

POCATELLO DEVELOPMENT AUTHORITY  
Board of Directors Meeting

City Hall  
902 East Sherman

*AGENDA*  
December 8, 1992  
11:00 p.m. to 12:00 p.m.

Call to Order and Introduction - John Carlson, Chairman  
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 November

Consider Proposals for Development of PDA Land at Main & Bonneville

Hear Update Regarding Design and Costs of Proposed Improvements for Newtown Project  
"Schedule A"

Consider Determination of Policy Regarding Possible Reimbursement of Certain  
Improvement Costs

Consider Specific Proposal to Reimburse Certain Costs of Private Improvements

- Within Newtown Urban Renewal Area
- Within Gateway West Industrial Development Area

Update Items

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

Discussion Items

Gateway West Industrial District (Dal-Tile Corp.)  
Old Kraft Road District (Domsea/Aqua Sea)  
Downtown Development District (Kress Building)  
New Proposals, if Any

Executive Session, if Requested

TAX INCREMENT FINANCING  
*FOR INDIVIDUALS NOT PART OF DISTRICT*

Proposed general guidelines governing the application of tax increment funds *involving privately-owned land and/or improvements* (as more specifically requested for guideline determination involving the Sterling Building in Newtown District; Pocatello, ID):

1. Funds *may* be allocated for projects identified as having a *specific public benefit*.
2. Application of funds *shall always be at the discretion of the PDA Board*, and shall *never be an entitlement of any taxpayer* whether within or outside the improvement district.
3. Funds *shall never be paid out in advance of receipt of funds by PDA* from the taxpayer, regardless of methods used to finance a project.
4. *The maximum amount of funds paid out shall not exceed 50%* of tax increment funds which are paid to PDA, unless specifically stated in the document creating the TIF district.
5. *The maximum term that TIF funds may be paid shall generally not exceed 3 years*, unless specifically stated in the document creating the TIF district.

December 8, 1992

POCATELLO DEVELOPMENT AUTHORITY  
POSSIBLE USE OF TIF FUNDS

NEWTOWN DISTRICT

Sterling Building

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Total</u>
Taxes--Current Value	\$28,700	\$29,200	\$30,200	\$88,100
Taxes--Base Year	1,700	1,700	1,700	5,100
	<u>\$27,000</u>	<u>\$27,500</u>	<u>\$28,500</u>	<u>\$83,000</u>
Maximum Rate	50%	50%	50%	50%
	<u>\$13,500</u>	<u>\$13,750</u>	<u>\$14,250</u>	<u>\$41,500</u>

GATEWAY WEST INDUSTRIAL AREA

1992 Income	\$97,728.47
Dal-Tile Annual Allocation	<u>61,428.00</u>
1992 Surplus	\$36,300.47
 Bannock Paving Co. 9/19/92 Contract	 <u>35,518.00</u>
 1992 Net Surplus (after BDC bill)	 \$782.47

**C E DEVELOPMENT COMPANY**

P. O. BOX 1089 ARTESIA, CALIFORNIA 90702  
TEL (310)865-7079 FAX (310)865-2079

December 7, 1992

Mr. Thomas A. Arnold  
1651 Alvin Ricken Drive  
Pocatello, Idaho 83201

Dear Mr. Arnold,

Thank you for your correspondence dated November 26, 1992. We received your letter on Friday December 4 th.

When we met in your office on November 24 we discussed at length the following issues in reference to the property titled block 449, lots 1 - 10 and 16 - 20. Our primary concerns included the possibility of subterranean hazardous material and underground topography such as large boulders, that would impede the development of the property. We had the opportunity to review your initial study however, it did not include any soil testing or other subterranean studies. We also requested that the property be cleared of any buildings or billboards. In reviewing your site drawing we see a garage on the site which we do not recall being on the property.

C E Development Company is anxious to proceed with constructing townhouses on this property. We have spent a great deal of time and effort researching and drawing preliminary plans for the VICTORIA SQUARE project. Not only will this project enhance the downtown area it will provide affordable housing for the community.

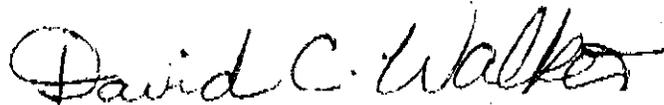
We believe that as the seller of the property, you have both a legal and moral obligation that the site meets all E.P.A. standards and that any expense associated with such a warranty should be born by the selling party. Any study undertaken should include but not be limited to soil testing by a licensed soils engineering company. Unless the property can be warranted as enviromentally safe, C E Development Company is not prepared to proceed with this project.

My associate Susan Choulkes was in an automobile accident on November 26, 1992 and this has caused a delay in preparing a complete proposal. I am enclosing a plot plan, floor plans and a front elevation of the proposed townhouses. Our intent is to build 24 townhomes with detached garages. We have received correspondence

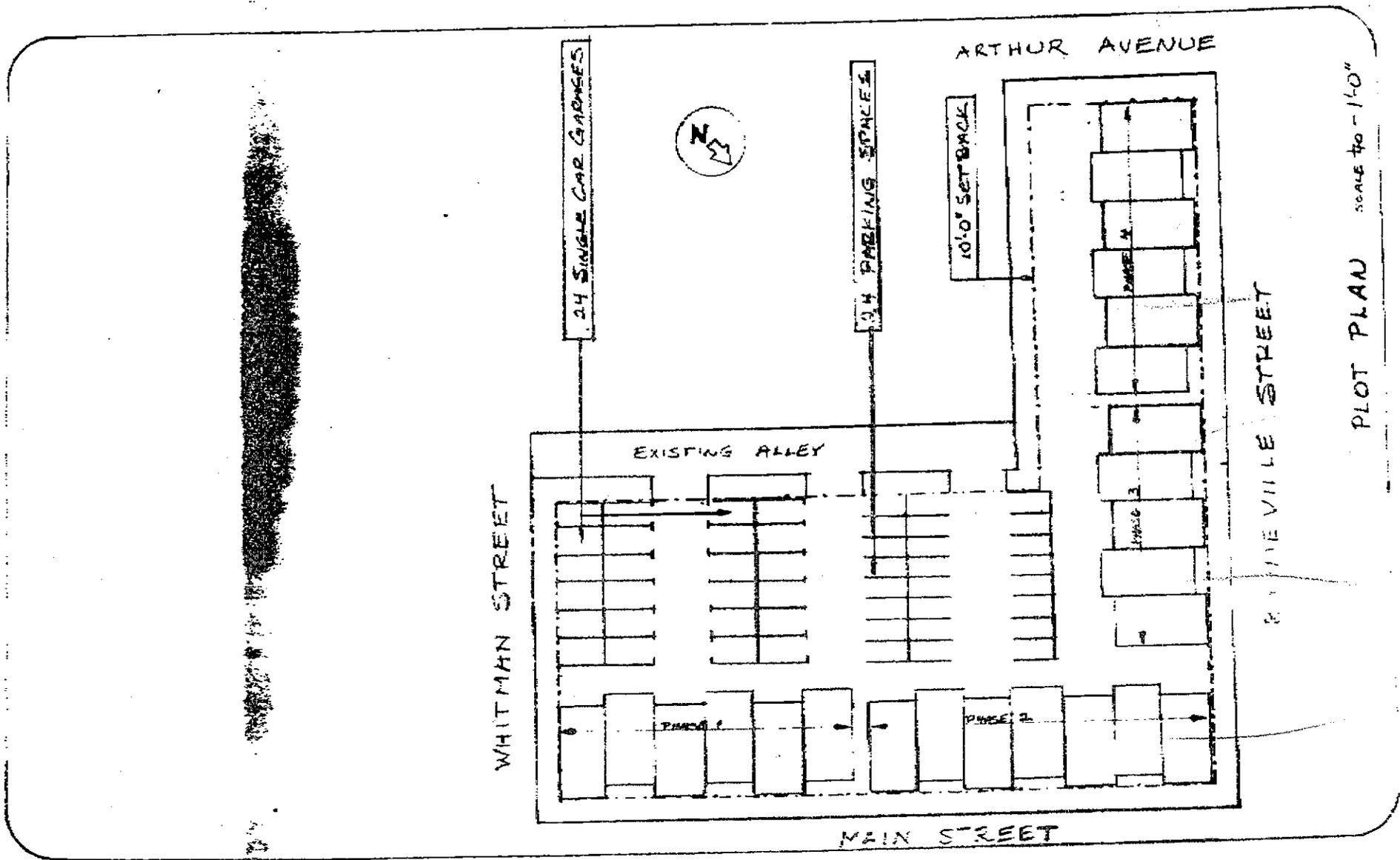
from the V.A. and F.H.A. It is our intension to build VICTORIA SQUARE as an affordable as well as attractive housing.

Thank you for your cooperation and we are looking forward to proceeding with the development of this project.

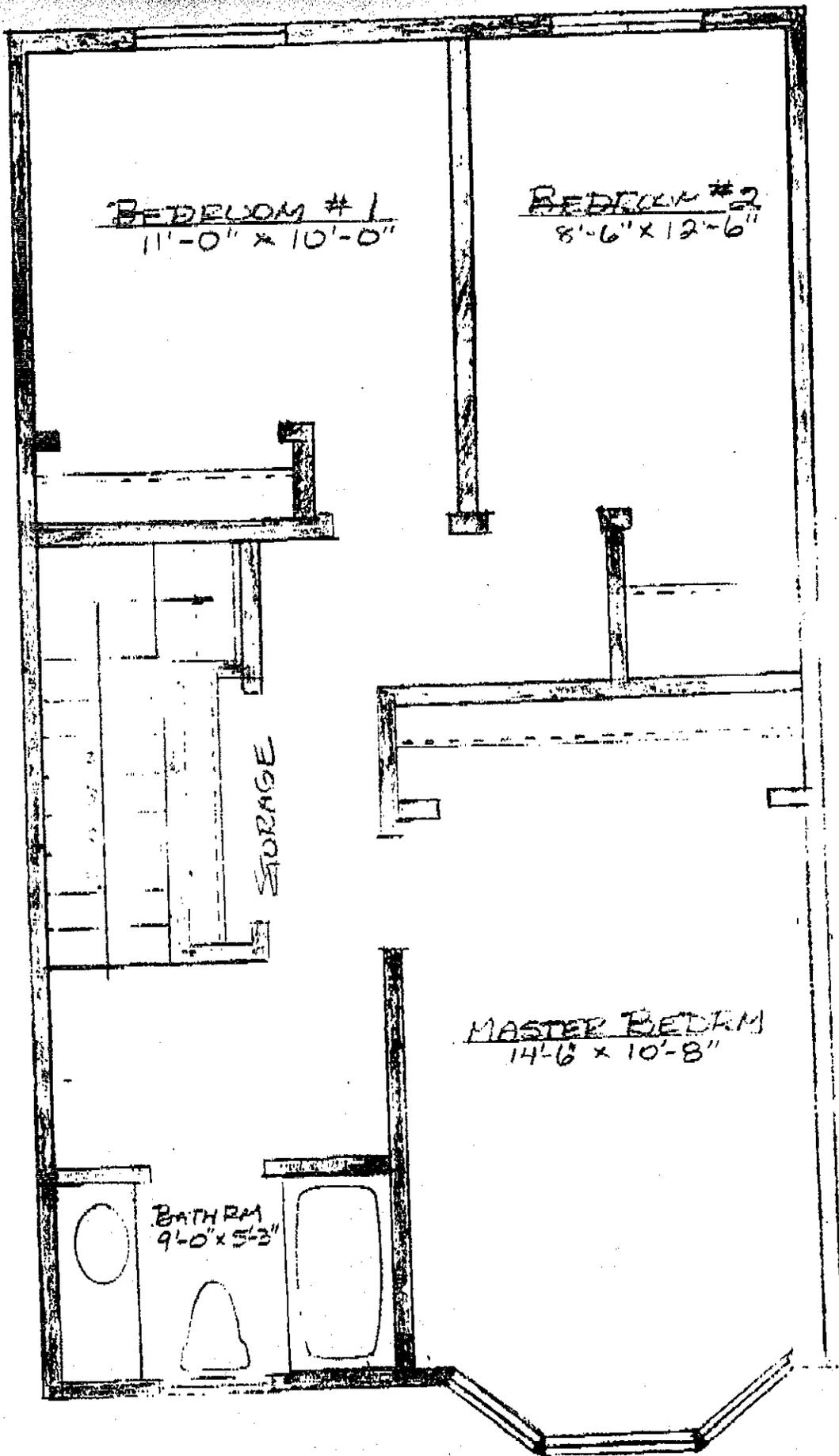
Sincerely,

A handwritten signature in cursive script that reads "David C. Walker". The signature is written in dark ink and is positioned to the right of the typed name.

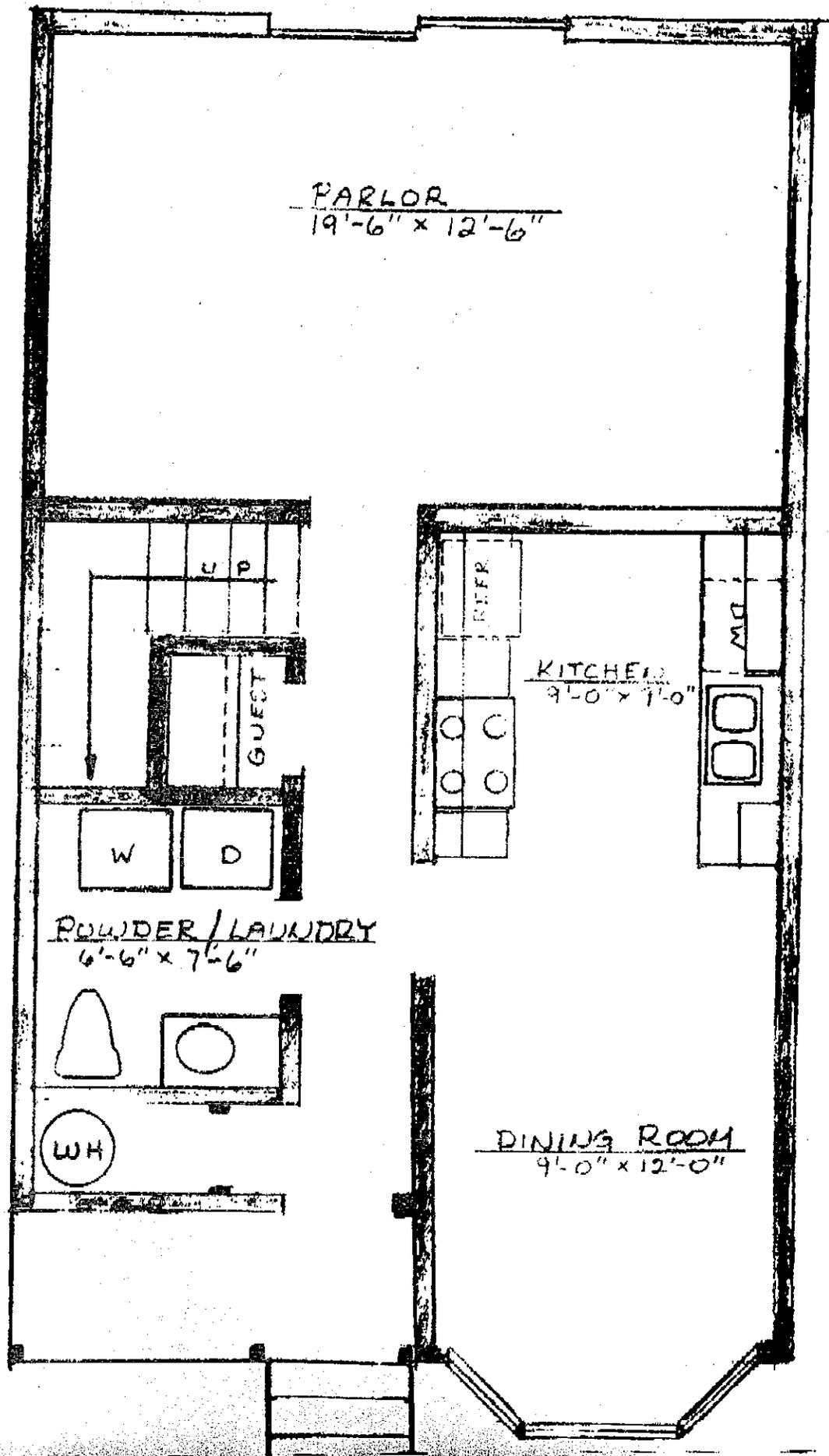
David C. Walker

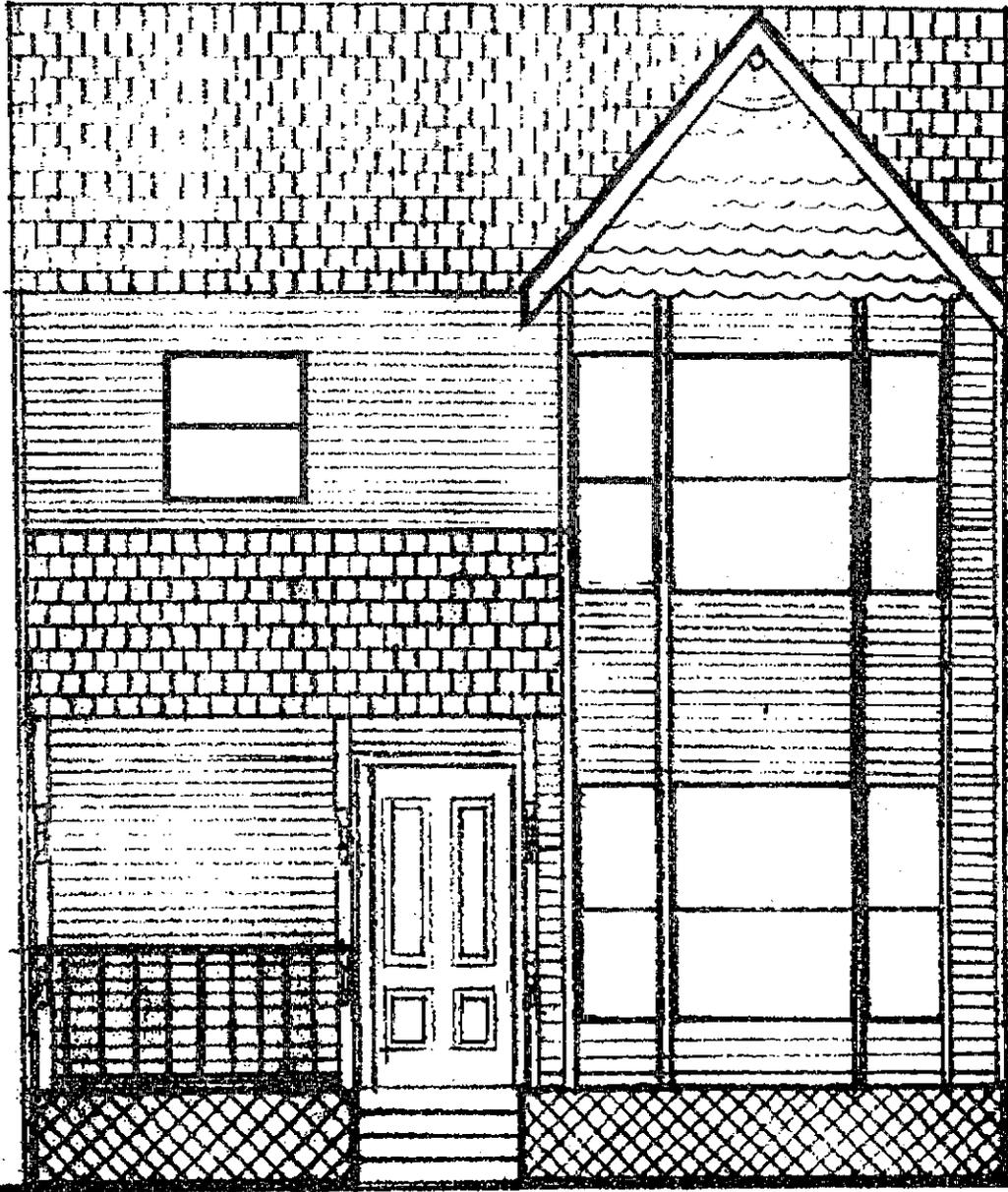


PLOT PLAN scale to - 1/4" = 1'-0"



36'-0"





STERLING PARTNERSHIP  
P.O. BOX 1304  
Pocatello, Idaho 83204

November 9, 1992

Pocatello Development Authority  
1651 Alvin Ricken Drive  
Pocatello, Idaho 83201

Attention: Mr. Thomas A. Arnold  
Executive Director

RE: Sterling Building

Dear Mr. Arnold:

In the last PDA meeting on October 13, 1992 I once again brought up the subject matter of the use of the tax incremental monies and their utilization within the Newtown District.

During the course of discussion one person commented this district was the first time they could recall that subsidies or incremental taxes were not part of a basic "financing" method to property owners for improvement. As stated at the October meeting the Sterling Partnership was not made any promises with regard to subsidy or reimbursement for improvements. However, the concept that potential financial help might be available certainly had an impact on the decision to make our office building the "showcase" of Pocatello.

A tour of the property has and does show alleyway blacktopping; substantial amounts of curb and gutter on the streets of Third, Fourth and Fremont; sidewalks which are handicap accessible along those same streets; and a parking lot drainage system to keep the drainage onto public streets at a minimum. In addition substantial upgrade in landscaping design throughout the property including that within fifteen feet of the streets and alleyways was accomplished.

Certainly my partners and myself did not know how much, if any, might be reimbursable or subsidized by this new district. However, the possibility of that occurring was a factor in our determination.

Equally as important is the question of the rewards and benefits that were explained would occur with the formation of the Newtown District. It was my understanding as discussions occurred the following basic concept was presented: THE BASIC IDEA OF THE DISTRICT WAS TO CAPTURE INCREMENTAL TAX DOLLARS AS A RESULT OF INCREASED PROPERTY VALUATION PRIMARILY AS A RESULT OF NEW CONSTRUCTION. More so, this district found its origination in the fact that three new structures independently were being developed within a very short proximity of one another.

Ideas and alternatives were discussed and basic thoughts were projected as to the use of said funds captured. Those basic thoughts were the money should be used TO DEVELOPE OR IMPROVE AREAS ALONG THE PUBLIC RIGHT-OF-WAY WITHIN THE DESIGNATED IMPROVEMENT DISTRICT. As such the suggestion was made that should we the Sterling Partners make improvements of the nature described that some sort of compensation might be possible from the captured funds in question. We the Sterling Partnership took such comments at face value.

It was our understanding that in fact there was a very real possibility that some funds would be forthcoming as a result of our undertaking an increase in construction costs greater than that which would be required by city or neighborhood standards. How much to be reimbursed we certainly knew would be by definition within or be determined by the PLAN as adopted by the PDA.

On February 27, 1992 we submitted a request for formal funding in the amount of \$84,025.00 for expenditures which we felt met the criteria of the tax increment funding. We further suggested the PDA adopt a principal in their plan that should private enterprise decide to improve areas within the qualified district that the PDA and said private enterprise work as partners for improvement for the betterment of all. That principal was that any qualified expenditure initially funded from private sources would be reimbursed from the incremental tax revenues to the lesser amount of the actual cost of said improvements or fifty (50) percent of the projected incremental tax revenues of the project giving rise to the incremental taxes.

The projected incremental tax revenues to be generated over the next seven years by the Sterling Building is \$25,000 to \$30,000 per year. This yields a total of \$175,000 to \$210,000. Our February 27, 1992 request was of \$84,025. Under our policy proposal the allowed reimbursement would be not more than one-half the \$175,000 or \$87,500. The reimbursement would then be limited to the actual cost of said expenditures which is the \$84,025.

A breakdown of the items which make up the \$84,025 is:

1) curb & gutter	\$ 6,673
2) asphalt patching	2,476
3) sidewalks	9,994
4) alley paving	15,350
5) storm sewer dry wells	11,500
6) landscaping & sprinkler	<u>38,032</u>
TOTAL	\$ <u>84,025</u>

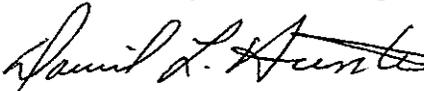
The request of the Sterling Partnership is for the PDA to review the list of improvements and to determine two questions:

First, which and how much of our request will you allow as qualified expenditures; and

Second, what plan will you attempt to implement, ie. payment from the bond funds, or some installment payment of the determined amount.

In conclusion we would request the PDA discuss this matter at this time and make a difinitive decision on them. We stand ready to answer or discuss questions regarding these matters at this time.

Very Truly Yours  
The Sterling Partnership



David L. Hunter  
General Partner