

NORTHEAST PUBLIC DEVELOPMENT AUTHORITY (NEPDA) REGULAR BOARD MEETING AGENDA

Date: October 14th, 2022

Time: 10:30 am to 12:00 pm (Pacific Time)

Location: Virtual via Zoom Meeting. Due to COVID exposure, there will be no in-person component.

Join Zoom Meeting:

<https://zoom.us/j/98916588710?pwd=UjFBakZoRGdqa0UvMVpnSIUvUUVGdz09>

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

Discussion Items:

- | | |
|---------------------|---|
| 10:30 am - 10:35 am | Welcome and Introductions |
| 10:35 am - 10:40 am | Approval of Minutes:
Approval of Meeting Minutes from September 8th, 2022 |
| 10:40 am - 10:45 am | Public Comment |
| 10:45 am - 11:00 am | Esmerelda Commerce Park Update
Theresa Sanders and Nick Czapla - Stone Group of Companies |
| 11:00 am - 11:15 am | Sales Tax Allocation Methodology and Status
Conner Thorne - City of Spokane Finance Department
Jason Metcalf - Spokane County Budget and Finance Dept. |
| 11:15 am - 11:25 am | Board Candidate Angel Fiorini |
| 11:25 am - 11:55 am | Executive Director Update <ul style="list-style-type: none">● Financials Review● 3011 E Wellesley and Ecology IPG<ul style="list-style-type: none">○ Foreclosure auction status and next steps○ Final grant agreement overview● Draft 2023 Priorities and Budget<ul style="list-style-type: none">○ Review tasks list and prioritization○ Review draft budget○ Development of mission statement and investment trigger criteria● Boundary Expansion Update<ul style="list-style-type: none">○ Review map○ Utility concerns in northern expansion zone○ City-retained consultant to present at November Board meeting |

11:25 am - 11:55 am

Executive Director Update Continued

- **2023 Legislative Agenda**
 - GSI Has put out call for agenda items
 - Regional resiliency programs
 - Infrastructure prioritization
 - Others?
- **New Projects in District**
 - Northwest Airdome
 - Self-storage facility
 - 2 Projects requesting County Comprehensive Plan amendments
- **Housekeeping**
 - New State regulations – must hold meetings in a public place and be able to broadcast, must provide opportunity for public comment prior to any official action
 - Reschedule November meeting – Veterans Day

11:55 am - 12:00 pm

Other Business, Closing

Next Meeting: To be rescheduled for Veterans Day holiday

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 8th, 2022

Meeting Time: 1:00 PM

Location: Board Members and Public attendance via Zoom.

Welcome and Introductions

Councilmember Cathcart called the meeting to order at 1:02 PM.

Attendees

NEPDA Board of Directors

- Councilmember Michael Cathcart
- Commissioner Josh Kerns
- Marlene Feist
- Scott Simmons

Not in attendance:

- Cheryl Stewart

Board Staff

- Jesse Bank, Executive Director
- Megan Clark, Legal Counsel

Guests

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

Approval of Minutes

Councilmember Cathcart asked if anyone was opposed to approving the minutes of the Regular Meeting dated August 12th, 2022. A motion was made by Board Member Feist and seconded by Commissioner Kerns. Counsel Megan Clark noted that while a majority of Board Members were present at the time of initial call, a quorum constitutes four members per the NEPDA bylaws – though there was a point made to revisit quorum regulations in the future given the current board size. As a result, the vote was postponed until Board Member Simmons was present. Once Board Member Simmons joined the meeting, a vote was called and the motion carried unanimously.

Public Comment

No public comments.

Executive Director Updates

1. **Financial Report**
 - a. Financials generally unchanged vs. prior month with the exception of ED salary.
 - b. Organization is cash flow negative for the month but positive YTD
 - c. ED continues to analyze cash burn and prioritize expenditures
 - d. Expecting influx of revenue from sales tax allocation process
2. **Grant Funding Report**
 - a. WA Ecology IPG

- i. Grant is moving forward. ED developing formal scope document to send to Ecology so that it can be input into their grant administration system
 - ii. ED informed the board that he would need to develop an RFQ for grant administration services as the previously-developed RFP was limited to grant preparation and application only. Given the size of the grant award, Counsel felt that an RFQ process would be required to remain in compliance with NEPDA Procurement Policy.
 - b. **EPA Brownfield Grant**
 - i. Grant is also moving forward well. Grant documentation is being prepared by City and Consultant now, goal is to begin implementation 10/1.
 - ii. Implementation will start with planning efforts leading to site selection for ESA work.
 - iii. Grant period is four years but the quicker we implement the earlier we become eligible for another grant – so the focus will be on expedient implementation.
- 3. **Marketing Report**
 - a. Per discussion at the previous Board Meeting, ED has pulled back on a variety of marketing initiatives in the immediate term to stem cash burn while longer-term strategies are being developed.
 - i. Hillyard Merchants' Association marketing is on hold. There is an organically-developing merchants' association that ED is in contact with, evaluating benefits of simply supporting this group's efforts rather than leading our own effort, managing structure, budget, marketing, etc.
 - b. ED proposed making updates to "Make it Spokane" website as a primary site for NEPDA. Follow a similar path to S3R3 in highlighting what the PDA is, how it can help prospective businesses, developers, etc.
 - i. There is poor understanding of the role of the PDA in the business community
 - c. Moving marketing support from a monthly retainer to a project-by-project billing strategy to keep focus on specific initiatives
 - i. Right now marketing consultant is "trying to find ways to stay busy" so that he "feels good about continuing to bill." This is not where we want to be given our limited budget.
 - d. ED participated in an interview with the Spokane Journal of Business. Article is out now and has been well received.
- 4. **Upcoming Discussion Topics:**
 - a. Initial 2023 work plan draft
 - b. Esmerelda Commerce Park update – Board Member Simmons indicated that he would make contact with LB Stone to set a meeting with ED.
 - c. 3011 E Wellesley Site
 - d. City Subarea Plan – City has hired new Principal Planner who will take over subarea planning effort from Planning Director. More activity should follow.
 - e. City update on sales tax allocation – Board Member Simmons added that a framework has been developed, City and County are now loading information into model to arrive at amounts owed. This is retail sales only, excluding new construction. There will be a different formula used for construction tax as exact permit values aren't currently tracked. City/County will have an update at October board meeting.

Board Chair Updates

- 1. **Discussion of expansion options**
 - a. Informal conversations have taken place between board members
 - b. Two options for expansion – one to the north, one to the south
 - i. Northern expansion to Hawthorn/Parksmith
 - ii. Southern expansion to include Jubilant property
 - 1. Synergy and connectivity seen between Jubilant's activity and the industrial activity contemplated within the NEPDA
 - c. Counsel Megan Clark reported that the ILA requires a written recommendation from the NEPDA ED and Board Chair to the respective legislative bodies within the City and County with respect to boundary expansion. Resolution 2022-003 is the first step in that

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- process. Beyond this step there is no requirement that the City or County take action on the recommendation.
- d. ED displayed a map of the area to begin discussion of expansion areas
 - i. Northern expansion zone was described as the area bounded by Magnesium to the south, Nevada to the west, Hawthorn/Parksmith to the north, and the NSC to the east. ED asked the board if this aligned with the intended expansion area and Board Members indicated in the affirmative.
 1. ED reported contact with Bonneville Power Administration (BPA). They have no comment on inclusion into PDA boundary other than that they are tax exempt.
 2. Commissioner Kerns mentioned in a previous meeting that inclusion of BPA property into the NEPDA expansion zone would make delineation of expansion zone clearer and easier to understand, and confirmed that position in this meeting.
 - ii. Southern expansion was described as the area bounded by Garland/Empire to the north, Cook to the west, Liberty to the south, and Market to the east.
 1. Councilmember Cathcart asked if this expansion would include the Safeway Plaza along Market St., and ED indicated that it does not. Councilmember Cathcart felt it should be included as a potential third option.
 2. ED proposed slight expansion to Regal at the western edge because there is fiber along Regal and existing commercial nodes, allows PDA to pick up entirety of Market/Haven couplet
 - a. Councilmember Cathcart supported this direction
 - b. Commissioner Kerns supported the direction as well but suggested expanding to Euclid at the southern end as it's a major street and has major intersection with Market
 - c. ED expanded on that notion and suggested the western boundary shift could occur at Francis to the north for the same reasons.
 - d. Councilmember Cathcart supported Garland/Francis as southern/northern boundaries respectively
 3. Board Member Simmons indicated no general concerns. He did raise the issue that the NEPDA's core mission – per its original founding documents – does not include retail or housing, uses which predominate in the southern expansion zone. Liked strategy of picking up Jubilant. Asked if there were any real commercial areas on west side of Haven. ED responded that there was some limited commercial but the long-term goal could be to develop towards a downtown couplet along Market/Haven, so having the west side of Haven in the PDA could be beneficial.
 4. Board Member Simmons proposed expanding eastern boundary slightly east of Market as there is the potential to have some surplus developable WSDOT land there post NSC completion.
 5. Board Member Feist suggested that before a vote is taken on Resolution 2022-003 that agreement be reached on exact boundaries.
 6. In addition, she asked what the benefit of inclusion into the PDA would be to the areas that are already built out. Understands the revenue benefit to the PDA, but what benefit flows back to neighborhood? She further brought up the issue of old infrastructure in the proposed expansion area and suggested that the PDA would have to take over responsibility for infrastructure upgrades. Could potentially be a future liability for PDA, however she confirmed that if an incident – water main break, for example – occurs, the responsibility is still on public works to fix the issue. The issue really pertains to upgrades. If there is a desire to increase development in this area, PDA would be responsible for leading the effort to upgrade infrastructure.

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7. Board Member Simmons added that the PDA should recognize, as a function of the existing boundaries as well as the contemplated expansions, that there will be requests from developers for the PDA to help offset some level of infrastructure costs, and the PDA will need to weigh the prioritization of its limited funds therein. Councilmember Cathcart indicated that this is essentially what the PDA is dealing with on the ECP project.
8. Board Member Feist needed to leave for another meeting at the conclusion of this conversation. It was therefore decided that ED should prepare a set of maps depicting the proposed expansion areas and that a special meeting could be called specifically to vote on Resolution 2022-003 so that action does not have to wait until October board meeting.
 - a. Board agreed with this direction.
 - b. Board Member Simmons did highlight a discrepancy between the City and County NEPDA boundary maps, ED indicated he would verify with the legal description in the ILA.

2. Discussion of vacant board seat

- a. Board Member Cindy Chipman submitted a letter of resignation from the board on September 8th, effective immediately.
 - i. As a result, there are now two vacancies on the NEPDA Board.
- b. Neither Councilmember Cathcart nor ED have had a chance to connect with Ellie Aaro over potential to join board – has good local connection as owner/operator of Beacon Hill Events Center/Catering and daughter of Pete Rayner.
 - i. Shae Blackwell indicated she had reached out to Ellie but did not get a response.
- c. Councilmember Cathcart asked the group if there were any other ideas for potential Board Members or categories of expertise that people felt might be useful for the Board going forward
 - i. Commissioner Kerns indicated he felt the real estate development experience that former Board Member Tampien brought to the table was very valuable and would support another person with similar expertise.
 - ii. Councilmember Cathcart asked if the board concurred with Commissioner Kerns' prioritization of someone with real estate experience. Board concurred. Commissioner Cathcart, Commissioner Kerns, and ED will confer on possible nominees and report to board next month.
- d. ED indicated that he did have a conversation with one of the new owners of the Masonic Lodge building who might be interested in a board seat. Could be a good fit as a business owner and building owner in the district. ED and Commissioner Cathcart will follow up offline.

Other Business

1. No other business was reported

Action Items

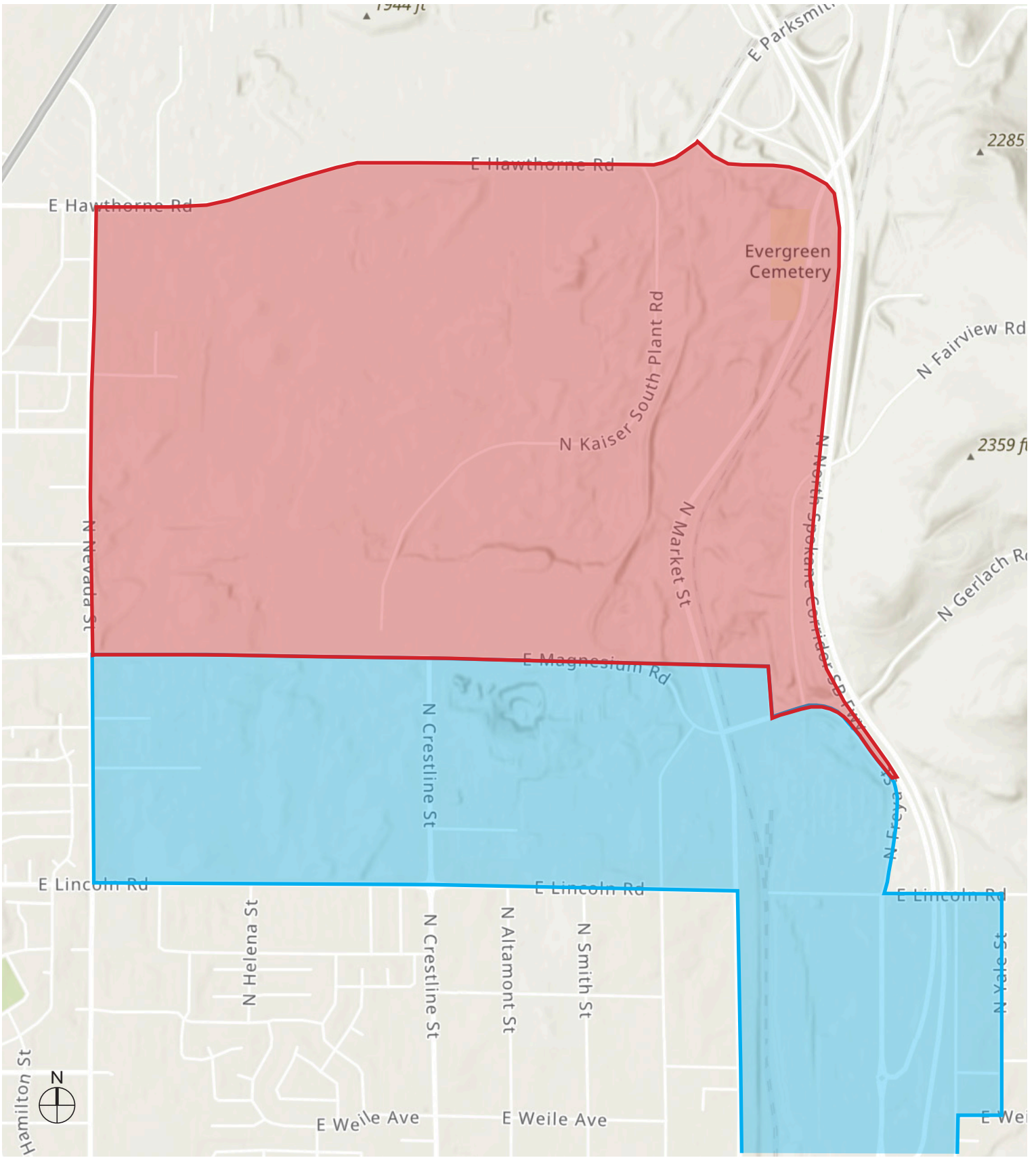
Resolution 2022-003: A RESOLUTION of the Northeast Public Development Authority (the "NEPDA") to recommend that the City of Spokane and Spokane County revise and reformulate the existing Geographic Boundaries of the NEPDA to further facilitate economic development and amend the Interlocal Agreement regarding Reformulation of the NEPDA

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Resolution 2022-003 was tabled for consideration at a future meeting given the lack of specificity over expansion areas and the lack of quorum following Board Member Feist's departure from the meeting.

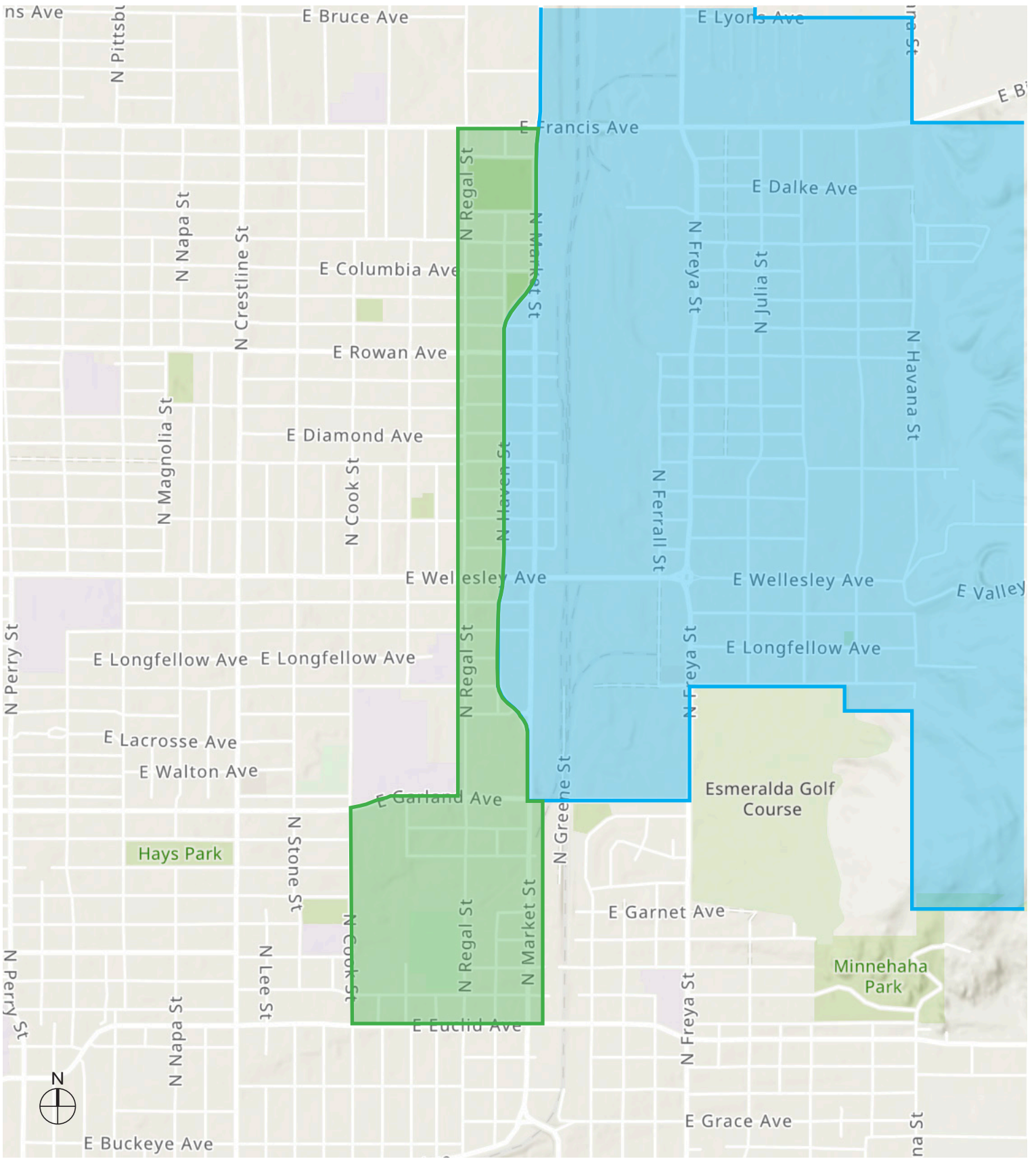
Notable items, Around the Room, Closing

There were no additional comments. Councilmember Cathcart adjourned the meeting at 1:49 PM.



2022 NEPDA Proposed Northern Boundary Expansion

- Existing NEPDA Boundary
- Proposed Northern Expansion



2022 NEPDA Proposed Southern Boundary Expansion

- Existing NEPDA Boundary
- Proposed Southern Expansion