

Minutes of Meeting
Airport
August 10, 2022
2:30 p.m.

The Kootenai County Board of Commissioners: Chairman Chris Fillios, Commissioner Leslie Duncan and Commissioner Bill Brooks met to discuss the following agenda item. Also present were Airport Director Steven Kjergaard, Civil Deputy Prosecuting Attorney R. David Ferguson, BOCC Senior Business Analyst Nanci Plouffe and Deputy Clerk Tina Ginorio. Also present were Luxury International LLC Representative Walt Frasier, Coeur d'Alene Press Reporter Kaye Thornbrugh, Idaho State Representative Doug Okuniewicz and Kootenai County Residents Diana Sheridan, Dennis Muoio, Steve Anderson, Sandra White, Ed Morse, Nick Newby, Barbara Nelson, Ann Isenberg, Steve Thurman, Michelle Thurman, Randy Nelson, David Saad and Julie Saad.

- A. Call to Order:** Chairman Chris Fillios called the meeting to order at 2:32 p.m.
- B. Changes to the Agenda (Action):** There were no changes to the agenda.
- C. Business:**

Consideration of Luxury International Storage Lease (Action)

Airport Director Steven Kjergaard reported that all the questions from Legal had been addressed. He said he felt this lease was fair to both sides.

Luxury International LLC Representative Walt Frasier declined when Chairman Fillios asked if he wanted to speak at this point.

Commissioner Bill Brooks said that he did not feel this case should not be held to a different standard than any other. He remarked that it seemed that people were trying to make this a problem.

Commissioner Leslie Duncan responded that this case was not the same as other leases since it was a revenue sharing agreement, not a straight lease arrangement, nor was the business aeronautically related. She stated that she wanted to see more information on the project before she would approve it and noted that she had not received anything on paper.

Chairman Fillios said that, for his part, he had concerns regarding the 50 year lease. He remarked that he would prefer the more normal 25 year lease, with an option to renew for another 25 years. He stated that he also was not comfortable with the revenue sharing proposal and would prefer a straight lease arrangement. He also recommended that any connection to the Bank of China be removed from the project because it would impede the business' success. He predicted public outcry and potential demonstrations if the connection were not cut.

Idaho State Representative Doug Okuniewicz remarked that his constituents were expressing reservations about the deal as well. He said he had spoken with the Chief Deputy Attorney General about the project and asked that the Board refrain from making any final decisions until he received a reply.

Representative Okuniewicz listed several concerns:

- The 50 year lease.
- Whether the project should have been open to competitive bidding.
- Leaseholder mortgage status.
- Whether the leaseholder would be able to receive other financing based on the arrangements.

Chairman Fillios stated that he would open the floor up to public comment at this time.

Kootenai County Resident Steve Anderson said he agreed with Chairman Fillios' points and objected to Commissioner Brooks' characterization of "people just wanting to make trouble." He questioned Mr. Kjergaard's statement that the parcel cost the Airport \$20,000 per year for maintenance. He also indicated that, with the exception of Brett Boyer, he did not feel the Airport Advisory Board had performed due diligence.

Kootenai County Resident Sandra White stated that she was a member of the Hayden City Council and she agreed with Representative Okuniewicz. She called for more scrutiny of the proposal and asked if a business plan had been filed. She said she would like more details on the type of storage that would be provided and the potential effects of the business on the City of Hayden.

Kootenai County Resident Barbara Nelson said that she was a member of the Coeur d'Alene Skeet and Trap Club, which was also located on Airport property. She agreed that more information on the project was needed before a decision should be made and said that that the Bank of China should have no connection to the project.

Kootenai County Resident Ed Morse remarked that he owned a large storage facility about one block away from the location and he would have liked to have an opportunity to present a proposal himself. He stated that he had approached Airport staff more than once to lease parcels but had been told land was not available or that a similar project had already been approved. He stated that he felt there had been a lack of public notice which denied him a fair chance to compete. He added that he had made a public records request in relation to the lease.

Kootenai County Resident Steve Thurman said he was also a member of the Coeur d'Alene Skeet and Trap Club. He asked if there would be a conflict of interest if the County entered into a partnership with a for-profit entity. He also questioned whether fair market value would be received, since this had been a sticking point in the Club's quest to renew its own lease with the Airport.

Chairman Fillios asked if there were any other people who wished to speak, then declared that the public comment segment was complete at this point.

Commissioner Duncan suggested that the parcel and project be opened for an RFP (Request for Proposal).

Mr. Kjergaard urged the Board to make a decision one way or the other.

Mr. Frasier protested the implications that his proposal was inappropriate in any way. He described his project's minimal connection to the Bank of China.

Chairman Fillios suggested that the Board wait to hear the opinion and advice of Brian Kane, Idaho's Deputy Chief Attorney General.

Commissioners Brooks and Duncan voiced agreement.

- 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.

Mr. Morse indicated that he had requested information on other parcels at the Airport and had not received a reply.

Mr. Kjergaard, in response to a question from Chairman Fillios, confirmed that the parcel in question had never been listed for sale. He added that offering it for competitive bidding was not required by law.

Mr. Frasier renewed his assertions that his project was legitimate and connection to the Bank of China was minimal and not relevant.

- E. Adjournment (Action):** Chairman Fillios adjourned the meeting at 3:14 p.m.

Respectfully submitted,

JIM BRANNON, CLERK

BOCC SIGNATURE

BY: _____

Tina Ginorio, Deputy Clerk