

West Plains/Airport Area Public Development Authority

December 21, 2017

11:30 AM – 1:00 PM

Minutes

Attendance

WP-AA PDA Members present: Theresa Sanders, Ben Stuckart, Gerry Gemmill, Larry Krauter, Al French, Bill Butler, Steve Salvatori (via telephone)

Staff/Guests present: Todd Woodard, Boris Borisov, Taudd Hume, Lindsay Chapman

Meeting called to order 11:30 am

Discussion Items:

Welcome & Introductions– Board Members, staff, and guests

Minutes approved – Gerry Gemmill made a motion to approve the minutes as presented. Al French seconded.
Motion passed unanimously.

Update on Executive Position Posting – The Executive Director (ED) job description was finalized and posted on the City’s website. The position has also been advertised with several professional organizations. Bill Butler suggested amending the minimum/preferred requirements and qualifications section by replacing the phrase “downtown management” with “industrial park management.” This amendment will be made and an updated copy posted online.

Theresa Sanders started the discussion on benefits for the ED position. Taudd Hume reported the University District used a health insurance stipend which allowed their ED to purchase insurance on the private market. Al French asked if the ED could be added to a city or county plan. Mr. Hume stated that this was explored with the City of Spokane HR Department when hiring for the UD and was not advisable as it would make the position appear like a municipal post. Theresa Sanders asked if the PDAs could create a pool for insurance plans. Larry Krauter said he could research this possibility with the Association of Washington Cities. Steve Salvatori said the group could explore a plan using the WA Health Exchange.

Taudd Hume spoke about the need for a clear policy around how the incentive based bonus pay is structured as it may impact other benefits. Al French spoke about research he’s done on indicators for bonus pay including ability to get grants, recruitment of jobs, size of companies (recruited), etc. Larry agreed that in addition to indicators, the person selected to be Executive Director needs to develop SMART Goals (specific, measurable, attainable, relevant, and time-based) and submit for Board review and approval. Al French offered to draft measurables/indicators for the bonus pay structure and provide to the Board for review.

Board Member Applicant Follow-up – This item is in response to an email from Mr. Robert H. Simpson who applied to serve on the WP-AA Board. Although Mr. Simpson was not selected, he is offering his experience in global sourcing and supply chain expertise to benefit the PDA and the community. Board members agreed that utilizing this skillset would be of benefit. Board members also agreed that the new ED should reach out to Mr. Simpson once hiring is complete. Theresa Sanders will pen a response to this effect.

Organizational Follow-up:

Officers: Taudd Hume reported the Board needs to elect officers; secretary and treasurer positions are bank signatories. Al French stated from an operational standpoint it would make sense for Larry Krauter to be Board Chair verses someone from the city or county. Ben Stuckart made a motion nominated Larry Krauter to be Chair of the WP-AA PDA. Al French seconded. Discussion: Ben Stuckart spoke of the groups represented on the board: city, county, airport, at large – each group needs representation in the officer make-up. **Motion passed 4-0 with Larry Krauter abstaining.**

Al French made a motion to nominate Ben Stuckart as Treasurer. Gerry Gemmill seconded. **Motion passed 4-0 with Ben Stuckart abstaining.**

Bill Butler made a motion to nominate Al French as Secretary. Larry Krauter seconded. **Motion passed unanimously.**

Gerry Gemmill made a motion to nominate Steve Salvatori as Vice-Chair. Larry Krauter seconded. **Motion passed unanimously.**

Formation Documents: The Board needs a Tax ID Number and a responsible party/entity; the responsibly party would be contact for tax issues related to the PDA. As an example, the UD uses the Tax ID of the UDDA, a nonprofit. Theresa Sanders said the City of Spokane can be the entity for this purpose. After a Tax ID is issued, Larry Krauter as Board chair will need to sign a W9 form (which is needed for the County and City to issues checks to the PDA).

Banking: The Board discussed authority to enter into contracts and sign checks. There was discussion of requiring two of the four Executive Board Members to sign checks. A motion to this effect was made by Ben Stuckart but withdrawn after further discussion with Taudd Hume, the Board's legal counsel. Mr. Hume clarified that the bylaws authorize the Board of Directors to appoint individuals to issue checks and for efficient and effective governance it would be beneficial to authorize all Executive Board Members to sign for checks (chair, vice-chair, secretary, treasurer). The Board agreed with this direction. Ben Stuckart made a motion to authorize the Executive Board to issue checks and make payments. Al French seconded. **Motion passed unanimously. This motion was formalized via Resolution NO. 2017-3 which was signed by the Board Chair and Certified by the Secretary.**

Ben Stuckart made a motion to authorize the Executive Board (chair, vice-chair, secretary, treasurer) to enter into contracts after an affirmative vote of the majority of the Board of Directors. Larry Krauter seconded. **Motion passed unanimously. This motion was formalized via Resolution NO. 2017-2 which was signed by the Board Chair and Certified by the Secretary.**

Al French asked about the PDAs organizational structure. Board members discussed that the PDA is a municipal corporation; the University District is the same structure but they have a separate 501C3 (UDDA) which is something the WP-AA PDA could explore.

Other organizational items: Taudd Hume spoke of other policies the Board should consider including a whistle blower policy, conflict of interest, OPMA training requirements, etc. Al French added a confidentiality agreement to the list (for when the Board goes into executive session). Mr. Hume committed to bringing drafts of these policies for review at the January meeting.

Office Space: Larry Krauter gave an overview of the office space and stated the Airport could provide it at less than fair market lease value for non-profit organizations. Mr. Krauter will price out the space and get back to the Board.

Email/web domain: Mr. Krauter reported that he did some research and is ready to purchase domains for the website after the PDA opens its bank account.

Boeing New Midsize Aircraft Recruitment Initiative – Larry Krauter spoke about a taskforce being developed by Snohomish County to recruit Boeing’s New NMA aircraft. The WP-AA PDA should pursue this opportunity as this was the purpose for which it was formed. Todd Woodard explained the group could utilize elements of a proposal that was put together seven years ago when the Spokane was pursuing the 737 MAX opportunity. The concept included land that can accommodate a final manufacturing facility. The advantage of this location is the placement of all other facilities, a taxiway system for the airfield and the opportunity for a rail line that is parallel with other utilities. This concept is consistent with the Airport Master Plan and has several major advantages today over previous efforts like available funding for rail. In addition, the County can assist with the S curve at Thorpe, the City can assist with water infrastructure and Avista can help with utilities and gas.

Larry Krauter reported that he had spoken with GSI about forming a taskforce. After learning that the west side is forming a taskforce, GSI wanted to make sure the Spokane region also makes a pitch and asked if Spokane Airport wanted to part of a press release announcing the formation of the taskforce. The Board discussed the need for the WP-AA PDA to be part of this process moving forward. The PDA should have a central role given that the real estate that will be offered as potential site for Boeing is within the PDA boundary. It is also important for other partners to support the PDA. Having this type of focused approach will provide more visibility for the proposal.

The State of WA’s approach to these types of proposals will follow the same model as Amazon – Commerce usually recognizes the Economic Development Organization (EDO) as the lead from the Spokane region (in this case GSI). Board members discussed the value of this process including access to state incentives but also wanted to make sure the PDA can lead the effort given its unique position of offering real estate and other incentives. Board members recognize that a successful approach will include support from GSI and other partners while the PDA takes the lead role. Members also discussed strategy around submittal including going through Commerce vs direct submission to Boeing. It is important to maintain connections with the State, GSI (our EDO), and Commerce as this moves forward.

Board members discussed the need to ensure this region is recognized at Commerce both as a recently formed organization (the PDA) and through the EDO. Board members also asked if it makes sense to use the Air Spokane Taskforce as a beginning point. It was pointed out that this group has not met for several years, but bringing back members plus adding new ones is good starting point for a taskforce and the PDA will work to communicate this approach to GSI.

Board members also discussed the need for the State to treat everyone the same with regards to incentives offered by the Governor's office. Because there is a bigger focus on the Puget Sound area, the PDA and partners will have to make a concerted effort to make this region visible. Bill Butler spoke of this opportunity as a springboard that could bring in other suppliers that would support Boeing. Larry Krauter spoke of the need for a cost analysis to show our competitiveness as it relates to supply chain costs. Gerry Gemmill spoke of Spokane's advantages which include availability of land and lower travel/shipping costs.

External Outreach Strategy – Board members agreed to postpone this item to a future date.

Other Items

Strategic Investment – Ben Stuckart spoke of the City Council's intent to invest \$250,000 in PDAs. These funds will be awarded based on an RFP process. Updates to be provided to the board as they become available.

Outline of work for Executive Director – Bill Butler offered to put together an outline of some of the items the Executive Director can work on including but not limited to outlining market demands, competition, direction, etc.

Action Items:

- Research pooling health benefits with other PDAs with AWC – Larry Krauter
 - Draft indicators for bonus pay – Al French
 - Respond to Mr. Simpson's Email – Theresa Sanders
 - Draft policies for Board review – Taud Hume
 - Provide Office Space Cost Estimate – Larry Krauter
 - Provide draft outline for ED – Bill Butler
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Meeting Adjourned 1:00 pm