300,000 (2020 budget) to such improvements. Should UD approve this assistance in concept, our team looks forward to working with you to detail the specific financial assistance tied to specific improvements.

We are also looking forward to continuing to discuss District parking strategies and the possibility of a District parking facility that is located on a part of our site.

Thank you for your consideration and please do not hesitate to contact me with any questions.

Sincerely,



Thomas E. Cody  
Managing Partner