

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

**MEETING OF Wednesday, March 19th, 2025,
1:00 P.M. – Northeast PDA Offices**

A regular meeting of the Northeast PDA will be held at **1:00 P.M. on Wednesday, March 19th, 2025**, at the Northeast PDA's offices – 5006 N Market 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: March 19th, 2025

Time: 1:00 pm to 2:30 pm (Pacific Time)

Location: Northeast PDA Offices - 5006 N Market St., 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:

1:00 pm - 1:05 pm

Welcome and Introductions

Approval of Minutes:

Approval of meeting minutes from February 14th, 2025

Public Comment

1:05 pm - 1:15 pm

Beacon Hill/Valley Springs Realignment

1:15 pm - 1:30 pm

Esmerelda Commerce Park Development Agreement

1. ILA with City for distribution of Strategic Funds

Action Item: Resolution No. 2025-003: A RESOLUTION of the Northeast Public Development Authority (the "NEPDA") Board of Directors to approve the Esmerelda Commerce Park Development Agreement related to the Esmerelda Commerce Park Project between the NEPDA and Esmerelda Commerce Park, LLC.

1:30 pm - 1:45 pm

3112 Olympic Acquisition

Action Item: Resolution No. 2025-004: A RESOLUTION of the Northeast Public Development Authority (the "NEPDA") Board of Directors authorizing the acquisition of the real property situated at 3112 E. Olympic Avenue, Spokane, Washington from the Estate of Paul Hamilton.

1:45 pm - 2:15 pm

General Facilities Charges Waivers

Executive Session to discuss legal risks of a current practice that the agency has identified when public discussion of the legal risk is likely to result in an adverse legal or financial consequence to the agency, per RCW 42.30.100(i)(iii)

2:15 pm - 2:30 pm

General Matters

1. Financials review
2. 3011 Wellesley Update
3. Infrastructure Projects Update

2:30 pm

Other Business, Closing

Next Meeting: April 11th, 2025, 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 Risk Management at 509.625.6221, 808 W. Spokane Falls Blvd, Spokane, WA, 99201; or mLOWmaster@spokanecity.org. Persons who are deaf or hard of hearing may contact Risk Management 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: Feb 14th, 2025

Meeting Time: 10:30 am

Location: NEPDA Office, 5006 N. Market, or virtual via Zoom

Attendees

NEPDA Board of Directors

- Michael Cathcart, Chairman
- Josh Kerns, Vice-chair
- Marlene Feist, Secretary-Treasurer
- Scott Simmons, Member
- Tracie Oergel, Member

Board Staff

- Jesse Bank, Executive Director
- Jared Aranda, Administrative Manager
- Shae Blackwell, City Staff

Guests

- Darya Pilram, EDA Fellow

Welcome and Introductions

Call to Order

- Chair Cathcart called the meeting to order at 10:35 am.

Public Comment

- No public comments.

Approval of Minutes

- Chairman Cathcart lead the approval of minutes.
- Vice-chair Kerns offered to second the motion.

Creative District

- Introduction: Darya Pilram has extensive experience implementing strategic economic programs at the federal level and currently serves as an Economic Recovery Fellow at the Economic Development Administration (a bureau within U.S. Commerce). She works regionally in the Inland NW with local governments, nonprofits, and business groups.
- EDA Fellow Pilram opened the meeting presenting on strategic initiatives seeking to build regional capacity for a Creative Economy.
- Key Initiatives:
 - Creative districts and incubators (Hillyard and Garland in Spokane).
 - Film industry development
 - Kellogg uptown revitalization
 - Coeur d'Alene environmental stewardship activation
- Spokane Efforts:
 - Secure "Creative District" designation from WA for Garland and Hillyard.
 - Extensive coordination between Spokane City officials, local businesses, property owners, and other community groups and members.
 - Aim is to build economic capacity by creating jobs, attracting businesses, tourism, and community vibrancy.
 - Creative Economy nationally generates over \$1T annually, supporting 2.5M jobs.
 - Sectors within the Creative Economy include: Film, fashion design, music, visual and performing arts, publishing, culinary arts, advertising, and more.
- Benefits:
 - Business growth, workforce development, community value, tourism growth, talent attraction, innovation.
- Next Steps
 - Creative District designation
 - ArtsWA Program, opens access to potential funding and interest.
 - Activation of vacant spaces
 - Market expansion, economic growth, etc.
 - Community engagement
 - Forward progress must be led by the community
 - Momentum: first district meeting was attended by 6 people in Sep 2024. By November, that number had tripled and representatives from GSI, Visit Spokane, ArtsWA, Commerce, and others began to engage.
 - Project "parking lot" will provide ideas for future projects when funding is identified.
 - The residents of Hillyard created four working groups to tackle community projects:
 - Physical infrastructure and Placemaking
 - Creative Space Activation
 - Arts & Culture Programming
 - Administration & Operations
 - \$450k ARPA Neighborhood Grant
 - Seeking to leverage with other potential funding sources for "quick wins."
- Questions/Comments:

- ED Bank highlighted how robust the community engagement has been around these projects and how much opportunity there will be with this level of momentum being driven by the community.
- Chairman Cathcart asked, “What other sources of funding are there beyond the ARPA grant?”
 - Fellow Pilram highlighted multiple smaller grants from local, state, and private sources. The hope is to batch these to further leverage ARPA funding.
- Where will the murals be placed?
 - 14 local businesses have identified and offered sites that could host murals.
- Question by Vice-chair Kerns regarding obligation period of ARPA funds. They were obligated to a consultant by the Dec 2024 deadline and must be spent by the end of 2026.

Esmeralda Commerce Park

- Current market conditions:
 - There is a lot of vacancy in commercial and light-industrial space in Spokane. Current buyers are looking for owner-occupied spaces for their operations.
- Roads and landscaping is anticipated to look similar to Playfair Commerce Park.
- Builder has seen a sharp decline in loitering, camping, and petty crime in Playfair and anticipate similar conditions at Esmeralda.
- Roadway is estimated at \$2.1m cost (Garland and Thor).
- Developer is currently accepting bids and has secured interested parties for some sites.
- Site is being developed with strategic funds from the PDA (held by the City) to provide development incentive. The first payment of \$625,000 would be paid from the PDA fund. The second payment will be reimbursed back from taxes owed that are triggered from developing the site. Moving forward, the PDA would like to provide incentives similar that defray tax costs paid for by the growth of the site.
- Questions:
 - Chair Cathcart asked if roads will be public or private. Current plans will leave the right-of-way public.
 - Vice-chair Kerns flagged the issue of site security, control, and snow removal if the road is left public. Developer may consider a gate on Thor as the roadway enters the park.
 - Member Simmons flagged the availability of the funds held at the City. Recommended proof of funds and to have them transferred to the PDA to mitigate any access challenges to the funds.
 - Secretary Feist expressed a need to identify a solid project timeline to ensure the development moves forward as expected.
- ED Bank sought approval from the board to proceed with the plan for Esmeralda.
 - Chair Cathcart proposed Resolution 25-003
 - Vice-chair Kerns made the motion to approve, contingent upon compliance to the agreed upon terms for releasing the pledged incentive dollars.
 - Member Simons made a second to the motion.

3011 E. Wellesley

- ED Bank updated the board on the preliminary site plan for the building footprint.
 - To maximize efficiency and minimize cost, the building will be a long “bar” anchored along the Wellesley side of the block.
 - Total floor count is estimated to be 4, including the first floor for the childcare facility and the upper 3 floors dedicated to workforce housing (30-40 units).
 - Chair Cathcart asked about the childcare outdoor play area.
 - ED Bank clarified that the play area is envisioned to be internal with the ability to open up internally into the site rather than toward Wellesley.

Hansen Site

- Interest has been expressed by an entity seeking to build a “min mill” steel production facility.
 - 200 jobs (direct) with a median income of \$125,000, 1,200 jobs (indirectly).
 - Estimated investment of \$860m
 - Non-intensive water user, with water rights associated with the site.
 - Avista appears to have sufficient capacity to supply the site.

PDA Financial Review

- Total 2024 revenue came in at just under \$1.4m
- Year-end net income of \$885,000
- \$1.8m total assets on the balance sheet (10% over projection).

Executive Session

- Board went into executive session for appx 10 min.
 - Per RCW 42.30.110 (i) Legal Risk

Resolutions

- Res. 2025-003 Esmarelda Commercial Park Agreement
 - Chair Cathcart proposed Resolution 25-003
 - Vice-chair Kerns made the motion to approve, contingent upon compliance to the agreed upon terms for releasing the pledged incentive dollars.
 - Member Simons made a second to the motion.

Notable items, Around the Room, Closing

- No further matters were discussed.

Chair Cathcart adjourned the meeting at 12:01 pm.

NEXT MEETING

March 14th, 2025, 10:30 – 12:00 PM, Northeast PDA Office (5006 N. Market St.) or virtual via Zoom

Presentation to NEPDA

Friday December 13, 2024

Discuss/present engineering

2 minutes

Request: NEPDA to acquire ownership/control of parcel 35031.0108

Proposal: Beacon Hill/Nationwide Capital will cause engineering to be undertaken to design realignment of the Wellesley/Valley Springs Rd realignment to connect to E. Wellesley at terminus of City rebuild between Florida and Havana up the hill to Custer.

The project will include design and construction of an intersection that provides access to Havana approximately as shown and continues East to Custer, design a driveway to re-connect to parcel 36353.0122, connection to Dearborn and Custer St's. Utilities to be included are sewer line from Custer to Wellesley, storm water as appropriate and a 10" wide mixed-use path.

Work with NEPDA to secure funding for construction of final approved design.

Benefits

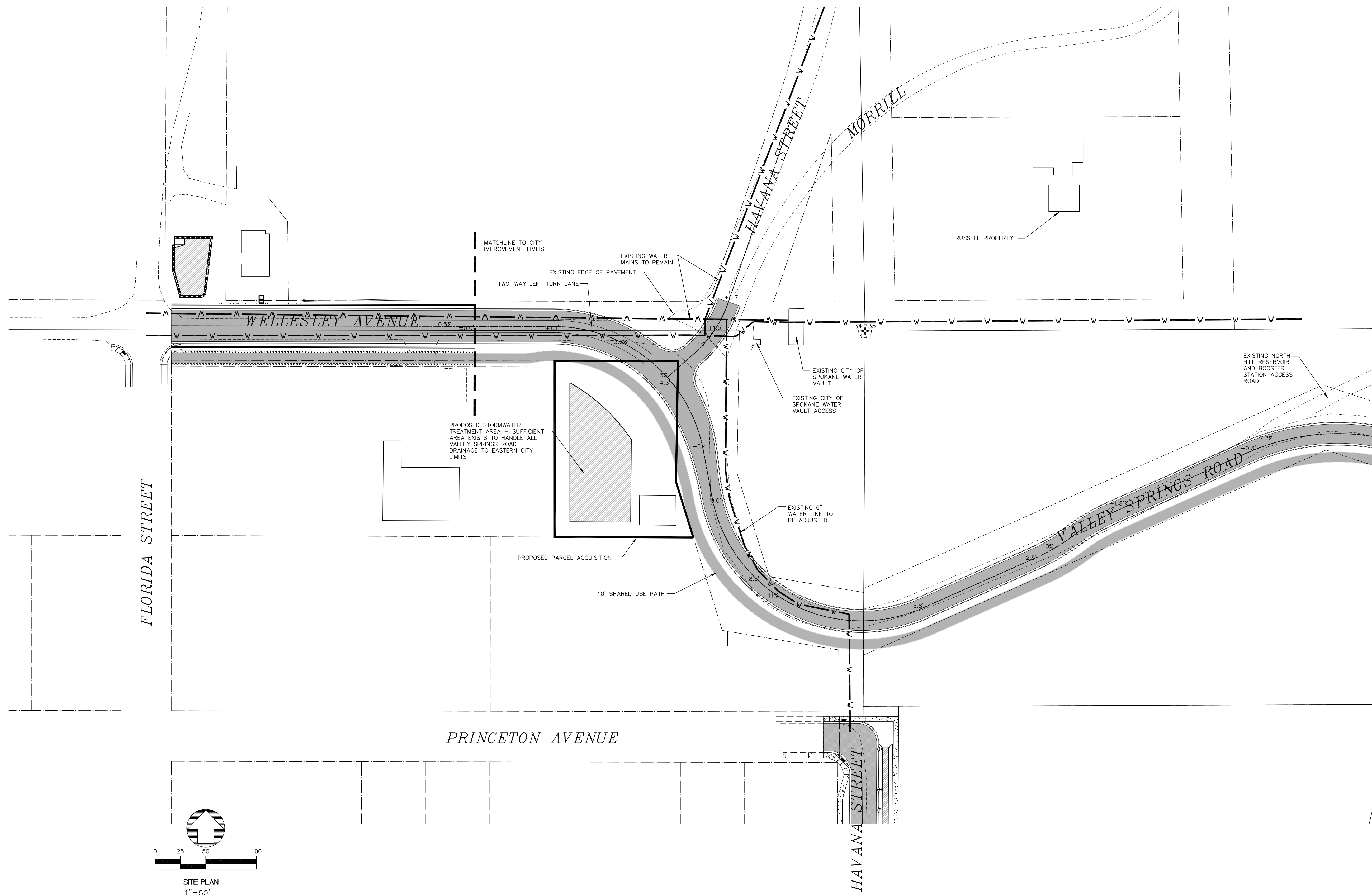
- 1 Provides appropriate access to Havana for future improvements to NE section NEPDA
- 2 Eliminate the blind curve in Valley Springs Rd
- 3 Does not raise the grade of E Wellesley to a point where the water mains need to be relocated
- 4 Greatly reduces the cost of reconstruction

Rational. Congressional funding is for the purpose of providing improvements to E. Wellesley from Freya to Havana. Without acquiring additional property, the blind curve will not be eliminated, service to the Light Industrial properties fronting Havana will not have safe, functional access to E. Wellesley and significant water infrastructure expenses will be avoided.

5 DISCUSSION

8 MINUTES

THE VISTAS AT BEACON HILL

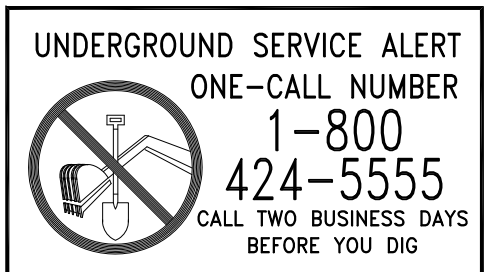


NOTE:
EXACT LOCATIONS, SIZES AND DEPTHS OF UNDERGROUND UTILITIES ARE NOT KNOWN. UNDERGROUND UTILITIES SHOWN ARE TAKEN FROM EXISTING RECORDS AND ARE SHOWN FOR CONVENIENCE OF THE CONTRACTOR ONLY. THE CONTRACTOR IS RESPONSIBLE TO "CALL BEFORE YOU DIG 811", AND SHALL CONTACT ALL UTILITY OWNERS AND CONFIRM LOCATIONS OF UTILITIES BEFORE DIGGING AND TO COORDINATE AND COOPERATE FULLY WITH EXISTING UTILITY DISTRICTS AND COMPANIES.

SEE GEOTECHNICAL EVALUATIONS
BY ALLWEST TESTING AND ENGINEERING
DATED MARCH 9, 2005 AND AUGUST
26, 2014

LOCAL PROJECT TBM
#6 REBAR
STA: 15+18.16, 357.62' RT.
ELEVATION: 2216.41 NAVD88

ELEVATIONS ARE TO NAVD88 DATUM
SEC. 2, T.25, R.43 E.W.M.



Simpson Engineers, Inc.
Founded 1946
CIVIL ENGINEERS & LAND SURVEYORS
N. 909 ARGONNE ROAD, SPOKANE VALLEY WA., 99212-2789
PHONE (509) 926-1322 FAX (509) 926-1323

BY	REVISIONS	DATE	PROJ.	FROM	AS BUILT	TO	ACCEPT

GRADE ORDINANCE LIST					CITY DATUM	SCALE	DATE	DRAWN
FROM	TO	ORD. NO.	DATE	FILE NO.				
					ELEVATION:	HORIZONTAL 1"=100'		
					LOCATION:	VERTICAL NA		CHECKED
								APPROVED

CITY OF SPOKANE, WASHINGTON		DEPARTMENT OF CONSTRUCTION SERVICES	808 WEST SPOKANE FALLS BLVD. SPOKANE, WASHINGTON 99201-3343 (509) 625-6300



THE VISTAS AT BEACON HILL
COVER SHEET

SHEET: COVER	
TYPE OF IMPROVEMENT:	COVER
PROJECT NUMBER	PLAN NUMBER
2022596	HAVAN S(04)2 2-25-43

**NORTHEAST PUBLIC DEVELOPMENT AUTHORITY
RESOLUTION NO. 2025-003**

A RESOLUTION of the Northeast Public Development Authority (the “NEPDA”) to approve the Esmeralda Commerce Park Development Agreement (“Development Agreement”) related to the Esmeralda Commerce Park Project (“Project”) between the NEPDA and Esmeralda Commerce Park, LLC (“Developer”).

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, Developer owns property bordered by N. Freya Street on the East, E. Rich Avenue on the North, Garland Avenue on the South, and Ralph Street on the West, in Spokane, Washington (the “Property”);

WHEREAS, the Property is located within the boundaries of the NEPDA and consists of approximately twenty-seven acres of undeveloped land currently zoned light industrial;

WHEREAS, Developer proposes development of a project on the Property that will be known as the Esmeralda Commerce Park (the “Project”). The Project, which is intended to be a modern industrial park featuring buildings, sidewalks, and landscaping, is more specifically outlined in the Development Agreement, which is incorporated herein by this reference as Exhibit A, or as hereinafter amended by agreement of the Parties.

WHEREAS, in connection with the Project, Developer has agreed to dedicate land for public right-of-way and to construct certain improvements in conjunction with the Project, which, among other things, generally consist of streets, sidewalks, storm drainage systems, curbs, gutters, street lighting, and other site preparation, many of which will be deeded or dedicated to the City of Spokane after completion and acceptance of the Project.

WHEREAS, pursuant to applicable provisions of State law and as allowed by the NEPDA’s formation, bylaws, charter, and Interlocal Agreement between the City of Spokane and Spokane County, the NEPDA is authorized to participate in the cost of financing the Project where the NEPDA’s participation will encourage private investment in the surrounding area and may contract with private parties to fund or provide infrastructure.

WHEREAS, the Project will cause both direct and indirect public benefits and can reasonably be expected to make a significant difference in stimulating economic growth and the creation of new jobs within the NEPDA in key priority sectors of technology, manufacturing, and aerospace;

WHEREAS, Spokane Municipal Code Ch. 4.25 and City of Spokane Ordinance No. C-34813, the NEPDA was established for purposes consistent with RCW 35.21.730 through .757 to facilitate the acquisition, construction, development, and operation of public benefit projects and improve economic conditions in and around the City and Spokane County;

WHEREAS, funds contributed by the NEPDA to the Developer, which shall be exclusively used to contribute to the costs of the Project, shall consist of the total amount of \$1,250,000.00 towards the construction of the Project, subject to the terms of the Development Agreement;

WHEREAS, the NEPDA finds it desirable for the effective governance of the NEPDA's affairs, to approve of the proposed Development Agreement in the same or substantially similar form as the attached Exhibit A, incorporated herein by this reference, subject to final legal review by both the NEPDA and the Developer.

BE IT RESOLVED, that pursuant to the authority provided in the NEPDA's bylaws, policies, and procedures, the NEPDA Board of Directors approves of the Development Agreement in the same or substantially similar form as the attached Exhibit A, incorporated herein by this reference, subject to final legal review by both the NEPDA and the Developer.

BE IT FURTHER RESOLVED, the NEPDA Board of Directors expressly authorizes the NEPDA Executive Director to present the attached proposed Development Agreement to the Developer for consideration, and execute the same upon final legal review.

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 14th day of February 2025.

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 14th day of February 2025, 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 _____, 2025.

SECRETARY

EXHIBIT A

Development agreement

THIS DEVELOPMENT AGREEMENT ("**Agreement**"), dated _____, 2025, is entered into by the Northeast Public Development Authority, a public development authority organized under the laws of the State of Washington (the "**NEPDA**"), and **ESMERALDA COMMERCE PARK, LLC** (the "**Developer**"), collectively referred to hereinafter as the "**Parties**."

RECITALS

A. Developer owns property bordered by N. Freya Street on the East, E. Rich Avenue on the North, Garland Avenue on the South, and Ralph Street on the West, in Spokane, Washington (the "**Property**").

B. The Property is located within the boundaries of the NEPDA. The Property consists of approximately twenty-seven (27) acres of vacant undeveloped land currently zoned light industrial. Developer proposes development of a project on the Property that will be known as the Esmeralda Commerce Park (the "**Project**"). The Project is more specifically outlined in the attached Exhibit A, which is incorporated herein by this reference, or as hereinafter amended by agreement of the Parties.

C. The Project will be a modern industrial park featuring several buildings, sidewalks, and landscaping featuring trees native to Spokane. The Project is intended to be constructed in phases, as specified herein, and will consist of several buildings intended for use by industrial and/or manufacturing businesses and may employ up to 1,000 people with living wage jobs including the key priority sectors of technology, manufacturing, and aerospace.

D. In March 2020, Developer and the City of Spokane entered into a Development Agreement for the development of the Property and the Project. The March 2020 Development Agreement specified terms and conditions related to the Project. As of the effective date of this Agreement, the March 2020 Development Agreement has been terminated, as set forth in Exhibit D, which is incorporated herein by this reference. This Agreement is intended to replace the City's Agreement in full.

E. In connection with the Project, Developer has agreed to dedicate land for public right-of-way and to construct certain improvements in conjunction with the Project, which, among other things, generally consist of streets, sidewalks, storm drainage systems, curbs, gutters, street lighting, and other site preparation, many of which will be deeded or dedicated

to the City of Spokane after completion and acceptance of the Project.

D. Pursuant to applicable provisions of State law and as allowed by the NEPDA's formation, bylaws, charter, and Interlocal Agreement between the City of Spokane and Spokane County, the NEPDA is authorized to participate in the cost of financing the Project where the NEPDA's participation will encourage private investment in the surrounding area and may contract with private parties to fund or provide infrastructure.

E. The Project will cause both direct and indirect public benefits and can reasonably be expected to make a significant difference in stimulating economic growth and the creation of new jobs within the NEPDA.

F. Through Spokane Municipal Code Ch. 4.25 and City of Spokane Ordinance No. C-34813, the NEPDA was established for purposes consistent with RCW 35.21.730 through .757 to facilitate the acquisition, construction, development, and operation of public benefit projects and improve economic conditions in and around the City and Spokane County.

G. Funding provided to Developer shall come from funds currently held by the City of Spokane in the amount of \$625,000.00 and funds attributable to the Project received by the NEPDA via its Special Revenue District, which are expected to total \$625,000.00, together comprising a total anticipated payment to Developer in the amount of \$1,250,000.00 towards the construction of the Project, subject to the terms of this Agreement.

H. These funds shall be exclusively used to contribute to the costs of the Project, the total cost of which is estimated to be \$2,150,000.00.

NOW THEREFORE, in consideration of the above recitals which are adopted herein by reference, and in consideration of the mutual promises set forth herein, the NEPDA and the Developer enter into this Agreement.

AGREEMENT

I. **Development of the Property.**

(a) Developer shall, prior to execution of this Agreement, provide and receive approval from NEPDA for the specific Horizontal Improvements, as defined herein and as identified in Exhibit B, attached hereto, and incorporated by this reference, anticipated for the Project, along with a schedule of the construction of the Horizontal Improvements and their anticipated cost.

(b) **Developer Covenants.** Developer shall, at no cost or expense to the NEPDA, diligently perform and fully complete development and construction of the Project according

to approved plans and permits, in compliance with applicable law, code, or regulation. Developer shall obtain all required permits, as set forth herein, from the City of Spokane prior to commencing construction of the Project. Except as expressly set forth herein, this Agreement shall not be construed as a waiver of any of the conditions of development or use of the Property, nor shall this Agreement relieve Developer from Developer's obligations to comply with rules and regulations applicable to the Property and Developer's development of the same.

(c) Public Benefits. As part of the Project, Developer will make specific public dedications and investment in public infrastructure by way of Horizontal Improvements, all of which are expected to provide a public benefit to residents and visitors.

(d) Changes to Project and/or Cost Amendments. Changes involving the Project that do not create new impacts or reduce the public benefit of the Project shall not require an amendment to this Agreement. Material changes to the Project shall require written agreement by the NEPDA. Such agreement will not be unreasonably withheld, conditioned, or delayed until the termination of this Agreement. Should Developer require a change or amendment to the Project that was not previously evaluated by a DNS, Developer shall comply with all applicable laws and regulations, including but not limited to all further environmental review processes.

II. Term.

This Agreement shall commence immediately upon execution, and shall be deemed terminated and of no further effect upon the earliest occurrence of (i) mutual agreement of the Parties or (ii) December 31, 2030. This Agreement shall be promptly recorded on the Property following execution.

III. Financing of the Project.

For purposes of this Agreement, the term "Horizontal Improvements" means public improvements, including streets, sidewalks, storm drainage systems, curbs, gutters, street lighting, and other site preparation, which are intended to be conveyed, by deed or dedication, to the City of Spokane after completion and acceptance of the Project in a manner consistent with the design provided by developer and approved by NEPDA. See Exhibit B.

Subject to this Agreement, the Project will be financed in part through an anticipated payment of One Million Two Hundred Fifty Thousand and 00/100 Dollars (\$1,250,000.00) ("**NTE Amount**") by the NEPDA. Timing of payments from the NEPDA shall be as follows:

- (a) **Horizontal Improvements**. The NEPDA's obligation to pay the first installment of the NTE Amount, which is a total of Six Hundred Twenty Five Thousand and 00/100

(\$625,000.00), is contingent upon Developer completing the full and complete permit process and being granted all necessary permits by the appropriate governing bodies for the Horizontal Improvements and compliance with Section IV(e). To be eligible for this payment, all necessary permits must be granted no later than December 31, 2025. The anticipated total cost of the public improvements is \$2,150,000.00.

Developer warrants it will begin construction on the Horizontal Improvements consistent with the construction schedule in Exhibit B, unless otherwise agreed by the Parties. Should Developer fail to timely begin construction the NEPDA may exercise any and all rights or remedies afforded in this Agreement or at law.

Payment of the First Installment of the NTE Amount, shall be in accordance with the terms of this Section. In addition, Developer shall provide the NEPDA with the following information by way of invoice: (i) describe the work performed, (ii) certify that the work has been performed consistent with the applicable required specifications of the public entity that ultimately will accept ownership of the Horizontal Improvements, and (iii) certify that prevailing wages have been paid and demonstrate compliance with Section IV(d). Payment shall be made only upon approval by the NEPDA Board of Directors or its designee, which decision shall be made within sixty (60) days of receiving the invoice from the Developer.

- (b) **Completion of development of Building 1 and Payment of Second Installment(s).** The second and final installment of the NTE Amount, is a total of Six Hundred Twenty-Five Thousand and 00/100 (\$625,000.00) ("Second Installment"). Payment for this Second Installment is contingent upon Developer furnishing to the NEPDA a Certificate of Occupancy evidencing the completion of all construction activities on either the site identified as "Lot 1" as set forth in Exhibit A, or the completion of all construction activities of a building located anywhere on the subject site of a minimum of 60,000 square feet. To be eligible for this payment, the Certificate of Occupancy for the development of the Building must be issued no later than October 1, 2028.

The Parties intend and agree that payment for this Second Installment shall be paid by the NEPDA to Developer on a reimbursement basis. The Second Installment payment shall be paid from the Proceeds attributable to the improvement of the Property that are received by the NEPDA. "Proceeds" for the purposes of this installment payment and this Agreement means and includes: (i) property tax receipts, (ii) sales tax receipts, and (iii) new construction tax receipts, each of which must be attributable to the improvements and developments made by Developer to the Property. Developer is not entitled to receive funds or monies from the NEPDA that are not expressly stated herein and shall make no claim to any other funds or monies received by the NEPDA other than the Proceeds. No funds shall be paid to Developer prior to (i) the receipt of the Certificate of Occupancy by the NEPDA and (ii) receipt of the Proceeds.

Upon receipt of the Proceeds, the NEPDA shall allocate those Proceeds attributable to the development of the Property and remit payment to the Developer on a reimbursement basis, as funds are received. The NEPDA anticipates receipt of the

Proceeds on a quarterly basis. As such, the NEPDA must remit payment of the Proceeds to the Developer within sixty (60) days of the end of each quarter in a calendar year.

Based on project cost estimates provided by the Developer, the NEPDA anticipates full payment of the Second Installment by December 31, 2030. Upon full satisfaction of this Second Installment in the total amount of \$625,000.00, any Proceeds received thereafter shall be solely retained by the NEPDA and Developer shall have no claim or right to receive any such funds.

- (c) In addition to the aforementioned, Developer shall comply with the following deadlines, unless otherwise agreed to in writing by the Parties:
 - (i) **Completion of the Horizontal Improvements:** To be completed pursuant to the construction schedule set forth in Exhibit B, which may be modified by mutual, written agreement of the Parties.
 - (ii) **Commencement of Development of Building 1 1:** Development work to commence no later than October 1, 2027.
- (d) Should Developer fail to comply with any deadline set forth in this Agreement or any Exhibit hereto, Developer shall forfeit its right to any associated installment payment from the NEPDA without notice. Any amounts previously paid by the NEPDA to the Developer are subject to reimbursement, should Developer fail to comply with this Agreement. Developer further acknowledges its failure to comply with this Section or any deadline set forth in this Section, its failure shall constitute a material, express breach of this Agreement, and the NEPDA may terminate this Agreement in whole or in part at the NEPDA's sole discretion and without notice, and seek any other damages or remedies available at law
- (e) The NEPDA shall not be responsible for any other Project cost or expense in excess of the NTE Amount contributed.
- (f) Developer expressly represents and warrants it will timely comply with the terms of this Agreement in good faith, and shall promptly notify the NEPDA of any unexpected delay of any component of this Project, and provide the NEPDA with an expected date of completion. Developer acknowledges the NEPDA is not required to agree to any extension requested, whether or not such extension is the result of Developer's actions or omissions.

IV. Dedication of Horizontal Improvements.

- (a) Dedication of the Horizontal Improvements shall take place only after the Completion of Project under Section III(e)(iv) of this Agreement. Following written notice of

the Completion of Project, Developer shall cause the Horizontal Improvements, after completion of construction and acceptance by the City of Spokane, to be transferred to the City of Spokane. The NEPDA will not oppose a prohibition of on-street parking on all public streets inside the boundaries of the Property. The NEPDA agrees to use its best efforts to work with Developer and the City to support a City ordinance prohibiting such parking. This prohibition shall not apply to streets bordering the Property.

(b) Developer will engage engineers or other professionals to design the Horizontal Improvements in a manner consistent with all applicable procedures and requirements set forth in Chapter 39.80 RCW or other applicable regulations.

(c) The NEPDA shall not be responsible to ensure Developer complies with applicable laws or regulations with respect to the Horizontal Improvements, including but not limited to the transfer by deed or dedication of any such Horizontal Improvements to the City of Spokane. NEPDA and the Developer acknowledge and agree that only the Horizontal Improvements, and not the private development of buildings for the Project, will be subject to laws and regulations applicable to public works.

(d) All subcontractors (or a general contractor in lieu of multiple subcontractors) awarded a contract for work performed on the Horizontal Improvements at the Project shall be selected by Developer or by a project manager on Developer's behalf, through a competitive bidding process with all qualified bids considered, which process shall be substantially similar to that used by the NEPDA for public works bidding, as set forth in Exhibit C. As a condition of the NEPDA's liability for or payment of the NTE Amount, payment for all labor in connection with the Horizontal Improvements shall be on the basis of the State Prevailing Wage for each appropriate job classification. Developer shall pay or cause to be paid to all workers, laborers and mechanics employed to perform the construction of the Horizontal Improvements not less than the prevailing rates of wages, as may then be determined by the Washington State Department of Labor and Industries for the particular craft in the particular geographic area. All payments for labor will be based on approved Affidavit of Wages Paid. Developer and any of its contractors/subcontractors involved in the Horizontal Improvements shall, as a condition of the NEPDA's payment of any installment or all of the NTE Amount, comply with the following: Developer and all contractors and subcontractors will submit a "Statement of Intent to Pay Prevailing Wages" certified by the industrial statistician of the Department of Labor and Industries, prior to any payments and each voucher claim submitted by a contractor or subcontractor for payment on a project estimate shall state that the prevailing wages have been paid in accordance with the "Statement(s) of Intent to Pay Prevailing Wages" on file with the City. Upon completion of the Horizontal Improvements, the contractor and subcontractors must submit an "Affidavit of Wages Paid" certified by the industrial statistician at the time of completion of these portions of the Project.

Developer shall require contractors, or the general contractor and its subcontractors, to maintain all project information, records, and documents for a period of not less than six years from the date of Developer's final acceptance of the work, and the NEPDA shall have a right to direct audit of such information, records, and documents.

(e) Access to Water & Sewer. Prior to any payment from the NEPDA of the first installment of the NTE Amount, Developer must obtain (i) access and connection to the existing eight-inch (8") water and sanitary sewer line(s) located under East Garland Avenue; and (ii) access and connection to the existing eight-inch (8") water line located under East Rich Avenue. Prior to any such connections, Developer shall determine the adequacy of the existing utilities to serve the Developer's Property and/or Project, and any modifications (e.g., upsizing, etc.) shall be at the sole cost and expense of Developer. Developer shall comply with all City of Spokane charges, regulations, requirements, permits, or conditions necessary to fulfill its obligations under this Section.

(f) Developer agrees to provide the NEPDA with a copy of all budgeted construction costs prior to the commencement of the Horizontal Improvements. Developer further agrees to provide the NEPDA with a copy of all actual costs incurred at the completion of the Horizontal Improvements.

(g) Developer shall obtain payment and performance bonds to, respectively, guarantee payment of laborers, suppliers, materialmen, taxes and penalties and performance of the Horizontal Improvements as generally set forth in RCW Chapter 39.08 (the "**Bonds**"). The Bonds shall be issued in an amount equal to the agreed amount to be paid for the Horizontal Improvements and list the NEPDA as obligee ("**Obligee**"). In the event of a default (defined herein) by the Developer (including its contractor retained to construct the Horizontal Improvements), Obligee may execute on the Bonds for the purpose of paying amounts due pursuant to RCW 39.08.010 and causing the Horizontal Improvements to be completed using the bond proceeds and any other funds available to the NEPDA pursuant to this Agreement. NEPDA shall further, in the event of default or breach of this Agreement, have the right to pursue all remedies available under the laws of the State of Washington.

(h) The construction of the Horizontal Improvements in rights of way, on public property, or within easements that will be dedicated to governmental entities is subject to the provisions of Ch. 60.28 RCW. The amounts so retained by the NEPDA shall be later released to Developer consistent with the provisions of Ch. 60.28 RCW, including RCW 60.28.011. In no event shall the NEPDA have any obligation to pay any invoices submitted by Developer after December 31, 2030, unless extended by mutual agreement of the Parties.

(i) Upon completion of the Horizontal Improvements, Developer shall provide the NEPDA with a copy of any accounting provided to the City of the actual costs associated with

the Horizontal Improvements for audit purposes. Developer shall also provide the NEPDA with the City's final acceptance of the accounting. Thereafter, the Horizontal Improvements shall be available for use by the Developer, and any tenant, purchaser, occupant, assignee, or transferee of the Property, without payment or reimbursement to NEPDA or the City of any Horizontal Improvement costs.

V. Indemnification.

Developer shall indemnify, defend, and hold the NEPDA, its officers, agents, and employees harmless from all loss and liability for any claim by any person, or for any injury or property damage resulting from, or by reason of, this Agreement and/or the development and construction of the Project, unless caused directly or indirectly by the NEPDA's negligence or intentional misconduct.

TO THE EXTENT NECESSARY TO ENFORCE DEVELOPER'S INDEMNIFICATION OBLIGATIONS HEREUNDER, DEVELOPER HEREBY AGREES TO WAIVE IMMUNITY UNDER TITLE 51 RCW. THIS PROVISION HAS BEEN SPECIFICALLY NEGOTIATED.

Developer's Initials

NEPDA's Initials

(a) Insurance Requirements. Developer shall procure and maintain the insurance described in the subsections below from the commencement of Developer's construction of the Project:

(i) Builders All Risk Comprehensive Coverage. Developer shall instruct its general contractor and subcontractors to purchase and maintain Builders Risk insurance covering interests of the City and the Developer in the Horizontal Improvements. Builders Risk insurance shall be on an "all-risk" policy form and shall insure against the perils of fire and extended coverage and physical loss or damage including flood, earthquake, theft, vandalism, malicious mischief, and collapse. The Builders Risk insurance shall include coverage for temporary buildings; debris removal; damage to materials in transit or stored offsite; mechanical or electrical breakdown/failure; loss of occupancy or business interruption costs; and, damage to electrical apparatus from electrical currents. Such insurance shall cover "soft costs" including but not limited to design costs, licensing fees, and architect's and engineer's fees. Builders Risk insurance shall be written in the amount of the completed value of the Horizontal Improvements. The Builders Risk insurance shall be maintained until final acceptance of the Horizontal Improvements.

(ii) Commercial General Liability. Developer shall carry Commercial General Liability insurance which shall be written on coverage forms at least as broad as ISO occurrence form CG 00 01, including but not limited to liability arising from premises, operations, stop gap liability, independent contractors, products-completed operations, personal and advertising injury, and liability assumed under an insured contract. There shall be no exclusion for liability arising from explosion, collapse, or underground property damage. The Commercial General Liability insurance shall be endorsed to provide a per project general aggregate limit, using ISO form CG 25 03 05 09 or an equivalent endorsement. Such policy must provide the following minimum limits:

\$5,000,000	Each Occurrence
\$5,000,000	General Aggregate
\$5,000,000	Products & Completed Operations Aggregate
\$1,000,000	Personal & Advertising Injury each offense
\$1,000,000	Stop Gap/ Employers' Liability each accident

(iii) Automobile Liability. Developer shall carry Commercial Automobile Liability insurance that provides coverage for owned, non-owned, hired, and leased vehicles; and shall be written on a coverage form at least as broad as ISO form CA 00 01. If the Improvement involves the transport of pollutants, the automobile liability policy shall include MCS 90 and CA 99 48 endorsements. Such policy must provide the following minimum limit:

- \$1,000,000 Combined single limit each accident

(iv) Workers' Compensation. Developer shall comply with Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

(v) Insurance Policies. Insurance policies required herein:

(aa) Qualifications. Shall be issued by companies authorized to do business in the State of Washington with the following qualifications:

- The insurance companies providing the required coverage must be rated no less than "A-: VII" with the latest edition of A. M. Best's Key Rating Guide.
- All insurance policies, with the exception of Workers' Compensation, shall name the following listed entities as additional insured(s) using the forms or endorsements required herein:

- The NEPDA, its officers, elected officials, employees,

agents, and volunteers; and

- The Developer, its officers, agents, and employees.
- The policies shall be issued as primary and non-contributory policies; provided, however, that the NEPDA, the Developer, Developer, and general contractor(s) and subcontractors, may be insured under one (1) or more blanket insurance policies, which shall be permitted and acceptable. Any insurance, self-insurance or self-insured risk pool coverage maintained by the NEPDA shall be in excess of Developer's insurance and shall not be contributory.
- Developer shall cause each subcontractor of every tier to provide insurance coverage that complies with all applicable requirements of Developer-provided insurance as set forth herein, except Developer shall have sole responsibility for determining the limits of coverage required to be obtained by subcontractors.

(bb) Attachments. To the extent reasonably available from insurers, each such policy or certificate of insurance mentioned and required in this Section shall have attached thereto:

- An endorsement to the effect that the insurance, as to anyone insured, shall not be invalidated by any act or neglect of any other additional insured.
- An endorsement pursuant to which the insurance carrier waives all rights of subrogation against the Parties.
- An endorsement pursuant to which such insurance is primary and noncontributory for those obligations imposed in this Agreement.

(cc) Verification of Coverage. Developer shall deliver to the NEPDA a Certificate(s) of Insurance and endorsements for each policy of insurance meeting the requirements set forth herein prior to the commencement of the construction of the Project. Failure of the NEPDA to demand such verification of coverage with such insurance requirements or failure to identify a deficiency from the insurance documentation provided shall not be construed as a waiver of Developer's obligation to maintain such insurance. The Certificate(s) of Insurance shall clearly indicate the insurance and the type, amount, and classification required.

(dd) Cancellation. Cancellation of any insurance or nonpayment by Developer of any premium for any insurance policies required by this Agreement shall constitute an event of default under the terms of this Agreement.

(ee) Adjustments. The types of policies, risks insured, coverage amounts, deductibles and endorsements may be adjusted from time to time as the NEPDA and Developer may mutually determine in writing.

VI. Notices.

All notices under this Agreement shall be in writing and shall be effective when personally delivered, 48 hours after deposit in the United States mail first-class, as registered, or certified mail, postage prepaid, return receipt requested, or by electronic communication with proof of delivery to the following representatives of the Parties at the addresses indicated below:

To Developer:

Esmeralda Commerce Park, LLC
Attn: Nick Czapla, Authorized Agent/COO
PO Box 3949
Spokane, WA 99220
Email: nickczapla@LBStoneProperties.com

To NEPDA:

NEPDA
Attn: Jesse Bank, Executive Director
P.O. Box 7323
Spokane, WA 99207
Jesse.bank@northeastpda.com

Any of the Parties may change its address by giving notice in writing to the other Parties.

VII. Additional Provisions.

(a) Entire Agreement. This Agreement is complete and sets forth and contains the entire understanding and agreement of the Parties, and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements which are not contained or expressly referred to herein. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Agreement.

(b) Amendments and Modifications. The provisions of this Development

Agreement contained in this Agreement may only be amended or modified in writing signed by the NEPDA and the Developer.

(c) Assignment. Neither Party may assign its rights or responsibilities under this Agreement without prior, express written consent by the other Party, except as otherwise provided herein.

(d) Dispute Resolution. In the event of a dispute among any of the Parties regarding matters under this Agreement, each Party shall give written notice of its concern(s) to the other Party. The Parties shall timely, diligently, and in good faith, attempt to resolve the matter expeditiously. In the event that the relevant concerns are not resolved within thirty (30) calendar days from the original written notification (or such other time period agreed to by the Parties), the dispute may then be resolved through litigation in a court of competent jurisdiction.

(e) Recordation of Agreement. This Agreement and any amendment or termination to it shall be recorded with the Spokane County Auditor.

(f) No Third-Party Beneficiary. This Agreement is made and entered into for the sole protection and benefit of the Parties and their successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.

(g) Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and shall constitute one and the same instrument.

(h) Non-Enforcement not Waiver. Failure by any one of the Parties to enforce this Agreement or any provision of it with regard to any provision contained herein shall not be construed as a waiver by that party of any right to do so. All remedies afforded in this Agreement or at law, except as provided herein to the contrary, shall be taken and construed as cumulative that is, in addition to every other remedy provided herein or by law.

(i) Authority. The undersigned covenant and represent that they are fully authorized to enter into and to execute this Agreement.

(j) Venue. This Agreement has and shall be construed as having been made and delivered in the state of Washington and the laws of the state of Washington shall be applicable to its construction and enforcement. Any action at law, suit in equity or judicial proceeding for the enforcement of this Agreement or any provision hereto shall be instituted only in the courts of competent jurisdiction within Spokane County, Washington.

(k) Relationship of Parties. It is understood and agreed by the Parties hereto that the contractual relationship created between the Parties hereunder is that Developer is an Development Agreement

independent contractor and not an agent of NEPDA. Nothing contained herein or in any document executed in connection herewith shall be construed as making NEPDA and Developer joint venturers or partners.

(l) Nondiscrimination. No individual shall be excluded from participation in, denied the benefit of, subjected to discrimination under, or denied employment in the administration of or in connection with this agreement because of age, sex, race, color, religion, creed, marital status, familial status, sexual orientation, national origin, honorably discharged veteran or military status, the presence of any sensory, mental or physical disability, or use of a service animal by a person with disabilities.

(m) Anti-Kickback. No officer or employee of the Parties, having the power or duty to perform an official act or action related to this agreement, shall have, or acquire any interest in this agreement, or have solicited, accepted, or granted a present or future gift, favor, service, or other thing of value from or to any person involved in this agreement.

(n) Attorney Fees. In any action, except for mediation, brought under this Agreement, the prevailing party shall be entitled to recover in addition to any other amounts awarded, its reasonable attorney fees and costs of action as determined by a court with jurisdiction over the subject matter of the dispute.

(o) Forced Delay. Performance by either Party hereunder shall not be deemed to be in default, and all performance and other dates specified in this Agreement shall be extended, where delays or defaults are due to: war, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of terror, unforeseeable delays not caused by a party, general governmental restrictions, regulations, orders or priority, unusually severe weather, breach of this Agreement by the other Party, or acts or failures of a governmental authority to act after diligent best efforts to cause the governmental authority to act. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the Party claiming such extension is sent to the other Party within fifteen (15) days of the commencement of the cause. In the event the time for performance of a Party's obligation is extended under this Section, the Parties shall reasonably and in good faith cooperate to minimize the duration of the extension.

AGREED by the Parties to this Agreement on the dates indicated below:

NORTHEAST PUBLIC DEVELOPMENT
AUTHORITY

Esmeralda Commerce Park, LLC

Board Chair

By: _____

Its: Chief Operating Officer

Date: _____

EXHIBIT A

The Property and Potential Project Site Plan

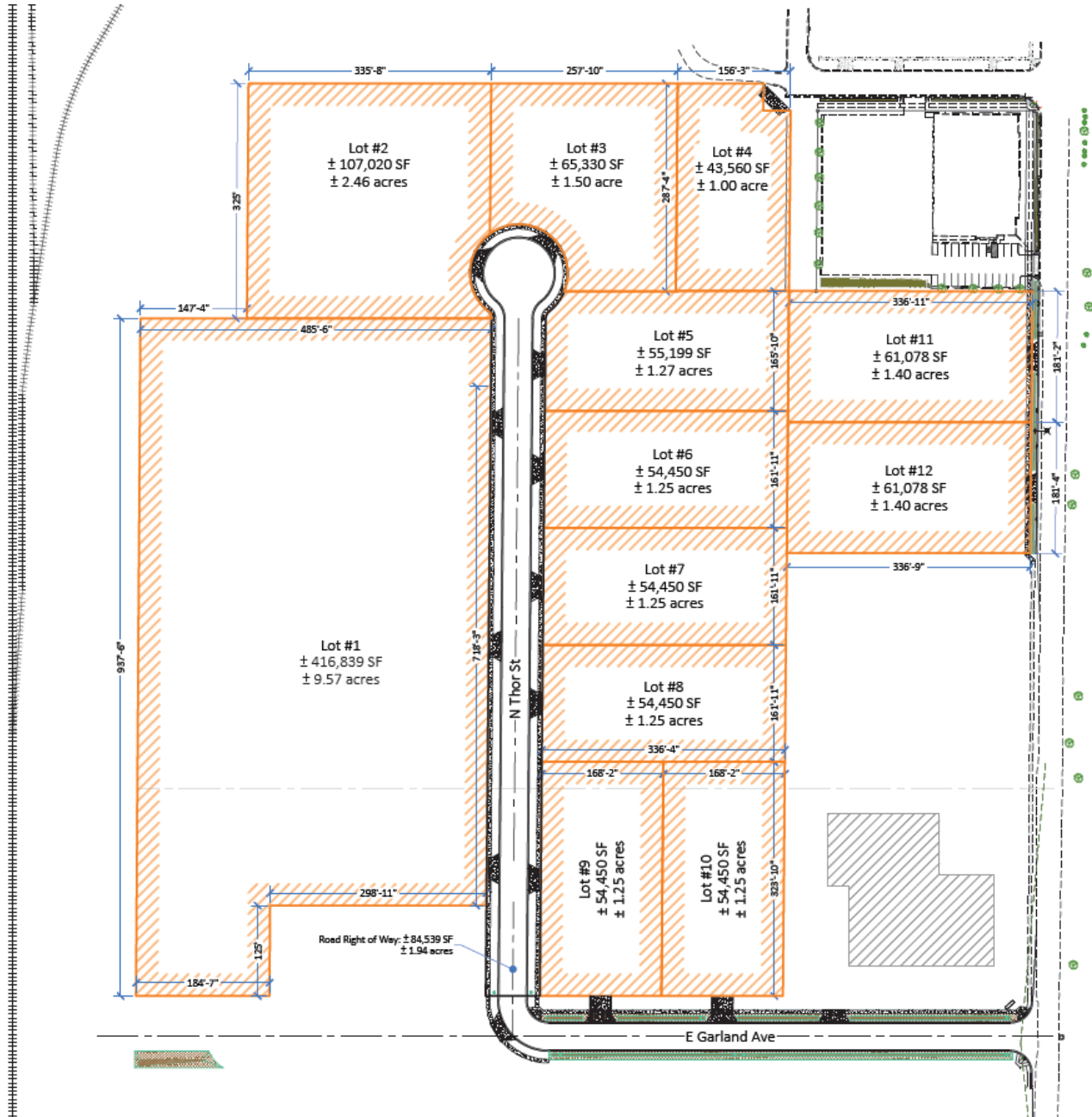
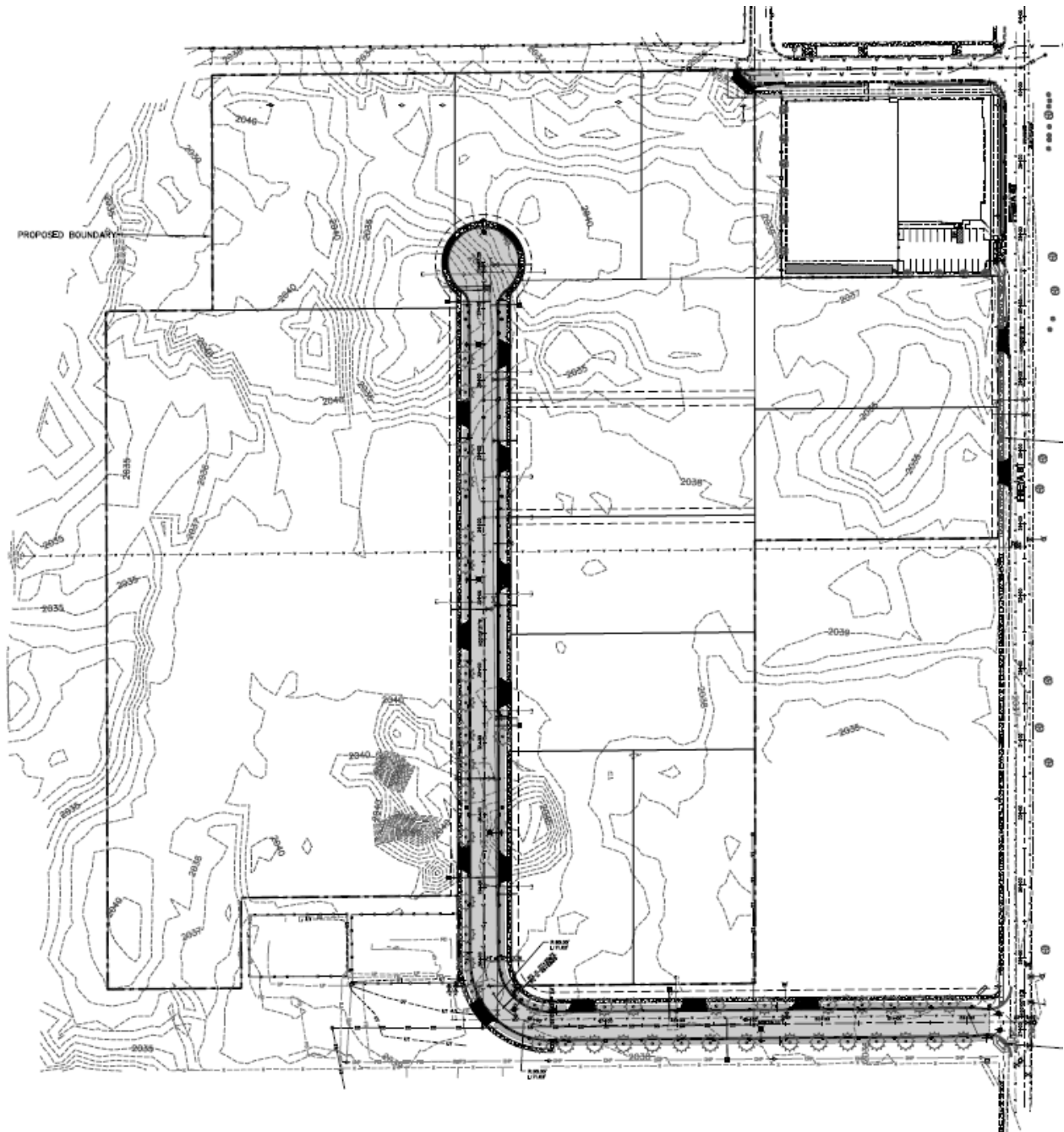


EXHIBIT B

Horizontal Improvements – Map



Horizontal Improvements – Schedule





ID		Esmeralda Commerce Park	Duration	Start	Finish	Predecessors	Resource Names
1		Bid Project	26 days	Fri 1/3/25	Fri 2/7/25		LM
2		Award Project	7 days	Fri 2/7/25	Mon 2/17/25		LBS
3		Submit for Permit (City of Spokane)	25 days	Mon 2/17/25	Fri 3/21/25		CE
4		Road Construction	39 days	Mon 3/24/25	Thu 5/15/25	3	LBS
5		Final Inspections	1 day	Fri 5/16/25	Fri 5/16/25	4	City of Spokane

EXHIBIT C

1. Construction Services.

(a) The Developer shall interview general contractors with experience in constructing the Horizontal Improvements. The Developer based upon the interview and other relevant considerations shall retain a general contractor to perform the requested work.

(b) Following completion of the design documents, the general contractor shall solicit bids from subcontractors to construct the Horizontal Improvements. Subcontractors who submit the lowest responsible bids, based upon the reasonable discretion of the contractor, shall be selected for the work. The general contractor may self-perform work provided the general contractor provides the work at costs equal to or below amounts received from subcontractors.

2. Prevailing Wages and Retainage.

Prevailing wages shall be paid laborers. The NEPDA may retain 5% of the NTE Amount to ensure Developer has complied with this requirement.

Return to: Office of the City Clerk
808 West Spokane Falls Blvd.
Spokane, WA 99201

City Clerk's OPR No. 2025 - _____

INTERLOCAL AGREEMENT REGARDING FUNDING FOR INCENTIVIZING NORTHEAST PUBLIC DEVELOPMENT AUTHORITY PUBLIC IMPROVEMENTS

THIS AGREEMENT is entered into between the **City of Spokane**, a municipal corporation of the State of Washington, having offices for the transaction of business at 808 West Spokane Falls Boulevard, Spokane, Washington 99201 ("CITY"), and the Northeast Public Development Authority ("NEPDA"), a public corporation created pursuant to RCW 35.21, RCW 39.34 Interlocal Agreement between the City of Spokane and Spokane County, OPR 2019-0928, and City Ordinance C35829, jointly hereinafter referred to as the "PARTIES."

WHEREAS, pursuant to RCW 35.21.745 and SMC 04.25.030, the NEPDA can, among other powers, acquire and manage real property, secure financing, utilize revenues to incentivize private development, undertake property construction and development and otherwise accomplish all purposes required for development and management of Projects; and

WHEREAS, public improvements such as creation or enhancement of infrastructure (i.e., roads, utility systems, etc.) and facilities for the benefit of the public (i.e., parks, etc.) serve the economic development purposes the NEPDA was created to achieve as set forth in ILA, OPR 2019-0928; and

WHEREAS, RCW 35.21.745 imposes responsibilities on local government to control and oversee the PDA's operation and funds in order to ensure the PDA is reasonably accomplishing its purpose and correct any deficiencies; and

WHEREAS, in addition to the NEPDA tax revenue source funding agreed to and outlined by City and County in ILA OPR 2019-0928, the City additionally periodically seeks to allocate and transfer funding from other City sources to NEPDA to incentivize public improvements associated with development projects; and

WHEREAS, the Parties seek to formalize a process to facilitate allocation and transfer of City funding and track funding for City accounting purposes, and to ensure funds are used for the incentivizing public improvement purposes articulated herein; and

WHEREAS, the PARTIES are entering into this Agreement in consideration of the mutual benefits to be derived and to coordinate their efforts through the structure provided by the Interlocal Cooperation Act, RCW 39.34.

NOW, THEREFORE, for and in consideration of the mutual promises set forth hereinafter, the PARTIES do mutually agree as follows:

SECTION NO. 1: PURPOSE

The purpose of this Agreement is to set forth a process whereby City may allocate and transfer funding to the NEPDA for incentivizing public improvements associated with development projects, enhance tracking of such funds for City Accounting purposes, and ensure use of such funding for incentivizing public improvements purposes.

SECTION NO. 2: DURATION

This Agreement shall become effective upon final execution by both parties and shall continue until the termination of the Agreement by: 1.) mutual agreement of the Parties; or 2.) upon insolvency or dissolution of the PDA per RCW 35.21.750.

SECTION NO. 3: RESPONSIBILITIES OF THE PARTIES

A. City.

To the extent authorized by the City Council through the adoption of the annual budget or through the adoption of a special budget ordinance/s (SBO), the City shall transfer funding to the NEPDA to fund incentivization of public improvements associated with Development Projects. Such allocated funding is to be assigned to specific development agreements between NEPDA and the Development Projects.

B. NEPDA.

1. The NEPDA's use of funds must be dedicated to incentivizing the construction of public improvements.
2. The incentive must be specifically identified in a written agreement between the NEPDA and the Developer of the Project.
3. The Project public improvements must be both permitted by, and located within, the City of Spokane.
4. Exhibit A attached hereto provides example language that should be included in the agreement between the NEPDA and the Developer for the Development Project to address public works requirements such as prevailing wages, indemnification, insurance and bonding.
5. When the NEPDA enters into an agreement with a Development Project, NEPDA must notify City by providing the Project details and a copy of the agreement for the Development Project.

SECTION NO. 4: RCW 39.34 REQUIRED CLAUSES

A. **PURPOSE:** See Section 1 above.

B. **DURATION:** See Section 2 above.

- C. **ORGANIZATION OF SEPARATE ENTITY AND ITS POWERS:** No new or separate legal or administrative entity is created to administer the provisions of this Agreement.
- D. **RESPONSIBILITIES OF THE PARTIES:** See Section 3 above.
- E. **AGREEMENT TO BE FILED:** The City shall file this Agreement with its City Clerk.
- F. **FINANCING:** See Responsibilities of Parties Section above.
- G. **TERMINATION:** See Section No. 2 above.
- H. **PROPERTY UPON TERMINATION:** Title to all property acquired by any party in the performance of this Agreement shall remain with the acquiring party upon termination of the Agreement. Jointly acquired property shall be divided in proportion to the percentage share of each party contributing to its acquisition.

IN WITNESS WHEREOF, the PARTIES have caused this Agreement to be executed on the date and year opposite their respective signature blocks.

DATED: _____ CITY OF SPOKANE

By: _____

Title: _____

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

DATED: _____

NORTHEAST PUBLIC DEVELOPMENT
AUTHORITY

By: _____

Title: _____

EXHIBIT A

Public Improvements. The Project will include the following public improvements within the public right-of-way (the “Improvements” or “Public Improvements”):

[Describe public improvements _____ insert project details from the staff report
_____]

1. Construction of the Public Improvements. NEPDA shall cause the Public Improvements to be completed, in their entirety. The costs of the Improvements include but are not limited to costs of design, construction, permitting (which includes inspection and review fees from the City), insurance, bonds, professional fees (including attorney fees) and other reasonable costs incurred in the performance of this Agreement. Neither the City of Spokane nor the NEPDA shall be responsible for design, construction, permitting and any other costs with respect to the Public Improvements in excess of the NTE Amount set forth in Section 6 herein below.

(a) The Developer shall engage engineers or other professionals to design the Public Improvements in a manner consistent with the procedures and requirements set forth in Chapter 39.80 RCW.

(b) All subcontractors (or a general contractor in lieu of multiple subcontractors) awarded a contract for work performed on the Public Improvements shall be selected by Developer or by a project manager on Developer’s behalf, through a competitive bidding process with all qualified bids considered, which process shall be substantially similar to that used by the City for public works bidding, consistent with chapter 39.04 RCW. As a condition of the NEPDA’s liability for or payment of any amounts to Developer pursuant to this Agreement, payment for all labor in connection with the Public Improvements shall be on the basis of the State Prevailing Wage for each appropriate job classification. Developer shall pay or cause to be paid to all workers, laborers and mechanics employed to perform the construction of the Improvements not less than the prevailing rates of wages, as may then be determined by the Washington State Department of Labor and Industries for the particular craft in the particular geographic area. All payments for labor will be based on approved Affidavit of Wages Paid. Developer and any of its contractors/subcontractors involved in constructing the Public Improvements shall, as a condition of the NEPDA’s payment to Developer of any amounts under this Agreement, comply with the following: Developer and all contractors and subcontractors will submit a “Statement of Intent to Pay Prevailing Wages” certified by the industrial statistician of the Department of Labor and Industries, prior to any payments and each voucher claim submitted by a contractor or

subcontractor for payment on a project estimate shall state that the prevailing wages have been paid in accordance with the "Statement(s) of Intent to Pay Prevailing Wages" on file with the NEPDA. Upon completion of the Public Improvements, the contractor and subcontractors must submit an "Affidavit of Wages Paid" certified by the industrial statistician.

(c) In all contracts for the Public Improvements, Developer shall require contractors, or the general contractor and its subcontractors, to maintain all project information, records, and documents for a period of not less than six years from the date of Developer's final acceptance of the work, and the NEPDA shall have a right to direct audit of such information, records, and documents.

(d) Developer shall obtain payment and performance bonds to, respectively, guarantee payment of laborers, suppliers, materialmen, taxes and penalties and performance of the Public Improvements as generally set forth in RCW Chapter 39.08 (the "**Bonds**"). The Bonds shall be issued in an amount equal to the agreed amount to be paid for the Improvements and list the NEPDA as obligee. In the event of a default (defined herein) by the Developer (including its contractor retained to construct the Improvements), Obligee may execute on the Bonds for the purpose of paying amounts due pursuant to RCW 39.08.010 and causing the Public Improvements to be completed using the bond proceeds and any other funds available to the NEPDA pursuant to this Agreement.

(e) Upon the City of Spokane's issuance of a Certificate of Occupancy and approved inspections of the Public Improvements, Developer shall provide the NEPDA an accounting of the actual costs associated with the Public Improvements in a form determined by Developer consistent with its cost accounting practices and approved by the NEPDA as compatible with the requirements of the Washington State Auditor for audit purposes. The NEPDA shall within thirty (30) calendar days after receipt of the cost accounting, notify Developer in writing whether the NEPDA accepts, denies or requests modification of the accounting; providing, however, that in the event Developer does not receive a timely written response from the NEPDA within such time, then the actual costs associated with the Public Improvements shall be conclusively deemed accepted and approved. In the event the NEPDA refuses to accept any portion of the Public Improvements or denies or requests modification to the accounting, the NEPDA shall specify the basis for the decision and the NEPDA and Developer shall timely, diligently, and in good faith, attempt to resolve the matter expeditiously. In the event that on the date designated for payment and reimbursement the dispute is not resolved, and if within ninety (90) calendar days of NEPDA's receipt of notification there remain unresolved any issues relating to actual costs, then the NEPDA shall pay to Developer the actual costs requested by Developer for the Public Improvements less the amounts unresolved, which shall be placed in an interest bearing escrow set aside account designated by Developer. The amount in dispute shall then be submitted to binding arbitration, using the services and subject to the rules of the Judicial Arbitration and Mediation Service. If an arbitrator determines that Developer prevails in the accounting dispute, Developer shall be entitled to immediate disbursement of the escrow set aside and interest accrued therein, in the amount determined by the arbitrator.

Notwithstanding the foregoing, in no case shall the NEPDA's payment obligation to the Developer exceed the NTE Amount.

2. NEPDA's Payment to Developer. In consideration of the significant public benefits anticipated to result from Developer's construction of the Project, subject to the terms and conditions of this agreement, and following Developer's completion of the Project, including the Public Improvements, the NEPDA shall pay Developer an amount not to exceed [REDACTED] Dollars \$[REDACTED] through the [REDACTED] NEPDA incentive program (the "NTE Amount"). The actual payment amount will be based upon the costs shown in Developer's invoices submitted to the NEPDA, subject to the NTE Amount. The NEPAA will make payments to Developer, within sixty (60) days after the receipt of Developer's application for payment, subject to the NEPDA's approval of the completed Public Improvements as substantially in accord with City standards, and subject to compliance with the terms of this agreement. Without limiting any of the foregoing, Developer's application for payment shall be subject to review by the NEPDA in consultation with City's Engineering Services Department for the purpose of confirming reasonable prices for materials, equipment rentals and labor.

3. Inspection of Cost Records. Developer and its contractors and subcontractors shall keep available for inspection by NEPDA representatives the cost records and accounts pertaining to this agreement.

4. Actual Material Costs. The NEPDA's payment for any/all materials or equipment rentals under this agreement shall be on the basis of the actual cost incurred by Developer, its contractors and subcontractors, without any mark up. All payments for materials will be based on approved quantities as verified by review, and receipt of actual and verified material payment by Developer, its contractors and subcontractors, as the case may be.

5. Indemnity & Hold Harmless. Developer shall indemnify, defend, and hold the NEPDA, its officers, agents, and employees harmless from all loss and liability for any claim by any person, or for any injury or property damage resulting from, or by reason of, this Agreement and/or the construction of the Public Improvements, unless caused directly or indirectly by the NEPDA's negligence or intentional misconduct.

To the extent necessary to enforce Developer's indemnification obligations hereunder, Developer hereby agrees to waive immunity under Title 51 RCW. This provision has been specifically negotiated.

6. Insurance. At all times prior to NEPDA's approval of the completed Public Improvements, Developer shall cause to be maintained in force at Developer's own expense, each insurance noted below per RCW 4.24.115(1)(b).

(a) Commercial general liability insurance with a combined single liability limit of not less than \$1,000,000 each occurrence and \$2,000,000 aggregate for Bodily Injury and Property Damage. It shall include, at least, Independent Contractors, Products and

Completed Operations, Contractual Liability and Personal Injury Liability for the indemnity provided under this agreement. It shall provide that the NEPDA, its officers, employees, contractors, agents, and such other persons or entities as the NEPDA may designate are additional insureds, but only with respect to the construction of the Public Improvements.

(b) There shall be no cancellation, material change, reduction of limits or intent not to renew the insurance coverage(s) without 30 days written notice from Developer or its insurer(s) to the NEPDA.

(c) Developer shall require any contractor working on the Public Improvements pursuant to this agreement to carry and maintain, at no expense to NEPDA and/or City: (a) comprehensive general liability insurance, including contractor's liability coverage, contractual liability coverage, completed operations coverage, broad form property damage endorsement and contractor's protective liability coverage, to afford protection, with respect to personal injury, death or property damage of not less than \$1,000,000 per occurrence, combined single limit/\$2,000,000 aggregate; (b) comprehensive automobile liability insurance with limits for each occurrence of not less than \$1,000,000 with respect to personal injury or death and \$500,000 with respect to property damage; and (c) Worker's Compensation or similar insurance in form and amounts required by law.

(d) All the insurance required under this agreement shall be written as primary policies, not contributing with and not supplemental to the coverage that NEPDA may carry.

(e) Developer shall furnish its insurance carriers with a copy of this agreement to insure proper coverage. As evidence of the insurance coverages required by this agreement, Developer shall furnish acceptable insurance certificates to the NEPDA at the time this agreement is executed. The certificates shall specify all of the parties who are additional insured, will include applicable policy endorsements, and will include the 30-day cancellation clause. If Developer fails to perform any of its obligations under this Section, the NEPDA may perform the same and may deduct such expenditures from its reimbursements to Developer under this agreement. The NEPDA makes no representations that the types or amounts of coverage required to be carried by Developer pursuant to this Section are adequate to protect Developer. If Developer believes that any of such insurance coverage is inadequate, Developer will obtain, at Developer's sole cost and expense, such additional insurance coverage as Developer deems appropriate.

**NORTHEAST PUBLIC DEVELOPMENT AUTHORITY
RESOLUTION NO. 2025-004**

A RESOLUTION of the Northeast Public Development Authority (the “NEPDA”) Board of Directors authorizing the acquisition of the real property situated at 3112 E. Olympic Avenue, Spokane, Washington.

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 within its boundaries. There are currently infrastructure and development projects ongoing in or near the NEPDA that will provide future opportunities for development,

WHEREAS, the NEPDA is permitted to own and sell real property and acquire the same under Ch. 35.21 RCW;

WHEREAS, the real property, Spokane County Parcel Numbers 36343.2314 and 36343.2315 (commonly known as “3112 E. Olympic Avenue”), located in the City of Spokane, County of Spokane, State of Washington, and more particularly described in the Purchase and Sale Agreement attached hereto as Exhibit A is for sale;

WHEREAS, 3112 E. Olympic Avenue is within the boundaries of the NEPDA;

WHEREAS, it is the intent of the NEPDA to acquire the property located at 3112 E. Olympic Avenue to facilitate redevelopment of the property in furtherance of the NEPDA’s mission and goals, and in accordance with the NEPDA’s Bylaws, policies and procedures;

WHEREAS, the NEPDA and the property owner have negotiated a Purchase and Sale Agreement, to facilitate the terms and conditions of the NEPDA’s acquisition of 3112 E. Olympic Avenue in the amount of \$220,000.00, attached hereto as Exhibit A and incorporated herein by this reference; and

BE IT RESOLVED, that pursuant to the authority provided in the NEPDA bylaws and applicable policies, the NEPDA Board approves of the acquisition of the property located at 3112 E. Olympic Avenue, in order to facilitate planning, environmental assessment, and future redevelopment of the property in furtherance of the NEPDA’s mission and goals, and in accordance with the NEPDA’s Bylaws, policies and procedures.

BE IT FURTHER RESOLVED, that pursuant to the authority provided in the NEPDA bylaws and applicable policies, the NEPDA Board hereby directs the Executive Director to execute a Purchase and Sale Agreement in the same or substantially similar form as the attached Exhibit A, and in accordance with the terms of this Resolution, and take any and all necessary and proper action to effectuate the transfer of 3112 E. Olympic Avenue.

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 19th day of March 2025.

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 10th day of January 2025, 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 10th day of January 2025.

SECRETARY

EXHIBIT A

Purchase and Sale Agreement

PURCHASE AND SALE AGREEMENT

1. **The Parties.** This Real Estate Purchase Agreement (“Agreement”) made on _____, 2025 (“Effective Date”) between:

Buyer: Northeast Public Development Authority (“Buyer”), a public development authority, with a mailing address of PO Box 7323, Spokane, Washington, 99207, and

Seller: The Estate of Paul Hamilton (“Seller”), an individual, with a mailing address of 4519 E Vantage Ln., Spokane, WA 99217.

2. **Legal Description.** The real property (“Property”) is described as:

See Exhibit A.

Address: 3112 E. Olympic Avenue

Tax Parcel Information (i.e., “Parcel IDs” or “Tax Map & Lots”): 36343.2314 and 36343.2315

3. **Purchase and Sale.** Buyer agrees to buy and Seller agrees to sell the commercial real estate identified in Section 2 as the Property and all improvements thereon. Unless expressly provided otherwise in this Agreement, the Property shall include (i) all of Seller’s rights, title and interest in the Property, (ii) all easements and rights appurtenant to the Property, (iii) all buildings, fixtures, and improvements on the Property, and (iv) all included, affixed, personal property.
4. **Personal Property.** Seller shall remove all of Seller’s personal property from the Property, with the exception of any personal property affixed to the buildings, prior to the Closing Date.
5. **Earnest Money.** The Buyer shall not be required to make a payment, down payment, or any other type of monetary deposit that would be deemed consideration. Consideration under this Agreement shall be the Purchase Price.
6. **Purchase Price.** The Buyer agrees to purchase the Property by payment of \$220,000.00 (Two hundred twenty thousand Dollars) which shall be paid by Buyer in cash at closing. No loan or financing of any kind is required in order to purchase the Property. Buyer's

performance under this Agreement shall not be contingent upon selling another property.

7. **Title Insurance.**

- a. Seller authorizes Buyer, its Lender, Listing Broker, Buyer Broker or Closing Agent, at Seller's expense, to apply for and deliver to Buyer a standard coverage owner's policy of title insurance from the Title Insurance Company. Buyer shall have the discretion to apply for an extended coverage owner's policy of title insurance and any endorsements, provided that Buyer shall pay the increased costs associated with an extended policy including the excess premium over that charged for a standard coverage policy, the cost of any endorsements requested by Buyer, and the cost of any survey required by the title insurer. If Seller previously received a preliminary commitment from a title insurer that Buyer declines to use, Buyer shall pay any cancellation fee owing to the original title insurer. Otherwise, the party applying for title insurance shall pay any title cancellation fee, in the event such a fee is assessed.
- b. **Permitted Exceptions.** Buyer warrants it has reviewed the Title Policy and it does not contain any objectionable matters. The Buyer agrees that the General Exclusions and Exceptions of the Title Policy ("Permitted Exceptions") are acceptable.
- c. **Title Policy.** At Closing, Buyer shall receive an ALTA Form 2006 Owner's Policy of Title Insurance with standard or extended coverage (as specified by Buyer) dated as of the Closing Date in the amount of the Purchase Price, insuring that fee simple title to the Property is vested in Buyer, subject only to the Permitted Exceptions ("Title Policy"), provided that Buyer acknowledges that obtaining extended coverage may be conditioned on the Title Company's receipt of a satisfactory survey paid for by Buyer. If Buyer elects extended coverage, then Seller shall execute and deliver to the Title Company on or before Closing the such affidavits and other documents as the Title Company reasonably and customarily requires to issue extended coverage.
- d. **Access.** Seller shall permit Buyer and its agents, at Buyer's sole expense and risk, to enter the Property at reasonable times to conduct any necessary inspections concerning the Property, including without limitation, the structural condition of improvements, hazardous materials, pest infestation, soils conditions, sensitive areas, wetlands, or other matters affecting the feasibility of the Property for Buyer's intended use. Buyer shall schedule any entry onto the Property with Seller in advance and shall comply with Seller's reasonable requirements

including those relating to security, confidentiality, and disruption of Seller's tenants. Buyer shall not perform any invasive testing including environmental inspections beyond a phase I assessment or contact the tenants or property management personnel without obtaining Seller's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. Buyer shall restore the Property and all improvements to substantially the same condition they were in prior to inspection. Buyer shall be solely responsible for all costs of its inspections and feasibility analysis and has no authority to bind the Property for purposes of statutory liens. Buyer agrees to indemnify and defend Seller from all liens, costs, claims, and expenses, including attorneys' and experts' fees, arising from or relating to entry onto or inspection of the Property by Buyer and its agents, which obligation shall survive closing.

- e. **Survey.** Buyer may obtain a survey of the Property to assure that there are no defects, encroachments, overlaps, boundary line or acreage disputes, or other such matters, that would be disclosed by a survey ("Survey Problems"). The cost of the survey shall be paid by the Buyer. Not later than [DATE], Buyer shall notify Seller of any Survey Problems which shall be deemed to be a defect in the title to the Property. Seller shall be required to remedy such defects within 20 business days and prior to the Closing.
- f. If Seller does not or cannot remedy any such defect(s), Buyer shall have the option of canceling this Agreement.

8. **Conveyance.** Title shall be conveyed subject only to the Permitted Exceptions.

9. **Title.** Seller shall convey title to the property by Special Warranty Deed. The Property may be subject to restrictions contained on the plat, deed, covenants, conditions, and restrictions, or other documents noted in a Title Search Report. Upon execution of this Agreement by the Parties, Seller will order a Title Search Report and have delivered to the Buyer.

Upon receipt of the Title Search Report, the Buyer shall have 5 business days to notify the Seller, in writing, of any matters disclosed in the report which is unacceptable to Buyer. Buyer's failure to timely object to the report shall constitute acceptance of the Title Search Report.

If any objections are made by Buyer regarding the Title Search Report, mortgage loan inspection, or other information that discloses a material defect, the Seller shall have 20 business days from the date the objections were received to correct said matters. If Seller does not remedy any defect discovered by the Title Search Report, Buyer shall have the option of canceling this Agreement, in which case the Earnest Money shall be returned to Buyer.

After Closing, Buyer shall receive an owner's standard form policy of title insurance insuring marketable title in the Property to Buyer in the amount of the Purchase Price, free and clear

of the objections and all other title exceptions agreed to be removed as part of this transaction.

10. **Closing of Sale.** Buyer and Seller shall deposit with Closing Agent by 12:00 p.m. on the scheduled Closing Date all instruments and monies required to complete the purchase in accordance with this Agreement. Upon receipt of such instruments and monies, Closing Agent shall cause the deed to be recorded and shall pay to Seller, in immediately available funds, the Purchase Price less any costs or other amounts to be paid by Seller at Closing. "Closing" shall be deemed to have occurred when the deed is recorded and the sale proceeds are available to Seller. Time is of the essence in the performance of this Agreement. Sale proceeds shall be considered available to Seller, even if they cannot be disbursed to Seller until the next business day after Closing.
11. **Closing Costs and Prorations.** Seller shall deliver any information reasonably requested by Closing Agent to allow Closing Agent to prepare a settlement statement for Closing. Seller shall pay the premium for the owner's standard coverage title policy. Buyer shall pay the excess premium attributable to any extended coverage or endorsements requested by Buyer, and the cost of any survey required in connection with the same. Seller and Buyer shall each pay one-half of the escrow fees. Any real estate excise taxes shall be paid by the party who bears primary responsibility for payment under the applicable statute or code. Real and personal property taxes and assessments payable in the year of closing; collected rents on any existing tenancies; expenses already incurred by Seller that relate to services to be provided to the Property after the Closing Date; interest; utilities; and other operating expenses shall be pro-rated as of Closing. Seller will be charged and credited for the amounts of all of the pro-rated items relating to the period up to and including 11:59 pm Pacific Time on the day preceding the Closing Date, and Buyer will be charged and credited for all of the pro-rated items relating to the period on and after the Closing Date. If the Property was taxed under a deferred classification prior to Closing, then Seller shall pay all taxes, interest, penalties, deferred taxes or similar items which result from removal of the Property from the deferred classification.
12. **Closing Date.** This transaction shall be closed on [DATE] at 05:00 PM or earlier at the office of Vista Title and Escrow – 201 W North River Dr., Suite 205, Spokane, WA 99201. Any extension of this date and time must be agreed upon, in writing, by Buyer and Seller. Real estate taxes, rents, dues, fees, and expenses relating to the Property for the year in which the sale is closed shall be prorated as of the date of Closing. Taxes due for prior years shall be paid by Seller.
13. **Seller's Indemnification.** Seller's Representations. Except as disclosed to or known by Buyer prior to the Closing Date, including in the books, records and documents

made available to Buyer, or in the title report or any supplemental report or documents referenced therein, Seller represents to Buyer that, to the best of Seller's actual knowledge, each of the following is true as of the date hereof: (a) Seller is authorized to enter into the Agreement, to sell the Property, and to perform its obligations under the Agreement, and no further consent, waiver, approval or authorization is required from any person or entity to execute and perform under this Agreement; (b) The books, records, and other items delivered to Buyer pursuant to this Agreement comprise all material documents in Seller's possession or control regarding the operation and condition of the Property, are true, accurate and complete to the best of Seller's knowledge, and no other contracts or agreements exist that will be binding on Buyer after Closing; (c) Seller has not received any written notices that the Property or any business conducted thereon violate any applicable laws, regulations, codes and ordinances; (d) Seller has all certificates of occupancy, permits, and other governmental consents necessary to own and operate the Property for its current use; (e) There is no pending or threatened litigation which would adversely affect the Property or Buyer's ownership thereof after Closing; (f) There is no pending or threatened condemnation or similar proceedings affecting the Property, with the exception of that previously disclosed to Buyer, and the Property is not within the boundaries of any planned or authorized local improvement district; (g) Seller has paid (except to the extent prorated at Closing) all local, state and federal taxes (other than real and personal property taxes and assessments described in Section 14 above) attributable to the period prior to closing which, if not paid, could constitute a lien on Property (including any personal property), or for which Buyer may be held liable after Closing; (h) Seller is not aware of any concealed material defects in the Property except as disclosed to Buyer before the Closing Date; (i) Seller has not granted any options nor obligated itself in any matter whatsoever to sell the Property or any portion thereof to any party other than Buyer; and (j) Neither Seller nor any of its respective partners, members, shareholders or other equity owners, is a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute or executive order; and (k) the individual signing this Agreement on behalf of Seller represents and warrants to Buyer that he or she has the authority to act on behalf of and bind Seller. If prior to Closing Seller or Buyer discovers any information which would cause any of the representations above to be false if the representations were deemed made as of the date of such discovery, then the party discovering the information shall promptly notify the other party in writing and Buyer, as its sole remedy, may elect to terminate this Agreement by giving Seller notice of such termination within five (5) days after Buyer first received actual notice (with the Closing Date extended to accommodate such five (5) day period. Buyer shall give notice of termination within five (5) days of

discovering or receiving written notice of the new information. Nothing in this paragraph shall prevent Buyer from pursuing its remedies against Seller if Seller had actual knowledge of the newly discovered information such that a representation provided for above was false.

14. **As-is.** Except for the express representations and warranties in this Agreement, (a) Seller makes no representations or warranties regarding the Property; (b) Seller hereby disclaims, and Buyer hereby waives, any and all representations or warranties of any kind, express or implied, concerning the Property or any portion thereof, as to its condition, value, compliance with laws, status of permits or approvals, existence or absence of hazardous material on site, suitability for Buyer's intended use, occupancy rate or any other matter of similar or dissimilar nature relating in any way to the Property, including the warranties of fitness for a particular purpose, tenantability, habitability and use; (c) Buyer takes the Property "AS IS" and with all faults; and (d) Buyer represents and warrants to Seller that Buyer has sufficient experience and expertise such that it is reasonable for Buyer to rely on its own pre-closing inspections and investigations.
15. **Buyer's Representations.** Buyer represents that Buyer is authorized to enter into the Agreement; to buy the Property; to perform its obligations under the Agreement; and that neither the execution and delivery of this Agreement nor the consummation of the transaction contemplated hereby will: (a) conflict with or result in a breach of any law, regulation, writ, injunction or decree of any court or governmental instrumentality applicable to Buyer; or (b) constitute a breach of any agreement to which Buyer is a party or by which Buyer is bound. The individual signing this Agreement on behalf of Buyer represents that he or she has the authority to act on behalf of and bind Buyer. Buyer represents that it will, to the best of its ability, attempt to preserve and renovate the existing residential building located on the property. Should Buyer, in its sole discretion, determine (1) that the building is structurally or otherwise unable to be restored to meet applicable codes at the time of restoration, or (2) that such restoration is financially infeasible, Buyer represents that it will make a good faith attempt to disassemble the structure such that the component materials may be re-used in subsequent construction activities on the site or elsewhere in the immediate area.
16. **Condemnation and Casualty.** Seller bears all risk of loss until Closing, and thereafter Buyer bears all risk of loss. Buyer may terminate this Agreement and obtain a refund of the Earnest Money if improvements on the Property are materially damaged or if condemnation proceedings are commenced against all or a portion of the Property before Closing, to be exercised by notice to Seller within ten (10) days after Seller's notice to Buyer of the occurrence of the damage or condemnation proceedings. Damage

- will be considered material if the cost of repair exceeds the lesser of \$100,000 or five percent (5%) of the Purchase Price. Alternatively, Buyer may elect to proceed with closing, in which case, at Closing, Seller shall not be obligated to repair any damage and shall assign to Buyer all claims and right to proceeds under any property insurance policy and shall credit to Buyer at Closing the amount of any deductible provided for in the policy.
17. **FIRPTA Tax Withholding at Closing.** Closing Agent is instructed to prepare a certification (CBA or NWMLS Form 22E, or equivalent) that Seller is not a “foreign person” within the meaning of the Foreign Investment in Real Property Tax Act, and Seller shall sign it on or before Closing. If Seller is a foreign person, and this transaction is not otherwise exempt from FIRPTA, Closing Agent is instructed to withhold and pay the required amount to the Internal Revenue Service.
 18. **Appraisal.** Buyer's performance under this Agreement shall not be contingent upon the appraisal of the Property being equal to or greater than the agreed upon Purchase Price.
 19. **Assignment.** Buyer shall have the right, upon notice to Seller, to assign its rights under this Agreement.
 20. **Required Documents.** Prior to the Closing, the Parties agree to authorize all necessary documents, in good faith, in order to record the transaction under the conditions required by the recorder, title company, lender, or any other public or private entity.
 21. **Termination.** In the event this Agreement is terminated, as provided in this Agreement, absent of default, any Earnest Money shall be returned to the Buyer, in-full, within five (5) business days with all parties being relieved of their obligations as set forth herein.
 22. **Time.** Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter and they may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement.
 23. **Confidentiality.** Until and unless closing has been consummated, Buyer and Seller shall follow reasonable measures to prevent unnecessary disclosure of information obtained in connection with the negotiation and performance of this Agreement. Neither party shall use or knowingly permit the use of any such information in any manner detrimental to the other party.

24. **Notice:** Unless otherwise specified, any notice required or permitted in, or related to, this Agreement (including revocations of offers and counteroffers) must be in writing. Notice shall be delivered to the following:

Buyer:

Contact: Jesse Bank, Executive Director

Address: PO Box 7323

Spokane, WA 99207

Phone: 509.795.0290

Seller:

Contact: Aubrey Hamilton

Address: 4519 E Vantage Ln.

Spokane, WA 99217

Business

Phone:

Email: jesse.bank@northeastpda.com

Email: aubreyhamilton28@yahoo.com

- Notices must be delivered to and shall be effective when received by that party at the address, fax number, or email.
25. **Claims.** Any claim or cause of action with respect to a breach of the representations and warranties set forth herein shall survive for a period of nine (9) months from the Closing Date, at which time such representations and warranties (and any cause of action resulting from a breach thereof not then in litigation, including indemnification claims) shall terminate. Notwithstanding anything to the contrary in this Agreement: (a) Buyer shall not make a claim against Seller for damages for breach or default of any representation or warranty, unless the amount of such claim is reasonably anticipated to exceed \$10,000; and (b) under no circumstances shall Seller be liable to Buyer on account of any breach of any representation or warranty in the aggregate in excess of the amount equal to \$250,000, except in the event of Seller's fraud or intentional misrepresentation with respect to any representation or warranty regarding the environmental condition of the Property, in which case Buyer's damages shall be unlimited.
26. **Default and Attorneys' Fees.**
- a. Buyer's default. In the event Buyer fails, without legal excuse, to complete the purchase of the Property, Seller may at its option, (a) terminate this Agreement and keep that portion of the Earnest Money that does not exceed five percent (5%) of the Purchase Price as liquidated damages as the sole and exclusive remedy available to Seller for such failure, (b) bring suit against Buyer for Seller's actual damages, (c) bring suit to specifically enforce this Agreement and recover any incidental damages, or (d) pursue any other rights or remedies available at law or equity.

- b. Seller's default. In the event Seller fails, without legal excuse, to complete the sale of the Property, then the Buyer may either (a) terminate this Agreement and recover all Earnest Money or fees paid by Buyer whether or not the same are identified as refundable or applicable to the purchase price; or (b) bring suit to specifically enforce this Agreement and recover incidental damages, provided, however, Buyer must file suit within sixty (60) days from the Closing Date or from the date Seller has provided notice to Buyer that Seller will not proceed with closing, whichever is earlier. Buyer may, at its option, (a) bring suit against Seller for Buyer's actual damages, (b) bring suit to specifically enforce this Agreement and recover any incidental damages, or (c) pursue any other rights or remedies available at law or equity.
 - c. Neither Buyer nor Seller may recover consequential damages such as lost profits. If Buyer or Seller institutes suit against the other concerning this Agreement, the prevailing party is entitled to reasonable attorneys' fees and costs. In the event of trial, the amount of the attorneys' fees shall be fixed by the court. The venue of any suit shall be the county in which the Property is located, and this Agreement shall be governed by the laws of the State of Washington without regard to its principles of conflicts of laws.
- 27. **Governing Law.** This Agreement shall be interpreted in accordance with the laws of the State of Washington.
- 28. **Complete Agreement.** This Agreement and any addenda and exhibits thereto state the entire understanding of Buyer and Seller regarding the sale of the Property. There are no verbal or other written agreements which modify or affect the Agreement, and no modification of this Agreement shall be effective unless agreed in writing and signed by the parties.
- 29. **Binding Effect.** This Agreement shall be for the benefit of, and be binding upon, the Parties, their heirs, successors, legal representatives and assigns, which therefore constitutes the entire agreement between the Parties. No modification of this Agreement shall be binding unless signed by both Buyer and Seller.
- 30. **Business Days.** Business days shall be defined as all days of the year excluding Saturdays, Sundays, and any federal or State holidays.

31. **Severability.** In the event any provision or part of this Agreement is found to be invalid or unenforceable, only that particular provision or part so found, and not the entire Agreement, will be inoperative.
32. **Counterpart Signatures.** This Agreement may be signed in counterpart, each signed counterpart shall be deemed an original, and all counterparts together shall constitute one and the same agreement. Electronic delivery of documents (e.g., transmission by facsimile or email) including signed offers or counteroffers and notices shall be legally sufficient to bind the party the same as delivery of an original. At the request of either party, or the Closing Agent, the parties will replace electronically delivered offers or counteroffers with original documents. The parties acknowledge that a signature in electronic form has the same legal effect as a handwritten signature.

IN WITNESS WHEREOF, the parties have signed this Agreement intending to be bound

Buyer's Signature _____

Date _____

Buyer: _____

Jesse Bank, Executive Director
Northeast Public Development Authority

Seller's Signature _____

Date _____

Seller: _____

Aubrey Hamilton
Personal Representative, Estate of Paul Hamilton

EXHIBIT A
LEGAL DESCRIPTION

Parcel 36343.2314: The North 63 feet of Lots 1 and 2, Block 18, Hillyard, as per plat recorded in Volume "D" of Plats, Page 17, records of Spokane County;

Situate in the City of Spokane, County of Spokane, State of Washington.

Parcel 36343.2315: The South 64 feet of Lots 1 and 2, Block 18, Hillyard, as per plat recorded in Volume "D" of Plats, Page 17, records of Spokane County;

Situate in the City of Spokane, County of Spokane, State of Washington.



CITY OF SPOKANE
808 W. SPOKANE FALLS BLVD.
SPOKANE, WASHINGTON 99201-3327
509.625.6250

March 11, 2025

Scott Simmons
CEO
Spokane County
1116 W Broadway Ave.
Spokane, WA 99260

Jesse Bank
Executive Director
Northeast Public Development Authority
5006 N Market St.
Spokane, WA 99217

RE: GFCs for the Vistas at Beacon Hill housing project

Dear Mr. Simmons and Mr. Bank,

As you are aware, there has been considerable discussion about water and wastewater General Facilities Charges (GFCs) in our joint Public Development Areas on the West Plains and in the Northeast. This letter is not intended to address the larger issue but to specifically address GFCs as they relate to the Vistas at Beacon Hill housing project.

The Howard Capital Group, the project developer, is looking to move forward with several components of the project, including the Apartment Site, Block 3, Block 4, and green space irrigation. In December, the City, Howard Capital, and others met and agreed to a plan that locked in 2024 GFC rates for these project components. The plan required Howard Capital to pay 25% of the charges and return to the City with a plan for the payment of the remaining amounts by the end of February. The City has since extended the time for a resolution on the remaining outstanding amounts for another 60 days.

The GFCs for these project components at 2024 rates total \$566,618. Howard Capital has paid \$141,654.50, with \$424,963.50 remaining to be paid. As you are aware, recent changes to state law limits any waiver of connection charges and requires any waiver to be funded from non-utility revenues. As such, given the uniqueness of this project, as it relates to changes in expectations of GFC costs, the timing of this project related to the change in state law, the decades-long history of this project, and the housing crisis within our community, the City would like to propose a path forward. This project benefits everyone, the PDA, County and the City.

The City proposes a four-way split of the GFC costs, with the City, Spokane County, the NEPDA and the developer each paying 25% or \$141,654.50 towards GFC Charges. We believe this is an equitable and reasonable approach to this issue. A timely resolution will allow construction to move ahead as the weather warms up.

We are happy to set up a meeting in the next couple of weeks to discuss this further.

Sincerely,

A handwritten signature in black ink, appearing to be 'A. Scott', with a long horizontal line extending to the right.

Alex Scott
City Administrator, City of Spokane

CC:

Ryan Buth, Howard Capital Group

Marlene Feist, Public Works Director, City of Spokane

Tami Palmquist, Developer Services Director, City of Spokane

Northeast Public Development Authority

Profit & Loss

January 2025

	Jan 25
Ordinary Income/Expense	
Income	
Donation-Community improvement	25,000.00
3370000 · Local Grants, Entitlements	
3370070 · Utility Tax Income	2,167.12
Total 3370000 · Local Grants, Entitlements	2,167.12
Total Income	27,167.12
Expense	
5593003 · Conduit implementation - Welles	483.30
5593002 · 3011 Wellesley development	15,737.50
5587010 · Wages	24,791.53
5587020 · Payroll Expenses	
FICA	1,941.47
SUTA	125.18
PFML	-0.05
FUTA	84.00
Health Insurance	2,061.90
Total 5587020 · Payroll Expenses	4,212.50
5587030 · Office Supplies & Software	
5587035 · Occupancy Expenses	140.51
Office Supplies	100.59
5587030 · Office Supplies & Software - Other	111.15
Total 5587030 · Office Supplies & Software	352.25
5587040 · Legal & Professional Services	
Legal Fees	850.00
5587040 · Legal & Professional Services - Other	-2,034.45
Total 5587040 · Legal & Professional Services	-1,184.45
5587044 · Communications	
Website	199.00
Telephone, Telecommunications	236.36
Total 5587044 · Communications	435.36
5587046 · Rent & Lease	1,500.00
5587047 · Other Business Expenses	
Community Maintenance Services	2,523.35
Bank Fees	21.80
Dues & Subscriptions	1,397.76
Total 5587047 · Other Business Expenses	3,942.91
Total Expense	50,270.90
Net Ordinary Income	-23,103.78
Other Income/Expense	
Other Income	
3614000 · Interest Earned	474.22
Total Other Income	474.22
Net Other Income	474.22
Net Income	-22,629.56

Northeast Public Development Authority
Balance Sheet
As of January 31, 2025

	Jan 31, 25
ASSETS	
Current Assets	
Checking/Savings	
1115000 · Money Market 0678	781,397.27
1114000 · Spokane County Investment Pool	622,659.33
1111000 · 1111000 Checking WTB	380,216.23
Total Checking/Savings	1,784,272.83
Total Current Assets	1,784,272.83
TOTAL ASSETS	1,784,272.83
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
24000 · Payroll Liabilities	
L&I	-107.71
FICA	2,296.06
SUTA	372.56
PFMLA	226.14
FUTA	84.00
24000 · Payroll Liabilities - Other	215.64
Total 24000 · Payroll Liabilities	3,086.69
Total Other Current Liabilities	3,086.69
Total Current Liabilities	3,086.69
Total Liabilities	3,086.69
Equity	
32000 · Unrestricted Net Assets	1,803,815.70
Net Income	-22,629.56
Total Equity	1,781,186.14
TOTAL LIABILITIES & EQUITY	1,784,272.83

Northeast Public Development Authority

Profit & Loss

February 2025

	Feb 25
Ordinary Income/Expense	
Income	
3370000 · Local Grants, Entitlements	
New Conts. Sales Tax - County	25,569.00
3370100 · State - Dept. of Ecology	8,236.71
3370010 · Retail Sales Tax - County	13,904.40
3370040 · Property Taxes	697.46
3370050 · SCIP Interest	1,709.44
Total 3370000 · Local Grants, Entitlements	50,117.01
Total Income	50,117.01
Expense	
5593002 · 3011 Wellesley development	1,120.00
5587010 · Wages	16,472.30
5587020 · Payroll Expenses	
FICA	1,290.10
SUTA	82.71
PFML	0.00
FUTA	0.00
Health Insurance	2,265.29
Total 5587020 · Payroll Expenses	3,638.10
5587030 · Office Supplies & Software	
5587035 · Occupancy Expenses	165.67
5587030 · Office Supplies & Software - Other	111.15
Total 5587030 · Office Supplies & Software	276.82
5587040 · Legal & Professional Services	
Accounting Fees	1,008.00
Legal Fees	850.00
Outside Contract Services	6,950.75
Total 5587040 · Legal & Professional Services	8,808.75
5587041 · Travel	
Parking	18.49
Meals & Entertainment	150.37
5587041 · Travel - Other	208.19
Total 5587041 · Travel	377.05
5587044 · Communications	
Telephone, Telecommunications	219.00
Total 5587044 · Communications	219.00
5587046 · Rent & Lease	1,500.00
5587047 · Other Business Expenses	
Community Maintenance Services	1,009.34
Bank Fees	37.67
Dues & Subscriptions	46.71
Total 5587047 · Other Business Expenses	1,093.72
Total Expense	33,505.74
Net Ordinary Income	16,611.27
Other Income/Expense	
Other Income	
3614000 · Interest Earned	428.92
Total Other Income	428.92
Net Other Income	428.92
Net Income	17,040.19

Northeast Public Development Authority

Profit & Loss

January through February 2025

	Jan - Feb 25
Ordinary Income/Expense	
Income	
Donation-Community improvement	25,000.00
3370000 · Local Grants, Entitlements	
3370070 · Utility Tax Income	2,167.12
New Conts. Sales Tax - County	25,569.00
3370100 · State - Dept. of Ecology	8,236.71
3370010 · Retail Sales Tax - County	13,904.40
3370040 · Property Taxes	697.46
3370050 · SCIP Interest	1,709.44
Total 3370000 · Local Grants, Entitlements	52,284.13
Total Income	77,284.13
Expense	
5593003 · Conduit implementation - Welles	483.30
5593002 · 3011 Wellesley development	16,857.50
5587010 · Wages	41,263.83
5587020 · Payroll Expenses	
FICA	3,231.57
SUTA	207.89
PFML	-0.05
FUTA	84.00
Health Insurance	4,327.19
Total 5587020 · Payroll Expenses	7,850.60
5587030 · Office Supplies & Software	
5587035 · Occupancy Expenses	306.18
Office Supplies	100.59
5587030 · Office Supplies & Software - Other	222.30
Total 5587030 · Office Supplies & Software	629.07
5587040 · Legal & Professional Services	
Accounting Fees	1,008.00
Legal Fees	1,700.00
Outside Contract Services	6,950.75
5587040 · Legal & Professional Services - Other	-2,034.45
Total 5587040 · Legal & Professional Services	7,624.30
5587041 · Travel	
Parking	18.49
Meals & Entertainment	150.37
5587041 · Travel - Other	208.19
Total 5587041 · Travel	377.05
5587044 · Communications	
Website	199.00
Telephone, Telecommunications	455.36
Total 5587044 · Communications	654.36
5587046 · Rent & Lease	3,000.00
5587047 · Other Business Expenses	
Community Maintenance Services	3,532.69
Bank Fees	59.47
Dues & Subscriptions	1,444.47
Total 5587047 · Other Business Expenses	5,036.63
Total Expense	83,776.64
Net Ordinary Income	-6,492.51

Northeast Public Development Authority
Profit & Loss
January through February 2025

	Jan - Feb 25
Other Income/Expense	
Other Income	
3614000 - Interest Earned	903.14
Total Other Income	903.14
Net Other Income	903.14
Net Income	-5,589.37

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03/17/25

Cash Basis

Northeast Public Development Authority

Balance Sheet

As of February 28, 2025

	Feb 28, 25
ASSETS	
Current Assets	
Checking/Savings	
1115000 · Money Market 0678	781,816.98
1114000 · Spokane County Investment Pool	625,050.36
1111000 · 1111000 Checking WTB	394,485.99
Total Checking/Savings	1,801,353.33
Total Current Assets	1,801,353.33
TOTAL ASSETS	1,801,353.33
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
24000 · Payroll Liabilities	
L&I	-107.71
FICA	2,296.10
SUTA	204.19
PFMLA	336.96
FUTA	84.00
24000 · Payroll Liabilities - Other	313.46
Total 24000 · Payroll Liabilities	3,127.00
Total Other Current Liabilities	3,127.00
Total Current Liabilities	3,127.00
Total Liabilities	3,127.00
Equity	
32000 · Unrestricted Net Assets	1,803,815.70
Net Income	-5,589.37
Total Equity	1,798,226.33
TOTAL LIABILITIES & EQUITY	1,801,353.33