

November 4, 2021, Regular Board Meeting

7:30 – 9:00 AM

Minutes – Regular Board Meeting (held via teleconference)

Attendance

S3R3 Solutions Members physically present: Greg Birchell

S3R3 Solutions Members present via teleconference: Breean Beggs, Bill Butler, Al French, Larry Krauter, Scott Simmons

S3R3 Solutions Members absent: Johnnie Perkins

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 physically present: None

Guests present via teleconference: Ribelia Galen, Bill White

Meeting called to order 7:34 AM.

Welcome and Introductions:

Board Chair Al French requested 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 Item Number 1 which included Minutes for the October 15, 2021 Regular Board Meeting and October 1 - 31, 2021 Financials. After hearing no comments, Board Chair Al French called for a motion for approval of the Consent Agenda. Board Member Breean Beggs motioned for approval, Board Secretary Greg Birchell seconded, motion passed unanimously.

Project Updated, Presentations and Briefings

2022 Draft Budget Review – Executive Director Todd Coleman reviewed the 2022 Draft Budget specifically mentioning the five-year cash flow projection. A brief discussion concerning Tax Revenue Sharing Agreement ensued which was followed by a short brief concerning the ongoing meetings with the City and County of Spokane regarding revenue sharing. The November was not as productive as what was hoped. All parties involved realize the complexity of the process. Board Member and County Chief Executive Officer Scott Simmons commented that he will speak with the Spokane County team regarding methodology. All agree that a solution is needed, and it needs to align with the original intent of the creation of the Public Development Authority. Executive Director Todd commented his understanding of the commitment of resources and would agree to help fund a position and help to offset potential labor cost. S3R3's legal counsel, Taudd Hume commented this is a contractual obligation and Scott Simmons commented that his discussion toward a resolution will keep that in mind when gearing toward the end goal. S3R3 Treasurer Larry Krauter thanked Todd Coleman and Scott Simmons for continuing the conversation and would like this issue resolved by end of year. Scott Simmons said that the City and County will work jointly toward a resolution and further commented that, in hindsight, current leadership would have created a different agreement. Executive Director Todd Coleman advised that he has spoken with City Administrator and Board Member Johnnie Perkins who requested that we move forward while also stating that he would like Board Members Al French and Larry Krauter at the next meeting concerning revenue sharing. Board Member and City Counsel President Breean Beggs added he is not interested in changing the Interlocal Agreement and supports all comments made during this Board Meeting. Executive Director Todd Coleman made mention that the Sales Tax from New Construction projection of \$701,943 being conservative and Board Vice Chair Bill Butler agrees. Mr. Coleman continued his explanation of the draft budget and mentioned the need to renew the office lease with the Spokane Airport Board. The current plan is to extend the lease for an additional five years. Continuing the conversation, an overview of office and human resources expenses were reviewed. From that point, the conversation was intertwined to discuss the budget as it related to subjects to be reviewed according to the agenda.

Wetland Mitigation Update – Executive Director Todd Coleman reported a potential partnership for 416 acres. If the wetland mitigation bank purchased would involve this specific 416 acres, it would be an initial investment of \$1.5M with \$2M in improvements totaling an investment of \$3.5M – \$4M but providing a potential \$7M - \$7.5M revenue stream. Board Vice Chair Bill Butler asked what the timeline for credits would be and Mr. Coleman replied it would take approximately three years to get bank approval adding that some credit would be available immediately and others would be available after land improvement. It would be a five-year breakeven transaction with five to ten years for full exhaustion.

The conversation turned to extending sewer and water on Craig Road. It was suggested that S3R3 finance the extension in exchange for the \$1M contribution to the Spokane International Airport for the transload facility.

Dark Fiber Update – Executive Director Todd Coleman’s brief included that an agreement will be presented at the December meeting. If approved, final designs will occur over winter for implementation in the spring.

Marketing Update – Executive Director Todd Coleman discussed a website refresh to include an interactive map and social media presence. Mention was also made of the need for national public relations firm.

The last mention by Executive Director Todd Coleman of the budget was that revenue streams could trigger a yearly audit.

Board Member Terms – Mention was made of expiring board member terms as well as other board positions. Both discussions will resume at the half day retreat planned for December 2021.

Other Business

1. Unfinished:

Nothing reported

2. New Business

Board Treasurer Larry Krauter announced the sale of 65 acres at the corner of Highway 2 and Spotted Road to West Plains Development.

Board Chair Al French reported of a new entity in biotech development making its presence within the boundary of S3R3.

Board Member Items

As reported by Board Chair Al French, Amazon and another unnamed company will be extending their current facilities located within the boundaries of S3R3. Also mentioned was the property owned by Barry Baker south of Interstate 90 and whether PDA boundaries should be a consideration. This topic was pushed to the planned half day retreat.

Executive Session:

None

At 8:52 AM the November 4, 2021 Board Meeting was adjourned.