



October 12, 2023 Board Meeting 7:30 – 9:00 AM  
7106 W Will D Alton Lane, Suite 103 Spokane, WA 99224

*This meeting will be held in person with an online option.  
Instructions on how to join the call are as follows:*

*Join Zoom Meeting*

<https://us06web.zoom.us/j/82387049093?pwd=UzBNSmEzR0VyQnl6MzFhZHVOMWxydz09>

*Meeting ID: 823 8704 9093; Passcode: 167520*

*If you would like to join by telephone only, please call 1-253-215-8782 then enter: 823 8704 9093  
For a complete packet of materials please go to [S3R3Solutions.com](http://S3R3Solutions.com)*

## Welcome and Introductions

## Public Comment/Courtesy of the Floor

### Action Items

- Action Item No 1: Consent Agenda
  - Approval of Minutes for the September 13, 2023 Board Meeting
  - Approval of Financials for August of 2023

### Project Updates, Presentations and Briefings

- ARPA Funds
- Wetland Mitigation Bank
- 30 Day Report from Executive Director
- December Board Meeting and Budget Workshop

### Other Business

- Unfinished Business
- New Business

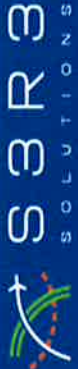
### Board Member Items

### Executive Session

### Adjourn

#### Executive Session

An Executive Session may be called during the meeting. The purpose must be announced and is limited by RCW 42.30.110. Examples include: (1) to discuss with legal counsel litigation, potential litigation and/or legal risks (RCW 42.30.110(1)(i)); (2) to consider the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price (RCW 42.30.110(1)(b)); and (3) to consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price (final action selling or leasing public property shall be taken in a meeting open to the public)(RCW 42.30.110(1)(c)).



**Action Item No: 10122023-01**

**Board Meeting Date: October 12, 2023**

**Subject: Consent Agenda**

- 1) Approval of September 13, 2023 Board Meeting Minutes
- 2) August 2023 Financials

**Background:**

September 13, 2023 minutes for the regularly scheduled Board Meeting.

Financials for August 2023

**Recommendation:**

Recommendation is for the S3R3 Solutions Board to approve the consent agenda items as presented.

**Submitted By:**

Chris Pengra, Executive Director

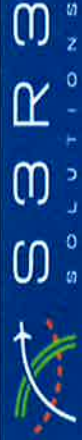
**Date Action Taken:** \_\_\_\_\_

**Motion By:** \_\_\_\_\_

**Seconded By:** \_\_\_\_\_

**Action Taken:** (Approved) (Rejected) (Deferred to: \_\_\_\_\_)

**Approved as modified:** \_\_\_\_\_



September 14, 2023, Regular Board Meeting

7:30 – 9:00 AM

## Minutes – Board Meeting (held via teleconference only)

### Attendance

**S3R3 Solutions Board Members present:** Greg Birchell, Al French, Paul Katovich, Larry Krauter, Scott Simmons

**S3R3 Solutions Board Members present via Zoom:** Lori Kinnear

**S3R3 Solutions Board Members absent:** Garrett Jones

**S3R3 Solutions Staff present:** Karen Corkins, Project Manager; Sueann Herkel, Executive Assistant; Taudd Hume, Legal Counsel; Chris Pengra; Executive Director

**S3R3 Solutions Staff absent:** None

**Guests physically present:** Mark Brewster (Citizen of Palisades Neighborhood), Hank Bynaker (Airway Heights City Council Member), Steve MacDonald (City of Spokane), Julia McHugh (Citizen of Palisades Neighborhood)

**Guests present via teleconference:** Marcia Davis (City of Spokane), Chris Pengra (incoming Executive Director for S3R3 Solutions), Teri Stripes (City of Spokane), Pete Thompson

**Meeting called to order 7:33 AM**

### Welcome and Introductions:

Board Chair Al French requested a roll call, quorum present. Currently, two members are traveling to the meeting.

Board Chair Al French introduced the newest S3R3 Board Member, Paul Katovich as a stakeholder in the area and the person that hosted Washington Senate and House personnel for tours of the new Transload Facility. In addition, the new Executive Director, Chris Pengra, was introduced who provided a brief of his background.

### Public Comment/Courtesy of the Floor:

Public Comment was requested by Board Chair Al French. He advised that there will be a three-minute limit. Attendee Julia McHugh reminded the board regarding the contaminated wells in the Palisades Neighborhood (demonstrated by a map she was displaying). She would like the board of S3R3 Solutions to consider the development within S3R3 boundaries, how it affects outlying neighborhoods and to be good neighbors. She acknowledges Board Chair Al French's efforts for aquifer protection. Additionally, she also left two documents for the S3R3 Board to review.

7:42 AM - It is noted that Scott Simmons has joined the board meeting in person.

7:45 AM - It is noted that Greg Birchell has joined the board meeting in person.

### Action Item No. 1 – Consent Agenda

Board Chair Al French called for a motion to approve the Consent Agenda Action Item No. 1 which includes minutes for the August 10, 2023 regular Board Meeting and financials for July of 2023. Board Treasurer Scott Simmons motioned for approval for the minutes, Board Vice Chair Larry Krauter seconded, motion passed unanimously.

### Project Updates, Presentations

Board Chair Al French discussed the ARPA Funds beginning with an explanation of the need to move the funds from doing a stormwater work to other priorities in the area specifically sewer and water. Board Chair Al French had a discussion with Marlene Feist, Director of Public Works for the City of Spokane specifically addressing the need to spend \$1M on a water booster station and \$1M assisting in providing a sewer lift station. Board Vice Chair Larry Krauter advised that the Spokane International Airport will match the funds for water and sewer as well as search for additional funds. Board Chair Al French further discussed that the City has access to funds and these ARPA funds help close the gap between a loan and funding available. It is estimated that the total cost is \$10M, a figure he plans on requesting during the next Legislative Session. Considering the previous comments, Board Chair Al French asked for a motion to approve after Attorney Taudd Hume

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confirmed with Commissioner French that since the Board of County Commissioners designate the use of funds from this particular funding pool, we do not to change the contract, this motion will let us amend the contract. Board Vice Chair Larry Krauter motioned the S3R3 Board modify the prior commitment of \$2M be divided as \$1M each for water and sewer. Board Treasurer Scott Simmons seconded, motion passed unanimously.

A Strategic Direction Discussion was introduced by Board Chair Al French to include external efforts to specifically focus on attracting new business as opposed to supporting who is already within the boundaries of the PDA. Board Secretary Greg Birchell further discussed positioning our brand in the sectors we want to attract and pursuing and creating relationships within those sectors.

Board Secretary Greg Birchell talked briefly about our current contract with Big Sky Public Relations and continuing with them concerning social media. For now, they are fulfilling the needs of S3R3. However, next steps should be considered regarding sectors of interest to include aerospace, advanced manufacturing, logistics and waste haulers. Further discussion ensued with regard to attending trade shows, formulating and writing down a large-scale marketing plan and researching who compliments businesses that already exist in the PDA.

Several comments were made by all members of the board regarding the fact that the PDA is positively situated for success specifically citing that rail already exists. Executive Director Chris Pengra commented that S3R3 should center attention on potential development focusing on who they are, what they are and what they want. Additionally, focus should be on new business that may be in state, out of state or international.

**Unfinished Business**

None

**New Business**

None

**Board Member Items**

None

**Executive Session**

Board Chair Al French asked for Executive Session to be called to discuss the performance of a public official (RCW 42.30.110(1)(g)). The Executive Session was scheduled to end at 8:45 AM and it was determined that action or a decision would be made after Executive Session. Executive Session was extended to 8:45 AM. At 8:51 AM Executive Session was ended, no decision was made and the September 14, 2023 Board Meeting was adjourned.

2023 S3R3 Solutions	Aug-23	YTD 2023	YTD 2022	23-22 Difference
<b>Non-Op Revenue</b>				
Property Tax - Base Contribution	\$67.00	\$559,760.64	\$191,023.94	\$368,736.70
Sales Tax - Contribution from New Construction	\$0.00	\$284,675.83	\$875,918.67	(\$591,242.84)
Sales Tax - Contribution from Sales from New Business	\$0.00	\$145,145.99		\$145,145.99
Utility Tax - Contribution from New Business	\$11,492.65	\$50,104.96	\$26,671.85	\$23,433.11
Interest	\$4,783.45	\$30,988.83	\$5,632.45	\$25,356.38
<b>Non-Op Revenue Total</b>	<b>\$16,343.10</b>	<b>\$1,070,676.25</b>	<b>\$1,099,246.91</b>	<b>(\$28,570.66)</b>
<b>Operating Revenue</b>				
Building Lease	\$73,441.02	\$587,528.16	\$570,475.36	\$17,052.80
<b>Operating Revenue Total</b>	<b>\$73,441.02</b>	<b>\$587,528.16</b>	<b>\$570,475.36</b>	<b>\$17,052.80</b>
<b>Total Sources</b>	<b>\$89,784.12</b>	<b>\$1,658,204.41</b>	<b>\$1,669,722.27</b>	<b>(\$11,517.86)</b>

<b>Operating Expenses</b>				
<b>Office Expenses</b>				
Office Lease	\$2,720.00	\$12,240.00	\$9,311.43	\$2,928.57
Leasehold Excise Tax	\$436.96	\$3,495.68	\$3,058.72	\$436.96
Tax and License	\$0.00	\$162.00		\$162.00
Utilities (Electricity, Natural Gas, Disposal)	\$640.55	\$2,506.69	\$2,300.36	\$206.33
Office Supplies	\$1,108.61	\$3,774.27	\$9,305.65	(\$5,531.38)
Communications (Phones, internet & postage)	\$672.51	\$6,290.96	\$4,358.59	\$1,932.37
Business Meals / Meetings	\$357.03	\$6,253.61	\$3,187.89	\$3,065.72
Office Equipment	\$287.92	\$2,280.49	\$5,548.56	(\$3,268.07)
<b>Office Expenses - Total</b>	<b>\$6,223.58</b>	<b>37,003.70</b>	<b>37,071.20</b>	<b>(\$67.50)</b>
<b>Human Resource</b>				
Salaries	\$15,868.56	\$138,694.87	\$209,202.96	(\$70,508.09)
Federal Employment Taxes	\$1,203.21	\$10,255.37	\$13,678.24	(\$3,422.87)
State Employment Taxes	\$236.34	\$315.76	\$280.34	\$35.42
Health Benefits	\$972.04	\$22,124.94	\$43,352.43	(\$21,227.49)
Public Employee Retirement Systems	\$3,097.69	\$26,418.55	\$21,015.94	\$5,402.61
<b>Human Resource Total</b>	<b>\$21,377.84</b>	<b>197,809.49</b>	<b>287,529.91</b>	<b>(\$89,720.42)</b>



Capital/Infrastructure Improvements Total				
Building	\$167.71	\$1,191.94	\$8,389.92	(\$7,197.98)
Ground Lease	\$3,403.12	\$27,224.16	\$23,821.84	\$3,402.32
<b>Capital/Infrastructure Improvements Total</b>	<b>\$3,570.83</b>	<b>28,416.10</b>	<b>32,211.76</b>	<b>(\$3,795.66)</b>
<b>Professional &amp; Personal Services</b>				
Legal	\$4,815.00	\$13,880.50	\$12,186.59	\$1,693.91
Accounting Services	\$1,123.67	\$10,613.17	\$14,007.20	(\$3,394.03)
Inurance	\$0.00	\$36,299.00	\$33,089.00	\$3,210.00
Recruitment Marketing services	\$218.61	\$98,109.11	\$38,654.98	\$59,454.13
SCIP Management fees	\$55.76	\$392.86	\$374.73	\$18.13
Interest	\$14,523.96	\$117,211.93	\$128,531.07	(\$11,319.14)
IT Services	\$1,745.01	\$7,740.84	\$4,622.89	\$3,117.95
Consultant, PW and Vedor Rosters	\$1,527.50	\$4,612.50	-\$24,378.94	\$28,991.44
Conferences/Association Meetings	\$240.00	\$2,943.17	\$5,013.08	-\$2,069.91
Dues and Subscriptions		\$563.61	\$754.20	-\$190.59
Stormwater Study		\$5,595.00		\$5,595.00
Cleaning / Janitorial	\$0.00	\$2,754.00	\$692.16	\$2,061.84
Air Cargo / Conair-2022	\$0.00	\$4,073.92	\$68,883.39	(\$64,809.47)
Bank Charges & Fees	\$13.51	\$108.06	\$65.70	\$42.36
Wetlands	\$7,830.82	\$111,538.69	\$319,654.48	-\$208,115.79
Fiber			\$1,515.00	(\$1,515.00)
Transporation	\$3,352.31	\$28,198.95	\$32,926.53	(\$4,727.58)
<b>Professional &amp; Personal Services Total</b>	<b>\$35,446.15</b>	<b>\$444,635.31</b>	<b>\$636,592.06</b>	<b>-\$191,956.75</b>
<b>Travel</b>				
Travel Expenses	\$9.50	\$1,045.21	\$3,543.53	(\$2,498.32)
<b>Travel Expenses Total</b>	<b>\$9.50</b>	<b>\$1,045.21</b>	<b>\$3,543.53</b>	<b>(\$2,498.32)</b>
<b>Total Expenses</b>	<b>\$66,627.90</b>	<b>\$708,909.82</b>	<b>\$996,948.46</b>	<b>(\$288,038.64)</b>
<b>Net Income</b>	<b>\$23,156.22</b>	<b>949,294.59</b>	<b>672,773.81</b>	<b>\$276,520.78</b>