

January 13, 2022, Annual Board Meeting

7:30 – 9:00 AM

Minutes – Annual Board Meeting (held via teleconference and in person)

Attendance

S3R3 Solutions Members physically present: Greg Birchell, William E Buter, Al French

S3R3 Solutions Members present via teleconference: Breean Beggs, Johnnie Perkins, Scott Simmons

S3R3 Solutions Members absent: Larry Krauter

S3R3 Solutions Staff physically present: Todd Coleman, Executive Director; Karen Corkins, Project Manager

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

Guests physically present: None

Guests present via teleconference: Katherine Miller, City of Spokane; Larry Matson, Jacobs

Meeting called to order 7:36 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 December 9, 2021 Regular Board Meeting. After hearing no comments, Board Chair Al French called for a motion for approval of the minutes. Board Member Breean Beggs motioned for approval, Board Member Scott Simmons seconded, and motion passed unanimously. Board Chair Al French requested comments on the December 1 - 31, 2021 Financials. Hearing no comments Board Member Johnnie Perkins motioned for approval, Board Secretary Greg Birchell seconded the motion, and motion passed unanimously.

Action Item Number 2 – Election of Board Officers

Board Chair Al French reviewed the bylaws requiring the Authority to have four officers and the same person shall not serve as both Chair and any office responsible for the custody of funds and maintenance of accounts and finances. Furthermore, the Chair, Vice Chair, Treasurer and Secretary shall be members of the Board and no officer shall hold the same office position for more than two terms in the same capacity. He reviewed the history of the terms served by the current board members provided in the board meeting packet.

The following nominations were made for the following positions:

- Board Member Breean Beggs nominated William E Butler as Chair.
- Board Chair Al French nominated Larry Krauter as Vice Chair.
- Board Member Johnnie Perkins nominated Breean Beggs as Secretary.
- Board Member Scott Simmons nominated Al French as Treasurer.

Nominations were closed and slate approved by acclamation.

Project Updated, Presentations and Briefings

4th Quarter Financial Update – Executive Director Todd Coleman reviewed the year end 2021 financials with the Board. He noted the ending cash for 2021 was slightly lower than previously projected due to two reasons. First, it was anticipated the collection of retail sales tax retroactively to the basis year of 2018 would have been finalized and received. There is progress on this issue. Karen Corkins and Todd Coleman met with former County employee Margaret Smith to discuss the accounting for the retail sales tax. The parties are currently developing a strategy to retain Margaret to either train or calculate the retail sales tax. Margaret

believes the program is 80% complete and just needs to be implemented. Vice Chair Butler recommended S3R3 staff meet with Margaret, Member Simmons and Member Perkins regarding the software and the topic should be added to the February agenda. Second, the fourth quarter revenues on construction sales tax were invoiced to the County and City on January 3, 2022 for approximately \$314,000. The invoice has been approved but will be paid and recorded in 2022 because the Authority's accounting is on cash basis. Overall revenues were strong, expenses were held to approximately 76% of budget and S3R3 has entered 2022 in a strong financial position. Todd Coleman also stated the Washington State Auditor is finalizing the calendar year 2019 and 2020 audits. No issues have been noted to date.

Draft Agenda for Joint Meeting with Spokane City Council – Chair Al French reviewed the draft agenda with the board members. Several comments were made:

- Important to review the history of S3R3 and the purpose for its creation
- Introduce the current board members and describe the important role they play in furthering the mission and vision of S3R3
- Review the City, County, and Airport partnership and the importance of unity among the entities
- Discuss challenges in timely permitting
- Review the success of the revenue sharing as well as the challenges
- Review the project successes which have resulted in private investment and jobs
- Discuss challenges in workforce housing in the West Plains and its importance to reduce commutes and provide housing to Fairchild Air Force Base
- Discuss infrastructure projects including dark fiber and the wetland mitigation bank
- Fill in the blank... Were it not for the PDA _____
- Now the fastest growing industrial area in Washington State

Dark Fiber Update – Project Manager Karen Corkins briefed the board on the status of the agreement. The parties have finalized the agreement language and the Kalispel Tribe will be taking the agreement before their Council at the soonest opportunity. Once the agreement is signed, the Kalispel Tribe will issue a request for proposals for a firm to design the project.

Wetland Mitigation Bank – Karen Corkins reported due to the extreme cold temperatures and snow, the installation of the pasture fence will need to wait until March or April when the ground thaws. S3R3 is currently scheduling a meeting with the Corp of Engineers and Department of Ecology onsite to see the proposed mitigation bank site likely the end of March or beginning of April. S3R3 created a flier to show developers the three current options available to mitigate for unavoidable wetland impacts; (1) the Meadowcroft mitigation credits available immediately, (2) the City of Cheney/S3R3 Permittee Responsible Mitigation to be available later in 2022, and (3) the Dix Property Mitigation Bank to be available in approximately three years. The Board requested S3R3 staff to evaluate the option of purchasing the available credits from Meadowcroft.

Sanitary Pump Station in Craig Road – Karen Corkins reported the City of Spokane is currently assisting S3R3 in the sizing of the pump station and evaluating ways to phase the construction to correspond with the rate of development in the area. S3R3 is also evaluating an application to use American Recovery Plan funds to support the construction.

West Plains Transportation Network Study- Karen Corkins reported the project is moving along, however it has been a challenge to get SRTC and WSDOT unified with regards to the methodology used to create the traffic demand model. S3R3 may need support from board members to settle the disagreement. Generally, the SRTC model is based on projections derived from historic growth which tends to require a factor of 2 to 3 to accurately reflect current realities. WSDOT recognizes the shortcomings of the SRTC model so uses the ITE methodology as a proxy. However, the ITE methodology is a very broad federal model which does not recognize local factors. Both entities need to support the traffic demand model to get future projects eligible for state and federal grants.

West Plains Connection Project – Karen Corkins reported the Spokane Transit Authority has agreed to fund \$2 million to complete the 6th Avenue connection between Craig Road and Whitetip Avenue. Due to this funding the West Plains Connection project will be continuous from Craig Road to Deer Heights Road. Construction anticipated in 2022.

Marketing Update - Todd Coleman shared with the board the calendar of marketing events planned for 2022. He also mentioned S3R3 will be accepting proposals to assist S3R3 in the recruitment of advanced manufacturing and aerospace companies. The selected firm will have an existing network in the target sector and will introduce S3R3 directly. He also mentioned the timing is

good as the West Plains now has a portfolio of speculative buildings either available or in the works to accommodate new prospects. Chair French is on the Executive Committee of GSI and has emphasized the need to work collectively to recruit new businesses to the region.

Other Business

1. Unfinished:

Nothing reported

2. New Business

Board Chair Al French discussed the importance of the County opening the Urban Growth Boundary in 2022. The West Plains and region severely needs workforce housing to support growth. Because Spokane County has outpaced all projections for growth the County will be able to open discussions on expanding the Urban Growth Boundary. The West Plains Transportation project will play a key role as it looks at the land uses, market analysis and the needs for additional transportation capacity beyond the Medical Lake Interchange which is nearing capacity. He discussed the need to evaluate new and/or improved interchanges such as improvements to the Four Lakes Interchange with Craig Road and I-90.

Board Chair Al French mentioned the issue with the Operating Agreement between the Airport and Amazon is being resolved and is no longer an issue. He has contacted the governmental affairs group at Amazon and they are taking the lead to get the agreement executed.

Board Member Items

None

Executive Session:

None

At 8:38 AM the January 13, 2022 Annual Board Meeting was adjourned.