

POCATELLO DEVELOPMENT AUTHORITY
Board of Commissioners Meeting
17 June 2009 – 11:00am

City Hall
911 North 7th Avenue

11:00am Council Chambers

Call to order - Chairman Brown

Acknowledge guests of the Board

Disclosure of conflicts of interest

Agenda – add or delete action or discussion items

Action and Discussion Items

Minutes of May 20, 2009 – Motion to approve and/or amend

Financial Report: May Income and Expenses

East Center: Future projects discussion

Central Corridor: Triangle live-work units jump start

Downtown future discussion regarding use of revenue
allocation monies & downtown

Yellowstone Hotel

North Portneuf District: Hoku

Executive Session: If necessary

Items from staff

Items from commission members

Adjourn

Executive Session

Matters exist for discussion in an executive session as per I.C. 67-2345 (b) and (e)

Motion: "I move that we enter into an executive session as per Idaho Code 67-2345 (b) and (e) to consider staffing services for the PDA and to consider preliminary negotiations involving matters of trade or commerce in which the PDA may be in competition with other jurisdictions."

POCATELLO DEVELOPMENT AUTHORITY
STATEMENT OF CASH AS OF MAY 31, 2009

Cash in Checking	\$339,335.35
Cash in Savings (Wells Fargo Money Market Account)	132,874.15
Cash in held by third parties (Wells Fargo Corporate Trust)	3,304,474.12
Total cash	3,776,683.62
Cash restricted by bond covenants	-2,857,543.86
Total cash available	\$919,139.76

STATEMENT OF CHANGES IN CASH AND CASH EQUIVILENTS
FOR THE MONTH ENDED MAY 31, 2009

Receipts for the month		
CC	Property taxes received - Central Corridor	\$6,847.79
NY	Property taxes received - North Yellowstone	\$49,485.65
GF	Interest earnings on savings - Wells Fargo Managed Cash	18.39
	Interest earning on Trust Accounts - Wells Fargo Trusts	38.43
	Total receipts	56,390.26
Total expenditures for the month		
# 3047	GF Darcy Taylor	16.15
	May luncheon costs - beverages	
# 3048	GF Quiznos	115.00
	May luncheon costs	
N/A	GF Bank service charge - March	30.11
	Total expenditures	161.26
	Net change in cash	\$56,229.00
Cash balances as of May 31, 2009		
		\$3,776,683.62
Cash balances as of April 30, 2009		
		\$3,720,454.62
	Net change in cash	\$56,229.00

CC = Central Corridor, NY = North Yellowstone, GF = General Fund

POCATELLO DEVELOPMENT AUTHORITY
CASH ANALYSIS FOR THE MONTH ENDING MAY 31, 2009

	Balance 30-Apr-09	Balance 31-May-09	Change in Balance
Total Cash:			
General Fund			
Cash in checking	\$456,867.16	\$456,705.90	-\$161.26
Money Market Account	132,855.76	132,874.15	\$18.39
Total General Fund Cash	<u>589,722.92</u>	<u>589,580.05</u>	<u>-\$142.87</u>
Central Corridor District			
Cash in checking	-182,410.79	-175,563.00	\$6,847.79
Bond Trust Fund (Wells Fargo)	2.67	2.67	\$0.00
Revenue Allocation Trust Fund (Wells)	1,315,819.26	1,315,837.84	\$18.58
Total Central Corridor District Cash	<u>1,133,411.14</u>	<u>1,140,277.51</u>	<u>\$6,866.37</u>
North Yellowstone District			
Cash in checking	949.21	50,434.86	\$49,485.65
Bond Trust Fund (Wells Fargo)	0.31	0.31	\$0.00
Revenue Allocation Trust Fund (Wells)	656,696.91	656,701.94	\$5.03
Total Yellowstone District Cash	<u>657,646.43</u>	<u>707,137.11</u>	<u>\$49,490.68</u>
Central Corridor District Debt Service	650,005.51	650,014.72	\$9.21
North Yellowstone District Debt Service	681,911.03	681,916.64	\$5.61
Naval Ordinance Plant - Cash in checking	7,757.59	7,757.59	0.00
Total cash	<u>\$3,720,454.62</u>	<u>\$3,776,683.62</u>	<u>\$56,229.00</u>
Cash Restricted By Bond Covenants:			
Central Corridor Cash			
Next bond payment	950,725.00	950,725.00	0.00
North Yellowstone Cash			
Next bond payment	574,887.50	574,887.50	0.00
Central Corridor District Debt Service	650,005.51	650,014.72	9.21
North Yellowstone District Debt Service	681,911.03	681,916.64	5.61
Total restricted cash	<u>2,857,529.04</u>	<u>2,857,543.86</u>	<u>14.82</u>
Total unrestricted cash	<u>862,925.58</u>	<u>919,139.76</u>	<u>56,214.18</u>
Cash Available			
General Fund	589,722.92	589,580.05	-\$142.87
Central Corridor District	182,686.14	189,552.51	6,866.37
North Yellowstone District	82,758.93	132,249.61	49,490.68
Central Corridor District Debt Service	0.00	0.00	0.00
North Yellowstone District Debt Service	0.00	0.00	0.00
Naval Ordinance Plant District	7,757.59	7,757.59	0.00
Total available cash	<u>862,925.58</u>	<u>919,139.76</u>	<u>56,214.18</u>

Cash movement analysis:

For the month of May, Pocatello Development Authority received cash of \$56,390.26 and paid out cash payments of \$161.26 so that there was an increase in cash of \$56,229.00.

General Fund revenue received \$18.39 in interest earnings on the Money Market Account. Expenses were Bank service charges of \$30.11, and luncheon costs of \$131.15. The General Fund cash decreased \$142.87 in May.

The Central Corridor District received interest revenues on trust funds of \$27.79, and property taxes of \$6,847.79. The Corridor had no expenses in May. The Corridor's cash increased by \$6,875.58 in May.

The North Yellowstone District received interest revenues on trust funds of \$10.64 and property taxes of \$49,485.65. It had no expenses in April. The district's cash increased by \$49,496.29.

The Naval Ordinance Plant District had no receipts or expenses in May.

Internal Debt:

The North Yellowstone District has borrowed \$615,514.38 from the General Fund in order to pay its commitments with the Rail Crossing. In March \$298,828.31 was paid back leaving a balance of \$316,686.07.

The Naval Ordinance District has borrowed \$75,000.00 from the General Fund in order to pay its commitments with a manufacturer, Wisper Creek.

The General Fund had borrowed \$401,393.30 during the year from the Consolidated Corridor in order to pay its obligations on the Triangle Project.

Budget Review:

After six months of operations a review of budget to actual revenues and expenses reveals the following:

Interest earning in all funds will probably end up at 15% of projected earnings.

General Fund:

The budget may need to be reopened for additional unbudgeted triangle expenses depending on unnamed project #2 actual costs this year.

Consolidated Corridor:

The budget will need to be reopened for additional loans to the General Fund for the Triangle Project.

North Yellowstone:

The commission may want to reopen this budget to repay the General Fund loan ahead of schedule.

POCATELLO DEVELOPMENT AUTHORITY
GENERAL FUND CASH FLOW PROJECTIONS
2009 THROUGH 2013

YEARS ENDED	Budget 2009	YTD 2009 As of May	Remaining 2009	Budget 2010	Budget 2011	Budget 2012	Budget 2013
Previous Year Balance:	\$370,297.35	\$364,666.59	\$589,580.05	\$32,138.65	\$47,998.03	-\$145,656.97	\$26,655.00
INCOME:							
TetriDyn Solutions Repayment: ¹⁰							
Garfield Property							
Central Corridor Admin fee						1,091,360.27	
Central Corridor Loan		401,393.30					
North Yellowstone Loans	330,000.00	298,828.31	31,171.69	285,514.38			
Naval Ordinance loan					75,000.00		
Interest Income	6,000.00	779.64	5,220.36	7,000.00	8,000.00	9,000.00	0.00
Total Projected Income:	336,000.00	701,001.25	36,392.05	292,514.38	83,000.00	1,100,360.27	0.00
EXPENSE:							
IsoRay: Committed \$75,000 ¹ BUDGETED 75,000.00	75,000.00		75,000.00				
Triangle Project: Committed \$300,000 ⁹ BUDGETED \$288,128.52	289,128.70	475,121.72	0.00				
Portneuf Valley Investment Partners: Committed \$40,000 ⁸			0.00				
Unnamed project #2 (amend budget 300,000.00) ¹⁴	300,000.00		300,000.00	250,000.00	250,000.00	500,000.00	
Loan to Naval Ordinance Plant District 13							
Legislative Action							
North Yellowstone Loan						401,393.30	
Management salaries				16,625.00	16,625.00	16,625.00	16,625.00
Luncheon costs	1,320.00	866.52	453.48	1,320.00	1,320.00	1,320.00	1,320.00
Office expenses	200.00		200.00	200.00	200.00	200.00	200.00
Legal advertising	50.00		50.00	50.00	50.00	50.00	50.00
Banking expenses	360.00	99.55	260.45	360.00	360.00	360.00	360.00
Audit	3,500.00		3,500.00	3,500.00	3,500.00	3,500.00	3,500.00
Actuary Studies				4,600.00	4,600.00	4,600.00	4,600.00
Professional services	4,600.00	0.00	0.00				
Total Projected Expense:	674,158.70	476,087.79	379,463.93	276,655.00	276,655.00	928,048.30	26,655.00
CALCULATED ANNUAL BALANCE	\$32,138.65	\$589,580.05	\$246,508.17	\$47,998.03	-\$145,656.97	\$26,655.00	\$0.00
	\$705,943.52						
	\$31,784.82						

**POCATELLO DEVELOPMENT AUTHORITY
CENTRAL CORRIDOR CASH FLOW PROJECTIONS
2009 THROUGH 2012****

YEARS ENDED	Budget 2009	YTD 2009 As of May	Remaining 2009	Budget 2010	Budget 2011	Budget 2012
Previous Year Balance**:	\$3,029,561.15	\$3,029,561.15	\$1,790,292.23	\$2,919,372.71	\$1,583,432.50	\$336,161.20
INCOME:						
Projected Estimated Tax Revenues: ^{8,9}	1,445,541.56	419,268.22	1,026,273.34	1,435,937.16	1,445,541.56	
Taxes Received from Previous Years & yearly interest ⁷			0.00			
South Cliffs Repayment: ¹²			0.00	196,867.85		
AMI Repayment (Building Owners): ¹²			0.00			
Positron Repayment: ^{12 (400,000.00)}			0.00			1,200,000.00
Interest earning on trust accounts	70,000.00	8,220.57	61,779.43	80,000.00	90,000.00	20,000.00
Total Projected Income:	1,515,541.56	427,488.79	1,088,052.77	1,712,805.01	1,535,541.56	1,220,000.00
EXPENSE:						
Current Year Debt Service:	931,430.00	886,067.50	45,362.50	928,795.00	933,432.50	
Cheyenne Crossing: Committed \$3 million total ^{16 & 18}	337,800.00	20,396.91	317,403.09	2,117,700.22	1,347,130.36	3,802,630.58
Whitman/Yellowstone Hotel: Committed \$613,000 ^{10 org 250,500}	356,500.00	356,500.00	0.00			
Clark Street Overpass: Committed \$258,880.93						258,800.93
Admin Transfer to Unrestricted Account: ¹¹			0.00			1,091,360.27
General Fund - loan for Triangle development		401,393.30				
City of Pocatello, triangle land reimbursement						206,000.00
Arbitrage		2,400.00	0.00			
Trustee fees	2,250.00		2,250.00	2,250.00	2,250.00	
<u>Unapproved Projects</u>						
Unnamed Project #1 org. 500,000.00	200,000.00		200,000.00			
Unnamed Project #3 (\$500,000.00 new Jan 2009): ¹⁹	500,000.00		500,000.00		500,000.00	
South 5th Project org 100,000.00	0.00		0.00			
Total Projected Expense:	1,625,730.00	1,666,757.71	1,065,015.59	3,048,745.22	2,782,812.86	1,556,161.20
CALCULATED ANNUAL BALANCE	\$2,919,372.71	\$1,790,292.23	\$1,813,329.41	\$1,583,432.50	\$336,161.20	\$0.00
Debt service restriction (reserve \$650,000.00)			\$1,578,795.00	\$1,583,432.50	0.00	0.00
Available cash			\$234,534.41	\$0.00	\$336,161.20	\$0.00

** TIF District slated to close in 2012

**POCATELLO DEVELOPMENT AUTHORITY
NORTH YELLOWSTONE FUND CASH FLOW PROJECTIONS
2009 THROUGH 2028**

YEARS ENDED	Budget 2009	YTD 2009 As of May	Remaining 2009	Budget 2010	Budget 2011	Budget 2012	Budget 2013 - 2028
Previous Year Balance:	\$1,276,749.60	\$1,343,991.40	\$1,389,053.75	\$1,358,290.72	\$1,380,446.37	\$1,591,044.40	\$1,591,044.40
INCOME:							
Property taxes (org \$761,120.03)	902,884.32	574,143.99	328,740.33	964,120.03	964,123.03	964,123.03	15,425,968.48
Interest on trust accounts	25,000.00	1,669.17	23,330.83	25,000.00	25,000.00	25,000.00	375,000.00
Loan from General Fund							
Total Projected Income:	927,884.32	575,813.16	352,071.16	989,120.03	989,123.03	989,123.03	15,800,968.48
EXPENSE:							
Current Year Debt Service:	578,325.00	226,662.50	351,662.50	681,450.00	678,525.00	680,050.00	10,674,850.00
Rail Crossing			0.00				
Peg Development Land Acquisition			0.00				
Legal Advertising			0.00				
Arbitrage fees		2,760.00					
Trustee fees		2,500.00	0.00				0.00
Loan payment to PDA General Fund (orig 100,000)	330,000.00	298,828.31	31,171.69	285,514.38		300,000.00	615,514.38
Costco employment payment (\$854,105.00) 1			0.00		100,000.00	300,000.00	454,105.00
Total Projected Expense:	908,325.00	530,750.81	382,834.19	966,964.38	778,525.00	980,050.00	11,328,955.00
CALCULATED ANNUAL BALANCE	\$1,296,308.92	\$1,389,053.75	\$1,358,290.72	\$1,380,446.37	\$1,591,044.40	\$1,600,117.43	\$6,863,057.88
Bond reserve trust fund		681,900.00	681,900.00	681,900.00	681,900.00	681,900.00	0.00
Current debt payment allocation fund reserve		582,545.00	582,545.00	676,600.00	677,440.00	677,440.00	0.00
Amount available		124,608.75	93,845.72	21,946.37	231,704.40	240,777.43	6,063,057.88

Note: \$691,458.36 in bonded debt reserves are included in cash balance

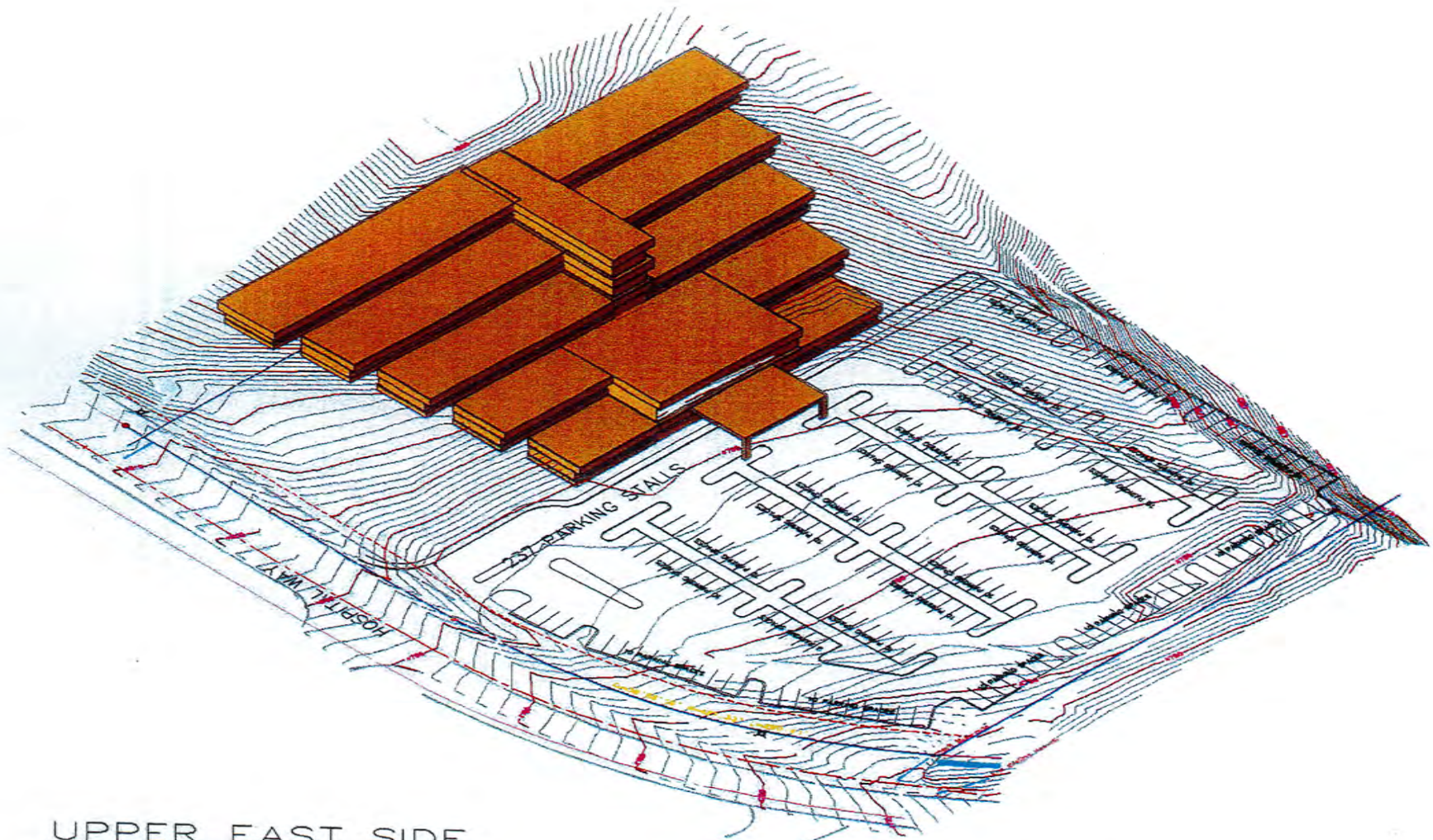
1 = Per letter from David Messner, Costco Agent, the \$1 mil employment grant was reduced by a construction advance to PEG development of \$145,895.00, Dated 12/31/2007

POCATELLO DEVELOPMENT AUTHORITY
NORTH PORTNEUF DISTRICT CASH FLOW PROJECTIONS - Tentative
2009 THROUGH 2031

YEARS ENDED	Budget 2009	YTD 2009 As of May	Remaining 2009	Budget 2010	Budget 2011	Budget 2012	Budget 2013 - 2028
Previous Year Balance:					\$0.00	\$0.00	\$0.00
INCOME:							
Property taxes			0.00		1,492,442.00	2,895,337.00	42,150,872.00
Interest on trust accounts			0.00				
Loan from General Fund			0.00				
Total Projected Income:	0.00	0.00	0.00	0.00	1,492,442.00	2,895,337.00	42,150,872.00
EXPENSE:							
Debt service			0.00		1,492,442.00	2,895,337.00	6,612,221.00
Hokur			0.00				
Infrastructure reimbursement			0.00				15,000,000.00
Employment reimbursement			0.00				9,269,326.00
Other payments:							
City infrastructure			0.00				2,000,000.00
PDA admin			0.00				741,546.00
Taxing Entity operational costs			0.00				8,527,779.00
Total Projected Expense:	0.00	0.00	0.00	0.00	1,492,442.00	2,895,337.00	42,150,872.00
CALCULATED ANNUAL BALANCE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Assessed valuation 2009	\$6,639,105.00						
Base valuation	\$3,458,800.00						
Increase 2009	\$3,180,305.00						

POCATELLO DEVELOPMENT AUTHORITY
 NAVAL ORDINANCE PLANT FUND CASH FLOW PROJECTIONS
 2009 THROUGH 2028

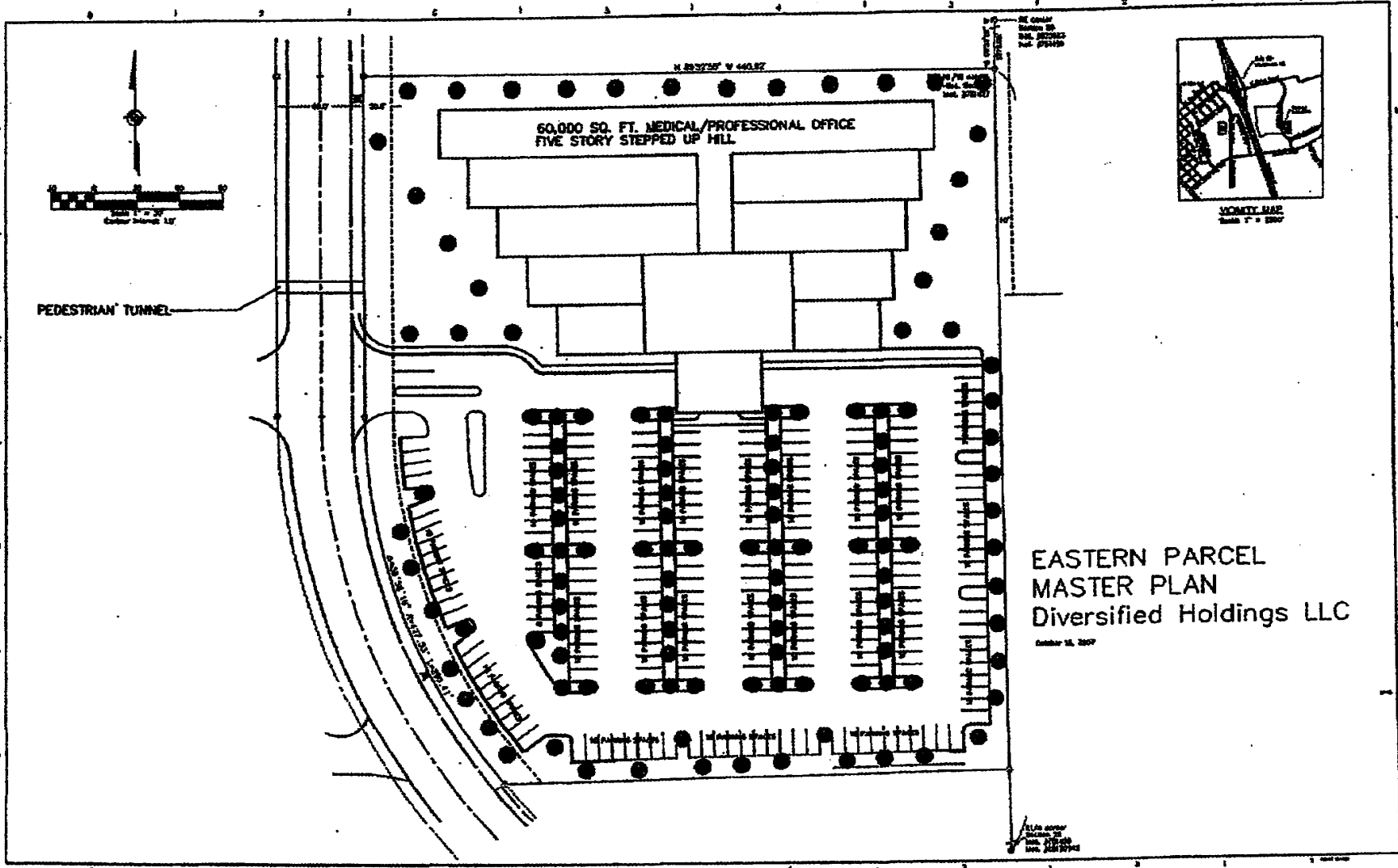
YEARS ENDED	Budget 2009	YTD 2009 As of May	Remaining 2009	Budget 2010	Budget 2011	Budget 2012	Budget 2013 - 2028
Previous Year Balance:	\$5,261.30	\$5,261.30	\$7,757.59	\$11,261.30	\$16,261.30	\$21,261.30	\$26,261.30
INCOME:							
Property taxes	6,000.00	2,496.29	3,503.71	80,000.00	80,000.00	80,000.00	1,200,000.00
Interest on trust accounts			0.00				
Loan from General Fund			0.00				
Total Projected Income:	6,000.00	2,496.29	3,503.71	80,000.00	80,000.00	80,000.00	1,200,000.00
EXPENSE:							
Log Homes (\$225,000.)			0.00		75,000.00	75,000.00	75,000.00
Owner Contract			0.00				750,000.00
Repay loan to General Fund			0.00	75,000.00			
			0.00				
			0.00				
			0.00				
Total Projected Expense:	0.00	0.00	0.00	75,000.00	75,000.00	75,000.00	825,000.00
CALCULATED ANNUAL BALANCE	\$11,261.30	\$7,757.59	\$11,261.30	\$16,261.30	\$21,261.30	\$26,261.30	\$401,261.30
Assessed valuation 2009	\$6,639,105.00						
Base valuation	\$3,458,800.00						
Increase 2009	\$3,180,305.00						



UPPER EAST SIDE
AT HOSPITAL WAY

CONCEPTUAL PLAN

POCATELLO, IDAHO



CENTER STREET

SHELL STATION

ARTIC CIRCLE

ADVANTAGE PLUS
CREDIT UNION

1130'34" 90" W

VIA CARPORT

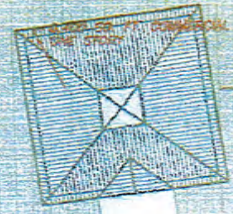
1800 SQ. FT. COMMERCIAL
TWO STORY

N87°47'26"W
514.70'

S56°42'01"W 11.2'
75.22'

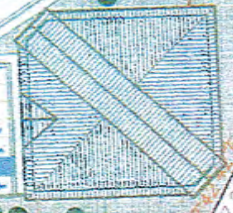
N52°31'57"E
284.72'

S05°39'42"
507.22'



13 PARKING SPACES
WESTERN PARCEL
3.2 ACRES
24 PARKING SPACES

7,260 SQ. FT. COMMERCIAL
ONE STORY



WESTERN PARCEL
MASTER PLAN
Diversified Holdings LLC
October 18, 2007

6 PARKING SPACES

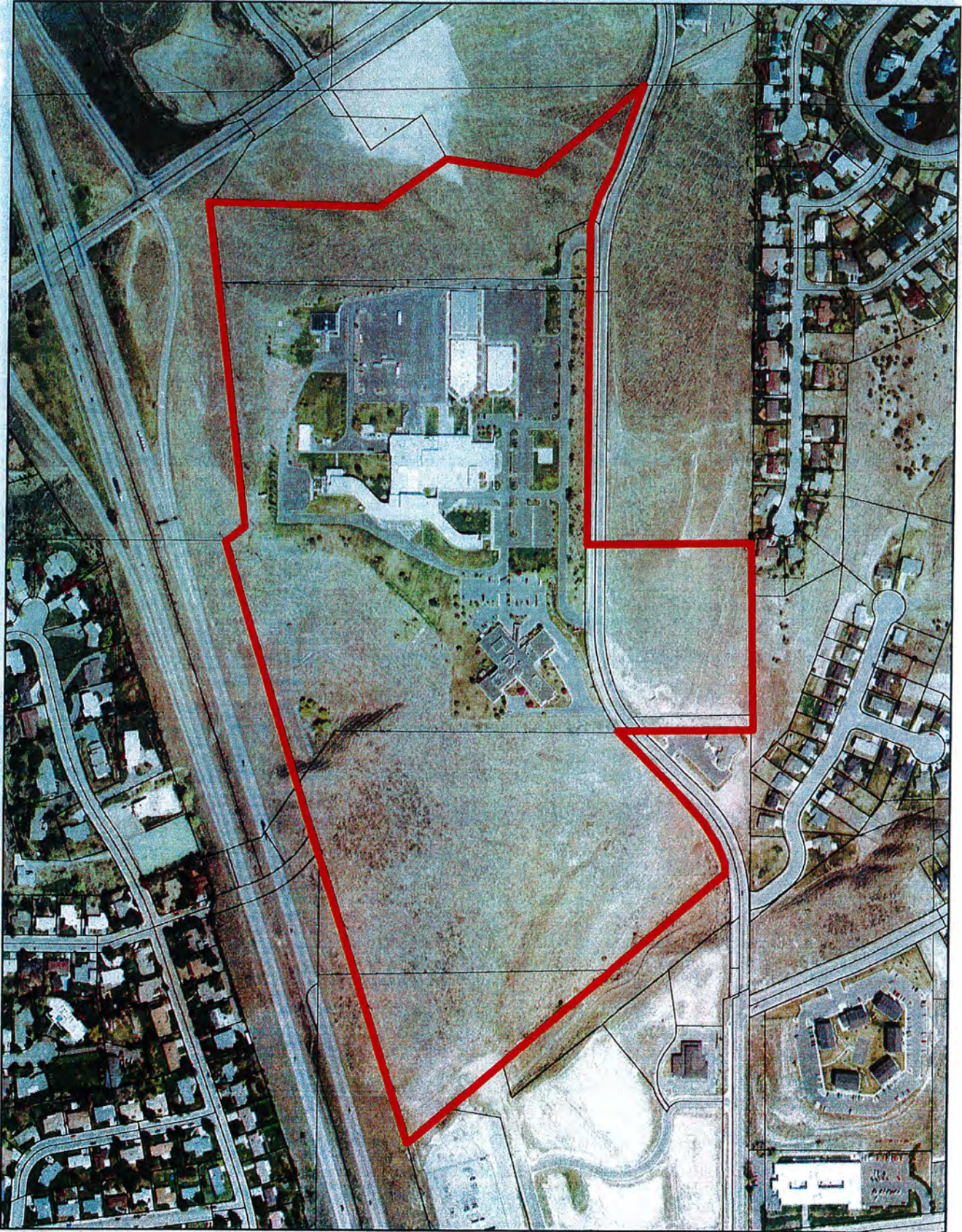
18 PARKING SPACES


18 PARKING SP

105.02'

N32°15'12"E
97.23'

East Center Street Urban Renewal Area



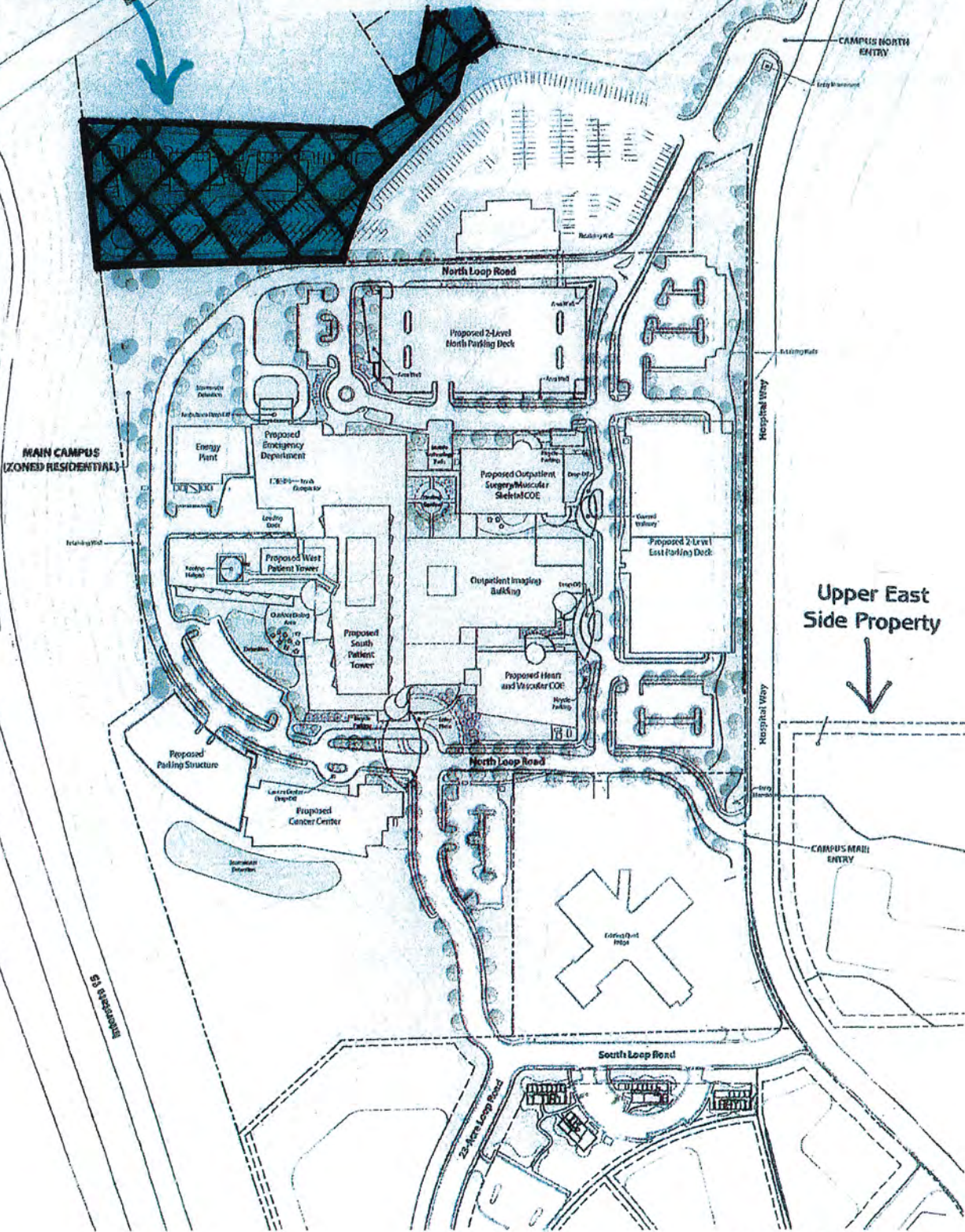
 East Center Urban Renewal Area and Revenue Allocation District

1 inch equals 400 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.

WOODRUFF TOWER
3.2 ACRES

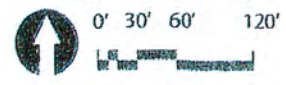
Map Upper East Side Property Proximity To Portneuf Medical Center East Campus



Upper East Side Property



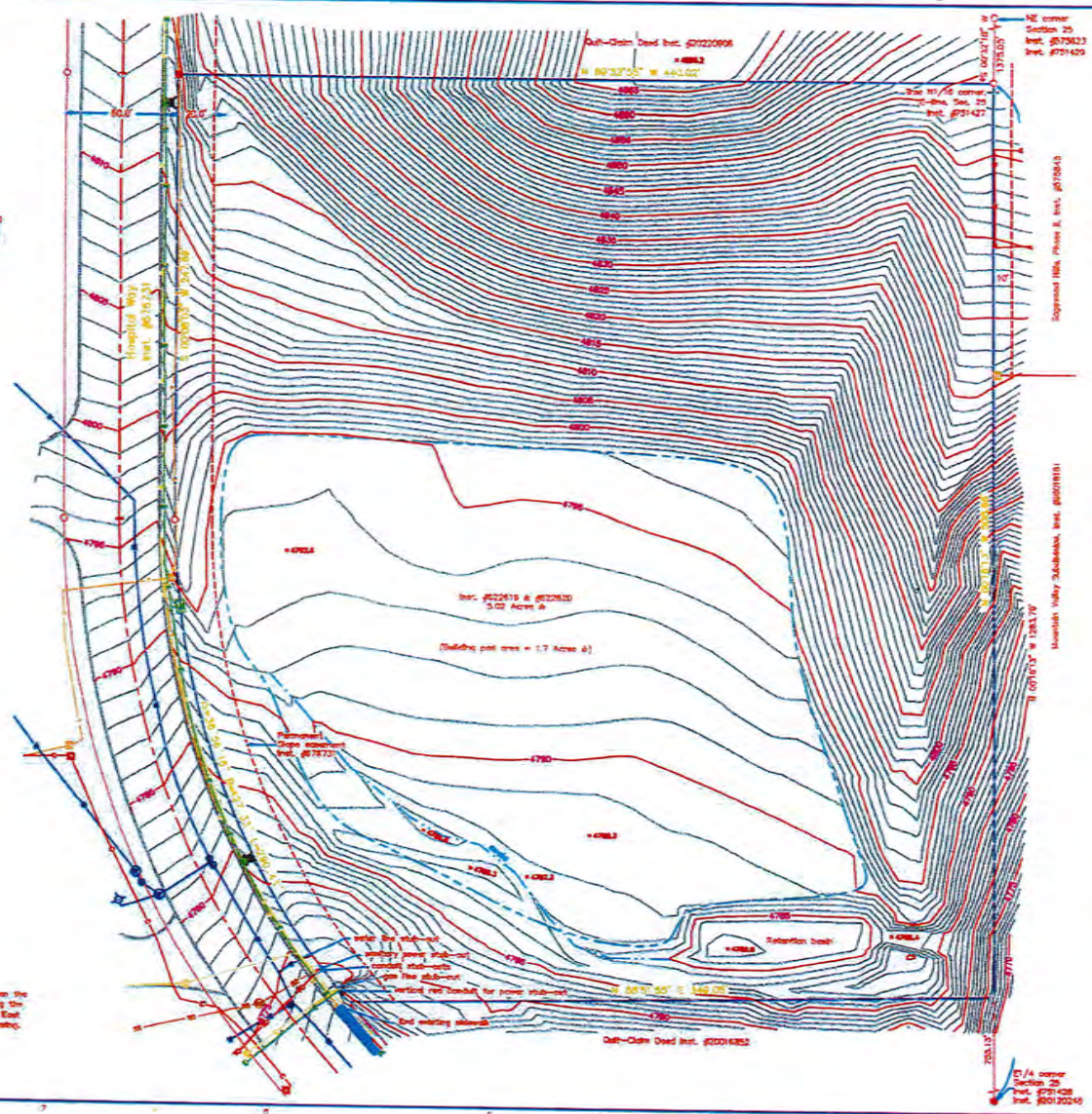
PORTNEUF MEDICAL CENTER
MAIN CAMPUS PLAN



SCALE: 1" = 60'-0"
FEBRUARY 3, 2006



BASIS OF BEARINGS
 City of Pocatello grid bearing of S 02°10' 0" between the found Benchmark County brass cap monument marking the Northeast corner and the North 1/10 corner on the East line of Section 25, T05N, R34E, as shown on this drawing.



- LEGEND**
- Found Benchmark County brass cap monument
 - Found 1/2" fiber with yellow plastic cap stamped "LS 0274"
 - Found 1/2" fiber with yellow plastic cap stamped "LS 0277"
 - Found 1/2" fiber with red plastic cap stamped "LS 0075"
 - Existing light poles
 - Property lines
 - Easement lines
 - Existing fence lines
 - Existing arbitrary sewer lines and manholes
 - Existing underground power lines and manholes
 - Existing water lines, valves and water meters
 - Existing natural gas lines, meters and valves
 - Existing underground telephone lines and boxes
 - Existing underground cable TV lines and boxes
 - Existing conduit for telecommunication lines from modular village for future service

- NOTES**
1. Northing and Vertical datum used for this survey is the City of Pocatello coordinate system.
 2. An ALTA survey of this property was completed in October, 2002 and is on file as drawing 262 at A&E Engineering.

1	ALL Field drawings - Revised utility locations	07/17/08	MLD		
2	ALL Preliminary drawings for review and contract	07/09/08	MLD		
3	DATE	DESCRIPTION	SCALE	BY	APP.

A&E ENGINEERING, INC.
 POCATELLO, ID
 100 N. CENTER ST., SUITE 8, P.O. BOX 1027, POCATELLO, ID 83204

REFERENCE DRAWING:
 200 - Record of Survey by A&E
 100 - ALTA Survey by A&E
 200217 - "Indian Creek" by E&P
 000214 - "S&S" by Shurtell Bros.
 000008 - P.O.S. by Doug Hiett
 000020 - Municipal Valley Sub.
 010640 - Subdivided M&L, Pk 8

TOPOGRAPHIC MAP OF
PORTNEUF MEDICAL CENTER
PROPERTY, LOCATED IN THE
SE1/4 NE1/6, SECTION 25
T 6 S R 34 E B 1 W

DATE M.D. 12/3/08
 DRAWN BY: MLD
 CHECKED BY: JRE 12/12/08

2008-003
 SHEET 1" = 30.0'
 351

Hospital Way- Pedestrian Tunnell
Brent Nichols
15-Jun-09
Preliminary Opinion Of Costs



VOICE: (208) 234-0110 ♦ FAX: (208) 234-0111 ♦ www.RMES.biz

ITEM	ITEM	UNIT	QUANT	UNIT PRICE	TOTAL
SITE PREP					
201	Clear & Grub	AC	0.5	\$ 3,000.00	\$ 1,500.00
202	Final Grading and Misc.	L.S.	1	\$ 1,500.00	\$ 1,500.00
203	Re-Locate Water Line	L.S.	75	\$ 75.00	\$ 5,625.00
204	Re-Locate Dry Utilities	L.S.	1	\$ 4,000.00	\$ 4,000.00
BOX CULVERT					
601-A	10'x10' Concrete Box Culvert	LF	150	\$550.00	\$82,500.00
602-F	Wings/ Misc. Structures	EA	4	\$2,500.00	\$10,000.00
ROADWAY					
810	Asphalt Repair	SF	1,500	\$ 3.00	\$ 4,500.00
810-A	Roadway Geotextile	SF	1,500	\$ 0.15	\$ 225.00
820	Sidewalk and Misc Connections	SF	300	\$ 3.50	\$ 1,050.00
	Curb and Gutter	LF	40	\$ 15.00	\$ 600.00
	list				
1002	Erosion Control	LF	1	\$1,500.00	\$1,500.00
SP-MT	Material Testing	LS	1	\$2,500.00	\$2,500.00
SP-Eng	Engineering/ Management	LS	1	\$7,915.00	\$7,915.00
SP-Elec	Lighting and Electrical	LS	1	\$4,000.00	\$4,000.00
SP-TC	Traffic Control	LS	1	\$5,000.00	\$5,000.00

Total	SUB-TOTAL	\$ 132,415.00
	10% Contingency	\$ 13,241.50

Total Costs \$ 145,656.50





3rd Avenue Development

Building Pocatello's Future



Robert Chambers

Pocatello Development Agency

Mr. Chambers,

I am writing in regards to the Live/Work Units portion of the Triangle development. I am aware of the discussions you have had with Mr. Jaglowski and am encouraged at the possibility of partnering with PDA in getting this project off the ground.

Our company is committed to starting and finishing this project, however with the downturn in the economy, we are wary of stepping past "point of no return" in this unsettled climate.

Our company desires to partner with PDA, and is seeking grant money of \$6,600 per unit for the first 4 units which equals \$26,400. This money would be used to jumpstart the construction and get the first four units underway and sold, planning for trickle down effect with the remaining 7 units.

Thank you for your consideration,

Daniel Snell, 3rd Avenue Development

Chambers, Robert

From: Chambers, Robert
Sent: Wednesday, June 03, 2009 8:18 AM
To: 'Michael Jaglowski'
Subject: RE: Triangle Development - Live Work Marketing / Finances

Mike,

The comment about marketing was meant to be helpful more so than critical so I hope I did not offend by it. The suggestion flows from what I have seen happen in other innovative projects like this. For example, I attended a conference in Las Vegas where a major mixed-use residential project was being planned along Las Vegas Blvd. The developer had set up a sales office where the residential units were modeled – a potential buyer could see floor layout and even finished design of the units along with the overall concept of the project. As many as 40% of the units had been sold at about the time of construction beginning (my 40% may be off a bit). While this was a more costly project, perhaps the "pre-market/pre-sale" concept would work in this case.

In our area developer/builders often build a spec home and use that to market the rest of the lots in the subdivision. The concept I am suggesting goes a step further, before any construction find a way to market the units by way of design and concept presentation. If there were some way to establish a location (office in Keller building, realty office, even an on-site design board) where people could stop and look at and discuss design and purchase etc. If there were a way to market to targeted population markets that these units were soon to be built and that pre-sales contracts were being entertained, etc. it might help to jump start the capital flow needed. Anyway, this is my weak attempt to explain, but I am sure wiser heads could come up with a better plan.

If the developers wish to move forward with a formal request to PDA for a \$26,400 construction incentive injection, I would need a formal letter requesting such as soon as possible. I will see that it gets on the agenda.

Thanks Mike. Hope this helps.

Robert

From: Michael Jaglowski [mailto:mjaglowski@kellerassociates.com]
Sent: Wednesday, June 03, 2009 7:48 AM
To: Chambers, Robert
Cc: Daniel Snell
Subject: Triangle Development - Live Work Marketing / Finances

Robert –

A couple of items regarding the Live Work Units for your consideration:

1. You had mentioned your surprise regarding the limited marketing effort that has taken place for the sale of the Live Work Units. I was curious if you would be willing to help me recount your message/suggestions you gave me so that I can accurately pass this on to 3rd Ave Development. I believe they need to hear/read this since I have been mentioning marketing to them since they purchased the property.
2. I have worked their financial outlook, projected cash flow, and targeted selling price and with their concurrence they desire to ask for \$6,600 per unit for the first four units (\$26,400) to help drive the selling price down to point where they feel that the unit will sell to create cash flow and start the next 2 to 4 units. Their goal is to use the City/PDA grant mostly for the reduction of selling price but also to try and spread this grant over the entire project.
3. Lastly, looking at the workers of construction crew, the subs to be used, and the suppliers; the Live Work units could employ as many as 32 people in the community not at one time but throughout the project. There is approximately \$50,000 in labor, 85,000 in materials, 8,000 in overhead/profit, and \$15,000 in construction equipment to be spent on each unit without considering the cost of the land and the time I

6/3/2009

have put into this effort. We should remember that there are 11 units which would yield 550,000 in labor injected into the economy over a 18 month to 2 years period of time. The raw cost of the project is approximately \$1.7 million dollars. Please consider these figures as approximate since we have no idea how the economy and cost will react over the next 18 to 24 months.

Thanks for your time and we should talk more about this when you have a chance.

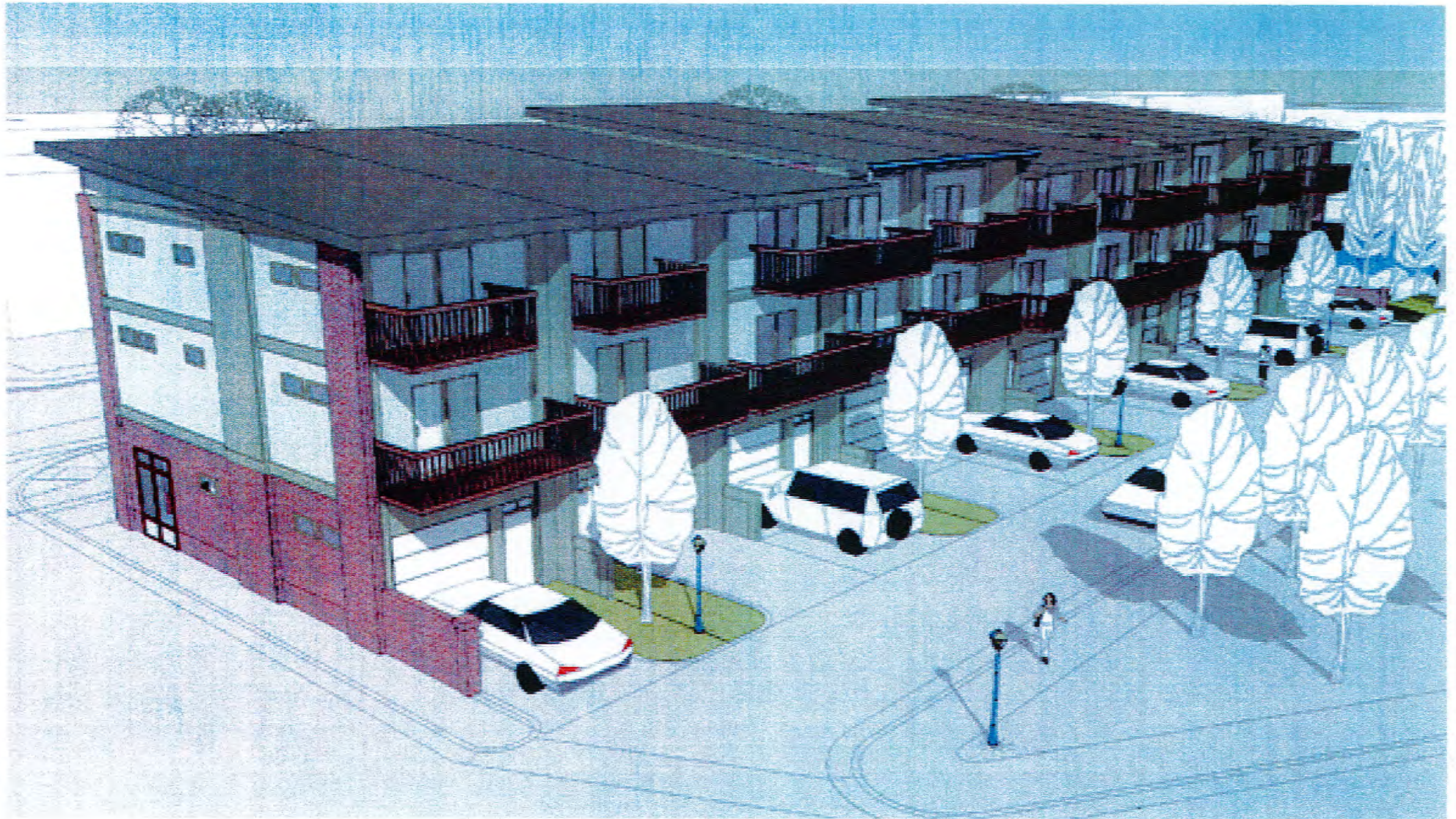
Michael R. Jaglowski, P.E., CPESC

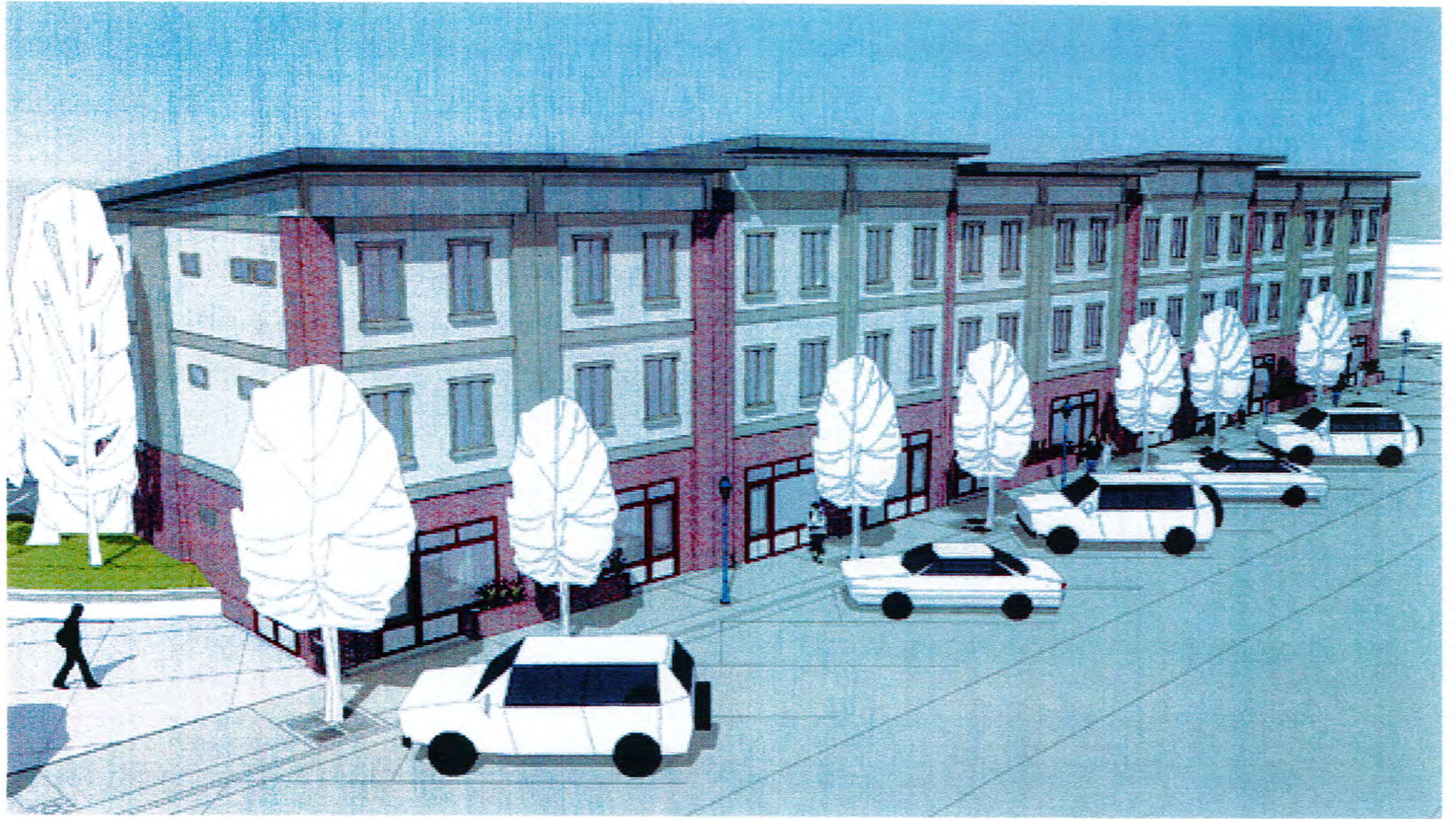
Keller Associates, Inc.

412 West Center Street, Suite 330

Pocatello, ID 83204

Office: (208) 238-2146





OLD FEDERAL BUILDING ASSOCIATES

150 South Arthur, Suite 212
Pocatello, Idaho 83204
~~(208) 233-7676~~

Phone: 251-7628

May 20, 2009

Robert E. Chambers
Director
Planning & Development Services
P. O. Box 4169
Pocatello, ID 83205-4169

Dear Robert:

This letter is to reference our recent meeting on 15 May to discuss a major remodel for the Yellowstone Hotel.

I'd like to submit this proposal to you and the PDA for preliminary approval. As you know the hotel lies in the downtown historic district and also the central corridor TIF district.

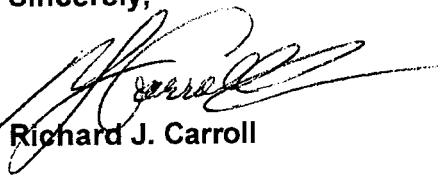
I would like to provide 15 upper level housing units occupying approximately 19,000 square feet, including common area.

Total rehabilitation costs will be 1.8 million plus or minus 5% at \$95 a foot. These units will contain all of the household amenities that one would expect for today's environment.

It is my hope that the TIF funding mechanism, along with other finance sources, will make this a doable project.

If you have any questions please do not hesitate to call. I await your response with anticipation.

Sincerely,



Richard J. Carroll

Pocatello Development Authority

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

May 29, 2009

An urban renewal agency for the City of Pocatello, Idaho

To: Mr. Dwight Babcock, Chairman and CEO
IsoRay Medical, Inc.
350 Hills St. Suite 106
Richland, Washington 99354

Re: Economic Development Agreement with the Pocatello Development Authority

Dear Mr. Babcock:

In December of 2005, an Economic Development Agreement was executed between the Pocatello Development Authority (PDA), and IsoRay Medical Inc (IsoRay). A copy of this agreement is enclosed.

It was the intention of the parties that IsoRay would construct a manufacturing facility where Cesium 131 would be inserted in titanium capsules to be used in brachytherapy for cancer treatment. The reactor facility at the Idaho National Lab (INL) was to be used to produce the Cesium 131 if test results proved favorable. IsoRay was provided by PDA the sum of \$200,000 to pursue test results and to help in the construction of the device required for insertion of the testing sample in the INL reactor.

In exchange for the \$200,000 IsoRay agreed to construct a manufacturing facility within the City of Pocatello so that operation could begin no later than January 1, 2008. The agreement further stipulates that should IsoRay fail to build and operate the manufacturing facility that the \$200,000 would be repaid with 5% interest from the date of disbursement.

This letter is to invite a response from IsoRay as to its intentions regarding this agreement. We would appreciate such a response at the earliest convenience.

Should you have questions about this agreement I invite your call to either myself or to Mr. Dean Tranmer, Attorney for the PDA (208-234-6149). Thank you for your kind consideration in this matter.

Sincerely,



Robert E. Chambers, Executive Director
Pocatello Development Authority
P.O. Box 4169
Pocatello, ID 83205-4169
(208) 234-6184

Cc: Mr. Dean Tranmer, PDA Attorney
Mr. Steve Brown, PDA Chair



OFFICE OF THE MAYOR
911 North 7th Avenue
P.O. Box 4169
Pocatello, Idaho 83205
(208) 234-6163
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www.pocatello.us

ROGER W. CHASE
Mayor

Pocatello City Council:
ROGER J. BRAY
RON FRASURE
GARY MOORE
EVA JOHNSON NYE
ROBERT RICHWAY
BRIAN T. UNDERWOOD

June 10, 2009

Honorable Steve Brown
Chairman, Pocatello Development Authority (PDA)

RE: Engineering Design for Hoku Overpass

Dear Mr. Brown:

Sir

I'm unable to attend the scheduled PDA meeting on June 17, 2009 due to a conflict with the Association of Idaho Cities annual conference. I'm writing because I wanted you and the Board to be aware of an upcoming situation regarding engineering design expenses associated with the road and RR overpass vicinity the Hoku plant.

As the Board knows, PDA has an obligation in the Hoku development agreement to build the perimeter road and overpass over the Union Pacific mainline, connecting to Highway 30. The expectation is that when the plant sufficiently nears operation, PDA will be able to borrow money for the project in a bond issue.

The most significant issue with bonding is certainty that the plant will go into operation. That triggers its arrival on the tax roles and in turn triggers the flow of property taxes to support the debt. It is a bond market confidence issue as to when PDA would be able to bond. In previous markets, we would be there now. The plant is partially constructed with \$150M in the ground. Investors could be sufficiently convinced that the plant would be finished and the taxes would arrive, etc. In the most skittish of markets, the PDA might not be able to bond until the plant was operating and the tax flow was established, ideally with a three history of revenue (I'm discounting the most skittish – so fearful that no one would lend money, forcing PDA to build up a balance and build the overpass for cash). The most likely scenario is that we can bond when the plant executes preliminary operation, putting it on the tax roles. That should happen later this year.¹

Engineering design will be a significant expense in the project, costing between \$300,000 and \$600,000. City Engineering Department issued requests for proposals this week, seeking potential bidders. The actual construction of the project may be \$7M, along with engineering services to manage the construction. What we are talking about here is design.

We could wait until bonding was complete to begin design. But that will make construction in the Spring of 2010 unlikely. We would not have a design and until we do, we can't put it out for bid. On the finance front, we wouldn't really know how much to bond for since we lacked detailed design and firm cost estimates.

¹ Hoku press release April 2, 2009: "The revised milestone schedule realigns JH Kelly's incentives with our current schedule, which is to start-up the plant and commence shipments to our customers in the **second half of calendar year 2009**, which may be before our TCS plant is operational," said Dustin Shindo, chairman and CEO of Hoku Scientific.

Because of these issues, the city recommends that we proceed with engineering design and execute a contract with an engineering firm if the RFPs come back with satisfactory proposals.

So how to pay for the \$300,000 - \$600,000 bill?

One option is for the city to front these costs, just as we have for the basic plant site (\$1M), rail spur land (\$11K) and right of way for this overpass (\$130K). The city eventually gets paid back with the TIF revenue and for the overpass project, could tap the bond proceeds as soon as bonds were sold. Problem is that the city's general fund is stretched and can't absorb a bill of this magnitude without risking going negative in December when city cash is at our lowest, awaiting January property tax payments. Small negative might be OK if we have other city funds (we've been there before) but I'm not comfortable recommending to my City Council that the city take this on.

Another option would be for the city's general fund to borrow internally from our Sanitation Department. Our utilities have cash reserves of this magnitude and Sanitation has no debt, so we could borrow the money and avoid the cash flow issues above. But it is our strategic reserve. I'd rather not commit it because we can only borrow so much (\$800K - \$1M?) and we have a lot of risks out there.

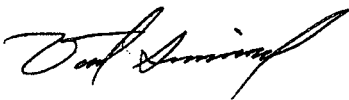
A third option is for PDA to fund the engineering design. The city would execute the contract and request reimbursement of expenses on a monthly basis, with a not to exceed amount, etc. The cash would come from the \$589,580 in "available cash" in PDA's general fund or the \$189,552 in "available cash" in the Central Corridor District, knowing that cash will go up with July property tax increment payments (would execute as loans to PDA's Hoku ("North Portneuf") district, and that district in turn would pay to the city.

One could envision a combination of these methods (many hands make for lighter work). We might also arrange short term bridge financing from Wells Fargo or others. The PDA could do that, the city cannot (illegal for city to go into debt without judicial confirmation, election ,etc).

No decision is required at the June 17 meeting, but I see this issue coming to a head soon, probably for the July 15 meeting. Wanted everyone to be advised of the situation.

Have a good meeting and know that the city appreciates everything that you and the PDA board members do for our community.

Respectfully,



David Swindell
Chief Financial Officer
(208) 234-6166
email: dswindell@pocatello.us