

**POCATELLO DEVELOPMENT AUTHORITY**  
**Board of Commissioners Meeting**  
**September 18, 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](mailto: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 – Approval of the Agenda.**
3. **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 August 21, 2019. *See attached documents.*
4. **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 document.*
5. **ACTION ITEM – Engagement of Auditor.** The Board may wish to consider engaging Deaton & Company to complete the FY2019 Audit. *See attached document.*
6. **ACTION ITEM – Expense Payments & Reimbursements.** The Board may wish to approve the payment or reimbursement of the following PDA expenses
  - a. \$238.31 from General Fund to Melanie Gygli for reimbursement of lunch items, BDC symposium registration, presentation check.
  - b. \$6,383.00 from General Fund to ICRMP for FY2020 premium.
  - c. \$381.39 from General Fund to Idaho State Publishing for legal noticing of budget.
  - d. \$301.00 from General Fund to Elam & Buke for legal fees re: North Yellowstone District closure.
  - e. \$86.00 from North Portneuf District Fund to Elam & Burke for legal fees re: North Portneuf TIF District.
  - f. \$21.50 from General Fund to Elam & Burke for legal fees re: Special Counsel General
  - g. \$5,226.85 from North Portneuf District Fund to Stacey & Parks for legal services re: North Portneuf TIF District.
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 \$9,371.81 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. Representatives from BGS will be present to discuss the Board's concerns regarding the sign.
  - b. Simmons Surgical LLC is requesting disbursements of \$32,195.51 under the loan approved by the Board on 1/16/19 and \$2,406.37 under the grant approved by the Board on 12/19/18. Representatives from Simmons Surgical will be present to propose a reallocation of project amounts within the grant.
  - c. Michael Snyder is requesting disbursement of \$2,442.00 under the grant approved by the Board on 12/19/18.
8. **ACTION ITEM – Airport TIF District.** The Board may wish to consider a proposal by Elden Charles, representing Frigitek Industrial Parks, for use of funds within the Airport TIF District. *See attached document.*
9. **ACTION ITEM – North Portneuf TIF District.** The Board may receive a report regarding the Hoku property located within the North Portneuf TIF District and potentially take action on approval of and publication of a request for proposals. This may include a report of the status of the sale by the PDA of the Hoku property, the status of unpaid property taxes on the Hoku property, and potential actions for disposition of the property, including approval of an issuance of a request for proposals for the disposition and development of the property pursuant to Idaho Code § 50.2011. *See attached document.*
10. **ACTION ITEM – Naval Ordnance Plant District.** The Board may wish to consider a request by Barbara Wischerath, representing Gateway West, for distribution of \$31,171.00 for improvements within the District. *See attached documents.*

11. **ACTION ITEM – Resolution 2019-4.** The Board may wish to consider adopting Resolution 2019-4 expressing appreciation for Matthew Bloxham’s service to the Board. *See attached document.*
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. **REPORTS & NEWS CONFERENCE – Closure of North Yellowstone District.** The Board may receive a report regarding the status of the closure of the North Yellowstone Urban Renewal District and may wish to move to the Council Chambers for a news conference on the closure.
14. **ADJOURN.**

**AGENDA ITEM  
NO. 3**

**POCATELLO DEVELOPMENT AUTHORITY**  
**MEETING MINUTES**  
**August 21, 2019**

**Members present:** Mayor Brian Blad, Matt Bloxham, Rob Lion, Scott Smith, Terrel Tovey, and Scott Turner

**Members excused/absent:** Chad Carr, Jim Johnston, Thomas Ottaway

**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; Mike Ennis, Bannock Development Corporation; Tiffany Olsen, Bannock County; Matt Parks, Stacey & Parks (by phone from approximately 11:26 a.m. to 12:21 p.m.); Raj Basu and Ben Krause, Solargise; Darren Miller and L. D. Barthlome, Portneuf Capital; Steve Marotz; Heidi Adamson, Pocatello City Council; several 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 11:03a.m. No conflicts were disclosed.

**Agenda Item No. 2: Minutes.** The minutes of the Regular Meeting and Executive Session of July 17, 2019 and Special Meeting and Executive Session of August 14, 2019 were considered. It was then **MSC (B. Blad, T. Tovey)** to approve the minutes as presented.

**Agenda Item No. 3: Financial Report.** A. Linton-Welsh presented the financial report for the month of July 2019. At the end of the reporting period, the Authority had cash on hand of \$4,209,731.86. The checking account balance was \$4,209,731.86 and the savings account was \$25.00. The Authority recognized greater than usual financial activity, due to the second large remittance of the year of property taxes. Activity was as follows: revenue totaled \$936,962.08, of which \$856.88 was interest earnings on cash invested and \$750.00 in rental income from the Positron facility. Property tax revenues and replacement dollars totaled \$709,145.30 from the North Yellowstone District, \$157,502.12 from the Naval Ordnance Plant District, \$15,152.82 the North Portneuf District, and \$53,554.98 from the Airport District. Expenses totaled \$151,935.70, including administrative and professional service expenses of \$4,751.87. Capital construction in the Naval Ordnance District totaled \$134.850. Economic development grants of \$10,247.83 and loans of \$2,086.00 were issued.

Following discussion, it was then **MSC (T. Tovey, S. Turner)** to approve the July 2019 financial report as presented.

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

- a. \$200.00 from General Fund to Elam & Burke for legal fees re: Northgate TIF District creation.
- b. \$150.00 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 General Counsel.
- d. \$5,460.00 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 (B. Blad, R. Lion)** to approve the payment requests.

**Agenda Item No. 5: Administrative Fee Transfer, North Yellowstone URA.** **Gygli** explained this is before the Board now, rather than after the end of the fiscal year, in order to complete payments from and complete the closure of the North Yellowstone District. **Linton-Welsh** explained the transfer is 10 percent of property tax remittances each year to the general fund. That amounts to \$160,781.00 for this year.

Board members discussed the proposed transfer, noting that this has been standard for many years. It was then **MSC (S. Turner, B. Blad)** to approve the transfer of \$160,781.00 from the North Yellowstone District to the general fund.

**Agenda Item No. 6: Public Hearing – FY2020 Budget.** **Smith** stated that the budget for FY2020 is to be considered by the Board. He then opened the public hearing. **Linton-Welsh** described how the budget is development, starting with July cash balance, assuming property tax receipts based on December values. Known expenses are included, such as the payment to the City on the Hoku property. The remainder of potential expenses are included in the contingency amount for the open districts and general fund. That creates sufficient authority for needed spending, but still requires authorization by the PDA for all expenses. In response to questions, she stated the payment for City staff time would come from the contingency in the general fund.

**Smith** called for public testimony for, neutral to, or against the proposed budget. Hearing none, **Smith** closed the public hearing. Following discussion among Board members, it was then **MSC (T. Tovey, S. Turner)** to adopt the FY2020 budget as proposed.

**Agenda Item No. 7: Disbursements Under Previously Approved Grants & Loans.**

- a. **BGS Holdings:** Disbursement of \$2,827.33 under the loan agreement approved by the Board on 11/1/18 and \$40.00 under the grant agreement approved by the Board on 10/17/18 was requested.
- b. **Simmons Surgical:** Disbursement of \$10,350.00 under the loan 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.

**Blad** presented his concern about the historic Chopstick Café sign that was to be refurbished as part of the award of funds to BGS Holdings. He has heard that the sign has been sold and he does not feel it appropriate that the PDA funds be used and the sign sold. **Gygli** stated Stephen Wright (of BGS Holdings) told her they had not decided what to do with the sign, whether to locate it on the rear of their building (there are structural and right-of-way encroachment issues there) or elsewhere. Other Board members stated they had heard it was to be relocated elsewhere.

Following discussion, it was **MSC (B. Blad, T. Tovey)** to postpone consideration of funding disbursement requests from BGS Holdings until a written explanation of sign's status acceptable to the PDA is received.

It was then **MSC (T. Tovey, R. Lion)** to approve the request for funds by Simmons Surgical.

**Agenda Item No. 8: Old Town Master Plan.** No one was present for this item.

**Agenda Item No. 9: Positron Facility Sale.** **Smith** reviewed the PDA's offer to sell the Positron facility to ISU, with closing to be accomplished by the end of September. **Gygli** explained ISU's general counsel asked for consideration of an extension of the closing deadline to the week of October 7, 2019, to allow them to discuss this with the State Board of Education. Following discussion, it was **MSC (T. Tovey, B. Blad)** to extend the period in which to close to October 15, 2019.

**Agenda Item No. 10: Executive Session – North Portneuf TIF District.** To allow discussion regarding pending or imminently likely litigation, **Smith** 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 11:26 a.m., **it was moved and seconded (T. Tovey, M. Bloxham)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(f). **The motion passed by roll call vote (Ayes: Tovey, Bloxham, Blad, Lion, Smith, Tovey, Turner. Nays: None.)** At approximately 11:50 a.m., the Board reconvened to regular session.

Following the executive session, **Smith** welcomed those who had been dismissed back to the meeting.

**Agenda Item No. 11: North Portneuf TIF District.** **Smith** reviewed the disposition process, including the issuance of the Request for Proposals and the agreement with Solargise on the property purchase. He asked **Matt Parks** to go over the timeline of this process.

**Parks** explained the Disposition and Development Agreement (DDA) on 9/18/18, which required closing on the property within six months. The terms of the agreement also included issuance of a Request for Proposals to allow submission of comments on the DDA and/or competing proposals. Solargise submitted the only responsive proposal, after which closing within the six-month timeframe. The PDA agreed to an extension to 4/30/19. Then, on 4/17/19, the closing date was extended, conditioned on the 2015 tax bill being paid in full to Bannock County no later than 4/19/19. When that deadline was not met, the PDA issued a notice of default under the DDA and opportunity to cure that default with 60 days. That default was not cured, as closing did not occur. On 7/24/19, the PDA again granted an extension to 8/19/19, if \$400,000.00 was paid to the PDA by 8/2/19 (\$300,000.00 additional earnest money and \$100,000.00 administrative fee), with closing to occur by 8/19/19 including payment in full of the tax delinquency. The conditions were not met, so at this time, there are no pending deadlines, and Solargise has not met the requirement to close under the DDA.

**Smith** reiterated that despite these extensions, Solargise has not closed on the property nor paid the delinquent taxes. He noted that Basu has requested yet another extension and offered him three-five minutes to relay his request.

**Raj Basu** stated he believes the PDA was made aware of issues surrounding this deal independently and by him. Third parties have been involved in disputes and lawsuits such that he cannot complete the process. He attempted to put together a meeting of all parties early in the summer but was unable to do so. That meeting is now scheduled for Friday in London at which time he hopes to reach a settlement so there is no further litigation between the parties at dispute, allowing closing to take place and the process move forward. He is requesting an extension to 9/30/19, referencing a letter from his

lawyer that was provided to the PDA. On 8/20/19, the Bannock County Commissioners granted an extension on paying the taxes. If the PDA agrees to the extension to 9/30/19, he will pay the taxes.

In response to a question from Smith, **Basu** said the information from Parks seems accurate. He went on to say he just received the green light on the project in March of 2019, and his team has managed to pull this huge task together.

**Smith** listed documents the PDA has received for the record: 1) extension request from Raj Basu by email to Parks dated 8/14/19; 2) letter from Cairncross & Hempelmann, attorneys for V. A. Metals, dated 8/20/19; 3) email from Darren Miller to Gygli and Parks dated 8/20/19, with attachments; 4) letter from Solargise signed by K. V. R. Naidu dated 8/20/19; 5) letter from Kartik Ravichander of Zehn Advocates to Raj Basu dated 8/20/19.

Discussed ensued among Board members, referencing the original closing to be done in March of 2019 and still the requirements of the DDA have been met; PDA needs to make a decision that is in the best interests of the City and citizens, owing it to the community to represent it well and complete the process expeditiously and professionally; the site has become a blight; the Board has granted extensions in an effort to allow the process to move forward. Referencing concerns expressed by Basu about pulling the project together in a few months, **Smith** noted that discussions began as much as one and one-half years ago, there have been continued requests for extensions and promises of funds that are never fulfilled. When the proposal was submitted to the PDA, it was to be specific and with sufficient funding to complete, not based on wishful thinking. Allowing this to continue does a disservice to the community. No new information has been presented, and promises to pay taxes and funds to the PDA have not been met. There has been an utter failure to perform and further extensions would be inappropriate.

**Tovey** stated, as a Bannock County Commissioner, he was agreeable to the extension on the 2015 taxes to not burden the PDA's process. Ultimately all must be held accountable for tax payments, including homeowners and business owners, with no unequal treatment or unfair advantage to anyone. The last extension gives until Tuesday, 8/27/19, at 5:00 p.m., after which the County will move ahead with its process on delinquent taxes. He noted tax records show V. A. Metals as the current owner. **Smith** again expressed that the PDA wanted all taxes paid.

**Motion was made by R. Lion, seconded by S. Turner** to terminate the DDA with Solargise due to its failure to meet the terms of that agreement. **The motion passed by roll call vote (Ayes: Lion, Turner, Blad, Bloxham, Smith, Tovey. Nays: None.).**

**Motion was made by T. Tovey, seconded by M. Bloxham** to deny the current request for an extension on the property closing. **The motion passed by roll call vote (Ayes: Tovey, Bloxham, Blad, Lion, Smith, Turner. Nays: None.).**

The Chairman directed Parks to prepare a termination letter.

**Agenda Item No. 12: Calendar Review.** **Smith** stated the annual Bannock Development Corporation Economic Development Symposium will be Friday, 9/27/19, from 10-1. **Ennis** explained Governor Little will be the keynote speaker and there will be networking and heavy hors d'oeuvres. **Gygli** asked that Board members let her know if they are interested in attending and she will make the reservations. **Turner** stated he wishes to attend.

**Tovey** stated an Army unit will be leaving for deployment and encouraged everyone to attend the going away on 10/5/19 at the MEC.

**Adjournment:** There being no further business, it was **MSC (T. Tovey, R. Lion)** to adjourn the meeting at approximately 12:21 p.m.

By:   
Melanie Gygli, Interim Executive Director/Secretary



**POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES**  
**EXECUTIVE SESSION**  
**August 21, 2019**

**Members present:** Mayor Brian Blad, Matt Bloxham, Rob Lion, Scott Smith, Terrel Tovey, Scott Turner

**Members absent/excused:** Chad Carr, Jim Johnston, Thomas Ottaway

**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 11:26 a.m., **it was moved and seconded (T. Tovey, M. Bloxham)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(f). **The motion passed by roll call vote (Ayes: Tovey, Bloxham, Blad, Lion, Smith, Turner. Nays: None.** At approximately 11:50 a.m., by **MSC (T. Tovey, M. Bloxham)** the Board reconvened to regular session.

By:   
Melanie Gygli  
Interim Executive Director/Secretary

**AGENDA ITEM  
NO. 4**

Pocatello Development Authority  
Balance Sheet by Class  
As of August 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	807,847.61	0.00	1,004,627.42	333,114.19	609,436.94	2,755,026.16
ICCU Savings	25.00	0.00	0.00	0.00	0.00	25.00
<b>Total Checking/Savings</b>	<u>807,872.61</u>	<u>0.00</u>	<u>1,004,627.42</u>	<u>333,114.19</u>	<u>609,436.94</u>	<u>2,755,051.16</u>
Accounts Receivable	3,750.00	0.00	0.00	0.00	0.00	3,750.00
<b>Total Accounts Receivable</b>	<u>3,750.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>3,750.00</u>
<b>Other Current Assets</b>						
Accrued Interest Income	23,952.63	4,424.57	173.37	66.68	100.00	28,687.25
Property Tax Receivable	0.00	98,168.01	0.00	201,165.23	0.00	299,333.24
<b>Total Other Current Assets</b>	<u>23,952.63</u>	<u>102,592.58</u>	<u>173.37</u>	<u>201,231.91</u>	<u>100.00</u>	<u>325,030.49</u>
<b>Total Current Assets</b>	<u>835,555.24</u>	<u>102,592.58</u>	<u>1,004,800.79</u>	<u>534,346.10</u>	<u>609,536.94</u>	<u>3,066,831.65</u>
<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
<b>Total Other Assets</b>	<u>500,779.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>500,779.00</u>
<b>TOTAL ASSETS</b>	<u><u>1,336,334.24</u></u>	<u><u>102,592.58</u></u>	<u><u>1,004,800.79</u></u>	<u><u>534,346.10</u></u>	<u><u>609,536.94</u></u>	<u><u>3,587,610.65</u></u>
<b>LIABILITIES &amp; EQUITY</b>						
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Other Current Liabilities						
Acct Payable	18,311.63	0.00	0.00	6,964.31	0.00	25,275.94
Security Deposit	0.00	0.00	0.00	200,000.00	0.00	200,000.00
<b>Total Other Current Liabilities</b>	<u>18,311.63</u>	<u>0.00</u>	<u>0.00</u>	<u>206,964.31</u>	<u>0.00</u>	<u>225,275.94</u>
<b>Total Current Liabilities</b>	<u>18,311.63</u>	<u>0.00</u>	<u>0.00</u>	<u>206,964.31</u>	<u>0.00</u>	<u>225,275.94</u>
<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
<b>Total Long Term Liabilities</b>	<u>99,632.57</u>	<u>10,399.03</u>	<u>0.00</u>	<u>201,025.90</u>	<u>0.00</u>	<u>311,057.50</u>
<b>Total Liabilities</b>	<u>117,944.20</u>	<u>10,399.03</u>	<u>0.00</u>	<u>407,990.21</u>	<u>0.00</u>	<u>536,333.44</u>
<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	-713,447.53	-3,498,042.14	136,137.87	-9,974.72	109,929.21	-3,875,387.31
<b>Total Fund Balance</b>	<u>1,218,390.04</u>	<u>92,193.55</u>	<u>1,004,800.79</u>	<u>126,355.89</u>	<u>609,536.94</u>	<u>3,051,277.21</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<u><u>1,336,334.24</u></u>	<u><u>102,592.58</u></u>	<u><u>1,004,800.79</u></u>	<u><u>534,346.10</u></u>	<u><u>609,536.94</u></u>	<u><u>3,587,610.65</u></u>

Pocatello Development Authority  
Profit & Loss by Class  
August 2019

	1-General Fund	3-North Yellowstone	4-Naval Ordnance	6-North Portneuf	7-Pocatello Regional Airport	TOTAL
Ordinary Income/Expense						
Income						
Interest Income	229.46	1,268.79	357.95	119.98	211.10	2,187.28
Miscellaneous Income	40.00	0.00	0.00	0.00	0.00	40.00
Property Taxes	0.00	14,833.56	0.00	7.67	0.00	14,841.23
Rental Income	750.00	0.00	0.00	0.00	0.00	750.00
Transfers in	160,781.00	0.00	0.00	0.00	0.00	160,781.00
Total Income	161,800.46	16,102.35	357.95	127.65	211.10	178,599.51
Gross Profit	161,800.46	16,102.35	357.95	127.65	211.10	178,599.51
Expense						
Administrative	89.96	0.00	0.00	0.00	0.00	89.96
Economic Loans	10,350.00	0.00	0.00	0.00	0.00	10,350.00
Professional Services						
Other Professional Services	716.00	150.50	0.00	5,460.00	0.00	6,326.50
Total Professional Services	716.00	150.50	0.00	5,460.00	0.00	6,326.50
TIF District Closure	0.00	1,455,007.75	0.00	0.00	0.00	1,455,007.75
Transfers out	0.00	160,781.00	0.00	0.00	0.00	160,781.00
Total Expense	11,155.96	1,615,939.25	0.00	5,460.00	0.00	1,632,555.21
Net Ordinary Income	150,644.50	-1,599,836.90	357.95	-5,332.35	211.10	-1,453,955.70
Net Income	150,644.50	-1,599,836.90	357.95	-5,332.35	211.10	-1,453,955.70

At month end, the Authority had cash on hand of \$2,755,051.16. The checking account balance was \$2,755,026.16 and the savings account balance was \$25.00.

Pocatello Development Authority recognized normal financial activity during the month of August. The Authority received revenues totaling \$178,599.51 of which 2,187.28 was interest earnings from cash invested and property tax interest. Property tax revenues were received from the North Yellowstone District (\$14,833.56) and the North Portneuf District (\$7.67). Rental income from the Positron Facility was received in the amount of \$750 and an Administrative Transfer was made from the North Yellowstone District.

Expenses paid for the month totaled \$1,632,555.21. The administrative expenses were \$89.96 for the lunch meeting in August. Economic Loans were issued for \$10,350. Other professional services include \$5,460 to Stacey & Parks, PLLC for legal assistance on the Hoku Property and \$66.50 to Elam & Burke for the Northgate TIF plan, special counsel, and the North Yellowstone TIF closure.

Year to date revenues of \$2,298,737.47 (see page 3) are less than expenses of \$6,274,134.78, so there is an overall net use of reserves of \$3,975,397.31.

Pocatello Development Authority  
Profit & Loss by Class  
October 2018 through August 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	2,617.60	49,517.07	2,330.92	867.32	1,280.90	56,613.81
Loan Interest Income	0.00	0.00	0.00	0.00	115.91	115.91
Miscellaneous Income	40.00	0.00	0.00	0.00	0.00	40.00
Personal Property tax replace	0.00	46,006.70	12,086.42	809.82	0.00	58,902.94
Property Taxes	0.00	1,622,648.21	256,570.53	26,282.67	108,532.40	2,014,033.81
Rental Income	8,250.00	0.00	0.00	0.00	0.00	8,250.00
Transfers in	160,781.00	0.00	0.00	0.00	0.00	160,781.00
<b>Total Income</b>	<b>171,688.60</b>	<b>1,718,171.98</b>	<b>270,987.87</b>	<b>27,959.81</b>	<b>109,929.21</b>	<b>2,298,737.47</b>
<b>Gross Profit</b>	<b>171,688.60</b>	<b>1,718,171.98</b>	<b>270,987.87</b>	<b>27,959.81</b>	<b>109,929.21</b>	<b>2,298,737.47</b>
<b>Expense</b>						
Administrative	1,787.50	2,000.00	0.00	278.41	0.00	4,065.91
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	314,960.32	0.00	0.00	0.00	0.00	314,960.32
Professional Services						
Other Professional Services	60,379.40	2,773.50	0.00	31,172.20	0.00	94,325.10
Professional Services - Other	8,815.54	0.00	0.00	6,483.92	0.00	15,299.46
<b>Total Professional Services</b>	<b>69,194.94</b>	<b>2,773.50</b>	<b>0.00</b>	<b>37,656.12</b>	<b>0.00</b>	<b>109,624.56</b>
TIF District Closure	0.00	1,455,007.75	0.00	0.00	0.00	1,455,007.75
Transfers out	0.00	160,781.00	0.00	0.00	0.00	160,781.00
Void check	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Expense</b>	<b>885,136.13</b>	<b>5,216,214.12</b>	<b>134,850.00</b>	<b>37,934.53</b>	<b>0.00</b>	<b>6,274,134.78</b>
<b>Net Ordinary Income</b>	<b>-713,447.53</b>	<b>-3,498,042.14</b>	<b>136,137.87</b>	<b>-9,974.72</b>	<b>109,929.21</b>	<b>-3,975,397.31</b>
<b>Net Income</b>	<b>-713,447.53</b>	<b>-3,498,042.14</b>	<b>136,137.87</b>	<b>-9,974.72</b>	<b>109,929.21</b>	<b>-3,975,397.31</b>

General Fund Obligations (w/payments requested as of 9/18/19)

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	2/1/2020 (\$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	(\$200,000.00)	\$0.00	NA 6/1/2020 (\$12,500 + interest quarterly)
Simmons	\$75,000.00	(\$58,224.55)	\$16,775.45	\$125,000.00	(\$102,645.80)	\$22,354.20	NA 6/1/2020 (\$7,813 + interest quarterly)
Snyder	\$75,000.00	(\$39,442.00)	\$35,558.00				NA
Barthlome	\$10,000.00	(\$10,000.00)	\$0.00	\$17,500.00			NA Chose not to take loan

**AGENDA ITEM  
NO. 5**

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

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



Pocatello Development Authority  
911 N. 7<sup>th</sup> Ave.  
Pocatello, Idaho 83201

We are pleased to confirm our understanding of the services we are to provide Pocatello Development Authority for the year ended September 30, 2019. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Pocatello Development Authority as of and for the year ended September 30, 2019. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Pocatello Development Authority's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Pocatello Development Authority's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

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

We have also been engaged to report on supplementary information other than RSI that accompanies Pocatello Development Authority's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a separate written report accompanying our auditor's report on the financial statements or in a report combined with our auditor's report on the financial statements.

### **Audit Objective**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting



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

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

### **Audit Procedures—General**

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

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of

any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

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

### **Audit Procedures—Internal Controls**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

### **Audit Procedures—Compliance**

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

### **Other Services**

We will also assist in preparing the financial statements and related notes of Pocatello Development Authority in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Management Responsibilities**

Management is responsible for designing, implementing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and

regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

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

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

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

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

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

conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

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

### **Engagement Administration, Fees, and Other**

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

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

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

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

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

### Audit Fees

We estimate that our fees for the audit services will not exceed \$4,150 plus out-of-pocket costs (such as report reproduction, word processing, postage, photocopies, etc.). Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

### Non-Attest Services and Fees

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

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

*Seaton & Company*

Pocatello, Idaho  
August 20, 2019

RESPONSE:

This letter correctly sets forth the understanding of Pocatello Development Authority

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**AGENDA ITEM  
NO. 7**

7a

# Pocatello Development Authority

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 *MG*  
Merril Quayle, Public Works Development Engineer *MQ*

DATE: Meeting of September 18, 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 \$9,821.81 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 (\$9,371.81) and the grant (\$450.00).

With this request, the total drawn on the loan is \$200,000.00, with no additional funds 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, \$9,116.56
2. William Coryell, \$705.25

Dear Pocatello Development Authority,

This letter is in response to Melanie Gygli's email requesting a written response to the Chopstick Café sign. On October 17, 2018, we presented a proposal that included a \$60,000 grant to be used to "make improvements to the front and rear facades" of the building located at 228 S. Main, Pocatello, ID 83201. At this meeting we presented the following proposal for what the front and back would ultimately look like.



During the remodel phase the need of a sign came into focus. It was our intention to try and find a way to incorporate the existing sign into our new business concept. Our initial idea was to refurbish the sign from (figure 1) to (figure 2).



(figure 1)



(figure 2)

When we started receiving bids to refurbish the sign, Michael Haas, a downtown business owner, started a posting about preserving the Chopsticks sign on Facebook. It was at this point we were approached by Stephanie Palagi with Historic Old Town Pocatello Foundation about this Facebook posting and asked us to remove the sign from the front of the building and instead place the sign on the back of our building. After talking with a few sign companies they all informed us that we would need to hire a structural engineer to evaluate if the sign could even be installed on the back of the building. The bids to refurbish the sign came back to costly and significantly higher than expected.

We started looking at developing a brand new sign to advertise Off The Rails Brewing in Old town. We are currently working through this process.

On February 20, 2019, the Pocatello Development Association declined our request for a grant to help with the needed plumbing work in the building. The plumbing cost put us extremely over



budget. Regrettably, this hindered us from having any money in the budget to work with for moving or refurbishing the Chopstick sign.

We received serious offers to buy the sign from a Mr. Khan out of South Jordan, Utah and from a local Pocatello businessman who wishes to remain anonymous at this point. We decided to sell the sign to the local businessman, even though it was for a lesser amount than the out of state offer, simply because of his intentions to refurbish the sign and to keep it local.

The local businessman told us his intentions are to refurbish the Chopstick sign and use it to open a new restaurant or possibly donate it to the city. We as a group thought this was the best option for everyone involved in keeping the sign in Pocatello and helping us stay on budget in order to still open our brewery in a timely manner.

We do want to state none of the PDA funding (grant or loan) has been used in relation to the sign.

Sincerely,

Off The Rails Brewing

# 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 September 18, 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 \$32,195.51 covering a variety of interior work. Appropriate permits and inspections were obtained where required. Other work was inspected on September 6, 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 \$102,645.80; remaining to be drawn is \$22,354.20.

Please make check payable to:

1. Simmons Surgical in the amount of \$6,395.51
2. Superior Comfort Systems, \$12,000.00
3. Brent Olsen Plumbing, \$13,800.00

# Pocatello Development Authority

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

---

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

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

DATE: Meeting of September 18, 2019

SUBJECT: Simmons Surgical – Issuance of Grant Funds

As part of the Economic Development Loan & Grant Agreements with Simmons Surgical, the Board provided grant funds of \$75,000.00 for costs related to restoration of the hardwood floors, original skylights, original ceiling, and façade and storefront, along with associated plans and demolition, for the building at 312 West Center.

Dane Simmons, representing Simmons Surgical, has submitted a request for \$2,406.37 covering carpet supplies. Copies of outstanding bills and/or paid invoices have been submitted and we determined the fund request is proportionate to the work that has been done.

With this request, the total drawn on this grant will be \$58,224.55; remaining to be drawn is \$16,775.45. Payment will be made as follows:


1. Simmons Surgical in the amount of \$2,406.37

# Pocatello Development Authority

7C

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   
DATE: Meeting of September 18, 2019  
SUBJECT: Michael Snyder – Issuance of Grant Funds

As part of the Economic Development Grant Agreement with Michael Snyder, the Board provided grant funds of \$75,000.00 for costs related to repair of the roof and façade for the building at 141 North Main.

A request for payment in the amount of \$29,192.00 has been submitted for work on the façade. Façade painting has been completed and verified. However, not all appropriate permits or inspections for the storefront work were obtained, though it has been completed. It is my determination that \$2,442.00 is appropriate for payment at this time.

With this request, the total drawn on this grant will be \$39,442.00; remaining to be drawn is \$35,558.00. Payment will be made as follows:

Michael Snyder: \$2,442.00

**AGENDA ITEM**

**NO. 8**



Frigitek Industrial Parks, Inc.  
Pocatello Development Authority (PDA)  
Tax Increment Financing Application



Capital Plaza Two  
301 East Pine Street  
Suite 700  
Orlando, FL 32801  
Tel.: 321.251.2929  
Fax: 321.251.2919

ryan.com

August 29, 2019

Ms. Melanie Gygli  
PDA Executive Director  
City of Pocatello  
PO Box 4169  
Pocatello, Idaho 83250

Dear Melanie:

Thank you so much for all of your help and guidance for our client's proposed project at the Pocatello Regional Airport. Frigitek's proposed project to construct a cold storage facility and bring new jobs and investment to a growing community such as Pocatello is a win-win for the City and company.

We look forward to continuing our work with you to bring this great opportunity to Pocatello. Please find enclosed the preliminary application for our request of Tax Increment Financing through the Pocatello Development Authority. Please contact me at 321.251.2924 with any questions or concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read "Matt Lowell", with a long, sweeping underline.

Matt Lowell

cc: Ken Brown, Lionchase Holdings  
Elden Charles, Frigitek Industrial Parks  
Allea Newbold, Ryan LLC

**POCATELLO DEVELOPMENT AUTHORITY (PDA)**  
**Preliminary Application for use of Tax Increment Financing**

Application:

Name: Elden Charles                      Date: 8/29/2019

Mailing Address: 6565 North MacArthur Blvd. Suite 225 Irving, TX 75039

Work Phone: 469.325.1616              E-Mail: ec@frigitek.com

**Project Description: Frigitek Industrial Parks proposes to build two hi-tech, temperature-controlled warehouse facilities (200,000 SF and 280,000 SF) at the Pocatello Regional Airport. Frigitek facilities are capable of blast freezing, dry storage, refrigeration, or freezing, as well as pre-cooling, processing, and packaging depending on the tenants needs. The first phase of the project would include a \$53M investment and approximately 40 jobs at an average wage of about \$40,000. The project requires an estimated \$4M in public infrastructure including rail, sewer, water, stormwater, earthwork, aggregates and asphalt, traffic signals and street lighting.**

**Project Location: Pocatello Regional Airport**

**Is this project currently in an urban renewal area? Yes (Pocatello Regional Airport)**

**Is the project currently in a revenue allocation area? Yes (Pocatello Regional Airport)**

**Current Assessed Value of Project Location: No ground is owned by the City. \$0**

**Estimated Construction Value of Project: \$50,000,000**

**Number of jobs created by this project: 40    Wage range of jobs: \$33,280 - \$80,000**

**Employee Benefits? Yes    If yes, please describe: The company expects to contribute 50% toward health and dental. Life insurance and profit sharing would be available for executives.**

**Time frame for job creation: Year 1: 10 jobs    Year 2: 10 jobs    Year 3: 20 jobs**

**Construction start date for project: 03/2020    Anticipated completion date: 03/2021**

**Briefly describe other public benefit(s) associated with this project: With the 40 good paying jobs and significant investment Frigitek brings, they will be able to help fill the demand for cold storage in an under-served market. Cold storage is in high demand in the Pocatello region and this facility will allow local tenants to take advantage of a quality, temperature-controlled warehouse with food safety and energy management features located conveniently at the airport. This quick and easy access to air transport is a huge benefit to the local food processing industry.**

**Does this project compete with other, already established businesses? How? With no other cold storage facilities in the immediate Pocatello region, the project would fill an unmet gap and provide an opportunity for local industry to take advantage of such a facility as well as attract additional industry to the Pocatello region.**

**Is this project currently subject to a competitive bid process? Please explain: The project will not be subject to a competitive bid process due to an existing relationship with a design-build firm that has experience with cold storage facilities. The general contractor will have subcontracts that will need to be awarded for which local subs will have an opportunity to competitively bid.**



Are there other applicants that may be interesting in applying for PDA assistance for this same project?  
Please explain: **No**

Relationship of named applicant to the project: **Executive Vice President of Frigitek Industrial Parks**

Type of Assistance Requested

(check all that apply):

- Public Infrastructure (water, sewer, street, etc.).
- Public Facility (building, park, parking lot, etc.).
- Match for other funding.
- Inspections, tests, surveys, appraisals, etc.
- Property Acquisition.
- Structure Demolition and Clearance.
- Other? Please Specify \_\_\_\_\_

Amount of Assistance Requested: \$4,131,000

Form of Assistance Requested:

- Grant of Funds.
- Loan of Funds.
- Reimbursement for Approved Expenditures.
- Pay-As-You Go.
- Bonding.
- Other? Please specify \_\_\_\_\_

Other helpful information? **Please see attached support including detailed infrastructure cost estimates, property tax schedule and TIF reimbursement schedule.**

Return completed application to:

PDA Executive Director  
City of Pocatello  
P O Box 4169  
Pocatello ID 83205

**Pocatello Development Authority TIF Application Other Helpful Info**

<b>Public Infrastructure Requirements</b>	
<b>Spend Category</b>	<b>Estimated Costs</b>
Railroad Track	\$ 1,326,000
Sewer	\$ 1,478,000
Aggregates and Asphalt	\$ 476,000
Water	\$ 343,000
Electrical	\$ 100,000
Stormwater	\$ 112,000
Earthwork	\$ 34,000
Concrete	\$ 22,000
Outdoor lighting	\$ 40,000
Infrastructure Design and Project Management	\$ 200,000
<b>Total Estimated Costs:</b>	<b>\$ 4,131,000</b>

**Pocatello, Idaho TIF Reimbursement Request Schedule**

	<b>Year 1-2020</b>	<b>Year 2-2021</b>	<b>Year 3-2022</b>	<b>Year 4-2023</b>	<b>Year 5-2024</b>	<b>Total</b>
<b>Real Property Investment</b>		\$ 50,000,000.00	\$ 50,000,000.00	\$ 50,000,000.00	\$ 50,000,000.00	
<b>Assessment Ratio</b>		100%	100%	100%	100%	
<b>Code 16 Area Rate</b>		2.519%	2.519%	2.519%	2.519%	
<b>Property Tax Generated</b>		\$ 1,259,352.55	\$ 1,259,352.55	\$ 1,259,352.55	\$ 1,259,352.55	\$ 5,037,410.20
<b>TIF Reimbursement Request</b>	\$ 500,000.00	\$ 1,133,417.30	\$ 1,133,417.30	\$ 1,133,417.30	\$ 230,748.12	\$ 4,131,000.00

\*Year 1 request from existing funds

\*\*Request \$500,000 in the first year once work is complete and 90% of incremental tax generated each year until paid off in year 5.

## II. AIRPORT URBAN RENEWAL AREA DESCRIPTION

The Urban Renewal Area and Revenue Allocation District are identified with identical boundaries. The area is legally described in Attachment 1.

## III. PROJECT PLAN

A project list is outlined below. Elements of the list will be funded on a "pay-as-you go" or on a "reimbursement to developer" basis. This list is the immediate project list for the revenues available. If additional revenues become available, other site work may be pursued or the Development Authority may expedite payment of funds in anticipation of an early closing of the district. Table 1 lists the immediate project needs with estimated costs. This plan and the Revenue Allocation provision will terminate December 31, 2033.

**TABLE 1. Project Costs**

<i>GENERAL PROJECT LIST</i>	<b>COST</b>
Development Master Plan Creation	\$ 50,000
Surveying and Platting Work	\$ 30,000
Landscaping	\$ 0
Franchise Utility Upgrades (sites 'A' and 'B')	\$ 515,000
General Project List Sub-Total	\$ 595,000
<i>PROJECT LIST - Project Site 'A' (Fortress and Bell Streets)</i>	<b>COST</b>
Site Utilities: Water, Sewer, Storm Water Systems	\$ 256,700
Roadway Construction/Improvements - Turning Radii (gravel)	\$ 12,500
Rail Spur Rehabilitation/loading-unloading crane/hoist	\$ 0
Construction Engineering/Surveying/Management Services/Contingencies	\$ 110,000
Project Financing Charges	\$ 212,432
Project List - Project Site 'A' Sub-Total	\$ 591,632
<i>PROJECT LIST - Project Site 'B' (Boeing Street)</i>	<b>COST</b>
Site Utilities: Water, Sewer, and Storm Water Systems	\$ 720,400
Roadway Construction/Improvements	\$ 12,500
Rail Spur Rehabilitation/Extension	\$ 365,000
Construction Engineering/Surveying/Management Services/Contingencies	\$ 219,000
Project Financing Charges	\$ 737,743
Project List - Project Site 'B' Sub-Total	\$2,054,643
<i>PROJECT LIST - Project Site 'C' (Westside Industrial Park)</i>	<b>COST</b>
Site Utilities: Water, Sewer, and Storm Water Systems	\$ 0
Water Tank	\$1,500,000
Franchise Utility Upgrades	\$ 0

Construction Engineering/Surveying/Management Services/Contingencies	\$ 300,000
Project List - Project Site 'C' Sub-Total	\$1,800,000
<i>ALL TOTAL</i>	\$5,041,275
PDA Administrative Costs	\$ 0
<i>FINAL TOTAL</i>	\$5,041,275

#### Project Descriptions:

- **Master Planning:** This would include the hiring of professional planning and engineering services to plan the entire 589 acres so that utilities are provided adequately for full build-out, that areas for development are properly identified, and that proposed uses are compatible with one another.
- **Surveying and Platting:** Hiring an engineering firm to survey and plat an approximate 589 acre area of land in order to create parcels for marketing purposes.
- **Site Utilities: Water line and Water System Upgrades—**Install main water and sewer lines for fire and industrial water service. Install a 1,000,000 gallon storage tank and additional pump station(s) to accommodate fire water service requirements.
- **Site Utilities: Storm Water Upgrades –** Enhancements to storm water retention/detention capacity.
- **Landscaping—**Design and implement a landscaping plan for the area installing needed trees, grass and plants to beautify the area and to comply with City codes.
- **Roadway Improvements—**Widen roadways where needed and improve and/or expand roadway system and to accommodate future developments in the area. Reinforce roadway at rail spur intersections. Install curb and gutter and intersection radii and other necessary improvements to enhance access and transportation to the site.
- **Rail Spur Rehabilitation/Extension –** Upgrade rail spur system to accommodate industrial expansion in the area including the loading and off-loading of material.
- **Franchise Utility Upgrade--** Utility upgrades required to facilitate full development of sites within this area.
- **Contingency costs--**Additional cost were calculated for work related to increase in costs of the work and other administrative expenses associated with the project.
- **PDA Administrative Costs –** Eligible costs for reimbursement to the PDA for management, legal, financial and other oversight responsibilities of the district formed and projects undertaken.
- **Other--**Any costs or tasks related to, construction or reconstruction of roads, extensions of water, sewer, or storm water lines, street lighting, public landscaping, location of electrical transformers, construction of fire lanes or provision of fire flow, construction of wells, location of railroad spurs, switches, or signals within the project area, demolition or clean up of sub-standard buildings or other "horizontal" debris, management of property acquired by or in control of the agency, disposition of property for public or private uses in accordance with the Plan, including sale of property at fair value but below market value, assembly of adequate sites for development, any construction including foundations, platforms, and other structural forms, issuance of bonds, notes or other obligations to finance all or any part of the projects, and all other actions as necessary under State Law to accomplish this Plan, funded through Tax Increment Financing. Any additional costs related to any of the prioritized or alternative projects which the PDA and Council propose to be used to complete or enhance a project may also be used.

Table 2 outlines the total project costs and the projected revenue for the proposed revenue allocation district.

**TABLE 2. Project Costs and Revenues**

ITEM	AMOUNT	TOTAL
<b>COSTS</b>		
General Site Costs	\$ 595,000	
Site 'A' Costs	\$ 379,200	
Site 'B' Costs	\$1,316,900	
Site 'C' Costs	\$2,700,000	
PDA Administrative Costs	\$ 0	
<b>Total Costs</b>		<b>\$5,041,275</b>
<b>REVENUES</b>		
Revenue Allocation Proceeds	\$5,047,574	
Ending District Balance		\$ 6,299

**IV. ECONOMIC FEASIBILITY STUDY**

The following tables provide a breakdown of base-assessment valuations for the proposed revenue allocation district for the Pocatello Regional Airport Urban Renewal Area/Revenue Allocation District. These base valuation amounts were provided by the Power County Assessor's office. An analysis of the tax levy rates applied in calculating tax collection for the Pocatello Airport Revenue Allocation District is described below. The 2009 tax levies are used for each of the taxing jurisdictions as supplied by the Power County Assessor's office.

<u>Taxing Jurisdictions</u>	<u>Tax levy</u>
City of Pocatello	.009577781
Power County	.004321735
School District #381	.004300170
Power County Highway District	.002876996
A.F. Library	.000600302
County Hospital	.000951690
Ambulance	.000258694
East Po. Co. Fire	.000557434
Mosquito Abatement	.000368596
Total	.019513228

**TABLE 3.**

Taxing Entity	<sup>1</sup> Tax Levy	Valuation	Revenue
City of Pocatello	.0095777810	\$995,883	\$ 9,538
Power County	.0043217350	\$995,883	\$ 4,304
School District #381	.0043001700	\$995,883	\$ 4,282
County Highway District	.0028769960	\$995,883	\$ 2,865

<sup>1</sup> 2009 levy rate obtained from Power County

13/31

County Hospital	.000951690	\$995,883	\$ 948
Ambulance	.000258694	\$995,883	\$ 258
American Falls Library	.000600302	\$995,883	\$ 598
East Po. Co. Fire	.000557434	\$995,883	\$ 555
PO Mosquito Abate	.000368596	\$995,883	\$ 367
Total	.026537970	\$995,883	\$26,429

Table 3. shows the amount of revenue that the taxing jurisdictions will continue to be allocated based on the base year values. Numbers have been rounded to the nearest dollar which may account for discrepancies.

Table 4. provides an analysis of the total tax increment financing value within the Pocatello Regional Airport Revenue Allocation District. The base value is not added into these numbers. Therefore, the entire revenue stream shown here will be allocated to the Development Authority.

Year	Estimated TIF Tax Value	Tax Levy Rate	Tax Revenue to PDA	Cumulative Tax Revenue to PDA
2010	\$0	.019513228	\$0	\$0
2011	\$0	.019513228	\$0	\$0
2012	\$0	.019513228	\$0	\$0
2013	\$5,000,000	.019513228	\$97,566	\$97,566
2014	\$4,910,000	.019513228	\$95,810	\$193,376
2015	\$14,822,700	.019513228	\$289,239	\$482,615
2016	\$14,672,700	.019513228	\$286,312	\$768,927
2017	\$14,442,519	.019513228	\$281,820	\$1,050,747
2018	\$14,219,243	.019513228	\$277,463	\$1,328,210
2019	\$14,002,666	.019513228	\$273,237	\$1,601,447
2020	\$13,792,586	.019513228	\$269,138	\$1,870,585
2021	\$13,588,808	.019513228	\$265,162	\$2,135,746
2022	\$13,391,144	.019513228	\$261,305	\$2,397,051
2023	\$13,199,410	.019513228	\$257,563	\$2,654,614
2024	\$13,013,428	.019513228	\$253,934	\$2,908,548
2025	\$12,833,025	.019513228	\$250,414	\$3,158,962
2026	\$12,658,034	.019513228	\$246,999	\$3,405,961
2027	\$12,488,293	.019513228	\$243,687	\$3,649,648
2028	\$12,323,644	.019513228	\$240,474	\$3,890,122
2029	\$12,163,935	.019513228	\$237,358	\$4,127,480
2030	\$12,009,017	.019513228	\$234,335	\$4,361,815
2031	\$11,858,746	.019513228	\$231,402	\$4,593,217
2032	\$11,712,984	.019513228	\$228,558	\$4,821,775
2033	\$11,571,594	.019513228	\$225,799	\$5,047,574
Total				\$5,047,574

**AGENDA ITEM  
NO. 9**



## PORTNEUF CAPITAL

9-5-2019

Dear Mr. Smith,

Portneuf Capital, LLC has spent the last several months working toward the purchase of the land and facilities located at the Hoku facility in Pocatello. It is our understanding that all of the agreements between the PDA and Solargise America, LLC have been terminated and under the terms of those terminated agreements the PDA is the owner of the real property and any and all ownership interest that Solargise America had in the buildings and the equipment located on the PDA's property. Portneuf is currently identified in the records of Bannock County as the owner of the buildings and desires to purchase the land and the equipment at the facility.

The purpose of this letter is to request that the PDA sell any and all rights, title and interest that the PDA has in the old Hoku facility, and to express our interest in purchasing those rights, "as-is." We are aware of conflicting and competing claims of ownership to the assets at the facility and desire to move forward in acquiring the PDA's rights in all assets regardless of such claims and as soon as possible.

We realize that I.C. 50-2011 controls the procedure that the PDA must use to sell property that is located in the urban renewal area. We believe that the sooner the process begins the better. With that being said we are requesting that the issue of selling the facility be placed on the agenda for the next scheduled PDA meeting (September 18<sup>th</sup>?) and that the PDA determine the reasonable competitive bidding procedures that will be utilized to sell the property at that meeting. We further request that the notice to invite proposals be immediately placed in the local paper requiring the submittal of sealed bids meeting the bidding criteria within 30 days of the date of such notice. That would allow for the PDA to select the winning bid by November 1, 2019. This would allow for work to begin on the reclamation yet this year.

The principals of Portneuf Capital believe that the old Hoku facility has the potential to be revitalized and become a source of employment and pride for the community. Portneuf is ready, willing and financially able to move forward immediately with the reclamation of the facility within the concept of the existing urban renewal plan for the area.

Sincerely,

LD Bartholome



**AGENDA ITEM  
NO. 10**

**POCATELLO DEVELOPMENT AUTHORITY (PDA)  
Preliminary Application for use of Tax Increment Financing**

Application:

Name: Gateway West Industrial Cr. Date: 9/10/19

Mailing Address: 669 West Quinn Road, Pocatello

Work Phone: \_\_\_\_\_ Cell Phone: 732-245-6643 E-Mail: barbwischerath@gmail.com

Project Description: roadway repairs & patching throughout complex

Project Location: see attached

Is this project currently in an urban renewal area?  Yes  No

Is the project currently in a revenue allocation area?  Yes  No

If you answered 'no' to both questions above, please describe the "deteriorated or deteriorating" conditions associated with this location:

\_\_\_\_\_  
\_\_\_\_\_

Current Assessed Value of Project Location: \_\_\_\_\_

Estimated Construction Value of Project: \$ 31,171.00.

Number of jobs created by this project: N/A. Wage range of jobs: \_\_\_\_\_

Employee Benefits?  Yes  No If yes, please describe: \_\_\_\_\_

Time frame for job creation: \_\_\_\_\_

Construction start date for project: Sept-October 2019 Anticipated completion date: same.

Briefly describe other public benefit(s) associated with this project: By repairing these patches throughout complex before winter, the erosion of existing asphalt will be prevented.

Does this project compete with other, already established businesses? How? No.

Is this project currently subject to a competitive bid process? Please explain:

No, Superior Asphalt just completed paving of larger areas in June 2019.  
Are there other applicants that may be interesting in applying for PDA assistance for this same project? Please explain: No.

Relationship of named applicant to the project: property owner

Type of Assistance Requested  
(check all that apply):

- Public Infrastructure (water, sewer, street, etc.).
- Public Facility (building, park, parking lot, etc.).
- Match for other funding.
- Inspections, tests, surveys, appraisals, etc.
- Property Acquisition.
- Structure Demolition and Clearance.
- Other? Please Specify \_\_\_\_\_

Amount of Assistance Requested: \$ 31,171

Form of Assistance Requested:

- Grant of Funds.
- Loan of Funds.
- Reimbursement for Approved Expenditures.
- Pay-As-You Go.
- Bonding.
- Other? Please specify \_\_\_\_\_

Other helpful information? Please list: See attached estimate and maps.

Return completed application to:

PDA Executive Director  
City of Pocatello  
P O Box 4169  
Pocatello ID 83205

# SUPERIOR ASPHALT INC.

13393 N Dekay Rd  
PO Box 5628  
Pocatello, ID 83202  
(208) 237-1752  
Lic. No. 11636-C-1-4 (32)

## PROPOSAL

Proposal Submitted to: Barbara		Job Name: Gateway West MISC. patching
Address:		Job Location: Gateway West
City, State, and Zip Code: Pocatello, ID 83202		Date: 6/17/19
Attention: Barbara	Phone: 732-245-6643	Email: barbarawish@aol.com

We hereby submit specifications and estimates and propose to furnish the labor, material, and equipment to complete the following items of work as listed below.

Description	Unit Price	Total
Saw cut, removal, and replace approx. 4618 sq.ft. of MISC. patches all over the Gateway West property		\$ 31,171.00

	<b>Total: \$</b>	<b>31,171.00</b>
--	------------------	------------------

- Existing oil deposits will be treated. Adhesion cannot be guaranteed
- Not responsible for human and animal tracking either on sealed or adjacent surfaces.
- Not responsible for reflective cracking when paving over existing cracked or broken asphalt.
- Crack Filling does not imply total crack elimination.
- Not responsible for existing grade or previous engineering related to drainage.
- Not responsible for back-fill or compaction accomplished by others.
- Engineering, testing, inspection, and permit fees are not included.
- Rock, caliche, or soft area removal will be an additional charge.

**TERMS: 50% DEPOSIT REQUIRED UPON  
ACCEPTANCE OF BID  
BALANCE DUE UPON COMPLETION**

Submitted for *Superior Asphalt, Inc.*

By: Taylor Ankrum

Authorized Signature: \_\_\_\_\_

ACCEPTANCE OF PROPOSAL: I/We accept this proposal and agree to pay the said amount in accordance with the terms set forth. All of the terms and conditions on the reverse side are incorporated herein and made a part hereof.

Signature: \_\_\_\_\_

Date of Acceptance: \_\_\_\_\_

Please check appropriate box below:

- Owner                       Owners Agent with Owners Knowledge

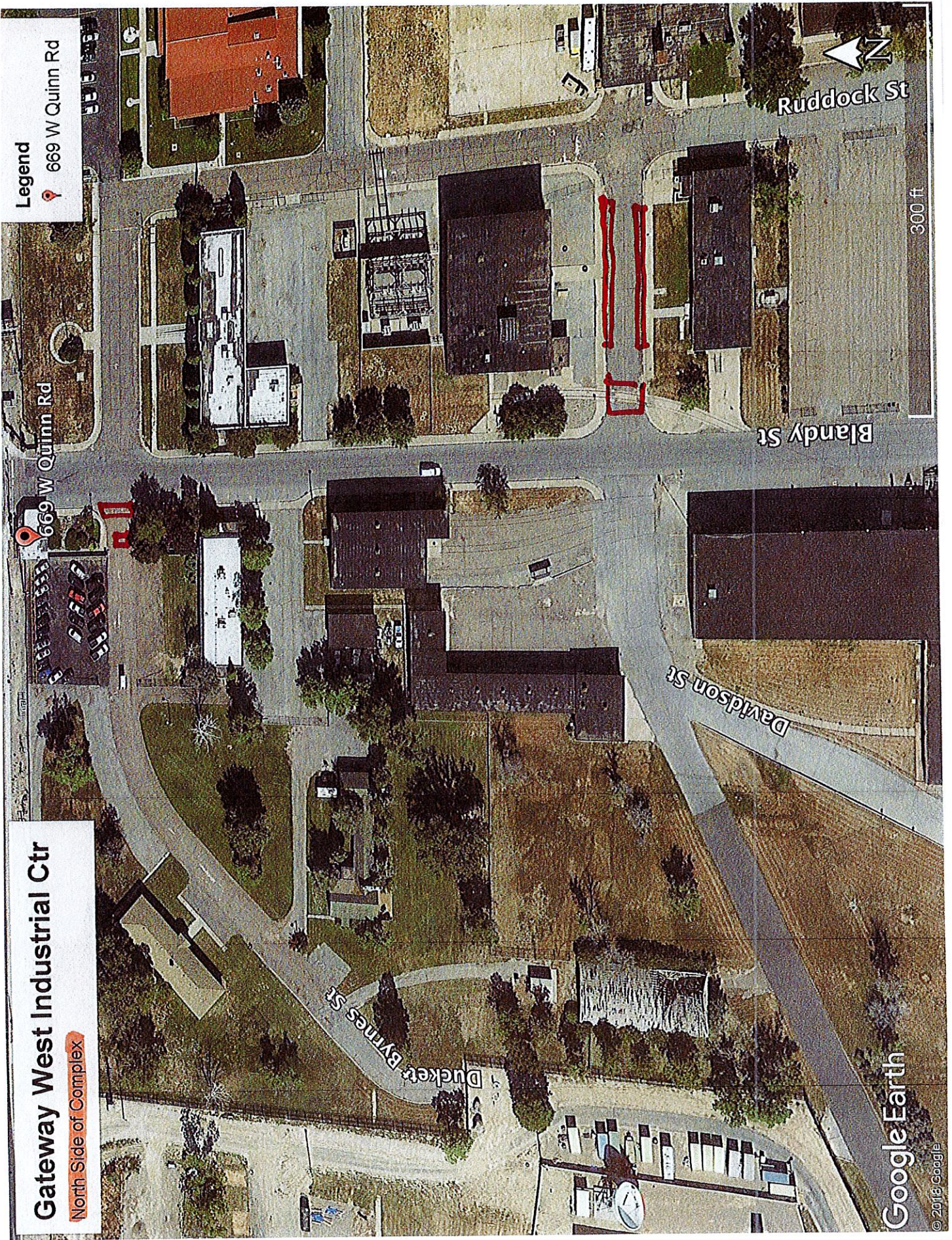
(208) 237-1752

# Gateway West Industrial Ctr

North Side of Complex

## Legend

669 W Quinn Rd



Google Earth

© 2018 Google

Ruddock St

Blandly St

Davidson St

Duckett Byrnes St

669 W Quinn Rd

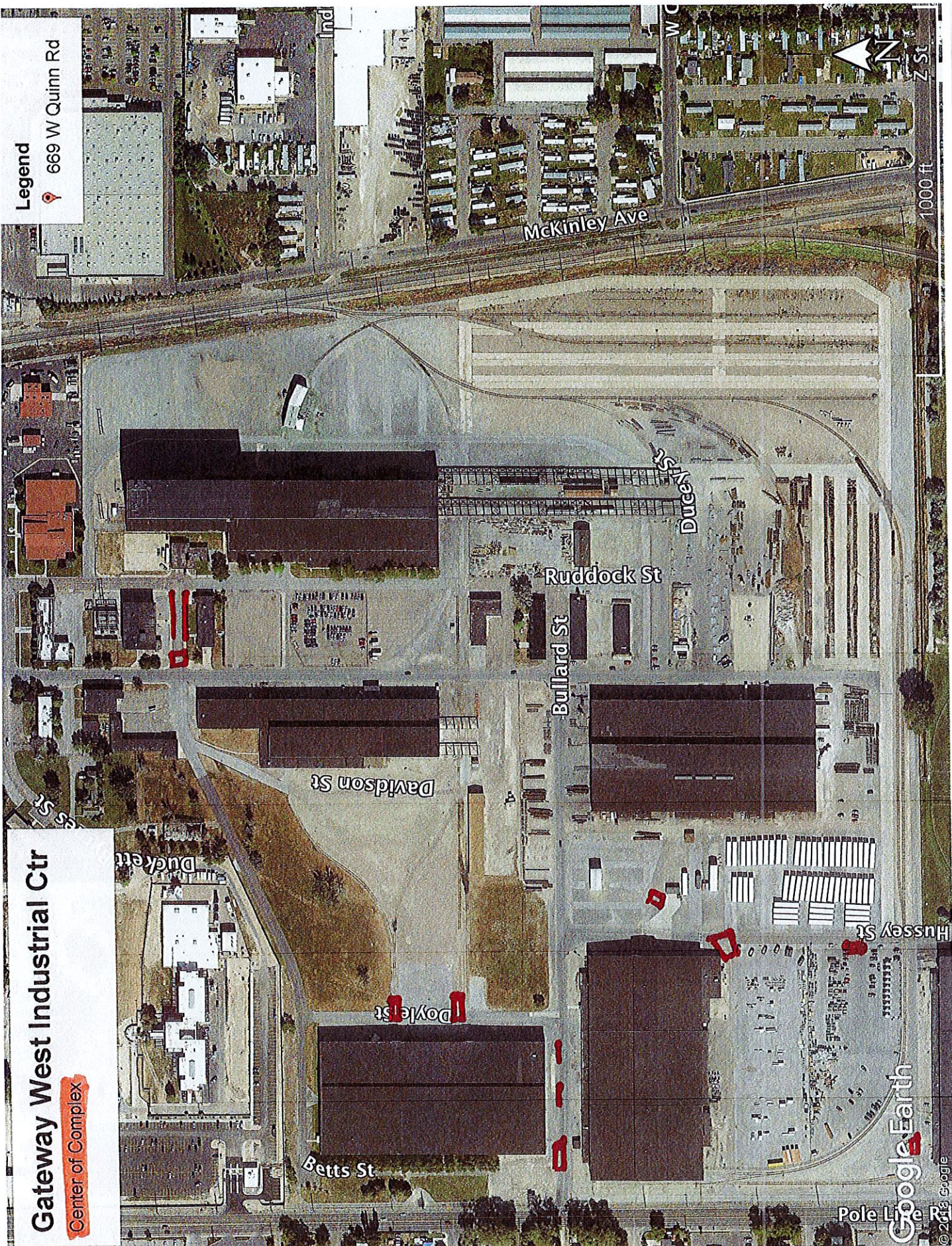
300 ft

# Gateway West Industrial Ctr

Center of Complex

## Legend

669 W Quinn Rd

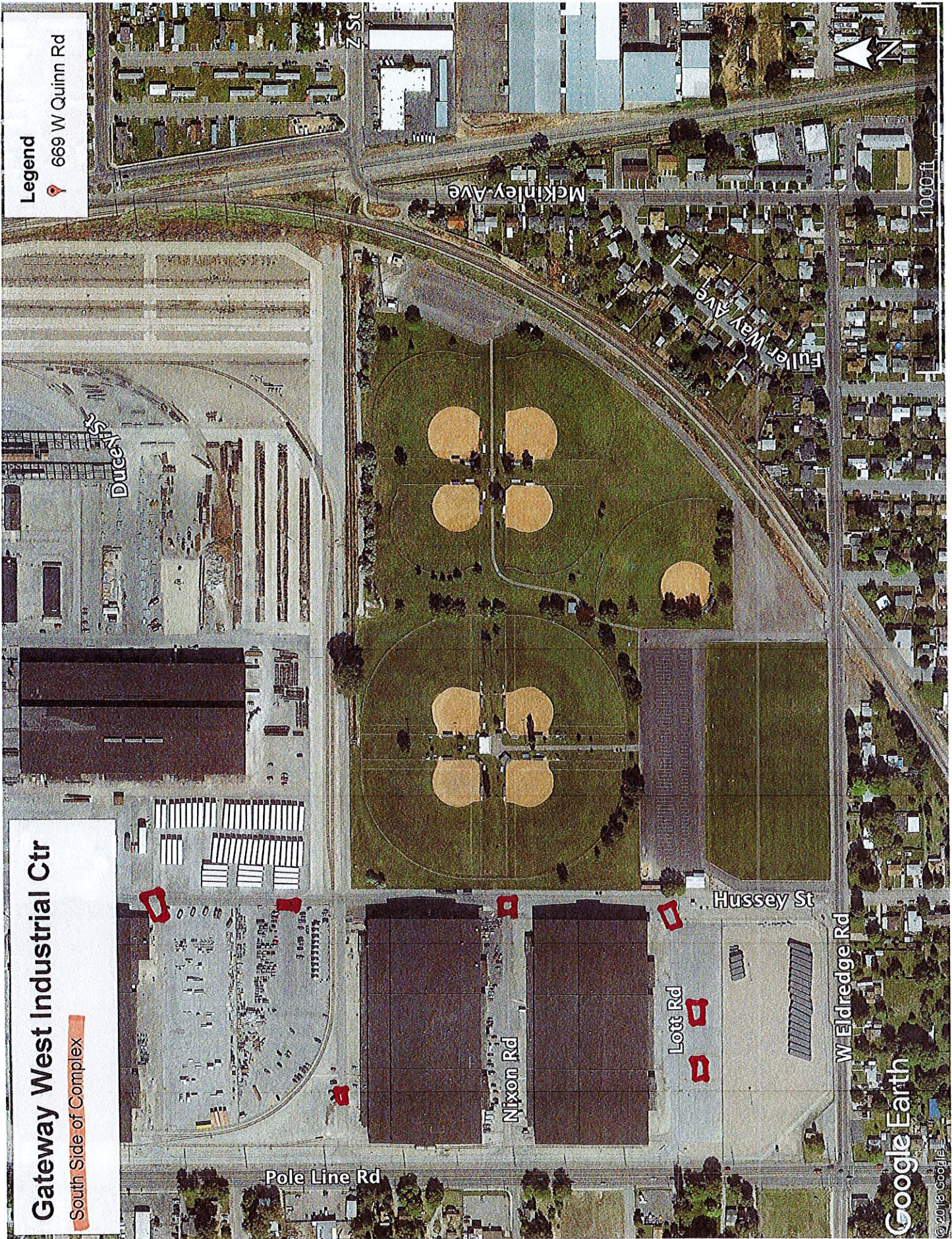


# Gateway West Industrial Ctr

South Side of Complex

## Legend

669 W Quinn Rd



- s. assisting in the relocation of persons displaced from an urban renewal area;
- t. exercising all or any part or combination of powers herein granted.

By adopting this Plan, it is the intention of the PDA to facilitate improvements in the designated Naval Ordnance Plant Urban Renewal Area and enhance the economic viability of the area.

## **II. NAVAL ORDNANCE PLANT URBAN RENEWAL AREA DESCRIPTION AND DETERIORATED OR DETERIORATING CONDITIONS ANALYSIS**

The Urban Renewal Area boundary and Revenue Allocation District are identified with the same boundaries. The area is legally described in Attachment 1. State Urban Renewal Law and the Local Economic Development Act identify a number of conditions that qualify an area for urban renewal status. The following presents an analysis and reasoning why the proposed Naval Ordnance Plant area should be included as part of an Urban Renewal Area.

Idaho Code 50-2002 outlines a finding and declaration of necessity which states that areas that impose onerous municipal burdens which decrease the tax base, and reduce tax revenues, substantially impairs or arrests the sound growth of municipalities and among other things aggravates traffic problems in an area will qualify to be included in an Urban Renewal Area. Additionally, in Idaho Code 50-2903 areas in which there is a predominance of buildings or improvements... which by reason of dilapidation, deterioration, age or obsolescence... contributes to the economic underdevelopment of an area qualify for assistance.

The Naval Ordnance Plant is property that is in need of improvement in the areas of building and infrastructure improvements. These deteriorating facilities have contributed to under use of the site for businesses and industry for several years. Several site issues currently impede redevelopment including:

- Poor building façade;
- Rail line deterioration;
- Equipment obsolescence (including needed upgrades to the crane equipment and facilities to bring up to current certified specifications);
- Road deterioration.

Without addressing these conditions, the feasibility of additional development in this area in the near future is minimal. Additionally, the range of issues and the costs associated with redevelopment contributes to the ongoing underutilization of this area and prompts the need to establish the Naval Ordnance Plant Urban Renewal Area.

## **III. PROJECT PLAN**

The project list outlined in this plan may be funded (all or part), if the PDA and Council decide to utilize tax increment financing funds as they become available from new construction. A description of the projects with estimated costs are as follows:



TABLE 1.

## Project Costs

PROJECT	COST
Building Façade and Equipment Upgrades and Enhancements	\$2,300,000
Rail Line Refurbishment	\$500,000
Road Reconstruction	\$500,000
Construction Contingency (10%)	\$330,000
<b>TOTAL</b>	<b>\$3,630,000</b>

## Project Description

- **Building Façade and Equipment Upgrades**—Exterior and interior improvements to buildings and needed equipment and facility enhancements to accommodate the needs of potential tenants of the site. Equipment upgrades are also included (including necessary enhancements to the overhead crane equipment) to ensure location and certification requirements of tenants.
- **Rail Line Refurbishment**—Repair an estimated 2,500 railroad ties including spikes, plugs and splice bars. This work would cover approximately 5,000 linear feet of track.
- **Road Reconstruction**—Repair and construction of roads (on site and off site), widening and improving roadways. Additionally, any roadway upgrades necessary to facilitate redevelopment of certain sites within the Revenue Allocation District Area.
- **Contingency costs**—An additional cost was calculated for work related to construction related costs including an increase in capital costs due to the length of time that it may take to complete the project and any other associated costs with the project.

Table 2 outlines the total project costs and the projected revenue for the proposed revenue allocation district.

TABLE 2.

## Project Costs and Revenues

ITEM	AMOUNT	TOTAL
<b>REVENUES</b>		
Revenue Allocation Proceeds	\$4,274,255	
Sub-Total		\$4,274,255
<b>COSTS</b>		
Building Façade and Equipment Upgrades and Enhancements	\$2,300,000	
Rail Line refurbishment	\$500,000	
Road reconstruction	\$500,000	
Contingency Cost (10%)	\$330,000	
Subtotal		\$3,630,000
Ending District Balance		\$644,255

## IV. ECONOMIC FEASIBILITY STUDY

The following tables provide a breakdown of base-assessed valuations for the proposed revenue allocation district for the Naval Ordnance Plant Urban Renewal

**AGENDA ITEM**

**NO. 11**

RESOLUTION NO. 2019-4

A RESOLUTION OF THE POCATELLO DEVELOPMENT AUTHORITY, AN URBAN RENEWAL AGENCY, ORGANIZED UNDER THE LAWS OF THE STATE OF IDAHO; EXPRESSING APPRECIATION TO MATTHEW BLOXHAM FOR OUTSTANDING SERVICE AND COMMITMENT TO THE AUTHORITY DURING HIS MEMBERSHIP ON THE BOARD OF COMMISSIONERS.

WHEREAS, Matthew Bloxham was appointed as a member of the Board of Commissioners of the Pocatello Development Authority on May 3, 2018; and

WHEREAS, during his service on the Board, Mr. Bloxham diligently helped provide continuity to the Authority, to assist with the establishment of new urban renewal districts, the administration of existing urban renewal districts, and the closure of urban renewal districts; and

WHEREAS, during his tenure with the Board Mr. Bloxham provided valuable insight and guidance in the Board's role of urban renewal and economic development for the City of Pocatello; and

WHEREAS, Mr. Bloxham is moving from the area as of August 26, 2019, and the Board of Commissioners desires to recognize his efforts on behalf of the Pocatello Development Authority;

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF COMMISSIONERS OF THE POCATELLO DEVELOPMENT AUTHORITY HEREBY PUBLICLY EXPRESSES ITS GRATITUDE TO MATTHEW BLOXHAM:

1. For his outstanding service to the Authority and to the citizens of the Pocatello area since his initial appointment on May 3, 2018; and
2. For his willingness to provide service during a period of increased activity by the Authority; and

3. For his commitment to excellence in pursuit of the Board's goals through additional meetings and hearings whenever necessary; and

4. For all his efforts in connection with the mission and goals of the Pocatello Development Authority to enhance the well-being of the citizens of the City of Pocatello, we, the members of the Board of Commissioners of the Pocatello Development Authority hereby acknowledge our sincere appreciation to Matthew Bloxham for his commitment to urban renewal and economic development.

BE IT FURTHER RESOLVED that the Secretary of the Board of Commissioners of the Pocatello Development Authority is hereby authorized and directed to provide an original of this Resolution to Matthew Bloxham after its passage and approval by the Board.

DATED this 18<sup>th</sup> day of September, 2019.

POCATELLO DEVELOPMENT  
AUTHORITY BOARD OF DIRECTORS

---

SCOTT SMITH, Chairman

ATTEST:

---

MELANIE GYGLI, Secretary