

**POCATELLO DEVELOPMENT AUTHORITY**  
**Board of Commissioners Meeting**  
**August 21, 2019 – 11:00 a.m.**  
**Paradise Conference Room – Pocatello City Hall**

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City Hall is accessible to persons with disabilities. Program access accommodations may be provided with three days' advance notice by contacting Skyler Beebe at sbeebe@pocatello.us, 208.234.6248, or 5815 South 5<sup>th</sup> Avenue, Pocatello, Idaho.

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In the event this meeting is still in progress at 12:00 p.m., a ten-minute recess may be called.

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- 1. CALL TO ORDER, DISCLOSURE OF CONFLICT OF INTEREST, AND ACKNOWLEDGMENT OF GUESTS.**
- 2. ACTION ITEM – Minutes.** The Board may wish to waive the oral reading of the minutes and approve the minutes from the Board of Commissioners Regular Meeting and Executive Session held July 17, 2019, and the Special Meeting and Executive Session held August 14, 2019. *See attached documents.*
- 3. ACTION ITEM - Financial Report.** A financial report for the PDA will be provided by PDA Treasurer. The Board may wish to approve the financial report. *See attached documents.*
- 4. ACTION ITEM – Expense Payments & Reimbursements.** The Board may wish to approve the payment or reimbursement of the following PDA expenses
  - a. \$200.00 from General Fund to Elam & Burke for legal fees re: Northgate TIF District creation.
  - b. \$150.50 from North Yellowstone District Fund to Elam & Buke for legal fees re: North Yellowstone District closure.
  - c. \$516.00 from General Fund to Elam & Burke for legal fees re: Special Counsel General
  - d. \$5,460.00 from North Portneuf District Fund to Stacey & Parks for legal services re: North Portneuf TIF District.
- 5. ACTION ITEM – Administrative Fee Transfer, North Yellowstone URA.** The Board may wish to consider authorizing the annual administrative fee transfer from the North Yellowstone Urban Renewal Area in the amount of \$160,781.00.
- 6. ACTION ITEM/PUBLIC HEARING – FY2020 Budget.** The Board will accept comment regarding the proposed FY2020 budget. Thereafter, the Board may wish to consider adoption of the proposed amendments. *See attached document.*
- 7. ACTION ITEM – Disbursements under Previously Approved Grants & Loans.** The Board may wish to approve the following requested disbursements of funds under grants and loans previously approved by the Board. *See attached documents.*
  - a. BGS Holdings LLC is requesting disbursements of \$2,827.33 under the loan agreement approved by the Board on 11/1/18 and \$450.00 under the grant agreement approved by the Board on 10/17/18.
  - b. Simmons Surgical LLC is requesting disbursements of \$10,350.00 under the loan approved by the Board on 1/16/19.
- 8. REPORT – Old Town Pocatello Master Plan.** Stephanie Palagi, Executive Director of Old Town Pocatello, will present a report on the Old Town Pocatello Master Plan.
- 9. ACTION ITEM – Positron Facility Sale.** The Board may wish to consider ISU's request of an extension of the deadline contained in the Board's offer to sell the Positron facility to ISU.
- 10. EXECUTIVE SESSION – North Portneuf TIF District.** The Board may approve participation in an executive session as outlined in Idaho Code § 74-206(1)(f) to communicate with legal counsel for the PDA to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated, concerning the disposition of the Hoku property and the lawsuit filed by Celtic Life Sciences LLC with respect to the Hoku property.
- 11. ACTION ITEM – North Portneuf TIF District.** The Board will receive a report of the status of the North Portneuf TIF District. This will include a report of the status of the sale by the PDA of the Hoku property, the status of the purchaser's compliance with the sale contracts, the status of unpaid property taxes on the Hoku property, and the status of the lawsuit filed by Celtic Life Sciences LLC with respect to the Hoku property. The Board may wish to consider a request for extension of closing date by Solargise, or formally terminate the agreement with Solargise America, LLC and provide authorization to move ahead with an alternative disposition process.

**12. CALENDAR REVIEW** – The Board may wish to take this opportunity to inform other Board members of upcoming meetings and events that should be called to their attention.

**13. ADJOURN.**

**AGENDA ITEM  
NO. 2**

**POCATELLO DEVELOPMENT AUTHORITY  
MEETING MINUTES  
July 24, 2019**

**Members present:** Mayor Brian Blad, Matt Bloxham, Chad Carr, Jim Johnston (left the meeting at approximately 11:30 a.m.), Rob Lion, Thomas Ottaway, Scott Smith (joined the meeting by phone from approximately 11:30 a.m. to 1:25 p.m.), and Scott Turner

**Members excused/absent:** Terrel Tovey

**Others present:** Melanie Gygli, Interim Executive Director; Ashley Linton-Welsh, Pocatello Deputy CFO; Jared Johnson, Pocatello City Attorney; Merril Quayle, Pocatello Public Works Development Engineer; Jeff Mansfield, Pocatello Public Works Director/City Engineer; John Regetz, Bannock Development Corporation (ex officio); Tiffany Olsen, Bannock County; Matt Parks, Stacey & Parks (by phone from approximately 11:30 a.m. to 1:00 p.m.); Meghan Conrad, Elam & Burke (by phone from approximately 1:05 to 1:25 p.m.); Raj Basu and Ben Krause, Solargise; several members of the public

**Agenda Item No. 1: Call to Order and Disclosure of Conflicts of Interest.** Vice Chairman Chad Carr called the meeting to order to 11:02 a.m. No conflicts were disclosed.

**Agenda Item No. 2: Minutes.** The minutes of the Regular and Executive Sessions of June 19, 2019 were considered. It was then **MSC (J. Johnston, R. Lion)** to approve the minutes as presented.

**Agenda Item No. 3: Financial Report.** **A. Linton-Welsh** presented the financial report for the month of June 2019. At the end of the reporting period, the Authority had cash on hand of \$3,425,480.48. The checking account balance was \$3,425,455.48 and the savings account was \$25.00. The Authority recognized financial activity as follows: revenue totaled \$12,486.73, of which \$989.50 was interest earnings on cash invested and property taxes, and \$2,250.00 in rental income from the Positron facility. Property taxes were received as follows: \$6,073.41 from the North Yellowstone District, \$281.30 from the Naval Ordnance Plant District, \$2,522.17 from the North Portneuf District, and \$378.35 from the Airport District. Expenses totaled \$79,673.12, including administrative and professional service expenses of \$3,083.90. Economic development grants of \$44,040.60 and loans of \$32,548.65 were issued. The PDA received \$1,000.00 for trustee's fees paid in error. Linton-Welsh noted the next major tax remittance is anticipated in the next few days.

Following discussion, it was then **MSC (J. Johnston, M. Bloxham)** to approve the June 2019 financial report as presented. Board members expressed appreciation for the list of general fund projects and disbursements.

**Agenda Item No. 4: Payment Requests/Reimbursements.** The following invoices were reviewed for payment:

- a. \$2,608.40 from General Fund to Elam & Burke for legal fees re: Northgate TIF District creation.
- b. \$71.50 from North Yellowstone District Fund to Elam & Buke for legal fees re: North Yellowstone District closure.
- c. 473.00 from General Fund to Elam & Burke for legal fees re: Special General Counsel.
- d. \$1,520.00 from North Portneuf District Fund to Stacey & Parks for legal services re: North Portneuf TIF District.

**Gygli** reported the invoices accurately reflect work performed or goods and services provided, and are appropriate for payment. It was then **MSC (M. Bloxham, T. Ottaway)** to approve the payment requests.

**Agenda Item No. 5: Disbursements Under Previously Approved Grants & Loans.**

- a. **BGS Holdings**: Disbursement of \$2,086.00 under the loan agreement approved by the Board on 11/1/18 and \$650.00 under the grant agreement approved by the Board on 10/17/18 was requested.
- b. **Simmons Surgical**: Disbursement of \$9,597.83 under the grant approved by the Board on 12/19/18 was requested.

**Gygli** reviewed the requests, explaining that permits and inspections have been completed where required. For activities not requiring a formal permit, she and Quayle have inspected the work. All requests appear appropriate for the work performed. After review and discussion, it was **MSC (M. Bloxham, J. Johnston)** to authorize the payments described above.

**Agenda Item No. 6: BGS Loan Subordination Request.** **Steve Wright** updated the Board on progress on their project. He anticipates a soft opening in the next 30 days, with full opening likely in September. They have been working with Bank of Idaho to secure funding needed to finish the project and provide some operating capital (loan amount \$325,000.00). The bank's requirement is that their lien be in first position, necessitating subordination of the PDA's loan; otherwise, the bank will not make the loan. Wright stated his memory of the appraisal (he will provide a copy to the Board) is for \$670,000.00, so both the bank and PDA will be secured in the event of default. They have no other funding options. **Gygli** noted that no title searches are done as part of PDA-supported projects so there is no information on what position PDA loans occupy. In addition, some are not secured by a deed of trust. Board members discussed the subordination request, including the need to protect the PDA's position. Following discussion, it was **MSC (M. Bloxham, R. Lion)** to approve subordinating the PDA's loan to that of Bank of Idaho, authorizing the Chair/Vice Chair's signature on necessary documents.

**Agenda Item No. 7: Petersen Inc. Semi-Annual Report.** **Gygli** related Petersen's latest report. They remain in compliance with the grant agreement, having 65 full-time employees at or over \$14.00 per hour, where 50 is required, and an average wage of \$23.38 per hour.

**Agenda No. 8: North Yellowstone District.** **Gygli** reported the budget amendment for the termination will be presented at a public hearing at the August meeting. Then any remaining funds will be returned to Bannock County for distribution to the various taxing entities.

**Agenda Item No. 9: Northgate TIF Plan.** **Gygli** stated there is nothing new to report.

**Agenda Item No. 10: Naval Ordnance District.** **Gygli** reported the paving project, approved at the June meeting, has been completed and payment has been requested in the amount of \$134,850.00. **Quayle** reported he inspected the project a couple of times and the work was done as proposed. After brief discussion, it was **MSC (J. Johnson, R. Lion)** to approve disbursement of the requested funds.

**Agenda Item No. 11: Executive Session – North Portneuf TIF District.** To allow discussion regarding pending litigation, **Carr** called for an executive session. Pursuant to I.C. §74-206(1)(f) to communicate with legal counsel for the PDA to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated, at approximately 11:25 a.m., it was moved and seconded **(R. Lion, B. Blad)** to adjourn to executive session pursuant to Idaho Code

§74-206(1)(f). **The motion passed by roll call vote (Ayes: Lion, Blad, Bloxham, Carr, Johnson, Ottaway, Turner. Nays: None.)** Johnston left the meeting at approximately 11:30 a.m. and Smith joined the meeting by phone at that time. At approximately 12:23 p.m., the Board reconvened to regular session.

Following the executive session, the Board took a brief break and **Carr** welcomed those who had been dismissed back to the meeting.

**Agenda Item No. 12: North Portneuf TIF District.** Carr turned time over to **Raj Basu** to explain the request by Solargise for an extension of the time in which to close on the property. The default cure period expired on 7/22/19. **Basu** explained as described in his letter that the additional time is needed because they have decided to change their plans. Originally, the plan was to remove the polysilicon plant and build a solar panel plant. They have determined now that the best course is to not only build the solar plant, but to restart the polysilicon plant and add ingot and wafering plants. This change in plans have delayed them to the point that they need an additional 90 days before closing on the property.

Board members strongly expressed their concerns about Solargise's failure to perform over the last many months and questioned why the property purchase has not been completed, despite the change in plans, since either plan required ownership of the property. **Basu** again stated that the change in plans require different plans, engineering, site drawings, before the additional required funding could be obtained. He has been working with Bannock County on the issue of the delinquent taxes, and is working to address the ownership dispute with Celtic Life. He wants to have these issues resolved before completing the property purchase.

In response to questions from Board members, Basu stated his connection to VA Metals is that he loaned them funds, has no connection to Celtic Life, and has continued to invest in the site. Approximately \$1 million in engineering and design has been spent but no capital improvements have been made, and staff on the site. Much of the existing infrastructure can be used in their future plans, his investors are aware of the tax and lawsuit issues, he plans to pay the 2015 taxes by the deadline of 8/19/19 and intends to recoup those funds from VA Metals. It would be difficult to complete financing arrangements in less than 90 days.

Board members again expressed their frustration with lack of performance by Solargise and concern that granting any leeway will only continue the delays with no resolution in sight. Having this situation continue even for another 90 days is too long to inflict on the community. They questioned why potential investors would not be willing to purchase the property in order to protect the project going forward.

**Basu** again stated their intention to pay at least the 2015 taxes by the 8/19/19 deadline and pay the remaining outstanding taxes, together with the full purchase price, at the time of closing. However, he needs the additional 90 days in which to finalize financing and planning. He questioned what would be needed to show goodwill.

**Parks** reminded those present of the \$150,000.00 performance guaranty and up to \$50,000.00 to cover legal fees that will also be required at the time of closing.

Board members discussed the issue at length, considering the tax liability, impact on the community, potential of requiring additional earnest money, as well as an extension fee. It was then **MSC (R. Lion, M. Bloxham)** to extend the date for closing to 8/19/19 at 5:00 p.m., at which time payment of the full

purchase price, plus any other amounts called out in the DDA (development guaranty and legal fees), and all delinquent taxes and related interest and fees owed to Bannock County will be required, subject to receipt by the PDA of \$400,000.00 by 8/2/19 at 5:00 p.m., which amount represents \$300,000.00 in additional earnest money and \$100,000.00 extension fee, both nonrefundable if closing is not accomplished. Failure to comply results in termination of the DDA. Parks was authorized to transmit this formally to Basu.

**Basu** stated he will need to call involved parties back from holiday to meet this deadline.

**Agenda Item No. 13: Positron Building.** **Meghan Conrad** joined the meeting by phone. **Gygli** reviewed information from Idaho State University (ISU) regarding valuations of the facility. The PDA's ownership is of the improvements on ISU's property. The PDA has expended approximately \$550,000.00, including the original loan, interest up to the foreclosure process, legal fees, etc. **Conrad** reviewed Idaho Code regarding property disposition by urban renewal agencies, explaining that there is not direct guidance for this situation (where the property was in an urban renewal area at time of acquisition but is no longer). She explained this property could be transferred back to the "landlord" with or without compensation. In this situation, there may be difficulties finding a viable tenant, given the ownership situation. She recommended the Board also consider the cost to the agency of maintaining the asset long term. Following lengthy discussion, it was **MSC (B. Blad, T. Ottaway)** to counter offer to Idaho State University the sales price of \$125,000.00, with closing to occur in 60 days. This will be transmitted to ISU's General Counsel.

**Agenda Item No. 14: Reimbursement to City.** **Gygli** stated the City Council has asked the Board to consider reimbursing the City for the cost of staff support by City employees to the PDA. She has estimated very roughly that the cost would be \$24,000.00 (assuming current wage and fringe costs), including the Executive Director, Treasurer, Engineer, website support, and some administrative support. This amount does not take into account a project such as the Northgate TIF, which was very time consuming. This is an appropriate expense for the 10 percent administrative costs. Some other urban renewal agencies use contracted assistance and some are supported by related city staff, some reimbursed, others not. Chubbuck, for instance, reimburses for the executive director expenses. A project accounting code has been created so that staff expense can be tracked accurately. **Blad** said that yes, the City Council does want to have the PDA assist with this support. Board members expressed concern about having the ability to absorb the cost with little in increment coming in with the closure of North Yellowstone.

Following discussion, it was **MSC (R. Lion, T. Ottaway)** to reimburse the City of Pocatello for staff cost in FY2020, but reserving the right to revisit the issue at six months and one year. **Gygli** will provide a brief report at the next meeting of the expenses to date, starting 8/1/19.

**Adjournment:** Due to time constraints, the remainder of the agenda was postponed to the August meeting and the meeting adjourned at approximately 1:40 p.m.

By:   
Melanie Gygli, Interim Executive Director/Secretary

**POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES**  
**EXECUTIVE SESSION**  
**July 24, 2019**

**Members present:** Mayor Brian Blad, Matt Bloxham, Chad Carr, Jim Johnston (left meeting at approximately 11:30 a.m.), Rob Lion, Thomas Ottaway, Scott Smith (by phone from 11:30 a.m. to 1:25 p.m.) and Scott Turner.

**Members absent/excused:** Terrel Tovey.

**Others present:** Melanie Gygli, Interim Executive Director; Ashley Linton-Welsh, Deputy CFO; Matt Parks, Stacey & Parks (by phone); Tiffany Olsen, Bannock County.

The Board of Commissioners adjourned from regular session into executive session pursuant to I.C. §74-206(1)(f) to communicate with legal counsel for the PDA to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. At approximately 11:25 a.m., **it was moved and seconded (R. Lion, B. Blad)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(f). **The motion passed by roll call vote (Ayes: Lion, Blad, Bloxham, Carr, Johnson, Ottaway, Turner. Nays: None.)** Johnston left the meeting at approximately 11:30 a.m. and Smith joined the meeting by phone at that time. At approximately 12:23 p.m., the Board reconvened to regular session.

By:   
Melanie Gygli  
Interim Executive Director/Secretary



**POCATELLO DEVELOPMENT AUTHORITY**  
**MEETING MINUTES**  
**Special Meeting – August 14, 2019**

**Members present:** Mayor Brian Blad, Matt Bloxham, Chad Carr, Thomas Ottaway, Scott Smith, Terrell Tovey

**Members excused/absent:** Rob Lion, Jim Johnston, Scott Turner

**Others present:** Melanie Gygli, Interim Executive Director; Ashley Linton-Welsh, Pocatello Deputy CFO; Merrill Quayle, Pocatello Public Works Development Engineer; Jeff Mansfield, Pocatello Public Works Director/City Engineer; John Regetz, Bannock Development Corporation; Mike Ennis, Bannock Development Corporation; Tiffany Olsen, Bannock County; Matt Parks, Stacey & Parks (by phone); Raj Basu and Ben Krause, Solargise; L. D. Barthlome and Darren Miller, Portneuf Capital; Heidi Adamson, Pocatello City Council Member; Max Cohan, Channel 3/8; other members of the public

**Agenda Item No. 1: Call to Order and Disclosure of Conflicts of Interest.** Chairman Scott Smith called the meeting to order to 11:10 a.m. No conflicts were disclosed.

**Agenda Item No. 2: Executive Session – North Portneuf TIF District.** Smith called for a motion for the Board to approve participation in an executive session as outlined in Idaho Code § 74-206(1)(f) to communicate with legal counsel for the PDA to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated, concerning the disposition of the Hoku property and the lawsuit filed by Celtic Life Sciences LLC with respect to the Hoku property.

At approximately 11:11 a.m., **it was moved and seconded (T. Tovey, C. Carr)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(f). **The motion passed by roll call vote (Ayes: Tovey, Carr, Bloxham, Ottaway, Smith. Nays: None. Note: Blad joined the meeting right after the roll call vote.)** At approximately 11:37 a.m., by **MSC (Tovey, Carr)** the Board reconvened to regular session. **Smith** invited other meeting attendees to return.

**Agenda Item No. 3: North Portneuf TIF District.** Smith updated the Board on the status of the property disposition, outlining the PDA's action of 7/24/19, allowing an extension to 8/19/19, conditioned on a \$400,000.00 payment to the PDA with closing by 8/19/19, including payment in full of back taxes. He briefly described the assignment request, Portneuf Capital assuming the property purchase obligation under the DDA, and that the latest word is that one or both of the parties to the request may no longer desire this. He asked that each respond to that concern.

**Raj Basu** stated Solargise is no longer interested in going ahead with the assignment of the property purchase obligations. He stated that some of the parties to existing litigation and V.A. Metals are also involved with Portneuf Capital. He has not been able to get sufficient clarity on the situation to want to move forward, despite requesting information on the stakeholders involved with Portneuf Capital. Further, there has been no lease created. He requested that the assignment not be approved.

**L. D. Barthlome** agreed that they have not yet been able to come to an agreement, but they are willing to go ahead with the assignment as written and close on the property by Monday, 8/19/19.

**Agenda Item No. 4: Public Comment.** Per the published agenda, **Smith** opened the meeting to comments from the public regarding the assignment of the property purchase obligation on the Disposition and Development Agreement between the PDA and Solargise America LLC to Portneuf Capital LLC. No one present offered any comment.

**Agenda Item No. 5: Assignment of Property Purchase Obligation.** Board members discussed the issue at length, including the issue of unpaid taxes, with at least 2015's amount due by 8/19/19 to prevent the County issuing a tax deed on the property on the above ground items and the PDA's requirement of closing on 8/19/19 included payment in full of the tax delinquency. If the assignment were not approved, under the terms of the PDA's latest extension approval (\$400,000.00 nonrefundable payment to the PDA by 8/2/19 with closing and payment of all taxes by 8/19/19) would be terminated, as well as the Disposition & Development Agreement.

**Basu** stated he is willing to pay the 2015 tax liability now, pay the PDA \$400,000, with the remainder at closing by 9/20/19. **Parks** clarified that the property can be transferred without full payment of the tax liability, but the PDA has no authority to force tax payment except as a condition of closing.

Discussion continued, including the terms of the latest extension to Solargise, the assignment and that if it is not approved, funds paid by Portneuf Capital are to be refunded, whether the PDA can consider an extension request that is not part of the agenda, whether another extension is in the best interests of the PDA and the community with the lack of progress to this point. **Smith** pointed out that, at the meeting discussing a potential assignment on 8/1/19, the parties were aware that the details needed to be worked out so should have been done.

**Basu** again stated Solargise cannot continue under the assignment. In response to questioning from Board members, he explained their stakeholders had an agreement with the litigators, but found that they are also part of Portneuf Capital, which is a conflict. He wanted to be able to clarify the situation before proceeding to closing. **Barthlome** explained they have been working toward a lease, but without issues on the title being cleared, they could not close. Therefore, they felt there was no point in finalizing a lease for something that might not happen. They do have an LOI, which he believes the PDA's attorney has seen. **Darren Miller**, representing Portneuf Capital, stated they needed an acknowledgment of asset ownership and have had no access to the existing assets. **Basu** replied that he cannot close on the basis of an LOI, cannot confirm lack of interest in any assets due to the conflicted parties involved.

With the information provided and the Board needing to again consult with their attorney, **Smith** called for a motion to return to executive session as outlined in Idaho Code § 74-206(1)(f) to communicate with legal counsel for the PDA to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated, concerning the disposition of the Hoku property and the lawsuit filed by Celtic Life Sciences LLC with respect to the Hoku property.

At approximately 12:00 noon, it was moved and seconded (**T. Ottaway, T. Tovey**) to adjourn to executive session pursuant to Idaho Code §74-206(1)(f). The motion passed by roll call vote (**Ayes: Ottaway, Tovey, Bloxham, Ottaway, Smith. Nays: Blad.**) At approximately 12:22 a.m., by **MSC (Tovey, Blad)** the Board reconvened to regular session.

**Smith** invited other meeting attendees to return. He questioned the representatives from Solargise and Portneuf Capital whether their stance on the assignment had changed. **Basu** stated no, their position has not changed; they do not want to go ahead. **Barthlome** stated no, their position has not changed; they do want to go ahead.

Following brief discussion, it was **MSC (C. Carr, T. Ottaway)** to deny approval of the proposed assignment, based on the fact that one of the parties has requested that it not be approved.

**Adjournment:** **Smith** thanked those present for attending. There being no further business noticed for this special meeting, it was **MSC (T. Tovey, C. Carr)** to adjourn at approximately 12:26 p.m.

By   
Melanie Gygli, Interim Executive Director/Secretary

**POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES**  
**EXECUTIVE SESSION**  
**August 14, 2019**

**Members present:** Mayor Brian Blad, Matt Bloxham, Chad Carr, Thomas Ottaway, Scott Smith, Terrel Tovey

**Members absent/excused:** Jim Johnston, Rob Lion, Scott Turner

**Others present:** Melanie Gygli, Interim Executive Director; Ashley Linton-Welsh, Deputy CFO; Matt Parks, Stacey & Parks (by phone); Tiffany Olsen, Bannock County.

The Board of Commissioners adjourned from regular session into executive session pursuant to I.C. §74-206(1)(f) to communicate with legal counsel for the PDA to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. At approximately 11:11 a.m., **it was moved and seconded (T. Tovey, C. Carr)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(f). **The motion passed by roll call vote (Ayes: Tovey, Carr, Bloxham, Ottaway, Smith. Nays: None. Note: Blad joined the meeting right after the roll call vote.)** At approximately 11:37 a.m., by **MSC (Tovey, Carr)** the Board reconvened to regular session.

The Board of Commissioners again adjourned from regular session into executive session pursuant to I.C. §74-206(1)(f) to communicate with legal counsel for the PDA to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. At approximately 12:00 noon, **it was moved and seconded (T. Ottaway, T. Tovey)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(f). **The motion passed by roll call vote (Ayes: Ottaway, Tovey, Bloxham, Ottaway, Smith. Nays: Blad.)** At approximately 12:22 a.m., by **MSC (Tovey, Blad)** the Board reconvened to regular session.

By:  \_\_\_\_\_  
Melanie Gygli  
Interim Executive Director/Secretary

**AGENDA ITEM  
NO. 3**

Pocatello Development Authority  
Balance Sheet by Class  
As of July 31, 2019

	1-General Fund	3-North Yellowstone	4-Naval Ordnance	6-North Portneuf	7-Pocatello Regional Airport	TOTAL
<b>ASSETS</b>						
<b>Current Assets</b>						
Checking/Savings						
ICCU Checking	657,953.11	1,599,836.90	1,004,269.47	338,446.54	609,225.84	4,209,731.86
ICCU Savings	25.00	0.00	0.00	0.00	0.00	25.00
Total Checking/Savings	657,978.11	1,599,836.90	1,004,269.47	338,446.54	609,225.84	4,209,756.86
Accounts Receivable	3,000.00	0.00	0.00	0.00	0.00	3,000.00
Accounts Receivable	3,000.00	0.00	0.00	0.00	0.00	3,000.00
Total Accounts Receivable	3,000.00	0.00	0.00	0.00	0.00	3,000.00
Other Current Assets						
Accrued Interest Income	23,932.63	4,424.57	173.37	66.68	100.00	28,697.25
Property Tax Receivable	0.00	98,168.01	0.00	201,165.23	0.00	299,333.24
Total Other Current Assets	23,932.63	102,592.58	173.37	201,231.91	100.00	328,030.49
Total Current Assets	684,910.74	1,702,429.48	1,004,442.84	539,678.45	609,325.84	4,540,787.35
<b>Other Assets</b>						
Inventory - Leasehold	424,779.00	0.00	0.00	0.00	0.00	424,779.00
Note Receivable	76,000.00	0.00	0.00	0.00	0.00	76,000.00
Total Other Assets	500,779.00	0.00	0.00	0.00	0.00	500,779.00
<b>TOTAL ASSETS</b>	<b>1,185,689.74</b>	<b>1,702,429.48</b>	<b>1,004,442.84</b>	<b>539,678.45</b>	<b>609,325.84</b>	<b>5,041,566.35</b>
<b>LIAB FUND BALANCE</b>						
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Other Current Liabilities						
Acct Payable	18,311.63	0.00	0.00	6,984.31	0.00	25,275.94
Security Deposit	0.00	0.00	0.00	200,000.00	0.00	200,000.00
Total Other Current Liabilities	18,311.63	0.00	0.00	206,984.31	0.00	225,275.94
Total Current Liabilities	18,311.63	0.00	0.00	206,984.31	0.00	225,275.94
<b>Long Term Liabilities</b>						
Deferred Interest Receivable	23,632.57	0.00	0.00	0.00	0.00	23,632.57
Deferred Notes Receivable Rev	76,000.00	0.00	0.00	0.00	0.00	76,000.00
Deferred Tax Revenues	0.00	10,399.03	0.00	201,025.90	0.00	211,424.93
Total Long Term Liabilities	99,632.57	10,399.03	0.00	201,025.90	0.00	311,057.50
Total Liabilities	117,944.20	10,399.03	0.00	407,990.21	0.00	536,333.44
<b>Fund Balance</b>						
Fund Balance	1,931,837.57	3,590,235.69	868,662.92	136,330.61	499,607.73	7,026,674.52
Net Income	-864,092.03	-1,898,205.24	135,779.92	-4,642.37	109,718.11	-2,521,441.61
Total Fund Balance	1,067,745.54	1,692,030.45	1,004,442.84	131,688.24	609,325.84	4,505,232.91
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>1,185,689.74</b>	<b>1,702,429.48</b>	<b>1,004,442.84</b>	<b>539,678.45</b>	<b>609,325.84</b>	<b>5,041,566.35</b>

## Pocatello Development Authority Profit & Loss by Class July 2019

	1-General Fund	3-North Yellowstone	4-Naval Ordnance	6-North Portneuf	7-Pocatello Regional Airport	TOTAL
<b>Ordinary Income/Expense</b>						
<b>Income</b>						
Interest Income	171.38	222.79	248.50	77.11	137.10	856.88
Personal Property tax replace	0.00	23,003.35	6,043.21	404.91	0.00	29,451.47
Property Taxes	0.00	686,141.95	151,458.91	14,747.91	53,554.96	905,903.73
Rental Income	750.00	0.00	0.00	0.00	0.00	750.00
<b>Total Income</b>	<b>921.38</b>	<b>709,368.09</b>	<b>157,750.62</b>	<b>15,229.93</b>	<b>53,692.06</b>	<b>936,962.08</b>
<b>Gross Profit</b>	<b>921.38</b>	<b>709,368.09</b>	<b>157,750.62</b>	<b>15,229.93</b>	<b>53,692.06</b>	<b>936,962.08</b>
<b>Expense</b>						
Administrative	78.97	0.00	0.00	0.00	0.00	78.97
Capital Construction	0.00	0.00	134,850.00	0.00	0.00	134,850.00
Economic Grants Issued	10,247.83	0.00	0.00	0.00	0.00	10,247.83
Economic Loans	2,086.00	0.00	0.00	0.00	0.00	2,086.00
Professional Services						
Other Professional Services	3,152.90	0.00	0.00	1,520.00	0.00	4,672.90
<b>Total Professional Services</b>	<b>3,152.90</b>	<b>0.00</b>	<b>0.00</b>	<b>1,520.00</b>	<b>0.00</b>	<b>4,672.90</b>
<b>Total Expense</b>	<b>15,565.70</b>	<b>0.00</b>	<b>134,850.00</b>	<b>1,520.00</b>	<b>0.00</b>	<b>151,935.70</b>
<b>Net Ordinary Income</b>	<b>-14,644.32</b>	<b>709,368.09</b>	<b>22,900.62</b>	<b>13,709.93</b>	<b>53,692.06</b>	<b>785,026.38</b>
<b>Net Income</b>	<b>-14,644.32</b>	<b>709,368.09</b>	<b>22,900.62</b>	<b>13,709.93</b>	<b>53,692.06</b>	<b>785,026.38</b>

At month end, the Authority had cash on hand of \$4,209,756.86. The checking account balance was \$4,209,731.86 and the savings account balance was \$25.00

Pocatello Development Authority recognized greater than normal financial activity during the month of July. The Authority received revenues totaling \$936,962.08 of which \$856.88 was interest earnings on cash invested. Property tax revenues and replacement dollars were received from the North Yellowstone District (\$709,145.30), the Naval Ordnance District (\$157,502.12), the North Portneuf District (\$15,152.82), and the Airport District (\$53,554.96). Rental income from the Positron Facility was received in the amount of \$750.

Expenses paid for the month totaled \$151,935.70. The administrative expenses were \$78.97 for the lunch meeting in July. Capital construction in the Naval Ordnance District totaled \$134,850. Economic grants were issued in the amount of \$10,247.83 and economic loans were issued for \$2,086. Other professional services include \$3,152.90 to Elam & Burke for Northgate TIF creation and special council and \$1,520 to Stacey & Parks, PLLC for legal assistance on the Hoku Property.

Year to date revenues of \$2,120,137.96 (see page 3) are less than expenses of \$4,641,579.57, so there is an overall net use of reserves of \$2,521,441.61.

Pocatello Development Authority  
Profit & Loss by Class  
October 2018 through July 2019

	1-General Fund	3-North Yellowstone	4-Naval Ordnance	6-North Portneuf	7-Pocatello Regional Airport	TOTAL
<b>Ordinary Income/Expense</b>						
<b>Income</b>						
Interest Income	2,388.14	48,248.28	1,972.97	747.34	1,069.80	54,426.53
Loan Interest Income	0.00	0.00	0.00	0.00	115.91	115.91
Personal Property tax replace	0.00	46,006.70	12,086.42	809.82	0.00	58,902.94
Property Taxes	0.00	1,607,814.65	256,570.53	26,275.00	108,532.40	1,999,192.58
Rental Income	7,500.00	0.00	0.00	0.00	0.00	7,500.00
<b>Total Income</b>	<b>9,888.14</b>	<b>1,702,069.63</b>	<b>270,629.92</b>	<b>27,832.16</b>	<b>109,718.11</b>	<b>2,120,137.96</b>
<b>Gross Profit</b>	9,888.14	1,702,069.63	270,629.92	27,832.16	109,718.11	2,120,137.96
<b>Expense</b>						
Administrative	1,697.54	2,000.00	0.00	278.41	0.00	3,975.95
Capital Construction	0.00	0.00	134,850.00	0.00	0.00	134,850.00
Debt Service						
Interest	0.00	62,651.87	0.00	0.00	0.00	62,651.87
Principal	0.00	3,533,000.00	0.00	0.00	0.00	3,533,000.00
<b>Total Debt Service</b>	<b>0.00</b>	<b>3,595,651.87</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,595,651.87</b>
Dues and Memberships	1,350.00	0.00	0.00	0.00	0.00	1,350.00
Economic Grants Issued	497,843.37	0.00	0.00	0.00	0.00	497,843.37
Economic Loans	304,610.32	0.00	0.00	0.00	0.00	304,610.32
Professional Services						
Other Professional Services	59,663.40	2,623.00	0.00	25,712.20	0.00	87,998.60
Professional Services - Other	8,815.54	0.00	0.00	6,483.92	0.00	15,299.46
<b>Total Professional Services</b>	<b>68,478.94</b>	<b>2,623.00</b>	<b>0.00</b>	<b>32,196.12</b>	<b>0.00</b>	<b>103,298.06</b>
<b>Total Expense</b>	<b>873,980.17</b>	<b>3,600,274.87</b>	<b>134,850.00</b>	<b>32,474.53</b>	<b>0.00</b>	<b>4,641,579.57</b>
<b>Net Ordinary Income</b>	-864,092.03	-1,898,205.24	135,779.92	-4,642.37	109,718.11	-2,521,441.61
<b>Net Income</b>	<b>-864,092.03</b>	<b>-1,898,205.24</b>	<b>135,779.92</b>	<b>-4,642.37</b>	<b>109,718.11</b>	<b>-2,521,441.61</b>



General Fund Obligations (w/payments requested as of 8/21/19)

Name	Grant	Drawn	Remaining	Loan	Drawn	Remaining	Payments Start
Northgate TIF				\$2,000,000.00	(\$2,000,000.00)	\$0.00	2021 - TIF reimbursement begins
Station Square	\$100,000.00	(\$15,059.00)	\$84,941.00	\$100,000.00	(\$47,882.44)	\$52,117.56	NA 8/1/2020 (\$6,250 + interest quarterly)
The Yellowstone				\$16,795.00	\$0.00		Not yet disbursed, \$1,050 + interest quarterly
The Yellowstone/Bridge				\$26,000.00	(\$26,000.00)	\$0.00	1/1/2020 (\$1,625 + interest quarterly)
Energy	\$25,000.00	\$0.00	\$25,000.00				Only if employment incentive not met
BGS	\$60,000.00	(\$60,000.00)	\$0.00	\$200,000.00	(\$193,455.52)	\$6,544.48	NA 6/1/2020 (\$12,500 + interest quarterly)
Simmons	\$75,000.00	(\$55,818.18)	\$19,181.82	\$125,000.00	(\$70,450.29)	\$54,549.71	NA 6/1/2020 (\$7,813 + interest quarterly)
Snyder	\$75,000.00	(\$37,000.00)	\$38,000.00				NA
Barthlome	\$10,000.00	(\$10,000.00)	\$0.00	\$17,500.00			NA Chose not to take loan

**AGENDA ITEM  
NO. 6**

**Pocatello Development Authority - Budget 2019-2020 fiscal year**

	General Fund	Naval	North	Total
	Ordinance	Portneuf	Airport	Northgate (2)
Beginning Cash Balance July 31, 2019	\$657,806.73	\$1,004,020.97	\$338,369.43	\$609,088.74
<b>INCOME:</b>				
Administrative fees - estimated	38,736.00			
Property taxes	255,389.00	34,951.00	97,016.00	
Interest Income	500.00	3,000.00	100.00	
<b>Total Projected Income:</b>	<b>39,236.00</b>	<b>255,989.00</b>	<b>37,951.00</b>	<b>0.00</b>
<b>EXPENSE:</b>				
Contingency (3)	666,609.73	1,234,470.97	355,084.43	696,502.74
City payment for HOKU land purchase (1)			17,741.00	
Administrative expense - estimated		25,539.00	3,495.00	9,702.00
Luncheon costs	2,000.00			
Office expenses	300.00			
Dues and memberships	1,750.00			
Errors and omission insurance	6,383.00			
Banking and Professional services	20,000.00			
<b>Total Projected Expense:</b>	<b>697,042.73</b>	<b>1,260,009.97</b>	<b>376,320.43</b>	<b>706,204.74</b>

CALCULATED ENDING BALANCE      \$0.00      \$0.00      \$0.00      \$0.00

- Scheduled to payoff on October 31, 2030
- The Northgate TIF district is open, but will not start collecting tax money until FY 2021. It is listed on the budget for transparency.
- The General fund contingency covers the Northgate project and potential unplanned projects.

The remaining contingencies in the other districts are for potential unplanned projects.

**AGENDA ITEM  
NO. 7**

# Pocatello Development Authority

7a

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

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

TO: Pocatello Development Authority, Board of Commissioners

FROM: Melanie Gygli, Interim Executive Director   
Merril Quayle, Public Works Development Engineer 

DATE: Meeting of August 21, 2019

SUBJECT: BGS Holdings – Issuance of Funds

As part of the Economic Development Agreements with BGS Holdings, the Board approved loan funds of up to \$200,000.00 and a grant for \$60,000.00 for costs related to a variety of work on the building at 228 South Main.

A request for payment in the amount of \$3,277.33 has been submitted for a variety of supplies and work. No code-related permits or inspections were required, but the work has been completed to the extent of the invoices. The request is divided between the loan (\$2,827.33) and the grant (\$450.00).

With this request, the total drawn on the loan is \$193,455.52, with \$6,544.48 remaining. The total drawn on the grant is \$60,000.00 with no additional funds remaining.

It is our determination that the fund request is appropriate for payment. Payment should be made as follows:

1. CP Integrity Construction, \$2,572.08
2. William Coryell, \$705.25

# Pocatello Development Authority

7b

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

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TO: Pocatello Development Authority Board of Directors *An urban renewal agency for the City of Pocatello, Idaho*

FROM: Melanie Gygli, Interim Executive Director *MG*  
Merril Quayle, Public Works Development Engineer *MQ*

DATE: Meeting of August 21, 2019

SUBJECT: Simmons Surgical – Issuance of Loan Funds

As part of the Economic Development Loan & Grant Agreements with Simmons Surgical, the Board provided loan funds of \$125,000.00 for costs related to necessary repairs and add facilities to create a surgical skills training suite and an Air BnB-type lodging room in the building at 312 West Center.

Dane Simmons, representing Simmons Surgical, has submitted a request for \$24,850.00 covering a variety of interior work. Because a portion may require formal permits that have not yet been obtained, consideration was made for a total of \$10,350.00. This work was inspected on August 15, 2019, and we determined the fund request is proportionate to the work that has been done.

With this request, the total drawn on this loan will be \$70,450.29; remaining to be drawn is \$54,549.71.

Please make check payable to Simmons Surgical in the amount of \$10,350.00.