

POCATELLO DEVELOPMENT AUTHORITY
Board of Commissioners Meeting
December 9, 1997
11:00 a.m.

City Hall, Council Chambers
911 North 7th Avenue

11:00 a.m.

Call to Order - Chair McGee

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 November 4 - Motion to Approve and/or Amend

Financial Report: November Income and Expenses

Update on Eagles Building Project

Update on Fred Meyer Project

Update on Gateway West Industrial Park Project

Update on SME Steel Contractors Proposal

Consider Proposal from BDC Staff

Discussion Items:

North Main District

Future Focus of Pocatello Development Authority

Executive Session, if required

Pocatello Development Authority
Cash Budget - 1997

	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Estimated December	Current Estimate 1997	Approved 1997
Beginning Balance	\$292,540.14	\$324,836.39	\$321,458.07	\$289,992.76	\$310,580.94	\$289,482.27	\$226,367.48	\$278,583.21	\$271,413.14	\$254,463.68	\$217,891.79	\$211,856.98	\$292,540.14	\$292,540.14
SOURCES OF FUNDS														
Gateway West District	17,297.55	149.37	0.00	12,522.39	0.00	0.00	49,980.95	0.00	39.58	0.00	0.00	0.00	\$79,989.65	\$90,417.00
Old Kraft Road 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	\$0.00
Kress District	3,051.58	116.41	0.00	1.69	0.00	0.00	3,878.12	0.00	842.80	0.00	0.00	0.00	\$7,888.36	\$7,044.00
Newtown District	19,249.97	0.00	0.00	3,079.08	0.00	0.00	30,094.55	0.00	0.00	0.00	0.00	0.00	\$32,423.00	\$31,480.00
Varsity Cleaners													\$0.00	\$0.00
Al Ricken Drive District	0.00	0.00	0.00	0.00	0.00	30,322.50	7,327.27	0.00	0.00	0.00	0.00	0.00	\$37,649.77	\$8,651.00
Old Town District	1,654.99	617.97	0.00	4,326.71	315.86	1,178.52	126,258.76	1,880.98	4,087.89	125.53	1,008.77	0.00	\$141,455.90	\$149,000.00
North Main District	0.00	0.00	0.00	0.00	0.00	1,650.72	0.00	0.00	0.00	0.00	0.00	0.00	\$1,650.72	\$1,368.00
Roosevelt District													\$0.00	\$0.00
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	\$5,000.00
Interest Income	1,107.51	1,130.65	1,180.86	1,099.09	1,128.00	1,030.64	879.62	863.06	824.34	846.59	774.88	1,150.00	\$12,033.24	\$14,100.00
TOTAL	42,361.58	2,014.30	1,180.86	21,028.98	1,441.86	34,182.38	216,417.29	2,784.04	5,784.42	972.12	1,783.65	6,150.00	\$338,091.46	\$316,069.00
CASH AVAILABLE	\$324,801.72	\$326,850.69	\$322,638.93	\$311,021.77	\$312,022.80	\$321,654.65	\$444,784.77	\$278,347.25	\$277,207.56	\$253,425.80	\$219,675.44	\$218,000.98	\$620,631.60	\$596,608.14
APPLICATION OF FUNDS														
Gateway West District	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27,607.13	0.00	0.00	\$27,607.13	\$36,000.00
Old Kraft Road 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	\$0.00
Kress District	0.00	4,956.51	0.00	0.00	0.00	0.00	0.00	3,994.22	0.00	0.00	0.00	0.00	\$8,950.73	\$8,177.00
Newtown District	0.00	0.00	0.00	0.00	22,314.05	0.00	30,094.55	1,000.00	0.00	0.00	0.00	0.00	\$53,408.60	\$51,480.00
Varsity Cleaners													\$80.64	\$0.00
Al Ricken Drive District	0.00	0.00	30,300.00	0.00	0.00	0.00	7,559.47	0.00	0.00	0.00	0.00	0.00	\$37,859.47	\$0.00
Old Town District	31.92	212.80	1,500.00	35.28	0.00	97,195.40	131,519.22	1,890.98	22,890.39	125.53	7,599.17	0.00	\$282,780.89	\$137,500.00
North Main District	0.00	0.00	783.00	391.50	167.44	24.74	0.00	0.00	0.00	0.00	0.00	0.00	\$1,368.68	\$1,365.00
Roosevelt District													\$80.64	\$0.00
Unrestricted Funds	33.41	201.31	63.17	14.00	59.04	77.03	28.32	58.91	63.49	9,801.35	68.01	65.00	\$10,533.04	\$915.00
Bank Charges	0.00	22.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$22.00	\$0.00
TOTAL	65.33	5,392.82	32,648.17	440.78	22,540.53	97,297.17	189,201.56	6,934.11	22,753.86	37,534.01	7,818.46	65.00	\$402,689.62	\$235,437.00
ENDING BALANCE	\$324,836.39	\$321,458.07	\$289,992.76	\$310,580.94	\$289,482.27	\$226,367.48	\$275,583.21	\$271,413.14	\$254,463.68	\$217,891.79	\$211,856.98	\$217,941.98	\$217,941.98	\$363,171.14

Oct 30, 1997

Fred Meyer, Inc.
3800 SE 22nd Ave.
Portland, Oregon 97202

Re: Pocatello, Idaho

Preliminary Cost Estimate

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total</u>
<u>Traffic Signal</u>			
1. Signal, Complete	2 EA	\$ 175,000	\$ 350,000.00
2. Traffic Studies	Lump	10,000	10,000.00
3. Engineering Design	2 EA	15,000	<u>30,000.00</u>
		Sub Total	\$ 390,000.00
<u>Street Improvements</u>			
1. Remove & Replace 30" Curb & Gutter	1500 LF	\$ 15.00	\$ 22,500.00
2. Remove & Replace 4" PCC Sidewalk	7500 SF	3.00	22,500.00
3. Intersection Remodel for Signals	2 EA	20,000	40,000.00
4. Driveway Remodels	2 EA	7,500	15,000.00
5. Remove & Replace Asphalt Paving	3,000 SF	3.00	9,000.00
6. Engineering Design	Lump	5,000	<u>5,000.00</u>
		Sub Total	\$ 114,000.00
<u>Landscape & Irrigation</u>			
1. Irrigation System, Complete	105,000 SF	\$ 1.25	\$ 131,250.00
2. Grading	105,000 SF	0.20	21,000.00
3. Topsoil	105,000 SF	0.25	26,250.00
4. Sod	75,000 SF	0.35	26,250.00
5. Ground Cover	30,000 SF	0.30	9,000.00
6. Trees	350 EA	125.00	43,750.00
7. Shrubs	2,000 EA	30.00	60,000.00
8. Design	Lump	15,000	<u>15,000.00</u>
		Sub Total	\$ 332,500.00
		Total Cost	\$ 836,500.00

City of Pocatello & Pocatello Development Authority

Community Development - Acquisition Redevelopment Program

City of Pocatello - CDBG Program - Annual Entitlement funding from HUD Consolidated Plan Strategies

Goal: Increase supply of affordable housing (Strategies 1.4 - Prepare sites for new affordable housing; 1.5 - Develop the means for the City to invest as a partner.)

Goal 3: Neighborhood Revitalization (Strategies - 3.6 conduct vigorous code enforcement)



Sub recipient Agreement between City & PDA for use of CDBG funds

Contract for funding and implementation of Problem Property Acquisition and Redevelopment program. Goals for program are based on the City approved Consolidated Plan for Housing and Community Development. City CD&R staff will manage via City approved policy. Funds must be used in compliance with CDBG federal regulations. Revision of assets clause will apply to any property acquired with CDBG funds



Pocatello Development Authority - Urban Renewal Agency

Authority for acquisition & disposition of property are separate from the City's.



ACQUISITION of Problem Property
within Urban Renewal Areas for
affordable housing and commercial
redevelopment

Criteria: tax delinquent, chronic or
severe code enforcement

DISPOSITION of property based on

- open competitive negotiation process
to determine price and terms

- possible to write down sales price and
incorporate other incentives to achieve
goals.

Criteria: Housing- affordability,
leverage, etc; Commercial - leverage,
increase of tax base, job creation, use of
TIF, competitive design etc.



Adopted 1/16/97

City of Pocatello
1997 - 2002 Consolidated Plan
and
1997 - 1998 Action Plan
(April 1997 - March 1998)

for
Housing and Community Development
Consolidated Plan for Community Development Block Grant Funding

Submitted by:

City of Pocatello
Pocatello, Idaho

Presented to:

U. S. Department of Housing and Urban Development
Portland Area Office


January, 1997

PREPARED BY:


City of Pocatello
Community Development and Research
911 North 7th
Pocatello, Idaho 83205

of employee housing” (p. E2). As discussed in Chapter II, construction of new affordable housing is crucial to meeting this need, and some public assistance is needed because developers are not building for this segment of the housing market. Assistance may come from the City’s Community Development Block Grant (CDBG) program, as discussed in this strategy, and from state and federal housing agencies. The strategies below are designed to help meet this need within the means of the City government and the CDBG program.

Strategy 1.1: Increase the supply of housing by creating a minimum of 100 - 125 units of permanent affordable family housing. This figure represents an average of 20 - 25 units per year over five years. Family housing is units with 2-4 bedrooms. Leveraging of limited CDBG dollars will be crucial in reaching this objective. The definitions of the U. S. Department of Housing and Urban Development (HUD) will be used: housing is considered “affordable” when less than 30% of a family’s gross monthly income is spent for combined housing costs (for an apartment, rent and utilities, or for an owner-occupied home, principle, interest, taxes, insurance, and utilities). Housing will be designed and made affordable for persons making less than 80% of the area median income as reported by the U.S. Census, HUD’s definition of moderate income. Rental or owner-occupied units may be used to reach this objective. Construction of new housing is the most likely means to increase the supply of housing units, but rehabilitation, e.g., second story units in Old Town commercial buildings, may also accomplish this objective. Strategies listed below provide details on how this strategy will be accomplished.



Strategy 1.2: Assist non-profit developers to construct new housing in appropriate locations. Non-profit developers may include the Pocatello Housing Authority (PHA), Pocatello Neighborhood Housing Services (PNHS), and Gateway Habitat for Humanity (GHFH). A variety of assistance can be considered including: land assembly, zoning bonuses, and infrastructure improvements. PNHS and PHA have access to federal, state, and private funds that can be leveraged with CDBG dollars, and both have outstanding track records in the housing arena. Housing is likely to remain affordable over time when constructed by a non-profit with a mission to serve low and moderate income (LMI) families and individuals.



Strategy 1.3: Assist for-profit developers only if they will create housing that will remain affordable over time. To assure that the supply of housing will remain affordable after construction, the City might enter into a contract with a developer to rent units at a certain maximum rent to LMI families over a period of years. One possibility for “purchase”

housing is that a developer and the City may agree to a deed restriction that limits the resale value of the house to the cost plus a percentage increase within a specified period, e.g., the cost plus improvements plus a share of the market increase if sold within five years. The deed restriction is the quid pro quo for the City's assistance. Such agreements are used across the country to maintain a supply of affordable housing.

**Strategy 1.4:**

Prepare sites for new affordable housing through neighborhood planning, land acquisition, demolition of dilapidated buildings (if needed), and "packaging" the site for a developer to be ready for construction. With CDBG funding provided by the City, the acquisition and site preparation can be accomplished by the City, the Pocatello Development Authority, Pocatello Housing Authority, other agencies, or a partnership of several agencies. If the City or a public agency controls the site, it could then advertise for developers and set requirements for the development such as maximum rents or purchase prices, number of bedrooms, design, etc.

**Strategy 1.5:**

Develop the means for the City to invest as a partner with housing developers to create affordable housing. While it is crucial to develop incentives that will be sufficient to attract developers to this market (see also strategy 6.2 below), the concept of public investment is equally important. City or CDBG money used as part of a housing development should be structured so there is a measurable return to the City, e.g., perhaps loaning money at zero interest with a payment in ten years from the anticipated increase in rents or sale value of the homes. Whenever possible, the money should not be grants. Such creative financing will usually not hold up the construction of the housing.

Goal 2: Reduce homelessness. Homeless programs are among those eligible under the Community Development Block Grant. As discussed in Chapter II, homelessness is a problem in Pocatello, though several agencies are working on the problem.

Strategy 2.1:

Continue to work with homeless/housing providers and respond to requests for assistance as appropriate and as the City is able. Within Pocatello, six agencies operate programs addressing homeless needs. These agencies generally have access to state and federal funds for special needs, but are worried about potential cuts in government programs. Staff in the Community Development and Research Department (CD&R) currently works with the Homeless Housing Coalition, a coalition of housing-homeless agencies and interested

parties, and will continue to do so. The City will respond to requests for assistance from housing-homeless agencies as it is able. If needed, CDBG funds may be used as a local match to leverage other funds.

Strategy 2.2: Work with existing homeless housing agencies to develop transitional housing. Based on a survey of the Homeless Housing Coalition, transitional housing is a major unmet homeless housing need. Transitional housing provides housing and appropriate services to homeless persons to facilitate movement to independent living within 24 months (HUD definition). It may serve a varied clientele including the homeless (youth and adult), disabled (physically, emotionally, or developmentally), and/or battered women. Housing agencies are currently working on a proposal to develop this type of housing, and the City will attempt to support the proposal through the CDBG program as well as other potential state and federal grants at its disposal.

Goal 3: Continue with neighborhood revitalization in central neighborhoods. Neighborhood revitalization occurs because of many actions taken by private property owners, businesses (such as banks making investments in property), and the City which can provide public services to support and improve the climate for private investment.




Strategy 3.1: Rehabilitate a minimum of 125 housing units over five years. As with new housing, leveraging of scarce public dollars will be crucial in reaching this objective. The units may be either rental or homeowner housing. PNHS, through its various programs, has rehabilitated 55 houses (for homeowners) over the past two years. Loans from banks and other sources have averaged approximately \$7,500. Staff costs (not paid by the borrower) have been approximately \$1,200 per unit.




Strategy 3.2: Continue to work with and support PNHS. PNHS is the major housing and neighborhood revitalization program working in the central neighborhoods. It is a partnership of businesses, the community, and City government. The City has two seats on the Board of Directors. PNHS conducts a variety of programs that result in housing improvements and neighborhood revitalization. The City will continue to participate in PNHS as a partner. As with other housing and social service organizations, the City will respond to specific requests for support and assistance as requests are made.

Strategy 3.3: Provide public improvements which support housing revitalization, promote neighborhood involvement, and complement private investment. Curbs, gutters, sidewalks, street lights, and drainage are among the improvements that the city can make in neighborhoods as part of a neighborhood revitalization effort. The sidewalk program the City has operated over the last two years has been viewed by the community as very beneficial, and sidewalks continue to be seen as an important need (see Chapter II).



Strategy 3.4: Promote economic diversity within the central neighborhoods. Not all housing in these neighborhoods should be for low income families. The purpose is not to segregate low income families or create an enclave of low income persons.

Strategy 3.5: Increase home ownership where appropriate. Support PNHS home purchase programs.



Strategy 3.6: Conduct vigorous code enforcement programs in eligible areas. Enforcement of the Municipal Code, regarding conditions of both buildings and yards, is seen by the community as one of the highest needs (see Chapter I). Code enforcement is also a high City priority, as evidenced by the City Council's enactment in 1996 of a new Property Maintenance Code and the employment of two Code Enforcement Officers. City Code Enforcement Officers will continue to work with PNHS and neighborhood residents to enforce the Codes in the CDBG-eligible areas. (See definition of Code Enforcement in the Glossary.)

Strategy 3.7: Promote historic preservation. Often, part of the attraction of an older neighborhood is its character, which includes buildings constructed years ago in a manner that cannot be matched today. Historic preservation can be an important community-building tool in low and moderate income neighborhoods, without loss of affordability. New housing in historic districts should complement nearby structures, and rehabilitation of older housing should be sensitive to the building's historic character. One residential National Historic District has been created near the Idaho State University (ISU) campus. Other national or local residential historic districts may be created by the City in the future.

Goal 4: **Carry out economic development to eliminate slums and blight, promote private investment, and expand economic opportunities as well as raise the incomes of low and moderate income persons.** Economic development includes a variety of activities

5 YEAR TARGETS FOR CDBG FUNDING BY CATEGORY

Category	5-Year Target	1997/98 <u>Amended</u> Awards	Possible Targets for 1998/99
Neighborhood Revitalization	50-60%	64% (61%)	50%? (\$313,500)
Economic Development	10-20%	0%	15%? (\$94,050)
Public Facilities	5-15%	8% (8%)	7%? (\$43,890)
Public/Social Services	5-15%	13% (12%)	10%? (\$62,700)
Administration/Planning	16-24%	15% (17.6%)	18% (\$112,860)
	86-134%	100%	100% (\$627,000)

Focalis Development Authority
Cash Budget - 1997

	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Estimated November	Estimated December	Estimate 1997	Current
Beginning Balance	\$282,640.14	\$324,836.39	\$321,458.07	\$289,992.78	\$310,580.94	\$289,482.27	\$228,267.48	\$275,883.21	\$271,418.14	\$264,453.68	\$217,891.79	\$218,926.79	\$226,011.79	\$226,011.79
SOURCES OF FUNDS														
TOTAL	17,297.55	149.37	0.00	12,522.39	0.00	0.00	49,980.95	0.00	19.59	0.00	0.00	0.00	0.00	0.00
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	0.00
Old Kraft Road 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	0.00
Kress District	3,051.56	116.41	0.00	1.69	0.00	0.00	3,676.12	0.00	642.60	0.00	0.00	0.00	0.00	0.00
Old Town District	1,654.99	617.87	0.00	4,326.71	315.86	1,178.52	126,258.78	1,880.98	4,087.89	125.53	0.00	0.00	0.00	0.00
Newtown District	19,249.97	0.00	0.00	0.00	0.00	0.00	30,094.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00
North Main District	0.00	0.00	0.00	0.00	0.00	1,650.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Al Ricken Drive District	0.00	0.00	0.00	0.00	0.00	30,322.50	7,327.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unrestricted Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest Income	1,107.51	1,130.65	1,180.86	1,180.86	1,441.86	34,182.38	218,417.29	879.62	824.34	846.68	1,100.00	1,150.00	1,150.00	1,150.00
TOTAL	42,361.58	2,014.30	1,180.86	21,028.96	1,441.86	34,182.38	218,417.29	879.62	824.34	846.68	1,100.00	1,150.00	1,150.00	1,150.00
CASH AVAILABLE	\$324,901.72	\$326,850.69	\$322,638.93	\$311,021.72	\$312,022.80	\$323,664.65	\$444,784.77	\$278,347.25	\$277,207.56	\$265,425.80	\$218,991.79	\$225,076.79	\$219,947.95	\$219,947.95
APPLICATION OF FUNDS														
TOTAL	65.33	5,392.62	32,646.17	440.78	22,540.53	97,297.17	169,201.56	6,934.11	22,753.88	37,534.01	65.00	65.00	65.00	65.00
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	0.00
Old Kraft Road 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	0.00
Kress District	4,958.51	212.80	1,500.00	35.28	0.00	97,195.40	131,519.22	3,994.22	22,690.39	125.53	0.00	0.00	0.00	0.00
Old Town District	31.92	212.80	1,500.00	35.28	0.00	97,195.40	131,519.22	3,994.22	22,690.39	125.53	0.00	0.00	0.00	0.00
Newtown 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	0.00
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	0.00
Al Ricken Drive District	0.00	0.00	30,300.00	167.44	22,314.05	24.74	30,094.56	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Unrestricted Funds	33.41	201.31	63.17	14.00	59.04	77.03	28.32	58.91	63.49	9,801.35	65.00	65.00	65.00	65.00
Bank Charges	0.00	22.00	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	65.33	5,392.62	32,646.17	440.78	22,540.53	97,297.17	169,201.56	6,934.11	22,753.88	37,534.01	65.00	65.00	65.00	65.00
ENDING BALANCE	\$324,836.39	\$321,458.07	\$289,992.78	\$310,580.94	\$289,482.27	\$228,267.48	\$275,883.21	\$271,418.14	\$264,453.68	\$217,891.79	\$218,926.79	\$226,011.79	\$226,011.79	\$226,011.79

PDA HISTORY

State law provides for creation of urban renewal agencies by a City Council provided findings of fact have been made which are sufficient to show the need for such an agency. Such an agency, even if it consists of the members of the City Council, is declared under the law to be an arm of the state government with separate powers and duties. On July 14, 1988, by means of Resolution No. 1988-13, the Pocatello City Council created the Pocatello Development Authority and specified that the Mayor should submit the names of 7 appointees to serve as the Board of Commissioners. The Resolution also declared three areas of the City to be suitable for urban renewal, the former Zweigart plant/Kraft Road area, the former PAFCO plant (old Naval Ordnance Plant) and the "Downtown" area.

The Board was provided by the City with an executive director, Stuart Bullington, a grants specialist with the Community Development Department. Stuart left the City to work at SEICOG but was allowed to continue as Ex. Dir. by that agency. After he left SEICOG his replacement, Nancy Taylor, then took over PDA duties. After Nancy's resignation, the Board arranged with Tom Arnold and Bannock Development for his services as Ex. Dir. That no-charge arrangement continues to the present.

Kirk Bybee of Ward, Maguire, and Bybee was the Board's first attorney; he prepared the by-laws, approved by PDA on October 14, 1988, which are still in effect. These by-laws will need to be amended, since they still specify the original 7 members for the agency and the Mayor has recently appointed two more members to equal the maximum allowed under the State statute. The first year the Mayor appointed the Chairman and Vice-Chairman; thereafter elections are to be held in October of each year. The by-laws allow PDA to engage the services of other officers or staff as needed. The City currently provides the services of its attorney and paralegal to serve as counsel and recording secretary for the PDA as part of their regular duties.

By State law, the Board operates on a calendar year basis and must provide a complete financial statement to the City Clerk no later than March 31st of each year for the previous calendar year, plus publish notice in the *Journal* stating that the report is available for inspection at the City Clerk's office. As Treasurer, Mike Ransom prepares the report.

The Board oversees projects within the urban renewal areas created by the City Council, and the Board has the authority to recommend creation of revenue allocation districts within any existing urban renewal area to help fund the projects. Currently, PDA oversees the following:

1. The PAFCO URA (referred to as DalTile area)/ revenue allocation district
2. The Old Town URA (a combination of the previous Downtown URA and several blocks on the east side of the underpass)
 - a. Kress Building revenue allocation district
 - b. Old Town revenue allocation district
 - * Sidewalk and streetscape improvement projects
 - * Pioneer Block Building project
 - c. North Main revenue allocation district
3. ~~Downtown URA~~ ^{PART 7}
4. Newtown URA/revenue allocation district
5. Alvin Ricken Drive URA/revenue allocation district
6. North Main
7. Jarvis
8. Garabett

Subject: Purringtons**Date:** Tue, 9 Dec 1997 09:15:20 -0700**From:** "Ransom, Mike (Corporate)" <MRansom@simplot.com>**To:** "trandean@ci.pocatello.id.us" <trandean@ci.pocatello.id.us>**CC:** "valerayn@ci.pocatello.id.us" <valerayn@ci.pocatello.id.us>

Dean,

I hope that you got a copy of my previous correspondence. Assuming you are generally aware of the issue that Harlan Mann has raised, I wanted to provide you with some additional information..

According to Harlan, there are two main problems:

- * The occupancy tax administration by the county, and
- * The quarterly assessment for personal property.

He also observed problems concerning the annual adjustment to the base assessment roll and calculation of the annual increment on a per parcel basis.

Occupancy Tax

Again, according to Harlan, the assessor has determined the value of Purringtons building to be \$1,796,300. The assessor told him the building would be occupied 302 days, and therefore assessed the building at $302/365 \times \$1,796,300$, or \$1,486,254 -- the assessed value for 1997 occupancy tax purposes. Purportedly all the tax levied on the occupancy value will go to other tax districts and none to the PDA.

The main issues with respect to the handling of occupancy tax roll rest with the following:

- * What was the building's percentage of completion on January 1 -- according to Harlan, the county is not following the statute in determining this amount, but just applies the occupancy procedure for the value for the year. See Chapter 39, Title 63, Idaho Code -- 63-3901
- * After determining the value actually in place on January 1, then the assessor is supposed to use the occupancy procedure for the balance of the improvement made subsequently -- which is what the county seems to be doing for all of the value, while ignoring the first point.
- * Harlan also takes exception to the county's procedure of paying the other tax districts off the top first, without proportioning the amounts between all districts including the PDA. And apparently, the procedure for handling the occupancy tax denies any amount to the PDA until the following year?

The issue with respect to the assessment of the personal property is as follows:

- * The personal property in Purrington's was worth \$972,813, and was only assessed at 75% since it was placed in service after the first half of the first quarter in 1997. According to Harlan, the statute mandates that if property is placed in service at any time during the quarter it should be assessed for the whole quarter and the balance of they year. In other words, for Purrington it should have been assessed at 100%.

Clearly, the tax increment to be available from Purrington's will be insufficient to pay for the bond debt service this coming May. If Harlan is correct, the PDA may have been shorted a substantial sum. Whether he is correct or not, I could not verify without checking out the facts more completely with the Assessors office. I have seen the cited statute in the Idaho Code, and understand that point.

I think the PDA should review this issue to make sure its handling by

the county is correct. I believe there could be a potential legal issue if we do nothing, at least without investing some time reviewing the process ourselves to insure the accuracy of the procedures.

If you have any questions, you should probably talk with Harlan yourself. I can be reached at the J.R. Simplot Company in Boise -- (208) 389-7215.

Very truly yours,

Mike Ransom