



REVISED NOTICE OF PUBLIC MEETING
NEIGHBORHOOD PROJECT ADVISORY COMMITTEE
WEST QUADRANT TAX INCREMENT FINANCING DISTRICT

MEETING OF
WEDNESDAY, April 5, 2023
4:00 PM TO 5:00 PM

Please be advised that the next regular meeting of the Neighborhood Project Advisory Committee for the West Quadrant Tax Increment Financing District will be held on **Wednesday, April 5 at 4:00 PM at Spokane City Hall, 808 W Spokane Falls Blvd in the Tribal Conference Room in the First Floor Lobby online via the TEAMS meeting software. Please note that due to unforeseen circumstances this meeting will be held online only—no in-person option is available.** A link to the meeting is provided below. The public is encouraged to attend either in person, online, or by phone. Connection instructions are included in the attached agenda and below:

The meeting will be held online via Microsoft TEAMS
(software download may be required)

Join the meeting on your computer or mobile app:

Click here to join the meeting

Or call in (audio only):

+1 323-618-1887, 630329187#

United States, Los Angeles

Phone Conference ID: 630 329 187#

WQTIF Neighborhood Project Advisory Committee (NPAC) Agenda

April 5, 2023 | 4:00 PM to 5:00 PM | City Hall, First Floor, Tribal Conference Room

Attendees: Members of the Committee, Open to the Public

Discussion Items *(all times are approximate)*

1. Welcome and Introductions (All) 4:00 pm (5 mins)
2. Approval of January Meeting Minutes (All) 4:05 pm (5 mins)
3. Status Update – West Central Study & REACH (Colin Quinn-Hurst) 4:10 pm (30 mins)
4. Annual Report Presentation and Approval (Kevin Freibott) 4:40 pm (15 mins)
5. Open Forum 4:55 pm (5 mins)

*Open Forum is an opportunity for citizens to discuss items of interest that **are not on the current agenda for discussion**. Topics should consider the activities/ responsibilities of the NPAC and should not include political campaign topics. Each speaker may be limited to three minutes if several people wish to speak, subject to the Chairperson’s determination. If you wish to speak at the open forum, please email Kevin Freibott at kfreibott@spokanecity.org **in advance** to request a slot.*

An Online/Telephone Option is Available via Microsoft TEAMS
(software download may be required)

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 234 548 922 214

Passcode: hiUY6y

[Download Teams](#) | [Join on the web](#)

AMERICANS WITH DISABILITIES ACT (ADA) INFORMATION: The City of Spokane is committed to providing equal access to its facilities, programs and services for persons with disabilities. Individuals requesting reasonable accommodations or further information may call, write, or email Human Resources at 509.625.6363, 808 W. Spokane Falls Blvd, Spokane, WA, 99201; or msteinolfson@spokanecity.org. Persons who are deaf or hard of hearing may contact Human Resources through the Washington Relay Service at 7-1-1. Please contact us forty-eight (48) hours before the meeting date.



West Quadrant TIF Neighborhood Project Advisory Committee

Meeting Minutes

January 19, 2023

Committee Members Present: Kimberly Lawrence (Chair), Fran Papenleur (Vice-Chair), Alan Chatham, , EJ Ianelli, Vickie Munch. **Absent:** Kelly Cruz, Amanda Richardson, Michael Pflieger

Staff Present: Kevin Freibott (staff liaison), Spencer Gardner (Planning Director), Tim Thompson (Principal Planner)

The meeting began at 12:06 PM.

1. **Welcome and Introductions** – Introductions were made. No action was taken.
2. **Approval of Meeting Minutes** – The minutes for December were presented. A motion was made to approve the December minutes by Ms. Papenleur and passed (S: Ms. Munch, Unan.). Following review of the September minutes, staff suggested a phrase to be added to account for discussion in that meeting as to the status of the REACH proposal and the Habitat for Humanity proposal. A motion was made by Mr. Ianelli to add that phrase and adopt the September minutes as amended, which passed (S: Ms. Munch, Unan.).
3. **Ash/Dean Conversion Proposal** – Mr. Gardner, Planning Director for the City, reported on the public engagement and outreach efforts undertaken since the December meeting, including a presentation to the West Central Neighborhood Council. Ultimately a motion was made by Mr. Ianelli to recommend City Council approve the \$150,000 proposal plus an additional \$30,000 for design and installation of landscaping and recommending a Memorandum of Understanding with Bryant Elementary for the maintenance of the landscaping, which passed. (S: Ms. Papenleur, Unan.)
4. **Open Forum** – Mr. Gardner gave a short status update on the outstanding projects (REACH Proposal and Habitat for Humanity).

The meeting was adjourned at 12:58 PM (M: Ms. Lawrence, S: Ms. Munch, Unan.).

WQTIF Infrastructure Project

Neighborhood Project Advisory Committee

April 5, 2023



The City of Choice



Overview

1. Purpose
2. Procurement process
3. Tasks
4. Adjustments
6. Timeline



The City of Choice



Purpose

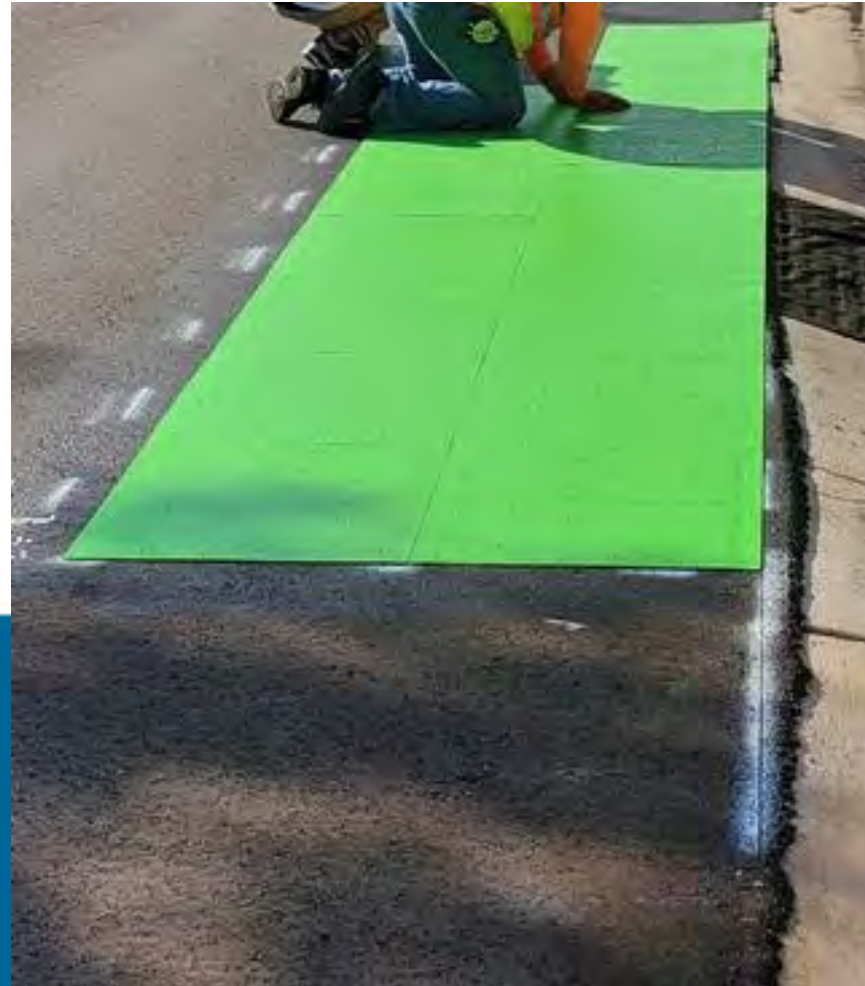
Community guided:

1. Project identification
2. Project prioritization
3. Project selection
4. Concept development
5. Design development



The City of Choice

Focus: Streetscape improvements, Traffic Calming, Safety, Economic Development, Utility Integration



Procurement Process

- Request for Qualifications:
 - Find the firm, then negotiate budget
- Finalizing scope is the first task
- 8 - 12 week procurement process



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REACH Draft Request for Proposals



- April 6, 2022 – NPAC Adopted Motion
- *“...recommend to City Council the attached proposal from REACH West Central, removing the four projects listed in the proposal and broadening the study to include improvements that demonstrated an economic development benefit and ensure stakeholder opportunities to describe and determine the best improvements to design, fund, and construct.”*
- February 27, 2023 - City Council Resolution:
 - *“...adopt the recommendations of the WQTIF area NPAC... for proposed design, planning, and implementation of a range of any allowed public improvements in the West Central Neighborhood portion of the TIF.”*
- March 8, 2023 - Draft Request for Proposals received

REACH Draft RFP – Scope of Services: Tasks

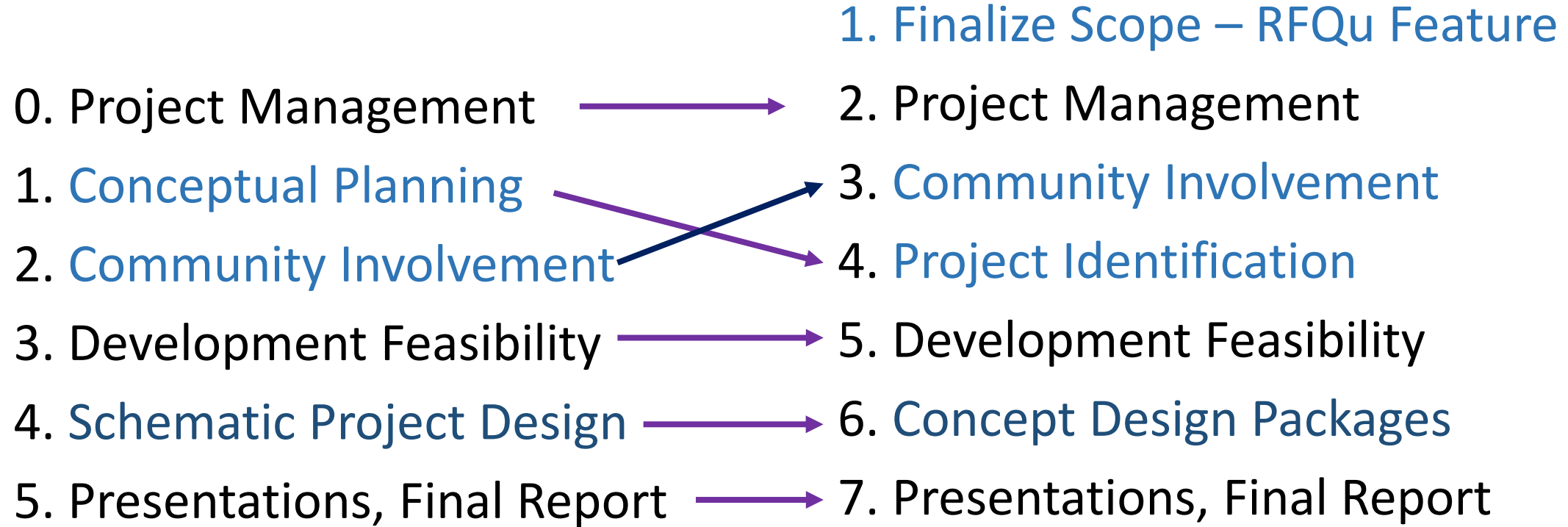
0. Project Management
1. Conceptual Planning
2. Community Involvement
3. Development Feasibility Analysis
4. Schematic Project Design
5. Presentations, Final Report, All Deliverables



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Tasks – Potential Adjustments

*Each suggestion is described in more detail in following slides



REACH DRAFT SCOPE

SUGGESTED



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Potential Adjustment 1

New Task - Finalize Scope

- Additional task
- Part of recommended Request for Qualifications (RFQu) process:
 - Project Management Team can integrate features of the proposal and make adjustments based on feedback from Consultant Team.



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Potential Adjustment 2

Community Involvement

- Moves this task up in the list
- Makes the Public Involvement Plan the first major deliverable
- Informs all remaining steps



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Potential Adjustment 3

Conceptual Planning → Project Identification

- Reframe Conceptual Planning task as Project Identification
- Avoids confusion with “Concept Design,” a common step in project development that is equivalent to “Schematic Design” in REACH RFP
- Focuses on the identification of locations and issues and development of treatments
- Integrates “Design Elements Toolbox”
- Carries out major elements of Public Involvement Plan
 - Charrette, Public Workshops, Public outreach and noticing



Adjustment 4

Development Feasibility

- Apply this step to a select number of project “packages” identified as the top priorities through charrettes, workshops and online outreach
- Packages are considered sets of similar or adjacent project elements
- Ensures a full development feasibility analysis can be conducted for the top priority projects
- Informs the selection of projects that will move into Conceptual Design
 - Conceptual design = 30%-level design sufficient for developing project budgets



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Potential Adjustment 5

Schematic Design  Concept Design

- Within this budget and scope, for this task we can expect:

3 Concept Diagrams, plus

1 Full Concept Design including:

- Geographic survey
- Utility survey
- CAD Drawings
- Engineer's estimate and budget

Scale: ~1-2 blocks per project

OR

2 Full Concept Designs:

- Geographic survey
- Utility survey
- CAD Drawings
- Engineer's estimate and budget

Scale: ~1-2 blocks per project



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Potential Adjustment 5

Schematic Design  Concept Design

OR...

1 Full Corridor Concept Design, including:

- Geographic survey
- Utility survey
- CAD Drawings
- Engineer's estimate and budget

Scale: ~5-6 blocks total



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Selection Committee Nomination

- Request for NPAC representation on the selection panel



The City of Choice

Discussion



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Report

2023 Annual Report - West Quadrant TIF

Department of Planning and Economic Development

The following report provides a snapshot view of the health of the West Quadrant Tax Increment Financing (WQTIF) area, forecasted revenue for this year (2023), and a projection for next year’s revenue (2024).

Executive Summary

According to the information provided in this report, the following conclusions can be made:

- **The WQTIF is expected to generate more than \$500,000 in annual revenue** for the first time in the history of the fund.
- **The Neighborhood Project Advisory Committee (NPAC) recommended three funding proposals in the last twelve months**, two of which have been approved by City Council and are now being developed for implementation. The third recommendation will be ready for City Council consideration soon.
- If current recommended allocations are subtracted from the fund and the expected 2023 revenue is added, **the fund could contain \$1 million in unallocated funds in 2023.**

Overview

Tax Increment Financing (TIF) is a funding mechanism by which local jurisdictions can redistribute tax revenue within designated areas, funding development of public improvements in that area. Any tax revenue captured by these TIFs must be used to finance public improvements, as defined by the State, which encourage economic growth and development in the TIF area.

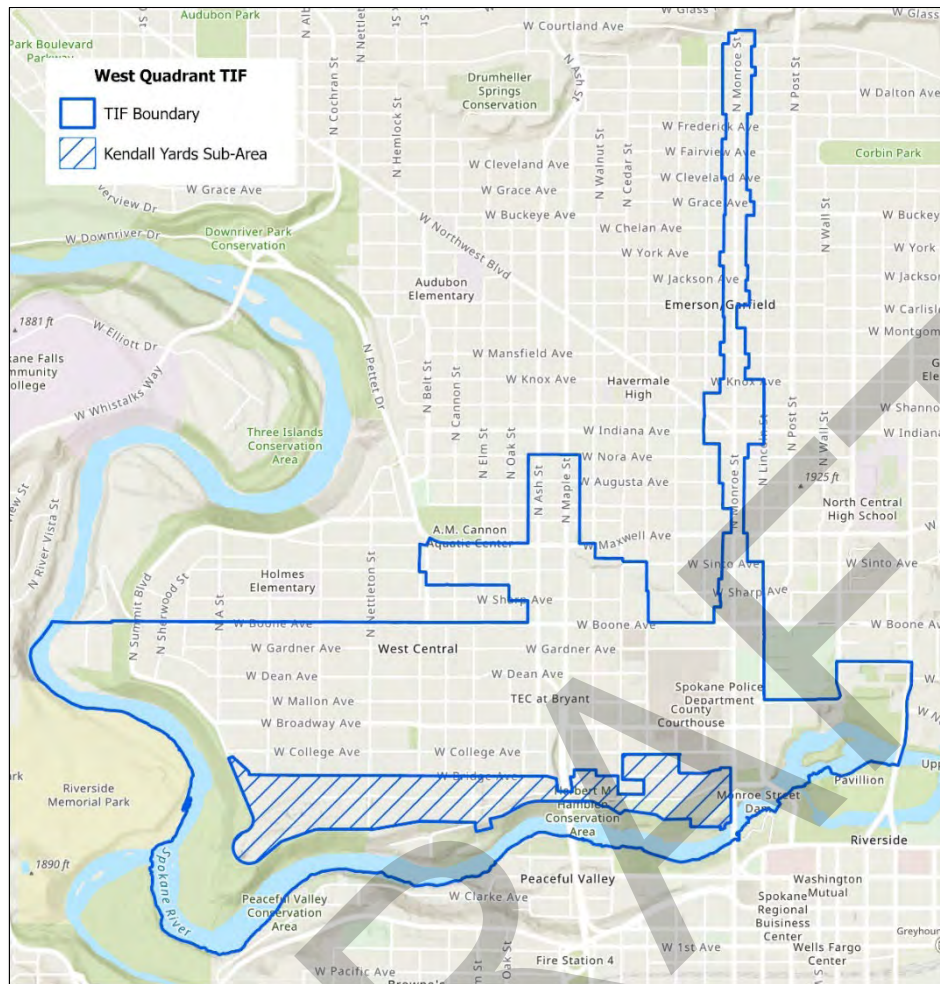
The WQTIF, which itself was catalyzed by the privately funded Kendall Yards developments along its southern boundary, is a TIF program under the Community Revitalization Finance (CRF) Act. The TIF is broken into two areas, the “Kendall Yards Subarea” encompassing the Kendall Yards developments, and the “Neighborhood Projects” area, comprising the remaining parts of the TIF. In addition to funds captured by the City of Spokane for neighborhood projects, tax revenue generated by the Neighborhood Projects area also provides some funding to Spokane County for their campus improvements around the County Courthouse.

Municipal Research and Services Center

RCW 39.89.010

ORD C34032

Figure 1 - Map of West Quadrant TIF and Subareas



CRF programs utilize incremental property tax revenue to fund public improvements within the funding district. Upon establishment of the district and agreement by the agencies/jurisdictions involved, 75 percent of the property tax generated by any future *increase* in property values is used to fund the planned improvement projects. Of that 75 percent, three quarters goes to neighborhood projects and one quarter goes to the County for their projects.

The original adopting ordinance for the WQTIF outlined 28 individual target project areas and which types of improvements would be funded by the TIF, including:

ORD C34032

- Nine (9) improvement types in Kendall Yards, to be funded by revenue from that subarea only;
- Fourteen (14) improvement types and locations in the greater "neighborhood projects area", funded by revenue outside Kendall Yards; and

- Four (4) areas of “County projects” centered on the County Campus and Courthouse area; also funded by a share of revenue generated outside the Kendall Yards area.

Amendments made to the TIF ordinance by City Council in 2021 have further refined the list to be more encompassing of and conform to State definitions of public improvements. These kinds of improvements include, but are not limited to:

ORD C35879

- Infrastructure improvements;
- Street and road construction and maintenance;
- Water and sewer system construction and maintenance;
- Sidewalks and streetlights;
- Parking facilities;
- Park and ride facilities;
- Parks and recreation;
- Stormwater or drainage management systems; and,
- Permanently affordable housing.

Definition of public improvements: RCW 39.89.020(8)

Within the development and/or maintenance of those improvements, TIF revenues can be used for a wide range of activities. These include, but are not limited to, planning, design, engineering, land acquisition, site preparation, construction, reconstruction, or installation of improvements. General maintenance of public improvements is also allowed.

RCW 39.89.020(7)

The County has not yet ratified the changes made to the TIF by City Council Ordinance C35879. While their lack of action thus far is unlikely to affect the City’s near-term ability to expend TIF revenues in the neighborhood projects areas, this issue remains outstanding and is outside staff’s ability to respond to or change. Because Ordinance C35879 also sought to extend the life of the TIF, the status of the TIF and the County will become more important as the original expiration year (2032) approaches.

Financial Status – Neighborhood Project Fund

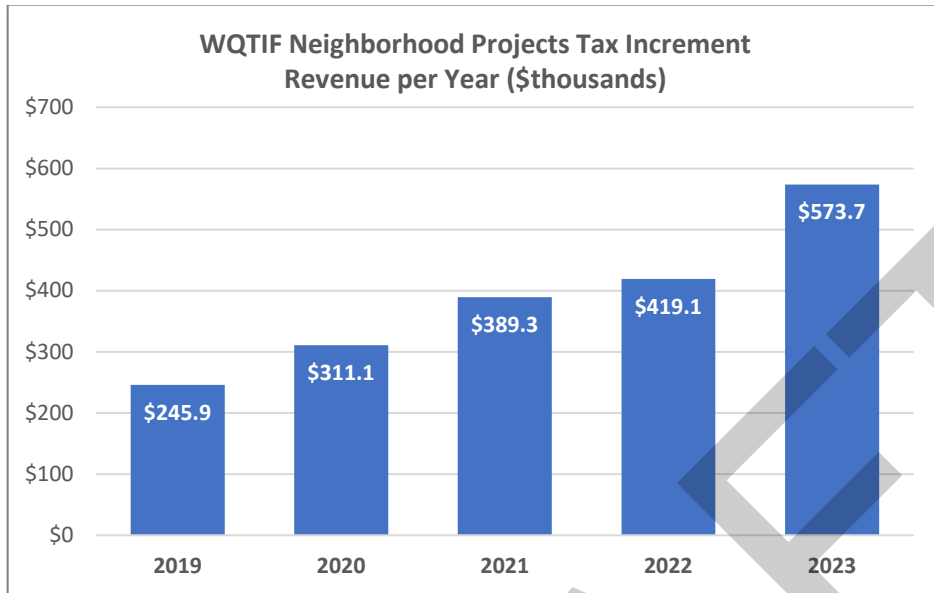
The fund for neighborhood projects currently stands at a balance of \$1.48 million. This calendar year (2023) the City anticipates that the neighborhood projects will receive an additional \$573,688. This number is a projection based upon the annual Assessor report and may change slightly over time. For reference, the chart at the top of the next page shows the annual tax revenue over the last five years for the neighborhood project fund.

City of Spokane
Accounting, Cash
Report for March 9,
2023

For the purposes of anticipating fund growth, the City has historically assumed that property values will grow by approximately 3 percent per year. With some annual variation, a 3 percent per annum increase has been relatively accurate over time. While the growth between 2022 and 2023 has been greater than anticipated (7.2 percent as opposed to the assumed 3.0 percent), this particular

year may be a short term aberration and there is insufficient evidence yet that the City should expect steeper growth long-term.

Table 1 - Recent Annual Revenue, Neighborhood Projects



If the taxable property value were to grow by three percent in 2023, and if tax rates remain relatively stable, the TIF would be expected to generate approximately \$601,000 in 2024. This number is preliminary, however, and should only be considered an approximation. There are too many factors involved to be more specific at this time. Also, the actual revenue received each year is directly connected to the amount of real property tax actually *paid* by property owners in the TIF. If more people fail to pay all or part of their taxes, the actual revenue will go down by a commensurate amount.

Overall, the fund continues to grow each year. There are currently no obvious factors that would prevent continued growth in the near term (~5 years).

Projects Recommended for Funding in 2022/2023

The responsibility for prioritizing funds expenditures and recommending specific requests for funds to the City Council lies with the NPAC. Created via Council Resolution shortly after the initiation of the TIF, the NPAC is comprised of residents from each of the three involved neighborhoods and two at-large members with experience or expertise in development, finance, or related topics. The Department of Planning and Economic Development has been tasked with staffing the NPAC and providing technical assistance as needed. The current staff liaison to the NPAC is Kevin Freibott, Senior Planner.

*City Council
Resolution
RES 2007-0101*

The NPAC voted to recommend three funding proposals in the past year. The status of these is summarized in the following paragraphs.

REACH West Central Proposal

REACH West Central, a local non-profit action group, has proposed that the City expend up to **\$300,000** in TIF funds to develop a “community outreach, design, and feasibility analysis” for public improvements in the West Central Neighborhood portion of the TIF. Recommended unanimously by the NPAC in April 2022, a resolution was passed by City Council on February 27, 2023 for the use of up to \$300,000 in TIF funds for the study. The study is to be managed by the Planning & Economic Development department in close coordination with the Integrated Capital Management department. A Request for Proposals is currently being drafted by Planning and Economic Development staff for disbursement soon.

City Council
Resolution
RES 2023-0019

Ash/Dean Street Two-Way Conversion Proposal

At the end of 2022 an opportunity arose for the TIF to partially fund a long-standing proposal to convert part of Ash and Dean Streets to allow for two-way traffic north of Broadway Ave. This project has waited on the Traffic Impact Fee list for some time. By contributing partial funding, the TIF could help implement this needed improvement in 2023. Following a rapid but expansive public engagement process by the Planning & Economic Development department, the NPAC voted in January 2023 to recommend the use of **\$180,000** in TIF funds for the project. These funds are due to be transferred to the Integrated Capital Management fund responsible for constructing the improvements soon.

City Council
Resolution
RES 2023-0013

Habitat for Humanity Request

In late 2022 City staff received a request from Habitat for Humanity for \$500,000 in TIF funds to rehabilitate up to 10 homes in West Central as “permanent affordable homes.” Following multiple meetings, the NPAC voted 4 to 1 in August 2022 to recommend use of up to **\$500,000** in TIF funds. Because the use of these funds necessitates the creation and administration of a new program at the City—similar to other such reimbursement programs like the Community Development Block Grant Program—and because this program may require the participation of the Community, Housing, & Human Services department, coordination is ongoing at the administration level to build the necessary programs and controls. Immediately upon the completion of these efforts, a Resolution will be proposed for Council consideration to formally authorize the use of the funds.

Remaining Unallocated Funds - 2023

If no more expenditures are approved this year, and all three outstanding requests are expended (see above), the fund is expected to have a balance of approximately \$1.0 million by December 2023.

References

Municipal Research and Services Center (2018, May 23). *Tax increment financing (TIF) in Washington*. Retrieved online from mrrsc.org/Home/Explore-Topics/Economic-Development/Financing-Economic-Development/Tax-Increment-Financing.aspx

RCW 39.89 *Community Revitalization Financing*. Retrieved online from <https://app.leg.wa.gov/RCW/default.aspx?cite=39.89>

DRAFT

ASSESSOR REVENUE PROJECTIONS BY YEAR

Actual revenue may vary based on actual tax collected and other factors.

Base Year TAV (2008)**\$198,534,222**

	<-----ACTUAL PROJECTED----->				
	2019	2020	2021	2022	2023
Base TAV + Increase	\$296,680,538	\$331,109,011	\$379,853,023	\$404,504,774	\$536,761,501
Real Value Increase (Increment over base)	\$98,146,316	\$132,574,789	\$181,318,801	\$205,970,552	\$338,227,279
Levy Rate (per \$1,000 value)	0.00480029812	0.00454849319	0.00415711766	0.00387584031	0.00323078427
West Quadrant Increment Revenue*	\$353,349	\$452,262	\$565,323	\$598,732	\$819,555
Neighborhood Increment Revenue†	\$247,344	\$316,583	\$395,726	\$419,112	\$573,688
Running Total Neighborhood Inc. Revenue	\$1,025,737	\$1,342,320	\$1,738,046	\$2,157,158	\$2,730,847
County Increment Revenue‡	\$106,005	\$135,678	\$169,597	\$179,620	\$245,866
Running Total County Increment Revenue	\$439,602	\$575,280	\$744,877	\$924,496	\$1,170,363
Assessed Value Growth Rate by % (year to year)	9.73%	11.60%	14.72%	6.49%	32.70%
Running Average % AV Growth Rate	3.91%	4.55%	5.34%	5.42%	7.24%
Increment Revenue Growth Rate (year to year)	28.26%	27.99%	25.00%	5.91%	36.88%

* 75% of Levy Rate x Real Value Increase - TIF generates revenue based on 75% of the additional real taxable value in the TIF boundary.

† 70% of West Quadrant Increment Revenue - Neighborhood project funds represent 70% of the overall revenue generated by the TIF.

‡ 30% of West Quadrant Increment Revenue - The remaining 30 percent of revenue generated by the TIF is issued to the County.

TAX LEVY RATES BY YEAR (per \$1,000 value)

Source: Spokane County Assessor Annual Report

Type	2019	2020	2021	2022	2023
County	1.13987118	1.16528768	1.07514687	0.99655548	0.72254863
Conservation Futures	0.04199727	0.03913874	0.03592595	0.03329393	0.02637509
City Spokane	3.16085509	2.92147884	2.66057043	2.48554325	1.98186055
City Spokane EMS	0.45757458	0.42258793	0.38547441	0.36044765	0.50000000
Levy Applied to TIF	4.80029812	4.54849319	4.15711766	3.87584031	3.23078427

ACTUAL REVENUE AND EXPENDITURES

	2019	2020	2021	2022
Total Revenue	(245,899.42)	(311,064.63)	(391,396.28)	(412,693.32)
Total Expenditures	577,000.65	0.52	6.59	13.25
Income/Expenditure Balance Year to Year	331,101.23	(311,064.11)	(391,389.69)	(412,680.07)
Total Funds by Year	(363,622.49)	(674,686.60)	(1,066,076.29)	(1,478,756.36)