

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

**MEETING OF MONDAY, November 13th, 2023,
10:00 A.M. – Northeast Community Center**

A regular meeting of the Northeast Public Development Authority will be held at **10:00 A.M. on Monday, November 13th, 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: November 13th, 2023

Time: 10:00 am to 11:30 am (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:

10:00 am - 10:05 am

Welcome and Introductions

Approval of Minutes:

Approval of meeting minutes from September 8th, 2023

Public Comment

10:05 am - 10:20 am

2023 Year in Review

10:20 am - 10:45 am

2024 Work Plan and Budget

10:45 am - 11:10 am

3011 E Wellesley Project

1. Overall Update
2. Mass Timber Conversation
3. Childcare Center/Legislative Funding Ask

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

Action Item: Resolution No. 2023-004: A RESOLUTION of the Northeast Public Development Authority (the "NEPDA") Board of Directors expressing support for a capital grant request in the 2024 legislative session to fund the construction of an affordable childcare facility as a component of a larger mixed-use project in Hillyard, consistent with a recommendation provided by the NEPDA to the City of Spokane.

11:10 am - 11:20 am

Ongoing Projects

1. Esmerelda Commerce Park
2. Beacon Hill
3. Infrastructure Projects
4. Subarea Plan

11:20 am - 11:30 am

General Matters

1. Financials review
2. CoStar Partnership/Funding
3. Downtown Cleanup Program

11:30 am

Other Business, Closing

Next Meeting: December 8th, 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: September 8th, 2023

Meeting Time: 2:00 pm

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

Attendees

NEPDA Board of Directors

- Chair Michael Cathcart
- Vice-Chair Josh Kerns
- Scott Simmons
- Marlene Feist
- Angel Fiorini

Not in attendance:

- Cheryl Stewart

Board Staff

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

Guests

- Lucas McGarry, Beacon Hill Spokane
- Steve MacDonald, City of Spokane
- Amanda Beck, City of Spokane

Welcome and Introductions

Chair Cathcart called the meeting to order at 2:01 PM.

Public Comment

No public comments.

Approval of Minutes

1. Chair Cathcart called for a motion approving the minutes of the July 14th NEPDA board meeting. A motion was made by member Simmons and seconded by member Feist. A vote was taken and passed unanimously.

Beacon Hill Update

1. ED Bank noted that Lucas McGarry from the Beacon Hill project team was in attendance and encouraged him to add in any color to the conversation.
2. The purpose of this update is to make everyone aware of project process and then enter executive session to discuss internal matters related to the project.
3. ED Bank reported that the booster station that provides water to the project has been completed, which is a significant milestone in the project's Development Agreement. Construction is due to commence on the water storage tank in short order and once that's complete, lot sales and home

construction can begin. The multifamily project contemplated on the lower portion of the property by Nationwide Capital Investments is pushing to get through permits and expects to begin construction in 2024.

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

3011 E Wellesley Purchase and Sale Agreement

1. ED Bank distributed a working draft of the Purchase and Sale Agreement (PSA) that the NEPDA has been negotiating with the City of Spokane for the transfer of ownership of the property at 3011 E Wellesley.
2. PSA generally mirrors the NEPDA's proposal to the City:
 - a. Transfer asset to the PDA for purposes of redevelopment
 - b. At sale of project, City receives preferred return pari-passu with any additional partners and in front of the NEPDA until the lien amount is returned. Any additional proceeds flow pro rata to the NEPDA and partners.
3. There was an exploration of the City simply walking away from their lien, but City Legal informed the NEPDA that the funds used to complete the demolition and abatement of the property in 2017 were taken from the Enterprise fund, which, by State Statute must be repaid. There was a possible path to repay that amount from the General Fund, but given looming budget deficits that seemed politically infeasible.
 - a. Member Simmons asked whether the repayment of the lien was something that was contemplated in the pro forma analysis of the project. ED Bank indicated that it was, and that the project still performs well.
4. There is a minor issue with respect to title insurance, given that the property is to be transferred via a Treasurer's Deed, but that is not expected to derail the process.
5. Next steps are that ED Bank will begin meeting with potential development partners to discuss the project.
6. Member Simmons asked Counsel whether there is anything in the bylaws that stipulate only the board can execute PSA documents, as is the case in other situations. Counsel indicated that there was not.
7. Following discussion, Chair Cathcart called for a motion to adopt Resolution 2023-003, authorizing ED Bank to execute the PSA. A motion to adopt was made by member Simmons and seconded by Vice-chair Kerns. A vote was taken and the motion passed unanimously.

Downtown Hillyard Cleanup

1. Chair Cathcart introduced the idea that downtown Hillyard is struggling with maintenance, litter, and other general cleanup items. While it is not necessarily directly in the NEPDA's purview, operating some sort of cleanup effort could be highly beneficial to existing and new businesses. The goal is for initial funding to be provided by the NEPDA, but ultimately to be replaced by funding from business owners. It would be ideal to partner with WSDOT on this effort as most of the issue is with their property.
2. Furthermore, the City has ARPA money allocated to the creation of BIDs, but uptake has been slow. This effort could demonstrate to business/property owners along the corridor the function of a BID and perhaps generate support. These funds could potentially be used to aid in the NEPDA's effort.
3. ED Bank pointed out that there is a greater potential for immediate "wins" along the Market St. corridor and that some of our efforts should be focused there. This could be a high-impact, low-cost project that drives a lot of business activity in the near term.
 - a. ED is also hearing increased conversations around the idea of creating a business district, to which this project could be handed in relatively short order.
 - b. Member Fiorini noted that she and her husband have been in contact with other property owners on this subject and there is possibly something there. She felt that a meeting might be able to occur by early October. In general she strongly supports this effort.

4. Vice-chair Kerns shared his concerns that WSDOT won't contribute to this effort. They do not have a track record of doing so or being particularly pleasant to work with.

Executive Director Update

1. August '23 financials were reviewed and discussed
2. ED Bank indicated he would be meeting with City/County finance department reps to discuss revenue forecasts for '24 budget and status of expansion zone base year creation.
 - a. Amanda Beck added that she needs to nudge DOR to get the requested sales tax data. There is a fear that it will become extremely challenging to create the base year if staff is required to assess revenue on a parcel-by-parcel basis.
3. ED reported that the boundary expansion effort passed through the Board of County Commissioners and is now enacted.
 - a. Chair Cathcart asked whether online GIS maps had been updated to reflect the new boundaries. Amanda Beck noted that the City's layers have been created and that the upload is either effected or will be effected in the coming days. Member Simmons asked whether there was coordination with County GIS team, Ms. Beck indicated that there has been.
 - b. ED reported that conversations with property owners in expansion zone has already taken place.
 - i. Spokane Youth Sports Association is having conversations around the future of Andrew Rypien field and reached out to discuss how the PDA may be able to help. Follow-up meetings are scheduled for October.
 - ii. ED reported numerous contacts with Jubilant HollisterStier. They are seeking to be more involved in the community as they build out their facility and the NEPDA is connecting them with resources to aid in that effort.
4. Stone Properties has yet to return comments on the Development Agreement. ED understands the document is being reviewed by their legal team.
5. There are numerous infrastructure projects underway in the district:
 - a. Initial public meeting for E Wellesley rebuild took place in July. It was lightly attended but those who were present voiced a preference for the three-lane option. There will be another few public outreach opportunities before ICM moves toward finalizing an approach.
 - b. ED was contacted by WSDOT to see if the NEPDA had an interest in holding a ribbon-cutting ceremony to mark the re-opening of Wellesley from Market to Frey. Discussion on this topic ensued and ended with Member Feist saying that the City will look into holding something and will keep the NEPDA in the loop.
6. ED reported that he is beginning work on 2024 work plan and budget and will be bringing to the board over the coming few meetings.

ED Employment Agreement

1. The board adjourned to executive session to discuss the performance of a public employee.
2. Upon returning from executive session, Vice-chair Kerns moved that an amendment to the ED's employment contract be made to permit the ED a choice between the AWC health plan offered by the NEPDA or to receive a stipend for an amount equal to or less than the AWC amount to purchase coverage from another carrier. The motion was seconded by member Simmons. A vote was taken and the motion carried unanimously.

Other Business

1. No other business was reported

Notable items, Around the Room, Closing

MINUTES - Regular Meeting

There were no additional comments. Chair Cathcart adjourned the meeting at 3:25 PM.

NEXT MEETING

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

Northeast Public Development Authority
Profit & Loss
 October 2023

	Oct 23
Ordinary Income/Expense	
Income	
3370000 · Local Grants, Entitlements	
3370040 · Property Taxes	4,071.39
3370050 · SCIP Interest	1,131.20
	5,202.59
Total 3370000 · Local Grants, Entitlements	5,202.59
Total Income	5,202.59
Expense	
5587010 · Wages	4,732.97
5587020 · Payroll Expenses	
FICA	392.03
PFML	0.00
FUTA	0.00
Health Insurance	64.34
5587020 · Payroll Expenses - Other	341.54
	797.91
Total 5587020 · Payroll Expenses	797.91
5587040 · Legal & Professional Services	
Accounting Fees	651.00
Advertising & Marketing	796.00
Legal Fees	850.00
Outside Contract Services	7,647.75
	9,944.75
Total 5587040 · Legal & Professional Services	9,944.75
5587041 · Travel	4.05
5587044 · Communications	
Website	56.66
Telephone, Telecommunications	50.00
	106.66
Total 5587044 · Communications	106.66
5587046 · Rent & Lease	125.00
5587047 · Other Business Expenses	
Bank Fees	16.71
	16.71
Total 5587047 · Other Business Expenses	16.71
Total Expense	15,728.05
Net Ordinary Income	-10,525.46
Other Income/Expense	
Other Income	
3614000 · Interest Earned	51.91
	51.91
Total Other Income	51.91
Net Other Income	51.91
Net Income	-10,473.55

These financial statements have not been subjected to an audit or review or compilation engagement. No assurance is provided on them.

Northeast Public Development Authority
Profit & Loss
 January through October 2023

	Jan - Oct 23
Ordinary Income/Expense	
Income	
3370000 · Local Grants, Entitlements	
3370100 · State - Dept. of Ecology	14,846.00
3370011 · Sales Tax - City	38,835.06
3370040 · Property Taxes	161,561.14
3370050 · SCIP Interest	9,262.43
Total 3370000 · Local Grants, Entitlements	224,504.63
Total Income	224,504.63
Expense	
Donation	750.00
5587010 · Wages	81,891.22
5587020 · Payroll Expenses	
FICA	6,332.88
SUTA	110.65
PFML	0.00
FUTA	588.50
Life and Disability	626.72
Health Insurance	321.70
5587020 · Payroll Expenses - Other	341.54
Total 5587020 · Payroll Expenses	8,321.99
5587030 · Office Supplies & Software	
Repairs & Maintenance	198.42
Office Supplies	418.44
5587030 · Office Supplies & Software - Other	9.47
Total 5587030 · Office Supplies & Software	626.33
5587040 · Legal & Professional Services	
Engineering	5,000.00
Accounting Fees	6,445.35
Advertising & Marketing	11,163.31
Legal Fees	15,950.10
Outside Contract Services	27,493.75
Total 5587040 · Legal & Professional Services	66,052.51
5587041 · Travel	
Conference, Convention, Meeting	45.00
Meals & Entertainment	549.38
5587041 · Travel - Other	596.14
Total 5587041 · Travel	1,190.52
5587043 · Insurance	3,180.00
5587044 · Communications	
Website	642.55
Telephone, Telecommunications	550.00
Total 5587044 · Communications	1,192.55
5587046 · Rent & Lease	1,250.00
5587047 · Other Business Expenses	
Tax & Licenses	146.19
Bank Fees	150.25
Dues & Subscriptions	59.95
Total 5587047 · Other Business Expenses	356.39
Total Expense	164,811.51
Net Ordinary Income	59,693.12

These financial statements have not been subjected to an audit or review or compilation engagement. No assurance is provided on them.

Northeast Public Development Authority
Profit & Loss
January through October 2023

	<u>Jan - Oct 23</u>
Other Income/Expense	
Other Income	
3614000 · Interest Earned	51.91
Total Other Income	51.91
Net Other Income	51.91
Net Income	<u><u>59,745.03</u></u>

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Northeast Public Development Authority
Balance Sheet
As of October 31, 2023

	Oct 31, 23
ASSETS	
Current Assets	
Checking/Savings	
1115000 · Money Market 0678	100,048.09
1114000 · Spokane County Investment Pool	506,963.22
1111000 · 1111000 Checking WTB	43,165.17
Total Checking/Savings	650,176.48
Total Current Assets	650,176.48
TOTAL ASSETS	650,176.48
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
24000 · Payroll Liabilities	
SUTA	88.05
PFMLA	27.26
24000 · Payroll Liabilities - Other	159.24
Total 24000 · Payroll Liabilities	274.55
Total Other Current Liabilities	274.55
Total Current Liabilities	274.55
Total Liabilities	274.55
Equity	
32000 · Unrestricted Net Assets	590,156.90
Net Income	59,745.03
Total Equity	649,901.93
TOTAL LIABILITIES & EQUITY	650,176.48

These financial statements have not been subjected to an audit or review or compilation engagement. No assurance is provided on them.

**NORTHEAST PUBLIC DEVELOPMENT AUTHORITY
RESOLUTION NO. 2023-004**

A **RESOLUTION** of the Northeast Public Development Authority (the “NEPDA”) Board of Directors expressing support for a capital grant request in the 2024 legislative session to fund the construction of an affordable childcare facility as a component of a larger mixed-use project in Hillyard, consistent with a recommendation provided by the NEPDA to the City of Spokane.

WHEREAS, the NEPDA was originally established by City of Spokane Ordinance No. C-34813 on December 12, 2011 and reformed by the Interlocal Agreement between the City of Spokane and Spokane County through City of Spokane OPR #2019-0928 and Spokane County Resolution #19-1390 to assist the City of Spokane and Spokane County to facilitate economic development of the Northeast area of the City and County;

WHEREAS, the NEPDA’s goals and mission are to facilitate economic development and additional employment opportunities within its boundaries. There is grant funding available to assist with the construction of a childcare facility as a component of a larger mixed-use development currently being planned by the NEDPA;

WHEREAS, the NEPDA has been identified as an area in need of additional childcare for families situated within the NEPDA, or for families whose primary caregivers work in the NEPDA boundaries; its current facilities are over-capacity for all age groups and lack resources to expand to meet the needs of these families;

WHEREAS, facilities within the NEPDA do not currently provide childcare opportunities to service families or caregivers in the service sector or shift work households who require care during swing shift, weekends, or other non-traditional work schedules and provides a barrier to households to find adequate employment;

WHEREAS, based on information obtained by the NEPDA, expansion of childcare facilities within the district will materially add to the available workforce in the district, as 85% of families surveyed on the matter report that they would be able to work more or find a better job if they had the right childcare;

WHEREAS, large area employers with significant growth needs support this effort and have agreed in principle to provide financial support to the childcare operation;

WHEREAS, the grant funding available will fund construction of a new childcare facility as a component of a larger, mixed-use development the NEPDA currently has planned and the funding would assist with ensuring occupancy costs for the identified facility remain low to ensure the facility can continue to operate and serve these families;

WHEREAS, the NEPDA Board of Directors is in support of the pursuit of this grant funding and partnering with state legislators, Greater Spokane Incorporated, the City of Spokane, and the facility operator J&H Childcare, in addition to other partners as may be identified, to prioritize and apply for this grant funding;

BE IT RESOLVED, that the NEPDA Board of Directors hereby expresses its support the pursuit of this grant funding and partnering with State and local partners, in addition to other partners as may be identified, to prioritize and apply for this grant funding.

BE IT FURTHER RESOLVED, that the Executive Director and officers of the NEPDA are hereby authorized and directed to take all action necessary and proper to effectuate the foregoing.

BE IT FURTHER RESOLVED, any actions of the Executive Director, Board of Directors or staff of the NEPDA prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

ADOPTED by an affirmative majority vote of the Board of the Northeast Public Development Authority on the 13th day of November, 2023.

NORTHEAST PUBLIC DEVELOPMENT AUTHORITY

BOARD CHAIR

CERTIFICATE

I, the undersigned, Secretary of the Northeast Public Development Authority Board of Directors, a municipal corporation organized under the laws of the State of Washington, do hereby certify that the foregoing resolution was duly approved and adopted by the Board of Directors of the corporation at a meeting of the Board of Directors duly called and held on the 13th day of November 2023, at which meeting a quorum was present; and that said resolution, as set out above, will appear in the minutes of said meeting in the corporation's minute book.

DATED this 13th day of November, 2023.

SECRETARY