

West Plains/Airport Area

Public Development Authority

July 19, 2018

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

WP-AA Executive Director: Todd Coleman

Staff/Guests present: Boris Borisov, Taudd Hume, Katherine Miller, Matt Zarecor

Meeting called to order 11:30 am

Opportunity Zones – Larry Krauter facilitated a video phone call between the Board and members of K&L Gates from Washington DC. The Airport Board employs K&L Gates to as a representative and Mr. Krauter asked them to give the PDA board an overview of the Opportunity Zones. K&L Gates has formed an Opportunity Zone team to look at policy, tax investments and to facilitate investment opportunities. The purpose of the program is to promote Economic Development and job creation by providing tax benefits. Capital gains can be invested in Opportunity Zone funds which are then used for projects.

K&L Gates suggested a proactive approach to the Opportunity Zone initiative while waiting for further guidance from the IRS. This includes developing projects that may be a good fit for this program and working with financial institutions to set up funds.

Bill Butler asked if the rail extension project would qualify for Opportunity Zone investments. K&L Gates reported various projects can be recommended but typically real estate projects are the goal. There isn't an application for projects yet but the program is flexible as various organizations can set up Opportunity Zone funds.

Todd Coleman spoke about three opportunities. First, we can attract customers to property who lack equity. Second, the PDA could invest in a Transload facility if there was a viable use with the idea that at the end of 10 years the PDA could purchase the equity. Third, the PDA could consider a "wetland mitigation bank" to build out stormwater infrastructure.

K&L Gates reported that in order to take advantage of the 7 year holding period, investments need to happen by December 30th. The 10 year opportunity deadline is unclear at this point. Board members agreed the PDA should identify several projects that could benefit from the Opportunity Zone initiative. Board members spoke about the possibility of securing additional services from K&L Gates to advice the PDA regarding Opportunity Zones.

Action Item No. 1: Approval of Minutes: 6/21/2018 Regular Meeting. - Ben Stuckart made a motion to approve the minutes. Theresa Sanders seconded. **Motion passed 6-0.**

Action Item No. 2: Approval of April 1, 2018 to July 10, 2018 Financials – Mr. Coleman presented financial statement covering April 1, 2018 through July 10, 2018. Bill Butler made a motion to approve. Gerry Gimmell seconded. **Motion passed 6-0.**

Action Item No. 3: Authorize a Stormwater Study for the West Plains Airport Area – Katherine Miller and Matt Zarecor reported on a 2003 study that needs to be updated. A draft RFQ has been developed for the PDA to review. Matt Zarecor reported that the 2003 study cost about \$530,000 and included the following high-level takeaways:

1. There are paleo channels where we can infiltrate water; however they are limited
2. The 2003 recommendation was for the Airport Service Area and had an estimated cost of \$11.6 million

Recommendations for updating the 2003 Study:

1. Update with more accurate County LIDAR contours to determine drainage areas
2. Define paleo-channel infiltration capacity
3. Evaluate groundwater impacts
4. Expand study area to include west to include the entire PDA
5. Include facilities constructed since 2003
6. Consider south of I-90 drainage and opportunities to incorporate crossings into WSDOT intersection project next year

Katherine Miller reported this update will range between \$250,000-\$300,000. Taudd Hume stated that the original idea was for the PDA to facilitate the RFQ process the budget for which was stated at \$150,000; it seems that the PDA is being asked for additional funding. Board members also spoke of the need to study the cost of hooking up existing facilities to a regional facility as that would be an attractive way for individual businesses to reclaim private property currently used for stormwater.

Al French made a motion to authorize the Executive Director to solicit for stormwater management services for the WP-AA PDA; the funding source is the City of Spokane, up to \$150,000. Bill Butler seconded. Discussion: Theresa Sanders clarified that this motion is to authorize the RFQ process, not the study itself. **Motion passed 6-0.**

Action Item No. 4: Authorize Participation in WA State DRS PERS – Todd Coleman spoke about being in the PERS system for 15 years and that the PDA could use this system to attract talent in the future. This is a tax deferred member contribution investment tool. The PDA Board is being asked to contribute 12.7%; employee will contribute 7%, rates are set periodically by the Office of State Actuary. Larry Krauter said that this conversation happened when formulating the employment agreement with Todd Coleman and it was incorporated into the cost of the employee.

Theresa Sanders made a motion authorizing execution of the DRS Form for PERS participation. Al French seconded. Discussion: Bill Bulter asked if all board members had to sign the authorization form and Mr. Coleman responded in the affirmative. **Motion passed 6-0.**

Action Item No. 5: Authorize Participation in WA State DRS DCP – Todd Coleman reported this is an employee deferred compensation plan and is no cost to the employer. Theresa Sanders asked if there was a match. Mr. Krauter reported a match is optional from the employer. Al French made a motion to authorize participation in the WA State DRS DCP. Gerry Gimmell seconded. **Motion passed 6-0.**

Action Item No. 6: Authorize an Agreement with State of WA to secure Social Security Coverage – Todd Coleman reported that the PERS system is a defined contribution plan that replaces social security. The negative impact is those who contributed to social security in the past will have limitations on how they receive federal benefits. The Board needs to decide if they want to pay into social security. Some agencies continue to contribute others do not. Firefighters and Police opt out for example. This will cost 6.2% for the employer and 6.2% for the employee. Theresa Sanders made a motion to authorize an agreement with State of WA to secure social security coverage. Al French seconded. **Motion passed 6-0.**

Action Item No. 7: Executive Director Authority – Todd Coleman spoke of the need to establish thresholds for purchasing and provide the Executive Director Administrative direction for carrying on day-to-day business. Because the PDA was formed in partnership between County, City and airport it has to abide by the establishing entities thresholds per state law. Mr. Coleman provided an Executive Director Authority Policy for consideration. Theresa Sanders stated the thresholds within the Executive Director Authority were low but could be changed as the PDA budget and business changes. Al French made a motion to approve provided thresholds. Gerry Gimmell seconded. **Motion passed 6-0.**

Action Item No. 8: Domain Names – The Board agreed to keep working on this and table for now.

Project Updates: Project Rose – Al French reported that Amazon will do a press release tomorrow regarding the distribution facility that has been going by the name Project Rose. Mr. French provided a quote to Amazon and asked for quotes from Larry Krauter as the Chair of the PDA.

Project Updates: Build Grant – Al French and Theresa Sanders reported that the grants was submitted the day before. Multiple support letters were included from the Airport, WP-AA PDA, STA, City of Spokane, County, PDAs, Maria Cantwell, Patty Murray, Cathy McMorris Rodgers, and WSDOT.

Meeting adjourned at 1:30pm.