

NOTICE OF SPECIAL MEETING POCATELLO DEVELOPMENT AUTHORITY

The Pocatello Development Authority will hold a special meeting at 11:00 a.m. on Thursday, April 29, 1999, in the Mayor's Conference Room at City Hall, 911 North 7th, Pocatello, Idaho, to consider authorizing an alternative financing method for one of the projects in the Consolidated Central Corridor Urban Renewal Area in the event that judicial confirmation is not obtained for the Revenue Allocation Bonds as proposed.

COMMERCIAL PROPERTY IMPROVEMENT PROJECT

IN THE NORTH MAIN DISTRICT

In keeping with the criteria for use of funds in Tax Increment Financing Districts, as outlined in the regulations for such districts, wherein it states that funds may be used for projects which include acquisition, demolition, and development of under utilized commercial property within the district. Projects other than acquisition and demolition may include sidewalks, streets, street lighting, electrical upgrades, all infrastructure improvements, and building improvements for the project.

In consideration of these criteria, it is my recommendation that a project, now called the **COMMERCIAL PROPERTY IMPROVEMENT PROJECT IN THE NORTH MAIN DISTRICT** be funded with monies from the Central Corridor Urban Renewal Project in the amount of \$1,100,000 (One million, one hundred thousand dollars). Said funds will be deposited into a project construction account and will be paid out as per invoicing from completed project costs. The project construction account will be maintained by the Pocatello Development Authority.

JUSTIFICATION:

1. In addition to meeting the requirements for projects of this nature within a tax increment district, the above project accomplishes one of the main goals of the TIF criteria, job creation in low to moderate income areas. A minimum of 500 full time job equivalents will be accommodated through this project in addition to the construction jobs created during its development. With an average projected wage of \$8.00 per hour plus benefits, this project will add \$8,320,000 annually to downtown payrolls. Over the projected first 7 years of the lease, that will be a total of \$58,000,000 plus dollars in payroll alone.

2. The end user of this building project is signing a 7 year lease with three additional 3 year terms of renewal.

3. Unlike projects which create specialized buildings with specialized uses, this project will create a building which will have or could have multiple uses for future occupancy.

4. This project will produce direct public benefit in that parking lot lighting, street lighting, and improved sidewalks within the district will accommodate public safety.

5. In addition to the \$3,750,000 project costs for property improvements, it is anticipated that the leasee will install an additional \$3,000,000 in equipment into the building making a total of capital investments in the project of \$6,750,000 plus. This will add significantly to the tax rolls of the district.

TIMETABLE

Petition requirements: 3 weeks in a row publication of filing of petition and hearing date

Publication requirements: 3-4 working days prior to publication date

Hearing date will be set by Court on a Monday (June 7 is proposed)

Proposals for engineering: Request for proposals to provide engineering, project overseeing, construction specs, etc. for all projects approved for bond issue. One public notice in newspaper and one month deadline for response

Bond documents: resolutions, ordinances, etc. need to be approved by PDA prior to issuance/sale taking place

PROPOSAL:

- Publication of notice of petition/hearing to be on Monday, May 17, 24, and 31—document to the Journal on Wed. May 12
- Hearing on June 7, 1999 or June 14, 1999, with decision rendered day of hearing (or one week later)
- Bond agent to be preparing documents in anticipation of approval
- City staff to be preparing request for engineering proposals for publication on May 11th, with deadline for response to be June 11
- Award engineering contract week of June 14
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POCATELLO DEVELOPMENT AUTHORITY
ITEMIZED LIST OF COSTS
TO BE RECOVERED THROUGH CCC URA

Board action:

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| 1. PDA Board's own administrative fund fees from AR URA from Table 4, page 10, bond documents—non-bonded item to be recovered from District when bonds were retired | <u>\$277,871.00</u> |
| 2. Staffing costs for 1998-1999 for C. DeWall and Executive Director | <u>25,000.00</u> |
| 3. Repayment of Unrestricted Account funds borrowed to pay North Main deficit | <u>30,000.00</u> |
| 4. Commitment to swimming pool project | <u>810,000.00</u> |

Board discussion:

- | | |
|-------------------------------------------------------|---------------------|
| 1. Commitment to South 5 th connector | ? |
| 2. Commitment to purchase 3 lots to complete Optimist | <u>85,000.00</u> |
| 3. Commitment for downtown project | <u>1,100,000.00</u> |

MAYOR ANDERSON'S PROPOSAL

Project	TIF Funds
<u>Urban Infrastructure</u> Storm Sewer (Halliday Street) Storm Sewer (Main Street) Engineering & Contingency (Water/Storm Sewer)	\$4,218,780
<u>Transportation</u> South 5th Connector	\$1,500,000
<u>Economic Development</u> <i>Urban Infr.</i> Facade/Commercial Property Improvement Commercial Property Acquisition Downtown Parking	\$975,000
<u>Urban Infrastructure</u> <i>Econ Dev</i> Curb, Gutter, Sidewalk, Lighting & Streetscape Amenities (Main Street)	\$1,117,912
<u>Recreational Resources</u> Recreational Opportunities (Park Enhancements Multipurpose Center, Ross Park Aquatic Center & Community Ice Rink)	\$2,188,308
TOTAL:	\$10,000,000

TABLE 4
PROPOSED COSTS AND REVENUES

Costs

A.	Street Right-of-Way and Utility Improvements		
	(1) Work by City	\$ 339,000	
	(2) Work by Contract	<u>\$ 702,875</u>	
	SUBTOTAL		\$1,041,875
B.	Franchise Utility Improvements		
	(1) Electrical Service	\$1,723,200	
	(2) Natural Gas Service	<u>\$ 13,639</u>	
	SUBTOTAL		<u>\$1,736,839</u>
C.	Total Project Costs		\$2,778,714
D.	Legal and PDA Administration Fees @10%		<u>\$ 277,871</u>
E.	TOTAL ALL COSTS		<u>\$3,056,585</u>

Revenues

A.	Revenue Allocation Proceeds	\$8,680,530
B.	Less 50% Discount*	\$4,340,265
C.	TOTAL REVENUE	<u>\$4,340,265</u>

Revenue Allocation Plan Balance \$1,283,680

This discount represents the fact that the total construction costs of the two proposed developments (i.e. AMI and Ballard) will not be taxable. Since it is difficult to estimate just what portion of the total will generate tax revenue, the amount was discounted 50% to offer a more conservative estimate.

April 30, 1999

Pocatello Development Authority
ISU Business & Technology Center
1651 Alvin Ricken Drive
Pocatello, Idaho 83201

RE: Pledged Revenues for Pocatello Development Authority Revenue
Allocation (Tax Increment) Bonds, 1993 Series A

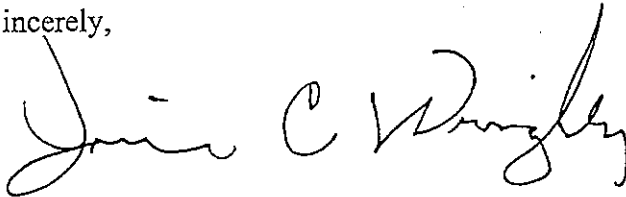
Ladies and Gentlemen:

We have acted as an independent financial consultant in connection with the amendment of the Urban Renewal Plan to consolidate the above referenced Bonds issued under authority of Bond Ordinance 93-1, into the Consolidated Central Corridor Revenue Allocation Area (the "Consolidated Revenue Allocation Area"). We have read the Urban Renewal Plan and Bond Ordinance 93-1. We have reviewed the debt service requirements for the above referenced Bonds and examined fund balance and expected revenue collection records as maintained by First Security Bank, N.A., Corporate Trust Department, (the "Trustee"). See Appendix 1 and Appendix 2.

It is our opinion that the Pledge Revenues will not be materially reduced by the amendment of the Urban Renewal Plan and the amendment of the Revenue Allocation Area to consolidate the area into the Consolidated Revenue Allocation Area.

We also are of the opinion that the Consolidated Revenue Allocation Area will have excess moneys, above the total debt service requirements of Bond Ordinances 93-1, 96-1, 97-1 and 97-2 to be drawn out and used for additional projects within the Revenue Allocation Area.

Sincerely,



FIRST SECURITY CAPITAL MARKETS, INC.

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Appendix 2
Pocatello Development Agency
State of Idaho
Outstanding Debt and Allocation Fund Cashflow

Date	Project	Allocation Fund Beginning Balance		Debt Service Payments		Tax Collection		Other Uses of Allocation Fund		Allocation Fund Ending Balance
04/28/99		1,303,319.94	(a)							1,303,319.94
05/01/99	North Main (Ser 97B)	1,303,319.94		(39,487.50)				(39,000.00)	(d)	1,224,832.44
06/01/99	New Town (Ser 93A)	1,224,832.44		(47,419.18)	(b)					1,177,413.26
06/01/99	Alvin Ricken (Ser 96B)	1,177,413.26		(69,329.21)	(c)					1,108,084.05
06/20/99	Tax Collection	1,108,084.05				2,239,702.14	(a)			3,347,786.19
08/01/99	Old Town (Ser 97A)	3,347,786.19		(12,617.50)						3,335,168.69
11/01/99	North Main (Ser 97B)	3,335,168.69		(8,662.50)						3,326,506.19
12/01/99	New Town (Ser 93A)	3,326,506.19		(6,325.00)						3,320,181.19
12/01/99	Alvin Ricken (Ser 96B)	3,320,181.19		(310,093.75)						3,010,087.44

Footnotes:

(a) Includes the following:

	Beginning Balance	June 20th Tax Collection
Series 1993A	84,451.43	32,359.95
Series 1996B	999,654.20	1,949,183.91
Series 1997A	218,972.05	226,625.11
Series 1997B	242.26	31,533.17
	<u>1,303,319.94</u>	<u>2,239,702.14</u>

(b) Debt service payment of \$47,425.00 less bond fund interest of \$5.82.

(c) Debt service payment of \$115,093.75 less bond fund interest of \$257.14 less construction fund excess of \$44,894.31 less construction fund interest of \$613.09.

(d) Repayment to the City of Pocatello

FOR DISCUSSION PURPOSES ONLY

APPENDIX 1

Pocatello Development Authority State of Idaho Revenue Allocation (Tax Increment) Bonds Series 1993A (New Town District) DEBT SERVICE SCHEDULE				
DATE	PRINCIPAL	COUPON	INTEREST	TOTAL P+I
6/01/1993	-	-	-	-
12/01/1993	-	-	11,275.00	11,275.00
6/01/1994	-	-	11,275.00	11,275.00
12/01/1994	-	-	11,275.00	11,275.00
6/01/1995	30,000.00	5.500%	11,275.00	41,275.00
12/01/1995	-	-	10,450.00	10,450.00
6/01/1996	35,000.00	5.500%	10,450.00	45,450.00
12/01/1996	-	-	9,487.50	9,487.50
6/01/1997	35,000.00	5.500%	9,487.50	44,487.50
12/01/1997	-	-	8,525.00	8,525.00
6/01/1998	40,000.00	5.500%	8,525.00	48,525.00
12/01/1998	-	-	7,425.00	7,425.00
6/01/1999	40,000.00	5.500%	7,425.00	47,425.00
12/01/1999	-	-	6,325.00	6,325.00
6/01/2000	40,000.00	5.500%	6,325.00	46,325.00
12/01/2000	-	-	5,225.00	5,225.00
6/01/2001	45,000.00	5.500%	5,225.00	50,225.00
12/01/2001	-	-	3,987.50	3,987.50
6/01/2002	50,000.00	5.500%	3,987.50	53,987.50
12/01/2002	-	-	2,612.50	2,612.50
6/01/2003	95,000.00	5.500%	2,612.50	97,612.50
Total	410,000.00	-	153,175.00	563,175.00

YIELD STATISTICS

Bond Year Dollars.....	\$2,785.00
Average Life.....	6.793 Years
Average Coupon.....	5.500000%
Net Interest Cost (NIC).....	5.500000%
True Interest Cost (TIC).....	5.500000%
Bond Yield for Arbitrage Purposes.....	5.500000%
All Inclusive Cost (AIC).....	5.500000%
IRS FORM 8038	
Net Interest Cost.....	5.500000%
Weighted Average Maturity.....	6.793 Years