A resolution regarding the Projects of Citywide Significance Incentive Policy.

Summary (Background)

This resolution approves and supports the administrative policy and procedures for the Projects of Citywide Significance Incentive in accordance with Resolution 2015-0101 which provided an outline of Financial Incentive Plan for projects of Citywide Significance upon which this Administrative Policy for Projects of Citywide Significance is based.
RESOLUTION

A resolution regarding the Projects of Citywide Significance Incentive Policy.

WHEREAS, on August 10, 2015 the Spokane City Council adopted a resolution (Resolution No. 2015-0084) which states support for and establishment of an Economic Development Strategy to implement the City's Comprehensive Plan and growth strategies; and

WHEREAS, the Economic Development Strategy provides for a targeted investment area approach through which public resources may be dedicated towards capital improvements, financial incentives and other assistance in certain areas of the City for projects considered to be "Citywide significance"; and

WHEREAS, pursuant to Resolution 2015-0084 Council President has worked diligently with the Mayor's staff regarding specific focus areas and details to implement and advance the objectives of the Resolution; and,

WHEREAS, Council President has worked with the Mayor's staff and brings forward the following Policy regarding projects of Citywide significance which includes private investments of $5 million (five million dollars) and greater; and

WHEREAS, Resolution 2015-0101 which contains Attachment "C"; an outline of the Financial Incentive Plan for projects of Citywide Significance upon which this Administrative Policy for Projects of Citywide Significance is based.

--NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPOKANE that the City Council hereby approves and supports the Projects of Citywide Significance Incentive Policy as a supplement to Attachment "C" of said Resolution 2015-0101.

ADOPTED by the City Council this 18 day of April, 2016.

[Signature]
City Clerk

Approved as to form:

[Signature]
Assistant City Attorney
1.0 GENERAL

1.1 The purpose of this policy is to provide uniform operating rules and procedures for the consideration and award of financial assistance to development and investment project(s) under the City of Spokane Financial Partnership Portfolio Fund for projects of City Wide Significance.

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2.0 DEPARTMENTS/DIVISIONS AFFECTED

This Policy shall apply to all City Departments.

3.0 REFERENCES

City Council Resolution 2015-0084
City Council Resolution 2015-0101

4.0 DEFINITIONS

4.1 Project Review Committee: The Project Review Committee consists of 5 members: 2 members from the Spokane City Council or their designees; 2 members from the Mayor's Administration or their designees; one member from the private sector with background in finance, real estate, or business development sectors appointed by the Council and Administration representatives. The purpose of the Committee will be to evaluate qualified development proposals requesting financial assistance using the financial partnership matrix to determine the project score and level of financial partnership eligibility.
4.2 **Staff Technical Support Team:** The Staff Technical Support Team consists of City staff members with subject matter expertise in the areas of development review, finance, economic development, real estate and municipal law. The purpose of the technical support team will be to provide technical support to project review committee, interact with the project proponent team and prepare draft development agreement recommendations including the terms and conditions for allocation of financial partnership assistance to qualifying projects.

4.3 **Financial Partnership Portfolio Fund Committee:** The Financial Partnership Portfolio Fund Committee will oversee the annual budget of the Financial Partnership Portfolio Fund including establishment and maintenance of the project funding schedule. The Spokane City Council Finance Committee will act as and perform all functions of the Financial Partnership Portfolio Fund Committee.

4.4 **Project Funding Schedule:** Project Funding Schedule means the schedule of funding assistance which may be available to a qualified project based on the project's financial partnership matrix score.

4.5 **Financial Partnership Matrix:** Financial Partnership Matrix is the weighted scoring worksheet as adopted by Council Resolution, RES 2015-0101, used to evaluate projects which qualify for consideration under the Projects of Citywide Significance program.

4.6 **Project of Citywide Significance:** A project of Citywide significance means a single private development project which entails the development, construction or physical improvement to real property located within the City of Spokane which equals or exceed $5 million in value, not including the value of the property itself, for which there is evidence that such project will provide significant public benefits as such term is defined herein.

4.7 **Qualified Project:** A qualified project means a project of Citywide significance which has received an initial determination that it meets all minimum requirements necessary for acceptance into the Project of Citywide Significance program and to be considered for such financial assistance as may be available and applicable under the program.

4.8 **Public Improvement:** Public improvements means: (a) Infrastructure improvements within the public right of way of the project area, including: (i) Street, road, bridge, and rail construction and maintenance; (ii) Water and sewer system construction and improvements; (iii) Sidewalks, streetlights, landscaping, and streetscaping; (iv) public parking, terminal, and dock facilities; (v) Park and ride facilities of a transit authority; (vi)
Park facilities, recreational areas, and environmental remediation; (vii) Storm water and drainage management systems; (viii) Electric, gas, fiber, and other utility infrastructures; and (b) Expenditures for any of the following purposes: (i) Providing environmental analysis, professional management, planning, and design of public improvements related to the project; (ii) Providing maintenance and security for common or public areas in the revitalization area; or (iii) Historic preservation activities authorized under RCW 35.21.395.

4.9 **Public Improvement Costs:** Public Improvement Costs means the costs of: (a) Design, planning, acquisition, site preparation, construction, reconstruction, rehabilitation, improvement, and installation of public improvements; (b) relocating, maintaining, and operating property pending construction of public improvements; (c) relocating utilities as a result of public improvements; (d) financing public improvements, including interest during construction, legal and other professional services, taxes, insurance, principal and interest costs on general indebtedness issued to finance public improvements, and any necessary reserves for general indebtedness; and (e) administrative expenses and feasibility studies reasonably necessary and related to these costs, including related costs that may have been incurred before an award of a financial incentive or development agreement pursuant to this program.

4.10 **Private Development:** Private development means land or property development undertaken by a private individual or company; a property, plot of land, etc., developed in this way.

5.0 **POLICY**

5.1 Individual projects which include new investment and physical improvements to real property which equal or exceed $5 million in value can provide significant City wide public benefits. Such public benefits include: bringing new living wage jobs to the community; generating new property, sales and utility tax revenues; improving the community through the advancement or implementation of existing community plans including the Comprehensive Plan and neighborhood plans; protecting or improving the environment and conserving natural and historic resources; advancing State and regional industry cluster growth and regional economic development plans; and investing in targeted investment areas such as downtown Spokane, identified centers and corridors and target investment areas identified in the City’s Economic Development strategy. In order to provide for an equitable and transparent process for the use of financial incentives to encourage investments which provide significant public benefits to the City as described above, the Spokane City Council has adopted Resolution 2015-0101 which provides for an evaluation matrix allowing evaluation of a project’s public benefits which are reasonably
likely to accrue as a result of successful completion and intended operation of the project. The evaluation will be made using the standardized evaluation matrix attached as exhibit "A" hereto in accordance with the policies and procedures described herein.

5.2 It is intended that any and all financial incentives awarded to individual projects under this program must be investments made in and for the public good for the purpose of returning a public benefit value.

6.0 PROCEDURE

6.1 Application: Application for a financial incentive will be made on forms provided by the City of Spokane and shall contain all information and details required and necessary for a review of the project and evaluation of the public benefits associated thereto.

6.2 Determination of Qualification: Within 10 business days of receipt of a complete application, the Staff Technical Support Team will evaluate the application and make a determination that: the project is a qualified project with a public benefit and may be considered for a financial incentive; that additional information is needed to make the determination; or, that the project does not qualify for a financial incentive under this program. Such determination will be made in writing.

6.3 Evaluation of Qualified Projects: Qualified projects will be forwarded to the Project Review Committee for evaluation according to the evaluation matrix. The committee members will be provided copies of the application and any supplemental information provided by the applicant and a technical memorandum prepared by the Staff Technical Support Team. The report will include analysis of the project application and assessment of the public benefits that may result. Each project review committee member will use the application and technical memorandum to score the project against the evaluation matrix. The committee member's total scores will be summed and divided by the number of committee members providing a score to determine the project's average and final score.

6.4 Determination of Financial Incentive Value: The project's total score and other relevant data will be will be used to determine the financial incentive value based on the annually adopted project funding schedule and subject to availability of funds at the time of award. Determination of financial incentive value is not a guarantee of availability of funds or of an actual cash value of a project's eligible public improvement costs. Once a determination of financial incentive value is made, the determination and project score are final.
6.5 Development Agreement: Upon completion of the determination of financial incentive value, the project proponent and Staff Technical Support Team shall prepare a development agreement setting forth the terms and conditions under which the financial incentive value will be applied to eligible public improvements costs related to the project.

6.6 City Council Approval: The determination of financial incentive value and corresponding development agreement shall have no force or effect whatsoever unless and until the development agreement is approved by the Spokane City Council and signed by the Mayor.

7.0 RESPONSIBILITIES

The City of Spokane Planning and Development Services Department shall administer this Policy.

8.0 APPENDICES

APPROVED BY:

[Signatures]

City Attorney

[Signature]

City Administrator

Date

4-25-16

Date

4/25/16

Date

4/29/2016

Attest:

[Signature]

Spokane City Clerk

Projects of Citywide Significance Incentive Policy

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