

Pocatello Development Authority

Board of Commissioners Meeting
August 19, 2015 – 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 Michael Orr, Chairman
Acknowledge guests of the Board
Disclosure of conflicts of interest
Agenda; delete action or discussion items

Action and Discussion Items:

Agenda Item No. 1: Minutes.

- (A) Motion to approve and/or amend Minutes of July 14, 2015.
- (B) Motion to amend Minutes of June 22, 2015, correct PDS to PDA in the Motion.

Agenda Item No. 2: Financial Report.

Motion to approve and/or amend July 2015 Income and Expenses.

Agenda Item No. 3: Approve the 2016 Fiscal Year Budget.

Motion to approve and or amend the 2016 Annual Budget.

Agenda Item No. 4: Payment Requests/Reimbursements.

- (A) Motion to approve Joyce Stroschein signing the Deaton Company's understanding of services letter for the 2015 fiscal year Audit.
- (B) Approve T-O Engineers Invoice 450006-4 for \$16,003.45 - North Wind's services on Project Pipe environmental analysis and expenses.

Agenda Item No. 5: Approve the agreement to purchase Hoku property and conveyance of deeds.

Agenda Item No. 6: reimbursement of Airport Professional Services Agreement for T-O Engineers for release of all applicable airport land.

Agenda Item No. 7: Positron Systems, Inc. Litigation Update

Agenda Item No. 8: Recognition of Linda Tigert's service as a Board Member from March 19, 2014 to August 19, 2015. Ms. Tigert was nominated in March 2014 by the Bannock County Commissioner's to fill their Board Member seat as their designee. Her service is recognized by the adoption of the attached Resolution.

Agenda Item No. 9: Vote to approve Howard Manwaring, Bannock County Commissioner, to replace the County Commissioner's seat previously held by the County's designee, Linda Tigert, which seat's term expires on May 1, 2018.

Agenda Item No. 10: Brief Construction Update on Airport Development Project by Michael Jaglowski.

Agenda Item No. 11: Discussion and Decision regarding Whom Possesses Authority to Negotiate on behalf of PDA.

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.

AGENDA ITEM

NO. 1

POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES
911 N 7th Avenue, Pocatello, ID
Paradise Conference Room
August 19, 2015

Members present: Brian Blad (arrived 11:37A.M.), Larry Fisher, Russell Meyers (via telephone), Michael Orr (Chair), Scott Smith, and Linda Tigert.

Members absent: Chad Carr, Cynthia Hill, and Thomas Ottaway.

Staff present: Lon Crowell, Executive Director; Aceline McCulla, Planning & Development Services Dept., Joyce Stroschein, City Finance Dept., Dean Tranmer City Legal Dept., Michael Jaglowski, Public Works Director, Merrill Quayle, Development Engineer, Logan McDougal, City Public Information Officer, and John Regetz (ex-officio).

Chair Michael Orr called the meeting to order at 11:04 a.m.

Introductions, Conflicts, and Agenda: **Chair Orr** did not recognize any conflicts and requested Agenda Item 1B be scratched, as payment for this invoice had been approved in a previous meeting.

Action and Discussion Items:

Agenda Item No. 1: Minutes. (A) The Minutes from the regularly scheduled meeting of July 14, 2015, were reviewed. It was MSC (**L. Tigert, L. Fisher**) to approve the Minutes as presented. (B) The Minutes from the Special meeting of June 22, 2015 were reviewed to amend the term PDS to PDA in the Motion as presented in the agenda packet. It was MSC (**L. Fisher, L. Tigert**) to amend the minutes from June 22, 2105 to correct PDS to PDA in the Motion as presented in the Agenda packet.

Agenda Item No. 2: Financial Report. **J. Stroschein** presented the financial report and stated that at month end the Authority had cash on hand of \$6,265,925.68. The checking account balance was \$3,370,106.08, the savings account was \$746,120.02, and cash held by Zions Trust amounted to \$2,149,698.88. The PDA recognized above normal financial activity during the month of July. The PDA received revenues totaling \$541,366.96, of which \$903.18 was interest earnings on cash invested and property tax. The \$1,000.00 received on the note receivable applied \$184.97 towards the principal of the note. Property tax revenue received totaled \$509,465.69 for North Yellowstone District, Naval Ordnance, North Portneuf District, and Pocatello Regional Airport. PDA was refunded \$98.80 for the cost of the original checks because they were not the correct type. Expenses for the month totaled \$3,386.36. The expenses included the payment of \$3,125.00 for the Idaho Power Site Readiness Evaluation. The remaining administrative expenses were \$261.36; the breakdown was \$176.75 for lunch and \$84.61 for replacement checks. Year-to-date revenues of \$4,616,344.26 (see page 3) were greater than expenses of \$4,560,961.08. The General Fund District had a net income YTD of \$2,887,931.45. It was MSC (**L. Tigert, S. Smith**) to approve the July Financial Report as presented.

Agenda Item No. 3: Approve or amend the 2015-2016 Fiscal Year Budget. **J. Stroschein** stated the budget was being addressed prior to Fiscal Year 2016 beginning, and last year it was looked at after the budget year began. The beginning values were pulled from the July end of month totals for the cash fund for the various districts totaling \$6,265,923.00. What she had proposed for the budget on the income side was to build a placeholder with the \$164,669.00, if PDA decided to transfer the 10% from the Districts to Administrative fees in the expenditure section. The \$20,000.00 would come from the Central Corridor, which was a closed district from the taxing side, however, PDA received \$1,000.00 per month from a note outstanding with BBAD Investments, and there was some beginning balance left over. Stroschein proposed moving those dollars back into the General Fund. If she cannot collapse this note into the General Fund, Stroschein would have to keep it open and the PDA would need to make an administrative decision to move the dollars to the General Fund later. Stroschein proposed the North Yellowstone District 10% would be \$128,905.00 and the Naval Ordnance 10% would be \$15,764.00. With the payments PDA would be making to the City, in regards to the conveyance of the Hoku, Smith, and H&H Dive properties, the funds were placed under the City Debt payments and there would not be any money left to move, because PDA would be using everything available to meet the payment schedule. In 2015 PDA did not move anything from the Airport District because of the work being done out there and Stroschein did the same for 2016. There was a little bit of interest income under the General Fund of \$190.00 and the Central Corridor of \$10,100.00, and \$1,900.00 from monthly payments from BBAD Investments. Under North Yellowstone was an estimated property tax of \$1,288,215.00 and interest income of \$2,646.00, the Naval Ordnance property tax was \$157,640.00, the North Portneuf property tax was \$110,000.00, and the payment in July was approximately \$70,000.00, so technically the expectation for 2017 would be about \$140,000.00. Stroschein trimmed it down and identified the interest income of \$1,173.00 actually came from delinquent tax payments, and the Airport property tax was \$111,376.00. **R. Meyers** asked if she could find a better solution to increase interest on the General Fund's money, \$3,132,819.00. There was a significant difference between North Yellowstone and North Portneuf interest rates and the General Fund interest rate. **J. Stroschein** stated she would contact Wells Fargo and see if she can get a better instrument, however, it would depend on what PDA plans are for that money, the funds could not be tied up too much. She would need to keep it liquid or PDA needs to make a determinate of how much money would be available for a longer-term investment.

J. Stroschein moved to the expenditures section. Under General Fund in the Contingency line item was \$250,000.00 for demolition and \$300,000.00 for payment to the City. Under North Portneuf was the full amount for the City Debt payment of \$253,563.00. The Naval Ordnance is consistent with the past contingency of \$150,000.00, and the same with the Airport District of \$250,000.00. The last payment under North Yellowstone is the Costco Employment Incentive \$122,015.00. The administrative fees Central Corridor \$20,000.00, North Yellowstone \$128,905.00, Naval Ordnance \$15,764.00, Current Year Debt \$677,459.00, Luncheon costs \$1600.00, office expenses \$200.00, Dues and Memberships to RAI \$10,750.00, Errors and omission insurance due September \$1,069.00, and Banking and Professional Services Deaton Audit \$4,500.00 and North Yellowstone Trust Account Fee \$5,000.00. **S. Smith** asked **J. Stroschein** to explain the Administrative fees. **J. Stroschein** explained the administrative expense was what was allowed to be pulled from each District that earns revenue to provide PDA funding in the General Fund to manage your board and assist with allowable project costs. **L. Crowell** clarified that the language was directly from Idaho State Code. It was MSC (**B. Blad, L. Fisher**) to approve the 2015-16 Budget and to clarify that an addition action by the

board needs to be taken to transfer the 10% Administrative Fee from the Taxing Districts to the General Fund.

Agenda Item No. 4: Payment Requests/Reimbursements.

- (A) Motion to approve Joyce Stroschein signing the Deaton Company's understanding of services letter for the 2015 fiscal year Audit. **Chair Orr** asked Joyce if this letter was authorize them to perform the audit. **J. Stroschein** clarified that Deaton Company required this letter for engagement that identifies what services they would provide and their process throughout the audit. It was MSC (**S. Smith, L. Tigert**) to have J. Stroschein sign Deaton Company's Understanding of Services letter.
- (B) Approve T-O Engineers Invoice 450006-4 for \$16,003.45 - North Wind's services on Project Pipe environmental analysis and expenses. **Chair Orr** stated this item was stricken, as this invoice had been approved for payment in a previous meeting and the invoice was just received. A. McCulla and J. Stroschein would research the Proposal submitted for approval in February 2015 from T-O Engineering and present the findings at the October meeting.

Agenda Item No. 5: Approve the agreement to purchase Hoku property and conveyance of deeds. **L. Crowell** stated the board might recall this agreement went to the City Council, and the agreement was described to the Council as written. He did not have any comments and felt it was a good agreement. Lon did not have anything more to add, and he asked if anyone else had comments or more to add. He stated that this was what the PDA agreed to, except that a date was not set to pay the City back \$11,365.14 for the H&H Dive property. The \$11,365.14 would come from the general fund because it was not located in the TIF District. The PDA may decide if this should be paid now or over the next 15 years. **Chair Orr** clarified the parcels 1, 2, 3, 4, and 8. **L. Crowell** noted it also included easements the Council requested the Smith property, behind the Stinker Station, be included as an easement for the bridge. **Chair Orr** asked if the bridge would take up most of the property, because if it did, would it be worth the PDA buying the property. **Quayle** stated the majority of the property would be encumbered for the overpass. **Chair Orr** believed all the parcels were included in the total amount mentioned and it would be repaid over a 15-year period. **L. Crowell** stated it was included in the \$300,000.00 and could be paid over 15-years, but the \$11,365.11 would need to come from the general fund. **Chair Orr** asked if the PDA wanted to pay for the H&H Dive property now. **L. Tigert** asked if the discussion was to amend the agreement to pay for the H&H Dive property. **R. Meyers** read the motion from the minutes, just approved, in the packet and wanted to stay with the payment plan. **D. Tranmer** stated it would not be part of the installment payments. **Chair Orr** commented that the installment payments would include the \$11, 365.14. If PDA needs to address that money separately, it may affect the payment schedule. **J. Stroschein** reviewed her notes and clarified that the \$11,365.14 H&H Dive property payment was included in the October 1, 2015 payment of \$300,000.00, and the \$17,740.20 monthly payment amount did not include the H&H Dive property. The date of payment that included the H&H Dive property had already been identified. **R. Meyers** recommended PDA stay with the plan originally approved and ear mark the H&H Dive property purchase funds to be paid from the general fund as part of \$300,000.00 payment being made on October 1, 2015.

Chair Orr asked D. Tranmer and L. Crowell if that would be satisfactory. **D. Tranmer** stated it would make the Deed and Conveyance process easier and with regard to the installment payments or the buy sell agreement he would work something in, but he did not know if the Council would agree to deed the land with an installment payment plan. **R. Meyers** commented that the City Council could convey the Deed upon the signing of the agreement, not upon final payment of the installments, correct. **D. Tranmer** commented that they could, yes. **R. Meyers** clarified that in the original proposal to the City Council, the PDA requested to convey the deeds upon signing of the installment agreement not the final payment, right. **L. Crowell** and **J. Stroschein** confirmed that the Council agreed to convey the deeds upon signing of the installment agreement. **S. Smith** asked if paragraph 16(d) could be removed to eliminate confusion about the H&H Dive property for the \$11,365.14, and to add a sentence to paragraph 16(b) stating that the October 1 payment of \$300,000.00 to the City included the payment for the H & H Dive property of \$11,365.14, and that the H & H Dive property be conveyed on October 1 with the other properties at the finalization of the agreement with the first installment payment. **S. Smith** asked for clarification when the deeds would be conveyed, as he could not identify all the properties. He stated the first three paragraphs identified three different properties, and paragraphs 13 and 16 referred to only the Hoku property. He asked where the Smith property and the H & H Dive property were discussed concerning the conveyance of property. **M. Quayle** stated paragraph 5 did not include the Hoku property. **S. Smith** recommended adding the same language as paragraph 5 to paragraphs 13 and 16, where it discusses conveyance of the property to include all the properties to be conveyed. Use the same language in all the paragraphs that discuss conveyance of deed. **Chair Orr** asked when the PDA would want to convey the property. **J. Stroschein** mentioned the \$300,000.00 payment was scheduled for October 1, 2015, possibly on that day or after that date. **Chair Orr** reminded the board that PDA was bound to a lease through January 21, 2017. **R. Meyers** suggested the conveyance occur on October 1, upon payment of the \$300,000.00 and include the date in paragraph 16(b). **S. Smith** recommended stating conveyance would take place upon payment of the \$300,000.00, with the \$300,000.00 referenced in paragraph 16(b). **M. Orr** stated a motion was not needed, as the board was only giving legal direction on the document. **S. Smith** wanted to clarify if the PDA could afford this and **J. Stroschein** stated the PDA could afford this purchase.

Agenda Item No. 6: Reimbursement of Airport Professional Services Agreement for T-O Engineers for release of all applicable airport land. **L. Crowell** stated the previous payments were for Project Pipe and the engineering work was required for the CATEX related to that also. This payment request went to City Council and the work completed was to remove the final 900 acres of the designated property from the Airport AOP. PDA paid the previous amounts towards the Pipe Project and a lot of groundwork was done already, this portion was less expensive. The \$6,965.00 was the estimate for the remaining costs for the AOP removal. **Chair Orr** asked if this would complete all of the work by T-O Engineers for presenting all the information to the FAA, is that where this is going. **D. Allen** commented that this would complete all the necessary environmental review on 900 acres that we proposed to remove from the property map, so that we are not under the FAA anymore. It has already been submitted to the FAA. **Chair Orr** asked if the work had been done and PDS was asking for reimbursement, which **L. Crowell** confirmed, PDS had paid for this and Council approved asking the PDA to reimburse PDS for this amount because the expense was for a project located within a TIF District. It was MSC (**R.**

Meyers, S. Smith) to reimburse PDS the \$6,965.00 for the engineering required for the CATEX to remove the remaining 900 acres from the Airport AOP.

Agenda Item No. 7: Positron Systems, Inc. Litigation Update. **Chair Orr** presented a brief history stating that in 2003 the PDA loaned Positron \$400,000.00 with no payment activity until 2013, when PDA called the loan for the full payment, and communication ceased until the first quarter of 2015. Mr. Oaas, CEO of Positron had signed the litigation document, the Deed in Lieu of Trust that the PDA requested. Oaas was given 90 days to remove his property from the premises. The other issue PDA was waiting on was whether the Title Company will guarantee a Clear Title, as PDA only had the lease to the property. As of today, Oaas was completely out of the building and PDA could begin marketing the building, per Attorney Christensen. Chair Orr requested an original signed document for PDA records to have available for future issues. This would allow the PDA, the City, and ISU to acquire a paying tenant for the building and increase employment opportunities for Pocatello's growth. **M. Quayle** mentioned Mr. Christensen contacted him and that he and the City Surveyor Mark Jensen would meet at ISU with the Title Company to lay out a description for the exact property and identify the easements to access the property to complete the Title process. **S. Smith** wanted PDA to know that attorneys from Smith's firm represented ISU concerning this issue, he did not believe there was a conflict, but wanted to disclose this information.

Agenda Item No. 8: Resolution recognizing Linda Tigert for her service to the Board. **Chair Orr** commended Ms. Tigert for her services as a Board Member from March 18, 2104, to August 19, 2015. A Resolution was adopted by the Board **Resolution 2015-3: MSC (B. Blad, L. Fisher)** for her valuable insight, guidance, and leadership to the board. The Board wished her the best of luck in her new position with Bannock County and appreciated her service.

Agenda Item No. 9 Vote to Approve Howard Manwaring, Bannock County Commissioner, to fill the County Commissioner's seat on the Board: Pursuant to the PDA Bylaws, one seat of the PDA Board of Commissioners shall be occupied by a Bannock County Commissioner or his/her designee. Due to the County's designee, Linda Tigert, giving her resignation due to a change in position with the County, the Commissioners have nominated Howard Manwaring, Bannock County Commissioner, to fill this designated seat at the Board, which seat's term expires on May 1, 2018. It was MSC **(B. Blad, L. Fisher)** to replace the County Commissioner's seat with Howard Manwaring, Bannock County Commissioner with a term expiration of May 1, 2018.

Agenda Item No. 10: Brief Construction Update on Airport Development Project by Michael Jaglowski. **M. Jaglowski** presented a brief update on the maintenance project at the airport. First, M. Jaglowski stated the water tank project was approximately 75 percent complete and would be completed by December 31, 2015. The Public Works posted biweekly updates on their webpage, and the department was working to educate City staff and the public to visit the website for up-to-date information. Logan wanted to schedule a media day within a month in a half for the booster pump station. Second, **M. Quayle** discussed the sewer project that began last week. The Contractor reconstructed under 1300 lineal feet of 8-inch sewer with upgrading the manholes. By the October PDA meeting, M. Quayle expected the sewer project would be complete. Third, the Pipe Lining project, for pipes not as derogated, would begin within the next two years. Following the lining project, the main line going down Thunderbolt to feed what was the Project Pipe property would be completed. **Chair Orr** asked if the tank going in was in undisturbed ground, so you did not have to remove a previous tank. **M. Jaglowski** stated it was

land previously used by the Army and had not been disturbed for over 50 years. **D. Allen** commented it was the area surrounding the Army base and had been disturbed at some depth. **Chair Orr** clarified that the City was moving forward with the maintenance part, but until the FAA had released the 900 acres, the PDA was not actively trying to move companies to the airport, to avoid future issues.

Agenda Item No. 11: Discussion and Decision regarding Whom Possesses Authority to Negotiate on behalf of PDA. **Chair Orr** mentioned the PDA Chair, Bannock Development Corporation, Planning & Development Services Director, PDA Interim Director, and Mayor all do work for the PDA, the PDA Bylaws state the PDA Chair is the only one authorized to negotiate for and on behalf of the PDA. How does the board bring continuity to negotiate with companies so the board is up to speed on current events? **J. Regetz** clarified that Bannock Development Corporation (BDC) talks with companies about what is available, what it is capable of, and at that point, the specifics with the company have not been brought to light and there is no basis for negotiations. BDC understands that is not their part with the PDA. **B. Blad** suggested they stick to the bylaws; the PDA Chairperson would not make a decision or negotiate without the consensus from the board and the Chairman always sits on the Bannock County Development Board as an Ex-officio member. The Mayor, Interim Director, and the PDA Chair should communicate with each to eliminate surprises. The PDA Chair should follow the direction of the PDA council. **Chair Orr** recommended to keep the bylaws as written.

It was MSC (**L. Fisher, S. Smith**) to adjourn the meeting at 12:45 P.M.

By: *Aceline McCulla*
Aceline McCulla, Interim Secretary

AGENDA ITEM

NO. 2

FINANCIAL

REPORTS

(will be

supplemented)

Pocatello Development Authority
Balance Sheet by Class
As of July 31, 2015

	1-General Fund	2-Central Corridor	3-North Yellowstone	4-Naval Ordnance	6-North Portneuf	7-Pocatello Regional Airport	TOTAL
ASSETS							
Current Assets							
Checking/Savings							
Checking Wells Fargo	2,386,709.45	8,000.00	447,976.57	137,411.51	142,390.94	247,618.31	3,370,106.78
Savings Wells Fargo	746,120.02	0.00	0.00	0.00	0.00	0.00	746,120.02
Zions 2012 Bnd Fnd 7110526D	0.00	0.00	598,096.75	0.00	0.00	0.00	598,096.75
Zions Bnd Reserve Fnd 7110526B	0.00	0.00	677,588.32	0.00	0.00	0.00	677,588.32
Zions Rev Alloc Fnd 7110526	0.00	0.00	874,013.81	0.00	0.00	0.00	874,013.81
Total Checking/Savings	3,132,829.47	8,000.00	2,597,675.45	137,411.51	142,390.94	247,618.31	6,265,925.68
Accounts Receivable							
Notes Receivable	50,000.00	597,081.85	0.00	0.00	0.00	0.00	647,081.85
Total Accounts Receivable	50,000.00	597,081.85	0.00	0.00	0.00	0.00	647,081.85
Other Current Assets							
Accrued Interest Income	10,577.19	405.17	0.00	0.00	0.00	0.00	10,982.36
Property Tax Receivable	0.00	0.00	21,825.94	0.00	10,212.12	0.00	32,038.06
Total Other Current Assets	10,577.19	405.17	21,825.94	0.00	10,212.12	0.00	43,020.42
Total Current Assets	3,193,406.66	605,487.02	2,619,501.39	137,411.51	152,603.06	247,618.31	6,956,027.95
TOTAL ASSETS	3,193,406.66	605,487.02	2,619,501.39	137,411.51	152,603.06	247,618.31	6,956,027.95
LIABILITIES & EQUITY							
Liabilities							
Long Term Liabilities							
Deferred Interest Receivable	10,577.39	0.00	0.00	0.00	0.00	0.00	10,577.39
Deferred Notes Receivable Rev	50,000.00	597,081.85	0.00	0.00	0.00	0.00	647,081.85
Deferred Tax Revenues	0.00	0.00	19,488.87	0.00	10,212.12	0.00	29,700.99
Total Long Term Liabilities	60,577.39	597,081.85	19,488.87	0.00	10,212.12	0.00	687,360.23
Total Liabilities	60,577.39	597,081.85	19,488.87	0.00	10,212.12	0.00	687,360.23
Equity							
Fund Balance	244,862.43	2,968,438.69	2,340,117.35	418,042.02	14,679.84	162,500.35	6,148,640.68
Opening Balance Equity	0.00	0.00	64,643.86	0.00	0.00	0.00	64,643.86
Net Income	2,887,931.45	-2,960,033.52	195,286.70	-280,630.51	127,711.10	85,117.96	55,383.18
Total Equity	3,132,793.88	8,405.17	2,600,047.91	137,411.51	142,390.94	247,618.31	6,268,667.72
TOTAL LIABILITIES & EQUITY	3,193,371.27	605,487.02	2,619,536.78	137,411.51	152,603.06	247,618.31	6,956,027.95

Pocatello Development Authority
Profit & Loss by Class
July 2015

	1-General Fund	2-Central Corridor	3-North Yellowstone	4-Naval Ordnance	6-North Portneuf	7-Pocatello Regional Airport	TOTAL
Ordinary Income/Expense							
Income							
Interest Income	19.01	815.03	34.83	0.00	0.00	34.31	903.18
Miscellaneous Income	98.80	0.00	0.00	0.00	0.00	0.00	98.80
Personal Property tax replace	0.00	0.00	23,003.35	6,043.21	404.91	1,262.85	30,714.32
Principal received on notes	0.00	184.97	0.00	0.00	0.00	0.00	184.97
Property Taxes	0.00	0.00	325,288.99	58,580.61	71,570.25	54,025.84	509,465.69
Total Income	117.81	1,000.00	348,327.17	64,623.82	71,975.16	55,323.00	541,366.96
Gross Profit	117.81	1,000.00	348,327.17	64,623.82	71,975.16	55,323.00	541,366.96
Expense							
Administrative	261.36	0.00	0.00	0.00	0.00	0.00	261.36
Professional Services							
Other Professional Services	0.00	0.00	0.00	0.00	0.00	3,125.00	3,125.00
Total Professional Services	0.00	0.00	0.00	0.00	0.00	3,125.00	3,125.00
Total Expense	261.36	0.00	0.00	0.00	0.00	3,125.00	3,386.36
Net Ordinary Income	-143.55	1,000.00	348,327.17	64,623.82	71,975.16	52,198.00	537,980.60
Net Income	-143.55	1,000.00	348,327.17	64,623.82	71,975.16	52,198.00	537,980.60

At month end the Authority had cash on hand of \$6,265,925.68. The checking account balance was \$3,370,106.08, the savings account was \$746,120.02, and cash being held by Zions Trust amounted to \$2,149,698.88.

Pocatello Development Authority recognized above normal financial activity during the month of July. The Authority received revenues totaling \$541,366.96 of which \$903.18 was interest earnings on cash invested and property tax. The \$1,000.00 received on the note receivable applied \$184.97 towards the principal of the note. Property tax revenue totaled \$509,465.69 for the North Yellowstone District, Naval Ordnance, North Portneuf District, and Pocatello Regional Airport. We also received \$30,714.32 for personal property tax replacement. The PDA was refunded \$98.80 for the cost of the original checks because they were not the right type.

Expenses for the month totaled \$3,386.36. The expenses included the payment of \$3,125 for the Idaho Power site readiness evaluation. The remaining administrative expenses are \$261.36 for lunch (\$176.75) and the replacement checks (\$84.61).

Year to date revenues of \$4,616,344.26 (see page 3) are not greater than expenses of \$4,560,961.08. The General Fund District has a net income YTD of \$2,887,931.45.

Pocatello Development Authority
Profit & Loss by Class
 October 2014 through July 2015

	<u>1-General Fund</u>	<u>2-Central Corridor</u>	<u>3-North Yellowstone</u>	<u>4-Naval Ordnance</u>	<u>6-North Portneuf</u>	<u>7-Pocatello Regional Airport</u>	<u>TOTAL</u>
Ordinary Income/Expense							
Income							
Interest Income	150.21	8,184.51	2,646.37	2,227.74	1,173.86	34.91	14,417.60
Miscellaneous Income	2,904,619.73	0.00	0.00	0.00	0.00	0.00	2,904,619.73
Personal Property tax replace	0.00	0.00	23,003.35	6,043.21	404.91	1,262.85	30,714.32
Principal received on notes	0.00	1,815.49	0.00	0.00	0.00	0.00	1,815.49
Property Taxes	0.00	0.00	1,265,212.37	149,368.89	140,812.17	109,383.69	1,664,777.12
Total Income	<u>2,904,769.94</u>	<u>10,000.00</u>	<u>1,290,862.09</u>	<u>157,639.84</u>	<u>142,390.94</u>	<u>110,681.45</u>	<u>4,616,344.26</u>
Gross Profit	2,904,769.94	10,000.00	1,290,862.09	157,639.84	142,390.94	110,681.45	4,616,344.26
Expense							
Administrative	6,088.49	1,904,612.06	889,213.68	96,015.35	14,679.84	0.00	2,910,609.42
Debt Service							
Interest	0.00	0.00	81,096.75	0.00	0.00	0.00	81,096.75
Total Debt Service	<u>0.00</u>	<u>0.00</u>	<u>81,096.75</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>81,096.75</u>
Dues and Memberships	10,750.00	0.00	0.00	0.00	0.00	0.00	10,750.00
Economic Grants Issued	0.00	1,065,421.46	122,014.96	342,255.00	0.00	9,314.85	1,539,006.27
Professional Services							
Engineering Services	0.00	0.00	0.00	0.00	0.00	9,173.64	9,173.64
Other Professional Services	0.00	0.00	3,250.00	0.00	0.00	7,075.00	10,325.00
Total Professional Services	<u>0.00</u>	<u>0.00</u>	<u>3,250.00</u>	<u>0.00</u>	<u>0.00</u>	<u>16,248.64</u>	<u>19,498.64</u>
Total Expense	<u>16,838.49</u>	<u>2,970,033.52</u>	<u>1,095,575.39</u>	<u>438,270.35</u>	<u>14,679.84</u>	<u>25,563.49</u>	<u>4,560,961.08</u>
Net Ordinary Income	<u>2,887,931.45</u>	<u>-2,960,033.52</u>	<u>195,286.70</u>	<u>-280,630.51</u>	<u>127,711.10</u>	<u>85,117.96</u>	<u>55,383.18</u>
Net Income	<u><u>2,887,931.45</u></u>	<u><u>-2,960,033.52</u></u>	<u><u>195,286.70</u></u>	<u><u>-280,630.51</u></u>	<u><u>127,711.10</u></u>	<u><u>85,117.96</u></u>	<u><u>55,383.18</u></u>

AGENDA ITEM

NO. 3

BUDGET
REPORTS

(will be
supplemented)

Pocatello Development Authority - Budget 2015-2016 fiscal year

	General Fund	Consolidated Corridor	North Yellowstone	Naval Ordinance	North Portneuf	Airport	Total
Beginning Cash Balance August 2015	\$3,132,829.00	\$8,000.00	\$2,597,675.00	\$137,411.00	\$142,390.00	\$247,618.00	\$6,265,923.00
INCOME:							
Administrative fees	164,669.00						164,669.00
Tetridyn Loan	0.00						0.00
South Cliff's loan		1,900.00					1,900.00
Property taxes		0.00	1,288,215.00	157,640.00	110,000.00	111,376.00	1,667,231.00
Interest Income	190.00	10,100.00	2,646.00		1,173.00		14,109.00
Total Projected Income:	164,859.00	12,000.00	1,290,861.00	157,640.00	111,173.00	111,376.00	1,847,909.00
EXPENSE:							
Contingency (3)	550,000.00			150,000.00		250,000.00	950,000.00
Cheyenne Crossing							0.00
Costco Employment incentive (1)			122,015.00				122,015.00
City Debt Payment					253,563.00		253,563.00
Administrative expense		20,000.00	128,905.00	15,764.00			164,669.00
Current year debt service (2)			677,459.00				677,459.00
Luncheon costs	1,600.00						1,600.00
Office expenses	200.00						200.00
Dues and memberships	10,750.00						10,750.00
Errors and omission insurance	1,069.00						1,069.00
Banking and Professional services	4,500.00		5,000.00				9,500.00
Total Projected Expense:	568,119.00	20,000.00	933,379.00	165,764.00	253,563.00	250,000.00	2,190,825.00
CALCULATED ENDING BALANCE	\$2,729,569.00	\$0.00	\$2,955,157.00	\$129,287.00	\$0.00	\$108,994.00	\$5,923,007.00

1. balance before payment \$122,014.96, scheduled to payoff in December 2016
2. Scheduled to payoff on August 1, 2024
3. The General fund contingency covers the demolition of the Albertsons property and the payment to the City for fiscal 2016 - total payment \$300,000. The remaining contingencies in the other districts are for potential unplanned projects.

AGENDA ITEM

NO. 4



Pocatello Development Authority
911 N. 7th Ave.
Pocatello, Idaho 83201

We are pleased to confirm our understanding of the services we are to provide Pocatello Development Authority for the year ended September 30, 2015. We will audit 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, including the related notes to the financial statements, which collectively comprise the basic financial statements of Pocatello Development Authority as of and for the year ended September 30, 2015. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Pocatello Development Authority's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Pocatello Development Authority's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Budgetary Comparison Schedules.
3. Combining and individual fund financial statements.

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplemental information referred to in the first paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of Pocatello Development Authority and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Pocatello Development Authority's financial statements. Our report will be addressed to management and the governing board of Pocatello Development Authority. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that Pocatello Development Authority is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. 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 will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and

detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Pocatello Development Authority's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of Pocatello Development Authority in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities; to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with

applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud, and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we may report.

You are responsible for the preparation of the supplementary information which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's view on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to Pocatello Development Authority; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Deaton & Company and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Deaton & Company personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the federal agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party (ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Doran Lambson, CFE, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Audit Fees

We estimate that our fees for the audit services will not exceed \$4,130 plus out-of-pocket costs (such as report reproduction, word processing, postage, photocopies, etc.). Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

Non-Attest Services and Fees

Estimates do not include additional nonattest services, if any. Additional nonattest services (such as reconciling trial balance accounts, preparing purposed adjusting entries, assisting in posting approved adjusted journal entries to the general ledger and any other nonattest bookkeeping services to complete the audit) will be billed out at our standard hourly rates. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

We appreciate the opportunity to be of service to Pocatello Development Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.



Pocatello, Idaho
July 15, 2015

RESPONSE:

This letter correctly sets forth the understanding of Pocatello Development Authority

By: _____

Title: _____

Date: _____

Invoice



T-O ENGINEERS

David Allen
City of Pocatello
P.O. Box 4169
Pocatello, ID 83205-4169

July 09, 2015
Invoice No: 150006 - 4

Project 150006 Pocatello Airport CATEX - Project Pipe
This invoice includes total T-O and Subconsultant (North Wind) services for Project Pipe Environmental Analysis. Charges include time, preparation, and expenses to attend a meeting with the Tribe and FAA on June 10, 2015 on the reservation.

Professional Services from June 01, 2015 to June 30, 2015

Professional Personnel

	Hours	Rate	Amount	
Cuvala, Nathan	13.00	125.00	1,625.00	
ONeill, Christa	.50	80.00	40.00	
Pomeroy, Chris	23.00	145.00	3,335.00	
Valencik, Julie	8.75	40.00	350.00	
Totals	45.25		5,350.00	
Total Labor				5,350.00

Consultants

Northwind Resource Consulting			10,494.00	
Total Consultants			10,494.00	10,494.00

Reimbursable Expenses

Travel - Fuel			72.87	
Travel - Meals			86.58	
Total Reimbursables			159.45	159.45

Total this Invoice \$16,003.45

Billings to Date

	Current	Prior	Total	Received	A/R Balance
Labor	5,350.00	9,170.00	14,520.00		
Consultant	10,494.00	0.00	10,494.00		
Expense	159.45	0.00	159.45		
Unit	0.00	3.64	3.64		
Totals	16,003.45	9,173.64 <i>pd 6/11/15</i>	25,177.09	9,173.64	16,003.45

All account balances not paid in full on or before the last day off the month of the first billing shall bear interest at the rate of twenty-one percent (%) per annum compounded monthly from the first day of the month following until paid in full. Any payments received shall be credited first to accrued interest and then to principal. All costs or fees incurred to collect overdue account balances shall be added to the principal portion of the account balance.

Approved: Chris Pomeroy Date: 7/9/2015

Chris Pomeroy

AGENDA ITEM

NO. 5

HOKU

DOCUMENTS

(will be

supplemented)

**AGREEMENT PROVIDING FOR REPAYMENT AND
CONVEYANCE OF REAL PROPERTY**

This Agreement is made and entered into this _____ day of August 2015, between the City of Pocatello, a municipal corporation (hereinafter referred to as the "City") whose address is 911 North 7th Avenue, Pocatello, Idaho, 83201, and the Pocatello Development Authority, an urban renewal agency formed under the laws of the State of Idaho (hereinafter referred to as "PDA") whose address is 911 North 7th Avenue, Pocatello, Idaho, 83201.

WITNESSETH:

1. The City of Pocatello acquired the property, consisting of two parcels, more particularly described in the attached and incorporated herein Exhibit "A", and most commonly and hereinafter referred to as the "Hoku Site" on February 8, 2007 via Bannock County Recording No. 20705326, in the amount of \$912,571.82.
2. The City of Pocatello acquired the property, recorded under Bannock County Instrument No. 20909438, being depicted on the Record of Survey Map recorded under Bannock County Instrument No. 21511375, more particularly described in the attached and incorporated herein Exhibit "B", and most commonly and hereinafter referred to as the "Highway 30 ROW RR Overpass Site" (or the "Smith Property") on April 30, 2009 for the amount of \$188,257.35 minus \$55,614.85 in grant reimbursement for a total of \$132,642.50.
3. The City of Pocatello acquired the property, consisting of one parcel, more particularly described in the attached and incorporated herein Exhibit "C", and most commonly and hereinafter referred to as the "H & H Dive Property" on March 27, 2009 via Bannock County Recording No. 20906685, in the amount of \$11,365.14.
4. On March 22, 2007, the City leased the property to Hoku Materials, Inc., a Delaware Corporation, who engaged in the construction and development of the property.
5. In May 2007, the Pocatello Development Authority created the North Portneuf Urban Renewal Area and Revenue Allocation District ("NP Plan") which encompasses the properties referenced in Exhibits "A," "B," and "C." A copy of the NP Plan is attached hereto and incorporated herein as Exhibit "D."
6. Within said NP Plan, the City sought reimbursement from the tax increment flow expected to be generated by increased valuation from the North Portneuf Revenue Allocation District funds for its capital contributions (property purchase and other expenditures) in the anticipated amount of \$1,027,468.11.
7. On May 20, 2009, an Economic Development Grant Agreement was entered into between the Pocatello Development Authority and Hoku Materials, Inc. A copy of said Agreement is attached hereto and incorporated herein as Exhibit "E."

8. As a provision for PDA's payment of economic development funds under the Economic Development Grant Agreement, the PDA was to reimburse the City up to two million dollars (\$2,000,000.00) for capital reimbursement costs by making annual payments of 5% of the Revenue Allocation District funds. It is unclear how this two million dollar figure was derived.
9. In July 2013, Hoku Materials, Inc. filed for bankruptcy protection in the United States Bankruptcy Court in the District of Idaho under Case No. 13-40837 and thereby is not able to meet its obligations under said Economic Development Grant Agreement.
10. Despite Hoku's lack of fruition and subsequent inability to meet the prior payment schedule set forth in the Economic Development Grant Agreement, it is the intent of the PDA for the PDA to maintain its commitment to reimburse the City for its capital contributions.
11. Therefore, in July 2014, the PDA approved payment of \$450,000.00 from the North Portneuf Revenue Allocation District funds to the City of Pocatello's General Fund to be applied towards the City's capital contributions at its July 16, 2014 regular meeting. The payment was applied in two parts (1) \$195,555.89 to the City's General Fund; and (2) \$253,444.11 to the City's Sanitation Department to pay an internal loan it made to the City's Fund 71 for the acquisition of the Great Western Malting Co-Access Road.
12. The City and the PDA hereby agree that the correct City's capital contribution to this economic development project and request for reimbursement shall be \$1,027,468.11, as provided for in Exhibit "F", a summary of expenditures, costs and reimbursements, attached hereto and incorporated herein.
13. The PDA requests and the City agrees to proceed with the legal process necessary in order to convey the Hoku Site property to the PDA pursuant to the provisions of Idaho Code §50-1403(4). The Hoku Site property holds no benefit or gain to the City or its taxpayers unoccupied. The PDA has the ability and intent to redevelop, lease, or sell said property for the maximum benefit of economic development and therefore the proposed conveyance is in the best interests of the tax payers and citizens of Pocatello.
14. The City shall retain a water line easement and a public right-of-way, utility, and slope easement associated with Tract 1 attached hereto and incorporated herein as described and depicted in Exhibits "G" and "H."
15. The City shall retain a Right of Way easement associated with Tract 2 attached hereto and incorporated herein as described and depicted in Exhibit "I."
16. Based upon the newly agreed upon capital contribution value of \$1,027,468.11, the PDA hereby commits to the following payment schedule to reimburse the City in exchange for the conveyance of the Hoku Site property as soon as is reasonably possible. It is further agreed that:

- (a) The PDA shall receive credit for the \$450,000.00 payment made to the City in July 2014.
- (b) The PDA shall make a payment of \$300,000.00 on October 1, 2015 from the PDA's 2016 fiscal year budget to be comprised of the remainder of the North Portneuf Revenue Allocation District funds and the difference to be paid from the PDA General Fund.
- (c) The balance of \$277,468.11 shall be paid in 15 annual installments of \$17,740.20 by October 31st of each year, over the life of the North Portneuf Urban Renewal Area and Revenue Allocation District or until December 31, 2031 from said District's tax increment funds.
- (d) As the H & H Dive property was not located in the North Portneuf TIF District, the \$11,365.14 the City expended for the purchase of the H & H Dive property shall be paid to the City from PDA general funds.
- (e) In the event the PDA is successful in leasing the Hoku Site and is generating rental income, the PDA shall make every effort to pay additional monies to the City to be applied towards the balance owed for its capital contribution.
- (f) In the event the PDA is successful in selling the Hoku Site, the PDA shall have the option to immediately make a full reimbursement payment to the City to completely satisfy the City's capital contribution to the Hoku economic development project.

17. Notice: Any notices which either PDA or the City desires to serve upon the other shall be in writing and shall be deemed served when delivered personally, or when deposited in the United States mail with adequate postage, to the following addresses:

Pocatello Development Authority:	Attn: Lonnie Crowell, Executive Director 911 North 7 th Avenue P.O. Box 4169 Pocatello, Idaho 83205
----------------------------------	---

City of Pocatello:	Attn: Brian C. Blad, Mayor 911 North 7 th Avenue P.O. Box 4169 Pocatello, Idaho 83205
--------------------	---

18. Agreement Binding: This Agreement shall be binding upon the parties hereto and their respective heirs, administrators, successors and assigns.

19. Entire Agreement: It is expressly understood and agreed that this Agreement states the entire agreement between the parties with regard to this Agreement Providing for Repayment and Conveyance of Real Property.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

POCATELLO DEVELOPMENT AUTHORITY
An Idaho Urban Renewal Agency

CITY OF POCATELLO, a municipal
corporation of Idaho

By: _____
Michael Orr, Chairman

By: _____
Brian C. Blad, Mayor

Attest:

Attest:

By: _____
Tiffany G. Olsen, Secretary

By: _____
Ruth E. Whitworth, City Clerk

NOTARY PUBLIC FOR IDAHO
Residing in _____
My commission expires: _____

QUITCLAIM DEED

FOR VALUE RECEIVED, the City of Pocatello, a municipal corporation of Idaho, as the vested owner and Grantor, does hereby convey, release, remise and forever quit claim unto the Pocatello Development Authority, an urban renewal agency formed under the laws of the State of Idaho, whose current address is

911 North 7th Avenue
P.O. Box 4169
Pocatello, ID 83205

the following described premises in Bannock County, Idaho:

Parcel 1:

A PARCEL OF LAND LOCATED IN THE EAST 1/2 OF SECTION 17, AND IN THE WEST 1/2 OF THE WEST 1/2 OF SECTION 16, T6S,R34E, B.M., BANNOCK COUNTY, IDAHO, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS (ALL ANGLE POINTS BEING MARKED BY A 1/2-INCH DIAMETER REBAR WITH A YELLOW PLASTIC CAP STAMPED "PE/LS 4440", UNLESS OTHERWISE NOTED):

COMMENCING AT THE WEST 1/4 CORNER OF SAID SECTION 16, SAID CORNER BEING MARKED BY A FOUND 5/8 -INCH DIAMETER REBAR WITH NO MARKINGS, SAID REBAR BEING REFERENCED BY A BANNOCK COUNTY BRASS CAP MONUMENT 25 FEET EAST OF THE CORNER;

THENCE S0°11'07"W ALONG THE WEST LINE OF SECTION 16, 280.55 FEET TO A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF THE OREGON SHORT LINE RAILROAD (NOW OPERATING AS THE UNION PACIFIC RAILROAD), SAID POINT BEING 50 FEET DISTANT, MEASURED AT RIGHT ANGLES, FROM THE CENTERLINE OF THE NO. 1 MAINLINE TRACK (FORMERLY THE WEST BOUND MAINLINE), AND SAID POINT BEING MARKED BY A SET 5/8-INCH REBAR WITH AN ALUMINUM CAP STAMPED "PLS 8075", SAID POINT BEING THE TRUE POINT OF BEGINNING;

THENCE N56°36'03"W ALONG THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF THE OREGON SHORT LINE RAILROAD, 2557.86 FEET TO AN ANGLE POINT ON THE NORTHEASTERLY DEED LINE DESCRIBED IN CORPORATION WARRANTY DEED INSTRUMENT NO. 96009187;

THENCE SOUTHEASTERLY ALONG THE SAID NORTHEASTERLY DEED LINE THE FOLLOWING 10 COURSES AND DISTANCES:

S21°52'28"E, 267.87 FEET TO AN ANGLE POINT; THENCE S30°43'41"E, 1457.94 FEET TO AN ANGLE POINT; THENCE S40°27'08"E, 201.74 FEET TO AN ANGLE POINT;

THENCE S54°06'17"E, 336.24 FEET TO AN ANGLE POINT; THENCE S43°50'53"E, 313.03 FEET TO AN ANGLE POINT; THENCE S55°07'18"E, 664.68 FEET TO AN ANGLE POINT; THENCE S42°27'08"E, 177.06 FEET TO AN ANGLE POINT; THENCE S59°48'13"E, 280.11 FEET TO AN ANGLE POINT; THENCE S71°50'27"E, 699.97 FEET TO AN ANGLE POINT; THENCE S72°36'36"E, 428.65 FEET TO AN ANGLE POINT ON THE WEST 1/16 LINE OF SECTION 16; THENCE N0°03'36"E ALONG THE WEST 1/16 LINE OF SECTION 16, 653.00 FEET TO THE SOUTHWEST 1/16 CORNER OF SAID SECTION 16, SAID CORNER BEING MARKED BY A 6-INCH DIAMETER STEEL FENCE CORNER POST;

THENCE S89°05'05"W ALONG the SOUTH 1/16 LINE OF SECTION 16, 43.11 FEET TO A POINT ON the SOUTHWESTERLY DEED LINE DESCRIBED IN INSTRUMENT NO. 27678, SAID POINT BEING MARKED BY A SET 5/8-INCH DIAMETER REBAR WITH AN ALUMINUM CAP STAMPED "PLS 8075";

THENCE N56°36'03"W ALONG SAID SOUTHWESTERLY DEED LINE, 1519.62 FEET TO A POINT ON the WEST DEED DESCRIBED IN SAID INSTRUMENT NO. 27678, SAID POINT ALSO BEING ON the WEST LINE OF SECTION 16, AND SAID POINT BEING MARKED BY A SET 5/8-INCH DIAMETER REBAR WITH AN ALUMINUM CAP STAMPED "PLS 8075";

THENCE N 0°11'17" E ALONG THE WEST LINE OF SAID SECTION 16, 179.29 FEET TO THE POINT OF BEGINNING.

Parcel 2:

A TRIANGULAR-SHAPED PARCEL OF LAND LOCATED IN the NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 16,

T6S,R34E, B.M., BANNOCK COUNTY, IDAHO, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST 1/16 CORNER OF SAID SECTION 16, SAID CORNER BEING MARKED BY A 6-INCH DIAMETER STEEL FENCE CORNER POST;

THENCE N0°41'13"E ALONG THE WEST 1/16 LINE OF SECTION 16, 149.39 FEET TO A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF THE OREGON SHORT LINE RAILROAD (NOW OPERATING AS THE UNION PACIFIC RAILROAD), SAID POINT BEING 50 FEET DISTANT, MEASURED AT RIGHT ANGLES, FROM the CENTERLINE OF THE NO. 1 MAINLINE TRACK (FORMERLY THE WEST BOUND MAINLINE), AND SAID POINT BEING MARKED BY A SET 5/8-INCH REBAR WITH AN ALUMINUM CAP STAMPED "PLS 8075";

THENCE S56°36'03"E ALONG THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF the OREGON SHORT LINE RAILROAD, 265.12 FEET TO A POINT ON the SOUTH 1/16 LINE OF SAID SECTION 16, SAID POINT ALSO BEING ON THE NORTH DEED LINE OF CORPORATE WARRANTY DEED INSTRUMENT NO. 892995, AND SAID POINT BEING MARKED BY A FOUND BANNOCK COUNTY BRASS CAP MONUMENT;

THENCE S 89°06'59" W ALONG THE SOUTH 1/16 LINE OF SAID SECTION 16, 223.15 FEET TO THE TRUE POINT OF BEGINNING.

See Exhibit "A" (Record of Survey Map)

Also retaining therefrom an easement for a water line, more particularly described as:

A 30 FOOT WIDE STRIP OF LAND LOCATED IN THE SOUTHWEST 1/4 OF SECTION 16 AND IN THE SOUTHEAST 1/4 OF SECTION 17, TOWNSHIP 6 SOUTH, RANGE 34 EAST, BOISE MERIDIAN, BANNOCK COUNTY, IDAHO, SAID STRIP BEING 15 FEET WIDE ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT THE WEST 1/4 CORNER OF SECTION 16, TOWNSHIP 6 SOUTH, RANGE 34 EAST, SAID CORNER MARKED BY A 5/8" DIA. REBAR, BEING REFERENCED BY A BANNOCK COUNTY BRASS CAP MONUMENT 25 FEET EAST OF SAID 1/4 CORNER; THENCE SOUTH 00°11'07" EAST A DISTANCE OF 280.55 FEET TO A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF THE UNION PACIFIC RAILROAD AS DEPICTED ON THE RECORD OF SURVEY MAP RECORDED IN BANNOCK COUNTY UNDER INSTRUMENT NO. 20707393, AND BEING DESCRIBED IN PARCEL 1 OF WARRANTY DEED INSTRUMENT NO. 20705326 OF SAID COUNTY RECORDS; THENCE NORTH 56°36'03" WEST ALONG SOUTHWESTERLY RIGHT-OF-WAY LINE OF THE UNION PACIFIC RAILROAD A DISTANCE OF 21.00 FEET, TO A POINT ON THE CENTERLINE BEING DESCRIBED THE TRUE POINT OF BEGINNING; THENCE LEAVING SAID SOUTHWESTERLY RIGHT-OF-WAY LINE, SOUTH 17°04'00" WEST A DISTANCE OF 78.20 FEET; THENCE SOUTH 05°26'47" WEST A DISTANCE OF 141.43 FEET; THENCE SOUTH 52°39'19" EAST A DISTANCE OF 152.37 FEET; THENCE SOUTH 56°11'41" EAST A DISTANCE OF 363.17 FEET; THENCE SOUTH 32°10'36" WEST A DISTANCE OF 488.74 FEET; THENCE SOUTH 35°23'12" WEST A DISTANCE OF 145.76 FEET, TO THE TERMINUS OF THE CENTERLINE BEING DESCRIBED.

CONTAINS 0.94 ACRES MORE OR LESS

See Exhibit "B" (Display Map)

Also retaining therefrom a Right-of-Way, Slope, and Utility easement, more particularly described as follows:

A PARCEL OF LAND LOCATED IN THE SOUTHWEST 1/4 OF SECTION 16, THE SOUTHEAST 1/4 AND THE NORTHEAST 1/4 OF SECTION 17, TOWNSHIP 6 SOUTH, RANGE 34 EAST, BANNOCK COUNTY, IDAHO; DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST 1/4 CORNER OF SECTION 16, TOWNSHIP 6 SOUTH, RANGE 34 EAST, SAID CORNER MARKED BY A 5/8" DIA. REBAR, BEING REFERENCED BY A BANNOCK COUNTY BRASS CAP MONUMENT 25 FEET EAST OF SAID 1/4 CORNER; THENCE SOUTH 00°11'07" EAST A DISTANCE OF 280.55 FEET TO A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF THE UNION PACIFIC RAILROAD AS DEPICTED ON THE RECORD OF SURVEY MAP RECORDED IN BANNOCK COUNTY UNDER INSTRUMENT NO. 20707393, AND BEING DESCRIBED IN PARCEL 1 OF WARRANTY DEED INSTRUMENT NO. 20705326 OF SAID COUNTY RECORDS; THENCE NORTH 56°36'03" WEST ALONG SOUTHWESTERLY RIGHT-OF-WAY LINE OF THE UNION PACIFIC RAILROAD A DISTANCE OF 2197.86 FEET, TO A POINT WHICH BEARS SOUTH 56°36'03" EAST A DISTANCE OF 360.00 FEET FROM THE MOST NORTHWEST CORNER OF SAID PARCEL 1, THE **TRUE POINT OF BEGINNING**; THENCE LEAVING SAID SOUTHWESTERLY RIGHT-OF-WAY LINE, SOUTH 33°23'57" WEST A DISTANCE OF 109.23 FEET; THENCE SOUTH 29°31'12" EAST A DISTANCE OF 813.32 FEET; THENCE SOUTH 35°11'19" EAST A DISTANCE OF 660.34 FEET; THENCE SOUTH 50°56'53" EAST A DISTANCE 754.39 FEET; THENCE SOUTH 56°27'03" EAST A DISTANCE OF 1146.46 FEET; THENCE SOUTH 69°53'01" EAST A DISTANCE OF 940.39 FEET TO A POINT ON THE EAST BOUNDARY LINE OF SAID PARCEL 1, DESCRIBED IN SAID DEED INSTRUMENT NO. 20705326; THENCE SOUTH 00°03'36" WEST ALONG SAID EAST BOUNDARY LINE A DISTANCE OF 107.04 FEET, TO THE SOUTHEAST CORNER OF SAID PARCEL 1; THENCE FOLLOWING THE SOUTHERLY AND SOUTHWESTERLY BOUNDARY LINE OF PARCEL 1 FOR THE NEXT FOLLOWING TEN (10) COURSES;

1. NORTH 72°36'26" WEST, 428.64 FEET;
2. NORTH 71°50'27" WEST, 699.97 FEET;
3. NORTH 59°48'13" WEST, 280.11 FEET;
4. NORTH 42°27'08" WEST, 177.06 FEET;
5. NORTH 55°07'18" WEST, 664.68 FEET;
6. NORTH 43°50'53" WEST, 313.03 FEET;
7. NORTH 54°06'17" WEST, 336.24 FEET;
8. NORTH 40°27'08" WEST, 201.74 FEET;
9. NORTH 30°43'41" WEST, 1457.94 FEET;

10. NORTH 21°52'28" WEST, 267.87 FEET TO THE NORTHWEST CORNER OF SAID PARCEL 1 WHICH POINT ALSO BEING ON THE SOUTHWESTERLY OF THE UNION PACIFIC RAILROAD RIGHT-OF-WAY LINE; THENCE FOLLOWING SAID SOUTHWESTERLY RIGHT-OF-WAY LINE SOUTH 56°36'03" EAST A DISTANCE OF 360.00 FEET, TO THE POINT OF BEGINNING.

AREA OF THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS 13.30 ACRES MORE OR LESS

See Exhibit "C" (Display Map)

TO HAVE AND TO HOLD the said premises, unto the said grantees, heirs and assigns forever and except restrictions, easements of record and easements visible upon the premises.

DATED this _____ day of _____, 2015.

GRANTOR, City of Pocatello,
a municipal corporation of Idaho

BRIAN C. BLAD, Mayor

ATTEST:

RUTH E. WHITWORTH, City Clerk

GRANTEE, Pocatello Development
Authority, an urban renewal agency
formed under the laws of the state of
Idaho

MICHAEL ORR, Chairman

ATTEST:

TIFFANY OLSEN, Secretary

SECTION 17

WEST 1/4 CORNER
SECTION 16
T. 6 S., R. 34 E., B.M.

LINE TABLE

L1	S 17°04'00" W	78.20'
L2	S 05°26'47" W	141.43'
L3	S 52°39'19" E	152.37"
L4	S 35°23'12" W	145.76'

PARCEL 1
67.2 ACRES MORE OR LESS
WARRANTY DEED INST. NO.
20705326

ELEC. POWER
SUBSTATION

POINT OF BEGINNING
N 56°36'03" W
21.00'

S 00°11'07" E
280.55'

SECTION 16

BOUNDARY LINE
S 56°11'41" E 363.72'

CENTERLINE 12.5' WIDE IDAHO
POWER ACCESS EASEMENT

CENTERLINE 30' WIDE CITY OF
POCATELLO WATERLINE EASEMENT
0.94 ACRES MORE OR LESS

BOUNDARY LINE
CENTERLINE 10' WIDE INTERMOUNTAIN
GASLINE EASEMENT - NOT RECORDED

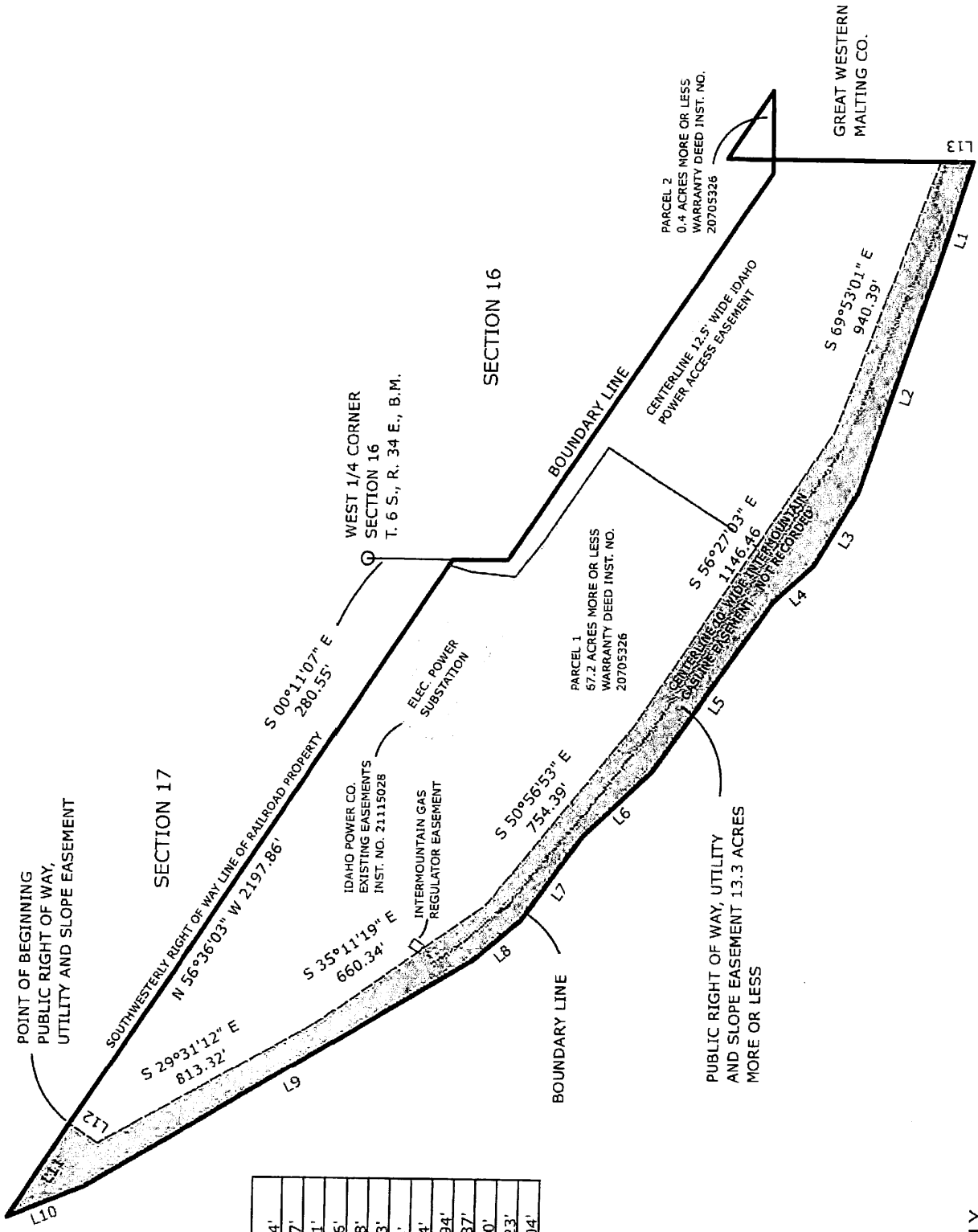
15'
30'

PUBLIC RIGHT OF WAY, UTILITY
AND SLOPE EASEMENT 13.3 ACRES
MORE OR LESS

DISPLAY MAP ONLY
EXHIBIT B



30 FOOT WIDE WATERLINE EASEMENT
LOCATED IN PARCEL OF OF DEED INSTRUMENT NO. 20705326



LINE TABLE

L1	N 72°36'26" W	428.64'
L2	N 71°50'27" W	699.97'
L3	N 59°48'13" W	280.11'
L4	N 42°27'08" W	177.06'
L5	N 55°07'18" W	664.68'
L6	N 43°50'53" W	313.03'
L7	N 54°06'17" W	336.24'
L8	N 40°27'08" W	201.74'
L9	N 30°43'41" W	1457.94'
L10	N 21°52'58" W	267.87'
L11	S 56°36'03" E	360.00'
L12	S 33°23'57" W	109.23'
L13	S 00°03'36" W	107.04'

DISPLAY MAP ONLY
EXHIBIT C

PUBLIC RIGHT OF WAY, UTILITY AND SLOPE EASEMENT
 LOCATED IN PARCEL 1 OF WARRANTY DEED INSTRUMENT NO. 20705326



QUITCLAIM DEED

FOR VALUE RECEIVED, the City of Pocatello, a municipal corporation of Idaho, as the vested owner and Grantor, does hereby convey, release, remise and forever quit claim unto the Pocatello Development Authority, an urban renewal agency formed under the laws of the State of Idaho, whose current address is:

911 North 7th Avenue
P.O. Box 4169
Pocatello, ID 83205

the following described premises in Bannock County, Idaho:

A PARCEL OF LAND LOCATED IN THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 17, TOWNSHIP 6 SOUTH, RANGE 34 EAST, BOISE MERIDIAN, BANNOCK COUNTY, IDAHO, BEING ALL OF THE LAND CONVEYED TO THE CITY OF POCATELLO IN WARRANTY DEED, RECORDED UNDER INSTRUMENT NO. 20909438 OF SAID COUNTY RECORDS. ALSO BEING DEPICTED ON RECORD OF SURVEY MAP RECORDED AS INSTRUMENT NO. 21511375, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE NORTH 1/16TH LINE OF SECTION 17, TOWNSHIP 6 SOUTH, RANGE 34 EAST, BOISE MERIDIAN THAT IS SOUTH 87°43'11" WEST (BASIS OF BEARING PER THE EAST ZONE OF THE IDAHO STATE PLANE COORDINATE SYSTEM AS DEPICTED ON RECORD OF SURVEY MAP INST. NO. 20707393) A DISTANCE OF 582.20 FEET FROM THE NORTHEAST 1/16TH CORNER OF SAID SECTION 17 (RECORDED AS S 87°15' W 582.20 FEET), WHICH POINT ALSO BEING NORTH 87°43'11" EAST A DISTANCE OF 740.92 FEET FROM THE NORTH 1/16TH CORNER ON THE MERIDIONAL CENTERLINE OF SECTION 17; THENCE SOUTH 45°14'38" EAST A DISTANCE OF 151.58 FEET (RECORDED AS S 42°53' E, 158.5 FEET) TO A FOUND 1/2" IRON PIN ON THE WESTERLY BOUNDARY LINE OF THE PARCEL OF LAND DESCRIBED IN DEED INSTRUMENT. NO. 20819098 SAID IRON PIN BEING IN AN EXISTING DITCH, THE TRUE POINT OF BEGINNING; THENCE SOUTH 33°21'44" WEST ALONG SAID WESTERLY BOUNDARY LINE A DISTANCE OF 220.58 FEET TO A POINT ON THE NORTHEASTERLY RIGHT OF WAY LINE OF THE PRESENT DAY UNION PACIFIC RAILROAD; THENCE NORTH 56°36'03" WEST ALONG SAID RIGHT OF WAY LINE A DISTANCE OF 208.78 FEET; THENCE LEAVING SAID RIGHT OF WAY LINE NORTH 00°24'02" EAST A DISTANCE OF 77.98 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF BATISTE ROAD; THENCE NORTH 03°21'13" EAST ALONG SAID RIGHT OF WAY LINE A DISTANCE OF 267.86 FEET; THENCE CONTINUING ALONG SAID RIGHT OF WAY LINE NORTH 03°17'39" EAST A DISTANCE OF 0.9 FEET MORE OR LESS TO THE CENTERLINE OF AN EXISTING DITCH; THENCE LEAVING SAID RIGHT OF WAY LINE FOLLOWING THE CENTERLINE OF AN EXISTING DITCH SOUTH 45°14'38" EAST A DISTANCE OF 393.37 FEET, TO THE POINT OF BEGINNING.

CONTAINS 1.70 ACRES MORE OR LESS

RETAINING THEREFROM
THE ABOVE DESCRIBED PARCEL OF LAND IS COVERED IN ITS ENTIRETY WITH A
RIGHT OF WAY EASEMENT.

See Exhibit "A" (Record of Survey Map).

TO HAVE AND TO HOLD the said premises, unto the said grantees, heirs and assigns
forever.

DATED this _____ day of _____, 2015.

GRANTOR, City of Pocatello,
a municipal corporation of Idaho

BRIAN C. BLAD, Mayor

ATTEST:

RUTH E. WHITWORTH, City Clerk

GRANTEE, Pocatello Development
Authority, an urban renewal agency
formed under the laws of the state of
Idaho

MICHAEL ORR, Chairman

ATTEST:

TIFFANY OLSEN, Secretary

QUITCLAIM DEED

FOR VALUE RECEIVED, the City of Pocatello, a municipal corporation of Idaho, as the vested owner and Grantor, does hereby convey, release, remise and forever quit claim unto the Pocatello Development Authority, an urban renewal agency formed under the laws of the State of Idaho, whose current address is

911 North 7th Avenue
P.O. Box 4169
Pocatello, ID 83205

the following described premises in Bannock County, Idaho:

AN IRREGULAR SHAPED PARCEL OF LAND LOCATED IN THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 AND IN THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 16, TOWNSHIP 6 SOUTH, RANGE 34 EAST, BOISE MERIDIAN, BANNOCK COUNTY, IDAHO. BEING A PORTION OF THE PARCEL OF LAND DESCRIBED IN WARRANTY DEED INSTRUMENT NO. 788587 OF THE RECORDS OF BANNOCK COUNTY, IDAHO. DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTH 1/4 CORNER OF SECTION 16, TOWNSHIP 6 SOUTH, RANGE 34 EAST, BOISE MERIDIAN; THENCE NORTH 00°07'24" EAST ALONG A LINE BETWEEN THE SOUTH 1/4 CORNER AND THE CENTER 1/4 CORNER OF SAID SECTION 16, A DISTANCE OF 542.53 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF THE UNION PACIFIC RAILROAD WHICH POINT ALSO BEING THE **TRUE POINT OF BEGINNING**;

THENCE SOUTH 56°37'14" EAST ALONG SAID RIGHT OF WAY LINE A DISTANCE OF 124.60 FEET; THENCE NORTH 69°11'53" WEST A DISTANCE OF 36.74 FEET; THENCE NORTH 59°05'18" WEST A DISTANCE OF 128.77 FEET; THENCE NORTH 44°19'42" WEST A DISTANCE OF 18.70 FEET TO A POINT ON A LINE DEPICTED ON RECORD OF SURVEY MAP INSTRUMENT NO. 789062 OF THE RECORDS OF BANNOCK COUNTY, IDAHO.

THENCE SOUTH 55°25'40" EAST ALONG SAID LINE A DISTANCE 40.86 FEET; THENCE SOUTH 87°37'31" EAST (RECORDED AS SOUTH 87°09'44" EAST) A DISTANCE OF 20.21 FEET TO THE **TRUE POINT OF BEGINNING** COMPRISED OF 1242 sq. ft. MORE OF LESS

See Exhibit "A" (Display Map)

TO HAVE AND TO HOLD the said premises, unto the said grantees, heirs and assigns forever and except restrictions, easements of record and easements visible upon the premises.

DATED this _____ day of _____, 2015.

GRANTOR, City of Pocatello,
a municipal corporation of Idaho

BRIAN C. BLAD, Mayor

ATTEST:

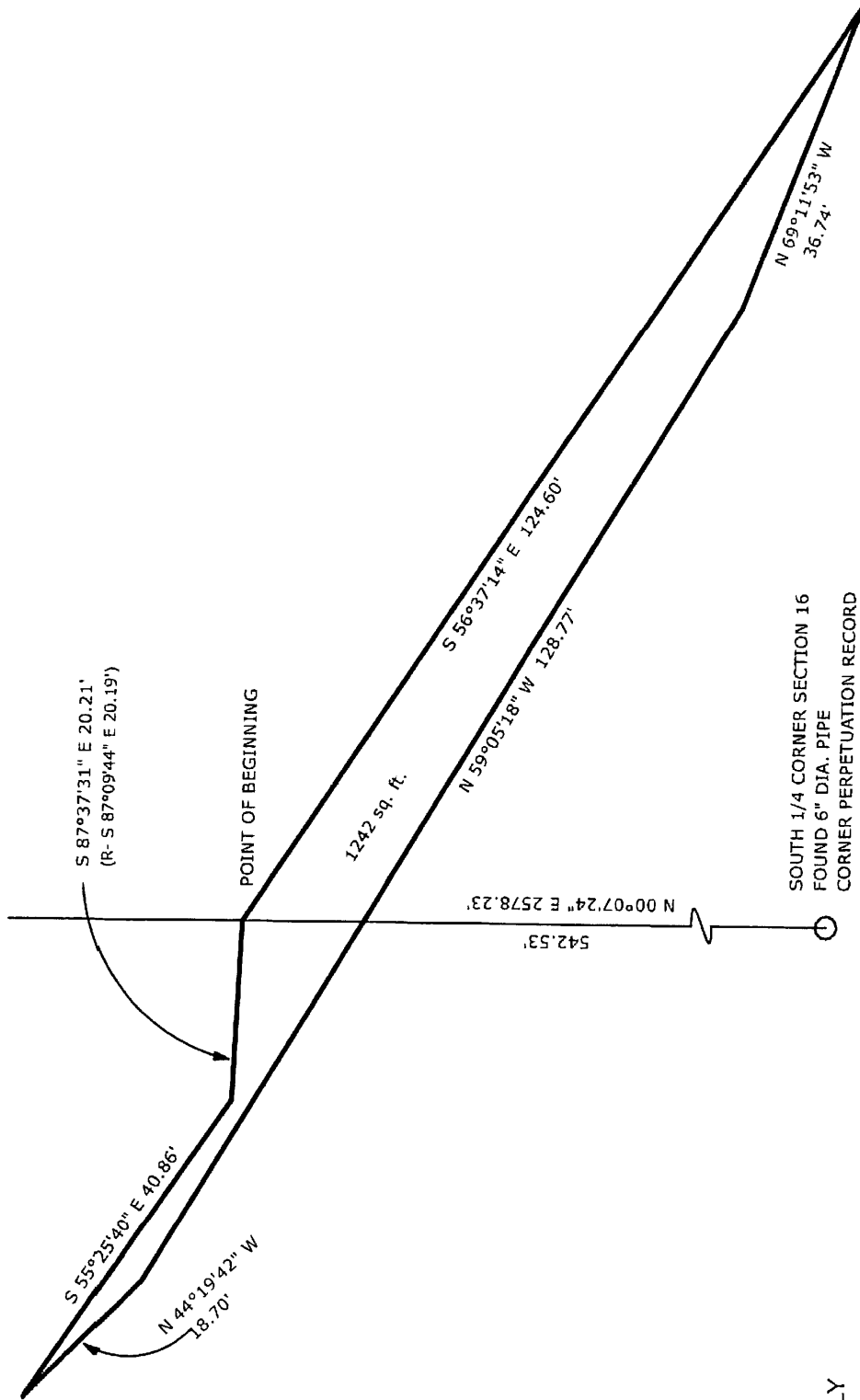
RUTH E. WHITWORTH, City Clerk

GRANTEE, Pocatello Development
Authority, an urban renewal agency
formed under the laws of the state of
Idaho

MICHAEL ORR, Chairman

ATTEST:

TIFFANY OLSEN, Secretary



SOUTH 1/4 CORNER SECTION 16
 FOUND 6" DIA. PIPE
 CORNER PERPETUATION RECORD
 INST. NO. 782026

DISPLAY MAP ONLY
EXHIBIT A



CITY OF POCATELLO
 TRACT 3 WARRANTY DEED 20906685
 1242 sq. ft. MORE OR LESS

AGENDA ITEM

NO. 6

****DRAFTv2** EXHIBIT A**

Pocatello Regional Airport (PIH)

Pocatello, Idaho

LAND RELEASE

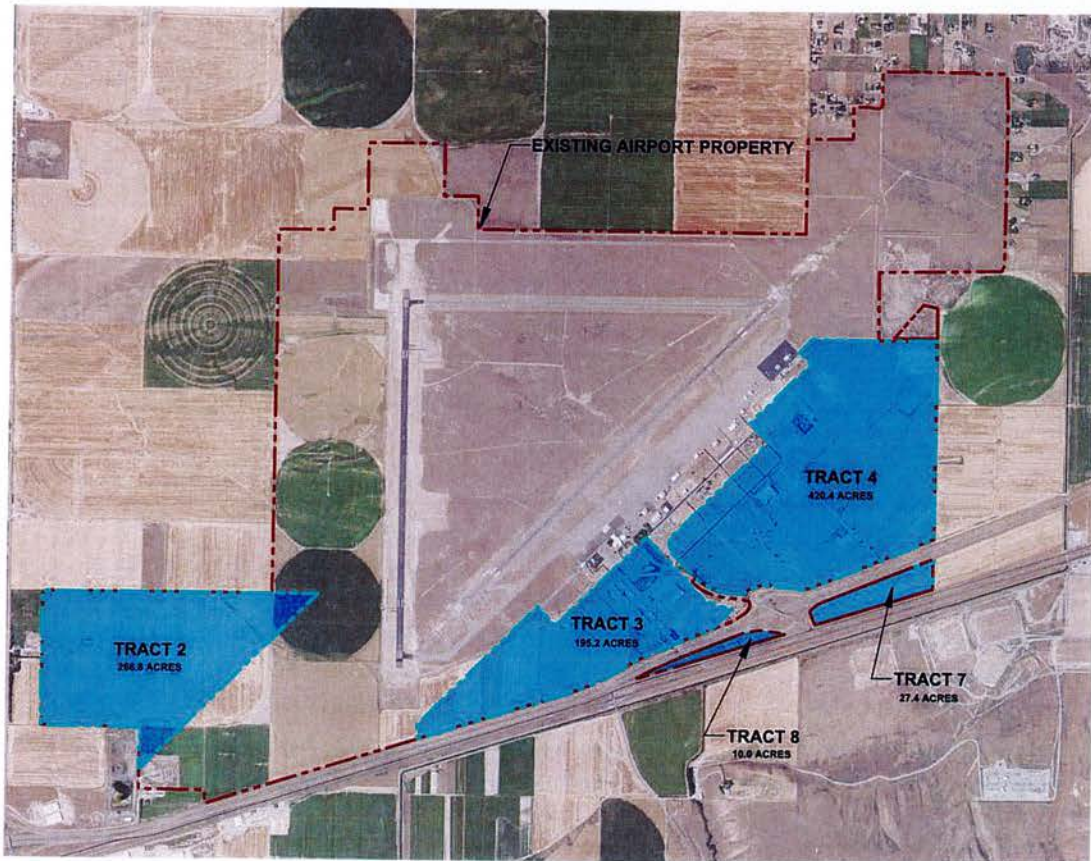
ENVIRONMENTAL ANALYSIS

The Pocatello Regional Airport and the City of Pocatello (Owner) is seeking a release of existing airport property from the current Airport Layout Plan (ALP) and Property Map/Exhibit A. The subject property was previously released by the FAA from aeronautical to non-aeronautical purposes in 1971. However, since that time, the land has remained on the ALP and Property Map/Exhibit A thereby encumbering the City to sponsor obligations and grant assurances with issuance of each FAA Airport Improvement Program grant. This release and removal of the land from the ALP and Property Map/Exhibit A will relieve the City from these obligations. This land release requires FAA approval including an environmental analysis to identify any potential environmental impacts associated with the release. Environmental analysis is typically directed toward any foreseeable use of the land to be released. In this instance, the City advises of no foreseeable uses for the land at this time.

Via coordination with the FAA, it was determined that a Categorical Exclusion Form (CATEX) would be the most appropriate format for this effort. A CATEX will be completed and submitted to the Owner and FAA. Data collection and analysis will be performed in accordance with NEPA Implementing Instructions for Airport Actions, FAA Order 1050.1E, Environmental Impacts: Policies and Procedures (Change 1), FAA Order 5050.4B, Airport Environmental Handbook, and FAA Aviation Emissions and Air Quality Handbook, version 3. **A significant amount of data relative to the environmental conditions at the airport was collected as part of the recent Project Pipe environmental analysis. This data will be used to the fullest extent possible for this analysis.**

A release of 5 tracts of land (approximately 919.76 acres) is being requested by the City; Tracts 2, 3, 4, 7, and 8, as depicted on the current Airport Property Map (2012 ALP set) and Exhibit A dated March 11, 1975. **Figure 1** below depicts the subject tracts.

Figure 1 – Tracts at PIH to be Released/Analyzed



The following outlines the scope of work and associated elements and tasks to complete this effort:

Element 1.0 - Project Management and Administration

Element 2.0 - Prepare CATEX

Element 1.0 - Project Management and Administration

This element will provide appropriate direction and project management throughout the duration of the project. Primary work efforts under this element include proper and timely communication and coordination between T-O, the Owner, and FAA. Project management tasks will take place throughout the duration of the project and will include the following:

- 1.1 Prepare Scope of Services, Fee Estimate and Professional Services Agreement. Define Scope of Services, schedule, formulate the project approach and overall project management. List work tasks in spreadsheet form including man-hours, hourly rates and fees. Draft Professional Services Agreement. Review Agreement and finalize.
- 1.2 General coordination with the Owner and FAA throughout the project including support to the Owner for coordination and guidance through the environmental process.
- 1.3 General Project Management duties throughout the project.



Element 2.0 - Prepare CATEX Form

This element includes the tasks necessary to complete a CATEX form that will be used by the FAA to assist them in the land release approval process. A significant amount of data relative to the environmental conditions at the airport was collected as part of the recent Project Pipe environmental analysis. This data will be used to the fullest extent possible. Tasks include the following:

- 2.1 Analysis of environmental impact categories included in the CATEX.
- 2.2 Preparation of supporting CATEX exhibits.
- 2.3 Coordination with the Owner to collect data not readily available from the Project Pipe environmental analysis.
- 2.4 Coordination with the FAA Helena ADO Environmental Specialist.
- 2.5 Miscellaneous Tribal Coordination.
- 2.6 Prepare DRAFT CATEX.
- 2.7 Prepare FINAL CATEX

Fee

The Time and Materials Not to Exceed Fee for this project is estimated at **\$6,965.00**. A breakdown of fee is included in **Exhibit B**.

Schedule

A preliminary draft CATEX will be submitted to the Owner for review comments within fifteen (15) days of the Notice-to-Proceed. A revised draft will be submitted to the FAA Environmental Specialist within five (5) days after comments from the Owner have been addressed relative to the preliminary draft. The final CATEX for FAA signature will be submitted to the Owner within ten (10) days after comments from the FAA relative to the draft have been addressed.

Classification	Title	Hours	Rate/Hour	Cost
PP	Project Principal	0	\$175.00	\$0.00
PM	Project Manager	25	\$160.00	\$4,000.00
PE	Professional Engineer	8	\$135.00	\$1,080.00
PLN	Project Planner	22	\$75.00	\$1,650.00
EIT	Engineer-In-Training	0	\$75.00	\$0.00
CM	Construction Manager/Specifier	0	\$125.00	\$0.00
Insp	Inspector	0	\$80.00	\$0.00
CT	CADD Technician	2	\$60.00	\$120.00
SM	Survey Manager	0	\$120.00	\$0.00
Surv	Surveyor	0	\$95.00	\$0.00
Adm.	Administrative Assistant	1	\$65.00	\$65.00
Totals:		58		\$6,915.00
Average Rate/Hour			\$119.22	
Subtotal, Subconsultant Fees:				\$0.00
Description	Number	Unit Cost	Cost	
Vehicle Travel (Per Mile)	0	\$0.55	\$0.00	
Lodging (Per Night)	0	\$100.00	\$0.00	
Airline Travel (Per Roundtrip)	0	\$425.00	\$0.00	
Meals (Lump Sum)	0	\$75.00	\$0.00	
Computer - CADD (Per Hour)	0	\$5.00	\$0.00	
GPS Survey Equipment (Per Hour)	0	\$55.00	\$0.00	
Document Reproduction (Lump Sum)	1	\$25.00	\$25.00	
Phone, Fax, Postage, Document Recording (Lump Sum)	1	\$25.00	\$25.00	
Subtotal, Reimbursable Expenses			\$50.00	

Task	Description	Personnel Hourly											Total Hours	Fee	
		PP	PM	PE	PLN	EIT	CM	INS	CT	SM	SV	Adm.			
SECTION 1 - Categorical Exclusion Form															
1.1	Scope of Work, Estimate and Agreement		7	1									1	9	\$ 1,320.00
1.2	General Coordination with Owner and FAA		4	2										6	\$ 910.00
Subtotal, Phase 1.0		0	11	3	0	0	0	0	0	0	0	1	15	\$ 2,230.00	
2.1	Analyze Environmental Impact Categories		1		6								7	\$ 610.00	
2.2	Preparation of Exhibits			1	6				2				9	\$ 705.00	
2.3	Coordination with Owner - Data Collection Specific		1		2								3	\$ 310.00	
2.4	Coordination with FAA Enviro Specialist		4		1								5	\$ 715.00	
2.5	Misc. Tribal Coordination		4	2	1								7	\$ 985.00	
2.6	Prepare Draft CATEX		2	1	4								7	\$ 755.00	
2.7	Prepare Final CATEX		2	1	2								5	\$ 605.00	
Subtotal, Phase 2.0		0	14	5	22	0	0	0	2	0	0	0	43	\$ 4,685.00	
TOTAL ALL Tasks 1-2		0	25	8	22	0	0	0	2	0	0	1	58	\$6,915.00	

City of Pocatello Airport Water Tank Project



Project Status Summary – August 2015

Project Finances / Funding

- Funding is provided solely by the City of Pocatello Water Department within their current FY 15 and FY16 CIP budget
- First pay application has been processed for; total of \$328,680.01 to date
- No Change Order requests have been issued or processed as of August 18th

Concurrent Monthly Activities

- Prep and pour South half of tank footings/floor slab
- Prep tank walls, tie rebar, and pour South baffle walls
- Set power transformer and installed underground electrical conduits
- Prep, form and pour booster station floor slab
- Well driller to finish drilling 20" casing for well and test pump
- Begin grading for overflow retention pond
- Set power transformer and prepare underground utilities
- The project is currently on schedule and targeting completion in December 2015

Future Short-Term Activities

- Well test pumping and development
- Site / yard piping installation
- Concrete work for the tank and substructure of the BPS
- BPS masonry / roof construction
- BPS electrical / mechanical / controls construction
- Site connections and finishes
- System controls, commissioning and start-up

Project progression may be monitored at <http://www.pocatello.us/projects/>

Construction Progress

Project Timeline

