

NORTHEAST PUBLIC DEVELOPMENT AUTHORITY (NEPDA) REGULAR BOARD MEETING AGENDA

Date: July 11th, 2025

Time: 10:30 am to 12:00 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:

10:30 am - 10:35 am

Welcome and Introductions

Approval of Minutes:

Approval of meeting minutes from April 11th and May 30th, 2025

Public Comment

10:35 am - 11:05 am

Organizational Structure

1. Long-term formalization of policies/procedures
2. Roles, responsibilities, future staffing

11:05 am - 11:35 am

New Policy Development

1. Federal Procurement
2. Financial Management & Credit Cards

Action Item: Resolution No. 2025-007: A RESOLUTION of the Northeast Public Development Authority adopting policies and procedures regarding purchasing and disposal, debarment and suspension, nondiscrimination, and limited English proficiency to ensure compliance with applicable Federal and State law.

Action Item: Resolution No. 2025-008: A RESOLUTION of the Northeast Public Development Authority to adopt amendments to its existing Financial Management Policy and adopting policies and procedures for the use of credit cards by NEPDA staff, Board Members, and contractors to ensure compliance with existing law.

11:35 am - 12:00 pm

General Matters

1. Financials review
2. 3011 Wellesley update
3. Subarea Plan update – draft available
4. Office lease renewal
5. Esmerelda Development Agreement
6. Board meeting timing

Action Item: Resolution No. 2025-009: A RESOLUTION of the Northeast Public Development Authority to authorize the Executive Director to execute a 12-month renewal of the commercial lease agreement for office space at 5006 N. Market Street in Spokane.

12:00 pm

Other Business, Closing

Next Meeting: August 8th, 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: Apr 11th, 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
- Tracie Oergel, Member
- Scott Simmons, Member

Board Staff

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

Guests

- Ryan Arnold, Avista
- Ron Valencia, County Staff
- Tirrell Black, City Staff

Welcome and Introductions

Call to Order

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

Public Comment

- No public comments.

Approval of Minutes

- Chairman Cathcart lead the approval of minutes.
- Member Simmons moved the morion to approve while Vice-Chair Kerns offered to second the motion.

Board Composition Change

- Member Oergel is stepping down from her board member role, as her presence on the board was meant to be temporary while Avista found a replacement for the Regional Business Manager role. Her role is primarily focused on the technical customer side of operations at Avista. Since the Regional Business Mgr role has been filled, Member Oergel is happy to transition her role over to the new manager, Ryan Arnold.

- Ryan Arnold serves Downtown Spokane and Spokane County within his role at Avista. His background includes entrepreneurship, economic development and sustainability. He served as the first Entrepreneurship Director at Greater Spokane Inc previously. He looks forward to taking on more policy and community engagement exposure in the area through membership on the NEPDA Board.
- Resolution 2005-006
 - Chair Cathcart led the collection of votes. Ryan Arnold was unanimously elected to the NEPDA Board.
 - Former Member Oergel formally resigned her role on the board.

2026 City Comprehensive Planning

Plan Spokane 2046: Presented by Tirrell Black from City of Spokane Planning.

- Incorporation of new state guidance:
 - Climate goals
 - Land Use
 - Transportation
 - Capital Facilities & Utilities
 - Housing
 - Anti-displacement
 - Consider residents of all income levels
 - In consideration of historic development patterns and practices
- Planning Process (2024-26)
 - Visioning
 - Community vision
 - Scope Environmental Impact Statement (EIS)
 - Growth Alternatives
 - Draft amendments to Comprehensive Plan
 - Draft EIS
 - Preferred Alternative
 - Community & decision makers select desired growth strategy
 - Final EIS
 - Final Adoption
 - Final plan adopted.
- Future Growth and Projections
 - Hillyard Subarea Plan – Land use and zoning changes planned to be completed in mid 2025.
 - Housing:
 - Projection: 22,360 new housing units citywide by 2046
 - Jobs: Health, retail, food service, accommodation
 - Projections: 25-35k new jobs
 - New EIS for City: Q1 2025 to Q2 2026
- Proposed Features of Action Alternatives
 - Meet Spokane's population and housing growth target for 2026-2046.
 - TOD/TAD - Transit-oriented/adjacent development.
 - Consider new or expanded locations for neighborhood commercial services.
 - Explore employment opportunities in existing or expanded centers.
 - Consider changes to land uses where there are new investments in transportation.
- Happening Now
 - Compiling community, agency and tribe comments.
 - Working on growth alternatives for EIS.

- Climate planning
- Participate
 - Attend workshops and engagement meetings.
 - Project website: www.planspokane.org
 - Contact Planning team at PlanSpokane@spokanecity.org or (509) 625-6500.
- Questions:
 - ED Bank asked about what the alternative growth strategies would entail, as pertains to the NEPDA.
 - Findings are still very raw and preliminary.
 - First would be to utilize existing conditions
 - Second would be distributed and balanced centers and corridors.
 - Third would be the city center and regional hubs, such as PDA's.
 - Chair Cathcart asked about what a commercial hub would look like versus not carrying the hub status.
 - Traffic modeling would differ, for example.
 - Funding priorities based on zoning.

Esmeralda

- Action Items
 - Resolution 2025-005
 - NEPDA Board of Directors approved the Interlocal Agreement Regarding Funding for Incentivizing NEPDA public improvements between NEPDA and the City of Spokane.
 - Resolution 2025-003
 - NEPDA Board of Directors approved the Esmeralda Commerce Park Development Agreement related to the Esmeralda Commerce Park Project.
- Esmeralda Commerce Park Development Agreement
 - ILA with City for distribution of Strategic Funds
 - Resolution No. 2025-003 has now completed legal review. Topic was previously discussed and will be voted on in this meeting.
 - Q&A
 - Member Simmons would like the trigger for the ILA to be both the execution of the agreement and receipt of the strategic funds from the City of Spokane.
 - Member Simmons expressed concern on the availability of funds if the PDA is expected to pay the funds before they become available or if the PDA is potentially engaged in GFC waiver support for projects in the district.
 - Further discussion ensued.
- Chair Cathcart led the votes for resolution adoption.
 - 2025-005
 - Motion made by Member Semmons, seconded by Vice-Chair Kerns.
 - Resolution is carried by unanimous vote.
 - 2025-003
 - Motion made by Member Semmons (as amended to include the dual trigger of execution of the ILA and receipt of the funds from the City's strategic funds), seconded by Vice-Chair Kerns.
 - Resolution is carried by unanimous vote.

3011 Wellesley

- Design-build team is actively exploring multiple options.

- Financially, the team has found cost savings but is still looking at a development pricing toward the upper end of the project budget.
- ED Bank cautioned about macro-economic conditions that is seeing a high degree of uncertainty and significant cost escalation due to the national trade environment.
- Solutions to cost escalation uncertainty:
 - Member Simmons – The development team comes up with the cheapest option possible with desired add-ons that could be jettisoned with cost overruns.
 - Chair Cathcart – Pause the project until certainty returns to a reasonable level and deliver the envisioned project at a future date.
- Next Steps:
 - Member Simmons would like more information on various scenarios for development and funding.
 - Uncertainty in trade and cost escalation will remain a threat to the project.
 - Contract currently takes the project through validation, at which point the PDA will have off-ramps if required.

3112 E. Olympic Acquisition

- Acquisition of property to the NEPDA for \$220,000 was executed in early April 2025.
 - Site has been secured with a security fence for basic liability insurance.
 - Chair Cathcart noted that any use of the site will be interim, as it will be sold off at a future date.
 - ED Bank is in contact with a group based out of Savannah, GA that can deconstruct historic buildings. NEPDA may collaborate with them to deconstruct the historic building on the site.

General Matters

- Grant environment has changed significantly on the national level.
- NEPDA is looking at bringing on a limited-scope grant advisory consultant to be able to assist the Grant Manager to go after new funding in a strategic way. The consultant will be able to add bandwidth to lengthy grant applications and prospecting for new dollars.

PDA Financial Review

- Negative net income of (\$20,000) for March and YTD is also negative at (\$32,000), which ED Bank notes is typical for the first quarter of the year.
- Some large spikes in revenue are expected this year related to development activity at the Hollister-Steir site, along with significant outlays for the 3011 Wellesley project.
- Cashflow will remain stable overall throughout the year.
- \$1.78m total assets on the balance sheet.

Notable items, Around the Room, Closing

- No further matters were discussed.

Chair Cathcart adjourned the meeting at 11:52am

NEXT MEETING

May 30th, 2025, 1:00 – 2:30 PM, Northeast PDA Office (5006 N. Market St.) or virtual via Zoom

NORTHEAST PUBLIC DEVELOPMENT AUTHORITY

Date: May 30th, 2025

Meeting Time: 1:00 pm

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

Attendees

NEPDA Board of Directors

- Michael Cathcart, Chairman
- Josh Kearns, Vice-Chair
- Marlene Feist, Sec-Treasurer
- Ryan Arnold, Member
- Scott Simmons, Member
- Shelly Sonderen, Member

Board Staff

- Jesse Bank, Executive Director
- Jared Aranda, Manager
- Megan Clark, Legal Counsel

Guests

- Jason Ruffing, Code Enforcement (City of Spokane)

Welcome and Introductions

Call to Order

- Chair Cathcart called the meeting to order at 1:04 m.

Public Comment

- No public comments.

Approval of Minutes

- The approval of minutes for the April meeting will be approved in July. Note that there will be no meeting held in June.

3011 Wellesley

- Design-build team is actively exploring multiple options.
- ED Bank advised that project cost was becoming a challenge due to macro-economic conditions. He directed the design team to reconsider the project to a core design that is more cost effective and can be added upon when savings are identified rather than taken away as costs escalate.
 - By removing the concrete envelope that creates the “podium” and associated corridors and elevators, the cost drops substantially when the structure is turned into a walkup style.

- ED Bank noted the “Parking to People” tax incentive from WA Dept. of Revenue that could provide significant cost savings to the project.
- Questions: Member Simmons asked about what would qualify the site for P2P incentive. ED Bank answered that the associated RCW was taken up by the City of Spokane, which makes the site eligible being within that jurisdiction. A rep from DOR has already come out for a site visit and indicated it would qualify.
- Three schemes for adapted project:
 - Scheme 1: Housing Only, Single Bar fronting Wellesley
 - 34 units, 3 floors.
 - Project qualifies for Multi-Family Tax Exemption
 - Funding from the Legislature likely would not be eligible without the childcare center.
 - Debt service is the primary cost driver, leading to significantly negative cash flow.
 - Total project cost: \$8.9m
 - Scheme 2: L Bar, wraps the corner, fronting Haven and Wellesley
 - 46 units, 3 floors
 - Higher cost than Scheme 1, but lower cost per sq/ft.
 - Largely similar to Scheme 1, plus more building and units which better utilizes the space.
 - Total Project Cost: \$11.25. Becomes more cost effective, with IRR of 4.57%
 - Scheme 3: Similar to Scheme 2 + Childcare
 - 36 units with Childcare Center, 1 level commercial, 2 levels residential.
 - Becomes significantly more cost effective, with IRR of 10.4% assuming \$1.5m of additional public funding.
 - Remains eligible for Legislature money awarded in 2025 session.
 - Total Project Cost: \$10.6m
 - Deliberation and discussion of the pros and cons of each scheme ensued. A consensus emerged that *Scheme 3* was the more desirable selection, as it is the most cost effective while still preserving the originally intended scope delivering both housing and Childcare with a structure holding a presence on both Haven and Wellesley and parking tucked in the NE corner of the lot by the gas station.
 - Discussion around bringing a Childcare provider on sooner than later would be prudent to help inform design and make the project potentially more competitive for grant dollars or other public funding.
 - There are flexible financing options that can be considerably discounted with the revenue district of the PDA backing any debt financing.

Myrtle Paving Project

- Integrated Capital Management (City of Spokane, Public Works) suggested that the NEPDA consider pursuing development independently given project constraints with the City and tight deadlines with the Overburdened Communities grant.
 - ICM would continue to support the NEPDA and provide technical assistance.
 - Questions arose regarding timeline of the Ecology grant, with goes until June 30, 2027.
 - The project as currently conceived paves Myrtle from Wellesley to Rowan and Rowan from Myrtle to Freya. The funding already secured can pave appx 2 blocks on Myrtle starting at Wellesley.
 - Marlene requested to take time to explore how this project could be developed within NEPDA with coordination with the City.

Grant Management Support

Presentation by Jared Aranda, NEPDA Manager

- Why this matters now.
 - Increasing size and complexity of PDA projects that involve grant and public funding.
 - Passthrough and prime grant awards with more on the way.
- Strategic Goals:
 - Pipeline – Broaden and strengthen funding pipeline for PDA objectives.
 - Compliance – Maintain strong internal controls to mitigate risk.
 - Capacity – Ability to scale limited staff capacity during peak workloads.
 - Readiness – Strengthen organizational readiness to take on more projects while completing existing commitments.
- Risks
 - Accuracy and audit risks, which would limit future funding.
 - Reputational risks – perceived risks could limit community partners.
- Proposal
 - Grant management software to manage both pre-award and post-award activities. Grant research tool that can help plan and pursue suitable grants. Additionally, can help manage reporting deadlines, grant drawdown, and other compliance management capabilities.
 - On call grant consultant that can be tapped for increased capacity when grant due dates have quick turnaround or with particularly large or complex applications.
 - Estimated costs: \$20k (\$8-12k for software, \$8-10k for consultant)
- Organizational Values
 - Compliance – protects funding streams by ensuring proper grant execution while preventing costs of noncompliance.
 - Growth – scalable capacity to manage growth and ensure organizational readiness is retained as PDA takes on increasingly complex projects.
 - Transparency – improving internal coordination, efficiency, and preserves management continuity.
- Conclusion
 - As NEPDA continues to expand its grant-funded initiatives and funding partnerships, it is essential to equip the team with professional tools and support to effectively manage this resource.
- Questions/Feedback
 - Sec-Treasurer Feist suggested staff confirm with the City and County which platforms they utilize.
 - Member Arnold and Simmons expressed support for additional grant management support.

Code Enforcement

- Status Update:
 - Work is being divided into critical or essential code issues compared to more routine violations.
 - Code enforcement team will “sweep” Hillyard once a week looking for code violations.
 - Contract with WADOT for cleanup of public highways and trails.
 - Code changes:

- Ordinances are currently being drafted to restrict overgrown yards (current code only allows for enforcement when the vegetation becomes a fire hazard.) This will be more in line with similar cities to Spokane.
- Additional restrictions around inoperable vehicles being left to decay and potentially pollute surrounding soils and waterways.
- Questions
 - Will the inoperable vehicle restriction have a limit?
 - Yes, each property is allowed 1 inoperable vehicle. Any more would be a violation.

General Matters

- Strategic funds associated with Esmeralda Commerce Park have been released by the city.
- RA Hansen Site – owner has brought on developer working on environmental reviews.
- Jubilant Hollister-Stier – planning additional expansions in the near future.
- Infrastructure updates – City is evaluating options on the connection from E. Wellesley to Valley Springs Rd.
- Business District – ARPA neighborhood funds are being temporarily passed through the NEPDA for local projects until the Hillyard Alliance group completes its 501c3 status.

PDA Financial Review

- Positive net income of \$108,383 for Apr and YTD is at \$106,286, which ED Bank notes is typical given an influx of tax revenue in April.
- Total assets of \$2.058m, which includes the assessed property values of 3011 E. Wellesley and 3112 Olympic.
- Cashflow will remain stable overall throughout the year.

Notable items, Around the Room, Closing

- Sec-Treasurer Feist noted that the City is actively studying traffic patterns at the Wellesley-NSC interchange to see what changes can be made to alleviate traffic.

Chair Cathcart adjourned the meeting at 2:44 PM

NEXT MEETING

July 11, 2025, 10:30–12:00 PM, Northeast PDA Office (5006 N. Market St.) or virtual via Zoom

Northeast Public Development Authority

Profit & Loss YTD Comparison

May 2025

	May 25	Jan - May 25
Ordinary Income/Expense		
Income		
3370000 · Local Grants, Entitlements		
3370040 · Property Taxes	173,064.00	198,895.79
3370300 · New Construction Tax - County	0.00	30,242.00
3370200 · New Construction Tax - City	0.00	0.00
3370010 · Retail Sales Tax - County	0.00	13,904.40
3370011 · Retail Sales Tax - City	0.00	0.00
3370500 · Leasehold Excise Tax - County	0.00	1,186.28
3370400 · Leasehold Excise Tax - City	0.00	0.00
3370070 · Utility Tax Income	0.00	2,167.12
3370075 · SPIF Interest	1,880.53	5,315.24
3614000 · Money Market Interest	1,699.43	9,772.45
337001 · Miscellaneous Income		
3370160 · Department of Ecology-OBC Reimb	0.00	0.00
3370250 · Donation-Community Improvement	0.00	25,000.00
3370060 · SPIF Rebate	0.00	0.00
3370100 · Department of Ecology-IPG Reimb	24,177.61	32,414.32
3370150 · Spokane County - Freya Reimb	0.00	0.00
337001 · Miscellaneous Income - Other	0.00	0.00
Total 337001 · Miscellaneous Income	24,177.61	57,414.32
3370000 · Local Grants, Entitlements - Other	0.00	0.00
Total 3370000 · Local Grants, Entitlements	200,821.57	318,897.60
Total Income	200,821.57	318,897.60
Expense		
5593112 · 3112 E Olympic development	0.00	0.00
5593004 · Freya St. Re-build	0.00	0.00
5593003 · Conduit implementation - Welles	0.00	0.00
5593001 · Wellesley Ave. Re-build	0.00	0.00
5593002 · 3011 Wellesley development	68,564.96	138,737.50
5587010 · Wages	16,472.30	90,680.73
5587020 · Payroll Expenses		
FICA	1,290.10	7,101.83
SUTA	82.71	456.01
PFML	0.00	-0.09
L&I	0.00	107.71
FUTA	0.00	84.00
Payroll Taxes -GSI	0.00	0.00
401(k)	0.00	0.00
401K Contributions	0.00	0.00
Life and Disability	0.00	0.00
Health Insurance	3,013.61	11,871.38
5587020 · Payroll Expenses - Other	0.00	0.00
Total 5587020 · Payroll Expenses	4,386.42	19,620.84
5587030 · Office Supplies & Software		
5587035 · Occupancy Expenses	80.45	650.26
Repairs & Maintenance	0.00	0.00
Office Supplies	0.00	425.55
Office Equipment <\$2500	0.00	0.00
Printing and Copying	0.00	0.00
5587030 · Office Supplies & Software - Other	167.97	612.67
Total 5587030 · Office Supplies & Software	248.42	1,688.48

Northeast Public Development Authority

Profit & Loss YTD Comparison

May 2025

	May 25	Jan - May 25
5587040 · Legal & Professional Services		
3011- Consultants	0.00	0.00
3011-PDB Team	0.00	0.00
Subarea Planning	0.00	0.00
WA Audit expenses	0.00	0.00
Engineering	0.00	0.00
OpenTogether	0.00	0.00
Consulting	0.00	0.00
Accounting Fees	1,173.30	4,792.60
Advertising & Marketing	0.00	750.00
Legal Fees	850.00	7,019.00
Outside Contract Services	0.00	30,039.40
5587040 · Legal & Professional Services - Other	0.00	0.00
Total 5587040 · Legal & Professional Services	2,023.30	42,601.00
5587041 · Travel		
Parking	58.35	95.10
Conference, Convention, Meeting	142.20	2,447.15
Meals & Entertainment	51.60	318.36
5587041 · Travel - Other	0.00	208.19
Total 5587041 · Travel	252.15	3,068.80
5587043 · Insurance	0.00	0.00
5587044 · Communications		
Website	0.00	796.99
Postage, Mailing Service	0.00	0.00
Telephone, Telecommunications	219.04	1,112.40
5587044 · Communications - Other	0.00	0.00
Total 5587044 · Communications	219.04	1,909.39
5587046 · Rent & Lease	1,500.00	7,500.00
5587047 · Other Business Expenses		
Bank Fees	0.00	25.00
SPIF Management Fee	16.10	62.36
Code Enforcement	0.00	0.00
Business District Support	0.00	0.00
Donation	0.00	500.00
Community Maintenance Services	1,010.27	6,562.57
Document Recording Fee	0.00	0.00
Tax & Licenses	161.07	161.07
Payroll Direct Deposit Fees	21.82	109.04
Dues & Subscriptions		
Library CoStar Membership	0.00	0.00
Dues & Subscriptions - Other	0.00	2,492.40
Total Dues & Subscriptions	0.00	2,492.40
5587047 · Other Business Expenses - Other	0.00	0.00
Total 5587047 · Other Business Expenses	1,209.26	9,912.44
Total Expense	94,875.85	315,719.18
Net Ordinary Income	105,945.72	3,178.42
Other Income/Expense		
Other Income	0.00	0.00
Other Expense		
80000 · Ask My Accountant	0.00	0.00
Total Other Expense	0.00	0.00
Net Other Income	0.00	0.00
Net Income	105,945.72	3,178.42

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them. The financial statements omit substantially all of the disclosures, and the statement of cash flows, required by accounting principles generally accepted in the United States of America.

Northeast Public Development Authority

Balance Sheet

As of May 31, 2025

	May 31, 25
ASSETS	
Current Assets	
Checking/Savings	
1115000 · Money Market 0678	690,672.07
1114000 · Spokane County Investment Pool	827,994.28
1111000 · 1111000 Checking WTB	68,312.21
Total Checking/Savings	1,586,978.56
Accounts Receivable	
11000 · Accounts Receivable	0.00
Total Accounts Receivable	0.00
Other Current Assets	
2120 · Payroll Asset	0.00
Total Other Current Assets	0.00
Total Current Assets	1,586,978.56
Fixed Assets	
3011 Wellesley	147,080.00
3112 Olympic	221,437.78
Total Fixed Assets	368,517.78
Other Assets	0.00
TOTAL ASSETS	1,955,496.34
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	0.00
Total Accounts Payable	0.00
Credit Cards	0.00
Other Current Liabilities	
2110 · Direct Deposit Liabilities	0.00
24000 · Payroll Liabilities	
L&I	0.00
FICA	0.00
SUTA	156.74
PFMLA	231.26
FUTA	84.00
401(k)	0.00
HSA	0.00
Med/Dental/Vision	748.32
SEP-IRA	0.00
24000 · Payroll Liabilities - Other	185.48
Total 24000 · Payroll Liabilities	1,405.80
Total Other Current Liabilities	1,405.80
Total Current Liabilities	1,405.80
Long Term Liabilities	
27200 · Other Liabilities	0.00
Total Long Term Liabilities	0.00
Total Liabilities	1,405.80

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

	May 31, 25
Equity	
30000 · Opening Balance Equity	0.00
32000 · Unrestricted Net Assets	1,950,912.12
Net Income	3,178.42
Total Equity	1,954,090.54
TOTAL LIABILITIES & EQUITY	1,955,496.34

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them. The financial statements omit substantially all of the disclosures, and the statement of cash flows, required by accounting principles generally accepted in the United States of America.

**NORTHEAST PUBLIC DEVELOPMENT AUTHORITY
RESOLUTION NO. 2025-007**

A RESOLUTION of the Northeast Public Development Authority (the “NEPDA”) adopting policies and procedures regarding purchasing and disposal, debarment and suspension, nondiscrimination, and limited English proficiency to ensure compliance with applicable Federal and State law.

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 has a need, as a quasi-governmental entity, to review and adopt policies and procedures from time to time, at the discretion of its Board of Directors, to comply with new or existing law;

WHEREAS, the NEPDA Board finds it desirable for the efficient and effective governance of the NEPDA’s affairs to adopt the following policies, which are necessary or required to receive funds under Federal or State law, or to comply with Federal or state requirements:

- A. Equipment Purchasing Procedure;
- B. Supply Purchasing Procedure;
- C. Inventory Disposal Procedure;
- D. Debarment and Suspension Policy;
- E. Nondiscrimination Policy; and
- F. Limited English Proficiency (LEP) Policy.

The aforementioned policies are attached hereto and incorporated herein by reference as “**Exhibit A**” through “**Exhibit F**”.

BE IT RESOLVED, that pursuant to the authority provided in the NEPDA’s bylaws, the Board of Directors hereby adopts the following policies, as set forth in “**Exhibit A**” through “**Exhibit F**”:

- A. Equipment Purchasing Procedure;
- B. Supply Purchasing Procedure;
- C. Inventory Disposal Procedure;
- D. Debarment and Suspension Policy;
- E. Nondiscrimination Policy; and
- F. Limited English Proficiency (LEP) Policy.

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

BE IT FURTHER RESOLVED, any actions of the Board of Directors or staff of the 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 11th day of July 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 11th day of July 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 July 2025.

SECRETARY

EXHIBIT A

PO Box 7323, Spokane, WA 99207



Equipment Purchasing Procedure

Effective date: June 1, 2025

Equipment Management for Federally Funded Purchases

When NEPDA acquires **equipment** using federal funds, it will comply with **2 CFR § 200.313, as amended**. For this policy, "equipment" is defined as **tangible personal property having a useful life of more than one year and a per-unit acquisition cost of \$5,000 or more**, or such lower threshold as established by NEPDA.

1. Use and Sharing

- Equipment must be used for the original program or project as long as needed.
- It may be used for other federally supported activities if it does not interfere with the original purpose.

2. Property Records

NEPDA shall maintain records that include:

- Description of the equipment
- Serial number or other identification number
- Source of funding, including the Federal Award Identification Number (FAIN)
- Acquisition date and cost
- Percentage of federal participation
- Location and condition
- Disposition data (when disposed)

3. Inventory and Maintenance

- A **physical inventory** shall be conducted and reconciled with records at least **once every two years**.
- NEPDA shall implement maintenance procedures to ensure equipment is kept in good working order.

4. Disposition

- If the equipment is no longer needed and has a current fair market value over \$5,000, NEPDA will request disposition instructions from the federal awarding agency.
- When allowed, NEPDA may retain or sell the equipment, but must return the federal share of proceeds.

EXHIBIT B

PO Box 7323, Spokane, WA 99207



SUPPLY PURCHASING POLICY

Effective date: June 1, 2025

1. Purpose

This policy establishes procedures for the purchasing, tracking, and disposition of supplies acquired in whole or in part with federal funds, ensuring full compliance with **2 CFR § 200.314**, as amended and related federal requirements.

2. Definition of Supplies

Per **2 CFR § 200.1**, *supplies* means all tangible personal property other than equipment. A supply is defined as an item with:

- A per-unit cost **less than \$5,000**, and
- A useful life of **less than one year**

3. Purchasing Requirements

All supply purchases using federal funds must adhere to the following standards:

- **Allowability:** Costs must be necessary, reasonable, and allocable to the federal award in accordance with **2 CFR §§ 200.403–200.405**, as amended.

- **Procurement Standards:**

NEPDA follows procurement methods set forth in **2 CFR §§ 200.318–200.327**, as amended, including:

- **Micro-purchase threshold (currently \$10,000):** May be awarded without soliciting competitive quotes if the price is reasonable.
- **Small purchases (between \$10,000 and \$250,000):** Require price or rate quotes from at least two sources.
- **Purchases over \$250,000:** Require formal procurement procedures, including sealed bids or competitive proposals.

- **Documentation:** NEPDA will document:

- The rationale for purchase
- Price reasonableness
- Vendor selection
- Funding source and federal award information

4. Use of Supplies

Supplies acquired with federal funds must be used **only for the authorized purposes** of the grant or cooperative agreement **as long as they are needed**.

- NEPDA will not use such supplies for unrelated activities without prior approval or cost allocation, as appropriate.

5. Inventory Tracking and Safeguards

If large volumes or high-value supplies are acquired, NEPDA may maintain a **supply inventory log** including:

- Description
- Purchase date
- Cost
- Quantity

- Storage location

All supplies will be stored securely to prevent loss, damage, or theft. Staff responsible for supply management will be designated by the Grant Manager.

6. Disposition of Residual Supplies

In accordance with **2 CFR § 200.314(a)**:

- If there are unused supplies valued over **\$10,000 in aggregate** at the end of a federal award,
- And the supplies are **not needed for another federally sponsored project**,
- NEPDA must:
 - **Compensate the federal awarding agency** for its share of the value.

The value is calculated as:

Fair market value × percentage of federal participation at time of purchase

Records of disposition and compensation will be maintained for a minimum of **three years** after final disposition.

7. Subrecipient Compliance

Subrecipients using NEPDA-administered federal funds must:

- Follow these supply purchasing standards or their own written procedures that meet or exceed federal requirements.
- Certify compliance with **2 CFR § 200.314**, as amended, in their subaward agreements.
- Submit supply inventory or disposition reports if required.

8. Oversight and Monitoring

The NEPDA Grant Manager is responsible for:

- Training staff on proper procurement and supply use

Commented [MC1]: Federal limit is \$10k, any reason for the change?

Commented [JA2R1]: It looks like I confused the amount for equipment, which is \$5k while you are correct it should be \$10k for supplies (in aggregate)

- Monitoring purchasing records and inventory
- Ensuring that disposition procedures are followed when applicable

9. Policy Review

This policy shall be reviewed **annually** and revised as needed to ensure compliance with changes in federal law or NEPDA procedures.

EXHIBIT C

PO Box 7323, Spokane, WA 99207



Inventory Sales and Disposal Procedure

Effective date: June 1, 2025

Purpose

To establish consistent procedures for the proper disposal or sale of equipment or inventory originally purchased with public or federal funds, ensuring compliance with 2 CFR § 200.313, as amended, state law, and NEPDA's accountability standards. Tangible personal property is defined as having a useful life of more than one year and a per-unit acquisition cost of \$5,000 or more,

Commented [MC1]: May want to add in the definition also found in the equipment policy

Tangible personal property having a useful life of more than one year and a per-unit acquisition cost of \$5,000 or more,

Scope

This procedure applies to all NEPDA-owned equipment with an original acquisition cost of \$5,000 or more and any inventory deemed surplus, obsolete, damaged beyond repair, or no longer of use.

Responsibilities

- **Grant Manager:** Ensures compliance with federal grant conditions
- **Executive Director or Designee:** Initiates the disposal request and provides a condition report. Reviews and approves all disposals or sales.

Procedure

1. Identification for Disposal

- Inventory may be flagged for disposal due to:
 - Obsolescence or irreparability
 - Lack of further programmatic use
 - Replacement by upgraded equipment
- Exec. Director or custodian designee completes an **Inventory Disposal Request Form** with:
 - Item description and serial number
 - Condition assessment
 - Reason for disposal
 - Original funding source (including federal funding agency and FAIN, if applicable)

2. Internal Review and Approval

- The completed form is submitted to the Grant Manager for review.
- The Executive Director (or designee) must approve all disposal actions in writing.

3. Federal Equipment Disposal Compliance

- If federally funded:
 - Equipment with a current fair market value over \$5,000 may require return of the federal share of proceeds.
 - NEPDA must obtain prior approval if required by the grant agreement.
 - Follow disposition instructions provided by the federal awarding agency.

4. Disposal Methods

Approved methods include:

- **Transfer to another eligible program**
- **Public sale (auction, sealed bid, or online platform)**
- **Trade-in on replacement equipment**
- **Recycling** (if inoperable and not saleable)
- **Donation** to a public or nonprofit entity (with Executive Director approval)

Note: Sale or donation to NEPDA employees or board members is prohibited unless publicly advertised and competitively available to all.

5. Documentation Requirements

Maintain for a minimum of 3 years after final disposition:

- Copy of original purchase record
- Inventory Disposal Request Form
- Evidence of sale, donation, or recycling
- Federal share returned (if applicable)
- Updated inventory log reflecting disposition date and method

6. Reporting and Monitoring

- The updated inventory record must be submitted to the Grant Manager for recordkeeping and audit purposes.
- Disposal activity is subject to audit under federal and state regulations.

References

- 2 CFR § 200.313 – Equipment
- RCW 39.33 – Intergovernmental disposition of property
- NEPDA Procurement Policy

EXHIBIT D

PO Box 7323, Spokane, WA 99207



DEBARMENT & SUSPENSION POLICY

Effective date: May 30, 2025

Purpose:

To ensure compliance with federal regulations regarding debarment and suspension, this policy outlines the procedures NEPDA and its subrecipients must follow to verify that entities involved in federally funded activities are not excluded from participation in federal assistance programs, pursuant to **2 CFR Part 180** and **2 CFR § 200.214, as amended**.

Policy Statement:

NEPDA shall not award contracts, subawards, or agreements using federal funds to any entity or individual that is debarred, suspended, or otherwise excluded from participation in federal assistance programs. Subrecipients of federal funds from NEPDA are likewise required to verify and document that any contractors or subcontractors they engage are not debarred or suspended.

Scope:

This policy applies to:

- NEPDA staff and departments
- Contractors, vendors, and service providers
- Subrecipients of NEPDA federal funds

- Consultants and other individuals or organizations receiving federal funding support directly or indirectly
-

NEPDA Verification Responsibilities:

1. System Check (SAM.gov):

- NEPDA staff must verify all parties against the federal **System for Award Management (SAM)** database at <https://www.sam.gov> prior to obligating federal funds.
- Search must include legal name and UEI (Unique Entity Identifier), if applicable.

2. Documentation:

- A copy of the SAM.gov search results (PDF or screenshot) must be retained in the contract or grant file and include the name searched, date, and verification status.

3. Frequency:

- Prior to any contract execution or award
- Annually for ongoing agreements
- Upon any substantial contract amendment or party change

4. Contractor/Subrecipient Certification:

- All entities must sign a **Debarment and Suspension Certification** confirming they are not currently suspended or debarred.
 - Certification language will be embedded in all contracts and subaward agreements.
-

Subrecipient Responsibilities:

Subrecipients of federal funds from NEPDA are required to:

1. Verify SAM Status:

- Prior to contracting or subcontracting with any third-party using NEPDA-awarded federal funds, subrecipients must conduct a SAM.gov search to confirm the entity is not suspended or debarred.

2. Maintain Documentation:

- Subrecipients must retain proof of verification (date-stamped screenshot or PDF) for all downstream contractors and subcontractors.

3. Include Flow-Down Provisions:

- All subawards and contracts must include language requiring compliance with federal debarment and suspension rules and incorporate relevant portions of this policy.

4. Certification Requirement:

- Subrecipients must obtain a signed certification of eligibility from their contractors or partners.

5. Liability for Noncompliance:

- Subrecipients who fail to verify debarment status or who knowingly engage debarred entities may be subject to:
 - Termination of their NEPDA subaward
 - Repayment of disallowed costs
 - Ineligibility for future NEPDA-administered funding
 - Other legal or administrative actions as allowed by law

Flow-Down Clause: Debarment and Suspension

Debarment and Suspension Compliance

In accordance with Executive Orders 12549 and 12689, and as implemented in 2 CFR Part 180 and 2 CFR § 200.214, as amended, the Subrecipient (or Contractor) certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.

The Subrecipient (or Contractor) further agrees to the following:

1. Verification Requirement

Prior to entering into any lower-tier contract, subcontract, or agreement using funds provided under this award, the Subrecipient must verify that the intended lower-tier party is not debarred, suspended, or otherwise excluded or disqualified from participation in federal programs by conducting a search in the federal **System for Award Management (SAM)** at <https://www.sam.gov>.

2. Documentation

The Subrecipient shall maintain documentation of the SAM verification for each lower-tier party and provide such documentation to NEPDA upon request.

3. Certification

The Subrecipient shall obtain a signed certification from each lower-tier party confirming that they are not debarred, suspended, or otherwise excluded from federal participation.

4. Liability

The Subrecipient understands that failure to comply with the above requirements may result in:

- Disallowance of related costs
- Recovery of funds
- Suspension or termination of this agreement
- Legal or administrative remedies as permitted by federal and state law

This clause must be included in all subawards, contracts, and subcontracts made under this agreement involving federal funds.

NEPDA Monitoring and Enforcement:

NEPDA reserves the right to audit subrecipient records and require corrective action if this policy is not followed. Periodic monitoring of subrecipient practices will be incorporated into NEPDA's grant oversight protocols.

Responsibility:

The **Grant Manager** is responsible for:

- Maintaining and updating this policy

- Ensuring NEPDA compliance
- Providing training and guidance to staff and subrecipients

Subrecipients are responsible for maintaining internal procedures to ensure their downstream contracts comply with this policy.

Review and Updates:

This policy shall be reviewed **annually** and revised as needed to reflect current regulations and best practices in federal grant management.

EXHIBIT E

PO Box 7323, Spokane, WA 99207



Nondiscrimination Policy

Effective date: Sep 30, 2024

The Northeast Public Development Authority (NEPDA) is committed to fostering an environment of respect, equity, and inclusion in all aspects of its operations. In compliance with applicable **federal** and **Washington State** laws, NEPDA prohibits discrimination in its programs, services, activities, and employment practices.

NEPDA does not discriminate on the basis of:

- **Race**
- **Color**
- **National origin**
- **Sex** (including gender identity, gender expression, and sexual orientation)
- **Age**
- **Disability**
- **Religion**
- **Genetic information**
- **Marital or family status**
- **Veteran or military status**
- **Citizenship or immigration status**, or
- Any other status protected by local, state, or federal law.

This policy applies to all NEPDA activities, including but not limited to:

- Employment decisions (hiring, promotions, compensation, benefits)
- Program and project participation
- Procurement and contracting
- Public communications and outreach
- Access to facilities and services

Legal Compliance

This policy is in accordance with, but not limited to, the following laws and regulations:

- **Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, as amended)**
- **Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000e-2000e17, as amended)**
- **Title IX of the Education Amendments of 1972 (20 U.S.C. § 1681 *et seq.*, as amended)**
- **Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794, as amended)**
- **Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. § 12101 *et seq.*, as amended)**
- **Age Discrimination Act of 1975 (42 U.S.C. §§ 6101-6107, as amended)**
- **Genetic Information Nondiscrimination Act (42 U.S.C. § 2000ff, as amended)**
- **Washington Law Against Discrimination (Ch. 49.60 RCW)**
- Any other applicable federal or state civil rights laws

Commented [MCI]: All of these were revoked by Trump this past January. EOs are not law, so it may not even be worth mentioning the EOs. The codified law is all we need.

Language Access & Reasonable Accommodation

NEPDA provides free language assistance services for individuals with Limited English Proficiency (LEP) and reasonable accommodations for individuals with disabilities upon request. These services may be arranged through the **Northeast Community Center**, an ADA-accessible facility.

Filing a Complaint

Any individual who believes they have been subject to discrimination by NEPDA may file a complaint. Complaints may be submitted in writing, in person, by mail, or electronically. NEPDA will promptly investigate and take appropriate corrective action in accordance with applicable policies and procedures.

To file a complaint or request additional information, contact:

NEPDA Civil Rights Compliance Officer

Jared Aranda

971.319.2742

northeastpda@outlook.com

PO Box 7323, Spokane, WA 99207

Commented [MC2]: Same as other comment re; neutral email/contact

Policy Review and Dissemination

This policy shall be reviewed annually and updated as needed. NEPDA will ensure this statement is publicly available and communicated to employees, contractors, subrecipients, and the general public.

EXHIBIT F

PO Box 7323, Spokane, WA 99207

NORTHEAST PDA

Limited English Proficiency (LEP) Policy

Effective date: Sep 30, 2024

Purpose

This policy ensures that individuals with Limited English Proficiency (LEP) have meaningful access to NEPDA programs, services, and activities, in accordance with Title VI of the Civil Rights Act of 1964, as amended, and other applicable Federal and state law.

Policy Statement

NEPDA is committed to providing equitable access to its services for all community members, regardless of their ability to speak, read, write, or understand English. NEPDA will take reasonable steps to ensure meaningful access to its programs, services, and activities by LEP persons, free of charge.

Legal Authority

This policy is implemented pursuant to:

- Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d et seq., as amended
- U.S. Department of Justice LEP Guidance (67 FR 41455)

Definition of LEP Individuals

LEP individuals are persons who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English.

Commented [MC1]: Backdated for a reason?

Commented [JA2R1]: I had to create this policy for a grant application. So it has been more of an "internal use" policy up until now. I felt it prudent to submit all policies I have been operating under for board approval.

Commented [MC3]: FYI, this EO was rescinded by President Trump. Despite this, it remains the law under Title VI.

Language Assistance Services

NEPDA provides language assistance services upon request. These services include:

- **Translation of Vital Documents:** Upon request, NEPDA will provide written translation of vital public documents.
- **In-Person Interpretation:** Language interpretation services are available upon request and may be provided through bilingual staff or qualified interpreters.
- **Community-Based Access Point:** NEPDA offers language translation services at the **Northeast Community Center**, an ADA-accessible facility. Individuals may request assistance through this center for access to NEPDA programs and services.

Procedures for LEP Assistance Requests

1. **Notification:** Public notices and key outreach materials will inform the public that language assistance is available upon request.
2. **Request Process:** Requests for interpretation or translation services can be made in person, by phone, email, or through the Northeast Community Center.
3. **Response Time:** NEPDA will make reasonable efforts to provide timely language assistance, typically within 3–5 business days, depending on the nature of the request.

Staff Training and Awareness

NEPDA staff will be trained to identify LEP needs and respond appropriately. Staff will be familiar with how to access interpretation or translation services and how to assist individuals in contacting the Northeast Community Center for support.

Monitoring and Evaluation

NEPDA will periodically review the effectiveness of this policy, including feedback from LEP individuals and community partners. Adjustments will be made as needed to improve access and ensure compliance with Title VI requirements.

Contact for Language Access Requests

For assistance in a language other than English, or to request translation services, contact:

NEPDA Language Access Coordinator

Jared Aranda

971.319.2742

northeastpda@outlook.com

Or visit the **NEPDA Office** at 5006 N. Market St, Spokane, WA 99207 between 9a and 5p, Mon-Fri (subject to staff availability and public holidays.) Scheduling an office visit in advance is encouraged to ensure staff is available to assist.

**NORTHEAST PUBLIC DEVELOPMENT AUTHORITY
RESOLUTION NO. 2025-008**

A RESOLUTION of the Northeast Public Development Authority (the “NEPDA”) to adopt amendments to its existing Financial Management Policy and adopting policies and procedures for the use of credit cards by NEPDA staff, Board Members, and contractors to ensure compliance with existing law.

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 has a need, as a quasi-governmental entity, to review and amend its financial management policies from time to time to comply with existing law, and govern its accounting and expenditure of public funds;

WHEREAS, the NEPDA will update its Financial Management Procedures from time to time at the discretion of the NEPDA Board of Directors, and to create policies to comply with existing or new law, including the use of credit cards by NEPDA staff, board members, and contractors;

WHEREAS, the NEPDA Board finds it desirable for the efficient and effective governance of the NEPDA’s affairs to adopt the amendments to its Financial Management Policy attached hereto and incorporated herein by reference as “**Exhibit A**” and adopt the Credit Card Use Policy, Credit Card User Agreement and Addendum, copies of which are attached hereto and incorporated herein by reference as “**Exhibit B.**”

BE IT RESOLVED, that pursuant to the authority provided in the NEPDA’s bylaws, the Board of Directors hereby adopts the updated Financial Management Policy attached as “**Exhibit A**” and the Credit Card Use Policy, Credit Card User Agreement and Addendum attached as “**Exhibit B.**”

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

BE IT FURTHER RESOLVED, any actions of the Board of Directors or staff of the 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 11th day of July 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 11th day of July 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 July 2025.

SECRETARY

EXHIBIT A

PO Box 7323, Spokane, WA 99207



NEPDA Financial Management Policy (Updated 2025)

Effective Date: 07/11/2025

Last Updated: 07/08/2025

I. Introduction

The Northeast Public Development Authority ("NEPDA") Board of Directors provides fiscal oversight to ensure sound stewardship of public funds. The NEPDA is municipal corporation formed in 2011 pursuant to Ordinance No. C34813, and in accordance with RCW 35.21.730 through RCW 35.21.757, Spokane Municipal Code § 4.25, and the Interlocal Agreement Between the City of Spokane and Spokane County effective January 1, 2020 (City of Spokane OPR #2019-0928; Spokane County Resolution #19-1390).

The mission of the NEPDA is to invest in community outreach, infrastructure, economic development partnerships and land development, creating business and job opportunities within the PDA boundaries, which consists of approximately 800 acres in northeast Spokane.

The NEPDA operates its financial reporting on a **Cash Basis** of accounting, as allowed by the Washington State Auditor's Office (**SAO**) for smaller local governments under RCW 43.09 and the **BARS Manual for Cash Basis Entities**.

All policies, procedures, and reporting under this Policy shall comply with the **BARS Manual**, especially **Section 3.1.9.15 "Controls"**, which requires strong internal controls proportionate to the size and complexity of the entity.

This policy cross-references related policies in the **NEPDA Policy Matrix**, including but not limited to:

- **Credit Card Use Policy & User Agreement**

- **EFT Policy**
- **Expense Reimbursement SOP**
- **Procurement Policy**
- **Equipment & Inventory Management Policy**
- **Records Retention Policy**

II. Responsibility and Roles

The Board of Directors, Officers, Executive Director, Financial staff, and Administrator each maintain responsibilities to ensure accurate Cash Basis recordkeeping, timely deposits, secure disbursements, and proper reconciliation.

Responsibility and Roles

- Board of Directors:** The Board of Directors (“Board”) is responsible for communicating financial management expectations and goals to the staff.
- Officers:**
 - Board of Directors, Chair:** The Board of Directors, Chair (“Chair”) shall have general supervision of the affairs of the NEPDA as authorized in the NEPDA Bylaws and Charter. The Chair has signing authority for all NEPDA bank accounts, and may execute documents on behalf of the NEPDA as set forth herein. The Chair provides input to the Executive Director on the annual budget.
 - Treasurer:** Shall have the custody of all monies and securities of the Corporation and shall keep regular books of account. The Treasurer shall oversee the disbursement of funds of the Corporation in payment of the just demands against the Corporation or as may be ordered by the Corporation (taking proper vouchers for such disbursements) and shall render to the Corporation from time to time as maybe required, an account of all transactions undertaken as Treasurer and of the financial condition of the Corporation. As such, the Treasurer:
 - Is an officer of the NEPDA;
 - Reviews and approves the monthly financial portfolio after pre-approval by the Executive Director;
 - Has signature authority on NEPDA bank accounts and may signs checks as provided herein;

Commented [MC1]: I don't think we have officers that are not on the Board of Directors

Commented [JA2R1]: I think this may be referring to board positions such as Chair, Vice Chair, Treasurer - which have distinct duties beyond the non-officer board members.

- Provides input on the annual budget;
 - Reviews any annual financial review or audit;
 - Reviews the annual Form 990; and
 - Carries out specific roles as it relates to the NEPDA
- c. 1. **Executive Director:** The primary fiscal agent of the organization, formulating and directing all financial policies and procedures. The Executive Director is responsible for the monthly review of financial operations as provided herein to ensure that policies and procedures are properly implemented. The Executive Director develops and presents the annual budget, manages existing assets and invested funds, selects outside auditors and certified public accountants as directed by the Board, and approves revenue and expenditure objectives in accordance with the Board's approved long-term plans.
2. **Financial Staff:** Under the oversight of the Executive Director and in accordance to established job description, Financial Staff are responsible for supporting fiscal operations by billing for tax revenue, initiating payments in accordance with the Payment Procedures (including EFTs), and reviewing monthly financial statements and reconciliations for accuracy and compliance to Cash Basis requirements. Staff shall coordinate with the Administrator to ensure timely and accurate bookkeeping, reconciliations, and required financial filings. They shall also carry out any other financial management tasks formally delegated by the Executive Director, provided these duties comply with the BARS Manual Section 3.1.9.15 and maintain strong internal controls.
3. **Administrator:** Under the oversight of the Executive Director, the Accounting firm ("Administrator") is responsible for day-to-day bookkeeping, monthly financial reconciliation preparation for the Executive Director and Treasurer, maintenance of Chart of Accounts, accounts payable processing, input and processing payroll and payroll taxes, journal entries for general ledger, Forms 1099 and 1096 reporting, Form 990 reporting with the Administrator, bank deposits and reconciliations, credit card reconciliations, processing expense reports, ordering and maintaining check stock.

All financial procedures shall maintain a clear audit trail consistent with the **SAO BARS Manual**, Cash Basis guidance, and any Uniform Guidance (2 CFR 200) when federal funds are used.

III. Revenue Procedures

- **EFT Receipts:** The Executive Director must approve all deposits, including electronic fund transfers (**EFTs**), following the NEPDA **EFT Policy**.
- Responsible party must make every effort to deposit Non-EFT receipts in a timely manner so as to avoid misplacement or expiration.
- All deposits must be recorded and reconciled to the bank account on a **Cash Basis**, with backup documentation filed according to the **Records Retention Policy**.
- The Executive Director must timely provide the record verifying payment receipt to the Administrator and/or financial staff if required.
- The Administrator must record each deposit transaction within the applicable software platform (i.e. Quickbooks) and file all deposit records chronologically in the “Deposits” section of the applicable monthly financial portfolio.
- The Executive Director and the Treasurer must review each respective month’s deposits by comparing that month’s bank statement with the applicable financial report(s), and the accompanying records prior to the last day of the following month.

IV. Expense Procedures

- All expenditures must comply with RCW 42.24, Uniform Guidance (if applicable), and internal policies.
- Disbursements shall be accounted for on a **Cash Basis**, recorded when paid, not when incurred.
- The use of **electronic payments** (EFTs) must comply with the **EFT Policy**, with dual controls, pre-approved vendor authorization, and documented approvals.
- Expenses must be matched to approved budgets and funding restrictions.
- All expenses incurred by the NEDPA must adhere to applicable law and, unless specifically authorized by the Executive Director, preclude the purchase of alcohol and entertainment in accordance with applicable law.
- The Executive Director shall receive and review all invoices received by the NEPDA.
- The Executive Director shall prepare all check payments.
- The Administrator shall file a copy of the invoice and check payment in the “expense” section of the applicable monthly financial portfolio.

- The Executive Director and the Treasurer must review all of the month's expenses by comparing that month's bank statement with the applicable QuickBooks report(s), and the accompanying financial records prior to the last day of the following month.

V. Special Notification Procedures

- **Expenses under \$1,000.00:** The Executive Director may approve expenses for an amount less than \$1,000.00, as outlined herein. No notification for such payment is required.
- **Expenses over \$1,000.00 and under \$10,000.00:** The Executive Director may execute a contract, lease, memorandum of understanding, agreement commitment, or check disconnected from a previously approved agreement for an amount equal to or exceeding \$1,000.00 but less than \$10,000.00. Written notification of this expense must be directed to the Chair and Treasurer.
- **Expenses over \$10,000.00:** For any contract, lease, memorandum of understanding, agreement commitments, or checks disconnected from previously approved agreements in an amount equal to or exceeding \$10,000.00, notification and review by the Chair and approval of a simple majority of the Board is required. Two signatures for approval of this expense are required, which may be executed by the Executive Director, Chair, and/or Treasurer.
- In the absence of the Executive Director, the Chair or Treasurer is permitted to execute the documents as described in this Section on the Executive Director's behalf.

VI. Expense Reimbursement Procedures

- Employees, contractors, and Board Members must follow the **Expense Reimbursement SOP**.
- All non-credit card reimbursements must comply with the Cash Basis reporting standard and be properly documented.
- Any Board Member, employee, or contract employee of the NEPDA, including the Executive Director, who incurs a legitimate and allowable expense while engaged in NEPDA business may be reimbursed. Board Members, employees, and contract employees are expected to perform their tasks in a cost-effective manner.

- Any Board Member, employee, or contract employee, must execute an expense report and provide documentation for the expense in the form of a receipt or other proof of payment. The expense report and accompanying documentation must be provided to the Executive Director in a timely manner.
- The Executive Director must review and approve all expense reports.
- Payment for any expense incurred by any Board Member, employee, or contract employee shall be made by the Executive Director and must follow the procedures outlined in Section II “Expenses”.
- The Chair or Treasurer may request a summary or detailed report from the Administrator regarding reimbursement to any Board Member, employee, or contract employee at any time.
- The Executive Director’s contracted, budgeted, or reoccurring expenses will be documented by the Administrator.
- The Treasurer will review the Executive Director’s non-contractual expenses and reimbursements. Payment for any expense incurred by the Executive Director shall be made by the Treasurer, and is governed by the procedures outlined in Section II “Expenses”.

VII. Credit Cards

- The Executive Director and Treasurer may approve credit cards for NEPDA employees, contract employees, and Board Members.
- The NEPDA’s **Credit Card Use Policy** and **User Agreement** govern all card issuance, usage, and reconciliation in addition to any signed agreement with the financial institution.
- All credit card transactions must be documented, supported by receipts, and reconciled monthly on a **Cash Basis**, in line with **BARS Manual 3.8.5**.
- Lost or stolen cards must be immediately reported to the issuing bank, the Executive Director, and the Administrator.

VIII. Payroll

- Employees are paid every other week (**bi-weekly**) by direct deposit. Direct Deposit must be set up in advance through written instruction provided to the Administrator.
- Payroll costs must be recorded on a **Cash Basis**, recognizing expenses when disbursed.
- Payroll deductions, benefits, and leave accruals follow the NEPDA's **Salary and Pay Increase Policy, PTO Policy**, and RCW 49.46 with ultimate approval by the Board.
- Employee benefits are administered through the Association of Washington Cities (AWC).

IX. Vacation/Sick Leave

- Leave balances must be tracked accurately, but the liability is not reported under Cash Basis until paid.
- Any leave cash-out upon separation shall be expended when paid and comply with the **BARS Manual guidance for Cash Basis entities**.

X. Bank of Record

- The NEPDA's bank accounts are with Washington Trust Bank.
- All electronic payments and transfers shall comply with the **EFT Policy**, with adequate internal controls under **BARS 3.1.9.15**.

XI. Monthly Reconciliation

- The NEPDA's financial statements shall be prepared monthly on a **Cash Basis** in accordance to BARS 3.1.9.15 "Controls," as published by the State Auditor's Office.
- The Administrator must prepare a monthly financial statement in a format approved by the Executive Director and Treasurer. The Executive Director and Treasurer review and approve the monthly financial reconciliation, as outlined herein. This reconciliation is presented to the Chair for review prior to the next regularly scheduled Board meeting.
- The monthly financial reconciliation is provided to the Board for approval at the next regularly scheduled Board meeting.

XII. Annual Budget

- The Executive Director shall prepare the annual budget in accordance with the Interlocal Agreement and the NEPDA's mission.
- Budget revenues and expenditures shall align with the Cash Basis framework and be reconciled quarterly to actual disbursements.
- The Executive Director is responsible for developing the annual budget, contributions from the Chair and Treasurer. Each year, the Executive Director must present a draft annual budget to the Board for approval. The budget shall include anticipated revenues and expenses by quarter, with explanatory notes as appropriate. The annual budget revenues and expenditures should reflect the Board's annual strategic objectives.

XIII. Financial Review / Audit

- The NEPDA's books are reviewed annually by the Administrator for federal tax reporting and compliance with the **SAO BARS Manual**; including Form 990. The Form 990 is reviewed by the Treasurer and executed by the Chair.
- The Board may engage an external auditor as needed. Any financial statements must clearly state they are prepared on a Cash Basis.
- In the event of an audit, the Executive Director shall oversee the implementation of the audit and report the results to the Board.

XIV. Records Retention

All financial records, bank statements, reconciliations, credit card statements, and EFT documentation must be retained per the **Records Retention Policy**, consistent with **RCW 40.14** and the WA State Archives Local Government Common Records Retention Schedule.

✓ KEY POLICY REFERENCES

- **SAO BARS Manual** — Cash Basis, Section 3.1.9.15 Controls

- **Credit Card Use Policy & User Agreement**
- **EFT Policy**
- **Expense Reimbursement SOP**
- **Procurement Policy**
- **Records Retention Policy**

EXHIBIT B

PO Box 7323, Spokane, WA 99207



NEPDA Credit Card Use Policy

Policy Type: Financial Operations

Applies To: NEPDA staff, board members, and contract employees

Effective Date: July 11, 2025

Authority: NEPDA Financial Management Policy – Section VII; RCW 43.09.2855

1. Purpose

To establish lawful and accountable procedures for the issuance and use of credit cards by the Northeast Public Development Authority (NEPDA), ensuring that purchases made using public funds are properly authorized, documented, and consistent with applicable state laws and NEPDA policies.

2. Legal and Policy Authority

This policy is authorized by:

- **RCW 43.09.2855**, which permits local governments to use credit cards under defined controls
- **Washington State Constitution, Article 8, Section 7**, which prohibits public agencies from giving or loaning funds or credit, including via temporary use of public funds for personal purposes
- **NEPDA Financial Management Policy**, Section VII
- Board-approved **Procurement Policy** and **Executive Director Authority Policy**

3. Prohibition on Personal Use

Personal purchases are strictly prohibited, even if reimbursed later.

- Any such transaction constitutes an **unlawful lending or gift of public funds**, as prohibited by the Washington State Constitution and interpreted by the State Auditor.
- A single instance of personal use may result in **revocation of privileges and disciplinary action**.

4. Issuance and Authorization

- Credit cards may be issued only upon written authorization by both the **Executive Director** and the **Board Treasurer**.
- Credit card limits must align with **board-approved budgetary limits** for each project, contract, or category.
- Each cardholder must sign a **Cardholder Agreement** acknowledging this policy.

5. Allowable Expenses

Permitted uses of NEPDA credit cards include:

- **Travel-related costs** (e.g., transportation, lodging, baggage)
- **Conference or training registration**
- **Pre-approved business purchases** that cannot be reasonably paid via invoice or PO
- **Emergency operational purchases** with Executive Director approval

All expenses must comply with NEPDA's Procurement and Expense Reimbursement Policies.

6. Restricted and Prohibited Uses

The following uses are **prohibited**:

- **Personal expenses**, even if intended for reimbursement
- **Cash advances** or ATM withdrawals
- **Alcohol, gifts, entertainment, donations**
- **Split transactions** to circumvent spending limits
- **Recurring subscriptions or auto-renewals**, unless explicitly pre-approved
- **Fuel purchases** unless part of approved travel

7. Spending Limits & Budget Compliance

- Charges must not exceed the **budget authority approved by the Board**
- Each purchase must be within the scope of the **Executive Director's delegated authority**, if applicable
- Cardholders may not authorize or approve charges to their own credit card

8. Safeguards and Internal Controls

Control Measure	Description
Segregation of Duties	Cardholder is not the reviewer/approver of their own expenses
Executive Oversight	ED reviews and approves all cardholder logs; Treasurer approves ED transactions
Reconciliation Process	Monthly reconciliation by Accountant; supporting documentation is required
Transaction Logs	Cardholder must maintain detailed expense log monthly
Receipt Submission	Original, itemized receipts must be submitted promptly, which is defined in this policy as no later than 5 business days after the statement date, aligning with S.A.O. guidance.
Lost or Stolen Cards	Must be reported immediately to the issuing bank, Executive Director, and Finance Administrator
Access Limits	Only authorized users may possess and use the card; cards must be stored securely when not in use

9. Cardholder Responsibilities

Each authorized cardholder must:

- Maintain custody and confidentiality of the card
- Use the card only for authorized business expenses
- Submit documentation and receipts for every transaction
- Complete a **Credit Card Expense Log** monthly
- Notify appropriate parties immediately of any lost/stolen cards
- Comply with record retention and financial reporting requirements

10. Payment and Reconciliation Procedures

- The **third-party accountant** reconciles credit card activity each month
- **Finance staff** verify documentation and log all charges by budget category
- The **Executive Director** reviews and approves cardholder statements
- The **Board Treasurer** (or designated board member) reviews the Executive Director's card activity quarterly or as directed

11. Violations and Disciplinary Action

Improper use may result in:

- Immediate revocation of credit card privileges
- Restitution of funds
- Written warning or termination
- Referral to the Washington State Auditor or legal authorities if misuse involves fraud

12. Recordkeeping and Retention

All receipts, logs, and approvals will be retained in accordance with the **Washington State Local Government Common Records Retention Schedule** and applicable grant requirements (minimum **6 years**).

13. Related Policies and References

- **RCW 43.09.2855** – Credit Card Use by Local Governments
- **RCW 42.24** – Municipal Disbursements
- **Washington State Constitution, Article VIII, Section 7**
- **NEPDA Financial Management Policy** – Section VII
- **NEPDA Procurement and Spending Authority Policies**
- **SAO Best Practices for Credit Card Use** (<https://sao.wa.gov>)

Approved by: _____

Executive Director Date: _____

Reviewed by: _____

Board Treasurer Date: _____

PO Box 7323, Spokane, WA 99207



NEPDA Credit Card User Agreement

Employee / Board Member / Contractor Name: _____

Title/Position: _____

Date of Issuance: _____

Credit Card Number (last 4 digits): _____ Card Limit: \$_____

1. Purpose of Issuance

This credit card is issued to the Cardholder for official business use only, as authorized under the NEPDA Credit Card Use Policy and RCW 43.09.2855. Use of this card is subject to all terms set forth in the policy and applicable law.

2. Authorized Uses

The Cardholder may use the NEPDA credit card only for:

- Pre-approved travel and lodging for NEPDA business
- Registration fees for approved training or conferences
- Business-related supplies or services (with prior approval)
- Emergency purchases when directed by the Executive Director

All expenses must fall within **board-approved budgetary limits** and follow NEPDA's procurement and expense reimbursement procedures.

3. Prohibited Uses

The Cardholder shall not use the NEPDA credit card for:

- **Personal purchases**, even if reimbursed later
- Alcohol, entertainment, or personal meals
- Cash advances or ATM withdrawals
- Fuel (unless pre-authorized for travel use)
- Recurring charges (unless explicitly authorized)
- Any transaction that exceeds the Cardholder's authorized purchase limits

NOTE: Personal use of the card, even if repaid, may constitute an **unconstitutional gift or lending of public funds** under **Article 8, Section 7** of the Washington State Constitution.

4. Cardholder Responsibilities

The Cardholder agrees to:

- Keep the card secure and never share it or authorize another individual's use of the card
- Submit original, itemized receipts within **5 business days** of the pertaining statement date
- Complete and submit a monthly **Credit Card Expense Log**
- Notify the Executive Director and issuing bank immediately if the card is lost or stolen
- Return the card immediately upon request or upon termination of duties
- Use the card only within the scope of the Cardholder's assigned duties and authorized budget

5. Internal Controls and Oversight

- The Cardholder may not approve or reconcile their own card transactions
- All card activity is subject to monthly review by the Executive Director and/or Board Treasurer
- The third-party accountant will reconcile and record all credit card transactions for NEPDA's financial records

6. Violations and Consequences

The Cardholder understands that improper use of the NEPDA credit card may result in:

- Revocation of card privileges
- Reimbursement of disallowed charges
- Disciplinary action, up to and including termination or removal
- Referral to the Washington State Auditor or law enforcement in cases of suspected fraud

7. Acknowledgment and Signature

The Cardholder certifies that they have read and understand the NEPDA Credit Card Use Policy and this Agreement. The Cardholder agrees to comply with all requirements, laws, and internal procedures related to the use of public funds.

Cardholder Signature: _____ **Date:** _____

Executive Director Approval: _____ **Date:** _____

Treasurer Approval (if required): _____ **Date:** _____

PO Box 7323, Spokane, WA 99207



**Addendum to [PROPOSED] Card User Agreement (CUA) Between U.S. Bank and
Northeast Public Development Authority (NEPDA)
Regarding Participation in the NASPO ValuePoint Commercial Card Program**

This **Addendum** is in reference to the **Card User Agreement (CUA)** [PROPOSED TO BE] executed pursuant to the **NASPO ValuePoint Participating Agreement** between U.S. Bank and the State of Washington.

This Addendum is intended to clarify and reinforce NEPDA's commitment to complying with applicable Washington State laws governing the use of public funds, and to formally document NEPDA's adoption of internal credit card controls as required by state statute.

NEPDA participates under this CUA subject to internal credit card policies and restrictions required by RCW 43.09.2855 and the Washington State Constitution, including a prohibition on personal use and the requirement for board-approved spending limits, reconciliation, and documentation.

1. Internal Controls Under RCW 43.09.2855

NEPDA affirms that it has adopted a formal **Credit Card Use Policy** that satisfies the requirements of **RCW 43.09.2855**, including the establishment of:

- A system to **review documentation of credit card transactions**;
- Policies that **define allowable and prohibited uses**;
- Internal procedures that ensure **proper use and oversight** of public funds.

NEPDA shall ensure that each individual issued a credit card under the Program signs a **Credit Card User Agreement** and receives training on approved usage, documentation, and fraud prevention practices.

2. Compliance with the Washington State Constitution

NEPDA recognizes the restrictions of **Article VIII, Section 7** of the Washington State Constitution, which prohibits local governments from **lending credit or making gifts of public funds**. Accordingly:

- **Personal use of the credit card is strictly prohibited**, even if the cardholder intends to reimburse the agency; and
- NEPDA shall not authorize or permit the use of public funds for any non-business purpose.

3. Spending and Budgetary Limits

All credit card expenditures made under this Program shall:

- Be within the scope of NEPDA's **board-approved budget**;
- Follow NEPDA's **Procurement Policy** and **Executive Director Authority Policy**;
- Be subject to **monthly reconciliation and documentation**, including submission of itemized receipts and an expense log.

Recurring charges, subscriptions, or automatic renewals shall only be permitted if expressly authorized in writing by the Executive Director.

4. Oversight and Record Retention

NEPDA's credit card activity will be reviewed and approved in accordance with its internal policy, including:

- **Segregation of duties** between cardholders, approvers, and reconcilers;
- **Monthly reconciliation** by a third-party accountant;
- **Quarterly oversight** by the Board Treasurer for Executive Director card activity.

All credit card records, including receipts, logs, and approvals, will be retained for a minimum of **six (6) years** in accordance with Washington State public records retention laws and applicable grant requirements.

5. No Conflict with Agreement

Nothing in this Addendum shall be construed as a waiver of NEPDA's obligations under the Card User Agreement or the NASPO ValuePoint Participating Agreement. Rather, this Addendum supplements those agreements by memorializing NEPDA's internal policy controls required by law.

Authorized Signatures

Northeast Public Development Authority (NEPDA)

By: _____

Name:

Title: Executive Director

Date: _____

**NORTHEAST PUBLIC DEVELOPMENT AUTHORITY
RESOLUTION NO. 2025-009**

A RESOLUTION of the Northeast Public Development Authority (the “NEPDA”) to authorize the Executive Director to execute a 12-month renewal of the commercial lease agreement for office space at 5006 N. Market Street in Spokane.

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

WHEREAS, the NEPDA’s goals and mission include growing and facilitating redevelopment, development, and construction of public benefit projects, resulting in increased economic activity and job growth within the NEPDA’s boundaries; and

WHEREAS, the NEPDA’s Executive Director and staff require sufficient, reasonable, and adequate office space to effectively manage the NEPDA.

BE IT RESOLVED, that pursuant to the authority provided in the NEPDA bylaws and applicable policies, the NEPDA Board hereby authorizes the Executive Director to execute a 12-month commercial lease renewal agreement with Richard K. Burris to lease office space at 5006 N. Market Street as set forth in the commercial lease agreement attached as Exhibit A, or in a substantially similar form;

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 11th day of July 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 11th day of July 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

Commercial Lease Agreement

THIS AGREEMENT is made and entered into this ___ day of _____ 2024, by and between Richard K. Burris, hereinafter referred to as Lessor, and the Northeast Public Development Authority, hereinafter referred to as Lessee. The Lessor, in consideration of rent received herein to be paid by Lessee, and of the other conditions contained herein and to be performed by Lessee, does hereby let and lease unto the Lessee the premises commonly known as 5006 North Market Street, Spokane, Washington.

TERM OF TENANCY: This lease shall commence on August 1, 2024 (“Commencement Date”), which is then due on the first of each succeeding month, and continues through July 31, 2025 (“termination date”), terminating on that date unless previously renewed by mutual signed consent.

OPTIONAL TERM: Lessor agrees to allow Lessee the option to extend the Term of Tenancy for an additional term of up to twelve (12) additional months at the same monthly rental rate.

LEASE PAYMENTS: Lessee agrees to pay to Lessor at his address a monthly rental of \$1500 (fifteen hundred dollars), on the first business day of each month (“due date”), which includes the average Avista and City Utilities that shall remain in the name of and paid by Lessee. A late fee of \$100 (one hundred dollars) shall be assessed if rent is not paid in full within five days after the due date.

DEFAULT: If Lessee fails or neglects to make any rental payment by the due date, or if any default shall occur as to any covenant contained herein, then it shall be lawful for Lessor, upon thirty days written notice to Lessee to retake possession of premises. Lessee shall be liable for damages to Lessor for all costs and losses sustained, including legal expenses incurred.

USE OF PREMISES: Lessee shall not allow any illegal activity, nor allow any activity which constitutes a hazard nor causes nuisance to adjoining property owners, tenants, or the public. Lessee will not use or allow the premises to be used in a manner that may cause Hazardous Materials to be released or to become present on, under, or about the premises, and shall indemnify, protect, defend and hold harmless Lessor from all claims, judgements, causes of action, damages, penalties, fines, or expenses arising directly or indirectly as a result of or in conjunction with Lessee breach of this section, including but not limited to claims for bodily injury, damages to the premises or any portion thereof and loss of value.

MODIFICATION, VACATION: There shall be no modification of this agreement nor any part thereof, unless in writing signed by all parties hereto. Lessee agrees to peacefully surrender the premises to Lessor at the expiration or termination of this agreement.

RESPONSIBILITY FOR PREMISES: Lessee shall keep the premises in good order, and is responsible for minor repairs and glass replacement, and shall not damage plumbing, electrical

service or fixtures, plate glass, woodwork, walls, sidewalks, or the interior or exterior of the premises. Improvements or other repairs must be approved and agreed by Lessor. General and customary maintenance, including but not limited to furnace filters, painting as desired by Lessee, snow removal, light bulbs, or excessive trash removal, is the responsibility of Lessee.

INSURANCE: Lessor and Lessee shall each obtain and retain in force fire and hazard insurance to protect their own insurable interests, the Lessor upon the structure and the Lessee upon their personal and business property and liability to customers or other invitees in the manner of a Comprehensive Liability Policy with a limit of not less than \$1,000,000 (one million dollars), indemnifying and protecting the Lessor against any and all claims of damage and liability resulting from the use of the premises by Lessee as prescribed in this agreement.

RELATIONSHIP/INDEMNIFICATION: Nothing in this agreement is intended nor shall be construed to create an employer-employee relationship, nor a partnership or joint venture. Each party to this agreement shall be responsible for any obligations or liability which either has created or incurred and shall indemnify and hold the other harmless in the event called upon to pay for the obligations or liability occasioned by the other to the extent of each party's respective acts or negligence. Lessor shall pay and be responsible for all taxes and assessments levied upon the building. Lessee is responsible for personal or other taxes or assessments upon inventory or their business property.

BINDING SUCCESSORS: The covenants, terms, and conditions herein shall extend to and be binding upon the parties hereto, or their respective heirs, successors, executors, administrators, or their assigns.

IN RECEIPT AND PAYMENT: Tender of First and Last month rent plus a damage deposit of \$1000.00 (one thousand dollars) is hereby acknowledged by the parties hereto. Damage deposit shall be returned to Lessee in full no less than thirty (30) calendar days following the termination date if no damage attributable to Lessee is identified by Lessor.

Richard K. Burris, Lessor
2012 East Gordon Avenue
Spokane, WA 99207

Jesse Bank, Executive Director
Northeast Public Development Authority, Lessee
Spokane, WA