

POCATELLO DEVELOPMENT AUTHORITY
Board of Commissioners Meeting
March 21, 2007
11:00 a.m.

City Hall
911 North 7th Avenue

11:00 a.m. Council Chambers

Call to Order – Chairman Brown

Acknowledge Guests of Board, if any

Disclosure of Conflicts of Interest, if any

Agenda - Add or Delete Action or Discussion Items

Action and Discussion Items:

Minutes for February 21, 2007 – Motion to Approve and/or Amend

Financial Report: February Income and Expenses

Central Corridor:

Update on Garfield RFP

Consider Portneuf Valley Investment Partners Application

North Yellowstone

Consider Approving Pay Request #29

Roosevelt District:

Status of Remaining Funds

Miscellaneous Items/Questions from Commissioners

Consider Approving TetriDyn Loan Extension

Consider Approving North Portneuf Urban Renewal Area and Revenue Allocation
District

Hoku Project Update

IsoRay Project Update

Executive Session if Required

| | <u>Current Month</u> | <u>YTD Actual</u> | <u>Budget</u> | <u>Variance</u> |
|----------------------------|----------------------|---------------------|-----------------------|-----------------------|
| Beginning Balance | | \$680,166.84 | \$680,166.84 | |
| SOURCES OF FUNDS | | | | |
| Kress District | \$2,305.63 | \$2,305.63 | \$5,748.75 | \$3,443.12 |
| Newtown District | \$20,331.20 | \$20,331.20 | \$56,230.27 | \$35,899.07 |
| Al Ricken Drive District | \$0.00 | \$0.00 | \$833,352.13 | \$833,352.13 |
| Old Town District | \$5,221.79 | \$5,221.79 | \$275,437.12 | \$270,215.33 |
| North Main District | \$16,077.64 | \$16,077.64 | \$105,500.68 | \$89,423.04 |
| Roosevelt District | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Central Corridor District | \$119,862.09 | \$119,862.09 | \$488,069.77 | \$368,207.68 |
| North Yellowstone District | \$97,087.30 | \$97,087.30 | \$368,864.08 | \$271,776.78 |
| General Funds | \$629.03 | \$629.03 | \$0.00 | -\$629.03 |
| Board Disc.* | \$0.00 | \$0.00 | \$15,000.00 | \$15,000.00 |
| Interest Income | \$590.16 | \$1,242.74 | \$3,600.00 | \$2,357.26 |
| TOTAL | \$262,104.84 | \$262,757.42 | \$2,151,802.80 | \$1,889,045.38 |

CASH AVAILABLE

\$942,924.26 \$2,831,969.64

APPLICATION OF FUNDS

| | | | | |
|----------------------------|--------------------|--------------------|-----------------------|-----------------------|
| Kress District | \$0.00 | \$0.00 | \$5,748.75 | \$5,748.75 |
| Newtown District | \$0.00 | \$0.00 | \$56,230.27 | \$56,230.27 |
| Al Ricken Drive District | \$0.00 | \$0.00 | \$833,352.13 | \$833,352.13 |
| Old Town District | \$0.00 | \$0.00 | \$275,437.12 | \$275,437.12 |
| North Main District | \$0.00 | \$0.00 | \$105,500.68 | \$105,500.68 |
| Roosevelt District | \$0.00 | \$0.00 | \$196,208.64 | \$196,208.64 |
| Central Corridor | \$0.00 | \$0.00 | \$488,069.77 | \$488,069.77 |
| North Yellowstone District | \$0.00 | \$0.00 | \$368,864.08 | \$368,864.08 |
| Board Disc. | \$31,876.48 | \$31,876.48 | \$375,000.00 | \$343,123.52 |
| General Funds | \$139.00 | \$3,299.41 | \$17,200.00 | \$13,900.59 |
| Bank Charges | \$0.00 | \$0.00 | \$600.00 | \$600.00 |
| TOTAL | \$32,015.48 | \$35,175.89 | \$2,722,211.44 | \$2,687,035.55 |

ENDING BALANCE

\$907,748.37 \$109,758.20

DISTRICT ENDING BALANCES
February 28, 2007

| | | |
|----------------------------|------------------|---------------------|
| Bank Balance | | \$907,748.37 |
| General Fund | 14,736.42 | |
| Discretionary Funds | 381,698.35 | |
| Kress Project | 2,342.74 | |
| Newtown District | 20,331.20 | |
| Alvin Ricken District | 0.00 | |
| Old Town District | 9,434.81 | |
| North Main District | 64,761.02 | |
| Roosevelt District | 196,208.64 | |
| Central Corridor District | 121,147.89 | |
| North Yellowstone District | <u>97,087.30</u> | |
| District Totals | | \$907,748.37 |

POCATELLO DEVELOPMENT AUTHORITY

February 2007

INCOME:

| | |
|--------------------|-------------------------------------|
| Kress: | \$2,305.63 (Tax Dollars Received) |
| Newtown: | \$20,331.20 (Tax Dollars Received) |
| Old Town: | \$5,221.79 (Tax Dollars Received) |
| North Main: | \$16,077.64 (Tax Dollars Received) |
| Central Corridor: | \$119,862.09 (Tax Dollars Received) |
| North Yellowstone: | \$97,087.30 (Tax Dollars Received) |
| General Funds: | \$629.03 (General Levy Real) |
| Interest Income: | \$590.16 |

EXPENSES:

| | |
|----------------------|------------------------------|
| Board Discretionary: | \$31,876.48 (Payment to DDC) |
| General Fund: | \$139.00 (PDA Lunch) |

**POCATELLO DEVELOPMENT AUTHORITY
CENTRAL CORRIDOR CASH FLOW PROJECTIONS**

| YEARS ENDED | Actual 2006 | Actual 2007 | Estimated 2007 | 2008 | 2009 | 2010 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Previous Year Balance*: | \$1,698,816.51 | \$1,319,773.12 | \$1,474,557.35 | \$374,354.02 | \$332,672.12 | \$1,086,796.79 |
| INCOME: | | | | | | |
| Estimated Tax Revenues****: | 1,868,042.64 | 154,784.23 | 1,603,805.74 | 1,685,554.67 | 1,685,554.67 | 1,685,554.67 |
| South Cliffs Repayment: | 85,000.00 | | | | | 200,000.00 |
| City Advance: | 325,600.00 | | | | | |
| City Water Portion of OTP: | 414,400.00 | | | | | |
| Ross Park Pool Repayment: | 200,000.00 | | | | | |
| Total Projected Income: | 2,893,042.64 | 154,784.23 | 1,603,805.74 | 1,685,554.67 | 1,685,554.67 | 1,885,554.67 |
| TOTAL AVAILABLE INCOME: | \$4,591,859.15 | \$1,474,557.35 | \$3,078,363.09 | \$2,059,908.69 | \$2,018,226.79 | \$2,972,351.46 |
| EXPENSE: | | | | | | |
| Current Year Debt Service*: | 783,605.00 | | 931,772.50 | 931,635.00 | 931,430.00 | 1,862,227.50 |
| South Cliffs--Phase 1**: | | | | | | |
| South Cliffs--Phase 2**: | | | | | | |
| Old Town Revitalization: | | | | | | |
| Old Town Reinvestment Phase 2***: | 1,976,019.53 | | 349,608.53 | | | |
| Old Town Reinvestment Phase 3 (uncommitted): | | | 76,055.14 | | | |
| Old Town Building | 130,000.00 | 0.00 | 0 | | | |
| Engineering Expense (JUB) | 121,367.60 | | | | | |
| Old Town Engineering--Phase 2: | | | | | | |
| Positron: | | | | | | |
| Cheyenne Crossing**: | 4,593.90 | | 845,650.04 | | | |
| Whitman/Yellowstone Hotel: | 256,500.00 | | 256,500.00 | | | |
| Federal Express: | | | | | | |
| Clark Street Overpass: | | | 157,678.00 | | | |
| City Advance Payback: | | | 162,800.00 | 162,800.00 | | |
| Triangle: | | | | 632,801.57 | | |
| Total Projected Expense: | 3,272,086.03 | 0.00 | 2,704,009.07 | 1,727,236.57 | 931,430.00 | 1,862,227.50 |
| CALCULATED ANNUAL BALANCE | \$1,319,773.12 | \$1,474,557.35 | \$374,354.02 | \$332,672.12 | \$1,086,796.79 | \$1,110,123.96 |

Notes:

* Includes all Central Corridor Tax Districts--Newtown, Alvin Ricken, Old Town, North Main, Central Corridor

** Project totals as of 1/1/06.

*** Anticipated final costs

Beginning balance 2006 is total revenues held by Trustee as of 1/1/06.

Repayments in 2010: \$400,000 from Positron, & \$200,000 from South Cliffs.

AMI repayment of \$1.2 million is due in 2012.

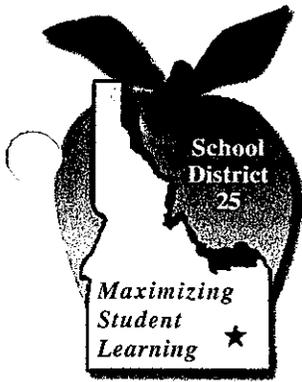
**** Change in tax revenues reflects change in Ballard Building: 100% land, 50% building, and no equipment

Updated 10/31/06.

pda/financials/ccprojections2004.xls

Projected Allocation of Roosevelt District Tax Refund

| | Levy amount based | | |
|----------------------|------------------------------|----------------------------|-----------------------------|
| | <u>Estimated 2007 Return</u> | <u>from county numbers</u> | <u>December 2005 Return</u> |
| City of Pocatello | \$96,618.59 | 0.492427805 | \$59,091.34 |
| School District #25 | \$42,389.01 | 0.216040486 | \$25,924.86 |
| Bannock County | \$49,107.18 | 0.250280415 | \$30,033.65 |
| County Road & Bridge | \$5,504.29 | 0.028053249 | \$3,366.39 |
| Ambulance Service | \$2,589.57 | 0.013198042 | \$1,583.77 |
| | <u>\$196,208.64</u> | | <u>\$120,000.00</u> |



Pocatello / Chubbuck

School District Number Twenty-Five

Bannock County

Education Service Center
(Administrative Offices)
3115 Poleline Road
Pocatello, Idaho 83201-6119
(208) 232-3563

March 14, 2007

Steve Brown
Pocatello Development Authority
1651 Alvin Ricken Drive
Pocatello, Idaho 83201

Dear Steve,

Thank you for your letter offering the property located on the southwest corner of West Clark and North Garfield. The Pocatello/Chubbuck School District No. 25 has great interest in developing the mentioned property into a parking lot area to be used for students as well as for benefit to the community at large. Pocatello High School is used extensively for extra-curricular activities in addition to a variety of community events. Development of this property is a positive step in resolving the lack of parking in the downtown area.

Per your proposal, the District is willing to accept the cost to reimburse for demolition which was incurred by the Pocatello Development Authority. We appreciate the flexibility for payment over three years, however; it would be the intent of the District to pay the \$18,950 reimbursement so this transaction can be recorded in one fiscal year.

The District also will plan to develop the deeded property during this summer so it will be available for use during the upcoming school year for student parking and community events. The District will work with the City of Pocatello to meet City standards that would be agreeable to both entities on the deeded property.

The District does not have plans or funds committed for major improvement or renovation on the existing west parking lot currently owned. We would ask the PDA to amend the offer to not require improvement on the west property. In the event the district makes major improvements to the west property in the future, we would be agreeable to meet City standards at that time. Estimated costs to improve the deeded property have now increased by approximately \$25,000 from estimates considered in 2005 due to inflation.

We thank the Pocatello Development Authority and the City of Pocatello for the ongoing cooperative working relationship we have with you. We value your desire to make improvements to this area, which would serve the best intended use of the property. We recognize your leadership in making this community a great place to live and we hope to fulfill our goals in providing the best education possible to the children of our communities who attend our District.

If you have any questions or concerns, please call me at 235-3212. We look forward in making this a worthwhile project.

Respectfully,



Bart J. Reed
Director of Business Operations

cc: Mary M. Vagner

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Pocatello Development Authority

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

March 7, 2007

An urban renewal agency for the City of Pocatello, Idaho

Bart J. Reed
Director of Business Operations
Pocatello/Chubbuck School District
Number Twenty-Five
3115 Poleline Road
Pocatello, ID 83201-6119

RE: North Garfield Property

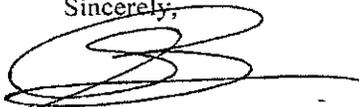
Dear Bart:

I am writing regarding our discussion and your letter of interest in the property located on the southwest corner of West Clark and North Garfield. As you are aware, on February 21, 2007, the Pocatello Development Authority (PDA) reviewed the status of a recent request for proposals/qualifications process issued for this site. Per your letter of interest, the PDA authorized deeding the property to the School District with the following conditions:

- 1) The School District reimburse the cost of demolition of the site which totals \$18,950. Flexibility in the timeframe of payback may be allowed for up to three years if needed;
- 2) The property is to be developed within one year (to be accomplished by February, 2008). Site improvements must meet City standards and the School District parking areas to the west must also be enhanced to provide continuity and consistency with the newly improved parking areas.

We appreciate your interest in working with the PDA for future redevelopment of this site. Please inform us in writing if the School District is interested in accepting these conditions. If you have any questions, please contact Tim Tingey or Robert Chambers at 234-6188 or 234-6583.

Sincerely,



Steve Brown
Chair, Pocatello Development Authority

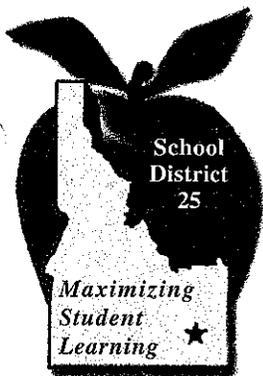
C: Roger Chase, Mayor, City of Pocatello
Robert Chambers, Director Planning and Development Services
Tim Tingey, Division Manager, Neighborhood and Community Services

Pocatello / Chubbuck

School District Number Twenty-Five

Bannock County

Education Service Center
(Administrative Offices)
3115 Poleline Road
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March 14, 2007

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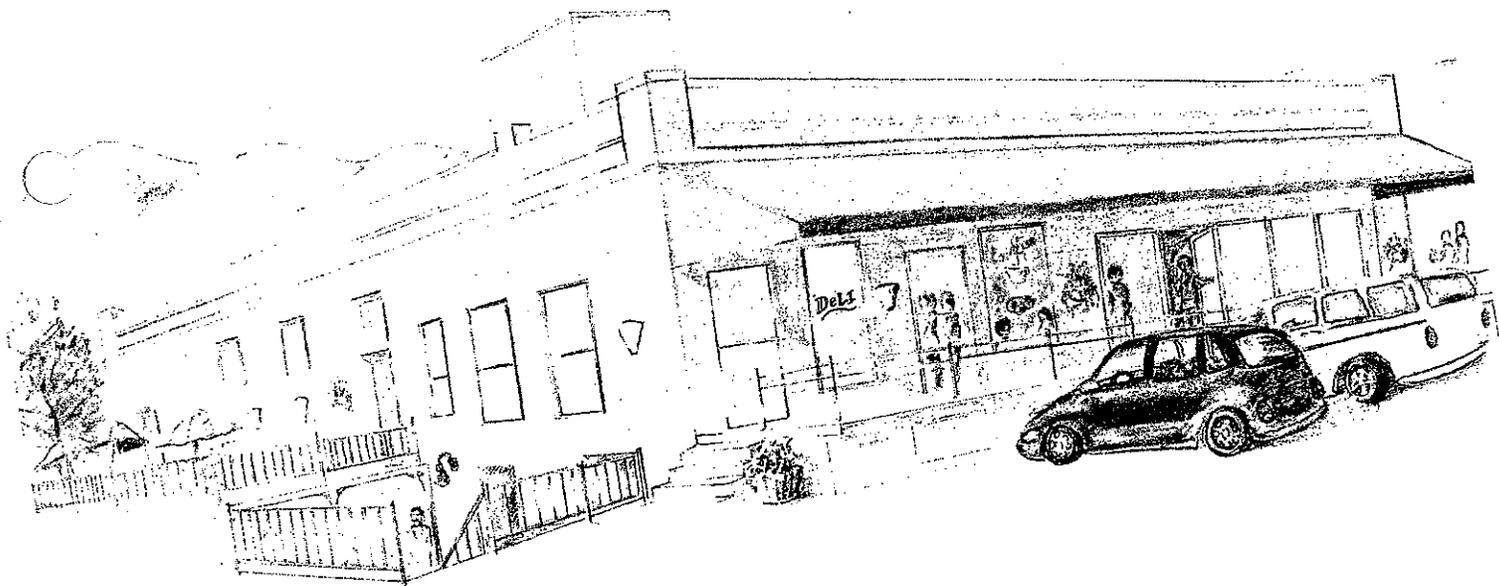
Respectfully,



Bart J. Reed
Director of Business Operations

cc: Mary M. Vagner

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Portneuf Valley Investment Partners, LLC
849 South 1st Avenue, Pocatello, ID 83201
208.478.6732

March 13, 2007

South First Development Project – 815 South 1st Avenue

Application Overview

Portneuf Valley Investment Partners, LLC (PVIP) is a group of 5 equal partners, all from Pocatello, who have undertaken a project to completely rehabilitate a 13,000 foot warehouse and two adjacent properties that were previously vacant and deteriorating.

PVIP partners have personally invested over \$200,000 in cash towards the project and signed personal guarantees for over \$600,000 of loans. The building is located at 815 South 1st and previously housed Continental Fuel Company.

Project Philosophy

PVIP was formed on the philosophy that it is more esthetically and environmentally responsible to rehabilitate existing structures whenever possible, versus continuing to build new buildings to accommodate development. The buildings in the warehouse district are perfectly suited for long-term development due to their excellent construction, ample parking, wide streets and proximity to old-town Pocatello, South 5th and Idaho State University.

PVIP has purposefully solicited a combination of new and existing businesses as lessees, all with a very sound business philosophy aligned with a common customer base and fundamental business practices.

Project Details

Phase I of our development effort includes a complete rehabilitation of the 13,000 foot warehouse which we have re-branded as Kinport Junction. PVIP has signed leases with 5 separate businesses that will be located in this building. The businesses are 1) Senang - Wine Bar and Tapas Bistro 2) Pocatello Natural Food Co-op 3) a second location for Butcher Block retail business called 'A Fish Off The Old Block' 4) Serenity Day Spa 5) James Barrett Pilates and Fitness.

The natural beauty and functional components of the building will be retained, while being completely updated to meet modern electrical, plumbing, fire-safety and HVAC requirements.

Phase II of the project will include enclosing the deck on the main building to create a year-round eating space that allows full view of the mountains in winter months, rehabilitating the second building (849 South 1st) in a build to suit contract with 1 – 2 lessee's, and adding a 2,000 ft² commercial greenhouse to supply the restaurant and co-op with fresh vegetables and herbs on a near year-round basis.

The total construction cost of the project is expected to be between \$550,000 - \$675,000 over a 24-month period. Cost of the entire project including acquisition is between \$825,000 - \$950,000.

Application for TIF Financing

PVIP is requesting support from Pocatello Development Authority for this project in the amount of \$85,000. \$45,000 of this amount will be directly attributable to public benefit elements of our redevelopment project which include landscaping, new curb, gutter, sidewalks and handicap access and street lamp lighting in the vicinity of our building. In addition, we are requesting an additional \$40,000 in discretionary funds to facilitate completion of the project in areas where our need is greatest. While cash flow to complete the project is critical, we are flexible in when the money would be made available. As with any project, receiving the cash as soon as possible is ideal, but we would still be interested in the financial support, even if the money were only available between 12-24 months from this point.

The support we are requesting will be used in a manner that provides significant public benefit to the warehouse district and is consistent with the overall vision of city leaders for that part of the city. Specifically, we intend to use the money to provide sidewalks, handicap access to building, and curb and gutter around the buildings and property consistent with City of Pocatello code requirements. We will also install lamp-post lighting consistent with City of Pocatello requirements, surface water drainage from South 1st Street and general landscaping of the area.

It is our expectation that these improvements will significantly improve the visible neighborhood which will benefit the public at large and foster an environment that is amenable to additional development of the currently underutilized buildings in the area. It is our objective to open this facility in as complete a manner as possible—i.e. that all the beautification elements as well as functional elements are completely in place at the time of opening rather than at some point in the future.

Application Details

Condition of Blight

A photograph of the building in the pre-construction condition has been provided as part of this application as well as an artist impression of the final state of the building. The main building and property had broken windows all around, excess and unused fuel oil distributing equipment on site and unattended, a 3-story elevator shaft that posed a potential danger to trespassers, and an ambiguous history relative to contaminated waste. Not only was the property unsightly, but it was empty and deteriorating further. In the pre-sale state, the property was a social liability in that it did not promote development or improvement of the area, and represented a significant and potential danger to trespassers as well as a significant fire hazard.

Ratio of Value Differential

Current assessed value of the property is around \$200,000. At the completion of both phases of development, the property is expected to appraise between \$900,000 and \$1.3M.

Quantity of Jobs

Kinport Junction is expected to employ between 44-52 people in a part-time or full-time capacity between the 5 businesses in the main building. When phase II of the project is completed, an additional 6 – 12 jobs will be created through rental of the second building and the addition of the greenhouse staff.

Quality of Jobs

Senang has already hired an executive chef who re-located from Colorado to take up this position. Salary for this position is \$32,000 annual—in addition there is a two-tiered bonus structure for this position that will bring the annual salary to approximately \$42,000 per year. Relocation and health benefits are provided with this position. The table below gives an overview of expected job creation and wage scale.

Estimated Job Creation Worksheet

| | Role | Full Time | Part Time ³ | Estimated Hourly wage | New Job |
|-----------------------------------|---------------------------------|-----------|------------------------|-----------------------|-----------------|
| Senang Wine Bar and Tapas Bistror | General Manager | 1 | | \$15.00 | Y |
| | Executive Chef ² | 1 | | \$22.00 | Y |
| | Assistant Manager | 1 | | \$12.00 | Y |
| | Sous Chef | 1 | | \$12.00 | Y |
| | Lead Line Cook | 1 | | \$11.00 | Y |
| | General Kitchen Staff | | 5 | \$9.00 | Y |
| | General Wait Staff ² | | 10 | \$15.00 | Y |
| | Cleaning/Maintenance | | 1 | \$10.00 | Y |
| Pocatello Natural Food Co-op | Managers | 2 | | \$12.00 | Y |
| | General Staff | 2 | 2 | \$8.00 | Y |
| Serenity Day Spa | General Manager | 1 | | \$18.00 | Y |
| | Hairstylist ¹ | 5 | | \$12.00 | Y |
| | Massage Therapist ¹ | 1 | | \$12.00 | Y |
| A Fish Off The Old Block | Nail Techs | 1 | | \$10.00 | Y |
| | General Manager | 1 | | \$18.00 | Y |
| | General Staff | | 5 | \$7.00 | Y |
| James Barrett Pilates | General Manager | 1 | | \$18.00 | Y |
| | Pilates Instructor | 1 | | \$12.00 | Y |
| | Spinning Instructor | | 3 | \$16.00 | Y |
| | Fitness Consultant | 1 | | \$16.00 | Y |
| | Massage Therapist | | 1 | \$30.00 | Y |
| | Nutritional Consultant | | 1 | \$18.00 | Y |
| | | 21 | 26 | | |
| | | | 47 | \$13.87 | FT Average wage |
| | | | 45 | \$14.13 | PT Average wage |

Notes:

- 1 - Positions will be filled by independent contractors so wage is partially dependent on contractor
- 2 - \$17/hour is guaranteed; additional is based on fixed and discretionary bonus plan
- 3 - Part time employees assumed at < than 32 hours/week but > than 12 hours/week; actuals vary by business

Public Benefit of Project

There are a multitude of public benefits associated with this development initiative.

The Kinport Junction Project will bring a significant new concept to Pocatello—that of marketing a common theme throughout a dedicated space and using multiple separate business entities to fulfill discreet roles within that general theme. We believe that there is a significant need for expanded service offerings to meet the needs of Pocatello's diversifying population base and that Kinport Junction will serve as a model for future development projects. Increasingly, it is our belief that Pocatello will need to expand service offerings in the retail sector to supply the needs of those looking to relocate from more developed areas. Kinport Junction businesses will compete very favorably in this sector.

In addition, by completely rehabilitating an abandoned warehouse, we will not only upgrade the neighborhood, but we will inspire future development in the area through successful implementation of this project. We believe Kinport Junction is at the leading edge of a significant movement to bring the warehouse district to the forefront of responsible development for this area of Pocatello.

PVIP commissioned a Phase I environment assessment of the property prior to acquisition. This assessment eliminated the suspicion of contamination on this previously ambiguous property.

In addition to the jobs we will create, a significant upgrade to the general community and a boost to local development, we believe that by rehabilitating existing structures that are marginalized or under-utilized, we are participating in more responsible development by not building on green space that serves the community at large.

Ultimately, Kinport Junction will be completed, but without this funding support from Pocatello Development Authority, many of the key components that will help uplift the general community will only happen after an extended period of time. We do anticipate reinvesting additionally in the property and business, but that reinvestment will only be possible after at least two years.

Certainty of the Project

Two of the 5 businesses in Kinport Junction are expansions of businesses that have been in operation for years. JBP is well regarded as arguably the most prominent fitness studio and private fitness consulting team in the area. Butcher Block has been in business for over 30 years and this expansion is a result of their success in the retail sector.

Senang has a well researched and mature business plan and will be managed by a proven general manager and an experienced executive chef. Informal assessments indicate strong public support for more diverse offerings and higher quality management in the restaurant sector. We believe Senang has significantly increased their chances of success for these reasons.

Serenity Day Spa will be owned and managed by a woman who has worked in her industry for over 15 years and has previously owned her own business in California.

Pocatello Co-op is a new entity, but there has been strong public support and enthusiasm for their establishment. They have a solid business plan and have been successful in raising start-up capital through a variety of sources including local bank support and hundreds of members who have pre-paid memberships to see this venture get off the ground.

Summary

PVIP is very committed to this project, and to our fundamental philosophy of creating a beautiful space out of what is now an abandoned building. Each principal is making a significant financial commitment as well as taking on the debt required to make the project a success. We have exhaustively researched our business plan(s) and are confident that we will create a significant positive addition to the community of South Pocatello when we are finished.

We hope you will consider our application for assistance.

Sincerely,

Rob Myres
Principal – PVIP, LLC

**POCATELLO
DEVELOPMENT
AUTHORITY**

**PROJECT
APPLICATION
PACKET**

February 2004

POCATELLO DEVELOPMENT AUTHORITY (PDA)
Pre-Application for use of Tax Increment Financing

Instructions:

1. Please complete each section of this pre-application.
2. The applicant should be the project owner or the duly appointed representative of the project owner.
3. This pre-application must be completed and submitted (Pocatello Development Authority, 1651 Alvin R Pocatello ID, 83201) by the first Monday of the month to be considered for the PDA meeting agenda on Wednesday of that month.
4. Each pre-application is screened by staff and must meet a minimum score of 70 points (out of 100) for it considered for approval by the PDA Board.
5. PDA approval of this application is authorization to proceed to a full application.
6. A full application will consist of at minimum the following:
 - a. Project purpose statement.
 - i. Description of project.
 - ii. Description of public benefits.
 - b. Scope of work.
 - i. The kind, number, and location of all proposed public works or improvements.
 - ii. A detailed list of estimated project costs.
 - iii. Construction timetables (including any proposed phasing).
 - iv. A detailed map and legal description of the project area.
 - c. Economic Analysis.
 - i. An economic feasibility study.
 - ii. A fiscal impact statement showing the impact of the project upon all taxing districts.
 - iii. A description of the methods of financing all estimated project costs.
7. Questions may be directed to the Executive Director for the Development Authority, 233-3500.

Application:

Name: PORTNEUF VALLEY INVESTMENT PARTNERS Date: 3/15/2007

Mailing Address: 849 S 1ST AVE. POCATELLO ID 83201

Work Phone: 478-6732 Cell Phone: 205-6958 E-Mail: lmyres@gmail.com

Project Description: Complete remodel of abandoned
warehouse

Project Location: 815 S 1ST AVE

Is this project currently in an urban renewal area? Yes No

Is this project currently in a revenue allocation area? Yes No

If you answered 'no' to both questions above, please describe the "blighting" condition associated with this location: _____

Current Assessed Value of Project Location: \$200,000

Estimated Construction Value of Project: \$50,000 - \$675,000

Number of jobs created by this project: 47 Wage range of jobs: \$7-\$30

Employee Benefits? Yes No If yes please describe

Time frame for job creation: June 2007

Construction start date for Project: 3/1/07 Anticipated completion date: _____

Briefly describe other public benefit(s) associated with this project: _____

Please See attachment

Does this project compete with other, already established businesses? How? No

Is this project currently subject to a competitive bid process? Please explain:

The project is not contingent on minimum bid

Are there other applicants that may be interested in applying for PDA assistance for this same project? Please explain: NO

Relationship of named applicant to the project: Owner

Type of Assistance Requested (check all that apply):

- Public Infrastructure (water, sewer, street, etc.).
- Public Facility (building, park, parking lot, etc.).
- Match for other funding
- Inspections, tests, surveys, appraisals, etc.
- Property Acquisition.
- Structure Demolition and Clearance.
- Other? Please Specify _____

Amount of Assistance Requested: \$ 85,000

Form of Assistance Requested:

- Grant of Funds.
- Loan of Funds.
- Reimbursement for Approved Expenditures.
- Pay-As-You Go.
- Bonding.
- Other? Please Specify _____

Other helpful information? Please list: _____

Please See Attachment

| Review Element | Point Value Earned | | | | |
|---|--------------------|----------|----------|----------|-----------|
| | 0-Points | 3-Points | 5-Points | 7-Points | 10-Points |
| Condition of Blight (Part of Existing Inventory)? | | | | | |
| Ratio of Construction Value to Current Assessed Value | | | | | |
| Quantity of Jobs Created | | | | | |
| Quality of Jobs Created (Type/Wage) | | | | | |
| Public Benefit of Project | | | | | |
| Competition With Other Businesses | | | | | |
| Ratio of Project Costs To Project Revenue | | | | | |
| Certainty and Immediacy of the Project | | | | | |
| Type of Assistance Requested | | | | | |
| Form of Assistance Requested | | | | | |
| Column Totals | | | | | |
| All Total | | | | | |

Review Elements Description, Page 2

Competition with Other Businesses

Projects which may harm existing businesses or which provide an unfair advantage to one development firm over another may be ranked lower than those complimentary to the communi

Ratio of Project Costs to Project Revenue

The project should at minimum, generate enough increment revenue to fund the project propo: Stronger projects may actually generate excess revenue allowing the potential shortening of increment requirements. Most revenue allocation districts do not extend beyond 10-years – th shorter, the better.

Certainty and Immanency of the Project

Speculative projects will be rated lower than projects that have firm timelines and commitmen In either case, the PDA should not be considered the sole source of funds for any project.

Type of Assistance Requested

Projects may be ranked in importance to the PDA by the following categories:

- Public infrastructure.
- Public facilities.
- Property acquisition.
- Site preparations including demolition and clearance.
- Match or leverage for other funding sources:
- Inspections, tests, surveys, appraisals, etc.
- Other (this category may rise in importance based upon public benefit).

Form of Assistance Requested

Projects may be ranked by PDA preference for how the projects are funded as follows:

- Loan of funds.
- Reimbursement for approved expenditures.
- Pay-as-you-go.
- Grant of funds.
- Bonding.
- Other (this category may rise in importance based upon benefit to PDA).

Urban Renewal Law – Plan Preparation and Approval

Public or private submission of a plan is acceptable.

Plans are submitted by the local governing board to the planning commission for determination of conformity to the general plan of the community. The planning commission has 30-days after receipt of the plan to provide its recommendations.

Public hearing held before the local governing board.

Approval is subject to findings that:

1. A feasible method exists for the location of families who will be displaced from the urban renewal area in decent, safe and sanitary dwelling accommodations within their means and without undue hardship to such families.
2. The urban renewal plan conforms to the general plan of the City.
3. The urban renewal plan gives due consideration to the provision of adequate park and recreational areas and facilities that may be desirable for neighborhood improvement.
4. The urban renewal plan will afford maximum opportunity for the rehabilitation or redevelopment of the area by private enterprise.

Urban Renewal – Limitations

Action against a plan may not be taken until after the effective date of the ordinance adopting the plan.

For a period of 30-days following adoption of the plan, any person may contest the legality of the ordinance. After the expiration of the 30-day period, the validity, legality and regularity of the ordinance shall be conclusively presumed and no court shall thereafter have authority to inquire into such matters.

TAX INCREMENT FINANCING
Local Economic Development Act, IC Title 50, Chapter 29
Process Outline

Local Economic Development Act – Findings and Purpose

It is, by this act, found and declared that there exists in cities a need to raise revenue to finance the economic growth and development of urban renewal areas.

The purpose of this act is to provide for the allocation of a portion of the property taxes levied against taxable property located in a revenue allocation area for:

- a limited period of time;
- to encourage private development;
- to prevent or arrest decay of urban renewal areas due to the inability of existing financing methods to promote needed public improvements;
- to encourage taxing districts to cooperate in the allocation of future tax revenues;
- to facilitate the long-term growth of the common tax base; and
- to encourage private investment.

Local Economic Development Act – Deteriorated Area

This act re-emphasizes the conditions outlined in the Urban Renewal Law – Findings and Declaration/Necessity. In addition, this act adds to the definition:

1. Any area which is predominately open and which because of obsolete platting, diversity of ownership, deterioration of structures or improvements, or otherwise, results in economic underdevelopment of the area.
2. any area which by reason of its proximity to the border of an adjacent state is competitively disadvantaged in its ability to attract private investment, business or commercial development which would promote the purposes of this chapter.

Local Economic Development Act – Increment Value

Increment value is the total value calculated by summing the differences between the current equalized value of each taxable property in the revenue allocation area and that property's current base value on the base assessment roll, provided such difference is a positive value.

Local Economic Development Act – Eligible Projects

Eligible projects are similar to those outlined in the Urban Renewal Law – Powers

Local Economic Development Act – Eligible Project Costs

Capital Costs, including the actual costs of the construction of public works or improvements, facilities, buildings, structures, and permanent fixtures; the demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures, and permanent fixtures; the acquisition of equipment; and the clearing and grading of land.

Financing Costs, including interest during construction and capitalized debt service or repair and replacement or other appropriate reserves.

Real Property Assembly Costs, meaning any deficit incurred from the sale or lease by a municipality of real or personal property within a revenue allocation district.

Professional Service Costs, including those costs incurred for architectural, planning, engineering, and legal advice and services.

Direct Administrative Costs, including reasonable charges for the time spent by municipal employees in connection with the implementation of a project plan.

Relocation Costs.

Other Costs, incidental to any of the foregoing costs.

Local Economic Development Act - Revenue Allocation Area

A revenue allocation area is that portion of an urban renewal area which the local governing board has determined will likely increase in value as a result of implementing projects within the urban renewal plan. The base assessment roll or rolls of revenue allocation areas shall not exceed at any time 10% of the current assessed valuation of all taxable property within the City.

Local Economic Development Act - Termination Date

Termination date means a specific date no later than 24-years from the effective date of an urban renewal plan (limited exceptions for bonding exist) in which a new revenue allocation provision must expire.

Local Economic Development Act - Recommendation of Urban Renewal Agency

A plan must be prepared and adopted by the local governing board for each revenue allocation area. The plan must include a statement listing:

1. The kind, number, and location of all proposed public works or improvements within the revenue allocation area.
2. An economic feasibility study.
3. A detailed list of estimated project costs.
4. A fiscal impact statement showing the impact of the revenue allocation area upon all taxing districts.
5. A description of the methods of financing all estimated project costs.
6. A termination date for the plan and the revenue allocation area.
7. A description of the disposition or retention of any assets of the agency upon the termination date.

Local Economic Development Act - Public Hearing and Ordinance Required

To adopt a new urban renewal plan with a revenue allocation provision, a public hearing is required at least 30-days but not more than 60-days prior to the date set for final reading of the ordinance.

Local Economic Development Act – Transfer of Power Ordinance

Urban renewal plans and revenue allocation financing provisions may be held ineffective if an urban renewal area or revenue allocation area extends outside the municipal boundary of an authorized City and a transfer of powers ordinance has not been adopted by the cooperating county.

Local Economic Development Act – Documents to Taxing Agencies

After the effective date of an ordinance enacted, the clerk of the authorized City shall transmit copy of the ordinance, a copy of the legal description and map of the boundaries of the revenue allocation area, and a copy of the transfer of powers ordinance (if one is adopted). These documents are sent to:

- The County Auditor
- The Tax Assessor of the County
- The Affected Taxing Districts
- The State Tax Commission

Local Economic Development Act – Obligation of City

Bonds issued or other obligations incurred by any agency shall not constitute a general obligation or debt of any city, the state or any of its political subdivisions.

Local Economic Development Act – Limitations on Review

This is the same as the Urban Renewal Limitations regarding the contestation or litigation of plans and the ordinance.

POCATELLO DEVELOPMENT AUTHORITY
REVENUE ALLOCATION (TAX INCREMENT) BONDS, 2004 SERIES A
REQUISITION PURSUANT TO BOND ORDINANCE

Wells Fargo Bank
MAC U1859-031
999 Main Street, 3rd Floor
Boise, Idaho 83702
Attn: Corporate Trust Services

The undersigned, who is authorized to make such request under Section 11 of the Bond Ordinance, dated as of December 8, 2004, between First Security Bank, N.A. ("Trustee") and the Pocatello Development Authority (the "Agency"), hereby requests the above Trustee as follows:

1. Requisition Number: 29
2. Payment is due to: Rail Crossings
3. The amount to be disbursed is: \$6,195.90
4. The obligation mentioned above for which payment is requested in this Requisition is due, is a proper charge against the Construction Fund and has not been previously paid from said Fund or from the proceeds of the Bonds.
5. All of this requested payment is for the items on the attached Schedule, which are costs of acquisition and construction or costs of issuing the Bonds.

Attachments: See Attached Schedule of Costs to Requisition

DATED: March 21, 2007

POCATELLO DEVELOPMENT AUTHORITY

Authorized Representative

CITY OF POCATELLO

Authorized Representative

Terms used herein shall be as defined in the Bond Ordinance.

**SCHEDULE OF COSTS TO REQUISITION
CERTIFICATE NO. 29**

| <u>Description of Costs</u> | <u>Payee and Location</u> | <u>Amount</u> |
|-----------------------------|---|---------------|
| Rail Crossings | Rail Crossings C/o PEG Development One East Center St. Ste 300 Provo, UT 84606 | \$6,195.90 |

The above are to be paid upon receipt by Trustee of an invoice therefor.



412 W. Center, Suite 330 • Pocatello, ID 83204
208-238-2146 • Fax: 208-238-2162 • keller@kellerassociates.com

A Company of Professional Engineers

March 13, 2007

Greg Lanning, P.E.
Public Works Director
911 North 7th Avenue
Pocatello, Idaho 83205

RE: Rail Crossings, LLC
Yellowstone & Quinn Street improvements
Pay Application Request Number 2 Analysis & Summary

Dear Mr. Lanning:

Keller Associates, Inc. has reviewed the attached Payment Application Request and finds this application to be complete as submitted. Please see the following payment summary:

| <u>Contractor</u> | <u>Payment Request</u> |
|--------------------------|------------------------|
| Wheeler Electric, Inc. | \$6,195.90 |
| Total Pay Request | \$6,195.90 |

We recommend payment in full based on our review.

Since the last Pay Application request, the Project has been in Winter Shutdown. A construction meeting was held March 13, 2007 and work is now ready to proceed and end the Shutdown period. This Pay Application accounts for miscellaneous surveying and concrete protection provided by Wheeler Electric for the signal and light pole foundations.

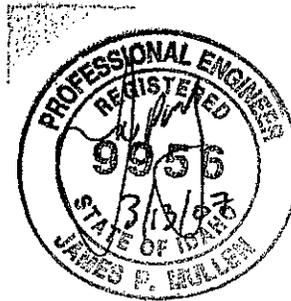
Keller Associates will now resume our on-site construction observations and weekly construction progress meetings.

Should you have any further questions please contact us.

Respectfully Submitted,
KELLER ASSOCIATES, INC

James P. Mullen, P.E.

Attachments:
Pay Application Request Packet



PDA Draw Checklist

- x 1. Invoice from PEG summarizing the costs for project monthly billing period.
- x 2. A notarized Application and Certificate of payment, signed by the Contractor, the Engineer, and the Developer Construction Manager.
- x 3. A schedule of values showing the percent completion of all of the items in the contract.
- 3/13/07 ~~x~~ needed 4. Unconditional Partial Waiver and Release of Claims and Lien Rights, signed and notarized by the contractor.
- n/a 5. A signed and Stamped Application for Payment by the Engineer. - NO BILLING THIS PERIOD
- x 6. Signed Work change Orders including estimated quantities, unit costs, and total prices.
- n/a 7. Invoices for Materials stored
- n/a 8. Material Testing Info.
- 3/13/07 ~~x~~ 9. Engineering Pay Estimate Analysis signed and Stamped by a professional engineer.
- x 10. Finally a budget spreadsheet that matches and tracks the costs in the project and is similar in format to the PDA budget sheets.

Sari

Yellowstone & Quinn Street Improvements
Draw 2
Date 3/12/2007

| Budget # | Line Item | Vendor | Invoice | Description | Invoice Amt | Retainage | Amount Paid |
|----------|--------------------------------|--------|---------|-------------|-------------|-----------|-------------|
| | Wheeler Electric Draw 2 | | | | | | |
| | 11 Survey & Staking | | | | \$1,303.00 | \$65.15 | \$ 1,237.85 |
| | 15 Winter Heating Equip. | | | | \$5,219.00 | \$260.95 | \$ 4,958.05 |

Total Draw Request

\$ 326.10 \$ 6,195.90

Subcontractor's Lien Releases From Prior Draw Received?

N/A

Change Orders Received This Period
1 \$ 12,699.00

APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT

TO OWNER: RAIL CROSSINGS, LLC
 ONE EAST CENTER STREET
 SUITE 300
 PROVO, UT 84606

PROJECT: YELLOWSTONE & FLANDRO SIGNAL
 POCATELLO, ID

APPLICATION NO. 1131 6

Distribution to:

FROM CONTRACTOR:
 WHEELER ELECTRIC, INC
 469 W 16TH STREET
 IDAHO FALLS, ID 83402

VIA ARCHITECT:

PERIOD TO: 2/6/2007 OWNER
 ARCHITECT
 PROJECT NO: 0000001326 CONTRACTOR

CONTRACT FOR:

CONTRACT DATE:

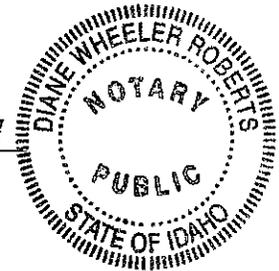
CONTRACTOR'S APPLICATION FOR PAYMENT

| | |
|---|-------------------------------------|
| 1. ORIGINAL CONTRACT SUM | \$ 233,560.00 |
| 2. Net change by Change Orders | PA \$12,699.00 18,265.00 |
| 3. CONTRACT SUM TO DATE (Line 1 + 2) | PA \$246,259 251,825.00 |
| 4. TOTAL COMPLETED AND STORED TO DATE | \$27,012 82,578.00 |
| | |
| 5. RETAINAGE | |
| a. 5.0% of Completed Work | PA \$3,850.60 4,128.90 |
| b. Stored Material | \$ 0.00 |
| Total Retainage | \$3,850.60 4,128.90 |
| | |
| 6. TOTAL EARNED LESS RETAINAGE (Line 4 less Line 5 Total) | PA \$73,161.40 78,449.10 |
| 7. LESS PREVIOUS CERTIFICATES FOR PAYMENT | \$ 66,965.50 |
| 8. CURRENT PAYMENT DUE | \$6,195.90 11,483.60 |
| 9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6) | \$169,247.00 73,375.90 |

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:

By: Steven Cobbley Date: 2-6-07
 State of Idaho County of Bonn.
 Subscribed and sworn to before me this 12 day of Feb, 2007
 Notary Public: Diane Wheeler Roberts
 My Commission expires: 12-18-08



ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents and the Contractor is entitled to payment of the AMOUNT CERTIFIED

Approved: PEG Development
J. Keith H. Schmidt

AMOUNT CERTIFIED \$ 11,483.60 - 6,195.90

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT:

By: _____ Date: _____

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.



| CHANGE ORDER SUMMARY | ADDITIONS | DEDUCTIONS |
|---|---------------|---------------|
| Total changes approved in previous periods by Owner | \$0.00 | \$0.00 |
| Total approved this Period (#6) | \$0.00 | \$0.00 |
| TOTALS | \$0.00 | \$0.00 |
| NET CHANGES by Change Order | \$0.00 | \$0.00 |

WHEELER ELECTRIC, INC

Progress Billing

| Item Number | Change Order | Item | Contract Value | % Retention | % Complete | Progress To Date | Retention To Date | Previous Draw | Previous Retention | Prog to Date Inc SM | Stored Material | Current Draw | Current Retention | Net Draw | Outstanding |
|---|------------------|---------------------------------|---------------------|-----------------|-------------------|---------------------|-------------------|------------------|--------------------|---------------------|-----------------|---------------------|-------------------|---------------------|-------------------|
| 000001326 YELLOWSTONE & FLANDRO SIGNAL | | | | | | | | | | | | | | | |
| 000001 | 00000 | MOBILIZE | 20,000.00 | 5.00 | 100.00 | 20,000.00 | 1,000.00 | 20,000.00 | 1,000.00 | 20,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 000002 | 00000 | POLE FOUNDATIONS | 25,000.00 | 5.00 | 100.00 | 25,000.00 | 1,250.00 | 25,000.00 | 1,250.00 | 25,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 000003 | 00000 | BORE CONDUIT | 13,280.00 | 5.00 | 100.00 | 13,280.00 | 664.00 | 13,280.00 | 664.00 | 13,280.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 000004 | 00000 | TRENCH CONDUIT | 13,280.00 | 5.00 | 75.00 | 9,960.00 | 498.00 | 9,960.00 | 498.00 | 9,960.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3,320.00 |
| 000005 | 00000 | SET BOXES | 3,000.00 | 5.00 | 75.00 | 2,250.00 | 112.50 | 2,250.00 | 112.50 | 2,250.00 | 0.00 | 0.00 | 0.00 | 0.00 | 750.00 |
| 000006 | 00000 | PULL WIRE | 5,000.00 | 5.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5,000.00 |
| 000007 | 00000 | CHANGE POWER PEDISTAL | 4,000.00 | 5.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4,000.00 |
| 000008 | 00000 | INSTALL VIDEO EQUIPMENT | 20,000.00 | 5.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 20,000.00 |
| 000009 | 00000 | BUILD POLES | 100,000.00 | 5.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 100,000.00 |
| 000010 | 00000 | SET POLES | 30,000.00 | 5.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 30,000.00 |
| 000011 | 00001 | WE01 SURVEY & STAKING | 1,303.00 | 5.00 | 100.00 | 1,303.00 | 65.15 | 0.00 | 0.00 | 1,303.00 | 0.00 | 1,303.00 | 65.15 | 1,237.85 | 0.00 |
| 000012 | 00001 | WE02 INTERNAL THERMAL COMP | 2,449.00 | 5.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,449.00 |
| 000013 | 00001 | WE03 TRAFFIC CONTROL | 5,566.00 | 5.00 | 100.00 | 5,566.00 | 278.30 | 0.00 | 0.00 | 5,566.00 | 0.00 | 5,566.00 | 278.30 | 5,287.70 | 0.00 |
| 000014 | 00001 | WE04 TRAFICDN VIDEO DETECTION | 3,728.00 | 5.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3,728.00 |
| 000015 | 00001 | WE05 WINTER HEATING-EQUIP | 5,219.00 | 5.00 | 100.00 | 5,219.00 | 260.95 | 0.00 | 0.00 | 5,219.00 | 0.00 | 5,219.00 | 260.95 | 4,958.05 | 0.00 |
| Grand Total : | | | <u>251,825.00</u> | | | <u>82,578.00</u> | <u>4,128.90</u> | <u>70,490.00</u> | <u>3,524.50</u> | <u>82,578.00</u> | <u>0.00</u> | <u>12,088.00</u> | <u>604.40</u> | <u>44,483.60</u> | <u>169,247.00</u> |

Final Total : 44,483.60
6,195.90

Traffic Control Not Approved
 for this period.

T. Hart Schmidt 3/9/07

Wheeler Electric Inc.
489 W. 16th St. / P.O. Box 2173
Idaho Falls, Idaho 83403
(208) 522-1908

No. C-1950 ID
No. C-318 WY
No. 299655 UT
No. 0027892 NV
No. 583 MT

Change Order Proposal

| | | |
|--|-----------------------------------|--------------------------|
| PROPOSAL SUBMITTED TO Peg Development | PHONE (801) 655-1998 | DATE January 19, 2007 |
| STREET One East Center Street | JOB Yellowstone/Flandro Signal | |
| CITY, STATE, AND ZIP CODE Provo | JOB LOCATION Pocatello, Idaho | |

We hereby submit specifications and estimates

Rental Of Equipment For Heating The Concrete Per ITD Requirements.

We propose

hereby to furnish material and labor, complete in accordance with above specifications, for the sum of

Five Thousand Two Hundred Nineteen dollars (\$5,219.00)

Payment to be made as follows:

Authorized Signature: S. Callahan

Note: This proposal may be withdrawn if not accepted within 15 days.

Acceptance of Proposal

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as stated above.

Signature Robert H. Smith

Date of acceptance 3/9/07

Signature _____

NOTICE

"Under the Mechanics' Lien Law, any contractor, subcontractor, laborer, supplier or other person who helps to improve your property but is not paid for his work or supplies, has a right to enforce a claim against your property. This means that, after a court hearing, your property could be sold by a court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if you have paid your own contractor in full, if the subcontractor, laborer or supplier remains unpaid."

"Under the law, you may protect yourself against such claims by filing, before commencing such work of improvement, an original contract for the work of improvement or a modification thereof, in the office of the county recorder of the county where the property is situated and requiring that a contractor's payment bond be recorded in such office. Said bond shall be in an amount not less than fifty percent (50%) of the contract price and shall, in addition to any conditions for the performance of the contract, be conditioned for the payment in full of the claims of all persons furnishing labor, services, equipment or materials for the work described in said contract."

WHEELER ELECTRIC, INC.

FO No. WE. No. 06 Other: Winter Heating - Rental Equipment

1) Material Cost & Labor Breakdown:

| Material Description | Unit Of Measure | Quantity | Unit Cost | Material Cost | Manhour Unit | Man hours |
|----------------------------------|-----------------|----------|-----------|---------------|--------------|-----------|
| 12 - 1500W Heater (8 days rent) | Day | 96 | \$11.00 | \$1056 | | 0 |
| 20 - Saw Horse (8 days rent) | Day | 160 | \$5.00 | \$800 | | 0 |
| 5 - Thermo blanket (8 days rent) | Day | 40 | \$10.00 | \$400 | | 0 |
| Plastic sheeting | Lot | 1 | \$100.00 | \$100 | | 0 |
| 6 -100' Ext. Cord (8 days rent) | Day | 48 | \$6.25 | \$300 | | 0 |
| 7 - 50' Ext. Cord (8 days rent) | Day | 56 | \$4.75 | \$266 | | 0 |
| Subtotal Material Cost = | | | | \$2922 | | |
| Material Tax @ 6 % = | | | | \$175 | | |
| Total Material Cost = | | | | \$3097 | | |
| Total Labor Manhours = | | | | | | 0 |

2) Equipment Breakdown:

| Equipment Description | Usage | Rate | Eqpt Cost |
|-------------------------------|-------|------|-----------|
| Total Equipment Cost = | | | |

3) Labor Cost Breakdown:

| Craft | Manhours | Rate | Labor Cost |
|---------------------|-----------|---------|--------------------------------|
| Foreman | 30 | \$46.00 | \$1380 |
| Total Mhrs = | 30 | | Total Labor Cost \$1380 |

4) Total Material Cost:

\$3097

5) Total Equipment Cost:

6) Total Labor Cost :

\$1380

7) Consumables, Small Tools @

3 % of Labor:

\$41

8) Misc Costs

9) Direct Cost:

\$4519

10) Overhead @ 10 %

\$452

11) Subtotal:

\$4971

12) Profit @ 5 %

\$249

13) Sub Subtotal:

\$5219

14) Lower-Tier Subcontractor(s):

15) Subtotal Subcontractors

16) Commission on Subcontractor(s) @

5 %

\$0

17) C.O. Subtotal:

\$5219

18) Bond @

%

\$0

19) Total Proposed Amount:

\$5219

20) Time Extension Proposed:

Calendar Days

460 W. 16th St. / P.O. Box 2173
Idaho Falls, Idaho 83403
(208) 522-1808

No. C-1850 ID
No. C-318 WY
No. 269856 UT
No. 0027892 NV
No. 583 MT

Change Order Proposal

| | | |
|---|-----------------------------------|--------------------------|
| PROPOSAL SUBMITTED TO Peg Development | PHONE (801) 655-1998 | DATE January 19, 2007 |
| STREET One East Center Street | JOB Yellowstone/Fiandro Signal | |
| CITY, STATE, AND ZIP CODE Provo UT 84606 | JOB LOCATION Pocatello, Idaho | |

We hereby submit specifications and estimates

Added Surveying & Staking Not In Our Contract.

We propose

hereby to furnish material and labor, complete in accordance with above specifications, for the sum of

One Thousand Three Hundred Three dollars (\$1,303.00)

Payment to be made as follows:

Authorized Signature: S. Colabaley

Note: This proposal may be withdrawn if not accepted within 15 days.

Acceptance of Proposal

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as stated above.

Signature Robert H. Smith

Date of acceptance 3/5/07

Signature _____

NOTICE

"Under the Mechanics' Lien Law, any contractor, subcontractor, laborer, supplier or other person who helps to improve your property but is not paid for his work or supplies, has a right to enforce a claim against your property. This means that, after a court hearing, your property could be sold by a court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if you have paid your own contractor in full, if the subcontractor, laborer or supplier remains unpaid."

"Under the law, you may protect yourself against such claims by filing, before commencing such work of improvement, an original contract for the work of improvement or a modification thereof, in the office of the county recorder of the county where the property is situated and requiring that a contractor's payment bond be recorded in such office. Said bond shall be in an amount not less than fifty percent (50%) of the contract price and shall, in addition to any conditions for the performance of the contract, be conditioned for the payment in full of the claims of all persons furnishing labor, services, equipment or materials for the work described in said contract."

WHEELER ELECTRIC, INC.

FO No. WE. No. 01 Other: Survey & Staking

1) Material Cost & Labor Breakdown:

| Material Description | Unit Of Measure | Quantity | Unit Cost | Material Cost | Manhour Unit | Man hours |
|------------------------|-----------------|----------|-----------|---------------|--------------|-----------|
| Subtotal Material Cost | = | | | | | |
| Material Tax @ | % | = | | | | |
| Total Material Cost | = | | | | | |
| Total Labor Manhours | = | | | | | |

2) Equipment Breakdown:

| Equipment Description | Usage | Rate | Eqpt Cost |
|-----------------------|-------|------|-----------|
| Total Equipment Cost | = | | |

3) Labor Cost Breakdown:

| Craft | Manhours | Rate | Labor Cost |
|--------------|----------|---------|------------------------|
| Foreman | 3 | \$46.00 | \$138 |
| Total Mhrs = | 3 | | Total Labor Cost \$138 |

4) Total Material Cost:

5) Total Equipment Cost:

6) Total Labor Cost : \$138

7) Consumables, Small Tools @ 3 % of Labor: \$4

8) Misc Costs

9) Direct Cost: \$142

10) Overhead @ 10 % \$14

11) Subtotal: \$156

12) Profit @ 5 % \$8

13) Sub Subtotal: \$164

14) Lower-Tier Subcontractor(s):

Harper-Leavitt Engineering \$1085

15) Subtotal Subcontractors \$1085

16) Commission on Subcontractor(s) @ 5 % \$54

17) C.O. Subtotal: \$1303

18) Bond @ % \$0

19) Total Proposed Amount: **\$1303**

20) Time Extension Proposed: _____ Calendar Days

Harper - Leavitt Engineering, Inc.

Invoice

Bill To:

Wheeler Electric
469 W. 16th St.
Idaho Falls, ID 83404

Date:

1/19/2007

Invoice No.:

8686

Job Description:

Rail Crossing Shopping Ctr

Job Number:

2008232.1

Terms:

Net 30

| Service Description | Amount Due |
|--|-------------------|
| Staking on Rail Crossing Shopping Center - time though 1/13/07 Ordered by Kevin Cameron | |
| Staked Signal Poles | 910.00 |
| Staking and research with design engineering firm for mast arms | 175.00 |
| Total Due: | \$1,085.00 |

Make Checks Payable to:
Harper Leavitt Engineering, Inc.
P.O. Box 866
Blackfoot, ID 83221

A Finance Charge of 1.5% per month (A.P.R. 18%) will be charged on invoices unpaid 30 days from billing date. In event of default of payment, buyer agrees to pay collection costs, lien fees and reasonable attorney's fees. Lien may be filed 70 days from invoice date if unpaid.

469 W. 16th St. / P.O. Box 2173
Idaho Falls, Idaho 83403
(208) 522-1906

No. C-1950 ID
No. C-318 WY
No. 289855 UT
No. 0027892 NV
No. 583 MT

Change Order Proposal

| | | |
|---|-----------------------------------|--------------------------|
| PROPOSAL SUBMITTED TO Peg Development | PHONE (801) 655-1998 | DATE January 19, 2007 |
| STREET One East Center Street | JOB Yellowstone/Flandro Signal | |
| CITY, STATE, AND ZIP CODE Provo UT 84606 | JOB LOCATION Pocatello, Idaho | |

We hereby submit specifications and estimates

To Add An Internal Terminal Compartment On Existing Signal Poles On Order.

We propose

hereby to furnish material and labor, complete in accordance with above specifications, for the sum of

Two Thousand Four Hundred Forty Nine dollars (\$2,449.00)

Payment to be made as follows:

Authorized Signature: S. Cobbley

Note: This proposal may be withdrawn if not accepted within 15 days.

Acceptance of Proposal

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as stated above.

Signature Rhett H. Schmitt

Date of acceptance 3/5/07

Signature _____

NOTICE

"Under the Mechanics' Lien Law, any contractor, subcontractor, laborer, supplier or other person who helps to improve your property but is not paid for his work or supplies, has a right to enforce a claim against your property. This means that, after a court hearing, your property could be sold by a court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if you have paid your own contractor in full, if the subcontractor, laborer or supplier remains unpaid."

"Under the law, you may protect yourself against such claims by filing, before commencing such work of improvement, an original contract for the work of improvement or a modification thereof, in the office of the county recorder of the county where the property is situated and requiring that a contractor's payment bond be recorded in such office. Said bond shall be in an amount not less than fifty percent (50%) of the contract price and shall, in addition to any conditions for the performance of the contract, be conditioned for the payment in full of the claims of all persons furnishing labor, services, equipment or materials for the work described in said contract."

FO No. WE. No. 02 Other: Internal Terminal Compartment On Signal Poles

1) Material Cost & Labor Breakdown:

| Material Description | Unit Of Measure | Quantity | Unit Cost | Material Cost | Manhour Unit | Man hours |
|-------------------------------|-----------------|----------|-----------|---------------|--------------|-----------|
| Terminal Compartment On Poles | Ea | 4 | \$500.00 | \$2000 | | 0 |
| Subtotal Material Cost = | | | | \$2000 | | |
| Material Tax @ 6 % = | | | | \$120 | | |
| Total Material Cost = | | | | \$2120 | | |
| Total Labor Manhours = | | | | | | 0 |

2) Equipment Breakdown:

| Equipment Description | Usage | Rate | Eqpt Cost | |
|------------------------|-------|------|-----------|--|
| Total Equipment Cost = | | | | |

3) Labor Cost Breakdown:

| Craft | Manhours | Rate | Labor Cost |
|--------------|----------|---------|----------------------|
| Foreman | | \$48.00 | \$0 |
| Total Mhrs = | | | Total Labor Cost \$0 |

4) Total Material Cost: \$2120

5) Total Equipment Cost:

6) Total Labor Cost: \$0

7) Consumables, Small Tools @ 3 % of Labor: \$0

8) Misc Costs

9) Direct Cost: \$2120

10) Overhead @ 10 % \$212

11) Subtotal: \$2332

12) Profit @ 5 % \$117

13) Sub Subtotal: \$2449

14) Lower-Tier Subcontractor(s):

15) Subtotal Subcontractors

16) Commission on Subcontractor(s) @ 5 % \$0

17) C.O. Subtotal: \$2449

18) Bond @ % \$0

19) Total Proposed Amount: \$2449

20) Time Extension Proposed: _____ Calendar Days

Northwest Signal Supply Inc.

12965 SW Herman Road
Tualatin, Oregon 97062
Tel. # (503) 635-4351
Fax # (503) 635-4341

PROJECT: YELLOWSTONE & FLANDRO SIGNAL
CITY OF POCATELLO, ID (CHANGE ORDER #2)

DATE: JANUARY 18, 2006
ATTN: STEVE @ WHEELER ELECTRIC
FROM: CHAD VANORDER
TERMS: 0 % NET 30 DAYS
DELIVERY: 90 DAYS (AFTER RECEIPT OF APPROVED SUBMITTALS)

| <u>BID ITEM</u> | <u>QTY.</u> | <u>DESCRIPTION</u> | <u>TOTAL PRICE</u> |
|-----------------|-------------|---|--------------------|
| (1.) | 1 | INTERNAL TERMINAL COMPARTMENT W/ CORBIN DOOR LOCK AND TERMINAL STRIPS FOR EXISTING POLES ON ORDER | |
| | | TOTAL..... | \$600.00 |

PLEASE AUTHORIZE CHANGE ORDER TOTAL W/ SIGNATURE AND FAX BACK.

NOTES: 1.) QUOTATION GOOD FOR 30 DAYS
2.) ALL ITEMS FOB DESTINATION.

469 W. 16th St. / P.O. Box 2173
Idaho Falls, Idaho 83403
(208) 522-1906

No. C-1950 ID
No. C-318 WY
No. 269655 UT
No. 0027882 NV
No. 583 MT

Change Order Proposal

| | | |
|---|-----------------------------------|--------------------------|
| PROPOSAL SUBMITTED TO Peg Development | PHONE (801) 655-1995 | DATE January 19, 2007 |
| STREET One East Center Street | JOB Yellowstone/Flandro Signal | |
| CITY, STATE, AND ZIP CODE Provo UT 84606 | JOB LOCATION Pocatello, Idaho | |

We hereby submit specifications and estimates

Change From Iteris Video Detection To Traficon Video Detection.

We propose

hereby to furnish material and labor, complete in accordance with above specifications, for the sum of

Three Thousand Seven Hundred Twenty Eight dollars (\$3,728.00)

Payment to be made as follows:

Authorized Signature: S. Cobbley
Note: This proposal may be withdrawn if not accepted within 15 days.

Acceptance of Proposal

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as stated above.

Date of acceptance 3/9/07 Signature Robert H. Schmitt

NOTICE

"Under the Mechanic's Lien Law, any contractor, subcontractor, laborer, supplier or other person who helps to improve your property but is not paid for his work or supplies, has a right to enforce a claim against your property. This means that, after a court hearing, your property could be sold by a court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if you have paid your own contractor in full, if the subcontractor, laborer or supplier remains unpaid."

"Under the law, you may protect yourself against such claims by filing, before commencing such work of improvement, an original contract for the work of improvement or a modification thereof, in the office of the county recorder of the county where the property is situated and requiring that a contractor's payment bond be recorded in such office. Said bond shall be in an amount not less than fifty percent (50%) of the contract price and shall, in addition to any conditions for the performance of the contract, be conditioned for the payment in full of the claims of all persons furnishing labor, services, equipment or materials for the work described in said contract."

FO No. WE. No. 04 Other: Trafficon Video Detection

1) Material Cost & Labor Breakdown:

| Material Description | Unit Of Measure | Quantity | Unit Cost | Material Cost | Manhour Unit | Man hours |
|---------------------------------|-----------------|----------|-----------|---------------|--------------|-----------|
| Change From Iteris To Trafficon | Lot | 1 | \$3045.00 | \$3045 | | 0 |
| Subtotal Material Cost = | | | | \$3045 | | |
| Material Tax @ 6 % = | | | | \$183 | | |
| Total Material Cost = | | | | \$3228 | | |
| Total Labor Manhours = | | | | | | 0 |

2) Equipment Breakdown:

| Equipment Description | Usage | Rate | Eqpt Cost |
|-------------------------------|-------|------|-----------|
| Total Equipment Cost = | | | |

3) Labor Cost Breakdown:

| Craft | Manhours | Rate | Labor Cost |
|---------------------|----------|---------|-----------------------------|
| Foreman | | \$46.00 | \$0 |
| Total Mhrs = | | | Total Labor Cost \$0 |

| | | | |
|---|--|--|---------------|
| 4) Total Material Cost: | | | \$3228 |
| 5) Total Equipment Cost: | | | |
| 6) Total Labor Cost : | | | \$0 |
| 7) Consumables, Small Tools @ 3 % of Labor: | | | \$0 |
| 8) Misc Costs | | | |
| 9) Direct Cost: | | | \$3228 |
| 10) Overhead @ 10 % | | | \$323 |
| 11) Subtotal: | | | \$3550 |
| 12) Profit @ 5 % | | | \$178 |
| 13) Sub Subtotal: | | | \$3728 |
| 14) Lower-Tier Subcontractor(s): | | | |
| 15) Subtotal Subcontractors | | | |
| 16) Commission on Subcontractor(s) @ 5 % | | | \$0 |
| 17) C.O. Subtotal: | | | \$3728 |
| 18) Bond @ % | | | \$0 |
| 19) Total Proposed Amount: | | | \$3728 |

20) Time Extension Proposed: _____ Calendar Days

Northwest Signal Supply Inc.



12965 SW Herman Road
Tualatin, Oregon 97062
Tel. # (503) 635-4351
Fax # (503) 635-4341

PROJECT: YELLOWSTONE & FLANDRO SIGNAL
CITY OF POCATELLO, ID (CHANGE ORDER)

DATE: SEPTEMBER 26, 2006
ATTN: STEVE @ WHEELER ELECTRIC
FROM: CHAD VANORDER
TERMS: 0 % NET 30 DAYS
DELIVERY: 60 DAYS (AFTER RECEIPT OF APPROVED SUBMITTALS)

| BID ITEM | QTY. | DESCRIPTION | TOTAL PRICE |
|----------|------|---|-------------|
| (1.) | 1 | REMOVE ITERIS VIDEO DETECTION 1-CAMERA VIDEO DETECTION SYSTEM COMPLETE W/ CAMERA, PROCESSOR, CABLE AND MOUNTING HARDWARE TOTAL..... | \$7,766.00 |
| | 1 | ADD TRAFICON VIDEO DETECTION 1-CAMERA VIDEO DETECTION SYSTEM COMPLETE W/ CAMERA, PROCESSOR, EXTENDER, COMMUNICATIONS CARD CABLE FOR (4) CAMERAS AND MOUNTING HARDWARE FOR (1) CAMERA NEW TOTAL..... | \$10,810.00 |

PLEASE AUTHORIZE CHANGE ORDER TOTAL W/ SIGNATURE AND FAX BACK.

S. Colby 12-27-06

NOTES: 1.) QUOTATION GOOD FOR 30 DAYS
2.) ALL ITEMS FOB DESTINATION.

PROGRESS RELEASE

(Mechanic's Lien, Stop Notice, Equitable Line, Labor and Material Bond Release)

FROM: Wheeler Electric, Inc.
PO Box 2173
Idaho Falls, ID 83403

TELEPHONE: 208/522-1906
FAX: 208/522-5927
PROJECT#:

TO: RAIL CROSSING, LLC
ONE EAST CENTER STREET, STE 300
PROVO, UT 84606

CONDITIONAL RELEASE

The undersigned does hereby acknowledge that upon receipt by the undersigned of a check from _____ in the sum of \$ _____ payable to Wheeler Electric, Inc. and when the check has been properly endorsed and has been paid by the bank upon which it was drawn, this document shall become effective to release protanto any mechanic's lien, stop notice or bond right the undersigned has on the above referenced job to the following extent. This release covers a progress payment for labor, services, equipment and materials furnished through _____ only and does not cover any retention or items furnished after said date. Before any recipient of this document relies on it, said party should verify evidence of payment to the undersigned.

UNCONDITIONAL RELEASE

The undersigned does hereby acknowledge that the undersigned has been paid and has received progress payments in the sum of \$ 66,965.50 for labor, services, equipment, and materials furnished to the above referenced job and does hereby release protanto any mechanic's lien, stop notice, and bond right that the undersigned has on the referenced job to the following extent. This release covers a progress payment for labor, services, equipment, and materials furnished to the above referenced job through Jan 31, 2007 only and does not cover any retention or items furnished after that date.

NOTICE: THIS DOCUMENT WAIVES RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID USE A CONDITIONAL RELEASE FORM.

Firm Name: _____
By: _____
Date: _____

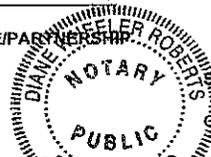
Firm Name: Wheeler Electric, Inc
By: [Signature]
Date: 3/18/07

NOTARY - CORPORATE/PARTNERSHIP

NOTARY - INDIVIDUAL

STATE OF IDAHO)
) ss.
COUNTY OF)

STATE OF IDAHO)
) ss.
COUNTY OF)



Diane Wheeler Roberts

On this 13 day of Mar, 2007, before me, Douglas P. Lehter, a Notary Public in and for said State, personally appeared Douglas P. Wheeler known or identified to me to be the person whose name is attached to the foregoing Release, and acknowledged to me

On this _____ day of _____, 20____ before me, _____, a Notary Public in and for said State, personally appeared _____, known or identified to me to be the person whose name is attached to the foregoing Release, and acknowledged to me

PROGRESS RELEASE

(Mechanic's Lien, Stop Notice, Equitable Line, Labor and Material Bond Release)

FROM: Wheeler Electric, Inc.

PO Box 2173

Idaho Falls, ID 83403

TELEPHONE: 208/522-1906

FAX: 208/522-5927

TO: RAIL CROSSING, LLC
ONE EAST CENTER STREET, STE 300
PROVO, UT 84606

PROJECT#:

CONDITIONAL RELEASE

The undersigned does hereby acknowledge that upon receipt by the undersigned of a check from Wheeler Electric, Inc. in the sum of \$ 6,195.90 payable to Wheeler Electric, Inc. and when the check has been properly endorsed and has been paid by the bank upon which it was drawn, this document shall become effective to release protanto any mechanic's lien, stop notice or bond right the undersigned has on the above referenced job to the following extent. This release covers a progress payment for labor, services, equipment and materials furnished through Feb 28th 2007 only and does not cover any retention or items furnished after said date. Before any recipient of this document relies on it, said party should verify evidence of payment to the undersigned.

UNCONDITIONAL RELEASE

The undersigned does hereby acknowledge that the undersigned has been paid and has received progress payments in the sum of \$ _____ for labor, services, equipment, and materials furnished to the above referenced job and does hereby release protanto any mechanic's lien, stop notice, and bond right that the undersigned has on the referenced job to the following extent. This release covers a progress payment for labor, services, equipment, and materials furnished to the above referenced job through _____ only and does not cover any retention or items furnished after that date.

NOTICE: THIS DOCUMENT WAIVES RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID USE A CONDITIONAL RELEASE FORM.

Firm Name: Wheeler Electric
By: Douglas P. Wheeler
Date: 3/13/07

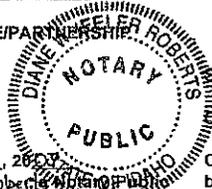
Firm Name: Wheeler Electric, Inc
By: _____
Date: 3/13/07

NOTARY - CORPORATE/PARTY

NOTARY - INDIVIDUAL

STATE OF IDAHO)
)
COUNTY OF)

STATE OF IDAHO)
)
COUNTY OF)



On this 13 day of Mar, 2007
before me, Diane Wheeler Roberts, a Notary Public
in and for said State, personally appeared
Douglas P. Wheeler, known or identified to me to
be the person whose name is attached to the
foregoing Release, and acknowledged to me

On this _____ day of _____, 20____
before me, _____, a Notary Public
in and for said State, personally appeared
_____, known or identified to me to
be the person whose name is attached to the
foregoing Release, and acknowledged to me



TetriDyn
Solutions, Inc.

March 13, 2007

Pocatello Development Authority
1651 Alvin Ricken Drive
Pocatello, ID 83201

Re: TetriDyn Solutions, Inc. Loan

Dear PDA:

In January 2005, TetriDyn Solutions, Inc. entered into a \$15,000 loan agreement with the Pocatello Development Authority with a one-year maturity date, which has since been extended to April 12, 2007.

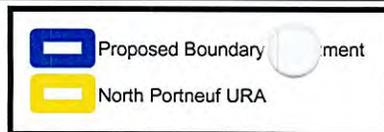
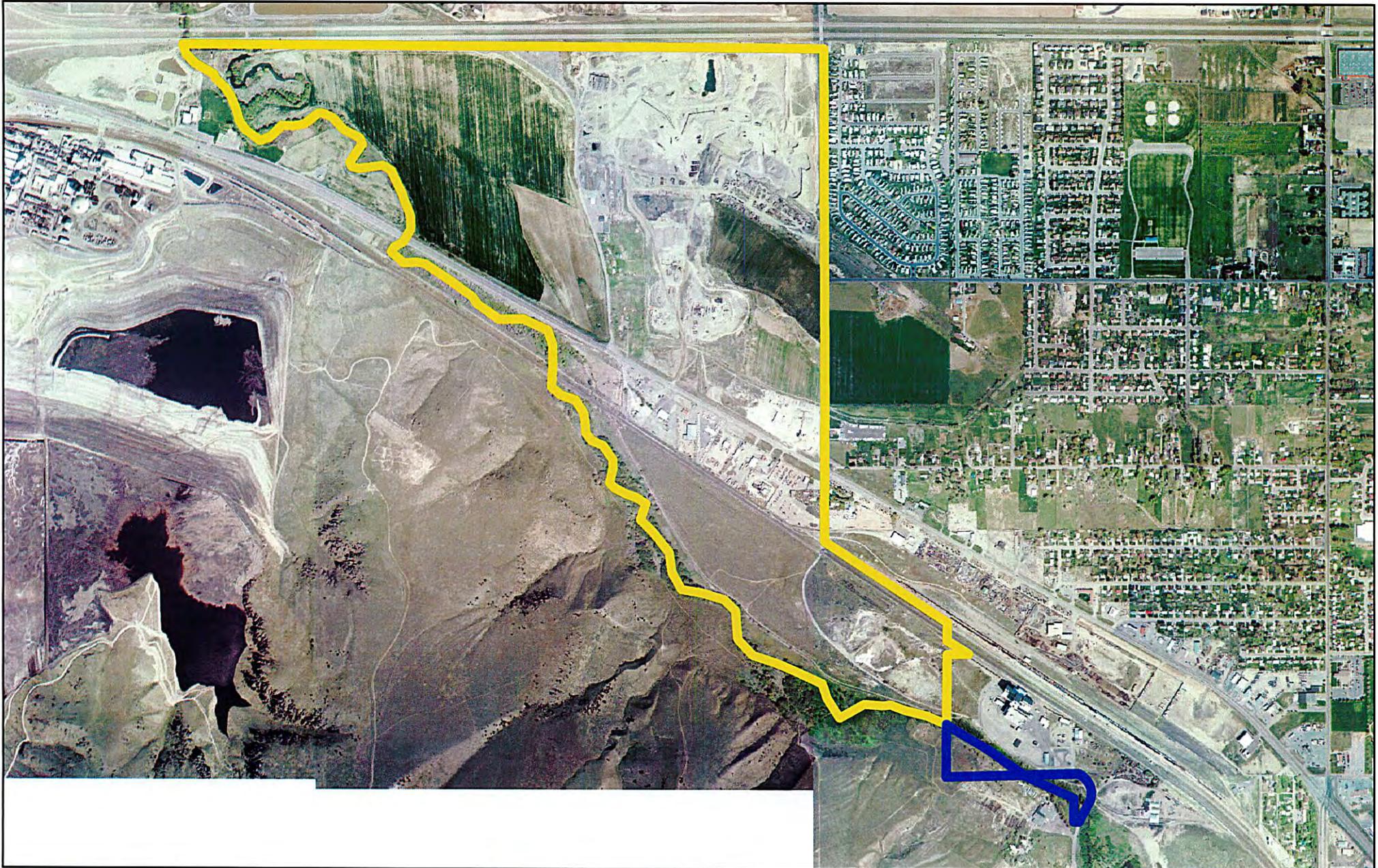
TetriDyn continues to grow stronger, with having become a public company that is currently trading under the symbol TDYS. However, as a young company, we greatly appreciate the support that the PDA has provided to us. We are excited about our future and would like to ask for your continued support by extending our loan schedule for an additional year, to be due by April 12, 2008. This would be helpful in allowing the company to focus on building its sales and marketing strategies, securing investments, and reaching its employment objectives.

Please feel free to contact me at (208) 232-4245 if you have any questions or concerns. Your continued support is most appreciated.

Sincerely,

Dave Hempstead
President & CEO
TetriDyn Solutions, Inc.

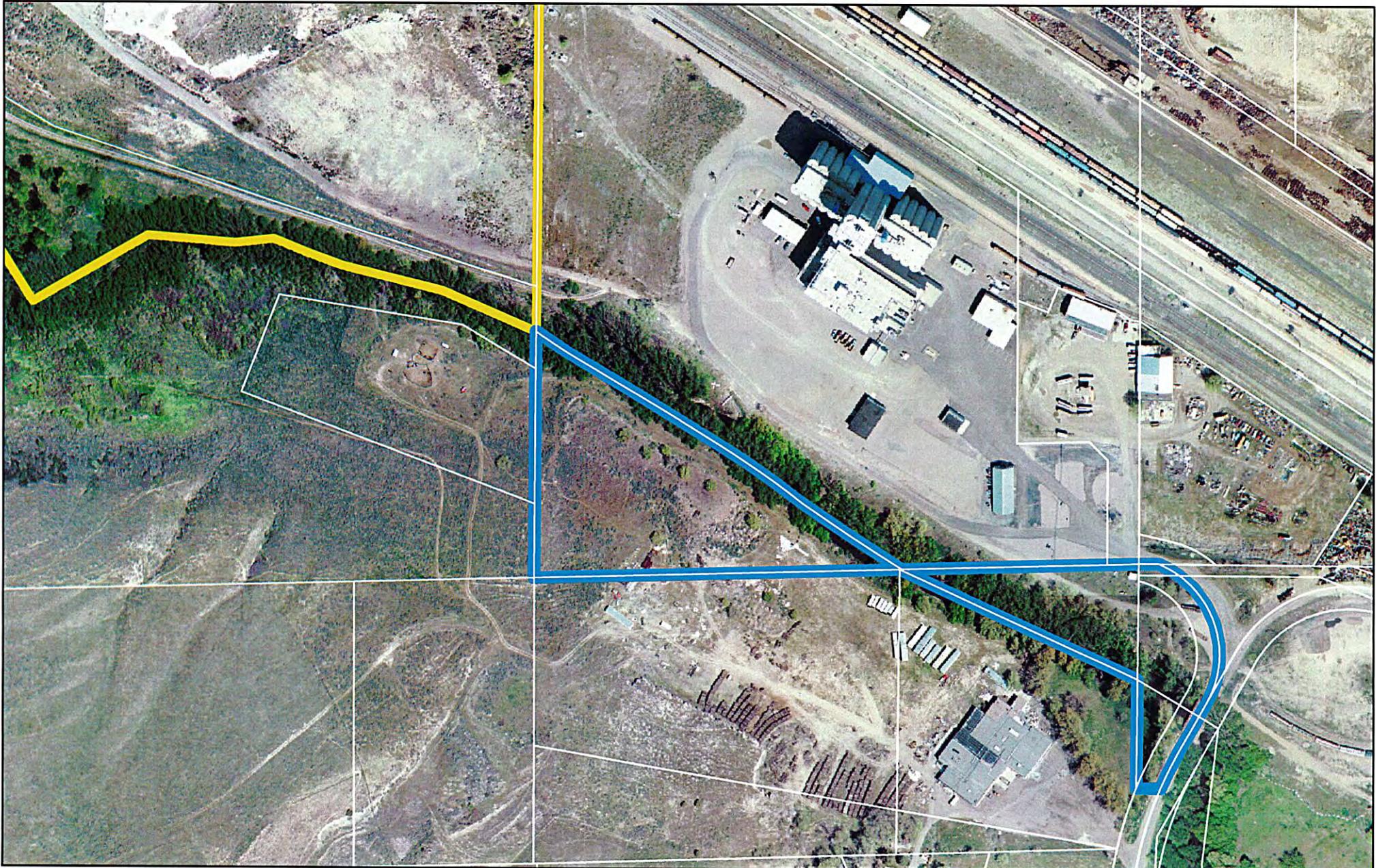
North Portneuf Urban Renewal Area Proposed Boundary Adjustment



The City of Pocatello does not guarantee any information contained in this map to be an accurate representation of actual conditions.

No reproduction of this material in any form is authorized without written consent of the City of Pocatello.

North Portneuf Urban Renewal Area Proposed Boundary Adjustment



 Proposed Boundary Adjustment
 North Portneuf URA

The City of Pocatello does not guarantee any information contained in this map to be an accurate representation of actual conditions.

No reproduction of this material in any form is authorized without written consent of the City of Pocatello.

**North Portneuf Urban
Renewal Area and Revenue
Allocation District**

Draft Plan

March 2007

CITY OF POCATELLO

**North Portneuf Urban Renewal Area Improvement Plan
Table of Contents**

ACKNOWLEDGEMENTS

Pocatello Development Authority

City Officials

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Purpose of the Plan

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III. PROJECT PLAN

Project Description

Project Costs and Revenues

IV. ECONOMIC FEASIBILITY STUDY

V. CONFORMANCE WITH STATE LAW

VI. PLAN DURATION

VII. AMENDMENT PROCEDURES

VIII. SEVERABILITY

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ATTACHMENTS

1. North Portneuf/Revenue Allocation Map
2. North Portneuf Urban Renewal Area & Revenue Allocation District Legal Description
3. Bannock County Transfer of Powers Ordinance
4. Recommendation of the PDA
5. Recommendation of the CDC
6. Resolution of the City Council designating the Urban Renewal Area

Acknowledgements

Pocatello City Council:

| | |
|-------------------|----------------|
| Roger Chase | Mayor |
| Roger Bray | Council Member |
| Ron Frasure | Council Member |
| Gary Moore | Council Member |
| Eva Nye | Council Member |
| Richard Stallings | Council Member |
| Brian Underwood | Council Member |

Pocatello Development Authority:

| | |
|----------------------|-----------------------------|
| Steve Brown | Chair Person/Commissioner |
| Terry Brower | Commissioner |
| Mayor Roger Chase | Commissioner |
| Darsi Foster-Johnson | Commissioner |
| Larry Ghan | Commissioner |
| Ken Monroe | Commissioner |
| John Ricks | Commissioner |
| Dan Schroeder | Commissioner |
| Richard Stallings | Commissioner |
| Dean Tranmer | Attorney to the Commission |
| Darcy Taylor | Secretary to the Commission |

City of Pocatello Staff:

| | |
|-----------------|---|
| Robert Chambers | Director |
| Tim Tingey | Division Manager, Neighborhood & Community Services |
| Dave Swindell | Chief Financial Officer |

Bannock Development Corporation:

| | |
|---------------|--------------------------|
| Gynii Gilliam | Executive Director |
| Sari David | Administrative Assistant |

I. INTRODUCTION

The Pocatello Development Authority (PDA) was created by the City of Pocatello on July 14, 1988, and was granted authority by the City of Pocatello to undertake urban renewal projects which may be facilitated through the use of tax increment financing. The PDA helps to ensure that appropriate development takes place in areas of greatest need.

Planning is essential to ensure that development efforts create both an environment of convenience and safety for neighborhood residents, and increased opportunities for businesses to succeed. This North Portneuf Urban Renewal Plan, once implemented, will be the vehicle to provide a more conducive atmosphere for business operation in the City, and enhance opportunities for businesses wishing to relocate to Pocatello.

This plan identifies projects and describes the process for enhancing this area in the City through efforts of the Pocatello Development Authority and the City of Pocatello.

Background

The Pocatello Development Authority (PDA), in the meeting of March 21, 2007 made the following recommendation (SEE ATTACHMENT 1):

- The PDA recommended the creation of a Revenue Allocation District for the area adjacent to the Portneuf River to Interstate 86 and running east to Philbin Road and then in a southerly direction to the Portneuf River. Underdevelopment of this area necessitates the creation of an improvement plan. This recommendation initiated the creation of the improvement plan contained herein.

The recommendation of the PDA, as outlined, is consistent with the goals of the City and is allowed by the State of Idaho Urban Renewal Law (Chapter 20, Title 50, Idaho Code). Accordingly, this North Portneuf Urban Renewal Area Improvement Plan directs use of revenue allocation financing to accomplish the following:

- To eliminate underutilized areas which are causing economic under-development in the designated area, substantially impairing the sound growth of Pocatello in general.
- To encourage both private and public development in the Urban Renewal Area in order to diversify and improve the local economy by providing adequate public facilities.
- To encourage cooperation among taxing districts in the Pocatello community regarding the use of funds.
- To accomplish plan goals in accordance with all appropriate federal, state, and local laws.

Purpose of the Plan

The purpose of this plan is to create a proactive approach to development/redevelopment projects by the PDA in Pocatello by focusing efforts in five areas:

1. Leveling or reducing the City's levy rate by increasing the tax base through more aggressive engagement in redeveloping underutilized areas;
2. Partnering with the private sector to enhance development and to attract new or to expand businesses to improve the Pocatello economy;
3. Targeting areas in need of building and site improvements;
4. Utilizing more effectively the powers granted to the PDA in the pursuit of redevelopment activities. Such powers include:
 - a. carrying out urban renewal projects;
 - b. making and executing contracts and other instruments;
 - c. disseminating slum clearance and urban renewal information;
 - d. repairing streets, roads, public utilities or other facilities;
 - e. installing streets, utilities, parks, playgrounds, off-street parking facilities, public facilities, or other facilities;
 - f. entering buildings or property to make inspections, surveys, appraisals, soundings or test borings;
 - g. acquiring by purchase, lease, option, gift, grant, bequest, devise, eminent domain or otherwise, any real property or personal property for its administrative purposes;
 - h. holding, improving, renovating, rehabilitating, clearing or preparing for redevelopment any such property or buildings;
 - i. mortgaging, pledging, hypothecating or otherwise encumbering or disposing of any real property;
 - j. insuring or providing for the insurance of any real or personal property or operations of the municipality;
 - k. demolishing and removing structures on property;
 - l. investing urban renewal funds;
 - m. borrowing money and applying for and accepting advances, loans, grants, contributions, and any other form of financial assistance;
 - n. creating, modifying and executing plans which may include programs of voluntary compulsory repair and rehabilitation of buildings and improvements;
 - o. conducting appraisals, title searches, surveys, studies, and other plans and work necessary to prepare for the undertaking of urban renewal projects;
 - p. developing, testing, and reporting methods and techniques, and carrying out demonstrations for the prevention and elimination of slums and urban blight;
 - q. developing new or improved means of providing housing;
 - r. accepting and utilizing grants of funds from the federal government;
 - s. assisting in the relocation of persons displaced from an urban renewal area;
 - t. exercising all or any part or combination of powers herein granted.

By adopting this Plan, it is the intention of the PDA to facilitate improvements in the designated North Portneuf Urban Renewal Area and enhance the economic viability of the area.

II. NORTH PORTNEUF URBAN RENEWAL AREA DESCRIPTION AND DETERIORATED OR DETERIORATING CONDITIONS ANALYSIS

The Urban Renewal Area boundary and Revenue Allocation District are identified with the same boundaries. The area is legally described in Attachment 2. State Urban Renewal Law and the Local Economic Development Act identify a number of conditions that qualify an area for urban renewal status. The following presents an analysis and reasoning why this North Portneuf area should be included as part of an Urban Renewal Area.

Idaho Code 50-2002 outlines requirements for a finding and declaration of necessity which states that areas that impose onerous municipal burdens which decrease the tax base, and reduce tax revenues, substantially impairs or arrests the sound growth of municipalities and among other things aggravates traffic problems in an area will qualify to be included in an Urban Renewal Area. Additionally, Idaho Code 50-2903 states areas in which there is a predominance of buildings or improvements...which by reason of dilapidation, deterioration, age or obsolescence...contributes to the economic underdevelopment of an area qualify for assistance.

The properties associated with these areas are in need of improvements to facilitate building and infrastructure enhancements and these needs have contributed to underutilization of the site for businesses and industry for several years. This area includes several site issues that impede redevelopment including:

- Under-development of land which has detracted from the economic viability of the area;
- Inadequate transportation access points and infrastructure limiting development of this site;
- Any combination of the above factors which has reduced the feasibility of full development of this area.

Without addressing these conditions, the feasibility of additional development in this area in the near future would be limited. Additionally, the range of issues and the costs associated with redevelopment contributes to the ongoing underutilization of this area and prompts the additional need to establish the North Portneuf Urban Renewal Area.

III. PROJECT PLAN

The project list outlined in this plan may be funded (all or in part), if the PDA and Council decide to utilize tax increment financing funds as they become available from new construction. A description of the projects with estimated costs are as follows:

TABLE 1. Project Costs

| PROJECT EXPENSE ITEM | COST | Total |
|--|-------------|---------------------|
| Main Water Re-use Line (4,500/ft x \$100/Ft) | \$450,000 | |
| Main and Lateral Water Line (\$3,500/ft x \$50/ft) | \$175,000 | |
| Main and Lateral Sewer Line (1,000/ ft x \$50/ft) | \$50,000 | |
| Rail Spur, Dbl. Track (4,000/ft x \$220/ft) | \$880,000 | |
| Rail Switch | \$800,000 | |
| Roadway Construction (5,000/ft x \$150/ft) | \$750,000 | |
| Property Access (Acquisition and Construction) | \$3,215,000 | |
| Environmental Remediation and Site Preparation | \$250,000 | |
| Miscellaneous Site Improvements (Storm water, Parking, Greenway and other potential site issues) | \$500,000 | |
| Power | \$5,000,000 | |
| Natural Gas | \$1,000,000 | |
| Cable/Fiber Optics | \$1,000,000 | |
| Subtotal | | \$14,070,000 |
| Water/Sewer Connect Fees | \$250,000 | |
| Contingency @ 20% | \$2,814,000 | |
| Engineering/Administration @ 20% | \$2,814,000 | |
| Total | | \$19,948,000 |
| Taxing Entity Operational Costs | | \$13,419,600 |
| City Capital Cost Reimbursement | | \$1,056,295 |
| PDA Administration | | \$1,166,922 |
| Company Employment Reimbursement | | \$14,586,522 |
| FINAL PROJECT COST TOTAL | | \$50,177,339 |

Project Description

- **Infrastructure, Access, and Site Work**—any necessary and eligible costs related to infrastructure enhancement, construction of facilities, upgrades of utilities, site preparation work, and other associated work to facilitate development;
- **Contingency costs**--additional cost calculated for work related to other administrative or construction related costs associated with the project;
- **Taxing Entity Operational Costs**— taxing entities will receive a reimbursement percentage to occur in the tenth year of the district to cover administrative and operational costs thereby lessening the burden of service delivery for the entities associated with this urban renewal area. Funding may also be used for property acquisition for economic development purposes;

- **City Capital Cost Reimbursement**—City of Pocatello costs incurred for acquisition of property for location of HOKU Scientific.
- **PDA Administration**—An administrative cost will be allocated to the PDA for ongoing operational needs;
- **Company Employment Reimbursement**—In year 2016, provided that tax increment financing revenue is collected as projected, HOKU Scientific will be reimbursed funding percentages if they obtain and maintain at minimum 200 new jobs in the community. If they do not have 200 or maintain that number of jobs, then the amount of the reimbursement will be proportionately reduced downward on a prorated sliding scale. There is no increase in reimbursement for jobs in excess of 200.

The following table outlines the total project costs and the projected revenue for the proposed revenue allocation district.

TABLE 2. Project Costs and Revenues

| ITEM | AMOUNT | TOTAL |
|----------------------------------|--------------|--------------|
| REVENUES | | |
| Revenue Allocation Proceeds | \$50,298,935 | |
| Sub-Total | | \$50,298,935 |
| COSTS | | |
| Infrastructure Costs | \$19,948,000 | |
| Taxing Entity Operational Costs | \$13,419,600 | |
| City Capital Cost Reimbursement | \$1,056,295 | |
| PDA Administration | \$1,166,922 | |
| Company Employment Reimbursement | \$14,586,522 | |
| Subtotal | | \$50,177,339 |
| Ending District Balance | | \$121,596 |

IV. ECONOMIC FEASIBILITY STUDY

The following tables provide a projection of base-assessed valuations for the proposed revenue allocation district for the North Portneuf Urban Renewal Area. An analysis of the tax levy rates applied in calculating tax collection for taxing entities and the North Portneuf Revenue Allocation District is described below. The 2006 tax levies for each of the five taxing jurisdictions are as follows:

| <u>Taxing Jurisdictions</u> | <u>Tax levy¹</u> |
|-----------------------------|-----------------------------|
| City of Pocatello | .010385066 |
| Bannock County | .005278294 |
| School District # 25 | .004556190 |
| County Road & Bridge | .000591630 |
| Ambulance | .000278340 |
| Total | .021089520 |

¹ Obtained from Bannock County Auditor's Office

TABLE 3

| Taxing Entity | ² Tax Levy | North Portneuf Area Valuation | Revenue |
|----------------------|-----------------------|-------------------------------|--------------------|
| City of Pocatello | 0.010385066 | \$4,009,918 | \$41,643.26 |
| Bannock County | 0.005278294 | \$4,009,918 | \$21,165.53 |
| School District #25 | 0.004556190 | \$4,009,918 | \$18,269.95 |
| County Road & Bridge | 0.000591630 | \$4,009,918 | \$2,372.39 |
| Ambulance | 0.000278340 | \$4,009,918 | \$1,116.12 |
| Total | 0.021089520 | | \$84,567.25 |

As the above table shows, \$84,567.25 of tax revenue is presently produced in the revenue allocation district for the North Portneuf Urban Renewal Plan. The remainder of the property is currently tax exempt. Taxable value will be added by real improvements to the land scheduled to begin summer of 2007.

Table 4 outlines the net increase in tax revenue potential from the estimated post construction value on the property over a nineteen year period.

TABLE 4

| Value of Taxable Property in Revenue Allocation Area | | | |
|--|--------------------------|--|---------------|
| Property | 2007 Base Value | Estimated Post Construction and Base Value | Net Increase |
| Proposed North Portneuf Improvement Site | \$4,009,918 ³ | \$200,009,918 | \$196,000,000 |

Table 5 provides an analysis of the estimated revenue to the PDA from new construction value within the North Portneuf Revenue Allocation District. Levy rates based on current rate determinations are applied to determine net revenue to be collected and distributed to the PDA.

² 2006 tax levy rate obtained from Bannock County Auditor's office

³ Includes a 3% estimated amount for utilities which are included as base value.

TABLE 5

| Year 12 months ending | TIF Tax Value ⁴ | ⁵ Tax Levy Rate | Revenue to PDA |
|-----------------------|----------------------------|----------------------------|----------------|
| 2007 | ----- | 0.021089520 | ----- |
| 2008 | ----- | 0.021089520 | ----- |
| 2009 | \$196,000,000 | 0.021089520 | \$4,133,546 |
| 2010 | \$190,120,000 | 0.018980568 | \$3,608,586 |
| 2011 | \$184,416,400 | 0.018980568 | \$3,500,328 |
| 2012 | \$178,883,908 | 0.018980568 | \$3,395,318 |
| 2013 | \$173,517,391 | 0.018980568 | \$3,293,459 |
| 2014 | \$168,311,869 | 0.018980568 | \$3,194,655 |
| 2015 | \$163,262,513 | 0.018980568 | \$3,098,815 |
| 2016 | \$158,364,638 | 0.018980568 | \$3,005,851 |
| 2017 | \$153,613,698 | 0.018980568 | \$2,915,675 |
| 2018 | \$149,005,287 | 0.018980568 | \$2,828,205 |
| 2019 | \$144,535,129 | 0.018980568 | \$2,743,359 |
| 2020 | \$140,199,075 | 0.018411151 | \$2,581,226 |
| 2021 | \$135,993,103 | 0.018411151 | \$2,503,790 |
| 2022 | \$131,913,310 | 0.018411151 | \$2,428,676 |
| 2023 | \$127,955,910 | 0.018411151 | \$2,355,816 |
| 2024 | \$127,955,910 | 0.018411151 | \$2,355,816 |
| 2025 | \$127,955,910 | 0.018411151 | \$2,355,816 |
| Total | \$2,652,004,052 | | \$50,298,935 |

The total revenue amount that may be received by the PDA over nineteen years is estimated at approximately \$50,298,935. This amount will be used to finance all projected costs within the North Portneuf Urban Renewal Area.

Table 6 outlines reimbursement and payment amounts, with percentage allocations for all costs to be distributed to both the public and private entities. There are no guarantees of the revenue amounts listed in this plan. Revenue distributions listed in the plan will be based on actual proceeds received. If for whatever reason, net revenue to PDA is less than that projected in the plan, then the listed percentages will govern how the proceeds are to be allocated. There is no adjustment in distribution for Net Revenue to PDA in excess of that listed in the plan.

The company is fronting the costs of all infrastructure, access and site work and will therefore be reimbursed for the **actual** costs of these items currently estimated to be \$20,069,597. The

⁴ Proposed new construction is anticipated to be completed at the end of 2008. Full tax value will be collected for 2009.

⁵ Calculations include holding the levy rate constant through 2009. In 2010, it is reduced by 10% due to the anticipated Central Corridor Urban Renewal Area expiration which will generate a broader tax base resulting in a reduction in the levy rate. It is also reduced an additional 3% in 2020 to account for the future expiration of the North Yellowstone Urban renewal Area.

Hoku Scientific Tax Increment Financing Proposal Summary

| 12 Mos Ending | Taxing Entity Operational Costs | Land Acquisition 25% | Subtotal | City of Pocatello 49.2% | Bannock County 25.0% | School District #25 21.6% | County Road & Bridge 2.8% | Ambulance 1.3% |
|------------------|------------------------------------|-------------------------|---------------------|----------------------------|-------------------------|---------------------------------|---------------------------------|-------------------|
| 2016 | \$1,425,455 | \$356,364 | \$1,069,091 | \$526,450 | \$267,573 | \$230,967 | \$29,992 | \$14,110 |
| 2017 | \$1,382,691 | \$345,673 | \$1,037,019 | \$510,657 | \$259,545 | \$224,038 | \$29,092 | \$13,687 |
| 2018 | \$1,341,211 | \$335,303 | \$1,005,908 | \$495,337 | \$251,759 | \$217,317 | \$28,219 | \$13,276 |
| 2019 | \$1,300,974 | \$325,244 | \$975,731 | \$480,477 | \$244,206 | \$210,797 | \$27,372 | \$12,878 |
| 2020 | \$1,261,945 | \$315,486 | \$946,459 | \$466,063 | \$236,880 | \$204,473 | \$26,551 | \$12,491 |
| 2021 | \$1,187,364 | \$296,841 | \$890,523 | \$438,518 | \$222,880 | \$192,389 | \$24,982 | \$11,753 |
| 2022 | \$1,151,743 | \$287,936 | \$863,807 | \$425,363 | \$216,194 | \$186,617 | \$24,233 | \$11,401 |
| 2023 | \$1,117,191 | \$279,298 | \$837,893 | \$412,602 | \$209,708 | \$181,019 | \$23,506 | \$11,059 |
| 2024 | \$1,083,675 | \$270,919 | \$812,756 | \$400,224 | \$203,417 | \$175,588 | \$22,800 | \$10,727 |
| 2025 | \$1,083,675 | \$270,919 | \$812,756 | \$400,224 | \$203,417 | \$175,588 | \$22,800 | \$10,727 |
| 2026 | \$1,083,675 | \$270,919 | \$812,756 | \$400,224 | \$203,417 | \$175,588 | \$22,800 | \$10,727 |
| Total | \$13,419,600 | \$3,354,900 | \$10,064,700 | \$4,956,138 | \$2,518,997 | \$2,174,383 | \$282,348 | \$132,834 |

*The discrepancy in dollar amount is due to the rounding of decimal point to the tenth of a percent.

company will also receive an employment reimbursement for jobs created. The full amount listed in the table under Company Employment Reimbursement will be distributed to the company if employment is achieved and maintained at 200 FTE's. The distribution amount will be adjusted downward if the job creation is less than the 200 FTE's. This adjustment will be proportionally reduced on a prorated sliding scale. There is no increase in distribution for jobs in excess of 200 FTE's.

Public entities will receive reimbursement of costs associated with land acquisition and operational/administration. This will help to pay the costs associated with service delivery by these entities in this area.

TABLE 6

| Tax Collection Year | Net Revenue to PDA | Company Infrastructure Reimbursement 95% | Company Employment Reimbursement 50% | City Capital Cost Reimbursement 5% | Taxing Entity Operational Costs 46% | PDA Admin 4% |
|---------------------|---------------------|--|--------------------------------------|------------------------------------|-------------------------------------|--------------------|
| 2007 | ----- | ----- | ----- | ----- | ----- | ----- |
| 2008 | ----- | ----- | ----- | ----- | ----- | ----- |
| 2009 | ----- | ----- | ----- | ----- | ----- | ----- |
| 2010 | \$4,133,546 | \$3,926,869 | | \$206,677 | | |
| 2011 | \$3,608,586 | \$3,428,156 | | \$180,429 | | |
| 2012 | \$3,500,328 | \$3,325,312 | | \$175,016 | | |
| 2013 | \$3,395,318 | \$3,225,552 | | \$169,766 | | |
| 2014 | \$3,293,459 | \$3,128,786 | | \$164,673 | | |
| 2015 | \$3,194,655 | \$3,034,922 | | \$159,733 | | |
| 2016 | \$3,098,815 | | \$1,549,408 | | \$1,425,455 | \$123,953 |
| 2017 | \$3,005,851 | | \$1,502,925 | | \$1,382,691 | \$120,234 |
| 2018 | \$2,915,675 | | \$1,457,838 | | \$1,341,211 | \$116,627 |
| 2019 | \$2,828,205 | | \$1,414,102 | | \$1,300,974 | \$113,128 |
| 2020 | \$2,743,359 | | \$1,371,679 | | \$1,261,945 | \$109,734 |
| 2021 | \$2,581,226 | | \$1,290,613 | | \$1,187,364 | \$103,249 |
| 2022 | \$2,503,790 | | \$1,251,895 | | \$1,151,743 | \$100,152 |
| 2023 | \$2,428,676 | | \$1,214,338 | | \$1,117,191 | \$97,147 |
| 2024 | \$2,355,816 | | \$1,177,908 | | \$1,083,675 | \$94,233 |
| 2025 | \$2,355,816 | | \$1,177,908 | | \$1,083,675 | \$94,233 |
| 2026 | \$2,355,816 | | \$1,177,908 | | \$1,083,675 | \$94,233 |
| Total | \$50,298,935 | \$20,069,597 | \$14,586,522 | \$1,056,295 | \$13,419,600 | \$1,166,922 |

As outlined in Table 6, when revenue is received by the PDA (projected to begin in 2010), the costs for public infrastructure will be reimbursed over six years provided that revenue is collected at the projected rate. City capital costs for acquisition will also be funded within the same timeframe. After those items are compensated, a reimbursement for job creation, taxing entity operational costs and PDA administration and acquisition funding will also be funded.

V. CONFORMANCE WITH STATE LAW

Redevelopment activities for the North Portneuf Urban Renewal Area are governed by two applicable sections of Idaho Code: the Idaho Urban Renewal Law (Chapter 20, Title 50, Idaho Code) and the Idaho Local Economic Development Act (Chapter 29, Title 50, Idaho Code).

The Idaho Legislature passed the Urban Renewal Law in 1965. Under this law, a Mayor and Council can declare areas as deteriorating, and declare that the rehabilitation, conservation, and redevelopment of such areas is in the interest of the public's health, safety, morals or welfare (Idaho Code 50-2008). The Urban Renewal Law also states that an area of a city that "constitutes an economic and social liability imposing onerous municipal burdens which decrease the tax base and reduce tax revenues, substantially impairs or arrests the sound growth of municipalities, retards the provision of housing accommodations, aggravates traffic problems and substantially impairs or arrests the elimination of traffic hazards and the improvement of traffic facilities..." may be designated an urban renewal area.

The Idaho Legislature passed the Local Economic Development Act in 1988. This act states: "An authorized municipality is hereby authorized and empowered to adopt, at any time, a revenue allocation financing provision, as described in this chapter, as part of an urban renewal plan...A revenue allocation financing provision may be adopted either at the time of the original adoption of an urban renewal plan or the creation by ordinance of a competitively disadvantaged border community area, or thereafter, as a modification of an urban renewal plan or the ordinance creating the competitively disadvantaged border community area." (Idaho Code 50-2904)

In addition to this, Idaho Code 50-2906 states: "The local governing body of an authorized municipality must enact an ordinance in accordance with Chapter 9, Title 50, Idaho Code, and Section 50-2008, Idaho Code. To modify an existing urban renewal plan, to add or change a revenue allocation, an authorized municipality must enact an ordinance...and conduct a public hearing." (Idaho Code 50-2906) This part of the Idaho Code specifically implies that a local municipality must enact an ordinance before redevelopment can take place.

The North Portneuf Urban Renewal Plan proposed within this document follows the guidelines prescribed within Idaho Code for the development of Urban Renewal Areas and Revenue Allocation Districts.

VI. PLAN DURATION

The plan shall be in effect and enforceable for a period of time necessary to finance all designated improvements and all debt obligations the PDA may incur in connection with such improvements. This term may be amended as allowed by law.

VII. AMENDMENT PROCEDURES

The plan may be amended by the PDA after all notice and public hearing requirements as set forth in Idaho Code have been met, and upon formal approval by the Pocatello City Council.

VIII. SEVERABILITY

If any part of the plan is declared contrary to Idaho Code, and any provision or application of such provision to any person or circumstance is declared invalid for any reason, such declaration shall not affect the validity of any remaining provisions of the Plan.

IX. CONCLUSION

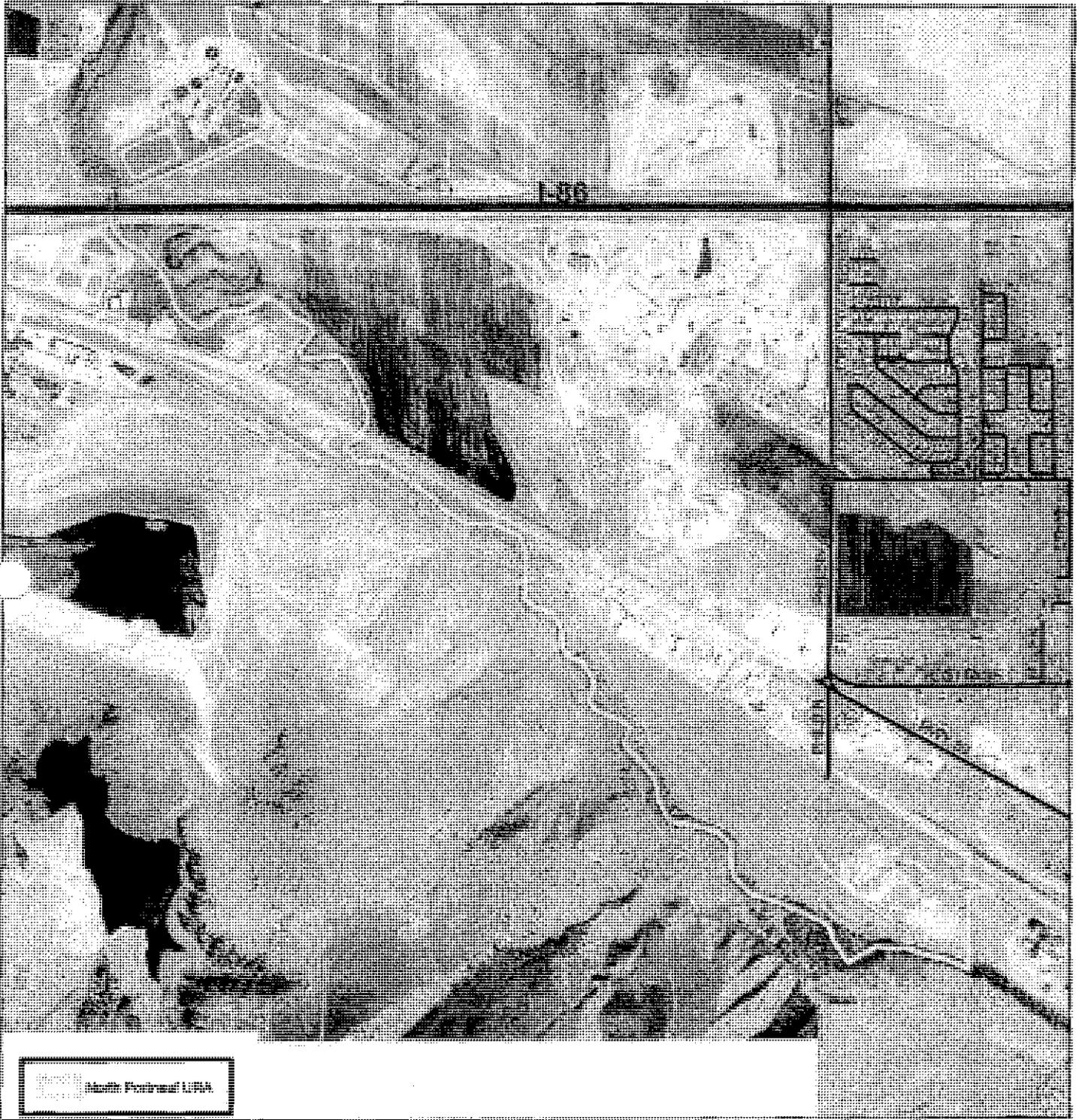
The North Portneuf Urban Renewal Plan is designed to ameliorate deteriorating conditions which are causing economic under-development of the area and substantially impairing the sound and continued growth of Pocatello. The plans call for extensive building and site construction work.

Implementation of the plan will provide the capacity necessary to foster sound growth of the municipality, increase the tax base and tax revenues, encourage economic stability of the community, increase job creation, and improve the health, safety, and welfare of the community.

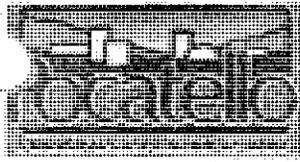
The Pocatello Development Authority recommends that the City approve and cooperate in carrying out the purposes of this Plan.

ATTACHMENT 1
North Portneuf Revenue Allocation
Map

Proposed North Portneuf Urban Renewal Area & Revenue Allocation District



North Portneuf URA



1 inch equals 1,250 feet

The City of Pocatello does not guarantee any information contained in this map to be an accurate representation of actual conditions. No reproduction of this material in any form is authorized without written consent of the City of Pocatello.

ATTACHMENT 2

**North Portneuf Urban Renewal
Area & Revenue Allocation District
Legal Description**

(included at a later time)

ATTACHMENT 3

**Bannock County Transfer of
Powers Ordinance**

In the Matter of TRANSFER OF POWER BETWEEN)
CITY OF POCATELLO AND BANNOCK COUNTY.)

R.S. No. 2007-34
March 12, 2007

RESOLUTION

WHEREAS, the city of Pocatello has created a urban renewal area; and

WHEREAS, the city of Pocatello has requested a Transfer of Power between themselves and Bannock County for the purpose of a urban renewal area for the purpose of financing public improvements to facilitate economic development including construction of manufacturing facilities;

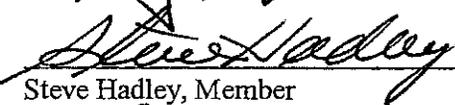
NOW, THEREFORE, BE IT RESOLVED that a motion was made by Commissioner Lin Whitworth, seconded by Commissioner Steve Hadley to enter into said agreement as set forth in Ordinance No. 2007-1.

The motion passed and the voting was unanimous as taken by roll call vote.

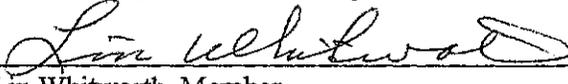
BOARD OF BANNOCK COUNTY COMMISSIONERS



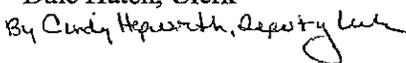
Larry W. Ghan, Chairman



Steve Hadley, Member



Lin Whitworth, Member

ATTEST: **DALE HATCH**
Dale Hatch, Clerk
By  Cindy Hepworth, Deputy Clerk

BANNOCK COUNTY, IDAHO
ORDINANCE NO. 2007-1
TRANSFER OF POWER ORDINANCE

BE IT ORDAINED by the Bannock County Commissioners, State of Idaho, that an agreement with the City of Pocatello and the County of Bannock has been negotiated concerning the said property described below pursuant to Idaho Code Section 50-2906 (3) (b) concerning transfer of powers over said property for the purpose of a urban renewal area for the purpose of financing public improvements to facilitate economic development including construction of manufacturing facilities.

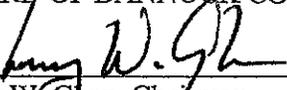
A parcel of land located in the NE1/4 of the SE1/4 of Section 7, the S1/2 of Section 8, the W1/2 of the NW1/4 of Section 16, and Section 17, Township 6 South, Range 34 East, Boise Meridian, more particularly described as follows:

Beginning at the intersection of the southerly right of way line of Interstate 86 with the west line of Section 9, T6S, R34E, BM, on the present city limits line described in City of Pocatello Ordinance #1778, said point being on the centerline of Philbin Road in Bannock County, Idaho, the TRUE POINT OF BEGINNING; thence in a southerly direction following the present city limits line the next 6 courses; (1) thence in a southerly direction along the west line of Section 9, T6S, R34E, BM, approximately 2300-feet to the SW corner of Section 9, T6S, R34E, BM, also common with the NW corner of Section 16, T6S, R34E, BM; (2) thence continuing in a southerly direction along the west line of Section 16, T6S, R34E, BM approximately 1320-feet to the north 1/16 corner on the west line of Section 16, T6S, R34E, BM; (3) thence in an easterly direction along the north 1/16 line of said Section 16 a distance of 25-feet to a point on the easterly right of way line of Philbin Road; (4) thence in a southerly direction along the easterly right of way line of Philbin Road approximately 600-feet to a point of intersection with the northerly right of way line of US Highway 30 West; (5) thence in a northwesterly direction along the northerly right of way line of Highway 30 West approximately 30-feet to a point of intersection with the west line of Section 16, T6S, R34E, BM, said point also being on the centerline of Philbin Road; (6) thence in a southerly direction along the west line of said Section 16 approximately 2800-feet to a point of intersection with the centerline of the Portneuf River; thence in a northwesterly direction, leaving said city limits line, going downstream along the centerline of the Portneuf River approximately 10,000-feet to a point of intersection with the southerly right of way line of Interstate 86; thence in an easterly direction along said southerly right of way line of Interstate 86 approximately 6700-feet to the TRUE POINT OF BEGINNING.

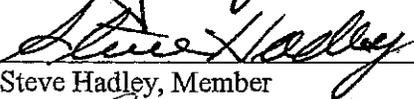
This Ordinance shall be in full force and effect upon its passage, approval and publication.

Adopted this 12th day of March, 2007.

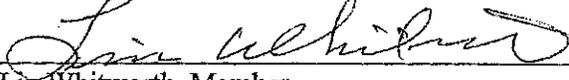
BOARD OF BANNOCK COUNTY COMMISSIONERS



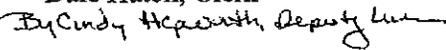
Larry W. Ghan, Chairman



Steve Hadley, Member



Lin Whitworth, Member

ATTEST: **DALE HATCH**
Dale Hatch, Clerk
By  Deputy Clerk

BANNOCK COUNTY, IDAHO
ORDINANCE NO. 2007-1
TRANSFER OF POWER ORDINANCE

BE IT ORDAINED by the Bannock County Commissioners, State of Idaho that an agreement with the City of Pocatello and the County of Bannock has been negotiated concerning the said property described in said ordinance pursuant to Idaho Code Section 50-2906 (3) (b) concerning transfer of powers over said property for the purpose of a

The full text of the Ordinance is available and may be obtained from Dale Hatch, Bannock County Clerk, Bannock County Courthouse, Pocatello, Idaho during regular office hours.

DATED this 12th day of March, 2007.

DALE HATCH

Dale Hatch, Clerk

By Cindy Hepworth, Deputy Clerk

PUBLISHING DATE: 3-20-07

ATTACHMENT 4

Recommendation of the PDA

(included at a later time)

ATTACHMENT 5

Recommendation of the CDC

(included at a later time)

ATTACHMENT 6

**Resolution of the City Council
designating the Urban Renewal
Area**

(included at a later time)