

**REGULAR MEETING NOTICE/AGENDA OF THE
Northeast Public Development Authority**

**MEETING OF FRIDAY, April 14th, 2023,
10:30 A.M. – Northeast Community Center**

A regular meeting of the Northeast Public Development Authority will be held at **10:30 A.M on Friday, April 14th, 2023**, at the Northeast Community Center – 4001 North Cook Street.

The meeting will be conducted in a regular format and will be open to the public. Public testimony will be taken, and discussion will be limited to appropriate officials and staff.

Executive Session

At any time during or after the regular agenda, the NEPDA Board may choose to adjourn into Executive Session for the purpose of discussing privileged legal matters. This portion of the meeting would be closed to the public.

NORTHEAST PUBLIC DEVELOPMENT AUTHORITY (NEPDA) REGULAR BOARD MEETING AGENDA

Date: April 14th, 2023

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

Location: Northeast Community Center - 4001 N Cook St., South Room (lower level), or virtual via Zoom

Join Zoom Meeting:

<https://zoom.us/j/5453150461?pwd=VWUzRTg2Y3I5dGhRcVNJS2pCeW8yZz09>

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

Discussion Items:

10:30 am - 10:35 am

Welcome and Introductions

Approval of Minutes:

Approval of meeting minutes from February 10th, 2023

Public Comment

10:35 am - 10:55 am

Subarea Plan Presentation – Tim Thompson, City of Spokane

10:55 am - 11:15 am

Esmerelda Commerce Park Agreement

1. Update on status of negotiations

Executive Session to discuss with legal counsel litigation, potential litigation and/or legal risks, per RCW 42.30.110(1)(i)

11:15 am - 11:25 am

Project Evaluation and Prioritization Strategy

1. Discussion recap
2. Approaches in other markets
3. Proposed NEPDA approach

11:25 am - 11:35 am

Proposed GFC Changes

11:35 am - 11:45 am

3011 E Wellesley Property

1. Status of property – ownership, current use, ESAs
2. PDA Asset transfer protocol
3. Developer/JV solicitation – process and next steps

11:45 am - 11:50 am

Boundary Expansion

1. Status update
2. Larger ILA amendment process

11:50 am - 12:00 pm

Executive Director Update

1. Financials review
2. Wellesley updates
 - a. Fiber conduit
 - b. Public outreach
3. Hedley portfolio transaction
4. NEPDA board vacancy
5. Potential internship opportunity
6. Cleanup Event 4/16

12:00 pm

Other Business, Closing

Next Meeting: May 12th, 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: February 10th, 2023

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
- Marlene Feist

Not in attendance:

- Cheryl Stewart
- Angel Fiorini

Board Staff

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

Guests

- Ron Valencia, Spokane County
- Amanda Beck, City of Spokane
- Steve MacDonald, City of Spokane

Welcome and Introductions

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

Mission Statement and Prioritization Matrix

1. ED Bank presented draft prioritization matrix following recommendations made at January board meeting. ED reminded board members that this would be an ongoing conversation with the goal to arrive at an internally facing mission statement and prioritization matrix that will allow ED and the board to make consistent, informed decisions about investing time or resources.
2. ED will work with City staff to evaluate what elements of Projects of Citywide Significance scoring matrix may be valuable or useful for the NEPDA.
3. ED drew a distinction between long-range items on the work plan and ad hoc items that come up during the course of the year. This matrix is primarily aimed at the ad hoc items, though can be a useful lens through which to evaluate long-range projects.
4. Goal is to continue vetting this document but also begin to morph it into a mission statement that can be used internally, as well as a guidepost to shape updates to NEPDA website.
5. CM Cathcart indicated support for the approach taken and suggested that we work toward a more quantitative/objective approach to evaluation by applying numerical scales to these items.
 - a. Also brought up the question of opportunity cost – what is the cost to the NEPDA of NOT doing this project.
6. Board member Simmons added that he has never heard anyone develop a useful litmus test for a “but for” clause. There is always a way to massage numbers so that they tell the story a proponent wants to tell.

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- a. ED Bank indicated he had some experience in Denver that could shed some light on this topic. He will research and report back.
 - b. Beyond that issue, Simmons indicated that having a matrix will be useful.
7. CM Cathcart re-framed the conversation around the question of “is this investment necessary?”
8. Commissioner Kerns concurred with all comments.

Executive Director Update

1. ED Bank reviewed January 2023 financials
2. ED Bank provided an update on office lease discussion that came up at January board meeting. ED had a follow-up conversation with broker who indicated that property owner likes the NEPDA as a user for the space and there may be opportunities to strike an NEPDA-friendly deal.
 - a. ED also approached Baker Construction about putting together a high-level cost estimate for TI buildout, so we are better able to evaluate this and other opportunities.
3. ED reported that the rebuild of Wellesley Ave. is moving toward kickoff. ICM is concerned about ROW acquisition challenges so ED has offered to meet with property owners in advance of the formal process to get a better understanding of what challenges will exist, if any.
 - a. Board member Simmons supported this effort, noting that often times these conversations become difficult if led by the city. NEPDA has the opportunity to “grease the skids” so the hope is that this process moves more smoothly.
4. ED reported that the subarea planning team is closing in on a final scope document and will be presenting the final scope to the board in March.
5. ED reminded board members that there remains a vacant board seat, and asked if there were any recommendations of who might fill the role.
 - a. CM Cathcart and Commissioner Kerns both reported having lost track of this matter and appreciated the reminder.
 - b. Board member Simmons reminded ED that the conversation left off with the board looking to ED for a recommendation on what skill set might best compliment the existing board capabilities and and knowledge.
 - c. ED Bank indicated that he still believes someone with a real estate background – either a broker or developer – would be idea.

Approval of Minutes

Upon board member Feist’s arrival to the meeting, a quorum was achieved. Councilmember Cathcart called for a motion to approve the minutes of the Regular Meeting dated January 13th, 2022. A motion was made by board member Simmons and seconded by Commissioner Kerns. A vote was taken, and the motion passed unanimously.

Public Comment

No public comments.

City PDA Liaison Introduction

1. Amanda Beck introduced herself as a Planner II in the City’s long-range planning department. She has been brought into the economic development department to work with PDAs to get connected with city agencies, answer questions, and facilitate city participation in the day-to-day operation of the PDAs

Esmerelda Commerce Park Agreement Update

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1. ED Bank reported a meeting was held with city legal staff, economic development staff, board member Feist and the NEPDA to discuss the process by which a new agreement could be developed for the Esmerelda project.
 - a. General consensus was that the NEPDA should draft a replacement document that contained a clause stating acceptance of this new agreement is conditioned upon vacation of the existing agreement.
2. ED Bank discussed this procedure and the proposed means of reimbursement proposed previously by board member Simmons with Theresa Sanders. While she was open to the procedural approach, she felt the updated reimbursement strategy was fundamentally the same as the existing agreement which, in her opinion, doesn't provide reimbursement funds quickly enough.
3. The board then went into executive session for 20 minutes to discuss legal risks with the NEPDA's Counsel.
 - a. CM Cathcart adjourned the executive session by reporting that present in the session were CM Cathcart, Commissioner Kerns, board members Simmons and Feist, ED Bank, and Megan Clark, NEPDA Legal Counsel.

City Broadband Study Report

1. ED Bank reported that the city had contracted with Petrichor Broadband to study the city's fiber infrastructure and to make recommendations on ways in which to improve the network.
2. ED Bank reviewed the final report the day before this meeting and noticed that there is a recommendation to add a fiber optic conduit beneath E Wellesley Ave. Given that project will commence imminently, it was recommended that ED seek a board resolution supporting the inclusion of this conduit into the project.
 - a. CM Cathcart was under the impression that it was city policy to ensure fiber conduit is included in all city road projects.
 - b. Board member Feist answered that conduit is included when IT requests it be included, but she does not believe it is standard practice.
 - c. Board member Simmons added that because this is a WSDOT project associated with construction of the NSC, it may not have gone through the city's chartering process, and therefore IT may not have been notified.
 - d. ED Bank suggested that the board pass Resolution 2023-002 in support of this request, and then he and other board members can work with the relevant departments to ensure the conduit is placed.
3. CM Cathcart called for a motion to approve Resolution 2023-002, which was made by board member Simmons and seconded by Commissioner Kerns. A vote was taken, and the motion carried unanimously.

Boundary Expansion Discussion

1. ED Bank displayed updated maps of the proposed expansion areas reflecting the conversations that occurred at the January board meeting.
2. ED addressed the conversation around the lack of utilities in the northern expansion zone by stating that it is the purpose of the PDA to create conditions conducive to development. The PDA is unable to fund utility work, so that responsibility rightly falls to the developer – as is typical in greenfield development nationwide. What is critical is that there exists a process to get utilities to the area, and the PDA is there to work with property owners in facilitating that process, as well as providing some financial support in service of that goal. But ultimately the lack of infrastructure shouldn't be a barrier to including this land into the PDA.
3. CM Cathcart asked which of the northern expansion options ED Bank would recommend. ED answered that the question really comes down to whether to include the site currently used as a gravel mining facility. There are no plans in the next decade or more to change the use on that site, so it's not additive to the PDA.
 - a. Commissioner Kerns indicated support for excluding the gravel pit site.

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- b. Board member Simmons asked why properties along Market Street north of Holland Ave are not included in option 3. ED indicated that this was an oversight, and those properties should be included. To avoid further confusion, he suggested that we consider option 1 minus the gravel pit site.
4. CM Cathcart asked for a motion to approve Resolution 2022-003. Commissioner Kerns moved to approve northern zone option 1, minus the gravel pit. The motion was seconded by board member Simmons. Board member Feist asked to clarify whether the vote was for both northern and southern zones or one at a time. ED Bank clarified that the way the Resolution is written envisions voting on the entirety of the expansion. Given that, Commissioner Kerns amended his motion to include the southern expansion area as drawn. Board member Simmons seconded that amendment. A vote was called and the motion, as amended, passed unanimously.
5. Board member Feist asked if the board should provide ED some recommendations for next steps with the boundary adjustment process. ED Bank indicated that Amanda Beck and Teri Stripes had outlined the city process and ED would work with board member Simmons at the County.

Other Business

1. No other business was reported
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Action Items

Resolution No. 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.

Resolution No. 2023-002: A RESOLUTION of the Northeast Public Development Authority (the "NEPDA") Board of Directors expressing support for constructing a fiber optic conduit beneath East Wellesley Avenue un the underpass that is currently being completed, consistent with a recommendation provided to the City of Spokane in a Broadband Assessment submitted in January 2023 by Petrichor Broadband.

Notable items, Around the Room, Closing

There were no additional comments. Board Chair Cathcart adjourned the meeting at 11:55 AM.

NEXT MEETING

March 10th, 2023, 10:30 – 12:00 PM, Northeast Community Center (4001 N. Cook St.) or virtual via Zoom

Northeast Public Development Authority

Profit & Loss

March 2023

	<u>Mar 23</u>
Ordinary Income/Expense	
Income	
3370000 · Local Grants, Entitlements	
3370040 · Property Taxes	528.70
3370050 · Leasehold & Interest	596.41
Total 3370000 · Local Grants, Entitlements	<u>1,125.11</u>
Total Income	1,125.11
Expense	
5587010 · Wages	12,692.31
5587020 · Payroll Expenses	
FICA	976.70
PFML	0.00
FUTA	0.00
Health Insurance	193.02
Total 5587020 · Payroll Expenses	<u>1,169.72</u>
5587040 · Legal & Professional Services	
Engineering	5,000.00
Accounting Fees	263.00
Advertising & Marketing	903.76
Legal Fees	1,688.50
Total 5587040 · Legal & Professional Services	<u>7,855.26</u>
5587041 · Travel	388.73
5587044 · Communications	
Website	55.57
Telephone, Telecommunications	75.00
Total 5587044 · Communications	<u>130.57</u>
5587046 · Rent & Lease	125.00
5587047 · Other Business Expenses	
Bank Fees	14.36
Total 5587047 · Other Business Expenses	<u>14.36</u>
Total Expense	<u>22,375.95</u>
Net Ordinary Income	<u>-21,250.84</u>
Net Income	<u><u>-21,250.84</u></u>

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them

Northeast Public Development Authority

Profit & Loss

January through March 2023

	Jan - Mar 23
Ordinary Income/Expense	
Income	
3370000 · Local Grants, Entitlements	
3370010 · City of Spokane	38,835.06
3370040 · Property Taxes	1,178.09
3370050 · Leasehold & Interest	1,711.08
Total 3370000 · Local Grants, Entitlements	41,724.23
Total Income	41,724.23
Expense	
5587010 · Wages	29,615.39
5587020 · Payroll Expenses	
FICA	2,278.96
SUTA	-553.25
PFML	0.00
FUTA	19.40
Health Insurance	193.02
Total 5587020 · Payroll Expenses	1,938.13
5587030 · Office Supplies & Software	
Office Supplies	185.29
Total 5587030 · Office Supplies & Software	185.29
5587040 · Legal & Professional Services	
Engineering	5,000.00
Accounting Fees	1,653.25
Advertising & Marketing	2,815.92
Legal Fees	4,188.00
Total 5587040 · Legal & Professional Services	13,657.17
5587041 · Travel	
Conference, Convention, Meeting	55.00
Meals & Entertainment	24.62
5587041 · Travel - Other	448.23
Total 5587041 · Travel	527.85
5587044 · Communications	
Website	166.71
Telephone, Telecommunications	175.00
Total 5587044 · Communications	341.71
5587046 · Rent & Lease	375.00
5587047 · Other Business Expenses	
Bank Fees	38.34
Total 5587047 · Other Business Expenses	38.34
Total Expense	46,678.88
Net Ordinary Income	-4,954.65
Net Income	<u><u>-4,954.65</u></u>

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Northeast Public Development Authority

Balance Sheet

04/06/23

As of March 31, 2023

Accrual Basis

	<u>Mar 31, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
1114000 · Spokane County Investment Pool	339,112.08
1111000 · 1111000 Checking WTB	246,408.28
Total Checking/Savings	<u>585,520.36</u>
Total Current Assets	<u>585,520.36</u>
TOTAL ASSETS	<u>585,520.36</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
24000 · Payroll Liabilities	
FICA	1,291.12
SUTA	-663.90
PFMLA	171.94
FUTA	-569.10
Total 24000 · Payroll Liabilities	<u>230.06</u>
Total Other Current Liabilities	<u>230.06</u>
Total Current Liabilities	<u>230.06</u>
Total Liabilities	<u>230.06</u>
Equity	
32000 · Unrestricted Net Assets	590,244.95
Net Income	-4,954.65
Total Equity	<u>585,290.30</u>
TOTAL LIABILITIES & EQUITY	<u>585,520.36</u>

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