

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

**MEETING OF Friday, February 9th, 2024,
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, February 9th, 2024**, 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: February 9th, 2024

Time: 10:30 am to 12:00 pm (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 December 8th, 2023

Public Comment

10:35 am - 11:05 am

SAO Accountability Audit

1. SAO Audit Exit Conference, Angeles Diaz Jimenez, SAO
2. Take-Aways and Next Steps

11:05 am - 11:15 am

NEPDA Staff/Office Needs

11:15 am - 11:25 am

NEPDA Board

1. Board Composition
2. Annual Officer Elections

Action Item: Resolution No. 2024-001: A RESOLUTION of the Northeast Public Development Authority (the "NEPDA") Board of Directors for the election of NEPDA Officers for 2024 to 2025.

11:25 am - 11:45 am

3011 Wellesley Project

1. Transaction Update – Title, ESA Phase II
2. Project Next Steps
3. Legislative Capital Ask

11:45 am - 12:00 pm

General Matters

1. Financials review
2. Revenue Calculations – New Construction Sales Tax
3. Subarea Plan Update
4. City ARP BID Formation Project
5. Esmerelda Commerce Park

12:00 pm

Other Business, Closing

Next Meeting: March 8th, 2024, 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 8th, 2023

Meeting Time: 10:30 am

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

Attendees

NEPDA Board of Directors

- Chair Michael Cathcart (joined at 10:38 am)
- Vice-chair Josh Kerns
- Scott Simmons
- Marlene Feist
- Cheryl Stewart

Not in attendance:

- Angel Fiorini

Board Staff

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

Guests

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

Welcome and Introductions

Vice-Chair Kerns called the meeting to order at 10:34 am.

Public Comment

No public comments.

Approval of Minutes

1. Vice-Chair Kerns called for a motion approving the minutes of the November 13th NEPDA board meeting. A motion was made by member Simmons and seconded by member Feist. A vote was taken and passed unanimously.

3011 Wellesley Project Update

1. ED Bank updated the board on the status of the transaction.
2. Preliminary Title Commitment was received, and it was very complex – numerous encumbrances, judgements, etc. Title company recommends engaging Tax Title Services, which is a company specializing in clearing complex title matters like this one. He indicated that many of the encumbrances are cleared statutorily through the foreclosure process, but other than going through a lengthy Quiet Title process, this is really the only other way to ensure a clear title – and is much faster.

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- a. Megan Clark added that she's relatively confident most of the title issues would be extinguished statutorily but agreed that the prudent course of action is to ensure clear title using the Tax Title Services process.
 - b. Member Simmons asked if we'd need to also go through a Quiet Title on any issues in addition to the Tax Title Services process. Clark said it would be one or the other and that both are sufficient for the need in this case.
 - c. ED Noted that there would be more to come on this matter in subsequent board meetings. He added that there is a PSA deadline approaching in mid-December regarding title approval, and that he'd be working with Council to ensure the PDAs response considers the complications previously discussed.
3. ED addressed a question from the November board meeting about the need for an RFP to select a childcare provider for the facility to be constructed as part of the 3011 Wellesley project. He noted that there is not a requirement to procure a partner in NEPDA policy, but acknowledged member Simmons' question with respect to optics, and asked for clarification.
 - a. Member Simmons expressed his inclination that some sort of formal procurement is expected for larger contracts using public money – regardless of what is stated in organization policy. He added that there are exceptions to this – in the case of only one provider available to perform the service, for example.
 - b. Chair Cathcart wondered whether this was such a unique situation given the expanded hours of the childcare center.
 - c. ED Asked whether the board thought an RFP should be issued for the childcare provider to be part of the consortium seeking legislative funding. Member Simmons felt that, since no contractual relationship is being created by virtue of participating in that process, that the operator is providing advocacy, not services, so there is no need for an RFP.
 - d. ED Noted that, in reviewing the requirements for the specific program from which the legislative capital could flow, that there is a requirement that the recipient hold the asset in the awarded use for a period of 10 years. This is longer than the NEPDA had discussed holding the asset, so ED inquired about the board's position on that. Chair Cathcart asked whether there was any flexibility in the policy, to which ED responded that he wasn't sure – more info will be available should the ask be granted. Member Simmons felt the devil will be in the details. Is that requirement assignable, for example? He advised we pay close attention to those details and avoid obligating the NEPDA to terms it's uncomfortable with.
 - e. Vice-Chair Kerns asked whether this was a standard member request? If so, he reminded the group that Commerce usually takes a meaningful portion of the award for their administrative costs. He thought it was in the neighborhood of 8%.

2024 Work Plan and Budget

1. ED Bank reminded board members that they had reviewed a draft of this plan at the November board meeting. ED noted some items were added but that the document is fundamentally similar to last month and today's goal is to provide final review and adoption.
2. ED reviewed and discussed each item in the 2024 Work Plan. Notable items included:
 - a. A significant investment of design capital for 3011 Wellesley. The purpose of this investment is to complete design and permitting of the project as raising construction capital will be considerably easier with a "real" project.
 - b. Potentially bring on an intern for marketing support
 - c. Ongoing projects are in good shape
 - d. Evaluating feasibility of joining Treasury Local Direct Investment program
 - e. Seeking to add a staff member during 2024
 - f. Board activation will be a major priority, as will filling empty board seats
3. ED Reviewed the budget with board members
 - a. Chair Cathcart asked whether an intern/staff member is included in the budget. ED Confirmed it is.
 - b. ED let board know that an estimate for property tax proceeds has not yet been provided, the number displayed is a limited increase on the previous year's figure. Challenges interfacing with Treasury were discussed.

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- c. Office and HR expenses are held relatively consistent with 2023 with the exception of the addition of NEPDA staffmember in H2 – impacts largely limited to occupancy expenses, salaries and employment-related items.
 - d. Significant line items under the Personal & Professional Services were discussed in detail, including Planning and AEC Services for 3011 Wellesley project.
 - e. ED reminded board that the budget presented is expected to change in various areas depending how various projects evolve in reality, but efforts were made to be conservative with regard to expenses.
 - i. ED discussed holding extra capital in budget for incentives that may or may not come to fruition in 2024 out of an abundance of caution.
 - f. Further discussion was had regarding the funding streams underpinning the proposed incentives for Esmerelda Commerce Park and the NEPDA’s contribution to the Wellesley rebuild project.
 - g. Community contributions were discussed as well. Chair Cathcart noted that the NEPDA should partner with the City to communicate the benefits of the neighborhood cleanup pilot program to encourage BID formation citywide.
 - i. Member Simmons noted some concern around long-term expectations for the cleanup program, adding that several BID-formation attempts have failed recently. Chair Cathcart countered that the context is different now – the majority of the properties are under new ownership and there is a new group of people having this discussion.
 - h. It was again noted that traffic calming funds could be used to defray the cost of a new driver feedback sign on Market St.
 - i. Member Simmons concluded by noting that this is a significantly larger budget than has ever been presented for the NEPDA, and there are a broad range of initiatives underway that point to a really positive trajectory for the organization.
 - j. Chair Cathcart asked whether we should be holding some reserves for unexpected costs. ED noted that we are holding a significant-enough cash balance to accommodate anything at the organizational level, but project-based contingency line items will be held for each project.
4. A motion was made by Vice-Chair Kerns to approve Resolution 2023-005: Adopting the 2024 NEPDA Work Plan and Budget. The motion was seconded by member Simmons. A vote was taken and passed unanimously.

Executive Director Update

1. ED noted that he had presented to the Treasury Finance Committee and discussed potential entry into their Local Direct Investment program, as well as the challenges and opportunities such a move would present. Given the remaining time, ED noted that further discussion could take place at a later meeting.
 - a. Member Simmons added that he attended the Treasury presentation and was very impressed. He also noted that the timing for the presentation was good as there were numerous legislators in the room to hear the NEPDA’s update.
 - b. Chair Cathcart asked if we had approached any banks/credit unions to discuss a similar bridge loan facility to the one possibly offered by Treasury. ED replied that outreach to those institutions is high on the priority list for 2024.
2. In the interest of time, ED moved on to discuss the reimbursement to the City for broadband work performed earlier in the year. ED needed authorization to pay the City’s invoice and, per the applicable NEPDA policies, an expenditure of this size needs to be approved by the board.
 - a. A motion was made by Vice-Chair Kerns to approve Resolution 2023-006: Authorizing \$50k Reimbursement to the City of Spokane for Installation of a Fiber-Optic Broadband Conduit. The motion was seconded by Chair Cathcart.
 - i. Member Simmons asked whether the NEPDA has control over which provider has access to this conduit. Steve MacDonald said the City currently controls the conduit but the plan is to spin that control into a regional organization at an undetermined point in the future. It would need to be coordinated with Public Works. Member Feist indicated that, because the conduit was laid at the request

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of the NEPDA, there would probably be some level of deference to the PDA's preferred user. Member Simmons clarified that he hoped for an ability to arrange use of the conduit for specific users in the future, as an economic development tool.

- b. A vote was taken and the Resolution passed unanimously.
3. ED Reviewed the November 2023 financials. The organization is in good financial health and reserves are growing.

Other Business

1. Member Simmons requested a 10-minute Executive Session for the purposes of reviewing the performance of a public employee, per RCW 42.30.110.1(g)
 - a. Executive Session began at 12:01pm.
 - b. Executive Session adjourned at 12:11pm.
 - c. Member Simmons made a motion to amend ED Bank's Employment Agreement to reflect an increase in compensation, effective January 1st, 2024. The motion was seconded by Vice-Chair Kerns. A discussion of the ED's performance over the first 17 months of his tenure ensued. A vote was taken and passed unanimously.

Notable items, Around the Room, Closing

There were no additional comments. Chair Cathcart adjourned the meeting at 12:20pm.

NEXT MEETING

March 8th, 2024, 10:30 – 12:00 PM, Northeast Community Center (4001 N. Cook St.) or virtual via Zoom

**NORTHEAST PUBLIC DEVELOPMENT AUTHORITY
RESOLUTION NO. 2024-001**

A RESOLUTION of the Northeast Public Development Authority (the “NEPDA”) Board of Directors for the election of NEPDA Officers for 2024 to 2025.

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; and

WHEREAS, Section 4.2 of the NEPDA Bylaws require the NEPDA to elect officers each year, who shall hold officer for one year or until their successors are elected and qualified.

WHEREAS, the NEPDA has elected the following individuals to serve as Officers for the NEPDA for 2024-2025:

Board Chair:
Vice Chair:
Treasurer/Secretary:

BE IT RESOLVED, that pursuant to the authority provided in the NEPDA bylaws, the NEPDA has elected, voted upon, and qualified the aforementioned individuals immediately for office;

BE IT FURTHER RESOLVED, that the officers and staff 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 Board of Directors or staff of the Northeast Public Development Authority 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 9th day of February 2024.

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 9th day of February 2024, 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 _____ day of _____, 2024.

SECRETARY