

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

**MEETING OF FRIDAY, May 12th, 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, May 12th, 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: May 12th, 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 April 14th, 2023

Public Comment

10:35 am - 11:00 am

Proposed General Facilities Charges Discussion

11:00 am - 11:20 am

Esmerelda Commerce Park Agreement

1. Status update

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

11:20 am - 11:30 am

3011 E Wellesley Property

1. Review project & projections
2. Asset transfer strategy discussion

11:30 am - 11:35 am

Boundary Expansion

1. Status update
2. Larger ILA amendment process

11:35 am - 11:50 am

Marketing/Website Updates

1. Recap Tilladelse meeting and next steps

11:50 am - 12:00 pm

Executive Director Update

1. Financials review
2. Wellesley fiber update
3. County ARP agreement status & project update
4. Hedley portfolio update
5. Subarea Plan Stakeholders group
6. Market St. BID reactions
7. NEPDA board vacancy
8. ED Family leave

12:00 pm

Other Business, Closing

Next Meeting: June 9th, 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: April 14th, 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 [joined at 10:55am]
- Scott Simmons
- Marlene Feist
- Cheryl Stewart

Not in attendance:

- Angel Fiorini

Board Staff

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

Guests

- Tim Thompson, City of Spokane
- Amanda Beck, City of Spokane
- Steve MacDonald, City of Spokane
- Shae Blackwell, City of Spokane
- Ron Valencia, Spokane County

Welcome and Introductions

Councilmember Cathcart called the meeting to order at 10:32 AM.

Public Comment

No public comments.

Subarea Plan Scope Presentation

1. ED Bank introduced Tim Thompson, Principal Planner with the City of Spokane, to present an overview of the finalized scope for the upcoming Hillyard Subarea Plan process.
2. Mr. Thompson gave an overview of what led to the creation of the proposed plan, noting that the area consists of numerous distinct subareas that need different kinds of work, and that many of those smaller planning efforts had taken place on an ad-hoc basis over the last decade. What this plan aims to do is to analyze previous planning work to ensure its relevancy today, identify and fill any gaps, and critically create a public financing plan to implement priority recommendations.
 - a. He noted that a SEPA Planned Action EIS was originally part of the scope but had to be removed to due high cost. Chair Cathcart asked if it would be possible in the future to return to the idea of a Planned Action, and Mr. Thompson confirmed it would be.
3. The project scope includes:

- a. Existing conditions analysis
 - b. Past planning work reviews and analysis
 - c. Community outreach
 - d. Property and brownfield inventory
 - e. Catalyst site planning and visioning
 - f. Urban framework and revitalization strategies
 - g. Public funding strategy
 - h. Responsibilities matrix
 - i. Formal subarea plan documentation and support materials
4. Member Simmons asked when the project was expected to begin and how long it would take. Mr. Thompson said that Planning is hoping to have the necessary contract amendments completed in late April, the project would kick off in mid-May, and take about 12-18 months to complete.
 5. Chair Cathcart asked if there were going to be any key benchmarks where the board would be briefed on project process. Mr. Thompson said that briefings could happen with any frequency the board would like. General consensus was that a quarterly review would be sufficient. ED Bank added that there would also be a stakeholder committee formed and that all board members would be invited to participate in that committee.
 6. Member Simmons asked how large a boundary the project has. ED Bank explained that, due to funding parameters, the plan had to look at the entirety of the Hillyard neighborhood but could not include any County land.
 7. Member Simmons asked if there is an expectation that any zoning or other code amendments would be proposed by this project? Mr. Thompson said that he expects there would be. ED Bank added that the beauty of following a state-mandated subarea planning path is that the outcomes and recommendations are added to the Comp Plan. Chair Cathcart proposed that if the project makes any recommendations that could be acted as they are made, that we should consider doing so. Mr. Thompson added that this process is not beholden to the once-a-year Comp Plan amendment process, so things can come forward as recommendations are made.

3011 E Wellesley Property Update

1. ED Bank reported that a vote had been taken by the County Commissioners to sell the foreclosed-upon property back to the City for the amount of outstanding taxes owed, which amounted to approximately \$6,000.
2. ED Bank has been working with staff to analyze the City's PDA Asset Transfer Policy and determine how best to create a request package. This would be only the second time this policy has been used – the first was a number of years ago in the U-District – so analysis is needed to ensure that the items stipulated in the policy are feasible for a PDA to provide, and how best to do so.
3. ED Bank asked board for feedback on whether it was a good idea to begin shopping a potential project around to the development community to gauge interest. He also indicated that there is a possibility that the PDA could look to develop the property themselves, but it would be a big lift. CM Cathcart indicated he would prefer we look to form a partnership with a developer given bandwidth issues. Member Simmons generally agreed but advised that we hold open the possibility of self-developing the asset for further analysis if it can be shown to be feasible. He relayed the experience of S3R3 developing and owning an asset leased to Amazon, and that it's been a highly successful investment for that organization.
4. [Commissioner Kerns joined the meeting at 10:55am]
5. ED Bank added that David Guthrie is now in predevelopment for a 29-unit multifamily building immediately next door to 3011 Wellesley, which will demonstrate viability for our proposed project.

Boundary Expansion

1. ED Bank reminded board members that he had distributed the formal request for boundary expansion that was voted on in the February board meeting. City staff had been planning a series of ILA amendment items – primarily text edits, the removal of the GFC waiver, and the clarification

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around the 1% administration fee issue – and was lumping the boundary expansion request into that process.

2. Amanda Beck indicated that City legal and the NEPDA have reviewed the changes and they are waiting for comment back from County legal. Once that feedback has been obtained, City staff will take the question to Council. Chair Cathcart asked if the item could be put on the Finance and Administration committee agenda in mid-May. Amanda replied that the pace depends on how many edits County legal returns. Chair Cathcart again indicated that time is of the essence with this request.
3. Commissioner Kerns asked if there are other changes being considered other than the boundary changes. Member Simmons highlighted the 1% admin fee question and ED Bank mentioned other text amendment categories. Commissioner Kerns stated that when they signed the NEPDA ILA, it was intended to hew closely with the West Plains PDA ILA. Member Simmons concurred and said that when the West Plains was changed, there was a desire to ensure the NEPDA contained those changes as well. He added his position that the 1% admin fee is too minute a detail to include in the ILA document itself, it is something that should be handled administratively and not slow the process of boundary adjustment down. Chair Cathcart concurred.
4. Member Simmons added that the Commissioners prefer to see City Council action on an item like this before they take similar action, so that should be the anticipated process here. Commissioner Kerns has briefed the other Commissioners on the subject. ED Bank confirmed that he would convey these considerations to City staff.

Minutes

1. ED Bank noted that, with the presence of Commissioner Kerns, a quorum had been established, and suggested the board return to approval of the minutes from the previous meeting.
2. Chair Cathcart called for a motion approving the minutes from the February 10th board meeting.
3. A motion was made by member Simmons and seconded by member Stewart. A vote was taken, and the motion carried unanimously.

Executive Session

1. At 11:15am the board adjourned into executive session to discuss with legal counsel litigation, potential litigation and/or legal risks, per RCW 42.30.110(1)(i).
2. The board returned from executive session at 11:42am

Project Evaluation Criteria and Incentives

1. ED Bank reminded board members that at the previous meeting there had been a discussion of the “but for” test used by economic development agencies to prove need for financial incentives. At that time, member Simmons indicated that he hadn’t seen anyone be able to prove that need. ED Bank indicated he had familiarity with an organization in Denver that relies heavily on the “but for” test, and that he would look up how that is handled.
2. Following from that conversation, ED Bank researched the Denver Urban Renewal Authority (DURA) for insight into how they approached “but for.” The results of that research were highly instructive in the context of how the NEPDA has been thinking about project prioritization:
 - a. They have a very clearly outlined incentive procedure dictating not only what steps a project proponent needs to follow to request incentives, but how those incentives are to be reviewed and delivered.
 - b. ED Bank felt this is highly informative for the NEPDA insofar as DURA is a very similar organization and has very similar goals and tools with which to provide incentives.
 - c. ED Bank suggested that the NEPDA utilize its prioritization matrix, as previously developed, to flesh out a proactive incentive program modeled on DURA, to make it clear that we are open to offering incentives but adding a layer of structure atop that offering so as to avoid complicated negotiations like Esmerelda Commerce Park.

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- d. Member Simmons indicated that he liked this approach and the level of organization it offers to prospective users. Chair Cathcart concurred and suggested that we make every effort to market this idea as broadly as possible.
- e. ED Bank indicated that he would work to further develop this idea for discussion at a future board meeting.

Executive Director Update

1. ED Bank reviewed March 2023 financials
 - a. He asked member Simmons for clarification on the timing of property tax remittance from the County and member Simmons indicated that the bulk of the payment would come in April.
 - b. Member Simmons asked what frequency we had decided for the remittance of sales tax proceeds and ED Bank reminded that we had decided to invoice the City/County on a bi-annual basis, based on actual receipts.
2. ED Bank provided an update on the status of Wellesley Avenue
 - a. Fiber conduit project is moving along. Fiber is being installed now in the Market/Wellesley intersection, and a change order is expected to be executed soon for the section of Wellesley beneath the NSC.
 - b. PDA has been working with a property owner along Wellesley to conduct outreach to other property owners along that portion. A letter was drafted by the property owner and submitted to all other property owners. Feedback has generally been positive – most property owners just want more details which will be coming with official City outreach in May/June.
3. ED Bank announced that, following Jim Hedley's passing earlier this year, his property portfolio along Market Street has been sold to new ownership. The Buyer owns another property along Market Street and a few bars around town. ED Bank will work to make contact with new owner.
4. ED Bank proposed an internship opportunity for Gonzaga business students to help create a PDA financial forecast model now that the PDA's revenue allocation process has been established. This will be an important tool for financial tracking going forward, and as we bring projects into the incentive structure, they can be added to the overall financial model as well. This will allow for a running forecast model of the PDA's finances.
 - a. Commissioner Kerns reminded the group that a number of years ago some Whitworth MBA students completed a business planning exercise for the NEPDA and suggested that we perhaps reach out to them for this internship as well.

Other Business

1. No other business was reported

Notable items, Around the Room, Closing

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

NEXT MEETING

June 9th, 2023, 10:30 – 12:00 PM, Northeast Community Center (4001 N. Cook St.) or virtual via Zoom

Northeast Public Development Authority
Profit & Loss
 April 2023

	Apr 23
Ordinary Income/Expense	
Income	
3370000 · Local Grants, Entitlements	
3370040 · Property Taxes	21,438.10
3370050 · Leasehold & Interest	667.93
	22,106.03
Total 3370000 · Local Grants, Entitlements	22,106.03
Total Income	22,106.03
Expense	
5587010 · Wages	8,461.54
5587020 · Payroll Expenses	
FICA	651.14
PFML	0.00
FUTA	0.00
Life and Disability	369.36
	1,020.50
Total 5587020 · Payroll Expenses	1,020.50
5587030 · Office Supplies & Software	
Repairs & Maintenance	198.42
Office Supplies	15.16
5587030 · Office Supplies & Software - Other	9.47
	223.05
Total 5587030 · Office Supplies & Software	223.05
5587040 · Legal & Professional Services	
Engineering	-7,737.50
Accounting Fees	888.85
Advertising & Marketing	5,796.00
Legal Fees	1,318.00
	265.35
Total 5587040 · Legal & Professional Services	265.35
5587041 · Travel	
Meals & Entertainment	128.00
5587041 · Travel - Other	23.50
	151.50
Total 5587041 · Travel	151.50
5587044 · Communications	
Website	55.57
Telephone, Telecommunications	50.00
	105.57
Total 5587044 · Communications	105.57
5587046 · Rent & Lease	125.00
5587047 · Other Business Expenses	
Bank Fees	12.68
	12.68
Total 5587047 · Other Business Expenses	12.68
Total Expense	10,365.19
Net Ordinary Income	11,740.84
Net Income	11,740.84

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 April 2023

	Jan - Apr 23
Ordinary Income/Expense	
Income	
3370000 · Local Grants, Entitlements	
3370010 · City of Spokane	38,835.06
3370040 · Property Taxes	22,616.19
3370050 · Leasehold & Interest	2,379.01
	63,830.26
Total 3370000 · Local Grants, Entitlements	63,830.26
Total Income	63,830.26
Expense	
5587010 · Wages	38,076.93
5587020 · Payroll Expenses	
FICA	2,930.10
SUTA	110.65
PFML	0.00
FUTA	588.50
Life and Disability	369.36
Health Insurance	193.02
	4,191.63
Total 5587020 · Payroll Expenses	4,191.63
5587030 · Office Supplies & Software	
Repairs & Maintenance	198.42
Office Supplies	200.45
5587030 · Office Supplies & Software - Other	9.47
	408.34
Total 5587030 · Office Supplies & Software	408.34
5587040 · Legal & Professional Services	
Engineering	-2,737.50
Accounting Fees	2,542.10
Advertising & Marketing	8,611.92
Legal Fees	5,506.00
	13,922.52
Total 5587040 · Legal & Professional Services	13,922.52
5587041 · Travel	
Conference, Convention, Meeting	55.00
Meals & Entertainment	152.62
5587041 · Travel - Other	471.73
	679.35
Total 5587041 · Travel	679.35
5587044 · Communications	
Website	222.28
Telephone, Telecommunications	225.00
	447.28
Total 5587044 · Communications	447.28
5587046 · Rent & Lease	500.00
5587047 · Other Business Expenses	
Bank Fees	51.02
	51.02
Total 5587047 · Other Business Expenses	51.02
Total Expense	58,277.07
Net Ordinary Income	5,553.19
Net Income	5,553.19

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Northeast Public Development Authority
Balance Sheet
As of April 30, 2023

	Apr 30, 23
ASSETS	
Current Assets	
Checking/Savings	
1114000 · Spokane County Investment Pool	361,209.25
1111000 · 1111000 Checking WTB	236,100.42
Total Checking/Savings	597,309.67
Total Current Assets	597,309.67
TOTAL ASSETS	597,309.67
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
24000 · Payroll Liabilities	
FICA	1,291.14
PFMLA	220.39
Total 24000 · Payroll Liabilities	1,511.53
Total Other Current Liabilities	1,511.53
Total Current Liabilities	1,511.53
Total Liabilities	1,511.53
Equity	
32000 · Unrestricted Net Assets	590,244.95
Net Income	5,553.19
Total Equity	595,798.14
TOTAL LIABILITIES & EQUITY	597,309.67

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