

POCATELLO DEVELOPMENT AUTHORITY
Board of Commissioners Meeting
October 20, 2010 – 11:00am

City Hall
911 North 7th Avenue

11:00am Council Chambers

Call to order – Vice-Chairwoman Johnson

Acknowledge guests of the Board

Disclosure of conflicts of interest

Agenda – add or delete action or discussion items

Action and Discussion Items

Minutes of September 15, 2010 – Motion to approve and/or amend

Financial Report: August and September Income and Expenses
Budget / Cash Projections
Annual Budgets; 2010

Election of Officers: 2010 – 2011
Currently: Chair – Vacant
V. Chair – Darsi Johnson
Treasurer – Ryan Ward

General Discussion:

Iso Ray – Response Letter

Positron / Acceloris Update

State Legislation Status

Airport Trans. Load Station Design – Requesting \$7,500 for Engineering Services

Airport URA/RAD Status:

November 4, 2010 – Public Hearing/Ordinance Reading
November 10, 2010 – Ordinance Publication

CCCURA / RAD Status:

November 17, 2010 – PDA Closure Resolution
December 2, 2010 – Council Closure Resolution

Executive Session:

Items from staff

Items from commission members

Adjourn

Executive Session

Matters exist for discussion in an executive session as per I.C. 67-2345 (1) (e)

Motion: "I move that we enter into an executive session as per Idaho Code 67- 2345 (1) (e) to consider preliminary negotiations involving matters of trade or commerce in which the PDA may be in competition with other jurisdictions."

Pocatello Development Authority

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

An urban renewal agency for the City of Pocatello, Idaho

October 22, 2010

Mr. Stephen K. Boatwright
Attorney at Law
3101 N. Central Ave.
Phoenix, AZ 85012-2809

Re: IsoRay Economic Development Agreement

Dear Mr. Boatwright:

I have been directed by the Board of the Pocatello Development Authority (PDA) to respond to your letter dated May 7, 2010 regarding the above-named document.

Please consider this letter as a formal request to IsoRay, Inc. and IsoRay Medical, Inc. to provide copies of the lengthy correspondence with the Idaho National Lab (INL) that you refer to in your May 7, 2010 letter regarding the use of the INL reactor facility to provide the product needed by IsoRay.

Please inform me as to what plans IsoRay has to address the concerns you indicated needed to be resolved with the INL to determine the issue regarding "approval" for the use of the INL facility.

Finally, the PDA Board is concerned that you state your client is in the "midst" of its discussions with the INL years after representing to the PDA Board that the "shuttle" project was almost certain to be successful when IsoRay made its request for funding to the PDA.

If IsoRay is indeed in the "midst" of its discussions with the INL, you should be able to inform the PDA Board as to the schedule of meetings IsoRay has set up with the INL to complete those discussions.

Finally, it should not be inconceivable to IsoRay that the PDA Board is trying to be a "good steward" of the public tax increment dollars it made available to IsoRay based upon the assurances given by IsoRay representatives regarding the likelihood of success for this project. Until IsoRay can show proof that the INL withdrew any possibility of using its facility, the PDA will continue to consider IsoRay to be responsible for its obligations under the Economic Development Agreement dated December 14, 2005. If

October 22, 2010
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there is something the PDA Board can do to help IsoRay and the INL resolve the outstanding issues that still remain at this late date, please let us know how we can be of help.

Sincerely,

A handwritten signature in cursive script that reads "A. Dean Tranmer". The signature is written in black ink and is positioned above the typed name.

A. Dean Tranmer
Counsel for PDA

ADT/dt

Enc.

cc: Robert Chambers, PDA Exec. Dir.

FINANCIAL REPORT
FOR
August 2010

Cash movement analysis:

During August, 2010 Pocatello Development Authority received cash of \$257,855.17 and had \$559,235.53 in expenses so that there was a decrease in cash of \$301,380.36.

General Fund revenue received \$1.13 in interest earnings on the Money Market Account and paid \$125.24 in luncheon costs, \$3,800.00 for the 2009 annual audit and \$29.70 for office expenses for a net reduction in cash of \$3,953.81.

The Central Corridor District received \$23.64 interest revenues on trust funds and property taxes of \$257,816.69. It paid \$35,000.00 on repayment to the City of Pocatello for triangle land costs. The districts cash balance increased \$22,840.33.

The North Yellowstone District received interest revenues on trust funds of \$13.71. The District paid \$1,700.00 in arbitrage study costs and made bond payments of \$458,225.00. The district's cash decreased by \$459,911.29.

The Naval Ordinance Plant District had no revenues, however it paid \$60,355.59 to have the sewer lines flushed.

The North Portneuf District had no activity.

External Debt:

Consolidated Corridor District: Two payments left, 2010 (interest only \$23,432.50) and 2011. Principal due \$910,000.00, interest due \$46,865.00, for a total of \$956,865.00.

North Yellowstone District: Final payment due 2027. Principal due \$7,395,000.00, interest due \$4,838,425.00, for a total of \$12,233,425.00.

POCATELLO DEVELOPMENT AUTHORITY
STATEMENT OF CASH AS OF AUGUST 31, 2010

Cash in Checking	\$1,835,799.42
Cash in Savings (Wells Fargo Money Market Account)	132,898.05
Cash in held by third parties (Wells Fargo Corporate Trust)	3,940,493.99
Total cash	5,909,191.46
Cash restricted by bond covenants	-2,963,752.50
Total cash available	\$2,945,438.96

STATEMENT OF CHANGES IN CASH AND CASH EQUIVILENTS
FOR THE MONTH ENDED AUGUST 31, 2010

Receipts for the Month

	CC	Property taxes received - Central Corridor	\$257,816.69
	GF	Interest earnings on savings - Wells Fargo Managed Cash	1.13
		Interest earning on Trust Accounts - Wells Fargo Trusts	37.35
		Total receipts	257,855.17

Expenditures for the Month

#3087	GF	Deaton and Company 2009 Audit costs	3,800.00
#3088	NY	Arbitrage Compliance Specialists North Yellowstone bond argitrage study	1,700.00
#3089	GF	City of Pocatello Reimbursement for plaque for Steve Brown	29.70
#3090	CC	City of pocatello Advance repayment of triangle land reimbursement	35,000.00
#3091	NO	City of Pocatello Reimbursement for sewer line flushing	60,355.59
#3092	GF	Olivers August Luncheon	125.24
N/A	NY	Wells Fargo Corporate Trust North Yellowstone Bond Payment	458,225.00
		Total expenditures	559,235.53
		Net change in cash	-\$301,380.36

Cash balances as of August 31, 2010	\$5,909,191.46
Cash balances as of July 31, 2010	\$6,210,571.82
Net change in cash	-\$301,380.36

CC = Central Corridor, NY = North Yellowstone, GF = General Fund, NO=Naval Ordinance
 NP = North Portneuf, EC=East Center

POCATELLO DEVELOPMENT AUTHORITY
CASH ANALYSIS FOR THE MONTH ENDING AUGUST 31, 2010

	Balance 31-Jul-10	Balance 31-Aug-10	Change in Balance
Total Cash:			
General Fund			
Cash in checking	\$298,533.23	\$294,578.29	-\$3,954.94
Money Market Account	132,896.92	132,898.05	\$1.13
Total General Fund Cash	<u>431,430.15</u>	<u>427,476.34</u>	<u>-\$3,953.81</u>
Central Corridor District			
Cash in checking	600,225.33	823,042.02	\$222,816.69
Bond Trust Fund (Wells Fargo)	0.21	23,432.50	\$23,432.29
Revenue Allocation Trust Fund (Wells)	2,133,398.32	2,109,984.15	-\$23,414.17
Total Central Corridor District Cash	<u>2,733,623.86</u>	<u>2,956,458.67</u>	<u>\$222,834.81</u>
North Yellowstone District			
Cash in checking	636,130.65	634,430.65	-\$1,700.00
Bond Trust Fund (Wells Fargo)	458,226.06	2.60	-\$458,223.46
Revenue Allocation Trust Fund (Wells)	475,109.79	475,149.99	\$40.20
Total Yellowstone District Cash	<u>1,569,466.50</u>	<u>1,109,583.24</u>	<u>-\$459,883.26</u>
Central Corridor District Debt Service	650,019.23	650,024.75	\$5.52
North Yellowstone District Debt Service	681,928.03	681,900.00	-\$28.03
East Center District	0.00	0.00	\$0.00
North Portneuf - Cash in checking	55,750.51	55,750.51	\$0.00
Naval Ordinance Plant - Cash in checking	88,353.54	27,997.95	-60,355.59
Total cash	<u>\$6,210,571.82</u>	<u>\$5,909,191.46</u>	<u>-\$301,380.36</u>
Cash Restricted By Bond Covenants:			
Central Corridor Cash			
Next bond payment	956,865.00	956,865.00	0.00
North Yellowstone Cash			
Next bond payment	674,987.50	678,525.00	3,537.50
Central Corridor District Debt Service	650,000.00	650,000.00	0.00
North Yellowstone District Debt Service	681,900.00	681,900.00	0.00
Total restricted cash	<u>2,963,752.50</u>	<u>2,967,290.00</u>	<u>3,537.50</u>
Total unrestricted cash	<u>3,246,819.32</u>	<u>2,941,901.46</u>	<u>-304,917.86</u>
Cash Available			
General Fund	431,430.15	427,476.34	-\$3,953.81
Central Corridor District	1,776,758.86	1,999,593.67	222,834.81
North Yellowstone District	894,479.00	431,058.24	-463,420.76
Central Corridor District Debt Service	19.23	24.75	5.52
North Yellowstone District Debt Service	28.03	0.00	-28.03
East Center District	0.00	0.00	-3,537.50
North Portneuf District	55,750.51	55,750.51	0.00
Naval Ordinance Plant District	88,353.54	27,997.95	-60,355.59
Total available cash	<u>3,246,819.32</u>	<u>2,941,901.46</u>	<u>-308,455.36</u>

**POCATELLO DEVELOPMENT AUTHORITY
GENERAL FUND CASH FLOW PROJECTIONS
2010 THROUGH 2015**

YEARS ENDED	Budget 2010	YTD 2010 As of August	Remaining 2010	Budget 2011	Budget 2012	Budget 2013	Budget 2014
Previous Year Balance:	\$203,712.87	\$203,712.87	\$427,476.34	\$513,372.25	\$487,517.25	\$1,316,032.38	\$614,692.41
INCOME:							
Central Corridor Admin fee		16,318.12			853,370.13		
North Yellowstone Loan (finished 2010)	285,514.38	285,514.38	0.00				
Tetridyn Loan (finished 2010)	50,000.00		50,000.00				
Shaver loan		28,719.00	-26,719.00				75,000.00
Refunds and reimbursements		53.10	-53.10				
Interest Income	800.00	12.16	787.84	800.00	800.00	1,315.03	614.69
Total Projected Income:	336,314.38	328,616.76	24,015.74	800.00	854,170.13	1,315.03	75,614.69
EXPENSE:							
RDA loan payoff Naval Ordinance District						675,000.00	
Varsity Square LLC Grant		100,000.00					
Management salaries	16,625.00		16,625.00	16,625.00	16,625.00	16,625.00	16,625.00
Luncheon costs	1,320.00	993.81	326.19	1,320.00	1,320.00	1,320.00	1,320.00
Office expenses	200.00	29.70	170.30	200.00	200.00	200.00	200.00
Legal advertising	50.00		50.00	50.00	50.00	50.00	50.00
Banking and Professional services	8,460.00	3,829.78	4,630.22	8,460.00	8,460.00	8,460.00	8,460.00
Total Projected Expense:	26,655.00	104,853.29	21,801.71	26,655.00	26,655.00	701,655.00	26,655.00
CALCULATED ANNUAL BALANCE	\$513,372.25	\$427,476.34	\$429,690.37	\$487,517.25	\$1,316,032.38	\$614,692.41	\$663,652.10
	\$705,843.52						
	\$679,288.52						

**POCATELLO DEVELOPMENT AUTHORITY
CENTRAL CORRIDOR CASH FLOW PROJECTIONS
2010 THROUGH 2012****

YEARS ENDED	Budget 2010	Actual 2010 As of August	Remaining 2010	Budget 2011	Budget 2012
Previous Year Balance*:	\$3,222,333.55	\$3,222,333.55	\$3,606,483.42	\$1,142,756.18	-\$131,056.88
INCOME:					
Projected Estimated Tax Revenues: ^{6,9}	1,500,000.00	1,361,405.91	138,594.09	1,500,000.00	
Taxes Received from Previous Years & yearly interest ⁷			0.00		
South Cliffs Repayment: ¹²	196,867.85		196,867.85		
AMI Repayment (Building Owners): ¹²			0.00		1,200,000.00
Positron Repayment: ^{12 (\$100,000.00)}			0.00		
Interest earning on trust accounts	9,000.00	206.28	8,793.72	9,000.00	9,000.00
Total Projected Income:	1,705,867.85	1,361,612.19	344,255.66	1,509,000.00	1,209,000.00
EXPENSE:					
Current Year Debt Service:	928,795.00	905,362.50	23,432.50	933,432.50	
Cheyenne Crossing: Committed \$3 million total ^{10 & 10}	2,117,700.22	5,645.82	2,112,054.40	1,347,130.36	
Whitman/Yellowstone Hotel: Committed \$813,000 ^{10 org 300,000}			0.00		
Clark Street Overpass: Committed \$258,880.93					258,800.93
Admin Transfer to Unrestricted Account: ¹¹			0.00		853,370.13
General Fund - loan for Triangle development					
City of Pocatello, triangle land reimbursement		35,000.00			171,000.00
Arbitrage		1,700.00	0.00		
Trustee fees	2,250.00		2,250.00	2,250.00	
<u>Unapproved Projects</u>					
Farmer's Project #1 org. 500,000.00	200,000.00	29,754.00	170,246.00		
Unnamed Project #3 (\$500,000.00 new Jan 2009): ¹⁹	500,000.00		500,000.00	500,000.00	
Total Projected Expense:	3,748,745.22	977,462.32	2,807,982.90	2,782,812.86	1,283,171.06
CALCULATED ANNUAL BALANCE	\$1,179,456.18	\$3,606,483.42	\$1,142,756.18	-\$131,056.68	-\$205,227.74
Debt service restriction (reserve \$850,000.00)		\$650,024.75	\$650,024.75		0.00
Current debt payment allocation fund reserve		\$956,865.00	\$956,865.00		
Available cash		\$1,999,593.67	-\$464,133.57	-\$131,056.68	-\$205,227.74

** TIF District slated to close in 2012

**POCATELLO DEVELOPMENT AUTHORITY
NORTH YELLOWSTONE FUND CASH FLOW PROJECTIONS
2010 THROUGH 2028**

YEARS ENDED	Budget 2010	YTD 2010 As of August	Remaining 2010	Budget 2011	Budget 2012	Budget 2013	Budget 2014 - 2028
Previous Year Balance:	\$1,546,739.44	\$1,546,739.44	\$1,791,483.24	\$1,567,171.46	\$1,880,898.86	\$2,193,101.28	\$2,504,603.66
INCOME:							
Property taxes (orig \$761,120.03)	1,114,527.36	1,215,765.21	0.00	1,114,527.36	1,114,527.36	1,114,527.36	16,717,910.40
Interest on trust accounts	144.00	142.97	1.03	5,000.00	6,000.00	5,000.00	300,000.00
Loan from General Fund							
Total Projected Income:	1,114,671.36	1,215,908.18	1.03	1,119,527.36	1,119,527.36	1,119,527.36	17,017,910.40
EXPENSE:							
Current Year Debt Service:							
Rail Crossing	881,450.00	681,450.00	0.00	678,525.00	680,050.00	680,750.00	10,184,100.00
PEG Development Land Acquisition							
Legal Advertising							
Arbitrage fees	5,260.00	1,700.00		5,260.00	5,260.00	5,260.00	78,900.00
Trustee fees		2,500.00	0.00				
Loan payment to PDA General Fund (orig 100,000)	285,514.38	285,514.38	0.00				330,000.00
Costco employment payment (\$854,105.00) 1	122,014.96	285,514.38	0.00	122,014.96	122,014.96	122,014.88	285,514.38
Total Projected Expense:	1,094,239.34	971,164.38	0.00	805,799.96	807,324.96	808,024.96	732,089.76
CALCULATED ANNUAL BALANCE	\$1,567,171.46	\$1,791,483.24	\$1,791,484.27	\$1,880,898.86	\$2,193,101.28	\$2,504,603.66	\$8,883,469.18
Bond reserve trust fund		681,900.00	681,900.00	681,900.00	681,900.00	681,900.00	681,900.00
Current debt payment allocation fund reserve		678,525.00	678,525.00	678,525.00	680,050.00	680,750.00	10,184,100.00
Amount available		431,058.24	431,059.27	520,473.86	831,151.26	1,141,953.68	-1,992,530.82

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
2010 THROUGH 2028**

YEARS ENDED	Budget 2010	YTD 2010 As of August	Remaining 2010	Budget 2011	Budget 2012	Budget 2013	Budget 2014 - 2028
Previous Year Balance:	\$41,127.85	\$41,127.85	\$55,750.51	\$799.87	\$799.87	\$799.87	\$0.00
INCOME:							
Property taxes	400.00	14,622.66	-14,222.66	1,492,442.00	2,895,337.00	2,808,447.00	39,342,425.00
Interest on trust accounts			0.00				
Loan from General Fund			0.00				
Total Projected Income:	400.00	14,622.66	-14,222.66	1,492,442.00	2,895,337.00	2,808,447.00	39,342,425.00
EXPENSE:							
Debt service			0.00	1,492,442.00	2,895,337.00	2,808,447.00	2,724,223.00
Hckur:			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	1,492,442.00	2,895,337.00	2,808,447.00	38,262,874.00
CALCULATED ANNUAL BALANCE	\$41,527.85	\$55,750.51	\$41,527.85	\$799.87	\$799.87	\$799.87	\$1,079,551.00
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
2010 THROUGH 2028**

YEARS ENDED	Budget 2010	YTD 2010 As of August	Remaining 2010	Budget 2011	Budget 2012	Budget 2013	Budget 2014 - 2028
Previous Year Balance:	\$5,898.54	\$5,898.54	\$27,997.95	\$6,535.78	\$7,173.02	\$7,800.26	\$8,427.50
INCOME:							
Property taxes	75,637.24	82,455.00	-6,817.76	75,637.24	75,627.24	75,627.24	1,058,781.36
Interest on trust accounts			0.00				
Loan from General Fund			0.00				
Total Projected Income:	75,637.24	82,455.00	-6,817.76	75,637.24	75,627.24	675,000.00	1,058,781.36
EXPENSE:							
Log Homes (\$225,000.)	75,000.00		75,000.00	75,000.00	75,000.00		
Owner Contract (RDA)			0.00			750,000.00	
Repay loan to General Fund			0.00				
Sewer line flushing		60,355.59	0.00				750,000.00
			0.00				
			0.00				
Total Projected Expense:	75,000.00	60,355.59	75,000.00	75,000.00	75,000.00	750,000.00	750,000.00
CALCULATED ANNUAL BALANCE	\$6,535.78	\$27,997.95	-\$63,819.81	\$7,173.02	\$7,800.26	\$8,427.50	\$317,208.86

**POCATELLO DEVELOPMENT AUTHORITY
EAST CENTER CASH FLOW PROJECTIONS
2010**

YEARS ENDED	Budget 2010	Actual 2010 As of August	Remaining 2010	
Previous Year Balance:	\$162,799.76	\$162,799.76	\$0.00	
INCOME:				
Property taxes	0.00		0.00	
Interest on trust accounts			0.00	
Loan from General Fund			0.00	
Total Projected Income:	0.00	0.00	0.00	
EXPENSE:				
Admin fee to General Fund	16,318.12	16,318.12	0.00	146,481.64
Refund to:				
City of Pocatello	71,366.83	71,366.83	0.00	
School District 25	31,079.92	31,079.92	0.00	
Bannock County	37,511.50	37,511.50	0.00	
County Road	4,658.91	4,658.91	0.00	
County Ambulance	1,864.48	1,864.48	0.00	
Total Projected Expense:	162,799.76	162,799.76	0.00	
CALCULATED ANNUAL BALANCE	\$0.00	\$0.00	\$0.00	

FINANCIAL REPORT
FOR
September 2010

POCATELLO DEVELOPMENT AUTHORITY
STATEMENT OF CASH AS OF SEPTEMBER 30, 2010

Cash in Checking	\$1,838,294.12
Cash in Savings (Wells Fargo Money Market Account)	132,899.18
Cash in held by third parties (Wells Fargo Corporate Trust)	3,917,095.09
Total cash	5,888,288.39
Cash restricted by bond covenants	-2,967,290.00
Total cash available	\$2,920,998.39

STATEMENT OF CHANGES IN CASH AND CASH EQUIVILENTS
FOR THE MONTH ENDED SEPTEMBER 30, 2010

Receipts for the Month

CC	Property taxes received - Central Corridor	\$2,654.77
GF	Interest earnings on savings - Wells Fargo Managed Cash	1.13
	Interest earning on Trust Accounts - Wells Fargo Trusts	33.60
	Total receipts	2,689.50

Expenditures for the Month

#3093	GF	Jimmy John's September's Luncheon	140.77
#3094	GF	Darcy Taylor September's Luncheon drinks	19.30
N/A	CC	Wells Fargo Corporate Trust Central Corridor Bond Interest Payment	23,432.50
		Total expenditures	23,592.57
		Net change in cash	-\$20,903.07

Cash balances as of September 30, 2010	\$5,888,288.39
Cash balances as of August 31, 2010	\$5,909,191.46
Net change in cash	-\$20,903.07

CC = Central Corridor, NY = North Yellowstone, GF = General Fund, NO=Naval Ordinance
 NP = North Portneuf, EC=East Center

POCATELLO DEVELOPMENT AUTHORITY
CASH ANALYSIS FOR THE MONTH ENDING SEPTEMBER 30, 2010

	Balance 31-Aug-10	Balance 30-Sep-10	Change in Balance
Total Cash:			
General Fund			
Cash in checking	\$294,578.29	\$294,418.22	-\$160.07
Money Market Account	132,898.05	132,899.18	\$1.13
Total General Fund Cash	<u>427,476.34</u>	<u>427,317.40</u>	<u>-\$158.94</u>
Central Corridor District			
Cash in checking	823,042.02	825,696.79	\$2,654.77
Bond Trust Fund (Wells Fargo)	23,432.50	0.04	-\$23,432.46
Revenue Allocation Trust Fund (Wells)	2,109,984.15	2,110,032.50	\$48.35
Total Central Corridor District Cash	<u>2,956,458.67</u>	<u>2,935,729.33</u>	<u>-\$20,729.34</u>
North Yellowstone District			
Cash in checking	634,430.65	634,430.65	\$0.00
Bond Trust Fund (Wells Fargo)	2.60	2.73	\$0.13
Revenue Allocation Trust Fund (Wells)	475,149.99	475,159.82	\$9.83
Total Yellowstone District Cash	<u>1,109,583.24</u>	<u>1,109,593.20</u>	<u>\$9.96</u>
Central Corridor District Debt Service	650,024.75	650,000.00	-\$24.75
North Yellowstone District Debt Service	681,900.00	681,900.00	\$0.00
East Center District	0.00	0.00	\$0.00
North Portneuf - Cash in checking	55,750.51	55,750.51	\$0.00
Naval Ordinance Plant - Cash in checking	27,997.95	27,997.95	0.00
Total cash	<u>\$5,909,191.46</u>	<u>\$5,888,288.39</u>	<u>-\$20,903.07</u>
Cash Restricted By Bond Covenants:			
Central Corridor Cash			
Next bond payment	956,865.00	933,432.50	-23,432.50
North Yellowstone Cash			
Next bond payment	678,525.00	678,525.00	0.00
Central Corridor District Debt Service	650,000.00	650,000.00	0.00
North Yellowstone District Debt Service	681,900.00	681,900.00	0.00
Total restricted cash	<u>2,967,290.00</u>	<u>2,943,857.50</u>	<u>-23,432.50</u>
Total unrestricted cash	<u>2,941,901.46</u>	<u>2,944,430.89</u>	<u>2,529.43</u>
Cash Available			
General Fund	427,476.34	427,317.40	-\$158.94
Central Corridor District	1,999,593.67	2,002,296.83	2,703.16
North Yellowstone District	431,058.24	431,068.20	9.96
Central Corridor District Debt Service	24.75	0.00	-24.75
North Yellowstone District Debt Service	0.00	0.00	0.00
East Center District	0.00	0.00	23,432.50
North Portneuf District	55,750.51	55,750.51	0.00
Naval Ordinance Plant District	27,997.95	27,997.95	0.00
Total available cash	<u>2,941,901.46</u>	<u>2,944,430.89</u>	<u>25,961.93</u>

Cash movement analysis;

During September, 2010 Pocatello Development Authority received cash of \$2,689.50 and had \$23,592.57 in expenses so that there was a decrease in cash of \$20,903.07.

General Fund revenue received \$1.13 in interest earnings on the Money Market Account and paid \$160.07 in luncheon costs for a net reduction in cash of \$158.94.

The Central Corridor District received \$23.64 interest revenues on trust funds and property taxes of \$2,654.77. It paid \$23,432.50 on interest on its outstanding bonds. The districts cash balance increased \$20,754.09.

The North Yellowstone District received interest revenues on trust funds of \$9.96 and had no expenses.

The Naval Ordinance Plant District had no activity.

The North Portneuf District had no activity.

External Debt:

Consolidated Corridor District: One payment left 2011. Principal due \$910,000.00, interest due \$23,432.50, for a total of \$933,432.50.

North Yellowstone District: Final payment due 2027. Principal due \$7,395,000.00, interest due \$4,838,425.00, for a total of \$12,233,425.00.

**POCATELLO DEVELOPMENT AUTHORITY
GENERAL FUND CASH FLOW PROJECTIONS
2010 THROUGH 2015**

YEARS ENDED	Budget 2010	YTD 2010 As of September	Remaining 2010	Budget 2011	Budget 2012	Budget 2013	Budget 2014
Previous Year Balance:	\$203,712.87	\$203,712.87	\$427,317.40	\$513,372.25	\$487,517.25	\$1,315,032.38	\$614,692.41
INCOME:							
Central Corridor Admin fee		16,318.12					
North Yellowstone Loan (finished 2010)	285,514.38	285,514.38	0.00		853,370.13		
Tetrdyn Loan (finished 2010)	50,000.00		50,000.00				
Shaver loan		28,719.00	-28,719.00				75,000.00
Refunds and reimbursements		53.10	-53.10				
Interest Income	800.00	13.29	786.71	800.00	800.00	1,315.03	614.69
Total Projected Income:	336,314.38	328,617.89	24,014.61	800.00	854,170.13	1,315.03	75,614.69
EXPENSE:							
RDA loan payoff Naval Ordinance District							
Varsity Square LLC Grant		100,000.00				675,000.00	
Management salaries	16,625.00		16,625.00	16,625.00	16,625.00	16,625.00	16,625.00
Luncheon costs	1,320.00	1,153.88	166.12	1,320.00	1,320.00	1,320.00	1,320.00
Office expenses	200.00	28.70	170.30	200.00	200.00	200.00	200.00
Legal advertising	50.00		50.00	50.00	50.00	50.00	50.00
Banking and Professional services	8,460.00	3,829.78	4,630.22	8,460.00	8,460.00	8,460.00	8,460.00
Total Projected Expense:	26,655.00	105,013.38	21,641.64	26,655.00	26,655.00	701,655.00	26,655.00
CALCULATED ANNUAL BALANCE	\$513,372.25	\$427,317.40	\$429,690.37	\$487,517.25	\$1,315,032.38	\$614,692.41	\$663,652.10
	\$705,943.52						
	\$679,288.52						

**POCATELLO DEVELOPMENT AUTHC
CENTRAL CORRIDOR CASH FLOW PROJECTIONS
2010 THROUGH 2012****

YEARS ENDED	Budget 2010	Actual 2010 As of September	Remaining 2010	Budget 2011	Budget 2012
Previous Year Balance*:	\$3,222,333.55	\$3,222,333.55	\$3,585,729.33	\$1,142,756.18	-\$131,056.68
INCOME:					
Projected Estimated Tax Revenues: ^{A,B}	1,500,000.00	1,364,060.68	135,939.32	1,500,000.00	
Taxes Received from Previous Years & yearly interest: ⁷			0.00		
South Cliffs Repayment: ¹²	196,867.85		196,867.85		
AMI Repayment (Building Owners): ¹²			0.00		1,200,000.00
Positron Repayment: ^{12 (400,000.00)}			0.00		
Interest earning on trust accounts	9,000.00	229.92	8,770.08	9,000.00	9,000.00
Total Projected Income:	1,705,867.85	1,364,290.60	341,577.25	1,509,000.00	1,209,000.00
EXPENSE:					
Current Year Debt Service:	928,795.00	928,795.00	0.00	933,432.50	
Cheyenne Crossing: Committed \$3 million total ^{16 a 18}	2,117,700.22	5,645.82	2,112,054.40	1,347,130.36	
Whitman/Yellowstone Hotel: Committed \$813,000 ^{10 exp 255,500}			0.00		
Clark Street Overpass: Committed \$258,880.93					258,800.93
Admin Transfer to Unrestricted Account: ¹¹			0.00		853,370.13
General Fund - loan for Triangle development					
City of Pocatello, triangle land reimbursement		35,000.00			171,000.00
Arbitrage		1,700.00	0.00		
Trustee fees	2,250.00		2,250.00	2,250.00	
<u>Unapproved Projects</u>					
Farmer's Project #1 org. 500,000.00	200,000.00	29,754.00	170,246.00		
Unnamed Project #3 (\$500,000.00 new Jan 2009): ¹⁹	500,000.00		500,000.00	500,000.00	
Total Projected Expense:	3,748,745.22	1,000,894.82	2,784,550.40	2,782,812.86	1,283,171.06
CALCULATED ANNUAL BALANCE	\$1,179,456.18	\$3,585,729.33	\$1,142,756.18	-\$131,056.68	-\$205,227.74
Debt service restriction (reserve \$650,000.00)		\$650,000.00	\$650,000.00		0.00
Current debt payment allocation fund reserve		\$933,432.50	\$933,432.50		
Available cash		\$2,002,296.83	-\$440,676.32	-\$131,056.68	-\$205,227.74

** TIF District slated to close in 2012

**POCATELLO DEVELOPMENT AUTHORITY
NORTH YELLOWSTONE FUND CASH FLOW PROJECTIONS
2010 THROUGH 2028**

YEARS ENDED	Budget 2010	YTD 2010 As of September	Remaining 2010	Budget 2011	Budget 2012	Budget 2013	Budget 2014 - 2028
Previous Year Balance:	\$1,546,739.44	\$1,546,739.44	\$1,791,493.20	\$1,567,171.46	\$1,880,898.86	\$2,193,101.26	\$2,504,603.66
INCOME:							
Property taxes (orig \$761,120.03)	1,114,527.36	1,215,765.21	0.00	1,114,527.36	1,114,527.36	1,114,527.36	16,717,910.40
Interest on trust accounts	144.00	152.93	-8.93	5,000.00	5,000.00	5,000.00	300,000.00
Loan from General Fund							
Total Projected Income:	1,114,671.36	1,215,918.14	-8.93	1,119,527.36	1,119,527.36	1,119,527.36	17,017,910.40
EXPENSE:							
Current Year Debt Service:	681,450.00	681,450.00	0.00	678,525.00	680,050.00	680,750.00	10,194,100.00
Rail Crossing			0.00				
Peg Development Land Acquisition			0.00				
Legal Advertising			0.00				
Arbitrage fees	5,260.00	1,700.00		5,260.00	5,260.00	5,260.00	78,900.00
Trustee fees		2,500.00	0.00				
Loan payment to PDA General Fund (orig 100,000)	285,514.38	285,514.38	0.00				330,000.00
Costco employment payment (\$854,105.00) 1	122,014.96		0.00	122,014.96	122,014.96	122,014.96	285,514.38
Total Projected Expense:	1,094,239.34	971,164.38	0.00	805,799.96	807,324.96	808,024.96	732,089.76
CALCULATED ANNUAL BALANCE	\$1,567,171.46	\$1,791,493.20	\$1,791,484.27	\$1,880,898.86	\$2,193,101.26	\$2,504,603.66	\$8,883,469.18
Bond reserve trust fund		681,900.00	681,900.00	681,900.00	681,900.00	681,900.00	681,900.00
Current debt payment allocation fund reserve		678,525.00	678,525.00	678,525.00	680,050.00	680,750.00	10,194,100.00
Amount available		431,068.20	431,059.27	520,473.86	831,151.28	1,141,953.68	-1,992,530.82

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 \$145,855.00, Dated 12/31/2007

**POCATELLO DEVELOPMENT AUTHORITY
NORTH PORTNEUF DISTRICT CASH FLOW PROJECTIONS - Tentative
2010 THROUGH 2028**

YEARS ENDED	Budget 2010	YTD 2010 As of September	Remaining 2010	Budget 2011	Budget 2012	Budget 2013	Budget 2014 - 2028
Previous Year Balance:	\$41,127.85	\$41,127.85	\$55,750.51	\$799.87	\$799.87	\$799.87	\$0.00
INCOME:							
Property taxes	400.00	14,622.66	-14,222.66	1,492,442.00	2,895,337.00	2,808,447.00	39,342,426.00
Interest on trust accounts			0.00				
Loan from General Fund			0.00				
Total Projected Income:	400.00	14,622.66	-14,222.66	1,492,442.00	2,895,337.00	2,808,447.00	39,342,425.00
EXPENSE:							
Debt service			0.00	1,492,442.00	2,895,337.00	2,808,447.00	2,724,223.00
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				741,548.00
Taxing Entity operational costs			0.00				8,527,779.00
Total Projected Expense:	0.00	0.00	0.00	1,492,442.00	2,895,337.00	2,808,447.00	38,262,874.00
CALCULATED ANNUAL BALANCE	\$41,527.85	\$55,750.51	\$41,527.85	\$799.87	\$799.87	\$799.87	\$1,079,551.00
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
2010 THROUGH 2028**

YEARS ENDED	Budget 2010	YTD 2010 As of September	Remaining 2010	Budget 2011	Budget 2012	Budget 2013	Budget 2014 - 2028
Previous Year Balance:	\$5,898.54	\$5,898.54	\$27,997.95	\$6,535.78	\$7,173.02	\$7,800.26	\$8,427.50
INCOME:							
Property taxes	75,637.24	82,455.00	-6,817.76	75,637.24	75,627.24	75,627.24	1,058,781.36
Interest on trust accounts			0.00				
Loan from General Fund			0.00			675,000.00	
Total Projected Income:	75,637.24	82,455.00	-6,817.76	75,637.24	75,627.24	750,627.24	1,058,781.36
EXPENSE:							
Log Homes (\$225,000.)	75,000.00		75,000.00	75,000.00	75,000.00		
Owner Contract: (RDA)			0.00			750,000.00	
Repay loan to General Fund			0.00				750,000.00
Sewer line flushing		60,355.59	0.00				
			0.00				
			0.00				
Total Projected Expense:	75,000.00	60,355.59	75,000.00	75,000.00	75,000.00	750,000.00	750,000.00
CALCULATED ANNUAL BALANCE	\$6,535.78	\$27,997.95	-\$53,819.81	\$7,173.02	\$7,800.26	\$8,427.50	\$317,208.86

**POCATELLO DEVELOPMENT AUTHORITY
EAST CENTER CASH FLOW PROJECTIONS
2010**

YEARS ENDED	Budget 2010	Actual 2010 As of September	Remaining 2010	
Previous Year Balance:	\$162,799.76	\$162,799.76	\$0.00	
INCOME:				
Property taxes	0.00		0.00	
Interest on trust accounts			0.00	
Loan from General Fund			0.00	
Total Projected Income:	0.00	0.00	0.00	
EXPENSE:				
Admin fee to General Fund	16,318.12	16,318.12	0.00	146,481.64
Refund to:				
City of Pocatello	71,366.83	71,366.83	0.00	
School District 25	31,079.92	31,079.92	0.00	
Bannock County	37,511.50	37,511.50	0.00	
County Road	4,658.91	4,658.91	0.00	
County Ambulance	1,864.48	1,864.48	0.00	
Total Projected Expense:	162,799.76	162,799.76	0.00	
CALCULATED ANNUAL BALANCE	\$0.00	\$0.00	\$0.00	

BUDGET COMPARISON
FOR
Year Ending 9/30/10

Pocatello Development Authority
Budget to Actual Comparison for the Year Ending September 30, 2010

	Grand Totals		
	Budget	Actual	Variance
Previous Year Balance:	5,182,612.01	5,182,612.01	0.00
INCOME:			
Property Taxes	2,690,564.60	2,676,903.55	-13,661.05
South Cliff repayment (finished 2010)	196,867.85	0.00	-196,867.85
North Yellowstone Loans (finished 2010)	285,514.38	285,514.38	0.00
Tetridyn Loan (finished 2010)	50,000.00	0.00	-50,000.00
Central Corridor Admin Fee (finished 2012)	0.00	16,318.12	16,318.12
Shaver loan repayment	0.00	26,719.00	26,719.00
Refunds and reimbursements	0.00	53.10	53.10
Interest Income	9,944.00	396.14	-9,547.86
Total Projected Income:	3,232,890.83	3,005,904.29	-226,986.54
EXPENSE:			
Debt Service	1,610,245.00	1,610,245.00	0.00
Repayment of General Fund loan (finished 2010)	285,514.38	285,514.38	0.00
Cheyenne Crossing	2,117,700.22	5,645.82	-2,112,054.40
Unnamed project #3 - Japan	500,000.00	0.00	-500,000.00
Farmers project (finished 2010)	200,000.00	29,754.00	-170,246.00
Log Homes (\$225,000.00)	75,000.00	0.00	-75,000.00
CostCo employment payment (remainder \$732,090.04)	122,014.96	0.00	-122,014.96
Admin Transfer to Unrestricted account (finished 2012)	0.00	16,318.12	16,318.12
City of Pocatello, triangle land reimbursment (finished 2012)	0.00	35,000.00	35,000.00
Property taxes refunded	0.00	146,481.64	146,481.64
Sewer Line flushing	0.00	60,355.59	60,355.59
Varsity Square LLC Grant	0.00	100,000.00	100,000.00
Management salaries	16,625.00	0.00	-16,625.00
Luncheon costs	1,320.00	1,153.88	-166.12
Office expenses	200.00	29.70	-170.30
Legal advertising	50.00	0.00	-50.00
Banking and Professional services	15,970.00	9,729.78	-6,240.22
Total Projected Expense:	4,944,639.56	2,300,227.91	-2,644,411.65
CALCULATED ENDING BALANCE	3,470,863.28	5,888,288.39	2,417,425.11

Pocatello Development Authority

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

October 18, 2010

An urban renewal agency for the City of Pocatello, Idaho

Mr. Stephen K. Boatwright
Attorney at Law
3101 N. Central Ave.
Phoenix, AZ 85012-2809

Re: IsoRay Economic Development Agreement

Dear Mr. Boatwright:

I have been directed by the Board of the Pocatello Development Authority (PDA) to respond to your letter dated May 7, 2010 regarding the above-named document.

Please consider this letter as a formal request to IsoRay, Inc. and IsoRay Medical, Inc. to provide copies of the lengthy correspondence with the Idaho National Lab (INL) that you refer to in your May 7, 2010 letter regarding the use of the INL reactor facility to provide the product needed by IsoRay.

Please inform me as to what plans IsoRay has to address the concerns you indicated needed to be resolved with the INL to determine the issue regarding "approval" for the use of the INL facility.

Finally, the PDA Board is concerned that you state your client is in the "midst" of its discussions with the INL years after representing to the PDA Board that the "shuttle" project was almost certain to be successful when IsoRay made its request for funding to the PDA.

If IsoRay is indeed in the "midst" of its discussions with the INL, you should be able to inform the PDA Board as to the schedule of meetings IsoRay has set up with the INL to complete those discussions.

Finally, it should not be inconceivable to IsoRay that the PDA Board is trying to be a "good steward" of the public tax increment dollars it made available to IsoRay based upon the assurances given by IsoRay representatives regarding the likelihood of success for this project. Until IsoRay can show proof that the INL withdrew any possibility of using its facility, the PDA will continue to consider IsoRay to be responsible for its obligations under the Economic Development Agreement dated December 14, 2005. If

October 21, 2010

Page 2

there is something the PDA Board can do to help IsoRay and the INL resolve the outstanding issues that still remain at this late date, please let us know how we can be of help.

Sincerely,

A. Dean Tranmer
Counsel for PDA

ADT/dt

Enc.

cc: Robert Chambers, PDA Exec. Dir.

SYNOPSIS OF PDA MINUTES
POSITRON LOAN

<u>Meeting Date</u>	<u>Minute Description</u>
12/17/08	Eric Oaas, Steve Yano, Steve Laney, and Doug Wells ask PDA to forgive \$400,000.00 indebtedness of Positron to the PDA to facilitate Positron's acquisition of SBA loan funding for new medical manufacturing site for radioisotopes. After an executive session, it was MSC to forgive the \$400,000.00 loan owed to the PDA by Positron Systems, Inc., if a plan could be created which would provide an equity position for the PDA to recoup its loss.
1/21/09	G. Gilliam reported that Positron ran into problems when it attempted to acquire funding through a start-up company. Positron will follow up with PDA.
9/16/09	Eric Oaas and Steve Yano renewed Positron's request for relief of the \$400,000.00 loan, and reported that Acceloris Solutions, LLC was created to market the medical isotopes. They requested that the PDA forgive the \$400,000.00 loan in exchange for 200,000 shares of common stock of Acceloris Isotopes, LLC., and a motion was passed by the Board to do so.
2/17/10	Steve Yano appeared and updated the Board regarding Acceloris's progress in completing the company formation and to check on the progress of the PDA's attorney in reviewing the documents to effect the forgiveness of the loan in exchange for shares of Acceloris. Attorney Tranmer advised the Board that the documents provided by Positron were convoluted, and requested authority to hire outside counsel to review the documents. A motion authorizing the document review was passed.
4/21/10	The Board revisited the issue of forgiving the \$400,000.00 loan for a share of Acceloris,. The documents presented by Positron would require the PDA to be a member of the limited liability company known as Acceloris, Outside counsel advised that there are better ways to accomplish the debt conversion than requiring the PDA to be a member of an LLC.
8/18/10	No additional proposals have been received from Acceloris or Positron. (NOTE: Since the April, 2010 PDA meeting Eric Oaas contacted Attorney Tranmer to suggest alternative methods of converting the debt, such as setting up a separate corporate interest for PDA, but no documents were ever provided.)

POCATELLO DEVELOPMENT AUTHORITY MINUTES

Meeting December 17, 2008

Members present: Terry Brower, Steve Brown, Roger Chase, Gynii Gilliam, Cynthia Hill, Darsi Johnson, Ken Monroe, Gary Moore, and Ryan Ward.

Staff present: Robert Chambers, Executive Director; A. Dean Tranmer, Esq. and Darcy Taylor of the City Legal Dept.; and Dave Swindell and Jerry Higgins of the City Finance Dept.

The meeting was called to order at 11:05 a.m., by **Chairman S. Brown**.

1. Preliminary matters:

A. Guests, Conflicts, and Agenda. No guests were present. No conflicts of interest were declared. **Chairman Brown** advised the Board there would be an executive session which would include updates on the North Portneuf Urban Renewal Area and the Consolidated Central Corridor Urban Renewal Area.

B. Minutes. Minutes of the regular and executive sessions of the December meeting were reviewed, and it was **MSC (T. Brower, G. Moore)** to approve those minutes.

C. Financial Report. J. Higgins of the City Finance Department presented the financial reports for the months of October and November. In October, the PDA received cash in the amount of \$5,127.76, which included \$4,726.88 in interest and \$400.88 in tax increments for Central Corridor. Expenses for October totaled \$499,425.05, which included approved payments on the Triangle project and the Whitman project. J. Higgins noted that the Central Corridor Cash Flow projection sheet included an expense for the Whitman project in the amount of \$356,000.00, when in fact the final payment made on the project was \$256,000.00, leaving a \$100,000.00 overage in that fund. In November, \$10,302.03 was received, and payments of \$106,180.34 were made by PDA. Income included interest in the amount of \$2,595.99 and Central Corridor tax increments in the amount of \$7,706.04. Expenses for November consisted of Payment No. 10 on the Triangle project. Thereafter, it was **MSC (C. Hill, T. Brower)** to approve the October financial report and it was **MSC (C. Hill, R. Ward)** to approve the November financial report.

J. Higgins advised the Board that Bannock County provided notice of a reduction of property taxes assessed against the Naval Ordnance Plant Urban Renewal Area in the amount of \$45,039.40. He noted that the budget anticipated tax revenue of approximately \$80,000.00 from the district, however the County's reduction will result in actual revenue of approximately \$57,000.00.

Engagement Letters from Arbitrage Compliance Specialists, Inc. were presented by J. Higgins for the \$6.5 million 2000 Series A bonds and the \$7.75 million 2004 Series A bonds Arbitrage Rebate Reports, by J. Higgins, who requested the Board authorize the Chairman to sign same. Additionally, payment requests for \$2,400 and \$2,760 were also submitted for the 2008 Arbitrage Rebate Reports for the 2000 Series A bonds and the 2004 Series A bonds, respectively. Higgins advised the Board of the Internal Revenue Service requirement of said reports for tax exempt entities issuing bonds. After discussion, it was **MSC (RW, CH)** to authorize the Chairman to enter into the engagement letter and pay the \$2,400 report fee for the 2000 Series A Bonds, and it was **MSC (RW, CH)** to authorize the Chairman to enter into the engagement letter and pay the \$2,760 report fee for the 2004 Series A Bonds.

2. Central Corridor:

Triangle Redevelopment Project. Chairman Brown asked the Board to ratify their vote by telephone and e-mail on November 19, 2008, approving Payment Request No. 10 from the Triangle, Inc. in the amount of \$106,180.34. **It was MSC (K. Monroe, D. Johnson)** to ratify the approval of Triangle, Inc.'s Payment Request No. 10, as it occurred on November 19, 2008.

Jim Jenkins of Myers, Anderson and Jesse Schuerman of the City Engineering Department appeared and provided an update to the Board on the Triangle Redevelopment Project. J. Jenkins reported that \$94,000.00 remains of the PDA funds committed to finish the project assuming Pay Request No. 11 is approved by the Board. The work is substantially complete, or will be completed by the end of December, with the exception of those items which must wait until spring, such as parking lot striping. J. Schuerman confirmed that the work covered under Pay Request No. 11 was completed to City standards and consisted largely of electrical work, landscaping, sidewalk work and professional services. Thereafter, **it was MSC (D. Johnson, C. Hill)** to approve Payment Request No. 11 in the amount of \$52,415.51.

Positron Systems, Inc. Erik Oaas, Chairman of Positron Systems, and Steve Yano, CEO of Positron Systems, appeared before the Board. Oaas and Yano, accompanied by Steve Laney, a part owner of one of the major investors in Positron Systems, Inc. (Oaas Laney, LLC), and Dr. Doug Wells, the Director of the Idaho Accelerator Center, presented a funding request to the Board. CEO Yano presented a brief history of the company, as well as development plans of a fairly confidential nature. The funding request presented to the Board centered on the creation of a manufacturing site for radioisotopes for use in cancer diagnosis and treatment. The manufacturing site would be situated in Pocatello next to the Idaho Accelerator Center, with whom Positron currently shares a location. CEO Yano explained the advantages Positron Systems, Inc. enjoys in the field of radioisotope production, namely, 1) the advantage of already being located at a unique test facility with operational expertise at the facility; 2) a good working relationship with a world class nuclear physics research facility; and 3) the possession of new technology to implement the manufacture of the radioisotopes. Yano further explained that if the proposed radioisotope manufacturing site was successful, a spin-off business in the nuclear medicine area is anticipated, which would involve the production of a radioisotope tracer used in many diagnostic processes. Positron Systems, Inc., is proposing a collaborative partnership between Positron, the Idaho Accelerator Center, and Advanced Radiopharmaceutical Management, a local company. The estimated funding for the project being proposed by Positron is 1.5 million dollars, which is being sought through an SBA loan. Startup of the proposed manufacturing site is estimated to be approximately one year. In order to secure the SBA loan funding, Positron is requesting the Board to forgive the \$400,000.00 indebtedness Positron owes to the Development Authority. Such forgiveness would enable Positron to present a more positive balance sheet and greatly increase Positron's ability to obtain SBA funding. Discussion ensued between Board members and Positron representatives regarding various alternatives to absolute forgiveness of the loan, including possible claw back provisions, creating an equity position for the PDA in Positron, or profit sharing options. **G. Moore** expressed the opinion that while the project is a risk, and forgiving the loan would be a loss for the development authority itself, the trade off would be the potential for future growth in the nuclear medicine area. **T. Brower** noted that if the loan was forgiven, it would be an interesting ethical test to see the likelihood that a successful business would give back to the community. **R. Chase** added that while it is a risky venture to forgive the loan, the addition of a multimillion dollar industry to the community would be well worth that risk, and stated that if the company fails, the expectation is that the loan would not be repaid anyway. The Board presented additional questions to Dr. Doug Wells regarding the viability of the project and the chances Positron has in being successful in receiving government funding for additional research and business opportunities. **R. Ward** advised the Board of some of the nuances of SBA loans and some of the issues Positron faces with regard to their SBA application. After further discussion it was determined to move to executive session, and at approximately 12:46 p.m., **it was MSC (R. Ward, T. Brower)** to adjourn to executive session (pursuant to I.C. §67-2345(1)(e) to consider

preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations. The regular meeting was reconvened at 1:35 p.m., at which time it was MSC (R. Chase, R. Ward) to forgive the \$400,000.00 loan owed to the PDA by Positron Systems, Inc. if a plan could be created which would provide an equity position for the Development Authority to recoup its loss.

3. Items from the Board:

Chairman Brown advised Board members that the next meeting was scheduled for January 21, 2009, at which time elections of Board officers would occur.

4. Adjournment:

There being no further business, it was MSC (T. Brower, D. Johnson) to adjourn the meeting at approximately 1:40 p.m.

POCATELLO DEVELOPMENT AUTHORITY MINUTES

Meeting January 21, 2009

Members present: Karl Anderson, Terry Brower, Steve Brown, Roger Chase, Cynthia Hill, Darsi Johnson, Ken Monroe, Gary Moore, and Ryan Ward.

Staff present: Robert Chambers, Executive Director; Gynii Gilliam, Executive Director of Bannock Development Corporation; A. Dean Tranmer, Esq. and Darcy Taylor of the City Legal Dept.; and Dave Swindell and Jerry Higgins of the City Finance Dept.

The meeting was called to order at 11:05 a.m., by **Chairman S. Brown**.

1. Preliminary matters:

A. Guests, Conflicts, and Agenda. No guests were present. It was noted that as a result of the recent election, Bannock County Commissioner duties were being reassigned and Commissioner Ghan would be resigning his position on the Board. The Board welcomed new County Commissioner Karl Anderson to the meeting in Commissioner's Ghan stead, with the understanding that Mr. Anderson's appointment to the Board was pending. No conflicts of interest were declared. **Chairman Brown** advised the Board of two additions to the agenda, as follows: 1) in the Central Corridor District, the addition of a second part to payment Request #12 for the Triangle, and 2) in the Naval Ordnance District, a call for a motion to ratify the action taken at the January meeting with regard to an agreement with Peterson, Inc. **Chairman Brown** further advised that there would be an executive session to discuss a potential project.

B. Minutes. Minutes of the regular and executive sessions of the January meeting were reviewed, and it was **MSC (T. Brower, D. Johnson)** to approve those minutes.

C. Board Elections. **Chairman Brown** announced that it was time for the election of officers of the Board. He stated that he had enjoyed his terms as Chairman, but offered that if anyone else was interested in serving as Chair, he would be happy to step aside. After a brief Board discussion, it was **MSC (D. Johnson, C. Hill)** that **S. Brown** be elected as Chairman for another term. After further discussion regarding other Board officer nominations it was **MSC (R. Chase, C. Hill)** to maintain the current officers of the Board for another term. Elected Board officers for 2009 are S. Brown, Chairman; D. Johnson, Vice-Chair; R. Ward, Treasurer; and D. Taylor of the City Legal Department was appointed as Secretary. Upon his re-election as Chair, **S. Brown** distributed a list of the scheduled 2009 PDA meetings.

D. Financial Report. J. Higgins of the City Finance Department presented the financial report for the month of December. In December, the PDA received cash in the amount of \$3,195.87, which included \$1,698.39 in interest and \$1,399.16 in tax increments for Central Corridor. Expenses for October totaled \$60,222.81, which included an approved payment on the Triangle project, approved payments for consultants to perform arbitrage fees analyses, a trustee fee for the North Yellowstone District and PDA lunch. The Board discussed the discrepancy in the amount thought to be owed on the Whitman project and the amount included on the Central Corridor Cash Flow projection sheet. The Chair asked that the records be reviewed to resolve the question. It was **MSC (D. Johnson, C. Hill)** to approve the December financial report.

2. Central Corridor:

A. Triangle Redevelopment Project. Mike Jaglowski and Jesse Schuerman appeared to provide an update on the Triangle project. J. Schuerman noted that the final inspections had been completed and only a few minor items remain to be finished with the exception of the landscaping, which will be addressed when the weather improves. M. Jaglowski advised the

Board that the area for four of the eleven live-work units has been purchased and construction is expected to begin on those units in February. After a short discussion, Payment Request #12, in parts A and B, was submitted for payment in the total amount of \$41,457.57. **It was MSC (C. Hill, D. Johnson)** to ratify the approval of Triangle, Inc.'s Payment Request No. 12.

B. South Valley Connector. A payment request for twenty per cent of the engineering design fees was submitted in the amount of \$20,396.91. This payment is a reimbursement to the City of Pocatello for the PDA's portion of the local match. The Idaho Transportation Department's share of the match was \$81,587.62. Discussion ensued regarding progress of the connector project. It was represented that it may be possible to begin acquisition of property for the connector in the next few months. Thereafter, **it was MSC (R. Ward, K. Monroe)** to approve the payment request.

C. Positron. **G. Gilliam** advised the Board that Positron had encountered some issues in obtaining funding from the bank it was working with, but it was pursuing other funding and would report to G. Gilliam later that day. The issues arose when Positron attempted to acquire the funding through a start up company. Discussion ensued regarding the company's structure, the viability of the company, and the identity of the company's partners. **R. Chase** noted that he was in favor of supporting the Positron project as long as it seemed viable because if the project succeeds, the PDA may reap the repayment of the \$400,000 loan, but if the project doesn't progress, the PDA won't be in any worse position than it is today.

3. Executive Session:

At approximately 11:46 a.m., **it was MSC (G. Moore, R. Ward)** to adjourn to executive session (pursuant to I.C. §67-2345(1)(e)) to consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations. The regular meeting was reconvened at 12:42 p.m.

4. Project Development:

A. Incentive Package. **Chairman Brown** asked the Board to consider ratifying an action discussed at the December meeting in which the Board authorized G. Gilliam to present an incentive package to a local company working to bring additional business to the community. The incentive package provided for employment reimbursement payments to the company over a four year period if the additional business resulted in a minimum of 150 new jobs with benefits. **S. Brown** reminded the Board that this matter was discussed in executive session at the December meeting. After further discussion **it was MSC** to authorize the offer of an incentive package to the local company if the additional business venture comes to fruition.

B. Company Proposal. **G. Gilliam** advised the Board that she had been approached by a local company requesting assistance for development of an additional manufacturing section of its current plant. After discussion in executive session, **it was moved and seconded (R. Ward, C. Hill)** to offer the company an interest free loan of \$1,000,000.00, to be made in two payments, the first \$500,000.00 to be available in late 2009 (FY 2010), and the second \$500,000.00 to be available in FY2011. Verification that the funds would be available remains to be done, and the loan would be made under specific conditions to be outlined in a development agreement between the company and the PDA. **S. Brown, R. Chase, C. Hill, D. Johnson, K. Monroe, G. Moore, and R. Ward voted in favor, T. Brower voted against.** (K. Anderson's appointment to the Board was not approved at the time of the vote, preventing his vote.) **The motion passed.**

4. Items from Staff:

A. Council of Development Finance Agencies. A handout entitled 2008 TIF State-by-State Report was provided to all Board members. The report provides information on how other states manage and use tax increment financing districts.

B. Power Point Presentation. Once again, due to lack of time, the power point presentation which D. Swindell and S. Brown presented to the Pocatello City Council was postponed. D. Swindell advised the Board he would provide the presentation to them via e-mail.

5. Adjournment:

There being no further business, it was MSC (D. Johnson, C. Hill) to adjourn the meeting at approximately 12:47 p.m.

POCATELLO DEVELOPMENT AUTHORITY MINUTES
Meeting September 16, 2009

Members present: Karl Anderson, Terry Brower, Steve Brown, Roger Chase, Cynthia Hill, Darsi Johnson, Ken Monroe, and Ryan Ward.

Staff present: R. Chambers, Interim Executive Director; A. Dean Tranmer and Darcy Taylor of the City Legal Dept.; and Dave Swindell and Jerry Higgins of the City Finance Dept.

The meeting was called to order at 11:01 a.m., by **Chairman S. Brown**.

1. Preliminary matters:

A. Guests, Conflicts, and Agenda. No conflicts of interest were declared and no guests were present. **Chairman Brown** noted changes and additions to the agenda as follows: an item regarding trade or commerce, pursuant to Idaho Code §67-2345(1)(e), needed to be discussed in executive session; and the South Valley Connector payment item was expanded to include an update on the project. The item for executive session was presented to the Chairman of the Board the day prior to the meeting, and after the agenda was set the Executive Director received information which could affect South Valley Connector project from FEMA and the Army Corps of Engineers. **Chairman Brown** further noted that said executive session of the meeting would be heard after the financial report and prior to the South Valley Connector agenda item.

B. Minutes. Minutes of the regularly scheduled July meeting were reviewed, and it was **MSC (T. Brower, D. Johnson)** to approve those minutes.

C. Financial Report. J. Higgins presented the financial report for the months of July and August. Total cash available as of July 31, 2009 was \$2,740,658.19. During the month of July, the PDA received cash in the amount of \$1,745,145.18, which included \$22.90 in interest, and tax increment payments of \$1,745,122.28 (\$1,211,343.83 for the Central Corridor, \$528,767.23 for North Yellowstone, \$4,611.35 for the Naval Ordnance Plant, and 399.87 for North Portneuf). There was a transfer of \$75,000.00 from the Naval Ordnance fund to the General fund to repay a loan made by the General Fund. Expenses for July totaled \$36,650.49, which expenses included the last payment to the Triangle, Inc. of \$36,506.64, PDA lunch costs of \$124.90, and bank fees of \$18.95. (**K. Monroe** arrived at 11:06; **R. Ward** arrived at 11:08) The financial report for August reflected total cash available as of August 31, 2009 in the amount of \$2,150,509.03. During the month of August, the PDA received cash in the amount of 24.53 in interest, and tax increment payments in the amounts of \$44,214.69 for the Central Corridor and \$22.32 for North Yellowstone, for a total of \$44,261.54. Additionally, a loan repayment in the amount of \$32,171.69 was made from North Yellowstone to the General Fund. Expenses for August included the 2008 audit cost of \$3,713.54, \$172,490.81 to the City of Pocatello for engineering expenses for the South Valley Connector, a \$351,662.50 North Yellowstone bond payment, and bank service charges of \$32.86. Discussion regarding the financial reports followed. **C. Hill** questioned the continuing bank fees. J. Higgins committed to contacting the bank for an explanation and hopefully, a discontinuation of fees. With regard to the \$172,490.81 payment to the City for engineering expenses on the South Valley Connector project, J. Higgins advised the Board that although it was the City's understanding that FEMA issues prohibited the Idaho Transportation Department (ITD) from paying any fees on engineering expenses, ITD had nonetheless made that payment to the City. The PDA also approved payment of the expense by a separate poll on August 18, 2009, which payment was made. Once it is determined whether or not the ITD payment was proper, the City will refund any overpayments made on the project to the PDA. J. Higgins further advised the Board of several disbursements which were due to be made by the PDA, and requested approval of those disbursements, namely, \$19.70 to D. Taylor for lunch supplies, \$91.28 for the September PDA lunch, \$2,250.00 for Trustee fees on the Central Corridor 2000 A Series Bond, \$246,522.51 to Wells Fargo Trust, and \$13,026.00 to the

City of Pocatello for 20% matching fees for the South Valley Connector engineering expenses, as well as a ratification of the poll approving the payment of \$172,490.81 to the City for engineering services on the South Valley Connector. **It was MSC (C. Hill, D. Johnson)** to approve the July financial report, **it was MSC (R. Ward, D. Johnson)** to approve the August Financial Report, and **it was MSC (R. Ward, C. Hill)** to approve and ratify the payments as briefed by Mr. Higgins.

On a final matter, J. Higgins referred the Board to his Memo dated September 16, 2009, in which he reported that the North Yellowstone District has \$183,287.70 cash available for unbudgeted payments. The memo outlined the options available to the Board, which included doing nothing with the unbudgeted cash, repay the General Fund for monies loaned to the North Yellowstone District, make an early payment under the development agreement with Costco Wholesale, or any combination of the above. Discussion followed, including limitations on using the unbudgeted funds under different scenarios. Thereafter, **it was MSC (T. Brower, K. Monroe)** to transfer the \$183,287.70 from the North Yellowstone Fund to the General Fund to repay previously loaned money.

2. Executive Session:

At approximately 11:26 a.m., **it was MSC (R. Chase, D. Johnson)** to adjourn to executive session pursuant to I.C. §67-2345(1)(e) to consider preliminary negotiations involving two matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations. A roll call vote was taken on the motion, with results as follows: **K. Anderson, T. Brower, S. Brown, R. Chase, C. Hill, D. Johnson, K. Monroe, and R. Ward** voted aye; none opposed. The regular meeting was reconvened at 11:54 a.m.

3. Consolidated Central Corridor:

A. **TetriDyn Solutions.** TetriDyn Solutions Dave Hempstead advised the Board of a project TetriDyn is working on, and explained the company's need for a short-term cash infusion for operating costs in order to bring the project to fruition. Hempstead requested a short term loan from PDA in the amount of \$50,000.00. Discussion followed regarding TetriDyn's ability to repay the loan, and Hempstead reminded the Board that TetriDyn had paid back a prior loan made to the company by PDA, and that the company had steady income from its various hospital contracts. Thereafter, **it was MSC (K. Monroe, C. Hill)** to approve a loan from the PDA General Fund to TetriDyn in the amount of \$50,000.00 for a one year term, which loan shall be interest free as long as TetriDyn maintains at least its current level of operation at its business in Pocatello, and to authorize the Chairman to do all things necessary to complete said loan. Upon passage of the motion, the PDA legal counsel was instructed to prepare the necessary documents.

B. **Positron.** Steve Yano and Eric Oaas appeared before the Board to renew Positron's request for relief from the PDA of the \$400,000.00 loan to Positron in order to assist Positron in launching a new venture previously presented to the Board in December, 2008. Yano provided an update on the progress of the new business venture involving the production of medical isotopes used in the diagnosis of certain cancers. Yano reported that since last December market research has been done, and the company continues to work on building business venture associations. A company called Acceloris Solutions, LLC ("Acceloris") was co-formed by Positron to market medical isotopes. Yano provided general technical information regarding the potential business application of Acceloris. As was reported in December, 2008, it remains difficult for Positron to acquire funding for this project when it shows an outstanding debt of \$400,000.00 to the PDA. In December, discussions centered around a proposal under which the PDA would receive a number of shares in the newly formed marketing company in exchange for forgiveness of the \$400,000.00 debt owed by Positron. Oaas and Yano return at this time to

present a proposal for the forgiveness of the \$400,000.00 debt owed by Positron to the PDA, as follows: the PDA would receive 100,000 shares of common stock in Acceloris in return for forgiveness of the \$400,000.00 note due to the PDA in 2011. Oaas represented to the Board that eliminating the debt owed to the PDA strengthens Positron's balance sheets, making financing easier to obtain for the project. Oaas further stated that Positron intends to pursue fifty per cent of the money needed for the project from banks, and to obtain the remainder of the funds needed through equity agreements such as the proposal to the PDA.

Through the course of discussions regarding the equity proposal, it was disclosed that some shareholders and investors in Acceloris would receive preferred stock. The 100,000 shares of stock issued to the PDA would remain common stock, which would initially be valued at approximately eighty cents per share. Board members questioned how long the PDA would have to own the stock, if Acceloris or Positron would be willing to buy back the stock at some future time, and if there was any chance of repayment of the loan if the stock option was refused. Oaas noted that the company was under no obligation to repurchase the stock, and Yano indicated that the real goal would be to have a larger company acquire Acceloris, which could result in a bigger return on the PDA's stock investment. Without the PDA's willingness to take a reduced value in its 100,000 shares of stock, the company would most likely not be able to attract the necessary investors to make the company succeed. That inability to attract additional investors would definitely result in the inability of Positron to repay any of the \$400,000 loan. Board members continued to present alternative options: **R. Ward** noted that the lien held by PDA on the building was worth far more than the \$80,000 represented by 100,000 shares of common stock; **C. Hill** inquired whether extending the term of the loan would be advantageous; and **D. Johnson** asked if there could be a combination of the equity shares and a lesser lien position on the building. Oaas was of the opinion that none of those options would benefit Positron's efforts to raise funds. **R. Chase** presented the option that the PDA receive 200,000 shares of common stock in return for release of the lien. Oaas said Positron would make that work. Thereafter **it was moved (R. Chase)** to forgive the \$400,000 loan from Positron in exchange for 200,000 shares of the common stock of Acceloris Isotopes, LLC. Upon making the motion, **Chase** noted that the proposed motion would help Positron and Idaho State University, and if the PDA didn't do something, it wouldn't get paid in 2011. **D. Johnson seconded the motion, for the purpose of discussion.** Oaas advised the Board that providing the PDA with an equity interest of 200,000 shares would be a stretch, but in the interest of achieving the goal, Positron would make it work. After another brief discussion by Board members, **the motion carried.**

C. South Valley Connector. **R. Chase** advised the Board that the City of Pocatello intended to stop work on the design of the South Valley Connector at this time. Due to recent communications the City has had with both FEMA and the Army Corps of Engineers, questions have arisen regarding the feasibility of the location of the connector at this time. After a brief discussion it was the general consensus of the Board to agree to hold off on engineering design work until more clarification is received from FEMA and the Army Corps of Engineers.

4. Items from Commissioners:

Chairman Brown advised the Board that elections for Board officers are scheduled to occur during the October meeting, pursuant to the By-laws, and requested nominations for officers. After a brief discussion, **it was MSC (C. Hill, K. Anderson)** that the current officers be nominated to retain their positions for the upcoming year. Current officers are S. Brown, Chairman, D. Johnson, Vice-Chairman, R. Ward, Treasurer, and D. Taylor, Secretary. Thereafter, since only one nomination was made for each office, **Chairman Brown** declared each nominee elected by acclamation, effective October 2009.

5. Adjournment:

There being no further business, it was MSC (D. Johnson, K. Monroe) to adjourn the meeting at approximately 1:35 p.m.

Darcy L. Jangle

POCATELLO DEVELOPMENT AUTHORITY MINUTES

Meeting February 17, 2010

Members present: Karl Anderson, Brian Blad, Steve Brown, Larry Fisher, Cynthia Hill, Darsi Johnson, Eva Nye, and Ryan Ward.

Staff present: R. Chambers, Interim Executive Director; Gynii Gilliam, Executive Director of Bannock Development Corporation; A. Dean Tranmer and Darcy Taylor of the City Legal Dept.; and Dave Swindell and Jerry Higgins of the City Finance Dept.

Guests present: Radene Barker, Bannock County Treasurer, and Mary Vagner, School District 25 Superintendent

The meeting was called to order at 11:02 a.m., by **Chairman S. Brown**.

1. Preliminary matters:

A. Press Conference. Prior to the meeting being called to order, a press conference was held during which **Chairman S. Brown** presented a check in the amount of \$31,079.92 to Mary Vagner, School District No. 25 Superintendent; a check in the amount of \$44,034.89 to Radene Barker, Bannock County Treasurer and Karl Anderson, Bannock County Commissioner; and a check in the amount of \$71,366.83 to Pocatello Mayor Brian Blad. The checks represented refunds of tax increment financing district funds received on the East Center Street District which was closed due to lack of activity. The Pocatello Development Authority was pleased to be able to return tax increment funds to the taxing districts, which were equally happy to receive said unexpected funds.

Upon completion of the press conference, **Chairman Brown** called the business meeting to order at 11:21 a.m.

B. Guests, Conflicts, and Agenda. No conflicts of interest were declared, no guests were present, and no changes were requested to the agenda.

C. Minutes. Minutes of the regularly scheduled January 20, 2010 meeting were reviewed, and it was **MSC (R. Ward, C. Hill)** to approve those minutes.

D. Financial Report. J. Higgins presented the financial report for January, 2010. Total cash available as of January 31, 2010 was \$3,106,360.93. The PDA received cash in the amount of \$972,751.97 which included \$36.24 in interest and tax increment payments of \$431,993.34 to the Central Corridor District, \$528,865.76 to the North Yellowstone District, \$10,587.17 to the Naval Ordnance Plant District, and \$1,269.46 to the North Portneuf District. Expenses for the first quarter included PDA lunch costs of \$132.05, a payment of \$4,954.66 to the City of Pocatello for engineering services on the Cheyenne Crossing project, and a payment of \$2,500.00 to Wells Fargo for trustee's fees on the North Yellowstone bond. Disbursements totaled \$7,586.71 for the month of January. After a short discussion, it was **MSC (C. Hill, D. Johnson)** to approve the January financial report.

2. General Matters:

Charles Clark and Doran Lambson presented the Comprehensive Annual Financial Report for FY 2009. Mr. Clark guided Board members through the report, paying particular attention to the Independent Auditor's Report, which provides for the auditing standards used in the review, and noted that Deaton and Company believes the financial statements present fairly, in all material respects, the respective financial position of the Board and its activities. Additionally, the Report on Internal Control concludes that no inadequate controls were noted in the financial records and

that the PDA has good internal controls. J. Higgins briefed the Board on the financial reports contained in the Report. After a brief discussion, it was MSC (**K. Anderson, B. Blad**) to accept and approve the audit.

3. Central Corridor:

Steve Yano presented an update of the Positron project. Positron has created a spin-off entity named Acceloris Isotopes, LLC (hereinafter "Acceloris"). Since Mr. Yano's last meeting with the Board, Acceloris has focused on three areas, the first of which is to secure adequate investment funds to operate the company. The goal is to raise 1.5 million dollars through stock offerings, according to Yano. To date, one-third of the necessary funding has been garnered. Strategic partners with Acceloris are Advanced Isotopes of Idaho, LLC, which is a local business involved in the sale of isotopes in the southeast Idaho area, and the Idaho State University Accelerator Center, under the guidance of Doug Wells. Yano advised the Board that Acceloris hopes to have the remainder of its funding lined up by the end of March. The second area of focus for Acceloris is the completion of the establishment of Acceloris as a business entity in the form of a limited liability company. The PDA is being asked to be a member of the Acceloris limited liability company in exchange for forgiveness of the \$400,000.00 promissory note executed by Acceloris in favor of the PDA. The legal documents to accomplish this task have been provided to the D. Tranmer for review. The third area of focus is the general operation of the project. Yano explained that the building and equipment are the key component, and that the equipment will require the bulk of the one and one-half million dollar investment. Troy Curnutt, of Advanced Isotopes of Idaho, discussed the market outlook for radio isotopes in the southeast Idaho area. Currently isotopes are obtained from Utah, and transporting the product is extremely expensive. If Acceloris accomplishes its goal, it will be the first producer of isotopes in Idaho, and will have the ability to market the product across southern Idaho and into western Wyoming and northern Utah. Intermountain Health Care's contract for isotopes expires in 2012, and Acceloris is looking for a share of that business. D. Tranmer advised the Board that he had reviewed the documents provided by Positron/Acceloris regarding the PDA's release of its interest in Positron's security for the PDA loan in exchange for an interest in Acceloris. The documents are fairly convoluted regarding business entity and tax law, and Mr. Tranmer asked the Board to authorize hiring outside counsel to review the documents and advise the Board. Discussion by Board members followed regarding Mr. Tranmer's request. S. Yano offered to facilitate conversations with Acceloris' attorney if necessary. It was MSC (**R. Ward, D. Johnson**) to have Mr. Tranmer pursue the review of the Acceloris documents, using his best discretion, the cost of which review is not to exceed \$2,500.00.

4. Executive Session:

At approximately 11:59 a.m., it was MSC (**D. Johnson, R. Ward**) to adjourn to executive session pursuant to I.C. §67-2345(1)(f) to confer with legal counsel to discuss the legal ramifications of a matter not yet being litigated but imminently likely to be litigated. A roll call vote was taken on the motion, with results as follows: **K. Anderson, B. Blad, S. Brown, L. Fisher, C. Hill, D. Johnson, E. Nye, and R. Ward, Aye; None opposed.** The regular meeting was reconvened at 12:07 p.m.

5. Adjournment:

There being no further business, it was MSC (**D. Johnson, B. Blad**) to adjourn the meeting at approximately 12:08 p.m.

POCATELLO DEVELOPMENT AUTHORITY MINUTES

Meeting April 21, 2010

Members present: Brian Blad, Steve Brown, Larry Fisher, Cynthia Hill, Ken Monroe, Eva Nye, and Ryan Ward.

Staff present: R. Chambers, Interim Executive Director; Gynii Gilliam, Executive Director of Bannock Development Corporation; A. Dean Tranmer and Darcy Taylor of the City Legal Dept.; and Dave Swindell and Jerry Higgins of the City Finance Dept.

The meeting was called to order at 11:06 a.m., by **Chairman S. Brown**.

1. Preliminary matters:

A. Guests, Conflicts, and Agenda. No conflicts of interest were declared and no guests were present. **Chairman Brown** noted a change to the agenda deleting the Farmers Insurance Payment Request #2, as this was item was inadvertently left on the agenda from the March meeting. No additions were made to the agenda, but an executive session was planned.

B. Minutes. Minutes of the regularly scheduled March 17, 2010 meeting were reviewed, and it was **MSC (C. Hill, K. Monroe)** to approve those minutes.

C. Financial Report. Jerry Higgins presented the financial report for March, 2010. Total cash available as of March 31, 2010 was \$1,891,990.30. The PDA received cash in the amount of \$24,355.49, which included \$16.95 in interest and tax increment payments of \$17,988.16 to the Central Corridor District, \$361.25 to the North Yellowstone District, and \$5,989.13 to the Naval Ordnance District. Expenses for March included PDA lunch costs of \$115.00, and a bond payment on principal and interest for the Central Corridor in the amount of \$905,362.50, for a total disbursement amount of \$905,477.50. An internal transfer was made from the North Yellowstone District fund to the General fund in the amount of \$285,142.73 to repay monies previously borrowed by the North Yellowstone District. Dave Swindell advised the Board that there is one more bond payment and one more interest payment owed from the Central Corridor fund for the Halliday storm water project, which will be paid off next summer. Additionally, the internal debt between funds has been paid, and each fund is now whole. **Chairman Brown** was pleased to note that the internal debt payoff occurred earlier than anticipated. After a short discussion, it was **MSC (B. Blad, R. Ward)** to approve the March financial report.

2. General Matters:

A. TetriDyn. Dave Hempstead and Toni Alexander from TetriDyn appeared before the Board to discuss the repayment of the \$50,000.00 loan TetriDyn received from the PDA in late 2009. Although repayment of the loan is not due for another six months, Mr. Hempstead requested the Board consider an alternative repayment plan. After a brief update of TetriDyn's current projects, Mr. Hempstead and Ms. Alexander proposed that TetriDyn repay its PDA loan through the sale of TetriDyn stock. Alexander explained that TetriDyn would bear the costs of creating a trust, of which the PDA would be the sole beneficiary. Stock would be placed in the trust, and immediately offered for sale. Proceeds of the sale of the stock would go to the PDA, with all transaction fees paid by TetriDyn. The benefit to TetriDyn would be the activity of its shares of stock on the market. The benefit to the PDA would be a potential early payoff. R. Chambers advised the Board that the Credit Committee had reviewed TetriDyn's proposal and found it to be a win/win proposal for both parties. D. Swindell added that after seeing a more detailed view of the proposal in Credit Committee, he did not see a downside, and in fact, the proposal would potentially result in a quicker payback of the loan. Hempstead assured the Board that if the stock held in trust did not sell by the due date of the loan, the entire loan would be repaid on time. After additional questions by Board members, and a brief discussion, it was **MSC (C. Hill, K.**

Monroe) to follow the Credit Committee's recommendation to approve TetriDyn's loan repayment proposal of a stock sale with a guarantee, and with the charge that staff will work out the details of the repayment plan, all subject to City Legal Department approval.

B. South First Avenue Parking Lot. R. Chambers and LeeAnn Dutton, the Division Manager of the City's Community and Neighborhood Services Department, provided background information to the Board on the City's acquisition of a parking lot located at South First Avenue and Halliday. An investment of approximately \$135,000.00 will be required in order to bring the parking lot to municipal standards. This project will be paid for from Community Development Block Grant funds, however at this time, the fund is approximately \$35,000 short of being able to proceed. The Credit Committee reviewed the matter and recommended asking the PDA for up to \$35,000 in assistance to fully fund the design plan of the parking lot. The Board discussed the matter, questioning if the parking lot project was consistent with the Central Corridor Urban Renewal Area Plan requirements. R. Chambers advised the Board that the right-of-way of the parking lot is in the Central Corridor urban renewal area, but the parking lot itself is not. Therefore, in order to use Central Corridor District funds, the PDA would be limited to right-of-way projects, such as lighting, curb and gutter, etc. It was noted that any monies used from the Central Corridor District fund would reduce the commitment to the connector project. It was further noted that the PDA owes the City \$206,000.00 for the acquisition of the Triangle Project, which monies are scheduled to be repaid in FY 2012. Funds are available in the Central Corridor fund this year, should the PDA wish to make a partial repayment to the City, which the City could then commit to the South First Avenue parking lot project. **B. Blad** questioned who exactly the parking lot project would benefit. L. Dutton informed the Board that when the first block grant money went to start the rebirth of the Old Town area that money went to improve the parking lots. She noted that parking areas are one of the first requirements for revitalization of an area. She further advised that several businesses are committed to succeeding in the warehouse district, and this parking lot will be the first public investment in the area. The general consensus of the Board was that public parking lots in redeveloped areas greatly assist in the success of the developments, and benefit both the business owners and the customers in the area. **K. Monroe** and **E. Nye** both noted that the parking lot is a key to future development and will be a well used and safe area for people to use for parking. Thereafter, it was **MSC (R. Ward, K. Monroe)** to make an early repayment on the Triangle debt to the City in the amount of \$35,000.00 from the Central Corridor fund for the purpose of assisting with the South First Avenue parking lot.

C. Acceloris/Positron. R. Chambers reminded the Board of Positron's request to the Board to convert the \$400,000.00 debt of Positron to the PDA, which debt is secured by a lien on a building situated on ISU land, to an interest in Positron's spinoff company, Acceloris. Chambers asked the Board for clarification of its intent when it agreed to Positron's request. D. Tranmer advised the Board that the paperwork presented by Positron and Acceloris to accomplish the conversion of Positron's debt was in the form of a limited liability company (LLC), in which the PDA became a member of the LLC known as Acceloris, rather than a shareholder. It was on this issue that the Board authorized Mr. Tranmer to seek additional legal advice. Tranmer noted that the advice was that there is a better way to accomplish the debt conversion than for PDA to become a member of an LLC. **S. Brown** reaffirmed that the Board's intent was not to become a member of an LLC, but to help Positron resolve their debt issues to be able to continue work on their project. **R. Ward** agreed that the LLC route was not a good one, and that another method would be more appropriate.

3. Executive Session:

At 12:06 p.m. it was **MSC (K. Monroe, R. Ward)** to adjourn to executive session pursuant to I.C. §67-2345(1)(e) to discuss preliminary negotiations regarding matters of trade or commerce in which the PDA may be in competition with other jurisdictions. A roll call vote was taken on

the motion, with results as follows: **B. Blad, S. Brown, L. Fisher, C. Hill, K. Monroe, E. Nye, and R. Ward Aye; None opposed.** The regular meeting was reconvened upon conclusion of the discussion at 1:09 p.m.

4. Naval Ordnance District:

R. Chambers advised the Board of an issue at the Gateway West Industrial Center which involves the necessity to attempt to identify the source of contaminates from the Center's sewer line into the City's sanitary sewer system. This issue has ramifications for all tenants at the Gateway facility. After a brief discussion, **it was MSC (R. Ward, E. Nye)** to commit up to \$100,000.00 from the General Fund to be used to attempt to source the contaminates coming from the in the Center's sewer system.

5. Items from Staff:

G. Gilliam asked the Board for direction on whether or not to explore the feasibility of an incentive for ON Semiconductor. The mood of the Board was tentative. **L. Fisher** noted that it appeared that the amount of PDA's incentive was pretty insignificant in the big picture, and that he didn't feel that not committing to ON would make or break their project.

6. Adjournment:

There being no further business, **it was MSC (R. Ward, B. Blad)** to adjourn the meeting at 1:13 p.m.

POCATELLO DEVELOPMENT AUTHORITY MINUTES
Meeting August 18, 2010

Members present: Larry Fisher, Ken Monroe, Eva Nye, Michael Orr, and Ryan Ward.

Staff present: R. Chambers, Interim Executive Director; Gynii Gilliam, Executive Director of Bannock Development Corporation; A. Dean Tranmer and Darcy Taylor of the City Legal Dept.; and Dave Swindell and Jerry Higgins of the City Finance Dept.; and Merril Quayle of the City Planning and Development Services Dept.

The meeting was called to order at 11: 04 a.m., by **Treasurer R. Ward.**

1. Preliminary matters:

A. Guests, Conflicts, and Agenda. New Board Commissioner Michael Orr was introduced to the Board. No guests were present and no conflicts of interest were declared. G. Gilliam requested that the Project Domas item be heard in executive session, as well as an issue regarding development at the Pocatello Regional Airport.

B. Minutes. Minutes of the regularly scheduled July 21, 2010 meeting were reviewed, and it was **MSC (K. Monroe, E. Nye)** to approve those minutes.

C. Financial Report. Jerry Higgins presented the financial report for July, 2010. He noted that July is usually a big revenue month for the Authority due to property tax payments made in June. Total cash available as of July 31, 2010 was \$3,246,819.32. During the month of July the PDA received cash in the amount of \$1,295,987.63, which included \$37.26 in interest and tax increment payments of \$566,287.77 to the Central Corridor District, \$651,017.98 to the North Yellowstone District, \$71,280.55 to the Naval Ordnance District, and \$7,364.07 to the North Portneuf District. Expenses for the quarter included PDA lunch costs of \$108.28.

D. Swindell advised the Board that July revenue receipts are important because they represent the final large tax increment payment of the fiscal year, and provide a good indicator of what the total revenue for the current fiscal year will be, as well as an estimate of what to expect in FY 2011. Swindell noted that draft budgets for FY 2011 will be prepared for the September Board meeting. He also noted that the last bond payment for the Central Corridor Halliday storm water project is due in the near future, which, once paid, will free up some of the Central Corridor funds. Central Corridor funds have been committed to the Cheyenne Connector project, which commitment, together with administrative fees, will essentially expend all funds in the Central Corridor Fund. J. Higgins advised the Board that he will bring a few budget amendments for FY 2010 to the Board for approval. Higgins also asked for authorization to issue two checks, one in the amount of \$125.24 for the PDA lunch, and one in the amount of \$60,355.59 to the City of Pocatello for services provided at Gateway West to clean and test the sewer lines. After a brief discussion, it was **MSC (K. Monroe, E. Nye)** to approve the July financial report and authorize the payments as presented by J. Higgins.

2. General Matters:

A. Airport Urban Renewal Area and Revenue Allocation District Plan. R. Chambers distributed reference material regarding the steps required to create an urban renewal area and revenue allocation district, from beginning to termination. He advised the Board that he will have a plan for the Pocatello Regional Airport Urban Renewal Area and Revenue Allocation District (PRAURA) ready for the Board's review at the September meeting. The Plan will include projections which assume that both Petersen Incorporated and "Project Erector" will establish manufacturing plants at the Airport. The September meeting agenda will include both

the PRAURA Plan and a Resolution for the Board's consideration recommending that the Plan be forwarded to the Pocatello City Council for review. If the PDA Board and the Pocatello Planning and Zoning Commission recommend approval of the Plan, an Ordinance adopting the Plan will be presented to the City Council for approval as soon as November 4, 2010. The Plan will provide for tax increment funds to be used to repay Petersen Incorporated for verified public utility infrastructure costs that the company will pay for in order to open its plant. Infrastructure costs are estimated to be approximately \$385,000.00 for the Petersen location. Other infrastructure costs include a power source and transmission lines, phone and cable lines, rail spur improvements, and possibly creating a common loading station. Estimated infrastructure costs for both plants run between 1.5 to 1.6 million dollars. The district may remain open for up to twenty-four years, twenty-two of which should produce tax increment.

Following Mr. Chambers' presentation a discussion was held regarding jurisdictional issues at the Pocatello Regional Airport with regard to the Shoshone-Bannock Tribes. Attorney D. Tranmer explained the nuances of the jurisdiction issues at the Airport, and advised the Board that if the matter is litigated, it may go as far as the United States Supreme Court regarding the use of non-fee land which lies within the four corners of the Reservation. It was noted that both Petersen Incorporated and "Project Erector" are relatively clean industries, and the City feels the proposed development at the Airport will provide a good set of circumstances with which to litigate the matter, if necessary.

B. IsoRay. R. Chambers reminded the Board that at the July meeting the Board directed Attorney Tranmer to send a letter to IsoRay in response to its claim that it was in negotiations with the Idaho National Lab (INL). Attorney Tranmer noted he will send a letter to IsoRay, but that short of information to the contrary from INL, to accuse IsoRay of being less than honest in its representations would be counterproductive. He suggested including a request in his letter for an update on the status of the alleged negotiations between IsoRay and the INL. **R. Ward** requested that the letter be in the form of a demand, instructing IsoRay to provide written verification on the negotiations or to pay the amount owed.

C. Acceloris. No new material was available on the Acceloris project at the time of the meeting.

3. Executive Session:

At 11:52 a.m. it was MSC (**E. Nye, K. Monroe**) to adjourn to executive session pursuant to I.C. §67-2345(1)(e) to discuss preliminary negotiations regarding matters of trade or commerce in which the PDA may be in competition with other jurisdictions. A roll call vote was taken on the motion, with results as follows: **L. Fisher, K. Monroe, E. Nye, M. Orr, and R. Ward Aye; None opposed.** The regular meeting was reconvened upon conclusion of the discussion at 12:30 p.m.

4. Staff Items:

R. Chambers noted that the FY 2011 annual budget would be available for review at the September 15, 2010 Board Meeting, as well as the PRAURA Plan. Additionally, election of Board officers for the upcoming year is scheduled for the October meeting. Board members were encouraged to give some thought to nominations for officers.

5. Adjournment:

There being no further business, it was **MSC (K. Monroe, M. Orr)** to adjourn the meeting at 12:32 p.m.



Eliminating Structural Uncertainty

PDA Board Meeting Update

October 20, 2010

PDA Board Meeting Update

1. Closure of Debt-Equity Exchange

1. **February, 2010:** Documents for ownership units in Positron spin-off Acceloris submitted to city attorney Dean Trammer
 1. Initial review led to consultation with a separate attorney due to LLC structure of business
2. **May, 2010:** Positron Chairman Erik Oaas met with Dean Trammer- resolved that since LLC membership was problematic for PDA, would issue shares of Positron (a C-corporation)
3. **May, 2010:** Positron entered detailed discussions, site visit, and due diligence with a potential acquiring entity to consolidate the company with other nondestructive testing businesses
4. **July, 2010:** Positron board voted to establish share issuance to be based on valuation established by the acquisition terms
5. **October, 2010:** Independent valuation of company (C&H Mergers and Acquisitions) conducted, provides basis for issuing shares.

PDA Board Meeting Update

Positron Roadmap Execution



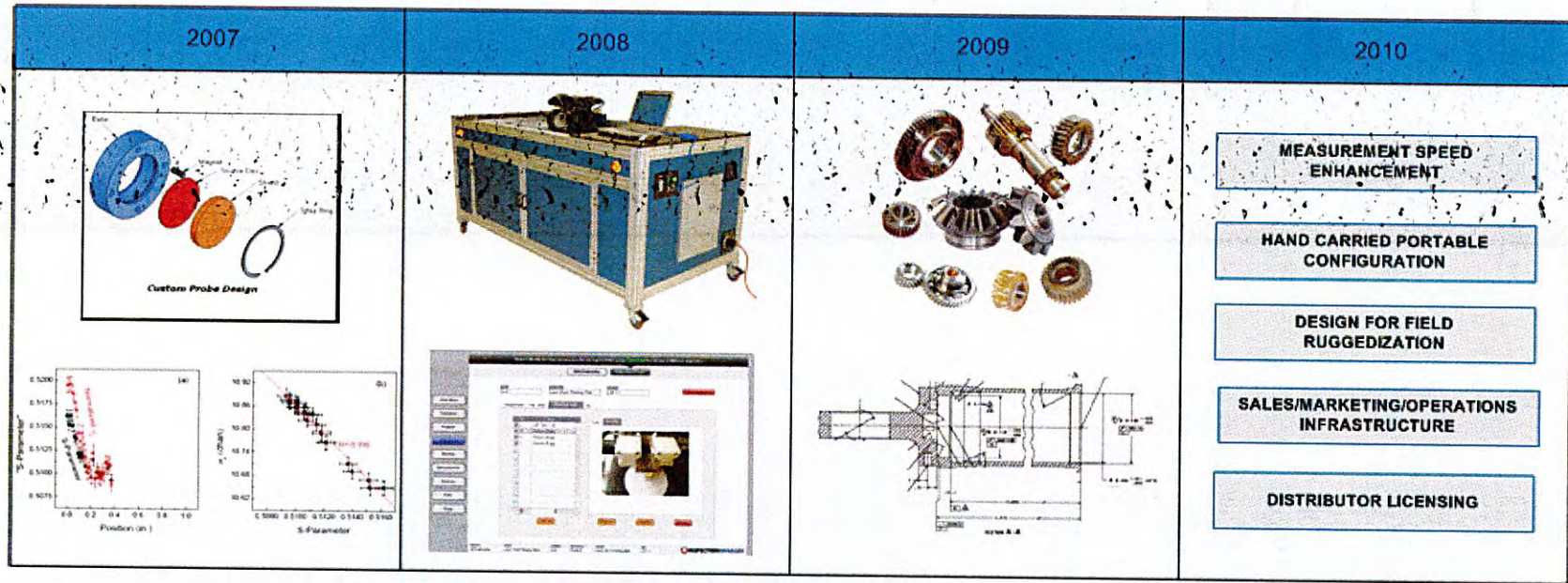
\$1.1M in Current Booked Business (2010 – 2011)

Induced Positron Analysis



Eliminating Structural Uncertainty

- **Technology Evolution**
 - Nine years Research and Development
 - Proprietary Hardware and Software Developed



Methods Development



Hardware/Software Design & Prototype



Applications/Validation



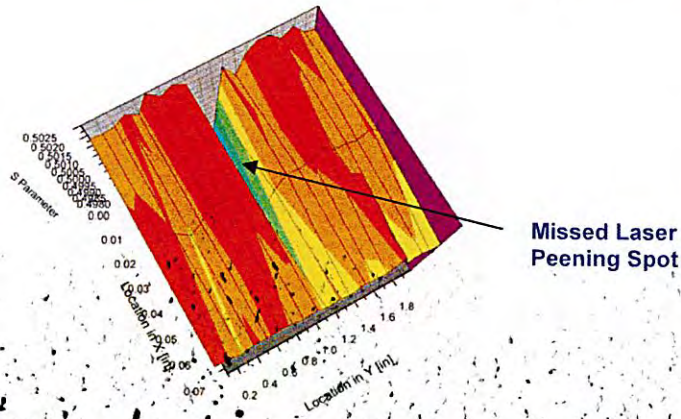
Commercial Deployment

Induced Positron Analysis

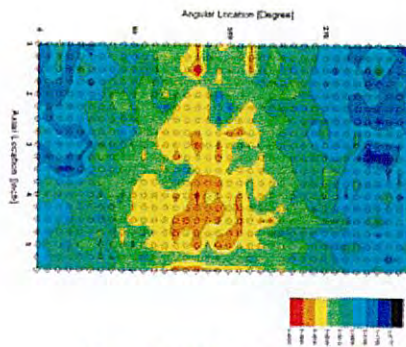


Eliminating Structural Uncertainty

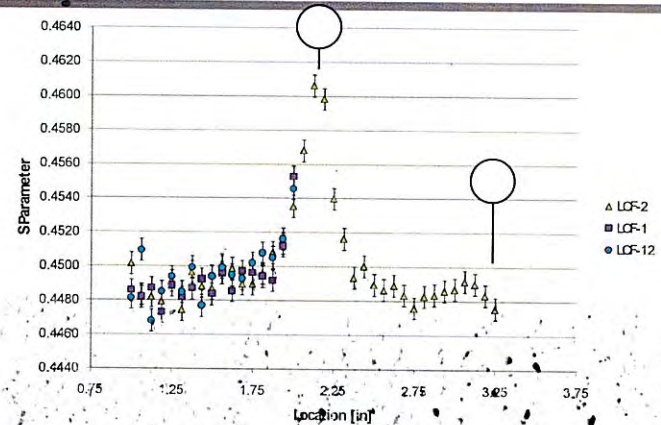
Nondestructive Analysis Solutions Where No Alternatives Exist



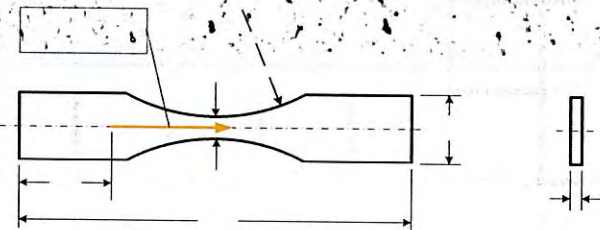
Metal Surface Treatment Inspection



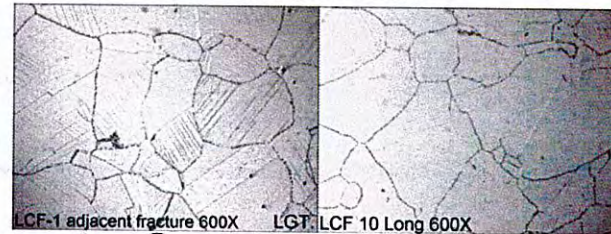
Embrittlement Damage



Metal Fatigue



Metallurgical Section

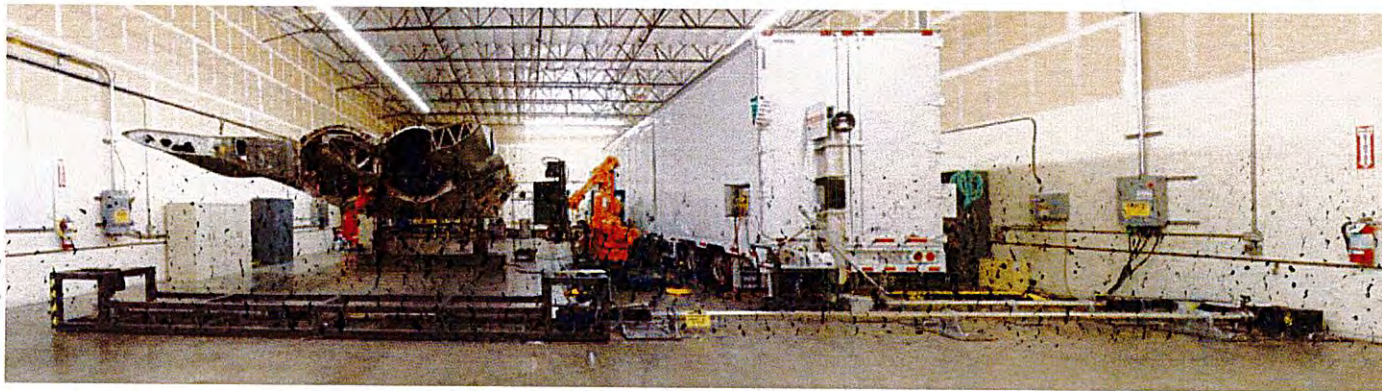


(A)

(B)

Laser Peening Inspection

- Positron Validating Its IPA Inspection Technique with Boeing



“While Laser Peening is now widely used in turbine engines, NDT methods to measure their effective application are not yet available.... the search for NDT of these components continues.”

“IPA measurements are sensitive to laser shock peen treatment and can provide signal change with intensity and spatial distribution. Positron Systems and Hill Engineering continue to further develop this capability.”

Mike Hill, President, Hill Engineering

Why is Early Flaw Detection Important?

Undetected Metal Fatigue and Corrosion Result in Sudden, Catastrophic Structural Failure



4-28-1988 After 89,090 flight cycles on a 737-200, metal fatigue lets the top go in flight.



Bombardier Regional Jet CRJ 200 Aircraft, January 25, 2007

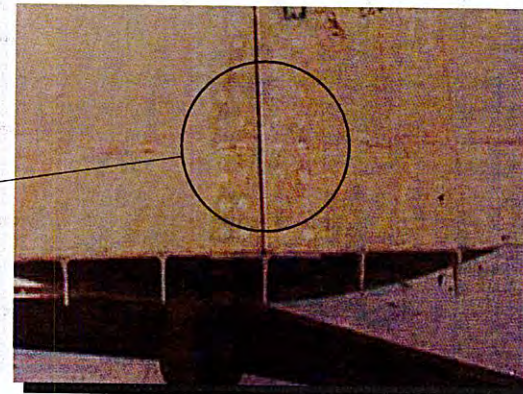
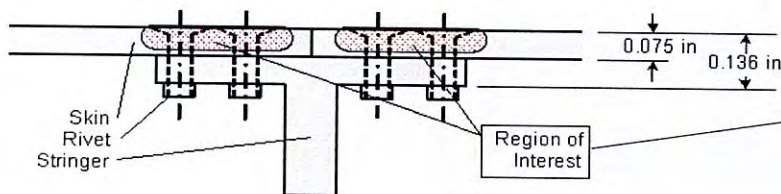
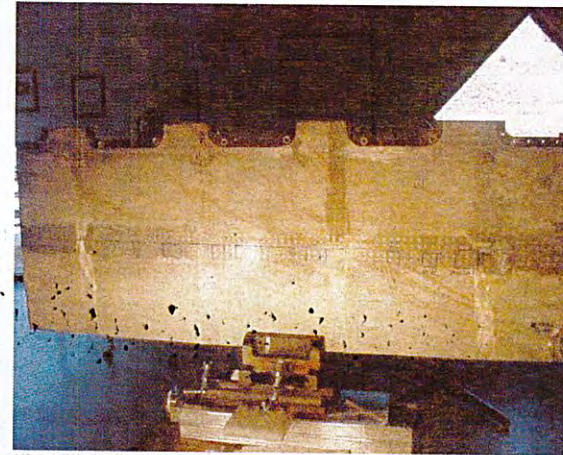
PCA Capabilities: Hidden Corrosion Detection

CP-140 Aurora Aircraft



credit: Valkenburg Naval base, The Netherlands

Horizontal Stabilizer Assembly

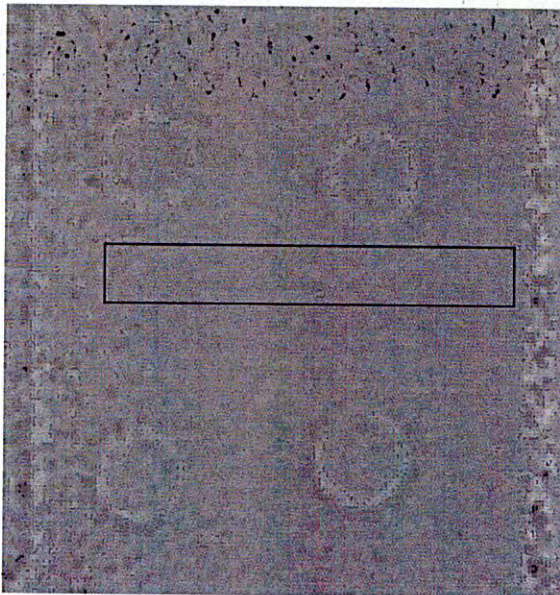


PCA Capabilities: Hidden Corrosion Detection

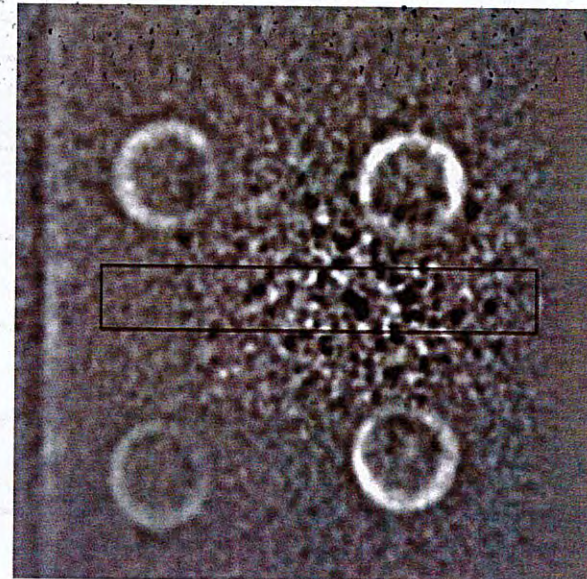
Monochromatic X-Ray

- Beam Energy at 48keV
- Digital Image Plate Detector

Rivet Row Locations 18 and 19

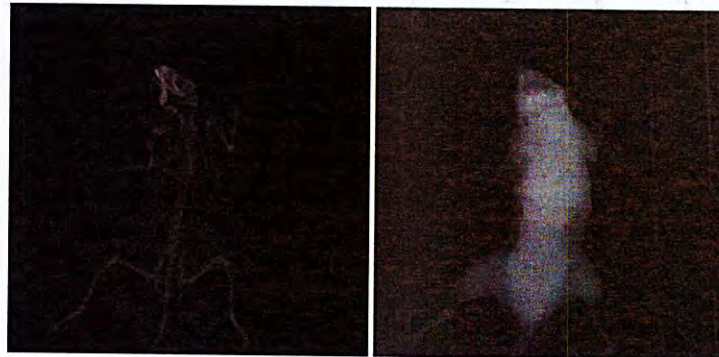


Rivet Row Locations 27 and 28



PCA Capabilities: Myriad of Potential Applications

- Industrial Imaging / Medical Imaging / Materials Science
 - PCA Mammography: 1/2 to 1/10 the radiation dose of current imaging equipment, superior contrast, detectability, eliminate tissue compression.
 - PCA Spectral Radiography: calculates optimal energy settings for the material or feature of primary interest, and captures images at these specific energies, resulting in unprecedented image contrast, lower radiation emissions, and comprehensive assessment in a single inspection.



Bone-Only

Soft Tissue-Only

Donnelly, Edwin, PhD/MD, Vanderbilt University Medical Center

Business Projection

- Two Complementary Breakthrough NDT Technologies
 - Induced Positron Analysis:
 - Commercialization and pre-sale revenue underway, building to \$10M annual sales within 5 years.
 - Phase Contrast Analysis: X-ray imaging system for industrial and follow-on medical applications, 2 year development timeline, building to \$80M annual sales within 5 years
 - Staffing levels increasing to 40+ within 5 years, 70% to remain local (portion field inspection personnel are distributed)

PDA Board Meeting Update

- Summary
 - Debt-Equity: closure immediately with issue of Positron shares
 - Outlook: Positron has achieved \$1M+ in R&D and Pre-Sale contracts over previous 6 months
 - Validation of its technical and commercialization strategy
 - Investment and Merger/Acquisition Discussions Continue
 - R&D funding through sponsoring agencies: DARPA
 - Strong Working Partnerships: Boeing, Vanderbilt University
 - NDT Technical Center of Excellence established in Pocatello

Pocatello Development Authority
Budget to Actual Comparison for the Year Ending September 30, 2010

	Grand Totals		
	Budget	Actual	Variance
Previous Year Balance:	5,182,612.01	5,182,612.01	0.00
INCOME:			
Property Taxes	2,690,564.60	2,676,903.55	-13,661.05
South Cliff repayment (finished 2010)	196,867.85	0.00	-196,867.85
North Yellowstone Loans (finished 2010)	285,514.38	285,514.38	0.00
Tetridyn Loan (finished 2010)	50,000.00	0.00	-50,000.00
AMI repayment (finished 2012)	0.00	0.00	0.00
Central Corridor Admin Fee (finished 2012)	0.00	16,318.12	16,318.12
Shaver loan repayment	0.00	26,719.00	26,719.00
General Fund - repayment of loan to Naval Ordinance	0.00	0.00	0.00
General Fund - loan to Naval Ordinance (finished 2013)	0.00	0.00	0.00
Refunds and reimbursements	0.00	53.10	53.10
Interest Income	9,944.00	396.14	-9,547.86
Total Projected Income:	3,232,890.83	3,005,904.29	-226,986.54
EXPENSE:			
Debt Service	1,610,245.00	1,610,245.00	0.00
Repayment of General Fund loan (finished 2010)	285,514.38	285,514.38	0.00
Cheyenne Crossing	2,117,700.22	5,645.82	-2,112,054.40
Unnamed project #3 - Japan	500,000.00	0.00	-500,000.00
Farmers project (finished 2010)	200,000.00	29,754.00	-170,246.00
Log Homes (\$225,000.00)	75,000.00	0.00	-75,000.00
CostCo employment payment (remainder \$732,090.04)	122,014.96	0.00	-122,014.96
Clark Street Overpass (finished 2012)	0.00	0.00	0.00
Admin Transfer to Unrestricted account (finished 2012)	0.00	16,318.12	16,318.12
City of Pocatello, triangle land reimbursment (finished 2012)	0.00	35,000.00	35,000.00
Loan to (Naval Ordinance) (finished 2013)	0.00	0.00	0.00
RDA Loan payoff (finished 2013)	0.00	0.00	0.00
PDA	0.00	0.00	0.00
Hoku infrastructure reimbursment	0.00	0.00	0.00
Property taxes refunded	0.00	146,481.64	146,481.64
City capital cost reimbursment	0.00	0.00	0.00
Sewer Line flushing	0.00	60,355.59	60,355.59
Varsity Square LLC Grant	0.00	100,000.00	100,000.00
Management salaries	16,625.00	0.00	-16,625.00
Luncheon costs	1,320.00	1,153.88	-166.12
Office expenses	200.00	29.70	-170.30
Legal advertising	50.00	0.00	-50.00
Banking and Professional services	15,970.00	9,729.78	-6,240.22
Total Projected Expense:	4,944,639.56	2,300,227.91	-2,644,411.65
CALCULATED ENDING BALANCE	3,470,863.28	5,888,288.39	2,417,425.11

Total Cash as of September 30, 2010

5,888,288.39

Cash Restricted By Bond Covenants:

Central Corridor Next Bond Payment	933,432.50
Central Corridor District Debt Service Reserve	650,000.00
North Yellowstone Next Bond Payment	678,525.00
North Yellowstone District Debt Service Reserve	681,900.00

Total restricted 2,943,857.50

Cash Available

General Fund	427,317.40
Central Corridor	2,002,296.83
North Yellowstone	431,068.20
North Portneuf (Hoku)	55,750.51
Naval Ordinance Plant (Gateway West)	27,997.95

Total available 2,944,430.89

Pocatello Development Authority
Cash Flow Projection for the Period Ending September 30, 2011

	General Fund	Central Corridor District	North Yellowstone District	Naval Ordinance District	North Portneuf District	Grand Total
Previous Year Balance: estimated	427,317.40	3,585,729.33	1,791,493.20	27,997.95	55,750.51	5,888,288.39
INCOME:						
Property Taxes		1,370,000.00	1,200,000.00	82,000.00	1,492,442.00	4,144,442.00
South Cliff repayment (finished 2010)		196,867.85				196,867.85
North Yellowstone Loans (finished 2010)						0.00
Tetridyn Loan (finished 2010)						0.00
AMI repayment (finished 2012)						0.00
Central Corridor Admin Fee (finished 2012)						0.00
General Fund - repayment of loan to Naval Ordinance						0.00
General Fund - loan to Naval Ordinance (finished 2013)						0.00
Interest Income	20.00	230.00	160.00			410.00
Total Projected Income:	<u>20.00</u>	<u>1,567,097.85</u>	<u>1,200,160.00</u>	<u>82,000.00</u>	<u>1,492,442.00</u>	<u>4,341,719.85</u>
EXPENSE:						
Debt Service		933,432.50	678,525.00		1,492,442.00	3,104,399.50
Repayment of General Fund loan (finished 2010)						0.00
Cheyenne Crossing		3,000,000.00				3,000,000.00
Unnamed project #3 - Japan (finished 2012)		500,000.00				500,000.00
Farmers project (finished 2010)		170,246.00				170,246.00
Log Homes (\$225,000.00)						0.00
Costco employment payment (remainder \$732,090.04)			122,014.96			122,014.96
Clark Street Overpass (finished 2012)						0.00
Admin Transfer to Unrestricted account (finished 2012)						0.00
City of Pocatello, triangle land reimbursment (finished 2012)						0.00
Loan to (Naval Ordinance) (finished 2013)						0.00
RDA Loan payoff (finished 2013)						0.00
PDA						0.00
Hoku infrastructure reimbursment						0.00
City capitel cost reimbursment						0.00
Luncheon costs	1,320.00					1,320.00
Office expenses	200.00					200.00
Banking and Professional services	4,000.00	3,950.00	5,260.00			13,210.00
Total Projected Expense:	<u>5,520.00</u>	<u>4,607,628.50</u>	<u>805,799.96</u>	<u>0.00</u>	<u>1,492,442.00</u>	<u>6,911,390.46</u>
CALCULATED ANNUAL BALANCE	<u>421,817.40</u>	<u>545,198.68</u>	<u>2,185,853.24</u>	<u>109,997.95</u>	<u>55,750.51</u>	<u>3,318,617.78</u>

Pocatello Development Authority
Cash Flow Projection for the Period Ending September 30, 2012

	General Fund	Central Corridor District	North Yellowstone District	Naval Ordinance District	North Portneuf District	Grand Total
Previous Year Balance: estimated	421,817.40	545,198.68	2,185,853.24	109,997.95	55,750.51	3,318,617.78
INCOME:						
Property Taxes			1,200,000.00	82,000.00	2,895,337.00	4,177,337.00
South Cliff repayment (finished 2010)						0.00
North Yellowstone Loans (finished 2010)						0.00
Tetridyn Loan (finished 2010)	50,000.00					50,000.00
AMI repayment (finished 2012)		1,200,000.00				1,200,000.00
Central Corridor Admin Fee (finished 2012)	264,658.45					264,658.45
General Fund - repayment of loan to Naval Ordinance						0.00
General Fund - loan to Naval Ordinance (finished 2013)						0.00
Interest Income	20.00	230.00	160.00			410.00
Total Projected Income:	314,678.45	1,200,230.00	1,200,160.00	82,000.00	2,895,337.00	5,692,405.45
EXPENSE:						
Debt Service		0.00	680,050.00		2,895,337.00	3,575,387.00
Repayment of General Fund loan (finished 2010)						0.00
Cheyenne Crossing (finished 2011)						0.00
Unnamed project #3 - Japan (finished 2012)		500,000.00				500,000.00
Farmers project (finished 2010)						0.00
Log Homes (\$75,000.00)					75,000.00	75,000.00
Costco employment payment (remainder \$610,074.77)				122,014.96		122,014.96
Clark Street Overpass (finished 2012)		258,800.93				258,800.93
Admin Transfer to Unrestricted account (finished 2012)		815,627.75				815,627.75
City of Pocatello, triangle land reimbursment (finished 2012)		171,000.00				171,000.00
Loan to (Naval Ordinance) (finished 2013)						0.00
RDA Loan payoff (finished 2013)						0.00
PDA (\$750,000.00)						0.00
Hoku infrastructure reimbursment						0.00
City capital cost reimbursment						0.00
Luncheon costs	1,320.00					1,320.00
Office expenses	200.00					200.00
Banking and Professional services	4,000.00		5,000.00			9,000.00
Total Projected Expense:	5,520.00	1,745,428.68	807,064.96	75,000.00	2,895,337.00	5,528,350.64
CALCULATED ANNUAL BALANCE	730,975.85	0.00	2,578,948.28	116,997.95	55,750.51	3,482,672.59

Handwritten annotations: "75,000.00" with a line pointing to the Costco payment row, and "122,014.96" circled in blue with a question mark below it.

Pocatello Development Authority
Cash Flow Projection for the Period Ending September 30, 2013

	General Fund	North Yellowstone District	Naval Ordinance District	North Portneuf District	Grand Total
Previous Year Balance: estimated	730,975.85	2,578,948.28	116,997.95	55,750.51	3,482,672.59
INCOME:					
Property Taxes		1,200,000.00	82,000.00	2,808,477.00	4,090,477.00
South Cliff repayment (finished 2010)					0.00
North Yellowstone Loans (finished 2010)					0.00
Tetridyn Loan (finished 2010)					0.00
AMI repayment (finished 2012)					0.00
Central Corridor Admin Fee (finished 2012)					0.00
General Fund - repayment of loan to Naval Ordinance					0.00
General Fund - loan to Naval Ordinance (finished 2013)			675,000.00		675,000.00
Interest Income	20.00	160.00			180.00
Total Projected Income:	20.00	1,200,160.00	757,000.00	2,808,477.00	4,765,657.00
EXPENSE:					
Debt Service		680,750.00		2,808,477.00	3,489,227.00
Repayment of General Fund loan (finished 2010)					0.00
Cheyenne Crossing (finished 2011)					0.00
Unnamed project #3 - Japan (finished 2011)					0.00
Farmers project (finished 2010)					0.00
Log Homes (finished 2014)			75,000.00		75,000.00
Costco employment payment (remainder \$488,059.81)		122,014.96			122,014.96
Clark Street Overpass (finished 2012)					0.00
Admin Transfer to Unrestricted account (finished 2012)					0.00
City of Pocatello, triangle land reimbursment (finished 2012)					0.00
Loan to (Naval Ordinance)	675,000.00				675,000.00
RDA Loan payoff			750,000.00		750,000.00
PDA (750,000.00)					0.00
Hoku infrastructure reimbursment.					0.00
City capital cost reimbursment					0.00
Luncheon costs	1,320.00				1,320.00
Office expenses	200.00				200.00
Bbanking and Professional services	4,000.00	5,000.00			9,000.00
Total Projected Expense:	680,520.00	807,764.96	825,000.00	2,808,477.00	5,121,761.96
CALCULATED ANNUAL BALANCE	50,475.85	2,971,343.32	48,997.95	55,750.51	3,126,567.63

Pocatello Development Authority
Cash Flow Projection for the Period Ending September 30, 2014

	General Fund	North Yellowstone District	Naval Ordinance District	North Portneuf District	Grand Total
Previous Year Balance: estimated	50,475.85	2,971,343.32	48,997.95	55,750.51	3,126,567.63
INCOME:					
Property Taxes		1,200,000.00	82,000.00	2,808,447.00	4,090,447.00
South Cliff repayment (finished 2010)					0.00
North Yellowstone Loans (finished 2010)					0.00
Tetridyn Loan (finished 2010)					0.00
AMI repayment (finished 2012)					0.00
Central Corridor Admin Fee (finished 2012)					0.00
General Fund - repayment of loan to Naval Ordinance					0.00
General Fund - loan to Naval Ordinance (finished 2013)					0.00
Interest Income	800.00	160.00			4,091,407.00
Total Projected Income:	<u>800.00</u>	<u>1,200,160.00</u>	<u>82,000.00</u>	<u>2,808,447.00</u>	<u>8,181,854.00</u>
EXPENSE:					
Debt Service		680,625.00		2,724,223.00	3,404,848.00
Repayment of General Fund loan (finished 2010)					0.00
Cheyenne Crossing (finished 2011)					0.00
Unnamed project #3 - Japan (finished 2011)					0.00
Farmers project (finished 2010)					0.00
Log Homes (finished 2014)			75,000.00		75,000.00
Costco employment payment (remainder \$366,044.85)		122,014.96			122,014.96
Clark Street Overpass (finished 2012)					0.00
Admin Transfer to Unrestricted account (finished 2012)					0.00
City of Pocatello, triangle land reimbursment (finished 2012)					0.00
Loan to (Naval Ordinance) (finished 2013)					0.00
RDA Loan payoff (finished 2013)					0.00
PDA (\$750,000.00)					0.00
Hoku infrastructure reimbursment					0.00
City capital cost reimbursment					0.00
Luncheon costs	1,320.00				1,320.00
Office expenses	200.00				200.00
Banking and Professional Services	4,000.00	5,000.00			9,000.00
Total Projected Expense:	<u>5,520.00</u>	<u>807,639.96</u>	<u>75,000.00</u>	<u>2,724,223.00</u>	<u>3,612,382.96</u>
CALCULATED ANNUAL BALANCE	<u>45,755.85</u>	<u>3,363,863.36</u>	<u>55,997.95</u>	<u>139,974.51</u>	<u>7,696,038.67</u>

Pocatello Development Authority
Cash Flow Projection for the Period Ending September 30, 2015

	General Fund	North Yellowstone District	Naval Ordinance District	North Portneuf District	Grand Total
Previous Year Balance: estimated	45,755.85	3,363,863.36	55,997.95	139,974.51	3,605,591.67
INCOME:					
Property Taxes		1,200,000.00	82,000.00	2,642,496.00	3,924,496.00
South Cliff repayment (finished 2010)					0.00
North Yellowstone Loans (finished 2010)					0.00
Tetridyn Loan (finished 2010)	82,000.00				82,000.00
AMI repayment (finished 2012)					0.00
Central Corridor Admin Fee (finished 2012)					0.00
General Fund - repayment of loan to Naval Ordinance					0.00
General Fund - loan to Naval Ordinance (finished 2013)					960.00
Interest Income	800.00	160.00			4,007,456.00
Total Projected Income:	<u>82,800.00</u>	<u>1,200,160.00</u>	<u>82,000.00</u>	<u>2,642,496.00</u>	<u>8,014,912.00</u>
EXPENSE:					
Debt Service		679,675.00		1,079,521.00	1,759,196.00
Repayment of General Fund loan (finished 2010)					0.00
Cheyenne Crossing (finished 2011)					0.00
Unnamed project #3 - Japan (finished 2011)					0.00
Farmers project (finished 2010)					0.00
Log Homes (finished 2012)					0.00
Costco employment payment (remainder \$244,029.89)		122,014.96			122,014.96
Clark Street Overpass (finished 2012)					0.00
Admin Transfer to Unrestricted account (finished 2012)					0.00
City of Pocatello, triangle land reimbursment (finished 2012)					0.00
Loan to (Naval Ordinance) (finished 2013)					0.00
RDA Loan payoff (finished 2013)					0.00
PDA (\$750,000.00 - 82,000.00 = 668,000.00)			82,000.00		82,000.00
Hoku infrastructure reimbursment				1,484,826.00	1,484,826.00
City capital cost reimbursment				78,149.00	78,149.00
Luncheon costs	1,320.00				1,320.00
Office expenses	200.00				200.00
Banking and Professional services.	4,000.00	5,000.00			9,000.00
Total Projected Expense:	<u>5,520.00</u>	<u>806,689.96</u>	<u>82,000.00</u>	<u>2,642,496.00</u>	<u>3,536,705.96</u>
CALCULATED ANNUAL BALANCE	<u>123,035.85</u>	<u>3,757,333.40</u>	<u>55,997.95</u>	<u>139,974.51</u>	<u>8,083,797.71</u>