

February 8, 2024 Board Meeting 7:30 – 9:00AM
7106 W Will D. Alton Lane, Suite 103, Spokane, WA 99224
509-381-4152

*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/86861566766?pwd=cRVdmS2zMWtza9ZVqGJjnnVhll6QzP.1>

Meeting ID: 868 6156 6766

Passcode: 998578

For a complete packet of materials please go to S3R3Solutions.com

Welcome and Introductions

Public Comment/Courtesy of the Floor

Action Items

- Action Item No 1: Consent Agenda
 - Approval of Minutes for the January 11, 2024 Board Meeting
 - Approval of Financials for December of 2023
- Action Item No 2: Board Officer Elections
- Action Item No 3: Approval of Resolution 2024-01

Updates, Presentations and Briefings

- Wetland Mitigation – Public Comment Period
- Transportation Network Study
- 2024 Business Development Calendar

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: 02082024-01

Board Meeting Date: February 8, 2024

Subject: Consent Agenda

- 1) Approval of January 11, 2024 Board Meeting Minutes**
- 2) December 2023 Financials**

Background:

January 8, 2024 minutes for the regularly scheduled monthly board meeting.

Financials for December 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: _____

January 11, 2024, Regular Board Meeting

7:30 – 9:00 AM

7106 W Will D Alton Lane, Suite 103A, Spokane, WA 99224

Minutes – Board Meeting

Attendance:

S3R3 Board Members physically present: Al French, Paul Katovich, Betsy Wilkerson

S3R3 Board Members present online: Greg Birchell, Larry Krauter, Scott Simmons

S3R3 Board Members absent: Garrett Jones

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

Guests physically present: Julia McHugh, Citizen of Palisades Neighborhood

Guests present online: Marcia Davis, City of Spokane

Meeting called to order 7:32 AM

Welcome and Introductions:

Roll call conducted, quorum is present.

Public Comment/Courtesy of the Floor:

Julia McHugh voiced concerns about well contamination in the Palisades Neighborhood and commended Commissioner French for positive involvement. She urged consideration for water supply in any development within S3R3 Solutions' boundaries.

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 January 11, 2024 and November 2023 Financials. Board Member Betsy Wilkerson motioned for approval, Board Member Paul Katovich seconded, motion passed unanimously.

Project Updates, Presentations and Briefings

A comprehensive discussion unfolded regarding S3R3's endorsement of the American Aerospace Materials Manufacturing Center Tech Hub. Executive Director Chris Pengra provided an overarching summary of the \$70 million grant, outlining S3R3's specific focus on two key components: Workforce Development and Entrepreneur & Business Development.

Board Chair Al French expanded on crucial details, emphasizing that the Tech Hub, funded by the grant, will be housed in the old Triumph building with a primary focus on research and technology. Board Vice Chair Larry Krauter highlighted our region's successful selection out of 400 applicants and emphasized S3R3's pivotal role with financial and in-kind commitments.

As part of the in-kind commitment, S3R3 contemplates hiring a full-time employee dedicated to workforce development for the Tech Hub, incurring a net cost ranging from \$62,000 to \$91,000. This move addresses the complexity of current workforce development programs and state agencies. The

envisioned role involves coordinating with business and education communities, focusing on community impact, conducting labor market research and analysis, and undertaking primary research to comprehend industry needs.

The discussion underscored challenges related to securing a specific labor force for the Tech Hub, highlighting the broader issue faced by industries in the region—the need for a skilled workforce. Executive Chris Pengra proposed collaboration with regional professionals to enhance the existing workforce, a proposition unanimously supported by all board members.

Further deliberation addressed the financial commitment required for a 10% match annually over ten years to fully realize the \$70 million grant. While S3R3 does not bear the entire cost, a portion of the current S3R3 marketing budget will be allocated to assist with the match. Board Chair Al French affirmed confidence in meeting the thresholds with community partners.

To formalize these commitments, S3R3 board members pledged to allocate personnel, matching funds, and a percentage of the current marketing budget to the Tech Hub. The briefing concludes with the announcement that an action item for a resolution will be presented at the February board meeting.

Unfinished Business

None

New Business

None

Board Member Items

Board Chair Al French remarked on the alignment between the new leadership at NIMA and the direction S3R3 is heading.

Board Vice Chair Larry Krauter announced an upcoming direct flight to Charlotte via American Airlines at the Spokane International Airport.

8:41 AM - Board Chair Al French announced he had to leave for another meeting and turned the meeting over to Vice Chair Larry Krauter. At the request of Vice Chair Larry Krauter, Counsel read the Board into Executive Session.

8:54 AM – Executive Session ends and the January 11, 2024 Board Meeting was adjourned.

2023 S3R3 Solutions		Dec. 2023	YTD 2023	YTD 2022	23-22 Difference
Non-Op Revenue					
Property Tax - Base Contribution	\$34,297.17		\$587,954.95	\$352,153.50	\$235,801.45
Sales Tax - Contribution from New Construction			\$284,675.83	\$875,918.67	(\$591,242.84)
Sales Tax - Contribution from Sales from New Business	\$98,922.71		\$480,260.41	\$620,369.90	(\$140,109.49)
Utility Tax - Contribution from New Business	\$10,752.54		\$108,563.07	\$56,159.76	\$52,403.31
Interest	\$6,631.59		\$54,120.52	\$13,646.41	\$40,474.11
Non-Op Revenue Total	\$150,604.01		\$1,515,574.78	\$1,918,248.24	(\$402,673.46)
Operating Revenue					
Building Lease	\$75,636.56		\$887,878.86	\$861,339.09	\$26,539.77
Operating Revenue Total	\$75,636.56		\$887,878.86	\$861,339.09	\$26,539.77
Total Sources	\$226,240.57		\$2,403,453.64	\$2,779,587.33	(\$376,133.69)
Operating Expenses					
Office Expenses					
Office Lease	\$1,432.53		\$16,465.06	\$14,624.49	\$1,840.57
Leasehold Excise Tax	\$0.00		\$0.00	(\$1,747.84)	\$1,747.84
Tax and License	\$0.00		\$162.00	\$0.00	\$162.00
Utilities (Electricity, Natural Gas, Disposal)	\$293.29		\$3,521.88	\$3,562.63	(\$40.75)
Office Supplies	\$1,863.79		\$7,603.72	\$12,352.10	(\$4,748.38)
Communications (Phones, internet & postage)	\$1,149.07		\$9,973.83	\$7,068.67	\$2,905.16
Business Meals / Meetings	\$1,197.96		\$8,447.51	\$4,460.02	\$3,987.49
Office Equipment	\$287.92		\$3,432.17	\$8,541.67	(\$5,109.50)
Office Expenses - Total	\$6,224.56		49,606.17	48,861.74	\$744.43
Human Resource					
Salaries	\$29,883.30		\$262,929.09	\$310,631.87	(\$47,702.78)
Federal Employment Taxes	\$2,275.59		\$19,858.81	\$21,391.63	(\$1,532.82)
State Employment Taxes	\$0.00		\$874.14	\$583.05	\$291.09
Health Benefits	\$3,447.84		\$21,949.14	\$20,287.04	\$1,662.10
Public Employee Retirement Systems	\$2,790.70		\$20,648.34	\$28,762.05	(\$8,113.71)
Human Resource Total	\$38,397.43		326,259.52	381,655.64	(\$55,396.12)

Capital/Infrastructure Improvements Total									
Building	\$167.71	\$3,759.66		\$8,932.14					(\$5,172.48)
Ground Lease	\$3,403.12	\$40,836.64		\$37,434.32					\$3,402.32
Capital/Infrastructure Improvements Total	\$3,570.83	44,596.30		46,366.46					(\$1,770.16)
Professional & Personal Services									
Legal	\$672.50	\$20,923.00		\$23,716.41					-\$2,793.41
Accounting Services	\$1,494.67	\$16,532.39		\$17,664.50					(\$1,132.11)
Inaurance		\$36,299.00		\$33,089.00					\$3,210.00
Recruitment Marketing services	\$3,547.51	\$109,846.57		\$65,431.38					\$44,415.19
SCIP Management fees	\$163.71	\$732.32		\$701.71					\$30.61
Interest	\$13,576.25	\$173,159.46		\$190,247.48					(\$17,088.02)
IT Services	\$33.75	\$16,959.16		\$11,897.50					\$5,061.66
Consultant, PW and Vedor Rosters	\$720.00	\$5,332.50		-\$24,378.94					\$29,711.44
Conferences/Association Meetings	\$0.00	\$6,849.36		\$5,316.14					\$1,533.22
Dues and Subscriptions	\$400.00	\$2,858.36		\$2,636.23					\$222.13
Stormwater Study	\$0.00	\$5,595.00		\$0.00					\$5,595.00
Cleaning / Janitorial	\$353.00	\$4,166.00		\$692.16					\$3,473.84
Air Cargo / Conair-2022	\$0.00	\$4,073.92		\$68,883.39					(\$64,809.47)
Bank Charges & Fees	\$11.95	\$166.54		\$118.21					\$48.33
Wetlands	\$7,830.82	\$165,984.32		\$385,678.57					-\$219,694.25
Fiber				\$1,665.00					(\$1,665.00)
Transportation	\$595.34	\$29,680.99		\$4,610.93					\$25,070.06
Professional & Personal Services Total	\$29,399.50	\$599,158.89		\$787,969.67					(\$246,595.93)
Travel									
Travel Expenses	\$253.03	\$1,724.75		\$3,088.05					(\$1,363.30)
Travel Expenses Total	\$253.03	\$1,724.75		\$3,088.05					(\$1,363.30)
Total Expenses	\$77,845.35	\$1,021,345.63		\$1,267,941.56					(\$246,595.93)
Net Income	\$148,395.22	1,382,108.01		1,511,645.77					(\$129,537.76)

These financials statements have not been subjected to year end audit or review and no assurance is provided on them.

Action Item No: 020802024-02

Board Meeting Date: February 8, 2024

Subject: Election of Board Officers

Background:

The West Plains Public Development Authority (dba S3R3 Solutions) charter states "...The Authority shall have four (4) officers. The same person shall not serve as both the Chair and any office responsible for the custody of funds and maintenance of accounts and finances. The initial officers of the Authority shall be the Chair, Vice-Chair, Treasurer and Secretary. These officers shall be members of the Board... No officer shall hold the same office position for more than two (2) terms in the same capacity."

The following officer positions are to be elected at an annual meeting of the S3R3 Board:

- Chair
- Vice Chair
- Treasurer
- Secretary

The current officers have all served one year in their current position.

Recommendation:

Recommendation is for the S3R3 board to select:

_____ as Chair,

_____ as Vice Chair,

_____ as Treasurer and

_____ as Secretary of the S3R3 Administrative Board.

Submitted By:

Chris Pengra, Executive Director

Date Action Taken: _____

Motion By: _____

Seconded By: _____

Action Taken: (Approved) (Rejected) (Deferred to: _____)

Approved as modified: _____

Action Item No: 02082024-03

Board Meeting Date: February 8, 2024

Subject: Approval of Resolution 2024-01

Background:

S3R3 Solutions is seeking the Board's approval for a commitment of funds in support for the American Aerospace Materials Manufacturing Center (the Tech Hub). This would entail a letter of commitment to be included in Phase 2 of the grant application and would focus on workforce development and marketing/recruitment.

Recommendation:

Recommendation is for the S3R3 Board to approve the commitment of funds as presented.

Submitted By:

Chris Pengra, Executive Director

Date Action Taken: _____

Motion By: _____

Seconded By: _____

Action Taken: (Approved) (Rejected) (Deferred to: _____)

Approved as modified: _____

**WEST PLAINS AIRPORT AREA PUBLIC DEVELOPMENT AUTHORITY
DBA S3R3 SOLUTIONS**

RESOLUTION NO. 2024-01

***(Regarding Support of the American Aerospace Materials Manufacturing Center and
Authorization for Executive Action)***

A **RESOLUTION** of S3R3 Solutions (1) proclaiming support for the American Aerospace Materials Manufacturing Center (the "Tech Hub"), and (2) authorizing the Executive Director to draft and sign a letter of commitment on behalf of the PDA, to be included in the Phase 2 Regional Technology and Innovation Hubs Phase 2 grant application.

WHEREAS, pursuant to RCW 35.21 the City of Spokane, Spokane County and Spokane International Airport have entered into a joint venture by forming the West Plains Airport Area Public Development Authority doing business as and hereafter referred to as S3R3 Solutions; and

WHEREAS, S3R3 Solutions is one of over fifty members of a diverse regional consortium of public, private, and academic partners that worked together to apply for designation as a Regional Technology and Innovation Hub through the U.S. Economic Development Administration (the "Consortium"); and

WHEREAS, the Consortium's application, which outlined the region's plan to become a global leader in high-rate production of advanced composites aerostructures in defense and commercial markets within ten years, resulted in the Consortium receiving designation as one of only thirty one Tech Hubs to receive the designation out of over four hundred applications; and

WHEREAS, the designation of the Tech Hub by the U.S. Economic Development Administration qualifies the Consortium to apply for grant funds to implement the Consortium's plan to create a globally competitive region for composites manufacturing; and

WHEREAS, the S3R3 Solutions Board Members have identified the Tech Hub's goal of *"centering the Inland Northwest as a hub for aerospace suppliers, private investment, new products, and companies in the U.S. aerospace supply chain."*, to be in alignment with the S3R3 Solutions' target industry and business development (i.e. recruitment) strategies; and

WHEREAS, the S3R3 Solutions Board Members have identified the Tech Hub's goal of *"Upskilling our current workforce in coordination with Tribal Nations and workforce leaders in both Washington and Idaho, focusing on underrepresented communities"* to be in alignment with S3R3 Solutions' desire to create lasting economic opportunity and impact for underserved populations in the region; and

WHEREAS, S3R3 Solutions is uniquely positioned to strengthen the Tech Hub's Phase 2 implementation grant request by providing resources to satisfy the required ten percent

SECRETARY'S CERTIFICATE

I, the undersigned, Secretary of the S3R3 Solutions Board of Directors, a municipal corporation organized under the laws of the State of Washington, do hereby certify that the foregoing resolution was duly approved and adopted by the Board of Directors of the corporation at a meeting of the Board of Directors duly called and held on the ___ day of February, 2024 at which meeting a quorum was present; and that said resolution, as set out above, will appear in the minutes of said meeting in the corporation's minute book.

DATED this _____ day of February 2024

BOARD SECRETARY

