

AGENDA

NORTHEAST PUBLIC DEVELOPMENT AUTHORITY (NEPDA)

Date: July 10, 2020

Time: 10:30 AM to Noon

Location: Zoom Meeting. Below is the Zoom information for the July 10th meeting:

Join Zoom Meeting

<https://us02web.zoom.us/j/84694723886>

Meeting ID: 846 9472 3886

One tap mobile: +12532158782, 84694723886#

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 June 12, 2020 |
| 10:40 am | Public Comments: No public comments scheduled |
| 10:40 am to 11:40 am | Executive Director Updates <ul style="list-style-type: none">• Priorities• Budget• EWU Intern• Maul Foster Alongi – Master Service Agreement• Stantec - Grant Funding Strategic Plan• T-O Engineers - EDA Grant Application |
| 11:40 am to 11:55 am | Action Items <ul style="list-style-type: none">• Action Item No. 01: Board approval authorizing board chair to sign a Master Service Agreement with Maul Foster Alongi, not to exceed \$5,000. This is to support our EWU intern (GIS) database work, required for NEPDA website.• Action Item No. 02: Board approval authorizing the board chair to sign a services agreement for development of a grant funding strategic plan with Stantec. NTE \$10,000.• Action Item No. 3: Board approval authorizing board chair to sign a services agreement with T-O Engineers to perform work necessary to prepare and submit an EDA grant application to improve Wellesley Avenue. NTE \$10,000. Grant application due date is August 2020. Motions <ul style="list-style-type: none">• Motion No. 1: A RESOLUTION of the Northeast Public Development Authority (the “NEPDA”) to adopt a Conflicts of Interest Policy for the NEPDA• Motion No. 1: A RESOLUTION of the Northeast Public Development Authority (the “NEPDA”) to adopt an Executive Director Authority |
| 11:55 am to 12:00 pm | Notable items, Around the Room, Closing |

AGENDA

NEXT MEETING: August 14, 2020, 10:30 AM to Noon. By Zoom, or at the Northeast Community Center, 4001 N Cook Street, Spokane, WA 99207 (south conference room, lower level).

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

Date: June 12, 2020

Meeting called to order: 10:30 AM

Location: Board Members and Public attendance via Zoom.

Welcome and Introductions

Commissioner Kerns noted that a quorum was present.

Attendees:

NEPDA Board of Directors

- Josh Kerns
- Michael Cathcart
- Gerry Gemmill
- Scott Simmons
- Cheryl Stewart
- Jordan Tampien

Board Staff

- David Guthrie, Executive Director

Not in attendance: Megan Clark, EMLVO, Legal Counsel

Guests

- Ron Valencia, Spokane County
- Shae Blackwell, City of Spokane
- Teri Stripes, City of Spokane
- Ed Lukas, LB Stone Properties
- Juliet Sinisterra, Community Prosperity Coalition
- Matt Hoffman, Maul Foster Alongi

Approval of Minutes

A motion was made by Scott Simmons to approve the May 8, 2020 meeting minutes. The motion was seconded by Josh Kerns. The motion passed unanimously.

Board Updates

No board member updates.

Public Comment:

Juliet Sinisterra, Community Prosperity Coalition - Catalytic Site Analysis/Urban MFG: Community Prosperity Coalition and Cascadia Partners presented information about a proposed scope of work they would like to perform for the NEPDA. The presentation was titled, "The YARD: Catalytic Site Analysis," and covered the following main topics:

MINUTES - Regular Meeting

1. About Community Prosperity Coalition and Cascadia Partners
2. Urban Manufacturing nationwide
3. Why Urban Manufacturing in The Yard?
 - a. Urban manufacturing typically earn more than the “living wage”
 - b. Local/custom products
 - c. Lower initial capital costs
 - d. Appropriate on small sites/buildings
 - e. High growth potential
4. Zoning and Code Analysis (to reduce barriers and increase incentives for development)
 - a. Market survey for CC and HI/LI zones
 - b. Site scenario testing
 - c. Zoning recommendations
 - d. Development incentive recommendations
 - e. How zoning can encourage development of small sites
 - f. Adaptation of small buildings can provide low cost maker/builder space
 - g. Marketing materials

Matt Hoffman, Maul Foster Alongi (MFA) - Industrial Lands Analysis: The presentation covered the following:

1. About MFA
2. MFA history of work in The YARD and region
3. About the industrial land analysis scope of work performed for the NEPDA
4. About the data set and how it can be leveraged for analysis
5. Build-out (absorption) data and trends
6. Land sales data and trends
7. Next steps

There were a couple of important takeaways. According to the MFA analysis, there were 74 years of available industrial zoned land in The Yard based on historical absorption rates. The West Plains has 81 years of available industrial land based on historical absorption rates. MFA analysis of land sale data for the last five years indicates parcels of less than 1 AC in The Yard are lower priced than other industrial sub-markets. Parcels in The Yard between 1 and 2 acres are competitively priced (higher than some markets and lower than others, while parcels larger than 2 acres are uncompetitive (higher priced than other industrial sub-markets in the region). It was noted that more recent small parcel sales prices in The Yard have been rising rapidly, diminishing the areas competitive advantage, and that land sale prices did not include offsite costs. Building permit approval for development in The Yard typically requires road construction fronting the subject property. These costs are frequently not required elsewhere.

Executive Director Updates

- Urban Manufacturing / Maker District: The Executive Director discussed some of the benefits of small batch production/manufacturing (urban manufacturing) / maker district
 - Aligns with NEPDA real estate (many small parcels/buildings)
 - Potential to convert single family homes into small business or industrial uses
 - Employees typically earn above living wages*
 - 76% of businesses defined as urban manufacturers had < 10 employees*
 - 55% started in their homes*
 - 95% expect to be larger in 2-years*
 - 74% plan to add employees*
 - 62% are in space < 5,000 SF*

MINUTES - Regular Meeting

- 28% in less than 1,000 SF*
- Frequently younger demographic*
- Urban manufacturing employees potentially drawn from NewTech/SCC in northeast
- Necessary to help build support network, like-minded entrepreneurs, mentors, instructors, investors, HR, accounting, etc.
- “Made local” marketing focus potentially differentiates The Yard from other industrial sub-markets

*Source: “State of Urban Manufacturing,” National Report, Summer 2019; Urban Manufacturing Alliance.

- Financials

- Actuals

- Cash: ~\$211,000 (May 31)

- Revenues

- June: \$60,000 (received from Spokane County per the ILA)
- August: \$100,000 - \$150,000 (potential revenue from the City of Spokane)

- Expenses

- T-O Engineers: \$9,900
- MFA: \$4,915
- Legal: \$3,500
- Whitworth Intern: ~\$2,000

- Budget

- Projected revenues from ECP moved to 2021 instead of 2020
- Projected revenues from Beacon Hill removed from budget due to project uncertainty

- Pending Expenses

- Consultant, Engineering, Grant related expenses:

- Committed: Wellesley Reconstruction - EDA Grant application: \$10,000
- Committed: Marketing & Communication: \$25,000
- Not Committed: Grant funding strategic plan: \$10,000
- Not Committed: Rowan & Myrtle – planning/design: \$5,000 - \$15,000
- Not Committed: Lands database and Esri web map (for website): \$5,000 - \$10,000
- Not Committed: Zoning, Code, Catalytic Site Analysis: \$15,000

12/31/2020 FYE Cash Estimated at ~\$200,000, assuming receipt of \$100,000 from the City of Spokane and committed and non-committed expenses above.

- Marketing and Communications:

- Kick-off meeting occurred this week. Tilladelse will schedule interviews with board members in the next few weeks

- Wellesley Ave.

- 30% plans complete. Meeting with WSDOT on June 16th to confirm we can use the Wellesley interchange work as a local match to a TIB Grant.
- TIB funding has been cut. Only \$6.6M available for the northern part of Eastern WA.
- Reviewing EDA grant terms. Consider applying for EDA grants. Scheduling a call with EDA to discuss.

MINUTES - Regular Meeting

- Myrtle & Rowan
 - Goal is to create a grid of improved roads. City prefers Myrtle or Florida due to connectivity to South. Myrtle is preferable, because it is ¼ mi. from Freya, and ¼ mi. from Havana. Rowan is approximately ½ mi between both Wellesley and Francis. The goal is to improve Myrtle, Rowan, Havana and Freya, in that order.
- Road Reclassifications
 - Request submitted to the City to reclassify Myrtle and Rowan from “urban local access roads” to “Urban Major Collector” on the 2020 Comp Plan. This is required to qualify for grant funding (to improve these roads). Plan Commission and City Council approval required. I will request reclassification of Havana in the 2021 Comp Plan. This is a “late request” this year, so we limited the request to Rowan and Havana at the suggestion of the City (City of Spokane, Inga and Katherine).
- RID Waiver:
 - The NEPDA has the highest concentration of dirt/gravel roads in the City. Currently, the City requires developers to build a full road section on ½ of road fronting the subject property, with a 10’-12’ strip pave on the opposite side of the street. This adds ~\$700 LF, or \$3.50 SF (est.) to the land cost. This results in land costs that are frequently higher than our competitors and is a barrier to redevelopment. Formerly, the City had a policy of allowing developers to sign a RID Waiver in lieu of improving the streets in front of their site/parcel. By signing, developers agreed to participate in a RID if and when created, for up to 10 years. Suggest a 20-year RID waiver. As an alternative, suggest a “late-comers” agreement.

Scott Simmons asked Teri Stripes whether the RID waiver was still active. Teri indicated that she believed the RID waiver policy was not active/used today. Scott commented that the prior RID waiver did not facilitate a lot of new development, and questioned whether it was desirable. He also noted that RID waivers have not been viewed favorably by the City Counsel the last few years. The Executive Director said that a “late-comer” agreement is another option. Scott indicated he generally preferred the late-comer concept. Teri suggested talking to Laura McAloon, a bond attorney and former NEPDA board member for guidance about late-comer agreements.
- Broadband
 - The Executive Director spoke with Council President Beggs, who provided contact information at TDS. They have a 10-year franchise agreement with the City, and will start their fiber build-out in July 2020, just northeast of downtown, moving toward the northwest, then east toward Hillyard. The NEPDA should have a network of quality broadband within 3-5 years in northeast Spokane. Their goal is to have 70% penetration (serviceable addresses) within 5-years.
 - TDS will provide marketing assistance to our marcom efforts (Tilladelse), so that we can link/map their progress/plans on our website.
- Whitworth
 - Intern: Our intern took a full time job at the end of May. His primary focus was developing a database of business owners/managers contacts in the NEPDA. His secondary focus was on real estate parcel data. He identified ~20 businesses would agree to meet with the Design Thinking MBA Class.

MINUTES - Regular Meeting

- Design Thinking Class: Two meetings held with Class (5 MBA students and professor). They are conducting interviews with stakeholders in the NEPDA and region, including; Kaiser, Horizon Credit Union (who used to have a Hillyard branch), BNSF, former mayor David Condon, and others. Their goal right now is community outreach/research.
- SAO Audit
The Executive Director advised the Board that the NEPDA had met filing requirements and the SAO audit was complete. No further action is required at this time. The SAO reserves the right to request additional information in the future.

Action Items

Action Item No. 01: Board approval authorizing the ED to request a best and final strategic grant funding proposal from Stantec and MFA.

Motions

Motion No. 1: A RESOLUTION of the Northeast Public Development Authority recommending reclassification of two roadways within the boundaries of the NEPDA as “urban collectors” or higher.

Rowan, between Freya and Havana, is currently classified as an urban local access street.
Myrtle, between Wellesley and Francis, is currently classified as an urban local access street.
To qualify for State and Federal Grants, these must be classified as urban collectors or higher on the Comprehensive Plan.

A motion to approve was made by Gerry Gemmill. The motion was seconded by Cheryl Stewart. The motion passed unanimously.

No Action taken on the following Resolutions because NEPDA legal counsel was unable to attend the June board meeting

Motion No. 2: A RESOLUTION of the Northeast Public Development Authority (the “NEPDA”) to adopt a Conflicts of Interest Policy for the NEPDA.

Motion No. 2: A RESOLUTION of the Northeast Public Development Authority (the “NEPDA”) to adopt an Executive Director Authority

The Executive Director said that Motions 2 and 3 would be considered at the July board meeting.

Notable Items

The Executive Director said that the NEPDA Registered Agent notice was recorded with Spokane County, and also posted on the City NEPDA webpage.

He also explained that Outstanding Achievement Awards were presented to former (2019) board members in recognition of their contribution to the City and NEPDA.

It was noted that the next board meeting will be held on August 14, 2020, 10:30 AM to Noon.

Meeting Adjourned: 12:08 PM