

Memorandum of Understanding University District Gateway Bridge South Landing Catalyst Development

This Memorandum of Understanding (“MOU”) is entered into by the City of Spokane (“City”), a municipal corporation; Avista Corporation (“Avista”), a private utility; the Spokane Transit Authority (“STA”); the Hutton Settlement (“Hutton”), a not for profit entity; and the University District Development Association (“UDDA”), a 501 c (3) non-profit; (“the Parties”) to define the Parties’ preliminary understandings regarding the development of the University District Gateway Bridge South Landing (“the Landing”) and surrounding properties, generally defined in Exhibit A.

This effort is in support of a shared vision for development of the “Landing” and the greater University District to address economic development issues, smart urban growth, environmental restoration, transportation improvements and affordable housing needs, through this unique urban laboratory that connects the core strengths of both the participating educational institutions and the health care industry with regional economic initiatives.

This MOU does not constitute an offer, and nor does it create a binding legal obligation on the part of any of the Parties until such time as the Parties execute definitive agreements providing for all of the principle terms and conditions of a binding agreement.

- Whereas, in 2004 the University District Strategic Master Plan (“UDSMP”) was completed in which it addresses economic development opportunities, urban growth challenges, environmental restoration, transportation gaps and affordable housing needs in and around the Spokane University District; and
- Whereas, all entities involved will work cooperatively to identify and secure external funding through grants and State appropriations to construct the proposed University District Gateway Bridge in the 2016-2017 construction cycle, with a targeted completion date of December 2017. The bridge will be constructed consistent with the conceptual design represented in Exhibit B to this MOU; and
- Whereas, in 2009 the University District Development Association (“UDDA”) was formally created as a 501 c (3) non-profit designed to advocate and facilitate urban development and revitalization within Spokane’s University District based on the vision created in the UDSMP; and in that sense serves as the combined voice of its higher education members, including the Community Colleges of Spokane, Eastern Washington University, Gonzaga University, Washington State University, and Whitworth University as it relates to achieving the common District goals of the member institutions, and
- Whereas, in November 2012 the City of Spokane (“City”) created the University District Public Development Authority (“UDPDA”) by Municipal Ordinance C-34933; and
- Whereas, the City sought and received an Integrated Planning Grant (“IPG”) from the Washington State Department of Ecology (“DOE”) to explore and develop approaches to the adaptive reuse of brownfield sites in the Sprague neighborhood which includes the Landing; and

- Whereas, the University District Gateway Bridge has been proposed to overcome the significant physical barrier that the BNSF Railroad's main line creates in the community's efforts to provide connectivity between the University District and the medical district along Spokane's lower south hill as well as jump start the economic development of the Sprague Avenue commercial neighborhood; and
- Whereas, Washington State University ("WSU") has made considerable investment in its Spokane campus including development of its health sciences campus and a recent announcement to develop a medical school; and its willingness to honor its agreement with the City of Spokane for the daily maintenance of the University District Gateway Bridge; and
- Whereas, the 2014 Campus Master Plan by WSU does not indicate institutional development of student housing, and both WSU and Eastern Washington University (EWU) have expressed preference that private investment drive this feature;
- Whereas, the City anticipates that 90% engineering plans for the University District Gateway Bridge will be completed by the second quarter of 2015 as it prepares for construction; and
- Whereas, the parties desire to develop, and then issue, a "District Conceptual Framework" ("DCF") to solicit interest and private investment in the development of catalyst properties in the Landing.

NOW, THEREFORE, in order to enhance the opportunity for success in catalyzing the Landing, the Parties wish to provide information to potential outside investors regarding the Parties' real property holdings, their intentions, and their non-binding commitments, as follows: Nothing in this MOU precludes the parties from amending their intentions or prevents additional parties to be added at a later date with the concurrence of the Parties to this MOU.

1. The Landing is defined in Exhibit A to this MOU and is comprised of approximately 11 acres of fee simple properties and publicly owned rights of ways.
2. The City intends to undertake its best efforts to:
 - a. Design and build the public infrastructure (streets, pedestrian corridors, streetscape and urban landscape, sanitary and storm sewers, and potable water) defined in Exhibit C of this MOU. All utilities will be stubbed to the property line of development parcels.
 - b. Evaluate the vacation of some Riverside Avenue right of way and portions of Sheridan Street right of way to adjoining properties, pursuant to Chapter 35.79 RCW.
 - c. Provide prompt permit review for development proposals, including a 20 working day plan review turn-around time.
 - d. Waive general facility charges.
 - e. Create a gateway entrance at Sprague and Division for east bound traffic.
 - f. Design and install a "way finding" signage approach from I-90 and downtown to the Landing.

3. The STA as a statement of their commitment will undertake its best efforts to:
 - a. Commit \$50,000 towards transit improvements such as a pedestrian plaza at or near the intersection of Sprague and Sherman to accommodate pedestrian use of transit options.
 - b. Provide transit service from the base of the University District Gateway Bridge within the Landing to the south hill medical community, points east and to the city center.
4. The UDDA will work with its member institutions to explore the opportunities for additional support such as affiliation agreements for privately financed, constructed and operated faculty, staff and student housing as well as university related lab and research facilities in the Landing.
5. Hutton, as a statement of its commitment, agrees that it will give due consideration and will proceed in good faith to assist in the development of the DCF which may include, as to Hutton's property holdings within the Landing:
 - a. The sale, lease or trade of its property holdings in the Landing (defined in Exhibit A);
 - b. The entering into of a joint venture agreement with a private or public development entity; or
 - c. The investment in its property as an adaptive reuse to attract a tenant.

Nothing herein prohibits Hutton from terminating its involvement under this MOU in the event Hutton determines that it is in its best interest to do so.

6. Avista, as a statement of their commitment, will undertake its best efforts to:
 - a. Consider various options for the development and use of its property in the Landing (defined in Exhibit A) consistent with its business needs and interests.
 - b. Participate in and explore funding and joint venture opportunities within the Landing that is consistent with its overarching mission and rate of return thresholds.
 - c. Provide engineering and design coordination for power and gas distribution facilities necessary to serve future uses within the Landing, consistent with authorized tariffs.
7. The UDDA, as a statement of their commitment, will undertake its best efforts to:
 - a. Develop and issue the "District Conceptual Framework" managing the distribution, evaluation, selection and negotiations with the respondent(s) and the parties to this MOU.
 - b. Included in the "District Conceptual Framework"
 - i. The intentions of the Parties
 - ii. Background and history of the effort
 - iii. The University District vision
 - iv. Market analysis for private property development
 - v. Sufficient illustrations and exhibits to tell the story

- vi. The potential development of a process with aforementioned parties for the review and negotiation of a plan, and/or the eventual selection of the successful respondent.

CITY OF SPOKANE

Scott Simmons Date 7/23/15

By: Scott Simmons Division Director, BDS
Name/Title (please print)

AVISTA CORPORATION

Roger Woodworth Date 6/22/2015

By: ROGER WOODWORTH
Name/Title (please print)

SPOKANE TRANSIT AUTHORITY

E. Susan Meyer Date 7.1.15

By: E. SUSAN MEYER, CEO
Name/Title (please print)

HUTTON SETTLEMENT

Michael E. Butler Date 7/1/2015

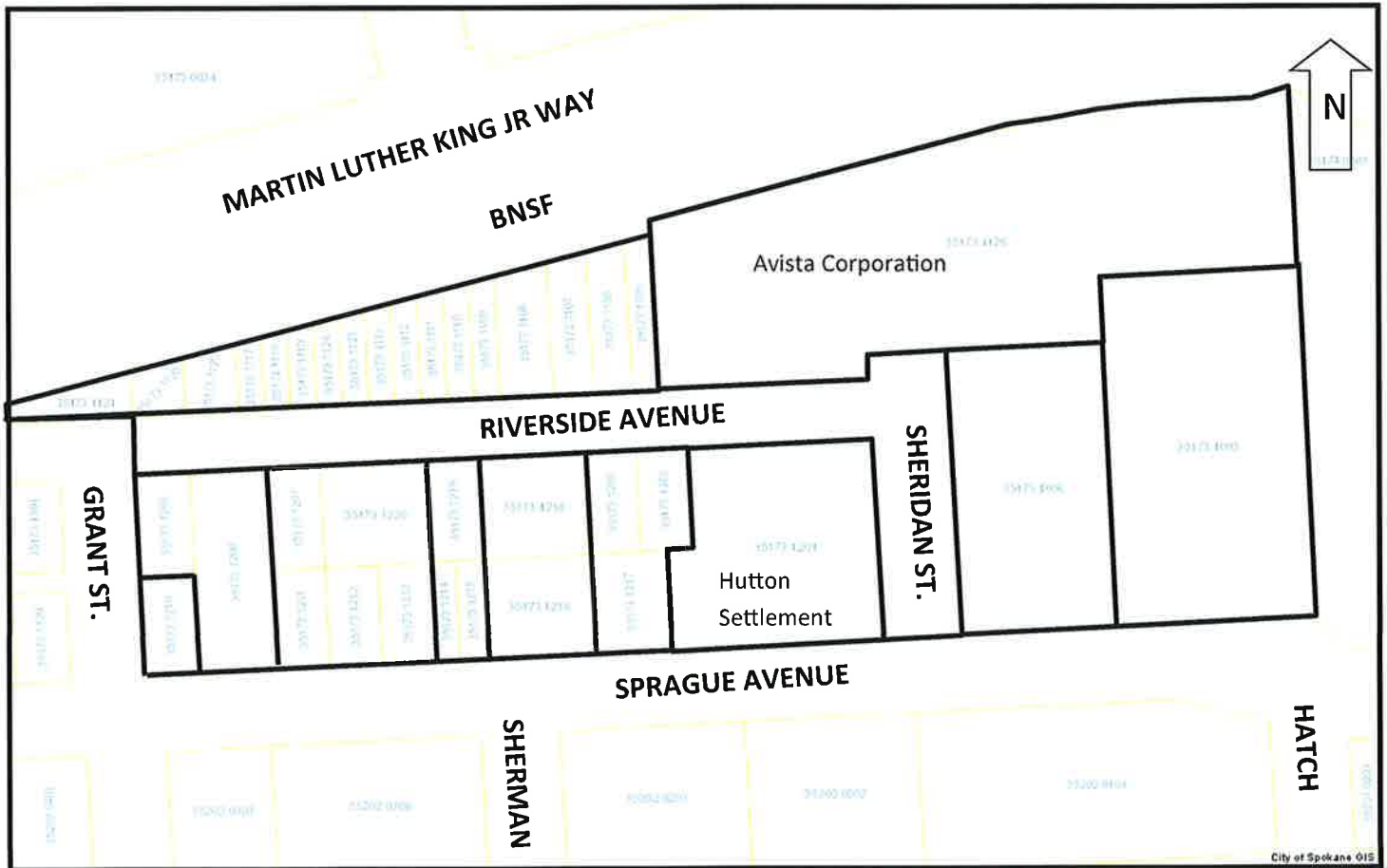
By: Michael E Butler CEO
Name/Title (please print)

UNIVERSITY DISTRICT DEVELOPMENT ASSOCIATION

Kim Pearson-Gillman Date 6/22/2015

By: Kim E. Pearson-Gillman
Name/Title (please print)

EXHIBIT "A" UNIVERSITY DISTRICT GATEWAY BRIDGE SOUTH LANDING CATALYST DEVELOPMENT AREA THE "LANDING" AREA



LEGEND

- The "Landing Area" Boundaries: **——**
- Landing Area study area: Approximately 11 acres

**EXHIBIT "C" UNIVERSITY DISTRICT GATEWAY BRIDGE SOUTH LANDING
CATALYST DEVELOPMENT AREA
PUBLIC INFRASTRUCTURE**

The City of Spokane intends to undertake its best efforts to design and build the public infrastructure (streets, pedestrian connections, streetscape and urban landscape, sanitary and storm sewers, and potable water) described below. All utilities will be stubbed to the property line of development parcels.

1. Sprague Avenue rebuild and streetscape improvements from Division Street to the Hamilton Street overpass which may include but is not limited to curbs, striping, signage, traffic signals, traffic-calming devices, and utility sleeves, sidewalk repair, pedestrian crossings, pavement treatment or replacement, bulb outs, streetlights, trees, irrigation, street furnishings, bicycle and pedestrian facilities and safety enhancements.
2. Sherman Street pedestrian and transit plaza improvements from Sprague Avenue to the south landing of the University District Gateway Bridge which may include but is not limited to streetscape improvements, curbs, striping, signage, traffic-calming devices, utility sleeves, sidewalk and pedestrian ways, pavement treatment or replacement, pedestrian streetlights, trees, irrigation, street furnishings, and bicycle and pedestrian facilities.
3. Water and sanitary sewer systems within the Sprague Avenue and Sherman Street rights of way needed for development of the properties within the Landing Area which may include but is not limited to water mains, valves and fittings, domestic water service lines, fire service lines, fire hydrants, sanitary sewer interceptors, sanitary sewer mains, sanitary sewer service lines, sanitary sewer manholes, and booster pumps.
4. Storm water and drainage management systems that will be owned by the City in the Landing Area which may include but is not limited to storm sewer pipe, storm sewer manholes, storm water catch basins, drywalls, drainage swales (including landscaping for such swales), storm water treatment vaults and underground storage tanks, and low impact stormwater management alternatives including but not limited to permeable paving, tree canopy, and rain gardens.