

# AGENDA

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

**Date:** April 9, 2021

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

**Location:** Zoom Meeting

**Join Zoom Meeting**

<https://us02web.zoom.us/j/84649921163?pwd=MnA0WDhvNXE5ZE9VQmlucmVFUHVBT09>

Meeting ID: 846 4992 1163

Passcode: 191969

One tap mobile

+12532158782,,84649921163#,,,,\*191969# 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	<b>Welcome &amp; Introductions</b>
10:35 am to 10:40 am	<b>Approval of Minutes:</b> Approval of Regular Meeting Minutes from March 12, 2020
10:40 am to 11:00 am	<b>Public Comments:</b> Pete Rayner - Beacon Hill
11:00 am to 11:40 am	<b>Executive Director Updates</b> <ul style="list-style-type: none"><li>○ Manufacturing incentives</li><li>○ City of Spokane – offsite improvements</li><li>○ Wellesley Ave – zoning &amp; land-use RFP</li><li>○ Wellesley Ave - reconstruction</li><li>○ 3011 E Wellesley – City foreclosure</li><li>○ Esmeralda Commerce Park - Development Agreement Amendment</li><li>○ Website</li><li>○ 2020 Construction</li></ul>
11:40 am to 11:55 pm	<b>Action Item No. 1: Resolution No. 2021-006: A RESOLUTION</b> of the Northeast Public Development Authority to approve the Bylaws of the Hillyard Merchants’ Association.  <b>Action Item No. 2: Resolution No. 2021-007: A RESOLUTION</b> of the Northeast Public Development Authority to approve a proposed Amendment to the Esmeralda Commerce Park, LLC Development Agreement (“Development Agreement”) related to the Esmeralda Commerce Park Project and authorize the Executive Director to present the proposed Amendment to the Developer, LB Stone Properties (“Developer”) for consideration.  <b>Action Item No. 3: Resolution No. 2021-008: A RESOLUTION</b> of the Northeast Public Development Authority to authorize the Executive Director to prepare a request for proposal/qualifications pursuant to the NEPDA’s applicable Procurement Policy for planning, architectural and/or engineering services to review existing zoning and land use regulations, and prepare a plan, related exhibits, and a proposal outlining actions

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# AGENDA

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necessary to facilitate the development of E. Wellesley within the NEPDA boundaries as a commercial mixed-use corridor.

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

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**NEXT MEETING:** May 14, 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).

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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:** March, 12, 2021

**Meeting Time:** 10:30 AM

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

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**Welcome and Introductions**

Commissioner Kerns called the meeting to order at 10:34 AM. He noted that a quorum was present.

**Attendees:**

NEPDA Board of Directors

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

Not in attendance:

- Michael Cathcart (Shae noted that CM Cathcart was meeting with the Mayor)

Board Staff

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

Guests

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

**Approval of Minutes**

Commissioner Kerns asked if anyone was opposed to approving the Regular Board Meeting Minutes from February 12, 2021. Hearing no objections, a motion was made by Gerry Gemmill to approve the minutes. The motion was seconded by Scott Simmons. The motion passed unanimously.

**Public Comment:**

N/A

**Board Updates**

N/A

### Executive Director Updates

The Executive Director provided the following updates:

- The Executive Director noted that Scott Simmons has accepted a position as the CEO of Spokane County. He will leave the City at month end. Gerry Gemmill will retire, and Scott will take Gerry's position on the NEPDA board. This will create a vacancy on the board. The Mayor will appoint a new permanent board member to replace Scott, but no one has been selected at this time. Scott noted that Marlene Feist will be appointed as interim Public Works Director, and would fill his position until a new permanent appointee to the board is announced.
- Hillyard Merchants Association
  - Grants – (goal 75K per year for 3 years)
    - Innovia – application submitted – 40K
    - Pending - Avista (prepared) – 25K – application may be submitted July 1<sup>st</sup>
      - Pending - Ewing Marion Kauffman Foundation
      - Pending - United States Conference of Mayors
      - Pending - MJ Murdock Charitable Trust
      - TBD - BNSF
  - Next Steps
    - Secure grant funding
      - Jordan Tampien previously mentioned that the East Spokane Business District has used a “Business Match” initiative, where funding sources such as Avista would match local business contributions. This was an effective way to raise funds. The Executive Director noted that he intended to create a similar program for the Hillyard Merchants Association, pending notice of grant award from Innovia and others.
    - Board outreach
      - David Guthrie explained that when we have received notice of grant award, he will conduct outreach to various businesses in Hillyard to recruit a new Hillyard Merchants Association board. We also need to approve the Association bylaws, establish bank accounts, and obtain a City business license. We have filed the Articles and secured an IRS employer identification number (EIN).
  - Downtown Hillyard Trees
    - As a follow up to our prior discussion at the February board meeting, the Executive Director explained that he met with Paul Hamilton and a half dozen or so businesses, so discuss various Hillyard area issues. One issue was the need to pay for water and electricity for downtown Hillyard street trees. Presently, Paul Hamilton is paying these bills, which are about \$1,000 per year. Paul said he doesn't want to be reimbursed, but he does want someone else to start paying these bills. Discussion ensued about having the NEPDA or the City pay these bills. Scott Simmons suggested creating a Business Improvement District to pay these expenses. The Executive Director noted a BID will take several years to implement, and is not presently a viable option. After further discussion, no decision was made.
- Trademarks

David Guthrie explained that Megan Clark had successfully secured trademarks from the State for both “Make It Spokane” and “Spokane Made,” which are brand names for the NEPDA and Hillyard Merchants Association respectively. We have not attempted to secure a Federal Trademark at this time.

## MINUTES - Regular Meeting

- Webmap update
  - David Guthrie noted that the NEPDA/Make it Spokane website “webmap” is not working correctly. The south half of the real estate map works great, but there is missing GIS data in the north half of the map. The EWU intern we hired apparently missed some data, and we will need to hire a GIS consulting firm to correct and or add the missing data. We are discussing this with Maul Foster Alongi, and expect to have the problem corrected in the next few weeks. MFA anticipates it will take about 10 hours to correct the problem(s).
- Employment Security Department
  - The Executive Director explained that there have been two fraudulent unemployment insurance claims filed, which he has disputed. He also noted that a former intern filed a claim as well. In this latter case, the Executive Director filed a report with the State indicating this internship was always considered a temporary position.
- Advantage Spokane
  - Guthrie noted that the Advantage Spokane has been updated, with photos and text that aligns with our new brand strategy, including links to our new websites. He also explained that the NEPDA has received a \$3,500 invoice from GSI for our annual Advantage Spokane Website Partnership fee, and queted whether this is an expense the board wants to pay. In the Executive Director’s opinion, there has been little tangible value to the NEPDA by participating. The analytics provided indicate very low user numbers, and we have not received a single business or development lead from our participation on the site. The Executive Director questioned whether this is the highest and best of use of NEPDA dollars. Board discussion ensued. Most questioned whether this expense is justified. Scott Simmons, Michael Cathcart and Josh Kerns all noted that GSI had originally sold the NEPDA board on the fact that this would be an effective business recruitment tool. Despite this representation, there appears to be little or no evidence this has been effective, at least in northeast Spokane. The Executive Director was asked to obtain more data justifying this expense, and or ask GSI to present to the board, justifying continued NEPDA investment.

On a related topic, the Executive Director explained that he had received a proposal from Tilladelse to support the NEPDA and Hillyard Merchants association CRM, newsletter design and content, email marketing, social media, and other marketing and communication requirements in 2021-2022. This bid was very high. As result, Guthrie said he has requested a proposal from a small local marketing agency, with a monthly budget not to exceed \$1,500. The Tilladelse bids were 50K and 80K per year, for NEPDA/Spokane Made, and Hillyard Merchants Association/Spokane Made respectively. He also noted that he has discussed creating a list of vacant shovel ready sites in the NEPDA with Maul Foster Alongi, and distributing this list monthly to the local real estate brokerage community. MFA is preparing a cost estimate for the NEPDA now.

- Federal Appropriations – Northeast Revitalization
  - The City of Spokane is proposing a strategic investment in infrastructure to support local neighborhoods, businesses, and citizens as the NSC is built to connect I-90. The goal is to build roads and infrastructure to “connect” to the NSC.
  - This proposal was sent to Senator Cantwell’s office
    - Targeted City investment areas include

## MINUTES - Regular Meeting

- NEPDA
  - East Central
  - Division St – Downtown to Farwell Rd.
- 2021 Top 10
  - The Director asked everyone to review the proposed NEPDA priorities, and provide feedback.
- 2021 Budget
  - There was a brief discussion about the 2021 budget. Guthrie noted that we had successfully shored up our financial position through 2022, and potentially 2023. This depends on how much we spend on special projects, grant applications, local match grant requirements, engineering, consulting, and uncertainty with respect to grant funding awards (revenues). He also noted that we are collecting property tax incremental revenues of approximately \$5,000 a month, but we have not collected any construction or retail sales tax, which should be payable by the County and City at this time. The City and County have been working on a system to pay the PDA for over a year, without success. Kris Becker indicates that the City will resume efforts to develop an automated system to link building permits to parcel data within a PDA next month. Guthrie also noted that LB Stone and the NEPDA are discussing an Amendment to the ECP Development Agreement. If an agreement is reached between the City and LB Stone, this could free up capital for the NEPDA to use for other economic development activities, potentially with higher or more immediate ROI's. .
- Wellesley Ave Reconstruction
  - David Guthrie explained that our EDA grant application to reconstruct Wellesley Ave. application is still pending. While WSDOT had provided a letter of support, allowing the NEPDA to use the NSC/Wellesley interchange work as a local match for a EDA, TIB or BUILD grant, which had also been confirmed by Bill White with T-O Engineering, Teri Stripes with the City of Spokane, and the prior EDA director for the region (Richard Berndt), the new acting EDA director for the region indicates the NSC funding may not be used as a local match for an EDA grant application. The EDA has confirmed that the NEPDA is in an EDA Opportunity Zone, which means we qualify for a 20% local match instead of 30%. This reduces the required local match to approximately \$660,000+, or 20% of \$3.3M (grant request).

Additional discussed ensued about how to fund the “local match” of approximately \$700,000. The Executive Director reminded the board that LB Stone, developer of Esmeralda Commerce Park had requested a delay in the completion of Phase 1, from 2021 to 2028. The board agreed that a delay of this duration was not acceptable. Scott Simmons reiterated our (City/NEPDA) strong support for the Esmeralda project. The board agreed, it is an important catalyst project for northeast Spokane, and that we want to do whatever we can to encourage rapid development of the site.

The Executive Director indicated that he would continue to discuss the terms of possible amendment to the LB Stone/City of Spokane (ECP) Development Agreement with the developer and City legal counsel, to see if mutually agreeable terms and conditions can be reached.

## MINUTES - Regular Meeting

### Action Items

**Action Item No. 1: Resolution No. 2021-006: A RESOLUTION** of the Northeast Public Development Authority to approve the bylaws of the Hillyard Merchants Association.

After board discussion, it was determined that the board had not received the final draft of the bylaws for review. This Resolution was tabled until the April regular board meeting as a result. The Executive Director noted that he would send a copy of the proposed bylaws to each board member immediately following the meeting.

### Notable Items, Around the Room, Closing

The board congratulated Scott Simmons on his new position as CEO of Spokane. The board also congratulated Gerry Gemmill on his pending retirement, and thanked him for his hard work on behalf of Spokane County and the NEPDA.

**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).

Meeting Adjourned: 12:06 PM