



University District Public Development Authority (UDPDA)

Board of Directors' Business Meeting Agenda

Wednesday, June 4, 2025, 9:00 AM – 9:15 AM

In-Person at Ruby River Hotel, 700 N Division St, Spokane, WA – Shoreline Room B

Zoom link: <https://us02web.zoom.us/j/86750387107?pwd=WnRDckJrS2FGZUllbzNIWWliYTJ1dz09>

Meeting ID: 867 5038 7107 Passcode: 941652 Dial +1 253 215 8782 US | +1 253 215 8782 US (Tacoma)

9:00 Welcome, Call to Order – Sheehan

- Verify quorum

9:01 400-Block Sprague Avenue Update – Sinisterra

- **Proposed MOTION** – The Board of Directors grants the UDPDA Board Chair the authority to execute, on behalf of the UDPDA, the Purchase and Sale Agreement as Exhibit 3 to the Real Property Acquisition Agreement executed by and between the UDPDA and Avista Development, Inc., on August 6, 2021, for the amount of \$2,060,000 (which includes the final purchase price and escrow costs) for a closing date of August 6, 2025, related to the purchase of 12 North Grant Street ([Parcel 35173.1209](#)) and 411 East Sprague Avenue ([Parcel 35173.1208](#)); and authorizes the UDPDA CEO and staff to take all steps in pursuit of closing on the same, under the direction of the Board Chair and Executive Advisory Committee (EAC) of the Board.
- **Proposed MOTION** – Further, the Board of Directors authorizes using \$1,060,000 of cash on hand for the purchase, has reviewed the following options to finance the remaining \$1,000,000, and authorizes the CEO to proceed with one of the Options below:
 - **Option A** – City of Spokane Investment Pool (SIP) loan
 - **Option B** – Private bank loan
 - **Option C** – Avista seller financing loan (proposed 9.5% interest)

9:10 Riverside Avenue/Gateway Park - Sinisterra

- **Proposed MOTION** – The Board of Directors authorizes the CEO to proceed with the necessary steps with the City to vacate East Riverside Avenue between South Sherman Street and North Grant Street to allow for the proposed Riverside Gateway Park.

9:15 UDPDA Public Comment and Adjourn – Sheehan

2025 UDPDA Board Meetings (Catalyst Bldg, Room 309)

- Sept 3 annual meeting
- Oct 1
- Dec 10 holiday party and 2025 Impact Award presentation (location TBD, 4:30 – 6 PM)

May 22, 2025

Juliet Sinisterra, Chief Executive Officer
University District Public Development Authority
120 N Pine St., Suite 252
Spokane, Washington 99202

Re: ENGAGEMENT LETTER FOR MUNICIPAL ADVISORY SERVICES

Dear Ms. Sinisterra:

Northwest Municipal Advisors (“NWMA”) is pleased to have the opportunity to serve as municipal advisor to the University District Public Development Authority (the “Authority”). This letter specifies the terms of the engagement between NWMA and the Authority and provides a description of NWMA’s scope of services and a pricing proposal for municipal advisory services related to planning for Riverside Gateway Park Phase 1 funding. If acceptable to the Authority, this engagement shall become effective upon acceptance by the Authority.

Introduction to Northwest Municipal Advisors

NWMA is a municipal advisory firm that specializes in assisting public entities finance projects. We have experience in capital project financing for special purpose districts, counties, cities, school districts, and public utilities.

As a firm, we do not sell or underwrite securities or bonds but only serve in an advisory role. This allows us to avoid a potential conflict of interest in providing advice to a bond issuer.

NWMA is a registered municipal advisor with the Securities and Exchange Commission (“SEC”) and the Municipal Securities Rulemaking Board (“MSRB”). As such, NWMA has a fiduciary duty to our clients and shall act and provide advice in a manner it believes to be in the best interest of its clients.

As municipal advisor, one of our responsibilities is to provide sound advice to our clients, and our preference is to be involved in broad aspects of a financing, ranging from up-front planning and identification of financing options to the actual sale, pricing and closing of a bond issue or other financing. We work with many of the bond counsel and underwriter firms in the Northwest; national underwriting firms; regional and national banking institutions; and with the bond rating agencies.

Our firm will assign three professionals and support staff to the Authority. Scott Bauer and Ryan Neumeister will be the primary contacts on any financing, with back-up from Malinda Okerlund.



Scope of Services

NWMA will serve as municipal advisor to planning for Riverside Gateway Park Phase 1 funding and provide the following services:

- Consult with the Authority in determining the amount of borrowing, bond structure and the timing of any bond sale financing.
- Explore financing options with banks.
- Meet with the Authority's Board of Directors, management and staff as requested.
- Provide such other related services as requested by the Authority.

From time to time, NWMA may provide non-municipal advisory services, including but not limited to:

- For bank loans, assist the Authority in selecting a bank for the financing(s).

Compensation

Compensation for the Scope of Services outlined above will be based on hourly rates. We bill (per hour) \$300 for principals and \$200 for municipal advisors. Scott Bauer is a principal and Ryan Neumeister and Malinda Okerlund are municipal advisors. Fees under this agreement shall not exceed \$10,000.

If a bond/loan financing is expected to result based on the above Scope of Services, we will provide a separate bond/loan fee proposal.

Fees above shall be adjusted as follows:

- NWMA will be reimbursed for direct out of pocket expenses. These expenses may include, but are not limited to: mileage, travel expenses, printing, photocopying, and conference call expenses.

Fiduciary Duty

NWMA is registered as a Municipal Advisor with the SEC. As such, NWMA has a fiduciary duty to the Authority and must provide both a Duty of Care and a Duty of Loyalty that entails the following.

Duty of Care

- a) Exercise due care in performing its municipal advisory activities.
- b) Possess the degree of knowledge and expertise needed to provide the Authority with informed advice.
- c) Make a reasonable inquiry as to the facts that are relevant to the Authority's determination as to whether to proceed with a course of action or that form the basis for any advice provided to the Authority.
- d) Undertake a reasonable investigation to determine that NWMA is not forming any recommendation on materially inaccurate or incomplete information; NWMA must have a reasonable basis for:
 - i. Any advice provided to or on behalf of the Authority;
 - ii. Any representations made in a certificate that NWMA signs that will be reasonably foreseeably relied upon by the Authority, any other party involved in the municipal



securities transaction or municipal financial product, or investors in the Authority securities; and

- iii. Any information provided to the Authority or other parties involved in the municipal securities transaction in connection with the preparation of an official statement.

Duty of Loyalty

NWMA must deal honestly and with the utmost good faith with the Authority and act in the Authority's best interests without regard to the financial or other interests of NWMA. NWMA will eliminate or provide full and fair disclosure (included herein) to the Authority about each material conflict of interest (as applicable). NWMA will not engage in municipal advisory activities with the Authority as a municipal entity if it cannot manage or mitigate its conflicts in a manner that will permit it to act in the Authority's best interests.

Municipal Securities Rulemaking Board Rule G-10 Disclosure

Pursuant to Municipal Securities Rulemaking Board Rule G-10, on Investor and Municipal Advisory Client Education and Protection, Municipal Advisors are required to provide certain written information to their municipal entity and obligated person clients which include the following:

- NWMA is currently registered as a Municipal Advisor with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board.
- Within the Municipal Securities Rulemaking Board ("MSRB") website at www.msrb.org, the Authority may obtain the Municipal Advisory client brochure that is posted on the MSRB website. The brochure describes the protections that may be provided by the MSRB Rules along with how to file a complaint with financial regulatory authorities.

Conflicts of Interest and Other Matters Requiring Disclosures

- As of the date of the Agreement, except as disclosed below, NWMA is not aware of actual or potential conflicts of interest that NWMA that might impair its ability to render unbiased and competent advice or to fulfill its fiduciary duty, except as discussed. If NWMA becomes aware of any other potential conflict of interest that arises after this disclosure, NWMA will disclose the detailed information in writing to the Authority in a timely manner.
- As of the date of the Agreement, NWMA is under contract with and provides municipal advisory services to Spokane County (the "County") and the City of Spokane (the "City"). We do not believe a conflict exists at this time. A potential conflict of interest may exist if the Authority seeks a loan or contingent loan agreement from the County, the City, or both. We also have served as municipal advisor to the Spokane Public Facilities District (the "PFD"). While we do not currently have a contract with the PFD, but we anticipate one in the future.
- NWMA represents that in connection with the issuance of municipal securities, NWMA may receive compensation from an Issuer or Obligated Person for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, NWMA hereby discloses, that such contingent and/or transactional compensation may present a potential conflict of interest regarding NWMA's ability to provide unbiased advice to enter into such



transaction. This potential conflict of interest will not impair NWMA ability to render unbiased and competent advice or to fulfill its Fiduciary Duty to the Authority.

- NWMA's fees under this agreement, may be a fixed amount established at the outset of the Agreement. The amount is usually based upon an analysis by the Authority and NWMA of, among other things, the expected duration and complexity of the transaction and the Scope of Services to be performed by NWMA. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, NWMA may suffer a loss. Thus, NWMA may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest will not impair NWMA's ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Authority.
- NWMA fees under this agreement are also based on hourly fees of NWMA's personnel, with the aggregate amount equaling the number of hours worked by such personnel multiplied by an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest because it could create an incentive for NWMA to recommend alternatives that would result in more hours worked. This conflict of interest will not impair NWMA's ability to render unbiased and competent advice or to fulfill its Fiduciary Duty to the Authority.
- The fee paid to NWMA increases the cost of investment to the Authority. The increased cost occurs from compensating NWMA for municipal advisory services provided.
- NWMA serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of another NWMA client. For example, NWMA serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to the Authority. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, NWMA could potentially face a conflict of interest arising from these competing client interests. NWMA fulfills its fiduciary duty and mitigates such conflicts through dealing honestly and with the utmost good faith with Authority.
- NWMA's intention is to keep its work for each of its clients separate, and to maintain confidentiality relative to each client, except for information which is clearly public information.
- NWMA does not act as principal in any of the transactions related to this Agreement.
- NWMA does not have any affiliate that provides any advice, service, or product to or on behalf of the client that is directly or indirectly related to the municipal advisory activities to be performed by NWMA.
- NWMA has not made any payments directly or indirectly to obtain or retain the Authority's municipal advisory business.
- NWMA has not received any payments from third parties to enlist NWMA recommendation to the Authority of its services, any municipal securities transaction or any municipal finance product.
- NWMA has not engaged in any fee-splitting arrangements involving NWMA and any provider of investments or services to the Authority.
- NWMA does not have any legal or disciplinary event that is material to the Authority's evaluation of the municipal advisory or the integrity of its management or advisory personnel.



- NWMA is not involved in the underwriting of bonds and is not associated with any underwriting firm which eliminates any conflicts of interest related to underwriter selection or underwriter compensation.
- During the term of the municipal advisory relationship, this Agreement will be promptly amended or supplemented to reflect any material changes in or additions to the terms or information within this Agreement and the revised writing will be promptly delivered to the Authority.

Legal Events and Disciplinary History

NWMA does not have any legal events and disciplinary history on its Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The Authority may electronically access NWMA's most recent Form MA and each most recent Form MA-I filed with the Commission at the following website: www.sec.gov/edgar/searchedgar/companysearch.html.

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC.

Recommendations

NWMA may make a recommendation of a municipal securities transaction or municipal financial product. If the review of a recommendation of another party is requested in writing by the Authority and is within the scope of the engagement, NWMA will determine, based on the information obtained through reasonable diligence of NWMA, whether a municipal securities transaction or municipal financial product is suitable for the Authority. In addition, NWMA will inform the Authority of:

- the evaluation of the material risks, potential benefits, structure, and other characteristics of the recommendation;
- the basis upon which NWMA reasonably believes that the recommended municipal securities transaction or municipal financial product is, or is not, suitable for the Authority; and
- whether NWMA has investigated or considered other reasonably feasible alternatives to the recommendation that might also or alternatively serve the Authority's objectives.

If the Authority elects a course of action that is independent of or contrary to the advice provided by NWMA, NWMA is not required on that basis to disengage from the Authority.

Record Retention

Effective July 1, 2014, pursuant to the SEC record retention regulations, NWMA is required to maintain in writing, all communication and created documents between NWMA and the Authority for 5 years.

Term of Agreement

This agreement shall remain in effect until the earlier of the completion of the financing or financings for the project located at the 400 Block of Sprague Ave, Spokane, Washington or December 31, 2026.

Termination of Agreement

This Agreement can be terminated by either party with 30-days' written notice. In the event of termination, NWMA shall be reimbursed for expenses incurred to the date of termination.



Limitation of Liability

Liability of NWMA under this agreement shall be limited to fees paid.

Other Provisions

This Agreement represents the complete agreement between the Parties. Additional services and compensation may be added to this Agreement by a written supplement, with the mutual written consent of both Parties. All amendments or supplements shall be agreed to by both parties with written approval.

NWMA agrees that it will not provide financial services to any other individual or public entity on the same transaction for which it is providing financial services to the Authority under the terms of this Agreement without prior notice to and approval by the Authority.

Approval of Agreement

If this agreement and scope of work are satisfactory, please have this letter signed by an authorized person and returned to NWMA.

If you have any questions or comments regarding this agreement, please call me at (425) 452-9551.

Scott J. Bauer

Accepted and approved by University District Public Development Authority

this _____ day of _____, 2025

By: _____
(Signature)

(Print)