

POCATELLO DEVELOPMENT AUTHORITY  
Special Meeting of Board of Directors

Council Chambers  
Pocatello City Hall

February 28, 1992  
Noon to 1:00 p.m.

Call to Order and Introduction - Karen McGee, Vice Chairman  
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**

Sole Subject to be Considered

Proposal for Acquisition of Assets Formerly Owned by  
Ceratile, Inc. and PDA's Possible Role in Lease Arrangements

Executive Session, if Requested

**Pocatello**

**IDAHO**  
*Works*

ISU Research and Business Pc  
1651 Alvin Ricken Dr  
Pocatello, Idaho 8321

*Committed to the continued economic development of Bannock County, Idc*

CONFIDENTIAL

**DAL-TILE**

7834 Hawn Freeway  
Dallas, TX 75217  
(214) 398-1411

CORPORATE HISTORY

- Founded about 40 years ago in Dallas
- Closely-held corporation by Wall Street investment group  
AEA Investments, New York City
- All outstanding stock purchased by AEA in 1990 for \$650,000,000;  
may go public in the near future
- Largest domestic manufacturer of ceramic tile
- Market share of U. S. sales (per Tile Council)  
Dal-Tile 24%, American Olean/Armstrong 14%, Florida Tile 10%  
(foreign producers have about 50%)

TILE OPERATIONS

**Talc Mine**

Van Horne, TX

**Manufacturing Plants**

Gettysburg, PA - mosaic tile  
Dallas, TX - wall tile  
Conroe, TX - floor tile  
Coleman, TX - pavers  
Monterey, Mexico - 3 plants  
Pocatello, ID - 3" x 3" counter tile (proposed acquisition)

**Showroom/Warehouse Facilities**

Four or More

California - 50  
Florida - 16  
Texas - 15  
New York - 7  
Ohio - 5  
Arizona - 4  
Virginia - 4

Three or Less

Alabama	Nebraska
Colorado	Nevada
Connecticut	New Hampshire
Georgia	New Jersey
Hawaii	New Mexico
Illinois	North Carolina
Indiana	Oklahoma
Kansas	Oregon
Kentucky	Pennsylvania
Louisiana	South Carolina
Maryland	Tennessee
Massachusetts	Utah
Michigan	Washington
Minnesota	Wisconsin
Mississippi	Canada
Missouri	Puerto Rico

Note: No facilities currently in Idaho

PROPOSED POCATELLO OPERATION

**Within Three Months**

- Employment  
40 employees  
\$600,000 annual payroll
- Lease of 60,000 sq. ft. of space in Gateway West Industrial Park

**Possible Expansion**

- Regional Distribution Center being studied
- Additional employment possible, 20 employees
- Expansion of leased space at Gateway West



February 24, 1992

Mr. Thomas A. Arnold, Executive Director  
Bannock Development Corporation  
ISU Research and Business Park  
1651 Alvin Ricken Drive  
Pocatello, Idaho 83201

Dear Tom:

It was a pleasure to meet you in Pocatello last week. Your efforts on our behalf were greatly appreciated. You are a true credit to the Pocatello community, and I appreciate all the help which you gave us.

As we discussed, Dal-Tile has been in the tile business for over forty years. As the largest tile manufacturer in the Western Hemisphere, there is not much that goes on in our industry that we don't know about. Shortly after Ceratile began operations, we became aware of the role which Pocatello Development Authority had played in their location decisions. Now that the opportunity has become ours, the tax increment financing program has become critical for our decisions.

Tom, we anticipate should we be successful in purchasing the equipment, within three months we would have approximately forty employees, and an annual payroll of approximately \$600,000. We will also be looking into the feasibility of establishing a Regional Distribution Center at the same facility, which could provide an additional twenty jobs, or so. The major components seem to exist for a long and substantial relationship between Dal-Tile and the City of Pocatello.

Please present to the Board our request for the same seven year tax increment financing arrangement as was previously provided to Ceratile, plus access to the 1991 tax monies previously collected.

I look forward to hearing from you at your earliest convenience as we have a 30 day Exclusive Option with the seller.

Again, thanks for all of your help and hospitality. Your efforts will not soon be forgotten, and have made it very easy for me to promote the City of Pocatello.

Sincerely,

DAL-TILE CORPORATION

David E. Cox, Vice President

DEC:bjm

nc.

Rayna

# City of Pocatello

POCATELLO, IDAHO 83205-4169

MUNICIPAL BUILDING  
P.O. BOX 4169

902 E. SHERMAN  
208-232-4311

February 21, 1992

Dear Board Member:

A special meeting of the PDA Board of Directors has been scheduled for noon, Friday, February 28, 1992, at City Hall.

At that meeting Directors will be asked to consider a proposal for the acquisition of assets of Ceretile, Incorporated. The potential buyers would like information regarding the assignment of the lease agreement and possible tax increment financing.

If you are unable to attend the special meeting, please contact me to express your views. In your absence, your position will be made known at the Board meeting.

Cordially,

*Thomas A. Arnold, for*

Thomas A. Arnold  
Executive Director  
233-0267

# Pocatello Development Authority

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February 12, 1992

Ms. Mary Lee Shannon  
P. O. Box 4969  
Pocatello, ID 83205

Dear Mary Lee:

At the regular monthly meeting of PDA's Board of Directors yesterday, you were nominated by Chairman John Carlson to fill the vacated seat on the Board created by the recent resignation of Commissioner Arvas.

The Board voted unanimously to recommend your appointment to the Mayor, which will need to be confirmed by the City Council at its next scheduled meeting, February 20th. Assuming that the appointment is made, you will be notified by the City.

Your knowledge of Bannock County property taxation will be a valuable addition to PDA's Board, and I look forward to serving with you in continuing to improve the economy of Pocatello and Bannock County.

Cordially,



Thomas A. Arnold  
Executive Director

TAA/alt

Enclosure

pc: John E. Carlson

*Rayna Valentine  
For your further handling  
and notification. Tom A.*