

# Pocatello Development Authority

Board of Commissioners Meeting  
January 18, 2017 – 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 Meeting Minutes of December 21, 2016.

### **Agenda Item No. 2: Financial Report.**

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

### **Agenda Item No. 3: Payment Requests/Reimbursements.**

- a. Zions Bank Annual Trustee Fee in the amount of \$2,000.00

### **Agenda Item No. 4: Updates.**

- a. Positron Facility
- b. The Bridge BLGL, LLC Economic Development Grant and Loan Agreement
- c. Petersen, Inc. semi-annual Economic Development Grant Agreement benchmarks

### **Agenda Item No. 5: VA Metals, LLC Revised Appraisal and Invoice.**

### **Agenda Item No. 6: Gateway West's Request for Funds Regarding Power within the NOP District.**

### **Agenda Item No. 7: Goals and Objectives of the PDA for 2017.**

### **Agenda Item No. 8: Position of Interim Executive Director.**

## **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:**

### **Advisory Committee Handbook Update:**

- Removal of the wording for mid-term PDA appointments
- Change in unexcused absence wording from 3 consecutive unexcused to 3 unexcused in a consecutive 12-month period
- Addition of what a serial meeting quorum is

## **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](mailto:dhunt@pocatello.us); 208.234.6248 or 5815 South 5<sup>th</sup> Avenue, Pocatello, ID

# AGENDA ITEM

NO. 1

**POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES**  
**January 18, 2017**

**Members present:** Brian Blad (arrived at 11:25 a.m.), Chad Carr, Larry Fisher, Devin Hillam, Russell Meyers (via phone until 11:50 a.m.), Thomas Ottaway, Scott Smith (Chairman), and Scott Turner.

**Members absent:** Steve Brown

**Staff present:** Dean Tranmer and Tiffany Olsen, City Legal Dept.; Merrill Quayle, Development Engineer, Melanie Gygli, Interim Planning and Development Services Director, Joyce Stroschein, Treasurer; and Mike Ennis with Bannock Development Corporation (ex-officio).

**Chair Smith** called the meeting to order at 11:05 a.m.

**Introductions, Conflicts, and Agenda:** There were no conflicts disclosed and there were no deletions made to the agenda. Guests included Heidi Adamson and Michael Orr (arrived at 11:10 a.m.).

**1. Action and Discussion Items:**

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

**Agenda Item No. 2: Financial Report.** **Joyce Stroschein** presented the financial report for the month of December 2016. At month end, the Authority had cash on hand of \$6,301,719.30. The checking account balance was \$3,340,642.66, the savings account was \$746,438.36, and cash being held by Zions Trust amounted to \$2,214,638.28. The PDA recognized normal financial activity for the month. It received revenues totaling \$27,411.44 of which \$211.44 was interest earnings on the cash invested. Rental income from the Positron facility was received in the amount of \$750.00. Rental payment from VA Metals was received in the amount of \$20,000.00. The bond claim at the Positron Facility was resolved and the PDA received reimbursement in the amount of \$6,450.00. The administrative expense was \$104.70 for the lunch meeting. Professional service expenses included the deposit on the appraisal for the Hoku site in the amount of \$3,000.00 and the PDA expended \$26,000.00 on the Economic Development Loan Agreement with the Bridge Restaurant. Year to date revenues of \$231,967.06 are more than the expenses of \$203,945.20. Overall net income is \$28,021.86. **T. Ottaway** questioned the interest earned on the cash invested. **J. Stroschein** explained that she has been given authority from the Board to invest the monies within the North Yellowstone District to get a better rate of return. She noted there is little interest earned in the General Fund as those monies are within the bank account system. It was **MSC (L. Fisher, T. Ottaway)** to approve the December 2016 financial report as presented.

**Agenda Item No. 3: Payment Requests/Reimbursements.** **J. Stroschein** requested payment of \$2,000 Zions Bank for the Annual Trustee Fee related to the 2012 series refunding bonds. It was **MSC (D. Hillam, S. Turner)** to approve payment to Zions Bank in the amount of \$2,000.00.

**Agenda Item No. 4: Project Updates.**

- (a.) **Positron Facility:** **T. Olsen** advised that attorney Craig Christensen prepared a Sheriff's Deed to be filed with the Court since the 6 month redemption period ended in January 2017. Curtis Smith with Alliance Title has approved the deed as well as attorney Dean Tranmer. T. Olsen will advise the Board once the facility has legally been recorded in the PDA's name. The PDA should receive one final bill from Mr. Christensen in the near future.
- (b.) **The Bridge BLGL, LLC:** **T. Olsen** advised that on January 3, 2017, she met with Lisa Willmore of the Bridge and secured her signature on the Promissory Note contained within the Agenda materials. She also met with Mike Heberlein (Portneuf Valley Investment Partners) and delivered the PDA's check for \$26,000 as payment under the terms of the loan portion of the EDLA and delivered the check for \$25,000 to Old Federal Associates (Dick and Ann Carroll) as payment under the terms of the EDGA.
- (c.) **Petersen Inc. semi-annual Economic Development Grant Agreement benchmark report.** **T. Olsen** provided the semi-annual Economic Development Grant Agreement benchmark status for Petersen, Inc. She reminded the Board that pursuant to the terms of their Agreement with the PDA, they shall employ no less than 50 full time employees earning an average wage of no less than \$14 per hour for 15 years (until March 2026). As of January 1, 2017, they have 59 full time employees, 54 of those are paid more than \$14 per hour with an average wage of \$22.32. Business is strong as they have won several bids as of late. T. Olsen will request the next semi-annual report in July.

**Agenda Item No. 5: VA Metals, LLC Revised Appraisal and Invoice:** **T. Olsen** advised the revised appraisal was concluded last Friday and the appraised value of the land being leased by VA Metals, LLC, with the site developed with infrastructure, and the redundant power source consisting of 2 power substations, is \$1,270,000.00. The revision required additional work to be conducted by Free & Associates in the amount of \$1,050.00. Since the first appraisal did not include the benefit of the 2 power substations and it was determined to be an oversight on behalf of the appraisers (not identifying that the power substations are on PDA property and have an added value to the land), T. Olsen was able to negotiate the payable amount to \$700.00. She reminded the Board that this additional amount would bring the total paid to Free & Associates to \$5,700 which was within the range of fees approved by the Board via the engagement letter. She also indicated that had the power source been identified in the first appraisal process, the amount would have been higher at that time. It was thereafter **MSC (R. Meyers, C. Carr)** to issue payment to Free & Associates in the amount of \$700.00 to be paid from the North Portneuf District.

**Agenda Item No. 6: Gateway West's Request for Funds Regarding Power within the NOP District:** **T. Olsen** reminded the Board that they previously voted on the reimbursement to Gateway West at the June 15, 2016 meeting and read the motion "It was MSC (S. Brown, C. Carr) to pay 50%, up to \$200,000, for the power upgrades pertaining to Building Nos. 10, 36, 37 and 38, once the Board receives verification of the expenditure and certifies that the power upgrade project has been successfully completed." **Chairman Smith** advised that we were in a holding pattern for reimbursement on the power upgrades due to a pending litigation action between Gateway West and a potential buyer for the Plant. A term of the Buy/Sell Agreement provided that no improvements to be made to the property. **B. Blad** felt that since the Buy/Sell

Agreement was an Agreement that the PDA was not a party to and therefore should not be concerning to us. He stated he felt comfortable with the request to reimburse the full amount spent thus far of \$158,750.62 for the benefit of the tenants within the Plant. **M. Quayle** had recent discussions with Earl Swift who completed the upgrades to Building No. 10 but had to put the remainder of the buildings on hold partly due to the cold weather and the frozen ground and SME's roof needing replaced due to wind damage. Swift plans on finishing the project once the ground defrosts. Prior to **R. Meyers** departure from the meeting he reiterated his position was to maintain the original agreement and wait for the completion of the project. **C. Carr** questioned if it was appropriate to reimburse 50% of the requested amount? **T. Ottaway** questioned if we made reimbursement knowing there is an underlying pending litigation, would the PDA be facilitating a breach of contract? **D. Tranmer** believed that since the PDA is not a party to the litigation and the Buy/Sell Agreement, there would be little to no exposure for the PDA to make reimbursement to Gateway West. **Chairman Smith** confirmed with D. Tranmer's analysis. It was then **MSC (B. Blad, L. Fisher)** to reimburse Gateway West one-half (\$79, 375.31) of the amount paid by Gateway West which documentation proved to be \$158,750.62, and 50% of all future requests up to \$200,000 once the Board receives verification of the expenditure, a cleared check, and the execution of an Economic Development Grant Agreement consisted with the terms herein.


**Agenda Item No. 7: Discussion regarding Goals and Projects of the PDA:** **Chairman Smith** read Idaho Code Section 50-2002 to the Board which provides for the findings and declarations of necessity for the Urban Renewal Agency. He then asked for the Board Member's input on their thoughts pertaining to the goals of the Board or projects they would like to consider in 2017. **S. Turner** asked if the PDA or the City has a strategic plan or a business development plan? **B. Blad** informed the Board that the City has a Comprehensive Land Use Plan and Map which includes goals and objectives to direct the City and other agencies through a planning and growth process. He also cautioned the Board from going too far with cleaning "blight" or "blighted areas" because this is a hot topic of the legislature. It is the role of the Bannock Development Corporation to identify businesses and locations for new companies and to then make the connection to the PDA Board for incentives/assistance as requested. **Chairman Smith** commended the North Yellowstone District for its achievements in depleting blight and improving the area with businesses. **S. Turner** if there were formal relationships between the PDA Board or Executive Director and the Bannock Development Corporation (BDC), Eastern Idaho Development Corporation, the Intellectual Property Committee at ISU, etc. He also inquired as to what extent the PDA reaches out to other committees/businesses for development and/or marketing. All of the questions posed were discussed and it was the opinion of most of the Board members to be more proactive and less reactive when applicable. **B. Blad** advised being reactive is the role of the PDA; it is not his intent to interfere with the process of speaking with and solidifying business deals that he feels is appropriate to be done by the BDC. **Mike Ennis** summarized BDC's involvement with businesses, the market and working with other agencies (for example the Chamber of Commerce, Montana and Idaho Development Corporation and Eastern Idaho Development Corporation). The Board discussed perhaps creating an inventory of available property (commercial and industrial) to assist in the location of businesses/industry. **M. Gygli** stated she would attempt to locate the commercial list created by former Planning Director Robert Chambers. **T. Olsen** reminded the Board of their endeavor to generate a request for proposals from local and regional companies to create an Economic Development Plan for the PDA and its jurisdiction which will allow for the Board to identify the community's most pressing economic development needs. **Chairman Smith** commended the

Board Members for their suggestions and an active discussion. He also recommended the Board consider creating a subcommittee or subcommittees for various assignments with more specificity to be discussed at the next meeting.

**Agenda Item No. 8: Position of the Interim Executive Director:** At the Chairman's request, due to time constraints, this item was not discussed by the Board. **Chairman Smith** and **D. Tranmer** reiterated the importance of filling the vacant position as it is the backbone to the functions of the PDA and is highly relied upon by the Board to ensure success in economic development for our community. The position has been vacant for almost 7 months and since it is a position that is voted on by the Board, the Board needs to be prepared to discuss it at the next meeting.

## **2. Adjournment:**

There being absent a necessity for an executive session, the meeting adjourned at 12:58 p.m.

By:   
Tiffany G. Olsen, Secretary

AGENDA ITEM

NO. 2

FINANCIAL

REPORTS

(will be supplemented)

Pocatello Development Authority  
**Balance Sheet by Class**  
 As of December 31, 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>
<b>ASSETS</b>						
<b>Current Assets</b>						
<b>Checking/Savings</b>						
Checking Wells Fargo	2,405,438.98	87,799.49	396,773.30	121,214.76	329,416.13	3,340,642.66
Savings Wells Fargo	746,402.16	36.20	0.00	0.00	0.00	746,438.36
Zions 2012 Bnd Fnd 7110526D	0.00	6.61	0.00	0.00	0.00	6.61
Zions Bnd Reserve Fnd 7110526B	0.00	677,707.89	0.00	0.00	0.00	677,707.89
Zions Rev Alloc Fnd 7110526	0.00	1,536,923.78	0.00	0.00	0.00	1,536,923.78
<b>Total Checking/Savings</b>	<b>3,151,841.14</b>	<b>2,302,473.97</b>	<b>396,773.30</b>	<b>121,214.76</b>	<b>329,416.13</b>	<b>6,301,719.30</b>
<b>Accounts Receivable</b>						
Accounts Receivable	750.00	0.00	0.00	0.00	0.00	750.00
<b>Total Accounts Receivable</b>	<b>750.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>750.00</b>
<b>Other Current Assets</b>						
Accrued Interest Income	16,786.74	168.24	0.00	0.00	0.00	16,954.98
Property Tax Receivable	0.00	31,587.23	0.00	73,911.63	0.00	105,498.86
<b>Total Other Current Assets</b>	<b>16,786.74</b>	<b>31,755.47</b>	<b>0.00</b>	<b>73,911.63</b>	<b>0.00</b>	<b>122,453.84</b>
<b>Total Current Assets</b>	<b>3,169,377.88</b>	<b>2,334,229.44</b>	<b>396,773.30</b>	<b>195,126.39</b>	<b>329,416.13</b>	<b>6,424,923.14</b>
<b>Other Assets</b>						
Inventory - Leasehold	424,779.00	0.00	0.00	0.00	0.00	424,779.00
Note Receivable	50,000.00	0.00	0.00	0.00	0.00	50,000.00
<b>Total Other Assets</b>	<b>474,779.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>474,779.00</b>
<b>TOTAL ASSETS</b>	<b>3,644,156.88</b>	<b>2,334,229.44</b>	<b>396,773.30</b>	<b>195,126.39</b>	<b>329,416.13</b>	<b>6,899,702.14</b>

Pocatello Development Authority  
**Balance Sheet by Class**  
 As of December 31, 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>
<b>LIABILITIES &amp; FUND BALANCE</b>						
<b>Liabilities</b>						
<b>Long Term Liabilities</b>						
Deferred Interest Receivable	16,786.74	0.00	0.00	0.00	0.00	16,786.74
Deferred Notes Receivable Rev	50,000.00	0.00	0.00	0.00	0.00	50,000.00
Deferred Tax Revenues	0.00	0.00	0.00	73,911.63	0.00	73,911.63
<b>Total Long Term Liabilities</b>	<u>66,786.74</u>	<u>0.00</u>	<u>0.00</u>	<u>73,911.63</u>	<u>0.00</u>	<u>140,698.37</u>
<b>Total Liabilities</b>	66,786.74	0.00	0.00	73,911.63	0.00	140,698.37
<b>Fund Balance</b>						
Fund Balance	3,438,647.62	2,427,770.09	420,396.34	114,751.73	329,416.13	6,730,981.91
Net Income	138,722.52	-93,540.65	-23,623.04	6,463.03	0.00	28,021.86
<b>Total Fund Balance</b>	<u>3,577,370.14</u>	<u>2,334,229.44</u>	<u>396,773.30</u>	<u>121,214.76</u>	<u>329,416.13</u>	<u>6,759,003.77</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<u>3,644,156.88</u>	<u>2,334,229.44</u>	<u>396,773.30</u>	<u>195,126.39</u>	<u>329,416.13</u>	<u>6,899,702.14</u>

Pocatello Development Authority  
Profit & Loss by Class  
December 2016

	<u>1-General Fund</u>	<u>3-North Yellowstone</u>	<u>6-North Portneuf</u>	<u>TOTAL</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
Interest Income	19.02	192.42	0.00	211.44
Miscellaneous Income	6,450.00	0.00	0.00	6,450.00
Rental Income	750.00	0.00	20,000.00	20,750.00
<b>Total Income</b>	<u>7,219.02</u>	<u>192.42</u>	<u>20,000.00</u>	<u>27,411.44</u>
<b>Gross Profit</b>	7,219.02	192.42	20,000.00	27,411.44
<b>Expense</b>				
Administrative	104.70	0.00	0.00	104.70
Economic Grants Issued	0.00	0.00	0.00	0.00
Economic Loans	26,000.00	0.00	0.00	26,000.00
Professional Services				
Other Professional Services	3,000.00	0.00	0.00	3,000.00
<b>Total Professional Services</b>	<u>3,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>3,000.00</u>
<b>Total Expense</b>	<u>29,104.70</u>	<u>0.00</u>	<u>0.00</u>	<u>29,104.70</u>
<b>Net Ordinary Income</b>	<u>-21,885.68</u>	<u>192.42</u>	<u>20,000.00</u>	<u>-1,693.26</u>
<b>Net Income</b>	<u><u>-21,885.68</u></u>	<u><u>192.42</u></u>	<u><u>20,000.00</u></u>	<u><u>-1,693.26</u></u>

At month end the Authority had cash on hand of \$6,301,719.30. The checking account balance was \$3,340,642.66, the savings account was \$746,438.36, and cash being held by Zions Trust amounted to \$2,214,638.28.

Pocatello Development Authority recognized normal financial activity during the month of December. The Authority received revenues totaling \$27,411.44 of which \$211.44 was interest earnings on cash invested. Rental income from the Positron Facility was received in the amount of \$750.00 and \$20,000 from VA Metals for the HOKU lease. The JCRMP insurance claim was received in the

Expenses paid for the month totaled \$29,104.70. The administrative expenses were \$104.70 for the lunch meeting. Professional service expense for the appraisal was \$3,000.00 and an Economic development loan for the Bridge in the amount of \$26,000.00

Year to date revenues of \$231,967.06 (see page 3) are more than expenses of \$203,945.20 so overall net income is \$28,021.86.

Pocatello Development Authority  
Profit & Loss by Class  
October through December 2016

	<u>1-General Fund</u>	<u>3-North Yellowstone</u>	<u>4-Naval Ordnance</u>	<u>6-North Portneuf</u>	<u>TOTAL</u>
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
Interest Income	56.44	5,667.75	0.00	0.00	5,724.19
Miscellaneous Income	6,450.00	0.00	0.00	0.00	6,450.00
Property Taxes	0.00	31,587.23	0.00	0.00	31,587.23
Rental Income	2,250.00	0.00	0.00	0.00	2,250.00
Transfers in	165,955.64	0.00	0.00	20,000.00	22,250.00
<b>Total Income</b>	<u>174,712.08</u>	<u>37,254.98</u>	<u>0.00</u>	<u>20,000.00</u>	<u>231,967.06</u>
<b>Gross Profit</b>	174,712.08	37,254.98	0.00	20,000.00	231,967.06
<b>Expense</b>					
Administrative	426.56	0.00	0.00	0.00	426.56
Dues and Memberships	850.00	0.00	0.00	0.00	850.00
Economic Grants Issued	0.00	0.00	0.00	0.00	0.00
Economic Loans	26,000.00	0.00	0.00	0.00	26,000.00
Professional Services					
Other Professional Services	8,713.00	0.00	0.00	2,000.00	10,713.00
<b>Total Professional Services</b>	<u>8,713.00</u>	<u>0.00</u>	<u>0.00</u>	<u>2,000.00</u>	<u>10,713.00</u>
Transfers out	0.00	130,795.63	23,623.04	11,536.97	165,955.64
<b>Total Expense</b>	<u>35,989.56</u>	<u>130,795.63</u>	<u>23,623.04</u>	<u>13,536.97</u>	<u>203,945.20</u>
<b>Net Ordinary Income</b>	<u>138,722.52</u>	<u>-93,540.65</u>	<u>-23,623.04</u>	<u>6,463.03</u>	<u>28,021.86</u>
<b>Net Income</b>	<u>138,722.52</u>	<u>-93,540.65</u>	<u>-23,623.04</u>	<u>6,463.03</u>	<u>28,021.86</u>

AGENDA ITEM

NO. 3

**Zions Bank***\*We Haven't Forgotten Who Keeps Us In Business*

Mark Henson  
Zions Bank Corporate Trust  
800 W. Main Street, Ste. 700  
Boise, ID 83702

Phone 208-501-7538 Fax 855-855-9705

**INVOICE**

DATE: JANUARY 3, 2017

**To:**  
Pocatello Development Authority  
Attn: Joyce Stroschein  
P.O. Box 4169  
Pocatello, ID 83201

**Account:**  
Pocatello Development Authority Revenue  
Allocation (Tax Increment) Refunding Bonds,  
2012 Series  
No. 7110526

**DUE UPON RECEIPT**

DESCRIPTION	AMOUNT
Annual Trustee Fee	\$2,000.00
TOTAL	\$2,000.00

**Please send a check to the following address:**

Zions Bank Corporate Trust  
800 W. Main Street, Ste. 700  
Boise, ID 83702

**or****Send a wire to:**

ZB, NA dba Zions Bank  
ABA: 124000054  
Account No. 080000516  
Account name: Corporate Trust  
Ref: Account No. (enter account number above) Fee

If you have any questions concerning this invoice, contact:

Mark Henson  
208-501-7538  
[mark.henson@zionsbank.com](mailto:mark.henson@zionsbank.com)

# AGENDA ITEM

NO. 4(a)

Craig W. Christensen  
**CRAIG W. CHRISTENSEN, CHARTERED**  
414 South Garfield  
P.O. Box 130  
Pocatello, Idaho 83204-0130  
Telephone: (208) 234-9353  
Fax: (208) 234-9357  
Idaho State Bar No. 2086  
Utah State Bar No. 10355

Attorneys For: Pocatello Development Authority

IN THE DISTRICT COURT OF THE SIXTH JUDICIAL DISTRICT OF THE  
STATE OF IDAHO, IN AND FOR THE COUNTY OF BANNOCK

POCATELLO DEVELOPMENT AUTHORITY,	)	
an Urban Renewal Agency formed under the laws	)	Case No. CV-2015-1377-OC
of the State of Idaho,	)	
	)	
Plaintiff,	)	<b>SHERIFF'S DEED</b>
	)	
-vs-	)	
	)	
POSITRON SYSTEMS, INC., a Delaware	)	
Corporation authorized to conduct business in the	)	
State of Idaho; IDAHO STATE UNIVERSITY, a	)	
body politic and corporate; PIONEER TITLE	)	
COMPANY OF BANNOCK COUNTY, INC., an	)	
Idaho Corporation,	)	
	)	
Defendants,	)	
_____	)	

THIS INDENTURE made this \_\_\_\_ day of January, 2017, between Lorin Nielsen, Sheriff of Bannock County, Idaho, State of Idaho, Grantor, and Pocatello Development Authority, an Urban Renewal Agency formed under the laws of the State of Idaho, whose address is 911 North 7<sup>th</sup> Avenue, Pocatello, Idaho 83201, Grantee:

WHEREAS, in and by a certain Judgment and Decree of Foreclosure made and entered by the District Court of the Sixth Judicial District of the State of Idaho, in and for the County of Bannock on SHERIFF'S DEED

the 11<sup>th</sup> day of January, 2016 and recorded January 19, 2016 under Instrument No. 21600697 in the official records of the Bannock County Recorder, in which said Decree it was, among other things, ordered, adjudged and decreed that all and singular the mortgaged premises described in the Complaint and supplemental pleadings filed in said action and specifically described in said Decree, or so much thereof as might be sufficient to raise the amount due to the parties entitled thereto, should be sold at public auction by the Sheriff of Bannock County, State of Idaho, in the manner prescribed by law and according to the course and practice of said Court; that any party to the action might become a purchaser at such sale; that said Sheriff should issue the usual certificate and Deed to the purchaser, or purchasers, as required by law.

WHEREAS, a Writ of Execution was duly issued out of the above-entitled Court on the 3rd day of May, 2016, which Writ of Execution was delivered to Lorin Nielsen, Sheriff of Bannock County, State of Idaho, Grantor herein, whereby it was, among other things, commanded that the said real property interest in the form of leasehold with respect to real property located in Bannock County, Idaho, together with the real property and improvements thereon as therein described should be sold and the said Decree carried out in full; and

WHEREAS, Grantor did, on the 5<sup>th</sup> day of July, 2016, after due public notice having been given as required by the laws of the State of Idaho, and the course and practice of said Court, duly sell, at public auction, in said County of Bannock, State of Idaho, pursuant to said Judgment and Decree of Foreclosure, Writ of Execution, and the provisions of law, the premises particularly described in said Judgment and Decree of Foreclosure and hereinafter described, which were fairly struck off and sold to said Grantee, for the sum of \$493,824.31, lawful money of the United States of America, it being the highest and best bid; and

WHEREAS, the said Grantee thereupon paid to the Grantor fees and disbursements incurred on said sale; and

WHEREAS, the Grantor thereupon made and executed the usual Sheriff's Certificate of Sale of Real Property Interests on Writ of Execution in duplicate, in due form of law, and delivered one to the Grantee and caused the other to be filed for record in the Office of the County Recorder of Bannock County, State of Idaho under Instrument Number 21608954 on the 6<sup>th</sup> day of July, 2016; and

WHEREAS, more than six (6) months have elapsed since the date of said sale and no redemption has been made of the premises so sold, as aforesaid, by or on behalf of said judgment debtors, or by, or on behalf of any other person or persons;

NOW, THIS INDENTURE,

WITNESSETH: that the Grantor, Lorin Nielsen, Sheriff of Bannock County, State of Idaho, in order to carry into effect the sale so made, as aforesaid, in pursuance of said Judgment and Decree of Foreclosure in conformity to the statutes in such cases made and provided, and also in consideration of the sum of Four Hundred Ninety-Three Thousand Eight Hundred Twenty-Four and 31/100 Dollars (\$493,824.31), so bid and paid to him by Pocatello Development Authority, an Urban Renewal Agency formed under the laws of the State of Idaho, Grantee herein, the receipt of which is hereby acknowledged, has bargained, sold and conveyed unto the said Grantee and to its successors and assigns forever, all that certain real property located in Bannock County, Idaho, more particularly described as follows, to wit:

"That certain real property interest in the form of leasehold with respect to real property located in Bannock County, Idaho, together with real property improvements thereon ("i.e., Leased Premises") and the "Corrected Legal Leased Premises" and the "Corrected Easement and Right of Way", more particularly described as follows, to wit:

1. "Leased Premises" more particularly described as:

A parcel of land located in the Southwest 1/4 of Section 30, Township 6 South, Range 35 East, Boise Meridian, Bannock County, described as follows:

Commencing at the West 1/4 of Section 30, being marked by a Bannock County Monument as indicated in the Corner Perpetuation and Filing record instrument number 575624, thence South 89° 26' 48" East, along the Latitudinal centerline to the West 1/16 corner on the Latitudinal centerline being marked by a Bannock County Monument as indicated in the Corner Perpetuation and Filing record instrument number 97015769, a distance of 1,181.84 feet; thence continuing along the Latitudinal centerline South 89° 26' 48" East a distance of 999.50 feet; thence South 00° 33' 12" West a distance of 207.06 feet to the True Point of Beginning:

Thence South 54° 44' 09" East a distance of 157.32 feet;  
Thence North 40° 39' 21" East a distance of 55.59 feet;  
Thence North 33° 35' 57" West a distance of 144.21 feet;  
Thence South 54° 27' 51" West a distance of 80.64 feet;  
Thence South 38° 02' 24" West a distance of 31.22 feet; to the True Point of Beginning. (Containing 0.29 acres)

Together with the tenements, hereditaments and appurtenances thereunto belonging.

2. **The "Corrected Legal Leased Premises"** which is described as follows:

A parcel of land containing 7300 sq. ft. more or less, located in the Southwest 1/4 of Section 30, Township 6 South, Range 35 East, Boise Meridian, Bannock County, Idaho, described as follows:

Commencing at the West 1/4 of Section 30, Township 6 South, Range 35 East, Boise Meridian, thence South 89°26'48" East along the Latitudinal Centerline a distance of 1182.2 feet more or less to the West 1/16th corner on the Latitudinal centerline of said Section 30; thence continuing along said Centerline South 89°26'48" East a distance of 993.37 feet; thence leaving said Centerline South 00°33'12" West a distance of 199.24 feet; thence South 54°44'09" East a distance of 48.00 feet; thence North 36°36'42" East a distance of 17.00 feet to the **POINT of BEGINNING**; thence continuing North 36°36'42" East a distance of 9.00 feet; thence North 55°02'18" East a distance of 58.22 feet; thence South 34°57'42" East a distance of 16.00 feet; thence North 55°02'18" East and distance of 30.00 feet; thence South 33°35'57" East a distance of 65.00 feet; thence South 44°07'26" West a distance of 78.88 feet; thence North 45°46'06" West a distance of 94.75 feet to the **POINT of BEGINNING**.

3. The "Corrected Easement and Right of Way", particularly described as follows:

A parcel of land containing 7143 sq. ft. more or less, located in the Southwest 1/4 of Section 30, Township 6 South, Range 35 East, Boise Meridian, Bannock County, Idaho, described as follows:

Commencing at the West 1/4 of Section 30, Township 6 South, Range 35 East, Boise Meridian, thence South 89°26'48" East along the Latitudinal Centerline a distance of 1182.2 feet more or less to the West 1/16th corner on the Latitudinal centerline of said Section 30; thence continuing along said Centerline South 89°26'48" East a distance of 993.37 feet; thence leaving said Centerline South 00°33'12" West a distance of 199.24 feet to the **POINT OF BEGINNING**; Thence North 37°16'38" East a distance of 36.11 feet; Thence North 56°33'22" East a distance of 120.00 feet; Thence South 33°26'38" East a distance of 22.60 feet; Thence South 04°39'22" West a distance of 49.60 feet; Thence South 55°02'18" West a distance of 23.00 feet; Thence North 34°57'42" West a distance of 16.00 feet; Thence South 55°02'18" West a distance of 58.22 feet; Thence South 36°36'42" West a distance of 26.00 feet; Thence North 54°44'09" West a distance of 48.00 feet, to the **POINT OF BEGINNING**.

Together with a 21.00 foot wide access easement, the Centerline being described as follows:

Commencing at the point of beginning of the above described parcel of land thence South 54°44'09" East a distance of 11.27 feet to a point on the Centerline being described the **TRUE POINT OF BEGINNING**; thence along said Centerline for the next 3 following courses / curve;

1. South 37°16'38" West a distance of 176.67 feet to the beginning of a 165.50 foot radius curve to the right;
2. Thence along said curve through a central angle of 53°28'20" for an arc distance of 154.46 feet (the chord bearing being South 64°00'48" West a distance of 148.91 feet);
3. Thence North 89°15'02" West a distance of 55.46 feet to a point on the east Right of Way Line of Alvin Ricken Drive, **TERMINUS** of the Centerline being described.

IN WITNESS WHEREOF, the said Grantor has hereunto set his hand the day and year first above written.

LORIN NIELSEN, BANNOCK COUNTY SHERIFF

By \_\_\_\_\_

STATE OF IDAHO )  
 ) ss  
County of Bannock )

On this \_\_\_\_\_ day of January, 2017, before me, a Notary Public in and for said County and State, personally appeared \_\_\_\_\_ known or identified to me to be the person whose name is subscribed to the foregoing instrument as the \_\_\_\_\_ of Bannock County, State of Idaho, and acknowledged to me that he executed the same as such \_\_\_\_\_ of Bannock County, State of Idaho.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

\_\_\_\_\_  
Notary Public for Idaho  
Residing at \_\_\_\_\_, Idaho  
My Commission Expires: \_\_\_\_\_

## Olsen, Tiffany

---

**From:** Craig W Christensen <cwcc@ida.net>  
**Sent:** Thursday, January 12, 2017 5:21 PM  
**To:** Olsen, Tiffany  
**Cc:** Craig W. Christensen, Chartered; Racine Law Offices; Rebecca. "Becca" Gullett  
**Subject:** Re: Positron

SECURITY WARNING - This email was sent from outside of the City of Pocatello's email system. DO NOT OPEN links or attachments from unknown senders.

---

Thank you Tiffany. Alliance has approved so we will coordinate execution and recording with the Bannock County Sheriff's office. Happy New Year!!!!

Craig

Sent from my iPhone

Craig W. Christensen, Chartered

P. O. Box 130

414 S. Garfield

Pocatello, ID 83204

Telephone: 208-234-9353

Fax: 208-234-9357

mail: cwcc@ida.net

# AGENDA ITEM

NO. 4(b)

**PROMISSORY NOTE**

\$26,000 Pocatello, Bannock County, Idaho

December 21, 2016

FOR VALUE RECEIVED The Bridge, BLGL, LLC, an Idaho Limited Liability Company (hereinafter "The Bridge"), promises to pay to the order of the Pocatello Development Authority, an urban renewal agency formed in accordance with the laws of the State of Idaho (hereinafter "PDA"), the sum of twenty-six thousand dollars (\$26,000.00), said amount being payable in full or before the 21<sup>st</sup> day of December 2021; payable in lawful money of the United States at Pocatello City Hall, 911 North 7th, Pocatello, Idaho.

This Note is subject to and in conjunction with that certain Economic Development Grant and Loan Agreement by and between the PDA and The Bridge dated October 19, 2016.

Pursuant to said Agreement, the first year of the loan shall be free from interest. Beginning on December 21, 2017, The Bridge shall pay the remaining balance of the loan on an amortized schedule in quarterly payments for the remaining four (4) years of the loan term with interest accruing at a fixed rate of prime plus 1% (prime as of December 21, 2017). The first quarterly payment shall be made no later than March 31, 2018. The fixed interest rate shall be converted to a daily rate for calculation purposes but not compounded daily for determining the interest expense.

The Bridge waives demand, protest and notice of maturity, non-payment or protest and all requirements necessary to hold it liable as maker and endorser.

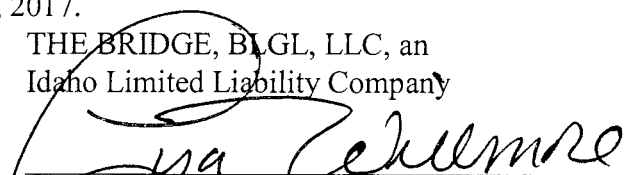
The Bridge further agrees to pay all costs of collection, including reasonable attorneys' fees in case this note is not paid at the maturity thereof, whether suit be brought or not.

There is no penalty for prepayment of this Note.

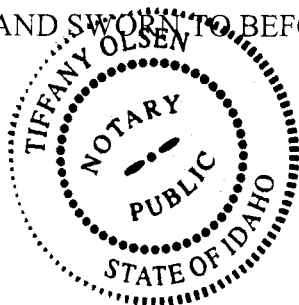
This Note is to be construed and enforced according to the laws of the State of Idaho.

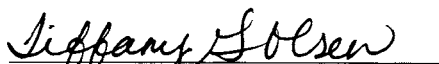
DATED this 3<sup>rd</sup> day of January, 2017.

THE BRIDGE, BLGL, LLC, an  
Idaho Limited Liability Company

  
LISA WILLMORE, Managing Member

SUBSCRIBED AND SWORN TO BEFORE ME this 3<sup>rd</sup> day of January, 2017.



  
NOTARY PUBLIC FOR IDAHO  
Residing in Blackfoot, Idaho  
Commission Expires: 10/3/2017

I, Michael J. Heberlein, a member of Portneuf Valley Investment Partners, LLC, an Idaho Limited Liability Company, hereby acknowledge receipt of check number 3316 issued from the Pocatello Development Authority, in the amount of \$26,000.00 for payment of the Invoice related to the *Sales Agreement* for the kitchen equipment listed therein which was relocated and sold to The Bridge BLGL, LLC.

Dated this 3<sup>rd</sup> day of January, 2017.

Michael J. Heberlein  
MICHAEL J. HEBERLEIN, member  
Portneuf Valley Investment Partners, LLC

POCATELLO DEVELOPMENT AUTHORITY  
P O BOX 4169  
POCATELLO, ID 83205-4169  
(208) 234-6218

WELLS FARGO BANK, N.A.  
www.wellsfargo.com  
92-379/1241

3316

12/20/2016  
*gjs*

PAY TO THE ORDER OF Portneuf Valley Investment Partners, LLC

\$ \*\*26,000.00

Twenty-Six Thousand and 00/100\*\*\*\*\*

DOLLARS  $\text{\$}$

Portneuf Valley Investment Partners, LLC

MEMO

*Joy A. Stone Susan K. Tripp*  
AUTHORIZED-SIGNATURE

⑈0000003316⑈ ⑆124103799⑆ 0040024739⑈

POCATELLO DEVELOPMENT AUTHORITY

3316

Portneuf Valley Investment Partners, LLC

12/20/2016  
*gjs*

The Bridge economic development loan for reinstallat

26,000.00


# Pocatello Development Authority

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

*An urban renewal agency for the City of Pocatello, Idaho*

## Memorandum

To: Joyce Stroschein, PDA Treasurer

From: Tiffany G. Olsen, Secretary to the PDA Board 

Date: January 4, 2017

Re: The Bridge BLGL, LLC

---

Attached hereto are copies of the invoices and verification of issuance of payment to Electrical Construction & Sales, LLP made by Old Federal Building Associates for the electrical upgrades made to the Yellowstone Hotel, located at 200 West Bonneville, Pocatello, Idaho. I have also verified payment has been received by Electrical Construction & Sales, LLP. The payment made on behalf of The Bridge Restaurant and The Depot Bar exceeds the \$25,000 amount specified as reimbursement contained in the *Economic Development Grant and Loan Agreement* (dated October 19, 2016), therefore **please issue a check for \$25,000 to Old Federal Building Associates, 150 South Arthur Street, Suite 306, Pocatello, Idaho 83204.**

Thank you.

Electric Construction & Sales, LLP

PO BOX 4054  
ID 83205

# Invoice

Date	Invoice #
10/28/2016	840858

Bill To
Dick Carroll P.O. Box 5 Pocatello, Idaho 83204

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
	<p>YELLOWSTONE HOTEL</p> <p>Furnish and Install Breaker Panels, HVAC Power with Conduit and Wire, Excavation, Conduits Run into Basement, and Electrical Permit. Quote - \$39,426.00</p> <p>Amount Paid - \$32,000.00      10/11/2016</p> <p>Amount Now Due</p> <p style="text-align: center; font-size: 2em;"># 6940 11.14.16</p> <div style="border: 1px solid black; padding: 5px; margin: 10px auto; width: fit-content;"> <p>OLD FEDERAL BUILDING ASSOCIATES P.O. BOX 1628 150 S. ARTHUR STREET, SUITE 800 POCATELLO, ID 83204</p> <p style="text-align: right;">6940</p> <p style="text-align: right;">DATE 11.14.16</p> <p>PAY TO THE ORDER OF <u>Electric Construction &amp; Sales, LLP</u> \$ <u>7426.00</u></p> <p><u>Seven Thousand Four Hundred Twenty Six and 00/100</u> DOLLARS</p> <p>CITIZENS COMMUNITY BANK P.O. BOX 1628 POCATELLO, ID 83204 (208) 232-5373</p> <p>FOR <u>Dick Carroll</u></p> <p>*006940* 66241037736 140006867*</p> </div>	7,426.00	7,426.00

CHECK 6940 Date: 11/16 Amount: \$7,426.00

**Total** \$7,426.00



Electric Construction & Sales, LLP

PO BOX 4054  
ID 83205

# Invoice

Date	Invoice #
9/28/2016	840825

# 6917  
10.7.16

YH

Bill To
Dick Carroll P.O. Box 5 Pocatello, Idaho 83204

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
	<p>YELLOWSTONE HOTEL</p> <p>Furnish and Install Breaker Panels, HVAC Power with Conduit and Wire, Excavation, Conduits Run into Basement, and Electrical Permit. Quote - \$39,426.00</p> <p>Amount Now Due</p> <p>Will Bill the Remainder when the Panels have been Energized</p>	32,000.00	32,000.00

OLD FEDERAL BUILDING ASSOCIATES PH: (208) 251-7628 150 S. ARTHUR STREET, SUITE 306 POCATELLO, ID 83204		6917
PAY TO THE ORDER OF <i>Electric Construction + Sales</i>		DATE <i>10.7.16</i>
\$ <i>32,000.00</i>		
<i>Thirty Two Thousand &amp; 00/100</i> DOLLARS		
CITIZENS COMMUNITY BANK P.O. BOX 1683 POCATELLO, ID 83204 (208) 232-3373		
FDR <i>Ann Carroll</i>		
*006917* 01241037730 140006867*		

CHECK 6917 Date: 10/11 Amount: \$32,000.00

**Total** \$32,000.00

Image # 612900230000742

Front Image

OLD FEDERAL BUILDING ASSOCIATES  
 P.O. (208) 251-7628  
 150 S. ARTILUR STREET, SUITE 306  
 POCATELLO, ID 83204

6917  
92-377/1241

PAY TO THE ORDER OF Electric Construction + Sales DATE 10.7.16  
Thirty Two Thousand & 70/100 \$ 32,000.00  
 DOLLARS

CITIZENS COMMUNITY BANK  
 P O BOX 1689  
 POCATELLO, ID 83204  
 (208) 232-5373

FOR Ann Carroll

⑈006917⑈ ⑆124103773⑆ ⑆40006867⑈

Back Image

ENCLOSE HERE

PAY TO THE ORDER OF  
 CITIZENS COMMUNITY BANK  
 POCATELLO, ID 83204-3202  
 P 124103773  
 FOR DEPOSIT ONLY  
 ELECTRIC CONSTRUCTION  
 POCATELLO, ID 83204-3202  
 ⑆006917⑆

Secure Features:  Magnetic Ink Character Recognition (MICR) lines at the bottom of the front and back of the check.  
 Watermark: A watermark of the number '100' is visible on the front and back of the check.  
 Security Thread: A security thread is embedded in the paper.  
 Microprint: Microprint is visible around the perimeter of the front and back of the check.  
 Color: The check is printed in color.  
 Paper: The check is printed on high quality paper.  
 Hologram: A hologram is visible on the front and back of the check.  
 Other: Other security features are visible on the front and back of the check.

⑆006917⑆ ⑆124103773⑆ ⑆40006867⑈

238580025800 10-11-2016 CCB >124103773<

Electric Construction & Sales, LLP

PO BOX 4054  
ID 83205

# Invoice

Date	Invoice #
9/28/2016	840824

# 6918  
10.7.16

Bill To
Dick Carroll P.O. Box 5 Pocatello, Idaho 83204

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
	<p>YELLOWSTONE HOTEL SERVICE</p> <p>Quote to Furnish and Install a 1200 Amp Service and (22) Meter Bases</p>	28,116.00	28,116.00
<b>Total</b>			\$28,116.00

<p>OLD FEDERAL BUILDING ASSOCIATES PH: (208) 551-7624 150 S. ARTIFEX STREET, SUITE 306 POCATELLO, ID 83201</p>	<p>6918 22-3771241</p>
<p>PAY TO THE ORDER OF: <i>Electric Construction &amp; Sales</i></p>	<p>DATE: <i>10.7.16</i></p>
<p><i>Twenty Eight Thousand One Hundred Sixteen (28,116.00)</i></p>	<p>\$ 28,116.00</p>
<p>CITIZENS COMMUNITY BANK P.O. BOX 1229 POCATELLO, ID 83204 (208) 232-5373</p>	<p><i>Ann Carroll</i></p>
<p>FOR: <i>Ann Carroll</i></p>	
<p>*006918* 0124103773 140006857*</p>	



I, Ann Carroll, on behalf of Old Federal Building Associates, hereby acknowledge receipt of check number 3318 issued from the Pocatello Development Authority, in the amount of \$25,000.00, as reimbursement for the funds expended to upgrade the electrical system at the Yellowstone Hotel, specifically to The Bridge Restaurant and The Depot Bar, pursuant to the *Economic Development Grant and Loan Agreement*, dated October 19, 2016.

Dated this 6<sup>th</sup> day of January, 2017.

*Ann Carroll*

ANN CARROLL  
Old Federal Building Associates

POCATELLO DEVELOPMENT AUTHORITY  
P O BOX 4169  
POCATELLO, ID 83205-4169  
(208) 234-6218

WELLS FARGO BANK, N.A.  
www.wellsfargo.com  
92-379/1241

3318

1/5/2017

TO THE  
R OF Old Federal Building Associates

\$ \*\*25,000.00

Twenty-Five Thousand and 00/100\*\*\*\*\*

DOLLARS 

Old Federal Building Associates

MEMO

*Joyce A. Strain Susan K. Simpson*  
AUTHORIZED SIGNATURE

⑈0000003318⑈ ⑆124103799⑆ 0040024739⑈

POCATELLO DEVELOPMENT AUTHORITY

3318

Old Federal Building Associates

1/5/2017

Economic Grant for the electrical upgrade to The Bridge

25,000.00

AGENDA ITEM

NO. 4(c)

# Pocatello Development Authority & Petersen Inc.

Status Update

*Regional  
Development Alliance, Inc.*  
East Idaho's Partner in Growth  
December 31, 2016



# PDA Agreement

- Grant, Loan and guarantee terms contingent on Petersen Inc. performance
  - 50 full time employees
  - Period of fifteen years – Beginning 3/1/2011 thru 3/1/2026
  - Minimum wage of \$14.00/hour

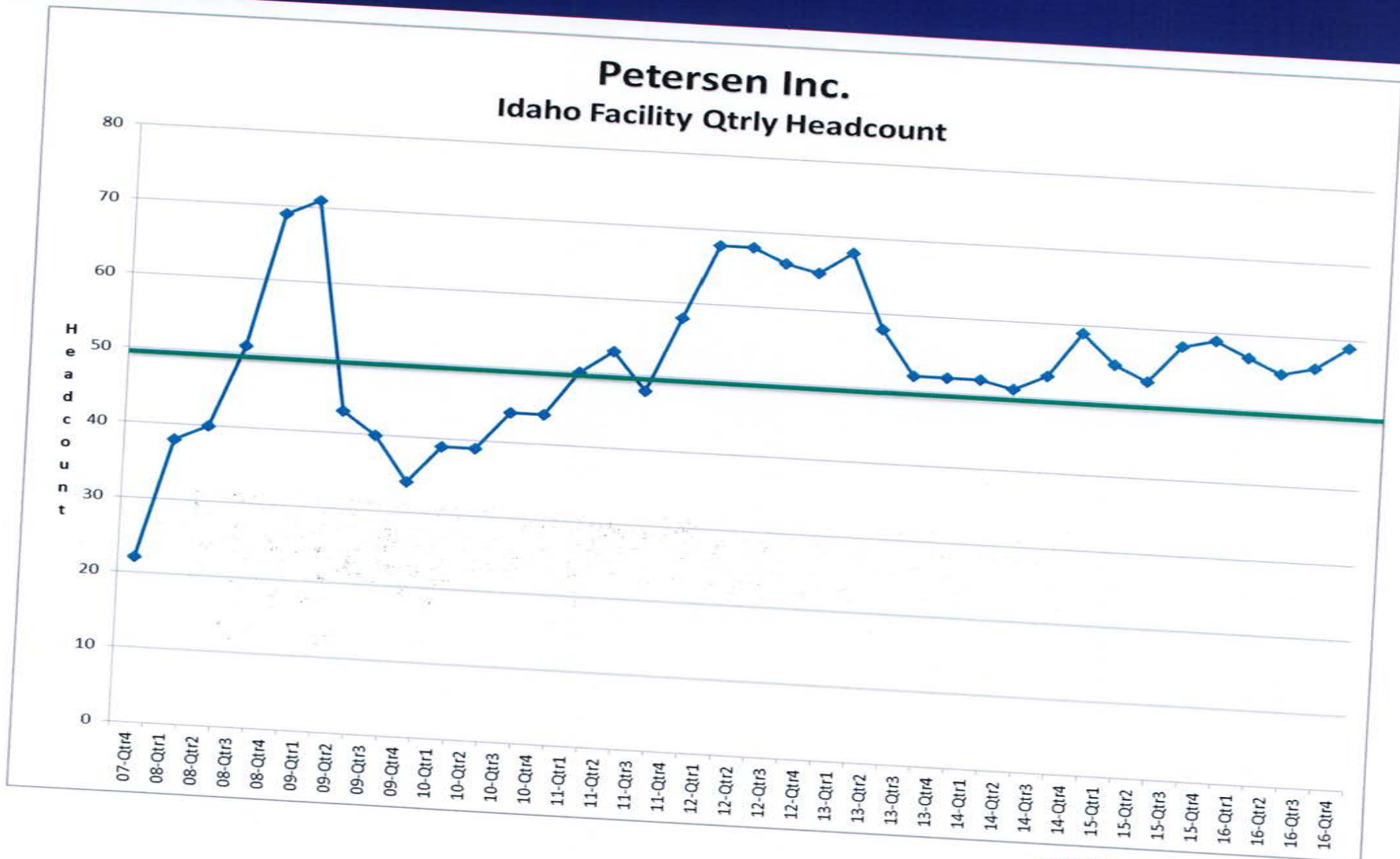
*Regional  
Development Alliance, Inc.*

*East Idaho's Partner in Growth*

# Current Conditions

- Very busy so far this year. Work has been steady all year.
- Several good bids recently won, and in the works with positive outlook
- Future bright, commitment strong
- Currently 59 heads on roll
  - 54 heads at/over \$14.00 per hour
  - Average wage of \$22.32 per hour

# Current Conditions



## Olsen, Tiffany

---

**From:** Casey Jones <Casey.Jones@peterseninc.com>  
**nt:** Thursday, January 12, 2017 4:30 PM  
**To:** Olsen, Tiffany  
**Subject:** RE: PDA semi-annual Report  
**Attachments:** PDA Update as of 12-31-2016.pptx

SECURITY WARNING - This email was sent from outside of the City of Pocatello's email system. DO NOT OPEN links or attachments from unknown senders.

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Hi Tiffany,

Attached is the updated report for your review and use. Also below is a quick view at the additional information you requested. I know this goes without saying, but the information in the table below is very sensitive and we ask that you keep it confidential and only use it for general uses and not specific examples or with the Petersen Inc name.

Please let me know if you have any questions.

Position	# of Employees	Avg. Hourly Wage
Admin Assistant	1	\$15.53
Engineer	3	\$30.50
Mechanic/Electrical Tech	2	\$21.25
Quality Inspector	3	\$24.75
Painter/Blaster	2	\$15.35
Fitter/Welder	31	\$20.99
Machine Operator/Machinist	3	\$18.25
Material Handler	3	\$15.35
Supervision	7	\$38.44
Sweeper/Helper	4	\$10.52

Thanks,

*Casey*

**Casey Jones**  
**Petersen Inc.**

Chief Financial Officer  
[casey.jones@peterseninc.com](mailto:casey.jones@peterseninc.com)  
Desk: 801-732-2095  
Cell: 801-710-8049

**From:** Olsen, Tiffany [mailto:tolsen@pocatello.us]  
**Sent:** Wednesday, January 11, 2017 4:36 PM  
**To:** Casey Jones  
**Subject:** FW: PDA semi-annual Report

Good Afternoon Casey,

I just wanted to follow up and make sure that you received this email. Thank you for letting me know.  
Tiffany

**From:** Olsen, Tiffany  
**Sent:** Friday, January 06, 2017 11:31 AM  
**To:** 'Casey Jones' <Casey.Jones@peterseninc.com>  
**Subject:** RE: PDA semi-annual Report

Happy New Year Casey –

It is that time of year again that the PDA wishes to receive an updated report on the employment at the Petersen facility. The Board has expressed interest in receiving a bit more detail in the report beyond what has been historically provided. They would like to see a report which includes the positions within the facility and what each position is paid (ex. 4 engineers at \$\_\_\_ per hour). We recently entered into a similar benchmark agreement with another company and are requiring them to provide this detailed information and therefore the Board has asked that I also receive this information from Petersen's.

The meeting will be held on Wednesday, January 18, 2017 at 11:00 am at City Hall in the Paradise room of which you are welcome and invited. If you are not able to attend, I would appreciate receiving the report no later than January 12<sup>th</sup> to make the Agenda materials.

Please contact me if you have any questions. I look forward to hearing from you soon.

Thank you,

*Tiffany G. Olsen*  
*Paralegal/Assistant to the City Attorney*  
*City of Pocatello*  
*911 North 7th, P.O. Box 4169*  
*Pocatello, ID 83205*  
*Telephone: (208) 234-6149*  
*Facsimile: (208) 239-6986*

service as a Commissioner and as an Officer of the Board of Commissioners of the PDA from May 20, 1999 until his resignation on July 1, 2010. A plaque of appreciation was presented to Mr. Brown, and a well-deserved round of applause was given by the Board in appreciation of Mr. Brown's service. Thereafter it was moved and seconded to approve Resolution 2010-1. **The motion passed by a vote of six to one (L. Fisher, C. Hill, D. Johnson, K. Monroe, E. Nye, and R. Ward, approved, B. Blad opposed.** Mr. Brown relayed to the Board that his appointment to the Board came at a controversial time for the City and the PDA, and that his time on the Board provided him with a new perspective on how to make things work. He added that he is a better person because of the people he had the opportunity to work with while on the Board.

**C. IsoRay.** R. Chambers directed the Board to a letter dated May 7, 2010 received by the PDA from an attorney representing IsoRay, Inc., and noted that IsoRay claims it is still in negotiations with the Idaho National Lab (INL), that the conditions of "approval" for use of the facility are unclear, and as such, IsoRay has no obligation to repay its obligation to the PDA. Chambers reported that the INL says it is not in negotiations with IsoRay at this time. He suggested that the PDA's legal counsel prepare a response to IsoRay requesting IsoRay provide all evidence of its interactions with the INL by a date certain, and that the burden be put on IsoRay to prove its obligations under the development agreement with the PDA have been met. After a brief discussion, it was MSC (L. Fisher, B. Blad) to instruct PDA's legal counsel to prepare a demand letter to IsoRay.

**D. Pocatello Regional Airport Urban Renewal Area.** David Allen, Manager of the Pocatello Regional Airport, and Merrill Quayle, City Development Engineer, together with R. Chambers addressed the Board regarding the formation of an Urban Renewal Area and Tax Increment Financing District at the Pocatello Regional Airport. Chambers reviewed with the Board the work he had done to facilitate the sale of the Gateway West complex in an attempt to retain businesses located at the facility. He reported that those negotiations were unsuccessful, and that some businesses at the facility are looking for other locations. Petersen, Inc. desires to stay in the Pocatello area, largely in part because of its agreement with the PDA regarding the payback of a \$750,000 loan Petersen, Inc. received from the Regional Development Authority (RDA). There are few industrial sites in the Pocatello area other than at the Pocatello Regional Airport. Petersen, Inc. has determined to locate at an approximate ten acre site east of the main entrance to the airport, with a right of first refusal on additional acreage of approximately the same size. Petersen, Inc., would like to be under construction by August 15, 2010.

Chambers asked the Board to consider recommending to the City of Pocatello that an urban renewal area and tax increment financing district be formed at the Pocatello Regional Airport in order to improve the infrastructure at the airport to accommodate industrial expansion. The infrastructure would include water and sanitary sewer lines, additional electrical power transmission facilities, roadways, and possibly rail spur refurbishment. In addition to Petersen, Inc., at least one other manufacturer is interested in locating at the airport. The combined tax valuation increase from the two manufacturers is estimated to be approximately fifteen million dollars in taxable property. Chambers advised the Board that he has done preliminary work on an Urban Renewal Area Plan for a proposed Pocatello Regional Airport District, which plan would run for twenty-four years. The district would encompass the entire airport area, including an additional one hundred ten acre area which is currently being used for biosolids application by the City's Water Pollution Control Department. Chambers asked the Board for its approval to continue work on the plan.

As an aside, Chambers also advised the Board that Petersen, Inc., is asking for an adjustment to the terms of its Economic Development Grant Agreement with the PDA, under which the PDA agreed to repay Petersen's \$750,000.00 loan from the RDA if Petersen, Inc. remained in the

Pocatello area for ten years while maintaining a one hundred job threshold. To date, Petersen, Inc. has not reached the one hundred job threshold, so the ten year non-relocation provision has not started to run. Chambers suggested the Board consider amending the Agreement to allow a threshold of fifty jobs for a longer retention period of fifteen years.

Discussion ensued among Board members regarding the formation of an urban renewal area and the amendment to the PDA's Economic Development Grant Agreement with Petersen, Inc. **R. Ward** noted that the airport area is often the first impression received by visitors to Pocatello, and questions if manufacturing facilities are what we want that first impression to be. Chambers assured the Board that Petersen, Inc. maintains a very clean and professional looking operation at its Ogden plant. **D. Allen** advised that the Airport Master Plan provides that lessors maintain their facilities in good condition. **R. Ward** also questioned what other future development might come in to the airport, and what its impact would be. **D. Allen** noted that his plan is to make the airport area a "transload station" using multiple transportation options available to increase the attractiveness of the area to manufacturers. **D. Swindell** advised the Board that the City owns a lot of property at the airport, some of which is used as agricultural land for biosolids application. He noted that the City needs to retain some land for the biosolids program. The Petersen, Inc. development area will not impact the biosolids program at this time, however future development may bring some conflict between the two programs. He also noted that this proposed urban renewal area and tax increment financing district will be different from others, because the land is situated in Power County. There is currently approximately two million dollars in tax valuation at the airport. The addition of the Petersen, Inc. plant alone to the airport area will increase that valuation by two and one half times. **R. Chambers** noted that he has met with the Power County Assessor and the Power County Commissioners, and they all appear to be prepared and supportive of the establishment of a tax increment financing district in Power County.

Engineering requirements for the expansion were discussed. There is a fire flow water issue, and either a reservoir or a water tank will need to be included in the infrastructure plans, as well as an upgrade of sanitary sewer lines in the area. **L. Fisher** asked what the estimated infrastructure costs will be. **M. Quayle** estimated infrastructure costs will be approximately \$600,000.00. If a rail spur option is incorporated into the infrastructure, the costs would increase to \$900,000.00 to \$1,000,000.00. After discussion ended, it was **MSC (B. Blad, C. Hill)** to authorize **R. Chambers** to proceed with the preparation of a plan to establish an urban renewal area and revenue allocation district at the Pocatello Regional Airport.

Discussion followed regarding Petersen, Inc.'s request to amend the terms of the Economic Development Grant Agreement between Petersen and the PDA. **K. Monroe** noted that he had difficulty with Petersen dropping the number of jobs it initially promised it would bring. **C. Hill** inquired as to what the investment amount worked out to for each employee if the number of jobs is dropped to fifty from one hundred. **G. Gilliam** advised that the standard investment amount per job is usually twenty thousand dollars or less. If the number of jobs was reduced to fifty, the investment would be fifteen thousand dollars per job. After further discussion, it was **moved and seconded (R. Ward, B. Blad)** to amend the requirements of the Economic Development Grant Agreement between Petersen, Inc. and the PDA to provide that Petersen, Inc. must maintain a threshold of fifty (50) full time employment positions for a period of not less than fifteen (15) years in order to receive the benefits provided for under the Agreement. **The motion passed by a vote of six to one (B. Blad, L. Fisher, C. Hill, D. Johnson, E. Nye, and R. Ward, approved, K. Monroe opposed).**

**E. Valley Forge Request.** **G. Gilliam** advised the Board that Valley Forge has been working with the Accelerator Center to produce scanning devices. There is a need to add an additional cell space at the Accelerator Center to accommodate the work being done by Valley Forge, at a cost of \$400,000.00. Idaho State University has committed \$200,000.00 to the project. Valley

## ECONOMIC DEVELOPMENT GRANT AGREEMENT

This Agreement is made this 22 day of February, 2008, between Petersen Inc., a Utah corporation, (hereinafter referred to as "Petersen") whose address is 1527 North 200 West, Ogden, UT 84404, 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 1651 Alvin Ricken Drive, Pocatello, ID 83201.

### 1. Recitals

1.1 Petersen intends to establish a custom steel fabrication business which shall be located in the Naval Ordnance Plant Urban Renewal Area within the City of Pocatello, Idaho.

1.2 PDA is a public body created as an urban renewal agency pursuant to Idaho Code §50-2006, part of the Idaho Urban Renewal Law of 1965. As an urban renewal agency established by the City Council of the City of Pocatello, PDA is charged with aiding and assisting economic development in the Pocatello area, including assisting developments that will retain and increase available jobs in the community; and is further charged with encouraging such development by private enterprise; all as more specifically provided in Idaho Code §§50-2002 and 50-2003, being part of the Idaho Urban Renewal Law, and Idaho Code §50-2902, being part of the Local Economic Development Act.

1.3 As a part of the incentive package offered to Petersen in return for Petersen's commitment to establish a custom steel fabrication business in Pocatello, Idaho, the Regional Development Alliance, Inc., agreed to make funds available through an interest free loan in the amount of Seven Hundred Fifty Thousand Dollars (\$750,000.00), which funds are earmarked for Petersen's use in locating its business operation in Pocatello, Idaho, and for the improvement of the facilities to be used by Petersen which are located within the Naval

**COPY**

Ordinance Plant Urban Renewal Area. A copy of the Regional Development Alliance, Inc./Petersen Loan Agreement is attached hereto and incorporated herein.

1.4 PDA has determined that the establishment of a custom steel fabrication plant represents the type of urban area development which it can assist with and support under the applicable statutes; and that such assistance and support will promote economic development of the area by creating jobs and increasing the tax base consistent with the applicable urban renewal plan. For that reason, PDA has committed to guarantee the repayment of the no interest loan from the Regional Development Alliance, Inc., discussed in paragraph 1.3 of this Agreement.

1.5 By this Agreement, PDA and Petersen wish to memorialize their mutual undertakings and commitments with respect to the project described herein and therefore, agree as follows:

2. Provisions for the Repayment of Economic Development Funds

2.1 To further the proposed development and increased tax base expected therefrom, PDA agrees to guarantee the repayment of the sum of Seven Hundred Fifty Thousand Dollars (\$750,000.00) provided to Petersen through a no interest loan from the Regional Development Alliance, Inc.

2.2 In return for PDA's agreement to repay said funds, Petersen agrees to locate a custom steel fabrication plant in Pocatello, Idaho for a continuous period of not less than ten (10) years, subject to the following conditions:

A. The minimum number of full-time employment positions continuously provided and filled by Petersen during the ten (10) year period shall not be less than one hundred (100) positions at any one time.

B. The wage paid to qualifying full time employment positions during the ten year period shall at a minimum be fourteen dollars (\$14.00) per hour.

C. The term of the continuous ten year period of relocation shall begin on the first day that Petersen achieves the threshold of employing one hundred employees with a minimum wage of fourteen dollars (\$14.00) per hour, as described in paragraph B above.

D. Petersen agrees to submit to an employee verification study to be conducted by or at the direction of PDA upon reasonable notice. Petersen and PDA agree to cooperate in the exchange of information for said study which may be conducted as frequently as every six months, but no less than once per year, so long as Petersen is in compliance with the employment requirements provided in paragraphs A and B above. In the event Petersen fails or refuses to meet any of the requirements of paragraphs A and B above, PDA reserves the right to conduct an employee verification study as frequently as every three months until Petersen is in compliance for two consecutive verification studies. For the purpose of this section, a "year" shall begin on the date described in paragraph C above.

E. In the event Petersen fails or refuses to operate and maintain its custom steel fabrication plant in Pocatello, Idaho for a continuous period of ten years from the date described in paragraph C above, then PDA's obligation to guarantee and pay all sums loaned to Petersen by the Regional Development Alliance, Inc., shall cease. Petersen shall be responsible for payment of all funds due and owing to the Regional Development Alliance, Inc., which were loaned on Petersen's behalf, together with any and all funds paid or advanced by PDA to the Regional Development Alliance, Inc., on Petersen's behalf.

F. In the event Petersen fails or refuses to maintain a minimum work force of one hundred (100) qualifying full time employment positions as described in paragraphs A and B above, for any continuous six month period, Petersen agrees to repay the funds provided by the Regional Development Alliance, Inc., at an annual pro-rata rate, based upon the length of time Petersen fails to meet criteria for qualifying full time employment positions herein described within any one year period, for the term of Petersen's operating commitment of ten years. For example, should Petersen fail or refuse to provide a minimum of 100 full time employment positions with a minimum wage of fourteen dollars (\$14.00) per hour for a continuous period of six months or more during any one year period, then Petersen shall be responsible for the repayment of one-tenth of the full loan amount provided by the Regional Development Alliance, Inc., to Petersen for each and every year the requirement is not met. For the purpose of this provision, "one year" shall be defined as the 365 days (366 days in leap years) including and following the anniversary date of the first day that Petersen achieves the threshold of employing one hundred employees with a minimum wage of fourteen dollars (\$14.00) per hour, as described in paragraph B above. Any annual pro-rata payments due and owing by Petersen shall be made to PDA within sixty days notice by PDA to Petersen of the amount due and owing.

### **3. Effect of Agreement**

**3.1** It is understood by the parties to this Agreement that the amounts paid by PDA to the Regional Development Alliance, Inc., for the benefit of Petersen are not to be construed as compensation for specific services by Petersen for PDA. Rather, the intent of the

parties is that the payments assist Petersen in its need for capital in connection with the development project, and the parties shall take all action necessary to carry out that intent.

3.2 The parties acknowledge that the effect of the payments by PDA required hereunder will inure to the benefit of Petersen, while having the corresponding benefit to the public purposes of PDA described above.

#### 4. Miscellaneous

4.1 This Agreement shall be governed by and construed under the laws of the State of Idaho; venue shall be the Sixth Judicial District for the County of Bannock.

4.2 In any litigation arising out of this Agreement, the prevailing party shall be entitled to recover reasonable attorney fees from the non-prevailing party. Determination of the prevailing party in any such litigation shall be made on the basis of the factors enumerated in Rule 54(d)(1)(B), Idaho Rules of Civil Procedure, as the same now exists or may subsequently be amended.

4.2 The effective date of this Agreement shall be the 4<sup>th</sup> day of FEBRUARY, 2008.

4.3 This Agreement shall be binding upon and inure to the benefit of the respective parties and their legal successors. Petersen may assign this Agreement with the express written consent of the PDA, which consent shall not be unreasonably withheld.

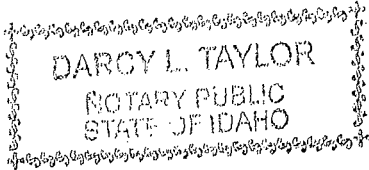
4.4 Each party represents to the other that it has full legal authority to enter into and execute this Agreement and that the persons signing on behalf of each party have full legal authority to execute this Agreement.

4.5 Notices by either party to the other shall be made in writing and delivered by first class mail, postage prepaid, to the parties as follows:



IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the date and year in this certificate first above written.

Darcy L. Taylor  
NOTARY PUBLIC FOR IDAHO  
Residing in Pocatello  
My commission expires: 9/12/12



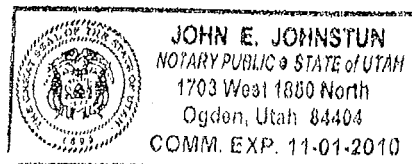
FOR PETERSEN, INC.:

STATE OF UTAH )  
County of WEBER )  
SS:

On this 4<sup>th</sup> day of February, 2008, before me, the undersigned, a Notary Public in and for the State, personally appeared Steve Petersen, known to me or proved to me to be the President of Petersen, Inc., a Utah corporation, whose name is subscribed to the foregoing instrument on behalf of said company, and acknowledged to me that he executed the same for and on behalf of said limited liability company by authority of the company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

John E. Johnston  
NOTARY PUBLIC FOR UTAH  
Residing in Ogden Utah  
My commission expires: 11-01-2010



## LOAN AGREEMENT

This Agreement is executed between Regional Development Alliance, Inc., an Idaho nonprofit corporation ("RDA") and Petersen, Inc. an Utah corporation ("Grantee").

### RECITALS

a. RDA has entered into an agreement with the State of Idaho (the "State") to administer funds received under the U.S. Department of Energy from the Idaho National Engineering Environmental Laboratory Settlement Fund Program. Said agreement is dated May 30, 1997 and is referred to hereafter as the "Settlement Agreement". A copy of the Settlement Agreement is attached hereto.

b. Grantee has been approved to receive financial assistance in keeping with the terms and scope of the Settlement Agreement.

c. Grantee has submitted a proposal that outlines Grantee's anticipated use of Settlement Agreement funds (the "Proposal").

### AGREEMENT

In consideration of the mutual covenants contained herein, the parties agree as follows:

1. **Loan.** RDA loans to Grantee the sum of Seven Hundred Fifty Thousand Dollars (\$750,000.00) (referred to as the "Loan"). The Loan shall accrue interest at the rate of 0% per annum from the date of the Promissory Notes in the form attached hereto as Exhibit A (the "Note") provided Grantee employs 100 full time employees in the Southeastern Idaho counties served by RDA within 24 months of this agreement and maintains that level of employment until the Loan is paid. If Grantee fails to meet and maintain the employment requirements then the interest on this loan shall automatically convert to 5% per annum effective the first day of the loan. Additional terms of the Loan are found in the Note.

2. **Utilization of Loan.** The Loan shall be used as outlined in Grantee's Proposal to RDA.

3. **Security Interest.** RDA shall have a security interest in all of Grantee's assets as further defined in the Security Agreement.

4. **Guaranty.** The obligations of Grantee hereunder shall be secured by a Guaranty executed by the members of Grantee in the form attached hereto as Exhibit B.

5. **Scope of Work.** Grantee shall use the Loan to implement the Proposal, which is

incorporated herein by this reference. The Proposal shall be implemented as written, except to the extent it is specifically changed by this Agreement.

6. **Repayment.** If Grantee ceases to conduct business operations in the area serviced by RDA within five (5) years of the date of this Agreement and while any portion of the Loan is outstanding, the entire amount of the Loan shall accrue interest at the rate of eighteen percent (18%) per annum from the date of disbursement until paid. Said loan shall be repayable immediately upon Grantee ceasing to conduct business operations in the area serviced by RDA, with Grantee's payments to such date being recalculated and applied first to accrued interest at the higher interest rate then to principal.

7. **Settlement Agreement.** Grantee must comply with all requirements of the Settlement Agreement. Without limiting the generality of this requirement, Grantee shall be subject to all restrictions set forth in paragraphs 15 and 16 of the Settlement Agreement. Any duties, warranties or restrictions in said paragraphs pertaining to RDA shall apply to Grantee.

8. **Compliance with Law.** Grantee shall comply with all applicable federal, state, and local laws and regulations in performing all work under this Agreement. Grantee shall require any individual or entity receiving the Loan, or any portion thereof, to acknowledge and comply with this section. The requirements of this section shall be included in any agreements, contracts, subcontracts or assignments entered by Grantee related to the Loan.

9. **Audit.** RDA reserves the right to audit or examine, in such a manner and at all reasonable times it deems appropriate, all activities of Grantee arising in the course of or related to this Agreement. Grantee recognizes that the State of Idaho and the Department of Energy (or other federal agency) may have audit rights with respect to the Loan. Any apparent approval by RDA or the State with regard to the Loan, or the failure to affirmatively assert a disapproval of Grantee's acts pursuant to audit rights shall not be construed or deemed to be a waiver on the part of any entity to exercise any rights under the Settlement Agreement, including but not limited to the right to recover the amount of the

Loan, or any portion thereof, upon a federal audit. The Grantee shall include the requirements of this section in all agreements, contracts, subcontracts or assignments involving the Loan.

10. **Payment on Default.** If the RDA or the State determines that any portion of the Loan was transferred or expended in violation of the Settlement Agreement, the State has the right to recoup that portion of the Loan from the Grantee. The Grantee shall include the requirements of this section in all agreements, contracts, subcontracts or assignments involving the Loan.

11. **Record Keeping.** Grantee shall maintain records in such a fashion that RDA may incorporate the Grantee reports directly into the reports which RDA is required to provide the State of Idaho, under the Settlement Agreement. For this purpose, the terms of paragraph 8 of the Settlement Agreement are incorporated into this Agreement, except that Grantee's reports shall be delivered to RDA in a timely matter so that RDA can complete its reporting requirements to the State of Idaho. This requirement shall continue for as long as Grantee has obligations to RDA hereunder.

12. **Notice.** Any notice required under the Agreement shall be in writing and shall be delivered by certified or registered mail, return receipt requested, to the address provided below:

If to RDA:

Tim Solomon  
Regional Development Alliance, Inc.  
2300 N. Yellowstone Avenue  
Idaho Falls, Idaho 83401

If to Grantee:

Peterson, Inc.  
4853 East St.  
Chubbuck, ID 83202

Either party may modify the above notice information by written notice as provided for in this section.

13. **Insurance.** If any portion of the Loan is used by Grantee for any project involving a design professional, including but not limited to architects or engineers or any other licensed professional, Grantee shall comply with all requirements imposed on RDA under paragraph 19 of the Settlement Agreement.

14. **Attorney Fees and Costs.** In any legal proceedings related to this Agreement, the prevailing party shall be reimbursed for any and all expenses that are incurred including, but not limited to, attorney fees.

15. **Relation of Parties.** The parties intend to establish an independent contractor relationship by this Agreement. Grantee is not to be considered an agent or employee of the RDA or the State for any purpose, and Grantee's employees are not entitled to any benefits of employment provided by the RDA or the State to its employees. Grantee acknowledges this relationship, and this provision shall be included in all agreements, contracts, subcontracts or assignments entered by Grantee related to this Agreement.

16. **Restrictions.**

A. So long as any part of the loan remains unpaid, the Grantee will not do any of the following, without RDA's prior written approval: Issue stock options, stock warrants or other securities convertible into stock such that upon exercise of such options, warrants or other securities, that there would be a greater than 25% change in ownership of the Grantee; reorganize its capital structure in a manner that would result in shareholders who were not shareholders at the time of the Loan, owning more than 25 % of the stock of Grantee; merge or consolidate with any other corporation; sell any of its assets, except in the ordinary course of business; encumber its assets, incur extraordinary indebtedness; pay dividends, or pay salary or other compensation in excess of

that which is reasonable.

B. Grantee shall not use any part of the Loan, either directly or indirectly, for any political purpose. By way of example and without limiting the forgoing prohibition on political expenditures, Grantee shall not use any portion of the Loan to support or oppose (i) any candidate for public office, (ii) any political action committee, (iii) any referendum, or (iv) any other ballot measure.

17. **Publicity.** RDA may publicize the Loan in such manner as RDA shall determine. Grantee shall make no public announcement of the Loan without RDA's prior approval.

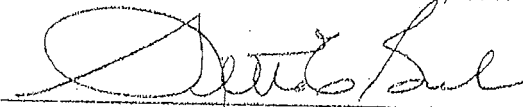
18. **Qualification to Do Business.** As a condition to obtaining disbursement of the Loan, Grantee must qualify to do business in the State of Idaho.

19. **Deposit and Loan Origination Fee.** Grantee shall pay a two percent of the loan amount as a Loan Origination fee to RDA, payable at closing.

Dated this 26<sup>th</sup> day of March, 2008.

REGIONAL DEVELOPMENT ALLIANCE, INC.

By:



Seth Beal  
Its Chairman of the Board

PETERSEN, INC.

By:



Its: Principal

PROMISSORY NOTE

\$750,000.00

Date: March 26<sup>th</sup>, 2008

FOR VALUE RECEIVED, the undersigned, Peterson, Inc., a Utah corporation, ("Maker"), promises and agrees to pay to the order of Regional Development Alliance, Inc. an Idaho non-profit corporation, in lawful money of the United State of America, the principal sum of Seven Hundred Fifty Thousand Dollars (\$750,000.00), together with interest as herein below provided, payable at the times an in the manner set forth below.

1. Except as is otherwise provided in the following paragraphs of this Promissory Note, interest shall accrue daily on the unpaid principal balance outstanding under this Promissory Note commencing March 26<sup>th</sup>, 2008, at the rate of 0% per annum provided Grantee employs 100 full time employees in the Southeastern Idaho counties served by RDA within 24 months of this Note and maintains that level of employment until the Loan is paid. If Grantee fails to meet and maintain the employment requirements then the interest on this loan shall automatically convert to 5% per annum effective the first day of the loan.

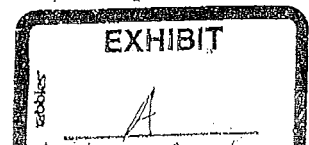
2. Principal and interest which is provided for in the preceding paragraph shall be paid as follows:

All principal and interest shall be due in a single balloon payment due March 1, 2013.

3. All payments shall be applied to the payment of accrued interest and then to the reduction of the principal balance. The Maker shall have the right of making additional payments of principal at any time without incurring any prepayment penalty; provided, however, that any such additional principal payment shall be applied to the differed balance due under this Promissory Note in the reverse order of maturity, and the making of such additional payment shall not in any way waive or excuse the Maker from making the next ensuing payment promptly as the same becomes due. Interest shall cease on additional payments of principal upon the date of the payment.

4. If any payment required by this Promissory Note is not made when due, and remains unpaid for ten (10) days after a written notice is mailed to the Maker hereof, or if any other event occurs or circumstance exists which under any instrument evidencing or securing the obligations evidenced by this Promissory Note entitles the holder hereof to accelerate the maturity of such obligations, the entire unpaid principal balance and accrued but unpaid interest hereunder shall, at the option of the holder hereof, at once become due and payable without further notice (time being the essence hereof). Failure to exercise such option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default, even, or circumstance giving rise to such right of acceleration.

5. All past due principal (whether by acceleration or in due course) and, past due





## GUARANTY AGREEMENT

THIS GUARANTY is made this 26<sup>TH</sup> day of March, 2008, by PAULINE PETERSEN and STEVEN PETERSEN hereinafter referred to as "Guarantor", to, in favor of and for the benefit of Regional Development Alliance, Inc., an non-profit economic development entity incorporated in the State of Idaho, hereinafter referred to as "Lender."

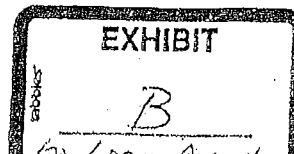
### RECITALS

- A. Lender is concurrently with the execution of this Guaranty Agreement loaning the sum of Seven Hundred Fifty Thousand Dollars (\$750,000.00) to Petersen, Inc., referred to as the "Borrower", pursuant to the terms of a Loan Agreement (the "Loan Agreement"). All terms defined in the Loan Agreement have the same meaning in this Guaranty.
- B. Guarantors are shareholders/officers of Borrower.
- C. The obligations of Borrower to Lender under the Promissory Note and the Loan Agreement are secured by a Security Agreement which Borrower is executing and delivering to Lender concurrently with the execution of this Guaranty Agreement (the "Security Agreement").
- D. The Loan Agreement, the Note, and the Security Agreement are hereinafter collectively referred to as the "Guaranteed Contracts".

### AGREEMENT

NOW, THEREFORE, as inducement to Lender to make the loan to Borrower herein above referred to and for other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, Guarantor hereby guarantees to Lender as follows:

1. **Guarantee.**
  - a. Guarantor does hereby guarantee the date and punctual payment to Lender of all sums due or to become due under the Guaranteed Contracts.
  - b. Guarantor does further guarantee the full, complete, and unimpaired performance of each and every term, covenant, condition duty and obligation of Borrower to Lender under all Guaranteed Contracts.
  - c. This Guaranty Agreement shall be construed as an absolute, continuing, unconditional and unlimited guarantee. This Guaranty Agreement shall be deemed



irrevocable and shall terminate only upon full satisfaction by Borrower of all the terms and conditions of the Guaranteed Contracts and the full and complete payments of all sums due Lender under the Guaranteed Contracts.

**2. Representations of Guarantor.**

Guarantor hereby represents that, at the time of the execution and delivery of this Guaranty Agreement, nothing exists to impair the effectiveness of the liability of Guarantor to Lender hereunder, or the immediate taking effect of this Guaranty Agreement.

**3. Waiver.**

Guarantor does hereby waive the following:

a. Notice of acceptance of this Guaranty Agreement by Lender or its successors or the failure of Lender to provide Guarantor with a copy of the Guaranteed Contracts or other related documents, or any amendments or modifications thereto.

b. Diligence, presentment, notice of presentment, protest, demand for payment, notice of dishonor, notice of default, extension of time for payment, nonpayment at maturity and indulgences and notices of every kind with respect to the obligations of Borrower, under the Guaranteed Contracts or as may be otherwise provided by law, or the obligation of any other person, firm or corporation, held by Lender as collateral security for the performance of the Guaranteed Contracts by Borrower.

**4. Continuing Guarantee.**

Guarantor agrees that the obligations hereunder, and the Guaranty, shall continue and remain in full force and effect and shall not be impaired, modified, changed, released, discharged, satisfied or limited, regardless of any of the following actions or occurrences:

a. Any change in organization or structure of Borrower.

b. Any impairment, modification, change, release or limitation of liability of Borrower pursuant to any filing for relief by or against Borrower under any present or future United States Bankruptcy law or other federal or state statute for the relief of Borrower.

c. Any adverse change in the financial condition, whether such change is deemed material or immaterial under any federal or state law, of Borrower or the failure of Borrower to comply with any law, statute or regulations.

5. Rights of Lender.

Without affecting any obligation created hereby or hereunder, Guarantor grant to Lender full power and authority, in Lender's uncontrolled and sole discretion, and at any time, or from time to time, and in such manner and on such terms as Lender deems fit and without notice to or the approval, consent or advice of Guarantor, to take any of the following actions:

- a. Obtain and accept from Borrower or any other person such additional or substitute collateral or security for the payment of the sums or performance of the obligations guaranteed hereby. Such further collateral or security may include, but shall not be limited to, additional personal guaranties, promissory notes or other instruments of indebtedness, mortgages, deeds of trust, security agreements or any other documents or interest which Lender may deem acceptable or in Lender's best interests.
- b. To make any changes, amendment or modification whatsoever to any term, covenant or condition of any Guaranteed Contracts now in existence or hereafter arising which may secure or guarantee the obligations or payments of money guaranteed hereby.
- c. The time of payment of any sum secured hereby, or any part thereof, may be extended; the terms on which such sums are to be paid, including interest thereon, may be modified; the manner or method of payment may be amended; and one or more new promissory notes or other instruments may be taken in exchange for or replacement, substitution or renewal of said instruments.
- d. Substitute, add to, exchange, release, modify, consent to the transfer or sale of, surrender or otherwise deal with, in whole or in part in any manner, any collateral securing the performance of the Guaranteed Contracts or the obligations of Borrower.
- e. To settle, compromise, release, discharge, compound or impair, the obligations of Borrower of the amounts due to Lender under any of the Guaranteed Contracts or to forbear, waive or decline to pursue any right or remedy Lender may have against Borrower or any other party or under any instrument securing the sums or performance guaranteed herein.
- f. To apply any one or more payments by, or recoveries from Borrower or from Guarantor, or to apply any sums realized from collateral or security hypothecated or furnished by Borrower, or Guarantor in such manner and in such order of priority as Lender deems fit, whether or not such obligation on which application is made is otherwise secured, or is due at the time of such application.
- g. To obtain a judgment or realize upon any collateral in whole or in part in satisfaction of the same guaranteed hereby.

6. Enforcement.

a. Lender may enforce this Guaranty Agreement without first resorting to or exhausting or enforcing any other security or collateral or without exercising any other right or remedy of Lender at law or under any of the Guaranteed Contracts, it being fully agreed and understood by Guarantor that Lender may proceed directly and independently against Guarantor, without further notice or demand upon any party, including Guarantor, upon any default in the performance of any of the covenants, terms, conditions or obligations due to Lender under any of the Guaranteed Contracts.

b. Further, Guarantor specifically agrees that Lender may proceed against Guarantor for any amount guaranteed hereunder or to compel performance of any of the Guaranteed Contracts whether any action is brought against Borrower or whether Borrower is joined or made a party in any such action Guarantor or not.

c. In any action brought by Lender on this Guaranty Agreement to recover any sum guaranteed hereby, no other or further proof shall be required then to establish the amount or sums of money due and owing Lender from Borrower. When so established, such amount or sum shall be conclusive and binding upon Guarantor.

d. If the indebtedness is for a revolving line of credit the terms of which permit Borrower to borrow, repay and reborrow Loan proceeds, then fluctuations may occur in the aggregate amount of the indebtedness covered by this Guaranty, and it is specifically acknowledged and agreed by Guarantor that reductions in the amount of indebtedness, even the zero dollar (\$0.00), shall not constitute a termination of this Guaranty. This Guaranty is binding upon Guarantor and Guarantor's heirs, successors and assigns so long as any of the guaranteed indebtedness remains unpaid and even though the indebtedness guaranteed may from time to time be zero dollars (\$0.00).

7. Assignment and Benefit.

a. Guarantor agrees that Lender, without notice to, or the consent of Guarantor, may sell, assign or transfer all or any part of its interest in the sums guaranteed hereby and its interest in and to, and the entitlement to the benefit of any of the Guaranteed Contracts, or any part thereof to any party Lender may choose. Any assignee of Lender may thereafter similarly sell, assign or transfer its interest in like manner to any party it may choose. In the event of any such assignment or transfer each and every immediate and successive assignee, transferee, holder or beneficiary of all or any part of the sums guaranteed hereby or entitled to the obligations due Lender under the Guaranteed Contracts shall have the right to enforce this Guaranty Agreement, by legal action or otherwise for the benefit of such assignee, transferee, holder or beneficiary as fully as if such party was herein by name specifically given such right and power.

b. In addition to the foregoing specific rights granted in this paragraph 7, this Guaranty Agreement shall be binding upon and inure to the benefit of the successors and assigns of Lender. Lender's successors and assigns shall have all the rights, privileges and powers granted hereunder to Lender and shall have the right to rely upon this Guaranty Agreement and to enter into further and additional transactions in reliance hereon in the same manner and with the same effect as if such successors and assigns were specifically named with Lender herein.

**8. Construction.**

Guarantor acknowledges that Guarantor and Lender have been advised by legal counsel in the preparation and execution of this Guaranty Agreement and that Lender and Guarantor possess essentially equal bargaining power. Accordingly, this Guaranty Agreement shall be construed and interpreted in a fair and equitable manner and not strictly in favor for or against either party. Guarantor specifically waives any right to assert that this Guaranty Agreement be constructed in their favor as Guarantor.

**9. Attorney Fees and Costs.**

a. Guarantor hereby agrees that Guarantor will pay to Lender all costs and expenses, including reasonable attorney fees, which Lender expends in order to enforce this Guaranty Agreement and each and every term hereof whether by suit or otherwise.

b. Guarantor further agrees that Guarantor will pay to Lender any costs and expenses, including reasonable attorney fees, which Lender must expend in pursuing any right or remedy which Lender may have against Borrower, or in enforcing any of the Guaranteed Contracts or in realizing on any other collateral or security for satisfaction of the sums guaranteed hereby.

**10. Subrogation.**

a. Guarantor shall have no right of subrogation whatsoever to any sums guaranteed hereby or to any monies due and unpaid thereon or any collateral securing the same, unless and until Lender shall have received full payment of all sums due and owing to it under the Guaranteed Contracts.

b. Upon default by Borrower in the performance of any obligation agreed to be performed by Borrower, or the payment of any sum due to Lender under any of the Guaranteed Contracts, Lender shall have the right, without notice or demand to Guarantor, to declare all principal then outstanding (and accrued interest thereon) under the Guaranteed Contracts, immediately due and payable. Thereafter, in addition to all other rights or remedies granted to Lender herein or under any or all of the Guaranteed Contracts, Lender shall have the right to tender to Guarantor an assignment and transfer to Guarantor all Lender's right, title and interest

to Guarantor each of the Guaranteed Contracts. Upon such tender, Guarantor shall immediately pay to Lender all principal then outstanding (and accrued interest thereon) and all other amounts due under the Guaranteed Contracts and Guarantor shall, upon such payment, succeed to all of Lender's right, title and interest in and to each of the Guaranteed Contracts.

**11. Consideration.**

Guarantor hereby state that this Guaranty Agreement is not gratuitously given, but is given for consideration, the receipt of which is hereby acknowledged.

**12. Discharge.**

Notwithstanding anything herein to the contrary, and not in limitation or modification of any rights granted to Lender herein, the only event which shall result in the discharge of Guarantor hereunder shall be the full payment of all sums guaranteed hereby as enumerated in the Guaranteed Contracts. Upon full payment of all sums guaranteed hereunder, this Guaranty Agreement shall be released and Guarantor shall have no further liability hereunder.

**13. Joint and Several Liability.**

The obligations of an Guarantor under this Guaranty Agreement, and those of any other Guarantor or Guarantors who may guarantee the Guaranteed Contracts are and will be joint and several and Lender and/or Lender's assigns may release or settle with any one or more of the Guarantors at any time, without affecting the continuing liability of the remaining Guarantor or Guarantors.

**14. Severability.**

If any provision of this Guaranty Agreement shall be held or deemed to be, or shall in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof, or any constitution or statute or rule or public policy, or for any other reason, such circumstance shall not have the effect of rendering the provisions in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provisions or provisions herein contained invalid, inoperative or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses or sections in this Guaranty Agreement contained, shall not affect the remaining portions of this Guaranty Agreement, or any part thereof.

**15. Cumulative Remedies.**

All of Lender's rights and remedies herein specified are intended to be cumulative. No right or remedy of Lender whatsoever may be waived at any time except by a writing signed

by Lender, nor shall any waiver be operative upon other than a single occasion. This Guaranty Agreement may only be amended in writing.

IN WITNESS WHEREOF, the Guarantor has executed this Guaranty Agreement as of the date first above written.

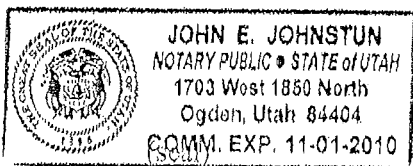
Steven Petersen

Pauline Petersen

STATE OF UTAH )  
 )ss.  
County of WEBER )

On the 26<sup>th</sup> day of March, 2008, before me, the undersigned, a notary public in and for said State, personally appeared Pauline Petersen and Steven Petersen known or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.



John E. Johnston  
Notary Public for Utah  
Residing at: OGDEN UTAH  
My Commission Expires: 11-01-2010

LAENT15396.5810 Guaranty agreement.tbl.a.wpd

# AGENDA ITEM

NO. 5



**Valbridge**  
PROPERTY ADVISORS

## Appraisal Report

Pocatello Development  
South Philbin Road  
Pocatello, Bannock County, Idaho 83201

Report Date: January 12, 2017



FOR:

Pocatello Development Authority  
Ms. Tiffany Olsen  
911 North 7th Avenue PO Box 4169  
Pocatello, ID 83205

**Valbridge Property Advisors |  
Free and Associates, Inc.**

1100 East 6600 South, Suite 201  
Salt Lake City, Utah 84121  
801-262-3388 phone  
801-262-7893 fax  
[valbridge.com](http://valbridge.com)

Valbridge File Number:  
UT01-16-0662



1100 East 6600 South, Suite 201  
Salt Lake City, Utah 84121  
801-262-3388 phone  
801-262-7893 fax  
valbridge.com

January 12, 2017

Tyler Free  
801-262-3388  
tfree@valbridge.com

Ms. Tiffany Olsen

Pocatello Development Authority  
911 North 7th Avenue PO Box 4169  
Pocatello, ID 83205

RE: Appraisal Report  
Pocatello Development  
South Philbin Road  
Pocatello, Bannock County, Idaho 83201

Dear Ms. Olsen:

In accordance with your request, we have performed an appraisal of the above referenced property. This appraisal report sets forth the pertinent data gathered, the techniques employed, and the reasoning leading to our value opinions. This letter of transmittal is not valid if separated from the appraisal report.

The subject property, as referenced above, is located on the subject is located at the end of Hoku Way off of Kraft Way and is further identified as Assessor's Parcel Number (APN) RPCPPO44853, RPCPP044809, RPCPP044844; Leased office buildings on parcel # RPCPP044809 has a # of PB001006200 and parcel # RPCPP044844 has a # of PB001006100. The subject is a 68.560-acre or 2,986,474-square-foot site. The subject is an industrial parcel located in an established industrial neighborhood and is considered to have average functional utility and an average competitive rating.

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of our client as we understand them.

The client in this assignment is Pocatello Development Authority and the intended use of this report is for Pocatello Development and no others. The intended use is for internal decision making purposes and no other use. The value opinions reported herein are subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are subject to the General Assumptions and Limiting Conditions contained in the report. The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results:

**Extraordinary Assumptions:**

- The demolition costs are based on manual estimates and are assumed to be accurate. The appraisers are not experts in estimating demolition costs. The concluded costs are based on the extraordinary assumption that the estimates are accurate.

**Hypothetical Conditions:**

- The appraised value scenario 1 is based on hypothetical condition of being vacant with no building improvements in place with all offsite utilities in place but without the 2 power substations.
- The appraised value scenario 2 is based on a hypothetical condition of being vacant with no building improvements in place with all offsite utilities in place, but including the 2 power substations.

Based on the analysis contained in the following report, our value conclusions are summarized as follows:

Value Conclusions		
Component	As if Vacant Scenario 1	As if Vacant Scenario 2
Value Type	Hypothetical Market Value	Hypothetical Market Value
Property Rights Appraised	Fee Simple	Fee Simple
Effective Date of Value	November 29, 2016	November 29, 2016
<b>Value Conclusion</b>	<b>\$1,030,000</b>	<b>\$1,270,000</b>
	<b>\$15,023 per acre</b>	<b>\$18,524 per acre</b> > *

**Demolition Costs are estimated at \$1,210,000.**

Respectfully submitted,  
Valbridge Property Advisors | Free and Associates, Inc.



Gary R. Free, MAI  
Senior Managing Director

Idaho State - Certified General Appraiser  
License # CGA-125 (Exp. 4/09/17)



Tyler A. Free  
Senior Appraiser

Idaho State - Certified General Appraiser  
License # CGA-3069 (Exp. 2/20/17)

\*\*\* INVOICE \*\*\*

From: Valbridge | Free and Associates  
801.262.3388  
1100 East 6600 South, Suite 201  
Salt Lake City UT 84121

Tax ID No.: 87-0351108  
Invoice No.: 17010035  
Date Invoice: 1/13/2017  
Payment Terms: Upon Receipt  
Date Invoiced Due 1/13/2017  
Client Case #:  
Client Loan #:

To: Pocatello Development Authority  
911 N. 7th Avenue  
PO Box 4169  
POCATELLO ID 83205

Attention: Tiffany Olsen

Products:	Billed Amount:
Revisions to Appraisal Report	\$700.00
	\$0.00
	\$0.00
	\$0.00
	\$0.00
<b>Total Amount Billed:</b>	<b>\$700.00</b>

Borrower: Pocatello Development  
South Philbin Road  
  
POCATELLO ID 83205

Check # Reason: Amount Paid:

Invoice Balance Due: **\$700.00**

**Remittance Copy**

Invoice No.: 17010035  
File No.: 662-16

From: Pocatello Development Authority  
911 N. 7th Avenue  
PO Box 4169  
POCATELLO ID 83205

To: Valbridge | Free and Associates  
801.262.3388  
1100 East 6600 South, Suite 201  
Salt Lake City UT 84121

Borrower: Pocatello Development  
South Philbin Road  
  
POCATELLO ID 83205

**Total Amount Due:** \$700.00

Amount Remitted (if different) \$

## Olsen, Tiffany

---

**From:** Gary R. Free <gfree@valbridge.com>  
**ent:** Friday, January 13, 2017 12:58 PM  
**To:** Olsen, Tiffany; Tyler Free  
**Cc:** Kristie Harris  
**Subject:** RE: Revised Appraisal

SECURITY WARNING - This email was sent from outside of the City of Pocatello's email system. DO NOT OPEN links or attachments from unknown senders.

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Thanks Tiffany, either way we are under the proposed budget limit of \$6,400 which was approved.

## Gary R. Free, MAI, SRA

Valbridge | Free and Associates, Inc.  
Senior Managing Director  
1100 East 6600 South, Suite 201 Salt Lake City, Utah 84121  
Main: 801-262-3388 | Fax: 801-262-7893



---

**From:** Olsen, Tiffany [mailto:tolsen@pocatello.us]  
**Sent:** Friday, January 13, 2017 12:47 PM  
**To:** Tyler Free; Gary R. Free  
**Cc:** Kristie Harris  
**Subject:** RE: Revised Appraisal

Tyler,

I understand your position. Had I known that the power source was not going to be included in the analysis of the property as a benefit, I certainly would have spoken sooner. We understood that the substation property was included in the legal descriptions for the parcels owned by the PDA, therefore were contained within the appraisal documents, and that this would have been taken into account based upon their proximity and ownership. As you are aware, the PDA does not own the substations so to evaluate the property without them is null and void. The substation will continue to operate if the buildings are demolished.

I will engage the Board in discussion at our next Board meeting on Wednesday the 18<sup>th</sup>. I will certainly ask the Board if the reduced price of \$700 is acceptable for the additional work/research. Can you please provide a revised invoice in this amount?

Thank you again for your willingness to discuss this payment.

Thank you,  
*Tiffany*

---

**From:** Tyler Free [mailto:tfree@valbridge.com]  
**Sent:** Friday, January 13, 2017 12:26 PM  
**To:** Olsen, Tiffany <tolsen@pocatello.us>; Gary R. Free <gfree@valbridge.com>  
**Cc:** Kristie Harris <kharris@valbridge.com>  
**Subject:** RE: Revised Appraisal

SECURITY WARNING - This email was sent from outside of the City of Pocatello's email system. DO NOT OPEN links or attachments from unknown senders.

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Hi Tiffany,

Thanks for your email. We attempted to clarify the valuation in our original scope of work in speaking with Mr. Marotz, and as we discovered after your review, the values required were of a greater scope. As you can see in the attached engagement letter we did not have the current scope of work with and without the power substations and were not provided with details on that until after or initial valuation. This is what led to the additional charge as the scope of work increased.

Also, the original quoted fee for the assignment was written as a range between \$4,800 to \$6,400. Our first invoice sent was on the lower end of the range at \$5,000. The 2<sup>nd</sup> invoice of \$1,050 is still within that range. Perhaps you would be okay if we agree to lower the 2<sup>nd</sup> invoice at \$700? Let me know what you think.



1100 East 6600 South | Suite 201  
Salt Lake City, Utah 84121  
801-262-3388 phone  
800-747-0552 toll-free  
801-262-7893 fax  
valbridge.com

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**Free and Associates**  
REAL ESTATE APPRAISERS | CONSULTANTS  
*Independently Owned And Operated*

October 19, 2016

Scott W. Marotz  
ANDERSON, JULIAN, & HULL, LLP  
C.W. Moore Plaza  
250 South Fifth Street, Ste. 700  
P.O. Box 7426  
Boise, ID 83707-7426  
208-344-5800  
[smarotz@ajhlaw.com](mailto:smarotz@ajhlaw.com)

**RE: Authorization & Engagement  
VA Metals or Hoku Facility  
Pocatello, Idaho**

Dear Mr. Marotz:

Pursuant to our conversation, I herewith submit my fee estimate for an appraisal of the above captioned property for the purpose of estimating its current market value with the following scenarios:

- Appraisal the property with a Hypothetical condition that the site is vacant.
- Appraise the property considering the requirement that the improvement must be removed by the purchaser of the property.
- Appraise the property with both values indicated above.

We have performed no services, as an appraiser or in any other capacity, regarding the subject property within the three-year period immediately preceding the date of this letter.

The appraisal will be a narrative report with full support for its value conclusions. It will be made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice.

The fee to complete this assignment will be approximately \$4,800 to \$6,400 (or \$185 per hour not to exceed \$6,400) of which \$2,000 is due as a retainer upon acceptance of this agreement. After analyzing the appraisal problem regarding potential demolition costs, additional subcontracting fees may be required for demolition cost analysis. These fees are currently not known but an attempt will be made to



Free and Associates  
 REAL ESTATE APPRAISERS  
 MEMBER OF Valbridge Property Advisors

Mr. Marotz  
 October 19, 2016  
 Page 2

find a competitive bid for the appraisal report. The balance is due upon completion. Deposition or court time will be billed at \$350 per hour. Unless otherwise instructed, we will furnish you two (2) hardcopies and a pdf of the final appraisal report. The estimated completion date is 30 days from our receipt of your authorization to proceed and receipt of the any requested information.

The appraisal will not take into consideration the possibility that the property may be contaminated with PCB's, or any other hazardous, or radioactive substances. The value reported will be exclusive of the costs to discover, remove, or render harmless such environmental impairments. If you have any concern such substances may exist in the property, you should hire a qualified independent engineer or contractor to investigate. We cannot assume any responsibility for the discovery, analysis, or treatment of such substances on the subject or its surroundings.

I trust the above is satisfactory to your needs. Attached to and incorporated in this engagement letter are Valbridge Property Advisors | Free and Associates, Inc. Terms and Conditions of Agreement. These Terms and Conditions are a substantive part of our engagement and govern the work to be performed for you. The appraisal will be completed in a timely fashion.

Respectfully submitted,

Valbridge Property Advisors | Free and Associates, Inc.

Gary R. Free, MAI, SRA  
 Senior Managing Director  
 Certified General Real Estate Appraiser  
 Idaho State License #CGA-125  
 gfree@valbridge.com  
 801-262-3388

**AGREED AND ACCEPTED**  
*Property owner*

Signature

Scott Smith  
 Name (type or print)

Chairman  
 Title Pocatello Development Authority

November 3, 2016  
 Date



**Valbridge**  
PROPERTY ADVISORS  
Free and Associates, Inc.

**Free and Associates**  
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*Independently Owned And Operated*

## **TERMS AND CONDITIONS OF AGREEMENT APPRAISAL**

1. These Terms and Conditions, when attached to any agreement for appraisal services between Client and Appraiser ("Agreement"), shall be deemed a part of such Agreement as though set forth in full therein.
2. Appraiser shall exercise independent judgment and complete the appraisal assignment called for by the Agreement ("Assignment") in accordance with sound appraisal practice and the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute.
3. All statements of fact in the appraisal report which are used as the basis of Appraiser's analyses, opinions, and conclusions will be true and correct to the best of Appraiser's knowledge and belief. Appraiser may rely upon the accuracy of information and material furnished to Appraiser by Client.
4. Appraiser shall have no responsibility for legal matters, questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The appraisal report will not constitute a survey of the property appraised.
5. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Free and Associates, Inc. and Client. Distribution of the report is at the sole discretion of the client. We assume no responsibility for unauthorized use of the appraisal by a third-party.
6. Client shall, in a timely manner, provide Appraiser with such materials with respect to the Assignment as are requested by Appraiser and in the possession or under the control of Client. Client shall provide Appraiser with sufficient access to the real property to be appraised, and hereby grants permission for entry, at reasonable times during business hours. A delay in receipt of information may delay completion of the assignment.
7. Each of the parties will indemnify and hold the other party harmless from and against any liability, cost or expense (including attorney fees) arising out of any claim or legal proceedings brought by a third party where such claim or legal proceedings is based on the negligent act or omission, or misconduct of the party against whom indemnification is sought.
8. Unless expressly specified in the Agreement, the fee quoted does not include the attendance or giving of testimony by Appraiser at any court, regulatory, or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors or Free and Associates, Inc. is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, Client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.



9. In the event Client requests additional consultation or work beyond the scope of this assignment or following completion of the initial assignment or in the event that the appraiser is deposed or called as a witness to testify at a trial or other proceeding, Client shall pay an additional charge for this work, at the Appraiser's standard hourly rate, whether or not the completed appraisal report has been delivered to Client at the time of the request. Often the Appraiser will be called upon as a witness to testify about the appraisal report or the Appraiser's conclusions or methodology. Any additional work for this purpose will be charged at Appraiser's standard hourly rate.
10. Client agrees that the appraisal report shall not be quoted or referred to in any financial statement of Client or in any documents filed with any governmental agency, if it is anticipated that such statement or documents will be relied upon by a member of the public in making an investment in property that is the subject of the appraisal, without the prior written consent of Appraiser. Neither all nor any part of the content of the appraisal report including, without limitation, the conclusions as to value, the identity of Appraiser, references to the Appraisal Institute or references to the MAI or SRA designations shall be disseminated to the public through advertising or other mass media without the prior written consent of Appraiser.
11. The data gathered in the course of the Assignment (except data furnished by Client) shall remain the property of the Appraiser. The appraisal report prepared pursuant to the Agreement shall remain the property of Client. With respect to data provided by Client, Appraiser shall not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to Appraiser. Notwithstanding the foregoing, Appraiser is authorized by Client to disclose all or any portion of the appraisal report and the related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable Appraiser to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
12. The fee for this appraisal is not contingent upon the valuation of the property, the funding of any loan, or the outcome of litigation. Should the assignment be terminated prior to completion, Client agrees to pay for time and costs incurred prior to our receipt of written notice of cancellation.
13. In the event Client fails to make payment when due and payable, then from that date until payment in full is received, the amount due and payable shall bear interest at the rate of 18% per annum. If collection of any past due amounts are sent to a lawyer, regardless of whether a lawsuit is filed, the Client is responsible for all costs of collection, including attorneys' fees.
14. Valbridge Property Advisors | Free and Associates, Inc. reserves the right to approve or disapprove (the approval not to be unreasonably withheld), in writing and in advance of any filing with the SEC or other governmental agency, all uses of Valbridge Property Advisors and/or Free and Associates, Inc.'s name or references to the services provided hereunder by Valbridge Property Advisors and/or Free and Associates, Inc., provided however that such approval shall not be necessary in the event the appraisal report, the appraisers name, or the services provided hereunder are required to be disclosed as part of any SEC or other governmental filing.



**Valbridge**  
PROPERTY ADVISORS  
Free and Associates, Inc.

**Free and Associates**  
REAL ESTATE APPRAISERS & CONSULTANTS  
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15. We will not make a specific compliance survey and analysis of the property to determine if it is in conformity with the various requirements of the Americans with Disabilities Act ("ADA") which became effective January 26, 1992. It is possible that a compliance survey of the property, together with an analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we will not consider possible non-compliance with the requirements of ADA in estimating the value of the property.
16. The appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. Nor does it certify that tenants have complied with all requirements necessary to obtain use and occupancy permits. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.
17. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Free and Associates, Inc.. Valbridge Property Advisors, Inc. has not been engaged to provide this report, does not provide valuation services, and has taken no part in the preparation of this report.
18. If any claim is filed against any of Valbridge Property Advisors, Inc. a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.
19. This report and any associated work files are subject to evaluation by Valbridge Property Advisors, Inc. for quality control purposes. If Client is unwilling to waive confidentiality for this purpose, client must inform Free and Associates, Inc. upon acceptance of this assignment.
20. All disputes shall be settled by binding arbitration in accordance with then then-existing commercial arbitration rules of the American Arbitration Association (the "AAA").
21. This document contains the entire agreement of the parties. No other agreement, statement or promise made on or before the effective date of this agreement will be binding on the parties. This agreement may only be modified by subsequent written agreement of the parties.

# AGENDA ITEM

NO. 6

and 72.17 respectively, for the lunch meeting and for the publishing of the annual public hearing. Year to date revenues of \$1,046,324.16 (see page 3) are greater than expenses of \$815,760.45. Overall Net income of \$230,563.71. Reminder a net loss indicates the use of cash reserves. At the end of May, the Authority had cash on hand of \$5,947,014.72. The checking account balance was \$2,912,265.15, the savings account was \$746,307.08, and cash being held by Zions Trust amounted to \$2,288,442.49. The Authority recognized minor financial activity during the month of May. The Authority received revenues totaling \$1,469.64 of which \$201.87 was interest earnings on cash invested. Property tax revenue totaled year to date revenues of \$1,047,793.80 (see page 3) are greater than expenses of \$815,760.45. Overall net income of \$232,033.35. Reminder a net loss indicates the use of cash reserves. As an update, the outstanding note owed by BBAD Investment was paid in full in the month of June. \$194,951.27 was received; \$193,566.55 was applied to principal and the remaining \$1,384.72 was interest accrued. It was then **MSC (B. Blad, D. Hillam)** to approve the April and May 2016 Financial Reports as presented.

**Agenda Item No. 3: Payment Requests/Reimbursements.** T. Olsen presented items 4(a) thru 4(c). It was **MSC (T. Ottoway, B. Blad)** to approve the following items:

(a) Idaho Accelerator Center Utilities:

1. February \$1,124.04
2. March \$968.52

(b) Positron Building Furnace/Water Damage Claim. ICRMP's deductible of \$500.00 and the pipe/furnace invoice in the amount of \$479.50 remain outstanding. **J. Stroschein** will issue a check to Quik & Kleen in the amount of \$979.50 and the claim will be closed.

(c) New Day Products and Resources in the amount of \$59.40 for the Board appreciation plaques for Cynthia Hill and Howard Manwaring.

**Agenda Item No. 4: Gateway West's Request for Funds Regarding Power within the NOP**

**District.** T. Olsen reminded the Board that at the April 20, 2016 Meeting, the agenda item was tabled until more information could be obtained by City Staff as to the business owner's positions on the power upgrades and a timeframe of which to expect the 10 year plan from Swift. **M. Quayle** provided letters in support of the power upgrades from two tenants, VTCU and ATCO. VTCU believes the upgrades to be crucial to their work product and performance. If their business has issues with the power and diminished quality, they may relocate to a larger facility which was recently acquired. **M. Quayle** relayed that Earl Swift has purchased the equipment for Building 10 and has paid Idaho Power \$133,882.00 to date. The Board expressed some concern and hesitation with contributing to the power upgrades and perhaps later finding out that Swift raised the rent for the tenants as the property was now improved. **Chair Smith** reminded the Board the funds within the TIF District are there to improve the properties within the District pursuant to the specifications of the District Plan. **J. Stroschein** advised there is \$281,417 in the District with an expected tax remittance in July to be somewhere around \$90,000. There was no discussion pertaining to the 10 year plan. It was **MSC (S. Brown, C. Carr)** to pay 50%, up to \$200,000, for the power upgrades pertaining to Building Nos. 10, 36, 37 and 38 once the Board receives verification of the expenditure and certifies the power upgrade project has been successfully completed.

**Agenda Item No. 5: ISU IAC's Request to Lease Positron Facility.** **Chair Smith** provided the Board with an update on the Positron Facility; ISU Idaho Accelerator Center would like to lease the facility, for a 5 year term, for the rent payment of utilities plus \$500, and include a 30

**EXECUTIVE SUMMARY**  
**GATEWAY WEST INDUSTRIAL CENTER – ELECTRICAL REIMBURSEMENT REQUEST**

**TO:** Chairman Scott Smith and PDA Board Members  
**FROM:** Merrill Quayle, P.E., PDA Engineer MB  
**DATE:** Meeting Date – September 21, 2016  
**SUBJECT:** Gateway West Industrial Center – Electrical Reimbursement Request

**REQUEST**

Gateway West Industrial Center (GWIC) represented by Earl Swift (mailing address: 669 W Quinn Rd Pocatello Idaho 83204), request reimbursement for expenditures paid as of July 15, 2016. The electrical upgrade to building 10 has been completed. Idaho Power has been paid for the preliminary study and cost to connect building 10, 36, 37 and 38 to Idaho Power directly. Expenditures paid as of July 15, 2016 total \$158,750.62

**SUMMARY AND DOCUMENTATION**

I have reviewed the information provided and find the information and documentation accurate. Building 10 has been connected to Idaho Power and is operational. Documentation is attached providing proof that the items below has been paid in full.

Idaho Power (Idaho Power confirmed payment)	
Rule H Cost Quotes	\$4,154.00
Line connection/upgrade cost for building 10	\$15,706.00
Line connection/upgrade cost for buildings 36, 37 and 38	\$114,022.00
 American Electric	
Building hook up to Idaho Power	\$24,868.62
 GWIC provided trenching, backfill, grading and road repairs	\$0.00
	=====
Total Paid as of July 15, 2016	\$158,750.62

Recommend if the Board desires to reconsider its previous motion and allow for the reimbursement prior to the entire project being completed. The Board could do so and GWIC could be reimbursed \$158,750.62 of the \$200,000.00 committed to this project.

GWIC electrical upgrades have been split into 2 phases see the attachment.



February 11, 2016

Earl T Swift  
Gateway West  
120 Francis St.  
Keyport, NJ 07735

Subject: Transfer 3.5 MVA of Load at the Gateway Industrial Park.

Dear Mr. Swift:

Thank you for your request for Idaho Power to provide 3.5 MVA of load from the Alameda 014 feeder at the Gateway Industrial Park located at 669 Quinn Road in Pocatello, Idaho.

The requested interconnection to Idaho Power's system was investigated and the results of this work indicate that there are no improvements needed to Idaho Power's infrastructure to support the 3.5 MVA load transfer other than the taps off the feeder to the 4 buildings and associated equipment.

This area has seen a number of requests for large load. While Idaho Power currently has the facilities needed to meet the requested load, please be advised that Idaho Power does not indefinitely reserve or hold capacity for any of its customers. Idaho Power makes excess capacity available to its existing and prospective customers on a "first-come, first served" basis. If the Gateway Industrial Park facility is unable to fulfill its load schedule and the additional load does not come online in the summer of 2016, the available capacity may become accessible to other customers.

Enclosed are service requests based on the load schedule information you recently provided (500 kVA of connected load at 480 volts with AMI metering for Building 10, 750 kVA of connected load at 12.5 kV primary service for Building 36, 1,500 kVA of connected load at 12.5 kV primary service for Building 37 and 750 kVA of connected load at 12.5 kV primary service for Building 38 all with an in-service date of May 31, 2016. The Engineering Fees to provide Rule H Cost Quotes for all four of the service requests are \$4,154. Please submit payment of the Engineering Fees and sign and return the enclosed service requests to confirm the requested load schedule. Idaho Power will provide you with a Rule H cost quote for each of the service requests.

Sincerely,

A handwritten signature in black ink that reads "Buzz Pfeiffer".

Buzz Pfeiffer  
Major Customer Representative  
(208) 236-7736



Idaho Power Company  
Service Request

Service Request Number: 00382769

GATEWAY WEST INDUSTRIAL CENTER (BLDG #10)

Work Order Number:		Eng Hours:	00014
Request Type:	CS	Eng Fee Amount(Att98):	938.00
Rate Sch.:	9	Eng Fee Amount(Att16):	
Reply By:		Eng Fee Service Agreement No:	
		Eng Fee Service Agreement Date:	
		Customer No:	
Feeder:	ALMA14B		
Service Location:	669 W QUINN #10 RD POCATELLO, ID 83204		
Required in Service Date:	5/31/2016		
Planning Center/Team:	POCNORTH		

Contact Detail:

CUST	GATEWAY WEST INDUSTRIAL CENTER 120 FRANCIS ST, , KEYPORT NJ 07725-1363	732-264-0089
IPCO	DAVID T PACKARD ..	208-236-7745
RFND	GATEWAY WEST INDUSTRIAL CENTER 120 FRANCIS ST, , KEYPORT NJ 07725-1363	732-264-0089

Contribute Information

S/COM			
Service Voltage	277/480	No. Of Meters	1
Number of Phases	3	Meter Location	XFMR
KW Motor Load:		Ct Loc	XFMR
Largest Motor		Primary OH/UG	UG
1 Phase KW Demand		Service OH/UG	UG
3 Phase KW Demand		Srv Owner	CUST
Vested Int. Connected Load	500	Panel Amp Size	
Commercial Deposit Amount			

Description

INSTALL 3 PHASE PRIMARY UNDERGROUND AND 500 KVA URD TRANSFORMER  
 CUSTOMER WILL TAKE THEIR OWN 277/480 UNDERGROUND SERVICE FROM TRANSFORMER  
 IDAHO POWER CURRENTLY HAS FACILITIES TO MEET THE REQUESTED LOAD.  
 IDAHO POWER DOES NOT INDEFINITELY RESERVE OR HOLD CAPACITY FOR ANY OF ITS  
 CUSTOMERS IF UNABLE TO FULFILL THIS LOAD SCHEDULE BY SUMMER OF 2016 THE  
 AVAILABLE CAPACITY MAY BECOME ACCESSIBLE TO OTHER CUSTOMERS.



Idaho Power Company  
Service Request

Page: 1  
Date: 2/4/2016

Service Request Number: 00382765

GATEWAY WEST INDUSTRIAL CENTER (BLDG #36)

Work Order Number:		Eng Hours:	00028
Request Type:	CS	Eng Fee Amount(Att98):	1,876.00
Rate Sch.:	9P	Eng Fee Amount(Att16):	
Reply By:		Eng Fee Service Agreement No:	
		Eng Fee Service Agreement Date:	
		Customer No:	
Feeder:	ALMA14B		
Service Location:	669 W QUINN #36 RD POCATELLO, ID 83204		
Required in Service Date:	5/31/2016		
Planning Center/Team:	POCNORTH		

Contact Detail:

CUST	GATEWAY WEST INDUSTRIAL CENTER 120 FRANCIS ST., KEYPORT NJ 07735-1363	732-264-0089
IPCO	DAVID T PACKARD ..	208-236-7745
RFND	GATEWAY WEST INDUSTRIAL CENTER 120 FRANCIS ST., KEYPORT NJ 07735-1363	732-264-0089

Contribute Information

RES/COM			
Service Voltage	12.5 KV	No. Of Meters	1
Number of Phases	3	Meter Location	PRI METER
KW Motor Load:		Ct Loc	
Largest Motor		Primary OH/UG	UG
1 Phase KW Demand		Service OH/UG	
3 Phase KW Demand		Srv Owner	CUSTOMER
Vested Int. Connected Load	750	Panel Amp Size	
Commercial Deposit Amount			

Description

INSTALL 3 PHASE OVERHEAD SLACK SPAN AND PRIMARY URD CABLE TO SWITCHGEAR  
 INSTALL 3 PHASE URD PRIMARY TO SERVE PRIMARY METER WITH A LOAD OF 750 KVA  
 CUSTOMER WILL TAKE THEIR OWN UNDERGROUND PRIMARY CABLE FROM PRIMARY METER  
 IDAHO POWER CURRENTLY HAS FACILITIES TO MEET THE REQUESTED LOAD.  
 IDAHO POWER DOES NOT INDEFINITELY RESERVE OR HOLD CAPACITY FOR ANY OF ITS  
 CUSTOMERS IF UNABLE TO FULFILL THIS LOAD SCHEDULE BY SUMMER OF 2016 THE  
 AVAILABLE CAPACITY MAY BECOME ACCESSIBLE TO OTHER CUSTOMERS.



Idaho Power Company  
Service Request

Service Request Number: 00383112

GATEWAY WEST INDUSTRIAL CENTER (669 W QUINN RD #37)

Work Order Number:		Eng Hours:	00010
Request Type:	CS	Eng Fee Amount(Att98):	670.00
Rate Sch.:	19	Eng Fee Amount(Att16):	
Reply By:		Eng Fee Service Agreement No:	
		Eng Fee Service Agreement Date:	
		Customer No:	
Feeder:	ALMA14B		
Service Location:	669 W QUINN #37 RD POCATELLO, ID 83204		
Required in Service Date:	5/31/2016		
Planning Center/Team:	POCNORTH		

Contact Detail:

CUST	GATEWAY WEST	732-264-0089
	120 FRANCIS ST., KEYPORT NJ 07735-1363	
IPCO	DAVID T PACKARD	208-236-7745

Attribute Information

RES/COM

Service Voltage	12.5 KV	No. Of Meters	1
Number of Phases	3	Meter Location	NEAR HUSSEY ST
KW Motor Load:		Ct Loc	
Largest Motor		Primary OH/UG	UG
1 Phase KW Demand		Service OH/UG	
3 Phase KW Demand		Srv Owner	
Vested Int. Connected Load	1500	Panel Amp Size	
Commercial Deposit Amount			

Description

INSTALL PRIMARY URD FROM SWITCHGEAR TO PRIMARY URD METER.  
 THIS JOB WILL BE TO SERVE 1500 KVA OF CONNECTED LOAD AT 12.5 KV  
 PRIMARY SERVICE FOR BUILDING #37.  
 IDAHO POWER CURRENTLY HAS FACILITIES TO MEET THE REQUESTED LOAD.  
 IDAHO POWER DOES NOT INDEFINITELY RESERVE OR HOLD CAPACITY FOR ANY OF ITS  
 CUSTOMERS IF UNABLE TO FULFILL THIS LOAD SCHEDULE BY SUMMER OF 2016 THE  
 AVAILABLE CAPACITY MAY BECOME ACCESSIBLE TO OTHER CUSTOMERS.



Idaho Power Company  
Service Request

Service Request Number: 00382735

GATEWAY WEST INDUSTRIAL CENTER (BLDG #38)

Work Order Number:		Eng Hours:	00010
Request Type:	CS	Eng Fee Amount(Att98):	670.00
Rate Sch.:	9P	Eng Fee Amount(Att16):	
Reply By:		Eng Fee Service Agreement No:	
		Eng Fee Service Agreement Date:	
		Customer No:	
Feeder:	ALMA14B		
Service Location:	669 W QUINN #38 RD POCATELLO, ID 83204		
Required in Service Date:	5/31/2016		
Planning Center/Team:	POCNORTH		

Contact Detail:

CUST	GATEWAY WEST INDUSTRIAL CENTER 120 FRANCIS ST., KEYPORT NJ 07735-1363	732-264-0089
IPCO	DAVID T PACKARD	208-236-7745

Attribute Information

RES/COM

Service Voltage	12.5 KV	No. Of Meters	1
Number of Phases	3	Meter Location	
W Motor Load:		Ct Loc	
Largest Motor		Primary OH/UG	UG
1 Phase KW Demand		Service OH/UG	
3 Phase KW Demand		Srv Owner	CUSTOMER
Vested Int. Connected Load	750	Panel Amp Size	
Commercial Deposit Amount			

Description

INSTALL 3 PHASE URD PRIMARY TO SERVE PRIMARY METER WITH A LOAD OF 750 KVA  
CUSTOMER WILL TAKE THEIR OWN UNDERGROUND PRIMARY CABLE FROM PRIMARY METER  
IDAHO POWER CURRENTLY HAS FACILITIES TO MEET THE REQUESTED LOAD.  
IDAHO POWER DOES NOT INDEFINITELY RESERVE OR HOLD CAPACITY FOR ANY OF ITS  
CUSTOMERS IF UNABLE TO FULFILL THIS LOAD SCHEDULE BY SUMMER OF 2016 THE  
AVAILABLE CAPACITY MAY BECOME ACCESSIBLE TO OTHER CUSTOMERS.



March 9, 2016

Gateway West Industrial Center  
Gateway West Industrial Center  
120 Francis St  
Keyport, Nj. 07735-1363

Work Order Number: 27452734  
Project Name: Gateway West Industrial Center  
Address or Job Location: 669 W Quinn (Bldg #10)  
Project City, State, Zip: Pocatello, Id. 83204  
In accordance with your request: Idaho Power has completed the work order design to install 3 phase pri urd cable & 500 kva transformer 277/480 v

Line Installation/Upgrade Costs (Line 1)	\$ 9,876.00
Line Installation Credits (Betterment, Salvage, Customer Trench) (Lines 2-4)	\$ 3,160.00
Terminal Facilities (Line 6)	\$ 13,629.00
Customer Allowance (Line 7)	\$ 4,639.00
Salvage Terminal Credit (Line 8)	
Unusual Conditions (Line 10)	
Net Other Charges (Eng Charges, Permits, Misc Charges) (Line 25)	
<b>Amount to be paid and received prior to job being scheduled for construction. Quote good for sixty (60) days.</b>	<b>\$ 15,706.00</b>

- Please remit payment.
- Please return signed and dated Service Request and Customer Cost document (attached).
- Please return signed and dated Work Order Map.
- Other

Comments:

Work order will not be released for construction scheduling until payment and/or requested documents are signed and returned. This quote is binding on the Company for a period of sixty days (60) from the date on this letter, and subject to change if information provided by the customer changes.

**PLEASE RETURN SIGNED DOCUMENTS TO:**

IDAHO POWER COMPANY  
David T Packard  
301 E BENTON ST  
POCATELLO, ID. 83201

If there are any questions, please telephone:  
David T Packard  
208-236-7745



Industrial Center

**GATEWAY WEST INDUSTRIAL CENTER**

669 W. QUINN  
POCATELLO, ID 83202  
(208) 237-0046

7266

© 2011 U.S. Bank • Check Fraud  
If Lost or Stolen, Not Valid

92-85-1241

DATE 4/27/10

PAY  
TO THE  
ORDER OF

Idaho Power Co

\$ 15,700.00

Fifteen Thousand Seven Hundred and Six

DOLLARS



MEMBER FDIC  
2210 Palmetto Blvd., Pocatello, Idaho 83201

FOR Building 10

*[Handwritten Signature]*



⑈007266⑈ ⑆124100857⑆ 95 0244 6 6⑈

Building 10



March 9, 2016

Gateway West Industrial Center  
Gateway West Industrial Center  
120 Francis St  
Keyport, Nj. 07735-1363

Work Order Number: 27447702  
Project Name: Gateway West Industrial Center  
Address or Job Location: 669 W Quinn (Bldg #38  
Project City, State, Zip: Pocatello, Id. 83204

In accordance with your request: Idaho Power has completed the work order design to install 3 phase primary underground cable and a primary meter

Line Installation/Upgrade Costs (Line 1)	\$ 21,827.00
Line Installation Credits (Betterment, Salvage, Customer Trench) (Lines 2-4)	<u>                    </u>
Terminal Facilities (Line 6)	<u>                    </u>
Customer Allowance (Line 7)	<u>                    </u>
Salvage Terminal Credit (Line 8)	<u>                    </u>
Unusual Conditions (Line 10)	<u>                    </u>
Net Other Charges (Eng Charges, Permits, Misc Charges) (Line 25)	<u>                    </u>
<b>Amount to be paid and received prior to job being scheduled for construction. Quote good for sixty (60) days.</b>	<b><u>\$ 21,827.00</u></b>

- Please remit payment.
- Please return signed and dated Service Request and Customer Cost document (attached).
- Please return signed and dated Work Order Map.
- Other

Comment:

Work order will not be released for construction scheduling until payment and/or requested documents are signed and returned. This quote is binding on the Company for a period of sixty days (60) from the date on this letter, and subject to change if information provided by the customer changes.

**PLEASE RETURN SIGNED DOCUMENTS TO:**

IDAHO POWER COMPANY  
David T Packard  
301 E BENTON ST  
POCATELLO, ID. 83201

If there are any questions, please telephone:  
David T Packard  
208-236-7745



March 9, 2016

Gateway West Industrial Center  
Gateway West Industrial Center  
120 Francis St  
Keyport, Nj. 07735-1363

**Work Order Number:** 27452730  
**Project Name:** Gateway West Industrial Center  
**Address or Job Location:** 669 W Quinn (Bldg #37  
**Project City, State, Zip:** Pocatello, Id. 83204  
**In accordance with your request:** Idaho Power has completed the work order design to install 3 phase primary underground cable and a primary meter

Line Installation/Upgrade Costs (Line 1)	\$ 21,643.00
Line Installation Credits (Betterment, Salvage, Customer Trench) (Lines 2-4)	_____
Terminal Facilities (Line 6)	_____
Customer Allowance (Line 7)	_____
Salvage Terminal Credit (Line 8)	_____
Unusual Conditions (Line 10)	_____
Net Other Charges (Eng Charges, Permits, Misc Charges) (Line 25)	_____
<b>Amount to be paid and received prior to job being scheduled for construction. Quote good for sixty (60) days.</b>	<b>\$ 21,643.00</b>

- Please remit payment.
- Please return signed and dated Service Request and Customer Cost document (attached).
- Please return signed and dated Work Order Map.
- Other

Comments:

Work order will not be released for construction scheduling until payment and/or requested documents are signed and returned. This quote is binding on the Company for a period of sixty days (60) from the date on this letter, and subject to change if information provided by the customer changes.

**PLEASE RETURN SIGNED DOCUMENTS TO:**

IDAHO POWER COMPANY  
David T Packard  
301 E BENTON ST  
POCATELLO, ID. 83201  
If there are any questions, please telephone:  
David T Packard  
98-236-7745



March 9, 2016

Gateway West Industrial Center  
Gateway West Industrial Center  
120 Francis St  
Keyport, Nj. 07735-1363

Work Order Number: 27452733  
Project Name: Gateway West Industrial Center  
Address or Job Location: 669 W Quinn (Bldg #36  
Project City, State, Zip: Pocatello, Id. 83204  
In accordance with your request: Idaho Power has completed the work order design to install 3 phase pri urd cable, switchgear& primary meter

Line Installation/Upgrade Costs (Line 1)	\$ 71,339.00
Line Installation Credits (Betterment, Salvage, Customer Trench) (Lines 2-4)	<u>\$ 2,208.00</u>
Terminal Facilities (Line 6)	_____
Customer Allowance (Line 7)	_____
Salvage Terminal Credit (Line 8)	_____
Unusual Conditions (Line 10)	<u>\$ 1,421.00</u>
Net Other Charges (Eng Charges, Permits, Misc Charges) (Line 25)	_____
Amount to be paid and received prior to job being scheduled for construction. Quote good for sixty (60) days.	<u><u>\$ 70,552.00</u></u>

- Please remit payment.
- Please return signed and dated Service Request and Customer Cost document (attached).
- Please return signed and dated Work Order Map.
- Other

Comments:

Work order will not be released for construction scheduling until payment and/or requested documents are signed and returned. This quote is binding on the Company for a period of sixty days (60) from the date on this letter, and subject to change if information provided by the customer changes.

**PLEASE RETURN SIGNED DOCUMENTS TO:**

IDAHO POWER COMPANY  
David T Packard  
301 E BENTON ST  
POCATELLO, ID. 83201  
If there are any questions, please telephone:  
David T.Packard  
8-236-7745

copy 6



GATEWAY WEST INDUSTRIAL CENTER  
669 W. QUINN  
POCATELLO, ID 83202  
(208) 237-0046

7276

PAY TO THE ORDER OF

DATE April 29, 2016 92-86-1241

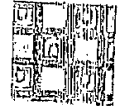
Lina Ho Parker  
One Hundred fourteen thousand Twenty two and 00/100

\$ 114,022.02

**iB Ireland Bank**

FOR Depositor # 37453730, 37447702, 37453733

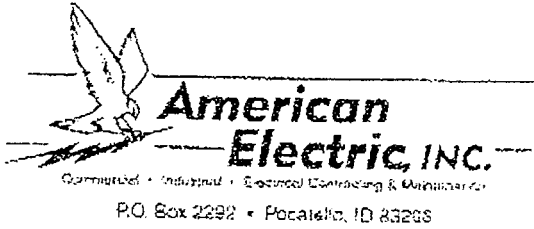
*[Signature]*



⑈007276⑈ ⑆124100857⑆ 95 0244 6⑈

Building 36 ATCO  
37 VTCU  
38 Finance

#  
+ 4,154. -



# INVOICE

Invoice Number: 20160079  
 Date: July 25, 2016

**Sold To:**

Gateway West  
 669 W. Quinn Bldg #2  
 Pocatello, ID 83201

Customer PO	Payment Terms	Employee ID	Due Date
	Net 10 Days	Taj	Aug 7, 2016
Description			Amount
Install new service at building #10 per Earl.			
Material			16,118.62
Labor			8,260.00
Concrete cutting			340.00
Permit			150.00
AUG 10 2016			

Customer ID: Gateway

Subtotal 24,868.62  
 Sales Tax Included  
 Total Invoice Amount 24,868.62

8/2/16  
 CKH 737

NIT

10-1

1981-829-802

XVI LEXPERT FAX

10/28 10:28

ESSENTIAL CHECKING ACCOUNT

\*\*\*4416

7374

**GATEWAY WEST**  
Industrial Center

**GATEWAY WEST INDUSTRIAL CENTER**  
669 W. QUINN  
POCATELLO, ID 83202  
(208) 237-0046

DATE August 2, 2016 92-85/1241

PAY TO THE ORDER OF American Electric Inc. \$ 24,868.62

Twenty four thousand eight hundred sixty eight and 62/100 DOLLARS

**iB Ireland Bank**  
THERE IS A DIFFERENCE™  
1715 PARKWAY BL, POCATELLO, IDAHO 83201

FOR DEPOSIT ONLY # 20160079 Cynthia A. Valera

⑆007374⑆ ⑆124100857⑆ 95 0244 6⑆

237050035500 08-10-2016 CCB >124103773<

00237050035500

AMERICAN ELECTRIC INC.  
POCATELLO, IDAHO 83201

Amount: -\$24,868.62  
Description: Check  
Check Number: 7374  
Posted Date: 8/11/2016

Gateway West Industrial Center  
 Electric Project  
 Connection of Buildings 10, 36, 37 and 38 to Idaho Power at Poleline Road

**Expenditures to date:**

**Phase I (COMPLETED)**

Idaho Power	\$4,154.00
Preliminary Study	
Idaho Power	\$15,706.00
Cost for connecting Buildings 10	
Idaho Power	\$114,022.00
Cost for connecting Buildings, 36, 37 and 38	
American Electric	\$24,868.62
Complete Hook Up of Building 10 to Idaho Power	
Gateway West	
Trenching, Backfill, Grading, Roadway Repair	No Charge
 TOTAL PAID as of 7/15/16	 <b><u>\$158,750.62</u></b>

**Projected Future Expenditures**

**Phase II**

Gateway West	
Trenching, Backfill, Grading, Roadway Repair	No Charge
Work to be performed soon	
 Estimated Equipment Costs	
Transformers Building 36, 37, and 38	\$102,400.00
Switch Gear Buildings 36, 37, and 38	\$ 78,288.67
 American Electric	
Complete Hookup of Building 36	TBD
Complete Hookup of Building 37	TBD
Complete Hookup of Building 38	TBD
Creating Transformer Pad Area	TBD
 Estimated Fencing for Transformer Area	 TBD