

POCATELLO DEVELOPMENT AUTHORITY
Board of Commissioners Meeting
March 18, 2020 – 11:00 a.m.
Paradise Conference Room – Pocatello City Hall

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 5th Avenue, Pocatello, Idaho.

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

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 February 19, 2020, and the special meeting held on March 4, 2020. *See attached documents.*
4. **ACTION ITEM – Appointment of Interim Executive Director.** The Board may wish to appoint Carl Anderson as the Interim Executive Director until such time that a permanent Executive Director is named.
5. **ACTION ITEM - Fiscal Year 2019 Audit Report.**
6. **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.*
7. **ACTION ITEM – North Portneuf District.** The Board may consider paying off the amount owing by the PDA to the City of Pocatello in the amount of \$224,247.51 for the Hoku property.
8. **ACTION ITEM – North Portneuf District.** The Board may wish to hear and consider a request from Portneuf Capital for reimbursement of infrastructure improvements under the North Portneuf Urban Renewal Area Improvement Plan.
9. **ACTION ITEM – North Portneuf District/Request for grants or loans.** The Board may wish to hear and consider a request for an amendment to the grant previously approved and provided to Inergy Holdings, LLC.
10. **ACTION ITEM/EXECUTIVE SESSION - Potential Economic Development Opportunity.** The Board may approve participation in an executive session as outlined in Idaho Code §74-206(1) (e) to consider preliminary negotiations involving matters of trade or commerce in which the PDA may be in competition with other jurisdictions.
11. **ACTION ITEM – Northgate District/Letter of support.** The Board may wish to consider a request for a Letter of Support for development within the Northgate Urban Renewal Area.
12. **REPORT/legislative update – Urban Renewal Law.**
13. **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.
14. **ADJOURN.**

**AGENDA ITEM
NO. 3**

**POCATELLO DEVELOPMENT AUTHORITY
MEETING MINUTES
February 19, 2020**

Members present: Heidi Adamson, Chad Carr, Rob Lion, Scott Smith, Terrel Tovey, Scott Turner, David Villareal

Members absent/excused: Mayor Brian Blad, Thomas Ottaway

Others present: Carl Anderson, Pocatello Senior Planner; Ashley Linton-Welsh, Treasurer; Jared Johnson, Pocatello City Attorney; Merrill Quayle, Pocatello Public Works Development Engineer; Jeff Mansfield, Pocatello Public Works Director; John Regetz, Bannock Development Corporation; Tanner Hernandez, Prime Time Auctions; Mitch Greer, RMES; Corey Krantz and Chris Peirsol from Idaho Transportation Department; Doug Meldrum, Representing Maverick by phone; other members of the public

Agenda Item No. 1: Call to Order and Disclosure of Conflicts of Interest. Chair Scott Smith called the meeting to order at approximately 11:03 a.m. No conflicts were disclosed at this time.

Agenda Item No. 2: Approval of the Agenda. Upon MSC (T. Tovey, R. Lion) the agenda was approved.

Agenda Item No. 3: Minutes. The minutes of the Regular Meeting of January 15, 2020 were considered. It was then MSC (R. Lion, T. Tovey) to approve the minutes, with one correction to remove J. Johnston from members listed as absent/excused.

Agenda Item No. 4: Financial Report. Linton-Welsh presented the January financial report. At the end of the reporting period, the Authority had cash on hand of \$4,031,492.54, with checking account balance of \$4,031,467.54 and savings account was \$25.00. The Authority recognized financial activity as follows: revenue totaled \$53,250.89, of which \$952.48 was interest earnings on cash invested, \$1,262.85 from personal property tax and \$51,035.56 from property tax. Expenses totaled \$130.64, which included the administrative expenses of \$130.64.

Board members discussed fund balance and then it was MSC (T. Tovey, C. Carr) to approve the December financial report.

Agenda Item No. 5: Expense Payments & Reimbursements. The following invoices were considered for payment:

- a. \$80.00 from North Portneuf District Fund to Stacey & Parks for legal services re: North Portneuf TIF District.
- b. \$312.40 from General Fund to Idaho State Publishing for annual report & budget amendment notice of hearing.

Anderson reviewed the payment requests, stating the invoices accurately reflect work performed or goods and services provided, and are appropriate for payment. T. Tovey indicated that he would like to receive a running tally of accruing cost within the Northgate TIF District on the monthly financial report. It was then MSC (T. Tovey, S. Turner) to approve the payment requests.

Agenda Item No. 6: General Fund Loan – Station Square. Anderson reviewed the agenda item to ratify the Chairman's signature on the request for reconveyance of the Deed of Trust securing the PDA's loan to Station Square. Following discussion, it was MSC (T. Tovey, H. Adamson) to approve payment to ratify the Chairman's signature on the request of reconveyance of the Deed of Trust securing the PDA's loan to Station Square.

Agenda Item No. 7: Public Hearing/Action Item – FY2020 Budget Amendment. Linton-Welsh presented the proposed amendments to the PDA's FY 2020 adopted budget in order to allow for the expenditure of unanticipated revenue related to the sale of the "Hoku" property. The total revenue generated from the sale of the "Hoku" property was \$1,374,082.50 of which \$319,449.56 will be paid to the General fund, \$224,247.51 to the City of Pocatello for the Hoku land purchase and the remainder paid to the North Portneuf TIF district contingency fund.

Smith opened the public hearing, calling for comments in favor of, neutral to, and opposed to the budget amendment. One public comment was received opposed to the budget amendment as proposed. **Heather Disselkoen** presented her concerns regarding the contingency line item in the general fund and the payment of funds from the sale of the Hoku property into the General Fund. **Disselkoen** indicated that she believes that this is not standard practice within other municipalities. With no further public comment, the public hearing was closed **MSC (T. Tovey, C. Carr)**.

T. Tovey suggested that contingency fund items may be broken out by TIF district. **Linton-Welsh** stated that the contingency funds would need to be approved before the money is spent within a district, and further clarified that the funds are listed separately within the budget. Following discussion, the board voted to approve the budget amendment as proposed **MSC (C. Carr, T. Tovey)**.

Agenda Item No. 8: Report/Public Hearing – 2019 Annual Report of the Pocatello Development Authority.

The public hearing was opened **MSC (T. Tovey, S. Turner)**.

Anderson summarized the 2019 Annual Report of the Pocatello Development Authority. The North Yellowstone URA was closed ahead of schedule returning \$1,455,007 to the tax entities and adding almost \$66,000,000 to the tax rolls going forward. On December 6th of 2019, the Northgate interchange was opened to traffic. The PDA continued to work towards redevelopment of the “Hoku” site. This property was sold late in 2019 to Portneuf Capital, which is undertaking redevelopment of the site. The Pocatello City Council adopted an ordinance creating the urban renewal area and tax increment financing plan for the Northgate development. Receipt of funds for projects in this area are projected to begin in 2021. The PDA continued to support the Redevelopment Association of Idaho in legislative efforts to save/enhance urban renewal laws for Idaho. There are currently 4 open Urban Renewal districts which are, the Naval Ordinance Plant, North Portneuf District, Pocatello Regional Airport, and recently the Northgate District. Moving forward, the board may wish to address its future plans with the North Portneuf District.

Smith opened the public hearing to comments in favor of, neutral to, and opposed to the budget amendment. Upon there being no public comment the hearing was closed **MSC (S. Turner, C. Carr)**.

Agenda Item No 9: Potential TIF District. **Hernandez** introduced the request for a potential TIF district and progress on the project to date.

Doug Meldrum, representing Maverick, joined the meeting by phone at approximately 11:36 AM.

Hernandez stated that a meeting was held with the Idaho Transportation Department on February 7, 2020.

A joint venture was proposed on a potential traffic signal at the north intersection of the adjacent interchange to I-15. It was proposed that PDA use existing funds to support the project.

Corey Krantz from ITD stated that if the traffic impact study shows that a traffic signal is required, the developer should incur the cost of the signal. The Board discussed the requirements for a signal and Krantz clarified ITD’s process for designating funding to projects such as the subject signal. Discussion surrounding the potential cost of a traffic signal ensued.

The board discussed the process of creating a TIF and the potential impacts to the developer’s timeline. The requirements for an additional signal were discussed and it was clarified that the subject traffic signal might be paid by ITD if a signal were warranted. **Krantz** stated that if the signal were warranted that the best case for ITD’s project timeline would be 2028 and further discussed ITD’s funding process.

The board suggested that the City may need to be brought in on a signal. **Mansfield** stated that this may be premature and that Bannock Transportation Planning Organization should be brought up to speed on the project. Discussion regarding the City’s process for these type of projects ensued.

The board discussed potential issues of the tax base, should the TIF district proceed. **Smith** clarified the statutory requirements for establishing a TIF district.

Discussion ensued as to when the base would be set and the next steps that the applicant needs to undertake to move the request forward.

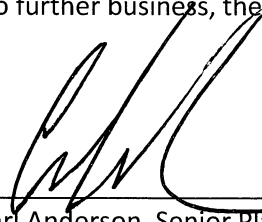
Agenda Item No. 10: Report – Petersen Inc. Annual Report. **Anderson** presented the annual report from Peterson Inc. It was reported that Petersen Inc. is in good standing with the terms of the current grant, loan and guarantee terms, providing a minimum of 50 full time employees and showing 63 employees on their rolls.

Agenda Item No 11: Executive Session. To provide an update on a potential economic development opportunity, at approximately 12:20 p.m., **it was moved and seconded (T. Tovey, R. Lion)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(e). **The motion passed by roll call vote (Ayes: Tovey, Lion, Adamson, Carr, Smith, Turner, Villareal. Nays: None.)** At approximately 12:55 p.m., by **MSC (T. Tovey, R. Lion)** the Board reconvened to regular session.

Agenda Item No. 12: Calendar Review.

-Work Session: **Tovey** suggested that the Board consider a work session on current practices and policies under which the Board is currently operating.

Agenda Item No. 13 Adjournment: There being no further business, the meeting adjourned at approximately 1:00 p.m.

By: 
Carl Anderson, Senior Planner

POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES
EXECUTIVE SESSION
February 19, 2020

Members present: Heidi Adamson, Chad Carr, Rob Lion, Scott Smith, Terrel Tovey, Scott Turner, David Villareal

Members absent/excused: Mayor Brian Blad, Thomas Ottaway

Others present: Carl Anderson, Senior Planner; Jeff Mansfield, Pocatello Public Works Director; Merrill Quayle, Pocatello Public Works Development Engineer; John Regetz, Bannock Development Corporation

The Board of Commissioners adjourned from regular session into executive session pursuant to I.C. §74-206(1)(e) to consider preliminary negotiations involving matters of trade or commerce in which the PDA may be in competition with other jurisdictions. At approximately 12:20 p.m., **it was moved and seconded (T. Tovey, R. Lion)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(e). **The motion passed by roll call vote (Ayes: Tovey, Lion, Adamson, Carr, Smith, Turner, Villareal. Nays: None.)** At approximately 12:55 p.m., by **MSC (T. Tovey, R. Lion)** the Board reconvened to regular session.

By: _____

Carl Anderson
Senior Planner

**POCATELLO DEVELOPMENT AUTHORITY
SPECIAL MEETING MINUTES
March 04, 2020**

Members present: Heidi Adamson, Chad Carr, Scott Smith, Terrel Tovey, Scott Turner, David Villareal

Members absent/excused: Mayor Brian Blad, Rob Lion, Thomas Ottaway

Others present: Carl Anderson, Pocatello Senior Planner; Ashley Linton-Welsh, Treasurer; Merrill Quayle, Pocatello Public Works Development Engineer; Jeff Mansfield, Pocatello Public Works Director; Don Zebe

Agenda Item No. 1: Call to Order and Disclosure of Conflicts of Interest. Chair Scott Smith called the meeting to order to 11:02 a.m. No conflicts were disclosed at this time.

Agenda Item No 2: Executive Session. To provide an update on a potential economic development opportunity, at approximately 11:02 p.m., **it was moved and seconded (T. Tovey, S. Turner)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(e). **The motion passed by roll call vote (Ayes: Tovey, Turner, Adamson, Carr, Smith, Villareal. Nays: None.)** At approximately 12:05 p.m., by **MSC (T. Tovey, C. Carr)** the Board reconvened to regular session.

Agenda Item No. 3 Adjournment: There being no further business, the meeting adjourned at approximately 12:05 p.m.

By: _____

Carl Anderson, Senior Planner

**POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES
EXECUTIVE SESSION
March 4, 2020**

Members present: Heidi Adamson, Chad Carr, Scott Smith, Terrel Tovey, Scott Turner, David Villareal

Members absent/excused: Mayor Brian Blad, Rob Lion, Thomas Ottaway

Others present: Carl Anderson, Senior Planner; Jeff Mansfield, Pocatello Public Works Director; Merril Quayle, Pocatello Public Works Development Engineer; Don Zebe Colliers International

The Board of Commissioners adjourned from regular session into executive session pursuant to I.C. §74-206(1)(e) to consider preliminary negotiations involving matters of trade or commerce in which the PDA may be in competition with other jurisdictions. At approximately 11:02 p.m., **it was moved and seconded (T. Tovey, S. Turner)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(e). **The motion passed by roll call vote (Ayes: Tovey, Turner, Adamson, Carr, Smith, Villareal. Nays: None.)** At approximately 12:05 p.m., by **MSC (T. Tovey, C. Carr)** the Board reconvened to regular session.

By: 

Carl Anderson
Senior Planner

**AGENDA ITEM
NO. 8**

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

Application:

Name: Portneuf Capital _____ Date: 3-5-20 _____

Mailing Address: 1 Hoku way _____

Work Phone: _____ Cell Phone: 208 251 6878 E-Mail ldb@portneufcapital.com

Project Description: _____ Infrastructure upgrades _____

Project Location: 1 Hoku Way _____

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: 4,500,000 _____

Estimated Construction Value of Project: 1,450,000 _____

Number of jobs created by this project: 200 -400 _____ Wage range of jobs: 36K – 80K

Employee Benefits? Yes No If yes, please describe: _____

Time frame for job creation: _____ September _____

Construction start date for project: _____ May _____ Anticipated completion date: _____ September

Briefly describe other public benefit(s) associated with this project:

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

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

No

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: Co-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 Infrastructure, Site Work,

Access

Amount of Assistance Requested: 1,450,000.00

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 _____

Return completed application to:

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

PDA members

Portneuf Capital is asking to use the available TIF funds to do improvements and finish projects that were never completed during the time Hoku occupied the property. Portneuf Capital has reviewed the TIF plan and has chosen projects that fall within the "Project Description" section of the TIF. These projects also provide the most impact to attract business and create new jobs in Pocatello. We are submitting a new Table 1 schedule that is better suited to the current projects and the new use as a business park. Portneuf has contacted at least two companies for competitive bids and three in most cases for all work that is going to be performed. For example, we only have two elevator companies that service South East Idaho.

We have had numerous inquiries on leasing space and buildings on the property but keep running into the same stumbling blocks. The potential clients want finished ready to move into facilities that can be occupied in 30 – 60 days and we cannot currently offer that because the facility is lacking some critical infrastructure. We worked with two companies that wanted to be in the Pocatello area due to logistics but they finally settled on facilities in Idaho Falls and Tremonton, Utah due to the time frame to bring the facilities on line.

We are currently working with two clients that also want to locate in the Pocatello area. One is a new lead from the Collier's group that would require 400 parking spots and bring a number of new jobs. The other is a lead Portneuf was working with during its proposal to the PDA. We are very confident that once the infrastructure upgrades are finished with can easily attract new companies to Pocatello. This is exactly what the TIF was designed to do – pay for infrastructure and improvements that will bring new jobs to the area.

Portneuf recently executed a lease with the help of the Collier's group that will employ 13 people of which 4 of the employees are from out of state and relocating to Pocatello. Portneuf has also added two full-time employees. We have also had numerous city employees from, Fire, Planning and Zoning, Water, and the Electrical Inspector on site for assistance.

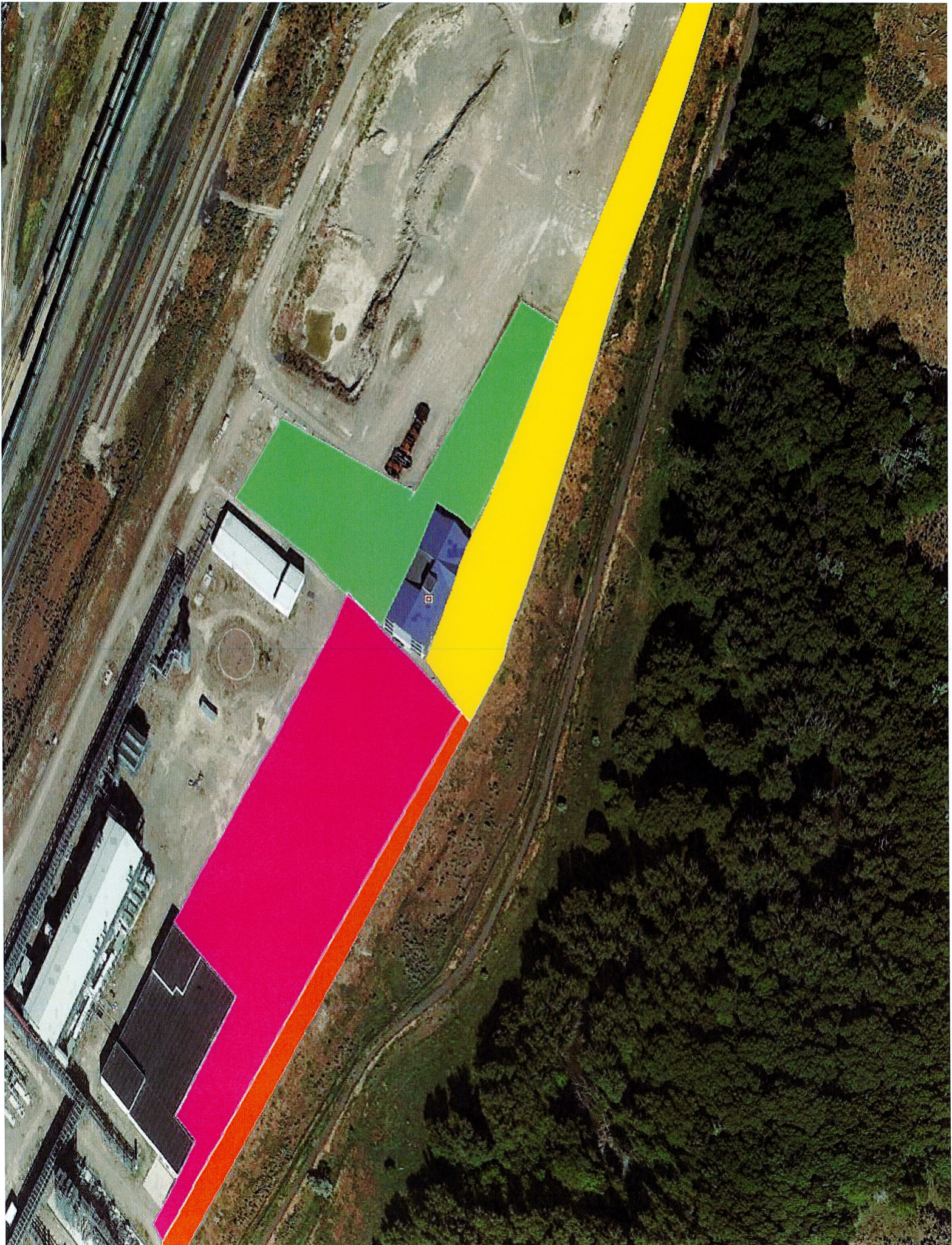
We have been actively pursuing the removal of the steel pipe rack and equipment that is salvageable. This is critical to get the facility ready to be a functioning business park. So far, we have been pretty close in our initial assessments on costs, but may need to invest in the removal because the pipe rack may cost more to take down than steel scrap prices will cover. We are hopeful that the equipment that can be salvaged will help offset the other removal and cleanup costs.

In addition to the improvements and leasing pursuits, we are pleased to be able to offer the City of Pocatello Police Department and Bannock County Sheriff buildings for future training for hostage and other situations. We are excited about other future opportunities to give back to the community.

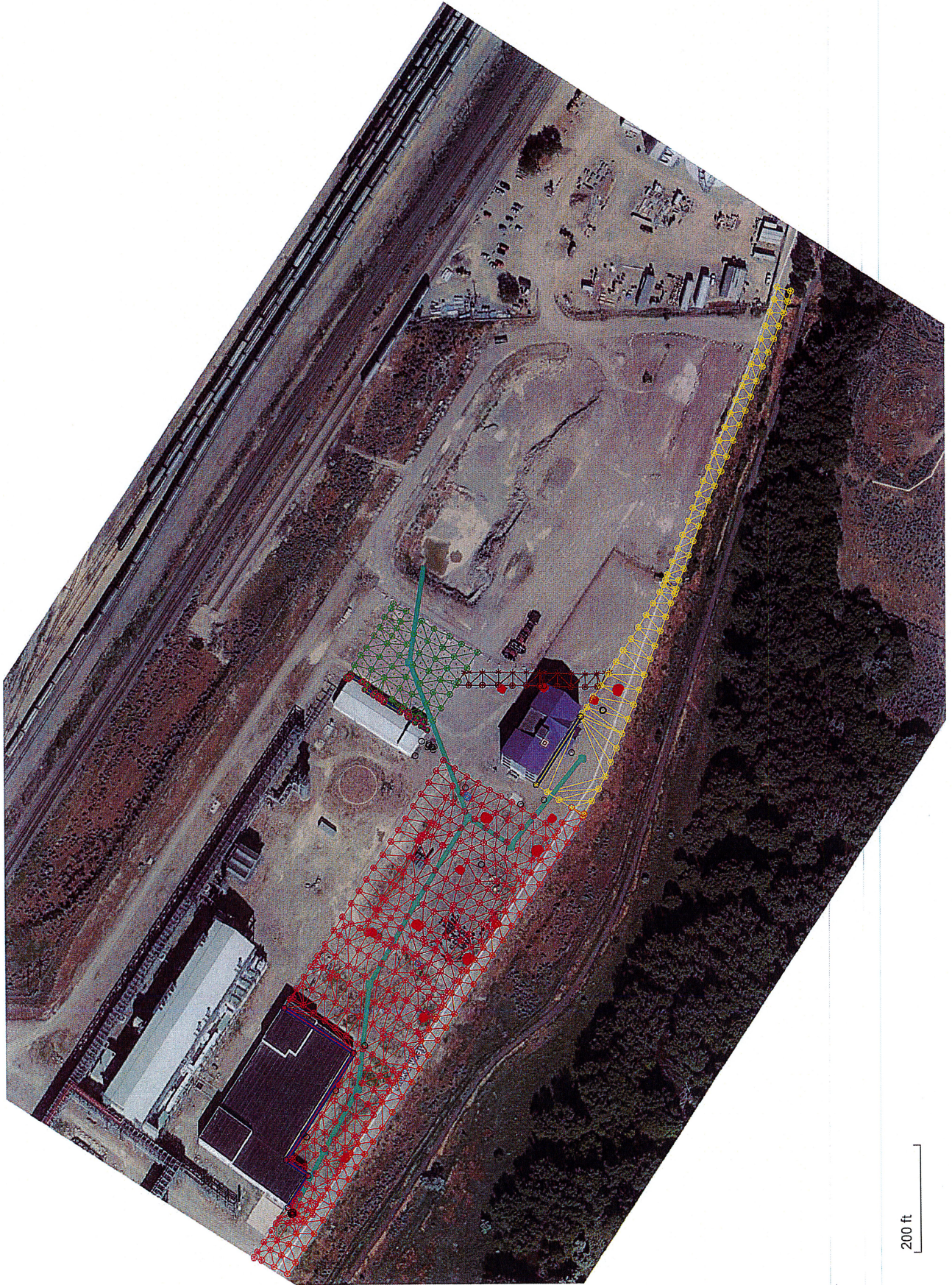
Tif Projects

transformer admin - control building	65,000.00
wire and termination admin building	13,000.00
hvac admin building	65,000.00
disconnect switch admin building	9,000.00
fire suppression admin includes alarm	16,000.00
concrete apron	27,000.00
disconnect switch control building	8,500.00
wire and termination control building	16,000.00
hvac control building	17,000.00
fire suppression control building includes alarm	14,000.00
concrete apron	15,000.00
transformer warehouse building	40,000.00
disconnect switch warehouse building	26,000.00
wire and termination warehouse	24,000.00
hvac warehouse	172,000.00
fire suppression warehouse includes alarm	97,000.00
lighting warehouse	69,000.00
concrete apron	18,000.00
paving yellow area	111,764.00
paving green area	90,861.00
paving orange area	66,524.00
paving pink	410,000.00
storm water site prep	143,000.00
fiber optic includes RR permit	85,000.00
natural gas extension	20,000.00
parking lot lighting	32,000.00
site clean up	22,000.00
elevator maintenance	13,000.00
insulation warehouse	22,000.00

1,727,649.00







200 ft

**North Portneuf Urban
Renewal Area and Revenue
Allocation District
Improvement Plan**

May 2007

CITY OF POCATELLO**North Portneuf Urban Renewal Area Improvement Plan
Table of Contents****ACKNOWLEDGEMENTS**

Pocatello Development Authority
City Officials

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II. NORTH PORTNEUF URBAN RENEWAL AREA DESCRIPTION**III. PROJECT PLAN**

Project Description
Project Costs and Revenues

IV. ECONOMIC FEASIBILITY STUDY**V. CONFORMANCE WITH STATE LAW****VI. PLAN DURATION****VII. AMENDMENT PROCEDURES****VIII. SEVERABILITY****IX. CONCLUSION****ATTACHMENTS**

1. North Portneuf/Revenue Allocation Map
2. North Portneuf Urban Renewal Area & Revenue Allocation District Legal Description
3. Bannock County Transfer of Powers Ordinance
4. Recommendation of the PDA
5. Recommendation of the CDC
6. Resolution of the City Council designating the Urban Renewal Area

Acknowledgements**Pocatello City Council:**

Roger Chase	Mayor
Roger Bray	Council Member
Ron Frasure	Council Member
Gary Moore	Council Member
Eva Nye	Council Member
Richard Stallings	Council Member
Brian Underwood	Council Member

Pocatello Development Authority:

Steve Brown	Chair Person/Commissioner
Terry Brower	Commissioner
Mayor Roger Chase	Commissioner
Darsi Foster-Johnson	Commissioner
Larry Ghan	Commissioner
Ken Monroe	Commissioner
John Ricks	Commissioner
Dan Schroeder	Commissioner
Richard Stallings	Commissioner
Dean Tranmer	Attorney to the Commission
Darcy Taylor	Secretary to the Commission

City of Pocatello Staff:

Robert Chambers	Director, Planning and Development Services
Tim Tingey	Division Manager, Neighborhood & Community Services
Melanie Gygli	Associate Planner
Dave Swindell	Chief Financial Officer

Bannock Development Corporation:

Gynii Gilliam	Executive Director
Sari David	Administrative Assistant

I. INTRODUCTION

The Pocatello Development Authority (PDA) was created by the City of Pocatello on July 14, 1988, and was granted authority by the City of Pocatello to undertake urban renewal projects which may be facilitated through the use of tax increment financing. The PDA helps to ensure that appropriate development takes place in areas of greatest need.

Planning is essential to ensure that development efforts create both an environment of convenience and safety for neighborhood residents, and increased opportunities for businesses to succeed. This North Portneuf Urban Renewal Plan, once implemented, will be the vehicle to provide a more conducive atmosphere for business operation in the City, and enhance opportunities for businesses wishing to relocate to Pocatello.

This plan identifies projects and describes the process for enhancing this area in the City through efforts of the Pocatello Development Authority and the City of Pocatello.

Background

The Pocatello Development Authority (PDA), in the meeting of March 21, 2007 made the following recommendation (SEE ATTACHMENT 1):

- The PDA recommended the creation of a Revenue Allocation District for the area adjacent to the Portneuf River to Interstate 86 and running east to Philbin Road and then in a southerly direction to the Portneuf River. The area also includes properties south and southwest of and adjacent to the Great Western Malting Plant. Underdevelopment of this area necessitates the creation of an improvement plan. This recommendation initiated the creation of the improvement plan contained herein.

The recommendation of the PDA, as outlined, is consistent with the goals of the City and is allowed by the State of Idaho Urban Renewal Law (Chapter 20, Title 50, Idaho Code). Accordingly, this North Portneuf Urban Renewal Area Improvement Plan directs use of revenue allocation financing to accomplish the following:

- To eliminate underutilized areas which are causing economic under-development in the designated area, substantially impairing the sound growth of Pocatello in general.
- To encourage both private and public development in the Urban Renewal Area in order to diversify and improve the local economy by providing adequate public facilities.
- To encourage cooperation among taxing districts in the Pocatello community regarding the use of funds.
- To accomplish plan goals in accordance with all appropriate federal, state, and local laws.

Purpose of the Plan

The purpose of this plan is to create a proactive approach to development/redevelopment projects by the PDA in Pocatello by focusing efforts in five areas:

1. Leveling or reducing the City's levy rate by increasing the tax base through more aggressive engagement in redeveloping underutilized areas;
2. Partnering with the private sector to enhance development and to attract new or to expand businesses to improve the Pocatello economy;
3. Targeting areas in need of building and site improvements;
4. Utilizing more effectively the powers granted to the PDA in the pursuit of redevelopment activities. Such powers include:
 - a. carrying out urban renewal projects;
 - b. making and executing contracts and other instruments;
 - c. disseminating slum clearance and urban renewal information;
 - d. repairing streets, roads, public utilities or other facilities;
 - e. installing streets, utilities, parks, playgrounds, off-street parking facilities, public facilities, or other facilities;
 - f. entering buildings or property to make inspections, surveys, appraisals, soundings or test borings;
 - g. acquiring by purchase, lease, option, gift, grant, bequest, devise, eminent domain or otherwise, any real property or personal property for its administrative purposes;
 - h. holding, improving, renovating, rehabilitating, clearing or preparing for redevelopment any such property or buildings;
 - i. mortgaging, pledging, hypothecating or otherwise encumbering or disposing of any real property;
 - j. insuring or providing for the insurance of any real or personal property or operations of the municipality;
 - k. demolishing and removing structures on property;
 - l. investing urban renewal funds;
 - m. borrowing money and applying for and accepting advances, loans, grants, contributions, and any other form of financial assistance;
 - n. creating, modifying and executing plans which may include programs of voluntary compulsory repair and rehabilitation of buildings and improvements;
 - o. conducting appraisals, title searches, surveys, studies, and other plans and work necessary to prepare for the undertaking of urban renewal projects;
 - p. developing, testing, and reporting methods and techniques, and carrying out demonstrations for the prevention and elimination of slums and urban blight;
 - q. developing new or improved means of providing housing;
 - r. accepting and utilizing grants of funds from the federal government;
 - 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 North Portneuf Urban Renewal Area and enhance the economic viability of the area.

II. NORTH PORTNEUF 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 2. 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 this North Portneuf area should be included as part of an Urban Renewal Area.

Idaho Code 50-2002 outlines requirements for 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, Idaho Code 50-2903 states 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 properties associated with these areas are in need of improvements to facilitate building and infrastructure enhancements and these needs have contributed to underutilization of the site for businesses and industry for several years. This area includes several site issues that impede redevelopment including:

- Under-development of land which has detracted from the economic viability of the area;
- Inadequate transportation access points and infrastructure limiting development of this site;
- Any combination of the above factors which has reduced the feasibility of full development of this area.

Without addressing these conditions, the feasibility of additional development in this area in the near future would be limited. Additionally, the range of issues and the costs associated with redevelopment contributes to the ongoing underutilization of this area and prompts the additional need to establish the North Portneuf Urban Renewal Area.

III. PROJECT PLAN

The project list outlined in this plan may be funded (all or in 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 EXPENSE ITEM	COST	Total
Main Water Re-use Line (4,500/ft x \$100/Ft)	\$450,000	
Main and Lateral Water Line (\$3,500/ft x \$50/ft)	\$175,000	
Main and Lateral Sewer Line (1,000/ft x \$50/ft)	\$50,000	
Rail Spur, Dbl. Track (4,000/ft x \$220/ft)	\$880,000	
Rail Switch	\$2,000,000	
Roadway Construction (5,000/ft x \$150/ft)	\$750,000	
Property Access (Acquisition and Construction)	\$3,215,000	
Environmental Remediation and Site Preparation	\$250,000	
Power	\$8,500,000	
Natural Gas	\$1,000,000	
Cable/Fiber Optics	\$1,000,000	
Subtotal		\$18,270,000
Water/Sewer Connect Fees	\$291,029	
Contingency @ 20%	\$3,654,000	
Engineering/Administration @ 20%	\$3,654,000	
Total		\$25,869,029
Taxing Entity Operational Costs		\$16,029,830
City Capital Cost Reimbursement		\$1,361,528
PDA Administration		\$1,393,898
Company Employment Reimbursement		\$17,423,728
FINAL PROJECT COST TOTAL		\$62,078,013

Project Description

- **Infrastructure, Access, and Site Work**—any necessary and eligible costs related to infrastructure enhancement, construction of facilities, upgrades of utilities, site preparation work, and other associated work to facilitate development;
- **Contingency costs**--additional cost calculated for work related to other administrative or construction related costs associated with the project;
- **Taxing Entity Operational Costs**—taxing entities will receive a reimbursement percentage to occur in the tenth year of the district to cover administrative and operational costs thereby lessening the burden of service delivery for the entities associated with this urban renewal area. Funding may also be used for property acquisition for economic development purposes;
- **City Capital Cost Reimbursement**—City of Pocatello costs incurred for acquisition of property for location of HOKU Scientific.
- **PDA Administration**—An administrative cost will be allocated to the PDA for ongoing operational needs;

- **Company Employment Reimbursement**—In year 2016, provided that tax increment financing revenue is collected as projected, HOKU Scientific will be reimbursed funding percentages if they obtain and maintain at minimum 200 new jobs in the community. If they do not have 200 or maintain that number of jobs, then the amount of the reimbursement will be proportionately reduced downward on a prorated sliding scale. There is no increase in reimbursement for jobs in excess of 200.

The following table outlines the total project costs and the projected revenue for the proposed revenue allocation district.

TABLE 2. Project Costs and Revenues

ITEM	AMOUNT	TOTAL
REVENUES		
Revenue Allocation Proceeds	\$62,078,013	
Sub-Total		\$62,078,013
COSTS		
Infrastructure Costs	\$25,869,029	
Taxing Entity Operational Costs	\$16,029,830	
City Capital Cost Reimbursement	\$1,361,528	
PDA Administration	\$1,393,898	
Company Employment Reimbursement	\$17,423,728	
Subtotal		\$62,078,013
Ending District Balance		\$0

IV. ECONOMIC FEASIBILITY STUDY

The following tables provide a projection of base-assessed valuations for the proposed revenue allocation district for the North Portneuf Urban Renewal Area. An analysis of the tax levy rates applied in calculating tax collection for taxing entities and the North Portneuf Revenue Allocation District is described below. The 2006 tax levies for each of the five taxing jurisdictions are as follows:

<u>Taxing Jurisdictions</u>	<u>Tax levy¹</u>
City of Pocatello	.010385066
Bannock County	.005278294
School District # 25	.004556190
County Road & Bridge	.000591630
Ambulance	.000278340
Total	.021089520

¹ Obtained from Bannock County Auditor's Office

TABLE 3

Taxing Entity	² Tax Levy	North Portneuf Area Valuation	Revenue
City of Pocatello	0.010385066	\$4,409,661	\$45,794.62
Bannock County	0.005278294	\$4,409,661	\$23,275.49
School District #25	0.004556190	\$4,409,661	\$20,091.25
County Road & Bridge	0.000591630	\$4,409,661	\$2,608.89
Ambulance	0.000278340	\$4,409,661	\$1,227.39
Total	0.021089520		\$92,997.64

As the above table shows, \$ 92,997.63 of tax revenue is presently produced in the revenue allocation district for the North Portneuf Urban Renewal Plan. The remainder of the property is currently tax exempt. Taxable value will be added by real improvements to the land scheduled to begin summer of 2007.

Table 4 outlines the net increase in tax revenue potential from the estimated post construction value on the property over a nineteen year period.

TABLE 4

Value of Taxable Property in Revenue Allocation Area			
Property	2007 Base Value	Estimated Post Construction and Base Value	Net Increase
Proposed North Portneuf Improvement Site	\$4,409,661 ³	\$200,409,661	\$196,000,000

Table 5 provides an analysis of the estimated revenue to the PDA from new construction value within the North Portneuf Revenue Allocation District. Levy rates based on current rate determinations are applied to determine net revenue to be collected and distributed to the PDA.

² 2006 tax levy rate obtained from Bannock County Auditor's office

³ Includes a 3% estimated amount for utilities which are included as base value.

TABLE 5

Year 12 months ending	TIF Tax Value ⁴	⁵ Tax Levy Rate	Revenue to PDA
2007	-----	0.021089520	-----
2008	-----	0.021089520	-----
2009	\$196,000,000	0.021089520	\$4,133,546
2010	\$190,120,000	0.018980568	\$3,608,586
2011	\$184,416,400	0.018980568	\$3,500,328
2012	\$178,883,908	0.018980568	\$3,395,318
2013	\$173,517,391	0.018980568	\$3,293,459
2014	\$168,311,869	0.018980568	\$3,194,655
2015	\$163,262,513	0.018980568	\$3,098,815
2016	\$158,364,638	0.018980568	\$3,005,851
2017	\$153,613,698	0.018980568	\$2,915,675
2018	\$149,005,287	0.018980568	\$2,828,205
2019	\$144,535,129	0.018980568	\$2,743,359
2020	\$140,199,075	0.018411151	\$2,581,226
2021	\$135,993,103	0.018411151	\$2,503,790
2022	\$131,913,310	0.018411151	\$2,428,676
2023	\$127,955,910	0.018411151	\$2,355,816
2024	\$127,955,910	0.018411151	\$2,355,816
2025	\$127,955,910	0.018411151	\$2,355,816
2026	\$127,955,910	0.018411151	\$2,355,816
2027	\$127,955,910	0.018411151	\$2,355,816
2028	\$127,955,910	0.018411151	\$2,355,816
2029	\$127,955,910	0.018411151	\$2,355,816
2030	\$127,955,910	0.018411151	\$2,355,816
Total	\$2,907,915,873		\$62,078,013

The total revenue amount that may be received by the PDA over twenty four years is estimated at approximately \$62,078,013. This amount will be used to finance all projected costs within the North Portneuf Urban Renewal Area.

Table 6 outlines reimbursement and payment amounts, with percentage allocations for all costs to be distributed to both the public and private entities. There are no guarantees of the revenue amounts listed in this plan. Revenue distributions listed in the plan will be based on actual proceeds received. If for whatever reason, net revenue to PDA is less than that projected in the plan, then the listed percentages will govern how the proceeds are to be allocated. There is no adjustment in distribution for net revenue to PDA in excess of that listed in the plan.

⁴ Proposed new construction is anticipated to be completed at the end of 2008. Full tax value will be collected for 2009.

⁵ Calculations include holding the levy rate constant through 2009. In 2010, it is reduced by 10% due to the anticipated Central Corridor Urban Renewal Area expiration which will generate a broader tax base resulting in a reduction in the levy rate. It is also reduced an additional 3% in 2020 to account for the future expiration of the North Yellowstone Urban Renewal Area.

The company is paying the costs of infrastructure, access and site work and will therefore be reimbursed for the **actual** costs of these items, currently estimated to be \$25,869,029. The company will also receive an employment reimbursement for jobs created. The full amount listed in the table under Company Employment Reimbursement will be distributed to the company if employment is achieved and maintained at 200 FTE's. For the purposes of this plan, Bureau of Labor Statistics standards are used to define full time equivalent employment. This definition is 35 hours per week. The distribution amount will be adjusted downward if the job creation is less than the 200 FTE's and will be proportionally reduced on a prorated sliding scale. There is no increase in distribution for jobs in excess of 200 FTE's.

Public entities will receive reimbursement of costs associated with land acquisition and operations/administration. This will help to pay the costs associated with service delivery by these entities in this area.

TABLE 6

Tax Collection Year	Net Revenue to PDA	Company Infrastructure Reimbursement 95%	Company Employment Reimbursement 50%	City Capital Cost Reimbursement 5%	Taxing Entity Operational Costs 46%	PDA Admin 4%
2007	-----	-----	-----	-----	-----	-----
2008	-----	-----	-----	-----	-----	-----
2009	-----	-----	-----	-----	-----	-----
2010	\$4,133,546	\$3,926,869		\$206,677		
2011	\$3,608,586	\$3,428,156		\$180,429		
2012	\$3,500,328	\$3,325,312		\$175,016		
2013	\$3,395,318	\$3,225,552		\$169,766		
2014	\$3,293,459	\$3,128,786		\$164,673		
2015	\$3,194,655	\$3,034,922		\$159,733		
2016	\$3,098,815	\$2,943,874		\$154,941		
2017	\$3,005,851	\$2,855,558		\$150,293		
2018	\$2,915,675		\$1,457,838		\$1,341,211	\$116,627
2019	\$2,828,205		\$1,414,102		\$1,300,974	\$113,128
2020	\$2,743,359		\$1,371,679		\$1,261,945	\$109,734
2021	\$2,581,226		\$1,290,613		\$1,187,364	\$103,249
2022	\$2,503,790		\$1,251,895		\$1,151,743	\$100,152
2023	\$2,428,676		\$1,214,338		\$1,117,191	\$97,147
2024	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2025	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2026	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2027	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2028	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2029	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2030	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2031	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
Total	\$62,078,013	\$25,869,029	\$17,423,728	\$1,361,528	\$16,029,830	\$1,393,898

As outlined in Table 6, when revenue is received by the PDA (projected to begin in 2010), the costs for public infrastructure will be reimbursed over eight years provided that revenue is collected at the projected rate. City capital costs for acquisition will also be funded within the same time frame. After those items are compensated, a reimbursement for job creation, taxing entity operational costs and PDA administration and acquisition costs will also be funded.

V. CONFORMANCE WITH STATE LAW

Redevelopment activities for the North Portneuf Urban Renewal Area are governed by two applicable sections of Idaho Code: the Idaho Urban Renewal Law (Chapter 20, Title 50, Idaho Code) and the Idaho Local Economic Development Act (Chapter 29, Title 50, Idaho Code).

The Idaho Legislature passed the Urban Renewal Law in 1965. Under this law, a Mayor and Council can declare areas as deteriorating, and declare that the rehabilitation, conservation, and redevelopment of such areas is in the interest of the public's health, safety, morals or welfare (Idaho Code 50-2008). The Urban Renewal Law also states that an area of a city that "constitutes an economic and social liability imposing onerous municipal burdens which decrease the tax base and reduce tax revenues, substantially impairs or arrests the sound growth of municipalities, retards the provision of housing accommodations, aggravates traffic problems and substantially impairs or arrests the elimination of traffic hazards and the improvement of traffic facilities..." may be designated an urban renewal area.

The Idaho Legislature passed the Local Economic Development Act in 1988. This act states: "An authorized municipality is hereby authorized and empowered to adopt, at any time, a revenue allocation financing provision, as described in this chapter, as part of an urban renewal plan...A revenue allocation financing provision may be adopted either at the time of the original adoption of an urban renewal plan or the creation by ordinance of a competitively disadvantaged border community area, or thereafter, as a modification of an urban renewal plan or the ordinance creating the competitively disadvantaged border community area." (Idaho Code 50-2904)

In addition to this, Idaho Code 50-2906 states: "The local governing body of an authorized municipality must enact an ordinance in accordance with Chapter 9, Title 50, Idaho Code, and Section 50-2008, Idaho Code. To modify an existing urban renewal plan, to add or change a revenue allocation, an authorized municipality must enact an ordinance...and conduct a public hearing." (Idaho Code 50-2906) This part of the Idaho Code specifically implies that a local municipality must enact an ordinance before redevelopment can take place.

The North Portneuf Urban Renewal Plan proposed within this document follows the guidelines prescribed within Idaho Code for the development of Urban Renewal Areas and Revenue Allocation Districts.

VI. PLAN DURATION

The plan shall be in effect and enforceable for a period of time necessary to finance all designated improvements and all debt obligations the PDA may incur in connection with such improvements. This term may be amended as allowed by law.

VII. AMENDMENT PROCEDURES

The plan may be amended by the PDA after all notice and public hearing requirements as set forth in Idaho Code have been met, and upon formal approval by the Pocatello City Council.

VIII. SEVERABILITY

If any part of the plan is declared contrary to Idaho Code, and any provision or application of such provision to any person or circumstance is declared invalid for any reason, such declaration shall not affect the validity of any remaining provisions of the Plan.

IX. CONCLUSION

The North Portneuf Urban Renewal Plan is designed to ameliorate deteriorating conditions which are causing economic under-development of the area and substantially impairing the sound and continued growth of Pocatello. The plans call for extensive building and site construction work.

Implementation of the plan will provide the capacity necessary to foster sound growth of the municipality, increase the tax base and tax revenues, encourage economic stability of the community, increase job creation, and improve the health, safety, and welfare of the community.

The Pocatello Development Authority recommends that the City approve and cooperate in carrying out the purposes of this Plan.

**AGENDA ITEM
NO. 9**

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

Application:

Name: Inergy Solar Date: March 11, 2020

Mailing Address: 525 W Maple St Pocatello, ID

Work Phone: 877-969-2432; Cell Phone: 925-963-0960;

E-Mail: Sean@inergysolar.com

Project Description: Renovate industrial space for assembly and production of Portable Solar Generation and Power Storage Equipment

Project Location: 1 Hoku Way

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: \$75,000

Number of jobs created by this project: 10; Wage range of jobs: \$30-50K

Employee Benefits? Yes No If yes, please describe: Health Insurance, Paid Time Off, Holiday Pay

Time frame for job creation: Before June 1, 2021

Construction start date for project: June 1, 2020

Anticipated completion date: November 1, 2020

Briefly describe other public benefit(s) associated with this project: Provide exciting local employment opportunities to retain ISU graduates and other local residents. Increase local commerce. Become visible and engaged in the local community.

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

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

Competitive proposals will be sought by Inergy's owners

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: President of Inergy

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 Space Improvements

Amount of Assistance Requested: \$25,000

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 list: This is a reassignment of funds to another site due to the growing production needs of Inergy. Production jobs will be moved into the community from another country.

Inergy has an active humanitarian effort to provide renewable, reliable power to poverty and disaster-stricken areas. \$350,000 of product were donated to these areas in 2018, bringing positive notoriety to the Pocatello community.

Return completed application to:

PDA Executive Director

- a. **BGS Holdings:** **Gygli** reviewed the request for loan and grant funds submitted by BGS Holdings (Off The Rails Brewery). The request is for \$43,720.00 covering masonry, electrical, and HVAC. Necessary permits were obtained and work completed to the extent of the invoice. The applicant has not yet determined what amount is applicable to the loan vs. the grant. Following discussion, it was **MSC (T. Tovey, R. Lion, with Ottaway recusing himself)** to authorize release of the funds, after the determination is made as to allocation between grant vs. loan.
- b. **Simmons Surgical:** **Gygli** reviewed the request for loan and grant funds submitted by Simmons Surgical. The grant request is for \$16,277.28 covering a portion of the hardwood floor restoration, framing, and skylight work. The work does not require a formal permit. Skylight work has not been completed. The loan request is for \$13,460.00 covering a variety of interior work that does not require a formal permit. None of the work has been inspected, so **Gygli** requested approval, with the condition that it pass inspection by **Quayle and Gygli**. Following discussion, it was **MSC (J. Johnston, T. Tovey)** to authorize release of the funds after inspection.
- c. **Station Square:** **Gygli** reviewed the request for loan and grant funds submitted by Station Square. The grant request is for \$15,059.00 covering the installation of the automatic doors. The appropriate permits and inspections were completed. The loan request is for \$43,523.72 covering the installation of the Class A kitchen hood. The appropriate permits and inspections were completed. Following discussion, it was **MSC (T. Tovey, J. Johnston)** to authorize release of the funds.

Agenda Item No. 6: Request for Grants and/or Loans.

- a. **Inergy:** **Gygli** explained Inergy was approved for a grant of \$25,000.00 for use in the building at 880 North 5th. However, the operation is moving to 525 West Maple, so the request is to allow these funds to be used there. **Jared Grover**, representing Inergy, presented slides and a video in support of the proposal. He explained they will be moving their fulfillment and warehousing operations back here. He anticipates adding 10 employees and the business has a total investment of in the building of \$75,000.00. Following discussion, it was **MSC (J. Johnston, R. Lion)** to approve the change in the grant from 880 North 5th to the building at 525 West Maple, upon the same terms as the previous grant (10 new employees with an average annual salary of not less than \$30,000.00 no later than close of business December 31, 2019; maintain those numbers for a minimum period of three years from establishing the benchmark; submit an employee verification study to be conducted by or at the direction of PDA upon reasonable notice). If the benchmarks are not met, the grant shall convert to a loan at prime plus 1 percent beginning on the conversation date to be repaid in full in monthly installments within five years from the date of default, or as agreed to by the parties.
- b. **The Yellowstone:** **Gygli** explained Mike McCormick said that they were reworking their partnership so that it would not include Clijsters, before updated documents were signed. To date, though, no changes have been finalized, so no action is needed at today's meeting.
- c. **Station Square:** **Lion** recused himself from participation as his wife is opening a business within Station Square. **Clijsters** explained he is beginning work on the upper floors of the building, hoping to create offices on the mezzanine for co-working and creating an entrepreneurial atmosphere. This new funding request is for improvements to the façade; he provided an initial

ECONOMIC DEVELOPMENT GRANT AGREEMENT

This Agreement made this _____ day of _____, 2019, by and between Inergy Holdings, LLC, an Idaho Limited Liability Company, dba Inergy Solar (hereinafter referred to as “Inergy”), and the Pocatello Development Authority, an urban renewal agency formed in accordance with the laws of the State of Idaho (hereinafter referred to as “PDA”). This agreement replaces the Economic Development Grant Agreement between the parties dated May 16, 2018.

1. Recitals

1.1 Inergy is an Idaho company engaged in the business of portable devices for the collection and storage of solar power for use with personal devices. Monetary assistance has been requested for improvements to the property at 525 West Maple, to be used by Inergy as an office, production, warehousing, and fulfillment facility. Said monetary assistance has been offered by the PDA to expedite the process and assist in the retention and creation of jobs and tax revenue for the City.

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

1.3 In fulfillment of its statutory duties with respect to development and job retention and creation in the Pocatello, Idaho area, PDA has the power to make funds available to assist

businesses that will retain and/or create jobs in the community and enhance the economic viability of the community.

1.4 PDA has determined that the expansion of Inergy's business establishment represents the type of urban area development to which it may apply revenue allocation funds (tax increment financing) under the applicable statutes; and that the same will promote economic development in the area and the creation of jobs and increased tax base consistent with the applicable urban renewal law. For that reason, PDA has committed to grant the sum of twenty-five thousand dollars (\$25,000.00) to Inergy to assist with its building enhancements.

1.5 By this Agreement, PDA and Inergy wish to memorialize their mutual undertaking and commitments with respect to the economic development grant described herein.

2. Provisions for the Economic Development Funds

2.1 PDA agrees to grant Inergy the sum of twenty-five thousand dollars (\$25,000.00). Said grant shall be used exclusively for building enhancements to Inergy's business operations at Inergy's new location at 525 West Maple, Pocatello, Idaho.

2.2 In return for PDA's agreement to grant said funds, Inergy agrees as follows:

A. To add at least ten (10) new employees to its payroll, with an average annual salary of not less than thirty thousand dollars (\$30,000), no later than close of business December 31, 2019.

B. To maintain these employment numbers and wages for a minimum period of three (3) years from establishing this benchmark.

C. To submit an employee verification study to be conducted by or at the direction of PDA upon reasonable notice. Inergy and PDA agree to cooperate in the exchange of information for said study, which may be conducted as frequently as every six months, but no less

than once per year, so long as Inergy is in compliance with the employment requirements provided in paragraphs A and B above. In the event Inergy fails or refuses to meet any of the requirements of paragraphs A or B above, PDA reserves the right to conduct an employee verification study as frequently as every three months until Inergy is in compliance for two consecutive verification studies. For the purpose of this section, a “year” shall begin on the date described in paragraph B above, or at such time as the employment benchmark is met.

D. In the event Inergy fails or refuses to meet any of the requirements of paragraphs A or B above, PDA’s grant of \$25,000.00 shall convert to a loan, accruing interest at prime plus 1% (beginning with the conversion date from a grant to a loan) to be repaid in full in monthly installments within five (5) years from the date of default, or as agreed to by the parties.

3. Effect of Agreement

3.1 It is understood by the parties to this Agreement that the amounts paid by PDA to Inergy for the benefit of Inergy are not to be construed as compensation for specific services by Inergy for PDA. Rather, the intent of the parties is that the payment assists Inergy in its need for additional space.

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

4. Miscellaneous

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

4.2 In any litigation arising out of this Agreement, the prevailing party shall be entitled to recover reasonable attorney fees from the non-prevailing party.

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

4.4 Any individual or individuals executing the within document on behalf of Inergy hereby acknowledge and represent that he or they have the power and authority to so bind the corporate authority, and that such authority was conferred by an act of the Board of Directors of such corporate authority, unless the binding of any such corporation is within the power of the person or persons executing this document on such corporation's behalf. In the event that the party or parties executing this document on behalf of any corporate party hereto do not have authority to so bind the corporation for any cause or reason, then such person or persons shall be personally liable under the terms hereof.

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

COMPANY: Inergy Holdings, LLC
dba Inergy Solar
Attn: Bradley Barrott
620 Pheasant Ridge Drive
Chubbuck, ID 83202

PDA: Pocatello Development Authority
Attn: Executive Director for the PDA
911 North 7th Avenue
Pocatello, ID 83201

4.6 This document constitutes the entire agreement of the parties with respect to the guarantee of payment by PDA to Inergy and supersedes any prior agreements of the parties.

4.7. This Agreement may be altered only by written Addendum or Amendment executed by both parties to this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

POCATELLO DEVELOPMENT AUTHORITY
An urban renewal agency under the laws of the
State of Idaho

INERGY HOLDINGS, LLC, an Idaho
Limited Liability Company, dba Inergy
Solar

Scott Smith, Chairman

Bradley Barrott, Member

ACKNOWLEDGEMENTS

FOR THE POCATELLO DEVELOPMENT AUTHORITY:

STATE OF IDAHO)
 ss:
County of Bannock)

On this _____ day of _____, 2018, before me, the undersigned, a Notary Public in and for the State, personally appeared Scott Smith known to me to be the Chairman of the "PDA", of the City of Pocatello, and acknowledged to me that he executed the foregoing instrument for and on behalf of said agency and that said agency executed the same.

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

(SEAL)

NOTARY PUBLIC FOR IDAHO
Residing in: _____, ID
My commission expires: _____

INERGY HOLDINGS, LLC, AN IDAHO LIMITED LIABILITY COMPANY dba Inergy Solar

STATE OF IDAHO)
)
 County of _____)
)
 ss:

On this _____ day of _____, 2018 before me, the undersigned, a Notary Public in and for the State, personally appeared Bradley Barrott, known to me or proved to me to be a Member of Inergy Holdings, LLC, an Idaho Limited Liability Company, dba Inergy Solar, whose name is subscribed to the foregoing instrument on behalf of said company, and acknowledged to me that he executed the same for and on behalf of said company by authority of the company.

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

(SEAL)

 NOTARY PUBLIC FOR IDAHO
 Residing in _____ ID
 My commission expires: _____