

POCATELLO DEVELOPMENT AUTHORITY
Board of Directors Meeting

Conference Chambers
Pocatello City Hall

January 14, 1991
11:00 a.m. to Noon

Call to Order and Introduction - John Carlson, President
Acknowledge Paul Olson as having the proxy of absent Director Francis Odom
Acknowledge Guests of the Board, if any
Disclose Conflicts of Interest, if any
Minutes - Motion to approve and/or amend
Agenda - Add or Delete Action or Discussion Items

Action Items

Review Income and Expenses for December, and the year 1991,
and Draft 1991 Financial Statements

Review Monthly Cash Budget for 1992

Consider Recommendations to Consolidate Bank Accounts and
to Provide Check Signing and Telephone Transfer Authority

Consider Recommendations for Successor to County Commissioner Arvas

Consider Proposal(s), if Any, for Development of PDA Land at
Main & Bonneville

Update Items

Newtown Urban Corridor Improvement Plan
Downtown Business Improvement District
Main and Bonneville Property

Discussion Items

Gateway West Industrial District (Ceratile, Inc.)
Old Kraft Road District (Domsea/Aqua Sea)
Downtown Development District (Kress Building)
New Proposals, if Any

NOTE: NEXT MEETING WILL BE FOURTH MONDAY IN FEBRUARY (Feb. 25)

ABBREVIATED MINUTES
POCATELLO DEVELOPMENT AUTHORITY
January 14, 1991

Members present: John Carlson, Peter Angstadt, Dick Clay,
Karen McGee, Val Arvas

Others present: Steve Ernst and Mark Reid, City C D & R
Department

1. Administrative details

A. Meeting called to order by John Carlson at 12:20 p.m.

B. It was MSC to approve the minutes of the December
meeting.

C. A Resolution authorizing Tom Arnold, as Executive
Director of PDA, to handle disbursement of funds from tax
increment financing will be needed so that the County will have
authorization to send tax monies to the PDA. It was MSC to
have such a Resolution prepared and to authorize the Chairman
of PDA to sign it.

D. A Resolution or other such document authorizing a
change of signature cards for the checking accounts is also
required. It was MSC to authorize the Chairman to sign
whatever document is required by the banks and to authorize the
addition of Mike Ransom as Treasurer to the signature cards.

E. Abbreviated financial report from Tom Arnold:
Approximately ~~\$980~~ remaining in the Main and Bonneville ^(\$1400)
account; \$8,385 in DOMSEA, of which approximately \$4,000 must
be paid to EIDC; Ceratile has less than \$200.

2. Ceratile update. West One may be undertaking refinancing.
If so, the Certaile facility may be back in operation in a
limited fashion by the end of February.

3. Main and Bonneville. Discussion held regarding the three
proposals currently on hold for purchase of the property. Tom
will check with the people involved regarding their current
plans, earnest money, etc.

4. New member. It was MSC to approve Nancy Taylor as an
additional Board member. Peter Angstadt will request
confirmation of the appointment from City Council.

5. Counsel for Board. The new City Attorney will be requested
to attend future Board meetings.

6. Board members noted that in the course of their daily
business they are contacted by individuals with ideas for
various development projects, new business enterprises, and so
forth. It was the consensus that these should be referred to
Tom Arnold who can direct them to the proper agency or work
with them on a proposal for PDA, as appropriate.

7. There being no further business, the meeting was adjourned.

A. Valentine



OFFICE OF THE MAYOR
902 E. Sherman
P.O. Box 4169
Pocatello, Idaho 83205
(208) 234-6163
FAX (208) 234-6296

PETER J. ANGSTADT
Mayor

Pocatello City Council:
GREGORY R. ANDERSON
I.J. "BABE" CACCIA
ROBERT E. CHAMBERS
ROGER W. CHASE
KAREN A. MCGEE
EARL R. POND

January 22, 1991

Ms. Nancy Taylor
1651 Alvin Ricken Drive
Pocatello, Idaho 83201

Dear Ms. Taylor:

On January 17, 1991, the City Council confirmed your appointment to the Pocatello Development Authority (PDA). Your term begins January 17, 1991, and will expire January 17, 1995.

Meetings will be held as needed and will usually be held at the Municipal Building, 902 East Sherman.

Enclosed for your information is a current membership list of the Pocatello Development Authority and a general information pamphlet about Pocatello.

We appreciate your interest in serving our community as a member of the Pocatello Development Authority. Thank you for helping make Pocatello a great place to live.

Sincerely,

PETER J. ANGSTADT
MAYOR

plm

Enclosures

cc: Connie Blackburn
Rayna Valentine

(file) Suspend to 1/14.

Southeast Idaho Council of Governments, Inc.

IDAHO STATE UNIVERSITY
BUSINESS & TECHNOLOGY CENTER
1651 Alvin Ricken Drive
Pocatello, Idaho 83201
(208) 233-4032
FAX (208) 233-4841

BANNOCK COUNTY
Downey
Inkom
Lava Hot Springs
McCammon
Pocatello

TO: TOM ARNOLD AND MEMBERS OF THE PDA
FROM: NANCY TAYLOR *NT*
SUBJECT: PDA PROJECTS AND STATUS
DATE: JANUARY 8, 1991

BEAR LAKE COUNTY
Bloomington
Georgetown
Montpelier
Paris
St. Charles

BINGHAM COUNTY
Aberdeen
Atomic City
Basalt
Firth
Shelley

CARIBOU COUNTY
Bancroft
Grace
Soda Springs

FRANKLIN COUNTY
Clifton
Dayton
Franklin
Oxford
Preston
Weston

ONEIDA COUNTY
Malad

POWER COUNTY
American Falls
Rockland

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The following is a list of the current Pocatello Development Authority's projects and the status of each. I am also enclosing the supporting documentation for Ceratile, Domsea, Main and Bonneville site, Kress Building, check books for the tax increment projects, and PDA stationary etc. If you have any questions regarding any of the activities please don't hesitate to call.

Notes: The PDA will need to pass new resolutions changing escrow agents for both Ceratile and Domsea. The County Treasurer will need the resolutions before forwarding tax increment monies.

DOMSEA

Tax increment payments need to be paid according to the following schedule which is in the Domsea 3-ring folder:

1. On the first of every month to the City of Pocatello: \$ 992.36
2. On 2/1 and 8/1 to EIDC: \$3,987.95

CERATILE

The Ceratile project has been structured so that the PDA is using tax increment revenues to subsidize lease payments up to \$61,428 per annum for 7 years. The documents and payment schedule are enclosed in the 3 ring binder.

Although Ceratile (actually Gateway Industrial Park) will be paying a limited increment in 1991 because it did not get into full production, the signed lease agreement is to begin in July, 1991. Limited increment will be received in 1991. Of course, the future of Ceratile will effect this lease agreement which does not financially obligate the PDA.

Idaho Association of
Soil Conservation
Districts, Div. V

Greater Blackfoot
Area Chamber of
Commerce

Greater Pocatello
Chamber of
Commerce

Idaho Migrant Council

Idaho State University

JACL

NAACP

Pioneer Country
Travel Council

Pocatello Central
Labor Union

The Shoshone-
Bannock Tribes

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January 8, 1991

If Ceratile is back in production, substantial revenue will not be received until 1992. A new agreement should then be arranged with Earl Swift and Ceratile management regarding the term of the lease payments.

Still pending:

"Consent to Assignment of Sublease Agreement and Entry by Bank, Disclaimer, and Waiver of Right of Distraint" requested by West One Bank. According to the Bank, the Agreement will be first signed by Earl Swift. It has not yet been received back from Swift.

There still remains an unpaid balance of \$13,000 due SICOG from Ceratile re: letter of March 30, 1990 from PDA and Ralph Coates letter of May 10, 1990.

MAIN AND BONNEVILLE

In 1989, when the Main and Bonneville project was originally conceived it was anticipated that the PDA would acquire title and then immediately sell the land to potential developers at 8% interest. This was intended to eventually generate a tax increment project. Three offers (with earnest money) were received to purchase and develop the site. These offers are still valid and the PDA is holding the earnest money.

KRESS BUILDING

This project was approved by City Council on December 20, 1990. A tax increment will not be available until February, 1992. A Draft Development Plan is attached; a Final Development Plan will be available as soon as final bank financing is arranged. SICOG due \$2,500 administrative fee to be paid by owners.

PROJECT FINANCE RECORDS

All bookkeeping, checking and accounting records for Domsea, and Main and Bonneville have been included.

POCATELLO DEVELOPMENT AUTHORITY
CASH BUDGET--1991

	ACTUAL JANUARY	ACTUAL FEBRUARY	ACTUAL MARCH	ACTUAL APRIL	ACTUAL MAY	ACTUAL JUNE	ACTUAL JULY	ACTUAL AUGUST	ACTUAL SEPTEMBER	ACTUAL OCTOBER	ACTUAL NOVEMBER	ACTUAL DECEMBER	TOTAL 1991
Beginning Balance	10,990.38	20,117.46	15,132.15	14,195.84	13,559.17	12,523.33	11,527.51	29,387.53	33,610.16	32,724.49	32,221.74	31,337.31	10,990.38
SOURCES OF FUNDS													
Ceratile Project	0.00	0.00	0.00	0.00	0.00	0.00	724.21	9,196.28	0.00	0.00	0.00	0.00	9,920.49
Domsea Project	10,124.44	0.00	0.00	0.00	0.00	0.00	17,756.59	0.00	0.00	0.00	0.00	0.00	27,881.03
Main & Bonneville Project	0.00	0.00	375.00	375.00	15.90	0.00	37.00	0.00	0.00	375.00	0.00	0.00	1,515.90
Kress Building Project	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest Income	0.00	0.00	8.85	1.59	1.62	1.54	1.58	6.66	106.69	114.61	107.93	99.79	450.86
TOTAL	10,124.44	0.00	383.85	376.59	17.52	1.54	18,857.38	9,202.94	106.69	489.61	107.93	99.79	39,768.28
CASH AVAILABLE	21,114.82	20,117.46	15,516.00	14,572.43	13,576.69	12,524.87	30,384.89	38,590.47	33,716.85	33,214.10	32,329.67	31,437.10	50,758.66
APPLICATION OF FUNDS													
Ceratile Project	0.00	0.00	247.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	247.50
Domsea Project	992.36	4,980.31	992.36	992.36	992.36	992.36	992.36	4,980.31	992.36	992.36	992.36	992.36	19,884.22
Main & Bonneville Project	0.00	0.00	75.30	0.00	56.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	131.30
Kress Building Project	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank Charges	5.00	5.00	5.00	20.90	5.00	5.00	5.00	0.00	0.00	0.00	0.00	0.00	50.90
TOTAL	997.36	4,985.31	1,320.16	1,013.26	1,053.36	997.36	997.36	4,980.31	992.36	992.36	992.36	992.36	20,313.92
Ending Balance	20,117.46	15,132.15	14,195.84	13,559.17	12,523.33	11,527.51	29,387.53	33,610.16	32,724.49	32,221.74	31,337.31	30,444.74 *	30,444.74

*CASH & INVESTMENTS, Dec. 31, 1991

Cash in Checking Account	\$ 3,436.37
Money Market Savings Account (at 5.3% interest)	27,008.37
	<u>\$30,444.74</u>

POCATELLO DEVELOPMENT AUTHORITY
CASH BUDGET--1992

	ESTIMATE JANUARY	ESTIMATE FEBRUARY	ESTIMATE MARCH	ESTIMATE APRIL	ESTIMATE MAY	ESTIMATE JUNE	ESTIMATE JULY	ESTIMATE AUGUST	ESTIMATE SEPTEMBER	ESTIMATE OCTOBER	ESTIMATE NOVEMBER	ESTIMATE DECEMBER	TOTAL 1992
Beginning Balance	30,444.74	32,704.38	88,024.07	87,331.71	87,014.35	86,321.99	85,629.63	148,164.27	143,633.96	143,091.60	142,924.24	142,381.88	30,444.74
SOURCES OF FUNDS													
Gateway West District	46,740.00	0.00	0.00	0.00	0.00	0.00	46,740.00	0.00	0.00	0.00	0.00	0.00	93,480.00
Old Kraft Road District	16,037.00	0.00	0.00	0.00	0.00	0.00	16,037.00	0.00	0.00	0.00	0.00	0.00	32,074.00
Downtown Dev. District	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Newtown Urban District	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Main & Bonneville Property	375.00	0.00	0.00	375.00	0.00	0.00	375.00	0.00	0.00	375.00	0.00	0.00	1,500.00
Interest Income	100.00	300.00	300.00	300.00	300.00	300.00	375.00	450.00	450.00	450.00	450.00	450.00	4,225.00
TOTAL	63,252.00	300.00	300.00	675.00	300.00	300.00	63,527.00	450.00	450.00	825.00	450.00	450.00	131,279.00
=====													
CASH AVAILABLE	93,696.74	93,004.38	88,324.07	88,006.71	87,314.35	86,621.99	149,156.63	148,614.27	144,083.96	143,916.60	143,374.24	142,831.88	161,723.74
=====													
APPLICATION OF FUNDS													
Gateway West District	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Old Kraft Road District	992.36	4,980.31	992.36	992.36	992.36	992.36	992.36	4,980.31	992.36	992.36	992.36	992.36	19,884.22
Downtown Dev. District	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Newtown Urban District	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Main & Bonneville Property	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	992.36	4,980.31	992.36	992.36	992.36	992.36	992.36	4,980.31	992.36	992.36	992.36	992.36	19,884.22
=====													
Ending Balance	92,704.38	88,024.07	87,331.71	87,014.35	86,321.99	85,629.63	148,164.27	143,633.96	143,091.60	142,924.24	142,381.88	141,839.52	141,839.52
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POCATELLO DEVELOPMENT AUTHORITY (PDA)
Balance Sheet (Unaudited)

DRAFT

For the year ended December 31.

	1989	1990	1991
ASSETS			
Current Assets:			
Cash in Checking	\$6	\$10,094	\$3,436
Cash in Savings	46,475	896	27,008
Accounts Receivable/Deposits	2,000	500	500
Tax Incremental Receivable	20,722	37,031	125,554
Total Current Assets	\$69,203	\$48,521	\$156,498
Noncurrent Assets:			
Main & Bonneville Land	\$0	\$46,495	\$46,495
Total Assets	\$69,203	\$95,016	\$202,993
LIABILITIES			
Current Liabilities:			
Current Portion of LT Debt	\$6,700	\$7,691	\$8,407
Accounts Payable	3,556	247	170
Interest Payable on LT Debt	2,163	2,686	2,399
Escrow deposits - M & B	0	577	0
Due to SICOG	10,025	0	0
Total Current Liabilities	\$22,444	\$11,201	\$10,976
Long-Term Debt:			
9% Note due to EIDC	\$54,972	\$51,875	\$48,493
9% Note due City of Pocatello	83,322	78,741	73,715
Total Long-Term Debt	\$138,294	\$130,616	\$122,208
Fund Equity:			
Contribution from City	\$0	\$0	\$0
Appropriated Retained Earnings	(\$91,535)	(\$46,801)	69,809
Unappropriated Retained Earnings	0	0	0
Total Fund Equity	(\$91,535)	(\$46,801)	\$69,809
Total Liabilities and Fund Equity	\$69,203	\$95,016	\$202,993

The accompanying notes are an integral part of the financial statements.

Pocatello Development Authority (PDA)
Notes to Financial Statements

1. **Summary of Accounting Policies**

Enterprise Fund. The accounting records for PDA have been maintained as an enterprise fund. Accordingly, full accrual accounting has been used to report all assets and liabilities. Distinction has been made in the fund equity accounts between equity contributed to the fund and earnings resulting from operations of the fund.

2. **Accounts Payable**

	<u>1989</u>	<u>1990</u>	<u>1991</u>
Ward, Maguire & Bybee	\$1,386	\$	\$
Idaho State Journal	20		
American Land Title	150		
Stuart Bullington	2,000		
Green, Service, Gasser & Kerl		247	
Skinner, Fawcett & Mauk			
James Jenkins			170
Totals	<u>\$3,556</u>	<u>\$ 247</u>	<u>\$ 170</u>

3. **Long-Term Debt**

9% Note due to Eastern Idaho Development Corporation. In January 1989, PDA obtained a loan from Eastern Idaho Development Corporation for the Domsea Project within the Old Kraft Road Revenue Allocation District in the amount of \$55,000. Interest expense of \$2,807 was accrued from the date of disbursement to July 31, 1989 and added to the principal amount of the loan. The modified principal of \$57,807 was to accrue interest at 9% commencing August 1, 1989, with installment payments of \$3,988 due February 1 and August 1 of each year until August 1, 2001.

9% Note due to City of Pocatello. In January 1989, PDA obtained a loan from the City of Pocatello for the Domsea Project within the Old Kraft Road Revenue Allocation District in the amount of \$81,000. Interim interest of \$6,187 was accrued from the date of disbursement to December 31, 1989 and added to the principal amount of the loan. The modified principal of \$87,187 was to accrue interest at 9% commencing January 1, 1990, with monthly installment payments of \$992 due beginning February 1, 1990, and each month thereafter until December 31, 2001.

Pocatello Development Authority
Notes to Financial Statements

4. **Leases.**

Five-Year Lease Agreement with Gateway West Industrial Center. A five-year lease agreement with Gateway West Industrial Center for a portion (61,200 sq. ft.) of Building 38 was entered into by PDA on March 1, 1990. While the initial lease expires on February 28, 1995, options to renew were granted in the agreement for three (3) additional periods of five (5) years each.

Concurrent with executing the five-year lease agreement with Gateway, PDA entered into an assignment and sublease agreement covering the identical 61,200 sq. ft. of manufacturing space with Ceratile, Inc., a Utah corporation. Ceratile was also required by the sublease agreement to hire, within twelve (12) months from the date of the agreement, at least 50 persons residing in the City for at least a five (5) year period.

Terms of the original lease and sublease agreements require Ceratile to make monthly payments in 1990 of \$8,160; in 1991, \$8,925; in 1992, \$9,690; in 1993, \$10,455; in 1994, \$10,455. The base rental amount for any renewal of the lease after March 1, 1995 will be the prior period amount increase by 5%. PDA has agreed to pay toward the rent under the lease up to \$61,428 per year for a period not to exceed 7 years, or a total of \$429,996, commencing July 1, 1991, but limited to the extent of the Revenue Allocation created from the project, as long as Ceratile is not otherwise in default in performing any provisions of the sublease agreement.

During the past year Ceratile defaulted on its sublease agreement with PDA by not providing the specified employment by March 1st, 1991.

Pocatello Development Authority

December 9, 1991

Mr. Richard J. Carroll
Old Federal Building Associates
150 South Arthur, Suite 212
Pocatello, ID 83204

Mr. Tim Whiteus
622 South 6th Avenue
Pocatello, ID 83201

Dear Dick and Tim:

CERTIFIED MAIL

At our last meeting the PDA Board instructed me to extend to you both, acting together or individually as you elect, the same terms and conditions that were offered earlier this year to American Pacific Housing Development Corporation (APHDC) for a proposal to develop PDA-owned land at Main and Bonneville in downtown Pocatello.

As background, in consideration of \$1,000 refundable earnest money deposit, together with submittal of appropriate documents made during late May, 1991, PDA's Board agreed to deal exclusively with APHDC for a term of 130 days working toward a definitive plan to be agreed upon by the end of that period of time (September 30, 1991).

With the above procedure of handling as a guide, the Board is willing to negotiate with you both, either together or individually, regarding possible future development of PDA-owned land as follows:

1. **On or before January 13, 1992**, a written expression of interest should be delivered to PDA at the address on this letterhead. That notice to PDA should outline (a) the general concept of development being considered together with an estimate of project cost, (b) the nature of the entity (i.e. sole proprietor, general or limited partnership, corporation, etc.) and the names of principals that will act as developers, and (c) in general terms any concessions or financing being sought from the City and/or PDA. Such letter should also be accompanied by a check in the amount of \$1,000 earnest money deposit, which will be refunded after April 22, 1992, if PDA and the developer are unable to agree upon terms to proceed.


Richard Carroll
Tim Whiteus
December 11, 1991
Page Two

2. **On or before March 10, 1992**, conceptual architectural drawings and a proposed startup balance sheet of the entity acting as developer are to be delivered to PDA. If City and/or PDA concessions or financing is being sought, audited personal financial statements of the principals should also be submitted.
3. **On or before April 22, 1992**, developers should deliver to PDA a total project proposal, including architectural plans and estimated costs, as well as methods of financing. If City and/or PDA concessions or financing is being sought, a five-year proforma may be required.

As a guide to possible land acquisition costs, the property at Main and Bonneville was appraised at \$46,400 on November 16, 1989, and I have no particular reason to believe that this figure has significantly changed since that appraisal.

Dick and Tim, if either one or both of you are interested in making a proposal, I am receptive to hearing from you as soon as you have made your decision, but no later than January 13th. By this letter PDA commits not negotiate with any other party for the next 30 days. However, if PDA does not receive an expression of interest by January 13, 1992, it will assume that you are not interested in making a proposal for development of the Main and Bonneville property and may invite proposals from other interested developers.

Cordially,



Thomas A. Arnold
Executive Director

TAA:aw