



University District Public Development Authority (UDPDA)

Board of Directors' Meeting Agenda

Tuesday, June 5, 2018

1:30pm Optional Pride Prep tour

2:00pm-2:20pm Meeting

Pride Prep School – 811 East Sprague Avenue, Spokane – gym room

1:30 *Optional Pride Prep Tour*

2:00 **Welcome** and thank you Pride Prep for hosting – *Eckhardt*

Administration – *Eckhardt*

- **MOTION** Consent Agenda
 - May 1, 2018 draft UDPDA board meeting minutes
 - UDPDA financials as of April 30, 2018 - no warrants to report

2018 Board Development – *Eckhardt*

- **Board status as of December 31, 2018**
 - Two board member expirations, not eligible to renew
 - Four eligible term renewals
- **Proposed 2018 Nominating Committee members** – at their May 22 meeting, the Executive Committee nominated the following 2018 Nominating Committee members (in addition to Mayor and Council President): Kim Pearman-Gillman, Daryll DeWald, and Beck Taylor
- **Proposed MOTION** – “The UDPDA board accepts the recommendation of the Executive Committee to appoint Dr. Daryll DeWald, Kim Pearman-Gillman and Dr. Beck Taylor to the 2018 Nominating Committee”

2:15 **UDDA Development Committee Report to UDPDA** – *Pearman-Gillman/Worlock/Gilberts*

- **Proposed MOTION** Wayfinding – “The UDPDA board accepts the UDDA Development Committee’s recommendation to authorize the UDDA CEO to utilize up to \$50K of UDRA funds to implement Phase 1 wayfinding critical to the opening of the University District Gateway Bridge”

2:20 **Adjourn** – *Eckhardt*



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 Rapez-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 \$650 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.

Ben Stuckart, board secretary

Date

UDPDA US BANK -5313

Balance Sheet

As of April 30, 2018

	<u>Apr 30, 18</u>
ASSETS	
Current Assets	
Checking/Savings	
10115 · UDPDA Checking USB	1,009.42
Total Checking/Savings	<u>1,009.42</u>
Total Current Assets	<u>1,009.42</u>
TOTAL ASSETS	<u>1,009.42</u>
LIABILITIES & EQUITY	
Equity	
32000 · Unrestricted Net Assets	1,164.40
Net Income	<u>-154.98</u>
Total Equity	<u>1,009.42</u>
TOTAL LIABILITIES & EQUITY	<u>1,009.42</u>

UDPDA US BANK -5313
Profit & Loss Budget Performance
 April 2018

	Apr 18	Budget	Jan - Apr 18	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
43100 · INTEREST & INVESTMENTS					
43110 · Interest-Savings, Short-term CD	0.02		0.02		
Total 43100 · INTEREST & INVESTMENTS	0.02		0.02		
46200 · CONTRACT INCOME					
46210 · UDRA Proceeds	0.00	0.00	0.00	0.00	35,000.00
Total 46200 · CONTRACT INCOME	0.00	0.00	0.00	0.00	35,000.00
49000 · PRIOR YEAR CARRYOVER	0.00	0.00	0.00	750.00	750.00
Total Income	0.02	0.00	0.02	750.00	35,750.00
Expense					
60200 · PERSONAL SVCS CONTRACTS					
60202 · Accounting, Financial Services	0.00	0.00	0.00	0.00	33,200.00
Total 60200 · PERSONAL SVCS CONTRACTS	0.00	0.00	0.00	0.00	33,200.00
60300 · OTHER CONTRACTUAL SVCS					
60324 · Insurance D&O	0.00	0.00	0.00	0.00	1,052.00
60325 · Insurance Other	0.00	0.00	140.00	120.00	836.00
60329 · Licenses and Permits	0.00	0.00	0.00	0.00	250.00
60335 · Audit svcs, bank fees	0.00	0.00	15.00	0.00	200.00
Total 60300 · OTHER CONTRACTUAL SVCS	0.00	0.00	155.00	120.00	2,338.00
60500 · SUPPLIES & MATERIALS					
60564 · Office Supplies	0.00	0.00	0.00	0.00	200.00
Total 60500 · SUPPLIES & MATERIALS	0.00	0.00	0.00	0.00	200.00
Total Expense	0.00	0.00	155.00	120.00	35,738.00
Net Ordinary Income	0.02	0.00	-154.98	630.00	12.00
Net Income	0.02	0.00	-154.98	630.00	12.00

UDRA ELIGIBLE PROJECT – Project Evaluation Criteria - WAYFINDING



The goal of the UDRA funds as defined by the UDRA Business Plan is to revitalize the UDRA area through qualifying projects that can be evaluated and tracked by indicators that are, “readily available, measurable over time and meaningful to the intended principle elements that promote progress consistent with the Spokane County Comprehensive Plan.” While many qualifying projects will increase taxable property values and sales tax (proxy for economic development), the return on investment (ROI) rate and additional criteria below should help prioritize UDRA investments. The following are definitions and standards for UDRA project evaluation criteria.

Primary Criteria:

- Investments must meet all relevant city ordinances and state standards regarding Tax Increment Financing (TIF) investments.
- To maximize revitalization and continued UDRA/UDPDA investments, projects must be rated as ‘Highly Recommend’ in at least three (3) of the five (5) criteria including at least one (1) ROI criteria.
- ROI calculations will be based on start of occupancy and proof of performance.
- ROI - UDPDA: project produces rent, fees or other revenue to the UDPDA to fund future projects.
- ROI - UDRA: project directly or indirectly increases taxable property values or sales tax within the UDRA.

Secondary Criteria: Used when a project may not yet demonstrate its full potential under the primary criteria.

- Enhances an established/expected development but would not change the likelihood of the development itself.
- Catalyzes redevelopment that would take more than 10 years to initiate or fully realize.
- Supports one of the 19 core planning principles that otherwise would be left unaddressed by private or municipal developments.

	Primary Criteria				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