

**POCATELLO DEVELOPMENT AUTHORITY**  
**Board of Commissioners Meeting**  
**June 10, 1997**  
**11:00 a.m.**

**City Hall, Council Chambers**  
**911 North 7<sup>th</sup> Avenue**

**11:00 a.m.**

Call to Order - Vice Chair Byrne

Acknowledge Guests of Board, if any

Disclosure of Conflicts of Interest, if any

Agenda - Add or Delete Action or Discussion Items

**Discussion and Action Items**

Minutes for May 13 - Motion to Approve and/or Amend

Financial Report: May Income and Expenses

Accept Nominations to Replace Seat Vacated by Tammy Frazier

Report on Old Town Pocatello Project

Update on Fred Meyer Project

Update by Richard Stallings, PNHS  
Former Eagles Building Project

**Executive Session, if required**



OFFICE OF THE MAYOR  
911 North 7th Avenue  
P.O. Box 4169  
Pocatello, Idaho 83205  
(208) 234-6163  
FAX (208) 234-6297

PETER J. ANGSTADT  
Mayor

Pocatello City Council:  
GREGORY R. ANDERSON  
I.J. "BABE" CACCIA  
ROGER W. CHASE  
RON FRASURE  
KAREN MCGEE  
HARRY NEUHARDT

June 13, 1997

William A. Knick  
4551 Fora Drive  
Pocatello, ID 83204

Dear Mr. Knick:

On June 12, 1997, the City Council confirmed your appointment to the Pocatello Development Authority (PDA). Your term begins June 12, 1997, and will expire October 5, 1999, at which time you will be eligible for reappointment.

Meetings are held the second Tuesday of each month at 11:00 AM, at the Municipal Building, 911 North Seventh.

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

PJA/tlc

Enclosures

cc: Connie L. Terry, Assistant to the Mayor  
Rayna Valentine, Committee Secretary



BILL TO : OLDTOWN POCATELLO  
 P.O. BOX  
 POCATELLO, ID 83204  
 ATTN : MS. MARY C. HOWELL

INVOICE # 3484

PURCHASE ORDER # OTP001

DATE : 06/09/97

TERMS : PER CONTRACT

DESCRIPTION OF WORK PERFORMED	AMOUNT
LUMP SUM FOR PROGRESS BILLING # 02	191475.97
EXTRA WORK	9022.95

\*\*\*\*\* SEE ATTACHMENTS \*\*\*\*\*

TOTAL THIS INVOICE

200498.92

(208) 237-5135 ▲ Fax (208) 237-5229 ▲ P.O. Box 546 ▲ Fort Hall, Idaho 83203

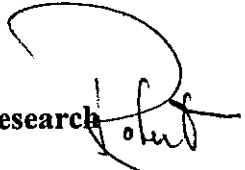
Warbonnet Electric, Inc



## COMMUNITY DEVELOPMENT AND RESEARCH

P.O. Box 4169, 911 North Seventh Avenue  
Pocatello, Idaho 83205  
(208) 234-6184 FAX (208) 234-6296

**To:** PDA Board Members

**From:** Robert E. Chambers, Director, Community Development & Research 

**Date:** June 2, 1997

**Re:** Fred Meyer Construction Project

At the May 13, 1997, meeting of the Pocatello Development Authority (PDA), the Fred Meyers Project agenda item was tabled. This action was to give the Board more time to review the information submitted prior to deciding the project's eligibility for tax increment funding.

The Fred Meyers Project request is scheduled for the PDA meeting of June 10, 1997. Enclosed is a letter from Mr. Charles Moseley, a site planner for the Fred Meyer company. This letter is in response to issues raised during the May meeting and may assist the Board in its decision. Mr. Moseley is also scheduled to be in attendance to answer any questions you may have.

Thank you.

REC:dg

6-2-97

FOR  
PDA Agenda  
Packets  
June 11, 97

Thank you  
Robert

May 27, 1997

Robert Chambers  
Director of Community Development  
911 N 7th  
PO Box 4169  
Pocatello, ID 83205

TRANSMITTED BY FACSIMILE

Dear Robert:

Per our conversation on May 13, 1997, I am providing a written response addressing the PDA's concerns regarding their participation in the redevelopment of our site. Three key questions were raised at the last PDA meeting: the pending merger of Fred Meyer and Smith's; Fred Meyer's commitment to the project; and Fred Meyer's past projects in other Idaho cities per Steve Ernst's memo (see attached).

As I stated at the meeting, Fred Meyer and Smith's are in the process of negotiating the merger. The two companies will operate separately under one parent company. Although there are locations where our markets overlap in Idaho and Utah, it is our understanding that no closures are planned where we share a customer base. The existence of a "cousin" Smith's store near our redevelopment site is not an obstacle to redevelopment. We believe that there is sufficient grocery business available in this trade area to support both Smith's and Fred Meyer. Our original plan to redevelop assumed that the Smith's store would continue to operate. The merger plans have not changed our assumptions, and we are quite comfortable that the proposed Fred Meyer store can profitably coexist with the existing Smith's. While some customers will likely switch to Fred Meyer, we do not believe that this will be significant enough to make the Smith's store unprofitable.

Fred Meyer remains committed to redeveloping this site. Our intention is to provide the community with our full-size, full-service store--our "one-stop shopping" concept. The building plan is based on our 1998 prototype with approximately 160,000 square feet of building area and a full line of merchandise and services ranging from apparel to hardware and home electronics plus a full-service grocery store.

With respect to Fred Meyer's recent development projects in Idaho, it is true that we have not sought or received public redevelopment or tax increment financing on other projects. This is in part because we do not routinely seek out such moneys. It is not our "first option" to seek tax increment financing or other public/private sources of financing. Such financing makes sense to us only in cases where the financial feasibility of a project is in doubt, and where a joint public/private effort will provide benefits both to the community and to the company. We believe that the Pocatello Mall redevelopment is such a case.

Our most recent Idaho projects were in Meridian and Twin Falls (1996) and in Idaho Falls (1997). We did not seek public involvement in these projects because the development costs for each project were significantly less than we are facing in Pocatello. Meridian involved construction on "green" undeveloped land, and in any event there is no redevelopment agency in that city. In Twin Falls, our acquisition and redevelopment costs were lower than in Pocatello, and it is my understanding we would not have been eligible for redevelopment funds in any case. In Idaho Falls, the third party developer that sold us our portion of the shopping center covered most of the costs that concern us in Pocatello.

To summarize, we believe that redevelopment of the Pocatello Mall site could still occur in 1998, with the assistance and cooperation of the PDA along the lines we have been discussing. If TIF funds are made available to cover demolition and offsite work costs associated with the redevelopment, we will be able to accept the risks and expenses associated with constructing a new facility for Lamonts as well as our store. If such funds are not available, we will not be able to proceed with a 1998 redevelopment. We will be required to defer the redevelopment until such time as our projected costs are reduced sufficiently to permit us to finance the demolition and offsite costs privately. Thus, the PDA's response to our request will be the determining factor as to whether we go forward with this project in 1998.

In an effort to allay the PDA's concerns resulting from the proposed merger with Smith's, we would be willing to enter in to an agreement requiring Fred Meyer to repay all unamortized TIF funds if (1) Fred Meyer fails to open and operate the proposed new Fred Meyer store for the duration of the TIF financing period, or (2) if the Smith's merger is completed, and the Smith's store adjacent to the site is closed for reasons other than a relocation within the City of Pocatello.

**Robert Chambers**  
**Page 3**

We believe that it is in all parties' interest to complete this redevelopment, which will revitalize this retail district of Pocatello. I trust that, with the assurances outlined above, the PDA will be in a position to approve our proposal.

Sincerely,  
**Fred Meyer, Inc.**

A handwritten signature in cursive script, appearing to read "Charles Moseley", with a large, sweeping flourish at the end.

Charles Moseley  
Site Planner  
Department of Store Planning & Design

Enclosure

CPM/lm

cc: Scott Wippel  
Bob Currey-Wilson

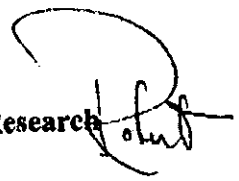


# COMMUNITY DEVELOPMENT AND RESEARCH

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May 27, 1997

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Charles Moseley  
Site Planner  
Department of Store Planning & Design

Enclosure

CPM/lm

cc: Scott Wippel  
Bob Currey-Wilson

**CITY OF POATELLO**  
**COMMUNITY DEVELOPMENT & RESEARCH**

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**TO:** Robert Chambers, Director

**FROM:** Steve Ernst, Community Development Planner

**DATE:** May 12, 1997

**SUBJECT:** Fred Meyers Expansion

The following are results of phone contacts with other cities where Fred Meyers has super stores:

**Meridian - (888-4433 Dean Elert)**

- Fred Meyers was a new business to the city completed in 1995, on Fairview Road; site was vacant
- the city does not have a development authority; no request was for assistance was made

**Twin Falls (736-2240 Dave MacAlindin )**

- Fred Meyer was not in the city before the super store was constructed . The store is 173,000 square feet which is similar size to the proposed Pocatello store; involves approximately 200 jobs
- the Blue Lakes Mall was demolished which involved extra expense to cover a canal;
- Fred Meyer did not request any financial assistance (TIF policy is to assist primary jobs only, retail would not have been considered)
- the location is not eligible for urban renewal consideration
- Side note - they have used tax increment capture from one industrial area to use in the downtown area (\$4.5 million bond for downtown improvements)

**Idaho Falls (529-1276 Renae McGee)**

- Fred Meyers made no request for financial assistance
- construction was completed in 1996 at the north end of Yellowstone Highway and involved the demolish of the old Sears store that had stood empty since 1985
- store size is approx 150,000 sq ft; 5 or 6 other mid-size stores also made location there