

**POCATELLO DEVELOPMENT AUTHORITY**  
**Board of Commissioners Meeting**  
**September 15, 1998**  
**11:00 a.m.**

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

**Action Items**

Minutes for August 11 - Motion to Approve and/or Amend

Financial Report: August Income and Expenses

**Discussion and Update Items**

Centralized Urban Renewal Area

**Executive Session, if required**

**DISTRICT ENDING BALANCES**  
**August 31, 1998**

Bank Balance		\$820,974.34
General Fund	57,475.87	
Gateway West	49,781.60	
Kress Project	1,526.62	
Newtown	31,483.46	
Alvin Ricken	496,938.71	
Old Town	184,937.36	
North Main	-1,008.00	
Roosevelt*	-80.64	
Varsity*	-80.64	
District Totals		\$820,974.34

\* Negative balance in these districts will be recovered after taxes are received.

**Pocatello Development Authority  
Cash Budget - 1998**

	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Estimated September	Estimated October	Estimated November	Estimated December	Current Estimate 1998	Approved 1998
<b>Beginning Balance</b>	<b>\$188,064.27</b>	<b>\$211,742.52</b>	<b>\$184,978.06</b>	<b>\$191,097.69</b>	<b>\$161,436.64</b>	<b>\$147,946.53</b>	<b>\$73,701.46</b>	<b>\$816,792.86</b>	<b>\$820,974.34</b>	<b>\$821,384.34</b>	<b>\$806,769.34</b>	<b>\$807,109.34</b>	<b>\$230,000.00</b>	<b>\$230,000.00</b>
<b>SOURCES OF FUNDS</b>														
Gateway West District	0.00	0.00	0.00	0.00	0.00	0.00	16,484.73	47.96	0.00	0.00	0.00	0.00	\$16,532.69	\$67,000.00
Kress District	2,928.21	0.00	0.00	0.00	0.00	0.00	3,658.98	0.00	0.00	0.00	0.00	0.00	\$6,585.19	\$4,700.00
Newtown District	20,081.47	0.00	0.00	1,534.03	0.00	0.00	31,483.46	0.00	0.00	0.00	0.00	0.00	\$53,098.96	\$60,600.00
Varsity Cleaners	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	14.84	0.00	14.84	0.00	0.00	0.00	496,053.95	884.76	0.00	0.00	0.00	0.00	\$496,987.99	\$300,000.00
Old Town District	3,448.70	0.00	377.42	1,027.70	1,513.98	1,219.67	180,862.44	4,074.92	0.00	0.00	0.00	0.00	\$182,525.03	\$206,600.00
North Main District	0.00	0.00	5,889.30	0.00	0.00	0.00	19,813.52	0.00	0.00	0.00	0.00	0.00	\$25,712.82	\$26,000.00
Roosevelt 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
Administrative Fees	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	680.57	617.01	685.42	630.11	456.72	285.61	678.69	2,937.48	475.00	450.00	425.00	600.00	\$8,919.81	\$8,000.00
<b>TOTAL</b>	<b>\$27,151.59</b>	<b>\$617.01</b>	<b>\$6,976.78</b>	<b>\$3,191.84</b>	<b>\$1,970.70</b>	<b>\$1,505.48</b>	<b>\$749,033.77</b>	<b>\$7,945.12</b>	<b>\$475.00</b>	<b>\$450.00</b>	<b>\$425.00</b>	<b>\$600.00</b>	<b>\$80,342.29</b>	<b>\$701,200.00</b>
<b>CASH AVAILABLE</b>	<b>\$215,205.86</b>	<b>\$212,359.53</b>	<b>\$181,954.83</b>	<b>\$184,289.43</b>	<b>\$163,407.34</b>	<b>\$149,452.01</b>	<b>\$822,735.22</b>	<b>\$824,737.96</b>	<b>\$821,449.34</b>	<b>\$821,834.34</b>	<b>\$807,194.34</b>	<b>\$807,709.34</b>	<b>\$1,030,342.29</b>	<b>\$831,200.00</b>
<b>APPLICATION OF FUNDS</b>														
Gateway West District	0.00	5,279.10	0.00	0.00	9,030.08	31,345.65	0.00	0.00	0.00	15,000.00	0.00	0.00	\$60,654.83	\$46,000.00
Kress District	0.00	2,928.21	0.00	0.00	0.00	0.00	0.00	3,658.98	0.00	0.00	0.00	0.00	\$6,585.19	\$4,700.00
Newtown District	0.00	18,081.47	842.60	0.00	1,534.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$21,458.10	\$49,600.00
Varsity Cleaners	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	14.84	0.00	14.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$29.28	\$300,000.00
Old Town District	3,448.70	0.00	0.00	8,002.42	4,840.70	44,342.68	4,769.59	0.00	0.00	0.00	0.00	0.00	\$63,404.07	\$206,600.00
North Main District	0.00	0.00	0.00	5,889.30	0.00	0.00	1,008.00	0.00	0.00	0.00	0.00	0.00	\$6,907.30	\$39,000.00
Roosevelt 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
Unrestricted Funds	0.00	94.70	0.00	20,948.07	56.00	62.25	164.77	104.68	65.00	65.00	65.00	65.00	\$21,690.45	\$925.00
Bank Charges	0.00	0.00	0.00	3.00	0.00	0.00	0.00	0.00	0.00	0.00	20.00	0.00	\$23.00	\$20.00
<b>TOTAL</b>	<b>\$3,483.34</b>	<b>\$27,361.48</b>	<b>\$857.24</b>	<b>\$32,852.79</b>	<b>\$15,460.81</b>	<b>\$75,750.56</b>	<b>\$5,942.38</b>	<b>\$3,763.64</b>	<b>\$65.00</b>	<b>\$15,065.00</b>	<b>\$85.00</b>	<b>\$65.00</b>	<b>\$180,752.22</b>	<b>\$648,646.00</b>
<b>ENDING BALANCE</b>	<b>\$211,742.52</b>	<b>\$184,978.06</b>	<b>\$191,097.69</b>	<b>\$161,436.64</b>	<b>\$147,946.53</b>	<b>\$73,701.46</b>	<b>\$816,792.86</b>	<b>\$820,974.34</b>	<b>\$821,384.34</b>	<b>\$806,769.34</b>	<b>\$807,109.34</b>	<b>\$807,644.34</b>	<b>\$949,690.07</b>	<b>\$282,666.00</b>

## **Central Corridor Urban Renewal Area Tentative Timetable of Required Activities**

<b>Public Information Meeting (7:00 p.m. Council Chambers)</b>	<b>September 8</b>
<b>City Council Study Session (Plan Discussion)</b>	<b>September 10</b>
<b>PDA Regular Meeting</b>	<b>September 15</b>
<b>Public Information Meeting (7:00 p.m. Community Recreation Center)</b>	<b>September 15</b>
<b>City Council Meeting (City Council approves Resolution designating the Central Corridor Urban Renewal Area)</b>	<b>October 1</b>
<b>PDA Meeting (Plan Approval)</b>	<b>October 13</b>
<b>City Council forwards Plan To the Community Development Commission for review and recommendation as to its conformity with the Comprehensive Plan</b>	<b>October 15</b>
<b>CDC reviews plan, and votes to submit a recommendation of the plan to the City Council</b>	<b>October 28</b>
<b>Council runs notice of public hearing to be held at City Council meeting</b>	<b>November 2</b>
<b>City runs notice of the date set for final Reading of the ordinance adopting the Revenue allocation provision and plan/project</b>	<b>November 2</b>
<b>City Council holds public hearing on plan and directs preparation of ordinance for the following meetings</b>	<b>November 19</b>
<b>City Council reads ordinance on suspension of rules</b>	<b>December 3</b>

**CENTRALIZED CORRIDOR URBAN  
RENEWAL AREA**

**PRESENTATION SUMMARY**

**August 11, 1998**

**For additional information or questions contact Tim Tingey at 234-6278**

**City of Pocatello**  
**Community and Economic Development**  
**Goals**

**Commercial Redevelopment-** proactive efforts of local government, non-profit organizations, and the private sector to reduce dis-investment in blighted areas and to promote greater interest in commercial activities.

**Neighborhood Revitalization-** increasing market values and monetary investment in residential properties by enhancing resident confidence in the neighborhood.

**Economic Development-** enhancing commercial investment and job creation in an area by proactively increasing opportunities for business location and expansion through efforts from public and private organizations

## **Community and Economic Development** **Project Outline (not prioritized)**

- **Commercial Property Acquisition**
- **South 5<sup>th</sup> Connector**
- **Brownfields Redevelopment**
- **Youth Center**
- **Urban Infrastructure (Water, Sewer, Street, Sidewalks, Storm-water)**
- **Downtown Parking**
- **Baseball Field**
- **Ice Skating Rink**
- **Railroad Property Purchase/Lease**
- **Housing Rehabilitation**
- **Park Improvements**
- **Business Incubator**
- **City Hall Improvements**
- **Studies/Research**

**City of Pocatello**  
**Community & Economic Objectives**

<b>City Goal</b>	<b>Potential Projects</b>	<b>Tools</b>
<b>Community Revitalization</b>	<ul style="list-style-type: none"> <li>Community Development Commission</li> <li>Urban Infrastructure (Water, Sewer, Street, Sidewalks, Storm-water)</li> <li>Housing Rehabilitation</li> <li>Park Improvements</li> <li>Studies/Research</li> </ul>	<ul style="list-style-type: none"> <li>Local Improvement Districts</li> <li>CDIG</li> <li>Business Improvement District</li> <li>Local Business Improvement District</li> </ul>
<b>Neighborhood Revitalization</b>	<ul style="list-style-type: none"> <li>Youth Center</li> <li>Ice Skating Rink</li> <li>Urban Infrastructure (Water, Sewer, Street, Sidewalks, Storm-water)</li> <li>Housing Rehabilitation</li> <li>Park Improvements</li> <li>Studies/Research</li> </ul>	<ul style="list-style-type: none"> <li>CDIG</li> <li>Local Improvement Districts</li> <li>Tax Increment Financing</li> </ul>
<b>Economic Development</b>	<ul style="list-style-type: none"> <li>South 2<sup>nd</sup> Courtyard</li> <li>Renewal City Center Development</li> <li>Urban Infrastructure (Water, Sewer, Street, Sidewalks, Storm-water)</li> <li>Baseball Field</li> <li>Railroad Property Purchase/Lease</li> <li>City Hall Improvements</li> <li>Studies/Research</li> </ul>	<ul style="list-style-type: none"> <li>Tax Increment Financing</li> <li>CDIG</li> <li>Business Improvement District</li> <li>Business Improvement District</li> <li>Local Improvement District</li> </ul>



# **Tax Increment Financing Presentation Analysis**

- 1. The <sup>le</sup> affect Tax Increment Financing has on tax collection.**
- 2. The economic impact of Tax Increment Financing in Pocatello.**
- 3. How we can utilize Tax Increment Financing more effectively to accomplish the goals of commercial redevelopment and economic development.**

# **TAX INCREMENT FINANCING GENERAL DESCRIPTION**

## **Governing Legislation**

- **Idaho State Code Section 29 Title 50  
(Local Economic Development Act of  
1988)**

## **General Description:**

**The philosophy of Tax Increment Financing is to enhance private investment and to increase the value of underutilized taxable property by reallocating taxes collected on commercial property improvements.**

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# **FISCAL YEAR TAX REVENUE SOURCES**

## **New Construction**

**3% of previous year valuation**

**Foregone tax amount (3% of previous year valuation not utilized) from previous taxes**

## **Annexation**

### **City of Pocatello** **Fiscal Year 1999 Revenue Options**

<b>1.</b>	<b>3%</b>	<b>=</b>	<b>\$353,812</b>
<b>2.</b>	<b>'97 Foregone</b>	<b>=</b>	<b>\$289,504</b>
<b>3.</b>	<b>'96 Foregone</b>	<b>=</b>	<b>\$323,091</b>
<b>4.</b>	<b>New Construction (In year it occurs)</b>	<b>=</b>	<b><u>\$742,564</u></b>
	<b>TOTAL</b>		<b>\$1,708,971</b>

# Tax Code Section 63 Chapter 8 (1995)

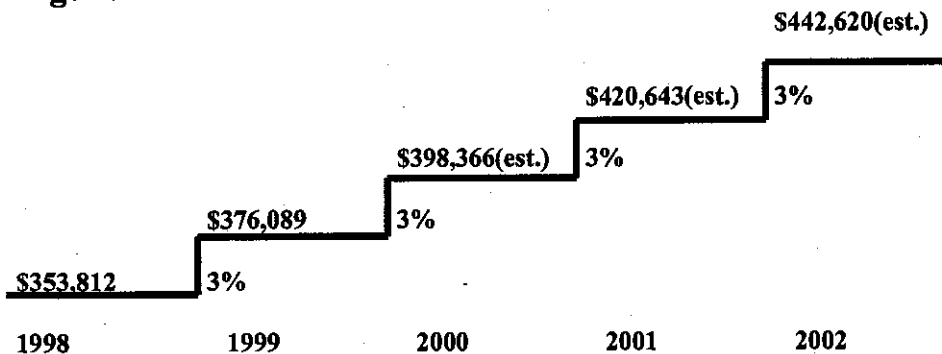
## 3% Yearly Tax Cap

**“ The dollar amount of ad valorem taxes certified for its annual budget for any one (1) of the three (3) tax years preceding the current tax year, whichever is greater, which amount may be increased by a growth factor of not to exceed three percent (3%) plus the amount of revenue that would have been generated by applying the levy of the previous year, not including any levy for voter approved bonds.”**

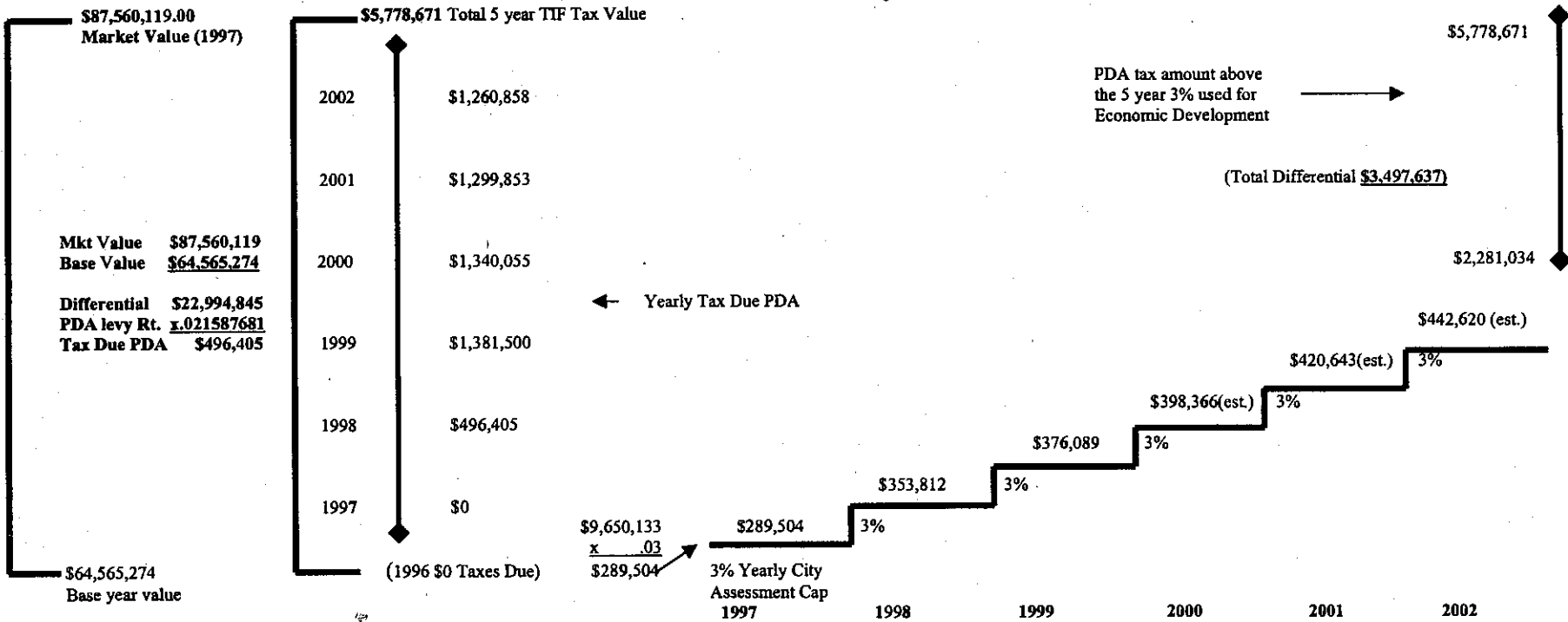
1998 L-2 Form Amount (Market Value)	=	\$1,191,808,877
1998 City Tax Levy Rate	=	<u>.009895672</u>
1998 City (Non Exempt) Tax Amount	=	\$ 11,793,750

1998 City (Non Exempt) Tax Amount	=	\$ 11,793,750
3% as stated above		<u>.03</u>
		\$ 353,812

**Figure 1.**



### Alvin Ricken Revenue Allocation District Case Study



# City of Pocatello

## Revenue Allocation District

### Worksheet

**Proposed Budget  
With Revenue  
Allocation District  
(\$22,994,845 total  
district TIF)**

**Proposed Budget without  
Revenue Allocation District  
creation (\$22,994,845 is re-  
distributed as improvements)**

Valuation: \$1,313,539,125  
 Reallocated Value \$22,994,845  
 Tax Dollars: \$12,801,476  
 Tax Rate: .009745789

Valuation: \$1,313,539,125  
 Improvements: \$22,994,845  
 Net Value: \$1,336,533,970  
 Tax Dollars: \$12,801,476  
 Tax Rate: .009578114

$\$12,801,476 / \$1,313,539,125$   
 = **.009745789**

$\$12,801,476 / \$1,336,533,970$   
 = **.009578114**

Typical Home: \$80,000  
 \*Tax Rate: .009745789  
 Tax Dollars: \$779.66

Typical Home: \$80,000  
 \*Tax Rate: .009578114  
 Tax Dollars: \$766.25  
Net Decrease **\$13.41**

Typical Business: \$200,000  
 \*Tax Rate: .009745789  
 Tax Dollars: \$1,949.15

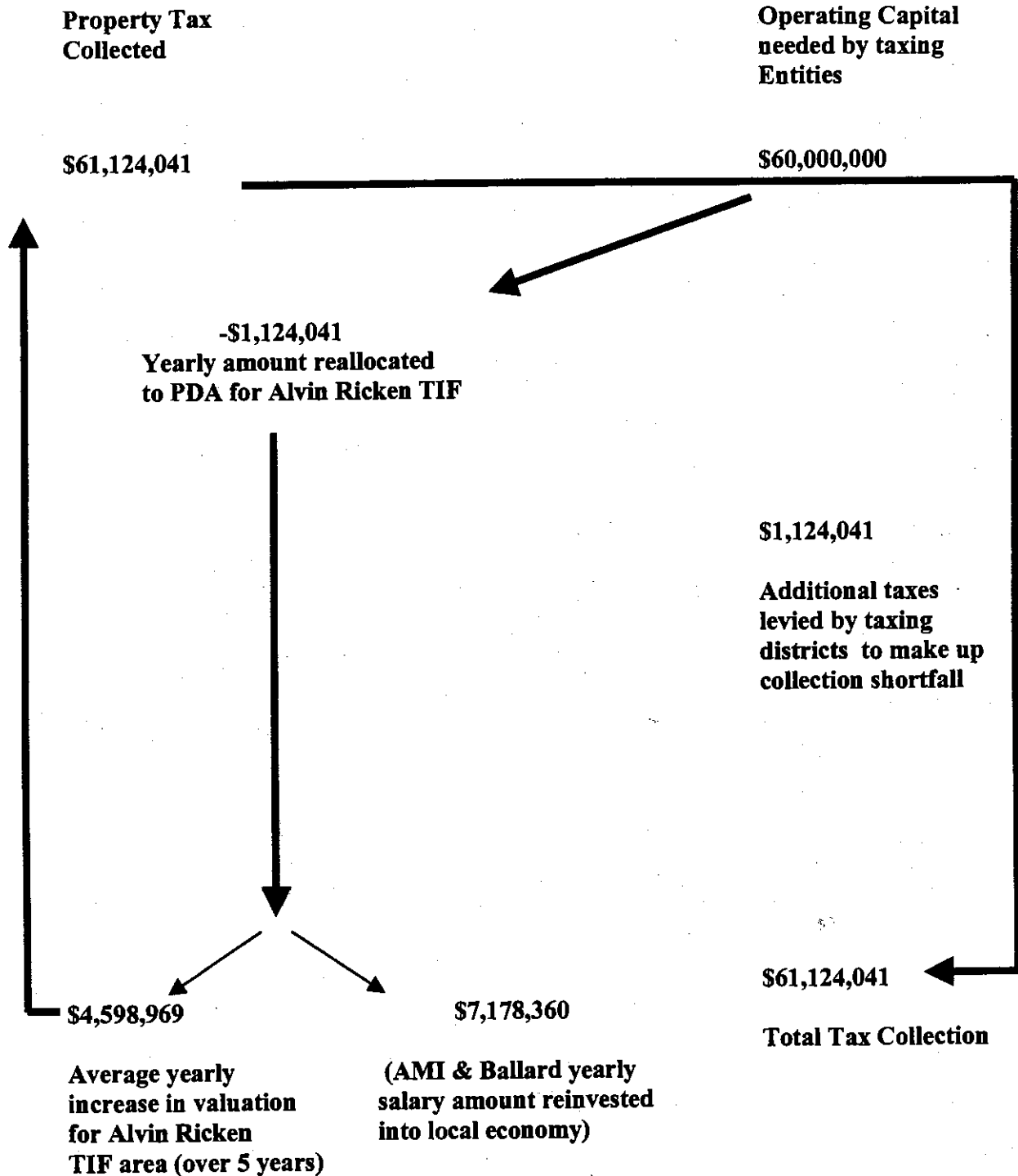
Typical Business: \$200,000  
 \*Tax Rate: .009578114  
 Tax Dollars: \$1915.62  
Net Decrease: **\$33.52**

**Levy Rate with Revenue Allocation District**  
**Levy Rate without Revenue Allocation District**  
**Levy Rate Reduction**

**.009745789**  
**.009578114**  
**.000167675**

**City of Pocatello rate only. County (code area one) rates are not included.**

# Tax Increment Financing Taxing District Impact



# **Tax Increment Financing Investment Analysis**

## **- No Investment of funds through Tax Increment Financing =**

- 1. Annual Tax savings of \$13. 00-\$20.00 for typical home owner. (If Alvin Ricken Drive TIF is removed).**
- 2. Annual Tax savings of \$20. 00-\$40.00 for a typical business owner. (If Alvin Ricken Drive TIF is removed).**
- 3. Elimination of tax increment financing value may be used to lower the tax levy rate.**

## **- New investment of funds through tax increment financing =**

- 1. Increase of business expansion and relocation through enhancement of public improvements.**
- 2. Valuation increases substantially each year through reinvestment of businesses.**
- 2. More jobs are created in the Pocatello area, which enhances the economy in a variety of ways.**
- 4. Public improvement efforts are supported more effectively and strategically.**
- 5. Tax Increment Financing improvement value combined with the additional value from reinvestment will be used to lower the levy rate (the 1999 levy rate used to calculate the City's 1999 budget, is lower due to new construction value).**



**Research and Business Park  
(Alvin Ricken Drive)  
Revenue Allocation District  
  
Economic Impact Analysis**

<b>Alvin Ricken Drive Improvement Cost</b>	<b>\$1,041,875</b>
<b>AMI (Number of Employees 1996, Estimated)</b>	<b>975</b>
<b>AMI (Number of Employees 1998, Estimated)</b>	<b>1175</b>
<b>Net New Employees (Turnover of employees included)</b>	<b>200</b>
<b>AMI New Employees</b>	<b>75</b>
<b>(Moved from out of Town)</b>	
<b>AMI Increase in Net Payroll (Yearly estimate)</b>	<b>\$30,000,000</b>
<b>Base Salary Increase (excluding benefits, estimate)</b>	<b>\$20,000,000</b>
<b>Estimated salary amount distributed</b>	<b>\$14,000,000</b>
<b>into Pocatello economy (Yearly, 1996-1998)</b>	

**Research and Business Park  
(Alvin Ricken Drive)  
Revenue Allocation District**

**Economic Impact Analysis**

<b>Alvin Ricken Drive Improvement Cost</b>		<b>\$1,041,875</b>
<b>Ballard Medical (Current Number of Employees 1996, Estimated)</b>		<b>401</b>
<b>Ballard New Employees (Moved from out of Town)</b>	<b>(Approx.)</b>	<b>30</b>
<b>Gross Salary (estimate)</b>		<b>\$7,280,000</b>
<b>Net Salary</b>	<b>(Approx.)</b>	<b>\$5,096,000</b>
<b>Estimated salary amount distributed Into Pocatello economy (Yearly 1996-1998)</b>		<b>\$356,720</b>

# **Centralized Corridor Urban Renewal Area and Revenue Allocation District**

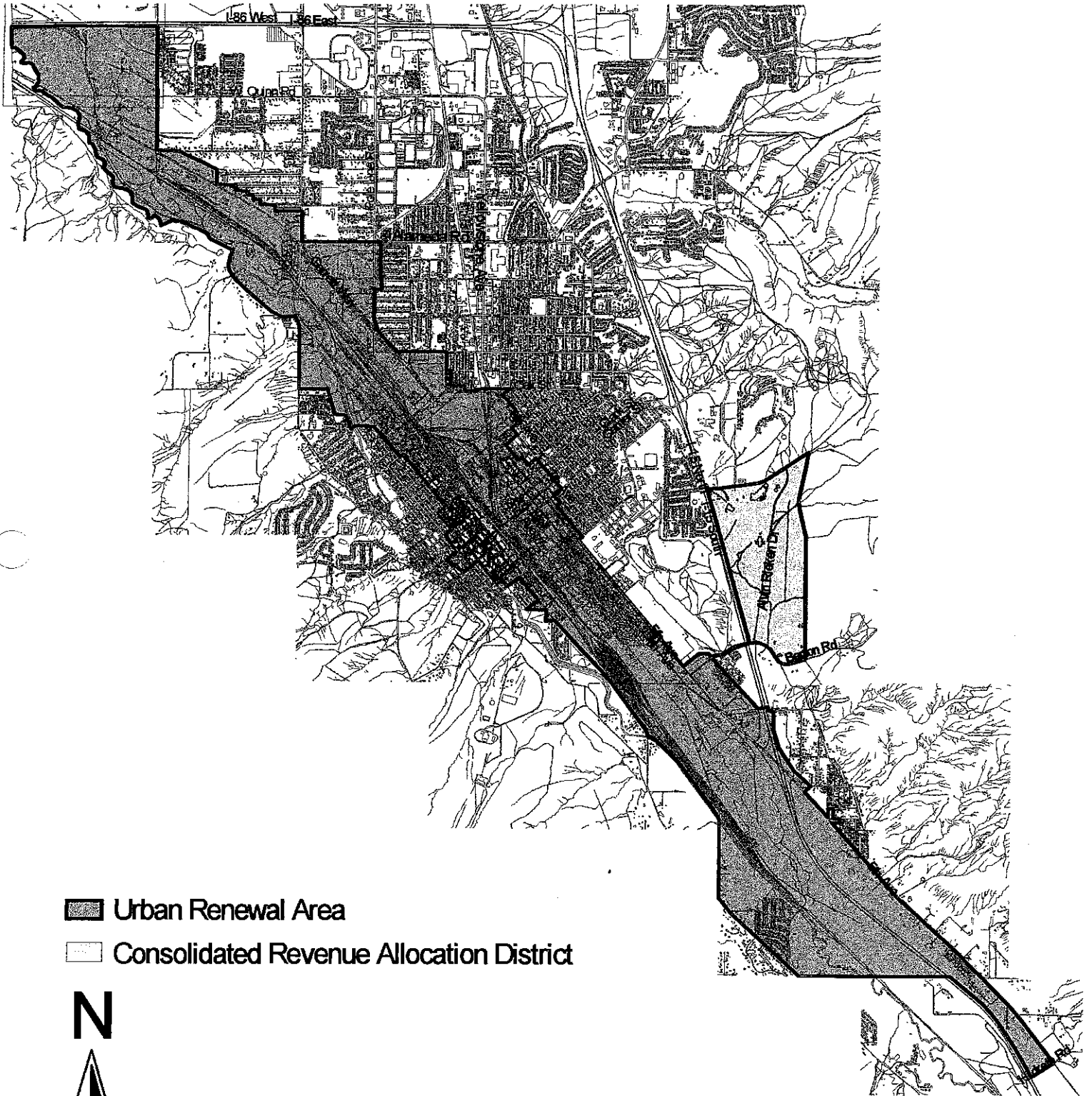
- **Create the Centralized Corridor Urban Renewal Area and include the Alvin Ricken, Newtown, North Main and Oldtown Urban Renewal Areas as part of it.**
- **Within the Centralized Corridor Urban Renewal Area, consolidate Alvin Ricken, Newtown, North Main, and Old Town Revenue Allocation Districts into one Revenue Allocation District.**
- **Strategically identify other areas to expand the Revenue Allocation District to facilitate additional Economic Development Projects**
- **Extend the duration of the provision of Tax Increment Financing use to 20 years.**
- **Re-finance the bonds on the original Revenue Allocation Districts**
- **After paying off the debt on all three districts, approximately \*\$16,291,077.60 assuming no new construction can be utilized for Economic Development activities in the Centralized Corridor Area.**

\* **This is a conservative figure based solely on the revenue generated from the Alvin Ricken Drive TIF district.**

**City of Pocatello**  
**Community and Economic Development**  
**Action Plan**

- **Joint PDA and City Council Meeting** **August 11, 1998**
  
- **First Completed Rough Draft of the Central Corridor Urban Renewal Area Plan (Submitted to PDA)** **September 8, 1998**
  
- **City Council Meeting (City Council Approves Resolution designating the Central Corridor Urban Renewal Area)** **September 3, 1998**
  
- **PDA recommends adoption of Central Corridor Urban Renewal Area Plan** **September 22, 1998**
  
- **City Council forwards Plan To the Community Development Commission for review and recommendation as to its conformity with the Comprehensive Plan** **October 2, 1998**
  
- **CDC reviews plan, and votes to submit a recommendation of the plan to the City Council** **October 28, 1998**
  
- **Council runs notice of public hearing to be held at City Council meeting** **October 29, 1998**
  
- **City Council holds public hearing on plan and directs preparation of ordinance for the following meetings** **December 3, 1998**
  
- **City Council reads ordinance on suspension of rules** **December 17, 1998**

# Central Corridor Urban Renewal Area



- Urban Renewal Area
- Consolidated Revenue Allocation District

