

**Minutes of Meeting**  
**Airport**  
**June 20, 2023**  
**9:00 a.m.**

The Kootenai County Board of Commissioners: Chair Leslie Duncan, Commissioner Bruce Mattare and Commissioner Bill Brooks met to discuss the following agenda items. Also present were Interim Airport Director Phil Cummings, Civil Deputy Prosecuting Attorney R. David Ferguson, BOCC Communications Coordinator Jonathan Gillham and Deputy Clerk Rosanna Santiago. Also present were Airport Advisory Board Member Steve Anderson, StanCraft Attorney Scott Hislop, StanCraft Project Managers Keaton Brown and Nelson Erickson, Hawley Troxell Partner Christopher Varallo, and First Interstate Bank Senior Vice President Ryan Lee.

- A. **Call to Order:** Chair Leslie Duncan called the meeting to order at 9:01 a.m.
- B. **Changes to the Agenda (Action):** There were no changes to the agenda.
- C. **Business:**

**U. S Forest Service Fire Tanker Base (Action)**

Interim Airport Director Phil Cummings reported that the Coeur d’Alene Air Tanker Base had requested the property north of Wyoming Avenue and west of Ramsey Road be developed for aviation use, as they would like to be able to host more tankers. He noted that the property had been approved for aviation use under the Coeur d’Alene ALP (Airport Layout Plan) and was leased by a non-aviation lessee.

Chair Duncan asked Civil Deputy Prosecuting Attorney R. David Ferguson what would happen to the property leased by a non-aviation lessee if the Forest Service wanted to expand that area and Mr. Ferguson suggested the Board follow up with him after the meeting.

Commissioner Bruce Mattare remarked that the County should seek information on how the FAA would like the County to proceed, as the County has certain obligations related to that land because it was included in the airport’s long term plan.

There was no motion made.

**StanCraft Leases (Action)**

StanCraft Attorney Scott Hislop requested the Board’s approval to add an estoppel and addendum to the terms of two of their leases in order for them to obtain additional financing from their bank.

Mr. Hislop explained that the estoppel would confirm the validity of the lease and each parties’ rights and responsibilities.

Mr. Hislop requested the following addendum:

- Add language to all airport leases to state the principal amount of any mortgage must not be greater than the appraised value of the capital improvements.
- Amend the duration of the two StanCraft leases to 25 years.

Substantial discussion followed regarding financial restrictions on airport leases, FAA (Federal Aviation Association) grant assurances and subordination of lease agreements.

Commissioner Mattare was concerned that the County would be obligated to offer the same lease terms to all airport tenants and wanted to know the reason why the leases included language that stated the lessees could only obtain financing based upon original construction costs as opposed to appraised values.

Mr. Ferguson said that the renegotiation of the lease terms would be a business decision and it was unknown if the FAA would consider those changes grant assurance violations.

Interim Airport Director Phil Cummings reported that the FAA was the ultimate authority and proposed the following change: "This estoppel is subordinate to all Federal Regulations and FAA Sponsored Assurances." Mr. Cummings said he was unsure if the language regarding the County's right to terminate the lease without written consent of the lender would be valid. He recommended the County contact the Kaplan & Kirsch Attorney Group and FAA Regional Compliance Program Officer Peter Doyle to review the proposed changes.

Mr. Ferguson stated that the estoppel certificate had more language than what was customarily included in an estoppel. He was concerned with the following items:

- The lease could not be terminated without prior consent of the lender.
- The lease could not be amended without the prior consent of the lender.
- Conflict resolution language.

Mr. Ferguson was concerned that some of these terms were closely related to subordination, in that, these changes would position the lender in an equal or greater position than the tenant. He said that lenders should not be able to modify or have any control over the lease. He believed that these issues could be addressed if the Board would like to proceed with the changes.

Commissioner Mattare remarked that he was hesitant to approve the changes without having had input from legal counsel who specialized in FAA rules and grant assurances.

Chair Duncan requested that once the language and terms of the lease were agreed upon, she would like to have Mr. Peter Doyle from the FAA review it.

Chair Duncan placed the meeting in recess at 10:03 a.m. and said that it would be reconvened later in the day.

There was no motion made.

**Airport Leases**

Chair Duncan reconvened the meeting at 11:18 a.m.

Commissioner Mattare moved that the Board enter into Executive Session pursuant to Idaho Code §74-206(1)(d), (1)(b) and (1)(f) Commissioner Bill Brooks seconded the motion. There being no further discussion, Deputy Clerk Santiago called the roll:

Commissioner Brooks: Aye

Commissioner Mattare: Aye

Chair Duncan: Aye

The motion carried.

The Board entered into Executive Session at 11:18 a.m.

**Executive Session pursuant to Idaho Code §74-206(1)(d) to consider records that are exempt from disclosure as provided in chapter 1, title 74, Idaho Code. – BOCC Division (Closed Session – Discussion)**

**Decision/Direction (Open Meeting – Action)**

**Airport Director Recruitment (Action)**

**Executive Session pursuant to Idaho Code §74-206(1)(b) to consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent. – BOCC Division (Closed Session – Discussion)**

**Decision/Direction (Open Meeting – Action)**

**Airport**

**Executive Session pursuant to Idaho Code §74-206(1)(f) to communicate with legal counsel for the public agency do discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The mere presence of legal counsel at an executive session does not satisfy this requirement. – Clerk Division (Closed Session – Discussion)**

**Decision/Direction (Open Meeting – Action)**

The Board exited Executive Session at 11:58 a.m.

Commissioner Mattare moved that the Board exit Executive Session and for staff to proceed as discussed. Commissioner Brooks seconded the motion. There being no further discussion, Deputy Clerk Santiago called the roll:

Commissioner Brooks: Aye

Commissioner Mattare: Aye

Chair Duncan: Aye

The motion carried.

**D. Public Comment:** This section is reserved for citizens wishing to address the Board regarding a County related issue. Idaho Law prohibits Board action on items brought under this section except in an emergency circumstance. Comments related to future public hearings should be held for that public hearing. There were no public comments.

**E. Adjournment (Action):** Chair Duncan adjourned the meeting at 11:58 a.m.

Respectfully submitted,

JENNIFER LOCKE, CLERK

BOCC SIGNATURE

BY: \_\_\_\_\_  
Rosanna Santiago, Deputy Clerk