

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

**MEETING OF Friday, September 12th, 2025,
10:30 A.M. – Northeast PDA Offices**

A regular meeting of the Northeast PDA will be held at **10:30 A.M. on Friday, September 12th, 2025**, at the Northeast PDA's offices – 5006 N Market Street – or virtually via Zoom (link in agenda).

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: September 12th, 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 August 8th, 2025

Public Comment

10:35 am - 10:55 am

Market Street Organizational Support

1. Fiscal sponsorship agreements
2. Façade grant award

Action Item: Motion to authorize execution of sponsorship agreements

Action Item: Resolution No. 2025-014: A RESOLUTION of the Northeast Public Development Authority to permit the Executive Director to execute an agreement between the NEPDA and Washington Trust for Historic Preservation regarding the NEPDA receiving \$120,000 in American Rescue Funds and other funds from the Trust, funded by the City of Spokane to support the Hillyard Façade Improvement Grant

10:55 am - 11:05 am

Policy Updates (Continued)

1. Existing policy concurrence adjustments
2. Personnel Policy discussion

Action Item: Resolution No. 2025-015: A RESOLUTION of the Northeast Public Development Authority to amend and adopt certain policies of the NEPDA, specifically: (1) amending the Procurement Policy, Financial Management Policy, and Executive Director Authority Policies, and (2) adopting new Personnel Policies

11:05 am - 11:20 am

Human Resources

1. Jared promotion
2. ED amended agreement
3. Third position discussion

Action Item: Resolution No. 2025-016: A RESOLUTION of the Northeast Public Development Authority (the “NEPDA”) Board of Directors amending the NEPDA’s 2025 Budget

Action Item: Resolution No. 2025-017: A RESOLUTION of the Northeast Public Development Authority modifying the Employment Agreement with Executive Director Jesse Bank and entering into an Amended Employment Agreement

11:20 am - 11:35 am

Northeast PDA Revenue District

11:35 am - 11:50 am

3011 Wellesley Project

1. Project status given revenue district uncertainty
2. Validation package delivery
3. Financing/ELF Grant
4. Next steps

11:50 am - 12:00 pm

General Matters

1. Financials review
2. Major projects update
3. October look-ahead

12:00 pm

Other Business, Closing

Next Meeting: October 10th, 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: Aug 8th, 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, Sec-Treasurer
- Scott Simmons, Member
- Shelli Sonderen, Member
- Cheryl Stewart, Member

Board Staff

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

Guests

- Amanda Beck (City of Spokane)
- Tim Thompson (City of Spokane)
- Steve MacDonald (City of Spokane)
- Joe Poire (JRP Solutions)

Welcome and Introductions

Call to Order

- Chair Cathcart called the meeting to order at 10:32 am.

Public Comment

- No public comments.

Approval of Minutes

- Member Sonderen made a motion to approve the minutes from the July meeting. Second by Member Simmons.

Hillyard Subarea Plan

- Introduction
 - Presentation by Tim Thompson, City of Spokane.

- Subarea Plan is a major planning document that folds into the wider City Plan, intended to guide local policy regarding development in and around Hillyard for decades to come.
- The plan was developed in coordination between the NEPDA and City of Spokane, funded largely by an Ecology Integrated Planning Grant (IPG) but also received funding from other sources such as local contribution by the City and PDA as well as funding from an EPA Brownfields grant administered by the City.
- Thompson noted that the development of the plan was delayed by a few months due to subcontractor delays, but the end product meets or exceeds expectations.
- Urban Framework Plan
 - Consists of six plan areas, each with its own planning initiatives based on unique situation and challenges.
 - Area 1 – Hillyard Business District
 - Vibrant commercial corridor.
 - Improve accessibility and mobility.
 - One of two activity centers in the plan.
 - Area 2 – Hillyard Residential District
 - Largely single family homes with opportunity to introduce more community-oriented uses.
 - Goal to improve access and add more amenities
 - Area 3 – The Yard
 - Envisioned to evolve into major employment center, regional hub.
 - Light industrial, commercial, and workforce housing.
 - Extensive roadway improvements needed, underground utilities are in good condition.
 - Area 4 – East Wellesley Business District
 - Infill development opportunities.
 - Mixed use – transitions from lower density to the south, higher density along Wellesley, light industrial to the north.
 - Area 5 – Esmeralda
 - A development has initiated design with construction anticipated soon in an undeveloped part of this area.
 - Takes advantage of North Spokane Corridor.
 - Single family and community part to the south, 24-acre redevelopment site to the north that is planned to be turned into a commerce park.
 - Area 6 – Beacon Hill
 - Largely undeveloped open space with space for 2,000 units of new housing.
 - Regional attraction for recreation – 50-mile mountain bike trail network
- Catalyst Sites
 - Helps local leaders to focus redevelopment efforts – receiving priority in funding.
 - Planning initiatives that pinpoint short term, mid-term, and long-term land use. Recommended best development practices and indicate areas of priority.
- Land Use & Urban Design
 - Depicts new future land use categories for the Hillyard Study Area:
 - Regional employment center.
 - Neighborhood mini-center.
- Market and Economic Conditions

- Moderate population growth is expected.
 - High employment growth (1,000 jobs over 10 years).
 - Housing affordability is a priority while managing growth.
- Housing
 - 434 new housing units are needed in the plan area over the next 20 yrs.
 - Anti-displacement will be a priority to mitigate high displacement risk.
 - Strategies for anti-displacement
 - Prioritize new housing with an emphasis on low/middle income housing.
 - Grants and incentives to develop affordable housing.
 - Potential for public subsidies or land trusts.
 - Community engagement and coordination.
 - Identify community priorities and protect/enhance local culture.
- Transportation and Mobility
 - Plan for increased traffic and heavy freight as a result of NSC completion connecting to current and future commerce hubs in the area.
 - Bike & ped access – ensure multi-modal corridors are preserved on local streets, particularly as unimproved roadways are paved.
 - Public transit orientation – TOD projects near transit corridors and nodes.
- Parks & Open Space
 - Open space on Beacon Hill
 - Community improvements to schools and parks
 - Children of the Sun Trail
 - Aquatic Center Site, potential expansion
- Costs & Funding
 - \$39.5m in infrastructure modernization and improvements.
 - PDA revenue district can help fund infrastructure projects
 - Utility tax revenue
 - Grants and revolving funds from the State or Federal government
- Questions
 - Chair Cathcart
 - Why is the land use south of Wellesley so light rather than moderate densities?
 - Thompson noted the City priority for preserving middle income housing, which is a factor in the lower density area as it is.
 - Regarding displacement strategies, what is envisioned with a public subsidy and how would it be funded?
 - Thompson mentioned that this is something to be discussed further at the Council level. No concrete policy currently exists, but the priority is to continue discussions around these types of anti-displacement strategies.
 - ED Bank noted that there are neighborhood sensitivities to take into account in the southern part of the area to not overdevelop immediately in their vicinity. This was the goal in creating a transition from south to north. For similar reasons, there has been an effort to guide development on Beacon Hill to preserve bike trails and natural recreation corridors.
 - What does prioritization mean? Does this envision mandates?
 - ED Bank described it as an intentional flow of investments and other funding toward higher priority projects but not necessarily regulatory measures. Subarea plan is meant to be a guide, not a handcuff.
 - Member Simmons

- What types of development could go along Wellesley under the proposed zoning?
 - Mixed use: retail, dense housing, banks, or other commercial/light industrial support uses.
 - Thompson noticed that intensity can be adjusted higher or lower depending on community and local leadership priorities. Building heights would not exceed 5-6 stories in the highest intensity areas.
- Member Sonderen
 - Is public comment still being accepted?
 - ED Bank explained that the document is largely complete, but there is still room for comment.

Myrtle Street Roadway Improvements

- ED Bank is proposing a motion to proceed with the project by onboarding an owner's representative, per guidance given by the City's Integrated Capital Management team. The intention is to begin preliminary planning and design, which will go out to the street for RFQ in the coming month or so.
- The intended owner's rep firm is Turner Townsend Heery (TTH), which the PDA has worked with in the past on another development.
- Member Simmons asked for a refresher on the project.
 - Full paving and pedestrian/cyclist improvements along Myrtle St from Wellesley Ave to Rowan Ave and on Rowan from Myrtle to Rebecca St.
 - Total project scope cost is appx \$3.8m in 2027 inflation-adjusted dollars. The \$700,000 that AM Aranda secured from Ecology would be used to design the entire segment and pave the first couple blocks (or as much as possible) starting at Wellesley and moving north.
 - The ultimate goal is to have an improved roadway that runs through the center of East Hillyard connecting major regional corridors such as Francis Ave, Wellesley Ave, and Freya St).
- Member Simmons asked if this would be designed to Complete Streets standards.
 - ED Bank informed that discussions are already underway around to what degree this would pertain to an industrial area. There is potential for minor variations.
- Member Sonderen asked about what risks the project may pose.
 - The objective is to complete the project piece by piece as funding is identified and secured. This could draw out project delivery time and increase overall costs with multiple mobilizations if there are funding gaps in the future. The financial risk is low since each phase would be completed with available funding.
 - Sec. Feist noted that Integrated Capital Management can help fund future phases to ensure there are not gaps or missing elements.
- Member Simmons proposed a motion that the Board authorize the utilization of the \$700,000 in Ecology funding to plan and pave to the extent possible the alignment of Myrtle Street as proposed. Motion passed unanimously.
- Member Sonderen seconded the motion to adopt **Resolution 2025-010** that allows the PDA to enter into contract with TTH as owners representative for the Myrtle project.

3011 Wellesley

- NEPDA staff seeks Board authorization to approve the proposal to bring on a Childcare subject matter expert, which will help prepare an application to the Early Learning Fund Grant offered by WA Commerce.

- Jasmin Group is an experienced operator that would bring their expertise to the development of this project with the passage of the contract. They have secured the majority of ELF funding coming to the Spokane market.
- This scope is completely separate from that of the eventual operator of the facility when it is brought to market.
- **Resolution 2025-011:** Proposed for adoption by Member Simmons. Second by Member Sonderen. Passed unanimously.
- Concept 1
 - Holds the corner of Wellesley and Haven with a prominent and distinctive pitched roof with an open glass wall on the first level. A matching pitched roof holds each end of the structure.
 - Structure fills the curb front on both Wellesley and Haven.
- Concept 2
 - Gable design with 4 pitched roofs.
 - Also maintains curb presence on both arterials
 - Both designs tuck parking in the back (alley access) with the childcare play area also in the rear of the structure.

East Hillyard Implementation Plan

- Presented by Joe Poiré
- ED Bank prefaced that the PDA is looking to jumpstart development in East Hillyard. Joe has extensive experience in marketing and attracting development to similar areas around the state.
- Joe mentioned that his specialty is on the implementation side of planning documents such as the Hillyard Subarea Plan.
- CERB is a \$50,000 state grant with a 20% local cash match. Application is due in September and awarded in October. Funding goes toward activities facilitating the development of infrastructure to attract development. Joe would assist the PDA as a consultant to apply for the grant.
- Questions
 - Member Simmons asked what the focus of this grant would be.
 - ED Bank expressed that it would focus on key areas to develop and pursue potential developers through a broker to initiate strategic development in East Hillyard. The CERB funding would assist the PDA in engaging in initial activities to begin this process.
- **Resolution 2025-013:** Member Simmons made a motion to adopt the resolution. Second by Member Sonderen. Passed unanimously.

Policy Review

- Overview
 - The need to reinforce policy frameworks at the NEPDA have come to light to ensure audit readiness, establish robust guidelines for current and future staff, and strengthen overall organizational readiness. These policies will ensure that internal controls are in place to ensure compliance with relevant laws and regulations, prevent fraud/waste/abuse, and maintain high operational standards of the PDA to preserve trust with community partners and funders.
- Travel Policy
 - The existing NEPDA Financial Management Policy makes reference to travel in a brief paragraph that expresses travel-related expenses should be "reasonable."

- The new travel policy seeks to define what is “reasonable” by benchmarking expenses to Government Services Administration (GSA) rates, which are widely used across the public sector.
- The policy folds into existing budgetary limits passed by the board, allowing for reasonable expenses that do not exceed authorized budgetary limits. A pre-travel form has also been created that is meant to offer a cost estimate prior to travel that serves as an additional internal control for visibility.
- Public Records (PRA) and Open Meetings (OPMA)
 - A Records *Retention* Policy has been created to govern how PDA records are preserved and maintained in compliance with the law.
 - A Records *Request* Policy and public form that governs how the public can request PDA records with a defined process to guide such requests is before the Board for consideration. Relevant accessibility and privacy addendums have been included that mirror relevant RCWs.
 - Finally, an Open Public Meetings Act (OPMA) policy has been drafted and reviewed by legal counsel for adoption to ensure the NEPDA complies with the law when holding public meetings.
 - Questions
 - Chair Cathcart asked if the agency is complying with this law and if there were any gaps found.
 - AM Aranda informed that the PDA has already implemented measures in the past to ensure, for example, Executive Session is properly disclosed and the relevant RCW referenced. The only recommendation is to formally adopt a policy that demonstrates these laws are followed.
 - ED Bank noted that this is intended for audit preparation to ensure we have a clear and well-defined policy framework to demonstrate compliance with relevant laws.
 - Member Sonderen asked how many more policies are needed.
 - This is the bulk of the policies proposed for adoption. There may be an occasional policy in the future, but not for the immediate future with the exception of a retirement policy scheduled for next meeting.
 - Personnel Policies
 - Policies are proposed to guide PDA staff in the process of navigating merit increases, cost of living adjustments, paid time off, pay scales, performance improvement, etc to ensure transparency and compliance to relevant laws, budgetary limits and Board oversight. The policies are intended as guides that take into account market conditions and industry best practice around performance increases, disciplinary action, and promotions.
 - Questions
 - Member Sonderen asked if the policies had been reviewed by legal counsel.
 - AM Aranda informed that they have undergone internal discussion, various reviews/edits, and have completed legal review.
 - **Resolution 2025-012:** A resolution by the NEPDA to adopt policies and procedures for open government requirements, to guide personnel decisions around performance, benefits, and salary increase, and organization travel to ensures compliance with existing law, strengthen internal controls, and expound existing policies.
 - Member Simmons recommended passing the travel and open government policies, but to table the personnel policies for now to ensure the Board has more time to review. He also suggested leaving PTO accrual rates and other

position-specific measures out of the policies to preserve ED discretion depending on the role and employee experience.

- AMMENDMENT by Member Simmons to remove all personnel policies for further review. The non-personnel policies are recommended for adoption. Second by Member Sonderen. Passed unanimously, as amended.

PDA Financial Review

- City obligated revenues continued to be delayed. No payment has been received by the NEPDA for 2025 as of this meeting for New Construction (City portion), Retail Sales (City portion), and Leasehold Excise (City portion).
 - Exact details on the delay have not been directly provided by the City.
 - Sec Feist informed that the City will send a letter noting the reason for its delay and instruction to bill for the same revenue that was remitted last year while they await data to determine how much will be remitted in the future.
 - ED Bank asked if the City was seeking to change the methodology it had previously agreed to with the County when it signed the ILA that formed the NEPDA. Sec. Feist said only that the amount would be the same as last year until the new data from the Department of Revenue (DOR) is reviewed.
 - Member Simons noted that the DOR does not have the data that would be required to calculate the PDA portion of sales and new construction tax, which is why the methodology agreed on between the City and the County was created 3 years ago. For example, a business that operates a location in the PDA and other locations outside the boundaries, it would report only one location – which could skew the data either way (resulting in an underpayment or an overpayment).
 - Chairman Cathcart noted that his City contacts informed him that they believe the new DOR data would solve this issue.
 - ED Bank said that while the NEPDA appreciates and supports accurate data, the lack of communication from the City has been abysmal and has created significant challenges for the PDA with the unexpected and prolonged interruption of payments.
 - Member Simmons asked if the County has continued to pay its portion on the previously agreed upon methodology.
 - ED Bank clarified that while the County has been able to make payments from the County-only portion of the district, the lack of data from the City has impeded what the County has been able to provide based on the County portion of City projects. ED Bank estimates the amount of interrupted revenues is likely in the hundreds of thousands of dollars.
 - Member Simmons noted that the State Auditor's Office (SAO) has already approved the County's methodology, but they would be interested in reviewing the DOR data if it can solve the multilocation issue.

General Matters

- The NEPDA Board will enter executive session to evaluate the qualifications or review the performance of a public employee per RCW 42.30.110 (4) (G).
- Exec. Session began at appx. 11:57 am

Notable items, Around the Room, Closing

- Upon conclusion of the Executive Session, no action will be taken.

Chair Cathcart adjourned the meeting at 12:20 PM

NEXT MEETING

Sep 12, 2025, 10:30a –12:00p, Northeast PDA Office (5006 N. Market St.) or virtual via Zoom

FISCAL SPONSOR AGREEMENT

This Agreement is between _____ (“Sponsor”) and Hillyard Alliance (“Sponsored Organization”) is entered into and effective as of _____ (“Effective Date”).

RECITALS

WHEREAS, the Fiscal Sponsor, _____, is a Washington nonprofit corporation, exempt from federal tax as an organization described in section 501(c)(3) of the Internal Revenue Code (the “Code”) with a mission to facilitate redevelopment and construction of public benefit projects that stimulate economic activity and job growth within its jurisdiction, known as "The YARD." This includes investments in infrastructure, housing, and commercial spaces, as well as streamlining regulatory processes to attract and support businesses.

WHEREAS, the Sponsored Organization, Hillyard Alliance, is an organization that is applying to the Internal Revenue Service for recognition of exemption as a 501 (c)(3) organization. The Sponsored Organization’s programs and activities fall within the Fiscal Sponsor’s stated mission.

The Agreement: The Fiscal Sponsor agrees to receive tax deductible charitable contributions and grants of cash and other property for the benefit and use of the Sponsored Organization (“Donations”).

By entering into this Agreement, the Fiscal Sponsor and the Sponsored Organization (referred to collectively as the “Parties” and each as a “Party”) agree to the following terms and conditions:

- 1. Receipt and Distribution of Donations:** The Fiscal Sponsor agrees to receive Donations, and to distribute the Donations to the Sponsored Organization pursuant to a determination by the Fiscal Sponsor that such distribution is in the best interest of the Fiscal Sponsor’s tax-exempt purposes. In making distributions to the Sponsored Organization, the Fiscal Sponsor shall retain oversight authority to ensure that the Donations distributed by the Fiscal Sponsor to the Sponsored Organization are used to further the Fiscal Sponsor’s tax-exempt purposes.
- 2. Reporting and Substantiation of Charitable Contributions:** The Fiscal Sponsor agrees that all Donations shall be reported for federal tax purposes as charitable contributions to the Fiscal Sponsor to the extent required by law. The Fiscal Sponsor further agrees to acknowledge receipt of Donations in writing, when required under federal tax law, and to furnish evidence of the Fiscal Sponsor's status as an organization qualified as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code to contributors or grantors upon request.
- 3. Grantee Reporting Requirements.**
 - (a) Reports to Fiscal Sponsor.** The Sponsored Organization shall submit full and complete quarterly reports to the Fiscal Sponsor on the progress of the projects being funded. Such reports shall be due within thirty (30) days of the end of each calendar quarter, for so long as this Agreement remains in effect. Such reports shall describe the Sponsored Organization use of the funds, compliance with the terms of all grants, and the progress made by the Sponsored Organization in accomplishing its mission and purpose.
 - (b) Reports to Funding Sources.** The Sponsored Organization will provide all information and prepare all reports, including interim and final reports, required by the Fiscal Sponsor to satisfy any funding sources, subject to Fiscal Sponsor’s final review and approval.
- 4. Protection of Tax-Exempt Status:** The Sponsored Organization agrees not to use the Donations

in any way that would jeopardize either its own tax-exempt status or that of the Fiscal Sponsor. The Sponsored Organization agrees to immediately comply with any written request by the Fiscal Sponsor that it cease activities, which, in the Fiscal Sponsor's sole discretion, might jeopardize the Sponsor's tax-exempt status.

5. **Use of Donations:** The Sponsored Organization agrees to use any and all Donations received from the Fiscal Sponsor solely for legitimate expenses of the Sponsored Organization that furthers the charitable goals of the Fiscal Sponsor and not for any purpose inconsistent with qualification under Section 501(c)(3) of the Internal Revenue Code.
6. **Review by Fiscal Sponsor:** The Fiscal Sponsor and its representatives shall be given full access to the books, records, and senior management and financial personnel of the Sponsored Organization as the Fiscal Sponsor may reasonably request. The Fiscal Sponsor may, at its own expense, conduct an independent financial audit and/or program audit of the Sponsored Organization's books and records in relation to the charitable activities for which the Fiscal Sponsor has disbursed funds.
7. **Publicity.** Any and all use of Fiscal Sponsor's name in media communications and fundraising materials with respect to anything funded hereunder shall be subject to Fiscal Sponsor's prior review and approval.
8. **Lobbying:** Donations shall not be used in any attempt to influence legislation through lobbying within the meaning of Internal Revenue Code (IRC) Section 501(c)(3). No agreement, oral or written, to that effect has been made between the Sponsored Organization and the Fiscal Sponsor. The Sponsored Organization shall not participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office, to induce or encourage violations of law or public policy, to cause any private inurement or improper private benefit to occur, nor to take any other action inconsistent with Section 501(c)(3) of the Code.
9. **Financial Accounting and Reporting:** The Fiscal Sponsor shall maintain books and financial records in accordance with generally accepted accounting principles. The Fiscal Sponsor shall maintain an accounting showing all the Donations collected and all disbursements of the Donations made. The Fiscal Sponsor shall provide a copy of such accounting to the Sponsored Organization on a monthly basis and within a reasonable time upon request. The Fiscal Sponsor shall be responsible for fully accounting for Donations on the Fiscal Sponsor's annual Form 990 returns and shall issue Forms 1099 to the Sponsored Organization as and when required by law.
10. **Tax Liability:** The Sponsored Organization shall maintain full liability and responsibility for its tax and information returns, employment taxes, insurance, debts, liabilities and other legal obligations as required by law.
11. **Fiscal Sponsorship Fee to the Sponsor:** The Sponsored Organization agrees that, in exchange for the administrative cost of financial accounting and other support provided by the Fiscal Sponsor, the Fiscal Sponsor shall retain an administrative fee of five percent (5%) of the total Donations received. The Fiscal Sponsor may be reimbursed for any increase in its out-of-pocket costs attributable to the performance of its fiscal sponsor services on the Sponsored Organization's behalf (e.g., increased audit costs for an audit of funds). The Parties agree that all such payments are a reasonable approximation of the Fiscal Sponsor's costs incurred in performing its fiscal sponsor services.
12. **Indemnification:** Fiscal Sponsor hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless Sponsored Organization, its officers, directors, trustees, employees and agents, from and against any and all claims, liabilities,

losses and expenses (including reasonable attorneys' fees) directly, indirectly, wholly or partially arising from or in connection with any act or omission of Fiscal Sponsor, its employees or agents, in applying for or accepting a grant or Donation, in expending or applying the Donations or funds furnished pursuant to a grant or in carrying out the Sponsored Organizations responsibilities under the terms of this Agreement, except to the extent that such claims, liabilities, losses or expenses arise from or in connection with any act or omission of Sponsored Organization, its officers, directors, trustees, employees or agents.

Sponsored Organization hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless the Fiscal Sponsor, its officers, directors, trustees, employees and agents, from and against any and all claims, liabilities, losses and expenses (including reasonable attorneys' fees) directly, indirectly, wholly or partially arising from or in connection with any act or omission of the Sponsored Organization, its employees or agents, in applying for or accepting a grant or Donation, in expending or applying the Donations or funds furnished pursuant to a grant or in carrying out its responsibilities under the terms of this Agreement, except to the extent that such claims, liabilities, losses or expenses arise from or in connection with any act or omission of Fiscal Sponsor, its officers, directors, trustees, employees or agents.

- 13. Termination:** Either Party may terminate this Agreement by providing a 30 days' written notice to the other Party. Notwithstanding the foregoing, if the Sponsored Organization's use of the Donations does not align with the Fiscal Sponsor's charitable mission and the Fiscal Sponsor reasonably determines, in its sole discretion, that its continued fiscal sponsorship may jeopardize the tax-exempt status of the Fiscal Sponsor, the Fiscal Sponsor may terminate this Agreement immediately upon written notice to the Sponsored Organization. Once the Sponsored Organization receives its 501(c)(3) status, it shall notify Fiscal Sponsor, and this Agreement shall automatically terminate.
- 14. Post Termination:** Should the Fiscal Sponsor terminate this Agreement, another nonprofit organization acceptable to both parties shall be found that is tax-exempt under IRC Section 501(c)(3), is not classified as a private foundation under Section 509(a) (the "Successor") and is willing and able to sponsor the Sponsored Organization. The term "able" shall mean that the Successor has charitable purposes compatible with the purposes of the Sponsored Organization and has the financial and administrative capacity to competently manage the projects being undertaken by the Sponsored Organization. The balance of assets in the Fiscal Sponsor's restricted fund for the Sponsored Organization, together with any other tangible and intangible assets held and liabilities incurred by the Fiscal Sponsor in connection, minus any fiscal administration fees accrued, shall be transferred to the Successor at the end of the notice period or any extension thereof, subject to the approval of any third parties that may be required. If Fiscal Sponsor has contracted with a new organization qualified to be a Successor as set forth in this Paragraph, Fiscal Sponsor or such organization shall be eligible to receive all such assets and liabilities so long as it has received a determination letter from the Internal Revenue Service, indicating that such qualifications have been met, no later than the end of the notice period or any extension thereof. If no Successor acceptable to both parties is found within a reasonable time, the Fiscal Sponsor shall return property to donors and may dispose of the Sponsored Organization's assets and liabilities in any manner consistent with applicable tax and charitable trust laws.
- 15. Limitation of Liability:** None of the Parties will be liable to any or all other Parties for any indirect, incidental, consequential, punitive, reliance or special damages, including without limitation damages for lost profits, advantage, savings or revenues or for increased cost of operations arising in connection with this Agreement in any way. This limitation of liability will apply (i) regardless of the form of action, whether in contract, warranty, strict liability, tort (including, without limitation, negligence of any kind, whether active or passive) or otherwise,

and (ii) whether or not damages were foreseeable.

16. Dispute Resolution: The Parties agree to undertake good faith efforts to resolve any controversy, dispute, or claim arising under or related to this Agreement (“Claim”). For purposes of this Section, the Claimant is the Party asserting the Claim; and the Respondent is the Party responding to the Claim.

- a. **Level 1 Dispute Resolution.** If a Claimant has a Claim, it will notify the Respondent in writing of the existence of the Claim, including the nature of the Claim and proposed resolution. If the Claim is not resolved within ten (10) business days following Respondent’s receipt of the written notice of Claim, the parties will proceed to Level 2 Dispute Resolution.
- b. **Level 2 Dispute Resolution.** If it is not satisfied with the outcome of Level 1 Dispute Resolution, then within ten (10) business days Claimant shall notify Respondent’s management in writing that it is proceeding to Level 2 Dispute Resolution. Within five (5) business days following its notice of Level 2 Dispute Resolution, Claimant shall submit to Respondent’s management a memorandum and supporting documents that (a) details and describes the Claim; and (b) summarizes previous communications between the Parties concerning the Claim and their efforts to resolve it. Within five (5) business days after receipt of Claimant’s submission, Respondent shall submit to Claimant its memorandum and supporting documents responding to the Claimant’s submission. Within five (5) business days after receipt of Respondent’s submission, the Parties’ respective authorized representative having authority to resolve the Claim on the Parties’ behalf shall meet face-to-face and undertake good faith efforts to resolve the Claim. The meeting will take place at Claimant’s office. If the Claim is not resolved at this meeting or within five (5) business days thereafter, the Claimant may proceed to Arbitration.
- c. **Arbitration.** If not resolved after Level 1 and Level 2 Dispute Resolution, the Claim will be subject to binding arbitration, which will be in accordance with the rules of the Washington Arbitration Act as in effect at the time the Claim is submitted to arbitration. Any demand for arbitration must be filed in writing with the other party to this Agreement and with JAMS. The exclusive venue of any hearing on the merits of a Claim is Spokane County, Washington. Any demand for arbitration must be delivered in writing to the other party within a reasonable time after the Claim has arisen; provided, however, that in no event may such a demand be made after the date when institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitation. The foregoing agreement to arbitrate is specifically enforceable in accordance with applicable law in any court having adequate jurisdiction. The award rendered by the arbitrator will be final, and judgment may be entered on the award in accordance with applicable law in any court having adequate jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

17. Amendment. This Agreement may be amended only as described in a written document signed by both parties that refers specifically to this Agreement and recites that it is amending this Agreement.

18. Severability. If any provision in this Agreement is held invalid or unenforceable, the other

provisions will remain enforceable, and the invalid or unenforceable provision will be considered modified so that it is valid and enforceable to the maximum extent permitted by law.

19. **Waiver.** Waiver of any breach or provision of this Agreement will not be considered a waiver of any later breach or future waiver of any provision of this Agreement.
20. **Assignment.** Neither party may assign rights or delegate duties under this Agreement to anyone without the prior written consent of the other party.
21. **Governing Law; Jurisdiction.** This Agreement is governed by the laws of the state of Washington. The parties consent to the exclusive jurisdiction of the state and federal courts for the City and County of Spokane County, Washington.
22. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which will be taken together and deemed to be one instrument. Transmission by fax or PDF of executed counterparts constitutes effective delivery.
23. **Entire Agreement:** This Agreement constitutes the only agreement, and supersedes all prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter hereof.
24. **Attorneys' Fees.** In the event of any controversy, claim, or dispute between the parties arising out of or related to this Agreement, or the alleged breach thereof, the prevailing party shall, in addition to any other relief, be entitled to recover its reasonable attorneys' fees and costs.

By signing below, the Parties hereby execute this Agreement according to its terms, and the individuals signing on behalf of the Fiscal Sponsor and the Sponsored Organization, by signing this Agreement, certify that they are legally empowered and authorized to do so on behalf of the Fiscal Sponsor and the Sponsored Organization, respectively.

Hillyard Alliance

Northeast Public Development Authority

By: _____
Title: _____

By: _____
Title: _____

FISCAL SPONSOR AGREEMENT

This Agreement is between Northeast Public Development Authority ("Sponsor") and Hillyard Creative District ("Sponsored Organization") is entered into and effective as of _____ ("Effective Date").

RECITALS

WHEREAS, the Fiscal Sponsor is a political subdivision of the State of Washington, exempt from federal tax as an organization described in section 501(c)(3) of the Internal Revenue Code (the "Code") with a mission to facilitate redevelopment and construction of public benefit projects that stimulate economic activity and job growth within its jurisdiction, known as "The YARD." This includes investments in infrastructure, housing, and commercial spaces, as well as streamlining regulatory processes to attract and support businesses.

WHEREAS, the Sponsored Organization, Hillyard Creative District, is an organization that is applying to the Internal Revenue Service for recognition of exemption as a 501 (c)(3) organization. The Sponsored Organization's programs and activities fall within the Fiscal Sponsor's stated mission.

The Agreement: The Fiscal Sponsor agrees to receive tax deductible charitable contributions and grants of cash and other property for the benefit and use of the Sponsored Organization ("Donations").

By entering into this Agreement, the Fiscal Sponsor and the Sponsored Organization (referred to collectively as the "Parties" and each as a "Party") agree to the following terms and conditions:

1. **Receipt and Distribution of Donations:** The Fiscal Sponsor agrees to receive Donations, and to distribute the Donations to the Sponsored Organization pursuant to a determination by the Fiscal Sponsor that such distribution is in the best interest of the Fiscal Sponsor's tax-exempt purposes. In making distributions to the Sponsored Organization, the Fiscal Sponsor shall retain oversight authority to ensure that the Donations distributed by the Fiscal Sponsor to the Sponsored Organization are used to further the Fiscal Sponsor's tax-exempt purposes.
2. **Reporting and Substantiation of Charitable Contributions:** The Fiscal Sponsor agrees that all Donations shall be reported for federal tax purposes as charitable contributions to the Fiscal Sponsor to the extent required by law. The Fiscal Sponsor further agrees to acknowledge receipt of Donations in writing, when required under federal tax law, and to furnish evidence of the Fiscal Sponsor's status as an organization qualified as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code to contributors or grantors upon request.
3. **Grantee Reporting Requirements.**
 - (a) **Reports to Fiscal Sponsor.** The Sponsored Organization shall submit full and complete quarterly reports to the Fiscal Sponsor on the progress of the projects being funded. Such reports shall be due within thirty (30) days of the end of each calendar quarter, for so long as this Agreement remains in effect. Such reports shall describe the Sponsored Organization use of the funds, compliance with the terms of all grants, and the progress made by the Sponsored Organization in accomplishing its mission and purpose.
 - (b) **Reports to Funding Sources.** The Sponsored Organization will provide all information and prepare all reports, including interim and final reports, required by the Fiscal Sponsor to satisfy any funding sources, subject to Fiscal Sponsor's final review and approval.
4. **Protection of Tax-Exempt Status:** The Sponsored Organization agrees not to use the Donations

in any way that would jeopardize either its own tax-exempt status or that of the Fiscal Sponsor. The Sponsored Organization agrees to immediately comply with any written request by the Fiscal Sponsor that it cease activities, which, in the Fiscal Sponsor's sole discretion, might jeopardize the Sponsor's tax-exempt status.

5. **Use of Donations:** The Sponsored Organization agrees to use any and all Donations received from the Fiscal Sponsor solely for legitimate expenses of the Sponsored Organization that furthers the charitable goals of the Fiscal Sponsor and not for any purpose inconsistent with qualification under Section 501(c)(3) of the Internal Revenue Code.
6. **Review by Fiscal Sponsor:** The Fiscal Sponsor and its representatives shall be given full access to the books, records, and senior management and financial personnel of the Sponsored Organization as the Fiscal Sponsor may reasonably request. The Fiscal Sponsor may, at its own expense, conduct an independent financial audit and/or program audit of the Sponsored Organization's books and records in relation to the charitable activities for which the Fiscal Sponsor has disbursed funds.
7. **Publicity.** Any and all use of Fiscal Sponsor's name in media communications and fundraising materials with respect to anything funded hereunder shall be subject to Fiscal Sponsor's prior review and approval.
8. **Lobbying:** Donations shall not be used in any attempt to influence legislation through lobbying within the meaning of Internal Revenue Code (IRC) Section 501(c)(3). No agreement, oral or written, to that effect has been made between the Sponsored Organization and the Fiscal Sponsor. The Sponsored Organization shall not participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office, to induce or encourage violations of law or public policy, to cause any private inurement or improper private benefit to occur, nor to take any other action inconsistent with Section 501(c)(3) of the Code.
9. **Financial Accounting and Reporting:** The Fiscal Sponsor shall maintain books and financial records in accordance with generally accepted accounting principles. The Fiscal Sponsor shall maintain an accounting showing all the Donations collected and all disbursements of the Donations made. The Fiscal Sponsor shall provide a copy of such accounting to the Sponsored Organization on a monthly basis and within a reasonable time upon request. The Fiscal Sponsor shall be responsible for fully accounting for Donations on the Fiscal Sponsor's annual Form 990 returns and shall issue Forms 1099 to the Sponsored Organization as and when required by law.
10. **Tax Liability:** The Sponsored Organization shall maintain full liability and responsibility for its tax and information returns, employment taxes, insurance, debts, liabilities and other legal obligations as required by law.
11. **Fiscal Sponsorship Fee to the Sponsor:** The Sponsored Organization agrees that, in exchange for the administrative cost of financial accounting and other support provided by the Fiscal Sponsor, the Fiscal Sponsor shall retain an administrative fee of _____ of the total Donations received. The Fiscal Sponsor may be reimbursed for any increase in its out-of-pocket costs attributable to the performance of its fiscal sponsor services on the Sponsored Organization's behalf (e.g., increased audit costs for an audit of funds). The Parties agree that all such payments are a reasonable approximation of the Fiscal Sponsor's costs incurred in performing its fiscal sponsor services.
12. **Indemnification:** Fiscal Sponsor hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless Sponsored Organization, its officers, directors, trustees, employees and agents, from and against any and all claims, liabilities,

Commented [AL1]: I am not sure if you need this clause?

losses and expenses (including reasonable attorneys' fees) directly, indirectly, wholly or partially arising from or in connection with any act or omission of Fiscal Sponsor, its employees or agents, in applying for or accepting a grant, in expending or applying the funds furnished pursuant to a grant or in carrying out the Sponsored Organizations, except to the extent that such claims, liabilities, losses or expenses arise from or in connection with any act or omission of Sponsored Organization, its officers, directors, trustees, employees or agents.

- 13. Termination:** Either Party may terminate this Agreement by providing a 30 days' written notice to the other Party. Notwithstanding the foregoing, if the Sponsored Organization's use of the Donations does not align with the Fiscal Sponsor's charitable mission and the Fiscal Sponsor reasonably determines that its continued fiscal sponsorship may jeopardize the tax-exempt status of the Fiscal Sponsor, the Fiscal Sponsor may terminate this Agreement immediately upon notice to the Sponsored Organization. Once the Sponsored Organization receives its 501(c)(3) status this Agreement will automatically terminate.
- 14. Post Termination:** Another nonprofit organization acceptable to both parties shall be found that is tax-exempt under IRC Section 501(c)(3), is not classified as a private foundation under Section 509(a) (the "Successor") and is willing and able to sponsor the Sponsored Organization. The term "able" shall mean that the Successor has charitable purposes compatible with the purposes of the Sponsored Organization and has the financial and administrative capacity to competently manage the projects being undertaken by the Sponsored Organization. The balance of assets in the Fiscal Sponsor's restricted fund for the Sponsored Organization, together with any other tangible and intangible assets held and liabilities incurred by the Fiscal Sponsor in connection, minus any fiscal administration fees accrued, shall be transferred to the Successor at the end of the notice period or any extension thereof, subject to the approval of any third parties that may be required. If Fiscal Sponsor has contracted with a new organization qualified to be a Successor as set forth in this Paragraph, Fiscal Sponsor or such organization shall be eligible to receive all such assets and liabilities so long as it has received a determination letter from the Internal Revenue Service, indicating that such qualifications have been met, no later than the end of the notice period or any extension thereof. If no Successor acceptable to both parties is found within a reasonable time, the Fiscal Sponsor shall return property to donors and may dispose of the Sponsored Organizations assets and liabilities in any manner consistent with applicable tax and charitable trust laws.
- 15. Limitation of Liability:** None of the Parties will be liable to any or all other Parties for any indirect, incidental, consequential, punitive, reliance or special damages, including without limitation damages for lost profits, advantage, savings or revenues or for increased cost of operations arising in connection with this Agreement in any way. This limitation of liability will apply (i) regardless of the form of action, whether in contract, warranty, strict liability, tort (including, without limitation, negligence of any kind, whether active or passive) or otherwise, and (ii) whether or not damages were foreseeable.
- 16. Confidentiality:** The Parties acknowledge and agree that any and all conversations, email exchanges, and other communications they conduct amongst and between each other in connection with are confidential.
- 17. Dispute Resolution:** The Parties agree to undertake good faith efforts to resolve any controversy, dispute, or claim arising under or related to this Agreement ("Claim"). For purposes of this Section, the Claimant is the Party asserting the Claim; and the Respondent is the Party responding to the Claim.
 - a. **Level 1 Dispute Resolution.** If a Claimant has a Claim, it will notify the Respondent in writing of the existence of the Claim, including the nature of the Claim and proposed resolution. If the Claim is not resolved within ten (10)

business days following Respondent's receipt of the written notice of Claim, the parties will proceed to Level 2 Dispute Resolution.

- b. **Level 2 Dispute Resolution.** If it is not satisfied with the outcome of Level 1 Dispute Resolution, then within ten (10) business days Claimant shall notify Respondent's management in writing that it is proceeding to Level 2 Dispute Resolution. Within five (5) business days following its notice of Level 2 Dispute Resolution, Claimant shall submit to Respondent's management a memorandum and supporting documents that (a) details and describes the Claim; and (b) summarizes previous communications between the Parties concerning the Claim and their efforts to resolve it. Within five (5) business days after receipt of Claimant's submission, Respondent shall submit to Claimant its memorandum and supporting documents responding to the Claimant's submission. Within five (5) business days after receipt of Respondent's submission, the Parties' respective authorized representative having authority to resolve the Claim on the Parties' behalf shall meet face-to-face and undertake good faith efforts to resolve the Claim. The meeting will take place at Claimant's office. If the Claim is not resolved at this meeting or within five (5) business days thereafter, the Claimant may proceed to Arbitration.
- c. **Arbitration.** If not resolved after Level 1 and Level 2 Dispute Resolution, the Claim will be subject to binding arbitration, which will be in accordance with the rules of the Washington Arbitration Act as in effect at the time the Claim is submitted to arbitration. Any demand for arbitration must be filed in writing with the other party to this Agreement and with JAMS. The exclusive venue of any hearing on the merits of a Claim is Spokane County, Washington. Any demand for arbitration must be delivered in writing to the other party within a reasonable time after the Claim has arisen; provided, however, that in no event may such a demand be made after the date when institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitation. The foregoing agreement to arbitrate is specifically enforceable in accordance with applicable law in any court having adequate jurisdiction. The award rendered by the arbitrator will be final, and judgment may be entered on the award in accordance with applicable law in any court having adequate jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

- 18. **Amendment.** This Agreement may be amended only as described in a written document signed by both parties that refers specifically to this Agreement and recites that it is amending this Agreement.
- 19. **Severability.** If any provision in this Agreement is held invalid or unenforceable, the other provisions will remain enforceable, and the invalid or unenforceable provision will be considered modified so that it is valid and enforceable to the maximum extent permitted by law.
- 20. **Waiver.** Waiver of any breach or provision of this Agreement will not be considered a waiver of any later breach or future waiver of any provision of this Agreement.
- 21. **Assignment.** Neither party may assign rights or delegate duties under this Agreement to anyone without the prior written consent of the other party.
- 22. **Governing Law; Jurisdiction.** This Agreement is governed by the laws of the state of Washington. The parties consent to the exclusive jurisdiction of the state and federal courts for the

City and County of Spokane County, Washington.

23. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which will be taken together and deemed to be one instrument. Transmission by fax or PDF of executed counterparts constitutes effective delivery.

24. Entire Agreement: This Agreement constitutes the only agreement, and supersedes all prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter hereof.

25. Attorneys' Fees. In the event of any controversy, claim, or dispute between the parties arising out of or related to this Agreement, or the alleged breach thereof, the prevailing party shall, in addition to any other relief, be entitled to recover its reasonable attorneys' fees and costs.

By signing below, the Parties hereby execute this Agreement according to its terms, and the individuals signing on behalf of the Fiscal Sponsor and the Sponsored Organization, by signing this Agreement, certify that they are legally empowered and authorized to do so on behalf of the Fiscal Sponsor and the Sponsored Organization, respectively.

Hillyard Creative District

Northeast Public Development Authority

By: _____
Title: _____

By: _____
Title: _____

**NORTHEAST PUBLIC DEVELOPMENT AUTHORITY
RESOLUTION NO. 2025-014**

A RESOLUTION of the Northeast Public Development Authority (the “NEPDA”) to permit the Executive Director to execute an agreement between the NEPDA and Washington Trust for Historic Preservation (“Trust”) regarding the NEPDA receiving \$120,000 in American Rescue Funds (ARPA) and other funds from the Trust, funded by the City of Spokane to support the Hillyard Façade Improvement Grant (“Agreement”).

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, pursuant to RCW 35.21.745, the NEPDA is authorized to secure financing, utilize revenues to incentivize development, undertake property construction and development and otherwise accomplish all purposes required for development and management of projects;

WHEREAS, in the Agreement between the NEPDA and the Trust, the Trust has awarded \$120,000 to the NEPDA to support the work of funding the Hillyard Façade Improvement Grant, which is funded by the City of Spokane American Rescue Plan Act (ARPA) /Coronavirus State and Local Fiscal Recovery Funds (CSLFRF).

WHEREAS, the grant funds will be distributed to projects and properties within the NEPDA boundaries as set forth by specific criteria formulated by the Trust, in an effort to preserve those properties’ historic characteristics;

WHEREAS, the NEPDA Board specifically finds that this preservation effort, and the funds expended to carry out this purpose are fundamental purposes of the NEPDA and consistent with the NEPDA’s objectives;

WHEREAS, the Trust and NEPDA have formalized an agreement, attached hereto and incorporated herein as **Exhibit A**, which facilitates the transfer of designated funds, ensures such funds are used for the purpose of incentivizing historic preservation, public improvement, and economic development, and establishes the roles and responsibilities of each agency.

BE IT RESOLVED, that pursuant to the authority provided in the NEPDA’s bylaws, policies, and procedures, the NEPDA Board of Directors expressly authorizes the NEPDA Executive Director to take all action necessary to execute the Agreement attached hereto as **Exhibit A**, and effectuate the terms thereof; and

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 12th day of September 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 12th day of September 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 September 2025.

SECRETARY

EXHIBIT A

Award Date: August 28, 2025

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

Dear Jesse,

Congratulations! This letter serves as official notification that the Washington Trust for Historic Preservation has awarded the Northeast Public Development Authority a \$120,000.00 grant to support the work of funding the Hillyard Façade Improvement Grant. This grant is funded by the City of Spokane American Rescue Plan Act (ARPA) /Coronavirus State and Local Fiscal Recovery Funds (CSLFRF).

It is our policy that grant recipients enter into a contract with the Washington Trust for the duration of the grant funded project. The attached grant contract outlines the responsibilities of your organization as the "grantee" in fulfilling the terms and conditions of the award as well as the requirements of the Washington Trust as the "grantor." This includes notifying us when you are ready to begin the grant-funded portion of the project. Please watch the Grantee Orientation video sent by email with the contract and review the contract. Once you have signed the contract, return a signed copy by email with confirmation that you have watched the video and understand the grant requirements.

Reimbursements will be awarded to the Grantee upon proof of the work being completed as detailed in the Scope of Services (Exhibit A), Budget (Exhibit B), and Schedule (Exhibit C) through the submission of an online grant Completion Report, which will be provided by the Washington Trust after the Grantee has notified the Trust of their readiness to complete the report. Any changes to the Scope of Services must receive advance approval. It is up to the Grantee to keep track of the budgeted grant funds. The Grantee is required to submit this report within thirty (30) days of the overall project completion to ensure timely reimbursement.

The Trust requests that any press releases, informational material, and/or reference to this project contain our logos or the following acknowledgment: "This project was partially funded through the City of Spokane's Neighborhood Business Districts Grant, administered by the Washington Trust for Historic Preservation."

We look forward to following your progress and assisting as we can. Thank you for your partnership in supporting the Hillyard Alliance in their priority projects for their neighborhood business district. We are excited to see the catalytic impact of the façade improvements and the ways it will impact the district for years to come.

Sincerely,



Josh Cleveland
Neighborhoods Liaison

Spokane Neighborhood Business District Grant
GRANT AGREEMENT

This agreement is between the Washington Trust for Historic Preservation ("TRUST") and the Northeast Public Development Authority ("GRANTEE") for costs associated with the Hillyard Façade Improvement Grant Projects.

The Trust and the Grantee agree to the following terms:

1. The Grantee is an independent contractor and is solely responsible for the work performed under this contract.
2. **Scope:** The Grantee will implement the project described in the Scope of Services (Exhibit A) to this Agreement. Grantee must obtain prior permission from the Trust if changes are made to the Scope of Services or risk forfeiting the grant award for work not approved in advance.
3. **Term of the Agreement:** This Agreement shall be in effect September 1, 2025 through August 15, 2026. All work must be completed on or by August 15, 2026. No extensions are available due to the conclusion of the Spokane Neighborhood Business District Grant in November 2026 and the need for time to collect information, process documents and reimbursement.
4. **Payment:** The Trust agrees to reimburse the Grantee for implementing the project described, in accordance with Paragraph 2 of this Agreement and the attached Proposed Project Budget (Exhibit B), up to a cumulative amount of \$120,000.00. Grantee must submit accounting and documentation for the amount for which they are requesting reimbursement (Exhibit B). The Trust prefers that all payments for services rendered under this grant be made directly by the Grantee to the vendors. This direct payment protocol is intended to minimize administrative burden and to ensure clear financial accountability. However, the Trust recognizes extenuating circumstances related to this specific Scope of Services may preclude Grantee from following the direct payment protocol. As a result, the Trust expressly permits Grantee, at its sole discretion, to reimburse individuals or businesses for eligible purchases they have made. In such instances, in the final Completion Report, the Grantee must submit invoices with proof of payment and itemized receipts showing payment has been made from those individuals or businesses. Upon submission of the online Grant Completion Report by September 15, 2026, reimbursement shall then be made by the Trust to the Grantee within thirty (30) days of receipt of all required documentation, or by October 15, 2026. Grant funds are eligible to pay for services provided beginning on or after the grant award date. Reimbursement for expenses is directly tied to the projects for which they are incurred. The Grantee agrees that the Trust shall have the right to withhold all or part of the payment required in Paragraph 5 pending receipt of the grant completion reports.
5. **Reporting:** The Grantee agrees to notify the Trust when they have watched the Grantee Orientation video and are ready to begin the grant-funded portion of their project and provide details about the work that will take place, including any changes to the Scope of Services. The Trust will then issue a notice to proceed to the Grantee that will allow them to begin work. Grantee will provide three quarterly progress reports to the Trust by the following dates: December 15, 2025, March 15, 2026, and June 15, 2026. An outline document will be provided to the Grantee by the Trust in advance. Each report will include information including, but not limited to: list of each property, activities completed, budget updates, challenges and lessons learned, and progress percentage on each property toward project completion. Upon completion of the work associated with all properties involved in the grant, the Grantee will submit a Grant

Completion Report within 30 days of the completion of all work, or no later than September 15, 2026. As a part of the Completion Report, all documentation for district grant recipients, invoices, proof of payment, quotes/invoices, and progress photographs (images showing before/progress/completed) will be included for each property. The Grantee agrees to allow the Trust and the City of Spokane to use the contents of the Grant Completion Report toward overall grant program reporting, communications, and toward neighborhood business district toolkit development.

6. **Indemnification:** The Grantee shall indemnify the Trust against all liability or loss sustained in connection with the Grantee's negligent performance of this Agreement including violations of any code or regulation.
7. **Taxes:** The Grantee shall assume full responsibility for payment of all federal, state, and local taxes or contributions imposed or required under unemployment insurance, workman's compensation, social security, and income tax laws, for the Grantee and any employees of the Grantee.
8. **Termination:** The Trust may terminate this Agreement, in whole or in part, at any time, by giving at least ten (10) days written notice to the Grantee. If the Grantee fails to perform in the manner called for in this Agreement, the Trust may terminate this Agreement immediately for cause with written notice. The Grantee shall be paid for work performed in accordance with this Agreement and expenses incurred to the date of termination.

AGREED this ____ day of ____, 2025.

**WASHINGTON TRUST FOR
HISTORIC PRESERVATION**

NORTHEAST PUBLIC DEVELOPMENT AUTHORITY

By: _____ By: _____

Breanne Durham
Print Name of Signer

Print Name of Signer

Senior Program Director
Print Title

Print Title

Exhibit A

Scope of Services

The purpose of this project is to fund costs associated with the Hillyard Façade Improvement Grant, which is a part of the priority projects for the Hillyard Alliance and its funding through the Spokane Neighborhood Business District Grant, and supported by the Northeast Public Development Authority.

The Historic District Façade Improvement Grant Program provides funding to enhance building facades within our city's first historic commercial district. This competitive program aims to catalyze broader district revitalization by supporting strategic improvements that enhance the area's economic vitality and historic character.

The Grantee will use these funds for:

- **Contracted façade improvement work with licensed and bonded contractors** to complete the work related to multiple commercial properties within the core of the Hillyard district. Selected properties may receive up to \$20,000.00 with an optional matching element, as agreed upon by the applicant and Grantee.
- **Collaborating with necessary departments within the City of Spokane** (e.g. Planning, Historic Preservation Office, etc.) to ensure work is aligned with City goals, guidelines, and processes.

Eligibility Requirements, as identified by the Grantee:

- Building must front on Market Street between Wabash and Sanson, OR front on Olympic, Queen, or Diamond between Haven and Greene
- Applicant must be the property owner or have written property owner authorization
- Proposed improvements must be visible from the public right-of-way
- Project must be able to be substantially completed with grant funds plus any owner match
- All work must comply with applicable building codes and historic district guidelines
- Important: This is a reimbursement grant - you must complete the project and pay all costs upfront before receiving grant funds. Applicants may contact Northeast PDA if you need assistance with project financing options.

Ineligible expenses include, but are not limited to:

- Alcohol, marijuana, and other mood-altering substances, debt payments (loans, back taxes), political activities, expenses already reimbursed by federal funds, expenses prohibited by law, regulation, or grant agreement, direct support of a religious message, entertainment not directly tied to the grant/goals, gifts or prizes not directly related to grant/goals, and general operating expenses not directly related to the façade improvement grant projects.

Exhibit B
Budget

	Grant Funding	Total
Hillyard District Façade Improvement Grant Projects	\$120,000.00	\$120,000.00
Total	\$120,000.00	\$120,000.00

Exhibit C

Schedule

This schedule will guide the process for work, reporting, and reimbursement related to the Hillyard Façade Improvement Grant.

- September 1, 2025: Contract begins
- December 15, 2025: Quarterly Report #1 due to the Trust
- March 15, 2026: Quarterly Report #2 due to the Trust
- June 15, 2026: Quarterly Report #3 due to the Trust
- August 15, 2026: District façade improvement work completed by this date
- Sept. 15, 2026: Completion Report due to the Trust
- Oct. 15, 2026: Reimbursement issued by the Trust

**NORTHEAST PUBLIC DEVELOPMENT AUTHORITY
RESOLUTION NO. 2025-015**

A RESOLUTION of the Northeast Public Development Authority (the “NEPDA”) to amend and adopt certain policies of the NEPDA, specifically: (1) amending the Procurement Policy, Financial Management Policy, and Executive Director Authority Policies, and (2) adopting new Personnel Policies.

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 policies and procedures from time to time, and to adopt new policies, to govern its expenditures, personnel management, employees, and to ensure compliance with existing laws and regulations, and govern its accounting and expenditures of public funds;

WHEREAS, the NEPDA will update its policies and 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;

WHEREAS, the NEPDA Board finds it desirable for the efficient and effective governance of the NEPDA’s affairs to adopt the amendments to its Procurement Policy, attached hereto and incorporated herein by reference as “**Exhibit A**”, Financial Management Policy, attached hereto and incorporated herein by reference as “**Exhibit B**,” and Executive Director Authority Policy, attached hereto and incorporated herein by reference as “**Exhibit C**,” and adopt the new Personnel Policies, copies of which are attached hereto and incorporated herein by reference as “**Exhibit D**.”

BE IT RESOLVED, that pursuant to the authority provided in the NEPDA’s bylaws, the Board of Directors hereby adopts the amendments to its Procurement Policy, set forth in “**Exhibit A**”, Financial Management Policy, set forth in “**Exhibit B**,” and Executive Director Authority Policy, set forth in “**Exhibit C**,” and the new Personnel Policies, set forth in “**Exhibit D**.”

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 12th day of September 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 12th day of September 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 September 2025.

SECRETARY

EXHIBIT A

Northeast Public Development Authority
PROCUREMENT POLICY

I. General

The Northeast Public Development Authority (“NEPDA”) is municipal corporation formed on December 11, 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.

The mission and strategy of the NEPDA is to secure grant and other sources of funding, invest in community outreach, marketing, planning, design, engineering, infrastructure, land or buildings, environmental remediation, economic development and job growth within the PDA boundaries. The NEPDA Board seeks to implement procurement and contract policies and procedures consistent with applicable law. These policies are established pursuant to Title 39 RCW, RCW 35.21.730, RCW 35.21.745, and RCW 35.22.620(7). The NEPDA Board reserves the right to update this policy from time to time as it deems necessary or to conform to applicable law. The dollar thresholds apply to the total purchase or contract amount, regardless of what each single item costs.

II. Purchased Services Policy

“Purchased Services” for purposes of this policy include such goods or services that are routine, necessary, and continuing functions of the NEPDA. For purchases under this category, as defined and outlined in Chapter 39.26 RCW and as defined herein, the following policies must be adhered to:

- A. **Purchases of \$25,000 or less:** Purchases in this category do not require any informal or formal competitive quotes or purchase orders.
- B. **For Purchases between \$25,000 and \$50,000:** The NEPDA must make every effort to obtain a minimum of three informal (3) written or oral competitive quotes for purchases in this category. The NEPDA may utilize the MRSC Vendor List or MRSC Consultant Roster.
- C. **For Purchases between \$50,000 and \$300,000:** The NEPDA must provide notification or a formal advertisement for purchases in this category. The NEPDA must obtain at least three (3) written quotes or proposals and select from the quotes submitted pursuant to RCW 39.26.160. The NEPDA may utilize the MRSC Vendor List or MRSC Consultant Roster.
- D. **For Purchases of \$300,000 or more:** The NEPDA shall advertise for purchases of goods in this category and shall put forth a formal Request for Proposal. The NEPDA shall select from the submitted Requests for Proposal pursuant to RCW 39.26.160.

III. Personal Services Contracts Policy

“Personal Services” contracts include those which involve technical expertise provided by a consultant to accomplish a specific study, project, or task, which may or may not be required in connection with a public works project, including contracting with a consultant or consulting agency to perform a service or render an opinion or recommendation to the NEPDA as an independent contractor. This definition expressly excludes any prospective, Professional (A/E) Services contracts as defined in this policy. Contracts for legal services are also governed by the Administrative Authority of the Executive Director, subject to the limits herein.

For Personal Service contracts, the following policies must be adhered to:

- A. **For Personal Services of \$25,000 or less:** Purchases in this category do not require any informal or formal competitive quotes or purchase orders.

- B. **For Personal Services between \$25,000 and \$50,000:** The NEPDA must make every effort to obtain a minimum of three (3) informal Requests for Proposal for services in this category. The NEPDA may utilize the factors contained in RCW 39.26.160 in awarding the contract. The NEPDA may utilize the MRSC Vendor List or MRSC Consultant Roster .
- C. **For Personal Services between \$50,000 and \$300,000:** The NEPDA must provide notification or a formal advertisement for services in this category. The NEPDA must obtain at least three (3) written proposals for services and will select from the proposals submitted pursuant to RCW 39.26.160. The NEPDA may utilize the MRSC Vendor List or MRSC Consultant Roster.
- D. **For Personal Services of \$300,000 or more:** The NEPDA shall advertise for services in this category and shall put forth a formal Request for Proposal. The NEPDA shall select from the submitted Requests for Proposal pursuant to RCW 39.26.160.

IV. Professional (Architectural/Engineering) Services Contract Policy

“Professional (A/E) Services” include such contracts for architectural and/or engineering services as defined by Chapter RCW 39.80 and RCW 39.80.020(5), which means professional services rendered by any person contracting to perform activities within the scope of the general definition of professional practice in chapters 18.08 RCW (Architects), 18.43 RCW (Engineers and Land Surveyors), or 18.96 RCW (Landscape Architects).

For Professional (A/E) Services contracts the following policies must be adhered to:

- A. **For Professional (A/E) Services of \$25,000 or less:** The NEPDA may utilize the MRSC Consultant Roster to select a minimum of two (2) prospective candidates and review such candidates’ qualifications. If utilized, the NEPDA will, to the best of its ability, retain a printout from the MRSC Consultant Roster showing the prospective candidates it reviewed. Alternatively, the NEPDA must obtain a minimum of three (3) informal or formal competitive quotes. The NEPDA must select from the prospective candidates pursuant to RCW 39.26.160.
- B. **For Professional (A/E) Services between \$25,000 and \$150,000:** The NEPDA may utilize the MRSC Consultant Roster to select at least three (3) prospective candidates and review such candidates’ qualifications. If used, the NEPDA will, to the best of its ability, retain a printout from the MRSC Consultant Roster showing the prospective candidates it reviewed. Alternatively, the NEPDA may provide notification or a formal advertisement for services in this category and obtain a minimum of three (3) written proposals competitive quotes. The NEPDA must select from the prospective candidates pursuant to RCW 39.26.160.
- C. **For Professional (A/E) Services between \$150,000 and \$300,000:** The NEPDA shall put forth a formal Request for Proposal to the MRSC Consultant Roster to all prospective candidates in a selected category, or the NEPDA shall advertise a formal Request for Qualifications. The NEPDA shall select a candidate pursuant to RCW 39.26.160.
- D. **For Professional (A/E) Services of \$300,000 or more:** The NEPDA shall advertise for professional services in this category and shall put forth a formal Request for Qualifications. The NEPDA shall select from the submitted Requests for Qualifications pursuant to RCW 39.26.160.

EXHIBIT B

PO Box 7323, Spokane, WA 99207



NEPDA Financial Management Policy (Updated 2025)

Effective Date: 07/11/2025

Last Updated: 09/08/2025

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), as amended.

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

- a. **Board of Directors**: The Board of Directors (“Board”) is responsible for communicating financial management expectations and goals to the staff.
- b. **Officers**:

1. **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.

2. **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;

- 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.
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V. Special Notification Procedures

- **Expenses under \$ 25,000.00:** The Executive Director may approve expenses for an amount less than \$ 25,000.00, as outlined herein. No notification for such payment is required.
 - **Expenses over \$ 25,000.00 and under \$ 50,000.00:** 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 \$ 25,000.00 but less than \$ 50,000.00. Written notification of this expense must be directed to the Chair and Treasurer.
 - **Expenses over \$ 50,000.00:** For any contract, lease, memorandum of understanding, agreement commitments, or checks disconnected from previously approved agreements in an amount equal to or exceeding \$ 50,000.00, 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.
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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”.
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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.
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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**.
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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**.
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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 C

PO Box 7323, Spokane, WA 99207



ADMINISTRATIVE AUTHORITY OF THE EXECUTIVE DIRECTOR
AND DESIGNEES

Last updated: 09/08/25

EXHIBIT A

I. GENERAL

The following policy is adopted by the NEPDA Board for the purpose of establishing the administrative authority of the Executive Director who is responsible for the normal operations of the Northeast Public Development Authority (NEPDA).

The phrase "normal operations" as used herein, means the regular day-to-day administration, operation, and business transactions involving labor, materials, and finances.

The Executive Director is responsible for the administration of such day-to-day operations, which include execution of agreements and contacts; financial matters; legal matters, implementation of construction work and alterations and improvements on NEPDA projects and properties; and employment and personnel administration. The Executive Director shall abide by this policy and all other applicable NEPDA policies and procedures.

The Executive Director has authority to maintain, cancel and/or change the schedule for NEPDA Board meetings in consultation with at least one Executive Board Member as business needs arise. Further, the Executive Director is authorized to publicize notice of any public meeting, hearing, or other publication which is required by law, or which is otherwise necessary and appropriate.

The Executive Director may delegate to appropriate NEPDA staff such administrative authority or reporting requirements as necessary in the efficient exercise of such authority. To implement delegations of authority to staff, the Executive Director may, upon approval of the NEPDA Board, promulgate NEPDA authority policy and procedure manuals or directives, monetary delegations, authority to execute contracts and other documents, which shall include such delegations as appropriate.

II. CONTRACTS

The Executive Director may execute a contract, including a lease, memorandum of understanding, agreement commitment, or other contract, pursuant to the NEPDA's existing Financial Management Policy, Procurement Policy, or other applicable NEPDA policy, and in accordance with applicable law. Changes to any previously executed contract that would result in an increase in the ultimate contract price of more than \$1,000.00 must be approved by the NEPDA Board.

III. REIMBURSABLE SERVICES

The Executive Director is authorized to enter into agreements pursuant to which the NEPDA will receive reimbursable services pursuant to the limitations set forth herein and in existing NEPDA policies and procedures.

A. Legal Services and other Representation

The Executive Director and the NEPDA Attorney shall be responsible for the procedures necessary to manage and supervise all legal services required by the NEPDA and litigation in which the NEPDA has an interest, direct or indirect. For purposes of this section, "litigation" shall mean the assertion of any position, right, or responsibility by or against the NEPDA (or in which the NEPDA may have a direct or indirect interest) which has been filed in any court of general jurisdiction, be it state or federal, or any quasi-judicial or administrative forum.

The NEPDA Board shall hire or appoint an attorney to advise the NEPDA Board and staff and for such legal opinions and services as may be required. The Executive Director is authorized to utilize such firms as may from time to time be designated by the NEPDA Board, or, in the cases of emergency or conflict of interest where such firms are unavailable or where it is deemed appropriate for other reasons, such other counsel as deemed appropriate, to provide necessary legal services. In the event of emergency or conflict of interest with the NEPDA Attorney, the Executive Director is authorized to take all necessary steps to retain competent legal counsel to advise the NEPDA in the absence of the NEPDA Attorney, provided the Executive Director shall reasonably notify the Board Chair of the retention. Retained legal counsel may act solely on behalf of the NEPDA or jointly with other interested parties.

Payment for legal services other than litigation shall be by fixed monthly or annual retainer, and/or by reimbursement at established hourly rates, plus costs or other expenses. The NEPDA Board shall approve the fixed monthly or annual retainer, if any, based on the level of services required, considering reasonable fees for legal services in the area. In litigation matters, legal counsel shall be reimbursed at a rate not to exceed their established hourly rate plus expenses, or as otherwise agreed.

B. Engagement of Other Representatives in Litigation

In connection with litigation or other legal matters in which the NEPDA has a direct or indirect interest, the Executive Director may engage other representatives to act solely on behalf of the NEPDA, or jointly with other interested parties. Such representatives shall be reimbursed at their

established hourly rates plus expenses or on another basis which is standard or as agreed to for their services.

IV. PROPERTY ACQUISITIONS AND DISPOSITIONS

A. Purchase of Real Property

1. The Executive Director is authorized to take all necessary administrative steps, including obtaining appraisals, to prepare for the purchase of real property by or for the NEPDA, pursuant to RCW 35.21.745.
2. When the NEPDA Board authorizes the purchase of real property, the Executive Director is authorized to take all necessary steps to secure marketable title of such property for the NEPDA.

B. Sale of Real Property

1. The Executive Director is authorized to take all necessary administrative steps, including obtaining appraisals, to prepare real property for sale by the NEPDA.
2. When the NEPDA Board authorizes the sale of NEPDA property, the Executive Director is authorized to take all necessary administrative steps to complete the sale of such property.

C. Personal Property

The Executive Director is authorized to sell and/or convey surplus personal property of the NEPDA subject to the following conditions:

1. That the value of such personal property does not exceed \$2,000.00.
2. Prior to any such sale or conveyance, the Executive Director shall itemize and list the property to be sold and make written certification to the NEPDA Board that the listed property is no longer needed for NEPDA purposes.
3. Any large block of such property having a value exceeding \$2,000.00 shall not be broken down into components of a lesser value and sold unless done so by public competitive bid.
4. In no case shall surplus personal property of the NEPDA be sold to any NEPDA Board Member, NEPDA employee, or to members of any Board Member or employee's immediate families without specific approval of the NEPDA Board, or by a competitive bid process that is publicized and in accordance with applicable law and existing NEPDA policies and procedures.

V. INSURANCE PROGRAMS

The Executive Director shall be authorized to work with the NEPDA's designated insurance brokers to negotiate and obtain appropriate policies of insurance to cover property, liability, employee coverage, and other areas appropriately included within a comprehensive insurance program. The Executive Director is authorized to approve changes or modifications within the policies of insurance, including program deductible provisions, so long as such changes, modifications, or program deductible provisions are reported to the NEPDA Board prior to such change being implemented.

VI. TRAVEL OF EMPLOYEES AND OTHER AUTHORIZED REPRESENTATIVES OF THE NEPDA

The Executive Director is authorized to approve travel by employees and/or other authorized representatives of the NEPDA in order to conduct normal operations, and business recruitment and retention programs, provided that reimbursable personal travel expenses are usual and customary, as outlined in the Travel Policy.

VII. EMPLOYMENT AND PERSONNEL ADMINISTRATION

The Executive Director is authorized to approve hiring and termination of all employees, and the salary and wage adjustments of all employees, provided such has been identified in an approved NEPDA Budget or otherwise approved by the NEPDA Board.

The Executive Director is authorized to administer all personnel policies and procedures, the payment of salaries and wages, and the furnishing of employee benefits in accordance with the NEPDA policies, requirements, limitations, adoption of resolutions and other actions established by the NEPDA Board. The Executive Director is further authorized to establish such other personnel-related administrative policies and procedures as may be required, provided the same are reported to the NEPDA Board prior the implementation of any new employment or personnel policy.

End of Exhibit 'A' to Resolution No. 2020-006

EXHIBIT D

PO Box 7323, Spokane, WA 99207



NEPDA Retirement Plan Policy

Effective Date: 08/08/2025 (Upon Board Approval)

1. Purpose

The purpose of this policy is to establish a **retirement savings program** for employees of the Northeast Public Development Authority (NEPDA) that supports long-term financial security, promotes staff retention, and aligns industry best practices for small public-sector agencies such as public development authorities in the state of Washington.

This policy seeks to establish a formalized framework for adoption of a basic retirement plan offered by the Washington Department of Retirement Services (DRS), which may be expanded further in the future if deemed necessary by the Executive Director and Board.

Plan Portability: Employees' accounts within the DRS *Deferred Compensation Program* are fully transferable to other DRS-eligible employers or may be rolled into an IRS-eligible Individual Retirement Plan (IRA). This provides employees with flexibility and continuity of retirement benefits following separation from NEPDA or in the event of NEPDA's sunset.

2. Policy Statement

NEPDA shall enter into an agreement with the Washington State Department of Retirement Systems (DRS) Deferred Compensation Program (DCP), a 457(b) public retirement plan, in accordance with the DRS-provided Resolution.

In accordance with DRS requirements for employers electing to participate in the DCP with an employer-funded benefit, NEPDA will provide an employer contribution as a percentage of each eligible employee's gross wages into the DCP account that is *independent* of any employee deferral election. This contribution is made regardless of whether the employee elects to contribute. At the initiation of this agreement, NEPDA elects to set its contribution

rate **equal to XX%** of employee gross salary. This amount may be adjusted in according to budget availability or to maintain competitiveness with market conditions.

This retirement plan structure minimizes administrative burden while allowing NEPDA to offer a streamlined and cost-effective benefit offered by the State to public sector employees, ensuring equitable retirement support for all eligible staff without requiring employee contribution. Any contributions made by an employee shall be voluntary.

Costs related to the program include a nominal administrative fee charged by DRS based on the participant's selected investment funds (typically under 0.25%, subject to change), as well as NEPDA payroll and staff time to manage enrollment and reporting.

Retirement plan costs are classified as *fringe benefits* and are allowable under federal awarding agency rules—specifically 2 CFR 200.431—provided they are reasonable and based on established policy (e.g., this document).

3. Eligibility

- All **benefits-eligible employees** [which are defined under this policy as all full-time, regular employees or part-time, regular employees that are approved by the Executive Director] are eligible to participate in the plan upon hire in accordance with their offer letter, NEPDA policies, and DRS requirements.
- Temporary, part-time, or contract employees are not eligible unless explicitly authorized by the Executive Director and consistent with DRS requirements.

4. Contribution Details

- **Employer Contribution:** NEPDA will contribute **XX%** of gross wages on behalf of each eligible employee into the employee's DRS DCP account.
- **Employee Contributions:** Employees may *voluntarily defer* additional pre-tax or Roth contributions into their DRS 457(b) account, subject to IRS limits and plan availability.
- **Retroactive Credit:** Retroactive contribution will be calculated under the terms of this policy based on *total gross wages earned during the 12-month period prior to the effective date*. Necessary notification will be submitted to DRS in writing in accordance with RCW 41.50.140(3) and WAC 415-501-475.

- There is no matching structure; the employer contribution is not contingent upon employee contributions.
 - Contributions are funded through **local NEPDA revenues**, unless federal/state grant agreements **explicitly allow** retirement costs. If allowed, such contributions shall be made by grant funding when available.
-

5. Administration

- The plan is administered by the Washington State Department of Retirement Systems.
 - NEPDA will coordinate enrollment and contributions through its payroll and administrative systems.
 - NEPDA will ensure timely and accurate remittance of contributions in compliance with applicable federal and state regulations.
 - NEPDA will submit enrollment forms and maintain documentation for each participating employee, in compliance with DRS recordkeeping requirements. The Executive Director, or designee, is responsible for ensuring plan compliance and coordination with DRS.
-

6. Vesting

- Contributions made by NEPDA will *accrue* starting on **date of hire** but will be *deposited* only after the employee completes **a probationary period** of service to be determined upon hire as allowed by DRS. If separation occurs before this period, no employer contribution will be made.
 - Employer contributions are **100% vested** after the waiting period [At least 90 days are recommended by DRS, but this may be increased. Once funds are deposited in the employee account, it cannot be taken out. For this reason, DRS recommends withholding the employer match in a separate account and only depositing in the retirement plan once the employee reaches the eligibility period].
 - If an employee separates prior to the probationary period, whether voluntarily or involuntarily, any amount accrued will be **forfeited** by the employee.
-

7. Compliance

This policy shall comply with the Internal Revenue Code Section 457(b), Washington State laws governing public employee retirement systems, and applicable DRS plan rules.

Employer contributions shall be made each payroll period and reflected in the employee's DRS account within the timelines required by WAC 415-501-470.

Federal cost principles (2 CFR 200 Subpart E) allow pension costs as fringe benefits when documented through established policy and equitably allocated. 2 CFR 200.431(b) (Fringe benefits in federal programs).

Retroactive contributions must be reported and remitted in writing to DRS, per RCW 41.50.140(3).

Plan portability is governed under IRS Section 457(b) and by the DRS Deferred Compensation Program as outlined in WAC 415-501 and DRS plan documents. State law under RCW 41.54 supports portability and program structure.

8. Funding Source & Grant Restrictions

This program is backed by **local NEPDA revenues** unless a grant agreement explicitly **permits** fringe benefit funding for retirement under its terms.

All costs will be charged consistent with federal cost principles under 2 CFR 200.431 and applicable state guidance. Employee contributions are voluntary and follow grant-specific cost-allowability rules when applicable.

Staff salary may be reimbursed, in whole or in part, by any applicable grant as eligible. In cases where NEPDA personnel qualify under existing grant agreements, costs should be billed towards any applicable grants first.

9. Review and Amendments

This policy will be reviewed annually and may be amended by the NEPDA Board of Directors to reflect changes in organizational capacity, benefit competitiveness, or regulatory requirements.

10. Deferred Compensation Program (DCP) Catch-Up Contribution Addendum

Effective January 1, 2026, NEPDA will comply with new Washington State Deferred Compensation Program (DCP) requirements related to catch-up contributions for highly compensated employees aged 50 or older.

Mandatory Roth Contributions for Highly Compensated Employees

Employees age 50 or older who meet the IRS definition of **highly compensated** (based on prior-year FICA wages, e.g., \$145,000 in 2024) will have all DCP **age 50+ catch-up contributions** reported as **Roth** contributions once they exceed the standard annual DCP limit (e.g., \$23,500 in 2025). This requirement does **not** apply to contributions made under the three-year catch-up provision.

- **Highly Compensated Employee (HCE)** status is determined annually and reported to DRS each January.
- **Mandatory Roth Contribution (MRC) status** applies once an HCE exceeds the standard DCP annual limit.
- Participants **do not need to take action**; NEPDA will ensure contributions are properly reported as Roth once MRC status is triggered.

All reporting will be conducted in accordance with DRS guidance. If an employee does not receive FICA wages, they are not subject to MRC reporting.

Questions about eligibility or reporting may be directed to Human Resources or DRS Employer Support Services.

Contact for Questions:

For questions related to *eligibility* or *policy* clarifications, employees may contact the Executive Director, or designee. Coordination with the **administrator** regarding *payroll deferrals* will be facilitated internally as applicable.

For any plan or program *administration* questions such as investments or account access, the employee may reach out to the Washington State DRS Deferred Compensation Program at their website: <https://www.drs.wa.gov/plan/dcp/>



Deferred Compensation Program (DCP)

Resolution No. _____

Organizations use this form to request DCP participation and to change their automatic enrollment option if they're currently participating.

Email completed form to:
Employer Support Services

drs.employersupport@drs.wa.gov

Participation Status

_____ (legal name of organization), a political subdivision of Washington state, authorizes and approves this resolution.

☐ Organization is requesting to participate in the Washington State Deferred Compensation Program.

Or

☐ Organization already offers DCP and is changing the automatic enrollment option.

Automatic Enrollment Option and Employer Contributions

[RCW 41.50.770](#) permits counties, municipalities and other political subdivisions to participate in the DCP automatic enrollment provision as outlined in [WAC Chapter 415-501](#).

Does the organization want to participate in automatic enrollment? ☐ Yes ☐ No

Submit employer-paid contributions 90 days **after** the initial employee enrollment. This will prevent the auto-enrolled participant from withdrawing the employer-paid contributions within the first 90 days.

Authorizing Signature(s)

The organization:

1. Requests to participate in DCP, as allowed by [RCW 41.50.770](#).
2. Has reviewed the program provisions and agrees to accept all terms and conditions.
3. Understands and agrees that all employee deferrals are held in trust by the Washington State Investment Board for the exclusive benefit of program participants and eligible beneficiaries.

Passed this _____ day of _____, 20 ____

Signature

Title

Printed Name

Optional: To include additional resolution signatures, add a separate sheet of paper.



DCP ROTH & PRETAX OPTIONS



DCP helps you stock up for retirement with two types of savings options - Roth and pretax.



What is DCP?

The Deferred Compensation Program is a supplemental retirement savings program you control. The Washington State Department of Retirement Systems (DRS) administers this 457(b) plan, which is similar to a 401(k) or 403(b) that many employers offer.

Over 100,000 Washington public employees have saved with DCP. With DCP, you can:

- Save more for retirement
- Choose your contribution amount
- Make Roth or pretax contributions
- Start or stop saving anytime
- Change investment options
- Manage your account online or by phone



Enroll online!

Scan or go to drs.wa.gov/dcp/enroll



DCP gives you options

DCP gives you even more flexibility to save for retirement by providing pretax and Roth options. Each option affects when your retirement contributions will be taxed.

What is pretax?

With the DCP pretax option, your contributions are made before tax. Withdrawals, including investment earnings, are taxed in the year of withdrawal.

What is Roth?

With the DCP Roth option, your contributions are deferred from your already taxed income. Roth withdrawals, including any investment earnings, are not taxed if you meet the minimum qualifications.*

Compare pretax and Roth options

	Pretax	Roth
Minimum contribution	\$30 or 1% of your salary per month, per option	
Maximum contribution	\$23,500 (in 2025) For more on annual limits, visit drs.wa.gov/dcp	
Taxes on contributions	No, contributions are not taxed	Yes, contributions are taxed
Taxes on withdrawals	Yes, withdrawals including investment earnings are taxed	No, there are no taxes for withdrawals, including investment earnings*
Conversions	No, you cannot convert DCP Roth dollars to pretax	Yes, you can permanently convert DCP pretax dollars to Roth
Rollovers	Yes, you can roll eligible pretax funds in or out	Yes, you can roll eligible Roth funds in or out

*You must meet minimum qualifications to withdraw your Roth funds tax-free. These include a five-year holding period from the year of your first contribution and a minimum age of 59½. If you withdraw before meeting these, any investment earnings will be taxed.

More DCP options

Contributions

DCP savings starts as low as 1% per month (or \$30). Contributions are automatically deducted from your paycheck making saving easy. Choose a dollar or percentage amount for your contributions. The percentage amount will adjust automatically to defer a consistent portion of your salary.

Investments

What do I need to know about investing? Your funds are managed for you by a professional team. But if you want to be more involved, you can select from a menu of investments. You can also change your investment fund at any time.

Auto-escalation

Log into your account to initiate an auto escalation that allows your savings to increase automatically over time. Start or stop the increase at any time.

Annuities

Use all or part of your DCP balance to fund a retirement plan annuity. See your plan page for more information.

PO Box 7323, Spokane, WA 99207



Salary Increase Policy & Pay Grade Ranges

Effective Date: January 1, 2025

**COLA Approved by the NEPDA Board of Directors
Merit-Based Increase and Pay Grade Pending Board Approval**

1. Purpose

This policy outlines the guidelines and criteria for administering annual merit-based salary increases for NEPDA employees. It ensures consistency, fairness, and alignment with performance expectations and budgetary constraints.

2. Scope

This policy applies to all regular employees of NEPDA who are eligible for merit-based increases under the organization's salary schedule.

3. Policy Statement

Annual Merit Increases

Merit-based salary increases are awarded annually if applicable and are tied to an employee's performance evaluation. Upon Board approval, these increases take effect on the employee's **anniversary date of hire** and, if approved, will be **retroactively applied (back paid)** if processing is delayed.

All merit increases are:

- Reviewed and recommended by the **Executive Director or their designee**, and
- **Subject to final approval by the NEPDA Board of Directors.**

The following performance-based merit increase scale shall apply:

Performance Rating	Suggested Merit Increase
Exceptional Performance	3% (in addition to COLA)
Standard Performance	2%
Needs Improvement	1%
Unsatisfactory Performance	0%

Notes:

- "Exceptional Performance" reflects consistent contributions significantly above expectations, supported by clear and documented results.
- "Standard Performance" represents fully satisfactory and reliable performance across job responsibilities.
- "Needs Improvement" reflects partially unmet expectations (meeting a majority, but not all expectations) with performance improvement required. Additional supporting documentation is required to demonstrate insufficient performance and goals or steps the employee will take to reach full performance.
- "Unsatisfactory Performance" results in no merit increase and may trigger further performance review or corrective action due to nonperformance (not meeting a majority of expectations.) COLA may also be reduced or withheld for nonperformance, with Executive Director recommendation to the Board. Additional documentation is required to clearly demonstrate areas of nonperformance, and a formal performance improvement plan is required to address nonperformance.

Evaluation and Documentation Requirements

- Annual performance reviews are expected for all eligible staff and should be completed **within 90 days of the employee's anniversary date**, unless otherwise agreed by the employee and supervisor.
- All performance reviews must include:
 - A summary of performance over the previous year
 - A rating using the above performance scale

- Supporting documentation, particularly for ratings above or below “Standard”
- **Documentation Requirements by Rating:**
 - **Exceptional:** Must cite representative projects, results, or achievements.
 - **Needs Improvement or Unsatisfactory:** Must clearly outline unmet expectations and areas for growth or correction. A Performance Improvement Plan (PIP) is required for "Unsatisfactory" ratings.

Mid-Year Reviews

A supervisor may request an **off-cycle performance review** if there are concerns about conduct or performance that must be timely addressed, including but not limited to:

- Public or staff wellbeing is at risk
- NEPDA faces legal or financial exposure
- Harm to NEPDA’s operations, partners, or reputation is probable
- Employee exhibits threatening, incendiary, or unethical behavior
- Excessive tardiness, job abandonment, or dereliction of duty
- Other performance-related issues or concerns, or
- For any other reason deemed necessary by the supervisor with approval by the Executive Director

Off-cycle reviews must be approved by the Executive Director and may result in immediate disciplinary action or temporary reassignment pending the outcome. Executive Director reserves the right to terminate employees for any reason. Termination decisions should be made after seeking Legal Counsel from the NEPDA attorney or AWC to ensure best practices are followed.

Role of Supervisors and the Executive Director

- Supervisor and/or designee is responsible for conducting timely evaluations and maintaining documentation. Due to the smaller size of the agency, the role of supervisor may be carried by more than one staff member and/or may report directly to the Executive Director.
- The Executive Director ensures consistency, provides oversight, and submits final recommendations to the NEPDA Board.
- Supervisors must work with designated administrative support to process approved salary changes.

Final Authority and Appeals

- Merit increases are not guaranteed and are subject to **Board approval** and **budget availability**.
- Employees may request clarification or submit concerns in writing to the Executive Director.
- Disputes will be reviewed in accordance with NEPDA's personnel grievance procedures, where an neutral third party may be involved.

4. Cost-of-Living Adjustments (COLA)

The Northeast Public Development Authority (NEPDA) recognizes the importance of maintaining competitive and equitable compensation for its staff. To that end, the NEPDA has established a **Cost-of-Living Adjustment (COLA)** policy designed to preserve the purchasing power of employee salaries over time in alignment with regional inflation trends.

In addition to merit increases, COLA may be awarded annually.

- COLA is **subject to approval by the NEPDA Board** during the annual budget process.
- If approved, COLA will be implemented **effective January 1** of the calendar year.
- Any delays in COLA implementation will be **retroactively applied (back paid)** to January 1.

The NEPDA has chosen to adopt a default target COLA of 3% annually, subject to yearly review and approval during the board's annual budget process. This rate is supported by long-term inflation data. As economic conditions may change, this rate may be adjusted with board approval to align with the CPI-U index if it significantly exceeds historical averages.

Rationale for 3% COLA Rate

Historical CPI Data: According to the U.S. Bureau of Labor Statistics, the 20-year average annual increase in the Consumer Price Index for All Urban Consumers (CPI-U) in the Western Region—the region that includes Spokane, WA—has been approximately 3.00% from 2006 to 2025. This figure reflects the general cost of goods and services in urban areas similar to Spokane and provides a reliable benchmark for COLA adjustments.

Alignment with Industry Standards: Public and nonprofit sector employers across Washington State and the Western U.S. commonly use COLA based on CPI trends. NEPDA's 3% target is consistent with these standards and enhances its ability to recruit and retain qualified personnel.

Flexibility and Accountability: While 3% serves as a target, the NEPDA board retains discretion to adjust the COLA during the budget process based on available funding, changes in CPI, and organizational priorities. COLA increases, when approved, are implemented on January 1 of each year and may be retroactively applied if necessary.

5. NEPDA Salary Schedule (2025) – 4 Pay Grades

Pay Grade	Example Titles	Annual Salary Range	Notes
Grade 4	Executive Director	\$130,000 – \$180,000	Top-level leadership; board-facing; strategic vision and oversight
Grade 3	Department Head/Director	\$90,000 – \$130,000	Senior leader responsible for strategy implementation, compliance
Grade 2	Program Manager, Office Administrator	\$60,000 – \$90,000	Program or operational oversight; may supervise staff
Grade 1	Program Coordinator, Assistant	\$40,000 – \$60,000	Entry-level support and coordination

Justification for NEPDA Pay Grade Structure

The Northeast Public Development Authority (NEPDA) has adopted a structured compensation framework to ensure clarity, consistency, and equity across job roles while remaining competitive within the public and nonprofit sectors. The pay grade system establishes clear expectations for responsibilities and advancement, supports budget transparency, and ensures compliance with Washington State employment laws and federal grant restrictions.

The pay grades are based on role complexity, scope of responsibility, decision-making authority, and market comparability. These rates will be periodically reviewed and adjusted as market conditions change over time.

Grade 4 – Executive Director / CEO

- **Annual Salary Range:** \$130,000 – \$180,000
- **Justification:**
 - Represents the **highest level of organizational leadership**, responsible for overall strategy, governance, and financial sustainability.
 - Serves as the **primary liaison to the Board of Directors** and key external stakeholders.
 - Oversees all operations, funding, compliance, and long-term planning.
 - The salary range is **benchmarked against comparable executive positions** in regional public development authorities.

Grade 3 – Department Head / Director

- **Example Roles:** Strategy Implementation, Revenue Development and Management, Policy Compliance, etc.
- **Annual Salary Range:** \$90,000 – \$130,000
- **Justification:**
 - Provides **high-level leadership and technical expertise** in grants, compliance, revenue development, and interagency policy.
 - Oversees mission-critical functions such as **strategy implementation, grant management, fundraising, reporting, and contract compliance**.
 - Requires a deep understanding of federal and state funding regulations and complex program oversight.
 - Compensation is aligned with senior leadership roles in public agencies and nonprofit organizations with comparable funding portfolios.

Grade 2 – Mid-Level Managerial

- **Example Roles:** Project or Program Manager, Office Administrator, etc.
- **Annual Salary Range:** \$60,000 – \$90,000
- **Justification:**
 - Manages day-to-day **program management or internal operations**.
 - May be responsible for supervising staff, vendor coordination, project execution, or financial tracking.
 - Ensures program effectiveness, logistical coordination, and compliance with established procedures.

- Works directly to support the strategic and operational objectives of the organization in coordination with senior management.
- This range reflects current wage benchmarks for **mid-level public and nonprofit roles** in administration and project/program management.

Grade 1 – Entry-Level Coordination

- **Example Roles:** Program Coordinator, Grant/Planning/Office Assistant, etc.
- **Annual Salary Range:** \$40,000 – \$60,000
- **Justification:**
 - Performs **entry-level or support work** in coordination, communications, and documentation.
 - May assist with reporting, scheduling, public engagement, and logistical tasks.
 - Requires limited prior experience and functions under the supervision of program managers or directors.
 - This grade ensures compliance with Washington State minimum wage standards, while remaining competitive for **early-career** professionals in government and nonprofit work.

Summary

This pay grade system:

- Aligns salaries with **job responsibilities and labor market standards**.
- Provides a **transparent and equitable** foundation for compensation decisions.
- Supports compliance with **state and federal grant requirements**, including applicable salary caps.
- Establishes a framework for future staff growth and **internal career development**.

All compensation decisions, including COLA and merit increases, are **subject to Executive Director review and Board approval** in the annual budget process.

6. Administration and Compliance

This policy will be administered by the Executive Director or their designee and reviewed periodically for compliance with applicable laws, funding source requirements, and organizational objectives. Final decisions on merit increases and COLA amounts rest with the NEPDA Board.

Related Policies or Guidelines

- Annual Review Form/Guide
- Performance Improvement Plan (PIP) Protocol
- Corrective Action Policy (which includes Employee Appeals Process)

PO Box 7323, Spokane, WA 99207



Annual Performance Review
Effective Date: June 2, 2025 (Internal Use)

NEPDA Employee Performance Evaluation

For Use in Determining Annual Merit Increases.

All records must be retained in accordance with relevant records retention laws. The Americans with Disabilities Act (ADA) prohibits employers from keeping medical information in an employee's personnel record.

Employee Information

- **Employee Name:** _____
- **Job Title:** _____
- **Department:** _____
- **Supervisor:** _____
- **Evaluation Period:** From ___ / ___ / ___ to ___ / ___ / ___
- **Date of Evaluation:** ___ / ___ / ___

Section 1: Performance Categories

Rate each category using the following scale:

E = Exceptional | S = Satisfactory | N = Needs Improvement | U = Unsatisfactory

Performance Category

E S N U Comments

1. Job Knowledge and Skills
 2. Quality of Work
 3. Productivity and Timeliness
 4. Initiative and Problem Solving
 5. Communication and Collaboration
 6. Dependability and Accountability
 7. Adherence to Policies, Procedures, and Job Description
 8. Professionalism and Attitude
 9. Community/Stakeholder Engagement (as applicable)
-

Section 2: Overall Performance Summary

Note that any performance-related increase is a **recommendation** that is subject to Board approval in accordance with internal policy. The suggested merit increase is independent of the annual Cost of Living Adjustment, which is also contingent upon Board approval. The amounts presented are meant as a guide but may be adjusted according to agency needs, Executive Director discretion, and Board approval.

☐ **Exceptional (3% suggested merit increase)**

Consistently exceeds majority of job expectations. Contributions have a significant and positive impact. *Must include supporting documentation demonstrating how performance exceeds expectations in a majority of areas listed (at least 5).*

☐ **Standard (2% merit increase)**

Fully meets expectations in all key areas. Reliable and consistent performance.

☐ **Needs Improvement (1% merit increase)**

Partially meets expectations. Improvement is needed in specific areas. The employee overall meets the majority of performance measures (5 or more) but is not meeting expectations in some key areas. Further training may be required. *Must include supporting documentation demonstrating where performance does not meet expectations and what improvement(s) would bring performance up to expectations.*

☐ **Unsatisfactory (0% merit increase)**

Performance consistently fails to meet expectations. Immediate improvement is required. A performance improvement plan must be created in coordination with the employee and supervisor that specifically addresses shortcomings. Further disciplinary actions must be documented with a clear objective of bringing performance to meeting expectations. *Must include supporting documentation demonstrating unsatisfactory performance in a majority of areas and a performance improvement plan (PIP).*

Overall Rating Selected: _____

Supporting Comments (required):

Section 3: Goals and Development

List any goals or development areas for the next evaluation period. Goals should be related to personal or organizational performance and may include opportunities for growth or desired areas of professional development:

- ---

- ---

- ---

Section 4: Accomplishments and Recognition

List any areas of strength the employee has shown in the evaluation period that demonstrate professional growth or contributed to organizational success.

- _____

- _____

Signatures

- **Supervisor Signature (as applicable):** _____ Date: ____ / ____ / ____
- **Employee Acknowledgment:** I have received and reviewed this evaluation. My signature does not necessarily indicate agreement.
- **Employee Signature:** _____ Date: ____ / ____ / ____
- **Executive Director Approval:** _____ Date: ____ / ____ / ____

PO Box 7323, Spokane, WA 99207



NEPDA Paid Time Off (PTO) Policy

Effective Date: March 28, 2025 (Internal Use)

Last Updated: June 18, 2025

1. Overview

The Northeast Public Development Authority (NEPDA) is committed to supporting the well-being, flexibility, and personal needs of its employees through a comprehensive Paid Time Off (PTO) policy. This policy outlines employee entitlements related to vacation time, sick leave, paid holidays, family and medical leave, and remote work, in alignment with Washington State and federal law.

NEPDA accounts for PTO, vacation, and sick leave on a **cash basis** per the Washington State Auditor's Office BARS Manual for Cash Basis Entities. While employee leave balances are tracked internally, no liabilities are recorded until such time as payment is made (e.g., upon separation). This policy may be updated as required by changes to state law or accounting standards.

2. Vacation Time

Vacation Accrual

- After the initial eligibility period (to be determined upon hire), employees accrue vacation at a rate of **xx hours per pay period** as determined upon hire.
- **Carryover:** Employees may carry over unused vacation time up to the policy limit of 320 hours. No more than 320 accumulated hours may be carried over to a new year.
- **Separation:** Accrued, unused vacation time will be **paid out upon separation**.

3. Sick Leave

Sick Time Accrual

- New employees may start with an initial allotment of sick time (as determined upon hire) to address personal or family needs prior to build up of accrued time.
- Employees accrue **XX hours per pay period** (as determined upon hire at no less than the state required minimum)

Usage

- Sick leave may be used for:
 - Illness or preventive care (self or family)
 - Mental health needs
 - Public health closures
 - Safe leave (related to domestic violence, sexual assault, stalking, per RCW 49.76)

Carryover & Separation

- Any unused sick time will automatically be carried over each calendar year up to the policy limit of 280 hours for sick time.
- Additionally, NEPDA allows under this policy any excess sick leave to be paid out at separation in the amount that had been accrued up to the last accrual date before separation.

Washington State Compliance

NEPDA's sick leave policy complies with the **Washington State Paid Sick Leave Law (RCW 49.46.200 – 210)**.

All PTO/sick time usage and balances will be tracked and reviewed in accordance with internal accounting procedures, ensuring that only actual payments are recorded for accounting purposes under the cash basis framework.

NEPDA accounts for leave benefits on a **cash basis**. As such, compensated absences are expensed when paid and not accrued as liabilities, in accordance with the Washington State BARS Manual for Cash Basis entities.

4. Holidays

Observed Holidays

NEPDA observes the following paid holidays, including **Spokane County observed legal holidays** and additional days for staff wellness:

- New Year's Day (Jan 1)
- Martin Luther King Jr. Day (Third Mon of Jan)
- Presidents Day (Third Mon of Feb)
- Memorial Day (Last Mon of May)
- Juneteenth (June 19)
- Independence Day (July 4)
- Labor Day (First Mon of Sep)
- Veterans Day (Second Mon of Nov)
- Thanksgiving Day (Last Thu of Nov)
- Day After Thanksgiving (Last Fri of Nov)
- **Christmas Eve (Dec 24)**
- Christmas Day (Dec 25)
- **New Year's Eve (Dec 31)**

Note: Bolded holidays are NEPDA additions to Spokane County's calendar.

5. Family and Medical Leave

NEPDA complies with all state and federal leave laws.

Family and Medical Leave Act (FMLA)

Eligible employees may take up to **12 weeks of unpaid, job-protected leave** per 12-month period under the **federal FMLA**, for:

- Personal or family serious health condition
- Birth, adoption, or foster placement of a child
- Military caregiver or exigency leave

Eligibility:

- 12 months of service
- 1,250 hours worked in the past 12 months

Employees may use accrued paid leave concurrently with FMLA.

Washington Paid Family and Medical Leave (PFML)

NEPDA complies with Washington's PFML program (administered by ESD), which provides **paid leave for:**

- Medical leave (employee's own serious health condition)
- Family leave (bonding with a child, caring for a family member, etc.)

Employees may be eligible after **820 hours worked in the previous 12 months.**

- **PFML may now be used concurrently with employer-provided paid leave**, unless the employee opts to use leave types **separately**.
- Employee must notify NEPDA prior to utilizing PFML leave as to whether the employee opts to utilize PFML benefits concurrent or consecutive to FMLA leave.
- Employees must notify NEPDA if they are applying for PFML through the state portal.

More details are available at: paidleave.wa.gov

6. Remote Work Policy

NEPDA supports flexible and remote work arrangements where and when feasible.

- Employees may work remotely on a full or partial basis in alignment with **organizational needs and operational capacity**.
- **Remote work arrangements must be approved by the Executive Director** to ensure business continuity and service delivery.
- Remote work may be used for:
 - Efficiency and flexibility
 - Accommodation of personal needs or life events
 - Continuity during inclement weather or office closures

Employees working remotely are expected to maintain full productivity and availability during regular business hours.

7. Office Closures

The **Executive Director** may authorize a full or partial office closure including but not limited to:

- Weather emergencies (per National Weather Service guidelines)
- Public health or safety threats
- Utility failures or disaster events
- Organizational needs or observances

Advance notice will be provided when possible. Employees will be paid for time (without need to use PTO) during closures or allowed to work remotely as appropriate.

8. Requesting Time Off

Vacation or Personal Time

- All PTO requests must be submitted to the Executive Director.
- Requests of 1 week (40 hrs) or less submitted with **at least 20 days of notice** prior to the first day requested off will be **automatically approved**, provided the employee has accrued sufficient PTO and the request does not unduly impact operations as determined by the Executive Director.
- Short-notice requests (made with less than 20 days of notice) will be reviewed and approved on a **best-efforts basis**.
- Long requests (over 1 week, or 40 hours) must be approved by the Executive Director to ensure they do not unduly impact operations.

Sick or Health-Related Leave

- Health-related time off will be approved if within available leave balances.
- If no accrued time remains, the employee must coordinate with the Executive Director and benefits administrator (AWC) to determine eligibility for unpaid leave, PFML, short or long-term disability, remote work, or other accommodations.
- Extended or recurring medical absences may require documentation or a doctor's note after **three consecutive days**, in accordance with applicable law.

9. Policy Oversight

This policy is maintained by the NEPDA Executive Director and may be amended at any time. Revisions will be communicated in writing to all staff.

PO Box 7323, Spokane, WA 99207



NEPDA Corrective Action Policy and Performance Improvement Plan (PIP)

Effective Date: Sep 12, 2025

I. Purpose

The purpose of this policy is to ensure fair, consistent, and lawful resolution of employee performance and conduct issues. NEPDA is committed to maintaining a workplace that supports professional growth while upholding accountability, equity, and employee rights under all applicable laws and regulations, including the Americans with Disabilities Act (ADA), Washington Law Against Discrimination (WLAD), and relevant health and labor protections.

II. Policy Statement

Corrective action at NEPDA is designed to:

- Support employees in meeting expectations through clear communication and structured improvement.
- Address performance or behavioral concerns in a respectful and equitable manner.
- Ensure that all actions are rooted in policy, job description requirements, and reasonable justification.
- Avoid unfair or inconsistent treatment of any employee, including those in protected classes.
- Provide a meaningful avenue for appeal and review.

Corrective action must never discriminate or be based on health status, disability, race, gender, age, or other protected categories. All actions must be consistent with NEPDA policies, values, and applicable federal and state employment laws.

Any review for disciplinary action should consider if the misconduct was *willful* rather than *unintentional*, if management provided clear expectations and/or warnings, and that any action taken is *reasonable according to state and federal employment law*. The conduct must be clearly connected to the job or the interests of the NEPDA. Disciplinary action should adhere to **internal policy** and **disciplinary processes** as applicable.

This policy is intended to provide clear guidelines in line with relevant law and industry best practice. **It does not create any contract of employment or alter the at-will employment relationship.** Management should seek guidance with the agency attorney or AWC counsel to reduce liability risk to the NEPDA associated with unemployment, EEOC, or other potential post-employment claims. For this reason, it is the standard of the NEPDA to clearly document and communicate disciplinary procedures to the employee (as outlined below).

III. Definitions

- **Corrective Action:** A structured response to employee performance or behavior that does not meet established expectations.
- **Performance Improvement Plan (PIP):** A formal document outlining performance deficiencies and a structured pathway to improvement.
- **Justification:** Refers to a justifiable reason for corrective action that does not violate applicable laws against discrimination, retaliation, etc. as demonstrated by:
 - **Knowledge:** The employee had clear expectations and understood them. Any adverse actions made by the employee were clearly documented and communicated to the employee.
 - **Culpability:** The issue is the result of the employee's behavior, decision-making, or willful negligence. Contributing factors should be considered.
 - **Control:** The employee had the ability to act differently within the scope of their job considering adequate training and competence for their role.

IV. Procedure

Any or all of the corrective actions set forth below may be utilized in the performance improvement process and are not intended to be construed as progressive discipline. The supervisor and/or Executive Director maintain discretion on which corrective action to apply to a given situation, based on the circumstances. The supervisor and/or Executive Director may move directly to termination for any reason.

A. Steps in the Corrective Action Process

1. Informal Discussion

- Managers are encouraged to address concerns early through coaching and verbal conversations.
- Discussions should be documented with date and general summary.
- A courtesy informal warning may be used at supervisor discretion prior to initiating a Corrective Action Process.

2. Written Warning

- Issued when informal efforts do not result in improvement or when the performance issue is more serious.
- Should include reference to relevant NEPDA policy or job expectation.
- The employee will be asked to acknowledge receipt (not necessarily agreement).
- Additional training or accommodations may be considered to demonstrate a good faith effort made by NEPDA staff to facilitate improvement.

3. Performance Improvement Plan (PIP)

- A formal plan implemented for ongoing or serious performance issues.
- Includes defined expectations, benchmarks, timelines, and resources or support offered.
- PIP should be concise with clear and documented areas that require improvement and a process for improvement that is appropriate given the employee's role, expectations, knowledge, and abilities.
- See **Appendix A: PIP Template**.

4. Final Written Warning or Suspension

- Used when improvement does not occur during a PIP period or when a significant policy violation occurs.

5. Termination

- Termination may occur at any time within the discretion of the supervisor with Executive Director approval. **Termination can be for any reason**, including prior performance issues.
- The NEPDA should maintain reasonable documentation of the termination as applicable. Examples may include dates/times conduct occurred, statements by relevant parties, record preservation (i.g. emails, bank records), any legal records such as police reports, audits, SAO investigations, etc.
- When determining whether an employee should be terminated prior to corrective action steps, the supervisor and/or Executive Director are advised to engage with Legal and/or AWC Counsel for guidance.

B. Considerations Before Taking Corrective Action

- The supervisor should ensure that:
 - Expectations have been clearly communicated;
 - Job-related policies or duties have been violated;
 - The employee was aware of expectations;
 - The employee had the ability to meet those expectations;
 - No discriminatory or inequitable treatment is involved;
 - Any relevant health, disability, or leave-related accommodations have been explored.
- Consultation with legal counsel is advised before issuing a PIP, suspension, or termination. The Executive Director may at his or her discretion relieve an employee of duties pending the outcome of any investigation or legal counsel.

V. Accommodations and Nondiscrimination

No corrective action may be based on issues stemming directly from:

- A known or suspected disability;
- A documented health condition;
- Leave taken under FMLA, WA Paid Family & Medical Leave (PFML), or similar laws;
- A protected status under federal or state law.

Supervisors must consider whether reasonable accommodations are applicable under the ADA or WLAD prior to issuing discipline. All records must be retained in accordance with relevant records retention laws. The Americans with Disabilities Act (ADA) prohibits employers from keeping medical information in an employee's personnel record.

VI. Appeal Process

Employees have the right to appeal any formal corrective action (including PIPs and terminations). Appeals must be submitted in writing within **10 business days** of receiving the action. Appeals will be reviewed by a **neutral third party**, such as:

- Designated NEPDA representative outside the employee's reporting line;
- External HR consultant or legal advisor, if necessary.
- Loudermill Hearing, as determined by legal review.

The reviewer will issue a written response within **15 business days**, including a determination and any recommended remedies. If more time is required pending an investigation outside the control of NEPDA, an updated timeframe will be communicated within the 15-day response period.

VII. Documentation and Confidentiality

All corrective action, including informal steps, must be documented and maintained in a secure personnel file. Confidentiality must be strictly observed in all stages of the process.

VIII. Retaliation Prohibited

NEPDA strictly prohibits retaliation against any employee for:

- Filing a complaint;
- Participating in an investigation or appeal;

- Requesting an accommodation;
- Exercising any employment right under law or policy.

Appendix A: Performance Improvement Plan (PIP) Template

Employee Name:

Job Title:

Supervisor Name:

Date Issued:

PIP Duration: (e.g., 60 days)

Next Review Date:

1. Performance Issues Identified

Specify clearly which policy, job duty, or standard is not being met, including examples.

2. Expectations for Improvement

List clear, measurable, and achievable expectations aligned with job description or policy.

3. Support and Resources Offered

Include training, mentorship, coaching, schedule accommodations, etc.

4. Timeline and Milestones

Goal Target Date Measurement

5. Review Schedule

Dates for regular check-ins (e.g., bi-weekly meetings).

6. Consequences for Non-Improvement

Clarify what may occur if expectations are not met (e.g., final warning, termination).

Signatures (for receipt acknowledgment, not agreement):

Employee: _____ Date: _____

Supervisor: _____ Date: _____

HR (if applicable): _____ Date: _____

**NORTHEAST PUBLIC DEVELOPMENT AUTHORITY
RESOLUTION NO. 2025-016**

A RESOLUTION of the Northeast Public Development Authority (the “NEPDA”) Board of Directors amending the NEPDA’s 2025 Budget.

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, as amended, 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 adopted Resolution No. 2024-013, adopting the NEPDA’s 2025 Budget; and

WHEREAS, the Executive Director has identified a salary increase for an NEPDA employee based on an employee’s promotion;

WHEREAS, the NEPDA Board finds it desirable for the efficient and effective governance to amend the 2025 Budget to add \$8,000.00 for a promotion salary increase for an NEPDA employee, as recommended by the Executive Director;

BE IT RESOLVED, that pursuant to the authority provided in the NEPDA’s bylaws, policies, and procedures, the Board of Directors hereby amends the 2025 Budget to approve funding for a promotion salary increase for an NEPDA employee, and amends the 2025 Budget to add \$8,000.00 for such expenses.

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 12th day of September 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 12th day of September 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

**NORTHEAST PUBLIC DEVELOPMENT AUTHORITY
RESOLUTION NO. 2025-017**

A RESOLUTION of the Northeast Public Development Authority (the “NEPDA”) modifying the Employment Agreement with Executive Director Jesse Bank and entering into an Amended Employment Agreement.

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 employs Jesse Bank to serve as the NEPDA’s Executive Director;

WHEREAS, the NEPDA Board has reviewed the performance of Mr. Bank and finds a merit salary increase to be appropriate;

WHEREAS, the NEPDA finds it desirable for the efficient and effective governance of the NEPDA’s affairs to authorize the NEPDA Board Chair to enter into an Amended Employment Agreement with Mr. Bank effective September 1, 2025, and agrees to the modified salary.

BE IT RESOLVED, that pursuant to the authority provided in the NEPDA’s bylaws, the Board of Directors hereby authorizes the Board Chair to enter into an Amended Employment Agreement with Jesse Bank effective September 1, 2025;

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 12th day of September 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 12th day of September 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 September 2025.

SECRETARY

EXHIBIT A

THIRD Amended Employment Agreement

This third amended Employment Agreement (“Agreement”) made and entered into effective September 1, 2025, between the Northeast Public Development Authority (the “NEPDA”), and Jesse Bank (“Bank”).

WITNESSETH: That for and in consideration of the mutual promises made in this Agreement, the parties agree as follows:

1. **EMPLOYMENT:** Pursuant to the terms of this Agreement, Bank hereby agrees to be employed by the NEPDA and the NEPDA hereby agrees to employ Bank in the capacity as Executive Director, on behalf of the NEPDA within the scope of his Professional Duties, as outlined herein.

2. **PROFESSIONAL DUTIES:** As Executive Director, Bank is responsible to perform administration, strategic direction, and evaluation of all economic development within the NEPDA. Bank’s general job duties include, but are not limited to the following:

- a. Plan, administer, organize, coordinate, and direct the strategic growth plan for the NEPDA;
- b. Develops and implements long-range strategies to ensure the economic health and vitality of the NEPDA and coordinates with partner agencies to ensure long term, quality job and income growth in the NEPDA;
- c. Directs and reviews reports, analyses, and studies that impact the economic vitality of the NEPDA;
- d. Formulate and directing all financial policies and procedures, including a monthly review of financial operations, developing and presenting the annual budget, managing assets and invested funds, and approving revenue and expenditure objectives in accordance with the NEPDA Board’s approved long-term plans;
- e. Monitors programs and policies to ensure sustainable job and income growth in the NEPDA;
- f. Presents and proposes programs and projects to drive economic growth;
- g. Other general duties as outlined by the governing documents of the NEPDA, including but not limited to the Bylaws, Charter, and/or Resolutions passed by the NEPDA; and the Interlocal Agreement between the City of Spokane and Spokane County Regarding Reformation of the Northeast Public Development Authority.

Bank agrees to devote his full-time best efforts to his duties as described herein and as may be required by the NEPDA. Bank shall not engage in any outside activity that would interfere with his duties hereunder.

3. **COMPENSATION:** Based on Bank's experience, the NEPDA will compensate Bank at the gross sum of \$145,000.00 annually in equal installments computed on a bi-weekly schedule, subject to ordinary and necessary payroll deductions. The term "year" in all sections of this Agreement shall mean a calendar year as measured from September 1 through August 31. In addition, the NEPDA will provide \$50.00 to Bank as a monthly cell phone allowance. The NEPDA Board reserves the right to review Bank's performance and compensation from time to time, when it deems such review warranted. Any review or change to Bank's compensation is subject to budget considerations.

4. **BENEFITS:** Benefits may be administered through the Association of Washington Cities (AWC). Benefits available to Bank through AWC include medical, dental, life and accidental death insurance as adopted and as may be amended, removed or replaced by the NEPDA. If Bank elects to receive any or all available benefits through AWC, the NEPDA will remit payment directly to AWC for Bank's selected benefits. If Bank elects to receive any of the aforementioned benefits through an outside benefit plan, the NEPDA will reimburse Bank directly for the cost of any benefit, but such reimbursement shall not exceed the cost the NEPDA would remit to AWC for the same benefit.

5. **PERSONAL LEAVE:** Vacation and sick time are accrued each pay period beginning from the effective date of this Agreement. For full-time employees with 0 – 5 years of employment the vacation accrual rate is 4.6153 hours per pay period for a total of 150 annual vacation hours. The accrual rate for full-time employees for sick time is 3.69 hours per pay period for a total of 96 annual sick hours.

6. **COMPLIANCE:** Bank shall comply with all applicable local, state and federal laws and regulations now existing, or as hereafter enacted or amended.

7. **TERMINATION:** The NEPDA may terminate this Agreement without cause or penalty on minimum of 30 days written notice to Bank.

The NEPDA may terminate this Agreement immediately for cause if:

(a) Bank acts in a manner that may significantly and adversely affect the NEPDA Board or employees or that adversely affects or adversely reflects upon the NEPDA's business, reputation, business relations or funding sources;

(b) Bank violates applicable laws, reasonable rules and/or regulations which NEPDA may establish from time to time;

(c) Any other material breach by Bank of this Agreement not designated above.

Bank may terminate this Agreement on a minimum of 30 days written notice to the NEPDA.

8. **NOTICE:** All notices required by this Agreement shall be sufficient if given in writing and if sent by email to the email addresses listed below, or as may be updated by the parties.

Bank: Jesse Bank, jesse.bank@northeastpda.com

NEPDA: Councilmember Michael Cathcart, Board Chair, mcathcart@spokanecity.org

9. **DISPUTE RESOLUTION:** The parties agree to attempt to resolve any disputes related to this Agreement through informal discussions between the parties. If such discussions fail to resolve the dispute, the dispute shall be submitted to binding arbitration without right of appeal. A single arbitrator shall be selected by agreement of the parties or by the Presiding Judge of the Spokane County Superior Court if the parties cannot agree. Each party shall be responsible for one-half of the fees and expenses of the arbitrator. The mandatory arbitration rules of the State of Washington (or as implemented locally by the Spokane County Superior Court, if still in effect at the time of the dispute) shall be binding as to procedure, except as to the right of appeal, which is not applicable herein. Nothing herein shall prevent either party from seeking injunctive relief in a court of competent jurisdiction.

10. **WAIVER:** The waiver by any of the parties of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or other breach.

11. **COUNTERPARTS:** This Agreement may be executed simultaneously in two or more counterparts, each of which together shall constitute and be the same instrument.

12. **HEADINGS:** The headings and subheadings hereof are inserted for convenience of reference only and shall not affect the interpretation hereof.

13. **ENTIRE AGREEMENT:** This Agreement represents the entire agreement of the parties hereto. Any amendments, in order to be effective, must be in writing and signed by both parties.

14. **BINDING EFFECT:** This Agreement shall be binding upon the heirs, successors, and assigns of the parties hereto.

15. **ATTORNEYS FEES:** The prevailing party in any action, arbitration or appeal shall be entitled to recover its reasonable attorney's fees and expenses from the non-prevailing party.

16. **GOVERNING LAW AND VENUE:** This Agreement and all questions relating to its validity, interpretation, performance, and enforcement shall be governed by and construed in accordance with the laws of the State of Washington, notwithstanding any conflict-of-laws doctrine to the contrary, and without the aid of any canon, custom, or rule of law requiring construction against the drafter. Venue shall lie in Spokane County, Washington.

Signed this ____ day of _____ 2025 at Spokane, Washington.

NORTHEAST PUBLIC DEVELOPMENT AUTHORITY

By _____

Councilmember Michael Cathcart, Board Chair

Signed this ____ day of _____ 2025 at Spokane, Washington.

Jesse Bank

Northeast Public Development Authority

Profit & Loss YTD Comparison

July 2025

	Jul 25	Jan - Jul 25
Ordinary Income/Expense		
Income		
3370000 · Local Grants, Entitlements		
3370040 · Property Taxes	0.00	251,093.30
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	2,057.47	6,454.73
3370400 · Leasehold Excise Tax - City	0.00	0.00
3370070 · Utility Tax Income	0.00	2,167.12
3370075 · SPIF Interest	2,593.15	10,449.38
3614000 · Money Market Interest	1,321.34	12,381.91
337001 · Miscellaneous Income		
3370160 · Department of Ecology-OBC Reimb	0.00	584.40
3370250 · Donation-Community Improvement	0.00	25,000.00
3370060 · SPIF Rebate	250,000.00	250,000.00
3370100 · Department of Ecology-IPG Reimb	0.00	32,414.32
3370150 · Spokane County - Freya Reimb	0.00	0.00
337001 · Miscellaneous Income - Other	0.00	625,000.00
Total 337001 · Miscellaneous Income	250,000.00	932,998.72
3370000 · Local Grants, Entitlements - Other	0.00	0.00
Total 3370000 · Local Grants, Entitlements	255,971.96	1,259,691.56
Total Income	255,971.96	1,259,691.56
Expense		
5593112 · 3112 E Olympic development	0.00	1,952.00
5593004 · Freya St. Re-build	500,000.00	500,000.00
5593003 · Conduit implementation - Welles	0.00	0.00
5593001 · Wellesley Ave. Re-build	0.00	0.00
5593002 · 3011 Wellesley development	0.00	224,605.78
5587010 · Wages	24,708.45	131,861.48
5587020 · Payroll Expenses		
WA Cares Expense	-0.03	-0.03
FICA	1,935.12	10,327.02
SUTA	131.46	670.18
PFML	0.91	0.82
L&I	107.71	215.42
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	4,359.81	18,496.48
5587020 · Payroll Expenses - Other	15.47	15.47
Total 5587020 · Payroll Expenses	6,550.45	29,809.36
5587030 · Office Supplies & Software		
5587035 · Occupancy Expenses	332.56	1,326.51
Repairs & Maintenance	0.00	0.00
Office Supplies	536.00	961.55
Office Equipment <\$2500	0.00	0.00
Printing and Copying	873.82	873.82
5587030 · Office Supplies & Software - Other	296.79	2,967.43
Total 5587030 · Office Supplies & Software	2,039.17	6,129.31

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Cash Basis

Northeast Public Development Authority

Profit & Loss YTD Comparison

July 2025

	Jul 25	Jan - Jul 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	3,105.55	3,105.55
Accounting Fees	5,248.64	10,041.24
Advertising & Marketing	0.00	1,044.77
Legal Fees	850.00	8,719.00
Outside Contract Services	23,588.57	53,627.97
5587040 · Legal & Professional Services - Other	0.00	0.00
Total 5587040 · Legal & Professional Services	32,792.76	76,538.53
5587041 · Travel		
Parking	5.86	146.83
Conference, Convention, Meeting	135.00	2,582.15
Meals & Entertainment	0.00	318.36
5587041 · Travel - Other	0.00	849.80
Total 5587041 · Travel	140.86	3,897.14
5587043 · Insurance	4,900.00	4,900.00
5587044 · Communications		
Website	199.00	1,194.99
Postage, Mailing Service	0.00	0.00
Telephone, Telecommunications	244.04	1,575.48
5587044 · Communications - Other	0.00	0.00
Total 5587044 · Communications	443.04	2,770.47
5587046 · Rent & Lease	1,500.00	10,500.00
5587047 · Other Business Expenses		
Bank Fees	0.00	25.00
SPIF Management Fee	21.74	105.20
Code Enforcement	0.00	0.00
Business District Support	0.00	0.00
Donation	0.00	500.00
Community Maintenance Services	1,010.27	9,088.24
Document Recording Fee	0.00	6.00
Tax & Licenses	0.00	161.07
Payroll Direct Deposit Fees	32.73	169.05
Dues & Subscriptions		
Library CoStar Membership	0.00	0.00
Dues & Subscriptions - Other	28.28	2,520.68
Total Dues & Subscriptions	28.28	2,520.68
5587047 · Other Business Expenses - Other	0.00	0.00
Total 5587047 · Other Business Expenses	1,093.02	12,575.24
Total Expense	574,167.75	1,005,539.31
Net Ordinary Income	-318,195.79	254,152.25
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	-318,195.79	254,152.25

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 July 31, 2025

	Jul 31, 25
ASSETS	
Current Assets	
Checking/Savings	
1115000 · Money Market 0678	593,251.31
1114000 · Spokane County Investment Pool	890,551.54
1111000 · 1111000 Checking WTB	355,926.27
Total Checking/Savings	1,839,729.12
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	1,839,729.12
Fixed Assets	
3011 Wellesley	147,080.00
3112 Olympic	221,437.78
Total Fixed Assets	368,517.78
Other Assets	0.00
TOTAL ASSETS	2,208,246.90
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	2,296.08
SUTA	115.38
PFMLA	176.34
FUTA	84.00
401(k)	0.00
HSA	0.00
Med/Dental/Vision	374.16
SEP-IRA	0.00
24000 · Payroll Liabilities - Other	136.57
Total 24000 · Payroll Liabilities	3,182.53
Total Other Current Liabilities	3,182.53
Total Current Liabilities	3,182.53
Long Term Liabilities	
27200 · Other Liabilities	0.00
Total Long Term Liabilities	0.00
Total Liabilities	3,182.53

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

	Jul 31, 25
Equity	
30000 · Opening Balance Equity	0.00
32000 · Unrestricted Net Assets	1,950,912.12
Net Income	254,152.25
Total Equity	2,205,064.37
TOTAL LIABILITIES & EQUITY	2,208,246.90

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.