

**UNIVERSITY PLACE CITY COUNCIL  
Special Council Meeting Agenda  
Saturday, January 23, 2021, 8:30 a.m.**



*Note: Times are approximate and subject to change.*

**PUBLIC NOTICE**

The University Place City Council will REMOTELY hold its scheduled meetings to ensure essential city functions continue. However, pursuant to Governor Inslee's Proclamation 20-25.12 Healthy Washington – Roadmap to Recovery issued on January 11, 2021 and Proclamation 20-28.14 – Open Public Meetings Act (subject to further amendments), there will be no in-person attendance by members of the public.

Members of the public can virtually attend City Council meetings by dialing in to listen audibly-only at +1 509-342-7253 United States, Spokane (Toll), Conference ID: 986 790 710#.

The meeting invitation begins at 8:15 a.m. for technical setup. City Council members and the public may dial in and/or connect at this time. However, the meeting does not officially begin until 8:30 a.m.

**AGENDA**

- 08:30 a.m.      **CALL MEETING TO ORDER**
- MAYOR'S REMARKS**
- Introduction of Michael Pendleton, Pendleton Consulting LLC
- 08:35 a.m.      **ASSIGNMENT OF COUNCIL ROLES**
- Revisit [Committee and Representative Assignments](#)
  - Council Subcommittee for Commission Interviews
- 08:45 a.m.      **LOT 1 AND HOMESTEAD PARK PROPOSED DESIGN CONCEPT**
- Staff presentation to discuss design, process, and timeline for implementation
- 09:45 a.m.      **BREAK**
- 09:55 a.m.      **ECONOMIC DEVELOPMENT LONG-TERM STRATEGIES**
- 10:50 a.m.      **BREAK**
- 11:00 p.m.      **SOCIAL JUSTICE**
- 12:00 p.m.      **BREAK**
- 12:10 p.m.      **HOMELESSNESS**
- 12:45 p.m.      **WRAP-UP**
- Summary of Council Priority List Direction
  - Council and City Manager Comments
  - Closing Remarks – Mayor
- 01:00 p.m.      **ADJOURNMENT**

\*PRELIMINARY CITY COUNCIL AGENDA

February 1, 2021  
Regular Council Meeting

February 16, 2021  
Regular Council Meeting

March 1, 2021  
Regular Council Meeting

March 15, 2021  
Regular Council Meeting

**Preliminary City Council Agenda subject to change without notice\***

Complete Agendas will be available 24 hours prior to scheduled meeting.

To obtain Council Agendas, please visit [www.cityofup.com](http://www.cityofup.com).

**American Disability Act (ADA) Accommodations Provided**

**CITY OF UNIVERSITY PLACE  
COMMITTEES AND REPRESENTATIVES ASSIGNMENTS – 2020**

**Council Committees/Sub-committees  
Representatives**

| <b>City Council<br/>Committees/Liaisons</b>           | <b>Belleci</b> | <b>Figuroa</b> | <b>Flemming</b> | <b>Keel</b> | <b>Lee<br/>(Grassi)</b> | <b>McCluskey</b> | <b>Worthington</b> |
|---|----------------|----------------|-----------------|-------------|-------------------------|------------------|--------------------|
| Legislative and Intergovernmental                     | XX             |                |                 |             |                         |                  | X                  |
| Community Connector Program (16 <sup>th</sup> CAB)    | XX             |                |                 |             |                         |                  | X                  |
| Pierce County Cities & Towns                          | XX             |                |                 |             |                         |                  | X                  |
| Pierce County Mayors & Executive                      | XX             |                |                 |             |                         |                  | X                  |
| Pierce County Regional Council                        | XX             |                |                 |             | X                       | XX               | X                  |
| Rainier Communications Commission                     |                |                | X               |             |                         |                  | XX                 |
| Association of Washington Cities***                   | X              | X              | X               | X           | X                       | X                | X                  |
| AWC Board of Directors                                |                |                |                 | XX          |                         |                  |                    |
| AWC Legislative Committee                             |                |                |                 |             |                         |                  | XX                 |
| Pierce Transit Board                                  |                |                |                 | XX          | X                       |                  |                    |
| Zoo Trek Authority Board                              |                |                |                 |             |                         | XX               |                    |
| Sound Transit   |                |                |                 | XX          |                         |                  |                    |
| City Commission Interview Committee                   | X              |                | X               |             | X                       |                  |                    |
| 25 <sup>th</sup> Anniversary Celebration Subcommittee | XX             | X              |                 |             | X                       |                  |                    |
| Community Vision Subcommittee                         |                |                |                 | X           |                         | X                | XX                 |

- XX** = Designates Chair or Lead Responsibility
- X** = Designates Representation
- \*\*\*** = Non-U.P. Assignment

**CITY OF UNIVERSITY PLACE  
COMMITTEES AND REPRESENTATIVES ASSIGNMENTS – 2021**

**Council Committees/Sub-committees  
Representatives**

| <b>City Council<br/>Committees/Liaisons</b>           | <b>Belleci</b> | <b>Figuroa</b> | <b>Flemming</b> | <b>Keel</b> | <b>Lee<br/>(Grassi)</b> | <b>McCluskey</b> | <b>Worthington</b> |
|---|----------------|----------------|-----------------|-------------|-------------------------|------------------|--------------------|
| Legislative and Intergovernmental                     |                |                |                 |             |                         |                  |                    |
| Community Connector Program (16 <sup>th</sup> CAB)    |                |                |                 |             |                         |                  |                    |
| Pierce County Cities & Towns                          |                |                |                 |             |                         |                  |                    |
| Pierce County Mayors & Executive                      |                |                |                 |             |                         |                  |                    |
| Pierce County Regional Council                        |                |                |                 |             |                         |                  |                    |
| Rainier Communications Commission                     |                |                |                 |             |                         |                  |                    |
| Association of Washington Cities***                   | X              | X              | X               | X           | X                       | X                | X                  |
| AWC Board of Directors                                |                |                |                 |             |                         |                  |                    |
| AWC Legislative Committee                             |                |                |                 |             |                         |                  |                    |
| Pierce Transit Board                                  |                |                |                 |             |                         |                  |                    |
| Zoo Trek Authority Board                              |                |                |                 |             |                         |                  |                    |
| Sound Transit   |                |                |                 |             |                         |                  |                    |
| City Commission Interview Committee                   |                |                |                 |             |                         |                  |                    |
| 25 <sup>th</sup> Anniversary Celebration Subcommittee |                |                |                 |             |                         |                  |                    |
| Community Vision Subcommittee                         |                |                |                 |             |                         |                  |                    |

- XX** = Designates Chair or Lead Responsibility
- X** = Designates Representation
- \*\*\*** = Non-U.P. Assignment

# Memo



**DATE:** January 23, 2021  
**TO:** City Council  
**FROM:** Eric Faison, Assistant City Manager  
**SUBJECT:** Lot 1 and Homestead Park

---

At the January 4 study session, some Council members had questions regarding the funding sources for improvements to Lot 1 and Homestead Park. This memo includes a brief description of those sources, including important limitations. I'll use the chart that was presented at the meeting as an outline for the background material.

| <b>Available Funds</b>  |   |
|-------------------------|---|
| <b>State Grant</b>      | \$950,000 - For public infrastructure on Lot 1 and surrounding streets and sidewalks. |
| <b>City Match</b>       | \$668,118 - For public infrastructure on Lot 1 and Homestead Park.                    |
| <b>LRF Funds</b>        | \$2,876,416 - For public infrastructure in Town Center zone.                          |
| <b>Park Impact Fees</b> | \$1,030,203 – Unallocated Park Impact Fee balance.                                    |

University Place 

As a reminder, based on the timelines associated with the above funding sources, staff is seeking Council approval of staff's proposed course of action, which includes:

1. Entering into negotiations with Verus to revise the purchase/sale agreement and binding site plan to facilitate the design, bidding, and construction of public infrastructure improvements to Lot 1 (including sidewalks, streetlights, parking, utilities, and a new grid road north of Homestead Park). Any agreement with Verus and final design will return to Council for formal approval.

2. Working with the Parks Advisory Commission on a ranked priority of improvements to Homestead Park, which would include review of recommended areas of emphasis/concern from individual Council members at the retreat, Council approval of a contract with an architectural firm at the February 1 Council meeting to facilitate the Commission’s work, outreach to the public and other commissions, and developing a final recommendation to Council.

### **State Grant and City Match**

In 2019, Council adopted a list of legislative priorities that included a request for funding to support public improvements on Lot 1, as an extension of our Town Center project. In the application, we agreed to match the grant with City dollars.

Section 1. Approval of 2019 Legislative Priorities. The City of University Place’s 2019 legislative priorities are as follows:

- Capital Budget Funding. The City is seeking \$985,000 from the State’s Capital Budget to support construction of public infrastructure in the City’s Town Center as part of our community’s “Main Street Redevelopment Project – Phase 2.”

#### *Project description in the grant application:*

The City is seeking \$956,311 (exclusive of the State's \$28,869 administrative fee) to support the development of additional public infrastructure needed to support the second phase of the project. The infrastructure required for this phase includes: investments in structured public parking, extension of the road and sidewalk network, demolition of existing structures, preparation of the site, engineering, design & planning, among other development activities.

This grant will support the second phase of the project. This phase involves the redevelopment of approximately four acres adjacent to the first phase of the project. This phase of the project, as with the project as a whole, is an essential element of the City’s effort to leverage private investment to create additional employment opportunities and to build a sustainable tax base necessary to fund essential public services. The redevelopment plan also helps the City achieve its regionally mandated growth targets in a way that preserves existing neighborhoods and adds density along public transit corridors.

We were successful in obtaining the grant, and Council included both the grant and the City’s match in our 2020 and 2021 budget. We utilized part of our City match on demolishing the old city hall, clearing the lot and some limited engineering and design services. The current balance of the City match is approximately \$668,000.

There are two important limitations to the use of the State grant funds:

- We can only use the funds on property that we will keep in public ownership for 10 years.
- The funds must be expended by June 30, 2021.

## **LRF Funds**

In 2009, the State legislature created a new version of tax-increment financing called Local Revitalization Financing. The program allowed recipient cities to designate part of the City as a “revitalization area” (for us, the Town Center zone) and use part of the State’s sales tax revenue that is generated in that zone for public infrastructure to support economic development.

The LRF statute is RCW 39.104. The definition of “public improvement costs” is in .020(18) of the statute, and includes:

- (a) Design, planning, acquisition, including land acquisition, site preparation including land clearing, construction, reconstruction, rehabilitation, improvement, and installation of public improvements;
- (b) Demolishing, relocating, maintaining, and operating property pending construction of public improvements;
- (c) Relocating utilities as a result of public improvements.

Under .020(19)(a) of the statute, “public improvements” include:

- (a) Infrastructure improvements within the revitalization area that include:
  - (i) Street, road, bridge, and rail construction and maintenance;
  - (ii) Water and sewer system construction and improvements;
  - (iii) Sidewalks, streetlights, landscaping, and streetscaping;
  - (iv) Parking, terminal, and dock facilities;
  - (vi) Park facilities, recreational areas, and environmental remediation;
  - (vii) Stormwater and drainage management systems;
  - (viii) Electric, gas, fiber, and other utility infrastructures.

While the program was designed as a competitive grant program through the Department of Commerce, we managed to get U.P. designated in the legislation as a demonstration project. We received \$500,000 a year for 25 years in 2009.

The program required the bonding of the funds, which we did in 2010. We received \$5,703,705 in net proceeds from the bonds. The funds were spent on several Town Center improvements, including portions of the parking garage, Briarview demo, and Market Place construction.

In 2019, our financial advisor recommended, due to dramatic decreases in interest rates, that we refinance all of our debt, including our LRF bonds. The refinance generated \$3,573,835 in new LRF revenue. There are two important requirements related to the bonds’ tax-exempt status.

1. 5% of the bond proceeds must be spent within six months of closing.

2. 85% of the bond proceeds must be spent by December 1, 2022.

## **Conclusion**

### *Timing*

The State grant must be expended by June 30, 2021, unless the State legislature extends the deadline. The LR funds must be expended by December 1, 2022.

### *Related Funding Sources*

The State grant must be used on Lot 1, and we have to retain the property where we expend the money. Because Verus has an option to purchase the property for a fixed price, we have to negotiate a contract amendment with Verus to use the money on the lot. We also have to complete an amendment to the binding site plan.

We have identified projects around the core of the site that would allow us to expend the money on public improvements that would enhance the ability of Verus to market and develop the site. They have indicated that they view the proposed improvements and site plan positively.

The LR funds must be expended by December 1, 2022. If the costs of the proposed improvements to Lot 1 exceed the available \$1.6 million in State grant and City match funds, the City could use LRF funds to complete the improvements. Any remaining money is available for public infrastructure projects in the Town Center area.

Options staff has considered for the remaining LRF funds include projects within the core of Lot 1 (in particular, a portion of a structured parking garage) and improvements to Homestead Park. Verus has expressed some concern about developments within the core of Lot 1, but they have not expressed complete opposition. The cost estimate that we received for development of a portion of the garage, however, exceeded available funds. Additionally, we do not know (and doubt) that Verus will have plans and purchase Lot 1 before the December 1, 2022 deadline to expend the funds. We do not believe that public investment in the other Town Center lots substantially improves the development potential of those lots.

As a result, staff focused attention on improvements to Homestead Park, which Verus and other development professionals have informed us would be beneficial to both the public and to the attractiveness of Lot 1. Accordingly, we recommended, and Council approved, a Park Advisory Commission workplan that included the identification of priority improvement projects in Homestead Park.

## **Next Steps**

At the Council retreat, we are recommending that Council affirm staff's proposal regarding Lot 1 and Homestead Park, including:

1. Entering into negotiations with Verus to revise the purchase/sale agreement and binding site plan to facilitate the design, bidding, and construction of public infrastructure improvements to Lot 1 (including sidewalks, streetlights, parking, utilities, and a new grid road north of Homestead Park). Any agreement with Verus and final design will return to Council for formal approval.
2. Working with the Parks Advisory Commission on a ranked priority of improvements to Homestead Park, which would include review of recommended areas of emphasis/concern from individual Council members at the retreat, Council approval of a contract with an architectural firm at the February 1 Council meeting to facilitate the Commission's work, outreach to the public and other commissions, and developing a final recommendation to Council.

# ***CITY OF UNIVERSITY PLACE PROCLAMATION***

***WHEREAS***, the end of the Civil War did not bring about an end to overt racism or systemic racism in the United States of America; and

***WHEREAS***, despite significant progress in the last 50 years, the United States still suffers from racial division and racial inequality; and

***WHEREAS***, engrained in our Country's history and culture are policies and practices that have created disparities between the races in wealth, housing, justice, healthcare, consumer credit, universal suffrage, education; and

***WHEREAS***, the recent events, including the very raw (visual) videos of George Floyd's and Manuel Ellis' deaths, have awakened the nation as to significant issues of racial injustice in policing and the criminal justice system; and

***WHEREAS***, University Place supports the physical and mental well-being and health of all individuals is valued. Violence is not tolerated. A cooperative community spirit and respect for each other--our commonalities and differences--foster a diverse cultural, spiritual and ethnic life and prepare us for future challenges. This will include issues of social justice and equity; and

***WHEREAS***, local government, being closest to the people and most accessible government, plays an important role in addressing these profound issues; and

***WHEREAS***, the City of University Place will listen with an open mind to difficult discussions, hear the voice of its citizens and embrace changes to ensure social justice for all and that discrimination will not be tolerated in policies and actions by the City and those entities whom they associate.

***NOW THEREFORE***, the City Council of the City of University Place declares its intent to investigate; to change policies and procedures that have contributed to systemic racism within our local government based on outcomes of community conversations partnered with subject matter experts.

**PROCLAIMED BY THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, ON AUGUST 3, 2020.**

---

Caroline Belleci, Mayor

ATTEST:

---

Emelita J. Genetia, City Clerk