

AGENDA

NORTHEAST PUBLIC DEVELOPMENT AUTHORITY

Date: 3/20/2020

Time: 9:00 AM to 10:30 AM

Location: Spokane County Courthouse, 1116 W Broadway Ave., Spokane WA 99201 (County Commissioners Conference Room, 1st Floor).

Attendees: Northeast Public Development Authority Board of Directors

Discussion Items:

10:30 am to 10:35 am

Welcome & Introductions

10:35 am to 10:40 am

Approval of Minutes: Approval of Minutes from February 12, 2020

10:40 am to 10:55 am

Board Updates

- Spokane Regional Economic Alliance – Josh Kerns
- NEPDA Beacon Hill GFC Waivers – Josh Kerns/Michael Cathcart

10:55 am to 11:55 am

Executive Director Updates

- Esmeralda Commerce Park update
- Letter of Support for SHB 2494, the Point 09 bill
- 2020 Priorities
- 2020 Budget

Action Items

- **Action Item No. 01: Wellesley Ave. Feasibility Study.** Approval for the Executive Director to negotiate and sign a professional services agreement. NTE 10K. Contract will be approved by NEPDA legal counsel.
- **Action Item No. 02: Marketing & Communications.** Approval for the Executive Director to negotiate and sign a professional services agreement. NTE 10K. Contract to be approved by NEPDA legal counsel.
- **Action Item No. 03: Business Intelligence Intern.** Approval for the Executive Director to hire a Whitworth University intern. NTE 7.5K.
- **Action Item No. 04: Sub-Area Plan.** Approval for the Executive Director to Initiate Sub-Area plan update discussion with City and County of Spokane, and WSDOT.
- **Action Item No. 05: SB 2494.** Approval for Executive Director to send NEPDA letter of support for Point 09

Motions

- **Motion No. 01:** Approval of two at-large Board Members
 - Jordan Tampien & Cheryl Stewart

11:55 am to 12:00 pm

Notable items, Around the Room, Closing

NOTES: Next Meeting – April 10, 2020, 10:30 AM to Noon. Northeast Community Center, 4001 N Cook Street, Spokane, WA 99207 (south conference room, lower level)

AGENDA

DISCLOSURES

AMERICANS WITH DISABILITIES ACT (ADA) INFORMATION: The City of Spokane is committed to providing equal access to its facilities, programs and services for persons with disabilities. Individuals requesting reasonable accommodations or further information may call, write, or email Human Resources at 509.625.6363, 808 W. Spokane Falls Blvd, Spokane, WA, 99201; or. Persons who are deaf or hard of hearing may contact Human Resources through the Washington Relay Service at 7-1-1. Please contact us forty-eight (48) hours before the meeting date.

EXECUTIVE SESSION: An Executive Session may be called during the meeting. The purpose must be announced and is limited by RCW 42.30.110. Examples include: (1) to discuss with legal counsel litigation, potential litigation and/or legal risks (RCW 42.30.110(1)(i)); (2) to consider the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price (RCW 42.30.110(1)(b)); and (3) to consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price (final action selling or leasing public property shall be taken in a meeting open to the public)(RCW 42.30.110(1)(c)).

NORTHEAST PUBLIC DEVELOPMENT AUTHORITY

Minutes – Regular Meeting

Date: 2/14/2020

Meeting called to order: 1:00 PM

Location: Northeast Community Center, 4001 N Cook Street, Spokane, WA 99207

Welcome and Introductions

Josh Kearns noted that a quorum was present.

Attendees:

NEPDA Board of Directors

- Josh Kearns
- Michael Cathcart
- Gerry Gemmill
- Scott Simmons

Board Staff

- David Guthrie, Executive Director
- Megan Clark, EMHV, Legal Counsel

Guests

- Ron Valencia, Spokane County
- Shae Blackwell, City of Spokane
- Pete Rayner – Beacon Hill
- Lucas McGarry – Beacon Hill
- Chad Coles – Spokane County
- Chad Jackson – City of Spokane Valley

Approval of Minutes

The Board unanimously approved the February 14, 2020 NEPDA board meeting minutes.

Public Comment:

Beacon Hill / NEPDA GFC waivers

- Pete Rayner provided Development Agreement Background: The NEPDA has committed \$650,000 to reimburse Beacon Hill for water tank and water system public improvements.
- The parties to the Agreement are the City and Beacon Hill
- Funding for reimbursement are from GFC's, to the extent available
- GFC's are waived in the NEPDA, which jeopardizes reimbursement funds
- Developer has asked the City to collect GFC's for Beacon Hill, to ensure a source of revenues for reimbursement of Developer's public water related expenses.
- Mr. Rayner believes the intent of the parties to the Development Agreement is to have GFC's reimburse Beacon Hill for agreed upon public water expenses.

- The developer indicates design and permit approvals are being delayed unnecessarily by the City.
- The developer stated that the viability of the project is dependent on prompt review and approval of water system related design and permit approvals.

Action Item: CM Cathcart agreed to speak to the Council about this request and determine whether there is support at the City. Commissioner Kerns will talk to the Board of County Commissioners and determine their level of support. If the City and County agree to terminate GFC waivers for Beacon Hill, the board shall consider recommending that the ILA be amended to reflect this at the March board meeting.

Bigalow Gulch, Forker, Sullivan and the Sullivan Trent interchange Grant Request.

Chad Coles, Spokane County, and Chad Jackson, City of Spokane Valley, provided an overview of a grant request for improvements to Bigalow Gulch, Forker, Sullivan and the Sullivan Trent interchange. This will connect north Spokane to the Spokane value. The County and City of Spokane Valley are working together to obtain a USDOT INFRA grant. Approximately \$63M have been funded to date for improvements, another \$30+ million is needed to complete the work. It's important for a wide variety of stakeholders to show support, which increases the probability of grant approval. Chad asked the NEPDA to write a letter of support and commit to making a grant of \$10,000 to \$20,000 toward the project. Funding is not due until project completion in 2025.

Motion: A motion was made by Michael Cathcart to approve two items:

- The executive director sending a letter confirming NEPDA support
- The NEPDA will contribute \$15,000 toward project funding.
 - The motion was seconded by G. Gemmill. Discussion ensued. The motion passed unanimously.

Action Item: The Executive Director was authorized to send a letter of support, including an agreement to donate \$15,000 at or near project completion, which is expected in 2025.

Esmeralda Commerce Park / Development Agreement

The board discussed the proposed final terms of the development agreement between the City of Spokane and LB Stone, developer of Esmeralda Commerce Park (ECP), including the following:

- Developer agrees to construct one or two buildings in Phase 1, consisting of 96,000 SF. Phase 1 building improvements will be completed by 12/31/2021.
- Including Phase 1 improvements, Developer agrees to build not less than 410,000 SF by December 31, 2029.
- Developer further agrees to construct the Public Improvements not later than 12/31/2021.
- Developer agrees to dedicate the Public Improvements not later than 12/31/2029.
- Developer agrees to a pro-rata reimbursement formula for the Public Improvements.

Motion: A motion was made by Scott Simmons to recommend approval of the ECP Development Agreement (as revised). Michael Cathcart seconded the motion. The vote to recommend approval to the City Council passed unanimously.

Action Item: The board discussed working with the developer to plan and promote a ribbon cutting ceremony at groundbreaking, to include the NEPDA board, elected officials, the media, and local stakeholders. The Executive Director agreed to contact developer about coordinating the ceremony.

PDA Revenue allocation process update

The board discussed the status of revenue allocation of incremental tax revenues to the Public Development Authorities. It was noted that a meeting was held with City, County and 3 PDA's. Spokane County, the City of Spokane, and Department of Revenue are developing a process, and related software, to collect and accurately allocate revenues to the three PDA's. The County will have to estimate the sales tax to be allocated to each PDA, when there are multiple businesses reporting sales tax in a PDA, e.g. Starbucks. The County will allocate revenues in 2020 for increases above the 2019 base year in the City. The County will allocate revenues in 2021 for increases above the 2020 base year in the County. No action taken.

Procurement & Financial Management policy

- Final drafts were prepared by Megan Clarke, with changes requested by the City. The changes include;
 - Replace QuickBooks with Accounting system
 - Reference City-County ILA
 - Replace the specific number of acres with the "PDA boundary."
- The Executive Director noted that he had reviewed and approved both policies

Motion: A motion was made by Michael Cathcart to approve the Financial Management and Procurement Policies. Gerry Gemmill seconded the motion. The motion passed unanimously

Executive Director Employment Agreement

The Executive Director explained that he had advised NEPDA legal counsel that the new employment agreement did not include a benefit clause included in the prior GSI employment agreement, whereby GSI agreed to contribute \$5,000 per year to the employee, with a 3-year vesting schedule. Legal counsel revised the employment agreement to include this clause.

Action Item: It was unanimously agreed that Commissioner Kerns would sign the revised employment agreement.

NEPDA Retirement Benefits – WA DRS (PERS)

The Executive Director explained that he and the NEPDA legal counsel had a call with WA Department of Retirement Systems. It was confirmed that NEPDA employees are eligible for retirement benefits through WA DRS. The West Plains Airport PDA participates, but the U-District is ineligible, due to its legal structure.

It was noted that the WA Retirement benefits paid to employee based on employee wages and years of service. This can be adopted retroactively, to January 1, 2020. The employer cost is approximately \$1,072 per month. The employee cost is approximately \$658 per month. Scott Simmons noted the lack of portability of WA DRS. No action taken.

NEPDA Funding

The Executive Director explained that Section 7 of the reformed Interlocal Agreement states that the County shall commit \$180,000 to the revised and reformulated PDA. The County commitment shall be

made in two installments with the first amount of \$120,000 payable on or after January 1, 2020, and the second installment of \$60,000 on or before July 1, 2020. Commissioner Kearns assured the board that County payment would be forthcoming shortly, and the County would make one payment in the full amount, not two partial payments. No further action taken

Budget

It was noted that Michael Cathcart previously requested the NEPDA budget. The Executive Director said he would prepare a 2020 budget for review at the next board meeting. The Executive Director noted that he was still confirming when revenues would be collected by the NEPDA, which is based in part on the revenue allocation process being formulated by the County, City, and Department of Revenue.

Election of at-large Board Members

The Board discussed potential board candidates, and agreed to offer board positions to Jordan Tampien, owner and broker of 4 Degrees Real estate, and Cheryl Stewart, Director of Association of General Contractors. The board asked the Executive Director to contact both to discuss the board position. Board member terms were discussed. It was noted that the Interlocal Agreement specifies three year terms, but also includes a provision stating that different terms could be approved by the board. The issue of board terms for at-large members was deferred until the next meeting.

Motion: Separate motions were made by Scott Simmons to approve Jordan Tampien and Cheryl Stewart board members. Each motion was seconded by Gerry Gemmill. Michael Cathcart abstained. Both motions passed unanimously

2020 Budget

The board discussed the financial benefit of the Esmeralda Commerce Park and Beacon Hill to the NEPDA. The 2019 Financial statements prepared by NEPDA accounting firm Anastasi, Moore, Martin were provided to the board. The executive director noted that we would file our annual report on 5/13, and that we are scheduling the State (SAO) audit at this time. No action taken.

On Call Engineering and Professional Service Agreements

The Executive Director noted that we need to hire engineers and consultants to assist with NEPDA priorities, including

- Infrastructure: Wellesley Ave /Freya, Havana, Rowan
- Database: Buildable Lands report with mapping tool
- Marketing & Communication: Branding and website
 - Use West Plains as a template for the NEPDA
- Fiber: The YARD

Discussion ensued about granting the Executive Director authority (within very specific board approved parameters), to negotiate professional service agreements with engineering firms and other consultants. No action taken

It was noted that the next board meeting will be held on March 13, 2020, 10:00 AM to Noon.

Meeting Adjourned: 12:30 PM