

AGENDA

NORTHEAST PUBLIC DEVELOPMENT AUTHORITY (NEPDA) REGULAR BOARD MEETING

Date: December 11, 2020

Time: 10:30 AM to Noon (Pacific Time)

Location: Zoom Meeting

Join Zoom Meeting

<https://us02web.zoom.us/j/81980208742?pwd=emkxdkpWUVR0L25kNW1KZ3oxQ3oyUT09>

Meeting ID: 819 8020 8742

Passcode: 808673

One tap mobile

+12532158782,,81980208742#,,,,,0#,,808673# US (Tacoma)

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 Regular Meeting Minutes from November 13, 2020
10:40 am to 11:00 am	Public Comments: Marketing Update by Tilladelse
11:00 am to 11:40 am	Executive Director Updates <ul style="list-style-type: none">○ U.S Dept. of Commerce, \$3.3M EDA Grant Application submitted to City<ul style="list-style-type: none">○ E. Wellesley Ave. Reconstruction○ Myrtle & Rowan Avenues<ul style="list-style-type: none">○ City Council approved NEPDA Comp Plan Amendment request on 11/23/20, changing road classifications from Local Access to Major Collector○ Myrtle & Rowan design work commenced - City of Spokane Public Works & Transportation○ WA State Dept. of Ecology, \$300,000 IPG Grant Application<ul style="list-style-type: none">○ Planning - Hillyard Vision & Action Plan<ul style="list-style-type: none">▪ Stantec to prepare/write grant application▪ Grant implementation RFQ/P Pending (post award)▪ Catalyst Site: 3011 E Wellesley Ave.▪ City letter of support○ Hillyard Merchants Association- Legal<ul style="list-style-type: none">○ Articles of Incorporation○ Bylaws○ IRS○ Hillyard Merchants Association – Marketing Support Grant<ul style="list-style-type: none">○ Outreach / Recruitment○ Website / Social Media○ Business Plan○ Contract Amendment, Compliance and Audit○ City Council: OPR 2020-0596. Uncommitted 2017 Community Investment Plan funds in the amount of \$100,000 to be distributed to NEPDA for infrastructure project planning○ Board Retreat

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11:40 am to 11:55 pm

Action Item No. 1: Resolution No. 2020-011. A RESOLUTION of the Northeast Public Development Authority to authorize the Executive Director to execute a contract with Stantec for purposes of writing the grant application for an Integrated Planning Grant from the Washington State Department of Ecology. The Contract amount shall not exceed \$4,800. If the IPG is awarded to the NEPDA, the Executive Director is authorized to prepare and implement a Request for Qualifications and/or Request for Proposal for the purposes of qualifying and selecting a company to perform any work authorized or determined necessary under the terms and conditions of any grant award. Any such Request for Qualifications and/or Request for Proposal shall be prepared, implemented, and determined pursuant to the NEPDA's Procurement Policy.

Action Item No. 2: Resolution No. 2020-012. A RESOLUTION of the Northeast Public Development Authority Board of Directors acknowledging the NEPDA will utilize its best efforts to acquire and redevelop the real property situated at 3011 E. Wellesley Avenue, Spokane, Washington (hereinafter "3011 E. Wellesley") from the City of Spokane, and approval for the Board Chair to seek a letter of support from the City of Spokane to assist in a future transfer of 3011 E. Wellesley to the NEPDA.

11:55 am to 12:00 pm

Notable items, Around the Room, Closing

NEXT MEETING: January 8, 2021, 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: November 13, 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
- Scott Simmons
- Cheryl Stewart
- Cindy Wendle
- Gerry Gemmill

Not in attendance:

- Jordan Tampien, Board Member
- Megan Clark, Legal Counsel

Board Staff

- David Guthrie, Executive Director

Guests

- Ron Valencia, Spokane County
- Shae Blackwell, City of Spokane
- Amy Broughton, Ryan Givens, Chris Gydac, Stantec
- Matt Hoffman, Maul Foster Alongi (MFA)

Approval of Minutes

Cindy Wendle noted that there is an incorrect date in the October Minutes. All work related to the OPENTogether (CARES Act) grant funding must be completed by 12/30/20, not 12/31/20. Subject to this change, Commissioner Kerns asked if anyone was opposed to approving the following: (1) Regular Board Meeting Minutes from October 9, 2020. Hearing no objections, a motion was made by Cindy Wendle to approve the minutes. The motion was seconded by Cheryl Stewart. The motion passed unanimously.

Public Comment:

- Amy Broughton, Stantec, presented the Grant Funding Strategic Plan. This is the culmination of several months' work. The NEPDA now has a grant funding matrix aligned with our goals.
- Matt Hoffman, MFA, presented the Economic Impact Assessment summarizing the economic benefits of planned NEPDA road improvements.

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- By completing the proposed five ROW segments, the NEPDA neighborhood could realize between 518,300 and 633,500 new building square feet.
- ROW investment in the NEPDA neighborhood over the 25-year period may result in:
 - An increase of 311,500 to 426,500 new industrial square feet (above baseline historical growth rates)
 - 520 to 711 new industrial jobs
 - \$16.5m to \$22.6m* in new improvement value
 - \$1.2m to \$1.6* in combined city and county property taxes
 - \$1.9m to \$2.6m* in sales tax related to new building construction
 - \$2.3m* in sales tax related to ROW construction

MFA stated, of the 305 acres in the NEPDA neighborhood that front one of the proposed ROW segments, 197 acres have development potential over the next 25 years. Focusing on the land where development could result from ROW investments reveals **only 135,732 square feet of existing building area, but the development capacity on this acreage is nearly 3 million square feet of building area.** This illustrates the significant development capacity in the NEPDA neighborhood.

Board Updates

None

Executive Director Updates

The Executive Director provided the following updates:

Beacon Hill

The executive director advised that a notice of default has been recorded on the Beacon Hill development. This is the first step in the foreclosure process. Scott Simmons noted that the Beacon Hill water system was being reviewed by the Department of Health at this time. Pending DOH approval, the first phase of Beacon Hill would have the permits needed to start construction. This includes a large ~140 unit apartment project at the base of the hill, near Havana and Valley Springs Road. Discussion ensued. Scott Simmons reminded the board that the City agreed to reimburse the developer \$650,000 for public water system expense at the request of the NEPDA. Cindy Wendle asked if the Development Agreement was assignable to a new buyer/developer. Scott advised that the development agreement was assignable, and it was unlikely the City could reallocate any of the reimbursement funds to another use as a result.

Esmeralda Commerce Park

It was noted that LB Stone sent an email to the Executive Director asking to extend the Development Agreement between the City and LB Stone. It appears that the developer may not break ground in 2021. The LB Stone request was forwarded to Scott Simmons and City Attorney, James Richman for review. Scott Simmons advised the board that the NEPDA should consider whether an extension is warranted, and whether there is a better use for \$1.25M. The NEPDA should make a recommendation to the City.

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Josh Kerns expressed doubts about agreeing to an extension of the Development Agreement. He pointed out that if we grant an extension, there is no guarantee the developer won't request an extension next year or the year after. Michael Cathcart suggested the NEPDA could ask the Developer to delay requesting reimbursement, potentially until the expiration of the Development Agreement in 2029. The Executive Director commented that this is consistent with the Developer's prior representations about wanting to delay the dedication of public roads. Cindy Wendle agreed that delaying reimbursement is a good option, and questioned whether we have better uses for the capital. She noted that it's important to consider long term investments that will lead to business growth in the NEPDA. Discussion ensued about alternative uses for the \$1.25M.

EDA Grant - E Wellesley Ave. Right-of-Way (ROW)

- After developing a road plan to stay within the existing ROW, the City has recently determined that we can't reduce our Stormwater swale width without an engineering study
- A Stormwater study will delay our EDA grant application another 30-60 days, and cost \$7,500 - \$10,000.
- We are applying for a CARES Act funded grant, so timing is critical.
- We will proceed with the standard 65' City road section, which will require ROW from all property owners on the north and south side of Wellesley.
- This will increase costs and complexity
- We are also being asked to add water and sewer connections to all properties.

EPA and Dept. of Ecology (IPG) Grant

Stantec submitted an \$800,000 grant application to the EPA on behalf of the City, which can be used for planning and environmental clean-up. City foreclose of 3011 E Wellesley Ave. is scheduled for late January 2021. If the City takes title, the NEPDA should attempt to acquire and redevelop the site as a mixed-use workforce housing (catalyst) project, using EPA and or IPG grant funds for planning/design.

Comprehensive Economic Development Strategy (CEDS)

EDA grant application –

- Stantec submitted an EDA grant application on behalf of the ADO in late September.
- If awarded the grant, the new CEDS process will commence in 2021.
- The current CEDS is outdated, and does not reflect NEPDA priorities.
- This is a "critical" document for planning and grant applications.
- Given our dependence on grant funding, we need to make sure NEPDA priorities and vision are well documented in the pending CEDS.

2017 NEPDA Master Plan - Update

2021 Vision & Action Plan

- The Executive Director explained that the 2017 Master Plan has some strong elements, including infrastructure planning, but it lacks vision. It is based on a flawed premise, i.e. assemblage of small parcels into large ones. The NEPDA is

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implementing infrastructure plans generally in accordance with the 2017 Master Plan, but a new Vision and Action Plan needs to “supplement” the 2017 Master Plan. The Vision and Action Plan should include both City and County. The Plan currently only includes the City. The proposed Vision & Master Plan should focus on a small business innovation zone and makers district. He noted that a makerspace on the Ranch was previously considered by the City (prior IPG planning grant). Guthrie noted that NEPDA real estate dictates a small business focus. We have many small Parcels – 680 inside City of < .5 acres, and the large parcels are either sold, contaminated, or unresponsive. The Vision and Action Plan will be a key document to secure additional grant funding.

OPENTogether (CARES Act) Marketing Support Grant Digital Marketing

The Executive Director noted that an intern from Whitworth University has been hired by the NEPDA (Abbie Hopkins). The Open Together grant project is progressing. The project timeline was outlined.

- Outbound calling – Tilladelse developed a script, defined the outreach goals
 - This goal is to spread the word about what the NEPDA is doing for the area, announce the new merchant association, seek out great stories for local businesses, invite business leaders to the upcoming online event (webinar focused on Digital marketing in 2020 and beyond)
 - This outreach is scheduled to be complete at the end of next week (11/20)
 - Built landing page with look for Spokane Made (Hillyard merchant association) to collect information
- Produce print and marketing collateral materials to support the efforts of the intern.
 - Identify essential elements - due by 11/17
 - Finalize content - due by 11/27
 - Content production - due by 12/4
- Automated marketing implementation
 - Pre-purchase of annual agreement - completed
 - Initial CRM set-up - completed
 - email templates, campaign workflow set-up, implement tracking for website/social/email - due by 11/27
- Website development - create a merchant association site that works in conjunction with Make it Spokane and highlights Spread Kindness
 - Domain and Hosting secured - Spokanemade.com
 - Site map to be completed - due by 11/17
 - Content completed - due by 11/27
 - Site development - completed due by 12/16

Board Retreat

- The Executive Director asked whether there interest in having a board retreat in December to discuss the following
 - Budget
 - Grant Application Plan
 - 12 month goals, 5 year goals
 - NEPDA Strategic Plan

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Josh Kerns said he would like to have a board retreat, subject to Covid19 meeting guidelines. Scott Simmons said that he and Gerry Gemmill had participated in a retreat with S3R3 (West Plains Airport Area PDA), and was supportive. Discussion ensued about the date and location. Cheryl Stewart indicated it may be possible to meet at the Association of General Contractors office. Michael Cathcart said that he will be out of town until after December 12th, but otherwise would be available in December.

Action Items

None

Notable Items, Around the Room, Closing

Possible Legislative Agenda items included a Manufacturing Tax Exemption vetoed by Governor Inslee in 2017, and reinstatement of the Community Empowerment Zone in Spokane County.

The Executive Director congratulated Scott Simmons on facilitating the funding of \$100,000 from the City of Spokane. Subject to City Council approval, uncommitted 2017 Community Investment Plan funds in the amount of \$100,000 will be distributed to NEPDA for infrastructure project planning.

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: 12:05 PM