



Spokane Plan Commission Agenda

July 26, 2017

2:00 PM to 4:00 PM

City Council Briefing Center

808 W. Spokane Falls Blvd., Spokane WA 99201

TIMES GIVEN ARE AN ESTIMATE AND ARE SUBJECT TO CHANGE

Public Comment Period:

3 minutes each Citizens are invited to address the Plan Commission on any topic not on the agenda

Commission Briefing Session:

2:00 -2:15	1) Approve July 12, 2017 meeting minutes	
	2) City Council Report	Lori Kinnear
	3) Community Assembly Liaison Reports	Greg Francis
	3) President Report	Dennis Dellwo
	Proclamation	
	4) Transportation Subcommittee Report	John Dietzman
	5) Secretary Report	Lisa Key

Workshops:

2:15-2:45	1) The Yard Area Wide Plan Acceptance	Melissa Owen
2:45-3:15	2) Demolition Ordinance	Lori Kinnear & Brain McClatchey
3:15-3:45	3) Infill Project Update	Nathan Gwinn

Adjournment:

Next Plan Commission meeting will be on August 9, 2017 at 2:00 pm

The password for City of Spokane Guest Wireless access has been changed:

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Spokane Plan Commission

July 12, 2017

Meeting Minutes: Meeting called to order at 2:00 pm

Workshop Attendance:

- Board Members Present: Dennis Dellwo, Todd Beyreuther, John Dietzman, Christopher Batten, Patricia Kienholz, Michael Baker, Greg Francis; Community Assembly Liaison, Lori Kinnear; Council Liaison
- Board Not Members Present: Christy Jeffers
- Staff Members Present: Lisa Key, Darcie Jernberg, James Richman, Tirrell Black, Shauna Harshman, Jo Anne Wright, Teri Stripes, Rod Minarik, Heather Trautman, Andrew Worlock, Kevin Freibott, Amy Mullerleile, Tami Palmquist, Jacqui Halvorson, Council President Ben Stuckart

Public Comment:

- None

Briefing Session:

1. The June 28, 2017 meeting minutes approved unanimously.

2. City Council Report

- None

3. Community Assembly Liaison Reports

- None

4. President Report

- Proclamation for Jo Anne Wright
- Party for Jo Anne Wright will be held following the Plan Commission meeting in the Chase Gallery.

5. Transportation Sub-committee Report –John Dietzman

- WSDOT is doing a study on I-90 from HWY 2 to the Idaho boarder focused on metered ramps, electronic reader boards, variable speed limit signs, and accident notification.
- Walnut to Freeway- looking at accident rates and the broader implications for the community

6. Secretary Report- Lisa Key

- July 13, 3:30 pm Joint Plan Commission / City Council Study Session: Council will be interviewing Carole Shook and Sylvia St. Claire for the two Plan Commission vacancies. The agenda will also address the docketing process, infield code amendment process, and sidewalks.
- July 25th 5:30-9pm WSDOT Community Engagement Plan and Place Making Workshop meeting located at Spokane Community College in the Lair
- Comprehensive Plan Update was adopted by City Council
- Spokane Falls Building Heights Work Group:
 - Lisa Key will present to the park board 7/13/17 at 1:30pm
 - Park Board presentation will be posted online
 - Report will be presented to Plan Commission at a workshop at the August 9, 2017 meeting- This is just a report serves as framework, with any changes to code to be addressed in a subsequent public process

Workshops:

Comprehensive Plan Update (Final Revision) –Joanne Wright

Presentation and overview given
Questions asked and answered
Discussion ensued

Wayfinding Briefing- Amy Mullerleile

Presentation and overview given
Questions asked and answered
Discussion ensued

Parklets –Tami Palmquist

Presentation and overview given
Questions asked and answered
Discussion ensued

Main Ave Visioning Study -Jim Frank and Councilman Stuckart

Presentation and overview given
Questions asked and answered
Discussion ensued

A motion was made by Todd Beyreuther seconded by John Dietzman to forward *The Main Avenue Visioning Study* on to City Council for acceptance as a vision to guide future planning, infrastructure feasibility analyses, and project development in this high priority corridor in Downtown Spokane.

Meeting Adjourned at 3:21 P.M.

BRIEFING PAPER
City of Spokane
Planning and Development Services
PC Meeting, July 26, 2017

Subject

The YARD Redevelopment Master Plan and next steps.

Intent

As a next step toward formal recognition of The YARD Redevelopment Master Plan planning requests that, should the Plan Commission be so inclined, the Commission make a motion to recommend that City Council accept and recognize The YARD Redevelopment Master Plan (Plan) as a record of the community's ongoing desire and effort to encourage industrial-based development, job creation, and quality of life improvements in The YARD. City Council will then accept and recognize the Plan by resolution; this date is not yet set.

Background

The development and recognition of the YARD Redevelopment Master Plan is intended to advance the YARD Development Strategy by building on and respecting previous planning efforts while also capitalizing on the Northeast Public Development Authority (NEPDA) as project champion and as liaison between City of Spokane and the community.

The Plan aligns with the goals and policies of the City's Comprehensive Plan and builds on the recommendations of the Greater Hillyard Northeast Planning Alliance's Neighborhood Plan (2010), along with previous planning studies conducted by the NEPDA including the Development Strategy, Brownfield Business Plan, and Heavy Freight User Analysis.

The YARD Redevelopment Master Plan is grounded in a market feasibility analysis. The goal of the Plan is to:

1. Increase industrial employment base
2. Capitalize on North Spokane Corridor
3. Target public infrastructure improvements to leverage private investment
4. Resolve legacy environmental concerns

The Northeast Public Development Authority (NEPDA) board and staff from multiple city departments, partner agencies and the public have participated throughout the planning process. Participation included multiple events and meetings as well as conference calls between stakeholders and our grant consultants – Maul, Foster, and Alongi.

This Plan was presented to the Spokane City Council at their Planning and Economic Development Committee meeting on April 17th and stakeholders from Spokane Matters District 1 on April 19th. The Plan Commission held a workshop on The YARD Redevelopment Master Plan (final draft) on April 26, 2017. The Plan and project information is [online](#).

BRIEFING PAPER
City of Spokane
Planning and Development Services
PC Meeting, July 26, 2017

Impact

The YARD Redevelopment Master Plan provides the City of Spokane, the NEPDA and the Hillyard community a path from overarching development strategy to specific projects intended to spur private investment and development of catalyst sites. A set of “Regional Connections” and “Local” priority infrastructure projects were developed to establish a framework for transportation, water and sewer services in The YARD.

Action/Next Steps

Implementation of regional priority infrastructure projects are already being pursued including elevating improvements to Freya Street onto the City’s 6-year Capital Plan and finalizing solutions for stormwater management on a district-wide scale. A better understanding of potential infiltration locations throughout the YARD is expected by September, 2017. This stormwater work has been conducted with resources from Integrated Capital Management and will be further supported with funds that remain in our current EPA Community Wide Assessment grant as appropriate.

If the Plan Commission is inclined, planning recommends that a motion is made to recommend that the City Council accept and recognize The YARD Redevelopment Master Plan as a record of the community’s ongoing desire and effort to encourage development, job creation, and quality of life improvements in The YARD.

Funding

This plan was generously funded by a Brownfield Area-wide Planning (AWP) Grant from the U.S. Environmental Protection Agency. The YARD Redevelopment Master Plan has not been formally reviewed by EPA. The views expressed are solely those of NEPDA and City of Spokane, and EPA does not endorse any of the mentioned products or commercial services. A grant closeout, including this plan, is due to the EPA by August 31, 2017.

The Plan recommends that the City of Spokane and the NEPDA proactively seek federal, state, and local funding to implement identified “Regional Connections” and “Local” priority project.

THE YARD REDEVELOPMENT MASTER PLAN

THE YARD



April 10, 2017



PAST



PRESENT



FUTURE

ACKNOWLEDGMENTS

Northeast Public Development Authority Board

Chair, Anthony Carollo
Vice Chair, Nicole Hydzik
Craig Riley
Joe Totorelli, Treasurer
Laura McAloon
Richard Burris
Cheryl Stewart

City of Spokane

City Council
President, Ben Stuckart
District 1, Amber Waldref and Mike Fagan
District 2, Breean Beggs and Lori Kinnear
District 3, Candace Mumm and Karen Stratton
Mayor, David Condon
Planning Director, Lisa Key
Integrated Capital Planning Manager, Katherine Miller
Assistant Planner, Teri Stripes
Assistant Planner, Melissa Owen

Partners

Avista
Spokane Transit Authority
Washington State Department of Transportation

Consulting Team

Maul Foster & Alongi, Inc.
Heartland, LLC
ECONorthwest
Taylor Engineering



This plan was generously funded by a Brownfield Area-wide Planning Grant from the U.S. Environmental Protection Agency (Cooperative Agreement Number 00J9990). It has not been formally reviewed by EPA. The views expressed are solely those of NEPDA and City of Spokane, and EPA does not endorse any of the mentioned products or commercial services.

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EXECUTIVE SUMMARY

The Hillyard Industrial Area in northeast Spokane (The YARD) is an emerging employment center for industrial businesses. The YARD includes approximately 500 acres of heavy and light industrial-zoned property adjacent to residential and commercial areas. Historically, it was the location of the Great Northern Rail Yard, but more recently it served as the location for small and large industrial businesses including distribution centers, fabricators, automotive repair shops, and contractors.

In 2012, the Northeast Public Development Authority (NEPDA) was established by the City of Spokane (City) in response to requests from the community for increased capacity and focus on creating more jobs in the YARD. The NEPDA, in partnership with the City, has prepared this Area-Wide Plan to guide development and public investments in The YARD. The Area-Wide Plan aligns with the goals and policies of the City's Comprehensive Plan and builds on the recommendations of the Greater Hillyard Northeast Planning Alliance's Neighborhood Plan (2010), along with previous planning studies conducted by the NEPDA including the Development Strategy, Brownfield Business Plan, and Heavy Freight User Analysis.

Opportunities

The YARD is one of the few locations in the City with land capacity to support significant growth in industrial land uses. As the region recovers from the Great Recession,

the vacancy rate for leasable commercial buildings in The YARD has decreased to less than two percent. Existing businesses are beginning to expand, but construction of new buildings is still relatively limited in The YARD.

After nearly five decades of planning, the North Spokane Corridor (NSC or U.S. Highway 395) has reached the northern edge of The YARD. Funding has been allocated by the Washington State legislature to complete construction to connect with Interstate 90 by 2027. This new freeway will include two interchanges in The YARD, on Francis Avenue and Wellesley Avenue. The enhanced accessibility and mobility provided by the NSC is expected to significantly increase demand by businesses to locate and develop in The YARD.

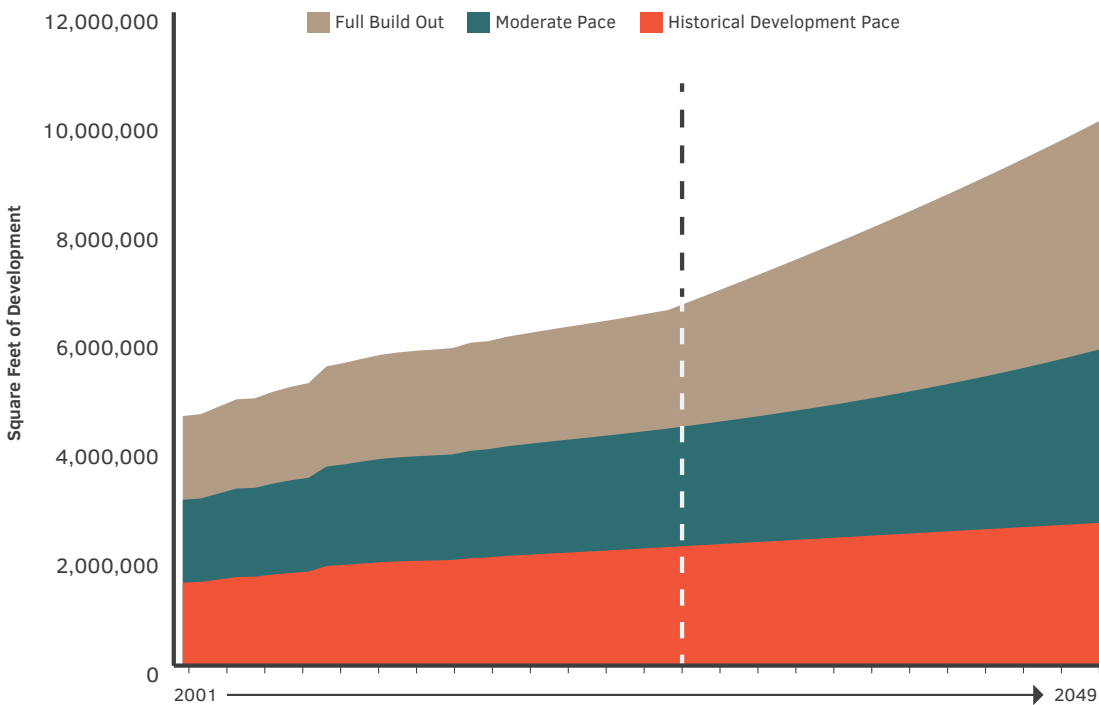
Challenges

Community development and investment in construction and business expansion is driven by a large number of factors and the decisions of individual property owners and firms. There are three primary challenges to redevelopment in The YARD: infrastructure deficiencies, regional competition, and environmental stigma.

INFRASTRUCTURE

Currently, many of the streets in The YARD do not meet city design standards. Portions of the water and sewer systems do not meet the demands of industrial users. There is no public stormwater management system.

GROWTH FORECAST



REGIONAL COMPETITION

While The YARD offers good access to downtown Spokane and relatively inexpensive land, businesses have several other location options in the region. Other large industrial areas include Spokane Valley, West Plains, and Airway Heights, as well as locations in Idaho. These other areas are able to offer large parcels (greater than 20 acres), infrastructure systems designed for industrial use, and relatively low-cost land.

ENVIRONMENTAL STIGMA

As the historic location of a former rail yard, there is a widely believed perception that there is significant environmental contamination in The YARD. The former rail yard is the largest tract of land in the area and is highly visible, so it contributes to this perception. In the eyes of potential investors and developers, the risks associated with environmental contamination are a significant barrier to redevelopment.

Vision and Goals

A vision for The YARD has evolved through the NEPDA's work and was confirmed in this planning process:

"The YARD will be home to an array of commercial and industrial businesses, providing quality employment and economic opportunity to residents in the region, and quality housing for area workers."

Goals:

- Create and sustain family-wage jobs
- Capture the opportunity provided by the NSC to promote economic revitalization of a historically industrial area
- Promote development that is economically and environmentally sustainable
- Improve health and safety of neighborhoods through environmental restoration
- Improve quality of life for residents, employees, and visitors



An artistic rendering of The YARD with one million square feet of new development.

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Objectives:

- Support existing businesses and attract new large- and small-scale companies
- Improve the regional competitiveness of The YARD
- Provide incentives that encourage revitalization and leverage existing infrastructure
- Target economic development tools that will have the greatest impact
- Make rational, cost-effective improvements to public infrastructure
- Leverage public investments and incentives with private investment
- Equitably share the costs of public improvements
- Address legacy environmental issues
- Address concerns and perceptions of public safety
- Foster stable housing opportunities

The future vision for The YARD has been illustrated in the above artistic rendering, which shows the development of approximately 1,000,000 square feet of new industrial and commercial building space alongside the approximately 2,000,000 square feet of existing buildings. Based on historic growth trends and a moderate level forecast for future development, it is projected that The YARD could reach this scale of development within 20 years.

Implementation Strategy

The NEPDA and the City have developed a multi-faceted strategy to promote job creation and economic development in The YARD. This strategy includes:

PARTNERSHIPS

The YARD has served as the starting point for many local businesses, as well as a base of operations for large corporations. Private-sector development will continue to drive revitalization of The YARD. The NEPDA and City will be most effective when they can coordinate with private- and public-sector partners to address challenges and leverage resources.

PHASING

Redevelopment of The YARD is expected to be catalyzed by construction of the NSC, but should be expected to occur over years. The Spokane economy has historically been relatively stable with moderate growth. The

financial feasibility of redevelopment of properties that are currently challenging is expected to significantly improve when the freeway is completed. With confidence in a schedule for completion of the NSC, there will likely be increasing private-investor interest in The YARD. With completion of NSC expected in 2027, the community is now an opportune position to prepare for future development. Since large public infrastructure projects can take years to design, fund, and construct, it is critical to identify priority projects and initiate that process now so local infrastructure is in place when the state highway is completed.

FINANCIAL INCENTIVES

The YARD regionally competes with other industrial areas that provide relatively low-cost land and proximity to freight corridors. With the availability of competitive options, businesses are expected to compare costs, advantages, and disadvantages in location decisions. The City of Spokane has established a number of financial incentives to make The YARD an attractive location for development, including waiving General Facility Charges. A portion of The YARD has also been designated as a Community Empowerment Zone by Washington State. It is recommended that the City enhance these incentives with the following actions:

- Establish a Community Revitalization Financing (CRF) District in The YARD. Within the designated CRF district, a portion of increasing property taxes can be dedicated to financing public improvements. This form of tax increment financing is not as robust as programs in other states, but can generate critical local public dollars to leverage private, state, and federal funds to support the significant infrastructure improvements need in The YARD.
- Reinvigorate efforts to work with property owners to utilize Local Improvement Districts (LID) to fund infrastructure projects in The YARD. The City should amend policy around LIDs to make this tool more accessible and effective. The City should align property-owner approval thresholds with requirements of state law (RCW 35.43 through 35.56). The City should also explore opportunities to leverage private-property owner investment with other funds such as Community Development Block Grants, the City transportation levy, and/or CRF funds.

POLICY AND PROGRAMMATIC RECOMMENDATIONS

Networking and Capacity Building

The NEPDA can serve as a convener and facilitator of collaborative discussions among businesses in The

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YARD. This could include informal events like happy hours to build relationships and promote networking among existing businesses, as well as hosting a series of presentations with topics such as financial management, marketing, and staff development to support local businesses.

Business Recruitment

The NEPDA and City should build on their existing partnership with Greater Spokane Incorporated (GSI) to recruit compatible businesses to The YARD. NEPDA and the City have developed a prospectus and other marketing materials to promote The YARD. GSI has established active programs for business recruitment.

Affordable Housing Policy

The City should develop policy for affordable housing with consideration that as The YARD redevelops, some non-conforming housing in industrially zoned areas will be displaced.

Public Safety

To address stated concerns from businesses and stakeholders, the City and NEPDA should continue to coordinate with the Spokane police department on crime prevention. Based on community concerns, a new police station was recently opened on Market Street in Hillyard.

Maker/Builder Space

The City and NEPDA have developed a conceptual site plan for development of a Maker/Builder space at the city's street maintenance facility (the Ranch property). A facility of this kind could serve multiple purposes, including workforce training and accelerating expansion of new businesses. The City and NEPDA should conduct a feasibility study to evaluate management and operational options, market demand, and funding strategies for such a facility.

INFRASTRUCTURE RECOMMENDATIONS

A set of priority infrastructure improvement projects have been developed to position catalyst properties in The YARD for redevelopment (see Table 8). These projects include "Regional Connections" for roads and utilities that establish a framework for transportation, water, and sewer services in The YARD (see Figure 25). It is recommended that the City and NEPDA proactively seek federal, state, and local funding to implement these "Regional Connections" projects. These regional projects include the following:

- Maintenance of Freya Street (Project 1) and repair of a sewer trunk line (Project 2).

- Reconstruction of Freya Street (Projects 3, 12, and 15) and Wellesley Street (Projects 4 and 5) to improve these arterial streets to meet the demands of heavy freight traffic and increase capacity of water and sewer systems to support increased development.
- Developing a regional stormwater management solution (Project 6) that allows for maximum utilization of property while meeting increasingly rigorous stormwater management requirements. The lack of public stormwater infrastructure in The YARD provides the opportunity for innovative solutions such as a regional facility or distributed facilities integrated into public rights-of-way (ROWs).

A set of complementary "Local Projects" are also recommended (see Figure 26). These "Local Projects" serve lower traffic streets and areas that are expected to develop more slowly than the catalyst sites. These projects have been identified to improve streets to meet City design standards and address constraints in water and sewer systems. Timing for implementation of "Local Projects" should be driven by private-sector demand. It is expected that these will be funded primarily through LID, CRF, and private contributions.

ENVIRONMENTAL RISK MANAGEMENT

The most effective approach to addressing contaminated properties in The YARD is to implement remedial actions through redevelopment. In addition to the historical operations associated with the former Great Northern Rail Yard, a number of other properties in The YARD have been identified in environmental databases or suspected, based on past uses, to be potentially contaminated. In general, the contamination concerns pose relatively low risk to human health and the environment and are not likely to be subject to regulatory enforcement actions. Addressing these impacts through redevelopment capitalizes on the momentum and resources generated through property transactions and construction projects.

City staff have developed significant experience and expertise in navigating the environmental remediation process. It is recommended that the City continue to offer technical assistance to property owners and to serve as a liaison between private property owners and organizational resources including the Washington State Department of Ecology, Washington State Department of Commerce, and U.S. Environmental Protection Agency.

1. INTRODUCTION

The Hillyard Industrial Area in northeast Spokane (The YARD) is an emerging employment center for industrial businesses. The YARD includes approximately 850 acres of land, mostly in heavy and light industrial use, along with residential and commercial areas. Historically, it was the location of the Great Northern Rail Yard, but more recently it served as the location for industrial businesses including distribution centers, fabricators, automotive repair shops, and contractors.

There is significant opportunity for growth in The YARD. There is a substantial volume of land available for purchase, lease, and/or redevelopment. Zoning regulations support a wide range of industrial uses. Land and electricity costs, as well as taxes, are relatively low. The City of Spokane has designated The YARD as a Targeted Investment Area for public infrastructure improvements and financial incentives to promote private development.

The YARD is located just three miles from downtown Spokane and provides surface and rail access to the region (see Figure 1). It can be accessed by multiple arterial roads and will soon be connected to Interstate 90 via a new freeway, U.S. Route 395, referred to as the North Spokane Corridor (NSC). After decades of planning, funding for construction of the NSC is in place and it is expected to be completed by 2027. The improved accessibility created by completion of the NSC will open tremendous new opportunities in The YARD. With completion of this major transportation project on the

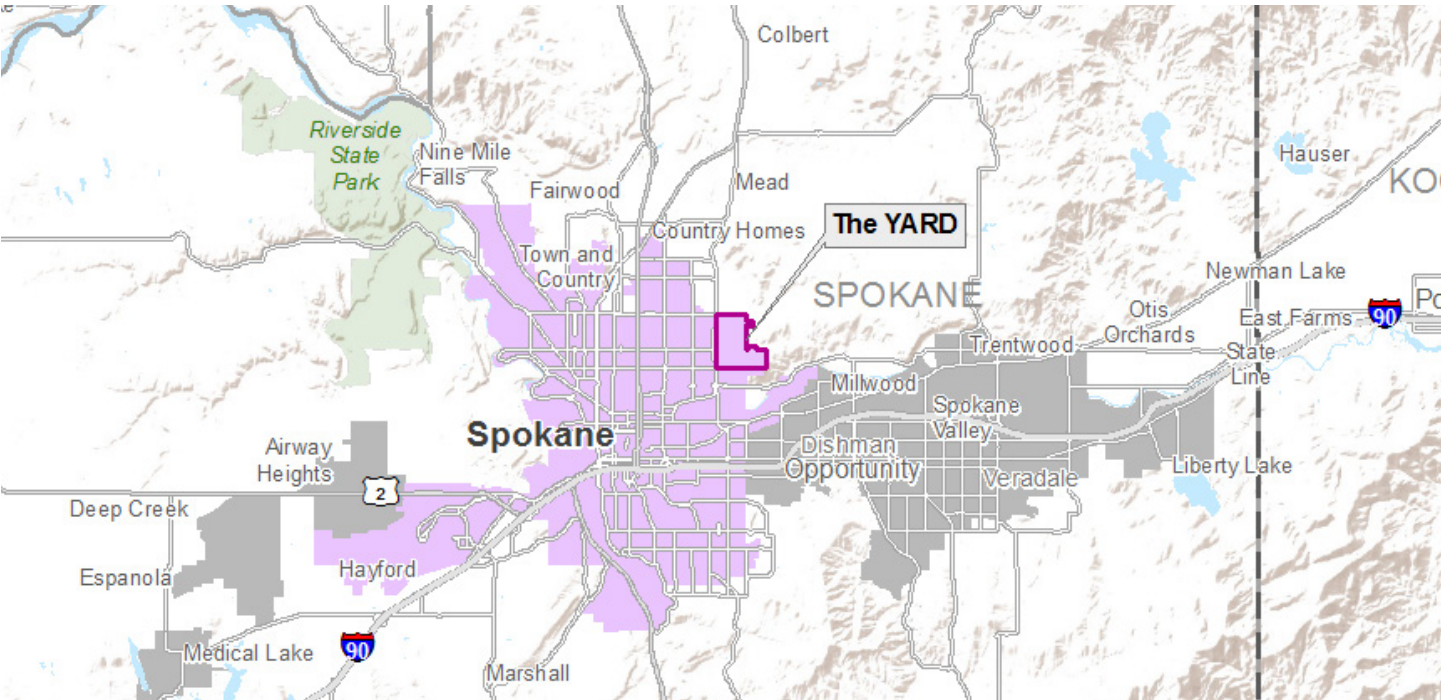
Fast Facts

Total Area	Approximately 900 Acres
Zoning	Light Industrial, Heavy Industrial, Residential Single Family (some Commercial along Market Street)
Access	Arterial Roads connecting to the North, South, East and West. BNSF rail line. North Spokane Corridor freeway scheduled for completion by 2027

horizon, now is the time for the community to plan for the future of The YARD and to make investments to position properties for redevelopment.

The Northeast Public Development Authority (NEPDA), in partnership with the City of Spokane (City), has developed this Area-Wide Plan to guide development and public investments in The YARD. The Area-Wide Plan aligns with the goals and policies of the City's Comprehensive Plan and builds on the recommendations of the Greater Hillyard Northeast Planning Alliance's Neighborhood Plan (2010), along with previous planning studies conducted by the NEPDA, including the Development Strategy, Brownfield Business Plan, and Heavy Freight User Analysis.

FIGURE 1. VICINITY MAP



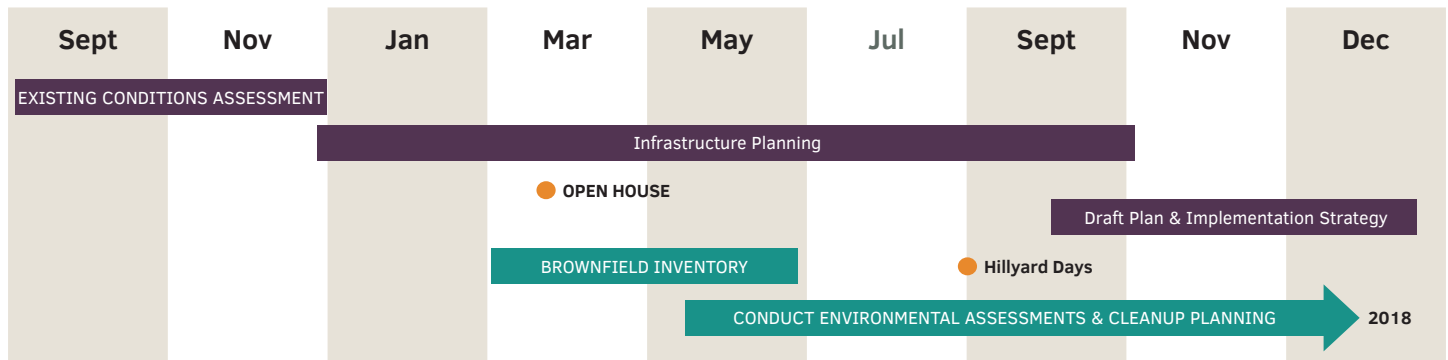
Planning Process

This plan was developed through an open planning process that was guided by the NEPDA Board of Directors and included engagement of community stakeholders through personal interviews, community meetings, and participation in the Hillyard Festival Day's event in August 2016. The planning process included three primary steps: assessment of existing conditions, evaluation of options

for infrastructure improvement, and development of a final plan (see Figure 2).

The Area-Wide Plan was developed in coordination with an inventory and assessment of brownfield properties funded by the U.S. Environmental Protection Agency (USEPA).

FIGURE 2. PLANNING PROCESS



Challenges

There are three primary challenges to redevelopment in The YARD: infrastructure deficiencies, regional competition, and environmental stigma.

INFRASTRUCTURE

Currently, many of the streets in The YARD do not meet city design standards. Portions of the water and sewer systems do not meet the demands of industrial users. There is no public stormwater management system.

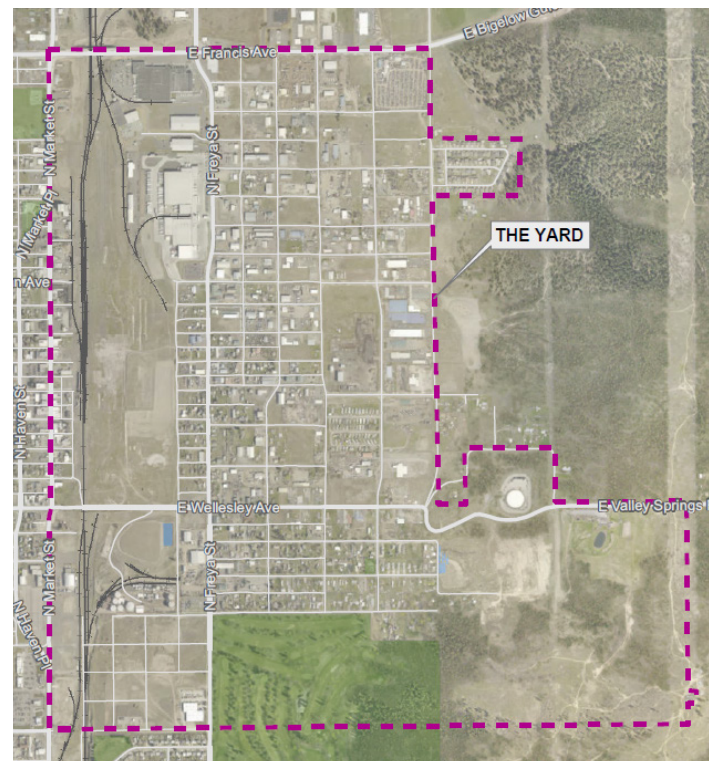
REGIONAL COMPETITION

While The YARD offers good access to downtown Spokane and relatively inexpensive land, businesses have several other location options in the region. Other large industrial areas include Spokane Valley, West Plains, and Airway Heights, as well as locations in Idaho. These other areas are able to offer large parcels (greater than 20 acres), infrastructure systems designed for industrial use, and relatively low-cost land.

ENVIRONMENTAL STIGMA

As the historic location of a former rail yard, there is a widely believed perception that there is significant environmental contamination in The YARD. The former rail yard is the largest tract of land in the area and is highly visible, thereby contributing to this perception (see Figure 3). In the eyes of potential investors and developers, the risks associated environmental contamination are a significant barrier to redevelopment.

FIGURE 3. AERIAL MAP - THE YARD

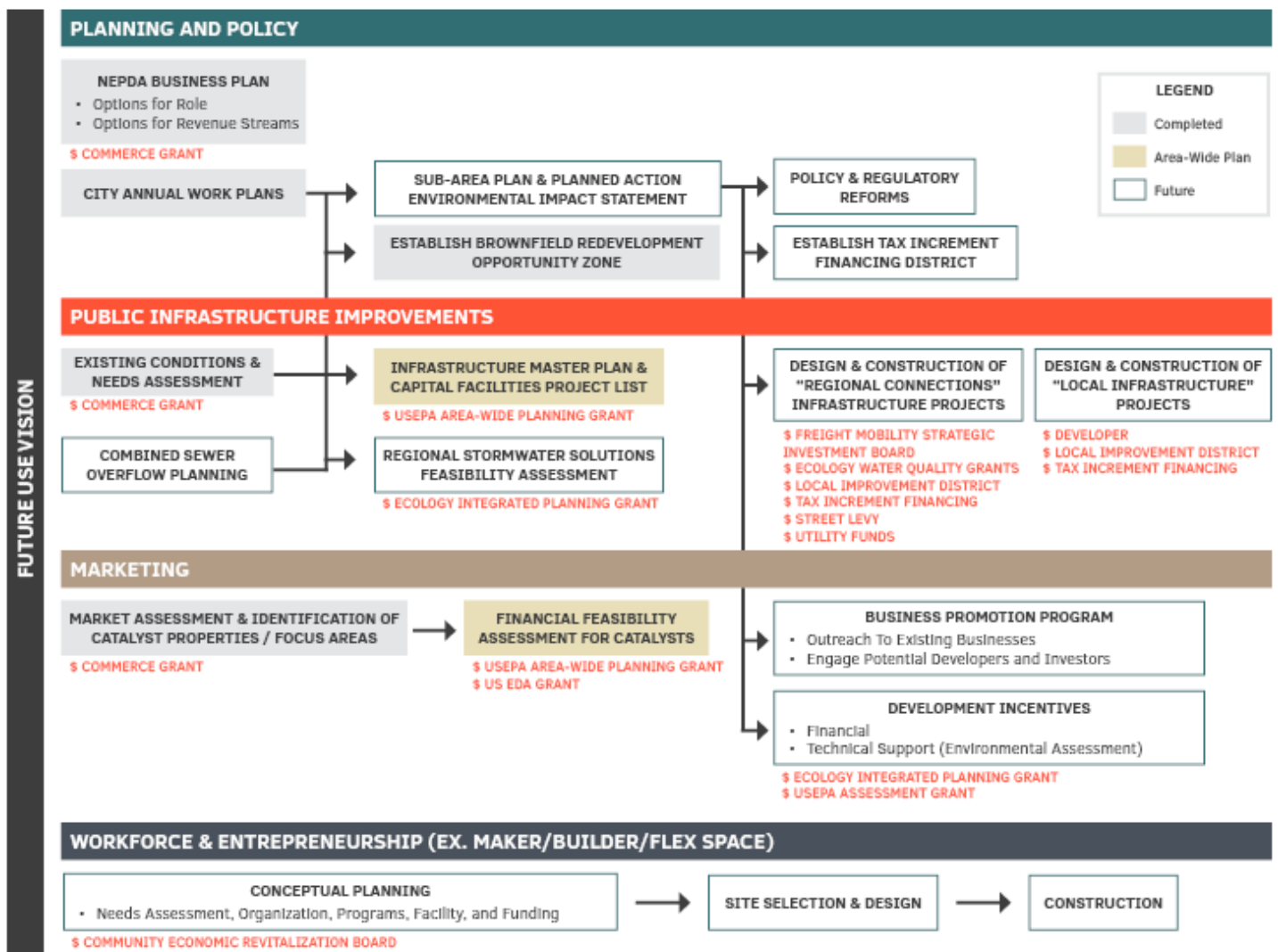


Strategy for Redevelopment

The NEPDA and the City have developed a multi-faceted strategy to promote job creation and economic development in The YARD (see Figure 4). This strategy is based on making targeted public improvements to attract private investment. The strategy includes land-use policy and capacity building, public infrastructure improvements, marketing, and workforce training and entrepreneurship.

The Area-Wide Plan articulates the vision for future use and recommends specific actions to move from strategy to implementation.

FIGURE 4. HILLYARD REDEVELOPMENT STRATEGY DIAGRAM



Historical Context

The Hillyard neighborhood developed around the Great Northern Rail Yard established by James J. Hill (Hill's yard). In 1892, Hillyard was platted as a separate town site outside of Spokane.¹ The rail yard grew quickly and by 1899 was reported to be the largest locomotive shop west of St. Paul. By 1900, the rail yard employed approximately 350 people. The rail yard expanded, and by 1916 the population of Hillyard grew to approximately 4,000 people. Hillyard was annexed into the City of Spokane in 1924. The rail yard complex occupied an approximately 100-acre area with buildings for manufacturing and repairing locomotives, storage warehouses, and a round house for turning train engines. In the 1920s, the facility was renowned for building the largest and most powerful locomotives of its time. The Hillyard neighborhood developed around the rail yard. On the west side of the railroad tracks, Market Street developed into a commercial corridor. Blocks of residential housing were built further to the west (see Figure 5).

When the industry began to change from steam- to diesel-powered locomotives in the 1940s and 1950s, production shifted to other locations and the rail yard began to decline. The Great Northern Railroad merged with the Northern Pacific to become Burlington Northern in about 1970. Operations at the Hillyard rail yard were dramatically reduced and most workers were relocated to other facilities or laid off. The rail yard closed in 1982. All of the former rail yard buildings have been demolished. The main rail line and several side spurs remain.

While the rail yard operations reduced, the surrounding industrially zoned land developed to become an employment center in its own right. Several large food distribution centers, including Safeway and Food Services America, have located to The YARD. A number of small businesses including construction-related contractors, fabricators, and automotive services have established The YARD as the "work bench" of Spokane. More information about the current business environment in The YARD is provided in Section 2.

FIGURE 5. HILLYARD CIRCA 1942



¹HistoryLink.org. <http://www.historyink.org/File/8406>. Accessed on October 26, 2016.

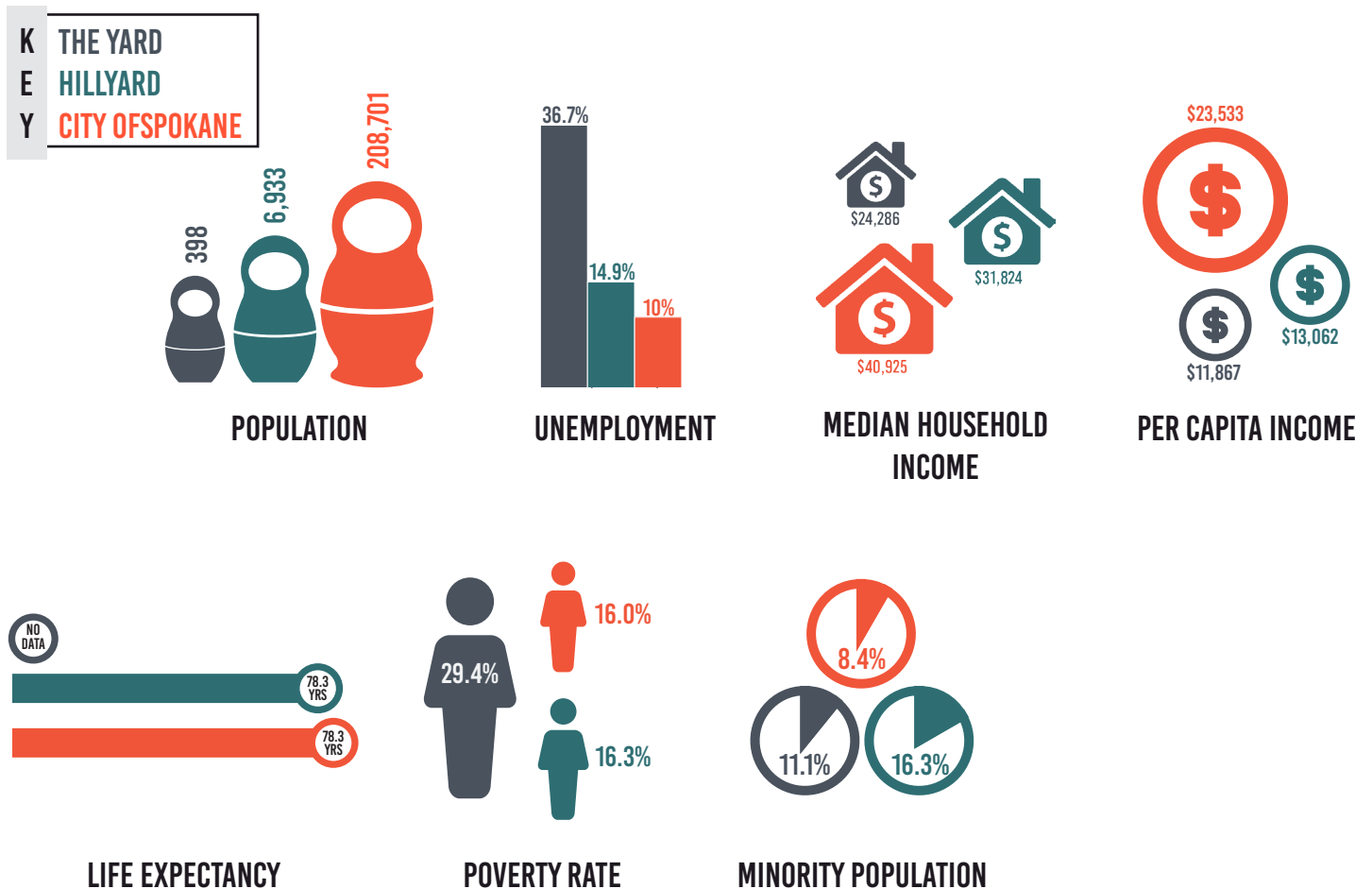
2. EXISTING CONDITIONS

Demographics

The Hillyard neighborhood, which surrounds and includes The YARD, is a strong, highly connected community, but one that has experienced a long economic struggle since the closure of the rail yard. Unemployment has been persistently high and incomes are lower than in the rest of Spokane and the State of Washington (see Figure 6). The community is more ethnically diverse than the rest of Spokane. Historically, the rail yard recruited Italian and Japanese immigrants. Today, the population of Hillyard includes a mix of ethnic groups, predominantly white, Hispanic or Latino, and African American.

The YARD is comprised of a single U.S. Census Block Group, and is less than one percent of Spokane County's population and employment within the Block Group, which comprises 398 people. This is also a low-income Block Group, with a median household income of \$24,286, compared to the County's median household income of \$48,485 and that of households within 5 miles of The YARD, at \$38,500. Finally, the educational attainment for people in The YARD is also well below County's attainment and the attainment for people within 5 miles of The YARD.

FIGURE 6. DEMOGRAPHIC INFORMATION



Data Sources:

Data from 2010 U.S. Census; Census blocks approximate
Data from Neilson/Claritas (2014)
Data from Bureau of Labor Statistics
Data from 2012 American Community Survey
Data from 2014 American Community Survey

Land Use

The existing land use in The YARD is predominantly industrial with an established residential neighborhood in the southeast (see Table 1). Based on county tax assessor records, approximately 32 percent of the land in The YARD is currently used for industrial purposes. The predominance of industrial uses is also seen in the commercial building stock, with approximately 1.6 million square feet of the total 2 million square feet of commercial building space used for industrial purposes. The development pattern in The YARD is open with relatively low density. Approximately 41 percent of land in The YARD is currently vacant and over 60 percent is considered underutilized.² This includes both the over 60-acre former rail yard property and multiple smaller infill properties. There are approximately 373 residential units in The YARD, with the majority of these located in the southeast corner of the planning area. Approximately 180 industrially zoned parcels are currently in residential use. Most of these residences are small, single-family homes, in addition to a mobile home park.

The YARD is characterized by a few large developments surrounded by relatively small parcels and small buildings owned with diverse ownership. Four property owners (Beacon Hill Properties, BNSF Railway, the City, and Safeway) comprise 354 acres or 50 percent of the parcel area in The YARD. The remaining land is made up of nearly 680 unique assemblages averaging 0.75 acres each. An assemblage is defined as one or more contiguous parcels under the same ownership group. The existing building stock includes approximately 2 million square feet of space in 289 buildings, translating to an average building size of 6,845 square feet. Over half of The YARD's building stock is in 29 buildings that total 10,000 square feet or more. The remaining buildings average 3,505 square feet (see Table 2).

TABLE 1. EXISTING LAND USE

Use Class	Size (% of Total)
Industrial	275 acres (32%)
Commercial	41 acres (5%)
Residential	106 acres (12%)
Vacant	345 acres (41%)
Other	83 acres (10%)

TABLE 2. BUILDING SIZE SUMMARY

Building Size Class	Total Area (Square Feet)	Percent of Total	Number of Buildings	Average Area (Square Feet)
Less than 10,000 sq. ft.	911,342	46%	260	3,505
10,000 sq. ft. or greater	1,066,908	54%	29	36,790
Total	1,978,250	100%	289	

²Defined by the ratio of improved value to land value for a property being less than 50%.

ZONING

Three zoning districts comprise the majority of property in The YARD: heavy industrial, light industrial, and single-family residential (see Figure 7). The heavy and light industrial zones, combined, make up 64 percent of the land in the study area. The heavy and light industrial zones are designed to allow for a wide range of potential businesses (see Table 3). As noted above, there are many non-conforming residential uses within the industrial zones.

FIGURE 7. ZONING MAP

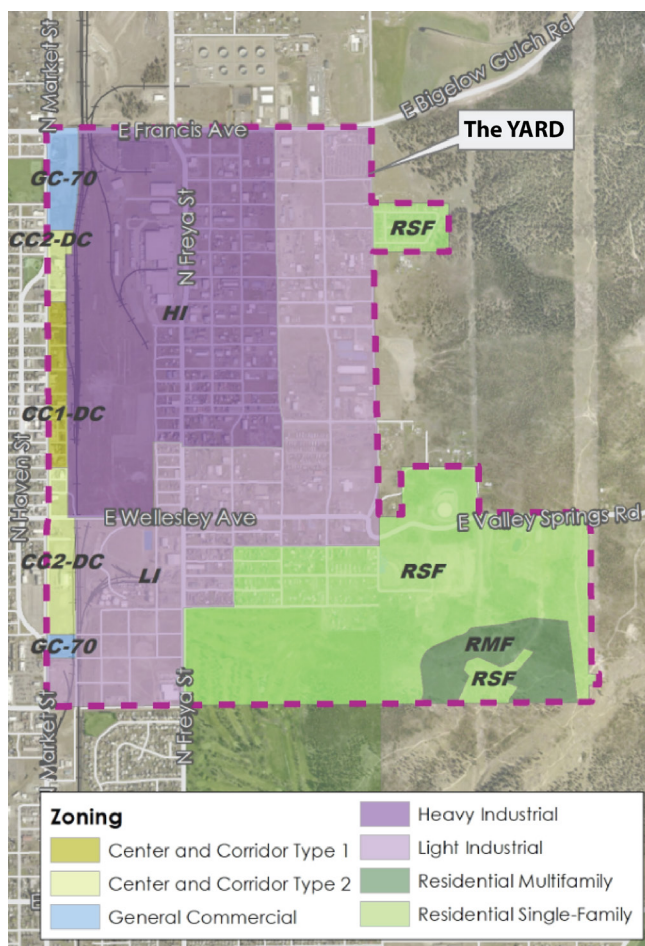


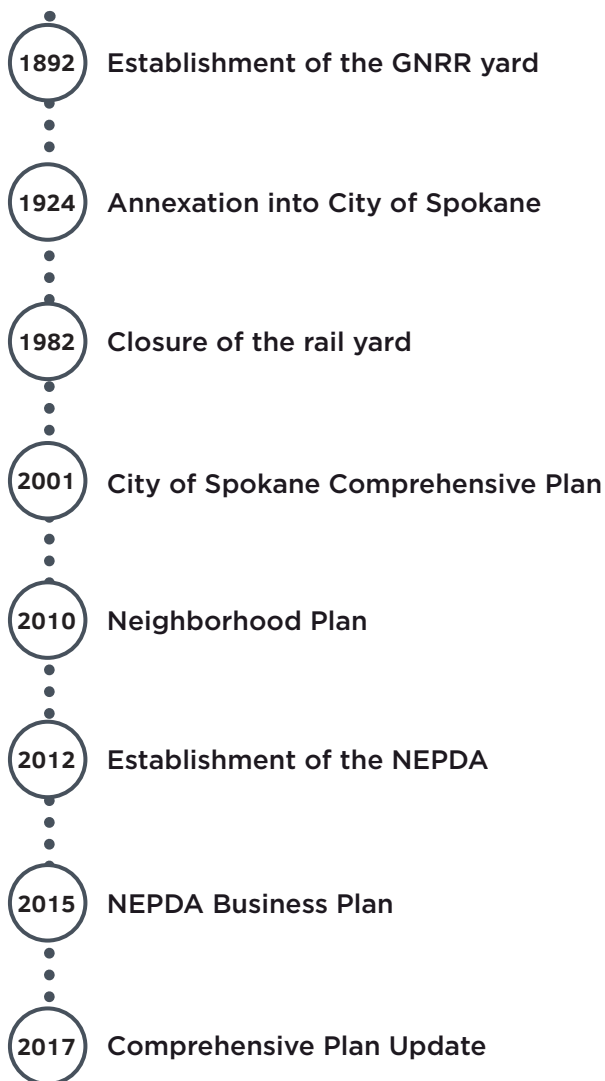
TABLE 3. ZONING SUMMARY

Zone	Size (% of Total)	Allowed Uses	Conditional Uses
Heavy Industrial (HI)	306 acres (31%)	Industrial Services, manufacturing, railroad yards, warehouse, retail (up to 20,000 square feet)	Retail (greater than 20,000 square feet), Parks
Light Industrial (LI)	327 acres (33%)	Manufacturing, warehouse, wholesale sales, retail (up to 60,000 square feet)	Retail (greater than 60,000 square feet)
Single Family Residential (RSF)	279 acres (28%)	Residential, parks	Schools

LAND USE PLANNING FRAMEWORK

The Area-Wide Plan builds on the history of previous land use plans for the City of Spokane and the Hillyard neighborhood (see Figure 8). The Area-Wide Plan was developed to align with the goals and policies established in existing land use plans. Key elements of these previous plans are summarized below:

FIGURE 8. THE YARD TIMELINE



Comprehensive Plan

The Comprehensive Plan is the foundational land-use planning document for the City and establishes the framework for physical development within the jurisdiction. As required by the Washington State Growth Management Act (GMA), the Comprehensive Plan must address key elements including land use, economic development, housing, utilities, and transportation. These plans are the starting point for any planning process and the centerpiece of local planning. All development regulations in the municipal code are required by GMA to be consistent with the Comprehensive Plan. The City of Spokane is in the process of updating its Comprehensive Plan.

The current Comprehensive Plan establishes a number of goals and policies that are relevant to The YARD. The Land Use element focuses on coordination of infrastructure improvements with land development. The Economic Development element identifies the need for incentives to revitalize industrial districts like those in The YARD. Specific goals and policies that are most relevant to the revitalization of The YARD are listed below.

Land Use

Goal 3: Promote the efficient use of land through the use of incentives, density, and mixed-use development in proximity to retail businesses, public services, places of work, and transportation systems.

- Policy LU 3.1 – Encourage coordinated and efficient growth and development through infrastructure financing and construction programs, tax and regulatory incentives, and focused growth in areas where adequate services and facilities exist or can be economically extended.
- Policy LU 3.4 – Utilize basic criteria for growth planning estimates and, subsequently, growth targets for centers and corridors.

Transportation

Goal 2: Provide a variety of transportation options, including walking, bicycling, taking the bus, carpooling, and driving private automobiles, to ensure that all citizens have viable travel options and can reduce dependency on automobiles.

Goal 3: Recognize the key relationship between the places where people live, work, and shop and their need to have access to these places; use this relationship to promote land-use patterns, transportation facilities, and other urban features that advance Spokane's quality of life.

- Policy TR 3.1 – Use the city's transportation system and infrastructure to support desired land uses and development patterns, especially to reduce sprawl and encourage development in urban areas.

Goal 4: Design and maintain Spokane's transportation system to have efficient and safe movement of people and goods within the city and region.

- Policy TR 4.8 – Accommodate moving freight and commercial goods in ways that are safe, cost efficient, energy efficient, and environmentally friendly.

Capital Facilities and Utilities

Goal 1: Provide and maintain adequate public facilities and utility services, as well as reliable funding to protect investment in existing facilities and ensure appropriate levels of service.

- Policy CFU 1.2 – Require the development of capital improvement projects that either improve the City's operational efficiency or reduce costs by increasing the capacity, use, and/or life expectancy of existing facilities.

Goal 4: Provide public services in a manner that facilitates efficient and effective delivery services and meets current and future demand.

- Policy CFU 4.1 – Promote compact areas of concentrated development in designated centers to facilitate economical and efficient provision of utilities, public facilities, and services.

Goal 6: Use capital facilities and utilities to support multiple interests and purposes

- Policy CFU 6.1 – Strategically provide capital facilities and utility services to encourage and support the development of Centers and Corridors, especially in older parts of the city.
- Policy CFU 6.2 – Make capital improvements that stimulate employment opportunities, strengthen the city's tax base, and attract private investment to target areas.

Economic Development

Goal 2: Ensure that an adequate supply of usable industrial and commercial land is available for economic development activities.

- Policy ED 2.1 – Ensure opportunities for locating a variety of desirable, livable wage industries in Spokane that are environmentally compatible with adjacent land uses and support a range of employment types.
- Policy ED 2.2 – Provide incentives to encourage the revitalization and utilization of historic and older commercial and industrial districts for redevelopment.

Goal 3: Foster a strong, diverse, and sustainable economy that provides a range of employment and business opportunities.

- Policy ED 3.1 – Stimulate economic growth by supporting the formation, retention, expansion, and recruitment of businesses.
- Policy ED 3.3 – Create economic development opportunities utilizing tools available to the city which will foster the growth of Spokane’s economy.

Goal 8: Improve and protect the natural and built environment as assets that attract economic development opportunities and enhance the City of Spokane’s quality of life.

- Policy ED 8.6 – Target contaminated sites and facilitate their cleanup.

Neighborhood Plan

In 2010, the Greater Hillyard Northeast Planning Alliance (GHNEPA),³ a community group formed of three neighborhood councils in northeast Spokane, prepared a Strategic Plan for the greater Hillyard area. This plan, funded by the City, featured a number of strategies and objectives relevant to The YARD, including the creation of a Hillyard industrial master plan to promote growth in manufacturing sectors; a light manufacturing incubator; a business-support organization; and actions to reduce crime in the area. The City and community have implemented a number of these recommendations, including establishing the NEPDA and preparing this plan document, which serves as the master plan for the industrial area. Below are specific goals and policies found in the plan that are most relevant to the revitalization of The YARD.

Strategy Five – Business and Job Development

Goal: To promote, develop, and recruit retail, commercial, and industrial businesses in the Greater Hillyard-Northeast Spokane Area that serve residents and attract customers from outside the area in order to create new business and job opportunities, resulting in increased wealth for the entire community.

- Objective 5.2 – To promote, develop, and recruit commercial services businesses in the GHNEPA area (professional, residential, business to business, etc.).
- Objective 5.3 – To promote, develop, and recruit Industrial / Manufacturing in the GHNEPA area, particularly in the East Hillyard industrial zone [The YARD].

Strategy Six – Transportation and Infrastructure Improvement

Goal: To develop and maintain a fully coordinated transportation and infrastructure concept that serves identified needs of neighborhood residents; area businesses and industry clusters; and interfaces with the plans of surrounding communities.

- Objective 6.2 – Rail Spur for Industry; to secure the economic and community development advantages of rail service to the GHNEPA neighborhoods for both commercial shipping and personal transit needs.

Strategy Seven – Changing the Image

Goal: To create and maintain a set of positive perceptions about the Greater Northeast Spokane area, intended to improve quality of life and healthy growth conditions for residents and the local economy.

Infrastructure

The YARD is served by public and private utility systems. The most notable characteristic of infrastructure conditions in The YARD is the number of streets that are not paved and do not meet the City’s design standards. Generally, water, sewer, and power utilities meet current needs but lack capacity to support high-intensity development in the area. In certain locations, water or sewer conveyance pipes have reached the end of their design life or are undersized to support high-intensity development or meet fire flow requirements.

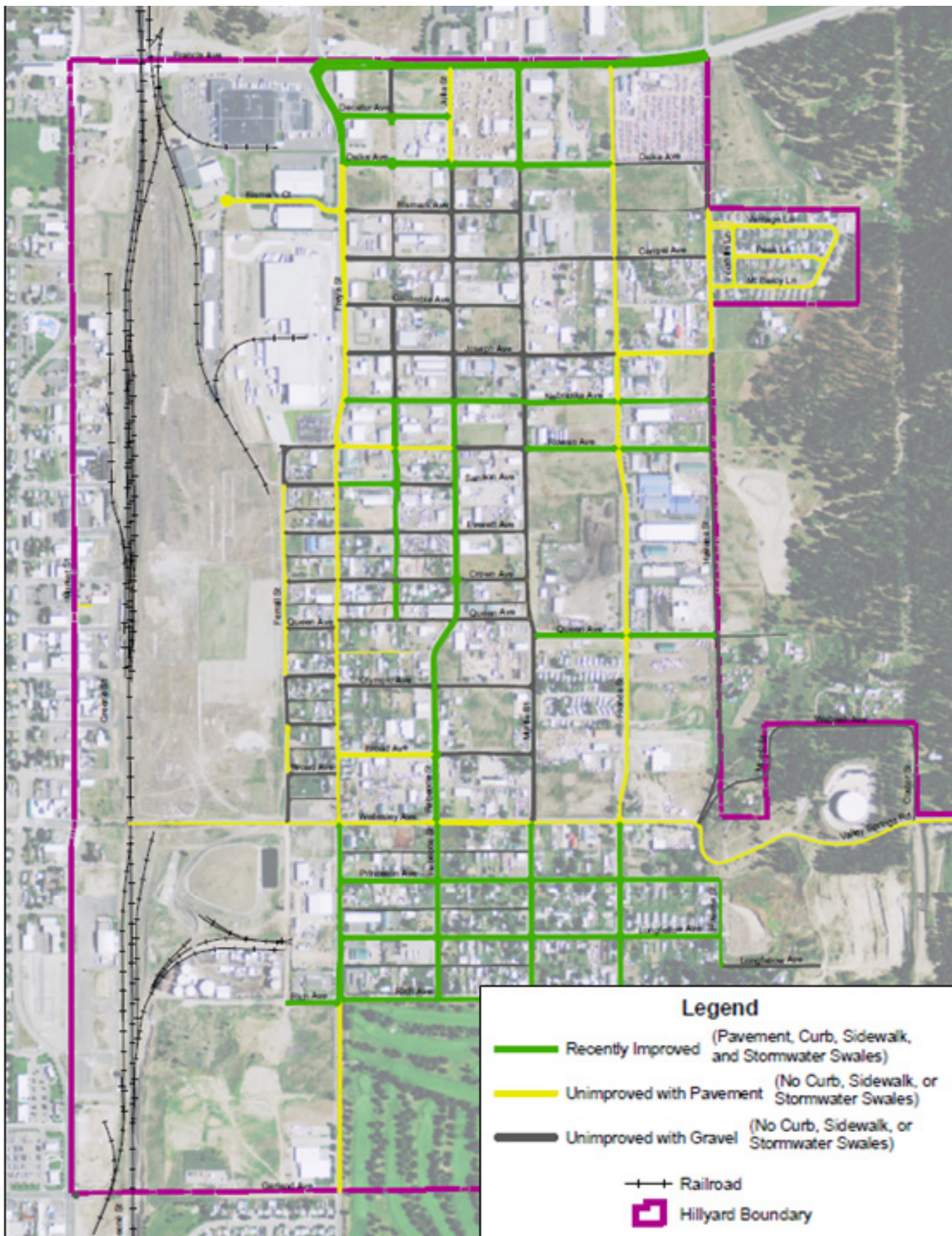
TRANSPORTATION INFRASTRUCTURE

The YARD has an established street grid with a hierarchy from arterial to local streets. Freya Street, Francis Avenue, and Wellesley Avenue are the arterials connecting The YARD to surrounding areas. Rights of way exist for a grid of local streets, but many of these streets are not developed to City standards. As shown in Figure 9, approximately 41,000 (42%) feet of street length in The YARD is gravel and 26,900 (27%) feet of street length are paved but do not meet current City design standards for curbs and stormwater management facilities, and 30,500 (31%) feet of street are recently improved. Almost all of the streets in The YARD lack the minimum right-of-way width required by current City standards.

Several blocks were recently improved as part of a series of Local Improvement District (LID) funded projects. The City established a funding program that shared street-improvement costs evenly between Community Development Block Grant funds, City levy funds, and private-property owner contributions. This formula provided 2:1 leverage of private property contributions.

³GHNEPA’s role has been formally passed on to a non-profit called Organizations of Northeast Spokane (ONES).

FIGURE 9. STREET CONDITIONS



This program successfully implemented projects over a series of three years. However, costs of the last project escalated and have created concern from local property owners about using LID assessments to fund future projects. Recent City policy changes have increased the threshold for approving LID assessments above the minimum established in state law (RCW 52.20). There have been no LID projects in The YARD since this City policy change was adopted.

Trails and Pedestrian Access:

There are currently no delineated trails and only very limited pedestrian-access facilities within The YARD. The YARD is grouped in the lowest priority category of the pedestrian priority map prepared in 2012 for use with the City's Pedestrian Master Plan. The majority of the existing pedestrian access facilities was recently constructed as a component of the LID street projects described above, consistent with City standards for local-access streets section. An eight-block segment of Rebecca Street, from Wellesley Avenue to Nebraska Avenue, is the longest run of continuous pedestrian improvements. The other areas in The YARD feature disjointed pedestrian access with infrequent sidewalks, access ramps, and pedestrian lighting.

Highway Access

As described earlier, the NSC is an extension of U.S. 395 through Spokane. The NSC will be a critical link in transportation infrastructure for the greater Spokane area by providing a high-speed connection from the Interstate-90 corridor located south of The YARD to northern Spokane and beyond. The proposed highway corridor will pass through the western edge of The YARD and will include a new interchange at Francis Avenue (constructed) and Wellesley Avenue (currently in design). This major infrastructure improvement will effectively close the gap that currently exists between the northern and southern portions of the freeway.

While the NSC is intended to improve the movement of goods to and through Spokane, it may also serve as a catalyst for new industrial and commercial development for areas with new highway interchanges and shorter travel times from Interstate 90. As of November 2016, the NSC is approximately half complete, with 5.7 miles of the NSC open to traffic, as illustrated in Figure 10. Construction is underway to realign 7.5 miles of BNSF railway tracks and subsequently build two freeway bridges. A new roundabout interchange has been constructed at the intersection of Freya Street and Wellesley Avenue in anticipation of the future highway interchange. The design of the Wellesley Avenue interchange is in flux: concerns have arisen about the implications of groundwater contamination associated

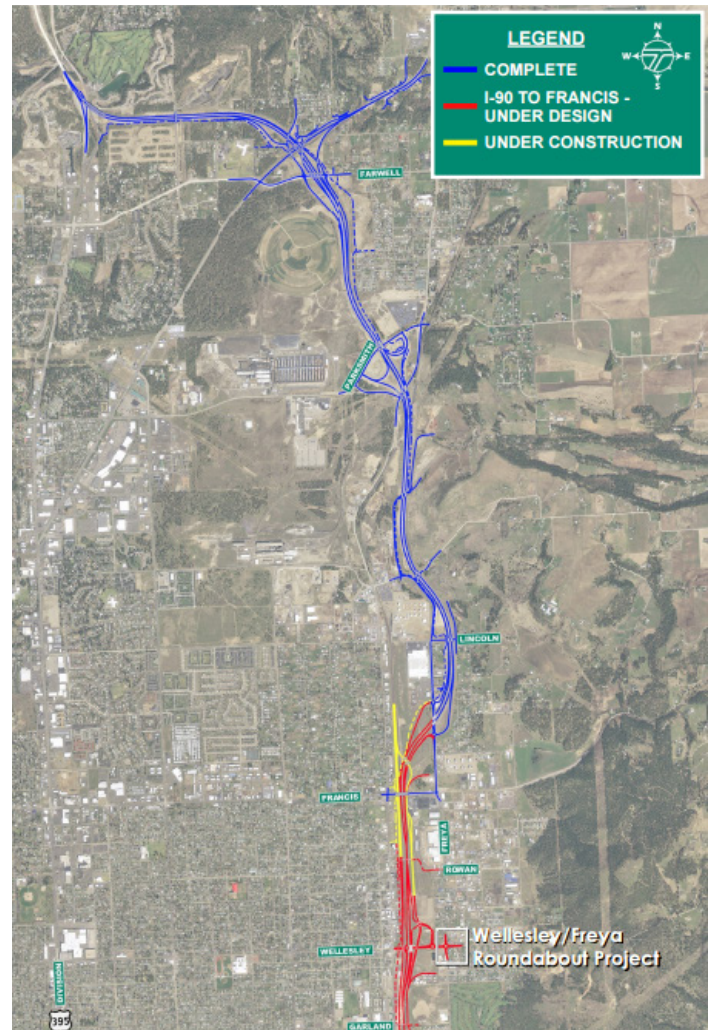
with the Black Tank site south of Wellesley Avenue and west of Freya Street.

With passage of a large transportation bill in the Washington State legislature in 2016, funds have been allocated to complete design and construction of the NSC. Construction is expected to be completed by 2027.

Rail Access

The BNSF rail line that crosses The YARD provides a high-speed freight connection to a nationwide rail system. The main rail line is actively used, although there are currently few users within The YARD. The main-line track has been recently shifted to accommodate the NSC. The length and condition of the existing sidings in The YARD will need to be evaluated relative to specific future users to determine whether any improvements would be needed.

FIGURE 10. NORTH SPOKANE CORRIDOR



UTILITIES

Sanitary Sewer

The YARD is served by a network of gravity sanitary sewer mains within the public ROW. The purveyor is the City. Based on a research interview with the City's combined sewer overflow team, the sanitary sewer system in The YARD is generally "separated" (as opposed to "combined") and does not convey stormwater runoff from the surface. There is a possibility that isolated downspouts may be connected to the system, and that stormwater may contribute to flows in the piped sewer system. With the exception of areas west of Freya Avenue and Ferrall Avenue, sewer flows from The YARD drain to the Northeast Terrace Lift Station located at the intersection of East Dalke Avenue and Havana Street (see Figure 11). Flows are pumped via a 14-inch diameter ductile iron-force main to a 15-inch diameter concrete gravity main that crosses under the former rail yard and drains to the west, into a 21-inch diameter trunk line on East Broad Avenue. The concrete gravity main represents a significant bottleneck in the system should the force main ever approach capacity.

Sanitary sewer flows from properties in the interior of The YARD generally drain in the easterly or westerly direction via 8-inch or 10-inch diameter pipes to one of two larger mains that run in the north-south direction (see Figure 11). One of these large mains is a 15-inch diameter line that runs south along North Freya Street and North Ferrall Street and discharges into the line that crosses the former rail yard property to the west. The portion of The YARD that does not drain to the Northeast Terrace Lift Station drains via this pipe. The second large main is a run of 18-inch diameter concrete pipe that runs from south to north on North Myrtle Street, turns east on East Rowan Avenue, and then north on North Havana Street to discharge at the Northeast Terrace Lift Station.

Sanitary-sewer infrastructure in The YARD offers a relatively high level of service to current and future users, even in a fully built-out condition. The City's design standard for new development requires an estimate of design flow based on zoning and a hydraulic analysis to ensure that sanitary sewer mains can convey the design flow at 70 percent depth with a minimum velocity of 2 feet per second. Discussions with the City's Wastewater Department, and preliminary calculations performed by consultants using the City zoning basis, indicate that the large 15-inch and 18-inch diameter mains mentioned above have capacity to accommodate future development. This should be verified through an in-depth study of existing flows, projections of future use specific to the development goals of The YARD, and a detailed analysis of the performance of the existing system. All of

the smaller 8-inch and 10-inch diameter lines draining side streets within The YARD satisfy the City's minimum pipe size of 8 inches.

Per discussions with the City's Wastewater Department, the Northeast Terrace Lift Station was designed with an oversized force main (14-inch diameter) and oversized wet well to accommodate future growth, although the lift station is currently operating with smaller pumps than could potentially be used in the future. This indicates that the capacity of the lift station will not act as a barrier to development in The YARD, although the current pumps may require replacement with larger pumps to fully utilize the capacity of the existing lift station and force main. This information should be verified with a detailed study of the existing lift station's performance and evaluation of available pumping and storage capacity.

The use of the current pumps with an oversized force main has contributed to low-flow velocities in the force main and corrosion issues, especially at the point of discharge to the gravity system near the intersection of North Ferrall Street and East Olympic Avenue. Damage from corrosion may require repairs or replacement of isolated pipe sections in this area.

If future development planned for The YARD includes industries that generate an exceptional amount of wastewater or process water (e.g., certain manufacturing processes), the capacity of the Northeast Terrace Lift Station and the conveyance main lines must be evaluated in detail to ensure adequate capacity is available. In addition, some industries with atypical wastewater profiles may be required to provide treatment of their wastewater before discharging to the City's system.

Potable Water

The City provides potable water to The YARD through a network of pressure pipes located within ROW. The YARD is within the City's water supply area referred to as the North Hill Pressure Zone. The nearest reservoir is the North Hill reservoir located in the southeast portion of The YARD on East Valley Springs Road (see Figure 12). A 24-inch diameter ductile iron transmission main runs from the reservoir to the east on Wellesley Avenue and transitions to a 30-inch diameter steel pipe to cross the BNSF ROW toward the west. This transmission main connects in multiple locations to a parallel 10-inch diameter cast iron line that also runs on East Wellesley Avenue. These two parallel lines running in the east-west direction connect to three primary distribution mains that run in the north-south direction up North Freya Street, North Rebecca Street, North Julia Street, and North Myrtle Street. One additional primary distribution main runs from East Wellesley Avenue north up North Havana

FIGURE 11. SANITARY SEWER SYSTEM

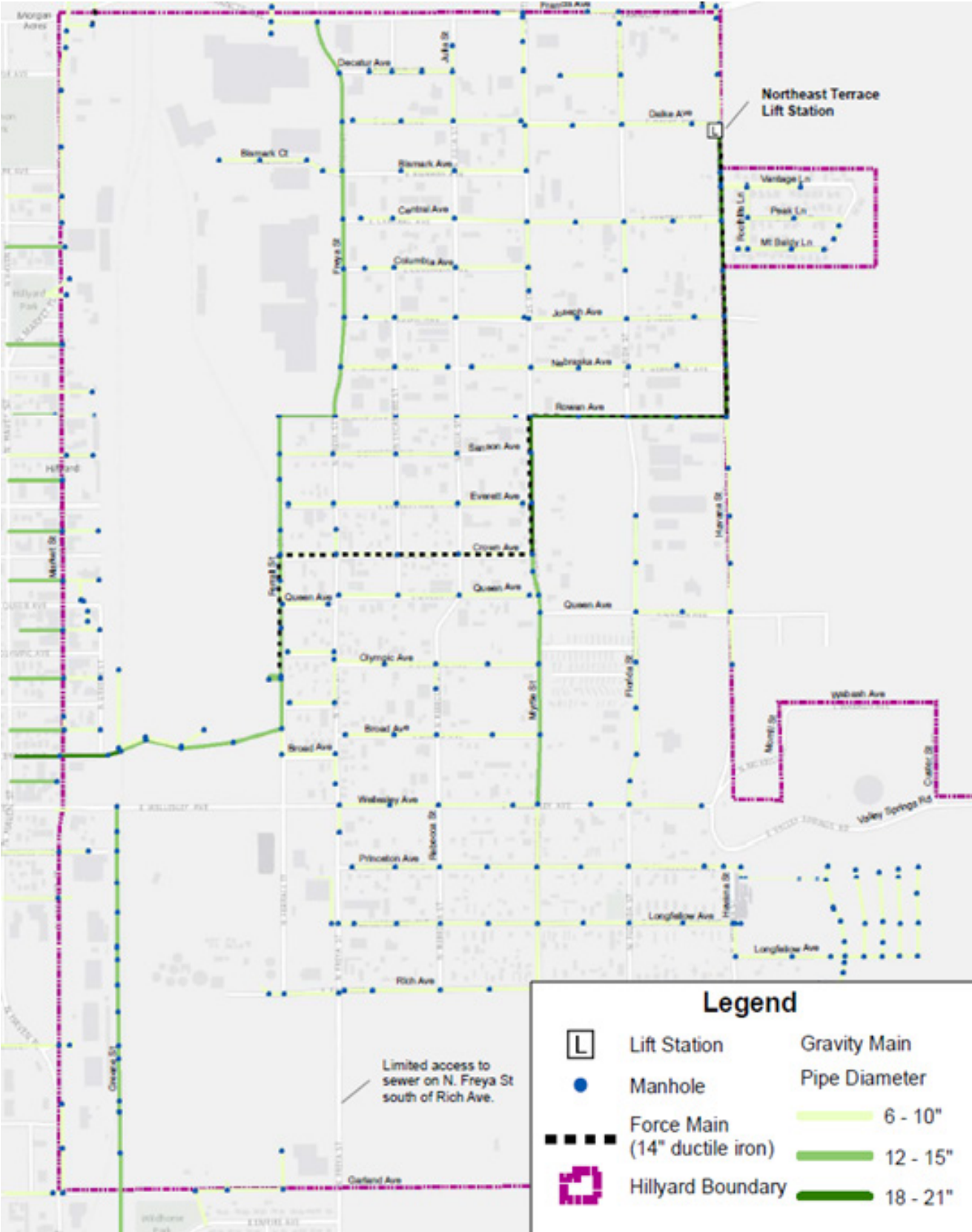
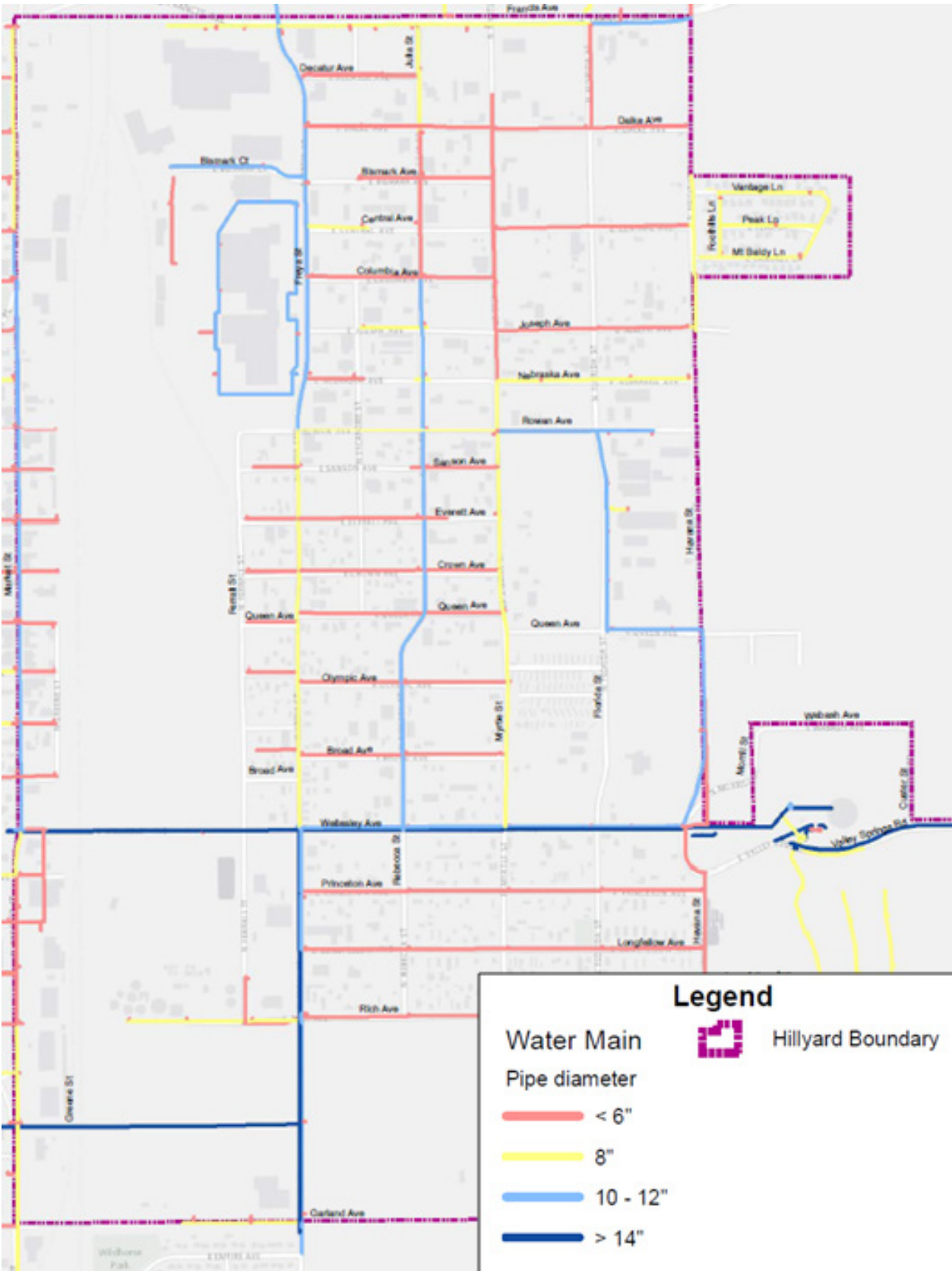


FIGURE 12. POTABLE WATER SYSTEM



Street, then east on East Queen Avenue, north on North Florida Street, and east on East Rowan Avenue to connect to the main on North Myrtle Street. These four north-south lines serve as the “backbone” of the potable water infrastructure of The YARD. These lines are 8-inch or 12-inch diameter cast iron or ductile iron pipes, although there are isolated sections of 6-inch diameter lines, as discussed below.

Various 6-inch or 8-inch diameter ductile iron or cast iron distribution mains tee off of the four north-south mains mentioned above in the east-west direction to serve the interior side streets of The YARD. Existing fire hydrants are typically available at each intersection, and gate valves appear to be located at nearly all tees and crosses, consistent with standard practice.

In general, the abundance of 8-inch diameter (or greater) distribution mains, the 24-inch diameter transmission main on East Wellesley Avenue, and the nearby storage reservoir on Easy Valley Springs Road provide a reasonable level of service to The YARD. A water quality issue, a few areas with gaps in service, and some undersized pipes were identified, all of which are outlined below.

Several of the side streets running in the east-west direction in The YARD have water mains that terminate instead of connecting to the next available main. This is evident on East Bismark Avenue, East Joseph Avenue, East Central Avenue, and East Sanson Avenue, among others. North Florida Street and North Havana Street also lack a cohesive run of distribution main in the north-south direction. Distribution mains should be extended, when possible, to the next available connection point to provide service to “interior” parcels and increase circulation. In fact, conversations with representatives of the City’s Water Department indicate that The YARD currently experiences stagnation issues due to the large diameter lines, relatively low demand, and poor circulation. Stagnation creates “stale” water and can deteriorate pipes before their intended design life. This issue can be improved by extending existing pipes and creating additional connections to provide increased circulation within the system. A robust grid will improve potable water quality and access to service in The YARD.

The City’s design standard for new development requires that potable water lines be sized based on fire flow requirements and peak hour demand, which are both calculated based on zoning and gross acreage. Fire flow requirements for industrial areas are determined on a case-by-case basis. Preliminary calculations indicate that a minimum 12-inch diameter pipe size is appropriate for future improvements to the potable water infrastructure in The YARD. Although some 6” and 8” lines currently serve The YARD, representatives from the City’s Water

Department indicate that the City would prefer to leave 8-inch diameter pipes in place and upsize 6-inch pipes to 12-inch diameter pipes as the opportunity arises. There are currently 6-inch diameter lines on East Dalke Avenue, East Columbia Avenue, East Everett Avenue, East Princeton Avenue, East Rich Avenue, North Myrtle Street, North Florida Street, and North Havana Street that should be targeted for future upsizing efforts.

An in-depth study of the nature of future development in The YARD, the storage capacity of the North Hills Reservoir, and available pressures and flowrates in the area is required to fully determine the extent of improvements (if any) required to provide the highest level of service to The YARD in a fully developed condition. A detailed analysis can help the City prioritize which pipes should be upsized or extended at an accelerated pace to spur development in The YARD.

Stormwater Management

The YARD lacks a centralized stormwater management system and basic stormwater management infrastructure. There are no public facilities for collection, detention, or treatment of stormwater and no established surface water conveyances. The few large industrial users in The YARD manage the treatment and infiltration of stormwater internally with no off-site discharge. Existing street drainage is directed to vegetated infiltration areas adjacent to the roadway, where available. At the current development level the overall impervious surface area in The YARD is low. As the area continues to develop and additional impervious surface area is added, it may become necessary to install a regional collection system to capture and send stormwater to a centralized area or multiple areas for detention and/or treatment. The few existing pipes and catch basins could be incorporated into a new centralized system, if necessary. Area topographic contours indicate a drainage trend toward the northeast.

There is an upstream drainage area of approximately 1.27 square miles, which includes most of The YARD, the shallow valley bracketing Valley Springs Road, and the west-facing hillsides of Little Baldy and Beacon Hill. For the purpose of this report, this drainage area is referred to as the Valley Springs Watershed. The mean annual precipitation of the watershed was calculated at 20 inches. The minimum estimated basin elevation was 2,000 feet and the maximum was 2,660 feet, with a mean slope of 11.2 percent.

At this time, it is unknown how the relatively large estimated flow volumes are conveyed, considering there are no apparent flow channels in the vicinity. A high-resolution topographic survey should be collected to

further evaluate flow characteristics at The YARD.

Dry Utilities

Natural gas, electrical, and telecommunication utilities—including fiber optic—are all present in The YARD, but full services are not provided throughout the entire neighborhood. These existing utility networks have gaps in coverage between the existing industrial facilities. Currently offered service levels are primarily sized for residential and commercial use. That said, the various purveyors of dry utilities serving The YARD are fully capable of expanding capacity to support both light and heavy industrial development, but plan to extend services as development occurs and specific needs arise.

PHYSICAL CHARACTERISTICS

The YARD is low-lying and mostly flat, with very gentle slopes otherwise. This, and a lack of adequate storm drainage facilities, can lead to localized flooding problems during typical storm events. However, this is partially mitigated by the limited presence of impervious surfaces. Existing soils in The YARD are likely structurally competent and do not indicate that significant clay deposits or other biological materials are present. More than 80 percent of soils are classified sandy and gravelly, and are well-drained. The rest of the area is characterized as excessively drained.

WATER

The YARD does not contain any flood zones or definable surface water features other than some limited pooling as a result of the flat and poorly drained surface. The neighborhood extends over the Spokane Valley/Rathdrum Prairie aquifer. This aquifer contributes to the drinking water supply of the region and it has been designated as a Sole Source Aquifer, which requires an additional level of review to ensure that use and disposal of hazardous materials do not impact water quality. The risk of impacts to the aquifer are increased in The YARD because of the high infiltration rate of soils.

ENVIRONMENTAL ASSESSMENT

The YARD contains a number of known and suspected brownfields. A brownfield is defined by real or perceived contamination and current use as vacant or underutilized. A review of environmental databases found 26 sites listed as having confirmed contamination or generating hazardous waste. The largest potentially contaminated sites are facilities associated with the former Great Northern Rail Yard. A number of other properties around The YARD also have potential environmental concerns. In general, these sites are considered to pose relatively low risk to human health and the environment and are not subject to current enforcement actions.

Implications for Development

TRANSPORTATION

- Completion of the NSC, including two interchanges in The YARD, will significantly improve accessibility of this area.
- Access to rail and freeway infrastructure is a strong advantage for location of industrial businesses in The YARD.
- City development regulations require street frontage improvements for permits for new development. The widespread deficiency of streets in The YARD poses an additional financial burden on prospective developers.

UTILITIES

Sanitary Sewer

- The YARD generally possesses a relatively high level of sanitary sewer service. Adequately sized main lines in the City ROW are available for future development to connect to.
- The existing lift station, wet well, and force main that serve The YARD were intentionally oversized to accommodate future growth, although the existing 14-inch diameter force main to 15-inch diameter gravity main represents a significant bottleneck if the current pumps were up-sized to accommodate a fully built-out condition.
- There is an isolated, approximately 40-acre area in the southwest corner of The YARD, between Wellesley Avenue and Garland Avenue, that lacks the sanitary sewer lines necessary to accommodate development. Sanitary sewer lines should be extended to serve the site from the existing available ROW. There may be viable connection points for new mains on East Rich Avenue or within the BNSF ROW.
- Future industrial development that generates an exceptional amount of wastewater or wastewater with unique chemical or physical constituents will require special consideration before connecting to the existing system. The capacity of the existing system and the downstream wastewater treatment plant must be evaluated.

Potable Water

- A reasonable level of potable water service is currently available in The YARD. In general, a nearby storage reservoir and large diameter transmission main provide relatively high pressures and flows to the majority of the area. The existing network of distribution mains provides connection points for the majority of the area.

- The YARD suffers from stagnation issues due to poor circulation of potable water in the existing system. In addition, there are some isolated gaps in potable water service for “interior” parcels on North Florida Street, North Havana Street, and multiple side streets that run east-west through The YARD. Water distribution mains should be extended to the next available connection point to create a robust grid.
- There are some undersized 6-inch diameter lines in The YARD that could inhibit development due to the unavailability of adequate fire flow. These pipes should be upsized to a 12-inch minimum diameter to meet the City’s design standard.
- Future industrial development that consumes an exceptional volume of potable water or has a high risk of fire (e.g., certain manufacturing processes or chemical storage facilities) will require special consideration before connecting to the existing system. The capacity of the existing system must be evaluated in detail to ensure adequate fire flows are available to future development.

Stormwater Management

- Reconsider the requirement to manage all stormwater on-site, as this limits the development capacity of properties.
- Recommend or require low-impact development improvements be implemented for stormwater management in order to take advantage of well-drained soils and delay the need for a centralized stormwater management system. Runoff generated by increased impervious surfaces at industrial sites should be infiltrated internally at each site.
- Well-drained soils in The YARD are conducive to infiltration of street stormwater via swales or drywells (after treatment) within available ROW.
- The lack of existing surface water conveyances in The YARD could result in flooding, particularly at the eastern, low-lying edge of The YARD during large-volume runoff events. Further evaluation of surface runoff in the area is necessary.
- The estimated design flows for the 100-year storm event are significant and prior to redevelopment further evaluation of the need for stormwater infrastructure should be gathered.

Dry Utilities

- Development requiring greater natural gas, electric, or telecommunication capacity should be coordinated with the various utility purveyors to extend required utility service to specific locations within The YARD.

- Dry utility corridors and easements for each major transportation corridor should be considered.

PHYSICAL, WATER, AND ENVIRONMENTAL CHARACTERISTICS

- The soil characteristics found in The YARD indicate that existing soils are likely structurally competent, and do not indicate that significant clay deposits or other biological materials are present in the strata.
- The Spokane Valley/Rathdrum Prairie aquifer located beneath The YARD includes soil strata that features moderate to high hydraulic conductivity. Further development within The YARD and redevelopment for industrial use should include consideration of the various aquifer protection regulations. There may be specific restrictions on how stormwater runoff is handled for industrial users and pre-treatment may be required to protect the underlying aquifer.
- Major infrastructure improvement projects will require review by the USEPA or its designee, consistent with several Memorandums of Understanding established for Sole Source Aquifer protection.
- There are a significant number of known and suspected brownfield sites within The YARD. Redevelopment of The YARD should be coordinated to prioritize cleanup and re-claim these encumbered sites, enabling the community to return properties to productive use.

Market Conditions

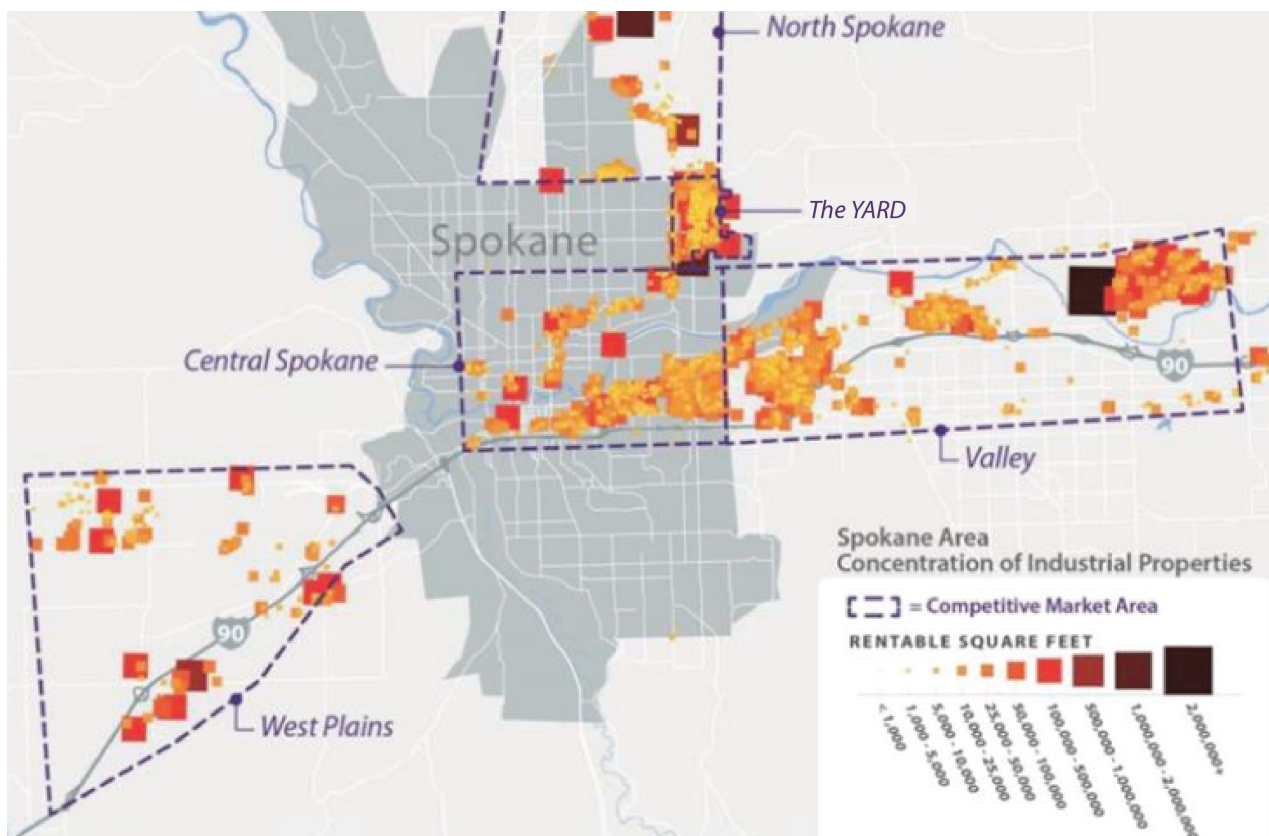
A market study was conducted in 2015-2016 to support this Redevelopment Master Plan.

The YARD contains more than 1.6 million square feet of industrial space, which comprises about four percent of the total industrial space in Spokane County. The average asking rental rate for this existing building space is \$7.56 in The YARD, compared to about \$5.58 per square foot throughout Spokane County. The YARD's advantages, compared to other industrial neighborhoods throughout the County, include a regionally central location and proximity to downtown Spokane. Disadvantages include a small number of large-scale parcels; fragmented ownership; perceived and real contamination; relatively little local infrastructure and access to regional highways; and plenty of land available in competitive areas. Figures 13 and 14 show The YARD's regional competition for industrial businesses and land values, respectively. Table 4 shows how The YARD compares to some of these neighborhoods in terms of price and available space. Table 4 also shows a significantly smaller average building square footage, suggesting that there are fewer existing buildings in The YARD that are suitable for reuse by regional or national industrial users.

Recent significant industrial projects have located in submarkets outside of The YARD. For example, a 560,000-square-foot construction equipment distribution plant and a 200,000-square-foot cold storage facility were built in West Plains in 2012 and 2014, respectively. A major metal fabrication company also expanded to the West Plains submarket, citing a strong workforce, tax incentives, economic grant funding, and city-funded infrastructure improvements. There has been an increase in construction in The YARD in 2015 and 2016, including an approximately 20,000-square-foot specialty metals fabrication facility.

The YARD's competitiveness is likely to improve as a number of planned influential developments take place around the neighborhood. More than 200 acres of single-family residential developments are expected to be added to the Beacon Hill properties immediately east of the Hillyard neighborhood. This will include more than 300 residential units in the first phase, and theoretically a total of at least 1,500 units by the completion of the tenth and final phase. This development would create demand for complementary uses and additional traffic volumes on Wellesley Avenue in the southern portion of The YARD.

FIGURE 13. REGIONAL COMPETITION



Additionally, as mentioned above, The YARD is expected to benefit from other planned changes, including construction of the NSC and realignment of the BNSF rail associated with the freeway project. The NSC will connect Hillyard to U.S. Route 395, which carries an estimated \$13-billion worth of freight annually. In particular, the planned interchange located on the western edge of The YARD may serve as a catalyst to attract new development

in the immediate area. Furthermore, the realignment of the BNSF railway tracks, partially funded by grants awarded to the City of Spokane in 2012, would maintain this method for the transportation of goods produced in or for The YARD. However, these projects are only partially funded, and it may take as many as 20 years to complete the project due to uncertain levels of future funding.

FIGURE 14. LAND VALUES

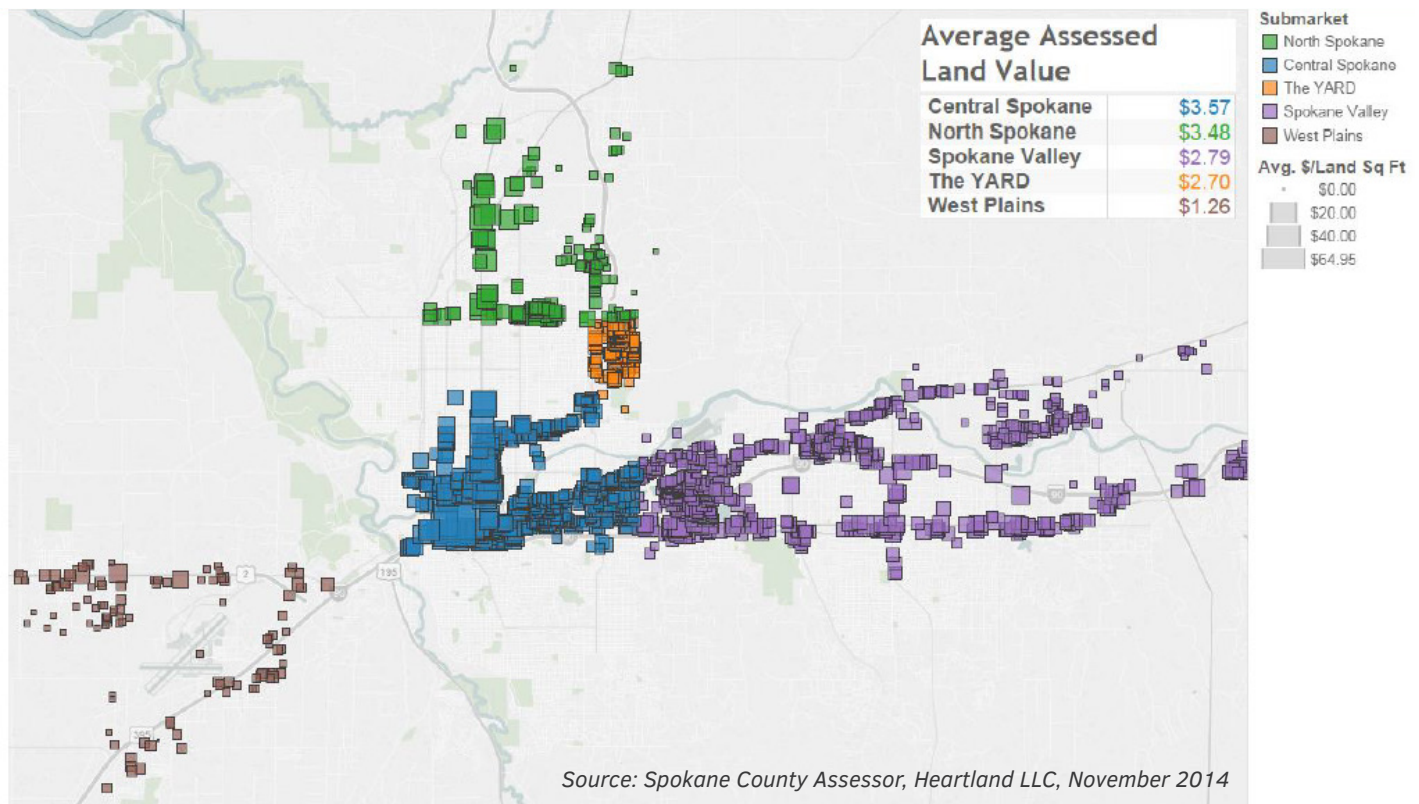


TABLE 4. MARKET CONDITIONS IN COMPETING AREAS

Submarket	Buildings	Total Rentable Square Feet	Average Building Square feet	Vacancy Rate	Average Asking Rent Per Square Foot (NNN)
The YARD	169	1,654,588	9,790	1.4%	\$7.56
Spokane Valley	761	20,796,868	27,328	2.5%	\$4.93
West Plains	156	4,276,986	27,417	1.5%	\$5.50
Central Spokane	521	9,395,791	18,034	3.1%	\$6.84
North Spokane	146	3,726,200	25,522	0.1%	\$5.19
Spokane County	1,753	39,850,433	22,733	2.2%	\$5.58

Source: CoStar, Heartland LLC, March 2017

3. COMMUNITY INPUT

Stakeholder Interviews

In September of 2015, consultants Maul Foster Alongi (MFA) and Heartland LLC conducted interviews with property owners and other stakeholders in The YARD. The purpose of these interviews was to identify the perceived strengths and weaknesses of the neighborhood and identify means to improve the area's ability to attract investment. Questions posed to these individuals included:

- What attracted you to The YARD?
- Where else did you look to locate?
- What were the key drivers in your site search?
- How does The YARD play into your business goals and strategy?
- Do you have any plans for property development or transaction?
- Are you currently seeking users to lease existing space or construct new space?

COMMON THEMES

During the interview process, MFA and Heartland uncovered several common opinions of The YARD. Advantages included:

- **Relatively Low Cost** – Nearly all of the interviewees stated that they were attracted to The YARD by the low-cost land. Many of them moved from a more central location within Spokane and looked at other cost-efficient places like Spokane Valley, Airway Heights, or West Plains, but they eventually settled in The YARD.
- **Location and Accessibility** – Most of the interviewees were also attracted to The YARD due to its convenient location. Alternate locations were not nearly as close to downtown Spokane. The consensus opinion was that completion of the NSC will improve accessibility for all types of users, but also that the infrastructure within The YARD itself needs improvement.

Challenges to development and business in The YARD included:

- **Infrastructure** – There was consensus among the interviewees that the lack of paved roads was a major challenge. Some interviewees stated that other issues were the costs of extending power and the water system upgrades needed to meet fire codes.
- **Crime** – Some interviewees stated that crime, including property theft, was a major issue and felt

that police enforcement was insufficient in the area. Other interviewees stated that the issue was over-exaggerated.

- **City Development Regulations** – There were mixed responses regarding City development regulations and the permitting process. Some interviewees had personal experience with permit requirements they considered unnecessary and burdensome. Others stated that local government officials and building codes were reasonable.
- **Development Incentives** – Several interviewees stated that while they knew that there were some development incentives, such as the Community Empowerment Zone, they did not understand the incentives and had inaccurate information about them.
- **Residential Uses in Industrial Area** – Within the industrially zoned area of The YARD, there are a number of residential homes that are non-conforming uses. Several interviewees expressed concerns about the condition of those houses and about illegal activities associated with the residences.

When community members described their desires for the future of The YARD, the following themes were common:

- There was broad support for the City's efforts to increase economic development in The YARD by attracting industrial-sector jobs.
- There was some interest in the addition of retail and commercial uses in The YARD. The highway interchange and potential development of Beacon Hill could create a market for retail. Local businesses could also support professional and financial services, such as banks.

Community Meetings

The NEPDA and the City hosted a community open house on March 16, 2016 and also staffed a booth at the Hillyard Festival Days at Harmon Park on August 5 and 6 of 2016. The NEPDA has also hosted annual luncheons with local business executives. The purpose of these outreach efforts was to provide information about the Area-Wide Plan and solicit input from the public.

COMMON THEMES

Community members generally expressed support for the City's efforts to plan for improvements in The YARD. A large number of the comments and questions received were related to the NSC project. Because of the large scale and current construction activities, this was expected to be a major area of interest. When

asked about the needs of The YARD, the most common responses involved street improvements, jobs, and transportation options (pedestrian and transit).

Some of the more frequent specific topics were as follows:

- Many expressed support for infrastructure improvements and increased economic activity in order to displace the negative stigma for the former rail yard area.
- Many people stressed urgency for improvements to be constructed.
- Several expressed gratitude to the federal, state, and local government for its willingness to fund projects in this neighborhood.
- Many hoped to see multiple east-west pedestrian connections across the proposed highway location, as the highway may create a physical barrier between The YARD and the commercial corridor of Market Street.
- A number of individuals wanted to see increased transit service to the area.
- Some individuals expressed confusion regarding construction projects in the area and along the potential highway path. They hoped to see improved detour signage and sources of information that could explain the purpose of each construction project.

4. FUTURE USE PLAN

The Future Use Plan for the Hillyard neighborhood seeks to build on and synthesize previous planning efforts such as the City Comprehensive Plan, Hillyard Neighborhood Plan, and NEPDA plan documents. This section will include the vision statement, goals, and objectives that have resulted from this process.

Vision, Goals, and Objectives

VISION STATEMENT

The YARD will be home to an array of commercial and industrial businesses that provide quality employment and economic opportunities to residents in the region, as well as quality housing for area workers.

GOALS

- Create and sustain family-wage jobs
- Capture the opportunity provided by the North Spokane Corridor to promote economic revitalization of a historically industrial area
- Promote development that is economically and environmentally sustainable

- Improve health and safety of neighborhoods through environmental restoration
- Improve quality of life for residents, employees, and visitors

OBJECTIVES

- Support existing businesses and attract new large- and small-scale companies
- Improve the regional competitiveness of The YARD
- Provide incentives that encourage revitalization and leverage existing infrastructure
- Target economic development tools that will have the greatest impact
- Make rational, cost-effective improvements to public infrastructure
- Leverage public investments and incentives with private investment
- Equitably share the costs of public improvements
- Address legacy environmental issues
- Address concerns and perceptions of public safety
- Foster stable housing opportunities

FIGURE 15. FUTURE VISION



Growth Projection

CAPACITY ANALYSIS SUMMARY

An evaluation of The YARD's potential development capacity at full build-out was undertaken to inform the infrastructure assessment. The approach involved identifying the parcels that could be developed or redeveloped at some point through 2050, as follows:

- Identify properties with proposed projects based on information from the City. These are flagged as redevelopment sites.
- Identify properties with an assessed improvement value to an assessed total value ratio of less than 50 percent, as potentially re-developable through 2050.
- Exclude the property meeting this ratio threshold that are owned by utilities and land to be used for the North/South Corridor.
- For property that could be redeveloped during this period, a floor area ratio of 0.3 was applied to the land area, resulting in potentially supportable industrial building square footage.

TABLE 5. CAPACITY ANALYSIS

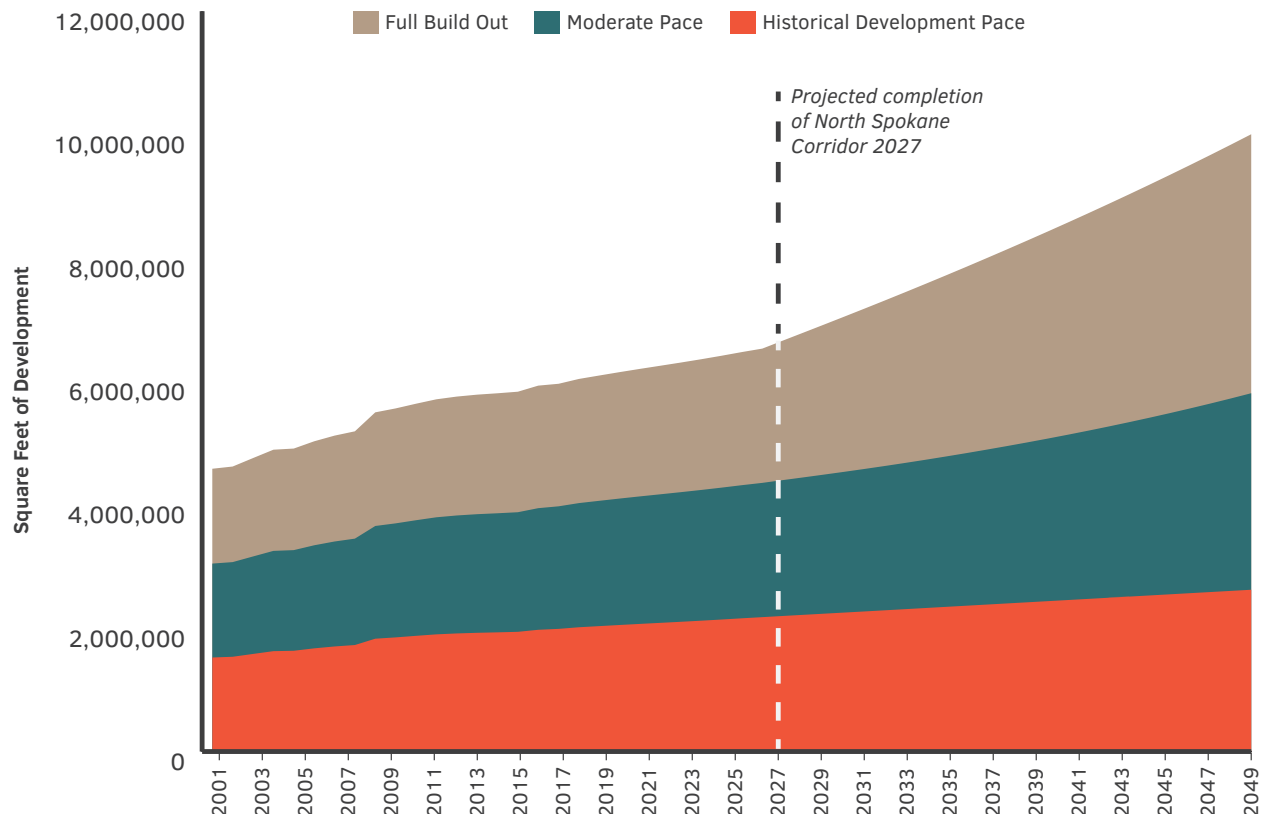
	Total 2050 (YARD Square Feet)	New 2017-2050 (Square Feet)
Historical Pace	2,620,310	634,042
Moderate Pace	3,809,745	1,823,477
Full Capacity*	4,850,159	2,863,891

* If vacant or Imp AV to Total AV <25%. If a project is proposed then that program is accounted for.

• Average FAR Assumption = 0.3

Based on this analysis, the total new capacity that could be built is 2.86m square feet. Table 5 and Figure 16 show the three iterations used to estimate build-out, assuming all of it will not be delivered. The first scenario is a historical pace based on the 10-year rolling average of the rate of new construction; the second scenario is based on the 10-year moving average of the year-over-year change that results in an increase in the rate of new construction around the highway completion. The final scenario is the full build-out estimate, spread out through 2050.

FIGURE 16. GROWTH FORECAST



5. CATALYST SITES

The YARD is a large area that has significant need for strategic interventions, including infrastructure improvements, to promote revitalization. To increase the impact and cost effectiveness of investment of public resources, the NEPDA and the City have identified catalyst sites to target and focus interventions. Successful urban redevelopment efforts in the region, such as the University District, and across the country, often begin with a handful of transformative investments that begin to change perceptions of an area, demonstrate financial viability, and blaze the trail for other projects to follow. Five catalyst sites have been identified in The YARD as significant redevelopment opportunities that could lead to revitalization throughout the area. Each of these sites contains vacant or underutilized parcels and includes properties that have real or perceived environmental conditions that constrain redevelopment. These areas are also large enough to encourage transformational development. When developed, these catalyst sites will attract new businesses and jobs to The YARD, signaling to the real estate market an emerging development opportunity.

Selection of Catalyst Sites

Previous planning efforts, including The YARD Development Strategy, have identified opportunity sites for redevelopment. These previously identified sites were combined with properties identified in the brownfield inventory as being underutilized and having confirmed or suspected environmental impacts. These potential catalyst sites were reviewed by the NEPDA board and in community meetings. The final selection of catalyst sites was decided based on a set of evaluation factors (see Table 6). The factors include the following:

Capacity—The size of each site largely determines its capacity. Larger parcels or a collection of contiguous parcels under single ownership is generally preferred for larger development projects because that provides significant area for development and avoids the transaction costs of assembling land through negotiations with multiple parties.

Accessibility—Properties with close proximity to the proposed NSC, access to arterial and collector roads, in addition to rail access are considered more attractive for industrial uses, which would use this regional infrastructure to move goods.

Existing Infrastructure/Cost Efficiency to Serve—Properties currently served by water, sewer, power, and telecommunications with sufficient capacity and in good condition are more likely to attract private investment. The costs of upgrading infrastructure systems present a potentially significant challenge to the financial feasibility

of a redevelopment. Based on current market conditions, it is unlikely that private development projects can take on that additional cost. Properties that needed relatively minor infrastructure improvements ranked more highly for this factor.

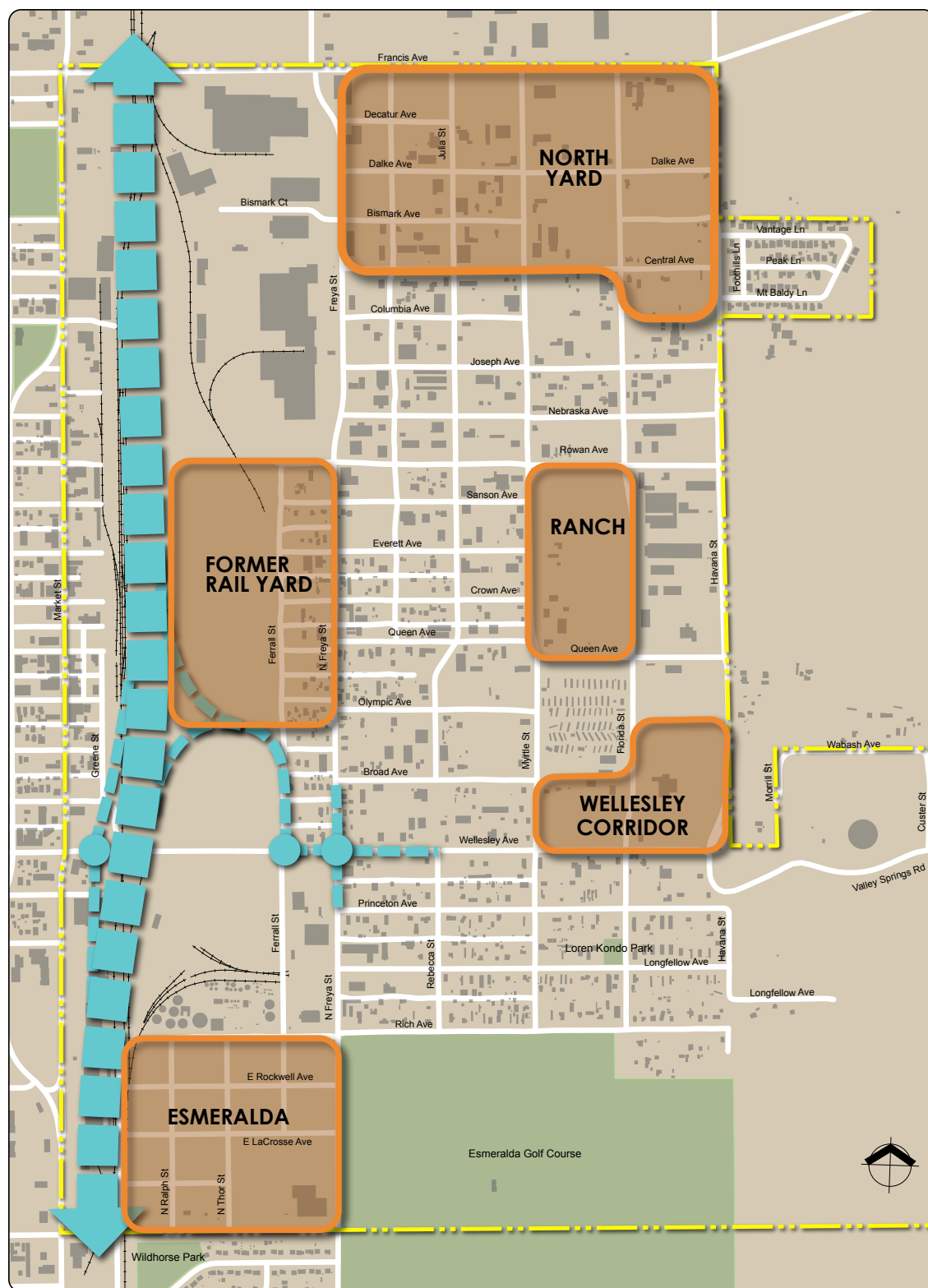
Environmental—The risks and costs associated with environmental remediation can be strong deterrents to private investment. Public investments, such as creation of a Redevelopment Opportunity Zone and conducting Phase I and Phase II Environmental Site Assessments (ESAs) to reduce uncertainty regarding environmental issues, can be highly effective public interventions to improve market viability for a property.

Willing Owner(s)—The NEPDA and the City are reaching out to support and partner with property owners and businesses. The interest and willingness of a property owner to partner with the public and pursue redevelopment of his/her land ranked high.

Existing Use—Properties that are currently vacant or underutilized ranked higher for this factor. The NEPDA and City approach is to expand economic opportunities in The YARD and not just replace one viable business with a different one.

The catalyst sites are shown on the following page in Figure 17.

FIGURE 17. CATALYST SITES



Legend

- Hillyard Boundary
 Proposed US 395
 Potential Catalyst Sites

TABLE 6. EVALUATION OF CATALYST SITES

Catalyst Sites	EVALUATION FACTORS			EVALUATION FACTORS		
	Capacity	Accessibility	Existing Infrastructure/ Cost Efficiency to Serve	Environmental	Willing Owner(s)	Existing Use
Ranch Property	About 10 acres	Frontage on Florida Street, a high traffic, paved road. Less than 1 mile to NSC corridor via paved road.	<ul style="list-style-type: none"> • Water and sewer are available, but upgrades are needed to support redevelopment. • Florida Street is paved, but should be improved to support higher traffic volume. • Sidewalks and stormwater swales recently constructed on Rowan and Queen Avenues north and south of property. • Power and telecommunications available. 	Potential impacts identified in Phase I ESA	Yes, owned by City	Public works yard for Streets Department. Used for storage.
Esmeralda	About 27 acres	Adjacent to NSC route. Frontage on Freya Street.	<ul style="list-style-type: none"> • Water, sewer, and power are present. • Road and sidewalk to the east, and no transportation infrastructure to the north or west. • Proposed improvements include pedestrian and industrial grade transportation infrastructure. • Power and telecommunications available. 	Potential environmental impacts from fill material and adjacent industrial activities	Property owner interested in redevelopment. Property actively listed for sale.	Currently vacant.
Former Rail Yard	About 90 acres, including over 60 acres in single ownership	Adjacent to NSC route. Rail access.	<ul style="list-style-type: none"> • Water and sewer service available. • Potable water line undersized to meet future development needs. • Improvements to Freya Street likely needed to support future development. • Power and telecommunications available 	Lead impacted soil containment cell on property. Potential impacts from historic rail yard operations.	Yes, BNSF has stated interest in redevelopment	BNSF property currently vacant. Adjacent mix of residential and small industrial uses
North Yard	About 30 acres	Adjacent to completed Francis Avenue interchange.	<ul style="list-style-type: none"> • Water and sewer service available. Potable water lines in Julia Street, Myrtle Street, and Florida Street are undersized to support future development. • Francis Avenue, Decatur, Avenue, and Dalke Avenue recently improved. • Power and telecommunications available 	Suspected – Fragmented, with about half of parcels suspected and half unknown	Multiple owners. Some properties listed for sale.	Mix of fragmented light industrial and vacant. About 14 acres of vacant land.
Wellesley Corridor	About 50 acres	NSC interchange planned at Wellesley Avenue, which is designated as Minor Collector Arterial.	<ul style="list-style-type: none"> • Waters, sewer, power and telecommunications available. • Water main in Wellesley ROW in need of replacement. • Street should be widened and reconstructed to support higher intensity development. 	Potential for impacts associated with historic industrial uses on multiple properties	Multiple owners. Some recent proposed and constructed development projects.	Mix of residential and industrial uses. More than 10 acres of vacant land.

Catalyst Site Redevelopment Opportunities

The redevelopment potential of each of the catalyst sites is evaluated and key strategies for positioning these properties for redevelopment are identified in the following section.

ESMERALDA

Redevelopment Opportunity: Light industrial and commercial/retail uses.

Key Features

- Large property under single ownership
- Frontage on Freya Avenue, arterial roadway
- Proximity to NSC interchange
- Transition property between residential and light industrial uses
- Mostly vacant with mix of small-scale industrial uses
- Close proximity to BNSF “Black Tank” site

Overview

The Esmeralda property is one of the largest properties under single ownership in The YARD. This provides unique opportunities for a large-scale master planned development with significant associated economic benefits (see Figure 18).

FIGURE 18. ESMERALDA



At a Glance

- Tax Parcel numbers: 35032.2001, 35032.1901, 35032.1801, 35032.1405, 35032.1501, 35032.1601, 35032.1701, 35032.1005, 35032.0901, 35032.0801, 35032.0701, 35032.0303, 35032.0401, 35032.0501, and 35032.0601.
- Size: 24.39 acres
- Zoning: Light Industrial
- Access: Frontage on North Freya Street, which is designated as a Minor Collector Arterial in this section.
- Utilities:
 - Public water: 30-inch diameter steel line in Freya ROW constructed in 1926, so at end of its design life. A 24-inch diameter steel line crosses property in Lacrosse Street ROW.
 - Sanitary sewer: 8-inch diameter gravity sewer line in Garland Street ROW. Drains through residential development to the south. Capacity appears sufficient to support future development.
 - Power: Served by Avista with potential for three-phase power.
 - Telecommunications available along Freya Avenue.

Redevelopment Concept

The size and location of the Esmeralda property present a number of redevelopment opportunities including light industrial, retail, or professional services to support nearby residences and businesses. Future development should include appropriate uses and site design features to provide a transition and buffer between residential uses to the south and industrial activities to the north. The large size of the property allows for physical development that can meet this suite of needs. The proposed redevelopment concept includes large light-industrial buildings in the interior of the property and retail or commercial buildings on the Freya Avenue frontage (see Figure 19). A generous landscaped buffer is incorporated into the southern edge of the property to provide a buffer to residential uses. This concept features more than 300,000 square feet of commercial building space and more than 1,000 parking spaces, at full build-out, including one larger building (nearly 200,000 square feet) and several smaller buildings.

Market Context

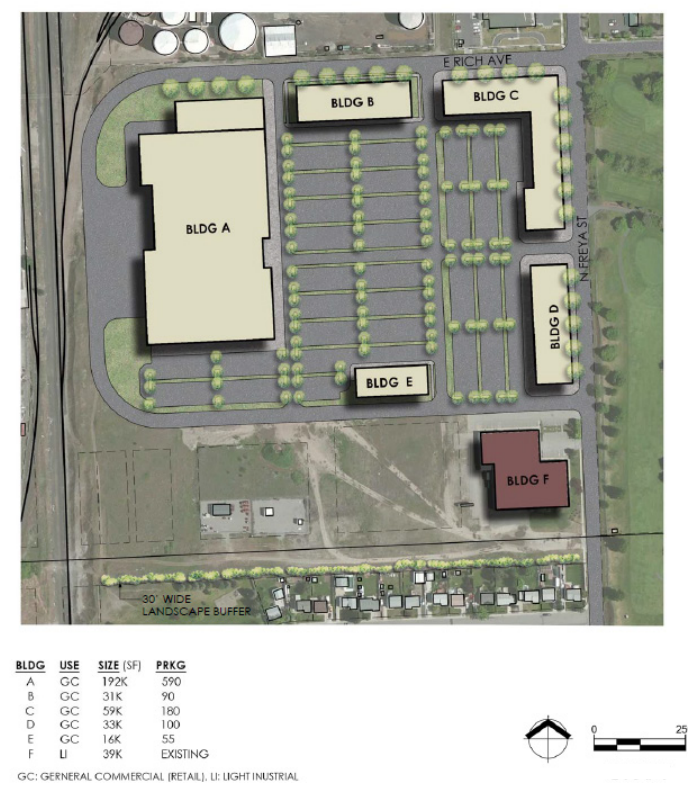
Future developments in The YARD create opportunities for this catalyst site to be developed for retail, commercial, and/or industrial use. This site's proximity to the future NSC interchange at Wellesley Avenue, if combined with

widening of North Freya Street to support truck traffic, make it well-situated to support industrial users. Given the low industrial vacancy rate in Spokane and The YARD, 2.2 percent and 1.4 percent respectively, demand for a range of light industrial uses could be supported on this site.

A prevalence of industrial and retail uses within this catalyst site is intended to meet near-term industrial demand while anticipating the need for retail services from the mix of nearby residents and workers, which is poised to increase as a result of this project, and upcoming housing developments at Beacon Hill eastern edge of The YARD.

With expected business and residential growth in The YARD, there is also potential demand for retail and commercial uses. Currently, there are limited options for employees and residents in The YARD to eat, shop, and access conveniences. The proximity of this site to Wellesley Avenue, a primary east-west connection in the area, and the future NSC interchange will make this site attractive for retail developers and business. This retail potential will become realized after construction of the Wellesley Avenue interchange and build out of the roughly 3,000 new homes planned for the Beacon Hill development.

FIGURE 19. ESMERALDA CONCEPT



A financial feasibility analysis was conducted on the conceptual redevelopment plan for the Esmeralda. This analysis provides a preliminary evaluation of the potential for a redevelopment project to be successful based on current market conditions. A static pro forma model was used to assess the feasibility of the redevelopment scenarios. The model was populated with market-based income, cost, and debt inputs. The income assumptions are grounded in the analysis presented in Section 2 of this report. The key output metric used to assess feasibility is the cash-on-cash return, or the rate of return of the net cash flow from the income property relative to the equity invested. The model compares the pro forma cash-on-cash return to target cash-on-cash return. Based on experience, this return should reach at least a 10 percent risk-adjusted return.

The feasibility assessment finds that redevelopment of the Esmeralda property is financially viable given the following conditions:

- Triple-net rents averaging \$9.35/square foot/year
- Capitalization rate of 7 percent
- Site build-out costs of \$70/building square foot
 - Building: \$42/square foot
 - Site improvements (parking, grading, internal roads): \$11/square foot
 - Taxes on hard costs and contingency: \$7/square foot
 - Sot costs (design, permitting): \$10/square foot

The redevelopment could become financially infeasible under several scenarios:

- If the developer were required to bear the fully appraised value of the ROW interior to the site and construction costs increase by 10 percent
- If the developer were required to purchase the ROW and rents decrease 10 percent
- If the capitalization rate increases to 7.5 percent

It expected that the financial feasibility for redevelopment of the property will improve after the NSC is completed. It is important to note that this financial feasibility analysis is based on the metrics for a speculative developer that is trying to make revenue solely on the development. The economics for an owner-operator are fundamentally different and tied to that specific business model.

Environmental Conditions

The Esmeralda property is currently undeveloped and, historically, there were no operations that would be cause for concern relative to environmental impacts. However, it is located adjacent to an asphalt batch plant and bulk

fuel-storage facility associated with the former Great Northern rail yard. It is recommended that standard due diligence be conducted prior to transaction or development of the property to evaluate any potential environmental risks.

Barriers to Redevelopment

Timing. There is significant potential market demand to increase following construction of the transportation improvements and the Beacon Hill residential development. It will be challenging to realize that potential until the NSC and Beacon Hill developments are complete, or at least under a firm schedule for near-term construction.

Property Consolidation. The property is internally divided by a grid of public ROW. Vacating at least a portion of this ROW would greatly increase the flexibility and opportunities for industrial or commercial site development. State law RCW place clear procedural and valuation requirements on public ROW vacation. A preliminary estimate of the cost of vacating the ROW on this property is over \$500,000.

Environmental. The market may perceive environmental risks associated with this property. Phase I and Phase II ESAs could serve to clarify environmental uncertainty and reduce perceived risk.

Recommended Actions

The NEPDA and the City can collaborate with the property owner and partners in the community, including real estate development professionals, to make this property more attractive for investors and enhance the financial feasibility of redevelopment. Actions include:

- **Providing Information and Promoting Redevelopment.** The NEPDA and the City are well-suited, with partners including Greater Spokane Incorporated and real estate brokers, to provide key information about the property, its redevelopment potential, and incentives that can enhance the viability of redevelopment. Key information could include:
 - Updated information on the status and schedule of construction of the NSC and other infrastructure improvements
 - Financial incentives available to support redevelopment of the property
 - List of required City permits and timeline for permitting process
- **Coordinate with Property Owner to Vacate Sections of City ROW.** City regulations related to vacating public ROW (SMC 17G.080.020) align with requirements in state law (RCW 35.79). The

applicant is required to petition the City Council after acquiring signatures from owners of at least two-thirds of the property. City Council would then provide 20 days of public notice, followed by a public hearing to determine that the vacation is in the public's interest, before approving or rejecting the application. Resolving the ROW issue would allow the property owner to place a more flexible real estate asset on the market, which would increase the likelihood of investment. Vacating the ROW would also allow for more efficient use of space in design.

- **Public Infrastructure Improvements.** Improvements to the street and water system along Freya Street between Wellesley Avenue and Garland Avenue should be implemented to enhance the development capacity of this property. These investments would capitalize on the NSC improvements, including the new roundabout intersection at Wellesley Avenue and Freya Street, to improve accessibility to the property. Infrastructure improvements should include replacing the aging water line and re-building the street. (See Project information sheet 10 for more detail).
- **Environmental.** The NEPDA and City can provide technical resources to the property owner to conduct Phase I and Phase II ESAs and prepare a cleanup action that can be integrated into redevelopment of the property. The NEPDA City can utilize its USEPA brownfield assessment grant funds to conduct this assessment and cleanup planning.

RANCH PROPERTY AND ADJACENT PROPERTIES

Redevelopment Opportunity: Light industrial and/or commercial uses.

Key Features

- Mostly City-owned property
- Designated as Redevelopment Opportunity Zone (ROZ)
- Adjacent to both residential and light industrial uses
- Mostly open storage area with some pre-existing industrial storage

Overview

The Ranch property is owned by the City and designated as an ROZ. This designation from the City will allow this site to be a higher priority for cleanup funding from the Department of Ecology. Its size and location make this property an ideal candidate for an expansion of the same type of work-bench industrial or commercial shops that exist in The YARD today.

One concept for redevelopment of the Ranch property is to establish a Builders and Makers Small Business Incubation Center for innovators, creators, and startup entrepreneurs. The City's approximately 10-acre property could be expanded to include the two adjacent properties that have recently been listed for sale.

At a Glance

- Tax Parcel numbers: 36344.0204, 36344.0208, 36344.0210, 36344.0209, and 36344.0206
- Size: 10.43 acres
- Zoning: Light Industrial
- Utilities:
 - Water: 12-inch diameter line in Florida Street and 8-inch diameter line in Myrtle Street ROW
 - Sewer: 8-inch diameter sewer lines in Florida and Myrtle Street ROW
- Streets:
 - Queen Avenue and Rowan Avenue: recently improved with curbs and stormwater swales
 - Florida Street. Paved, but does not meet City design standards
 - Myrtle Street: gravel street

Redevelopment Concept

A builder and maker space can take many forms, but is generally a collaborative space where people can share tools, equipment, and knowledge to design and build. These facilities can provide a wide range of opportunities

in areas such as electronics, metal working, wood working, and 3D printing. Builder and maker spaces are emerging in many places around the country as creative places for entrepreneurs to learn new skills, develop business relationships, and test their ideas.

With technical assistance provided by USEPA funding, conceptual alternatives for development of a builders and makers incubator space on the Ranch property were prepared. The preferred concept plan includes 92,800 square feet of space in four buildings (see Figure 20). The conceptual plan includes loading docks and circulation for movements of large trucks. A stormwater management facility is also illustrated on the north end of the property, with enough capacity to serve the builders and makers space and stormwater from other properties in the vicinity. The goals for the redevelopment concept for the Ranch property are to create employment opportunities and develop appropriate uses that can co-exist with other businesses and residential areas.



Photos of the Ranch Property's present day use for storage and maintenance.

FIGURE 20. RANCH CONCEPT



Credit: ICF Incorporated, LLC and
Van Meter Williams Pollack LLP

Market Context

The market context keys for an institutional use such as a builder and maker space are the potential users and organizational structure to manage the facility. It is recommended that a feasibility study for demand and funding for the facility be conducted as the key next step.

If the property were to redevelop for a private industrial business, this catalyst site will depend on the same forces that have previously attracted these operations to The YARD. With proper cleanup and other improvements, this site could provide the same cost-efficient land and adequate infrastructure as other small-scale industrial businesses in The YARD. As depicted, the site conceptual site plan of the Ranch could support a number of small-scale industrial businesses, or it may provide one or two owner/user business(es) a location to establish and grow operations. As was indicated in the previous market context section, in 2015 the industrial vacancy rate was below two percent in The YARD. This is a clear sign that businesses wanting to expand or locate to Spokane will need to either be more creative in their search for existing space or identify underdeveloped or vacant locations that could be developed to support their business. The Ranch has the size and location to support this demand.

Environmental Conditions

Since the early 1980s, the property has been owned and operated by the City of Spokane as a public works yard. Prior ownership and operations at the property are unknown, but development outside of residential or agricultural use of the area did not take place until after 1972. The property formerly contained diesel

impacts in soil related to the historical operation of three underground storage tanks (USTs). The USTs and related soil impacts have since been removed and the Washington State Department of Ecology issued a No Further Action determination in regards to the release from the USTs.

A phase I ESA for the property was completed in November 2014. The following recognized environmental conditions (RECs) were identified in the Phase I ESA: a drainage pit at the north end of the property, surface soil-staining related to bulk asphalt storage, a 2007 deicer spill, historical operation of former dry wells, and former storage of polychlorinated biphenyl (PCB)-containing transformers. Additional assessment of these RECs is recommended in order to confirm any remaining impacts on the property. There are no known environmental restrictions for future development of this property.

Recommended Actions

As owner of the property, the City has great control of how it can be positioned for redevelopment. Key actions the City and NEPDA can take include:

- **Evaluate Financial Feasibility of Maker/Builder Space.** The City and NEPDA should conduct a study to estimate the operational costs of the maker/builder space to complement the construction cost estimate of development. The study should also explore options for governance and management of the maker/builder space and for funding the project.
- **Attracting Private Investment.** The City and NEPDA can work with partners, including Greater Spokane

Incorporated and real estate brokers, to provide key information about the property, its redevelopment potential, and incentives that can enhance the viability of redevelopment. Key information could include:

- Updated information on the status and schedule of construction of the NSC and other infrastructure improvements
 - Financial incentives available to support redevelopment of the property
 - List of required City permits and timeline for permitting process
- **Public Infrastructure Improvements.** The roads on the North and South sides of the property have been recently improved, but Florida Street does not meet City design standards and Myrtle Street is not paved. Infrastructure improvements will be required to support higher intensity use of this property. In the Florida Street ROW, the existing water main should be extended south, from Queen Avenue to Wellesley Avenue, and north, from Rowan Avenue to Francis Avenue, to provide sufficient pressure to meet fire flow requirements. A small segment of sanitary sewer should also be installed to provide service near the northern end of the Ranch property between Everett and Rowan. In addition, Florida Street should be re-built to meet industrial standards to support the higher traffic trips expected in the future. (See Appendix A: Priority Infrastructure Projects 7 and 8 for more detail). In the long-term, Myrtle Street should also be re-built with paving and stormwater management facilities that meet City street design standards.
 - **Environmental.** The City should conduct a Phase II ESA to address environmental concerns on the Property. The City is currently seeking state and federal resources to conduct this assessment. Based

on the findings of the Phase II ESA, the City should develop a strategy to resolve environmental issues to support redevelopment. Strategic options include:

- Provide a future buyer with a reduced purchase price to financially offset the costs of remedial actions.
- Conduct cleanup actions ahead of a transaction and pursue a No Further Action letter through the Voluntary Cleanup Program to resolve the issue ahead of future development. This work could be funded by a combination of Washington State Remedial Action Grants, historic insurance recovery, and City funds.

FORMER RAIL YARD

Redevelopment Opportunity: Heavy industrial and freight-related uses.

Key Features

- Large property under single ownership
- Proximity to Freya Avenue, arterial roadway
- Proximity to NSC interchange
- Confirmed environmental impacts

Overview

The site of the former Great Northern Rail Yard has been vacant since the 1980s. It is one of the largest industrial properties in The YARD (see Figure 21). This area could be expanded through land assembly to include land located between Ferrall Street and Freya Street. This presents a unique opportunity for future large-scale industrial development that can capitalize on the large area, rail access, and proximity to the proposed NSC. However, legacy environmental impacts related to historical operations present a significant barrier to redevelopment.

FIGURE 21. FORMER RAIL YARD & ADJACENT PROPERTIES



At a Glance

- Tax Parcel numbers: 36343.0005
- Size: 62.9 acres (including land allocated for NSC)
- Zoning: Heavy Industrial
- Utilities:
 - Water: 8-inch diameter cast-iron pipe installed in 1938 in Freya Street ROW. Pipe is beyond its design life.
 - Sewer: 15-inch diameter concrete gravity-flow sewer line in Ferrall Street ROW. This gravity line collects all of the sewer outflow from The YARD and conveys it to a 36-inch diameter main line in Haven Street. The 15-inch diameter sewer line crosses the rail yard property between Broad Avenue and Wellesley Avenue and is in need of repair.
 - Power Provided by Avista. Three-phase power available.
- Roads:
 - Ferrall Street is a gravel street.
 - Freya Street designated as an arterial and serves as the primary freight corridor through The YARD. Between Rowan Avenue and Wellesley Avenue, Freya Street does not meet typical standards for paved width and pavement thickness to support heavy freight traffic.



The Former Rail Yard is currently vacant with a gravel street.

Redevelopment Concept

The redevelopment concept for the property is an industrial business that can capitalize on the large parcel size, rail access, and proximity to the future highway (see Figure 22). The large size of the property allows for physical development that can meet these needs. The proposed redevelopment concept includes additional infrastructure improvements that could accommodate heavy freight users.

Market Context

The YARD currently contains two larger-scale industrial users in the Safeway and Food Services of America distribution centers. Demand for large, heavy industrial spaces with rail and highway access is driven by user requirements. In general, these users are driven less by land use economics, but rather by decisions on business economics. The acquisition of land is a relatively small part of business decisions and other factors weigh heavily. These factors include availability and cost of power and other utilities; transportation costs; property and business taxes; and labor costs relative to other areas.

FIGURE 22. FORMER RAIL YARD CONCEPTUAL PLAN



Locally, this catalyst site would compete well with other large acreage properties in the Spokane region stretching from Airway Heights and then east to Post Falls. The effective cost of land today may be less expensive in alternative rural areas of the metropolitan area. The cost of land is less and some jurisdictions have been willing to support new development by providing new utility and street infrastructure. These locations are farther from the labor pool and potentially farther from customers. However, the completion of the NSC will position the property within minutes from I-90, thereby complementing its rail access.

Environmental Conditions

The Department of Ecology has confirmed that contamination is present at this site. This property has perpetuated the perception of pervasive environmental hazards throughout The YARD. From the 1890s until the 1970s, the Hillyard Railroad Yard operated on the property. Soil contaminated with lead, arsenic, cadmium, select volatile organic compounds, polycyclic aromatic hydrocarbons, and petroleum hydrocarbons was identified at the property in 2002 during an adjacent property’s interim remedial action efforts. The property has since undergone remediation of impacted soils by excavating, stabilizing, and capping impacted soils in an approximately four-acre containment area.

Future development of the capped containment area will require maintaining or strengthening the integrity of the existing cap and liner. The top of the capped containment area is approximately two feet above the existing grade. No known environmental investigation has been conducted outside of the lead-impacted soil remediation area.

Recommended Actions

Because of its size, location, and prominence in the area, there is a high level of interest and support for redevelopment of the property among a number of potential partners including the City, NEPDA, the property owner, Greater Spokane Incorporated, the Department of Ecology, and the Department of Commerce. Key actions to positioning the property for acquisition include:

- **Providing Information and Promoting Redevelopment.** The NEPDA and the City are well-suited, with partners including Greater Spokane Incorporated and real estate brokers, to provide key information about the property, its redevelopment potential, and incentives that can enhance the viability of redevelopment. Key information could include:
 - Updated information on the status and

schedule of construction of the NSC and other infrastructure improvements

- Financial incentives available to support redevelopment of the property
- List of required City permits and timeline for permitting process
- **Coordinate with WSDOT on Wellesley Avenue Interchange Alignment.** The City meets regularly with WSDOT to provide input into design and construction of the NSC, including the Wellesley Interchange. The location and design for the interchange will effectively set the southern boundary line for developable land on this property. Design should consider efficient use of land and circulation of truck traffic and passenger vehicles through the property.
- **Public Infrastructure Improvements.** Improvements to the street and water system along Freya Street between Rowan Avenue and Wellesley Avenue should be implemented to enhance the development capacity of this property. These investments would capitalize on the NSC improvements, including the new roundabout intersection at Wellesley Avenue that included widening and re-building Freya Street along two blocks. Infrastructure improvements should include replacing the water line with a new, larger-diameter pipe and repairing the gravity sewer main that crosses the property. (See Appendix A Priority Infrastructure Projects 1, 2, and 3 for more detail). The utilization of this unique property could be increased if stormwater could be managed off-site, either in public ROW or a regional facility. (See Appendix A Priority Infrastructure Project 6 for more detail).

- **Environmental.** The NEPDA and City can provide technical resources to the property owner to conduct more extensive site assessment and prepare a cleanup action plan that can be integrated into redevelopment of the property. The NEPDA and City could assist the property owner or a future buyer in developing a strategy to resolve environmental issues, thereby supporting redevelopment. Strategy options for the current owner, future buyer, or developer include:

- Contractual agreements between the seller and future buyer, including reduced purchase price to financially offset the costs of remedial actions and indemnification clauses.
- Conduct cleanup actions ahead of a transaction and pursue a No Further Action letter through the Voluntary Cleanup Program to resolve the issue ahead of future development.
- Proactively designing to contain and cap contaminated soil beneath paved parking areas or buildings as part of the redevelopment.

WELLESLEY CORRIDOR

Redevelopment Opportunity: Light Industrial or retail uses.

Key Features

- Located along primary east-west corridor with good access to future NSC
- Diversity of parcel sizes and property owners
- Proximity to residential and industrial uses
- Potential for environmental impacts

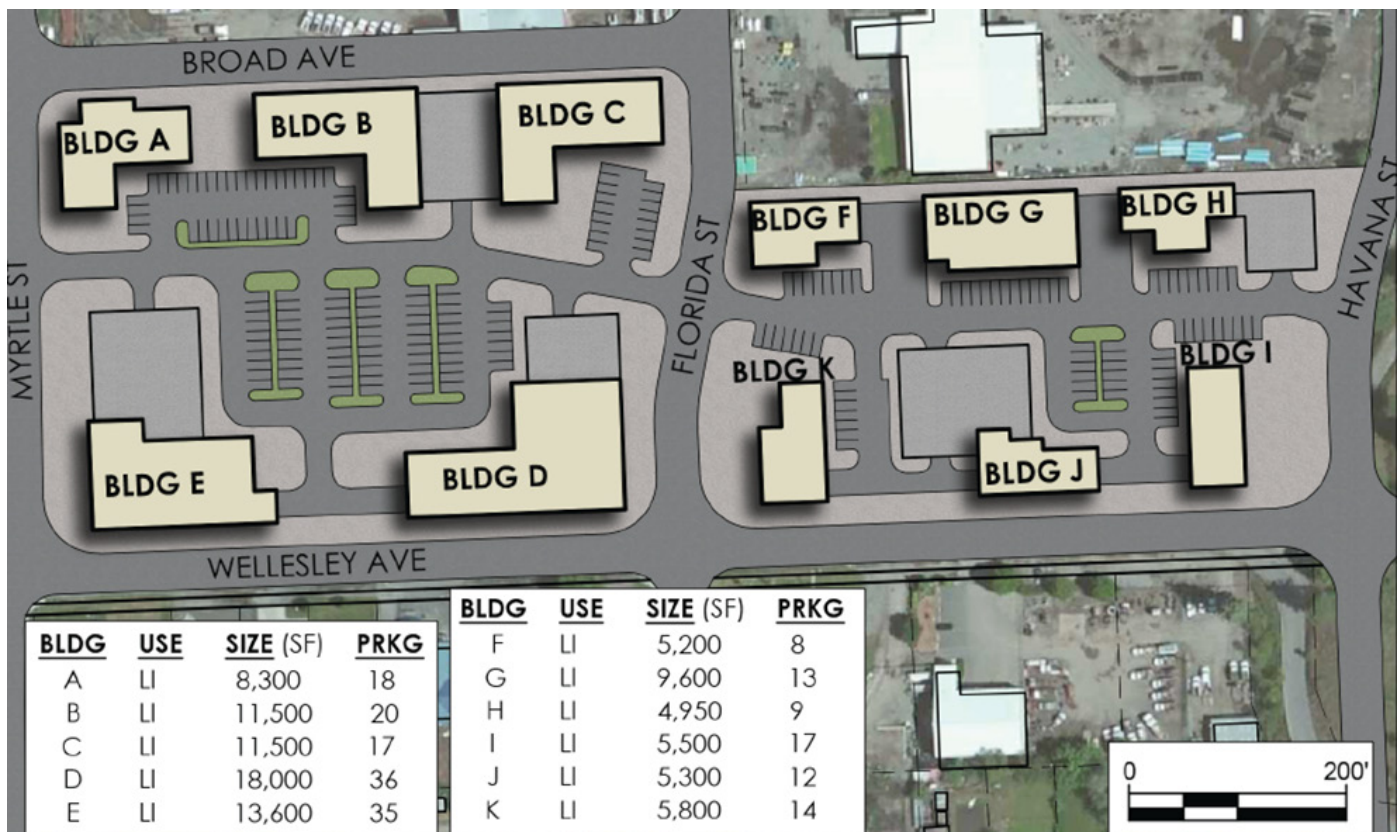
Overview

Completion of the NSC, in addition to development of the Beacon Hill residential community, has the potential to drive change along Wellesley Avenue, which acts as a connector. With improved accessibility and a higher local population, these properties could be positioned for redevelopment for light industrial uses and potentially also for retail or professional services. The catalyst site is made up of ten parcels, including five parcels that are over two acres in size and currently vacant or underutilized. These properties are of sufficient size to support small light industrial parks with multiple buildings or one larger business.

At a Glance

- Tax Parcel numbers: 36344.2011, 36344.2012, 36344.2021, 36344.2022, 36344.2008, 36344.2014, 36344.2109, 36344.2110, 36344.2104, and 36344.2101
- Size: 18.0 acres
- Zoning: Light Industrial
- Utilities:
 - Water: 10-inch diameter line in Wellesley Avenue ROW, 6–12-inch diameter line in Havana Street ROW and 8-inch diameter line in Myrtle Street ROW
 - Sewer: 8-inch diameter sewer lines in Wellesley Avenue, Florida Street, and Myrtle Street ROW
- Streets:
 - Wellesley Avenue: Arterial classification. Does not meet City design standards
 - Florida Street. Paved, but does not meet City design standards
 - Myrtle Street and Havana Street: gravel roads

FIGURE 23. WELLESLEY CORRIDOR CONCEPT



Redevelopment Concept

Like the Esmeralda property, the redevelopment concept for the Wellesley corridor is intended to support the development of appropriate uses to transition from housing to the south and industrial activities to the north. The size of the properties and scale of the buildings in the conceptual site plan are a continuation of the types of small-scale, “work-bench,” light industrial businesses that currently exist throughout much of The YARD (see Figure 23). This development is intended to contribute to job creation and co-exist with other businesses and residential areas. The size and layout of buildings in the conceptual site plan could also accommodate a retail or professional services business.

Market Context

Overall, the market conditions for this property are very similar to that of the Esmeralda property, discussed earlier in this report. This set of properties could see increased traffic from the proposed Beacon Hill residential development, which would utilize Wellesley to access the future NSC freeway and downtown Spokane. As such, sufficient demand could exist for services such as retail. However, convenient industrial-grade access to the NSC, via the possible widening of Wellesley Avenue, could also attract demand from potential industrial users.

Environmental Conditions

Based on a review of historical records, most of the land in this catalyst site has not previously been developed, so environmental contamination concerns are limited. However, several of the parcels have industrial shops and equipment that could create a perception of potential impacts. To date, no known environmental assessment has been conducted on these properties.

Recommended Actions

The NEPDA and the City can collaborate with the property owners and partners in the community, including real estate development professionals, to make these properties more attractive for investors and enhance the financial feasibility of redevelopment. Actions include:

- **Providing Information and Promoting Redevelopment.** The NEPDA and the City are well-suited, with partners including Greater Spokane Incorporated and real estate brokers, to provide key information about these properties, their redevelopment potential, and incentives that can enhance the viability of redevelopment. Key information could include:
 - Updated information on the status and schedule of construction of the NSC, Beacon Hill, and infrastructure improvements
 - Financial incentives available to support redevelopment of the property
 - List of required City permits and timeline for permitting process
- **Public Infrastructure Improvements.** These properties would benefit from street and utility improvements in Florida and Myrtle as discussed in the Ranch Property (See Appendix A: Priority Infrastructure Projects 7 and 8 for more detail). The most significant need is re-building Wellesley Street to meet arterial standards (See Appendix A: Priority Infrastructure Projects 4 and 5). The water main in the Wellesley Avenue ROW is also over 50 years old and in need of replacement. In the City’s original Development Agreement for Beacon Hill, the developer was required to pay for street improvements on Wellesley.
- **Environmental.** The NEPDA and City can provide technical resources to property owners for conducting Phase I and Phase II ESAs to clarify the potential environmental concerns on these properties. Based on information about historical operations, there is strong potential that conducting environmental assessments will provide sufficient information and certainly will allow the private sector to manage any risks associated with environmental concerns. The City and NEPDA can utilize the USEPA brownfield assessment grant funds to conduct these assessments.

NORTH YARD PROPERTIES

Redevelopment Opportunity: Light Industrial

Key Features

- Recently improved street network and good access to future NSC
- Diversity of parcel sizes and property owners
- Potential for environmental impacts

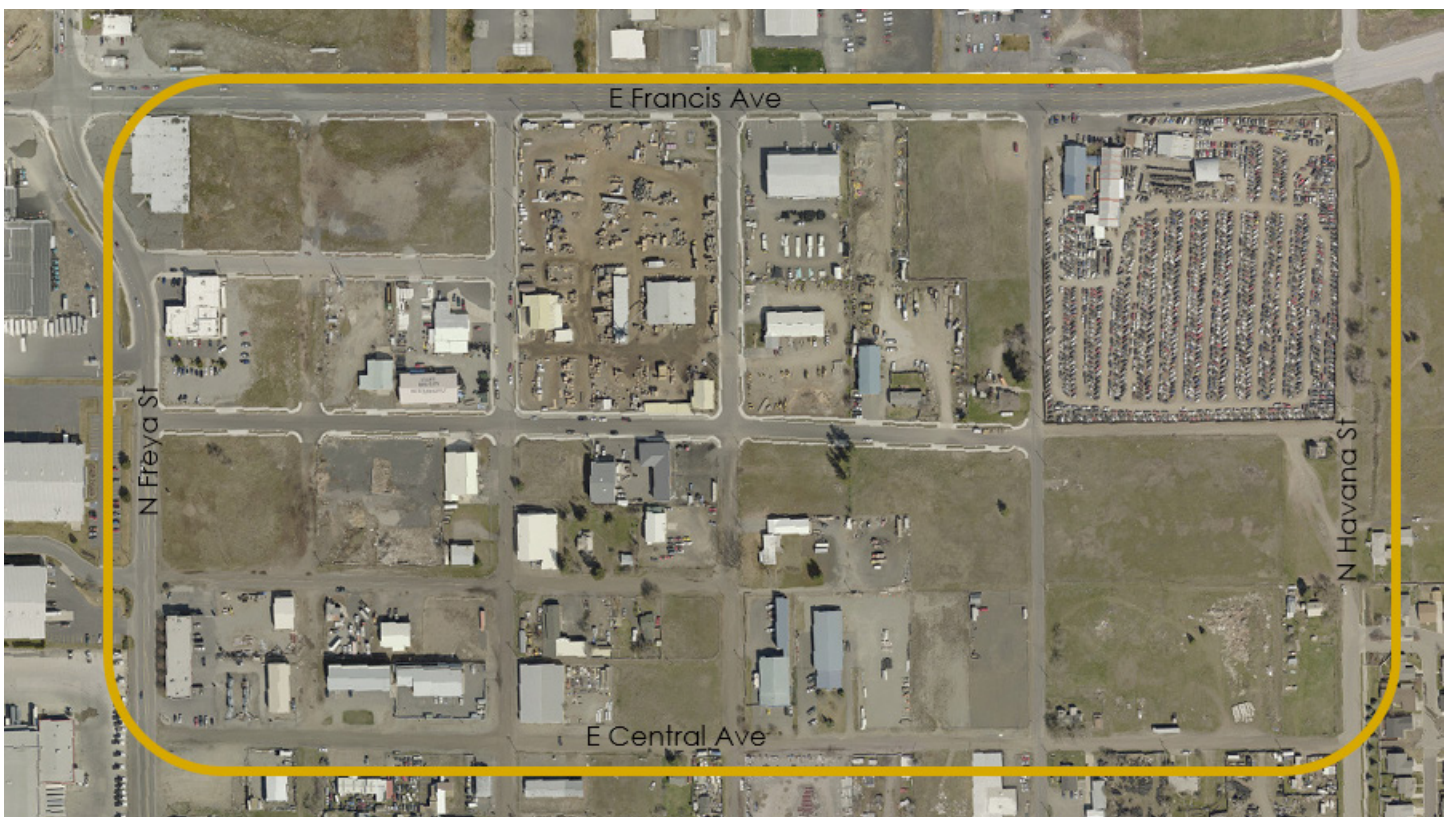
Overview

The northern end of The YARD appears to be the most well-positioned section of study area for redevelopment from an infrastructure perspective (see Figure 24). The NSC interchange, as part of Francis Avenue, has been completed and Francis Avenue has been re-built. Multiple blocks of local streets have been re-built to current City standards through Local Improvement District Funding. There are more than 60 parcels of land in this area totaling over 80 acres, including 25 parcels that are vacant or mostly vacant. As is typical in The YARD, there is diverse ownership of property and many of the parcels are less than 0.5 acres, but five are more than two acres. The mostly likely redevelopment scenario for these properties is light industrial development similar to existing types of businesses in the area.

At a Glance

- Tax Parcel numbers: 67 different tax parcels.
- Size: 80 acres
- Zoning: Heavy and Light Industrial
- Utilities:
 - Water: 6–8-inch diameter lines in Francis, Dalke, and Rowan Avenue ROW. 6–12-inch diameter lines in Julia, Myrtle, and Florida Street ROW
 - Sewer: 8-inch diameter lines in Dalke, and Rowan Avenue ROW. 8-inch diameter lines in sections of Julia, Myrtle, and Florida Street ROW
- Streets:
 - Francis Avenue: Principal Arterial classification. Recently re-constructed per City design standards
 - Dalke Avenue: Recently improved including stormwater swales
 - Rowan Avenue: Gravel surface from Freya Street to Myrtle Street. Recently improved including stormwater swales east of Myrtle Street

FIGURE 24. NORTH YARD



Redevelopment Concept

The redevelopment concept for the North Yard is increased light industrial businesses. This development is intended to generate jobs and economic activity, as well as complement surrounding businesses.

Market Context

The market conditions for this area are characteristic of the entire YARD, with low building vacancy rates and demand for relatively small scale, flexible, light industrial space (generally less than 10,000 square feet). Based on anecdotes from a local real estate development professional, the key limiting factors to development in this area are property-owner expectations for land value higher than what the market can bear, and the rents not high enough to support new construction on speculation. The highest potential for redevelopment are likely owner-operator businesses. For owner-operators, the financial decisions for new construction are based more on their business economics than on the costs of land and construction.

Environmental Conditions

There are several known or potentially contaminated properties in the North Yard. These include a large automobile scrap yard and leaking underground storage tank sites. As part of this project, no property-specific Phase I or Phase II ESAs were conducted on properties in the North Yard. Based on environmental documentation for contaminated properties elsewhere in The YARD, it is expected that any impacts that may be present are likely limited to shallow soils.

Recommended Actions

The NEPDA and the City can collaborate with the property owner and partners in the community, including real estate development professionals, to make this area more attractive for investors and enhance the financial feasibility of redevelopment. The actions include:

- **Providing Information and Promoting Redevelopment.** The NEPDA and the City are well-suited, with partners including Greater Spokane Incorporated and real estate brokers, to provide key information about these properties, their redevelopment potential, and incentives that can enhance the viability of redevelopment. Key information could include:
 - Updated information on the status and schedule of construction of the NSC and other infrastructure improvements
 - Financial incentives available to support redevelopment of the property
 - List of required City permits and timeline for permitting process
- **Public Infrastructure Improvements.** The North Yard is generally well-served by existing infrastructure. Improvements to Rowan Avenue, Rebecca-Julia Street, and Florida Street as described earlier would also support this catalyst site.
- **Environmental.** The NEPDA and City can provide technical resources to the property owner to conduct Phase I and Phase II ESAs to clarify the potential environmental concerns on these properties. Based on information about historical operations, there is strong potential that conducting environmental assessments will provide sufficient information and certainly will allow the private sector to manage any risks associated with environmental concerns. The City and NEPDA can utilize the USEPA brownfield assessment grant funds to conduct these assessments.

6. IMPLEMENTATION STRATEGIES

Achieving the future vision for The YARD will require a long-term focused effort. Key implementation strategies will include partnerships, phasing, and coordinated actions by public agencies including financial incentives, policy amendments, and public infrastructure improvements.

Partnerships

The NEPDA and City have built a strong partnership and reached out to others including private businesses, property owners, and other agencies to promote revitalization of The YARD. Each of these partners has resources and strengths for the revitalization effort. In general, the public agencies’ role will be to support conditions that make The YARD more attractive for private-sector investment. The critical roles for public agencies will be in marketing, establishing incentives to compete with other industrial areas, and providing public infrastructure to make properties ready for development (see Table 7).

Phasing

Redevelopment of The YARD is expected to be catalyzed by construction of the NSC, but should be expected to occur over years. The Spokane economy has historically been relatively stable with moderate growth. With

completion of NSC expected in 2027, the community is now in an opportune position to prepare for future development. As shown in Figure 16 (Section 4), the real estate fundamentals are expected to change after completion of the NSC. The financial feasibility of redevelopment of properties that are currently challenging is expected to significantly improve when the freeway is completed. With confidence in a schedule for completion of the NSC, there will likely be increasing private-investor interest in The YARD, and there is sufficient time to plan, design, and implement the infrastructure improvements needed to support future development.

Recommended Actions

FINANCIAL INCENTIVE RECOMMENDATIONS

The YARD regionally competes with other industrial areas that provide relatively low-cost land and proximity to freight corridors. With the availability of competitive options, businesses are expected to compare costs, advantages, and disadvantages in location decisions. There are a number of existing financial incentives designed to make The YARD an attractive location for development.

- Waiver for General Facility Charges for water and sewer permits
- Community Empowerment Zone—provides a suite of potential tax credits for businesses locating and hiring employees in the zone
- Workforce Development Assessment—multiple grant and tax credit options for workforce training

As part of the Area-Wide Planning effort, an incentive calculator has been developed. This tool estimates potential incentives based on the value of investment and employment projections. This tool can be requested from Economic Development Planners at the City of Spokane.

It is recommended that the City create new tools and modify existing policies to increase local capacity to fund the significant infrastructure improvements needed in The YARD.

Community Revitalization Financing

It is recommended that the City establish a Community Revitalization Financing (CRF) District in The YARD. CRF is a form of tax increment financing established by the Washington State legislature in 2001 (RCW 39.89). The program authorized cities, towns, counties, and port districts to create a tax “increment area.” Within the designated area, a portion of increasing property taxes can be dedicated to financing public improvements. Tax

TABLE 7. ROLE OF PARTNERS

Actions	Roles
Economic Development. Recruiting new businesses to locate in The YARD and supporting retention and expansion of existing businesses through networking and training opportunities	<ul style="list-style-type: none">• NEPDA—Promotion, networking and training local businesses• GSI—Regional business recruitment
Financial Incentives. Establishing attractive incentives to promote business development and expansion	<ul style="list-style-type: none">• City of Spokane—Adopt financial incentives• NEPDA and GSI—Assist prospective developers in utilizing incentives
Public Infrastructure Improvements. Constructing the backbone infrastructure to support private development	<ul style="list-style-type: none">• City of Spokane—Leading funding, design, and construction• NEPDA—Supporting the City and acting as liaison with local businesses

increment financing is based on the premise that these investments will support increased development and higher property values. At the end of the proscribed period, all taxing jurisdictions receive greater revenues than would be expected without those investments. The City of Spokane is one of the few cities in the state with experience with CRF.

CRF increment areas are created and administered at the local level and they do not include a state contribution. State approval is not required to use CRF. Local governments must approve imposing at least 75 percent of the regular property taxes within the area. The incremental local property taxes under the CRF program are calculated on 75 percent of any increase in assessed value of new construction in the designated area. Any fire protection district with geographic borders in the “increment area” must agree to participate. There are currently five increment areas located in Spokane County. Cities, counties, and ports are free to partner via inter-local agreements on the dedication of their respective tax increment funds.

Local Improvement District (LID)

The City should reinvigorate its efforts to work with property owners to utilize LIDs to fund infrastructure projects in The YARD. The City should amend policy around LIDs to make this tool more accessible and effective. The City should align property-owner approval thresholds with requirements of state law (RCW 35.43 through 35.56). The City should also explore opportunities to leverage private-property owner investment with other funds such as Community Development Block Grants, City transportation levy, and/or CRF funds.

POLICY AND PROGRAMMATIC RECOMMENDATIONS

The NEPDA and City provide important institutional capacity to support revitalization of The YARD. These current efforts should be continued and can be enhanced.

Networking and Capacity Building

The NEPDA can serve as a convener and facilitator of collaborative discussions among businesses in The YARD. This could include informal events like happy hours to build relationships and promote networking among existing businesses, as well as hosting a series of presentations with topics such as financial management, marketing, and staff development to support local businesses.

Business Recruitment

The NEPDA and City should continue to partner with GSI to recruit compatible businesses to The YARD. NEPDA and the City have developed a prospectus and other

marketing materials to promote The YARD. GSI has established active programs for business recruitment. The City and NEPDA should coordinate with and complement these existing GSI efforts.

Affordable Housing Policy

The City should develop policy for affordable housing with consideration that as The YARD redevelops, some non-conforming housing in industrially zoned areas will be displaced.

Public Safety

To address stated concerns from businesses and stakeholders, the City and NEPDA should continue to coordinate with the Spokane police department on crime prevention. Based on community concerns, a new police station has been opened on Market Street in Hillyard. The police department also offers consultations on Crime Prevention through Environmental Design (CPTED).

Builder and Maker Space

The City and NEPDA have developed a conceptual site plan for development of a builder and maker space at the Ranch property (see Section 5). A facility of this kind could serve multiple purposes, including workforce training and accelerating the expansion of new businesses. The City and NEPDA should conduct a feasibility study to evaluate management and operational options, market demand, and funding strategies for such a facility.

INFRASTRUCTURE RECOMMENDATIONS

A set of priority infrastructure improvement projects has been developed to position catalyst properties in The YARD for redevelopment (see Table 8). These projects include “Regional Connections” for roads and utilities that establish a framework for transportation, water, and sewer services in The YARD (see Figure 25). It is recommended that the City and NEPDA proactively seek federal, state, and local funding to implement these “Regional Connections” projects. These regional projects include the following:

- Maintenance of Freya Street (Project 1) and repair of a sewer trunk line (Project 2).
- Reconstruction of Freya Street (Projects 3, 12, and 15) and Wellesley Street (Projects 4 and 5) to improve these arterial streets to meet the demands of heavy freight traffic and increase capacity of water and sewer systems to support increased development.

TABLE 8. PRIORITY INFRASTRUCTURE IMPROVEMENTS

Project Number	Project Name	Description	Planning Level Cost Estimate
REGIONAL PROJECTS			
1	Freya Heavy Maintenance	Street maintenance including asphalt grind and overlay of street surface on Freya St. from Wellesley Ave. to Rowan Ave.	\$500,000
2	Sanitary Sewer Mitigation Project	Reversal of existing pipe slope of 8-ince sewer pipe on Broad Ave. between Ferrall St. and Freya St.; New piping and manholes at Ferrall and Freya; Piping improvements at Freya and Wellesley; Improvements will include pipe-bursting sections and cast-in-place pipe under the NSC.	\$1,000,000
3	Freya Reconstruction	ROW acquisition, installation of underground utilities, and reconstruction of street to bring Freya St. to industrial street standard.	\$4,145,000
4	Wellesley Phase I	Extension of the NE Lift Station sewer force main from N. Freya St. to a sanitary trunk line at Haven St., including patching and reconstruction of streets as necessary. <i>Coordinated with reconstruction of Wellesley Ave as part of NSC interchange.</i>	\$520,000
5	Wellesley Phase II	Replacement of existing water main at Wellesley Ave., from Rebecca St. to Florida St., acquisition of ROW to construct standard width minor arterial street, and reconstruction of streets as necessary to meet minor arterial street classification.	\$1,340,000
6	Regional Stormwater Facility	Evaluation of viability of centralized stormwater treatment facility to support future development. If viability is confirmed, project would include ROW acquisition, installation of conveyance utilities, and stormwater treatment facility.	\$3,270,000
LOCAL PROJECTS			
7	Florida Phase I	ROW acquisition, installation of underground utilities, and widening and reconstruction of half of the street underlain by utilities on Florida St.; Will increase service to Wellesley Corridor and Ranch catalyst properties.	\$1,920,000
8	Florida Phase II	ROW acquisition, installation of underground utilities, and widening and reconstruction of half of the street underlain by utilities on Florida St.; Will increase service to North Yard catalyst property.	\$2,185,000
9	NSC Utility Corridor	Type/Size/Location study for utility corridor and pedestrian crossing, across the NSC; Will require easement or ROW acquisition and water main connection from Freya to Market St.	\$600,000
10	Rowan Phase I	Installation of water, sewer, stormwater underground utilities, and new road surface; Could include pedestrian improvements on one or both sides of the road.	\$1,215,000
11	Rowan Phase II	ROW acquisition and installation of potable water main extension to complete loop.	\$110,000
12	Freya Phase II	ROW acquisition, installation of underground utilities, and street reconstruction to bring Freya St. to industrial street classification; Includes replacement of potable water mains.	\$3,340,000
13	Rebecca / Julia Phase I	ROW acquisition, installation of underground utilities, and reconstruction of street to support multiple transportation modes on Rebecca / Julia from Francis to Columbia Aves.; Includes replacement of potable water line.	\$1,525,000
14	Rebecca / Julia Phase II	ROW acquisition and full reconstruction of street to improve Freya to a multi-modal road classification; In addition, a study of siting and design options for a bus stop on this corridor.	\$1,645,000
15	Freya Phase III	ROW acquisition, installation of underground utilities, and full reconstruction of street to bring Freya to industrial street classification.	\$2,590,000
16	Infill Street Improvements	ROW acquisition and construction of local roads along Broad, Queen, Central, Dalke Avenues as well as Myrtle and Havana Streets.	\$9,841,000



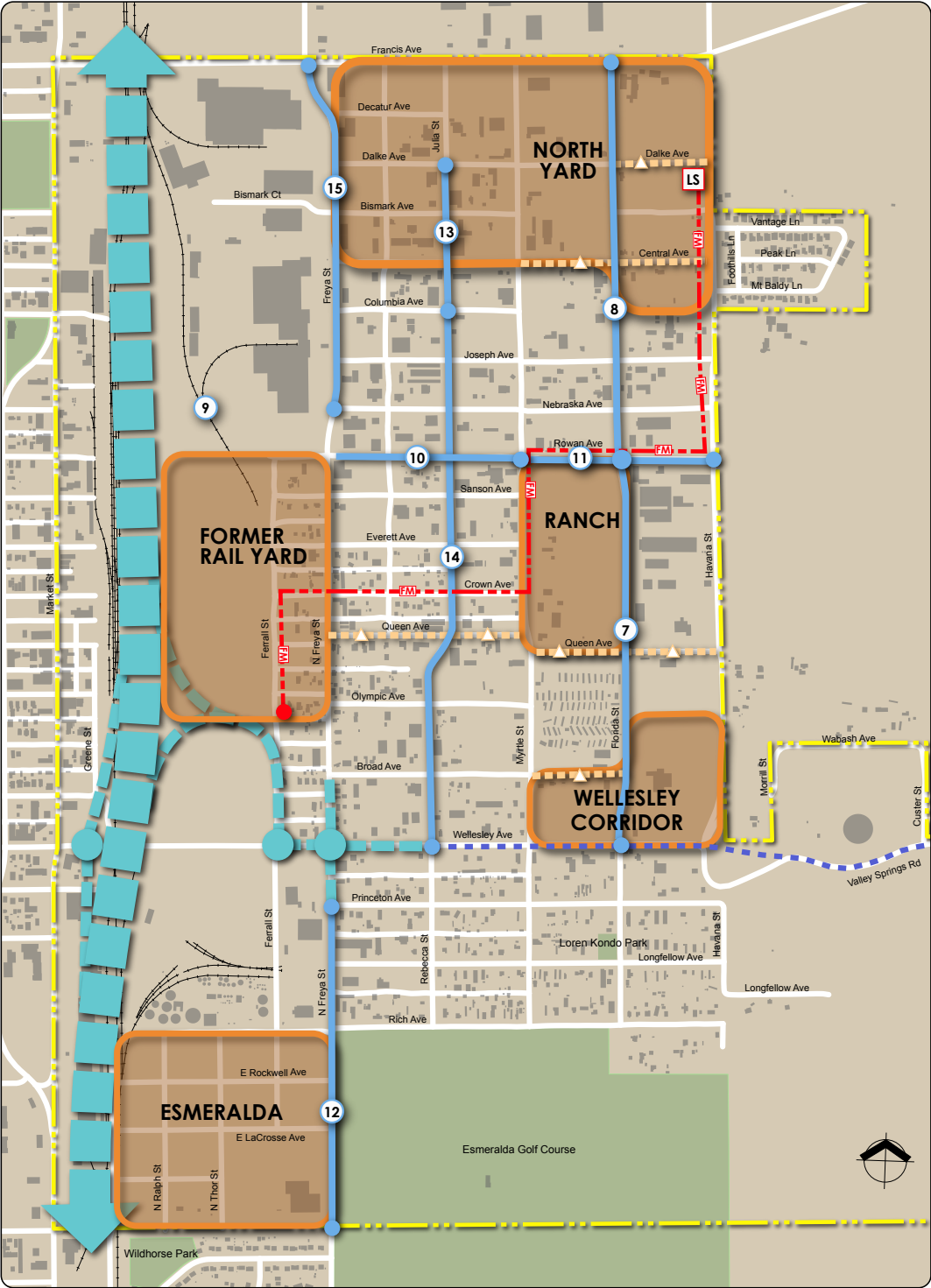
- ### Legend

 - Hillyard Boundary
 - Proposed US 395
 - Potential Catalyst Sites
 - North Terrace Lift Station
 - Force Main
 - Valley Springs Connection
 - Infill Street Improvements

Regional Connections

 - Freya Heavy Maintenance
 - Sewer Crossing Repair
 - Freya Reconstruction
 - Wellesley Phase I
 - Wellesley Phase II
 - Regional Stormwater Facility

FIGURE 26. LOCAL PROJECTS - PRIORITY INFRASTRUCTURE IMPROVEMENTS



Legend

- Hillyard Boundary
- Proposed US 395
- Potential Catalyst Sites
- North Terrace Lift Station
- Force Main
- Valley Springs Connection
- Infill Street Improvements

Local Projects

- Florida Phase I
- Florida Phase II
- NSC Utility Corridor
- Rowan Phase I
- Rowan Phase II
- Freya Phase II
- Rebecca/Julia Phase I

- Development of a regional stormwater management solution (Project 6) that allows for maximum utilization of property while meeting increasingly rigorous stormwater management requirements. The lack of public stormwater infrastructure in The YARD provides an opportunity for innovative solutions, such as a regional facility or distributed facilities integrated into public rights of way.

A set of complementary “Local Projects” are also recommended (see Figure 26). These “Local Projects” serve lower traffic streets and areas that are expected to develop more slowly than the catalyst sites. These projects have been identified to improve streets to meet City design standards and address constraints in water and sewer systems. Timing for implementation of “Local Projects” should be driven by private-sector demand. It is expected that these will be funded primarily through LID, CRF, and private contributions. Project-specific descriptions, cost estimates, and funding strategies are outlined in the project concept sheets in Appendix A.

Environmental Risk Management

The most effective approach to addressing contaminated properties in The YARD is to implement remedial actions through redevelopment. The inventory of historical operations in The YARD has identified 26 potentially contaminated properties listed in environmental databases. In general, the contamination concerns pose relatively low risk to human health and the environment and are not likely to be subject to regulatory enforcement actions. Addressing these impacts through redevelopment capitalizes on the energy and resources generated through property transactions and construction projects.

City staff have developed significant experience and expertise in navigating the environmental remediation process. It is recommended that the City continue to offer technical assistance to property owners and to serve as a liaison between private property owners and organizational resources including the Washington State Department of Ecology, Washington State Department of Commerce, and USEPA.

There are four approaches to managing environmental risk associated with the redevelopment of brownfield properties (see Figure 27).

- Structure of the real estate deal
- Cleanup options
- Administrative pathway
- Funding

FIGURE 27. APPROACHES TO MANAGING ENVIRONMENTAL RISK

STRUCTURE OF THE DEAL		
<ul style="list-style-type: none"> • Due Diligence • Price Reduction • Release and Indemnification • Risk/Cost Allocation • Environmental Insurance 		
ADMINISTRATIVE APPROACH	CLEANUP	FUNDING
<ul style="list-style-type: none"> • Consent Decree • Agreed Order • Voluntary Cleanup • Independent Cleanup 	<ul style="list-style-type: none"> • Dig & Haul • In-situ Treatment • Capping • Monitored Natural Attenuation 	<ul style="list-style-type: none"> • State & Federal Grants • Historic Insurance Recovery • Low Interest Loans • Contribution Claims

STRUCTURE OF THE REAL ESTATE DEAL

In order to assess the environmental conditions of a property and limit legal liability, property owners need to define the nature and extent of contamination via remedial investigation. This can be done through a Phase I ESA and, if needed, a follow-up investigation. It is important to note that to meet the federal bona fide prospective purchaser liability defense, a Phase I ESA must be completed no sooner than six months prior to the date of purchase.

Once environmental and land use factors are understood, contamination and liability can be addressed through the transaction process. For example, the seller could reduce the purchase price in exchange for an agreement that the buyer will conduct cleanup. Conversely, the seller could address contamination in order to bring the purchase price up to full market value. The sales agreement could also include an indemnification and release clause, on behalf of either the buyer or seller, which would be executed if contamination were found.

CLEANUP APPROACH

Cleanup alternatives can range from complete removal of contaminants, to treatment, to leaving materials in place with engineering and institutional controls to prevent exposure. The alternatives carry a different level of risk of potential future impacts from the contamination. The decision on which method to choose is based on risk tolerance; cost; science and engineering analysis; and the proposed use for the property.

The future use of a property is a driving factor in selecting a preferred cleanup option. Under Washington State’s Model Toxics Control Act (MTCA), cleanup standards are determined by the Department of Ecology and allow

for cleanup levels based on two types of land use—unrestricted and industrial. The cleanup standard for a property will depend on a number of factors, including future use of the property, type of contaminants, and risk of exposure to human and ecological receptors. For example, the unrestricted land use is based on residential use standards, and provides the most protective cleanup levels based on child exposure assumptions (WAC 173-340-740). Industrial land-use cleanup levels are based on adult worker exposures, and require that the site in question qualify as industrial property. This requires the site to be zoned for industrial uses, and future activities must conform to that definition (WAC 173-340-745).

ADMINISTRATIVE APPROACH

MTCA provides two administrative paths to manage site cleanup: the formal process and the independent process. The legal protections provided by the pathways vary, so the choice of path directly affects future liability and risk. The choice is also linked to potential funding sources because of applicant eligibility criteria.

The formal process involves oversight from the Department of Ecology through either an Agreed Order or Consent Decree. An Agreed Order is a negotiated agreement between the Department of Ecology and the lead work party, with no liability settlement. A Consent Decree involves a judicial approval with a covenant not to sue, including a liability settlement. The latter provides the greatest liability protection, but also requires the greatest level of state oversight and highest transaction costs. Both formal processes require extensive Department of Ecology staff review, necessitate public involvement in cleanup decisions, and should be expected to take longer than an independent process. Local governments are eligible for state Remedial Action Grants to partially fund cleanups conducted under an Agreed Order or Consent Decree.

The independent process typically involves either a fully independent approach, without any Department of Ecology review, or utilization of the Voluntary Cleanup Program (VCP). The VCP allows property owners to conduct cleanup with limited Department of Ecology oversight. It is the most commonly utilized pathway because of its relative expediency and control of regulatory involvement. Following the completion of cleanup, the property owner reports to the Department of Ecology the remedial actions conducted; upon completion of cleanup, a No Further Action (NFA) letter can be obtained. Local governments that pursue cleanup through the VCP are also eligible to obtain Remedial Action Grants.

FUNDING

Funding for redevelopment on contaminated properties can be leveraged through contributions from potentially responsible parties, historical insurance recovery, grant funding (for public entities), and low interest loans.

Contribution Claims. Under federal and state law, potentially responsible parties, such as historical operators or owners, are liable to pay for cleanup of environmental contamination. Contribution can be sought through negotiated agreements or legal actions.

Pursue Historical Insurance Recovery. Previous owners and operators may also have access to historical insurance recovery. Before 1986, commercial general liability policies did not contain exclusions for liabilities caused by environmental damage. Cost recovery may be pursued from insurance policies that were in place when pollution occurred and covered the property owner, operators, or other potentially liable parties. As with pursuing contribution claims directly from potentially liable parties, historical insurance recovery requires a significant commitment of time and resources. It should be noted that seeking liability insurance claims are not actions against a site owner or operator, but are taken against their insurance carrier, to which they paid premiums for coverage.

State and Federal Grants. Grants from government agencies directly offset project costs, with no requirement for repayment, so they can dramatically improve a project's financial balance. There are many potential grant sources available to brownfield redevelopment projects, including state and federal grants (see Table 9). These grants are most readily available to public entities; however, some public funding programs do also provide opportunities to borrow low-interest loans. In these cases, loans are typically available to both public and private entities. The connection to funding programs may be based on the project location in a rural or economically disadvantaged town, the preservation of a historic building, the development of affordable housing, or many other factors.

TABLE 9. BROWNFIELD FUNDING SOURCES

Grant	Maximum Amount	Grant Share of Total Project Costs	Notes
WASHINGTON STATE			
Integrated Planning Grant	\$200K (\$300K Multi-Site)	100%	Planning & environmental Eligibility: Local governments
Oversight Remedial Action Grant	N/A	50%–90%	Assessment and Cleanup under Formal Process Eligibility: Local governments
Independent Remedial Action Grant	\$600K	50%–90%	Assessment and Cleanup under VCP Eligibility: Local governments
Area-Wide Groundwater Grants	\$500K	100%	Remedial Investigation Only Eligibility: Local governments
Brownfield Revolving Loan Fund	\$425K (exceedance can be approved)	N/A	Managed by Department of Commerce. Must meet EPA eligibility criteria. Max loan term 5 years.
USEPA			
Brownfield Assessment Grants	\$300K	100%	Eligibility: local governments, tribes, and non-profits
Brownfield Cleanup Grants	\$200K	80%	Eligibility: local governments, tribes, and non-profits
Brownfield Area-wide Planning Grants	\$200K	100%	Eligibility: local governments

Appendix A

The YARD Redevelopment Master Plan

Priority Infrastructure Project Information Sheets

April 10, 2017



MAUL FOSTER ALONGI

Priority Infrastructure Project Information Sheets

A set of priority infrastructure improvement projects has been identified to catalyze redevelopment in The YARD. These projects have been identified based on the condition and capacity of existing infrastructure systems, needs of catalyst sites, and projections for future development in The YARD.

The following information sheets describe the purpose and elements of the projects and provide planning level cost estimates and strategies for funding.

These projects align with the goals and strategies established in the Development Strategy Document adopted by the Northeast Public Development Authority (NEPDA), the Strategic Plan for the greater Hillyard area prepared by the Greater Hillyard Northeast Planning Alliance (GHNEPA), and multiple City of Spokane Comprehensive Plan goals and policies including the following:

Land Use

Goal 3: Promote the efficient use of land by the use of incentives, density, and mixed-use development in proximity to retail businesses, public services, places of work, and transportation systems.

- Policy LU 3.1 – Encourage coordinated and efficient growth and development through infrastructure financing and construction programs, tax and regulatory incentives, and focused growth in areas where adequate services and facilities exist or can be economically extended.
- Policy LU 3.4 – Utilize basic criteria for growth planning estimates and, subsequently, growth targets for centers and corridors.

Transportation

Goal 2: Provide a variety of transportation options, including walking, bicycling, taking the bus, carpooling, and driving private automobiles, to ensure that all citizens have viable travel options and reduce dependency on automobiles.

Goal 3: Recognize the key relationship between the places where people live, work, and shop and their need to have access to these places; use this relationship to promote land use patterns, transportation facilities, and other urban features that advance Spokane's quality of life.

- Policy TR 3.1 – Use the city's transportation system and infrastructure to support desired land uses and development patterns, especially to reduce sprawl and encourage development in urban areas.

Goal 4: Design and maintain Spokane's transportation system to have efficient and safe movement of people and goods within the city and region.

- Policy TR 4.8 – Accommodate moving freight and commercial goods in ways that are safe, cost efficient, energy efficient, and environmentally friendly.

Capital Facilities and Utilities

Goal 1: Provide and maintain adequate public facilities and utility services and reliable funding in order to protect investment in existing facilities and ensure appropriate levels of service.

- Policy CFU 1.2 – Require the development of capital improvement projects that either improve the city's operational efficiency or reduce costs by increasing the capacity, use, and/or life expectancy of existing facilities.

Goal 4: Provide public services in a manner that facilitates efficient and effective delivery of services and meets current and future demand.

- Policy CFU 4.1 – Promote compact areas of concentrated development in designated centers to facilitate economical and efficient provision of utilities, public facilities, and services.

Goal 6: Use capital facilities and utilities to support multiple interests and purposes

- Policy CFU 6.1 – Provide capital facilities and utility services strategically in order to encourage and support the development of Centers and Corridors, especially in older parts of the city.
- Policy CFU 6.2 – Make capital improvements that stimulate employment opportunities, strengthen the city's tax base, and attract private investment to target areas.

Economic Development

Goal 2: Ensure that an adequate supply of usable industrial and commercial land is available for economic development activities.

- Policy ED 2.1 – Ensure opportunities for locating a variety of desirable, livable wage industries in Spokane that are environmentally compatible with adjacent land uses and support a range of employment types.
- Policy ED 2.2 – Provide incentives to encourage the revitalization and utilization of historic and older commercial and industrial districts for redevelopment.

Goal 3: Foster a strong, diverse, and sustainable economy that provides a range of employment and business opportunities.

- Policy ED 3.1 – Stimulate economic growth by supporting the formation, retention, expansion, and recruitment of businesses.
- Policy ED 3.3 – Create economic development opportunities utilizing tools available to the city which will foster the growth of Spokane's economy.

Goal 8: Improve and protect the natural and built environment as assets that attract economic development opportunities and enhance the City of Spokane's quality of life.

- Policy ED 8.6 – Target contaminated sites and facilitate their cleanup.

Priority Infrastructure Improvements

Project Number	Project Name	Description	Planning Level Cost Estimate
REGIONAL PROJECTS			
1	Freya Heavy Maintenance	Street maintenance including asphalt grind and overlay of street surface on Freya St. from Wellesley Ave. to Rowan Ave.	\$500,000
2	Sanitary Sewer Mitigation Project	Reversal of existing pipe slope of 8-ince sewer pipe on Broad Ave. between Ferrall St. and Freya St.; New piping and manholes at Ferrall and Freya; Piping improvements at Freya and Wellesley; Improvements will include pipe-bursting sections and cast-in-place pipe under the NSC.	\$1,000,000
3	Freya Reconstruction	ROW acquisition, installation of underground utilities, and reconstruction of street to bring Freya St. to industrial street standard.	\$4,145,000
4	Wellesley Phase I	Extension of the NE Lift Station sewer force main from N. Freya St. to a sanitary trunk line at Haven St., including patching and reconstruction of streets as necessary. <i>Coordinated with reconstruction of Wellesley Ave as part of NSC interchange.</i>	\$520,000
5	Wellesley Phase II	Replacement of existing water main at Wellesley Ave., from Rebecca St. to Florida St., acquisition of ROW to construct standard width minor arterial street, and reconstruction of streets as necessary to meet minor arterial street classification.	\$1,340,000
6	Regional Stormwater Facility	Evaluation of viability of centralized stormwater treatment facility to support future development. If viability is confirmed, project would include ROW acquisition, installation of conveyance utilities, and stormwater treatment facility.	\$3,270,000
LOCAL PROJECTS			
7	Florida Phase I	ROW acquisition, installation of underground utilities, and widening and reconstruction of half of the street underlain by utilities on Florida St.; Will increase service to Wellesley Corridor and Ranch catalyst properties.	\$1,920,000
8	Florida Phase II	ROW acquisition, installation of underground utilities, and widening and reconstruction of half of the street underlain by utilities on Florida St.; Will increase service to North Yard catalyst property.	\$2,185,000
9	NSC Utility Corridor	Type/Size/Location study for utility corridor and pedestrian crossing, across the NSC; Will require easement or ROW acquisition and water main connection from Freya to Market St.	\$600,000
10	Rowan Phase I	Installation of water, sewer, stormwater underground utilities, and new road surface; Could include pedestrian improvements on one or both sides of the road.	\$1,215,000
11	Rowan Phase II	ROW acquisition and installation of potable water main extension to complete loop.	\$110,000
12	Freya Phase II	ROW acquisition, installation of underground utilities, and street reconstruction to bring Freya St. to industrial street classification; Includes replacement of potable water mains.	\$3,340,000
13	Rebecca / Julia Phase I	ROW acquisition, installation of underground utilities, and reconstruction of street to support multiple transportation modes on Rebecca / Julia from Francis to Columbia Aves.; Includes replacement of potable water line.	\$1,525,000
14	Rebecca / Julia Phase II	ROW acquisition and full reconstruction of street to improve Freya to a multi-modal road classification; In addition, a study of siting and design options for a bus stop on this corridor.	\$1,645,000
15	Freya Phase III	ROW acquisition, installation of underground utilities, and full reconstruction of street to bring Freya to industrial street classification.	\$2,590,000
16	Infill Street Improvements	ROW acquisition and construction of local roads along Broad, Queen, Central, Dalke Avenues as well as Myrtle and Havana Streets.	\$9,841,000

Regional Connections - Priority Infrastructure Improvements



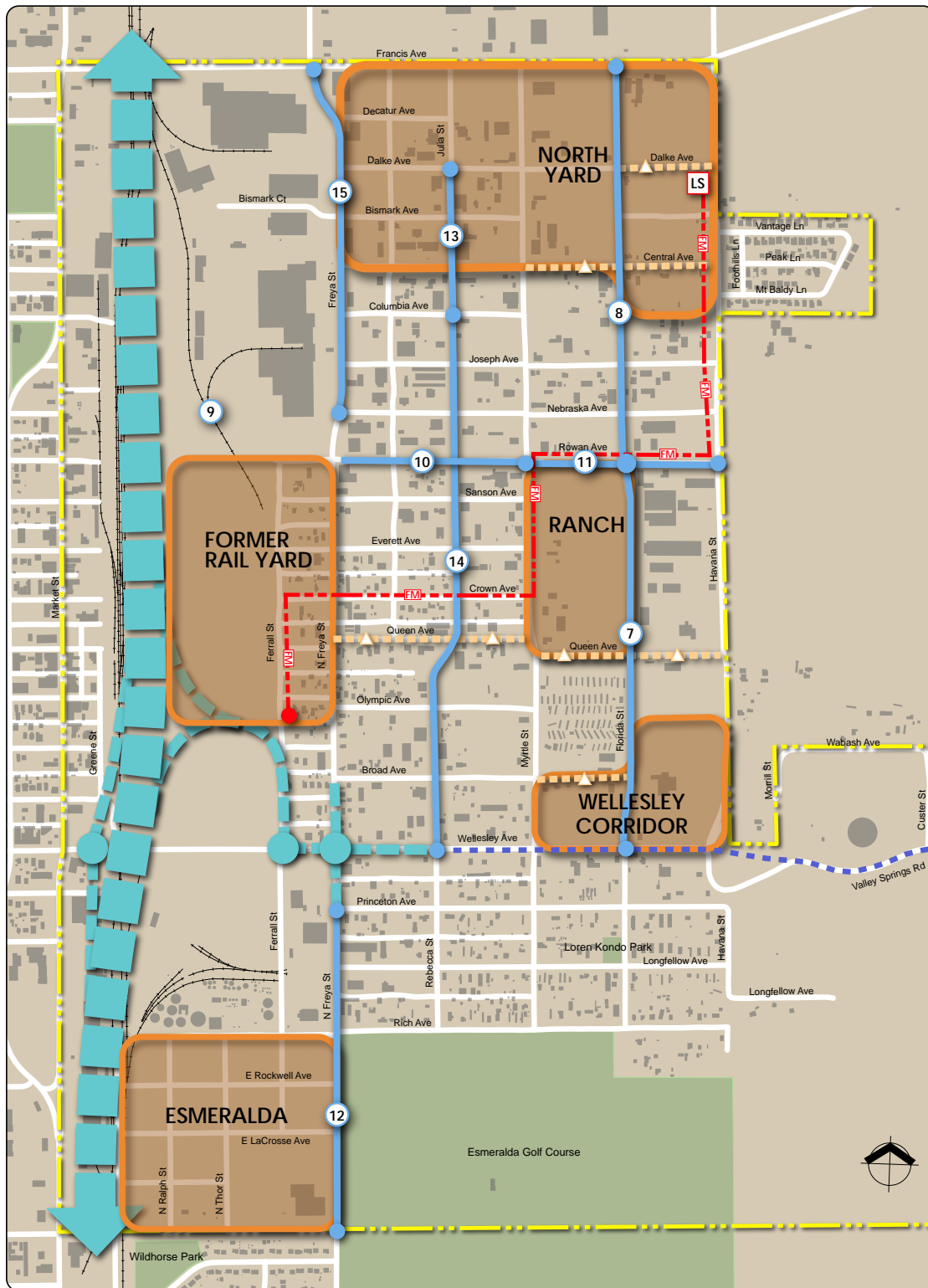
Legend

- Hillyard Boundary
- Proposed US 395
- Potential Catalyst Sites
- North Terrace Lift Station
- Force Main
- Valley Springs Connection
- Infill Street Improvements

Regional Connections

- 1 Freya Heavy Maintenance
- 2 Sewer Crossing Repair
- 3 Freya Reconstruction
- 4 Wellesley Phase I
- 5 Wellesley Phase II
- 6 Regional Stormwater Facility

Local Projects - Priority Infrastructure Improvements



Legend

- Hillyard Boundary
- Proposed US 395
- Potential Catalyst Sites
- North Terrace Lift Station
- Force Main
- Valley Springs Connection
- Infill Street Improvements

Local Projects

- 7 Florida Phase I
- 8 Florida Phase II
- 9 NSC Utility Corridor
- 10 Rowan Phase I
- 11 Rowan Phase II
- 12 Freya Phase II
- 13 Rebecca/Julia Phase I
- 14 Rebecca/Julia Phase II
- 15 Freya Phase III

Project Extent: Rowan Avenue to Wellesley Avenue

Estimated Total Project Cost: \$500,000



Purpose and Need

North Freya Street is a Minor Collector Arterial and T3 freight route. The street is the primary freight corridor through The YARD and runs parallel to the planned NSC. The segment of North Freya Street between Wellesley Avenue and Rowan Avenue experiences concentrated traffic flow on pavement surfaces that are overdue for repair or replacement. The condition of the roadway in this segment requires priority attention to ensure the safety transiting through the corridor. A grind and overlay street maintenance project will extend the service life of the segment until the street can be improved to the standard industrial street section. A future project will provide for the geometric design necessary to adequately service local traffic.

Description

The street maintenance project will include an asphalt grind and overlay of the street surface from the northern extent of the WSDOT work for the round-a-bout at the intersection of Freya Street and Wellesley Avenue to the intersection of Freya Street and Rowan Avenue. This will serve to restore and maintain the travel surface of North Freya Street until the street is improved to an industrial street standard.

Project Elements	Quantity	Design Costs	Construction Costs	Total Cost
Grind and overlay	3,000 feet	\$50,000.00	\$450,000.00	\$500,000.00

Funding Strategy

Summary of Funding Sources

Funding Source	Target Amount	Maximum Available Funds
Street Maintenance Funds	\$500,000	N/A
TOTAL	\$500,000	



1

Legend

- | | |
|---------------------|---------------------------|
| Hillyard Boundary | Proposed Water Main |
| Proposed US 395 | Proposed Sewer Main |
| Existing Force Main | Proposed Force Main |
| Project Extent | Proposed Road Improvement |

Freya Heavy Maintenance

City of Spokane
Spokane, Washington



Based on City GIS data layers, not surveyed. All locations approximate.

Project Extent: Rowan Avenue to Wellesley

Estimated Total Project Cost: \$1,000,000

Purpose and Need

Sanitary sewer service in The YARD is accomplished through both gravity and forcemain systems which combine at a vault and flow out of The YARD in a gravity sewer pipe. The majority of wastewater in The YARD drains to the Northeast Terrace Lift Station where it is pumped eastward to a main sewer trunk line in Haven Avenue through a 14-inch forcemain. The forcemain terminates at a vault adjacent to Ferral Street where flows from the forcemain and a gravity sewer line that runs down North Freya Street and Ferrall Street are combined in a gravity pipe that flows under a vacant lot to a sanitary sewer trunk line in Haven Street. The section of gravity sewer pipe downstream from the vault adjacent to Ferral Street that crosses the BNSF rail and intended NSC highway corridor is in distress and at risk of failure. This section requires immediate mitigation to preserve sanitary sewer service in The YARD until a long term solution is implemented. A future project will provide for improvements to wastewater facilities that will provide for additional demand and continue local service capabilities.

Description

This project will reverse the existing pipe slope of the 8-inch sewer pipe in Broad Ave. between Ferrall Street and Freya Street. New piping and two manholes will be added at Broad Ave and Freya Street and Broad Ave and Ferrall St. In addition, piping improvements will relocate an 8" sanitary pipe and manhole out of the proposed WSDOT roundabout at Freya and Wellesley. The crossing improvements will include pipe-bursting sections of 15-inch and 21-inch gravity sewer pipe and installing cast-in-place pipe under the WSDOT proposed NSC. This improvement will protect the capability of the existing pipeline to convey wastewater to the Haven Street sewer trunk and on to the City treatment plant. These improvements will continue sanitary service until upstream projects that change wastewater flow routes and a new pipe crossing of the proposed NSC can be completed.

Project Elements	Quantity	Design Costs	Construction Costs	Total Cost
Sanitary Sewer Mitigation Project	2,200 feet	\$200,000.00	\$800,000.00	\$1,000,000.00

Funding Strategy

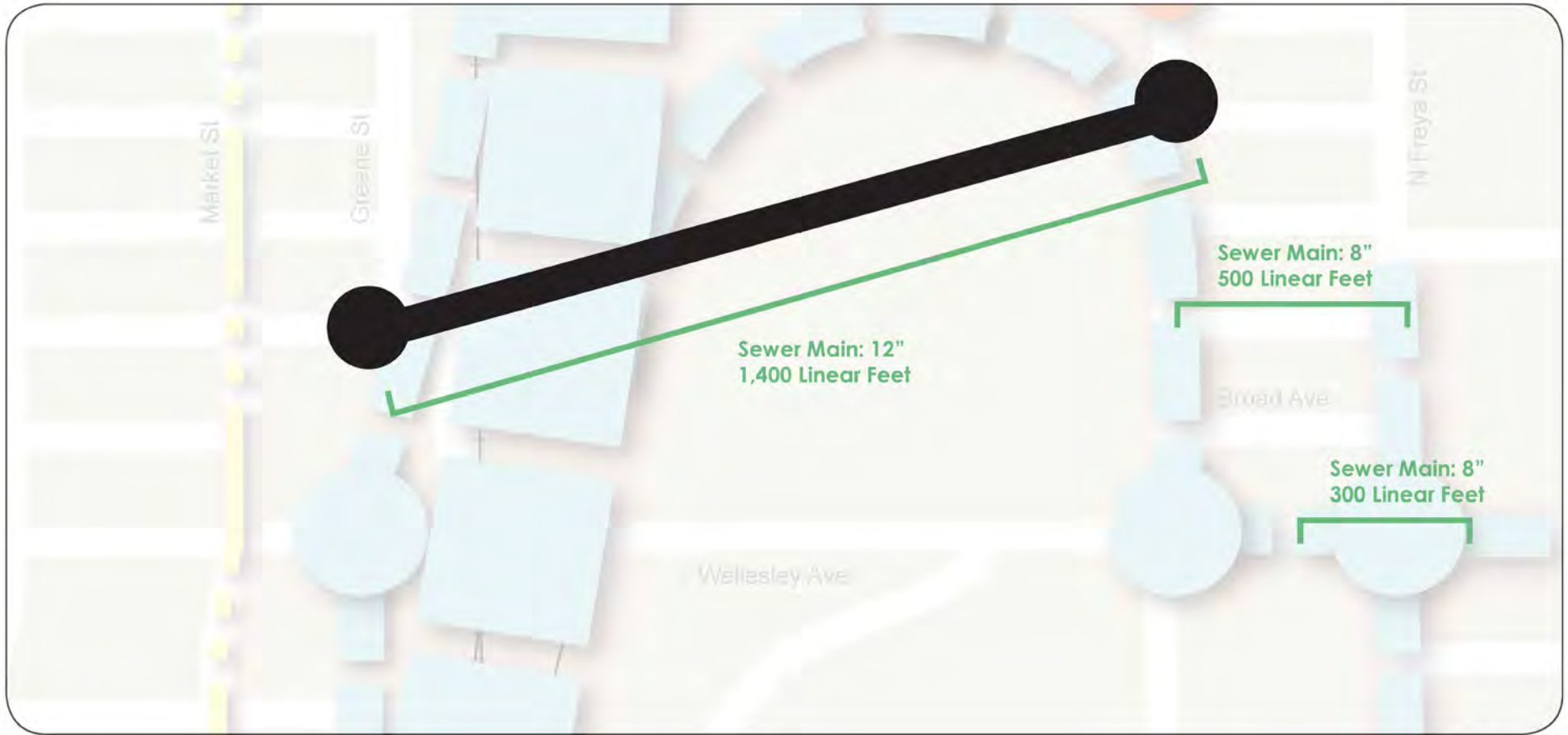
Summary of Funding Sources

Funding Source	Target	Maximum Available Funds
Utility Funds	\$1,000,000	N/A
TOTAL	\$1,000,000	

Utility Funds. This project can be fully funded by revenues generated by current utility rates. The project should be added to the City sewer capital improvement project list.

Implementation Steps

Step	Description	Timing
1. Design	<ul style="list-style-type: none"> Detailed plans and specifications for repair 	2017
2. Construction	<ul style="list-style-type: none"> Implementation of repair 	2017-2018



2

Sanitary Sewer Mitigation Project

City of Spokane
Spokane, Washington



Legend

Hillyard Boundary	Existing Force Main	Proposed Water Main	Proposed Force Main
Proposed US 395	Project Extent	Proposed Sewer Main	Proposed Road Improvement

Project Extent: Rowan Avenue to Wellesley Avenue

Estimated Total Project Cost: \$3,945,000

Purpose and Need

North Freya Street is currently designated as a Minor Collector Arterial and is the primary freight corridor through The YARD. This T3 freight route is a significant street parallel to NSC that comprises frontage for several important regional employers and industrial properties. North Freya Street between Wellesley Avenue and Francis Avenue presently experiences the most concentrated traffic flow in The YARD on pavement surfaces that are overdue for repair or replacement. The Freya Heavy Maintenance project (Project 1), scheduled for construction in 2017, will provide an improved surface to support freight traffic in the short term. In addition, the existing street has insufficient right-of-way (ROW) with private property encroaching into the footprint necessary for an industrial street section. Freya Street lacks the geometric design to adequately service existing traffic and requires expansion and mitigation to provide an acceptable level of service for existing and future traffic loading.

Description

The Freya Phase I project will include ROW acquisition, install necessary underground utilities and provide full depth reconstruction of the street to improve Freya to an industrial street classification. This improvement will support anticipated future industrial growth in Hillyard. The Phase I area, including the Former Rail Yard catalyst site located along North Freya Street, would benefit from enhancements to the heavy freight corridor.

Project Elements	Quantity	Design Costs	Construction Costs	Total Cost
Potable Water Main	3,000 feet	\$180,000	\$725,000	\$905,000
Sanitary Sewer Force Main	1,450 feet (<i>Force Main</i>) 380 feet (<i>Gravity Main</i>)	\$60,000	\$240,000	\$300,000
Industrial Street Section	3,000 feet	\$540,000	\$2,200,000	\$2,740,000

Funding Strategy

Funding Approach: Create a multi-layered funding strategy that relies on:

1. Freight Mobility Strategic Investment (FMSIB) - State Grant
2. Discretionary Grant Funding from the Economic Development Administration (EDA) – Public Works Grant
3. Enterprise funding from the city water and sewer utility.

Summary of Funding Sources

Funding Source	Target Amount	Maximum Available Funds
FMSIB	\$1,945,000	65% of Project Cost
EDA Public Works Grant	\$1,000,000	\$2,000,000
Utility Funds	\$1,000,000	N/A
TOTAL	\$3,945,000	

Summary of Funding Sources (cont.)

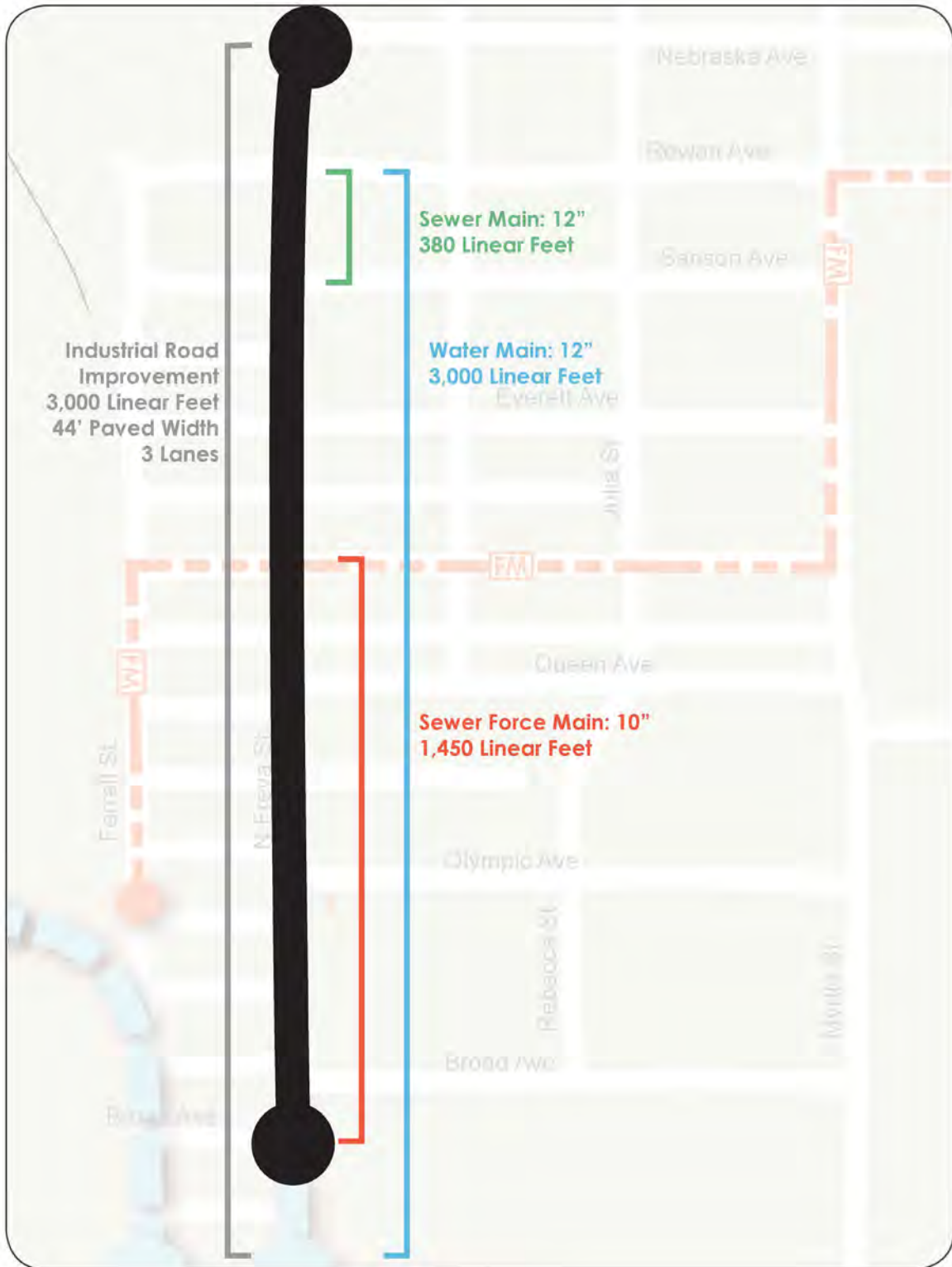
FMSIB. The FMSIB will make an estimated \$10 million will be available for projects in 2016-2019. Another \$18-\$23 million is anticipated to be available in 2019-2021. State law requires projects to be on corridors that meet freight tonnage volume thresholds. Projects must be ready to go to construction between 2016-2021. Project sponsors will be asked to present their project to a selection panel for consideration after the initial scoring is completed. Statements indicating project benefits for rail, truck or port operations will need to be supported by endorsement letters from the beneficiary freight mode. A 35 percent funding match is required by statute. Higher funding matches will improve scores.

EDA Public Works Grants. A maximum of \$2 million per award is available for public works projects that the Freya project would qualify for. There is a rolling match required that targets no more than half the cost of the project (however, some project scoring adjustments may allow more cost coverage). Projects are scored on a variety of criteria based on economic conditions in the area and the economic impact of the industries supported by the infrastructure projects. The YARD's orientation toward industrial/logistic uses would qualify under these criteria. The program is currently funded and there is no application deadline.

Utility Funds. The inclusion of the projects on the City's Water and Sewer CIPs and would allow a portion of the projects to be supported by all commercial ratepayers for the utility line upgrades (Alternatively, this approach could be supplemented with local improvement district assessed on all benefiting projects in The YARD area).

Implementation Steps

Step	Description	Timing
1. Scoping / Preliminary Design	<ul style="list-style-type: none"> Engagement with adjacent property owners and community stakeholders Explore key design element options: ROW width, lanes, striping, pedestrian / bike access, stormwater management, water and sewer pipe sizing Preliminary design and cost estimate 	2019-2020
2. Funding	<ul style="list-style-type: none"> Apply for grants and allocate local funding match 	2020 – until successful
3. Final Design	<ul style="list-style-type: none"> Topographic and boundary survey, engineering design, cost estimating 	Initiate after funding obtained, assume 6-9 months to complete design
4. ROW acquisition	<ul style="list-style-type: none"> Acquire additional ROW as needed to allow for construction 	Initiate after funding obtained, assume 6-12 months to acquire ROW
5. Construction	<ul style="list-style-type: none"> Public bid process to select contractor. Construction of improvements 	Initiate after funding, design, and ROW acquisition. Assume 6-9 months to complete construction



3

Legend

- | | |
|---------------------|---------------------------|
| Hilliard Boundary | Proposed Water Main |
| Proposed US 395 | Proposed Sewer Main |
| Existing Force Main | Proposed Force Main |
| Project Extent | Proposed Road Improvement |

Freya Reconstruction

City of Spokane
Spokane, Washington



Based on City GIS data layers, not surveyed. All locations approximate.

Project Extent: Haven Street to North Freya Street

Estimated Total Project Cost: \$520,000

Purpose and Need

Wellesley Avenue is currently designated as a Minor Collector Arterial and comprises the primary east-west access into The YARD. The arterial will feature an interchange with NSC upon construction of the next segment of that highway. In addition, the Wellesley corridor is one of three easements that cross the BNSF rail line and future NSC route so it is an important utility corridor to get necessary City services in and out of The YARD. The Wellesley corridor provides an opportunity to bypass a distressed section of gravity sanitary sewer by extending an existing sewer forcemain that comes from the Northeast Lift Station to cross the rail and highway corridors at Wellesley Avenue. The street pavement surface is overdue for repair or replacement and should be addressed following utility improvements.

Description

The Wellesley Phase I project will include the extension of the NE Lift Station sewer forcemain from North Freya Street to the sanitary trunk line in Haven Street and provide patching and reconstruction of the streets as necessary. These improvements will support anticipated future industrial growth in Hillyard particularly as the sanitary sewer pumping rates increase. The entire Yard area would benefit from the forcemain extension as it will enable continued growth east of NSC.

Note: It is assumed that Washington State Department of Transportation will rebuild Wellesley Avenue from Market Street to Freya Street as part of NSC. This project will be constructed in coordination with the 30-inch transmission water main replacement planned along the Wellesley Avenue right-of-way (ROW).

Project Elements	Quantity	Design Costs	Construction Costs	Total Cost
Sanitary Sewer Force Main	2,250 feet	\$105,000	\$415,000	\$520,000

Funding Strategy

Funding Approach: Create a multi-layered funding strategy that relies on:

1. Enterprise funding from the city water and sewer utility

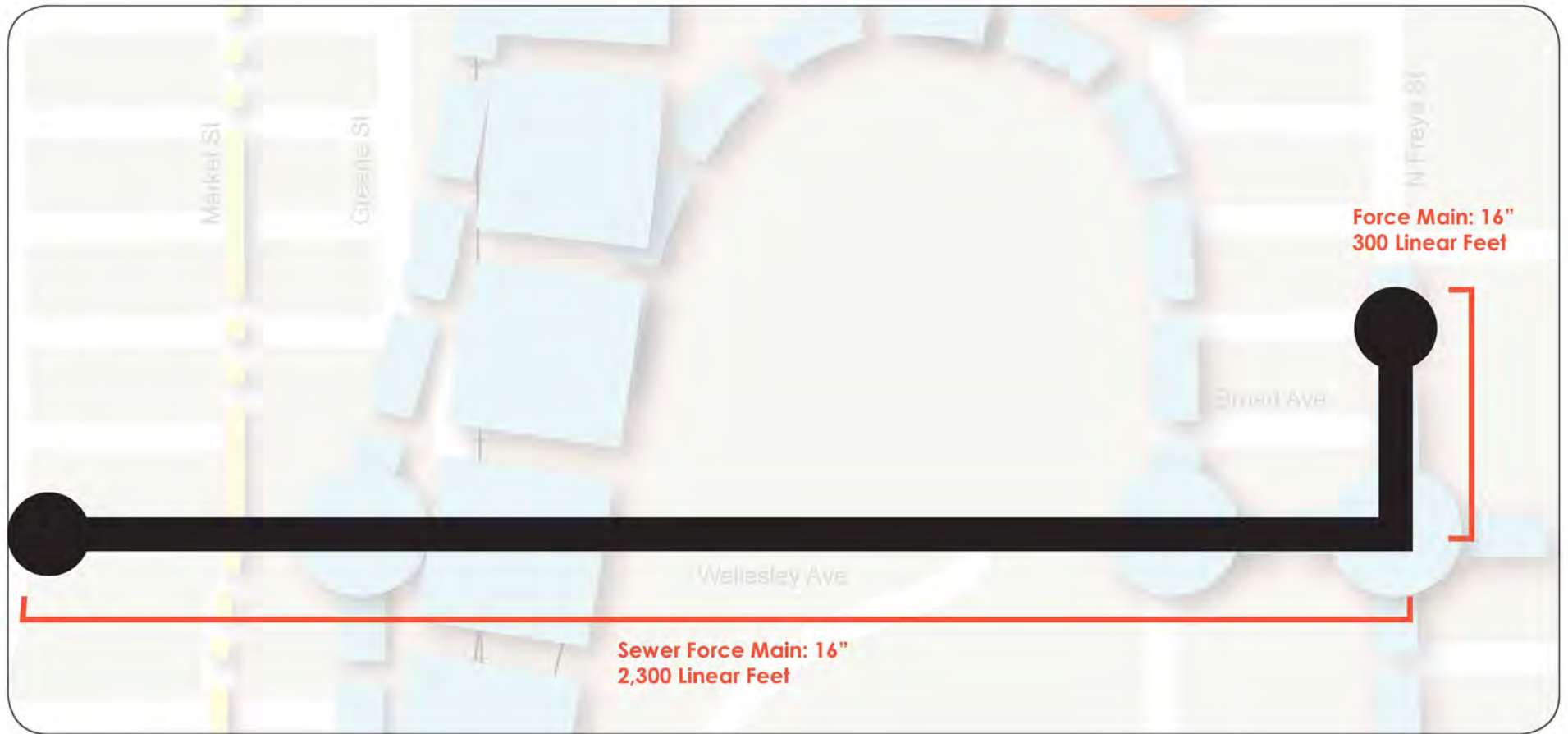
Summary of Funding Sources

Funding Source	Target	Maximum Available Funds
Utility Funds	\$520,000	N/A
TOTAL	\$520,000	

Utility Funds. The inclusion of the projects on the City's Water and Sewer 20-year CIPs and would allow a portion of the projects to be supported by all commercial ratepayers for the utility line upgrades (Alternatively, this approach could be supplemented with local improvement district assessed on all benefiting projects in The YARD area).

Implementation Steps

Step	Description	Timing
1. Design	<ul style="list-style-type: none"> Topographic and boundary survey, engineering design, cost estimating 	Initiate after decision made by WSDOT on Wellesley interchange design, assume 6-9 months to complete design
2. Construction	<ul style="list-style-type: none"> Public bid process to select contractor. Construction of improvements 	Coordinated with WSDOT reconstruction of Wellesley Avenue. Assume 3-6 months to complete construction



4

Wellesley Phase I

City of Spokane
Spokane, Washington



Legend

	Hillyard Boundary		Existing Force Main		Proposed Water Main		Proposed Force Main
	Proposed US 395		Project Extent		Proposed Sewer Main		Proposed Road Improvement

Project Extent: Rebecca Street to Florida Street

Estimated Total Project Cost: \$1,340,000

Purpose and Need

Wellesley Avenue is currently designated as a Minor Collector Arterial and comprises the primary east-west access into The YARD. The arterial will also feature an interchange with NSC and traffic in The YARD is expected to significantly increase upon construction of the next segment of that highway. The portion of Wellesley east of North Freya Street is an important connecting street that services residential neighborhoods to the south and light industrial developments to the north. The street width is narrower than recommended for a Minor Collector Arterial and the pavement surface is overdue for repair or replacement. In addition, the water main providing service along Wellesley was installed in 1959 and is in need of replacement.

Description

The Wellesley Phase II project includes replacement of the existing water main from Rebecca Street to Florida Street, acquisition of some additional right-of-way (ROW) and provide full depth reconstruction of the street as necessary to meet the Minor Collector Arterial street classification. These improvements will support anticipated future industrial growth in Hillyard particularly for the growing small industrial parks north of Wellesley. This project will benefit area resident and the Wellesley corridor catalyst site.

Project Elements	Quantity	Design Costs	Construction Costs	Total Cost
Potable Water Main	1,400 feet	\$70,000	\$280,000	\$350,000
Minor Arterial Street Section	1,400 feet	\$200,000	\$790,000	\$990,000

Funding Strategy

Funding Approach: Create a multi-layered funding strategy that relies on:

1. Community Revitalization Financing (CRF) – Beacon Hill CRF District
2. Enterprise funding from the city water and sewer utility
3. Freight Mobility Strategic Investment (FMSIB) - State Grant

Summary of Funding Sources

Funding Source	Target	Maximum Available Funds
Beacon Hill CRF District	\$200,000	N/A
Utility Funds	\$350,000	N/A
FMSIB	\$790,000	65% of Project Cost
TOTAL	\$1,340,000	

Beacon Hill CRF. The City has previously established the Beacon Hill CRF District. Revenues flowing into this account can support a portion of the arterial street upgrade.

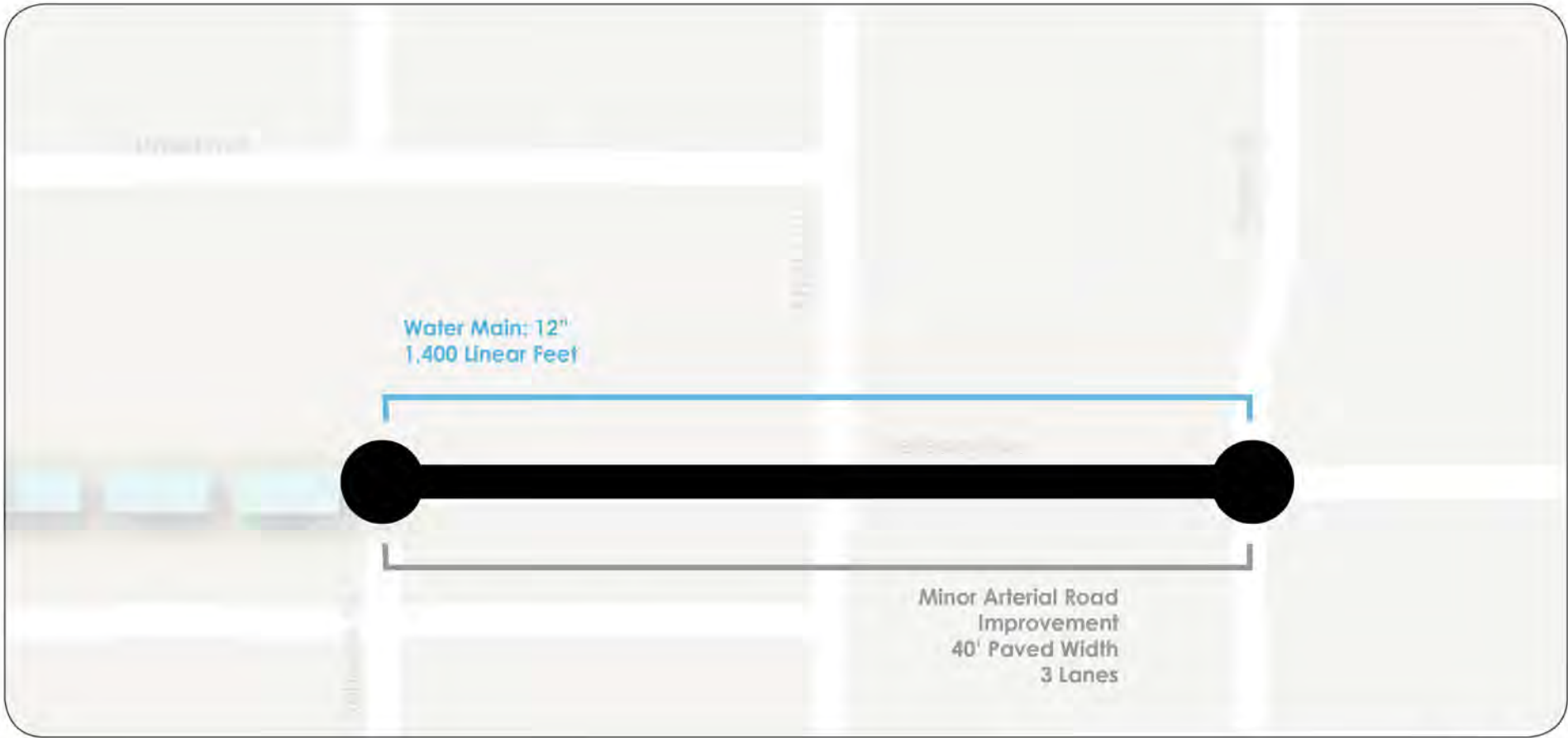
Utility Funds. The inclusion of the projects on the City's Water 20-year CIP and would allow a portion of the project to be supported by all commercial ratepayers for the water line upgrades.

Summary of Funding Sources (cont.)

FMSIB. The FMSIB will make an estimated \$10 million will be available for projects in 2016-2019. Another \$18-\$23 million is anticipated to be available in 2019-2021. State law requires projects to be on corridors that meet freight tonnage volume thresholds. Projects must be ready to go to construction between 2016-2021. Project sponsors will be asked to present their project to a selection panel for consideration after the initial scoring is completed. Statements indicating project benefits for rail, truck or port operations will need to be supported by endorsement letters from the beneficiary freight mode. A 35 percent funding match is required by statute. Higher funding matches will improve scores.

Implementation Steps

Step	Description	Timing
1. Scoping / Preliminary Design	<ul style="list-style-type: none"> Engagement with adjacent property owners and community stakeholders Explore key design element options: ROW width, lanes, striping, pedestrian / bike access, stormwater management, water and sewer pipe sizing Preliminary design and cost estimate 	2019-2020
2. Funding	<ul style="list-style-type: none"> Apply for grants and allocate local funding match 	2020 – until successful
3. Final Design	<ul style="list-style-type: none"> Topographic and boundary survey, engineering design, cost estimating 	Initiate after funding obtained, assume 6-9 months to complete design
4. ROW acquisition	<ul style="list-style-type: none"> Acquire additional ROW as needed to allow for construction 	Initiate after funding obtained, assume 6-12 months to acquire ROW
5. Construction	<ul style="list-style-type: none"> Public bid process to select contractor. Construction of improvements 	Initiate after funding, design, and ROW acquisition. Assume 6-9 months to complete construction



5

Wellesley Phase II

City of Spokane
Spokane, Washington



Legend

	Hillyard Boundary		Existing Force Main		Proposed Water Main		Proposed Force Main
	Proposed US 395		Project Extent		Proposed Sewer Main		Proposed Road Improvement

Project Location: To Be Determined

Estimated Total Project Cost: \$3,270,000

Purpose and Need

The YARD area does not have a centralized stormwater collection and treatment system and each property is currently required to treat and infiltrate stormwater on-site. This treatment and infiltration takes away valuable development area and may restrict the types of users and uses that development will support. Many of the heavy industrial zoned industrial properties in The YARD are on the smaller side of typical development ranges and the requirement to carve out area for stormwater treatment could prevent new development with building sizes that would have the most meaningful contribution to local economic development and job creation. There are numerous smaller properties located in central and east side of The YARD that may be well suited to development as a limited use stormwater facility that would allow large industrial projects to preserve development area by sending stormwater off-site for treatment and infiltration. The regional stormwater facility study should evaluate the value of installing collection pipes and treatment facilities to support large scale industrial development in The YARD as well as runoff from City ROW. Treatment assumptions and construction estimates include catalyst properties near the Rowan Avenue corridor.

Description

The Regional Stormwater Facility project includes a study evaluating viability of a centralized stormwater treatment facility installed to support catalyst site development for properties near the Rowan Avenue corridor. A confirmed project would include ROW acquisition, installation of necessary underground utilities and facilities necessary to collect and convey stormwater along the Rowan Avenue corridor. This improvement will support anticipated future industrial growth in Hillyard. This improvement will increase the level of service particularly for the Ranch and Former Rail Yard catalyst sites. The Stormwater Management Study should also evaluate alternative approaches, including allowing private development to manage stormwater in adjacent City ROW.

Project Elements	Quantity	Design Costs	Construction Costs	Total Cost
Stormwater Management Study	-	\$200,000	-	\$200,000
Site Selection Feasibility Study	-	\$300,000	-	\$300,000
Storm Sewer Collection System	3,000 feet	\$110,000	\$1,120,000	\$1,230,000
Stormwater Treatment Facility Area	6 acres	\$140,000	\$1,400,000	\$1,540,000

Funding Strategy

Funding Approach: Create a multi-layered funding strategy that relies on:

1. Community Revitalization Financing (CRF) – YARD TIF District
2. Integrated Planning Grant - *Site Selection Feasibility Study*
3. Stormwater Utility Funding

Summary of Funding Sources

Funding Source	Target	Maximum Available Funds
CRF	\$500,000	\$2,500,000
Integrated Planning Grant	\$300,000	\$300,000
Utility Funds or other Funds	\$2,470,000	N/A
TOTAL	\$3,270,000	

The assessment of funding sources will be refined based on the findings of the stormwater management study.

CRF. Community Revitalization Financing is available to the city. A district created in The YARD has the potential to generate upwards of \$2.5 million dollars (PV in 2016\$) for a district created in 2017. The city is currently contemplating the boundaries and timing of creating a district(s) in The YARD.

Integrated Planning Grant. Department of Ecology grant for planning to support cleanup and redevelopment of brownfield properties. Potential funding source for site selection and feasibility study because of relationship between brownfields and stormwater in The YARD. No local matching funds required.

Utility Funds. The inclusion of the project on the City's utility 20-year CIP and would allow a portion of the projects to be supported by all commercial ratepayers for the utility line upgrades (Alternatively, this approach could be supplemented with local improvement district assessed on all benefiting projects in The YARD area). It might also be worth considering the creation of a city stormwater utility to help support stormwater treatment efforts.

Implementation Steps

Step	Description	Timing
1. Stormwater Management Study	<ul style="list-style-type: none"> Assessment of demand for stormwater management in The YARD 	2017-2018
2. Site Selection Feasibility Study	<ul style="list-style-type: none"> Identify potential locations for regional stormwater facility Conduct technical studies to evaluate feasibility of each site to support selection of a preferred site 	2017-2018
3. Funding	<ul style="list-style-type: none"> Apply for grants and allocate local funding match 	2017 – until successful
4. Final Design	<ul style="list-style-type: none"> Topographic and boundary survey, engineering design, cost estimating 	Initiate after funding obtained, assume 6-9 months to complete design
4. Land Acquisition	<ul style="list-style-type: none"> Acquire additional property as needed to allow for construction 	Initiate after funding obtained, assume 6-12 months to acquire ROW
5. Construction	<ul style="list-style-type: none"> Public bid process to select contractor. Construction of stormwater facility 	Initiate after funding, design, and property acquisition. Assume 2-4 months to complete construction

Project Extent: Rowan Avenue to Wellesley Avenue**Estimated Total Project Cost: \$1,920,000****Purpose and Need**

The Florida Street corridor between Wellesley Ave. and Rowan Ave. has recently seen investment from several light industrial businesses and has great potential for additional new private investment, particularly on the Ranch and Wellesley Corridor catalyst sites. Infrastructure improvements will be necessary in order to realize the best potential of the area including a water main connection from Wellesley to Queen Avenue and a small segment of sanitary sewer installed to provide service near the northern end of the Ranch property between Everett and Rowan. In addition, the existing street is a 2-lane local street but the increasing concentration of light industrial users along the corridor indicates that further development will warrant an upgrade to the collector road classification. Although there are some areas of newer pavement the majority of pavement surfaces appear overdue for repair or replacement and a road classification change will add width to the paved section. Similar to other areas in The YARD the existing street has areas with insufficient right-of-way (ROW) particularly in consideration of an upgraded road classification.

Description

The Florida Phase I project will include ROW acquisition, install necessary underground utilities and provide widening, and full depth reconstruction of the half of the street underlain by utilities to improve Florida. This improvement will support anticipated future industrial growth in Hillyard and improve the level of service provided, particularly at the Wellesley Corridor and The Ranch catalyst properties.

Project Elements	Quantity	Design Costs	Construction Costs	Total Cost
Potable Water Main	1,300 feet	\$70,000	\$300,000	\$370,000
Sanitary Sewer Main	600 feet	\$20,000	\$70,000	\$90,000
Street Improvement	2,600 feet	\$290,000	\$1,170,000	\$1,460,000

Funding Strategy

Funding Approach: Create a multi-layered funding strategy that relies on:

1. Community Revitalization Financing (CRF) – YARD TIF District
2. Enterprise funding from the city water and sewer utility
3. Local Improvement District (LID)

Summary of Funding Sources

Funding Source	Target	Maximum Available Funds
CRF YARD	\$750,000	\$2,500,000
Utility Funds	\$460,000	N/A
LID	\$750,000	N/A
TOTAL	\$1,960,000	

CRF. Community Revitalization Financing is available to the city. A district created in The YARD has the potential to generate upwards of \$2.5 million dollars (PV in 2016\$) for a district created in 2017. The city is currently contemplating the boundaries and timing of creating a district(s) in The YARD.

Summary of Funding Sources (cont.)

Utility Funds. The inclusion of the projects on the City's Water and Sewer 20-year CIPs and would allow a portion of the projects to be supported by all commercial ratepayers for the utility line upgrades (Alternatively, this approach could be supplemented with local improvement district assessed on all benefiting projects in The YARD area).

LID. Special assessment on properties within the LID that would benefit from the improvement.



City of Spokane
Spokane, Washington

Project Extent: Rowan Avenue to Francis Avenue**Estimated Total Project Cost: \$2,185,000****Purpose and Need**

The Florida Street corridor between Rowan Ave. and Francis Ave. has had recent investment from several light industrial businesses just north of Rowan and has room for further investment in the North Yard catalyst site area. The Phase II segment of Florida will complete an important transportation link between the Francis Ave. principal arterial and the Wellesley Avenue minor arterial. The Phase II corridor lack potable water service and a new potable main is needed between Rowan Avenue and Francis Avenue prior to investment in the transportation facilities. The existing street needs improvements similar to those planned for Phase I. The street warrants an upgrade to the collector road classification which will add width to the paved section and likely require ROW acquisition.

Description

The Florida Phase II project will include right-of-way (ROW) acquisition, install necessary underground utilities and provide widening, and full depth reconstruction of the half of the street underlain by utilities. This improvement will support anticipated future industrial growth in Hillyard, complete a street connection between a principal and minor arterial, and improve the regional level of service. The project will add significant value to the North Yard catalyst site.

Project Elements	Quantity	Design Costs	Construction Costs	Total Cost
Potable Water Main	2,700 feet	\$130,000	\$530,000	\$660,000
Street Improvement	2,700 feet	\$305,000	\$1,220,000	\$1,525,000

Funding Strategy

Funding Approach: Create a multi-layered funding strategy that relies on:

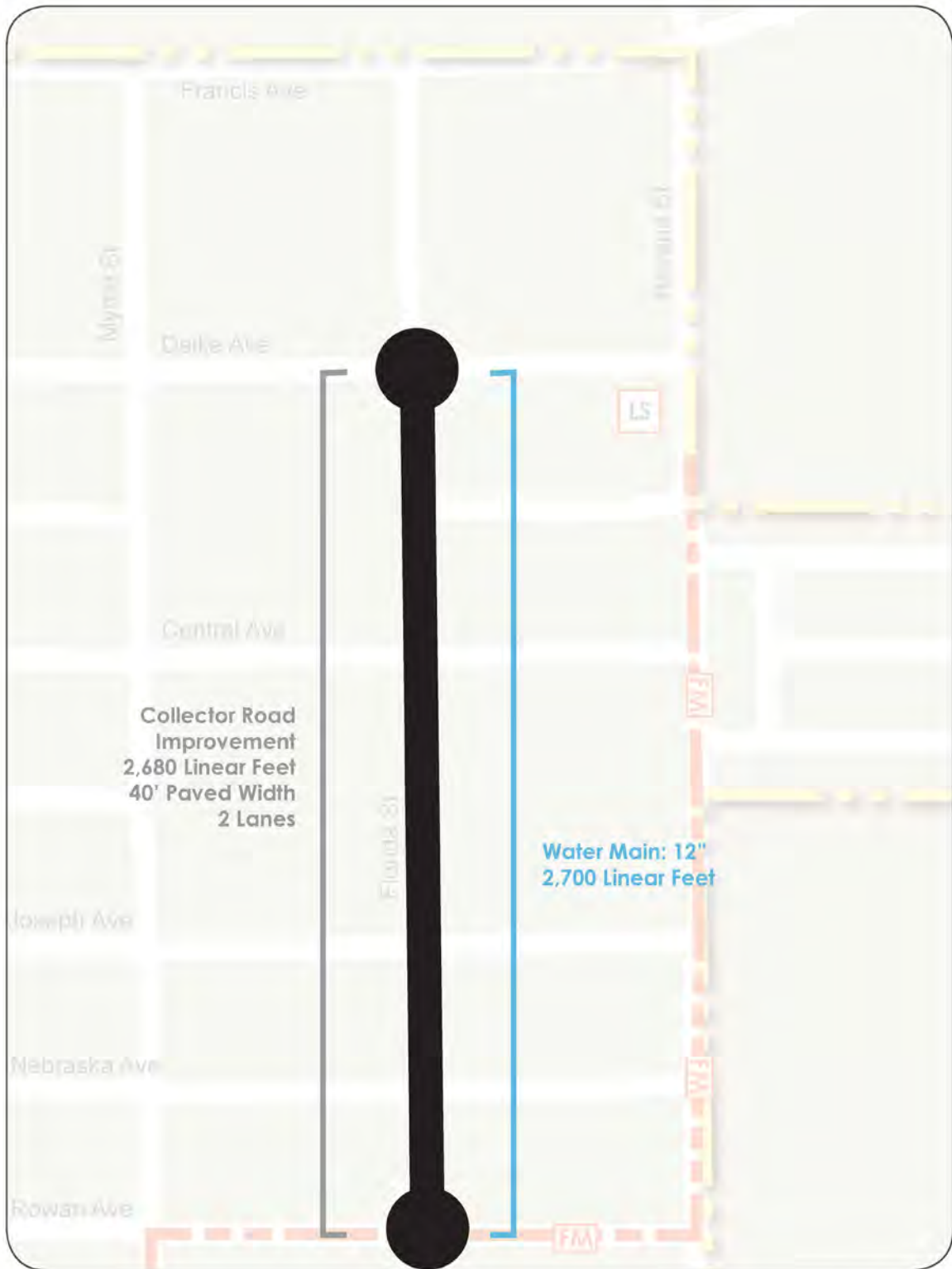
1. Community Revitalization Financing (CRF) – YARD TIF District
2. Enterprise funding from the city water and sewer utility

Summary of Funding Sources

Funding Source	Target	Maximum Available Funds
CRF YARD	\$750,000	\$2,500,000
Utility Funds	\$460,000	N/A
To Be Determined	\$775,000	N/A
TOTAL	\$1,985,000	

CRF. Community Revitalization Financing is available to the city. A district created in The YARD has the potential to generate upwards of \$2.5 million dollars (PV in 2016\$) for a district created in 2017. The city is currently contemplating the boundaries and timing of creating a district(s) in The YARD.

Utility Funds. The inclusion of the projects on the City's Water 20-year CIP and would allow a portion of the projects to be supported by all commercial ratepayers for the utility line upgrades (Alternatively, this approach could be supplemented with local improvement district assessed on all benefiting projects in The YARD area).



Legend

- | | |
|---------------------|---------------------------|
| Hillyard Boundary | Proposed Water Main |
| Proposed US 395 | Proposed Sewer Main |
| Existing Force Main | Proposed Force Main |
| Project Extent | Proposed Road Improvement |

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Florida Phase II

City of Spokane
Spokane, Washington



Project Location: To Be Determined

Estimated Total Project Cost: \$600,000

Purpose and Need

To provide opportunity for crossings of the BNSF rail line and NSC in the future, an easement for a utility corridor should be established between Francis Avenue and Wellesley Avenue. Uses for the utility corridor could include water, sewer and power lines as well as a pedestrian and bicyclist overpass. The existing railroad tracks and planned highway improvements will effectively cut-off pedestrian connections from Market Street to Freya street between Francis Avenue and Wellesley Avenue. Although no marked or maintained route currently exists there are several paths visible where pedestrians are crossing the rail line to get to Market Street near Rowan Avenue and other cross-streets to the south. Formalizing a connection for utilities and pedestrians will provide a safe route across the busy thoroughfare and may extend the service life of existing utilities in the central Yard area by linking to regional utilities west of the rail tracks with the central portion of The YARD.

Description

Prior to pursuing a utility corridor easement, the City may complete a Type/size/location study to site a potential pedestrian crossing in the area. Any siting and location study for a NSC Utility Corridor project should attempt to collocate with an easement for pedestrian facilities and will require easement or right-of-way (ROW) acquisition, installation of utility casements crossing the rail and highway corridors and also a water main connection to link Market and Freya water mains and loop the system.

Project Elements	Quantity	Design Costs	Construction Costs	Total Cost
Type, Size, Location Study for Pedestrian Crossing for NSC	-	\$100,000	-	\$100,000
Potable Water Main	1,820 feet	\$20,000	\$180,000	\$200,000
Utility Crossing Casements	600 feet	\$80,000	\$220,000	\$300,000

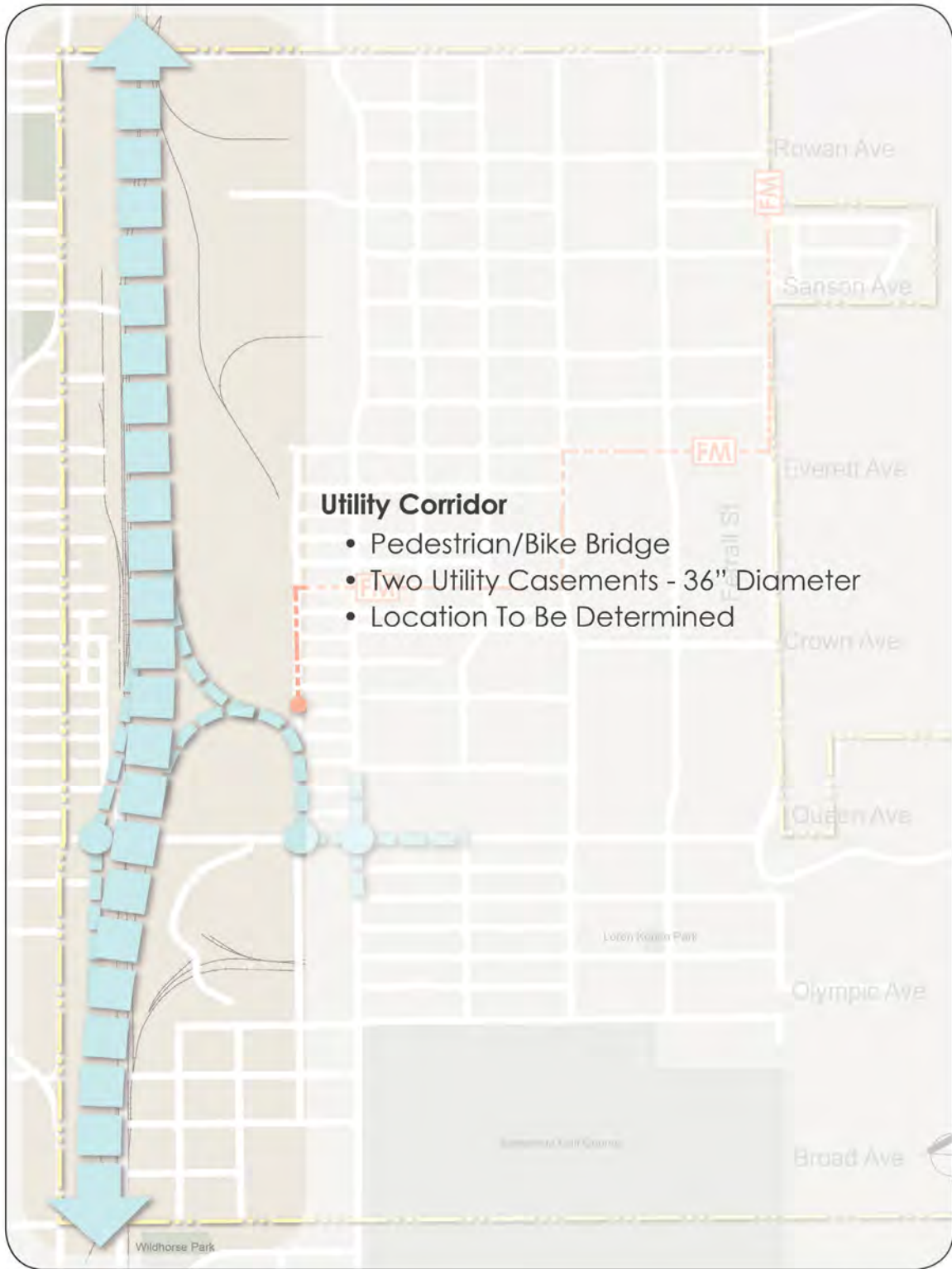
Funding Strategy

Funding for the siting study could be provided from City of Spokane funds or from outside grant programs. Potential outside funding opportunities include:

FMSIB. The FMSIB will make an estimated \$10 million will be available for projects in 2016-2019. Another \$18-\$23 million is anticipated to be available in 2019-2021. State law requires projects to be on corridors that meet freight tonnage volume thresholds. Projects must be ready to go to construction between 2016-2021. Project sponsors will be asked to present their project to a selection panel for consideration after the initial scoring is completed. Statements indicating project benefits for rail, truck or port operations will need to be supported by endorsement letters from the beneficiary freight mode. A 35 percent funding match is required by statute. Higher funding matches will improve scores.

WSDOT Bike and Pedestrian Program. The pedestrian overpass could qualify for program funding. However, as currently conceived, the project might not score as competitively as other projects funded in the past.

The city would likely need to supplement these funds with some form of local match in order to improve project-scoring competitiveness. City discretionary transportation capital funding (through street levy) could fill this need.



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NSC Utility Corridor

City of Spokane
Spokane, Washington

Legend

	Hillyard Boundary		Proposed Water Main
	Proposed US 395		Proposed Sewer Main
	Existing Force Main		Proposed Force Main
	Project Extent		Proposed Road Improvement



Project Extent: Freya Street to Myrtle Street

Estimated Total Project Cost: \$1,215,000

Purpose and Need

Rowan Avenue is one of the primary east-west crossings in The YARD, but there are several segments of the street that do not meet City street standards. Improvements to Rowan Avenue will enhance connectivity for both vehicles and pedestrians across The YARD. The Rowan Avenue corridor presents an opportunity to install stormwater collection and conveyance infrastructure in the Rowan Street right-of-way (ROW) to connect western areas of The YARD with a proposed regional stormwater facility (Project 6).

Description

The Rowan Phase I project will include installation of water, sewer, and stormwater underground utilities and the construction of a new road surface to meet City of Spokane street standards. This section of Rowan Avenue has segments comprised of gravel roadway with no sidewalks or stormwater facilities and areas that are improved with new pavement, sidewalk and roadside infiltration swales. Pedestrian facilities should be incorporated on one or both sides of the street in order to facilitate access from Freya to improved pedestrian facilities towards the interior of The YARD. The existing potable water pipe in the Rowan ROW is an 8 inch diameter class C pipe that was installed in 1939 which is at the end of the estimated service life. The Rowan Phase I improvement will benefit the Ranch and Former Rail Yard catalyst sites. The Rowan corridor offers a unique opportunity to collect and convey stormwater from several catalyst sites to off-site treatment and infiltration facilities located near the low-lying areas centered around Havana Street. A stormwater study performed under project 006 will evaluate viability of a central stormwater system and inform City stakeholders of costs(*) and functionality prior to completion of the Rowan Phase I project.

Project Elements	Quantity	Design Costs	Construction Costs	Total Cost
Potable Water Main	1,350 feet	\$80,000	\$315,000	\$395,000
Sanitary Sewer Main	1,255 feet	\$55,000	\$220,000	\$275,000
Street Improvement	960 feet	\$110,000	\$435,000	\$545,000
Stormwater Improvements	*	*	*	*

Funding Strategy

Since Rowan Phase I is a mid-long term project, a detailed funding strategy has not yet been developed. Likely funding opportunities include:

LOCAL FUNDS

Development Impact Mitigation. Implemented as property along Freya is redeveloped.

Regional Stormwater Fund. Established to account for the resources associated with the maintenance, operation, and minor construction components of the City's surface water system such as constructed elements such as pipes and catch basins.

Community Revitalization Financing (CRF). CRF is a form of tax increment financing in which the City creates a tax "increment area". By using revenues from local property taxes generated within the area, City governments can finance public improvements.

Local Improvement District (LID). Special assessment on properties within the LID that would benefit from the improvement.



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Rowan Phase I

City of Spokane
Spokane, Washington



Project Extent: Myrtle Street to Havana Street**Estimated Total Project Cost: \$110,000****Purpose and Need**

The area of Rowan Avenue east of Myrtle Street exhibits some of the newest paving in The YARD. The corridor is an important connection from Freya Street to the interior of The YARD. This link will become even more valuable as development along Florida Street and Myrtle Street create more demand for east-west transportation within The YARD. The existing street section is likely adequate to serve needs in the near term and the corridor only needs to make a short potable water main connection from Havana Street to a dead-end main half a block west in Rowan to provide a looped connection. This corridor also offers an opportunity to improve pedestrian facilities that will enable connectivity with the multi-modal corridor at Rebecca/Julia.

Description

The Rowan Phase II project will include right-of-way (ROW) acquisition and installation of the necessary potable water main extension to convert the dead end and complete a loop to the water main. A stormwater study performed under project 006 will evaluate viability of a central stormwater system and inform City stakeholders of costs(*) and technical requirements prior to completion of the Rowan Phase I project.

Project Elements	Quantity	Design Costs	Construction Costs	Total Cost
Potable Water Main	310 feet	\$20,000	\$90,000	\$110,000
Stormwater Improvements	*	*	*	*

Funding Strategy

Funding Approach: Create a multi-layered funding strategy that relies on:

1. Enterprise funding from the city water and sewer utility

Summary of Funding Sources

Project Elements	Target	Maximum Available Funds
Utility Funds	\$110,000	N/A
TOTAL	\$110,000	

Utility Funds. The inclusion of the projects on the City's Water CIP and would allow the projects to be supported by all commercial ratepayers for the utility line upgrades (Alternatively, this approach could be supplemented with local improvement district assessed on all benefiting projects in The YARD area).



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Rowan Phase II

City of Spokane
Spokane, Washington



Legend

-  Hillyard Boundary
 Proposed US 395
 Existing Force Main
 Project Extent
 Proposed Water Main
 Proposed Sewer Main
 Proposed Force Main
 Proposed Road Improvement

Project Extent: Garland Avenue to Princeton Avenue**Estimated Total Project Cost: \$3,340,000****Purpose and Need**

The portion of North Freya Street just south of Wellesley Avenue is comprised of frontage to a residential neighborhood, several small businesses, the Esmeralda golf course a large tract of undeveloped property. The Esmeralda catalyst site is the southernmost industrial zoned property in The YARD and has fronts eastward to the Freya Street Minor Collector Arterial. As the primary freight corridor through The YARD this street enables significant industrial development at the Esmeralda site as well as for surrounding properties. Freya Street will form an easy connection to the NSC north-south corridor upon completion of the interchange at Wellesley. The street is used as a connection for traffic from East Upriver Drive into The YARD. Improvements to the geometric design will enable the street to provide an acceptable level of service for existing and future traffic loading.

Description

The Freya Phase II project may include right-of-way (ROW) acquisition, will install necessary underground utilities and will provide full depth reconstruction of the street to improve Freya to an industrial street classification. This improvement will support anticipated future industrial growth in The YARD. The potable water transmission main in this section of ROW is a 30-inch diameter steel line constructed in 1926. The water line in the LaCrosse ROW connects to Market Street and is a 24-inch diameter steel line constructed in 1911. Because of the age of these lines, they should be replaced as part of the Freya Phase II improvement project. The Esmeralda catalyst site located along the west side of Freya Street will benefit from enhancements to the Phase II section of this freight corridor.

Project Elements	Quantity	Design Costs	Construction Costs	Total Cost
Potable Water Main	2,580 feet	\$205,000	\$825,000	\$1,030,000
Industrial Street	2,580 feet	\$460,000	\$1,850,000	\$2,310,000

Funding Strategy

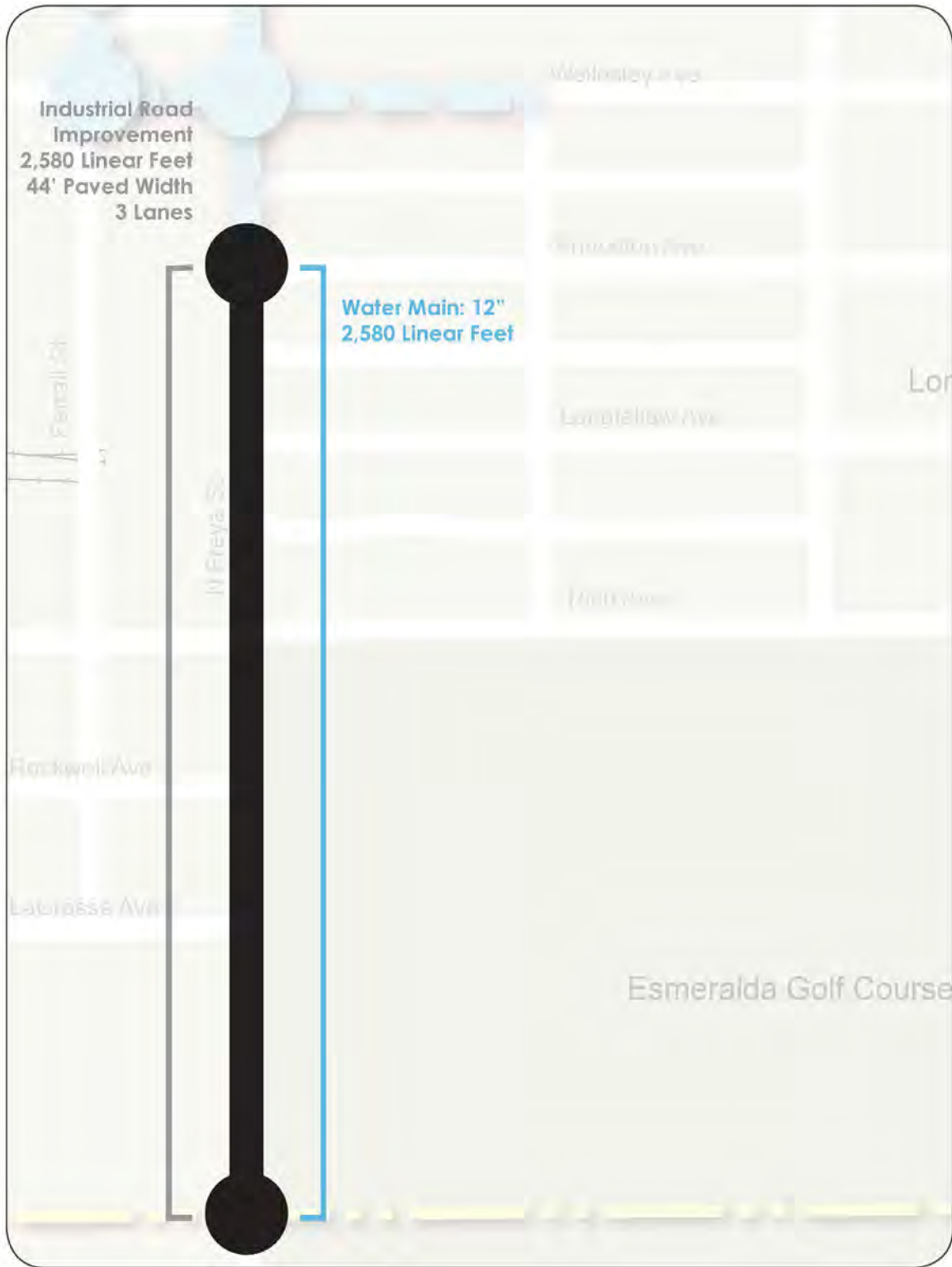
Since Freya Phase II is a mid-long term project, a detailed funding strategy has not yet been developed. With a designation as a Minor Collector Arterial, there are few state and federal award sources that would be available to the fund this project. The street reconstruction would need to be accomplished as part of a development mitigation process or through the city transportation capital planning. Likely funding opportunities include:

Development Impact Mitigation. Implemented as property along Freya is redeveloped.

Regional Stormwater Fund. Established to account for the resources associated with the maintenance, operation, and minor construction components of the City's surface water system such as constructed elements such as pipes and catch basins.

Community Revitalization Financing (CRF). CRF is a form of tax increment financing in which the City creates a tax "increment area". By using revenues from local property taxes generated within the area, City governments can finance public improvements.

Local Improvement District (LID). Special assessment on properties within the LID that would benefit from the improvement.



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Freya Phase II

City of Spokane
Spokane, Washington



Based on City GIS data layers, not surveyed. All locations approximate.

Project Extent: Columbia Avenue to Dalke Avenue**Estimated Total Project Cost: \$1,525,000****Purpose and Need**

Rebecca/Julia Street provides a North-South connection from Wellesley to Francis through The YARD that presents an alternative route to Freya Street and Florida Street where higher traffic volumes are anticipated. The central location of Rebecca/Julia in The YARD represents the most viable corridor for transit and bicycling facilities. As development in The YARD progresses the potable water main in the northern section of Rebecca/Julia Street between Columbia Avenue and Francis Avenue should be replaced to install a main with sufficient size to support expected future development.

Description

The Rebecca/Julia Phase I project extends from Francis Avenue south to Columbia Avenue. Within this section, the proposed improvement will include right-of-way (ROW) acquisition, installation of necessary underground utilities, and full depth reconstruction of the street to support use for multiple transportation modes. Between Dalke Avenue and Columbia Avenue, Julia Street is a gravel street with no sidewalks or stormwater management facilities. The existing 6-inch diameter water line should be replaced with a 12-inch diameter pipe to provide sufficient capacity for full development of the North Yard area. The Phase I area, including the North Yard catalyst site, will benefit from the improvements to the potable water capacity and roadway enhancements.

Project Elements	Quantity	Design Costs	Construction Costs	Total Cost
Potable Water Main	1,650 feet	\$110,000	\$440,000	\$550,000
Multi-Modal Street	1,690 feet	\$195,000	\$780,000	\$975,000

Funding Strategy

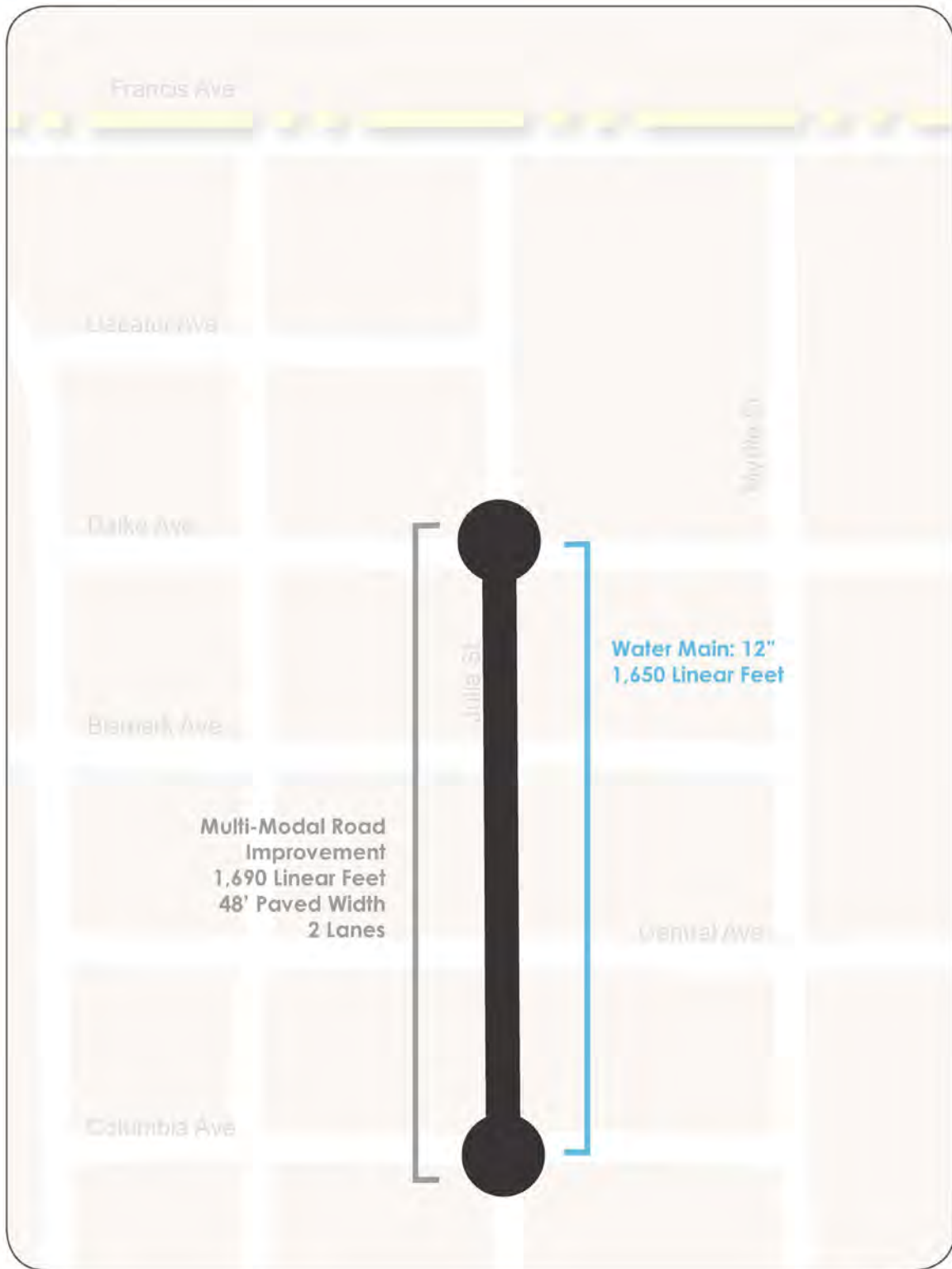
Since Rebecca/Julia Phase I is a mid-long term project, a detailed funding strategy has not yet been developed. Since it is not designated as an Arterial, there are few state and federal award sources that would be available to fund this project. The street reconstruction would need to be accomplished as part of a development mitigation process or through the city transportation capital planning. Likely funding opportunities include:

Development Impact Mitigation. Implemented as property along the street is redeveloped.

Community Revitalization Financing (CRF). CRF is a form of tax increment financing in which the City creates a tax "increment area". By using revenues from local property taxes generated within the area, City governments can finance public improvements.

Utility Funds. The inclusion of the project on the City's utility CIP and would allow a portion of the projects to be supported by all commercial ratepayers for the utility line upgrades.

Local Improvement District (LID). Special assessment on properties within the LID that would benefit from the improvement.



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Rebecca/Julia Phase I

City of Spokane
Spokane, Washington

Legend

- | | |
|---------------------|---------------------------|
| Hilliard Boundary | Proposed Water Main |
| Proposed US 395 | Proposed Sewer Main |
| Existing Force Main | Proposed Force Main |
| Project Extent | Proposed Road Improvement |



Project Extent: Wellesley Avenue to Columbia Avenue

Estimated Total Project Cost: \$1,645,000

Purpose and Need

Rebecca/Julia Street provides a North-South connection from Wellesley to Francis through The YARD that presents an alternative route to Freya Street and Florida Street where higher traffic volumes are anticipated. The central location of Rebecca/Julia in The YARD represents the most viable corridor for transit and bicycling facilities. This second phase of improvement to the Rebecca/Julia corridor should incorporate input from the Spokane Transit Authority and provide for installation of bus stops where appropriate. Improvements to pedestrian facilities will encourage use of the multi-modal corridor where pedestrian safety is best accounted for.

Description

The Rebecca/Julia Phase II project will include right-of-way (ROW) acquisition, provide full depth reconstruction of the street to improve Freya to a multi-modal road classification. This project should also include coordination with Spokane Transit Authority and a study of siting and design options for a bus stops along this corridor.

Project Elements	Quantity	Design Costs	Construction Costs	Total Cost
Transit Facility Study	-	\$100,000	-	\$100,000
Multi-Modal Street	3,675 feet	\$305,000	\$1,240,000	\$1,545,000

Funding Strategy

Since Rebecca/Julia Phase II is a mid-long term project, a detailed funding strategy has not yet been developed. Since it is not designated as an Arterial, there are few state and federal award sources that would be available to the fund this project. The street reconstruction would need to be accomplished as part of a development mitigation process or through the city transportation capital planning. Likely funding opportunities include:

Development Impact Mitigation. Implemented as property along the street is redeveloped.

Community Revitalization Financing (CRF). CRF is a form of tax increment financing in which the City creates a tax "increment area". By using revenues from local property taxes generated within the area, City governments can finance public improvements.

Local Improvement District (LID). Special assessment on properties within the LID that would benefit from the improvement.

City Discretionary Transportation Capital Funding. Implemented through a street levy.



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Rebecca/Julia Phase II

City of Spokane
Spokane, Washington

Legend

- | | |
|---------------------|---------------------------|
| Hillyard Boundary | Proposed Water Main |
| Proposed US 395 | Proposed Sewer Main |
| Existing Force Main | Proposed Force Main |
| Project Extent | Proposed Road Improvement |



Project Extent: Nebraska Avenue to Francis Avenue**Estimated Total Project Cost: \$2,590,000****Purpose and Need**

North Freya Street is currently designated as a Minor Collector Arterial and is the primary freight corridor through The YARD. This T3 freight route is a significant street parallel to NSC that comprises frontage for several important regional employers and industrial properties. The northern portion of North Freya Street has been recently improved to add concrete curb and sidewalk and to widen the paved travel surface. The street presently supports heavy freight transport to a food service warehouse and other businesses that would benefit from a robust industrial street section hardened to support heavy truck traffic. North Freya Street lacks the geometric design to adequately service existing traffic and requires expansion and mitigation to provide an acceptable level of service for existing and future traffic loading.

Description

The Freya Phase III project may include right-of-way (ROW) acquisition, install necessary underground utilities and provide full depth reconstruction of the street to improve Freya to an industrial street classification. This improvement will support anticipated future industrial growth in Hillyard. The adjacent industrial businesses and North Yard catalyst site located along Freya will benefit from enhancements to the heavy freight corridor in the Phase III area.

Project Elements	Quantity	Design Costs	Construction Costs	Total Cost
Potable Water Main	2,350 feet	\$135,000	\$545,000	\$680,000
Industrial Street Section	2,100 feet	\$380,000	\$1,530,000	\$1,910,000

Funding Strategy

Funding Approach: Create a multi-layered funding strategy that relies on:

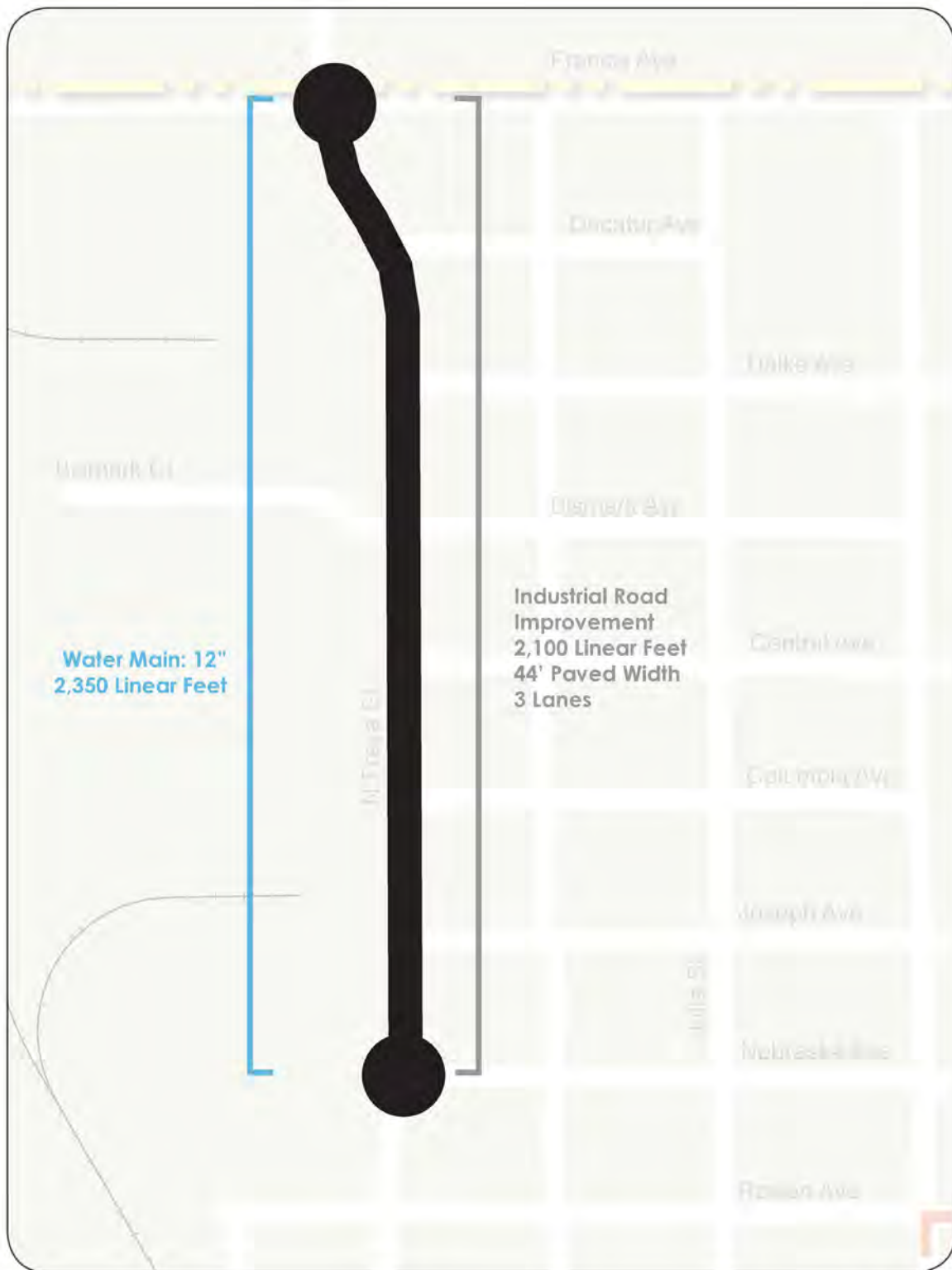
1. Enterprise funding from the city water and sewer utility
2. Transportation Improvement Board (TIB) – Urban Arterials Project

Summary of Funding Sources

Project Elements	Target	Maximum Available Funds
Utility Funds	\$680,000	N/A
TIB	\$1,910,000	N/A
TOTAL	\$2,590,000	

Utility Funds. The inclusion of the projects on the City's Water CIP and would allow a portion of the project to be supported by all commercial ratepayers for the water line upgrades.

TIB Urban Arterials Program. The Urban Arterial Program funds projects in the areas of safety, growth and development, mobility, and physical condition. There is a 15 percent local match requirement for Spokane. UAP funds work in design and construction phases. The minor arterial classification for Freya would qualify under the program.



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Freya Phase III

City of Spokane
Spokane, Washington

Legend

- | | |
|---------------------|---------------------------|
| Hillyard Boundary | Proposed Water Main |
| Proposed US 395 | Proposed Sewer Main |
| Existing Force Main | Proposed Force Main |
| Project Extent | Proposed Road Improvement |



Project 019: Infill Street Improvements | Broad, Queen (1&2), Central, Dalke Avenues

Estimated Total Project Cost: \$9,841,000

Purpose and Need

The YARD is bracketed by arterial streets, rail lines, and soon a major north-south highway. There are many important capital projects programmed for The YARD industrial corridors and main transportation links. In addition to these primary capital projects there are numerous smaller connecting roads that may become important to traffic circulation as development in Hillyard progresses. These smaller connectors have been termed “infill street improvement” and will be projects of opportunity where development efforts may trigger the need to construct one or more of these infill streets to enable efficient site access.

Description

The Infill Street Improvements projects will include right-of-way (ROW) acquisition and construction of local roads along Broad, Queen, Central, and Dalke Avenues, and Myrtle and Havana Streets.

Project Elements	Quantity	Design Costs	Construction Costs	Total Cost
Local street – Broad Avenue	680 feet	\$80,000	\$310,000	\$390,000
Local street – Queen 1 Avenue	535 feet	\$60,000	\$240,000	\$300,000
Local street – Queen 2 Avenue	1,350 feet	\$115,000	\$470,000	\$585,000
Local street – Central Avenue	1,325 feet	\$145,000	\$590,000	\$735,000
Local street - Myrtle Street	5,450 feet-road 2,300 feet- water main	\$750,000	\$2,986,000	\$3,736,000
Local street - Havana Street	5,450 feet-road 3,120 feet- water main	\$745,000	\$3,350,000	\$4,095,000

Funding Strategy

Since it is not designated as a local street, there are few state and federal award sources that would be available to the fund this project. The street reconstruction would need to be accomplished as part of a development mitigation process or through the city transportation capital planning. Likely funding opportunities include:

Development Impact Mitigation. Implemented as property along the street is redeveloped.

Community Revitalization Financing (CRF). CRF is a form of tax increment financing in which the City creates a tax “increment area”. By using revenues from local property taxes generated within the area, City governments can finance public improvements.

Local Improvement District (LID). Special assessment on properties within the LID that would benefit from the improvement.

City Discretionary Transportation Capital Funding. Implemented through a street levy.

BILL REPORT

**Ordinance C-_____ : Regulation of demolition of historic buildings and
buildings within historic districts
(Kinnear)
Spokane City Council**



July 20, 2017

This proposed ordinance would amend the historic preservation ordinance to create a more thorough process by which, and place greater restrictions on, demolition of historic buildings and buildings in historic districts. Of equal importance, it provides greater incentives to preserve historic structures.

The process for designating an historic district would be amended to require the approval of a majority of the owners of the parcels within the potential historic district, and adding a vote threshold of 33% of the owners of property in the proposed district in order for the vote to be considered binding. A majority of responding property owners would have to favor the creation of an historic district for the nomination to be considered by the historic landmarks commission.

Under the proposal, a certificate of appropriateness for the subject property must be obtained before a demolition permit could be issued for that property. This is a significant departure from current law, which allows delay, but not denial, of a demolition permit for an historic property. The waiver must contain such measures as needed to regulate the resulting site after demolition, such as screening or landscaping of the resulting vacant lot, unless the replacement structure would be constructed within 6 months of demolition. Replacement structures would be required to have a floor area ratio of at least 60% of the demolished building, to help maintain the neighborhood massing and height pattern.

Another large change would be the process by which financial hardship is established. If a financial hardship is shown, a proposed demolition activity is exempt from the restrictions of the proposal. Current law creates a committee to evaluate whether a financial hardship is established, but contains few criteria for making such an evaluation. The proposed ordinance lists several factors which must be taken into account when determining whether a financial hardship exists. These criteria are modeled on those of successful historic preservation programs in other cities.

Further, the proposal removes provisions from current law that: (1) establish factors for reasonable economic use, which require complicated economic calculations and estimations; (2) allows for property owners to request that the City make an advanced determination of a property's qualification for the economic hardship exemption; (3) creates an exemption for structures demolished to provide parking space for an historic structure on an adjacent parcel.

The process by which property owners, the landmarks commission, or the historic preservation officer (HPO) may negotiate standards are amended to further define when such negotiations may be appropriate.

The proposal also establishes an historic preservation incentives fund, to be funded by demolition permit fees.

Fiscal impacts of this proposal are not specified. However, some possible negative fiscal impacts may be:

- Increased requirements may reduce demolition permit activity and the subsequent construction of new buildings.
-

- Waiver of all building moving fees if the building is moved to a parcel which is within an historic district.

Some possible positive fiscal impacts may be:

- The dedication of all demolition permit fees to historic preservation incentives may result in the renovation of more historic properties, which could increase property values and economic activity associated with those renovations.
 - Increase in demolition fee from \$35 to \$350 (for non-historic properties or those outside historic districts), and imposition of a new demolition fee for historic buildings or buildings within historic districts at \$1,000.
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ORDINANCE NO. C-_____

An ordinance amending the standards for historic preservation protections in the City of Spokane; amending chapter 17D.040; amending sections 17G.010.210, 08.02.031, and 08.02.065, and enacting a new section 07.08.151 of the Spokane Municipal Code.

NOW THEREFORE, the City of Spokane does ordain:

Section 1. That chapter 17D.040 of the Spokane Municipal Code is amended to read as follows:

Chapter 17D.040 Historic Preservation
Section 17D.040.085 Purpose

By creating standards for the designation and protection of historic landmarks and historic districts, the City intends to protect the public health, safety, and general welfare and to safeguard the City's architectural, historic, and cultural heritage. The City also intends to safeguard historic areas of the City in balance with the rights of property owners.

Section 17D.040.090 Historic Landmark and Historic District – Designation

Generally a building, structure, object, site or district which is more than fifty years old may be designated an historic landmark or historic district if it has significant character, interest, or value as a part of the development, heritage or cultural characteristics of the city, county, state or nation. The property must also possess integrity of location, design, materials, workmanship and association and must fall into one or more of the following categories:

- A. Property is associated with events that have made a significant contribution to the broad patterns of the history of the city, county, state or nation; or
- B. Property is associated with the lives of persons significant in the history of the city, county, state or nation; or
- C. Property embodies the distinctive characteristics of a type, period, or method of construction or represents the work of a master, or possesses high artistic values, or represents a significant and distinguishable entity whose components lack individual distinction; or
- D. Property has yielded, or is likely to yield, information important in prehistory or history.

Section 17D.040.110 Historic Landmark and Historic District – Submittal Process

~~((The historic preservation officer provides a nomination form to the applicant. The application))~~ Application for designation of a property shall be provided to the historic preservation officer ("HPO"), on a form provided by the HPO. Such application may be submitted by ~~((must bear the signature of))~~ the property owner(s), a resident of the City, or in the case of historic districts, a majority of the owners of property located within the potential historic district. When the ~~((historic preservation officer))~~HPO is satisfied as to the completeness and accuracy of the information, the nomination is referred within one month of the receipt of the application to the historic landmarks commission ("commission") for a hearing. Once the nomination is scheduled for a hearing, the ~~((historic preservation officer))~~HPO notifies the owner(s) of the nominated property by mail and the owners of property within the historic district, if any, by publication in a newspaper of general circulation of the date of the hearing and of the benefits and conditions which may result from designation. Fourteen days prior to the commission hearing, the ~~((historic preservation officer))~~HPO transmits to commission members copies of the nominations of properties to be considered for designation.

Section 17D.040.120 Procedure – Preliminary Designation

- A. Public hearings of the commission are publicly advertised. Staff causes notice, containing the time, place and date of the hearing and a description of the location of the property in nonlegal language, to be mailed to all property owners of record and to be advertised in the legal newspaper of the board or council, as appropriate, at least ten days prior to the hearing.
- B. At a publicly advertised hearing, the commission takes testimony concerning the nomination and formulates a recommendation as to the designation. The commission may decide to:
 - 1. recommend approval of designation of the property to the council or board as appropriate; or
 - 2. recommend denial of designation of the property to the council or board as appropriate; or
 - 3. defer the consideration of the nomination to a continued public hearing, if necessary.

Section 17D.040.130 Procedure – Findings of Fact

After the hearing, the commission enters findings of fact with reference to the designation criteria. These findings of fact are forwarded, along with the recommendation, to the council or board, as appropriate.

Section 17D.040.140 Procedure – Notification of Results

The commission informs the owner(s) of its recommendation and reasons therefor. The owner(s) are also notified of the necessity of applying for a certificate of appropriateness for any action which would alter the property. All interested parties of record and all

affected City or County agencies are informed of the preliminary designation and of any responsibilities they may have in regard to a certificate of appropriateness. The owner(s) are informed of any incentives which may be available for the maintenance of the property.

Upon approval or denial of a national register nomination, the ~~((historic preservation officer))~~HPO advises the state historic preservation officer of the action taken in accordance with the rules of the "certified local government" program.

Section 17D.040.150 Procedure – Council or Board Action

The council or board must act on the recommendation of the commission within thirty days of the recommendation. A final designation decision may be deferred for consideration at another public hearing. Once a final decision is made, the council or board clerk or clerk's designee notifies the commission, property owner and affected City and County agencies.

Section 17D.040.160 Procedure – Appeal of Preliminary Designation

The commission's recommendation may be appealed to the hearing examiner only by an owner of record whose property was the subject of the preliminary designation, within ten days of the execution of the findings of fact set forth in SMC 17D.040.130. Such application for appeal shall be filed with the historic preservation office. An appeal must state the grounds upon which the appeal is based. The appeal is reviewed by the hearing examiner only on the record of the commission.

Section 17D.040.170 Procedure – Appeal of Council or Board Action

Action of the council or board may be appealed to superior court.

Section 17D.040.180 Procedure – Agreement

- A. Any owner(s) who desire to have property designated as an historic landmark must enter into an agreement with the council or board in which the owner(s) agree to appropriate management standards as recommended by the commission for the property in consideration for the commission's recommendation that the property be designated an historic landmark.
- B. In the case of historic districts, a simple majority of the owners of properties located within the boundaries of the proposed historic district shall constitute owner consent. Ballots will be sent out to property owners of record no later than 30 days prior to the meeting of the Commission. A minimum of 33% of the property owners must return a ballot in order for the vote to be considered binding. In order for the nomination to be considered by the Commission, a majority plus one of all returned ballots must be in favor of the creation of a local historic district.

- C. Each local historic district shall be designated as such on the official City zoning map by the use of historic district overlay zones which shall apply the standards of this chapter to all properties within the particular overlay zone.

Section 17D.040.190 Procedure – Final Designation – Disagreements

- A. After an agreement is executed, final designation is made and the property is placed upon the Spokane register of historic places.
- B. If the commission and the owner cannot agree on management standards, no contract is entered into between the parties and the property is not placed on the Spokane register of historic places. The parties may take advantage of the negotiation process provided in this chapter. In the case of historic districts, a majority of the owners must enter into the agreement in order for the management standards to apply.

Section 17D.040.200 Certificates of Appropriateness – When Required

- A. ~~((The owner(s) must first obtain a))~~ A certificate of appropriateness is required ((for)) prior to the issuance of any permit for the following activities:
1. Demolition of an historic landmark or a contributing building located within an historic district, or a building which is eligible for historic register designation;
 2. Relocation of an historic landmark or a building located within an historic district;
 3. change in use of an historic landmark or a contributing building located within an historic district; ((or))
 4. any work that affects the exterior appearance of an historic landmark or property located within an historic district((.)); and
 5. development or new construction located within the designated boundaries of an historic district.
- B. A person must first obtain a certificate of appropriateness for development or new construction within an historic district.
- C. The ~~((historic preservation officer))~~ HPO may exempt ordinary repairs and maintenance if the work does not involve a change in design, material or exterior treatment or otherwise affect the exterior appearance.

Section 17D.040.210 Certificate of Appropriateness – Procedure

- A. When applicable, the applicant for a certificate of appropriateness must provide to the commission drawings of the proposed work, photographs of the existing building or structure and adjacent properties, ~~((and))~~ information about the

building materials to be used, and any other information requested by the HPO or commission.

- B. In making a decision on an application the commission uses the Secretary of the Interior's Standards for Rehabilitation and other general guidelines established and adopted by the commission. In adopting and using guidelines the commission does not limit new construction to any one architectural style but seeks to preserve the character and integrity of the landmark or the historic district.

Section 17D.040.220 Certificates of Appropriateness – Demolition of ~~((Structures Listed on the Spokane Register or Contributing Structures in))~~ Historic Landmarks or Contributing Buildings Located Within Local Historic Districts

~~((Upon receipt of an application))~~ No permit for the demolition of an historic ~~((structure listed on the Local Spokane Register))~~ landmark or a contributing ~~((structure))~~ building located within a local historic district~~((, the applicant is required to apply for))~~ shall be, processed or issued unless the commission has previously waived a certificate of appropriateness for the proposed action.~~((The application for and subsequent issuance of a demolition permit by the building official for a historic structure listed on the Local Register or a contributing structure within a local historic district shall be subject to the following provisions:~~

Commented [BM1]: Should this read "issued"?

- A. ~~The applicant shall apply for a certificate of appropriateness with the historic landmarks commission.~~
- B. ~~((The))~~ No demolition permit application may ~~((not))~~ be issued until ninety days ~~((from))~~ after the ~~((date of the application for the))~~ commission's issuance of a waiver of a certificate of appropriateness for the demolition activity~~((, except with the concurrence of the historic landmarks commission))~~.
- C. Within forty-five days of the HPO's receipt of an application for a waiver of a certificate of appropriateness concerning the demolition of an historic landmark or a contributing building located within an historic district or a building which is eligible for listing as an historic landmark, the applicant and the ~~((historic landmarks))~~ commission shall meet to determine if there are feasible alternatives to demolition. The attempt to find feasible alternatives may continue beyond forty-five days if both parties agree to an extension.
- D. If no feasible alternative to demolition has been agreed to, the ~~((historic landmarks))~~ commission may either waive or deny the certificate of appropriateness~~((, thereby permitting the subsequent issuance of a demolition permit, or deny the certificate of appropriateness))~~.
- E. If the ~~((historic landmarks))~~ commission denies the application for a waiver of a certificate of appropriateness for a property for which a demolition permit is

~~sought, ((the))no~~ demolition permit may ~~((not))~~ be issued for an additional forty-five days in order to permit the ~~((historic landmarks))~~ commission to develop ~~((non-binding))mandatory~~ mitigation measures ~~((to encourage the landowner to))such as the salvage of significant architectural features of the structure and~~ ~~((to require the landowner to provide))the~~ documentation of the building before the issuance of the demolition permit.

- F. If the commission waives the certificate of appropriateness for the demolition of an historic landmark or a building located within an historic district, such waiver shall include any temporary measures deemed necessary by the commission for the condition of the resulting property after the completion of the demolition, including, without limitation, fencing, screening from view of the property, and the provision of ongoing, specific site security measures. The waiver shall also provide that if no replacement structure is constructed on the site within six months of the issuance of the waiver, the owner must landscape the site for erosion protection and weed control.

Section 17D.040.230 Demolition Permits for Historic Structures in the Downtown Boundary Area and National Register Historic Districts

A. Demolition Permits.

No demolition permits for structures that are listed or eligible to be listed on the National or Local Register of Historic Places located in the area shown on Map 17D.040.230-M1, Downtown Boundary Area, and in all National Register Historic Districts shall be issued unless the structure to be demolished is to be replaced with a replacement structure that is approved by the commission under ~~((meets))~~ the following criteria:

1. The replacement structure shall have a footprint square footage equal to or greater than the footprint square footage of the landmark structure to be demolished. The replacement structure must also have a floor area ratio equal to 60% or greater of that of the landmark structure to be demolished. The square footage of the footprint may be reduced:
 - a. to accommodate ~~((parking serving the replacement structure or))an~~ area intended for public benefit, such as public green space and/or public art; ((or))
 - b. if the owner submits plans in lieu for review and approval by the City's design review board subject to applicable zoning and design guidelines~~((:)); and~~
 - c. the replacement structure is compatible with the historic character of the Downtown Boundary Area or National Register Historic District, as appropriate.
2. ~~((The))Any~~ replacement structure under this section shall ~~((satisfies))~~ satisfy all applicable zoning and design guidelines, and shall be considered by the commission within thirty days of receipt of an application for a waiver of a certificate of appropriateness concerning the building for which a demolition permit is sought.

3. ~~((A))~~ No building permit ~~((has been issued))~~ for ~~((the))~~ a replacement structure under this section may be accepted, processed, or issued prior to the issuance of the demolition permit. In the alternative, the owner may obtain a demolition permit prior to the issuance of the building permit if the owner either:

- a. submits to the City a performance and surety bond in the amount of the full cost of the replacement structure; or
- b. demonstrates to the satisfaction of the director of building services, in consultation with the City's historic preservation officer, that the owner has a valid and binding commitment or commitments for financing sufficient for the replacement use subject only to unsatisfied contingencies that are beyond the control of the owner other than another commitment for financing; or has other financial resources that are sufficient (together with any valid and binding commitments for financing) and available for such purpose.

B. Eligibility.

Eligibility shall be determined by the historic landmarks commission within fourteen days of the submission of the application for a demolition permit. The applicant shall be responsible to submit a determination of eligibility demonstrating the ineligibility of the structure based upon the National Register Criteria for Evaluation (36 CFR 60). Applications for structures that are determined not to be listed or eligible to be listed on a National or Local Register of Historic Places shall be processed pursuant to existing regulations.

C. Economic Hardship.

1. The City recognizes that there may be some circumstances under which the operation of this chapter's restrictions may cause an undue hardship to a property owner. This subsection is required in order to provide property owners the opportunity to demonstrate that such a hardship exists, and that such hardship can allow the demolition of an historic landmark or a building in an historic district in some circumstances. ~~((The requirements of SMC 17D.040.230 shall not apply and the owner may obtain))~~ No waiver of a certificate of appropriateness is required for the issuance of a demolition permit ~~((without the requirement of constructing))~~, and the construction of a replacement structure is not required if the owner can demonstrate to the satisfaction of the ~~((ad hoc committee on economic hardship))~~ commission or a subcommittee thereof that maintaining the historic structure would impose an economic hardship on the property owner ~~((that was created beyond the owner's control))~~. The commission may issue a determination of economic hardship if it, or a subcommittee of the commission, concludes that (i) for income-producing property, a reasonable rate of return cannot be obtained from the property either in its present condition or if the property is rehabilitated; and (ii) for non-income-producing properties (such as those which are owner-occupied or which are owned by institutional, non-profit organizations, or public entities), that all reasonable use of or return from

the property will be denied the property owner. Economic hardship determinations shall not be based on or include any of the following circumstances:

~~((1. The ad hoc committee on economic hardship shall be appointed by the mayor and confirmed by the city council, and will consist of at least seven members as follows:~~

- ~~a. one member of the real estate development community or association such as CCIM Institute, Institute of Real Estate Management, the Society of Office and Industrial Realtors, and Building Owners and Managers Association;~~
- ~~b. one member from a banking or financial institution;~~
- ~~c. one licensed architect registered in Washington State;~~
- ~~d. one member from the property management industry;~~
- ~~e. one member representative of property developers;~~
- ~~f. one member of the landmarks commission; and~~
- ~~g. one member representing the neighborhood council where the historic structure is located.~~

~~2. The ad hoc committee's decision shall be made by majority vote and within thirty days of the submission of the material demonstrating an economic hardship by the property owners.~~

- ~~a. The property owner has the burden of demonstrating the economic hardship.~~
- ~~b. Evidence of economic hardship is limited to instances when preservation will deprive the owner of reasonable economic use of the property.~~
- ~~c. An owner's financial status is not evidence of economic hardship.~~
- ~~d. The decision of the ad hoc committee may be appealed to the hearing examiner within thirty days of the committee's decision.~~

~~3. The ad hoc committee will be a standing committee with one revolving member representing the specified neighborhood in which the property resides.~~

- ~~a. There is a preference for developer and architects who participate on the ad hoc committee to have both new building construction and historic renovation experience.~~
- ~~b. There is a preference for the neighborhood representative who participates on the ad hoc committee to have experience in development, appraising, construction, and/or related skills.~~
- ~~c. Members of the ad hoc committee shall serve for two year terms and may be reappointed for additional two year terms.))~~

- a. willful or negligent acts by the owner;
- b. purchase of the property for substantially more than market value;
- c. failure to perform normal maintenance and repairs;
- d. failure to diligently solicit and retain tenants;
- e. failure to provide normal tenant maintenance or improvements; or
- f. failure to accept a purchase offer for the property at fair market value.

2. Economic hardship determinations shall take into account all of the following:

- a. an estimate of the cost of the proposed construction, alteration, demolition, or relocation, compared with an estimate of the additional cost which would be incurred to comply with the recommendations of the commission for changes necessary for the issuance of a determination of economic hardship. For purposes of this estimate, rehabilitation costs which are the result of the owner's intentional or negligent failure to maintain the building under consideration in good repair shall not be considered;
- b. a report from a licensed architect or engineer with experience in historic building rehabilitation as to the structural soundness of the building under consideration and its suitability for rehabilitation;
- c. a comparison of the estimated market value of the property in its current condition, the estimated market value of the property after the completion of the proposed activity, the estimated market value after any changes recommended by the commission and, in the case of a proposed demolition, the estimated market value after the completion of the rehabilitation of the property for continued use;
- d. in the case of a proposed demolition, an estimate from an architect, developer, real estate consultant, appraiser, or other real estate professional with experience in historic rehabilitation as to the economic feasibility of rehabilitation or reuse of the existing building;
- e. the amount paid for the property, the date of purchase and the party from whom purchased, including a description of the relationship, if any, between the owner and the prior owner, and any terms of financing between the buyer and seller;

- f. if the property is income-producing, the annual gross income from the property for the previous two years, itemized operating and maintenance expenses for the previous two years, and depreciation deduction and annual cash flow before and after debt service, if any, during that same period;
- g. if the property is not income-producing, projections of the annual gross income which could be obtained from the property in its current condition, as compared with that in its rehabilitated condition, or under such other conditions as the commission may recommend;
- h. the amount of the remaining balance on any mortgage or other financing secured by the property and the annual debt service, if any, for the previous two years;
- i. all appraisals obtained within the previous two years by the owner in connection with the purchase, financing, or ownership of the property;
- j. any listing of the property for sale or rent, the price asked, and the amount of any offers received, within the previous two years;
- k. the assessed value of the property according to the two most recent assessments;
- l. the amount of the real estate taxes paid on the property for the previous two years;
- m. the form of ownership or operation of the property, whether sole proprietorship, of profit, or not-for-profit entity, partnership, joint venture, or other; and
- n. any other information which the commission considers necessary for a determination as to whether the property does yield or may yield a reasonable return to the owner.

~~((D. Factors to Determine Reasonable Economic Use-~~

~~A reasonable economic use would be one that provides a greater return on the underlying land value (land with improvements) than the land alone could generate. The following four steps will be taken to determine reasonable economic use:~~

- ~~4. The market value of the land, as vacant, is to be estimated.~~
 - ~~a. The sales comparison approach to value is an approved method.~~
 - ~~b. The land residual technique is an approved method, but only allowable when accompanied by and reconciled with the sales comparison approach method.~~

5. ~~The first year market rate of return on leased land is to be estimated. Market data supporting this rate of return must be provided.~~
6. ~~Based on applying the rate of return to the land value estimate, an annual market return on the underlying land results. This is the base figure or threshold for the analysis.~~
7. ~~Provide an estimate of the annual market net operating income for the property as is, and under any reasonable modifications thereof. Note that any required capital investment in the property would increase the basis from which the return is estimated.~~
 - a. ~~The sales comparison approach, income approach, cost approach, and development approach to value are all approved techniques.~~
 - b. ~~Under valuation scenarios where an additional capital investment is required, the expected market return on the capital investment will be subtracted from the annual return, with the residual income being the return on the land.~~

~~E. Request by Owner for Advance Determination of Status.~~

~~An owner may request an advance determination of economic hardship exemption qualification by the City as to whether a property subject to this ordinance may be demolished without the constraints of this SMC 17D.040.230, so that the owner may market for sale or refinance the property knowing its status. Upon receipt of a written request from a property owner, the owner shall be entitled to an economic hardship hearing at the owner's expense, pursuant to SMC 17D.040.230(D) and represent the findings as binding upon the property owner and City to third parties including but not limited to prospective purchasers and lenders.))~~

~~((F.))D. Building Official or Fire Marshal Orders.~~

~~The requirements of this section shall not apply to orders of the building official or fire marshal regarding orders that a structure be demolished due to public health, safety, or welfare concerns.~~

~~((G. Additional Parking.~~

~~This section shall not apply if the owner demonstrates to the satisfaction of the building official, in consultation with the historic preservation officer, that the property will be used as parking associated with the renovation of an adjacent structure listed or eligible to be listed on the National or Local Register of Historic Places.))~~

Section 17D.040.240 Requests for Recommendations

Whenever an application for action which may require a certificate of appropriateness (SMC 17D.040.200) or which may be within the scope of agreed management standards (SMC 17D.040.180) is submitted with respect to an historic landmark or

property within an historic district, the official responsible for processing the application requests review of the action by the commission.

Section 17D.040.250 Receipt of Requests

The requests for review and issuance must be received by the commission staff at least twenty days prior to the commission's next scheduled meeting. Commission staff transmits copies of the request for a certificate of appropriateness and any supplemental information to commission members, the property owner or applicant, and interested parties of record fourteen days prior to the next scheduled meeting of the commission. The review of requests for certificate of appropriateness which may be approved by the ~~((historic preservation officer))~~ HPO are deemed to be ministerial permits. The review of requests for certificate of appropriateness which are approved by the landmarks commission are subject to the timeline and procedures contained in SMC 17D.040.260.

Section 17D.040.260 Commission Review

- A. At its next scheduled meeting the commission reviews the request and decides whether to issue a certificate of appropriateness. The commission transmits its findings to the appropriate administrator, board or commission, or their designee. If the commission is unable to process the request, the commission may ask for an extension of time.
- B. If the action requested requires final approval by the council or board, copies of the commission's recommendations are transmitted in entirety to that body.
- C. The ~~((landmarks))~~ commission reviews the request for certificates of appropriateness under the following procedure:
 1. The ~~((historic preservation officer))~~ HPO reviews each application, certifies it complete and, within seven days of certification, causes notice of application to be provided. After the notice of application has been given, a public comment period is provided. The purpose of the public comment period is to provide the opportunity for public review and comment on the application. Comments on the application will be accepted at or any time prior to the closing of the record of the open-record public hearing.
 2. At the close of the public comment period, the ~~((historic preservation officer))~~ HPO consults with the ~~((landmarks))~~ commission regarding a date and time for public hearing. At least fifteen days prior to the public hearing, the officer causes notice of hearing to be provided.
 3. The ~~((historic preservation officer))~~ HPO makes a written report regarding the application to the ~~((landmarks))~~ commission. The officer sends the application to appropriate other City departments, coordinates their review of the application and assembles their comments and remarks for inclusion in the report to the ~~((landmarks))~~ commission as appropriate.

The report of the ~~((historic preservation officer))~~HPO contains a description of the proposal, a summary of the pertinent Secretary of the Interior's Standards for Rehabilitation, findings and conclusions relating to those standards and a recommendation. If the recommendation is for approval, the report also identifies appropriate conditions of approval. At least ten days prior to the scheduled public hearing, the report is filed with the ~~((landmarks))~~ commission as appropriate and copies are mailed to the applicant and the applicant's representative. Copies of the report are also made available to any interested person for the cost of reproduction. If a report is not made available as provided in this subsection, ~~((landmarks))~~ commission may reschedule or continue the hearing, or make a decision without regard to any report.

4. The ~~((landmarks))~~ commission makes a decision regarding the application within ten days of the date the record regarding the application is closed. The time for decision may be extended if the applicant agrees. In making the decision, the ~~((landmarks))~~ commission may approve, approve with conditions, or deny the permit application. The decision is in writing.
5. Within seven days of making the decision, the permit authority causes a notice of decision to be provided.

Section 17D.040.270 Negotiated Standards

The owner, the commission or the ~~((historic preservation officer))~~HPO may request a negotiation process leading to more specifically defined or different management standards for a specific piece of property; provided, that nothing in this section requires the commission to agree to participate in a negotiation process leading to specifically defined or different standards for any particular property which would otherwise be subject to this chapter, and provided also that it is the intent of the City that negotiated standards are to be utilized only in extraordinary circumstances. While the negotiation process is occurring, the requirements for a certificate of appropriateness continue to be in effect.

Section 17D.040.280 Negotiated Standards – Approval Process

Once the negotiation process is completed and the owner and the commission are in agreement with the negotiated standards, a copy of that agreement is transmitted to the council or board for final approval. Once final approval is received, the commission distributes copies of the agreement to the appropriate boards, commissions and agencies for implementation. If the council or board does not approve the agreement, it may be sent back, with a statement of the council's or board's objection, for further negotiation. When renegotiation is completed, the agreement is returned to the council or board for approval.

Section 17D.040.290 Negotiated Standards – Arbitration and Appeal

If no agreement can be reached between the commission and the owner, the matter may be presented to the council or board, or designees to arbitrate the agreement. Appeal from any arbitration decision may be made to superior court.

Section 17D.040.300 Waiver of Review

The commission, at the request of the owner, may waive review under SMC 17D.040.240 through 17D.040.290 of those actions which may require a certificate of appropriateness or which may be within the scope of agreed management standards when the action will be reviewed by the Washington State Department of Archaeology and Historic Preservation or the National Park Service and will be subject to the Secretary of the Interior's Standards for Treatment of Historic Properties. The commission may choose to deny said request should it be determined by the Washington State Department of Archaeology and Historic Preservation or the National Park Service that the proposed action does not meet the Secretary of the Interior's Standards for the Treatment of Historic Properties.

Section 17D.040.310 Review and Monitoring of Properties for Special Property Tax Valuation

A. Time Lines

1. Applications shall be forwarded to the commission by the assessor within 10 calendar days of filing.
2. Applications shall be reviewed by the commission before December 31 of the calendar year in which the application is made.
3. Commission decisions regarding the applications shall be certified in writing and filed with the assessor within 10 calendar days of issuance.

B. Procedure

1. The assessor forwards the application(s) to the commission.
2. The commission reviews the application(s), consistent with its rules of procedure, and determines if the application(s) are complete and if the properties meet the criteria set forth in WAC 254-20-070(1) and listed in SMC 17D.040.090.
 - a. If the commission finds the properties meet all the criteria, then, on behalf of the City, it enters into a Historic Preservation Special Valuation Agreement (set forth in WAC 254-20-120) with the owner. Upon execution of the agreement between the owner and commission, the commission approves the application(s).
 - b. If the commission determines the properties do not meet all the criteria, then it shall deny the application(s).
3. The commission certifies its decisions in writing and states the facts upon which the approvals or denials are based and files copies of the certifications with the assessor.
4. For approved applications:

- a. The commission forwards copies of the agreements, applications, and supporting documentation (as required by WAC 254-20-090 (4) to the assessor,
 - b. Notifies the state review board that the properties have been approved for special valuation, and
 - c. Monitors the properties for continued compliance with the agreements throughout the 10-year special valuation period.
- 5. The commission determines, in a manner consistent with its rules of procedure, whether or not properties are disqualified from special valuation either because of
 - a. The owner's failure to comply with the terms of the agreement or
 - b. Because of a loss of historic value resulting from physical changes to the building or site.
- 6. For disqualified properties, in the event that the commission concludes that a property is no longer qualified for special valuation, the commission shall notify the owner, assessor, and state review board in writing and state the facts supporting its findings.

C. Criteria

1. Historic Property Criteria:

The City attained Certified Local Government (CLG) status in 1986. As a CLG, the City determines the class of property eligible to apply for Special Valuation. Eligible property types in Spokane mean only properties listed on Spokane Register of Historic Places or properties certified as contributing to a Spokane Register Historic District which have been substantially rehabilitated at a cost and within a time period which meets the requirements set forth in Chapter 84.26 RCW.

2. Application Criteria:

Complete applications shall consist of the following documentation:

- a. A legal description of the historic property,
- b. Comprehensive exterior and interior photographs of the historic property before and after rehabilitation,
- c. Architectural plans or other legible drawings depicting the completed rehabilitation work, and
- d. A notarized affidavit attesting to the actual cost of the rehabilitation work completed prior to the date of application and the period of time during which the work was performed and documentation of both to be made available to the commission upon request, and
- e. For properties located within historic districts, in addition to the standard application documentation, a statement from the appropriate local official, as specified in local administrative rules or by the local government, indicating the property is a certified historic structure is required.

3. Property Review Criteria:

In its review the commission shall determine if the properties meet all the following criteria:

- a. The property is historic property;

- b. The property is included within a class of historic property determined eligible for Special Valuation by the City;
 - c. The property has been rehabilitated at a cost which meets the definition set forth in RCW 84.26.020(2) within twenty-four months prior to the date of application; and d. The property has not been altered in any way which adversely affects those elements which qualify it as historically significant as determined by applying the Washington State Advisory Council's Standards for the Rehabilitation and Maintenance of Historic Properties (WAC 254-20-100(1) and listed in 17D.040.210 of this ordinance).
4. Rehabilitation and Maintenance Criteria:
The Washington State Advisory Council's Standards for the Rehabilitation and Maintenance of Historic Properties in WAC 254-20-100 shall be used by the commission as minimum requirements for determining whether or not an historic property is eligible for special valuation and whether or not the property continues to be eligible for special valuation once it has been so classified.
- D. Agreement:
The historic preservation special valuation agreement in WAC 254-20-120 shall be used by the commission as the minimum agreement necessary to comply with the requirements of RCW 84.26.050(2).
- E. Appeals:
Any decision of the commission acting on any application for classification as historic property, eligible for special valuation, may be appealed to Superior Court under Chapter 34.05.510 -34.05.598 RCW in addition to any other remedy of law. Any decision on the disqualification of historic property eligible for special valuation, or any other dispute, may be appealed to the County Board of Equalization.

Section 17D.040.320 Historic Preservation Incentive Program

[Reserved]

Section 2. That section 17G.010.210 of the Spokane Municipal Code is amended to read as follows:

Section 17G.010.210 Application for Permits for Special Activities

- A. Blasting Permit.
An applicant for a permit to conduct blasting operations on a particular job shall make written application to the engineering services department, on prescribed form, showing:
- 1. if there is a structure at the blasting site, its occupancy, whether its power source is electricity or something else, and the combustibility of its contents;

2. the name of the person to have immediate charge of the blasting operations;
3. that the named blaster has currently in force a license, bond, and insurance;
4. such other information as may be required.

B. Building Moving Permit.

1. An applicant for a permit required to move any building, structure, or part of a structure along, over, or across a public way in the City must pay the prescribed fee and submit a written application on prescribed forms to the department of building services which application:
 - a. gives the applicant's current state contractor registration number;
 - b. is accompanied by the required street obstruction permit;
 - c. states the address and legal description of the land onto which the structure is to be moved and, if such land is within the City, is accompanied by a building relocation permit, as provided in SMC 10.26.010.
 - d. is accompanied by a certificate issued by an insurance company qualified to do business in Washington covering the moving activity with a general liability policy with minimum limits of five hundred thousand dollars combined single limit or an approved alternate indemnity arrangement;
 - e. describes the structure to be moved;
 - f. states the address from which the structure is to be moved;
 - g. details the proposed route; and
 - h. states the date and time of the proposed move and estimates the time required to complete the move.
2. A building moving permit is a class IIIB license as provided in chapter 4.04 SMC.
3. No fee shall be charged for applications to move historic landmarks or buildings located within, and to be relocated to another location within, an historic district.

C. Sewer Permits.

1. A contractor or resident homeowner proposing to construct, reconstruct, extend, or repair a side sewer, private sewer, special side sewer, or private storm sewer, as defined in chapter 13.03 SMC, shall pay the prescribed fee and make application to the engineering services department for a permit, which application:
 - a. gives the applicant's state contractor registration number, or contains a certificate that the applicant proposes to do work in connection with the residence owned by the applicant;

- b. indicates the legal and street address description of the premises to be served and the type of occupancy;
 - c. subject to waiver by the city engineer, includes duplicate detailed plans of the work showing the entire course of the sewer from its terminus at the building(s) to the connection with the public sewer and, as may be required, detailing the structures and means for measuring, sampling, or otherwise determining the nature, quality, and quantity of sewage;
 - d. gives such further information as maybe required.
- 2. If the work to be done under the sewer permit requires the excavation or obstruction of a public way, the applicant must obtain a street obstruction permit.
- 3. A separate tap permit, as provided in SMC 13.03.0606, is required for connection to the public sewer.

D. Street Obstruction Permit.

- 1. A person proposing to dig up, excavate, work in, occupy by person, equipment, structure, or material, or in any fashion obstruct, render less safe, or interfere with the free use of any public way must first make application to the engineering services department for a permit, which may be individual location under SMC 12.02.0706 or a master annual permit under SMC 12.02.0707.
- 2. Exemptions.
The following activities do not require a street obstruction permit:
 - a. A licensed, bonded, and insured tree trimming firm may trim trees in the public way, provided the work is not on an arterial or within the central business district. Additionally, for all other areas, this exemption does not apply, and a permit is still required if the work:
 - i. involves more than thirty minutes operations in the right-of-way (example: simply trimming branches and loading them in a truck), or
 - ii. if the work involves tree removal, stump grinding or chipping.
 - b. A licensed, bonded, and insured sign company performing routine maintenance to existing signs, provided a traffic lane is not obstructed or the work is not within the central business district.
 - c. A licensed, bonded, and insured surveyor performing surveying work in the public way, provided the work is not on an arterial or within the central business district.
 - d. All persons, whether or not required to obtain a permit, shall notify the department of their activities.
- 3. The applicant shall:

- a. by plat or map show the exact location of the work, structure, material, or activity when required by city engineer;
- b. describe in detail the activity, the extent, and duration of the obstruction, and the precautions to be taken to protect the traveling public from the hazards occasioned, including, at least, lighting, barricading, and signing;
- c. pay the permit fee;
- d. if the activity is contracting work, demonstrate that the applicant has the appropriate license or registration certificate;
- e. post a bond as provided in SMC 7.02.070.

Section 3. That section 08.02.031 of the Spokane Municipal Code is amended to read as follows:

Section 08.02.031 Building Code

A. Building Permit.

Building permit fees are based on the value of the work to be done as follows:

VALUE OF WORK (in dollars)	FEE (in dollars)
1 - 500	28.00
501 - 2,000	28.00 plus 3.00 for each 100 over 500
2,001 - 25,000	73.00 plus 13.00 for each 1,000 over 2,000
25,001 - 50,000	372.00 plus 10.00 for each 1,000 over 25,000
50,001 - 100,000	622.00 plus 7.00 for each 1,000 over 50,000
100,001 - 500,000	972.00 plus 5.00 for each 1,000 over 100,000
500,001 - 1,000,000	2,972.00 plus 4.00 for each 1,000 over 500,000
1,000,001 -	4,972.00 plus 3.00 for each 1,000

99,999,999	over 1,000,000
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B. Valuation.

1. The value of construction for purposes of calculating the amount of the fee is determined by using the:
 - a. most current building valuation data from the International Code Conference (ICC) as published in the "Building Safety Journal"; or
 - b. contract valuation, whichever is greater.
2. "Gross area" when used in conjunction with the ICC building valuation data to determine valuation of a project is the total area of all floors, measured from the exterior face, outside dimension, or exterior column line of a building, including basements and balconies but excluding unexcavated areas.
3. The fee is based on the highest type of construction to which a proposed structure most nearly conforms, as determined by the building official.
4. For roofing permits, the value is determined to be:
 - a. one hundred fifty dollars per square for recovering roofs;
 - b. two hundred dollars per square for roofing projects when existing layers of roofing are torn off and a new layer is installed;
 - c. two hundred fifteen dollars per square for roofing projects when existing layers of roofing are torn off, new sheeting is installed, and a new layer of roof is installed;
 - d. or the contract valuation if it is greater.

C. Building Plan Review.

1. Plan review fees are sixty-five percent of the building permit fee as calculated from the table rounded up to the next whole dollar amount for:
 - a. all commercial building permits;
 - b. all industrial building permits;
 - c. all mixed use building permits; and
 - d. new multi-family residences with three or more units.
2. Plan review fees are one hundred percent of the building permit fee as calculated from the table for fast-track projects.
3. Plan review fees are twenty-five percent of the building permit fee as calculated from the table rounded up to the next whole dollar amount for new:
 - a. single-family residences; and
 - b. duplexes.
4. Plan review fees are twenty-five dollars for:

- a. new buildings that are accessory structures for single-family residences and duplexes to include garages, pole buildings, greenhouses, sheds that require a permit, etc.; and
 - b. additions to existing single family residences and duplexes to include living space, garages, sunrooms, decks, etc.
5. Plan review fees for additional review required by changes, additions, or revisions to plans are seventy-five dollars per hour or fraction thereof.
6. The building official may elect to assess plan review for remodeling single family residences and duplexes when required. This amount will be not be higher than the twenty-five percent of the building fee as calculated in the table rounded to the nearest whole dollar charged on a new single-family residence or duplex.

D. Demolition.

Demolition permit fees are:

1. Single-family residence, duplex and accessory structures: ~~((Thirty-five))~~three hundred fifty dollars each.
2. Other structures: Thirty-five dollars for every thousand square feet, to a maximum fee of three hundred fifty dollars.
3. The processing fee is twenty-five dollars.
4. For historic landmarks, contributing buildings within an historic district, or building eligible for listing on the historic register: one thousand dollars.
5. All demolition permit fees received by the city are to be deposited in the historic preservation incentives fund established by SMC 07.08.151.

E. Fencing.

1. The permit fee is twenty dollars per one hundred linear feet, or fraction thereof.
2. The processing fee and review fee is twenty-five dollars.

F. Grading.

1. Grading permit fees are as follow:

VOLUME (in cubic yards)	FEE (in dollars)
100 or less	28.00
101 - 1,000	28.00 plus 12.00 for each 100 over 100

1,001 - 10,000	136.00 plus 10.00 for each 1,000 over 1,000
10,001 - 100,000	226.00 plus 45.00 for each 10,000 over 10,000
100,001 and more	631.00 plus 25.00 for each 10,000 over 100,000

2. Grading plan review fees are as follow:

VOLUME (in cubic yards)	FEE (in dollars)
50 or less	None
51 - 100	20.00
101 - 1,000	25.00
1,001 - 10,000	35.00
10,001 - 100,000	35.00 plus 17.00 for each 10,000 over 10,000
100,001 - 200,000	188.00 plus 10.00 for each 10,000 over 100,000
200,001 and more	288.00 plus 5.00 for each 10,000 over 200,000

3. Failure to obtain a grading permit is a class one infraction under SMC 1.05.150.

4. The processing fee is twenty-five dollars.

G. Sign Permits.

1. Sign permit fees are:

- a. thirty dollars for each wall sign, projecting sign and incidental sign;
or
- b. seventy-five dollars for each pole sign, including billboards and off-premises signs.

2. The building services plan review fee is fifty dollars and is in addition to the sign permit fee for pole signs in excess of one hundred square feet or more than thirty feet high.
3. The planning services review fee is fifty dollars for all signs.
4. The processing fee is twenty-five dollars.

H. Factory-built Housing.

1. The installation fee for factory-built housing is fifty dollars per section.
2. A foundation or basement requires a separate building permit.
3. Decks, carports and garages require a separate building permit.
4. The development services review fee is fifty dollars.
5. The processing fee is twenty-five dollars.

I. Manufactured (Mobile) Home.

1. The installation fee for a manufactured (mobile) home is fifty dollars per section.
2. A basement requires a separate building permit.
3. Decks, carports and garages require a separate building permit.
4. The development services review fee is fifty dollars.
5. The processing fee is twenty-five dollars.

J. Temporary Structures.

Permit fees for temporary structures are:

1. One hundred dollars for the first one hundred eighty days; and
2. Five hundred dollars for the second one hundred eighty days.
3. No third session will be allowed.
4. The development services review fee is fifty dollars.
5. The processing fee is twenty-five dollars.

K. Relocation.

1. The fee for a building relocation inspection for bond determination is seventy-five dollars.
2. The development services review fee is fifty dollars.
3. The processing fee is twenty-five dollars.
4. Any repairs or alterations required for relocation are handled by various building permits and the fees for such building permits are in addition to the relocation permit fee.

L. Early Start and Fast Track Approval.

The fee for an early start or fast track building permit approval is twenty-five

percent of the building permit fee rounded to the next whole dollar amount and is in addition to any other required fees.

M. Certificate of Occupancy.

1. There is no separate fee for the issuance of a certificate of occupancy following final inspection under a permit so long as the fee for the permit is at least fifty dollars; otherwise, the minimum fee for a building permit and certificate of occupancy is fifty dollars plus a twenty-five dollar processing fee.
2. The fees for the issuance of a certificate of occupancy not resulting from work done under permit are as provided in SMC 8.02.060.
3. The building official will assess a fee not to exceed one hundred percent of the building permit fee for the issuance or extension of any temporary certificate of occupancy. The minimum fee will be:
 - a. two hundred twenty-five dollars plus a twenty-five dollar processing fee when the building permit fee exceeds this amount;
 - b. equal to the amount of the building permit fee when the building permit fee is less than two hundred fifty dollars.

N. Swimming Pools.

1. The building and plumbing permit fee for a swimming pool is:
 - a. seventy-five dollars for those accessory to a single-family residence; and
 - b. one hundred dollars for all others.
2. The planning services review fee is twenty-five dollars.
3. The processing fee is twenty-five dollars.
4. Mechanical, electrical and fence permits are additional.

O. Parking Lot and Site Work Permits.

The fee for a site work permit is charged in accordance with the fee table in subsection (A) of this section.

P. Reinspections.

The fee for reinspections for work that was not ready, or corrections previously identified but remain uncorrected, or site not accessible is seventy-five dollars per incident.

Q. Inspections Outside Normal Inspector Working Hours.

The fee for inspections outside normal inspector working hours is seventy-five dollars per hour or fraction of an hour. A minimum of two hours is payable at the time the request is made and before an inspection can be scheduled.

R. Work Done Without a Permit/Investigation Fees.

Where work has commenced without first obtaining the required permit(s), a work without permit fee equivalent to the greater of:

1. twice the inspection fee, or
2. the permit fee plus one hundred fifty dollars,

must be paid prior to the issuance of the permit(s).

S. Safety Inspections.

The fees for safety inspections are:

1. Commercial Buildings: Seventy-five dollars per hour or fraction of an hour with a prepaid minimum of one hundred fifty dollars.
2. Single-family Residence – Electrical only: Seventy-five dollars.
3. Single-family Residence – Two or more trade categories: One hundred fifty dollars.
4. Two-family Residence: One hundred seventy-five dollars.
5. Multifamily – Three to six units: Two hundred fifty dollars.
6. Multifamily – Seven to fifty units: Two hundred fifty dollars plus twenty-five dollars for each unit over six.
7. Multifamily – Over fifty units: One thousand three hundred fifty dollars plus ten dollars for every unit over fifty.
8. Electrical Service Reconnect - Residence - Twenty-five dollars
9. Electrical Service Reconnect - Commercial - Fifty dollars
10. Processing fee: Twenty-five dollars.

T. Recording Fee For Use of Public Right-of-way and Large Accessory Building Agreement.

The property owner shall be charged a pass-through fee equal to the amount assessed by Spokane County when erecting a fence, retaining wall or other structure in a public right-of-way. This is a recording fee for the acknowledged agreement whereby the property owner covenants to remove the encroachment upon notice by the City. An additional twenty-five dollar processing fee is required when a permit is not issued in conjunction with the recording.

U. Expired Permits Over Six Months.

1. Building Permits.

- a. No inspections have been made: Permits require full resubmittal, and if a commercial project, plan review. Original valuation shall be contained in description of new permit.
- b. Footings and foundations only have been inspected and approved: Minimum of seventy-five percent of the original

assessed permit fee plus new processing fees. Original valuation shall be contained in description of new permit.

- c. All rough-in inspections approved: Minimum of twenty-five percent of original permit fee plus new processing fees. Original valuation shall be contained in description of new permit.
- d. Additional work done not on original permit: New valuation shall be calculated based upon either square footage if new construction, or valuation if remodel.

2. Plumbing Permits.

- a. No inspections: A full new permit for all fixtures is required.
- b. Partial inspections approved: If water tests, top outs and ground plumbing have been approved, then twenty-five percent of the original itemized permit fees plus new processing fee.

3. Mechanical Permits.

- a. No inspections: A full new permit is required.
- b. Partial inspections: If all rough-in inspections and air tests have been approved, then twenty-five percent of the original permit fee plus new processing fee.

4. Electrical Permit.

- a. No inspections: A full new permit is required.
- b. Partial inspections: If all rough-in inspections and service inspections have been approved, then twenty-five percent of the original fees plus new processing fee.

V. Processing Fee.

In addition to all of the fees identified in SMC 8.02.031, the processing fee for each permit is twenty-five dollars, unless specifically stated otherwise.

Section 4. That section 08.02.065 of the Spokane Municipal Code is amended to read as follows:

Section 08.02.065 Streets and Airspace

A. The fees in connection with skywalks are:

- 1. Seven thousand one hundred sixty dollars for the application to the hearing examiner.
- 2. Three hundred thirty-five dollars for annual inspection; and
- 3. Two thousand two hundred ninety dollars for renewal if the renewal is sought within twenty years from date of issuance of the permit.

For the use of public airspace other than pedestrian skywalk, the fee will be as provided in the agreement.

- B. [Deleted]
- C. The fee for a street address assignment as provided in SMC 17D.050.030 is ten dollars. The fee for a street address change is twenty-five dollars.
- D. The street obstruction permit fees are as follows. All fees are minimum charges for time periods stated or portions of said time periods:
1. when the public way is obstructed by a dumpster or a temporary storage unit the fee is one hundred dollars per fifteen-day period.
 2. for long-term obstruction (longer than twenty-one days) in the central business district or other congested area the fee is twenty cents per square foot of public right-of-way obstructed for each month period. The director of engineering services may adjust these boundaries in the interests of the public health, safety, and convenience, considering the need to promote traffic flows and convenience in administrative enforcement needs.
 3. for an obstruction not provided for in subsections (1) or (2) of this section, the fees are stated below:
 - a. When the public way is excavated for:
 - i. the first three working days: One hundred dollars;
 - ii. each additional three-working-day period: Forty dollars.
 - b. When no excavation for:
 - i. the first three days: Twenty-five dollars per day;
 - ii. each additional three-day period: Forty dollars.
 - c. Master annual permit fee set by the development services center manager based on a reasonable estimate of the expense to the City of providing permit services. Permit fees are payable at least quarterly. If a master annual permit fee is revoked, the party may apply for a refund of unused permit fees;
 4. a parking meter revenue loss fee of thirteen dollars per meter per day within the City central business district and six dollars fifty cents per meter per day for all other meters shall be paid for each meter affected by an obstruction of the public right-of-way;
 5. a charge of five hundred dollars is levied whenever a person:
 - a. does work without a required permit; or
 - b. exempt from the requirement for a permit fails to give notice as required by SMC 12.02.0740(B);
 6. a charge of two hundred fifty dollars is levied whenever a permittee does work beyond the scope of the permit;
 7. no fee is charged for street obstruction permits for activities done by or under contract for the City.
- E. The review fee for a traffic control plan is fifty dollars.
- F. The fee for a building moving permit is one hundred dollars, which shall be waived for the moving of an historic landmark, a contributing building located within an historic district, or a building which is eligible for listing as an historic landmark, provided the building is to be moved to a location which is within an historic district.

- G. The annual permit fee for applicators of road oil or other dust palliatives to public ways and places of public travel or resort is one hundred dollars. A contractor must notify the department of engineering services in accordance with SMC 12.02.0740(B).
- H. Street vacation application fee is four hundred dollars.
- I. The fees for approach permits are:
 - 1. For a commercial driveway: Thirty dollars; and
 - 2. For a residential driveway: Twenty dollars.

Section 5. That there is enacted a new section 07.08.151 of the Spokane Municipal Code to read as follows:

Section 07.08.151 Historic Preservation Incentives Fund

- A. There is established a special revenue fund to be known as the “historic preservation incentives fund” into which shall be deposited funds received by the city in payment for demolition permits.
- B. Money in this fund shall be disbursed on the recommendation of the city’s historic preservation officer, and pursuant to an historic preservation incentive program established by the historic landmarks commission and approved by the city council by ordinance.

PASSED by the City Council on _____.

Council President

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Mayor

Date

Effective Date

DRAFT

BRIEFING PAPER
City of Spokane
Plan Commission Workshop
July 26, 2017

Subject

Update on implementation of Infill Development Steering Committee report recommendations. Staff will report on joint meeting with the Housing Quality Task Force, Public Outreach, Mapping Tool, Infill Development Code (Tier 1 revisions).

Background

The infill development steering committee, a Plan Commission subcommittee, met in 2016 to identify tools to enable and promote quality development on vacant and underdeveloped lots in a manner consistent with adopted policy. The steering committee's report and 24 recommendations received unanimous recommendation and adoption by the Plan Commission and City Council, as a guide for future program development and potential regulatory implementation measures.

To address the implementation of the recommendations:

- Staff have completed the development factors map tool and have been working with city staff to test it. Comments have been generally positive. Rollout to the public in early August 2017. [Click here to see the map.](#)
- Staff met to define the scope of approach for the Development Code revisions recommended by the steering committee. These first tier of revisions focus on cottage housing, transition buffers, pocket residential development, unit lot subdivision, and parking near defined types of transit.
- Staff briefed the steering committee on June 30 at a joint meeting with the Housing Quality Taskforce. Steering committee members strongly expressed that the Tier 1 changes in the Development Code advance as a priority.
- Staff provided an update July 13 at the joint City Council/Plan Commission study session on the proposed approach for the code amendments and engagement of stakeholders.

Next Steps

Staff will work on the draft ordinance and will begin engaging community stakeholders for their feedback.