

**Agenda Sheet for City Council Meeting of:**

05/18/2020

Date Rec'd	5/4/2020
Clerk's File #	OPR 2013-0132
Renews #	
Cross Ref #	OPR 2019-0928
Project #	
Bid #	
Requisition #	

Submitting Dept	CITY COUNCIL
Contact Name/Phone	CM CATHCART 625-6257
Contact E-Mail	MCATHCART@SPOKANECITY.ORG
Agenda Item Type	Contract Item
Agenda Item Name	0320 - AMENDMENT TO NEPDA INTERLOCAL AGREEMENT

Agenda Wording

Northeast Public Development Authority (NEPDA) request clarifying boundaries for waivers of general facility charges (GFC's) within the NEPDA.

Summary (Background)

The City of Spokane created and established the Northeast PDA (NE PDA) in November of 2011, pursuant to RCW 35.21.730-755, to assist in providing economic development in the northeast portion of the City and to provide economic stimulus and benefit to the entire City and region.

Fiscal Impact	Grant related? NO	Budget Account
	Public Works? NO	
Neutral	\$	#
Select	\$	#
Select	\$	#
Select	\$	#

Approvals		Council Notifications	
Dept Head	ALLERS, HANNAHLEE	Study Session\Other	PIES 5/18/20
Division Director		Council Sponsor	CM Cathcart
Finance	HUGHES, MICHELLE	Distribution List	
Legal	PICCOLO, MIKE	mcatchcart@spokanecity.org	
For the Mayor	ORMSBY, MICHAEL	sblackwell@spokanecity.org	
Additional Approvals			
Purchasing			

APPROVED BY
 SPOKANE CITY COUNCIL
 AND PAYMENT AUTHORIZED:
May 18, 2020
Terri L. Foster
 CITY CLERK

(by WAF
 act/city clerk)

Briefing Paper

Public Infrastructure, Environment and Sustainability

Division & Department:	City Council
Subject:	Northeast Public Development Authority
Date:	5/18/20
Contact (email & phone):	CM Cathcart, mcathcart@spokanecity.org
City Council Sponsor:	CM Cathcart
Executive Sponsor:	
Committee(s) Impacted:	Urban Development
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment:	Strategic Key Advancement of: Strategies and Tactics: Invest in Key Neighborhoods and Business Centers; esp PDA's Invest in Key Public Amenities and Facilities Maximize Public Assets Expected Outcomes: Property values growing faster than historic averages We have created an environment to promote mixed income neighborhoods with a diverse range of housing options for all buyers Total public/private investment and job growth is higher in targeted areas compared with the region
Strategic Initiative:	See above alignment with Urban Experience
Deadline:	Filed for Council consideration on 5/18/20
Outcome: (deliverables, delivery duties, milestones to meet)	The Northeast Public Development Authority is seeking the City's approval to waive GFC's within the NEPDA
Background/History: The City of Spokane created and established the Northeast PDA (NE PDA) in November of 2011 pursuant to RCW 35.21.730-.755 to assist in providing economic development in the northeast portion of the City and to provide economic stimulus and benefit to the entire City and region	
Executive Summary: The Northeast Public Development Authority is seeking the City's sponsorship in its application to join the AWC's employee benefits trust as a non-city entity. The Trust requires that before a non-city entity can participate in the Trust's programs, a city member of the Trust must sponsor the non-city entity's request.	
Budget Impact: TOTAL COST: Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A If new, specify funding source: Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impact: Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Requires change in current operations/policy? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Specify changes required: Known challenges/barriers:	

**AMENDMENT NO. 1 TO INTERLOCAL AGREEMENT BETWEEN
THE CITY OF SPOKANE AND SPOKANE COUNTY
REGARDING REFORMATION OF THE
NORTHEAST PUBLIC DEVELOPMENT AUTHORITY**

THIS AMENDMENT is between the **City of Spokane**, a Washington State municipal corporation, having offices for the transaction of business at 808 West Spokane Falls Boulevard, Spokane, Washington 99201, hereinafter referred to as "CITY" and **Spokane County**, a political subdivision of the State of Washington, having offices for the transaction of business at 1116 West Broadway Avenue, Spokane, Washington 99260, hereinafter referred to as "COUNTY," and jointly hereinafter referred to as the "Parties."

WITNESETH:

WHEREAS, pursuant to the provisions of RCW 36.32.120(6), the Board of County Commissioners of Spokane County, Washington, has the care of county property and the management of county funds and business; and

WHEREAS, the City of Spokane is a first-class charter city duly incorporated and validly existing under the laws and Constitution of the State of Washington; and

WHEREAS, pursuant to chapter 39.34 RCW (Interlocal Cooperation Act), two or more public entities may jointly cooperate between each other to perform functions which each may individually perform; and

WHEREAS, the parties entered into an interlocal local agreement regarding the reformation of the Northeast Public Development Authority (PDA) signed by the parties on October 8, 2019 and November 21, 2019; and

WHEREAS, the Agreement provided in part business terms for the operation and funding of the PDA including a term relating to the waiver of all general facilities charges (GFC) for development of properties which are located within the geographical boundaries of the PDA; and

WHEREAS, the parties agree to amend the Agreement to provide greater clarity regarding the waiver of the GFCs in lights of pre-existing developer agreements that include the possible collection of GFCs.

NOW, THEREFORE, the Parties hereby agree as follows:

Amendment No. 1: The Interlocal Agreement is amended as following:

Section 3: BUSINESS TERMS OF THE PARTIES

The Parties have reached agreement on the following business terms in establishing a PDA for the Northeast Area:

- (1) **Geographic Boundaries of the PDA:** The area and geographic boundaries as defined above and depicted in the map attached as Attachment "A".
- (2) **Revenue Sharing between City and County:** Both the City and County shall share and pay to the PDA, an initial rate of 75% of all incremental increases in the following tax revenues from properties or businesses located within the Geographic Boundaries of the PDA as defined by Attachment "A". The City shall share and pay to the County 12 ½ % of its remaining 25% of all incremental increases in the following tax revenues from properties or businesses located within the Geographic Boundaries of the PDA as defined by Attachment "A". The County shall share and pay to the City 12 ½ % of its remaining 25% of the following tax revenues from properties or businesses located within the Geographic Boundaries of the PDA as defined by Attachment "A". The methodology for calculating and distributing the revenue sharing is outlined in Attachment "B".

City and County will commit and include the following tax revenue sources for their respective entities:

- a. *Property (Real and Personal) Tax Revenue:*
 - i. City of Spokane Regular Levy within PDA – incremental increase.
 - ii. Spokane County Regular Levy within PDA – incremental increase.
- b. *Sales Tax Revenue:*
 - i. City of Spokane incremental Sales Tax increase within PDA.
 - ii. Spokane County incremental Sales Tax increase within PDA.
- c. *Utility Tax Revenue:*
 - i. City of Spokane incremental Private Utility Tax increase within PDA.
 - ii. Spokane County incremental Private Utility Tax increase within PDA (when levied).
- d. *Leasehold Excise Tax:*
 - i. City of Spokane share of incremental Leasehold Excise Tax increase within PDA.
 - ii. Spokane County share of incremental Leasehold Excise Tax increase within PDA.

e. *Business and Occupation Tax Revenue:*

- i. City of Spokane incremental Business and Occupation Tax increase within PDA.
- ii. Spokane County incremental Business and Occupation Tax increase within PDA (when levied).

The County shall use 100% of all incremental increases in Spokane County Road Levy Tax revenues from properties or businesses located within the Geographic Boundaries of the PDA as defined by Attachment "A" for those purposes as authorized under chapter 36.82 RCW and/or RCW 36.33.220 which purposes occur within the unincorporated area of the County located within the Geographic Boundaries of the PDA or within the unincorporated area of the County when the purposes benefit the PDA. The County agrees to include the PDA executive director in the evaluation of proposed projects utilizing the Spokane County Road Tax revenues for the benefit of the PDA. The methodology for calculating the revenue is outlined in Attachment "B".

The City, County and PDA agree to work collaboratively to develop a process, policy, procedure, and/or ordinance to implement the sharing of Revenue as provided for above.

The revenue sharing provisions of this Agreement shall not apply to revenue generated within the boundaries of a tax increment finance district created by either the City or County prior to the date of this Agreement.

Once the PDA's tax revenues as provided for above, excluding Sales Tax Revenue, and PDA operating revenues (leases, other non-tax revenue), have sustained a total level of revenue equal to or greater than the following amounts for a period of three consecutive calendar years, the City and County may mutually agree to review the revenue sharing percentage(s) set forth above and may mutually agree to adjust any or all of them according in the fourth calendar year, effective as of January 1st of the following year.

<u>PDA Total Revenue:</u>	<u>Revenue sharing shall not be reduced less than:</u>
Up to \$600,000	75%
\$600,001 to \$850,000	60%
\$850,001 to \$1,000,000	40%
More than \$1,000,001	20%

Provided further, the remaining balance of tax revenues not shared by the City and County with the PDA will be split equally between the City and County. For example, if the City and County adjust the revenue sharing with the PDA from 75% to 60%, the City shall share with the County 20% of its remaining 40% and the County shall share with the City 20% of its remaining 40%.

Any adjustments to the revenue sharing shall not adversely impact any outstanding debt issued by the PDA.

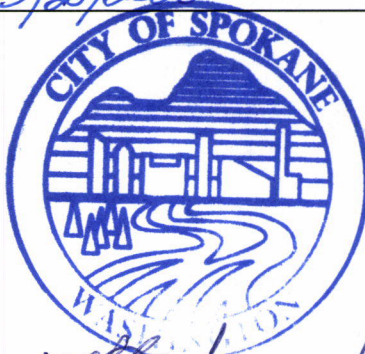
- (3) Debt: City and County agree, to the extent allowed by law, to jointly back any outstanding debt when a guarantee is required. Either Party shall have the right to veto any debt proposal where either Party would be responsible for issuance or repayment of any debt. The Parties recognize that City Charter provisions may prohibit it from providing a guarantee without a vote of its constituents. The Parties agree in instances where a guarantee may require a vote of the City's constituents to consider other mechanisms to satisfy the City's obligation to guarantee any outstanding debt.
- (4) Stand Down on Annexation: For the duration of this Agreement and the duration of any outstanding debt as provided for under Section 3 (3), the City agrees to not initiate and pursue further annexation of property located within the Geographic Boundaries of the PDA.
- (5) GFC Waiver: **Except as provided for herein, ((A))all General Facilities Charges (GFC) shall be waived for development of properties which are located within the Geographic Boundaries of the PDA. Provided, however, GFCs shall not be waived for the development of properties which are located within the geographic boundaries of the PDA which properties are the subject of a development agreement between the City or County and a developer, authorized under RCW 36.70B.170-210, allowing the payment of GFCs, which development agreement was executed prior to November 2, 2019. The parties specifically recognize the City developer agreement recorded under Spokane County Assessor Recording Number 6776491 (City File No. 2018-0811) as such a developer agreement.**
- (6) Commercial or Industrial Water/Sewer Service Charges: For those areas where the City is the water or sewer utility service provider to commercial or industrial utility customers located within the Geographic Boundaries of the PDA after the effective date of the Agreement, utility services shall be provided at in-City rates. All current rules and regulations for in-City customers, or as hereby amended, as determined by the Spokane City Public Works Division shall apply to all services within the Geographic Boundaries and within the City's designated utility service

area. The City reserves the right to develop and substitute, after notice to the County, utility rates specifically for the PDA.

- (7) Development Incentives: All available development incentives and tools shall be available for the Projects, to include the City's incentive matrix and any applicable County incentives.
- (8) Governance: Governance of the PDA shall be as described in Section 5 of this Agreement.
- (9) Initial Funding for PDA Operating Expenses: Initial funding for PDA executive shall be as described in Section 7 of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Addendum Agreement to be executed on date and year opposite their respective signatures.

DATED: 5/28/2020



CITY OF SPOKANE

By: *Julie Stuebel*
Its: Mayor

Attest:

Keri Gots
City Clerk

Approved as to form:

Michael A. Goby
Assistant City Attorney

DATED: 7.7.2020

BOARD OF COUNTY COMMISSIONERS
OF SPOKANE COUNTY, WASHINGTON

Al French
AL FRENCH, Chair

Josh Kerns
JOSH KERNS, Vice-Chair



Mary L. Kuney

MARY L. KUNEY, Commissioner

Attest:

Approved as to form:

Ginna Vasquez

Ginna Vasquez
Clerk of the Board

[Signature]

Deputy Civil Prosecuting Attorney



Expenditure Control Form

1. All requests being made must be accompanied by this form.
2. Route ALL requests to the Finance Department for signature.
3. If request is greater than \$100,000 it requires signatures by Finance and the City Administrator. Finance Dept. will route to City Administrator.

Today's Date: 5/4/20

Type of expenditure: Goods Services

Department: Council - not applicable

Approving Supervisor:

Amount of Proposed Expenditure:

Funding Source:

Please verify correct funding sources. Please indicate breakdown if more than one funding source.

Why is this expenditure necessary now?

What are the impacts if expenses are deferred?

What alternative resources have been considered?

Description of the goods or service and any additional information?

Person Submitting Form/Contact:

FINANCE SIGNATURE:

CITY ADMINISTRATOR SIGNATURE:

02/22/13
135



Agenda Sheet for City Council Meeting of:
02/25/2013

Date Rec'd	2/12/2013
Clerk's File #	OPR 2013-0132
Renews #	
Cross Ref #	
Project #	
Bid #	
Requisition #	

Submitting Dept	PLANNING SERVICES
Contact Name/Phone	TERI STRIPES 625-6597
Contact E-Mail	TSTRIPES@SPOKANECITY.ORG
Agenda Item Type	Contract Item
Agenda Item Name	0650-INTERLOCAL OPERATING AGREEMENT

Agenda Wording
Northeast Public Development Authority (NEPDA) update on the interlocal/ Operating Agreement contract and referenced work plan.

Summary (Background)
The Mayor and City Council established the Northeast Development Advisory Board (NEDAB) and Stakeholder Leaders in October 2010 to assist the City in implementing its target area development strategies. Fourteen board members were appointed soon after. The City created by ordinance (C-34813) the Northeast Public Development Authority, December 12, 2011.

Fiscal Impact	Budget Account
Select \$	#
Select \$	#
Select \$	#
Select \$	#

Approvals		Council Notifications	
Dept Head	CHESNEY, SCOTT	Study Session	
Division Director	QUINTRALL, JAN	Other	PCED 1/28/13
Finance	LESESNE, MICHELE	Distribution List	
Legal	BURNS, BARBARA	sdecker@spokanecity.org	
For the Mayor	SANDERS, THERESA	tstripes@spokanecity.org	
Additional Approvals			
Purchasing			

APPROVED BY SPOKANE CITY COUNCIL ON
2/25/2013
Lynn R. Gjestes
SPOKANE CITY CLERK

City of Spokane Briefing Paper
Planning & Development Services
January 28, 2013

Subject

Northeast Public Development Authority (NEPDA) update on the interlocal/operating agreement contract and referenced work plan that will be coming forward for Council approval

Background

Mayor and City Council established northeast Development Advisory Board (NEDAB) and Stakeholder Leaders in October 2010 to assist the City in implementing its target area development strategies. Fourteen board members were appointed soon after.

City of Spokane created by ordinance (C-34813) the Northeast Public Development Authority, December 12, 2011.

In 2012, the NEDAB and Stakeholder Leaders worked with a consultant to create a vision, mission statement, guiding principles and action strategies for the NEPDA. This strategy document was created with the guidance and assistance of many from the greater Hillyard community and the foundational work they have done - including the award winning GHNEPA Neighborhood Plan completed in 2010.

In October 2012, the NEPDA board members were appointed and entrusted with the implementation of the action strategies.

- The Action Strategy maps out the role for NEPDA as it enters the start-up phase (6-9 months) and in the near-term (10-24 months). A Public Development Authority ("PDA") acts as a market catalyst, creating and enhancing development opportunities. Actions included in this Strategy address two main objectives: Building organizational capacity and Setting the stage for area economic development.

In January 2013, the NEPDA board approved moving forward with the attached interlocal/operating agreement.

Recommendations

Approval of the Interlocal/Operating Agreement Contract between the City and the Northeast Public Development Authority (NEPDA) board of directors.

This agreement assures that everyone is moving forward with the same expectations and everyone understands the next steps of the NEPDA. The interlocal/operating agreement defines the who, what, when and where along with defining the City's support and authority's parameters and work to be accomplished during this year.

OPR 2013-0132

**AN INTERLOCAL OPERATING AGREEMENT BETWEEN
THE CITY OF SPOKANE, WASHINGTON, AND
THE NORTHEAST PUBLIC DEVELOPMENT AUTHORITY**

This agreement between the City of Spokane, Washington ("City"), a Washington State municipal corporation, and the Northeast Public Development Authority ("Authority"), a public corporation created pursuant to chapter 35.21 RCW, is dated this 27th day of February, 2013

WHEREAS, the City of Spokane is a State of Washington first class charter city organized and existing under the Constitution and laws of the State of Washington; and

WHEREAS, the City is authorized by RCW 35.21.730 to create public development authorities to (i) administer and execute federal grants or programs, (ii) receive and administer private funds, goods or services for any lawful public purpose; (iii) improve governmental efficiency and services, (iv) improve the general living conditions in the urban areas in and around the City and (v) perform any lawful public purpose or public function; and

WHEREAS, the City Council approved Ordinance No. C-34813 on December 12, 2011, creating the Northeast Public Development Authority, authorized its charter and bylaws and established its Board of Directors to govern the affairs of the Authority; and

WHEREAS, Chapter 39.34 RCW (Interlocal Cooperation Act) permits local governmental units to make the most efficient use of their powers by enabling them to cooperate on the basis of mutual advantage; and

WHEREAS, the Ordinance approved the Charter ("Charter") and Bylaws of the Authority as a public corporation formed by the City primarily to assist in redeveloping real property in and around the Focus Area, by acquiring, managing, and disposing of real property, securing financing, undertaking or providing for redevelopment, and entering into agreements with developers proposing to develop projects within the Focus Area; and

WHEREAS, the Focus Area of the Authority is generally bounded by the city limits to the north and east, the Market/Haven couplet to the west, and Garland Avenue to the south and encompasses approximately 800 acres; and

WHEREAS, the Vision Statement of the Authority is, "The Northeast is home to an array of commercial and industrial businesses that provide quality employment and economic opportunity to residents in the region, and quality housing for area workers;" and

WHEREAS, the Mission Statement of the Authority is, "NEPDA invests in community outreach, infrastructure, economic development partnerships, and land development to create business and job opportunities within the Northeast Development target area;" and

WHEREAS, the Guiding Principles of the Authority are to: undertake critical projects that would not occur without NEPDA's involvement; build on past work to integrate the area with the Hillyard Neighborhood and improve economic opportunity for residents; allow markets to work, whenever possible; replace blight with sustainable jobs; promote public participation; and, minimize impacts on taxing entities;" and

WHEREAS, the City (1) desires that the Authority be authorized to manage certain real property within the Focus Area owned by the City, and (2) agrees, as set forth herein, to provide support to the Authority to accomplish the objectives of its Charter and the current Work Program; and

WHEREAS, the City and the Authority recognize that, during the term of this agreement, the Authority may facilitate redevelopment of the properties in the Focus Area identified as opportunity sites consistent with the Development Strategy. Functions that may be continued or assigned to the Authority include, but are not limited to, management of certain Focus Area properties that remain in public ownership, operation and maintenance of certain facilities, and provision of services and activities all in a manner that will enable the Authority to operate on a self-sustaining basis; and

WHEREAS, the Northeast Development Advisory Board and Stakeholder Leaders created the Authority's Action Strategy for Northeast Spokane ("Action Strategy") with guidance and assistance from the greater Hillyard community, which strategy builds upon foundational work of such entities, including the award-winning Greater Hillyard Northeast Planning Alliance Neighborhood Plan completed in 2010; and

WHEREAS, the Action Strategy maps out the role for the Authority as it enters the start-up (6-9 months) and near-term (10-24 months) phases pursuing two main objectives: building organizational capacity and setting the stage for area economic development; and

WHEREAS, to ensure that the Authority facilitates redevelopment in a manner consistent with the Action Strategy and Development Strategy, that the Authority manages property in accordance with agreed standards, and that the Parties continue to work together efficiently, effectively and in close communication, the Parties desire to set forth objectives, standards and decision-making processes for accomplishing these joint goals; and

WHEREAS, in creating the Authority, the City recognizes that while it has limited control over the Authority, the City did not relieve itself of oversight responsibility. By statute, the City must oversee and control the Authority's operations and funds in order to correct any deficiency and to assure that the purposes of each project are reasonably accomplished, and the City is responsible to further specify the level of autonomy, oversight, accountability, and control over the Authority in its contracts;

NOW, THEREFORE, the parties have entered into this agreement in consideration of the mutual benefits to be derived and to coordinate their efforts through the structure provided by the Interlocal Cooperation Act.

Section 1. Purpose

The purpose of this agreement is to establish the relationship between the City and Authority through an operating agreement which may be amended administratively from time to time to further the purposes for which the Authority was established or to comply with applicable law.

Section 2. General Principles and Objectives

2.1 The Parties agree to the following general principles and objectives, which guide and inform activities to be taken hereunder.

2.2 The Focus Area of the Authority is generally bounded by the city limits to the north and east, the Market/Haven couplet to the west, and Garland Avenue to the south.

2.3 Parties recognize that multiple parties have previously undertaken a planning process to the redevelop the property within the Focus Area and wish to implement and build upon such earlier work. Parties agree to February 28, 2014 or one (1) year after the date of this agreement, unless Parties agree to an extension in writing. The Development Strategy shall be consistent with all other applicable city plans including without limitation the City's Comprehensive Plan and local revitalization financing plans.

2.4 To facilitate the allocation of necessary and available resources by the City, the Authority agrees to adopt prior to September 1 an annual work plan for the following calendar year in consultation with and accepted by the City. Parties agree the work plan will include without limitation initial development and annual updates of the Development Strategy.

2.5 The Authority agrees to consult annually with the City to identify, review, and prioritize the City's annual Capital Improvement Program, consistent with the Development Strategy.

2.6 Parties recognize that the Authority may, with its own resources, engage in activities not directly related to property development, such as public events and festivals. Such activities not explicitly addressed herein are outside the scope of this agreement.

Section 3. Obligations of the Northeast Public Development Authority.

The Authority agrees to operate in cooperation with the City in accordance with the Action Strategy, Development Strategy and Work Program as amended.

Section 4. Obligations of the City of Spokane.

The City of Spokane agrees to:

4.1 Provide, from time to time, professional staff and necessary related support to work with the Authority to provide oversight and assistance to implement redevelopment and infrastructure projects.

4.2 Provide oversight of Authority operations as required by statute and this agreement in a timely, responsive manner to minimize the impact on legitimate Authority activities.

4.3 Operate in cooperation with the Authority in accordance with the Action Strategy, Development Strategy, and Work Program as amended.

Section 5. Ownership of Public Infrastructure

Pursuant to state law, all infrastructure projects are and shall remain the property of the City of Spokane. No joint property ownership is contemplated under the terms of this agreement.

Section 6. Authority Acquired Property

Parties agree that the redevelopment of the Focus Area, specifically including the acquisition of properties to be redeveloped, is anticipated to be carried out by the Authority pursuant to future contractual agreements between the City and the Authority. The Authority agrees that all property acquisitions are to be made in accordance with its Charter, Action Strategy, Development Strategy, and general law. The Authority agrees not to acquire real property prior to City approval of the initial Development Strategy.

Section 7. Property Management

Prior to the Authority engaging in property management activities, including without limitation to the Authority's role as a property manager of Authority-owned and City-owned properties, capital improvements to City-owned properties, availability of City properties for Authority-related activities, and provision of other services, Parties agree to develop mutually agreeable property management principles and procedures. The Authority agrees not to acquire real property prior to approval of such principles and procedures by the City.

Section 8. Financial Relationship

8.1 The financial relationship between the City and the Authority, including without limitation creation and adoption of an Authority operating budget, Authority capital budget, Authority fund administration, deposit of Authority funds, disbursement of Authority funds, investment of Authority funds, grant pursuit and use of matching funds, Authority annual reports, Authority records maintenance, Authority compliance audits, and City staff support to the Authority shall be memorialized in memoranda of understanding as amended from time to time.

8.2 Parties agree that the Development Strategy will include a detailed financial plan for meeting Authority operational requirements for not less than six (6) years.

8.3 To the extent authorized by the City from time to time, the City agrees to make available its employees to provide oversight and assistance in working with the Authority to achieve the mutual goals and objectives of the Parties under this agreement at no cost to the Authority.

Section 9. Indemnities and Insurance

9.1 Parties agree that until this agreement is amended due to a change in financial or operational conditions, the Authority will be provided insurance coverage in the manner provided to other City commission boards. As the Authority activities, operations, and assets change, the Authority agrees to acquire and maintain appropriate insurance, including but not limited to public liability insurance and errors and omissions insurance, in an amount as specified by the City and approved by the appropriate City department sufficient to cover potential claims that may arise from or be related to Authority's projects or activities. The Authority agrees to name the City as an additional insured on such insurance policies.

9.2 The Authority hereby agrees to indemnify and hold harmless the City, its officers, and employees from any and all claims, actions, causes of action, judgments, or liens occasioned by or arising out of the Authority's negligence or the Authority's failure to comply with applicable laws in the Authority's performance of this agreement (except for any willful misconduct or negligence of the City and except for matters for which the City has agreed to indemnify the Authority hereunder) and to defend for and on behalf of the City, its officers and

employees, at its own expense, any such claim or cause of action, and, in the event of recovery thereon, to pay any judgment or lien arising therefrom, including any and all costs as a part thereof.

9.3 The City hereby agrees to indemnify and hold harmless the Authority, its officers and employees from any and all claims, actions, causes of action, judgments or liens occasioned by or arising out of the City's negligence or the City's failure to comply with applicable laws in the City's performance of this agreement (except for any willful misconduct or negligence of the City and except for matters for which the Authority has agreed to indemnify the City hereunder), and to defend for and on behalf of the Authority, its officers and employees, at its own expense, any such claim or cause of action, and, in the event of recovery thereon, to pay any judgment or lien arising therefrom, including any and all costs as a part thereof.

9.4 Pursuant to state law, the Parties expressly understand and agree that any obligation or liability arising out of and/or incurred by the Authority by reason of this agreement, or the carrying out of any activity in connection therewith, shall be satisfied exclusively from the assets and credit of the Authority, and no creditor or any other person or entity shall have any recourse to any of the assets, credit, or services of the City on account of any debts, obligations, or liabilities of the Authority. No member of the Board, other officer, employee or agent of the Authority shall be individually and personally liable on any obligation assumed by the Authority by this agreement, nor shall any Board member, other officer, employee or agent be individually and personally liable on any obligation assumed by the City by this agreement.

Section 10. Compliance with Laws

10.1 Legal Base. The Parties, in carrying out and conducting the activities required hereunder and furnishing the necessary services, shall at all times carry out such services, and perform such activities in accordance with and pursuant to any and all laws of the United States of America, the State of Washington, and ordinances of the City, and any rules, regulations, or instructions of any agency or department thereof having or asserting authority or jurisdiction with reference to any service or activity carried on under and pursuant to this agreement.

10.2 Statutory Obligations. The Authority agrees to conform to all applicable laws including but not limited to: to be audited by the State auditor and to be subject to various accounting requirements provided by chapter 43.09 RCW; open public record requirements under chapter 42.17 RCW; open public meetings and other public process laws as provided in chapter 42.30 RCW; public works requirements under chapter 39.04 RCW; competitive bidding and prevailing wage laws provided in chapter 39.04 RCW; local government whistleblower laws as provided in chapter 42.41 RCW; the prohibition on using Authority-owned or City-owned facilities for campaign purposes under RCW 42.17.130; and the code of ethics for municipal officers under chapter 42.23 RCW.

10.3 Constitutional Prohibitions. The Authority agrees that its activities are to be consistent with applicable prohibitions within the Washington Constitution including but not limited to: the lending of public credit or gifting of public funds to private entities (with limited exceptions) under Article VIII, Sections 5 and 7; and, the requirement that public debt be incurred exclusively for public purposes under Article VII, Section 1, and Article VIII, Section 6.

10.4 Funds for Political Activity. None of the funds, materials, property, or services provided directly or indirectly in this agreement shall be used in the performance of this

agreement for any partisan political activity or to further the election or defeat of any candidate for public office. None of the funds provided under this agreement shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before the Congress.

10.5 Certification Regarding Lobbying. The Authority certifies, through its undersigned authority to the best of his or her knowledge and belief, that no federal appropriated funds have been paid, or will be paid, by or on behalf of the Authority, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any federal contract, grant, loan, or cooperative agreement, the Authority agrees to complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. The Authority agrees to require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into any transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

10.6 Interest of Members, Officers, or Employees of Grantee Members of Local Governing Body or Other Public Officials. No member, officer, or employee of the City, or its designees or agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality, or localities including the Board, who exercises any functions or responsibilities with respect to the program during his or her tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the program assisted under this agreement, either for themselves or those with whom they have family or business ties.

10.7 Nondiscrimination. In all hiring or employment made possible by or resulting from this agreement there will not be any discrimination against any employee or applicant for employment because of race, religion, color, national origin or ancestry, sex, gender identity, sexual orientation, age, marital status, familial status, or the presence of any sensory, mental or physical handicap. This requirement applies to, without limitation, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Authority agrees to post in conspicuous places available to employees and applicants for employment, notices to be provided by HUD setting forth provisions of this clause. The Authority agrees to state in all solicitations or advertisements for employees that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin or ancestry, sex, gender identity, sexual orientation, age, marital status, familial status, or the presence of any sensory, mental or physical handicap. Parties agree to comply with all

requirements imposed by or pursuant to regulations of HUD Title VI of the Civil Rights Act of 1964 and any subsequent acts.

10.8 Conflict of Interest. Except for the use of funds to pay salaries and other related administration or personnel costs, no officer, employee, agent, or consultant of the Parties who exercises or has exercised any function or responsibility with respect to the programs or projects funded with funds under this agreement, or who is in a position to participate in a decision-making process or gain inside information with regard to such activity, may obtain a financial interest or benefit from such activity either for themselves or those with whom they have family or business ties, during their tenure and for one (1) year thereafter. Parties agree to immediately disclose any such beneficial or financial interest of any of the persons herein mentioned to the other Party. The Parties, their officers, employees, agents, and consultants are obligated to comply with all federal, state, and City conflict of interest laws and regulations, and such laws and regulations apply to all parties and beneficiaries under this agreement.

Section 11. Duration and Termination.

This agreement shall terminate or expire as follows:

11.1 This agreement may be terminated by either party upon the provision of one hundred and eighty (180) calendar days notice. A final reconciliation of costs, payment, and a current report of completed activities shall be completed by the City within such period following the notice by either party.

11.2 Unless sooner terminated by either party, this agreement shall expire on the date when the Authority is dissolved pursuant to its Charter and Chapter 4.25 SMC.

Section 12. Miscellaneous

12.1 Severability. If any provision of this agreement is determined to be invalid or unenforceable, then that provision and the remainder of this agreement shall continue in effect and be enforceable to the fullest extent permitted by law. It is the intention of the Parties that if any provision of this agreement is capable of two constructions, one of which would render the provision void, and the other of which would render the provision valid, then the provision shall have the meaning that renders it valid.

12.2 Integration and Amendment. This agreement contains the entire integrated agreement between the Parties as to the matters covered herein, and supersedes any oral statements or representations or prior written matter not contained in this instrument as to the matters set forth herein. This agreement shall not be modified except by a written document signed by both Parties.

12.3 Governing Law. This agreement shall be governed by and construed and enforced in accordance with the laws of the State of Washington.

12.4 Limitation on Third Party Rights. Nothing in this agreement expressed or implied is intended or shall be construed to give to any person other than the City and the Authority any legal or equitable right, remedy or claim under or in respect of this agreement or any covenant, condition or provision herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the City and the Authority.

12.5 Construction. Captions are solely for the convenience of the Parties and are not a part of this agreement. This agreement shall not be construed as if it had been prepared by one of the Parties, but rather as if both Parties had prepared it.

12.6 Counterparts. This agreement may be executed in counterparts for the convenience of the Parties, and such counterparts shall together constitute one agreement.

12.7 Force Majeure. Time periods for either party's performance under any provisions of this agreement shall be extended for periods of time during which such performance is prevented due to circumstances beyond such party's reasonable control, including without limitations, strikes, embargoes, shortages of labor or materials, governmental regulations, acts of God, war or other strife.

Section 13. Effective Date and Filing.


This agreement shall be effective upon the last authorizing signature affixed hereto and when listed by subject on the City of Spokane's website or other electronically retrievable public source as required by RCW 39.34.040.

Section 14. CHAPTER 39.34 RCW Required Clauses

- 14.1 Purpose: See Section 1 above.
- 14.2 Duration: See Section 11 above.
- 14.3 Organization of Separate Entity and its powers: See Sections 3 and 4 above.
- 14.4 Responsibilities of the parties: See Sections 3 and 4 above.
- 14.5 Agreement to be filed: The agreement shall be filed with the City Clerk's Office and placed on the City's website.
- 14.6 Financing: See Section 8 above.
- 14.7 Termination: See Section 11 above.
- 14.8 Property upon termination: See Section 5 above.


IN WITNESS WHEREOF, the parties have executed this agreement on the date first written above.

Northeast
Public Development Authority



Chairperson of the Board

CITY OF SPOKANE

 (02/27/13)

David A. Condon, Mayor

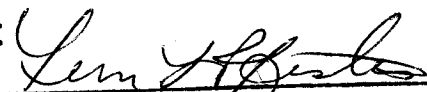


Approved as to form:



Assistant City Attorney

Attest:



8 Spokane City Clerk

APPROVED AS TO FORM:

A handwritten signature in cursive script, appearing to read "A. Burns", written over a horizontal line.

Assistant City Attorney