

ABBREVIATED MINUTES
POCATELLO DEVELOPMENT AUTHORITY
February 20, 1990

Board Members Present: Val Arvas; Peter Angstadt; Karen McGee; Bob Weppner; also participated by telephone; Mr. & Mrs. Ralph Coates; Peter Luster, Ceratile.

Others Present: Scott McDonald, SICO; Guy Price, Bannock County; Mark Reid, Pocatello Community Development.

1. Meeting was called to order at 12:45 p.m.

2. Administrative details:

A. Minutes of January 16, 1990, were approved upon motion of Val Arvas, second by Karen McGee, by unanimous vote.

B. New Board Members, Karen McGee and Peter Angstadt were introduced.

C. Upon motion of Mayor Peter Angstadt, second by Val Arvas, the designation of a new chairman and other officers was tabled until the next meeting.

D. Scott indicated that Nancy Taylor, who will be taking over the position Stu Bullington vacated, will be on board March 1, 1990.

E. It was noted that Kirk Bybee resigned as counsel for Development Authority. It was moved by Peter Angstadt, seconded by Karen McGee, that the Pocatello Development Authority pass a resolution commending Kirk for his service to the PDA. The vote was unanimous.

3. Domsea update. Scott McDonald indicated that a previous resolution required the use of American Land Title as an escrow agent, but SICO has now stepped in as escrow agent, so there is a need at the next board meeting to amend the authorization previously given to American Land Title to allow SICO to act in American Land Title's stead. Scott reported that the first tax increment payment has been received and that it was sufficient to make both required payments. He noted that a hold out on the first payment was made in order to pay the base levy amounts to the districts and additional funds to school district, and that the next tax increment payment will not be shorted for that reason, so we can anticipate about \$16,000.00 the next payment vs. \$10,000.00 (approximately) this payment. This excess funding will be used by the Development Authority to pay outstanding bills, etc.

4. Ceratile update. Mr. Ralph Coates addressed the board. He indicated that Ceratile had just completed about two weeks of negotiation with Gateway West attempting to finalize the dual leases between Gateway West, the PDA and Ceratile. He hopes to have these signed by March 1. He indicated his satisfaction with the two leases that Mr. Skinner had prepared, and indicated that the procedure seemed much clearer to them now that the equipment leasing concept had been abandoned. Ceratile has negotiated directly with Earl Swift on the details of the lease program including square footage and other details. Ceratile is meeting with Mr. Swift's attorney at 3:00 today in an attempt to sign the remaining paper work. He indicated that Ceratile is beginning the necessary work to prepare specifications for bid on concrete work, which they anticipate will go out late next week. Mr. Coates indicated that the tax increment financing was very important to the success of Ceratile coming to Pocatello, and in fact said that this financing was the deciding factor in Ceratile locating here.

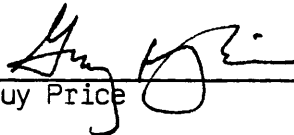
Commissioner Arvas asked about Ceratile's progress with the EPA and other regulatory agencies, and Mr. Coates reported that they have been in touch and that state officials had notified them that their applications were complete. Very recently state officials have been in touch with Mr. Coates, asking him to re-examine the plans for scrubbers and bag houses to avoid a possible dust problem on Poleline Road. Ceratile has indicated that they will do whatever is necessary to comply with the regulations, and have in fact already submitted revised numbers to the state agencies based upon requested changes. Mr. Coates hopes to hear back from these agencies within two weeks.

Mrs. McGee asked about a timeline for the company, and Mr Coates reponded that they have a two phase plan. The initial plan will be as contemplated by the lease agreements, and will allow Ceratile to hire 64 people by the end of the year, giving them a total capacity of 6,000,000 square feet of tile per year. He indicated that Ceratile has an option on more space for two additional kilns, one small kiln for small trim pieces, and another large kiln to increase their capacity. If all goes according to plan, by next year Ceratile hopes to have all these operations in place and be employing over 100 persons.

5. Scott McDonald then indicated that October 5, 1989 is the date to be inserted on Resolution No. 90-1, and thereupon Mrs. McGee moved to approve and pass Resolution 90-1. This motion was seconded by Commissioner Val Arvas. The vote was unanimous and Board Member Bob Weppner voted by telephone call.

Thereafter, the meeting was adourned at 1:10 p.m.

SUBMITTED BY :



Guy Price

Pocatello Development Authority

RESOLUTION BY THE BOARD

WHEREAS, the Pocatello Development Authority (hereafter referred to as PDA), is an urban renewal agency created pursuant to Idaho Code Sections 50-2001, et seq. and 50-2901, et seq. as an independent public body and politic;

WHEREAS, the PDA created the Old Kraft Road Industrial Development Plan;

WHEREAS, an Ordinance was adopted by the Pocatello City Council on December 15, 1988;

WHEREAS, the PDA implemented various infrastructure improvements as outlined in the Plan;

WHEREAS, the PDA entered into loan agreements with the City of Pocatello for \$87,187, and the Eastern Idaho Development Corporation for \$57,807.26 to pay for such improvements (See Exhibits A and B);

WHEREAS, in January of 1990 the Bannock County Treasurer will send the first payment received from the increased valuation caused by the improvements from the Domsea Farms Project;

NOW, THEREFORE BE IT RESOLVED BY THE POCATELLO DEVELOPMENT AUTHORITY;

THAT, the PDA desires to engage American Land Title, at 312 West Center, Pocatello, Idaho, as fiduciary agent for the PDA during the term of the loan agreement shown in Exhibits A and B;

THAT, the PDA directs the Bannock County Treasurer to send the semi-annual revenue allocation payments received from Domsea Farms to American Land Title;

THAT, American Land Title shall make semi-annual payments to the Clerk of the City of Pocatello and the Director of the Eastern Idaho Development Corporation as instructed in Exhibits C and D;

THAT, American Land Title shall deposit any surplus funds into the PDA account (#00-115811-2) at Key Bank at Arthur and Center;

THAT, American Land Title shall receive a fixed fee for services rendered according to the fee schedule in Exhibit E; and

THAT, American Land Title shall provide the PDA's Secretary/Treasure with an annual statement of the account on or about December 1st of each year.

Alvin Dean Funk
Signed

12-19-89
Date

RSW
Witness

12-19-89
Date