

# AGENDA

## NORTHEAST PUBLIC DEVELOPMENT AUTHORITY (NEPDA) REGULAR BOARD MEETING

**Date:** September 11, 2020

**Time:** 10:30 AM to Noon

**Location:** Zoom Meeting. See the Zoom information below

### Join Zoom Meeting

<https://us02web.zoom.us/j/85262438546?pwd=aitwRDIJSFhBSXVWNzdWSVFIR0xmQT09>

Meeting ID: 852 6243 8546

Passcode: 613340

One tap mobile

+12532158782,,85262438546#,,,,,0#,,613340# US (Tacoma)

Meeting ID: 852 6243 8546

Passcode: 613340

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

### Discussion Items:

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10:30 am to 10:35 am	<b>Welcome &amp; Introductions</b>
10:35 am to 10:40 am	<b>Approval of Minutes:</b> Approval of Regular Board Meeting Minutes from August 14, 2020
10:40 am to 11:00 am	<b>Public Comments:</b> None scheduled
11:00 am to 11:10	<b>Board Updates:</b> None scheduled
11:10 am to 11:30 am	<b>Action Items</b>

**Action Item No 1:**

- Board to formally adopt “Make it Spokane” as the NEPDA’s official trademark and brand for current and future use and Board approval authorizing the Executive Director in conjunction with legal counsel to reserve, apply for, and take all necessary action to secure a Washington State and/or Federally registered trademark for the brand/slogan “Make it Spokane” on behalf of the NEPDA.

**Action Item No 2:**

- Board approval authorizing the Executive Director to approve Phase 2 - Scope of Work to commence immediately, under the previously-approved contract with Tilladelse, to prepare visual materials for the NEPDA’s brand under the brand/slogan “Make it Spokane”.

**Action Item No 3:**

- Board approval authorizing the board chair, in conjunction with legal counsel, to sign a professional service agreement to prepare a Hillyard Economic Impact Assessment, for submittal with the pending (NEPDA) EDA grant application. The purpose of the grant application is to secure funding to improve Wellesley Avenue, between Freya and Florida Streets. NTE \$10,000

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# AGENDA

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11:30 am to 11:55 am

## **Executive Director Updates**

- OPENTogether – Marketing Support Grant
- 2020 EDA Grant
- 2022 Grant
  - Right-of-way
  - NEPA
- Innovation Collective
- Revenues – Spokane County
- Budget Review
  - Capital Reallocation
- Grant Funding Strategic Plan
- The Ranch
- Pending Projects

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11:55 am to 12:00 pm

## **Notable items, Around the Room, Closing**

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**NEXT MEETING:** October 9, 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).

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## **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)).

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### NORTHEAST PUBLIC DEVELOPMENT AUTHORITY

Date: August 14, 2020

Meeting called to order: 10:30 AM

Location: Board Members and Public attendance via Zoom.

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#### Welcome and Introductions

The meeting commenced at 10:33 am. Commissioner Kerns noted that a quorum was present.

#### Attendees:

NEPDA Board of Directors

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

Not in attendance:

- Cheryl Stewart, Board Member

Board Staff

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

Guests

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

#### Approval of Minutes

Commissioner Kerns asked if anyone was opposed to voting to approve the following in a sign motion: Approval of: 1) Regular Minutes from July 10, 2020, 2) Special Meeting Minutes from July 17, 2020, and 3) Special Meeting Minutes from August 7, 2020. Hearing no objections, a motion was made by Gerry Gemmill to approve the all minutes. The motion was seconded by Scott Simmons. The motion passed unanimously.

#### Public Comment:

Eric Hansen with Tilladelse provided a Marcomm Strategy and Brand Update. The following brand personas were discussed; 1) Make It Spokane, 2) Bright Side Spokane, and 3) Notch8. Tilladelse suggested that NEPDA marketing should be directed primarily to developers, businesses, and grant organizations (target audience map).

## Board Updates

Scott Simmons updated the board about the status of:

### 1) NEPDA alley vacations.

- Scott noted that he had spoken with Eldon Brown at the City about alley vacations in the NEPDA. Eldon was generally supportive, but said a two-part process is needed. This is because different statutes applied to the land in the NEPDA depending on when it was platted. He said that the NEPDA should communicate with property owners to confirm their agreement before requesting council approval. It's important to make sure we have community support before proceeding. Scott said that the goal is a "no-cost" vacation for the property owner, meaning adjacent property owners would acquire half of the alley for no cost. Michael Cathcart suggested this could be discussed by Council as early as September, and asked the Executive Director to provide a map of the affected area. David Guthrie noted that the City is about 30 days from completion of a regional stormwater retention plan for northeast Spokane, and suggested it may be advantageous to pair the alley vacation with a regional stormwater retention plan, where property owners would be required to hook up to a regional stormwater retention system in lieu of retaining stormwater onsite. Michael Cathcart expressed concerns about adding fees to small business through the implementation of a regional stormwater system.

### Regional Stormwater Retention Plan

- Concept: Instead of onsite retention, we create a regional Stormwater retention system, and charge all property owners in the NEPDA to hook up.
- Management: The NEPDA will manage the system, similar to a utility
- Public Benefit: In theory, there is a lower cost by hooking up to the system than building and operating onsite Stormwater retention.
- Incentive: Coordinate with Alley Vacation, i.e. free land offsets cost of stormwater retention fees
- Regulatory Changes: on 12/31/22, onsite Stormwater retention areas will have to be "certified" by the property owner.
- Timing: ASAP – revenue assumptions are based on current development in the NEPDA. If properties are developed with onsite retention, they do not have to hook up to the regional system, reducing anticipated revenues.
- Costs: The NEPDA does not have the personnel at this time to manage this system. It's also unclear whether businesses will support this Plan, whether this will reduce business costs, and how construction will be financed
- Possible Stormwater System Construction Financing:
  - Grants: to protect the County sole source aquifer.
  - Bonds: revenues from property owners used to pay off debt.
  - Incremental Revenues: if and when available

The board chose not to pursue pair the alley vacation with the regional stormwater system. The board agreed that we should pursue the alley vacation.

### 2. Payment(s) from City to the NEPDA.

- Scott Simmons said that he had reached out to City staff (Michelle Hughes) to determine if the City could pay the NEPDA \$100,000 in previously allocated (but unpaid) economic development funds. N

### Executive Director Updates

The Executive Director advised the board that he will submit grant application to Greater Spokane Inc. (GSI), for Hillyard area business marketing support. The RFP details include:

- **Marketing Support Invitation-only RFP**
  - Funding: Grant from Spokane County to GSI – \$500K
  - Timing: Funds must be spent by 12/31/20
  - Purpose:
    - Support business recovery in accordance with phased reopening requirements
    - Support business ability to promote safe environment for employees and customers
    - Support B2B and B2C marketing to previous and new customers
    - Establish and launch digital, print and other collateral to assist marketing products/services, and drive customer traffic to Hillyard businesses.
    - Enable businesses to join GSI's "Spread Kindness" campaign

NEPDA RFP will request funding for:

#### Website

- Highlight local businesses and events
- Single repository of B2B and B2C online resources (multiple sites now, all of which are very poor quality)
- Webinars on relevant topics, including compliance with COVID19 reopening requirements
- Goal is to mature into a relevant business/merchant association for Hillyard

#### Internship

- Single POC for merchants
- Newsletter
- Webinars
- Ecosystem map connecting businesses to community resources
- Community events
- Beautification
- Uncover opportunities for business to support local community and vice versa

#### Grants to businesses to updated current digital infrastructure

- Businesses must submit applications to receive grants.
- A limited number of winners are selected by the NEPDA

The goal is to help businesses transition to the new digital reality caused/accelerated by the pandemic

- **Whitworth University**

The Executive Director provided an overview of the Whitworth University Design Thinking (MBA) class presentation to the NEPDA board at the August 7<sup>th</sup> Special Board Meeting.

- Whitworth interviewed 24 business, government and non-profit leaders, inside and outside the NEPDA.
  - They suggested revising the current mission statement from, "How can the NEPDA increase economic development and job growth in The Yard" to, "How can the NEPDA create a culture of communication and innovation with limited resources."

## MINUTES - Regular Meeting

- Whitworth conducted a design thinking charrette, 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:
  - Newsletter
  - Redevelopment Fund
  - Elevator Pitch
- Other recommendations included:
  - a full rebrand of the NEPDA and YARD
  - free media
  - unique industry focus
  - regular NEPDA business owner meetings, including social gatherings
  - Resource pages on NEPDA website with critical business owner and developer data.
- Newsletter: a 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.

The Executive Director noted that the NEPDA is presently working on, or will implement a number of these ideas, including a full rebrand of the NEPDA and The YARD, utilization of free media, creation of a regular newsletter, and resource page on the new website.

- **Budget Review**

- The Executive Director stated that the NEPDA had received \$50,000 from the City of Spokane in July. He also noted that assuming no revenues from Beacon Hill or Esmeralda Commerce Park (ECP) in 2020-2021, receipt of modest incremental revenue from City/County, and continued funding of current priorities, including marketing, grant applications, consulting, engineering, and traffic and economic analysis, the NEPDA has cash flow through August 2021.

- **Capital Reallocation**

- ECP: The City and NEPDA agreed to allocate \$1.25M, for “reimbursement” of public infrastructure
- ECP agreed to build 100,000 SF by 12/31/201
- Reimbursement is prorated ( $100,000/400,000 = 25\%$ )
- ECP cannot request reimbursement until it dedicates the public ROW
- ECP said they do not want to dedicate the ROW until close to project completion.
- Result: The timing of the City/NEPDA payment to ECP (reimbursement) is likely to be delayed many years.
- Question: Should the NEPDA allocate a portion of the ECP reimbursement proceeds to other priorities?
- Source of Repayment: The NEPDA will still be obligated to pay the full ECP reimbursement amount at a later date, but we should have revenues to do so.
  - Phase 1 Sales Tax to NEPDA is estimated at \$594K

Scott Simmons asked the Executive Director to provide a financial analysis and timeline to better understand this request. David Guthrie said he would have this prepared for the September board meeting.

## MINUTES - Regular Meeting

- **EDA Grant Application (Wellesley Ave.)**

- Cost Estimate: ~\$2.8M - \$3M
- Local Match: Standard 80/20 = ~\$600,000
- Non-standard 90/10 = ~\$300,000
- WSDOT will allow NEPDA to use NSC funding as a local match, with supporting documentation
- EDA doesn't "like" to use WSDOT funds as a local match (they want full credit for the work)

The Executive Director questioned whether we want to attempt to meet the local match requirement using 100% of WSDOT programmed funding, or should the NEPDA commit to funding 10% - 20%? Given the financial limitations of the NEPDA, the Executive Director said he believed we should try to use WSDOT NSC funding as our local match (100%)

- **Grant Funding Strategic Plan**

The Executive Director noted that the initial grant funding matrix, identifying potential sources of funds for NEPDA objectives would be complete by the end of August. The final plan is scheduled for completion by early October.

- **City of Arlington – manufacturing tax exemption ordinance**

David Guthrie advised the board about City of Arlington Ordinance 2016-008, which created tax incentives in targeted areas for new construction of industrial or manufacturing facilities creating family living wage jobs.

- Purpose: to encourage new MFG and industrial uses on undeveloped or underutilized lands zoned for industrial and MFG uses within the city through tax incentive, thereby increasing employment opportunities for family living wage jobs
- General Requirements:
  - Applications for exemption must be submitted in advance, and approved by the City.
  - A minimum of 25 new family living wage jobs will be created on the subject site as a result of new construction.
  - Taxes are exempted for up to 10 years

The Executive director noted that it is possible to create a "rebate" vs. an exemption

- Can be structured as an NEPDA incentive only – no City approval required
- Can be tailored by the NEPDA board. The NEPDA gives up more or less revenue, for various time periods, depending on the project benefits (cost, # of employees, wages, etc.)
- The NEPDA could offer to REBATE some or all of the NEPDA property and or utility taxes (not sales tax) IF the business meets certain conditions (annual certification required).
- The NEPDA only pays after performance is certified
- Performance requirements may include, # of livable wage jobs, payment of all property, utility, retail sales taxes, etc.

The Executive Director asked whether the board was interested in pursuing this further. Michael Cathcart expressed strong interest in this idea. He said that Council could approve the ordinance, in which case 100% of the property tax revenue could be rebated to the developer, rather than 75% (without City Council agreement).

## MINUTES - Regular Meeting

### **Notable Items, Around the Room, Closing**

David Guthrie said that he had reached out to the Executive Directors of the West Plains and University District PDA's about the need to update the regional Comprehensive Economic Development Strategy (CEDS) document. He noted that the current CEDS is outdated, and not in compliance with current standards, which may adversely impact potential grant funding opportunities. He also noted that he had asked Greater Spokane Inc. to update the CEDS several times in the past without success. Lars Gilbert, CEO of the U-District PDA agreed to talk with Alisha Benson at GSI, and they would request an EDA grant to update the CEDS.

**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).

Meeting Adjourned: 12:03 PM