

AGENDA

NORTHEAST PUBLIC DEVELOPMENT AUTHORITY (NEPDA) REGULAR BOARD MEETING

Date: February 12, 2021

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

Location: Zoom Meeting

Join Zoom Meeting

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 January 8, 2020

10:40 am to 11:00 am **Public Comments:** Website presentation by Eric Hansen of Tilladelse

11:00 am to 11:40 am **Executive Director Updates**

- \$3.3 Million E. Wellesley Ave. Reconstruction
 - WSDOT
 - EDA / TIB / 20% Match / RID
 - BUILD
- Myrtle & Rowan Avenue - Design
- Integrated Planning Grant - Dept. of Ecology
 - 3011 E Wellesley / 3002 E Broad
- NSC - Letters of Support
- SAO Audit Results
- Gonzaga University / Innovation Collective
- BNSF
- 2021 Top 10

11:40 am to 11:55 pm **Action Item No. 1: Resolution No. 2021-001: A RESOLUTION** of the Northeast Public Development Authority to defer a Vote on the election of new Officers to the February 2021 NEPDA Regular Board Meeting (voted on in January 2021 Regular Board Meeting)

Action Item No. 2: Resolution No. 2021-002: A RESOLUTION of the Northeast Public Development Authority to approve the election of Officers, including Board Chair, Vice Chair, Treasurer and Secretary

Action Item No. 3: Resolution No. 2021-003: A RESOLUTION of the Northeast Public Development Authority to authorize the Board Chair to prepare and submit a letter to legislative officials supporting continued funding for the North Spokane Corridor and Wellesley Interchange.

Action Item No. 4: Resolution No. 2021-004: A RESOLUTION of the Northeast Public Development Authority to authorize the Board Chair to prepare and submit a letter to the City of Spokane requesting the City proceed with the design of right-of-way

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improvements to Myrtle Street and Rowan Avenues, a cost estimate related to the road design and related improvements, and any matters required to construct the proposed right-of-way improvements which are expected to revitalize northeast Spokane.

Action Item No. 5: Resolution No. 2021-005: A RESOLUTION of the Northeast Public Development Authority authorizing the Executive Director to submit grant applications to various foundations and other potential funding sources for the purpose of securing grant funding to support the Hillyard Merchants' Association operations.

Action Item No. 6: Amended Resolution 2020-011: A RESOLUTION of the Northeast Public Development Authority to authorize and direct the Executive Director to submit an Integrated Planning Grant to the Washington State Department of Ecology.

11:55 am to 12:00 pm **Notable items, Around the Room, Closing**

NEXT MEETING: March 12, 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: January 8, 2021

Meeting called to order: 10:30 AM

Location: Board Members and Public attendance via Zoom.

Welcome and Introductions

Commissioner Kerns called the meeting to order at 10:32 AM. He noted that a quorum was present.

Attendees:

NEPDA Board of Directors

- Josh Kerns
- Michael Cathcart
- Cheryl Stewart
- Cindy Wendle

Not in attendance:

- Michael Cathcart, Vice-Chair
- Gerry Gemmill, Board Member
- Scott Simmons, Board Member

Board Staff

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

Guests

- Ron Valencia, Spokane County
- Shae Blackwell, City of Spokane
- Toby Broemmeling, Champion Empire
- Charles Hansen, Whitman Neighborhood Council

Approval of Minutes

Commissioner Kerns asked if anyone was opposed to approving the Regular Board Meeting Minutes from December 11, 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:

- Toby Broemmeling, Champion Empire – former Executive Director of the West Plains Chamber of Commerce, was retained by the NEPDA board to conduct research, community outreach, business plan preparation, and provide recommendations for the Hillyard Merchants Association.

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Mr Broemmeling noted that a lot of work has to be done to “mend fences” in northeast Spokane. There is a lot of history, at least three distinct business districts within the greater Hillyard community, few common goals, and little trust.

Toby explained that an effort to create a Business Improvement District in 2015 was narrowly defeated because a few key people didn’t trust each other. There have been allegations of fraud, embezzlement, and related activities among groups. He explained that it will be critical to recruit a new generation of leadership who can focus on the future, not dwell on the past. Many of the current neighborhood leaders are too polarizing.

It was explained that Paul Hamilton has been paying the water and electric bill for the downtown trees. The cost is approximately \$1,000 a year. A number of residents asked why the City doesn’t pay for tree lighting, maintenance and watering. NEPDA board discussion ensued. Jordan Tampien raised the possibility of the NEPDA paying the water and electric bill. He also noted that the E. Spokane Business Association uses match funding to raise money. Whatever the business community donated, the BID matches that amount. He suggested this is an effective way to raise money for the tree related expenses.

Cindy Wendle asked whether the E. Spokane (Sprague) BID is a viable model in Hillyard. Toby noted that despite Hillyard’s failure to create a BID in 2015, it was possible. Key people and relationships will have to be developed to ensure support. Jordan Tampien stated that he is a business owner in E. Spokane, and that this area had a very supportive business community, which helped launch a successful BID. He also noted that the BID contracts with the Merchants Association to manage the day to day affairs of the Association, which works well. Cindy Wendle commented that the E. Sprague Business Association was driven by the businesses owners, not the City or a PDA.

Toby advised the board to focus on a value-added communication strategy to re-build relationships, secure grant funding to pay for dedicated staff, and organize business leaders to help promote this effort. He also suggested having a “start-up” mentality. Because of the prior allegations of fraud and embezzlement, the NEPDA could act as a “trusted” entity, ensuring all financial resources are managed correctly. This would help restore trust in the community.

Board Updates

There were no board member updates.

Josh Kerns noted that Cheryl Stewart was leaving at 11:30, and if there were any items to vote on, the board should do so while a quorum was present. The Executive Director explained that the board should elect new officers for 2021. The current officers were elected in January 2020 for one-year terms.

After discussion, Cindy Wendle suggested nominating the same officers. Josh Kerns advised that he would be happy to serve as chair for another term. Shae Blackwell noted that Michael Cathcart would be happy to serve as Chair or Vice-Chair in 2021. Megan Clark advised the board that there is no provision in the Bylaws to have existing officers serve past one year without a board vote. After discussion, two motions were then discussed. Motion 1: nominate the current officers to serve a second term; Motion 2: defer vote on Motion 1 until February board meeting (when Scott Simmons, Michael Cathcart, and Gerry Gemmill may be in attendance).

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Motion 1: To nominate the current officers to serve for a second term

After discussion, a motion was made by Cindy Wendle. The motion was seconded by Cheryl Stewart. The motion passed unanimously.

Motion 2: To defer a vote on new officers until the NEPDA regular board meeting in February.

After discussion, a motion was made by Cheryl Stewart. The motion was seconded by Cindy Wendle. The motion passed unanimously.

Executive Director Updates

The Executive Director provided the following updates:

- **U.S Dept. of Commerce, \$3.3M EDA Grant - E. Wellesley Ave. Reconstruction**
 - SRTC letter of support received
 - NEPDA and City have reviewed application. City redlines received.
 - The NEPDA and T-O engineering are revising Application in response to City comments
 - WSDOT asked the City on 1/5 to guarantee the project local match (30%) if the NSC Wellesley interchange funding is cut.
 - The local match is ~\$1M. In lieu of cash, we are using NSC (Wellesley interchange) funds to meet our local match requirements
 - Due to State budget uncertainty, transportation funding may be cut. Katherine Miller at the City doesn't think the State will cut the Wellesley interchange funding. Nevertheless, she advised that we should work with our local State legislators to make sure they understand the importance of funding the current phase of NSC work, including the Wellesley Interchange.
 - The Executive Director suggested writing letters to our legislators to make sure they understand how important NSC funding is the NEPDA. Josh Kerns said that maintaining transportation funding is the number one priority of the community. Ron Valencia suggested sending letters to all members of the transportation committee and governor's office. Josh advised that Ron could draft a letter for the board chair to send on behalf of the NEPDA. Cindy Wendle asked whether the City would guarantee the local match of nearly \$1 million. The Executive Director said the City was not able to guarantee the match funding at this time. After discussion, it was agreed that Board Chair Kerns would send letters to state legislators, supporting continued NSC-Wellesley interchange funding.

- **Myrtle & Rowan Avenue Design**
 - Spokane City Council had approved the NEPDA Comprehensive Plan Amendment request, changing road classifications from Local Access to Major Collector and Arterial, and the initial Myrtle & Rowan design had been prepared by the City. He asked board members to review the plans, and provide any comments prior to the next board meeting. The City will need a board resolution approving the preliminary design, and asking the City to proceed with additional design work and a cost estimate, which the NEPDA board could use to secure potential grant funding for road reconstruction.
 - He also noted that the plans had been revised to "avoid" going through buildings. Avoiding buildings will reduce potential litigation, i.e. condemnation proceedings and "taking" of entire parcels.
 - Instead of parking on both sides, we added a parking lane where we had the room, i.e. to avoid impacting buildings.

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- Once design and cost estimates are complete, we will need to meet with property owners individually and explain the process.
- Cindy Wendle asked if the Executive Director had any concerns with the plans. He advised that in general, no. The plans look good. Condemnation of right-of-way will be required. The current right-of-way width was not adequate for a new public street. Cindy said she would like to see a parcel level analysis, so the board can assess the potential adverse impact (if any) to property owners. David Guthrie agreed, and said he would ask the City about updating their plans with additional detail. He also suggested that a new paved road, with curbs, sidewalks, trees, and drainage, should increase the adjoining property value significantly more than the value of any property conveyed to widen the right-of-way. Discussion ensued, and the Executive Director was advised to develop a strong community outreach effort to explain the project and benefits to the affected property owners and broader community.

- WA State Dept. of Ecology Integrated Planning Grant
 - The NEPDA will submit an application to secure as much as \$300,000. The potential funding will be used for:
 - 3011 E Wellesley Ave. – Phase I & II ESA’s - Site planning
 - Hillyard Vision & Action Plan – Community outreach and planning for additional public and private investment to coincide with current NSC work and Wellesley interchange completion in 2023
 - 3011 E Wellesley (Ivan Kriger property)
 - City lien: ~\$500K
 - Foreclosure proceedings scheduled for January 21st
 - If the City takes title, the NEPDA will work with the City to facilitate a mixed-use residential project on the site
 - The NEPDA will need a letter from the City confirming its desire to convey the property to the NEPDA, subject to mutually agreeable terms and conditions
 - Downtown Hillyard Vision to Action Plan
 - Community engagement in a shared vision for the neighborhood
 - Vision to Action Plan will be used to secure additional public investment, which will attract new private investment
 - The NEPDA will aggressively market the NSC-Wellesley interchange completion, new Vision to Action Plan, and additional public investments, to private developers in the western United States.
 - Grant is awarded in the Spring, funding in the Fall of 2021

- U.S. EPA, City of Spokane Multi-purpose Grant
 - The City has applied for a ~\$800K brownfield grant, which can be used for planning, assessment and remediation.
 - If awarded the funds, the NEPDA will request grant funds to facilitate additional site planning, ESA’s, and environmental remediation

- Beacon Hill
 - Pete Rayner sold ~88 acres. He closed prior to the end of 2020. As a result, he has funding for most or all of a “permanent” water tank, and is starting discussions with the City about this now. He was previously developing an interim solution. Ryan Buth

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purchased the 88 acres from Mr Rayner. Pete believes the sale, infusion of capital, and development experience of Mr Buth, will jumpstart activity at Beacon Hill in 2021.

- Esmeralda Commerce Park
 - ECP previously requested delaying Phase 1 completion. The Development Agreement between the City and LB Stone requires a ~100K SF building to be completed by 12/31/21. LB Stone wants to delay the start of the project due to economic and pandemic related concerns.
 - The Development Agreement requires the City to reimburse ECP \$1.25M in NEPDA capital) when the public roads are built and dedicated, on a percentage completion basis. 100,000/400,000 SF built = 25% of \$1.25M is reimbursed.
 - The Development Agreement expires in 2029.
 - As drafted presently, the \$1.25M is tied up for 8 years. ECP has said they do not want to dedicate the road for many years, so they can control the security in their development.
 - The Executive Director reached out to LB Stone to discuss a range of development timelines and reimbursement options. LB Stone is reviewing the matter now.

- Hillyard Merchants Association – next steps
 - Prepare and submit grant applications to Avista, Innovia, others – the goal is to secure funding to support the Merchants Association marketing and business plan in 2021.
 - The Executive Director will utilize the NEPDA grant funding strategic plan to identify potential funding sources. The goal is to secure \$75,000 a year for three years (\$225,000 total) from multiple funding sources. Grants are typically small, e.g. \$25,000 spread over three years.

- Marcomm update
 - Spokane Made website and CRM complete, subject to minor content revisions. Completion expected by January 31
 - Make It Spokane – business cards received. 500 pamphlets ordered. Website, CRM with drip marketing complete by January 31.
 - Josh Kerns asked when the websites will be complete. The Executive Director noted that that project completion had been delayed because of a death. The father of our key contact and designer at Tilladelse died in December, and he fell behind due to extensive travel to the Midwestern US in the final weeks before his dad died. Tilladelse has committed to completing the website by January 31st.

- NECC Lease renewal
 - The Executive Director explained that he renegotiated the office lease, reducing rent by 50% in 2021. The Northeast Community Center Executive Director, David Richardson, agreed to this change. The NECC is a strong supporter of the NEPDA. The NEPDA is also a strong supporter of the NECC, and Zone Project.

- Budget Review
 - It was noted that the NEPDA has started receiving incremental property tax revenue from Spokane County, which is being deposited into the NEPDA bank account at Washington Trust. We are still working on a process to collect retail and construction sales tax.

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Notable Items, Around the Room, Closing

David Guthrie said that he and the other PDA executive directors presented to about 150 people at a GSI Good Morning Spokane online event. The topic was economic development. Several of the new marketing brand elements and story were included in a short slide deck, which received positive feedback following the event.

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).

Meeting Adjourned: 12:00 PM