

January 14, 2021

7:30 – 9:30 AM, scheduled time

Minutes - Regular Meeting (held via teleconference due to Governor's Proclamation 20-28)

Attendance

S3R3 Solutions Members present via teleconference: Breean Beggs, Greg Birchell, William Butler, Al French, Gerry Gemmill, Larry Krauter

S3R3 Solutions Members absent: Scott Simmons

S3R3 Solutions Staff physically present: Todd Coleman; Executive Director, Sueann Herkel; Executive Assistant,

S3R3 Solutions Staff present via teleconference: Taudd Hume; Legal Counsel

S3R3 Solutions Staff absent: None

Guests present: None

Guests present via teleconference: Amy Aiello, Rob Decker, Paul Hunt, Jeff Jurgensen, Larry Mattson, Galen Ribellia, Peter Thompson

Meeting called to order 7:31 AM

Welcome and Introductions:

Board Chair Al French conducted roll call of Board, quorum present.

Public Comment/Courtesy of the Floor:

No public comment taken due to Governor's Proclamation.

Action Item Number 1-Consent Agenda

Board Chair Al French requested comment on Consent Agenda Action Items which included Minutes for the December 10, 2020 Regular Board Meeting and December 1 – 30, 2020. Financials. Hearing none, he called for a motion for approval of all items as presented in the Consent Agenda. Board Treasurer Larry Krauter motioned for approval, Board Member Gerry Gemmill seconded, motion passed unanimously.

Action Item Number 2 – Election of Board Officers

Election of Board Officers took place, the following nominations were taken from the floor:

For position of Chair of the Board, Board Treasurer Larry Krauter nominated Al French. Board Member Gerry Gemmill seconded the nomination. Nomination passed unanimously.

For position of Vice Chair of the Board, Vice Chair Larry Krauter nominated Bill Butler. Nomination was seconded Gerry Gemmill. Nomination passed unanimously.

For position of Treasurer of the Board, Bill Butler nominated Larry Krauter. Gerry Gemmill seconded the nomination. Nomination passed unanimously.

For position of Secretary of the Board, Bill Butler nominated Greg Birchell. Gerry Gemmill seconded the nomination. Nomination passed unanimously.

Action Item Number 3 – Approval of Ground Lease

Board Chair Al French requested comment on the Approval of a Ground Lease. Executive Director Todd Coleman stated that due to number of parties involved and number of agreements required for this transaction there will likely be minor modifications to the Ground Lease prior to execution. Therefore, the Executive Director is requesting flexibility to make nonmaterial changes to the document in coordination with S3R3 Attorney Taudd Hume prior to final execution. The target date for completing the

documents is February 2021. A question was raised by Board Vice Chair Bill Butler concerning paragraph 5.1 stating 50% rent is due at the beginning of and during construction with full rent due upon occupancy. Common practice dictates occupant does not pay rent during construction. Board Treasurer Larry Krauter and Spokane International CEO acknowledges the common practice but explained Airport policy and requirements. Board Treasurer and Spokane International Airport (SIA) CEO Larry Krauter stated the 50% rent is a federal requirement mandated by the Federal Aviation Administration (FAA). Vice Chair Bill Butler also questioned paragraph 19 concerning assignment and subleasing confirming that S3R3 Solutions will need the approval of Spokane International Airport to modify the building and to execute a lease for the facility. This is confirmed and FAA regulation is quoted with the reasoning that is it their requirement to stay in control of aeronautical property. In bringing the matter to a vote, Board Secretary Greg Birchell reiterated the need to stay in line with the original intent of forming the PDA, the ability to streamline; it is a key differentiating factor. Board Chair Al French called for a motion for approval of Action Item Number 3; Board Secretary Greg Birchell motioned; Board Member Gerry Gemmill seconded. Board Treasurer Larry Krauter abstained due to potential conflict of interest, all others approved, and motion passed.

Action Item Number 4 – Approval of Cost Reimbursement Agreement

Board Chair Al French requested comment on Action Item Number 4; Executive Director Todd Coleman reviewed the need for Action Item Number 4 which is to allow S3R3 and the Design Build Team to progress while remaining agreements (Ground Lease with SIA and contract with Design Build Team) are finalized. Vice Chair Bill Butler commented that the agreement is great protection and S3R3 and SIA. Board Chair Al French called for a motion for approval; Board Vice Chair Bill Butler motioned, Board Secretary Greg Birchell seconded, motion passed unanimously.

Action Item Number 5 – Approval of Design Build Contract

Board Chair Al French requested comment on Action Item Number 5; Executive Director Todd Coleman briefed the RFQ, RFP and interview process stating Garco Construction and Fisher Construction Group were very close in the final rankings. Garco rank highest because of their ability to self-perform the work and their accessibility to the local work force, which is critical to maintain schedule with the high volume of development occurring in the Spokane Region. Board Chair Al French, Vice Chair Bill Butler and Board Treasurer Larry Krauter (who all participated in the package review and interview process) echoed each other's comments in stating that Garco received the highest score and have a proven ability to execute. Board Chair Al French went on to mention that the tenant agrees with the choice of Garco. Board Chair Al French called for a motion for approval of Action Item 5, Board Vice Chair Bill Butler motioned for approval of the design build contract with Garco Construction. Board Member Gerry Gemmill seconded, and motion passed unanimously.

Project Updates, Presentations and Briefings:

1. Fourth quarter financials and budget update – Executive Director Todd Coleman briefed 2020 revenues finished at 96% of budget and expenses at 70% of budget.
2. Letter of Intent for Dark Fiber Infrastructure – The Kalispel Tribe of Indians has been granted the CERB grant and loan for the development of dark fiber in the West Plains. The Executive Director and legal counsel will begin drafting the agreement between S3R3 and the Kalispel Tribe of Indians which will require future action of the S3R3 Board. The S3R3 Board agrees the fiber is critical infrastructure.

Other Business:

1. Unfinished Business
None
2. New Business
None

Board Member Items:

None

Executive Session:

None

At 8:35 AM the January 14, 2021 Meeting was adjourned.