

ABBREVIATED MINUTES
POCATELLO DEVELOPMENT AUTHORITY
SEPTEMBER 19, 1989

Members present: Dick Finlayson, Mike Ransom, Bob Weppner, Dick Clay.

Also present: Stuart Bullington, George Ramjoue, Mark Reid

1. Meeting called to order by Dick Finlayson acting for Chairman Funk at 12:10 p.m. Minutes of August 21 meeting approved.

2. Report on DOMSEA project. Stuart distributed report on 1989 valuation, tax increment, and revenue for DOMSEA. All going as planned. However, Stuart reported that Tax Commission has established a policy of setting the year prior to enactment of a project as the base year for tax increment financing. This policy makes the base year higher and thus lowers the increment, and could require that we wait to enact ordinances on projects such as Ceratile. DOMSEA project is OK, however.

3A. Gateway West Industrial Development Plan. Stuart reported that negotiations are still on-going with Ceratile and World Tile regarding performance guarantees, etc.

3B. The valuation needed for Ceratile project to work is the 1989 figure of \$3 million, not the 1988 figure of \$5 million. Kirk has sent letter to Attorney General's Office (Deputy assigned to Tax Commission) for clarification. If the policy explained in item 2 above is not changed, we will have to postpone the ordinance for Gateway West until after January 1. (Note from recording Secretary: Stuart and Ivan met with Commission and new ruling on policy was made. See attached memo. Ordinance passed at October 5 City Council meeting.)

3C. Financial flow chart for Ceratile project is still in state of flux. Relative positions keep changing as new funding options are explored.

3D. The "air pollution" permit process is proceeding, but very slowly.

3E. Stuart has requested Kirk to draft lease documents for the kilns in order to secure an interest in them.

4. Main Street Center Proposal. Stuart presented idea for handling the block which includes Hudson's, Mountain Folk, and Brokerage buildings. The structures would be connected on the ground floors for a covered mall effect. A feasibility study would have to be undertaken first; Historical Preservation Commission would have to be involved and Mountain Folk building could present a problem. CD & R Department (Mark and George) will explore possibilities for grants for demolition of

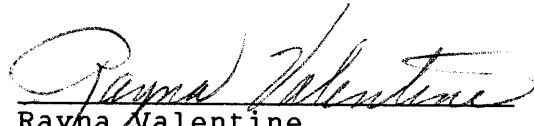
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building, since owners have filed bankruptcy petition and the bankruptcy estate doesn't have enough assets to pay for repair or demolition. Motion by Mike Ransom, second by Bob Wepner to explore the feasibility of such a Center. Motion carried. (A copy of the proposal outline is attached to these minutes.)

5. Expansion of Old Kraft Road Area and Airport. Moved by Dick Clay, seconded by Bob Wepner to expand Urban Renewal area on Old Kraft Rd by creating a new adjacent district. Motion carried. Moved by Mike Ransom, seconded by Bob Wepner to establish new urban renewal area at the Airport. Motion carried.

6. Goals and Objectives for 1990. Members encouraged to think of new projects; some suggestions include area between 4th & 5th by Ross Park, the H & H Dive building and surrounds. Might want to draft list at next meeting.

9. Meeting adjourned at 1:15 p.m. NEXT REGULAR MEETING ON OCTOBER 17, 1989.


Rayna Valentine
Recording Secretary

RECEIVED
10/2/89

M E M O R A N D U M

September 29, 1989

TO: Tax Commission Staff
Affected Counties and Local Governments

FROM: Idaho State Tax Commission

RE: CLARIFICATION OF "BASE ASSESSMENT ROLL" UNDER IDAHO
CODE § 50-2903(4)

The State Tax Commission must carefully examine all ad valorem property tax levies set within the state to determine their compliance with law. Idaho Code § 63-917. To properly perform this duty, we must review levies applicable to taxing districts whose boundaries include a revenue allocation area under the "Local Economic Development Act" found in Idaho Code Chapter 29, Title 50. These levies are set, in part, based upon a "base assessment roll" established for each revenue allocation district.

The term "base assessment roll" is defined in Idaho Code § 50-2903(4) to mean:

[T]he equalized assessment rolls, for all classes of property, on January 1 of the year in which the local governing body of an authorized municipality passes and ordinance adopting or modifying an urban renewal plan containing a revenue allocation financing provision, except that the base assessment roll shall be adjusted as follows: ...

The Tax Commission will approve levies of taxing districts with revenue allocation areas if the levy is calculated using a base assessment roll taken from the equalized roll used to levy taxes for the year during which the ordinance adopting the relevant urban renewal plan was adopted, assuming all other statutory requirements are also met.

The Tax Commission cannot approve levies which are calculated using a base assessment roll made up of values for any other year when the levies thus calculated are larger than

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those calculated in accordance with the base assessment roll as provided in the foregoing paragraph.

The determination of the proper year for the base assessment roll for revenue allocation plans adopted in accordance with Chapter 29, Title 50, Idaho Code differs from the base assessment roll applicable to cities over 100,000 population. See Idaho Code § 50-2018(y). The base assessment roll for revenue allocation areas in cities with a population exceeding 100,000 residents is the equalized assessment roll for all taxable property "last preceding January 1 of the year in which the local governing body of an authorized municipality passes an ordinance adopting or modifying an urban renewal plan containing a revenue allocation financing provision."

STATE TAX COMMISSION
STATE OF IDAHO

151

by LARRY G. LOONEY
CHAIRMAN

LGL:TVS:tme
6030y

Pocatello Development Authority

Board Meeting Agenda
Pocatello Development Authority
September 19, 1989
12:00 Noon

1. Call meeting to order
2. Report on Old Kraft Road - RAF
3. Update on Gateway West Industrial Development Project - Ceratile
4. Main Street Center Proposal
5. Expansion of Old Kraft Road Area and Airport
6. Goals and Objectives for 1990
7. Adjourn

Pocatello Development Authority

September 5, 1989

To: The Board, Pocatello Development Authority
From: Stuart Bullington, Executive Director

RE: Main Street Center Proposal

This memo outlines a proposal called Main Street Center in the Downtown Urban Renewal Area. The PDA has assisted in the redevelopment of the Old Kraft Road and Gateway West Industrial Areas. Main Street Center is a redevelopment proposal for the Downtown.

Main Street Center takes advantage of what appears to be several difficult problems. Namely the Mountain Folk Building, the Whitman Hotel, and the Hudson Building. The proposal creates a central retail, housing, and office center on the east side of Main Street between Center and Lewis Streets. A summary of the proposal is as follows:

The PDA will:

- Organize a limited partnership of ten investors with secureable equity of at least \$500,000. These individuals may include existing owners or outside investors. Upon development the limited partnership will own the center and receive the 20% investment tax credits for historic properties in addition to project income derived from lease payments;
- Act as developer and assemble the buildings; retain architectural services; develop project financing; initiate planning, in cooperation with the City, of the entire urban renewal area; and transfer redeveloped projects to new owners.
- Main Street Center would be a mixed use retail, housing and office center. It would allow pedestrian traffic to enter the present Hudson on the north and exit the Brokerage on the south. The present Mountain Folk space would be the mid-block entrance to the Center, the Whitman would be rehabilitated into 20 plus housing units, office units, and retail, the Hudson would include 6 housing units and retail, the Hobby Store would remain the same except for interior walkways, the Kress Building would be rehabilitated into housing up and retail down, and the Brokerage would remain the same except for the interior walkway.

- Traffic patterns would be changed to promote the Center. Parking would be provided in the present Picture Park lot and Union Pacific lot.

- Financing is proposed from the following sources: a bank loan to the PDA for \$630,000 secured by the limited partnership and tax increment financing; a \$150,000 deferred payment loan from Rental Rehab funds from the City; a economic development grant of \$250,000 from CDBG funds to be applied for by the City in December 1989; and HUD 312 funds if available. Total estimated project costs are \$1,030,000.

The project would be phased in over a three year development period. The phases are:

Phase One - 1989-90 - Organize limited partnership and determine overall project feasibility; Retain architect to develop renderings and project design; Market the project and secure retail and residential tenants; Complete Downtown Urban Renewal Plan; Apply for CDBG grant; If awarded, secure project financing, acquire Hudson Building and Mountain Folk Buildings and begin rehabilitation on the Hudson Building and deal with the Mountain Folk Building as proposed; Treat the facades of the entire block as proposed by the architect.

Phase Two - 1990 - Complete retail spaces which includes connecting each space as proposed and lease up to previously secured tenants.

Phase Three - 1990-1991 - Rehab the upper floors of the Whitman into residential and offices.

This timetable may be accelerated if leases are secured.

The Main Street Center project will be proposed at our September 19th meeting. It has received the endorsement of George Ramjoue', Director of CD&R, Dick Carroll, owner of the parking lot, George Andros, owner of the Whitman, Terry Brower, partner in the Brokerage, and I have discussed the project with First Security bank to determine financing interest. I will be glad to answer any of your questions. Please call me at 233-4032.

Pocatello Development Authority

MEMORANDUM

TO: PDA Lenders, Domsea Farms Project
FROM: Stuart Bullington
DATE: September 13, 1987
SUBJECT: 1989 Valuation, Tax Increment & Revenue

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The County Assessor has notified the PDA of the valuation on the Old Kraft Road Industrial Development District #1 (Domsea Farms) for the 1989 year. The value, tax increment and estimated revenue is as follows:

1989 Value	\$1,544,281
1987 Base Year	453,886
Value Increment	1,090,395
Estimated Tax Rate	.024

Regular County, School

<u>City Tax:</u>	
453,886 X .0240 =	\$ 10,893

Special School Tax:

1,090,395 X .00315 =	\$ 3,434
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PDA

(1,090,395 X .024) - 3,434 =	\$ 22,735
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Revenue Allocation:

EIDC:	
February 1, 1990	\$ 3,987.95
August 1, 1990	3,987.95

City:	
February 1, 1990	\$ 5,457.98
August 1, 1990	5,457.98

Total 1990 Debt Payments	\$18,892.86
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Projected 1990 PDA Surplus	\$ 3,843.00
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Debt Coverage	1.20
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