

Pocatello Development Authority

Board of Commissioners Meeting
October 19, 2016 – 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

Call to order by Scott Smith, 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.

Motion to approve and/or amend the Regular and Executive Session Minutes of September 21, 2016.

Agenda Item No. 2: Financial Report.

Motion to approve and/or amend September 2016 Income and Expenses.

Agenda Item No. 3: Payment Requests/Reimbursements.

Agenda Item No. 4: Transfer of 10% Administrative Fee from Active Districts to the General Fund.

Agenda Item No. 5: Update Re: Project 16-16 and 16-16A.

Agenda Item No. 6: Update Re: VA Metals, LLC

Agenda Item No. 7: Economic Development Plan Discussion

Agenda Item No. 8: Election of Officers; Chair, Vice Chair, Treasurer and Secretary.

Executive Session:

Matters exist for discussion in an executive session as per I.C. §74-206(1)(e)

Motion: "I move that we enter into an executive session as per Idaho Code §74-206(1)(e) to consider preliminary negotiations involving matters of trade or commerce in which the PDA may be in competition with other jurisdictions."

Upcoming Events/Information:

(A) The PDA Annual Update to the Pocatello City Council – December 8, 2016. Representatives from the Pocatello Development Authority will discuss the Authority's goals and projects, as well as Council's policies and expectations.

Adjourn.

City Hall is accessible to persons with disabilities. Program access accommodations may be provided with three (3) days' advance notice by contacting Dave Hunt at dhunt@pocatello.us; 208.234.6248 or 5815 South 5th Avenue, Pocatello, ID

AGENDA ITEM

NO. 1

POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES
October 19, 2016

Members present: Steve Brown, Chad Carr, Devin Hillam, Thomas Ottaway, and Scott Turner.
Members excused: Brian Blad, Larry Fisher, Russell Meyers and Scott Smith (Chair)

Staff present: Dean Tranmer and Tiffany Olsen, City Legal Dept.; Merrill Quayle, Development Engineer (excused at 11:15 a.m.) , Melanie Gygli, Interim Planning and Development Services Director, Joyce Stroschein, Treasurer; John Regetz (left at 11:30 a.m.) and Mike Ennis with Bannock Development Corporation (ex-officio).

Vice Chair Carr called the meeting to order at 11:01 a.m.

Introductions, Conflicts, and Agenda: There were no conflicts disclosed and there were no deletions made to the agenda. Guests included Michael Orr.

1. Action and Discussion Items:

Agenda Item No. 1: Minutes. The Minutes of the Regular Meeting and Executive Session on September 21, 2016 were reviewed. It was **MSC (D. Hillam, S. Turner)** to approve the Minutes as presented.

Agenda Item No. 2: Financial Report. **J. Stroschein** presented the financial report for the month of September 2016. At month end, the Authority had cash on hand of \$6,272,632.92. The checking account balance was \$3,181,376.93, the savings account was \$746,381.92, and cash being held by Zions Trust amounted to \$2,344,874.07. The PDA recognized normal financial activity for the month. It received revenues totaling \$950.93 of which \$155.93 was interest earnings on the cash invested. Rental charges for the Positron facility were billed for \$750.00 for the month of September but payment has not been made. The administrative expenses were \$271.45 which included \$164.00 for the lunch meeting and \$107.45 for the publication of the FY2017 budget in the Idaho State Journal. Utility expense for the Positron facility (the last payment) was \$354.07. Year to date revenues of \$2,124,612.48 are greater than the expenses of \$1,558,696.41. Overall net income is \$565,916.07 which includes the administrative transfers for the year. Stroschein reminded that a net loss indicates the use of cash reserves. The PDA is in a great position for the end of its fiscal year. It was then **MSC (T. Ottaway, S. Brown)** to approve the September 2016 financial report as presented.

Agenda Item No. 3: Payment Requests/Reimbursements. None were presented at this time.

Agenda Item No. 4: Transfer of 10% Administrative Fee from Active Districts to the General Fund. **J. Stroschein** recommended the Board transfer the allowed 10% of the district balances from the North Yellowstone District (\$130,795.63), the Naval Ordnance District (\$23,623.04) and the North Portneuf District (\$11,536.97). She explained the commitments pertaining to each District for the 2017 fiscal year. She also recommended leaving the Airport District alone even though there isn't current development or activity within that District, the Board hasn't taken an administrative fee thus far and if the Board voted to withdraw the administrative fee on a variable annual basis, this may cause additional time in accounting and tracking. In the event the Board wishes to transfer the Airport District administrative fee, she advised the Board the anticipated 10% for the Airport District would be \$41,743.56. **Vice Chair**

Carr questioned the anticipated expenditure of the stormwater retention pond which should be constructed within the North Portneuf District in the near future. **M. Quayle** wasn't certain but thought the District could absorb the costs if needed. He expanded on his desire to have individual ponds on the Great Western property and the Hoku property instead of combining the two. As a reminder, Great Western's property is not inclusive of the North Portneuf District. **T. Olsen** summarized D. Tranmer's memo of November 2014 stating that the transfers could be made from an active district and reminded the Board what transfers were made in 2014 and 2015. **J. Stroschein** advised the Board that even if you move money from one particular District to the General Fund, the money in the General Fund may be used for any economic development purpose inside of a District or within the jurisdiction of the PDA (not in a TIF District). It was **MSC (S. Brown, S. Turner)** to transfer \$165,955.64 from the combination of all Districts, not including the Airport District, to the General Fund as an administrative fee.

Agenda Item No. 5: Update Re: Project 16-16 and 16-16A. The Bridge (Project 16-16A) delivered the Economic Development Grant and Loan Agreement to T. Olsen this week as well as 2 invoices totaling just over \$60,000 for electrical work to the Yellowstone Hotel building. **M. Quayle** contacted the electrical contractor and will perform the necessary inspection of the upgrades and other items contained in the contract when it is appropriate to do. **T. Olsen** advised the Board she has contacted Adrian Croot with Derive Systems (Project 16-16) several times regarding their proposed changes to the Economic Development Grant Agreement had has been unsuccessful. She will continue to update the Board when contact is made.

Agenda Item No. 6: Update Re: VA Metals, LLC. **T. Olsen** anticipated receiving the contract for the appraisal yesterday but has not received it as of today's meeting. As a reminder, the PDA is responsible for the payment for the appraisal of the Hoku property. Irfan Sheriff would like to meet with the Mayor, Chairman and T. Olsen the week of October 31st to discuss the feasibility status and other options pertaining to the property and its acquisition. **T. Olsen** will arrange this and provide the Board an update at the next meeting. The Board also directed **T. Olsen** to direct VA to place the security funds in an escrow account at Zions Bank (the bank of VA's choice).

Agenda Item No. 7: Economic Development Plan Discussion. **J. Regetz** will present Bannock Development Corporations' Economic Development Plan for Pocatello at the November PDA Meeting. T. Olsen has been researching other cities that have Economic Development Plans and will continue to work on this project in the coming months.

Agenda Item No. 8: Election of Officers; Chair, Vice Chair, Treasurer and Secretary. It was **MSC (D. Hiram, T. Ottaway)** for the officers currently serving these positions to remain for the next term. Scott Smith shall be Chair, Chad Carr shall be Vice Chair, Joyce Stroschein shall be Treasurer and Tiffany Olsen shall be Secretary.

2. Upcoming Events/Information:

A. Vice Chair Carr asked the Board and the Legal Department to consider what public use the former Albertson building property could serve. At last month's meeting, it was reported that the property owner may be interested in donating the property to either the City or PDA for public use. The Legal department will look into this proposal.

B. T. Olsen advised the PDA's annual update to the City Council will be December 8th at 9:00 a.m. and all who can attend are encouraged to do so.

3. Adjournment:

There being no additional business and no cause for an executive session, the meeting adjourned at 11:45 a.m.

By: Tiffany G. Olsen
Tiffany G. Olsen, Secretary

AGENDA ITEM

NO. 2

FINANCIAL

REPORTS

(will be supplemented)

Pocatello Development Authority
Balance Sheet by Class
 As of September 30, 2016

	<u>1-General Fund</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>
ASSETS						
Current Assets						
Checking/Savings						
Checking Wells Fargo	2,265,708.38	51,104.35	420,396.34	114,751.73	329,416.13	3,181,376.93
Savings Wells Fargo	746,345.72	36.20	0.00	0.00	0.00	746,381.92
Zions 2012 Bnd Fnd 7110526D	0.00	6.61	0.00	0.00	0.00	6.61
Zions Bnd Reserve Fnd 7110526B	0.00	677,546.02	0.00	0.00	0.00	677,546.02
Zions Rev Alloc Fnd 7110526	0.00	1,667,321.44	0.00	0.00	0.00	1,667,321.44
Total Checking/Savings	3,012,054.10	2,396,014.62	420,396.34	114,751.73	329,416.13	6,272,632.92
Accounts Receivable						
Accounts Receivable -Rent	1,814.52	0.00	0.00	0.00	0.00	1,814.52
Total Accounts Receivable	1,814.52	0.00	0.00	0.00	0.00	1,814.52
Other Current Assets						
A/R accounts	6,450.00	0.00	0.00	0.00	0.00	6,450.00
Accrued Interest Income	14,006.82	0.00	0.00	0.00	0.00	14,006.82
Prepaid	1,122.00	0.00	0.00	0.00	0.00	1,122.00
Property Tax Receivable	0.00	16,368.29	0.00	11,665.93	0.00	28,034.22
Total Other Current Assets	21,578.82	16,368.29	0.00	11,665.93	0.00	49,613.04
Total Current Assets	3,035,447.44	2,412,382.91	420,396.34	126,417.66	329,416.13	6,324,060.48
Other Assets						
Inventory - Leasehold	424,779.00	0.00	0.00	0.00	0.00	424,779.00
Note Receivable	244,894.11	0.00	0.00	0.00	0.00	244,894.11
Total Other Assets	669,673.11	0.00	0.00	0.00	0.00	669,673.11
TOTAL ASSETS	3,705,120.55	2,412,382.91	420,396.34	126,417.66	329,416.13	6,993,733.59

Pocatello Development Authority
Balance Sheet by Class
 As of September 30, 2016

	<u>1-General Fund</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>
LIABILITIES & FUND BALANCE						
Liabilities						
Long Term Liabilities						
Deferred Interest Receivable	13,606.34	0.00	0.00	0.00	0.00	13,606.34
Deferred Notes Receivable Rev	244,518.75	0.00	0.00	0.00	0.00	244,518.75
Deferred Tax Revenues	0.00	13,893.61	0.00	11,665.93	0.00	25,559.54
Total Long Term Liabilities	<u>258,125.09</u>	<u>13,893.61</u>	<u>0.00</u>	<u>11,665.93</u>	<u>0.00</u>	<u>283,684.63</u>
Total Liabilities	258,125.09	13,893.61	0.00	11,665.93	0.00	283,684.63
Fund Balance						
Fund Balance	3,543,184.37	2,023,968.39	205,991.72	142,390.94	228,597.47	6,144,132.89
Net Income	-96,188.91	374,520.91	214,404.62	-27,639.21	100,818.66	565,916.07
Total Fund Balance	<u>3,446,995.46</u>	<u>2,398,489.30</u>	<u>420,396.34</u>	<u>114,751.73</u>	<u>329,416.13</u>	<u>6,710,048.96</u>
TOTAL LIABILITIES & FUND BALANCE	<u><u>3,705,120.55</u></u>	<u><u>2,412,382.91</u></u>	<u><u>420,396.34</u></u>	<u><u>126,417.66</u></u>	<u><u>329,416.13</u></u>	<u><u>6,993,733.59</u></u>

Pocatello Development Authority
Profit & Loss by Class
 September 2016

	<u>1-General Fund</u>	<u>3-North Yellowstone</u>	<u>TOTAL</u>
Ordinary Income/Expense			
Income			
Interest Income	18.41	137.52	155.93
Rental Income	750.00	0.00	750.00
Total Income	<u>768.41</u>	<u>137.52</u>	<u>905.93</u>
Gross Profit	768.41	137.52	905.93
Expense			
Administrative	271.45	0.00	271.45
Utilities	354.07	0.00	354.07
Total Expense	<u>625.52</u>	<u>0.00</u>	<u>625.52</u>
Net Ordinary Income	<u>142.89</u>	<u>137.52</u>	<u>280.41</u>
Net Income	<u><u>142.89</u></u>	<u><u>137.52</u></u>	<u><u>280.41</u></u>

At month end the Authority had cash on hand of \$6,272,632.92. The checking account balance was \$3,181,376.93, the savings

Pocatello Development Authority recognized normal financial activity during the month of September. The Authority received revenues totaling \$950.93 of which \$155.93 was interest earnings on cash invested. Rental charges were billed for \$750.00 on the Positron Facility, but payment has not been received.

Expenses paid for the month totaled \$625.52. The administrative expenses were \$271.45 which included \$164.00 for the lunch meeting and 107.45 for the publication of the 2016-2017 budget adopted. Utility expense for the Positron facility was 354.07 for the

Year to date revenues of \$2,124,612.48 (see page 3) are greater than expenses of \$1,558,696.41. Overall Net income of \$565,916.07. Reminder a net loss indicates the use of cash reserves.

Pocatello Development Authority
Profit & Loss by Class
 October 2015 through September 2016

	<u>1-General Fund</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	7,281.65	1,500.19	512.71	1,138.46	0.00	10,433.01
Miscellaneous Income	0.00	0.00	0.00	30,000.00	256.40	30,256.40
Personal Property tax replace	0.00	46,006.70	12,086.42	809.82	2,525.70	61,428.64
Principal received on notes	194,894.11	0.00	0.00	0.00	0.00	194,894.11
Property Taxes	0.00	1,260,449.36	223,661.27	83,421.45	105,436.56	1,672,968.64
Rental Income	1,814.52	0.00	0.00	0.00	0.00	1,814.52
Transfers in	152,817.16	0.00	0.00	0.00	0.00	152,817.16
Total Income	<u>356,807.44</u>	<u>1,307,956.25</u>	<u>236,260.40</u>	<u>115,369.73</u>	<u>108,218.66</u>	<u>2,124,612.48</u>
Gross Profit	356,807.44	1,307,956.25	236,260.40	115,369.73	108,218.66	2,124,612.48
Expense						
Administrative	6,394.09	0.00	0.00	0.00	0.00	6,394.09
Capital Land purchase	157,609.06	0.00	0.00	142,390.94	0.00	300,000.00
Debt Service						
Interest	0.00	147,459.00	0.00	0.00	0.00	147,459.00
Principal	0.00	530,000.00	0.00	0.00	0.00	530,000.00
Total Debt Service	<u>0.00</u>	<u>677,459.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>677,459.00</u>
Dues and Memberships	10,750.00	0.00	0.00	0.00	0.00	10,750.00
Economic Grants Issued	250,000.00	122,014.96	0.00	0.00	0.00	372,014.96
Professional Services						
Other Professional Services	17,999.15	3,000.00	0.00	618.00	7,400.00	29,017.15
Total Professional Services	<u>17,999.15</u>	<u>3,000.00</u>	<u>0.00</u>	<u>618.00</u>	<u>7,400.00</u>	<u>29,017.15</u>
Transfers out	0.00	130,961.38	21,855.78	0.00	0.00	152,817.16
Utilities	10,244.05	0.00	0.00	0.00	0.00	10,244.05
Total Expense	<u>452,996.35</u>	<u>933,435.34</u>	<u>21,855.78</u>	<u>143,008.94</u>	<u>7,400.00</u>	<u>1,558,696.41</u>
Net Ordinary Income	<u>-96,188.91</u>	<u>374,520.91</u>	<u>214,404.62</u>	<u>-27,639.21</u>	<u>100,818.66</u>	<u>565,916.07</u>
Net Income	<u>-96,188.91</u>	<u>374,520.91</u>	<u>214,404.62</u>	<u>-27,639.21</u>	<u>100,818.66</u>	<u>565,916.07</u>

Pocatello Development Authority
 Administrative Fee Review for FY 2016 Reporting
 10/19/2016

	General Fund	North Yellowstone	Naval Ordinance	North Portneuf	Pocatello Airport	Totals
Checking & Savings 09/30/2016	\$ 3,012,054.10	\$ 1,718,468.60	\$ 420,396.34	\$ 114,751.73	\$ 329,416.13	\$ 5,595,086.90
Administrative Fee Transfer for FY 2016	\$ 207,699.20	\$ (130,795.63)	\$ (23,623.04)	\$ (11,536.97) *	\$ (41,743.56)	\$ -
Checking & Savings	<u>\$ 3,219,753.30</u>	<u>\$ 1,587,672.97</u>	<u>\$ 396,773.30</u>	<u>\$ 103,214.76</u>	<u>\$ 287,672.57</u>	<u>\$ 5,595,086.90</u>
Commitments	\$ 145,000.00	\$ 122,014.96	\$ 200,000.00 **	\$ 17,740.20		
Checking Savings uncommitted	<u>\$ 3,074,753.30</u>	<u>\$ 1,465,658.01</u>	<u>\$ 196,773.30</u>	<u>\$ 85,474.56</u>	<u>\$ 287,672.57</u>	

* Delay Administrative Transfers until development has been solidified.

** Purchase of HOKU property - payment complete for FY 2016
 Future Payments are \$17,740.20 per year for 15 years.

Pocatello Development Authority
 Administrative Fee Review for FY 2016 Reporting
 10/19/2016

	Geneal Fund	North Yellowstone	Naval Ordinance	North Portneuf	Pocatello Airport	Totals
Checking & Savings 09/30/2016	\$ 3,012,054.10	\$ 1,718,468.60	\$ 420,396.34	\$ 114,751.73	\$ 329,416.13	\$ 5,595,086.90
Administrative Fee Transfer for FY 2016	\$ 165,955.64	\$ (130,795.63)	\$ (23,623.04)	\$ (11,536.97) *	\$ -	\$ 0.00
Checking & Savings	<u>\$ 3,178,009.74</u>	<u>\$ 1,587,672.97</u>	<u>\$ 396,773.30</u>	<u>\$ 103,214.76</u>	<u>\$ 329,416.13</u>	<u>\$ 5,595,086.90</u>
Commitments	\$ 145,000.00	\$ 122,014.96	\$ 200,000.00 **	\$ 17,740.20		
Checking Savings uncommitted	<u>\$ 3,033,009.74</u>	<u>\$ 1,465,658.01</u>	<u>\$ 196,773.30</u>	<u>\$ 85,474.56</u>	<u>\$ 329,416.13</u>	

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