

POCATELLO DEVELOPMENT AUTHORITY
Board of Commissioners Meeting
May 14, 1996
11:00 AM

City Hall, Council Chambers
911 North 7th Avenue

11:00 AM

Call to Order: Chairman Olson

Introduction of Guests, if any

Disclosure of conflicts of interest, if any

Agenda - Add or delete Action or Discussion Items

Discussion and Action Items

Minutes - Motion to Approve and/or Amend

Financial Report: March and April Expenses

Consider Potential Affects of a Filing With the Idaho Secretary of State to Limit Property
Taxes to One Percent (1%) of Value

Consider Adjustments to Budgets, if any, For Revenue Allocation Districts

Review Preliminary Plan Relating to Proposed North Town Revenue Allocation District

Executive Session, if required

Pocatello Development Authority

ISU Research and Business Park
1651 Alvin Ricken Drive
Pocatello, Idaho 83201

An urban renewal agency for the City of Pocatello, Idaho

THOMAS A. ARNOLD
Executive Director

5/9/96

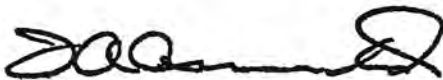
NOTICE OF MEETING

PDA's next monthly meeting of Board of Commissioners will be Tuesday, May 14 at 11 a.m. in Council Chambers, Pocatello City Hall.

An agenda for the upcoming meeting, as well as minutes of the meeting held March 12, 1996, are enclosed. You will recall that the April meeting was omitted for lack of pressing business.

Also enclosed for your review is the developer's submittal and plan relating to OKAY FOOD TOWN's proposed grocery retail outlet to be constructed in North Town Revenue Allocation District.

As the plan arrived today via Federal Express, it has not yet been reviewed and critiqued by PDA staff. However, Dean Trammer, Robert Chambers and I will do so prior to next Tuesday's meeting and will be prepared to comment on the plan and its suitability and adherence to PDA standards. PDA's Board will be asked to consider and approve the proposal at next Tuesday's meeting.



Thomas A. Arnold
Executive Director

TAA:kp

PDA

4.29.96

9:00
1 Am

Effect of 1% Initiative) Conference
 C. Purcell, R. Chambers, J. Wrigley
 D. Franmer, T. Arnold) R. Skinner

- Proposed Ballot Initiative (1996) filed with Idaho Secretary of State early April
- legal opinion requested of Attorney General's office on April 12th (Who is expected to author the opinion?)
- Old Town project would be adversely affected
- Official Statement (O.S.) needs to disclose effect of 1% Initiative:
 - TIF bonds are not excluded or grandfathered in
 - Only debt excluded would be general obligation bonds (voted debt) issued prior to the effective date of the initiative
- Effect on Old Town - need to extend from 12 to 15 yr. term to ensure coverage of \$72,800

PDA

p. 2 of 2

- Alternative Action:
Bond Anticipation Notes -
as long as they do not
constitute "a refunding"
- When permitting 15 yr bonds,
note 'Optional Call' (i.e. to
redeem early)
- Note especially effect
on Pioneer Block Bldg -
(Nichols & Ratzlaff) developers
awaiting proceeds from
TIF bonds.

Pioneer Block Bldg.:

- \$50,000. - loan (by Note)
- \$25,000. - grant for facade
element

\$125,000 - to Pioneer Block Bldg.

\$475,000 - streetscape project

\$600,000 = construction
acquisition fund
(no reserve fund)

→ \$550,869.86: amount authorized
by PDA Board

- may need to go to 16 to 17 years

MEMORANDUM OF UNDERSTANDING
POCATELLO REDEVELOPMENT AUTHORITY

THIS POCATELLO MEMORANDUM OF UNDERSTANDING Is entered into as of this ____ day of _____, 1996, by and between the Urban Renewal Agency of the City of Pocatello, Idaho, also known as and doing business under the style of Pocatello Redevelopment Authority, a public body, corporate and politic, of the State of Idaho (hereinafter the "PDA"), and C and L Purrington, Inc., an Idaho corporation, dba Okay Food Town (hereinafter referred to as the "Developer").

RECITALS

WHEREAS, PDA, an independent public body, corporate and politic, is an urban renewal agency created by and existing under the authority of and pursuant to Idaho Urban Renewal Law of 1965, title 50, chapter 20, Idaho Code, as amended and as supplemented (the "Law"), as duly established and created by the Pocatello City Council pursuant to City Council resolution adopted on July 14, 1988 (commonly referred to as the "Necessity Resolution");

WHEREAS, pursuant to Resolution No. 1993-31 adopted by the City Council of Pocatello in August 1993 the City Council determined a specific geographic area as deteriorated or deteriorating and appropriate for an urban renewal project (commonly referred to as the "Eligibility Requirement") and authorized the PDA to pursue the development of an urban renewal plan for the City of Pocatello for that geographic area;

WHEREAS, the PDA is authorized to conduct proceedings and to issue revenue allocation (tax increment) bonds pursuant to the terms and provisions of the Local Economic Development Act, title 50, chapter 29, Idaho Code, as amended and supplemented (the "Act"), for the purpose of financing the undertaking of any urban renewal project;

WHEREAS, on October 20, 1995, PDA approved the North Main Urban Renewal Plan (hereinafter the "Plan") and forwarded the Plan to the Pocatello City Council;

WHEREAS, the Pocatello City Council, after notice duly published and after having conducted a public hearing, did approve and adopt the Plan by virtue of the passage of City Council Ordinance No. 2520 on December 7, 1995;

WHEREAS, the Developer is interested in developing certain real property within the urban renewal area and has an ownership interest in certain properties within the urban renewal area;

WHEREAS, the Developer seeks to pursue a development opportunity within the urban renewal area, which hereinafter shall be referred to as the "Private Development";

WHEREAS, PDA has determined that certain technical amendments to the Plan are necessary and have been proposed (such amendments referred to as the Amended and Restated Plan);

WHEREAS, pursuant to the Amended and Restated Plan certain activities are outlined for participation by the PDA in order to comply with the objectives of the Amended and Restated Plan, including, but not limited to, construction of certain public improvements, and other like activities;

WHEREAS, the Developer has offered to fund the costs and expenses in order to complete the process for the adoption of the Amended and Restated Plan by the City Council of the City of Pocatello by preparing those amendments for consideration as allowed by Section 50-2008(b) of the Act;

WHEREAS, the Developer has proposed to assist the PDA in obtaining advance funding of activities in order to achieve the development of an urban renewal project;

WHEREAS, in consideration of this funding and activity by the Developer, the PDA is willing to commit to reimburse the Developer those amounts advanced by the Developer and to commit to fund those public improvement costs associated with the Amended and Restated Plan and the Private Development proposed by the Developer, subject to certain conditions;

WHEREAS, the PDA and Developer desire to analyze several development opportunities within the urban renewal area in order to accommodate the objectives of the Developer and goals of the PDA, including, but not limited to, commercial and retail use, certain public improvements, site preparation, demolition, and other public activities;

WHEREAS, the parties seek to memorialize several business points relating to the potential uses by the Developer of certain properties within the urban renewal area and to continue discussions to reach an acceptable agreement regarding the use and ownership of those certain properties and the participation of the PDA in the funding of certain activities identified in the Amended and Restated Plan;

NOW, THEREFORE, LET IT BE UNDERSTOOD AS FOLLOWS:

AGREEMENTS

1. The effective date of this Memorandum of Understanding shall be the date when this Memorandum of Understanding has been executed by the Developer and shall

continue for a period of one hundred eight (180) days, unless extended in writing by mutual agreement of the parties. This Memorandum of Understanding shall terminate prior to the expiration of the 180-day period if the Amended and Restated Plan is not adopted by the Pocatello City Council.

2. This Memorandum of Understanding does not constitute a disposition of property or exercise of control over property by the Agency or Developer and does not require a public hearing. Execution of this Memorandum of Understanding by the parties is an expression of the parties' understanding of certain terms and conditions which may be included within a final agreement, reserving final discretion and approval by the PDA and Developer as to any final agreement and all proceedings and decisions in connection therewith.

3. The parties intend to enter into an acceptable owner participation agreement which will provide, *inter alia*, for the future ownership and development of certain properties within the urban renewal area now under the ownership and control of the Developer or of properties upon which the Developer has an interest or option rights. The parties intend to enter into such owner participation agreement within the term of this Memorandum of Understanding. The Private Development contemplated by the Developer is subject to certain market, economic, and financial feasibility factors. The parties acknowledge that Developer may determine the contemplated Private Development may not be achievable, and in such instance, Developer may not proceed or may not proceed in the full manner currently anticipated. In such event, the Developer acknowledges that reimbursement by the PDA may not be possible.

4. Developer has provided the funding to facilitate the preparation, consideration, and ultimate adoption of the Amended and Restated Plan for the geographical area previously described as eligible for urban renewal plan purposes. Developer has incurred such costs itself to pay for all consulting fees, attorney fees, appraisal fees, and other costs incurred by Developer for preparation, consideration, and adoption of the Amended and Restated Plan and other planning costs related to the development project; provided, however, such costs shall not exceed \$15,000. Developer agrees to provide an accounting of said funds to the PDA describing the activities for which those funds have been used.

5. In consideration of this Memorandum of Understanding and the Private Development proposed by the Developer, the PDA agrees to reimburse the Developer the principal amount not to exceed \$15,000 for the costs advanced in the preparation and approval of the Plan. This amount shall be tendered to the Developer as tax increment funds become available or as the PDA is successful in obtaining interim financing for the project. The amount shall be increased by the interest factors stated below for the period from the date costs are incurred to the date of payment. In consideration for the funding provided by the Developer, as described in Section 4 above, the PDA agrees to reimburse the Developer

an amount not to exceed \$15,000 plus interest at a rate of nine percent (9%) from the date of the incurring of costs through the date such costs are paid by the PDA, subject to the following conditions:

- (a) The availability of funds to the PDA from either revenue allocation proceeds generated by economic development within the urban renewal area from the date of the base assessment roll as defined and described in the Act or proceeds from bonds or other debt transactions completed by the PDA pursuant to the Act and the Law;
- (b) Other lawfully available sources of funds, including, but not limited to, grants or loans from federal, state, or local authorities;
- (c) The Developer and PDA entering into an acceptable owner participation agreement committing the Developer to the development of an urban renewal project which will generate revenue allocation proceeds in sufficient amount to reimburse the Developer for the funds advanced;
- (d) Formal approval and adoption of the Amended and Restated Plan by the City Council and acknowledgment that the Amended and Restated Plan shall not be subsequently challenged or declared invalid by a court of competent jurisdiction.

Developer recognizes and acknowledges that only upon the successful compliance with the conditions stated above shall the PDA have the obligations and ability to reimburse the Developer for the funds advanced. Developer and PDA acknowledge that the PDA will receive revenue allocation (tax increment) funds in 1998 as a result of the Developer's development of the Private Development located within the revenue allocation area.

6. Without infringing upon the parties' ability to negotiate acceptable terms of an owner participation agreement or disposition and development agreement, the parties agree to address the following issues;

- (a) The scheduling of the Developer's Private Development, the public improvements required for the Private Development, and the use of the property;
- (b) The authority of the Developer to undertake the construction of the public improvements, compliance with all applicable bidding laws, and review and approval by the PDA of the proposed construction costs and payment of such construction costs; and

- (c) In the event Developer advances funds for the costs of demolition, acquisition, and construction, the acquisition by the PDA of the public improvements or reimbursement to the Developer for the costs of the activities listed herein.
- (d) Creation of an acceptable agreement which would bind the owner and subsequent owners within the Project Area to the terms of the Amended and Restated Plan and the Owner Participation Agreement.

7. The Private Development proposed by Developer consists of a grocery store and ancillary uses within the urban renewal area. The cost of the Private Development shall be borne by the Developer, and the Private Development shall be developed within the Schedule of Performance to be negotiated under the owner participation agreement. The ability of the Developer to proceed with the Private Development is specifically subject to the financial feasibility of the project as recited in Section 3 of this Memorandum of Understanding. Nothing herein shall prevent or impede the Developer from applying for all required building or zoning permits for the Private Development, at any time, even prior to the successful negotiation of the owner participation agreement. Developer acknowledges that at the time of filing such application, Developer will be subject to the then-existing City Zoning and Building Code and the provisions of the Plan.

8. In conjunction with the Private Development, in addition to the planning costs described in Sections 4 and 5 herein, the PDA agrees to fund the activities described and defined in Attachment 1 attached hereto and incorporated herein by reference. Developer recognizes that PDA funding for these activities is conditioned upon the PDA's receipt of revenue allocation proceeds or loan proceeds resulting from the Private Development within the revenue allocation area and the successful placement of either interim or long-term financing. Developer and PDA acknowledge that PDA will receive revenue allocation (tax increment) funds in 1998 as a result of Developer's development within the revenue allocation area. Developer and PDA agree to address the timing of funding and development activity, which may allow for the Developer to proceed with the above-described activities in exchange for a commitment by the PDA to immediately reimburse the Developer for those costs. Such commitment shall include representations and covenants acceptable to the Developer that PDA has the legal, valid, and binding authority to enter into such an agreement and reimburse the Developer for such advanced costs.

9. Developer agrees to pursue funding sources for the purpose of financing the activities under the Plan. Developer also agrees to submit such funding proposals to the PDA for approval. PDA agrees to pursue-review funding sources-proposals for the purpose of financing the activities under the Plan, including demolition, planning costs, appraisal costs, and other public improvements. PDA and Developer agree to cooperate in any application process for such funds, including applications for bank financing. Developer agrees to

consider, if necessary to obtain such financing, deferring any reimbursement of Developer's costs by PDA until the financing is formally approved and until the closing of such loan transaction. Developer also agrees to consider, at Developer's discretion, participation with PDA in such financing mechanisms. The Parties acknowledge that the preferred transaction is for the PDA to obtain a financing commitment which would allow the PDA to immediately fund the public improvements described in Attachment 1 hereto. Notwithstanding any other provision of this Memorandum of Understanding to the contrary, in the event the PDA is successful in obtaining financing through the issuance of bonds, bond anticipation notes, or other debt transactions, PDA shall include the reimbursable costs described in this Memorandum of Understanding which are then an obligation of the PDA, i.e., the Developer has completed the Developer's tasks and is entitled to a reimbursement of a sum certain, and the PDA shall pay such cost from the loan, note, or bond proceeds.

10. Developer and PDA warrant that all necessary actions on the part of each party to be taken in connection with the execution, delivery, and performance of this Memorandum of Understanding have been duly and effectively taken. Each party agrees to provide the other with evidence of such authority if requested.

11. Developer shall have the right to assign its interest in this Memorandum of Understanding subject ~~only to providing written notice of such assignment to the PDA and consent of such assignment by the PDA, such consent not to be unreasonably withheld.~~

12. This instrument embodies the entire understanding of the parties. There are no promises, terms, conditions, or obligations other than those contained herein, and this Memorandum of Understanding shall supersede all previous communications, representations, or agreements, either oral or written, between the parties.

13. Should any action be instituted between the parties hereto or their representatives concerning any provision of this Memorandum of Understanding or the rights and duties of any person or entity in relation hereto, the party or parties prevailing in such litigation shall be entitled to a reasonable sum as and for attorney fees in such litigation, in addition to such other relief as may be granted.

14. Developer and PDA agree to mutually consider reasonable requests for amendments to this Memorandum of Understanding which may be made by any of the parties hereto, lending institutions, counsel, or financial consultants to the PDA, provided such requests are consistent with this Memorandum of Understanding and such attachments and would not substantially alter the basic business terms included herein or therein. Such amendments shall be submitted in writing for consideration.

15. This Memorandum of Understanding may be executed in any number of counterparts. Once so executed by all parties hereto, each such counterpart hereof shall be

deemed to be an original instrument, but all such counterparts together shall constitute but one (1) agreement.

16. This Memorandum of Understanding shall be deemed effective upon the execution of this Memorandum of Understanding by the Developer.

IN WITNESS WHEREOF, the parties hereto have signed this Memorandum of Understanding the day and year written below to be effective the day and year written above.

PDA:

_____, 1996

POCATELLO REDEVELOPMENT AUTHORITY

By _____

Chairman

By _____

Secretary

DEVELOPER:

_____, 1996

C AND L PURRINGTON, INC.

By _____

Its _____

Attachment 1

Project Costs

<u>Description</u>		<u>Amount</u>
<u>Costs</u>		
A.	Street Right-of-Way Improvements	
(1)	Curb, gutter, and sidewalk around site	56,964
(2)	Drive approaches, paving, etc.	<u>29,154</u>
	Subtotal	86,118
B.	Demolition, Site Preparation, and Utility Relocation	
(1)	Demolition of buildings, removal of asphalt, curb, gutter, and sidewalk	90,912
(2)	Relocation of telephone, gas, and power lines; reconstruction of sewer line and manholes	44,150
(3)	Site grading and fill material	<u>29,383</u>
	Subtotal	164,445
C.	Design and Construction Supervision	25,056
D.	Total Project Costs	275,619
E.	Professional Services	15,000
F.	Legal and PDA Administrative Fees (at 10%)	<u>29,062</u>
	TOTAL ALL COSTS	\$319,681

Pocatello Development Authority
Cash Budget - 1996

	Actual January	Actual February	Actual March	Actual April	Curr. Est. May	Curr. Est. June	Curr. Est. July	Curr. Est. August	Curr. Est. September	Curr. Est. October	Curr. Est. November	Curr. Est. December	Current Estimate 1996
Beginning Balance	54,116.46	75,284.12	75,149.73	75,431.39	74,782.29	74,897.29	81,751.02	231,249.75	223,183.48	195,117.21	202,050.94	193,984.67	125,000.00
SOURCES OF FUNDS													
Gateway West District	0.00	0.00	0.00	235.26	0.00	15,000.00	70,000.00	0.00	0.00	15,000.00	0.00	0.00	100,235.26
Old Kraft Road District	0.00	0.00	0.00	0.00	0.00	0.00	150.00	0.00	0.00	0.00	0.00	0.00	150.00
Downtown Dist. (Kress)	6,554.47	0.00	0.00	0.00	0.00	0.00	4,500.00	0.00	0.00	0.00	0.00	0.00	11,054.47
Old Town	3,849.05	0.00	170.55	178.98	0.00	0.00	52,000.00	50,000.00	100,000.00	150,000.00	100,000.00	100,000.00	556,198.58
Newtown Urban District	19,021.55	0.00	0.00	362.36	0.00	0.00	31,000.00	0.00	0.00	0.00	0.00	0.00	50,383.91
North Main 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
Ricken Drive District	0.00	0.00	0.00	0.00	0.00	1,500,000.00	750,000.00	300,000.00	200,000.00	0.00	0.00	0.00	2,750,000.00
Unrestricted Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,000.00	5,000.00
Interest Income	192.11	266.89	271.69	261.30	165.00	120.00	115.00	200.00	200.00	200.00	200.00	250.00	2,441.99
TOTAL	29,617.18	266.89	442.24	1,037.90	165.00	1,515,120.00	907,765.00	350,200.00	300,200.00	165,200.00	100,200.00	105,250.00	3,475,464.21
CASH AVAILABLE	83,733.64	75,551.01	75,591.97	76,469.29	74,947.29	1,590,017.29	989,516.02	581,449.75	523,383.48	360,317.21	302,250.94	299,234.67	3,600,464.21
APPLICATION OF FUNDS													
Gateway West District	0.00	0.00	0.00	0.00	0.00	8,216.27	8,216.27	8,216.27	28,216.27	8,216.27	8,216.27	12,130.38	81,428.00
Old Kraft Road District	0.00	136.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	136.08
Downtown Dist. (Kress)	4,649.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,649.52
Old Town	3,800.00	0.00	65.00	504.00	0.00	0.00	0.00	50,000.00	100,000.00	150,000.00	100,000.00	100,000.00	504,369.00
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
North Main District	0.00	132.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	132.60
Ricken Drive District	0.00	132.60	65.00	504.00	0.00	1,500,000.00	750,000.00	300,000.00	200,000.00	0.00	0.00	0.00	2,750,701.60
Unrestricted Funds	0.00	0.00	30.58	679.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	1,109.58
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	8,449.52	401.28	160.58	1,687.00	50.00	1,508,266.27	758,266.27	358,266.27	328,266.27	158,266.27	108,266.27	112,180.38	3,342,526.38
Ending Balance	75,284.12	75,149.73	75,431.39	74,782.29	74,897.29	81,751.02	231,249.75	223,183.48	195,117.21	202,050.94	193,984.67	187,054.29	257,937.83