

AGENDA

NORTHEAST PUBLIC DEVELOPMENT AUTHORITY (NEPDA) REGULAR BOARD MEETING

Date: August 14, 2020

Time: 10:30 AM to Noon

Location: Zoom Meeting. See the Zoom information below for the August 14th meeting

Time: Aug 14, 2020 10:30 AM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/87240083331?pwd=b3AyaGZUcldwSTEzS3BSdzAzSGlaZz09>

Meeting ID: 872 4008 3331

Passcode: 043417

One tap mobile:

+13462487799,,87240083331#,,,,,0#,,043417# US

Attendees: Northeast Public Development Authority Board of Directors, Invitees and Guests

Discussion Items:

10:30 am to 10:35 am	Welcome & Introductions
10:35 am to 10:40 am	Approval of Minutes: Approval of: 1) Regular Minutes from July 10, 2020, 2) Special Meeting Minutes from July 17, 2020, 3) Special Meeting Minutes from August 7, 2020.
10:40 am to 11:00 am	Public Comments: Marcomm Strategy and Brand Update from Eric Hansen (Tilladelse)
11:00 am to 11:10	Board Updates: Scott Simmons - 1) alley vacations 2) payment from City to the NEPDA
11:10 am to 11:45 am	Executive Director Updates <ul style="list-style-type: none">• Marcomm discussion• Marketing Support RFP• Whitworth University• Budget Review• Capital Reallocation• EDA Grant Application• Grant Funding Strategic Plan• City of Arlington – manufacturing tax exemption ordinance
11:45 am to 11:55 am	Action Items <ul style="list-style-type: none">• Action Item No. 01: Board review and recommendations for new board members, including Cindy Wendle, who has submitted a request to the NEPDA board Chair to fill the current vacant position. Nominations from the floor will be considered.
11:55 am to 12:00 pm	Notable items, Around the Room, Closing

NEXT MEETING: September 11, 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).

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)).

MINUTES - Special Meeting

NORTHEAST PUBLIC DEVELOPMENT AUTHORITY

Date: August 7, 2020

Meeting called to order: 4:30 PM

Location: Board Members and Public attendance via Zoom.

Attendees:

Commissioner Kerns noted that a quorum was not present. No formal board action could be taken at the meeting.

NEPDA Board of Directors

- Josh Kerns
- Scott Simmons
- Gerry Gemmill

Board Staff

- David Guthrie, Executive Director

Guests

- Ron Valencia, Spokane County
- Shae Blackwell, City of Spokane

Not in attendance Megan Clark, Legal Counsel; Cheryl Stewart, Jordan Tampien, Michael Cathcart, Board Members

Attendees: Northeast Public Development Authority Board of Directors, Whitworth University, Invitees and Guests. Presenting for Whitworth: Justin Botejue, Ty Browning, Whitney Wieber, Otis Simmons, John LeBlanc, MBA Students; Dan Mahoney, Professor. Other community members were in attendance, but not all were identified.

4:30 am to 4:35 pm

Welcome & Introductions

4:35 to 5:05 pm

Public Comments:

- **Whitworth University:** At the request of the NEPDA, Whitworth agreed to conduct community outreach and analysis for the purpose of reducing barriers and increasing incentives to redevelopment and job growth in northeast Spokane. Students enrolled in the Spring 2020 Design Thinking (MBA) class presented their findings and recommendations to the NEPDA board.
 - To summarize, design thinking is a combination of strategies that leverage creativity, discovery, and cocreation for innovative solutions for complex issues. The process challenges standard assumptions about problem solving and integrates user-focused design elements and tools through four stages: What is? What if? What wows? What works?
 - Whitworth interviewed 24 business, government and non-profit leaders, inside and outside the NEPDA.
-

MINUTES - Special Meeting

- They revised the current mission statement from, “How can the NEPDA increase economic development and job growth in The Yard” to asking “How can the NEPDA create a culture of communication and innovation with limited resources.”
- As part of the class, they conducted design thinking charette, which generated 257 unique ideas focused on four concepts or themes, including; communication, perception, innovation and infrastructure.
- The class recommended a number of ideas, which are outlined in the final report. Their top three ideas for NEPDA implementation are: NEPDA Newsletter, NEPDA Redevelopment Fund, & NEPDA Elevator Pitch.
 - Newsletter: a weekly or bi-weekly newsletter, with engaging content, highlighting recent activity, plans and successes.
 - Redevelopment Fund: Whitworth recommend investing future NEPDA funding into rehabbing existing structures and facades to improve the value and aesthetic of the YARD. This idea would improve negative perceptions about the run-down nature of the YARD.
 - Elevator Pitch: This is a sales focused strategy aligned with our broader marcomm effort, including website, social media, email marketing, and collateral materials. The goal is to negate the “negative perception” of The Yard.
 - Other recommendations included, but not detailed in the presentation included; a full rebrand of the NEPDA and YARD, free media, unique industry focus, and regular NEPDA business owner meetings, including social gatherings, and resource pages on NEPDA website with critical business owner and developer data.

5:05 pm to 5:20 pm

- **Questions and Comments**

Scott Simmons asked about funding sources for the Redevelopment Fund. Whitworth did not have specific ideas in this regard. Commissioner Kerns, Gerry Gemmill, Scott Simmons and David Guthrie thanked the Whitworth students and professor for their work. David Guthrie discussed the need for improved communications, including a newsletter, and also discussed the idea of using Rogers High School students to help with community service clean-up efforts in the NEPDA. This type of community service could be valuable on college admissions applications. According to Whitworth, the principal at Rogers expressed interest in this idea. Whitworth noted that a more comprehensive report would be emailed, and they would be available to answer additional questions.

The Meeting was adjourned at 5:23 pm.

NEXT REGULAR 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).

MINUTES - Special Meeting

NORTHEAST PUBLIC DEVELOPMENT AUTHORITY

Date: July 17, 2020

Meeting called to order: 8:05 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
- Scott Simmons
- Cheryl Stewart
- Jordan Tampien

Board Staff

- David Guthrie, Executive Director

Guests

- Ron Valencia, Spokane County
- Shae Blackwell, City of Spokane

Not in attendance Gerry Gemmill, Megan Clark, EMLVO, Legal Counsel

Action Items

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.

A motion to approve was made by Michael Cathcart. The motion was seconded by Cheryl Stewart. The motion passed unanimously.

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.

A motion to approve was made by Scott Simmons. The motion was seconded by Michael Cathcart. The motion passed unanimously.

Action Item No. 3: Board approval authorizing board chair to sign a service agreement with T-O Engineers to perform work necessary to prepare and submit an EDA grant application to improve Wellesley Avenue. NTE \$10,000.

MINUTES - Special Meeting

A motion to approve was made by Michael Cathcart. The motion was seconded by Cheryl Stewart. The motion passed unanimously.

Resolutions

A RESOLUTION of the Northeast Public Development Authority (the “NEPDA”) to adopt a Conflicts of Interest Policy for the NEPDA

A RESOLUTION of the Northeast Public Development Authority (the “NEPDA”) to adopt an Executive Director Authority

Josh Kerns asked if there were any objections to voting on both resolutions at once. There were no objections. A motion to approve the Conflicts of Interest and Executive Director Authority Policies was made by Michael Cathcart. The motion was seconded by Cheryl Stewart. The motion passed unanimously.

Notable items / Around the Room

Alley Vacation: The Executive Director explained that he had initiated a conversation with City of Spokane about vacation of most alleys in The Yard, generally between Freya and Havana, and Wellesley and Francis. The exact boundaries had not been determined. The purpose is to: increase parcel size, improve security, and reduce City maintenance requirements/liability. Scott Simmons noted that this would require Council support, and that title to the vacated property would not be an issue. Josh Kerns stated that this has been done in the County, and had been effective in promoting development. Michael Cathcart asked if the adjacent land owners would split the vacated land area. The Executive Director confirmed this was the intent. He also asked if there was a cost to the land owner. The Executive Director stated the intent was to convey the vacated land at no cost. Scott Simmons confirmed this was appropriate because the City had been given the land initially, even though City practice is to charge for vacations (of rights of way). The fact that the land had been previously contributed to the City (as a condition of plat approval) is an important consideration.

CC3 Overlay on Wellesley Ave.: The Executive Director summarized a recent meeting with the City of Spokane Planning Department to discuss the application of a CC3 zoning overlay on Wellesley Ave., between Freya and Havana. Planning staff advised this was not possible, because a CC3 overlay was limited to light industrial zones, and the BNSF property between the NSC and Freya is heavy industrial. A CC3 overlay must border an existing CC zone. Scott Simmons suggested there may be an alternative process including City Council action. Michael Cathcart concurred. Michael Cathcart said he would discuss with City Planning.

Manufacturing Tax Exemption: The Executive Director noted that the City of Arlington, WA had adopted a very specific manufacturing tax exemption, and questioned whether if anyone was familiar with this ordinance. A similar exemption could be applied to the NEPDA, which would be an effective business recruitment tool for the NEPDA. Michael Cathcart requested a copy of the Ordinance passed by the City of Arlington. The Executive Director said he would obtain a copy for further review and discussion.

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

Closing

Meeting Adjourned: 8:26 AM

NORTHEAST PUBLIC DEVELOPMENT AUTHORITY

Date: July 10, 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 at meeting commencement.

Attendees:

NEPDA Board of Directors

- Josh Kerns
- Michael Cathcart
- Scott Simmons
- Jordan Tampien

Board Staff

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

Not in attendance:

- Gerry Gemmill, Board Member
- Cheryl Stewart, Board Member

Guests

- Ron Valencia, Spokane County
- Shae Blackwell, City of Spokane
- Teri Stripes, City of Spokane

Approval of Minutes

A motion was made by Scott Simmons to approve the June 12, 2020 meeting minutes. The motion was seconded by Michael Cathcart. The motion passed unanimously.

Board Updates

No board member updates

Public Comment:

No public comments

Executive Director Updates

The Executive Director outlined current conditions and priorities. A high level SWOT analysis was discussed.

MINUTES - Regular Meeting

- **Strengths:** Future NSC, regionally central location, rail access, favorable zoning
- **Weaknesses:** Small number of large parcels; fragmented ownership; perceived and real contamination; residential uses in industrial area; relatively little local infrastructure and access to regional highways; almost all of the City streets in The YARD lack the minimum right-of-way width; 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; higher rents per S.F./Yr. than competing areas; plenty of land available in competitive areas
- **Opportunities:** Small parcels are preferred by for start-ups and small or mid-sized businesses. Strong potential for small batch urban manufacturing. Potential redevelopment of historic downtown Hillyard as a mixed-use entrepreneurial hub, with incubator and accelerator Makerspace. True live-work-play-shop community.
- **Threats:** Without significant investment in planning and infrastructure, The YARD will remain uncompetitive regionally.

2020-201 Priorities Include

- Marketing & Communication – Marcom, website, branding, target audience mapping
 - Grant Funding Strategic Plan – Identify funding sources aligned with NEPDA objectives, and critical path
 - Operations – grants for NEPDA operations
 - Right-of-way acquisition – grants to secure adequate ROW for road improvements
 - Wellesley Ave – Road design/2020 EDA grant application
 - CC Overlay – Facilitate process to implement CC overlay on Wellesley Ave. between Freya and Havana
 - Zoning & Code Analysis – Which current zoning efforts are limiting development? What are ideal incentives? Look at how zoning can encourage development of small sites
 - Catalyst Site Analysis - Site scenario testing. Marketing Brochure with Vision & Illustrations
 - BNSF - Site and feasibility studies
 - Manufacturing Support Ecosystem Map - The NEPDA, in partnership with GSI and others, will create a business ecosystem map linking vital small business resources vital to small business retention/growth/recruitment
 - Makerspace (The Ranch) – funding for a feasibility study
 - Offsite Costs – grants to pay for offsite road improvements (roads), which are required in the City as a condition of building permit approval
- **Budget**

The Executive Director explained that the delay of Esmeralda Commerce Park (ECP) and Beacon Hill would severely impact the NEPDA budget. Phase 1 NEPDA projected sales and other tax revenues (Pre-Covid19) from ECP and Beacon Hill were estimated at approximately \$750,000. Assuming the NEPDA spends \$100,000 in the next 12 months on engineering, consultants, marketing, and grant applications, and receipt of \$50,000 in revenues from the City of Spokane (budgeted in 2020), the NEPDA will run out of cash by May 2021.

At this time, we are assuming no revenues in 2020-2021 from Beacon Hill. We are assuming ECP breaks ground on Phase 1 in the Spring of 2021. If ECP breaks ground in

MINUTES - Regular Meeting

the Spring of 2021, the NEPDA may have a short operating deficit, but sales and other tax revenues will quickly increase to cover all NEPDA operating and capital expenses for the remainder of 2021. If ECP fails to break ground in the Spring of 2021, alternate revenue sources will be required to ensure NEPDA financial viability.

It was also noted by the Executive Director that he has asked the City of Spokane to consider paying \$100,000 to the NEPDA. This was previously allocated to the NEPDA by the City for economic development. Scott Simmons indicated he would inquire with Michelle Hughes and others to determine the City's ability to make this payment. Commissioner Kerns noted that no one could have foreseen Covid19, and he would speak to the Board of County Commissioners if additional NEPDA funding is required.

- **EWU Intern**

The Executive Director explained that the NEPDA has hired a paid part-time intern from Eastern Washington University, to assist with the GIS database, which is required for our real estate web map tool within the new (under development) NEPDA website.

- **Maul Foster Alongi – Master Service Agreement**

David Guthrie noted that a master services agreement was needed with Maul Foster Alongi (MFA), not-to-exceed \$5,000. MFA has a GIS team, which will guide/oversee the EWU interns GIS work.

- **Stantec – Grant Funding Strategic Plan**

David Guthrie explained recommends using Stantec to prepare a grant funding strategic plan, to identify probably grant funding sources. Given our financial situation, grant funding will be required to meet our objectives.

- **T-O Engineers – EDA Grant Application**

T-O engineers has finalized the Wellesley Ave. road design. The City has informally reviewed and approved this phase of the design, subject to completion of a traffic analysis. T-O will commence with the projected traffic (count) analysis shortly. We intend to submit an EDA (CARES Act) grant application in the next 60 days. CARES Act funding is available on a first come first serve basis. If we are not successful in this round, the EDA (Richard Berndt) has said he will resubmit our application automatically through a secondary funding round.

It was noted that Jordan Tampien had to leave the meeting early. Commissioner Kerns advised that a quorum was “not” present, and that votes on scheduled Action Items and Motions would have to be delayed.

Action Items (Delayed)

- **Action Item No. 01:** Board approval authorizing the board chair to sign a Master Service Agreement with Maul Foster Alongi, not to exceed \$5,000. This purpose is to support our EWU intern (GIS) database work, required for the 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.

MINUTES - Regular Meeting

- **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 (Delayed)

- **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. 2:** A RESOLUTION of the Northeast Public Development Authority (the “NEPDA”) to adopt an Executive Director Authority

Notable Items, Around the Room, Closing

Councilman Cathcart discussed his recent press release, informing all Seattle area businesses they were welcome and wanted in Spokane. His press release followed a recent Seattle City Council action enacting additional payroll taxes on companies with annual revenues in excess of \$7 million. His goal is to actively recruit Seattle area companies that may be impacted. It was noted that the NEPDA would assist his efforts as needed.

The Executive Director explained that he had reached out to the two other PDA executive directors requesting their agreement to support a coordinated effort to update the CEDS (Comprehensive Economic Development Strategy) for the region. David Guthrie explained that he has been requesting an updated CEDS from GSI (ADO) since last year. GSI has been changing the dates on the old CEDS, but otherwise made no changes. The current CEDS is outdated. The NEPDA will benefit from additional grant opportunities if the CEDS is aligned with our current goals. Lars Gilbert said he would talk to GSI and report back. We discussed a potential EDA CARES Act grant to fund the updated CEDS.

David Guthrie said that the developer of Beacon Hill had informed him that he had received his second notice of default from his lender, but he was still hopeful the City would approve his water system shortly.

David Guthrie explained that he asked BNSF to pay for 50% a feasibility study to begin environmental assessment work on their (BNSF) property in the NEPDA. Don Karls with BNSF said he would review this internally and get back to me.

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

Meeting Adjourned: 12:02 PM