

**POCATELLO DEVELOPMENT AUTHORITY**  
**Board of Commissioners Meeting**  
**February 20, 2008**  
**11:00 a.m.**

**City Hall**  
**911 North 7<sup>th</sup> 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 December 19, 2007 – Motion to Approve and/or Amend

Financial Report: January & February Income and Expenses

Approve 4<sup>th</sup> Qtr Admin Fee

Central Corridor

    Consider Approval of Requisition E-89  
    Triangle Update

Miscellaneous Items/Questions from Commissioners

    Consider Approval of Payment for Arbitrage Compliance  
    Consider Approval of Petersen Contract  
    Consider Pre-Approval of “Other” Project Contract  
    Potential new URD/TIF Districts

**Executive Session if Required**

**POCATELLO DEVELOPMENT AUTHORITY**  
**December 2008**

**INCOME:**

Interest Income: \$1,229.66

**EXPENSES:**

North Yellowstone: \$145,895.31 Final Payment to special project

Fiscal Year 2008 (Oct. 2007-Sept. 2008)

	Beginning Balance	Current Month	YTD Actual	Budget	Variance
<b>SOURCES OF FUNDS</b>					
Newtown District	\$0.00	\$0.00	\$0.00	\$56,230.27	\$56,230.27
Al Ricken Drive District	\$4,724.92	\$0.00	\$0.00	\$833,352.13	\$833,352.13
Old Town District	\$2,856.62	\$0.00	\$17,632.01	\$310,392.11	\$292,760.10
North Main District	\$0.00	\$0.00	\$0.00	\$154,184.06	\$154,184.06
Central Corridor District	\$3,229.44	\$0.00	\$4,834.88	\$490,826.63	\$485,991.75
North Yellowstone District	\$646,241.21	\$0.00	\$0.00	\$368,864.08	\$368,864.08
General Funds	\$6,080.30	\$1,287.59	\$4,651.85	\$6,000.00	\$1,348.15
Board Disc.*	\$366,215.83	\$0.00	\$0.00	\$15,000.00	\$15,000.00
<b>TOTAL</b>	<b>\$1,029,348.32</b>	<b>\$1,287.59</b>	<b>\$27,118.74</b>	<b>\$2,234,849.28</b>	<b>\$2,207,730.54</b>
<b>CASH AVAILABLE</b>			<b>\$1,056,467.06</b>	<b>\$3,264,197.60</b>	
<b>APPLICATION OF FUNDS</b>					
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	\$310,392.11	\$310,392.11
North Main District		\$0.00	\$0.00	\$154,184.06	\$154,184.06
Central Corridor		\$0.00	\$0.00	\$490,826.63	\$490,826.63
North Yellowstone District		\$0.00	\$645,895.31	\$368,864.08	-\$277,031.23
Board Disc.		\$0.00	\$18,950.00	\$367,073.52	\$348,123.52
General Funds		\$0.00	\$3,562.40	\$17,800.00	\$14,237.60
<b>TOTAL</b>		<b>\$0.00</b>	<b>\$668,407.71</b>	<b>\$2,598,722.80</b>	<b>\$1,930,315.09</b>
<b>ENDING BALANCE</b>			<b>\$388,059.35</b>	<b>\$665,474.80</b>	

**POCATELLO DEVELOPMENT AUTHORITY**  
**January 2008**

**INCOME:**

Interest Income: \$1,287.59

**EXPENSES:**

**POCATELLO DEVELOPMENT AUTHORITY  
BOARD DISCRETIONARY CASH FLOW PROJECTIONS  
2006 THROUGH 2012**

<b>_ARS ENDED</b>	<b>Budget 2007</b>	<b>YTD 2007 As of 9/30/07</b>	<b>Remaining 2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Previous Year Balance:</b>		<b>\$413,574.83</b>	<b>\$366,215.93</b>	<b>\$74,142.41</b>	<b>\$89,142.41</b>	<b>\$89,142.41</b>	<b>\$89,142.41</b>	<b>\$89,142.41</b>
<b>INCOME:</b>								
TetriDyn Solutions Repayment: <sup>10</sup>				15,000.00				
Garfield Property	18,950.00	18,950.00	0.00					
Kress Admin	5,567.58	5,567.58	0.00					
Central Corridor Admin: <sup>7</sup>			0.00					2,134,261.37
Total Projected Income:	24,517.58	24,517.58	0.00	15,000.00	0.00	0.00	0.00	2,134,261.37
<b>TOTAL AVAILABLE INCOME:</b>	<b>24,517.58</b>	<b>\$438,092.41</b>	<b>\$366,215.93</b>	<b>\$89,142.41</b>	<b>\$89,142.41</b>	<b>\$89,142.41</b>	<b>\$89,142.41</b>	<b>\$2,223,403.78</b>
<b>EXPENSE:</b>								
IsoRay: Committed \$75,000 <sup>1</sup>			0.00					
Triangle Project: Committed \$300,000 <sup>2</sup>	300,000.00	31,876.48	268,123.52					
Portneuf Valley Investment Partners: Committed \$40,000 <sup>8</sup>	40,000.00	40,000.00	0.00					
Garfield Property	18,950.00		18,950.00					
Legislative Action	5,000.00		5,000.00	0.00				
Total Projected Expense:	363,950.00	71,876.48	292,073.52	0.00	0.00	0.00	0.00	0.00
<b>CALCULATED ANNUAL BALANCE</b>		<b>\$366,215.93</b>	<b>\$74,142.41</b>	<b>\$89,142.41</b>	<b>\$89,142.41</b>	<b>\$89,142.41</b>	<b>\$89,142.41</b>	<b>\$2,223,403.78</b>

amount will be adjusted by AMI reduction  
Updated 7/31/07

**POCATELLO DEVELOPMENT AUTHORITY  
CENTRAL CORRIDOR CASH FLOW PROJECTIONS  
2007 THROUGH 2012**

<b>YEARS ENDED</b>	<b>Budget 2007</b>	<b>YTD 2007 As of 11/30/07</b>	<b>Remaining 2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Previous Year Balance*:</b>		<b>\$1,494,932.60</b>	<b>\$2,435,426.82</b>	<b>\$96,691.43</b>	<b>-\$382,190.47</b>	<b>\$226,934.20</b>	<b>\$650,261.36</b>	<b>\$334,261.36</b>
<b>INCOME:</b>								
Estimated Tax Revenues: <sup>8,9</sup>	1,758,589.97	1,695,202.34	63,387.63	1,085,554.67	1,685,554.67	1,685,554.67		
Taxes Received from Previous Years & yearly interest: <sup>7</sup>			0.00					
South Cliffs Repayment: <sup>12</sup>			0.00			200,000.00		
AMI Repayment (Building Owners): <sup>12</sup>			0.00					1,200,000.00
Positron Repayment: <sup>12</sup>			0.00			400,000.00		
Reserve Debt Service Income at Closing:			0.00				934,000.00	
Reserve Fund Income at Closing: <sup>6</sup>			0.00				650,000.00	
Total Projected Income:	1,758,589.97	1,695,202.34	63,387.63	1,085,554.67	1,685,554.67	2,285,554.67	1,584,000.00	1,200,000.00
<b>TOTAL AVAILABLE INCOME:</b>	<b>\$1,758,589.97</b>	<b>\$3,190,134.94</b>	<b>\$2,498,814.45</b>	<b>\$1,182,246.10</b>	<b>\$1,303,364.20</b>	<b>\$2,512,488.87</b>	<b>\$2,234,261.36</b>	<b>\$1,534,261.36</b>
<b>EXPENSE:</b>								
Current Year Debt Service:	833,422.63	747,855.13	85,567.50	931,635.00	931,430.00	1,862,227.51		
Reserve Debt Service: <sup>5</sup>	934,000.00		934,000.00					
Old Town Rein Ph 2 Remaining: Committed \$2,235,600 <sup>4</sup>	129,580.47		129,580.47					
Cheyenne Crossing: Committed \$3 million total <sup>16</sup>	845,650.04	6,852.99	838,797.05				1,900,000.00	
Whitman/Yellowstone Hotel: Committed \$613,000 <sup>10</sup>	256,500.00		256,500.00		100,000.00			
Clark Street Overpass: Committed \$258,880.93	157,678.00		157,678.00					
Triangle: Committed \$632,801.57 <sup>15</sup>			0.00	632,801.57				
Portneuf Valley Investment Partners: Committed \$45,000 <sup>13</sup>			0.00		45,000.00			
Admin Transfer to Unrestricted Account: <sup>11</sup>			0.00					1,927,651.36
Land Acquisition Fund: <sup>17</sup>								206,610.00
Total Projected Expense:	3,156,831.14	754,708.12	2,402,123.02	1,564,436.57	1,076,430.00	1,862,227.51	1,900,000.00	2,134,261.36
<b>CALCULATED ANNUAL BALANCE</b>		<b>\$2,435,426.82</b>	<b>\$96,691.43</b>	<b>-\$382,190.47</b>	<b>\$226,934.20</b>	<b>\$650,261.36</b>	<b>\$334,261.36</b>	<b>-\$600,000.00</b>

SOMETIME IN AUGUST 2008 WILL BE SHORT \$382,000 FOR TRIANGLE PROJ. NEED TO BORROW FUNDS. DOUBLE CHECK MARCH 2009 PAYMENT WILL CASHFLOW ESTIMATED \$600K LESS DUE TO AMI AJUSTMENT. AMOUNT IS DEDUCTED FROM THIS BOX.  
ADJUSTMENTS WILL NEED TO COME FROM HERE TO BALANCE

**DISTRICT ENDING BALANCES**  
**January 31, 2008**

<b>Bank Balance</b>		<b>\$388,059.35</b>
General Fund	7,169.75	
Discretionary Funds	347,265.83	
Kress Project	0.00	
Newtown District	0.00	
Alvin Ricken District	4,724.92	
Old Town District	20,488.63	
North Main District	0.00	
Roosevelt District	0.00	
Central Corridor District	8,064.32	
North Yellowstone District	<u>345.90</u>	
<b>District Totals</b>		<b>\$388,059.35</b>

**POCATELLO DEVELOPMENT AUTHORITY**

**Administration Invoice  
October 2007 – December 2007**

Administration/Clerical*: 4th Quarter 2007 (10/07-12/07)	3,000.00
Postage/Copies: 4 <sup>th</sup> Quarter 2007 (10/07-12/07)	<u>125.00</u>
<b>INVOICE TOTAL:</b>	<b>\$3,125.00</b>

\* Timesheet breakdown attached.





**POCATELLO DEVELOPMENT AUTHORITY**  
**REVENUE ALLOCATION (TAX INCREMENT) BONDS, 2000 SERIES A**  
**REQUISITION PURSUANT TO BOND ORDINANCE**

Wells Fargo Bank  
MAC U1859-031  
999 Main Street, 3<sup>rd</sup> 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 July 27, 2000, between First Security Bank, N.A. ("Trustee") and the Pocatello Development Authority (the "Agency"), hereby requests the above Trustee as follows:

1. Requisition Number: E-89
2. Payment is due to: City of Pocatello
3. The amount to be disbursed is: \$7,258.51
4. The funds are being disbursed from the Revenue Allocation Fund per Section 9 of the Ordinance for repairs, additions or improvements to the Project or for any new project in the Revenue Allocation Area. An amount equal to the aggregate of the next payment of principal and interest for all the outstanding bonds remain in the Revenue Allocation Fund after this disbursement.
5. All of this requested payment is for the items on the attached Schedule, which are costs of the Project. These costs have not been previously paid from the Revenue Allocation Fund or Construction Fund.

Attachments: See Attached Schedule of Costs to Requisition

DATED: February 20, 2008

**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. E-89**

<u>Description of Costs</u>	<u>Payee and Location</u>	<u>Amount</u>
Cheyenne Corridor	City of Pocatello PO Box 4169 Pocatello, ID 83205	\$7,258.51
	<b>INVOICE TOTAL</b>	<b>\$7,258.51</b>

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

# CITY OF POCATELLO

P O BOX 4169  
POCATELLO, ID 83205  
(208)234-6225 fax (208)234-6279

Invoice No. 51-24

## INVOICE

### Customer

Name POCATELLO DEVELOPMENT AUTHORITY  
Address 1651 ALVIN RICKEN DR  
City POCATELLO State ID ZIP 83201  
Phone \_\_\_\_\_

Date 01/24/2008  
Order No. \_\_\_\_\_  
Rep \_\_\_\_\_  
FOB \_\_\_\_\_

Qty	Description	Unit Price	TOTAL
1	<b>CHEYENNE CORRIDOR STUDY</b> 20% OF COSTS ASSOCIATED WITH ENGINEERING SERVICES FROM HDR INC TO DECEMBER 29, 2007	\$7,258.51	\$7,258.51

### Payment Details

- Cash  
 Check  
 Credit Card

Name \_\_\_\_\_  
CC # \_\_\_\_\_  
Expires \_\_\_\_\_

SubTotal	\$7,258.51
Shipping & Handling	\$0.00
Taxes	_____
<b>TOTAL</b>	<b>\$7,258.51</b>

Office Use Only

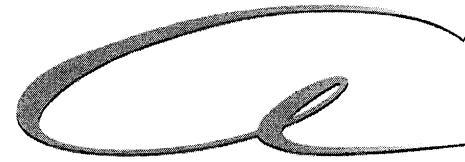
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**CENTRAL CORRIDOR  
2000 SERIES A**

**ACTIVITY STATEMENT  
CHEYENNE CROSSING PROJECT (20%)**

DATE	DESCRIPTION	PAYMENT	TOTAL PAYMENTS	PROJECT BALANCE
	Total Project Commitment			\$1,000,000.00
9/12/2000	Requisition #2	5,335.17	\$5,335.17	\$994,664.83
11/14/2000	Requisition #5	6,582.21	\$11,917.38	\$988,082.62
2/13/2001	Requisition #10	12,993.28	\$24,910.66	\$975,089.34
5/21/2001	Inv. #51-53 (ck. #1272)	20,643.31	\$45,553.97	\$954,446.03
8/14/2001	Inv. #51-55 (ck #1286)	38,436.08	\$83,990.05	\$916,009.95
6/11/2002	Inv. #51-64 (ck #1326)	2,053.56	\$86,043.61	\$913,956.39
8/13/2002	Inv. #39-59 (ck #1334)	15,806.07	\$101,849.68	\$898,150.32
12/18/2002	Inv. #51-70 (ck #1349)	12,322.71	\$114,172.39	\$885,827.61
2/21/2003	Inv. #4992 (ck #1360)	3,856.83	\$118,029.22	\$881,970.78
5/20/2003	Inv. #5416 (ck #1372)	6,705.16	\$124,734.38	\$875,265.62
10/15/2003	Inv. #6189 (ck #1396)	10,638.75	\$135,373.13	\$864,626.87
2/18/2004	Inv. #6802 (ck #1421)	3,469.04	\$138,842.17	\$861,157.83
7/21/2004	Inv. #7319 (ck #1441)	915.98	\$139,758.15	\$860,241.85
9/15/2004	Inv. #7848 (Req. #63)	2,025.20	\$141,783.35	\$858,216.65
4/20/2005	Inv. #9022 (Req #E-67)	5,048.95	\$146,832.30	\$853,167.70
7/20/2005	Inv. #9493 (Req #E70)	1,680.30	\$148,512.60	\$851,487.40
12/21/2005	Inv. #10272 (Req #E76)	1,243.46	\$149,756.06	\$850,243.94
4/19/2006	Inv. #10729 (Req#E77)	931.32	\$150,687.38	\$849,312.62
7/19/2006	Inv. #11304 (Req#E79)	3,662.58	\$154,349.96	\$845,650.04
10/17/2007	Inv. #14638 (Req E-88)	6,852.99	\$161,202.95	\$838,797.05
2/20/2008	Inv. # 51-24 (Req E-89)	7,258.51	\$168,461.46	\$831,538.54

September 18, 2007



ARBITRAGE COMPLIANCE SPECIALISTS, INC.

Mr. Jerry E. Higgins, CPA, Treasurer  
City of Pocatello  
Office of the City Clerk-Treasurer  
P.O. Box 4169  
Pocatello, Idaho 83205  
on behalf of:  
Pocatello Development Authority

INVOICE #70865 as per the attached Engagement Letter

**BILLING INVOICE FOR**

CONTROL #3  
\$6,500,000  
POCATELLO DEVELOPMENT AUTHORITY  
REVENUE ALLOCATION (TAX INCREMENT) BONDS, 2000 SERIES A  
DATE OF ISSUANCE: AUGUST 29, 2000  
ARBITRAGE REBATE CALCULATIONS  
FOR THE 5<sup>TH</sup> YEAR COMPUTATION PERIOD  
AUGUST 29, 2000 TO MARCH 1, 2005  
AS OF THE DATE OF THIS REPORT  
SEPTEMBER 18, 2007

**5<sup>th</sup> Year IRS Filing Computation 8/29/00 – 3/1/05:**

One-Time Initial Set-up/Legal Fee	\$ 450
Report Fee (for 1 year period)	1,250
Extension Fee (\$875 per each additional year, 4 additional years)	3,500
ACS 20% Discount	<u>(1,040)</u>
<b>GRAND TOTAL DUE UPON RECEIPT</b>	<b><u>\$4,160</u></b>

Remit a copy of this invoice with payment.

7400 East Orchard Road, Suite 270 • Greenwood Village • Colorado • 80111  
Phone: (303) 756-5100 (800) 672-9993 • Fax: (303) 756-0901 (800) 756-6505 • E-Mail: Arbitrage@RebateByACS.com  
LOCATIONS NATIONWIDE: Greenwood Village, CO | La Jolla, CA | Orlando, FL | Boise, ID | Boston, MA | Durham, NC  
Las Vegas, NV | Columbus, OH | Oklahoma City, OK | Portland, OR | Nashville, TN | Houston, TX | Salt Lake City, UT | Seattle, WA

July 12, 2006



ARBITRAGE COMPLIANCE SPECIALISTS, INC.

Mr. Jerry E. Higgins, CPA, Treasurer  
City of Pocatello  
Office of the City Clerk-Treasurer  
911 North 7<sup>th</sup> Avenue  
P.O. Box 4169  
Pocatello, Idaho 83205

Dear Mr. Higgins:

**CONTROL #3**  
**ENGAGEMENT LETTER FOR ARBITRAGE REBATE REPORT FOR**  
**\$6.5M REVENUE ALLOCATION 2000 SERIES A**

The purpose of this letter is to propose our engagement to prepare arbitrage compliance computations as required by the United States Treasury, Internal Revenue Service ("IRS") for the following tax-exempt debt. Listed below is the tax-exempt debt requiring computations and Arbitrage Compliance Specialists, Inc. ("ACS") fees to complete this engagement.

**\$6.5M Revenue Allocation (Tax Increment) Bonds, 2000 Series A**

*Issue Date: 8/29/00*

*5<sup>th</sup> Year IRS required Computation Period: 8/29/00-3/1/05*

*Bond Year Selection 3/1*

One-Time Initial Set-up/Legal Fee	\$ 450●
Report Fee (for 1 year period)	1,250
Extension Fee (\$875 per each additional year, 4 additional years)	3,500
ACS 20% Discount for Multiple Issues	<u>(1,040)</u>
<b>TOTAL</b>	<b><u>\$4,160●</u> * Bill 8/06</b>

**Data Requirements:** Official Statement, CPA Verification Report prepared by Grant Thornton and investment data uncommingled for all funds and accounts including Debt Service for the computation period listed above.

Footnotes for pricing:

● An initial set-up is required for each bond issue. This fee covers our initial research on the bond issue and legal fees from our in-house tax counsel who determines which funds are subject to arbitrage rebate.

● ACS's fee for completing and filing Form 8038-T on 5<sup>th</sup> Year, 10<sup>th</sup> Year....Final Year if rebate is owed and applicable; on-time filing \$395, late filing \$595.

\* Optional Charges for all issues, if applicable: \$150 per hour - Uncommingling of any funds, accounts or investments, as required (approximately \$250 - \$1,000 per year); transferred proceeds allocations (approximately \$250 - \$500 per year), if required due to certain types of refundings; if a Spending Exception is a viable option for this issue, the fee per 6-month report is \$1,250, which is generally in lieu (unless there is a Reserve Fund) of rebate reports. ACS's fees include one hour of data collection per debt issue, additional hours will be billed at \$150 per hour.

7400 East Orchard Road, Suite 270 • Greenwood Village • Colorado • 80111  
Phone: (303) 756-5100 (800) 672-9993 • Fax: (303) 756-0901 (800) 756-6505 • E-Mail: ArbCom@earthlink.net  
**LOCATIONS NATIONWIDE:** Greenwood Village, CO | La Jolla, CA | Orlando, FL | Boise, ID | Boston, MA | Durham, NC  
Las Vegas, NV | Columbus, OH | Oklahoma City, OK | Portland, OR | Nashville, TN | Houston, TX | Salt Lake City, UT | Seattle, WA

NOTES TO THE ENGAGEMENT LETTER:

- Notification is required if the tax-exempt debt referenced in this engagement letter has been or will be refunded, cash defeased or retired. This may accelerate the deadline for the Final IRS filing on the debt.
- ACS will assume the debt service fund for this issue was used for paying debt service payments and is bona fide and not overfunded, unless we are notified by you in writing. Please review the definition below of a bona fide debt service fund and phone us to discuss the implications regarding arbitrage compliance for this issue.
  - Definition of a bona fide debt service fund (1993 IRS Regulations):
    - Is used primarily to achieve a proper matching of revenues with principal and interest payments within each bond year; and
    - Is depleted at least once each bond year, except for a reasonable carryover amount not to exceed the greater of:
      - the earnings on the fund for the immediate preceding bond year; or
      - one-twelfth of the principal and interest payments on the issue for the immediately preceding bond year.
    - Example: The bond year end is 8/1. Issue pays interest on 2/1 and 8/1 and principal on 8/1. Tax receipts are directly deposited in the Debt Service Fund from 3/1 through 6/30. Last bond year's principal and interest payments totaled \$1.2M. One-twelfth of \$1.2M = \$100K. Earnings on the fund last year totaled \$70K. The balance in the Debt Service Fund on 8/2 of the new year is \$150K. The Debt Service Fund is overfunded since the balance on the day after the bond year end was in excess of one-twelfth of last bond year's total principal and interest payments ("greater of" of 2 options).
  - Yield Restriction/Yield Reduction Payment Reports are required if there is a balance of Construction/Project proceeds remaining in excess of the minor portion (the lesser of \$100,000 or 5% of the sale proceeds of the issue) at the end of the temporary period.

In conjunction with this engagement, we will provide the applicable report(s) opining to the arbitrage compliance requirements for the tax-exempt debt referenced in this engagement letter.

We appreciate the opportunity to provide assistance to help you comply with your IRS arbitrage compliance requirements. As always, if we may be of further assistance or if you have any questions, please do not hesitate to call us at (800) 672-9993.

Very truly yours,

Arbitrage Compliance Specialists, Inc.

Carol Huller

Carol Huller, Director

Please acknowledge acceptance of this engagement by signing and faxing this letter in its entirety to Arbitrage Compliance Specialists, Inc at (303) 756-0901.

Jerrey E. Higgins  
Accepted by - Signature

JERRY E. HIGGINS  
Accepted by - Print Name

CITY OF FORTWELL  
Organization

2/16/07  
Date

TREASURER  
Title