

# AGENDA

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

**Date:** October 9, 2020

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

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

### Join Zoom Meeting

Topic: NEPDA Zoom Meeting

Time: Oct 9, 2020 10:30 AM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/88232827199?pwd=dUtiN0hhQU80MWl2a2JBc1pLYkpldz09>

Meeting ID: 882 3282 7199

Passcode: 630777

One tap mobile

+12532158782,,88232827199#,,,,,0#,,630777# US (Tacoma)

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

### Discussion Items:

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10:30 am to 10:35 am

**Welcome & Introductions**

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10:35 am to 10:40 am

**Approval of Minutes:** Approval of Regular Meeting Minutes from September 11, 2020

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10:40 am to 11:00

**Public Comments:** None scheduled

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11:00 am to 11:30 am

#### **Executive Director Updates**

- OPENTogether – Marketing Support Grant
  - 2020 EDA infrastructure grant
    - 10/15 ICM Charter Meeting - City of Spokane
    - Economic Impact Assessment
    - Right-of-way negotiations
  - 2020-2021 planning grants (CERB)
    - Right-of-way
    - Broadband
    - Hillyard Visioning Plan
  - 2021-2025 infrastructure grants
  - Incubator / Workforce
    - Innovation Collective
  - Revenues – Spokane County
    - Sales Tax
    - Permit Data
  - Budget Review
    - Capital Reallocation
  - Grant Funding Strategic Plan
  - The Ranch
  - Internships
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# AGENDA

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11:30 am to 11:55 am

**Action Item No. 1: Resolution No. 2020-007.** Board approval authorizing the board chair to sign an Agreement with Greater Spokane Incorporated (GSI), to secure CARES Act grant funding available through the OPENTogether Marketing Support Grant Fund, which was awarded to the NEPDA and permission for the Executive Director to fulfill and implement the terms of the Agreement and ensure compliance. The Agreement amount is \$44,000.

**Action Item No. 2: Resolution No. 2020-008.** Board approval authorizing the board chair to sign an engagement letter with Anastasi Moore Martin, to perform program-specific OPENTogether audit requirements.

**Action Item No. 3: Resolution No. 2020-009.** Board authorizes the Board Chair to sign a contract with Tilladelse to develop a Hillyard Merchants Association website and related marketing and social media materials, as agreed to by the NEPDA and GSI in the OPENTogether Marketing Support Grant Fund Agreement.

**Action Item No. 5: Resolution No. 2020-010.** Board authorizes the Executive Director and NEPDA legal counsel to create a new non-profit legal entity. The entity shall be named the "Hillyard Merchants Association." Its purpose is to market and otherwise support Hillyard area business.

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11:55 am to 12:00 pm

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

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**NEXT MEETING:** November 13, 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)).

**NORTHEAST PUBLIC DEVELOPMENT AUTHORITY**

**Date: September 11, 2020**

**Meeting called to order: 10:30 AM**

**Location:** Board Members and Public attendance via Zoom.

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**Welcome and Introductions**

Commissioner Kerns noted that a quorum was present.

**Attendees:**

NEPDA Board of Directors

- Josh Kerns
- Michael Cathcart
- Scott Simmons
- Jordan Tampien
- Cheryl Stewart
- Cindy Wendle

Not in attendance:

- Gerry Gemmill, Board Member
- Megan Clark, Legal Counsel

Board Staff

- David Guthrie, Executive Director

Guests

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

**Approval of Minutes**

Commissioner Kerns asked if anyone was opposed to voting to approve the following: Approval of: 1) Regular Minutes from September 11, 2020. Hearing no objections, a motion was made by Michael Cathcart to approve the all minutes. The motion was seconded by Josh Kerns. The motion passed unanimously.

**Public Comment:**

No public comments

**Board Updates**

No board updates

### Action Items

**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.

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

**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”.

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

**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. The Executive Director outlined the scope of work and cost, including:

- **Purpose:**
  - Grants (EDA and others)
  - WSDOT (justification to use NSC funding as a local match).
- **Summary:** Analyze conditions before and after transportation improvements
  - Establish Baseline
  - Assume new roads (Wellesley, Freya, Myrtle, Havana and Rowan).
  - Produce a 25-year development build-out forecast for the area
  - Produce Economic Impact Analysis
    - New jobs (temporary and permanent)
    - Total wages generated
    - Increase in market value of built property
    - Sales tax generated by development
    - Property tax generated by development
- As needed, consultant will provide support for a NEPDA grant applications

Michael Cathcart asked whether the consultant could evaluate the highest and best use of land along Wellesley and Francis in the Economic Impact Assessment, and whether a CC3 overlay would generate more rapid and higher value development. The Executive Director advised that he would talk to the consultant about this adding this scope of work. A motion was made by Michael Cathcart to approve Action Item No. 3. The motion was seconded by Cindy Wendle. The motion passed unanimously.

### Executive Director Updates

- OPENTogether – Marketing Support Grant

The Executive Director advised that the NEPDA submitted an RFP response to GSI on 8/14 and 9/4, for a grant to develop the following:

#### **Website** for Hillyard Merchants Association

- Highlight local businesses and events
- Single repository of B2B and B2C online resources (multiple sites now, all of which are very poor quality)
- Webinars
- Goal is to mature into a relevant business association for Hillyard

#### **Internship** to support current business engagement

- Recruitment
- 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 update current digital infrastructure

- Businesses must submit applications to receive grants.

Our goal is to help businesses survive/thrive in the pandemic induced 'new digital reality' by increasing awareness of businesses in the NEPDA, supporting increased B2B and B2C activity.

- **2020 EDA Grant**

The Executive Director updated the Board on the status of our pending EDA grant to reconstruction Wellesley Ave., between Freya and Florida Streets, including:

- Traffic Analysis nearly complete
- Full 3-lane road may be needed due to “potential” Beacon Hill impact
- Acquisition of additional ROW required.
- The NEPDA will need to design the roads, create maps, legal descriptions, etc.
- Negotiation with each property owner required.
- Purchase and sale agreements are required for each parcel.
- A large number of parcels will be affected.
- The Economic Impact Analysis is required for WSDOT and EDA support.
- WSDOT said we can use their NSC funding as a “local match” if we provide justification for the project/work.
- We have a call on 9/23 with the City of Spokane to confirm their agreement
- Economic Analysis, road design, and traffic analysis will be sent to WSDOT. We need a letter from WSDOT indicating we can use NSC funding as a local match for State and Federal grants.

- **2022 Build Grant**

The Executive Director noted that he would like to submit a 2022 Build Grant application to reconstruct Myrtle and Havana, between Wellesley and Francis, and Rowan Ave., between

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Freya and Havana. He stated that a 2022 Build Grant application may not be possible due to the right-of-way that must be acquired prior to grant application submittal. A 2023 Build Grant is more likely, but we need to time the Build Grant application with the NSC Wellesley interchange work. Presently, the Wellesley interchange work is scheduled for completion in 2022, but may be delayed due to the pandemic. The reason we need to align our Build Grant with the NSC work is to use NSC funding as the local match for the grant. He also noted the following:

- Road design required (20%)
  - Will the City do the 20% design work, or does the NEPDA need to budget for this work?
- Right-of-way acquisition
  - Recommend retaining a right-of-way acquisition firm to support NEPDA effort (200+ parcels)
  - 100% ROW agreement required.
  - < 100% requires condemnation by City. Will the City support this?
  - NEPA – complete (NEPA) concurrently with ROW acquisition

Scott Simmons said the City has the capability, but may not have the capacity to assist. He recommended speaking with Katherine Miller in Integrated Capital Management to confirm whether the City can support this effort. He also noted that the City Council has been reluctant to support condemnation proceedings in the past, and condemnations take several years to complete. The Executive Director said he would confirm the timing and process with NEPDA legal counsel.

Cheryl Stewart commented that a Build Grant requires strong legislative support at every level, and communication will be the key.

- **Innovation Collective**

The Executive Director summarized ongoing conversations with the Innovation Collective (IC), headquartered in Coeur d'Alene. He noted that the IC creates a co-working space, focused on small business formation, incubation, and acceleration. They are working on federal legislation in partnership with land grant universities in every state in the USA, focused on education, training, networking, and funding for small business, primarily in rural and disadvantaged communities. David Guthrie also noted that there is a short-term opportunity for the NEPDA to work with IC to provide IT support training between now and the end of the year. IC has partnered with Google to provide an accelerated training program. He noted that he will request CARES Act funding from Spokane County to support this short-term training initiative.

The IC Method includes

- 70+ events per year
- Tools to connect and learn
- Mentorship and support
- Funding (VC)
- Community focus (industry vertical)
  - CDA – Robotics
  - Utica, NY – Sports Entertainment
  - Hernando County, FL - Longevity

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- Live, work, play, learn, create campuses
- CARES Act funding for job training (Google) possible. Details pending
- Standard program is a 3-year “ecosystem activation plan.”
- Funding required to build the community platform. After 3-years, operating revenue from real estate, memberships, corporate sponsors support 100% of the operation.

Goal: Locate an IC in downtown Hillyard

Cheryl Stewart asked whether the IC can be a partner in helping us get a merchants association up and running. The Executive Director said the IC focus is little different than the type of work typically performed by a merchants association, but he believed that they (IC) will be good partner, and will work with a merchants association to improve the Hillyard ecosystem. Josh Kerns advised that all CARES Act funding must be spent by 12/31/20. If we want to use CARES Act funding to launch the IC in Hillyard, we will need to show how the program is benefiting people directly impacted by Covid19. Michael Cathcart said the City deadline was November, not December. He also advised the Executive Director to confirm how other Counties are successfully using CARES Act funding to fund IC.

- **Revenues – Spokane County**

- The Executive Director noted that Margaret Smith (Spokane County Budget Office) has retired, and that the PDA’s are not receiving sales tax revenues. The three PDA Directors have set up bi-monthly meetings with the County to develop a process to insure timely payment of all revenues due to the PDA’s. Next meeting is 9/23

- **Budget Review**

- Budget
  - \$50,000 received from the City of Spokane in July
  - Assuming no revenues from Beacon Hill or ECP in 2020-2021. Note: ECP states they intend to break ground in 2021.
  - Incremental revenue from City/County - TBD
  - Reduce consultant SOW to Top 5 priorities (2020: \$73,000, 2021: \$70,000).  
Priorities include:
    - Road design, engineering, right-of-way analysis
    - 3<sup>rd</sup> party studies to support grant applications
    - Grant applications
    - Marketing & Communications, including NEPDA website
    - GIS and business database
  - The NEPDA has cash flow through August 2021
- Capital Reallocation

This topic was raised at the August board meeting. At that time, Scott Simmons asked for a detailed summary explaining how the NEPDA could reallocate economic development funding from the city to other priorities. In response, the Executive Director provided a detailed analysis to the board, and summarized the data as follows:

- NEPDA estimated sales tax revenue from ECP Phase 1 is \$570,000.

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- NEPDA reimbursement expense obligation after completion of Phase 1, and dedication and acceptance of public roads, is \$339,758.
- Unrestricted Phase 1 (NEPDA) capital is \$230,482
- Conclusion: The NEPDA can use a portion of the funds dedicated for ECP public infrastructure reimbursement to increase NEPDA capital. Without additional capital, it will be impossible to continue to actively pursue/fulfill the mission of the PDA.

Cheryl Stewart noted that she approved the limited reallocation of ECP funding for economic development purposes, as long as the use is consistent with the terms of the original grant from the City. Josh Kerns said he also approved the reallocation, subject to the City's agreement. No decision by the board was taken on this matter.

- **Grant Funding Strategic Plan**

The Executive Director updated the Board as follows:

- Initial objectives and funding matrix prepared. We need to prioritize objectives, and then align funding sources with objectives.
- October board meeting will be dedicated primarily to the Grant Funding Strategic Plan, including a presentation by Stantec.

- **The Ranch**

The Executive Director provided a brief history of the Ranch site, and prior City Council agreement to donate The Ranch site to the NEPDA. He then suggested that the donation of this land would allow the NEPDA to develop a small business industrial park, generating cash flow for the PDA, which could be reinvested into additional economic development activities. It would also be a catalyst for additional private development in the area, and would be perceived as a strong advantage for State and Federal grants. He asked Scott Simmons to inquire whether the City will consider donating The Ranch to the NEPDA. Scott advised that the City needs the site for street related activities, including stockpiling of asphalt grindings, painting, and truck driver training. Dave Guthrie noted that he had spoken with Gerry Gemmill, who said that he believed the County had well located site that could accommodate both the City and County. Scott said that the City has lost a lot of real estate, and the remaining sites are critical.

Conversation ensued. Michael Cathcart suggested the possibility of an RFP to the development community. In this scenario, the City and or NEPDA would issue an RFP to developers interested in buying and developing The Ranch. Scott indicated he was generally supportive of the RFP concept. He explained that he would have to discuss this internally at the City, and would respond to the Executive Director after doing so. Jordan Tampien asked whether the City was using all of the site (10 acres). Scott Simmons and David Guthrie said "no." Scott advised that the City had looked at consolidating its operations on the site, e.g. to ~5 acres. He thought there had been a site plan created showing how this could be done. Jordan noted that a new 5-acre industrial development on the site would be a huge catalyst for the NEPDA.

- **Pending Projects**

The Executive Director noted that following projects have been through a pre-development meeting with the City. This is not a guarantee that development will occur, but an indication of development interest/plans.



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- Beacon Hill Apartments: 140 unit apartment project at the base of the hill (Spring 2021). Estimated Cost: \$14M (\$100K unit)
- 3527 E Sanson – 3,200 SF pole building. Estimated cost: \$30K. Note: City predevelopment comments require the owner to construction a full pavement section from curb to centerline, and 12' strip pave lane south of the centerline, separated sidewalk, street trees, drainage, etc. The road improvements will cost 1.5 X the building cost.
- Bacon Industrial: 3836 E Crown Ave. 2-3,360 SF buildings. Estimated cost: \$400,000.
- Klante Cottages at Esmeralda: 4200 E Rich Ave. 2 carriage house, 2 duplexes, 4 cottage houses, 1 existing house, garage and shop.
- Market Street Mixed-use: 5616, 5612 & 5520 N Market St. Office/warehouse addition (to Copper Creek Landscaping) and a new 18,000 SF building, with 5-6 small industrial/commercial tenants. Estimated Cost: \$1.5M

### Notable Items, Around the Room, Closing

No additional comments

**NEXT MEETING:** October 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: 12:11 PM