

**POCATELLO DEVELOPMENT AUTHORITY**  
**Board of Commissioners Meeting**  
**October 16, 2019 – 11:00 a.m.**  
**Paradise Conference Room – Pocatello City Hall**  
**\*Amended 10/14/19, 9:00 a.m.\***

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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 – 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 held September 18, 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. *To be supplemented.*
- 5. ACTION ITEM – Expense Payments & Reimbursements.** The Board may wish to approve the payment or reimbursement of the following PDA expenses:
  - a. \$1,750.00 from General Fund to Redevelopment Association of Idaho for annual dues and legislative contribution.
  - b. \$57.43 from North Portneuf District to Idaho State Publishing for Request for Proposals publication.
  - c. \$105.50 from General Fund to Elam & Buke for legal fees re: North Yellowstone District closure.
  - c. \$21.50 from North Portneuf District Fund to Elam & Burke for legal fees re: North Portneuf TIF District.
  - d. \$2,644.50 from General Fund to Elam & Burke for legal fees re: Special Counsel General
  - e. \$2,760.00 from North Portneuf District Fund to Stacey & Parks for legal services re: North Portneuf TIF District.
- 6. ACTION ITEM – Election of Officers.** The Board may wish to elect officers for the next year, including Chair, Vice Chair, Secretary, and Treasurer.
- 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. Simmons Surgical LLC is requesting disbursements of \$18,727.12 under the loan approved by the Board on 1/16/19 and \$4,580.00 under the grant approved by the Board on 12/19/18. Representatives from Simmons Surgical will be present to propose a change in the project scope.
  - b. Michael Snyder is requesting disbursement of \$35,558.00 under the grant approved by the Board on 12/19/18.
- 8. ACTION ITEM – Positron Facility.** The Board may wish to consider adopting Resolution 2019-5 authorizing the Chair or Vice Chair to sign documents and take necessary actions to dispose of the Positron facility to Idaho State University. *Draft Resolution attached; other documents may be supplemented.*
- 9. 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 on the disposition of the property by the PDA of the Hoku property, any update on the status of unpaid property taxes on the Hoku property, and other items related to the disposition of the property.
- 10. 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.*
- 11. 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.
- 12. ADJOURN.**

**AGENDA ITEM  
NO. 3**

**POCATELLO DEVELOPMENT AUTHORITY  
MEETING MINUTES  
September 18, 2019**

**Members present:** Mayor Brian Blad, Chad Carr, Jim Johnston, Rob Lion, Scott Smith, Terrel Tovey, and Scott Turner

**Members excused/absent:** Thomas Ottaway

**Others present:** Melanie Gygli, Interim Executive Director; Ashley Linton-Welsh, Pocatello Deputy CFO; Jared Johnson, Pocatello City Attorney; Merrill Quayle, Pocatello Public Works Development Engineer; Jeff Mansfield, Pocatello Public Works/City Engineer; Carl Anderson, Pocatello Senior Planner; John Regetz, Bannock Development Corporation; Tiffany Olsen, Bannock County; Matt Parks, Stacey & Parks (by phone from approximately 12:25 p.m. to 12:40 p.m.); Darren Miller and L. D. Barthlome, Portneuf Capital; Sterling Davie, Hunter Rodriguez, Steve Wright, Off The Rails Brewery; Dane Simmons, Simmons Surgical; Heidi Adamson, Pocatello City Council; Ken Brown, Matt Lowell, Allea Newbold, Frigitek

**Agenda Item No. 1: Call to Order and Disclosure of Conflicts of Interest.** Chairman Scott Smith called the meeting to order to 11:04 a.m. No conflicts were disclosed.

**Agenda Item No. 2: Approval of the Agenda.** Upon MSC (B. Blad, R. Lion) the agenda was approved.

**Agenda Item No. 3: Minutes.** The minutes of the Regular Meeting of August 21, 2019 were considered. It was then MSC (B. Blad, T. Tovey) to approve the minutes as presented.

**Agenda Item No. 4: Financial Report. A. Linton-Welsh** presented the financial report for the month of August 2019. At the end of the reporting period, the Authority had cash on hand of \$2,755,051.16. The checking account balance was \$2,755,026.16 and the savings account was \$25.00. The Authority recognized financial activity as follows: revenue totaled \$178,599.51, of which \$2,227.28 was interest earnings on cash invested and property tax interest, and miscellaneous reimbursement, \$750.00 in rental income from the Positron facility, and \$160,781.00 was the administrative transfer to the general fund. Property tax revenues totaled \$14,833.56 from the North Yellowstone District and \$7.67 from the North Portneuf District. Expenses totaled \$1,632,555.21, including administrative and professional service expenses of \$6,416.46. Economic development loans of \$10,350.00 were issued, the \$160,781.00 administrative transfer to the general fund, and \$1,455,007.75 surplus from the North Yellowstone district was paid to Bannock County. Linton-Welsh explained any additional revenue from the North Yellowstone district will be returned to the County.

Following discussion, it was then MSC (T. Tovey, J. Johnston) to approve the August 2019 financial report as presented.

**Agenda Item No. 5: Engagement of Auditor.** With fiscal year 2019 almost complete, Deaton & Company has submitted their proposal to complete the yearend audit. This is the same company that has performed the audit for many years and that does the audit for the City, as well. The anticipated cost is \$4,150.00. Following discussion, it was MSC (B. Blad, T. Tovey) to engage Deaton & Company to complete the FY2019 audit.

**Agenda Item No. 6: Payment Requests/Reimbursements.** The following invoices were reviewed for payment:

- 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

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

**Agenda Item No. 7: Disbursements under Previously approved Grants & Loans.**

- a. **BGS Holdings LLC:** **Gygli** reviewed the request, explaining that the amount includes the portion that the Board declined to approve at the August meeting, based on concerns about the old Chopstick sign. **Sterling Davie** explained it was their original intent to refurbish the sign to identify their business, however, doing so was too costly, especially with increased costs of plumbing work. They considered relocating the sign to the rear of the building, but that was not possible without substantial structural support, plus the sign would have projected over other property. Because they were unable to use the sign, they have sold it to a local individual (for less than they were offered by a non-local individual). They believe this person (who wishes to be anonymous) intends to restore it and use for a new restaurant or for Relight the Night. None of the funds provided by the PDA were used in conjunction with work on the sign. They sold the sign for \$8,000, and offered \$2,000 to Relight the Night.

**Blad** expressed his displeasure at the loss of the historic sign, not having the sign be part of this project, as he feels it was part of the PDA's approval, and that the change in plans should have been presented to this Board.

In response to questions from Board members, **Davie** explained the facades are complete, except for signage. Following discussion, it was **MSC (R. Lion, T. Tovey)** to approve disbursement of the requested funds. This represents the last of the funds available from the PDA on this project.

- b. **Simmons Surgical LLC:** **Gygli** reviewed the request, explaining appropriate permits and inspections were completed. Within the grant portion, **Simmons** explained that completion of the ceiling came in under budget, but additional funds are needed to complete restoration of the hardwood floors. He asked that the Board allow shifting of the funds between those projects. He anticipates completion in mid-October or November.

**Smith** noted he is doing some legal work for Simmons Surgical, so will recuse himself from consideration of this request.

Following discussion, it was **MSC (T. Tovey, B. Blad) (Smith recused)** to approve disbursement of the requested funds. It was then **MSC (T. Tovey, R. Lion) (Smith recused)** to approve shifting funds from the ceiling to the flooring project.

- c. **Snyder:** **Gygli** reviewed the request, stating both the painting and the storefront changes are complete. The painting project was permitted and inspected. However, the storefront changes were not reviewed by the Historic Preservation Commission nor was the permit finalized, so she recommends that those costs not be considered at this time. Following brief discussion, it was **MSC (T. Tovey, R. Lion)** to approve disbursement of \$2,442.00.

**Agenda Item No. 8: Airport TIF District.** Gygli briefly introduced the discussion. John Regetz introduced Ken Brown, Allea Newbold, and Matt Lowell, representing the Frigitek project proposed within the Airport District. Ken Brown presented an overview of the proposed cold storage project. He stated Pocatello is in an ideal place for such development, with two interstates, and this is an excellent economic development opportunity for the community. In response to questions from Board members, he explained the perishables that could be stored in this kind of facility include fruits and vegetables, meat, pharmaceuticals, and flowers. The project will be on airport property.

Allea Newbold explained they are working with national and international companies on the financing side of the project, while Brown is working on leasing the proposed building. The total investment is anticipated to be \$54 million, with over \$4 million in infrastructure that will benefit the entire business park. The request is for an estimated project total of \$4,131,000, beginning with \$500,000 from existing revenues and 90 percent of each year's revenue, until the project is complete.

In response to questions from Board members, Brown explained they are talking with the Savage group that is working on a proposed transload project that would be near the Frigitek development, and would be a good development providing access to export markets. Frigitek will build the rail spur from UPRR's line. Newbold stated they need flexibility on what the first funding will be used for (whether design or build), because exact steps are not yet determined. It is important that there is no delay in financing plans and the PDA's participation is one of the first steps.

Discussion among Board members about the need to update the feasibility study within the Airport Urban Renewal Area plan to know that sufficient funding is available, as part of this Board's due diligence; making sure that the entire project is within the TIF boundaries; concerns about restricting the ability to help other businesses that might locate within the district; need for assurance that Frigitek is working with Savage to avoid duplication; increased increment funds would start flowing in 2020 or 2021, depending on when the project is completed. A very rough estimate of the increment is \$1 million annually.

Brown and Newbold explained the State is interested in this project and may have some assistance available on infrastructure, but they cannot apply for assistance through State until the PDA makes a commitment. The request is for reimbursement of expenses, so all risk is assumed by the developer. They are negotiating a lease with the City for the land and working on leases for tenants of the building. Brown stated his concern that any reticence on the part of the Board could cause difficulty in the public domain.

Board members expressed support for the project, but with the need to complete due diligence in the form of an updated feasibility study. Following lengthy discussion, it was **MSC (B. Blad, J. Johnston)** to approve payment of \$500,000.00 from existing district funds, upon presentation of invoices and inspection of completed work, and submission of a letter of support for the total request currently estimated at \$4,131,000.00, subject to due diligence and sufficient increment being generated. It was further **MSC (B. Blad, T. Tovey)** to complete an updated feasibility study for the Airport URA with the inclusion of this proposed project, authorizing the Chairman and Secretary to hire the necessary consultants.

**Agenda Item No. 9: North Portneuf TIF District.** Matt Parks joined the meeting by phone. Smith provided a brief update and stated no executive session will be needed. Parks explained the termination letter was sent to Solargise. Portneuf Capital paid the 2015 tax bill, and recorded bills from sale on the improvements from VA Metals to Celtic Life, and then from Celtic life to Portneuf Capital, so at this point there are three entities (VA Metals, Celtic Life, and Solargise) who may have ownership claims. He has confirmed with VA Metals and Portneuf Capital that the site is being maintained and that the PDA is not conducting any oversight of the

improvements. He has in contact with by Naidu and his attorneys at Holland and Hart, Portneuf Capital, and Solargise—all initiated by those entities. He explained to each that the Board would be considering issuing a second request for proposals (RFP).

Parks reviewed the draft RFP and publication notice. He explained this process is different from before, since there is no existing proposal on which to comment. Proposals can be individual or joint among entities. The RFP has increased requirements for information on the development team, principals of the lead entity, and financing.

In response to questions from Board members, Parks explained there is no current lease, so under basic property law, the PDA could demolish the improvements at its own expense (which could be as much as \$1 million), however, he would not recommend that course of action at this time. He suggested creating a temporary license agreement with entities claiming ownership confirming rights to enter the property, and provide some amount of oversight and security. Such a license can be terminated at any time. The draft RFP includes language that the PDA will dispose of any potential ownership interest in the improvements by quitclaim deed. He can also insert language-requiring payment of all back taxes; current interested entities are aware of this need.

Following lengthy consideration, it was **MSC (T. Tovey, C. Carr)** to authorize issuance of the RFP as drafted, with the additional requirement for payment of all taxes owing. It was further **MSC (T. Tovey, B. Blad)** to authorize the Chairman to enter into a temporary license agreement with VA Metals and Portneuf Capital, once terms are negotiated.

**Bartholme** explained Portneuf Capital has the building insured through Farm Bureau and they are helping with security.

**Agenda Item No. 10: Naval Ordnance Plant District.** **Gygli** presented a request from Barbara Wischerath to do some paving patchwork within the URA to prevent further damage and increase the life of existing paving. Following discussion, it was **MSC (B. Blad, T. Tovey)** to approve the request for \$31,171.00, subject to verification of completion prior to payment.

Due to time constraints, agenda item 11 was postponed to the next meeting.

**Agenda Item No. 13: Reports and News Conference.** Members moved to the Council Chambers for the news conference for the check presentation on the North Yellowstone district closure. No members of the media were present.

**Adjournment:** There being no further business, the meeting adjourned at approximately 1:10 p.m.

By:   
Melanie Gygli, Interim Executive Director/Secretary

**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  
DATE: Meeting of October 16, 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 \$35,558.00 has been submitted for work on the façade. All work is complete, and required permits and inspections were obtained. Therefore, payment as requested is appropriate.

With this request, \$75,000.00 has been drawn, with no funds remaining.

Payment will be made as follows:

Michael Snyder: \$6,450.00  
Precision Glass: \$20,300.0  
Blaze Signs: \$6,808.00



7b1

# Pocatello Development Authority

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 October 16, 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 payment in the amount of \$12,673.00 for design on the skylights, hardwood floor, and new windows on the storefront. Design work and work on the hardwood floors (west side) has been completed. However, the exterior storefront changes did not receive the appropriate permit through the Historic Preservation Commission, though it has been completed. It is our determination that \$4,580.00 is appropriate for payment at this time. Copies of outstanding bills and/or paid invoices have been submitted.

With this request, the total drawn on this grant will be \$62,804.55; remaining to be drawn is \$12,195.45. Payment will be made as follows:

1. Simmons Surgical in the amount of \$4,580.00

# Pocatello Development Authority

7b2

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 Directors

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

DATE: Meeting of October 16, 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. **Simmons is proposing a change in project scope. Depending on the Board's action, this may affect approval of the funding request described below.**

Dane Simmons, representing Simmons Surgical, has submitted a request for \$18,727.12 covering a variety of interior work and supplies. No formal permits or inspections were required for the work performed, but a site visit was done on October 8, 2019, and we determined the fund request is proportionate to the work that has been done.

If approved, with this request, the total drawn on this loan will be \$121,372.92; remaining to be drawn is \$3,627.08.

Checks should be made payable to:

1. Simmons Surgical in the amount of \$11,606.12
2. City Creek Glass in the amount of \$7,121.00

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# ECONOMIC DEVELOPMENT LOAN & GRANT AGREEMENT

This Economic Development Loan Agreement (hereinafter "Agreement") is made this 13<sup>th</sup> day of February, 2019, between **Simmons Surgical LLC**, an Idaho Limited Liability Company, whose address is 123 North Main, Pocatello, Idaho 83204 (hereinafter referred to as "Simmons"), and the **Pocatello Development Authority**, an urban renewal agency formed under the laws of the State of Idaho (hereinafter referred to as "PDA") whose address is 911 North 7th Avenue, Pocatello, ID 83201.

## Recitals

A. Simmons is an Idaho company engaged in the business of surgical equipment sales and training. Monetary assistance has been requested for improvements to the property at 312 West Center to make necessary repairs and add facilities to create a surgical skills training suite and an Air BnB-type lodging room. Said monetary assistance has been offered by the PDA to expedite the process and assist in the removal and prevention of slum and blight, and retention and creation of jobs and tax revenue for the City.

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

D. PDA has determined that the planned improvements are necessary for the viability and operation of the property and more importantly represent the type of development which PDA can assist with and support under the applicable statutes; that such assistance and support will reduce and alleviate urban blight and will promote economic development of the area by assisting this business to continue to grow, which will increase employment and increase the tax base valuation with the City. For these purposes and reasons, the PDA has committed to provide from the PDA General Fund a loan of up to one hundred twenty-five thousand and 00/100 dollars (\$125,000.00) pursuant to the terms and conditions set forth below.

## Agreement

1. **Economic Development Loan.** Upon the PDA's receipt of detailed invoices from qualified contractor(s) and/or Simmons and verification by the PDA that said work has been completed, inspected, and is fully operational, the PDA shall loan Simmons up to one hundred twenty-five thousand and 00/100 dollars (\$125,000.00) to make necessary repairs and add facilities to create a surgical skills training suite and an Air BnB-type lodging room. Said loan shall be paid within five (5) years from the date the loan is issued; the first year will accrue interest at 0 percent and each year thereafter the interest will be prime plus 1 percent.

2. **Promissory Note.** Simmons shall execute the Promissory Note attached hereto as Exhibit A.

3. **Personal Guarantee.** Each owner and member of Simmons shall execute the Guaranty attached hereto as Exhibit B. The amount guaranteed under the Guaranty shall include all indebtedness owed by Simmons to the PDA.

4. **Deed of Trust.** Simmons shall execute a Deed of Trust on the property at 312 West Center covering all indebtedness owed by Simmons to the PDA, attached hereto as Exhibit C.

5. **Indemnification.** Simmons shall be responsible for to contract, schedule, manage and pay for qualified contractor(s) to perform all necessary work and improvements for which the Economic Development Loan will be used. Simmons shall indemnify and hold harmless the PDA from any and all claims, causes of action, and liabilities arising from or related in any way to the work and improvements.

### 6. Miscellaneous.

6.1. It is understood by the parties that the amounts paid by PDA to Simmons for the benefit of Simmons are not to be construed as compensation for specific services by Simmons for PDA. Rather, the intent of the parties is that the repayments assist Simmons in its need for repairs and enhancements to continue to operate its business.

**POCATELLO DEVELOPMENT AUTHORITY**  
**MEETING MINUTES**  
**January 16, 2019**

**Chairman Scott Smith** called the meeting to order at 11:04 a.m.

**Members present:** Mayor Brian Blad, Chad Carr, Jim Johnston, Rob Lion, Thomas Ottaway, Scott Smith, Terrel Tovey, and Scott Turner.

**Members excused/absent:** Matt Bloxham.

**Others present:** Melanie Gygli, Interim Executive Director; Joyce Stroschein, Treasurer; Jared Johnson, City Attorney; Merrill Quayle, Public Works Development Engineer; John Regetz and Mike Ennis, Bannock Development Corporation (ex officio); Mark Lupo, Idaho Power; Tiffany Olsen, Bannock County; Stephanie Palagi; Dane Simmons; Michael Snyder; Matt Parks, Elam & Burke (by phone approximately 12:05-12:35 p.m.).

**Agenda Item No. 1: Conflicts of Interest.** No conflicts were disclosed.

**Agenda Item No. 2: Minutes.** The minutes of the Regular Session of December 19, 2018 were considered. It was then **MSC (J. Johnston, B. Blad)** to approve the minutes as presented.

**Agenda Item No. 3: Financial Report.** **J. Stroschein** presented the financial report for the month of December 2018. At the end of the reporting period, the Authority had cash on hand of \$6,480,894.30. The checking account balance was \$3,130,977.15, the savings account was \$25.00, and cash held by Zions Trust amounted to \$3,349,892.15. The Authority recognized financial activity during the month of December as follows: revenue totaled \$18,127.65, of which \$6,979.55 was interest earnings on cash invested and property tax interest, \$750.00 was rental income from the Positron facility, and property tax for the North Yellowstone District totaled \$10,398.10. Expenses totaled \$11,115.00, including \$72.10 for the December lunch meeting, publishing costs of \$194.10, and legal services related to the Northgate TIF and Northportneuf property of \$10,848.80.

Stroschein explained a large property tax remittance will come in toward the end of January. With that income, it is anticipated that sufficient funds will be available to begin closing the North Yellowstone TIF District. The administrative fund transfer will show in the next financial report. Following discussion, it was then **MSC (T. Tovey, S. Turner)** to approve the December 2018 financial reports as presented.

**Agenda Item No. 4: Payment Requests/Reimbursements.** The following invoices were reviewed for payment: 1) Elam & Burke in the amount of \$3,474.50 for December services on the Northgate TIF project and 2) Elam & Burke in the amount of \$1,046.22 for December services on the Hoku property. It was then **MSC (C. Carr, R. Lion)** to approve the payment requests.

**Agenda Item No. 5: Request for Funding – Snyder.** **Smith** explained Michael Snyder is requesting approval to use any of the \$75,000.00 in grant funds not needed for the roof work, be used toward the façade renovation. She stated the minutes reflected only the roof, so further action is needed if that is the Board's desire. **Snyder** explained his understanding that the funds were for both roof repair/replacement and renovation of the façade. After brief discussion that this was the Board's intent, it was **MSC (B. Blad, J. Johnston)** to allow use of the \$75,000.00 grant funds for both the roof and the façade work.

**Agenda Item No. 6: Request for Funding – Simmons.** **Smith** briefly reviewed the request, reminding Board members that a grant of \$75,000.00 was approved at the December meeting. **Simmons** explained that he is requesting additional funds, in the form of a loan, to complete the surgical skills lab and Air BnB-type rooms. In response to questions from Board members, he explained that he has used local lending institutions, but is hoping for PDA assistance as well because the terms allow for better cash flow as the project progresses; he has obtained a quote for a sprinkler system. He stated a

loan of \$125,000 (half of his request) would allow him to finish the surgical skills lab and one rental suite. He believes these will help bring more people to the downtown area who would then patronize other businesses.

Board members discussed the proposal, its benefits to the Old Town area, and concerns with competing with private lending institutions. It was then **MSC (T. Tovey, R. Lion; J. Johnston voted nay)** to approve a loan of \$125,000.00, with a five-year term, the first year at 0 percent interest and no payments, with the second through fifth years at prime plus 1 percent (figured on the one-year anniversary of the loan) and quarterly payments; funds must be requested within a one-year period of approval.

**Gygli** stated Simmons has submitted a request for partial payment of \$9,281.94 of the approved grant. Work to date includes demolition and planning. After discussion, it was **MSC (T. Ottaway, R. Lion)** to approve payment, after inspection by Quayle and Gygli to determine that the pay request is proportionate to the work completed.

A discussion on potential funding options for projects such as the ones recently approved by the PDA and how the PDA should participate will be part of the February meeting agenda.

**Agenda Item No. 7: Project 17-18.** **Smith** stated there is potential for business location that may involve the PDA, and so called for an executive session per I.C. §74-206(1)(e). At approximately 11:45 a.m., **it was moved and seconded (T. Tovey, B. Blad)** to adjourn to executive session to consider preliminary negotiations involving matters of trade or commerce in which the PDA may be in competition with other jurisdictions, pursuant to Idaho Code §74-206(1)(e). **The motion passed by roll call vote (Ayes: Tovey, Blad, Carr, Johnston, Lion, Ottaway, Smith, Turner. Nays: None).** Upon **MSC (T. Tovey, J. Johnston)** the Board reconvened to regular session at approximately 12:00 noon.

Smith called for a break; the Board reconvened at approximately 12:05 p.m.

**Agenda Item No. 8: Discussion of Celtic Life Complaint.** **Parks** joined the meeting by phone at this time. **Smith** reminded members that Celtic Life has filed a complaint against the PDA. With this currently pending litigation, Smith called for an executive session to discuss the legal ramifications of and legal options for pending litigation. At approximately 12:05 p.m., **it was moved and seconded (R. Lion, J. Johnston)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(f). **The motion passed by roll call vote (Ayes: Lion, Johnston, Blad, Carr, Ottaway, Smith, Tovey, Turner. Nays: None).** Upon **MSC (B. Blad, T. Tovey)** the Board reconvened to regular session at approximately 12:20 p.m.

No action was taken on this item.

**Agenda Item No. 9: Hoku Property Disposition – Selection of Development Proposal.** **Gygli** reported that, as of the 1/7/19 deadline, no competing proposals were received in response to the Request for Proposals. A letter was submitted by Webb Moulton on behalf of Celtic Life Science. She briefly reviewed the process to the point. **Parks** explained next steps, based on the agreements with Solargise. Board members and Lupo discussed the issue of encroachment into the Idaho Power substation easement. **Parks** explained the property is being sold as is, with no warranties, and with all existing easements (Idaho Power, water line, and road and slope easements), and the potential buyer is aware of their existence. How to handle the encroachment will be up to the new owner to work out with Idaho Power. Celtic's letter is not considered a competing proposal, as stated in their letter, due to the inability to provide a release and waiver of claims. Board members discussed Idaho Power's concerns about the encroachment and wanting to make sure the purchaser is aware of it. Lupo agreed to submit a letter from Idaho Power on the issue, which can be provided to the purchaser.

Smith reviewed the draft resolution, which selects the proposal of Solargise America as the highest-ranked proposal, and authorizes the Board officers to sign the documents necessary to dispose of the property Solargise America. It was then **MSC (T. Tovey, S. Turner)** to adopt Resolution 2019-1 authorizing the sale of the "Hoku" property to Solargise America and the necessary signatures by the Board officers. **Parks** noted the tentative closing date is 3/18/19.

**Johnston moved** to approve the request. After discussion, it was decided to listen to all three funding requests before taking any action. Johnston withdrew his motion.

**Agenda Item No. 6: Request for Funding – United Seniors Project.** **Gygli** introduced a request by United Seniors Project (USP) for funding for building purchase and rehabilitation to house the various groups within the USP. **Sharon Manning** began the presentation, explaining they originally approached the PDA for funding in March of 2017, where it was suggested they needed a more complete proposal, including a business plan. She reviewed their current proposal, which includes acquiring the Bonneville Elementary building through the School District's bidding process. This building would meet their needs over the long term. **Jerry Myers** explained the building is structurally sound and expressed his opinion that this reuse would be good for the neighborhood and community.

**Alfreda Vann**, representative of the Bonneville Neighborhood Association, described the neighborhood and its heritage. She believes this project would be good for the neighborhood, becoming a destination place and a reason for people to purchase homes in the area. She referenced purpose from the Board's Bylaws, stating that this project is in line with that purpose.

**Carol Burnett** described the financial needs, including anticipated purchase price and needed repairs and rehab. For long-term operation, they will be looking for donations from various groups and potentially assistance from government agencies.

In response to questions from Board members, Burnett stated they have no financial commitments to date. The request to the PDA is for \$617,800, which will cover the purchase and first phase of repairs and rehab. Board members noted this amount exceeds the total available to the PDA for any funding requests and operational expenses. In response to further questions, **Burnett** and **Phil Joslin** explained the USP groups individually renting space for their functions; likely they will approach the Portneuf Health Trust for funds.

**Joslin**, New Knowledge Adventures president, reviewed the groups that are involved with this project, all of which are non-profits. This project will benefit persons of all ages. The PDA's endorsement will assist them in obtaining additional funds. In response to questions, he noted the Senior Center is not one of the groups involved, but they are talking with them; they are looking into other grant opportunities. He believes that the School District determined to sell the property based on USP's inquiries. **Manning** explained there are other grant options, but the PDA's involvement would help kick-start requests. They will maintain the building but may approach local governments for assistance—either financial or in-kind—for operational costs.

Board members discussed the project, noting that it is not the usual type of project for which funds are provided. PDA members expressed their support for the concept. No decision can be made today, but they will look into whether this is a project allowable under the standards of State urban renewal law.

**Agenda Item No. 7: Request for Funding – Simmons.** **Gygli** introduced a request from Dane Simmons for funding to improve the interior and exterior of the building at 312 West Center Street. **Simmons** presented his request for \$75,000 in grant funds for interior renovations and a loan of \$250,000 to build Simmons Surgical skills lab and luxury suites in the building. He described his existing business, Par 5, and the history of Old Town. It is his intent to restore the building as closely to the original as possible. This business would offset the seasonality of Par 5 and bring Air BnB type units to the downtown. Start-up businesses will be housed in the renovated area, as well, including the washie toilet Robert Polecki created.

In response to questions from Board members, Simmons explained he has invested \$1 million in Old Town, has owned this building for eight months, and has been in business in Old Town for five years. In the past, the building was connected to the Main Street frontage, though now only the utilities are connected. He has talked with banks but cannot get as good terms as the PDA has made available.

**Robert Polecki** urged the Board to give positive consideration to the proposal. He believes the funds will be used wisely and there are businesses waiting to use this building. He explained that, for his business, the executive positions would be in this building, with assembly elsewhere.

Board members discussed all three funding requests. Consideration was given to other options for funding and concern about competing with banks for loan dollars; whether the USP project would be an eligible urban renewal-type project; concern about reducing the general fund too dramatically; giving smaller amounts or only grants vs. larger loans; tying awarded funds to benchmarks, such as a certain number of employees, as has been done on other awards. Recent PDA awards in the downtown area have been toward the south end, and this area needs attention as well. Lately, loan terms have been 0 percent interest for the first year, with interest at prime plus 1 percent and quarterly payments for years 2-5.

After consideration, it was **MSC (J. Johnston, B. Blad)** to grant \$75,000 to Snyder for roof repair or replacement and \$75,000 to Simmons for interior remodel including hardwood floors, skylight, ceiling, and façade and storefront restoration.

Further discussion regarding additional funding for these two projects, as well as whether to fund part of the USP project, will take place at the January meeting.

After a five-minute break, **Smith** moved ahead to item no. 9.

**Agenda Item No. 9: Consider Resolution No. 2018-3 – Approval of the Urban Renewal Plan for the Northgate Urban Renewal Project.** **Johnston** recused himself from participation on this item. **Meghan Conrad and Matt Parks** joined the meeting by phone. **Conrad** updated the Board on the status of the Northgate plan preparation. She described recent bids made to include an intergovernmental agreement with Chubbuck needed because of a recent annexation on the east side of the freeway. Action needed now is approval of the plan and its forwarding to the City Council for formal action. After discussion, it was **MSC (T. Tovey, S. Turner)** to adopt Resolution No. 2018-3, approving the Northgate TIF plan, and forwarding it to the City Council for formal processing.

**B. Blad** said the City Council has asked the PDA consider funding a study to determine the cost of providing services to the proposed TIF area, to determine the potential impact to current taxpayers. **Conrad** said such a study would need to be defined by the City. Likely it would delay processing of the plan, but there is some space built into the timeline to allow for County and Chubbuck intergovernmental agreements. She does not know what the cost of such a study might be.

Board members discussed the utility of such a study. While there may be some impact, much will be offset by the districts that will return to the tax rolls in the next year or two and the tax abatements that expire. After discussion, it was **MSC (T. Tovey, S. Turner)** to deny the request to fund this study, due to lack of available funds and the delay it would cause in processing the plan.

**Agenda Item No. 8: Hoku Property Update.** **Smith** reported that a lawsuit has been filed against the PDA. With this currently pending litigation, **Smith** called for an executive session to discuss the legal ramifications of and legal options for pending litigation. At approximately 1:25 p.m., it was moved and seconded (**S. Turner, T. Tovey**) to adjourn to executive session pursuant to Idaho Code §74-206(1)(f). The motion passed by roll call vote (Ayes: **Turner, Tovey, Blad, Carr, Johnston, Smith**. Nays: **None**). Upon **MSC (B. Blad, J. Johnston)** the Board reconvened to regular session at approximately 1:35 p.m.

No action was taken on this item.

**Agenda Item No. 10: Authorization to Call North Yellowstone TIF Bonds.** **Stroschein** explained that the next tax payment likely will provide sufficient funds to pay off the bonded debt in the North Yellowstone district. Zions Bank requires action

**AGENDA ITEM**

**NO. 8**



**RESOLUTION NO. 2019-5**

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF  
POCATELLO, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF POCATELLO, IDAHO, ALSO KNOWN AS THE POCATELLO DEVELOPMENT AUTHORITY, APPROVING THE REAL ESTATE PURCHASE AND SALE AGREEMENT BETWEEN THE POCATELLO DEVELOPMENT AUTHORITY AND IDAHO STATE UNIVERSITY THROUGH THE STATE OF IDAHO BY AND THROUGH THE STATE BOARD OF EDUCATION; AUTHORIZING THE EXECUTION OF THE REAL ESTATE PURCHASE AND SALE AGREEMENT BY THE CHAIR OR VICE-CHAIR; AUTHORIZING ANY TECHNICAL CHANGES TO THE AGREEMENT; AUTHORIZING THE CHAIR OR ADMINISTRATOR TO TAKE ALL NECESSARY ACTION REQUIRED TO IMPLEMENT THE REAL ESTATE PURCHASE AND SALE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the Urban Renewal Agency of the city of Pocatello, Idaho, also known as the Pocatello Development Authority, an independent public body, corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended and supplemented (the "Law") and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended and supplemented (the "Act"), a duly created and functioning urban renewal agency for Pocatello, Idaho, hereinafter referred to as the "Agency;"

WHEREAS, the Agency presently owns the real property improvement located at 1500 Alvin Ricken Drive, Pocatello, Idaho, adjacent to Idaho State University's Idaho Accelerator Center (the "Property");

WHEREAS, the Property was developed by a former tenant of the Property as a research and test facility in relation to an economic development project formerly within the boundaries of a revenue allocation area established pursuant to Chapters 20 and 29, Title 50, Idaho Code. The former tenant subsequently vacated the Property. The Central Corridor revenue allocation area was terminated effective December 31, 2010, and the Agency retained the Property post-termination pursuant to Idaho Code § 50-2905(8) and the Settlement Agreement, dated August 7, 2015, by and between the Agency, Idaho State University and Positron Systems, Inc., the former tenant of the Property. The Agency currently has a lease with Idaho State University for use of the Property, which lease will expire on June 30, 2021;

WHEREAS, the Property is located on real property owned by Idaho State University through the State of Idaho by and through the State Board of Education (hereafter, "Idaho State University") adjacent to Idaho State University's Idaho Accelerator Center, and Idaho State University seeks to purchase the Property to supplement research and development at its Idaho

Accelerator Center;

WHEREAS, due to the location and purpose of the Property, the Agency and Idaho State University wish to agree upon terms and conditions whereupon Idaho State University will acquire the Property;

WHEREAS, Idaho Code § 50-2015 allows the Agency to convey Property to Idaho State University with or without consideration and subject to the terms and conditions as the Agency deems necessary;

WHEREAS, due to the termination of the Central Corridor revenue allocation area the Agency is not requiring Idaho State University to redevelop the Property pursuant to an urban renewal plan, but understands Idaho State University will make improvements to the Property to support additional research and development needs at the Idaho Accelerator Center;

WHEREAS, Agency staff and counsel and Idaho State University counsel have prepared a Real Estate Purchase and Sale Agreement (the "Agreement"), between the Agency and Idaho State University through the State of Idaho by and through the State Board of Education, a copy of which is attached hereto as Exhibit A and incorporated herein as if set out in full;

WHEREAS, the Agency Board of Commissioners finds it in the best public interest to approve the Agreement as described and summarized at the October 16, 2019, Agency Board meeting, and to authorize the Chair or Vice-Chair to execute and attest the Agreement, subject to certain conditions, and to execute all necessary documents to implement the transaction, subject to the conditions set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF COMMISSIONERS OF THE POCATELLO DEVELOPMENT AUTHORITY OF POCATELLO, IDAHO, AS FOLLOWS:

Section 1. That the above statements are true and correct.

Section 2: That the Agreement, attached hereto as Exhibit A, is hereby incorporated herein and made a part hereof by reference and is hereby approved and accepted, recognizing technical changes or corrections which may be required prior to execution of the Agreement.

Section 3. That the Chair or Vice-Chair of the Agency is hereby authorized to sign and enter into the Agreement and, further, is hereby authorized to execute all necessary documents required to implement the actions contemplated by the Agreement, including a quitclaim deed, subject to representations by Agency staff and Agency legal counsel that all conditions precedent to such actions have been met; and further, any necessary technical changes to the Agreement or other documents are acceptable, upon advice from Agency's legal counsel that said changes are consistent with the provisions of the Agreement and the comments and discussions received at the October 16, 2019, Agency Board meeting; Agency is further authorized to receive any and all funds contemplated by the Agreement and to perform any and all other duties required pursuant to said Agreement.

Section 4: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED by the Pocatello Development Authority of the city of Pocatello, Idaho, on October 16, 2019. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, on October 16, 2019.

APPROVED:

By: \_\_\_\_\_  
Scott Smith, Chair

ATTEST:

By \_\_\_\_\_  
Secretary

4820-9773-6617, v. 1

**AGENDA ITEM**

**NO. 10**

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 16<sup>th</sup> day of October, 2019.

POCATELLO DEVELOPMENT  
AUTHORITY BOARD OF DIRECTORS

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SCOTT SMITH, Chairman

ATTEST:

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MELANIE GYGLI, Secretary