

Pocatello Development Authority

**Board of Commissioners Meeting
January 15, 2014 – 11:00 a.m.
Paradise Conference Room**

City of Pocatello
911 North 7th Avenue
Pocatello, Idaho 83205

An urban renewal agency for the City of Pocatello, Idaho

11:00 a.m.

Call to order by Chairman Ryan Ward

Acknowledge guests of the Board

Disclosure of conflicts of interest

Agenda; add or delete action or discussion items

Action and Discussion Items:

Minutes: Motion to approve and/or amend Minutes of December 18, 2013

Financial Report: December 2013 Income and Expenses

General Discussion: Petersen, Inc. Economic Development Agreement Status Update

RAI Legislative Update

Possible Soil Material Test Report at the Airport

Resolution 2014-1; Appreciation of Roger Bray's Service to the Board

Election of Michael Orr to the PDA Board as Representative of the City Council and vacation of the previously held position

Election of Officer Positions (Chair and Vice-Chair)

Items from staff:

Items from Commission members:

Upcoming Events:

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."

Adjourn

POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES
January 15, 2014

Members present: Brian Blad, Cynthia Hill, Larry Fisher, Michael Orr, and Chair Ryan Ward

Members absent: Karl Anderson, Darlene Gerry, Russ Meyers, and John Regetz (ex officio)

Staff present: Lonnie Crowell, Executive Director; Merril Quayle, City Development Engineer; Dean Tranmer and Tiffany Olsen, City Legal Dept.; Dave Swindell, City Finance Dept.

Chair R. Ward called the meeting to order at 11:10 a.m.

1. Preliminary matters:

A. Introductions, Conflicts, and Agenda. No introductions were necessary. No disclosures or conflicts with agenda items were acknowledged by the Commissioners.

B. Minutes. The Minutes of the regularly scheduled meeting of December 18, 2013 were reviewed. It was **MSC (C. Hill, M. Orr)** to approve the Minutes as presented.

C. Financial Report. D. Swindell presented the Financial Report for the month of December 2013. As of December 31, 2013, the Authority had \$761,297.66 in checking, \$4,245,047.16 in savings, and \$2,179,477.02 in trust accounts with Zions Bank, for a total cash balance of \$7,185,821.84. During December the PDA received \$1,883.01 in interest receipts (of which \$144.12 was earned on cash accounts and \$1,658.89 was received on loan payments from South Cliffs Development). Property taxes of \$29,522.61 was also receipted. The Authority spent \$199.18 on administrative fees (\$33.25 in bank fees and the lunch expense for December was \$165.93). The Authority paid \$1,000.00 to the Redevelopment Association of Idaho for legislative efforts and \$7,500.00 was paid to Keller Associates for development plans at the Airport. The net liquid assets of the Authority increased by \$22,967.55 in December. **Chair Ward** noted there was a check outstanding for \$1,000 and it has since been accounted for. Additionally, two bills were approved for payment; (1) a check to Jimmy Johns for \$195.60 and (2) the remainder of the annual premium due to ICRMP for the PDA's insurance policy, in the amount of \$341.00. Thereafter, it was **MSC (B. Blad, C. Hill)** to approve the Financial Report for December, 2013 and to issue payment for the above mentioned billings.

2. General Discussion Items:

A. Petersen, Inc. Economic Development Agreement Performance Update: Petersen, Inc. was unable to attend personally but provided a paper presentation documenting their performance which was presented to the Authority by L. Crowell. It was noted, although Petersen is over the 50 head requirement, they are just under the 50 heads at a minimum of \$14.00 per hour. They reported some welders left during the 4th quarter and to avoid paying holiday pay and slower work schedules during those holidays, they will either promote two employees to above the \$14.00 per hour wage or hire two new employees to meet the requirement. Petersen expected this to occur by the end of January, 2014. Petersen also noted they have several good bids pending and maintain a positive and growing outlook for the future.

B. RAI Legislative Update: L. Crowell provided an email response, on behalf of the City, to Elam & Burke, PA, regarding two issues (housing and natural growth) that could lead to legislation directly affecting urban renewal agencies. L. Crowell gave a brief update on the issues. The Authority did not feel L. Crowell needed to respond specifically on their behalf.

C. Possible Soil Material Test Report at the Airport: M. Quayle requested the Authority consider approving the expenditure (up to \$1,000) to conduct soil test hole research at the

Airport. He receives numerous requests for soil material information from prospective businesses looking at the Airport property and believes it would be beneficial to have and own a report for which we could disseminate. An estimate was given by a Geotechnical Engineering firm, XCell Engineering, and the cost would be between \$500 and \$1,000. It was **MSC (B. Blad, L. Fisher)** to approve expenditure of up to \$1,000 for soil testing at the Airport using XCell Engineering.

D. Resolution 2014-1: Appreciation of Roger Bray's Service to the Board: Chair Ward read Resolution 2014-1 in appreciation of Roger's Bray service to the PDA Board from January 20, 2012 to January 2, 2014. It was **MSC (B. Blad, M. Orr)** to adopt the Resolution in appreciation of Roger Bray's service to the Board.

E. Appointment of Michael Orr to the PDA Board: The City of Pocatello Council selected City Councilman Michael Orr to fill the unexpired vacant Commissioner's seat formerly held by Roger Bray with Michael Orr, as the City Council Representative, with a term expiration date of May 1, 2016. It was **MSC (B. Blad, C. Hill)** to fill the unexpired vacant Commissioner's seat formerly held by Roger Bray with Michael Orr, with a term expiration date of May 1, 2016.

F. Election of Chair, Vice Chair, Treasurer, and Secretary: The Authority should have conducted an election for the positions of Chair, Vice Chair, Treasurer, and Secretary, in October 2013. However, the election did not take place. ~~Chair Ward~~ ^{Hill and Blad} nominated himself to continue to serve as Chair and Russ Meyers to serve as Vice-Chair until the regular PDA Meeting in October of 2014. Although R. Meyers was not in attendance to accept his nomination, if he has any reservations regarding the election, the position of Vice-Chair can be placed as an item on future Agenda for election. Although J. Higgins was not in attendance, D. Swindell nominated him to continue service as the Treasurer until his date of retirement. Tiffany Olsen agreed to continue serving as the Board's Secretary. It was **MSC (B. Blad, C. Hill)** to elect Ryan Ward and Russ Meyers to continue service as Chair and Vice-Chair, Jerry Higgins as Treasurer, and Tiffany Olsen as Secretary. An election for said positions shall be held at the regularly scheduled PDA meeting in October, 2014.

3 ~~4~~ **Executive Session:**

Chair Ward called for a motion for the Board go into an executive session to discuss a matter regarding negotiations involving matters of trade or commerce in which the PDA is in competition with other jurisdictions. **It was moved and seconded (B. Blad, C. Hill)** to adjourn to executive session pursuant to Idaho Code §67-2345(1)(e). The **motion passed** by roll call vote (**Ayes: B. Blad, L. Fisher, C. Hill, M. Orr, and R. Ward; Nays: None**). The Board adjourned to executive session at approximately 11:45 a.m. The Board reconvened to regular session by **MSC (B. Blad, C. Hill)** at 1:03 p.m.

4 ~~5~~ **Adjournment:**

There being no additional business, **it was MSC (B. Blad, C. Hill)** to adjourn the meeting at 1:04 p.m.

POCATELLO DEVELOPMENT AUTHORITY
MEETING MINUTES
EXECUTIVE SESSION
January 15, 2014

Members present: Brian Blad, Cynthia Hill, Larry Fisher, Michael Orr, and Chair Ryan Ward

Members absent: Karl Anderson, Darlene Gerry, Russ Meyers, and John Regetz (ex officio)

Staff present: Lonnie Crowell, Executive Director; Merrill Quayle, City Development Engineer; Dean Tranmer and Tiffany Olsen, City Legal Dept.; Dave Swindell, City Finance Dept.

The Board of Commissioners adjourned from regular session into executive session at 11:45 a.m. pursuant to I.C. §67-2345(1)(e) to discuss negotiations involving matters of trade or commerce in which the PDA is in competition with other jurisdictions. Discussion regarding the formation of a new urban renewal area was held.

Thereafter, **it was MSC (B. Blad, C. Hill)** that the executive session be closed and the regular meeting was reconvened at 1:03 p.m.

Pocatello Development Authority
Balance Sheet by Class
All Transactions

	<u>1-General Fund</u>	<u>2-Central Corridor</u>	<u>3-North Yellowstone</u>	<u>4-Naval Ordinance</u>	<u>6-North Portneuf</u>	<u>7-Pocatello Regional Airport</u>	<u>TOTAL</u>
ASSETS							
Current Assets							
Checking/Savings							
Checking Wells Fargo	118,667.07	186,765.12	-164,750.91	213,250.62	328,742.23	78,623.53	761,297.66
Savings Wells Fargo	133,056.64	4,111,990.52	0.00	0.00	0.00	0.00	4,245,047.16
Zions 2004A Bnd Fnd 7110526A	0.00	0.00	0.97	0.00	0.00	0.00	0.97
Zions 2012 Bnd Fnd 7110526D	0.00	0.00	2.63	0.00	0.00	0.00	2.63
Zions Bnd Reserve Fnd 7110526B	0.00	0.00	677,545.46	0.00	0.00	0.00	677,545.46
Zions Rev Alloc Fnd 7110526	0.00	0.00	1,501,927.96	0.00	0.00	0.00	1,501,927.96
Total Checking/Savings	251,723.71	4,298,755.64	2,014,726.11	213,250.62	328,742.23	78,623.53	7,185,821.84
Accounts Receivable							
Accounts Receivable	50,000.00	599,163.04	0.00	0.00	0.00	0.00	649,163.04
Total Accounts Receivable	50,000.00	599,163.04	0.00	0.00	0.00	0.00	649,163.04
Other Current Assets							
Accrued Interest Income	0.00	0.00	35.96	0.00	0.00	0.00	35.96
Property Tax Receivable	0.00	21,713.24	27,117.52	0.00	12,964.56	0.00	61,795.32
Total Other Current Assets	0.00	21,713.24	27,153.48	0.00	12,964.56	0.00	61,831.28
Total Current Assets	301,723.71	4,919,631.92	2,041,879.59	213,250.62	341,706.79	78,623.53	7,896,816.16
TOTAL ASSETS	301,723.71	4,919,631.92	2,041,879.59	213,250.62	341,706.79	78,623.53	7,896,816.16
LIABILITIES & EQUITY							
Liabilities							
Long Term Liabilities							
Deferred Notes Receivable Rev	50,000.00	598,823.35	0.00	0.00	0.00	0.00	648,823.35
Deferred Tax Revenues	0.00	15,601.56	14,241.05	0.00	12,964.56	0.00	42,807.17
Total Long Term Liabilities	50,000.00	614,424.91	14,241.05	0.00	12,964.56	0.00	691,630.52
Total Liabilities	50,000.00	614,424.91	14,241.05	0.00	12,964.56	0.00	691,630.52
Equity							
Fund Balance	376,200.41	1,797,384.11	1,703,682.29	33,987.08	50,067.89	0.00	3,961,321.78
Opening Balance Equity	0.00	0.00	64,643.86	0.00	0.00	0.00	64,643.86
Net Income	-124,476.70	2,507,822.90	259,312.39	179,263.54	278,674.34	78,623.53	3,179,220.00
Total Equity	251,723.71	4,305,207.01	2,027,638.54	213,250.62	328,742.23	78,623.53	7,205,185.64
TOTAL LIABILITIES & EQUITY	301,723.71	4,919,631.92	2,041,879.59	213,250.62	341,706.79	78,623.53	7,896,816.16

2,179,477.02

Pocatello Development Authority
Profit & Loss by Class
December 2013

	<u>1-General Fund</u>	<u>2-Central Corridor</u>	<u>3-North Yellowstone</u>	<u>7-Pocatello Regional Airport</u>	<u>TOTAL</u>
<u>Ordinary Income/Expense</u>					
Income					
<i>Interest Income</i>	3.45	104.71	35.96	0.00	144.12
<i>Loan Interest Income</i>	0.00	1,658.89	0.00	0.00	1,658.89
<i>Principal recieved on notes</i>	0.00	341.11	0.00	0.00	341.11
<i>Property Taxes</i>	0.00	1,384.14	28,138.47	0.00	29,522.61
Total Income	3.45	3,488.85	28,174.43	0.00	31,666.73
<u>Gross Profit</u>	3.45	3,488.85	28,174.43	0.00	31,666.73
Expense					
<i>Administrative</i>	199.18	0.00	0.00	0.00	199.18
<i>Dues and Memberships</i>	1,000.00	0.00	0.00	0.00	1,000.00
<i>Professional Services</i>					
<i>Engineering Services</i>	0.00	0.00	0.00	7,500.00	7,500.00
<i>Total Professional Services</i>	0.00	0.00	0.00	7,500.00	7,500.00
Total Expense	1,199.18	0.00	0.00	7,500.00	8,699.18
<u>Net Ordinary Income</u>	-1,195.73	3,488.85	28,174.43	-7,500.00	22,967.55
<u>Net Income</u>	-1,195.73	3,488.85	28,174.43	-7,500.00	22,967.55

In the month of December the Authority received \$1,883.01 in interest receipts of which \$144.12 was earned on cash accounts and \$1,658.89 was received on loan payments from South Cliffs Development. Property taxes of \$29,522.61 were receipted. The Authority spent \$199.18 on administrative costs which were \$33.25 in bank fees and \$165.93 in luhcheon cost. \$1,000.00 was paid to the Redevelopment Association of Idaho for legislative efforts and \$7,500.00 was paid to Keller Associated for development plans at the airport. The net liquid assets of the Authority increased by \$22,967.55 in December.

**GENERAL
DISCUSSION
ITEMS**

**Pocatello
Development
Authority
&
Petersen Inc.**

Status Update

January 15, 2014



PDA Agreement

- Grant, Loan and guarantee terms contingent on Petersen Inc. performance
 - 50 full time employees
 - Period of fifteen years
 - Minimum wage of \$14.00/hour

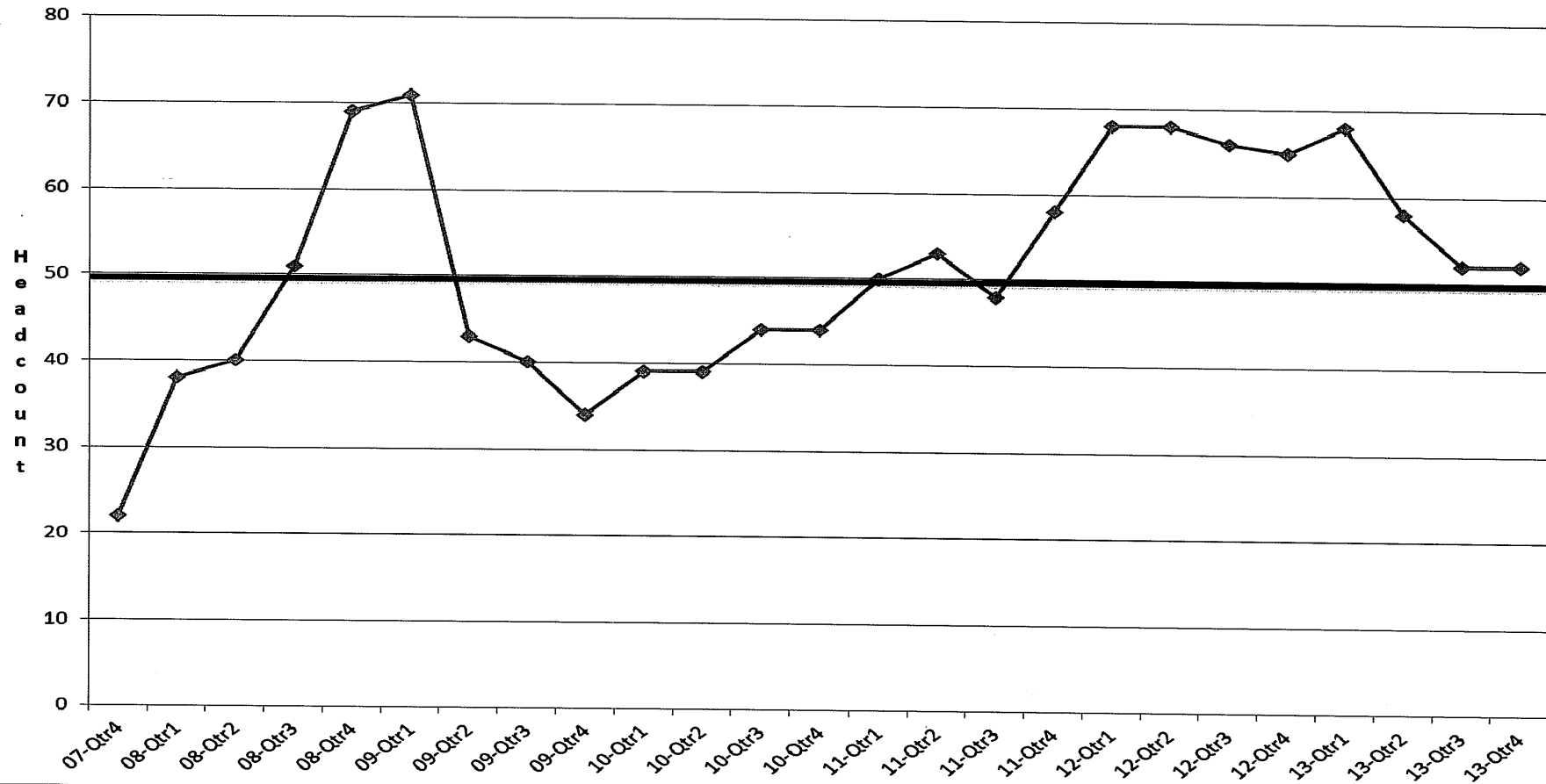
East Idaho's Partner in Growth

Current Conditions

- Work has slowed down slightly
- No planned reductions
- Several good bids pending
- Future bright, commitment strong
- Currently 52 heads on roll
 - 48 heads over \$14 per hour (dropped below 50 in October 2013)
 - Plan is to hire additional heads or bump two employees pay to \$14.00 by end of Jan.
 - Average wage of \$20.82 per hour

Current Conditions

Petersen Inc.
Idaho Facility Qtrly Headcount



Olsen, Tiffany

From: Olsen, Tiffany
Sent: Wednesday, January 15, 2014 8:56 AM
To: Crowell, Lonnie
Subject: RE: PDA report

I made 10 copies. Shouldn't that be plenty?
I can make the copies of this report.

From: Crowell, Lonnie
Sent: Wednesday, January 15, 2014 8:26 AM
To: Olsen, Tiffany
Subject: FW: PDA report

Tiffany,
This presentation will need to be printed for PDA as well. I just received it this morning from Petersen. Would you like me to do that? How many copies of the agenda did you print?

Thank You,

Lon Crowell, AICP
Director

Planning & Development Services

Economic Development, Planning, Development Engineering,
CDBG/HUD, Pocatello Regional Airport

City of Pocatello

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Pocatello, Idaho 83205-4169

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lcrowell@pocatello.us | www.pocatello.us

From: Mark Jenkins [<mailto:mark.jenkins@peterseninc.com>]
Sent: Wednesday, January 15, 2014 7:34 AM
To: Crowell, Lonnie
Cc: Dave Dixon
Subject: RE: PDA report

Lonnie,

Thanks for your email reminder. Sorry for the slow response. We have had a management change here at Petersen Inc. and I am now the CEO and acting CFO so my plate has been a little full. None the less, attached is the presentation for your meeting today. One note, as you will see we are over the 50 head requirement but we just fell below 50 heads at \$14.00. We had some welders leave in the 4th quarter and we haven't replaced them yet. Like most companies, we tend to avoid hiring during the holidays because work usually slows down and to avoid paying holiday pay for new employees. We will either be hiring two new employees at wages over \$14.00/hour or we will bump two employee's wages to get them up to \$14.00. This will be done before the end of the month.

I apologize again for the fact that I won't be able to be there. I am actually flying to Boise today to meet with a customer to get some more work for the Pocatello facility!

Best regards,

Mark Jenkins
Petersen Inc.
Chief Executive Officer

From: Crowell, Lonnie [mailto:lcrowell@pocatello.us]
Sent: Monday, January 06, 2014 10:32 AM
To: Mark Jenkins
Cc: Jeff Schutte; Rob Despain; Olsen, Tiffany; Ryan Ward
Subject: PDA report

Mark,

Good morning, I hope you had a great holiday and I hope you are well. It seems like we just did this however it is that time again. The PDA is still expecting a report from Petersen in January and July in regard to the RDA loan. The PDA will be meeting on Wednesday, January 15, 2014 at 11:00 a.m. Again, you are welcome to attend and present or you may simply send me the information as you did previously and I can provide it to them. If possible, could you provide me with that information by the end of this week? I have attached the previous report you had sent me in August in case it helps.

Have an excellent day,

Lon Crowell, AICP
Director

Planning & Development Services

Economic Development, Planning, Development Engineering,
CDBG/HUD, Pocatello Regional Airport

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RAI
LEGISLATIVE
UPDATE

sen, Tiffany

From: Crowell, Lonnie
Sent: Thursday, January 16, 2014 9:55 AM
To: Olsen, Tiffany
Subject: FW: Housing and Natural Growth

Tiffany,

See below. It is not that eloquent but it was sent as info for those working with the legislature, not sent thinking it would be in our records :)

Thank You,

Lon Crowell, AICP
Director

Planning & Development Services

Economic Development, Planning, Development Engineering,
CDBG/HUD, Pocatello Regional Airport

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From: Crowell, Lonnie
Sent: Tuesday, January 14, 2014 9:57 AM
To: 'msc@elamburke.com'
Subject: Housing and Natural Growth

Meghan,

I apologize for the delay however I hope this information is useful to meet your request.

#1

In our opinion, this is disconcerting understanding that urban renewal was initially created in America to remove slum and blight specifically for residential housing. We are not sure how to address this concern without more detail as to the reason behind its consideration. Pocatello does not currently have housing in an existing TIF however we may in one that is soon to be proposed and at least two more that we would like to see over the next 5 years.

#2

Obviously it would affect our TIF income by a small percentage. We are concerned about the fairness and cost for a process to determine the actual "natural growth". In our view, the only possible way to determine the most accurate "natural growth" would be to determine physical growth surrounding each TIF district for a percentage and value change and then compare that to an annual appraisal of each of the district's properties' on a value per square foot basis. Anything else is a guess that would not be accurate or complete. We are concerned that using the County's assessment would be conflict on their part, and there is a possibility that the County could assess higher in order to obtain a higher percentage of the tax revenue. Also, if property values dropped at any point, would the County accept reduced revenue that may actually increase TIF revenue 1¢? See example. We are not confident that this would be accepted.

any thoughts?

EXAMPLE

Positive Year 1 valuation:	\$1,000,000
@ 2%:	\$20,000 - \$400 <u>to</u> County for "natural increase"
County increase @ 2% of TIF:	\$400
TIF income:	\$19,600

Negative Year 2 valuation:	\$990,000
TIF @ 2%:	\$19,800 + \$198 <u>from</u> County for negative "natural increase"
County increase @ -1% of TIF: -\$198	
TIF income:	\$19,998

Have an excellent day,

Lon Crowell, AICP
Director

Planning & Development Services

Economic Development, Planning, Development Engineering,
CDBG/HUD, Pocatello Regional Airport

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Olsen, Tiffany

From: Crowell, Lonnie
Sent: Tuesday, January 07, 2014 10:17 AM
To: Olsen, Tiffany
Subject: FW: Request For Information From RAI Members

From: Kim Kline [<mailto:ksk@elamburke.com>]
Sent: Monday, January 06, 2014 11:24 AM
Subject: Request For Information From RAI Members

As you know, the 2014 Legislative Session commences today. We are aware of some discussion on two issues that could lead to legislation directly affecting urban renewal agencies. In order to timely respond to legislators and/or to identify unanticipated harm to urban renewal agencies, please immediately email the responses to the following questions to Meghan Conrad, msc@elamburke.com. Should you have any questions, please do not hesitate to contact either Ryan Armbruster or Meghan Conrad.

1. Do you have any residential projects contemplated in your urban renewal plan(s)/project area(s)? For purposes of this discussion, please identify all types of residential projects, including single family, apartments, condominiums, senior housing, mixed-use projects with a residential component, etc. Also please indicate whether your project areas include existing housing stock that may have been the premise for finding the area deteriorated or deteriorating. Again, please indicate the type of housing stock within the project area.
2. As you all know, there continues to be a concern that urban renewal agencies should not be entitled to revenue stemming from increases in value not directly related to urban renewal, more specifically, increases in real property value due to natural growth (whether defined through an assumed growth rate or some more complex calculation). What is your position on allowing some type of an adjustment to the base assessment roll and how that factor might be calculated?

Again, we will need this information as quickly as possible.

Best regards,
Meghan

Meghan S. Conrad
Elam & Burke, P.A.
251 E. Front St., Ste. 300
P.O. Box 1539
Boise, ID 83701
(208) 343-5454
(208) 384-5844 (fax)
msc@elamburke.com

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POCATELLO DEVELOPMENT AUTHORITY MINUTES
Meeting October 17, 2012

Members present: Brian Blad, Roger Bray, Larry Fisher, Darlene Gerry, Cynthia Hill, Russ Meyers, Michael Orr, and Ryan Ward

Staff present: John Regetz, Executive Director, Bannock Development Corp.; Merril Quayle, City Planning Engineer; A. Dean Tranmer and Darcy Taylor, City Legal Dept.; Dave Swindell and Jerry Higgins, City Finance Dept.

Chair R. Ward called the meeting to order at 11:10 a.m.

1. Preliminary matters:

A. Introductions, Conflicts, and Agenda. No guests were present, no conflicts were noted, and no items were added or deleted to the agenda.

B. Minutes. The minutes of the regularly scheduled meeting and the executive session meeting of September 19, 2012 were reviewed. **It was MSC (C. Hill, B. Blad)** to approve said minutes.

C. Financial Report. J. Higgins presented the financial report for the month of September, 2012, which also represented the FY2012 year end financial account. Total cash available as of September 30, 2012 was \$8,275,485.64. During the month of September the PDA received cash in the amount of \$2,741.33, which included \$54.42 in interest, and tax increment payments of \$2,686.91 (\$1,481.61 to the Central Corridor District and \$1,252.78 North Portneuf District). Expenses for September included administrative expenses from the General Fund in the amount of \$372.48. A short discussion followed which included a report of the total funds available in each of the district funds as of year end. It was noted that the Airport District has not received any tax increment funds to date, and currently stands at a zero balance. D. Swindell advised the Board that the taxable value of the Airport District has increased by three million dollars since the district opened, due to Petersen's relocation at the Airport. He estimated that the Authority would see its first tax increment revenue from the district around July of 2013. Thereafter, **it was MSC (D. Gerry, B. Blad)** to approve the year end and financial report for September, 2012.

D. FY 2013 Budget. J. Higgins asked the Board to review a proposed budget for FY 2013. The proposal includes the budget authority to transfer remaining uncommitted funds, approximately 1.9 million dollars, from the Consolidated Central Corridor District Fund to the General Fund as administrative fees as provided under the District Plan. Higgins provided information on expected revenue and expenditures for each of the tax increment financing district funds and the general fund for FY 2013. After a brief discussion, **it was MSC (M. Orr, B. Blad)** to approve and adopt the proposed FY 2013 Budget.

E. Election of Officers. Upon agreeing upon continuing the appointed positions of Secretary and Treasurer for the Board of Commissioners, Board members discussed nominees for the offices of Chair and Vice-Chair. **R. Ward** agreed to serve as Chair for one more year, at the pleasure of the Board, and **R. Meyers** agreed to his nomination as Vice-Chair. **It was MSC (D. Gerry, C. Hill)** by a vote of seven to one (B. Blad, R. Bray, L. Fisher, D. Gerry, C. Hill, R. Meyers, and R. Ward voted in favor; M. Orr opposed) to approve the ballot of R. Ward, Chair; R. Meyers, Vice-Chair; D. Taylor, Secretary; and J. Higgins, Treasurer as a whole and to elect said nominees to their respective offices, to serve until the regularly scheduled meeting in October, 2013.

2. General Discussion Items:

I move to fill the unexpired vacant Commissioner's seat formerly held by Mr. Roger Bray with Mr. Orr, with an expiration term date of May 1, 2016.



OFFICE OF THE MAYOR
911 North 7th Avenue
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BRIAN C. BLAD
Mayor


Pocatello City Council:

STEVE BROWN
CRAIG COOPER
W. JAMES JOHNSTON
GARY MOORE
EVA JOHNSON NYE
MICHAEL L. ORR

January 13, 2014

MEMORANDUM

TO: Ryan Ward, PDA Chair Person
Lon Crowell, Executive Director
Tiffany Olsen, PDA Secretary

FROM: Mayor Brian Blad 

SUBJECT: City Council Seat on PDA Board

This letter is to notify you that the City of Pocatello has selected City Councilman Michael Orr to replace Roger Bray as the City's representative on the Pocatello Development Authority Board.

Traditionally, this position is held by the City Council President, but Mr. Cooper has a conflict on Wednesdays. Since Mr. Orr is currently serving on the Board, we have asked him to assume this responsibility, and he has agreed.

BCB/aln

Olsen, Tiffany

From: Olsen, Tiffany
nt: Monday, January 13, 2014 12:48 PM
o: Cynthia Hill; Darlene Gerry; Swindell, Dave; Tranmer, Dean; Doran Lambson; Higgins, Jerry; John Regetz; Karl Anderson; Larry Fisher; Crowell, Lonnie; Kendell, Konni; McCullough, Cindy; Quayle, Merrill; Orr, Michael; Roger Bray; Russ Meyers; Ryan Ward; Olsen, Tiffany
Cc: Allen, David
Subject: PDA Agenda 1-15-14
Attachments: 1.15.14.PDA Agenda.pdf; Deaton&Co.Letter.pdf; advisory board booklet_14.pdf

Good Afternoon All,

Attached hereto is the Agenda for PDA's regular meeting scheduled for **Wednesday, January 15th, at 11:00 a.m.**

I have also attached Deaton & Company's letter as a follow up to their Annual Report for the PDA and the most recent version of the City's Advisory Board Handbook for your reference.

Please let me know if you are not able to attend or if you have any questions.

Thank you,
Tiffany

Tiffany Olsen

Paralegal/Assistant to the City Attorney

City of Pocatello

11 North 7th, P.O. Box 4169

Pocatello, ID 83205

Telephone: (208) 234-6149

Facsimile: (208) 239-6986

Deaton & Company, Chartered
Certified Public Accountants
215 North 9th, Suite A
Pocatello, Idaho 83201-5278
(208) 232-5825

Members of Idaho Society of Certified Public Accountants
Members of American Institute of Certified Public Accountants



To the Board of Commissioners
Pocatello Development Authority

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pocatello Development Authority for the years ended September 30, 2013 and 2012, and have issued our report thereon dated December 17, 2013. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated September 10, 2013, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not have been detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we reported to you any material errors and any fraudulent financial reporting or misappropriation of assets that came to our attention. We also informed you of any violations of laws or governmental regulations that came to our attention, unless clearly inconsequential. Our responsibility, as auditors, is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, we communicated to you internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

We as auditors did not audit and are not responsible for other information in the Authority's CAFR in addition to the entity's financial statements and report. Our audit did not extend beyond the financial information identified in the report. As auditors we do not have an obligation to perform any procedures to corroborate other information contained in these documents. We have limited our services to reading the additional information and therefore, do not provide an opinion on such information. After reading the additional information nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation appearing in the financial statements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in engagement letter on September 10, 2013.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Pocatello Development Authority are described in Note 1 to the financial statements. During the year, the Authority implemented GASB statements 63 "Items Previously Reported as Assets and Liabilities" and Statement 65. Statement 63 provides a change in financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect on a government's net position. The objective of Statement 65 is to either properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or to recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The Authority had no estimates affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 17, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of Board of Commissioners and management of Pocatello Development Authority and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Pocatello, Idaho

December 17, 2013



OFFICE OF THE MAYOR
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BRIAN C. BLAD
Mayor

Pocatello City Council:

STEVE BROWN
CRAIG COOPER
W. JAMES JOHNSTON
GARY MOORE
EVA JOHNSON NYE
MICHAEL L. ORR

January 6, 2014

Roger Bray
6 Debbie Drive
Pocatello, Idaho 83204

Dear Mr. Bray: *Roga*

I would like to express my sincere appreciation for your efforts on behalf of the Pocatello Development Authority Board of Directors.

You have contributed significantly to this Board. The performance of your duties has always been characterized by an obvious dedication to doing the job well. Your devotion to this position has had a valuable effect not only on the Board but has also benefited all of the citizens of Pocatello.

I commend you for your excellent service, and thank you on behalf of the City Council and myself

Sincerely,

Brian C. Blad
Mayor

/kg

Enclosure

cc: Tiffany Olsen, Committee Secretary
Lon Crowell, Executive Director
Anne Nichols, Assistant to the Mayor
Ryan Ward, Committee Chair



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January 6, 2014

Roger Bray
6 Debbie Drive
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I commend you for your excellent service, and thank you on behalf of the City Council and myself

Sincerely,

Brian C. Blad
Mayor

/kg

Enclosure

cc: Tiffany Olsen, Committee Secretary
Lon Crowell, Executive Director
Anne Nichols, Assistant to the Mayor
Ryan Ward, Committee Chair

Olsen, Tiffany

From: Crowell, Lonnie
Sent: Monday, January 06, 2014 2:50 PM
To: Olsen, Tiffany
Cc: Ryan Ward
Subject: RE: PDA report

Tiffany,

Here are the items I remember we need on the agenda. I feel like I am missing something so I will need to go back and look through my notes. If the minutes ever indicate they wanted something I have forgotten then I would love to be reminded as well. :)

- Petersen Stat report (if we get it in time),
- PDA to accept Michael Orr as the new Council Board position and vacate his existing per Anne's email. We will have one vacant position until filled,
- RAI legislative update (I will send an email to you following this one),
- I will be proposing consideration for a new TIF district to the PDA in executive session which will need to go before the Council before I can officially begin. I will not have the County data back in time to be very accurate so it will be a fairly simple question of whether to proceed or not. I should have the official "application" back from a certain company before the meeting.

Thank You,

Lon Crowell, AICP
Director

Planning & Development Services

Economic Development, Planning, Development Engineering,
CDBG/HUD, Pocatello Regional Airport

City of Pocatello

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From: Olsen, Tiffany
Sent: Monday, January 06, 2014 1:24 PM
To: Crowell, Lonnie
Cc: 'Ryan Ward'
Subject: RE: PDA report

Thanks, Lon. I will cross this off my "to-do" list. What else do you have for the Agenda?

From: Crowell, Lonnie
Sent: Monday, January 06, 2014 10:32 AM
To: mark.jenkins@peterseninc.com
Cc: Jeff Schutte (jeff.schutte@peterseninc.com); 'Rob Despain' (rob.despain@peterseninc.com); Olsen, Tiffany; Ryan Ward
Subject: PDA report

ark,

Good morning, I hope you had a great holiday and I hope you are well. It seems like we just did this however it is that time again. The PDA is still expecting a report from Petersen in January and July in regard to the RDA.

loan. The PDA will be meeting on Wednesday, January 15, 2014 at 11:00 a.m. Again, you are welcome to attend and present or you may simply send me the information as you did previously and I can provide it to them. If possible, could you provide me with that information by the end of this week? I have attached the previous report you had sent me in August in case it helps.

Have an excellent day,

Lon Crowell, AICP
Director

Planning & Development Services

Economic Development, Planning, Development Engineering,
CDBG/HUD, Pocatello Regional Airport

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Olsen, Tiffany

From: Nichols, Anne
nt: Friday, January 03, 2014 3:51 PM
o: Olsen, Tiffany; Crowell, Lonnie
Cc: Blad, Brian
Subject: PDA Agenda

Lon & Tiffany,

One of PDA's agenda items at their January 15 meeting needs to be a vote to approve Michael Orr filling the vacancy left by Roger Bray. Since our new Council President does not want the PDA position, Mr. Cooper and Mayor Blad would like Mr. Orr to take over as the City Council's representative. If you need another copy of the memo regarding State law and filling mid-term vacancies, let me know.

I will begin advertising next week for the upcoming at-large position.
Anne

Anne Nichols, CAP-OM
Assistant to the Mayor



*Petersen, Inc. Update (Stats)
Position update*

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*Send ltr. from
Deaton & Co.
to PDA*

AGENDA

ITEM

NO. 12

EXECUTIVE SUMMARY

TO: Mayor Blad and City Council
FROM: Lon Crowell, Director, Planning and Development Services
DATE: December 19, 2013
SUBJECT: Authorization to hire a Grant Writer and Administrator to apply for an EDA Public Works Project Grant to assist with payment toward new infrastructure at the airport.

REQUEST

Staff is requesting authorization to hire a Grant Writer and Administrator to apply for an EDA Public Works Project Grant to assist with payment toward new infrastructure at the airport through the Federal Procurement Procedures.

ANALYSIS

There is a significant amount of infrastructure needed at the airport to accommodate any future growth in industry or manufacturing per current Fire Code requirements and requirements of Industry; specifically, water, sewer, storm sewer, rail, natural gas, road/access, power and secondary power. Businesses interested in the airport require minimum operating protocols that we are currently unable to meet.

The EDA Public Works Project grant allows us to obtain a grant of potentially 50% of project costs related to infrastructure directed toward attracting jobs. A specific process is required through the Federal Procurement Procedures to apply for the grant. The grant does not have a specified limit but is based upon employment statistics and future estimates, project costs and the type of work needed. The application cost associated with applying for the EDA grant is \$10,000.00. The Grant Writer and Grant Administration fees are included in the application fee. The Pocatello Development Authority has agreed to pay the application fee of \$10,000.00 through the Airport TIF fund. The Airport TIF fund has a current balance of approximately \$80,000.00.

The process for the grant is attached to this report. As indicated in the attached, this is the first step in a 10 step process to apply for this grant. The potential for this grant is significant and limited only by the available match and the number of potential new jobs.

RECOMMENDATION

Based upon the information provided and attached, the Planning and Development Services Director recommends Council approval of the request to hire a grant writer and administrator for the submission of a grant to the Economic Development Association, and authorize the Mayor sign documents related to the grant, subject to Legal Department review

EDA

ECONOMIC DEVELOPMENT ADMINISTRATION

Public Works Project

The City of Pocatello is strong candidate for a Public Works Grant from The Economic Development Administration.: This grant empowers distressed communities to revitalize, expand, and upgrade their physical infrastructure to attract new industry, encourage business expansion, diversify local economies, and generate or retain long-term, private sector jobs and investment.

The recent closure of Heinz and loss of 410 jobs makes Pocatello even more competitive.

There is a March deadline and a June deadline.

Process for submitting an EDA grant:

- 1 Use Federal Procurement Procedures to Hire a Grant Write/Administrator
- 2 The Grant writer will act as a liaison between the city and EDA to gain every possible competitive advantage.
- 3 The City will be asked to provide information and documentation. Examples: maps of the project site, letters of commitment for match, documentation of land ownership, environmental narrative, approval by the State Historic Preservation Officer.
- 4 Determine Scope of the project
- 5 Secure Architect/Engineering firm
- 6 Preliminary costs and drawings
- 7 Time schedule for completion of the project
- 8 Prepare a budget
- 9 Determine source and if possible secure non-EDA funds
- 10 Submit Grant through grants.gov and respond to EDA with any additional requests for information.

First step: Approve a motion to move forward on the EDA grant by hiring Grant Writer and Administrator.