

11:30 am - 11:40 am

Public Financing Study

1. Discuss proposed scope & NEPDA investment
2. Potential action

Action Item: Resolution No. 2023-002: A RESOLUTION of the Northeast Public Development Authority (the "NEPDA") to authorize the Executive Director to amend a contract with Stantec for purposes of implementing the Integrated Planning Grant awarded by the Washington State Department of Ecology.

11:40 am - 11:55 am

Executive Director Update

1. Financials Review
2. Potential Office Lease & Term Sheet Review
3. NSC Funding Issue and Next Steps
 - a. Public meeting planning
4. 1% Admin Fee Agreement

11:55 am - 12:00 pm

Other Business, Closing

Next Meeting: February 10th, 2023, 10:30 am - 12:00 pm

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: December 9th, 2022

Meeting Time: 10:30 am

Location: Northeast Community Center, South Room, or virtual via Zoom

Attendees

NEPDA Board of Directors

- Councilmember Michael Cathcart
- Commissioner Josh Kerns
- Scott Simmons
- Angel Fiorini
- Cheryl Stewart

Not in attendance:

- Marlene Feist

Board Staff

- Jesse Bank, Executive Director

Guests

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

Welcome and Introductions

Councilmember Cathcart called the meeting to order at 10:30 AM.

Approval of Minutes

Councilmember Cathcart called for a motion to approve the minutes of the Regular Meeting dated November 10th, 2022. A motion was made by Board Member Fiorini and seconded by Commissioner Kerns. A vote was taken, and the motion passed unanimously.

Public Comment

No public comments.

2023 Work Plan and Budget Final Review

1. ED Bank opened the conversation by thanking board members for their input into the work plan and budget to date and said that the purpose of today's conversation is to perform a final review of both documents and then approve and adopt them via Resolution 2022-005.
2. The purpose of the work plan and budget is to provide pre-approved guidance to the ED for the coming calendar year, without being overly rigid or limiting changes in scope and budget that arise from the presence of new information.
3. ED Bank reviewed the work plan and budget with board members, pausing for questions as they came up.

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- a. With respect to marketing and recruitment efforts, Councilman Cathcart asked if the plan was to bring on a consultant to complete website updates. ED Bank responded by saying a procurement process will likely be needed, for a variety of reasons, but that the hiring of a consultant is the plan.
 - b. With respect to supporting community building efforts, Councilman Cathcart announced that the city has recently allocated some ARP funding to the creation of new business districts around the city, and that Hillyard could be an ideal candidate for that program – currently being led by Councilman Zappone.
 - c. With respect to the budget, ED Bank indicated that the beginning cash number will likely be higher than currently forecast, based on incoming receipts. However, there is some confusion with the coding of property tax revenues relative to previous years. Board Member Simmons gave more color on the timing for property tax collections at the County.
 - d. Continuing on the Budget, Board Member Simmons asked whether we were still considering relocating our office to Market St., and if so, are we holding sufficient budget to cover those expenses. ED Bank replied that the matter is still under consideration, subject to locating the right space, but that it would be a relatively substantial line item. Board Member Fiorini suggested Paul Hamilton’s old space, ED Bank indicated he would look into it with the listing agent. Board Member Simmons indicated that it would be best to approve this budget as-is, and if the right space presents itself, we can make a budget amendment at that time.
4. Councilman Cathcart, noting Resolution 2022-005, asked if there was any public comment on this matter. Hearing none, he called for a motion to approve, which was made by Board Member Simmons and seconded by Board Member Stewart. A vote was called, and the motion carried unanimously.

Spokane County ARP Funding Request

1. ED Bank indicated that subsequent to the conversation on this matter at the prior board meeting, several changes to the proposal were made.
 - a. First, the applicant was changed from the City to the NEPDA
 - b. Second, the project was right-sized to match the funding available
2. It was discussed that this project will remove a significant impediment to the commencement of the Esmerelda Commerce Park project. There remains some challenges with Avista’s power infrastructure in the area and ED Bank is working with reps from Avista to find a solution there.
3. ED Bank noted that the ARP funding and City match are sufficient to carry out replacement of water infrastructure and reconstruction of the street atop the water line but are insufficient to complete the entirety of the roadway. The NEPDA and City will collaborate in the new year to seek TIB funding to complete the remainder of the roadway reconstruction.
 - a. Councilman Cathcart asked about the timing of this project relative to the impending reconstruction of E Wellesley Blvd. ED Bank said that this project would likely go first, but that the timing isn’t completely clear yet.
 - b. Board Member Stewart asked about the coordination with the Beacon Hill project. ED Bank indicated that he’d chatted with Pete Rayner and that further coordination would take place. A discussion over the timing of the E Wellesley improvements ensued and ED Bank said he would work with ICM to learn more about that project and what is causing the holdup.
4. ED Bank will work with County staff over the coming weeks to finalize and execute the ARP funding agreement and work with ICM to deliver the funding.

Consolidated Planning Project Scope Review

1. ED Bank reviewed draft scope document produced by Stantec for planning project that combines planning funds from Ecology IPG, City EPA Brownfields Grant, City ARPA Subarea Plan.
 - a. Stressed that this document is in its very early stages, significant edits have already been discussed with consultant, relevant City participants.

2. In addition to completing the planning process, ED Bank let board members know that there is an effort to add in additional Comprehensive Plan amendments as part of this subarea plan that will direct City departments to consider equity in making investment decisions. Much of the NEPDA area falls below current investment triggers – and will never meet those triggers unless criteria are changed. These Comp Plan changes would be targeted to bring investment criteria in line with other economic development priorities.
 - a. Councilmember Cathcart asked that we get specific on what equity metrics we want to pursue with this, how we can be targeted in selecting those metrics. ED Bank replied that he would keep the board up to date on all conversations to this effect.
 - b. Board Member Simmons added that there was an effort some years ago to do this but it was unsupported at the time. ED Bank indicated that there was an effort and he has the documentation around those efforts.

Boundary Expansion Discussion

1. Douglass property Comp Plan amendment request was recommended for denial by the County Planning Commission. The question will go before the Board of County Commissioners on Dec. 13th.
 - a. Should the BOCC deny the amendment request, the project will not be able to re-apply until 2024.
 - i. Board Member Simmons added that the BOCC could continue the case, thereby keeping the question alive in 2023.
 - ii. Regardless the action taken, this will provide NEPDA time to evaluate previously presented utility challenges in conjunction with the northern expansion area.
 - b. Douglass was successful in securing water service to the area, as reflected in the minutes of the County Planning Commission.
2. ED Bank reported that he was contacted by Scott Chesney alerting him to the fact that the old Kaiser Magnesium plant had recently transacted, and that an interesting local business was the buyer.
 - a. ED Bank contacted the local business – Finnoe Design – and spent meaningful time at their premises discussing their business model, future plans, and how the PDA could help.
 - b. Finnoe has big ambitions for the site and plans to occupy the entirety of the existing buildings and would like to develop the remaining portion of the site. They are very interested in getting assistance from the PDA in developing the site as they have comparatively little experience doing so.
 - c. ED Bank stated that he feels this is an ideal opportunity for the PDA to expand and have immediate impact, despite the outstanding utility concerns.
3. ED Bank recommended to the Board that, should an expansion take place to the north, that this site should be included as a primary target area.
 - a. He shared reservations about also including the Douglass properties as they generally have the wherewithal and means to develop their property without the PDA's involvement and is concerned over what their expectations of the PDA would mean should the expansion area include that property.
 - b. Councilmember Cathcart recommended that the board approve an expansion to the Finnoe site and hold on further expansion to the north while we wait to learn more. He also added that he continues to be personally very interested in the southern expansion zone.
4. ED Bank presented a financial analysis that was completed with the help of the City Finance Department, outlining the potential impacts to the PDA of the various expansion scenarios. In general the analysis is as expected with the exception of the fact that the northern expansion area appears to produce more revenue than the southern area. ED Bank suggested this may be due to the fact that the southern area is predominantly residential and therefore produces less sales tax proceeds.
 - a. Councilman Cathcart asked whether this forecast – particularly in the southern area – accounts for any expected expenses. ED Bank responded that this only includes projected revenues as expenses are so unknown that forecasting is virtually impossible.

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5. Board Member Fiorini asked why the southern expansion area boundaries had been drawn the way they are. Specifically, she added that the Board might consider adding the remaining southern section of the Market St. corridor as there are businesses in the area throwing off meaningful sales tax revenues. She wondered why the area hasn't been included and if it could be.
 - a. Board Member Stewart indicated that this would be a natural demarcation of the Market St. corridor.
 - b. Board Member Simmons said that we should be very strategic in making these expansion decisions and avoid making a land grab for sales tax revenues. He agreed the Jubilant site has good alignment with other businesses in the existing NEPDA.
 - c. Councilmember Cathcart added that it is important that we proceed with both expansion areas simultaneously – adding City and County land at the same time – so that all groups are foregoing revenue at the same time.
 - d. ED Bank suggested that we could possibly create a small “tail” section that includes the southern portion of the Market corridor without adding in residential areas that aren't in line with the mission of the PDA.
6. Councilman Cathcart suggested that ED Bank revise maps and bring them forward for a vote at the next meeting in January, and revise the financial projections associated with the various options.

Executive Director Report

1. ED Bank reviewed December 2022 financials
2. Esmerelda Commerce Park update
 - a. ED Bank will meet with Board Member Feist to discuss reformulation of the ECP reimbursement agreement next week and will update the Board at the January meeting.
3. DNR Surplus property Auction
 - a. There is a property within the district that DNR owns and has designated as surplus and will auction the property in the coming year. It is not necessarily strategic and is surrounded by Douglass property, so not likely something the PDA would pursue. ED Bank will keep the Board updated on that process.

Other Business

1. No other business was reported

Action Items

Resolution No. 2022-004: A RESOLUTION of the Northeast Public Development Authority (the “NEPDA”) Board of Directors approving and adopting the NEPDA’s 2023 Work Plan and Budget.

Notable items, Around the Room, Closing

There were no additional comments. Board Chair Cathcart adjourned the meeting at 12:01 PM.

NEXT MEETING

MINUTES - Regular Meeting

January 13th, 2023, 10:00 – 11:30 AM, Northeast Community Center (4001 N. Cook St.) or virtual via Zoom