

MEETING AGENDA
POCATELLO DEVELOPMENT AUTHORITY
JUNE 17, 2026 – 11:00 AM
CITY HALL COUNCIL CHAMBERS | 911 N 7TH AVENUE | POCATELLO

In accordance with the Americans with Disabilities Act, it is the policy of the City of Pocatello to offer its public programs, services, and meetings in a manner that is readily accessible to everyone, including those with disabilities. If you are disabled and require an accommodation, please contact Skyler Beebe with two (2) business days' advance notice at sbeebe@pocatello.gov; 208.234.6248; or 5815 South 5th Avenue, Pocatello, Idaho. Advance notification within this guideline will enable the City to make reasonable arrangements to ensure accessibility.

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, ROLL CALL, DISCLOSE CONFLICTS OF INTEREST AND ACKNOWLEDGMENT OF GUESTS.**
- 2. ACTION ITEM: MEETING MINUTES.** The Board may wish to waive the oral reading of the Board of Commissioners' meeting minutes held May 20, 2026, and approve the minutes as written.
- 3. ACTION ITEM: MONTHLY FINANCIAL REPORT, EXPENSES AND REIMBURSEMENTS.** The Board may wish to approve the monthly financial report, expenses and reimbursements.
- 4. ACTION ITEM: HISTORIC DOWNTOWN POCATELLO (HDP) URBAN RENEWAL AREA (URA) ECONOMIC AND FEASIBILITY STUDY.** The Board may wish to review and discuss the HDP URA Economic Feasibility Study.
- 5. 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.
- 6. ADJOURN MEETING.**

Action Item 2

MEETING MINUTES
POCATELLO DEVELOPMENT AUTHORITY (PDA)

MAY 20, 2026 | 11:00 AM

POCATELLO CITY HALL COUNCIL CHAMBERS | 911 NORTH 7TH AVENUE, POCATELLO

1. CALL MEETING TO ORDER, ROLL CALL, DISCLOSE CONFLICTS OF INTEREST AND ACKNOWLEDGMENT OF GUESTS.

Villarreal called the meeting to order at 11:00 AM. No conflicts were disclosed.

Members present: Mayor Mark Dahlquist,, Kirk Lepchenske (arrived at 11:02), Brent Nichols, Fred Parrish, Nathan Richardson, Scott Turner, David Villarreal. and Ruby Walsh. **Excused:** Jeff Hough. **Others present:** Executive Director Brent McLane, Treasurer Rick Morgan, Secretary Aceline McCulla, PDA Project Manager Merril Quayle, City of Pocatello City Attorney Jared Johnson, City of Pocatello PW Director Tom Kirkman. **Visitors:**

2. MEETING MINUTES.

The Board may wish to waive the oral reading of the PDA Board of Commissioners' meeting minutes held April 15, 2026, and approve the minutes as presented.

It was moved by **F. Parrish** and seconded by **S. Turner** to approve the PDA Board of Commissioners meeting minutes held March 18, 2026 as presented. Those in favor: M. Dahlquist, B. Nichols, F. Parrish, N. Richardson, S. Turner, D. Villarreal, and R. Walsh. Unanimous. Motion carried.

3. MONTHLY FINANCIAL REPORT, EXPENSES AND REIMBURSEMENTS.

The Board may wish to approve the monthly financial report, expenses and reimbursements.

Morgan noted that

It was moved by **R. Walsh** and seconded by **N. Richardson** to approve the financial report, expenses and reimbursements as presented. Those in favor: M. Dahlquist, K. Lepchenske, B. Nichols, F. Parrish, N. Richardson, S. Turner, D. Villarreal, and R. Walsh. Those against: none. Unanimous. Motion carried.

4. APPROVE AND EXECUTE ALL PERTINENT ICCU ACCOUNT CHANGE FORM DOCUMENTS. The Board may wish to approve and execute all pertinent ICCU account change form documents.

McLane noted that because of changes with the treasurer and signer updates, ICCU requires an account change form be completed with current government issued identification documents and signatures. PDA check signers are Rich Morgan, David Villarreal, Scott Turner, and Brent McLane. Rich Morgan will have online access as Treasurer.

It was moved by **B. Nichols** and seconded by **K. Lepchenske** to approve and execute all pertinent ICCU account change form documents to update online access and account signers. Those in favor: M. Dahlquist, K. Lepchenske, B. Nichols, F. Parrish, N. Richardson, S. Turner, D. Villarreal, and R. Walsh. Those against: none. Unanimous. Motion carried.

5. APPROVE AND EXECUTE THE LOCAL GOVERNMENT INVESTMENT POOL (LGIP) CONTACT INFORMATION CHANGE FORM. The Board may wish to review, approve, and execute the LGIP Contact Information Change Form.

It was moved by **N. Richardson** and seconded by **K. Lepchenske** to approve and execute the LGIP Contact Information Form. Those in favor: M. Dahlquist, K. Lepchenske, B. Nichols, F. Parrish, N. Richardson, S. Turner, D. Villarreal, and R. Walsh. Unanimous. Motion carried.

6. REVIEW THE POCATELLO REGIONAL AIRPORT (PRA) BUSINESS PARK MASTER PLAN, ECONOMIC FEASIBILITY, AND INFRASTRUCTURE ANALYSIS DRAFT RFP AND THEN AUTHORIZE STAFF TO DISTRIBUTE THE RFP WITH CHANGES.

The Board may wish to review the PRA Business Park Master Plan, Economic Feasibility, and Infrastructure Analysis RFP, make changes, and then authorize staff to make the changes and distribute the RFP with changes.

McLane

It was moved by **R. Walsh** and seconded by **M. Dahlquist** to approve the PRA Business Park Master Plan, Economic Feasibility, and Infrastructure Analysis RFP with the changes, and authorize staff to distribute the RFP. Those in favor: M. Dahlquist, J. Hough, K. Lepchenske, B. Nichols, F. Parrish, N. Richardson, S. Turner, D. Villarreal, and R. Walsh. Unanimous. Motion carried.

7. LEX DEVELOPMENT IS REQUESTING AN OWNER PARTICIPATION AGREEMENT (OPA) IN THE NORTH PORTNEUF DISTRICT FOR IDAHO POWER SUBSTATION POWER AND INTERMOUNTAIN GAS COMPANY NATURAL GAS ASSESSMENT STUDIES. The Board many wish to review, discuss, and approve the request by LEX Development for an Idaho Power Substation Power Assessment and Intermountain Gas Company Natural Gas Assessment to upgrade power services in the North Portneuf District for an AI Data Center. If approved, direct Agency Counsel to create an OPA with LEX Development for the next PDA meeting.

PULLED FROM AGENDA PRIOR TO THE MEETING STARTING.

8. LEX DEVELOPMENT IS REQUESTING AN OWNER PARTICIPATION AGREEMENT (OPA) IN THE NORTH PORTNEUF DISTRICT FOR CONCRETE REMOVAL FOR \$500,000.00. The Board many wish to review, discuss, and approve the request by LEX Development for \$500,000.00 to clean up concrete in the North Portneuf District for an AI Data Center. If approved, direct Agency Counsel to create an OPA with LEX Development for the next PDA meeting.

PULLED FROM AGENDA PRIOR TO THE MEETING STARTING.

9. ACTION ITEM: DISCUSSION ABOUT RECORDING PDA MEETINGS. The Board may wish to discuss recording PDA meetings and associated budgeting costs.

Villarreal stated that these meetings have been recorded since 2023 by visitors. **Walsh** asked what the cost would be IT time to record and time to post on the PDA website and redo the website to accept the video recordings. Staff will work with the IT Department to identify the costs, that would need to be budgeted.

Discussion ensued by the Board. **McLane** will get the information and bring back to a future PDA meeting to move forward.

10. 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.

Turner asked if the PDA could have a work session and training on PDA business. POKY Paddle will be on June 5.

11. ADJOURN.

With no further business, **Villarreal** adjourned the meeting at 11:30 AM.

Submitted by:

Aceline McCulla, Secretary

Approved on:

Action Item 3

Financial report and document will be supplemented at the meeting.

Action Item 4

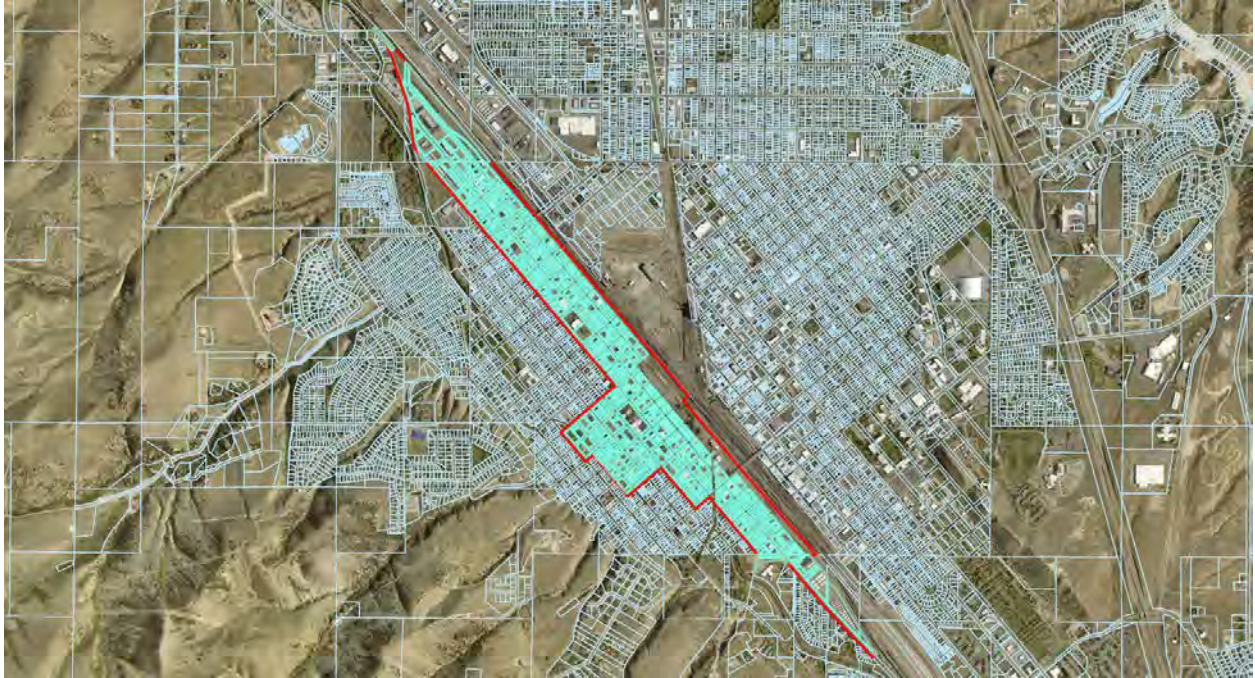
Historic Downtown Pocatello Urban Renewal District Economic Feasibility Study

Background

In August 2025, the Pocatello Development Authority (PDA) approved the Historic Downtown Urban Renewal Eligibility Study prepared by SB Friedman Development Advisors, LLC. On September 4, 2025, the Pocatello City Council adopted Resolution No. 2025-5, accepting the Eligibility Study and authorizing staff to continue the work of forming a new urban renewal district and revenue allocation area for the Historic Downtown. The proposed district covers approximately 352 acres bounded roughly by the Portneuf River on the north and south, Johnson Avenue on the west, and the Union Pacific rail corridor on the east. The boundaries of the proposed Historic Downtown Urban Renewal District (District) are shown on Map 1.

The purpose of this study is to determine the economic feasibility of the proposed District by analyzing whether the tax increment revenue from anticipated development will be sufficient to cover the costs of priority public improvements and other eligible expenses. This report relies on data provided by PDA staff, the City of Pocatello, and the Bannock County Assessor, as well as two supporting studies commissioned by the PDA: the SB Friedman Eligibility Study and the market analysis and framework prepared by Stantec. That data was used to build projected revenues, expenses, and overall cash flow for the life of the district. The results are presented in a series of tables below, followed by a brief analysis of the district's economic feasibility.

The PDA has indicated that the proposed District will be structured as a pay-as-you-go approach. No bonded debt is contemplated. Revenues collected each year will be applied to eligible expenses as they come in, beginning with repayment of the Monarch Hotel demolition cost that the PDA plans to advance from its general fund in anticipation of the district.



Map 1: Proposed District Boundary

Proposed District Area and Description

The proposed District includes approximately 352 acres and 766 parcels analyzed in the Eligibility Study (829 parcels in total when public and private rights-of-way are included). The boundary captures Pocatello's historic downtown core along Main Street, the Civic/Institutional spine including Pocatello High School, Marshall Public Library, and Simplot Square, and surrounding transitional blocks that contain a mix of older storefront retail, small office, light industrial, warehouse, and residential uses. Most of the commercial building stock was constructed between 1890 and 1940. Four National Register of Historic Places districts intersect the boundary, and a significant portion of the area lies within the locally-protected Pocatello Downtown Historic District.

The condition of the building stock varies widely. A cluster of Main Street buildings have been privately renovated over the past decade and are now occupied by active businesses. At the same time, a larger share of properties throughout the Project Area show clear deterioration, upper-floor vacancy, functionally-vacant uses (storage in storefronts), and fragmented ownership. SB Friedman's field survey documented deterioration of site improvements on parcels representing approximately 69 percent of improved acreage, and found that 591 unique owners hold the 765 improved parcels — a 77 percent unique-ownership rate, with 84 percent of those owners holding only a single parcel. These conditions limit the ability of the private

market to assemble sites and execute the kind of catalytic projects the community has identified as priorities.

The Stantec market analysis identifies multifamily housing as the most immediate development opportunity, including new construction as well as upper-floor conversions with a secondary opportunity for a small, independent-boutique hotel concept in the 40-to-60-room range. Retail and dining growth is expected to follow rather than lead this activity, and office demand is likely to be satisfied through adaptive reuse of underutilized upper stories rather than new construction. These conclusions, along with the specific parcels and building-scale opportunities identified by the PDA and City staff, inform the private project assumptions used in the revenue projections below.

Confirmation of Eligibility

Idaho Code requires that an urban renewal project area be eligible under the criteria set forth in Idaho Code 50-2903(8)(b). SB Friedman's August 2025 Eligibility Study found that two of the statutory deteriorating-area criteria are meaningfully present and reasonably distributed across the proposed boundary: (1) deterioration of site or other improvements, documented on parcels representing approximately 69 percent of the improved acreage; and (2) diversity of ownership, with 591 unique owners of 765 improved parcels (77 percent unique ownership). The study also documented the area's lagging taxable-value growth relative to the rest of the city over the 2019–2023 period and the presence of historic-preservation goals and public-realm priorities expressed in the 2040 Comprehensive Plan and 2022 Downtown Development Plan. The 10 percent test, which evaluates whether the combined base taxable values of all existing and proposed urban renewal districts is less than 10 percent of the city's total taxable valuation, was also satisfied with total base value currently at 4.7 percent of the City's 2023 taxable value, well below the statutory cap.

As part of the preparation of this feasibility study, the consultant conducted two separate site visits with PDA staff to verify current conditions within the proposed boundary. The first tour was a general drive-thru reconnaissance of the district's boundaries, main properties and corridors, and opportunity sites. The second visit was a walking tour focused more closely on the specific parcels identified in this study as potential private projects and on the blocks adjacent to the Monarch demolition site. The conditions documented by SB Friedman in 2025 remain present throughout the district: visible pavement deterioration, crumbling sidewalks and curbs, storefront and upper-floor vacancy, and parcels that have been held in storage uses

for long periods. No conditions were observed that would meaningfully change the eligibility conclusions reached in the Eligibility Study.

Based on the SB Friedman findings and the independent verification conducted for this study, the Historic Downtown area continues to meet the statutory eligibility criteria for designation as an urban renewal project area.

Consistency with Adopted Plans

The proposed District and the public projects contemplated in this study are consistent with the City of Pocatello's adopted policy framework for the downtown. The 2040 Comprehensive Plan (2022) identifies the downtown core as a priority reinvestment area and calls for infill and adaptive reuse of historic buildings, expansion of downtown housing, preservation of historic character, and improvements to walkability, streetscape, and public amenities. The Downtown Development Plan (2022) carries those policies forward with block-level direction on land use, mobility, public space, and historic preservation, and specifically contemplates the kinds of mixed-use redevelopment, upper-floor residential conversions, parking strategy, and signage and wayfinding program that the PDA has identified as its priority public projects.

The Stantec report reaches similar conclusions from an independent market perspective, identifying multifamily housing, upper-floor conversions, and a small boutique hotel concept as the highest-probability near-term activities. These same activities are reflected in the private project assumptions used in this study. The priority public projects funded under each scenario described below directly support the implementation objectives of both the Comprehensive Plan and the Downtown Development Plan.

Summary of Findings

Anticipated revenues from the proposed Historic Downtown Urban Renewal District will be sufficient to cover eligible expenses on a pay-as-you-go basis under each of the three scenarios considered in this study. In the Conservative scenario, the district generates approximately \$12 million in tax increment revenue over the 20-year life of the district; in the Base Case, approximately \$20.2 million; and in the Upside, approximately \$33.6 million. In all three scenarios, the Monarch Hotel demolition cost of \$780,000 is fully repaid from the first seven years of revenue, the 10 percent administrative overhead is funded, and a material balance remains to apply to the PDA's priority public projects and to additional eligible expenses that

commonly arise during the life of a district. The PDA is not expected to utilize bonded debt at any point during the 20-year life of the district under any of the scenarios modeled.

Study Approach

Private and Public Projects

This study analyzed a list of private projects within the proposed District that are reasonable to expect to be completed during the 20-year life of the district. That list was developed from PDA staff with knowledge of specific property owners and active or planned projects, discussions with property owners and downtown stakeholders, the general condition survey conducted by SB Friedman, and the development opportunity mapping prepared by SB Friedman for the PDA's EPA Brownfield assessment work. The projects considered renovations of specific buildings including the Yellowstone Hotel, Pocatello Electric, IOOF building, Oasis Bar, Found Downtown, Coca Cola, and the Parisian; new construction projects including an industrial building adjoining an existing structure on S. Main, a vacant lot adjacent to Trapper's Park and a small vacant lot across from the Parisian; and upper-floor residential conversions in existing downtown buildings, townhome-scale demolition-and-infill on residential blocks, and mixed-use infill on existing surface parking lots. It should be noted that other than the Monarch, to the knowledge of the consultant, none of the projects considered are currently in process.

Three completed historic renovations within the Pocatello Historic Downtown and two projects in the Idaho Falls downtown area were used as the basis for a value-multiplier methodology to project post-renovation assessed values. For projects in Pocatello, the Valentine Building was assessed at \$350,000 before renovation and \$1,187,730 after, a multiplier of 3.39. The Purpose Building was assessed at \$288,083 before and \$1,155,650 after, a multiplier of 4.01. The Old Post Office Building, which involved a more straightforward upper-floor residential conversion, was assessed at \$252,851 before and \$518,482 after, a multiplier of 2.05. These three buildings provide the best available local benchmarks because they share the same assessor, the same market, the same era of construction, and the same regulatory context as the projects contemplated in this study. The Valentine and Purpose multipliers were used to establish a Low (3.39), Mid (3.70), and High (4.01) range for mixed-use, multi-floor historic renovations; the Old Post Office multiplier was used as a central estimate for upper-floor residential conversions, with a sensitivity range of plus or minus 15% given the uncertainty of projection using only a single comparable data point. Finally, projects that involve new construction on vacant or underutilized land (townhome infill, surface-lot infill) were projected at comparable per-unit or per-square-foot values rather than the multiplier method.

Two additional case studies from Idaho Falls' downtown were reviewed to provide further comparison and context, and each representing a different development pathway. The Bonneville Hotel (now called the Bonneville Apartments) was a full historic building conversion from a hotel to apartment units. The building was in disrepair and valued at only \$225,734 before renovation. Following the project the building was valued at \$2,920,505, which is a multiplier of 12.94. Because of the resulting multiplier being so high and inconsistent with the Pocatello projects, it was not included as a benchmark in the model. The Broadway was built on the site of the Saving Center grocery store. The store was demolished and rebuilt with a multi-story commercial and office building on the north end of the site, a multi-tenant commercial space on the south side, a public plaza in the center, and a public parking garage beneath. Actual assessment data was not available for the site prior to demolition, but it was purchased by the Idaho Falls Redevelopment Agency (IFRA) for \$1,500,000. Assuming this figure as the base assessed value, following new construction of the buildings the site was assessed at \$6,102,281, which is a multiplier of 4.07. The Broadway was included in this study following discussion with the PDA board as a benchmark for a demolition/new construction project, unique from the renovation projects evaluated. This represents the most likely comparable to new construction on vacant sites identified in downtown Pocatello. The Broadway is reflected as one of the multipliers, with a Low/Mid/High of 3.56/4.07/4.68 using the same plus or minus 15% sensitivity range applied to the Old Post Office. Taken together, the Idaho Falls case studies support the broader conclusion that the Valentine, Purpose, and Old Post Office multipliers used in this study are reasonable, and potentially even conservative, planning-level estimates for the types of buildings and projects considered in this study.

In addition to anticipated private investment, a list of priority public projects was developed in consultation with PDA staff. Idaho Code 50-2905 requires that an urban renewal plan include a statement listing the kind, number, and location of all proposed public works or improvements within the revenue allocation area. The PDA's known priority projects are the Monarch Hotel demolition, a downtown parking study, a signage and wayfinding program, and a downtown parking garage. A set of additional eligible projects, common within the life of an urban renewal district, is included below as placeholders; the associated costs are planning-level estimates and should not be treated as verified bids or procurement-ready numbers.

Revenues, Expenses, and Cash Flow

The revenue projections in this study rely on three main assumptions: the rate of baseline annual growth on existing property within the district; the starting levy rate and its annual rate of change; and the timing and valuation of new private projects added to the district. To account for the range of possible outcomes, three scenarios were modeled: a Conservative case with a methodology utilizing average changes in levies and valuations for Pocatello over the last three years; a Base case reflecting the consultant's best planning-level estimate of likely outcomes given local market conditions and the Stantec analysis; and an Upside case that assumes somewhat stronger baseline growth and a more aggressive portfolio of private projects.

All three scenarios use the same annual levy decline assumption of 3 percent per year. This is based on average changes to levy rates for the four taxing districts applicable to the proposed District boundary over the 2023–2025 period, which experienced a joint average decline rate at an average of approximately 3.3 percent per year. This study rounds that figure to 3 percent for modeling purposes. It is important to keep in mind that the levy decline considers citywide valuations rather than a scenario variable because the proposed District boundary represents only around 2.5% of Pocatello's total taxable value. Downtown valuation growth, even in the aggressive Upside case, is not significant enough to materially affect the citywide budget-and-valuation calculations which drive the certified levy rate, governed by House Bill 389, passed in 2021. This bill caps annual property tax budget growth at 8 percent and mechanically compresses certified levy rates downward as taxable values rise. The 3% decline reflects the citywide pattern under each scenario rather than being driven by the respective valuation growth just for the proposed District.

Rather than differing in levy rate changes, then, the scenarios differ instead on rate of baseline valuation growth on existing property, the timing and scope of catalyst-year spillover, and the size and delivery pace of the private project. The Conservative case uses a 4% annual increase in baseline valuation and no catalyst spillover. The Base Case uses a 5% baseline growth rate and two catalyst-year spillover bumps of 7% in 2033 and 2036 to reflect the reasonable halo effect of the first wave of catalytic projects on surrounding property values. The Upside case uses a 7% baseline growth rate and catalyst-year spillover bumps of 10 percent in the same two years. The 2025 certified levy rates published by the Bannock County Assessor are used as the starting point for all three scenarios.

Under all three scenarios, revenue collected each year is applied first to repayment of the Monarch Hotel demolition cost with 80% of each year's revenue going toward repayment until the balance is paid in full, 10% applied to administrative overhead, and the remainder accruing to a fund available to cover priority public projects and additional eligible expenses. This allocation reflects the assumption that the Monarch repayment be the first priority claim on District revenues. Because the proposed District is structured pay-as-you-go and no debt service coverage ratio is required, any year in which revenues are lower than expected simply delays the use of funds on non-priority projects without creating a financial obligation the PDA cannot meet.

Table 1: 2025 Applicable Levy Rates

Table 1 below shows the 2025 certified taxable levy rates applicable to property within the proposed Historic Downtown Project Area, as published by the Bannock County Assessor's Office. These rates are the taxable rate per \$1.00 of assessed value and reflect the aggregate of the four taxing districts whose boundaries overlap the proposed district. Pursuant to Idaho Code, neither ambulance nor fire district levies are included automatically in a new revenue allocation area; this report assumes the PDA will not pursue inclusion of those districts. The 2025 starting levy rate used throughout this study is 0.009083.

Taxing District	2025 Rate
City of Pocatello	0.006022609
Bannock County	0.002819651
Bannock County Road and Bridge	0.000223552
Bannock County Abatement	0.0000172
Total	0.009083

Table 2: Local Renovation Case Studies and Value Multipliers

Table 2 below summarizes the three local case studies used to develop the value-multiplier methodology applied in this report. Each of these projects is a completed renovation within the Historic Downtown area; the pre- and post-renovation values are drawn from Bannock County assessor records. The multiplier is the post-renovation value divided by the pre-renovation value and is used to project the post-renovation value of comparable buildings.

Case Study	Pre-Reno Value	Post-Reno Value	Multiplier	Use
Valentine Building	\$350,000	\$1,187,730	3.39x	Mixed-use Low
Purpose Building	\$288,083	\$1,155,650	4.01x	Mixed-use High
Old Post Office Building	\$252,851	\$518,482	2.05x	Upper-floor Res.
The Broadway	\$1,500,000	\$6,102,281	4.07	Commercial/Office
Mixed-use range used in projections (Low / Mid / High)			3.39x / 3.70x / 4.01x	Valentine & Purpose
Upper-floor residential conversion (Low / Mid / High, ±15%)			1.74x / 2.05x / 2.36x	Old Post Office
Demolition/New Construction (Low/Mid/High, ±15%)			3.56/4.07/4.68	The Broadway

The Valentine and Purpose buildings are particularly useful benchmarks because they involved the same general scope that many of the candidate projects on Main Street will require: structural and seismic upgrades, a complete mechanical/electrical/plumbing refit, upper-floor residential or hospitality conversion, and full interior fit-out. The Old Post Office illustrates the more contained scope that a straight upper-floor residential conversion typically involves and produces the smaller multiplier that should be applied where that is the scope. Projections using these multipliers should be adjusted downward where the subject building is in meaningfully worse condition than the case studies, or where the scope is narrower (e.g., facade-only). The workbook's 'Projected Projects' tab flags which multiplier was used for each building.

Table 3: Summary of Private Projects Modeled

Table 3 below summarizes the aggregate value of private projects modeled in each of the scenarios. The Conservative scenario includes only the named building renovations that PDA staff and the consultant have identified as most likely to occur during the life of the district as well as one new construction site. The Base case expands the portfolio to include additional upper-floor residential conversions, townhome-scale demolition-and-infill sites, and one mixed-use infill on an existing surface parking lot — the kind of activity the Stantec analysis identifies as the strongest near-term opportunity. The Upside case assumes somewhat earlier delivery dates for several of the named renovations, a second mixed-use surface-lot infill, and an additional upper-floor conversion.

Project Category	Conservative	Base Case	Upside
Named building renovations (Valentine-comparable scope)	\$15.9M	\$15.9M	\$19.4M
Upper-floor residential conversions	—	\$0.8M	\$1.5M
Townhome-scale demolition + infill sites	—	\$3.0M	\$4.0M
Mixed-use infill on existing surface parking lots	—	\$4.0M	\$8.5M
Vacant lot across from the Parisian (2- to 3-story new construction)	\$1.4M	\$2.5M	\$4.0M
Total private project increment added	\$15.9M	\$24.8M	\$35.4M

Assumptions for Tables 4, 5, and 6 (Revenue Projections)

- Base value is the 2025 Downtown Valuation of \$188,969,736, drawn from the Bannock County Assessor. Base value is assumed to remain unchanged throughout the 20-year life of the district.
- Starting levy rate is 0.009083 (the 2025 certified rate). Annual levy decline is 3.0% across all three scenarios, calibrated to the observed 2023–2025 average annual decline (~3.3%) in the combined certified levy rate for the four applicable taxing districts.
- Baseline annual growth on existing property is 4.0% (Conservative), 5.0% (Base Case), and 7.0% (Upside, calibrated to observed 2023–2025 downtown valuation growth).
- Catalyst spillover: the Base Case assumes a +7% bump in the existing-property valuation in both 2033 and 2036 to reflect the halo effect of the first wave of catalytic projects. The Upside assumes a +10% bump in the same years. The Conservative case does not model a spillover.
- Private project increment values are added to the total valuation in the year two years after project completion, reflecting the Bannock County assessment-and-certification cycle.
- Revenues in the Estimated Revenue column are attributed to the year in which the underlying valuation was certified; actual cash receipts by the PDA occur in the following calendar year.
- The district is assumed to be approved and the base value certified in 2026.

Table 4: 20-Year Revenue Totals by Scenario

Metric	Conservative	Base Case	Upside
Total estimated revenue (20-yr)	\$12,077,921	\$20,239,417	\$33,593,432
Less: Monarch demo repayment	(\$780,000)	(\$780,000)	(\$780,000)
Less: Administration (10%)	(\$1,207,792)	(\$2,023,942)	(\$3,359,343)
Net available for additional public projects	\$10,090,129	\$17,435,475	\$29,454,088
Year Monarch Demo is fully repaid	2033	2032	2031

Table 5: Priority Public Project Coverage

Table 5 below summarizes how the PDA's priority public projects are funded in each scenario. All four priority projects are covered in all three scenarios. The amount remaining in the cumulative fund after the priority projects are funded is also shown; this is the amount available to the PDA for the additional eligible expenses listed in Table 6, for opportunities that arise during the life of the district, or for matching funds to leverage other federal, state, or private sources. The full cash flow tables for each scenario are included in Appendix A.

Priority Project	Estimated Cost	Conservative	Base Case	Upside
Monarch Hotel demolition (assumed early advance)	\$780,000	Repaid 2033	Repaid 2032	Repaid 2031
Downtown Parking Study	\$80,000	Covered	Covered	Covered
Signage and Wayfinding	\$250,000	Covered	Covered	Covered
Downtown Parking Garage	\$4,000,000	Covered	Covered	Covered
Total Priority Project Costs	\$5,110,000			
Fund balance remaining after priority projects		\$5,760,129	\$13,105,475	\$25,124,088

Table 6: Additional Eligible Projects (Placeholders)

Table 6 below provides a set of additional eligible expenses that are commonly incurred during the 20-year life of a revenue allocation area in Idaho and that the PDA may fund with the

remaining balance shown in Table 5. These costs are planning-level placeholders, not verified estimates; actual costs and timing will be determined when each project is initiated. The order in which the PDA chooses to fund these projects will be a board decision and is not assumed in this study.

Project	Placeholder Cost	Category
Public-private partnership and owner participation agreements	\$4,000,000	Development assistance
Streetscape, sidewalk, curb, and gutter improvements	\$3,000,000	Public infrastructure
Plaza, park, and public space improvements (Simplot Square, Depot Crossroads, Portneuf Landing)	\$4,000,000	Public infrastructure
Lighting improvements	\$1,000,000	Public infrastructure
Site remediation / environmental assessment support	\$2,000,000	Site preparation
Property acquisition and assembly	\$4,000,000	Site preparation
Benton Street bridge pedestrian/bicycle improvements	\$2,000,000	Connectivity
Portneuf Greenway Trail connectivity improvements	\$1,000,000	Connectivity
Matching funds to leverage other grants/programs	\$2,000,000	Funding leverage
Total placeholder costs	\$23,000,000	

Assumptions for the Cash Flow Analysis

- Revenue is received the year following the year of valuation certification.
- The Monarch Hotel demolition cost (\$780,000) is repaid as 80 percent of each year's revenue until the balance is paid in full.
- Administrative overhead is 10 percent of each year's revenue.
- No bonded debt is contemplated. All projects are funded pay-as-you-go from available fund balance.
- Funds not required for the Monarch repayment or for administration accrue to a cumulative balance available for priority public projects and additional eligible expenses.

Cash Flow Analysis

The three scenarios modeled in this study all produce sufficient tax increment revenue to cover eligible expenses during the 20-year life of the proposed Historic Downtown Urban Renewal District. In the Conservative scenario, the \$780,000 Monarch Hotel demolition cost is fully repaid by 2033 (within the first seven years of revenue collection), the administrative overhead is fully funded, and approximately \$10.1 million remains to fund the priority public projects and additional eligible expenses. In the Base case, Monarch is repaid one year earlier (2032), and approximately \$17.4 million remains. In the Upside, Monarch is repaid in 2031, and approximately \$29.5 million remains.

In all three scenarios, the four priority public projects identified by the PDA — Monarch Hotel demolition, the Downtown Parking Study, the Signage and Wayfinding program, and the Downtown Parking Garage — are covered by district revenues. The \$4 million parking garage is covered with material reserves to spare even in the Conservative scenario. The fund balance remaining after the priority projects (\$5.8 million in the Conservative, \$13.1 million in the Base Case, and \$25.1 million in the Upside) is available to cover the additional eligible expenses listed in Table 6 and to support opportunities that arise during the life of the district. Under the Upside scenario, the remaining balance of \$25.1 million is sufficient to cover substantially all the \$23 million placeholder list in Table 6. Under the Base Case, the \$13.1 million remaining balance covers approximately 57% of the placeholder list, while under the Conservative scenario, the \$5.8 million remaining balance covers approximately 25% of the placeholder list, requiring ongoing prioritization. To complete all projects in the placeholder list will likely require additional funding through cost sharing, grants, or other partnerships.

The pay-as-you-go structure the PDA has adopted makes the district robust to underperformance against any of these scenarios. If private project delivery is delayed, if baseline growth is slower than projected, or if the levy decline is steeper than assumed, the PDA can push spending on projects into later years without creating any financial obligation it cannot meet, other than repayment of funds advanced for the Monarch demolition. The overall strategy and prioritization of expenditures is that the Monarch repayment absorbs the first years of revenue, priority public projects are funded as the cumulative balance reaches the required amount, and opportunity-driven projects are funded as circumstances warrant.

To pressure-test that conclusion, a downside was run against the Conservative scenario. In that scenario, the named renovations were delayed five years across the board, two of the largest renovation projects did not occur at all, and the steeper annual levy decline of 3% was retained.

Under those combined assumptions, the district is still anticipated to generate sufficient revenue to repay the \$780,000 Monarch Hotel demolition cost within the life of the district, fund the 10% administrative overhead, and cover the Downtown Parking Study and the Signage and Wayfinding program in full. The Downtown Parking Garage is delayed but remains fundable by the end of the 20-year period from the accumulated fund balance. Spending on the additional eligible projects listed in Table 6 would be reduced or pushed into later years. Even in the downside case, the PDA does not fall short of its ability to meet the priority obligations that drive the economic feasibility of the district. Because the district does not rely on bonded debt, a slower rate of valuation growth defers spending rather than creating unmet obligations, and the PDA retains full flexibility to reset its project priorities year-by-year as conditions change.

Impact on Other Taxing Districts

Idaho's revenue allocation statute preserves for each overlapping taxing district the property tax revenue it is entitled to collect on the district's base value for the life of the district. The 2025 certified base value for the proposed Historic Downtown Project Area is \$188,969,736. Each of the four overlapping taxing districts — the City of Pocatello, Bannock County, Bannock County Road and Bridge, and Bannock County Abatement — will continue to receive its share of property tax revenue on that base value throughout the life of the district, calculated at each district's own certified annual levy rate. Only the incremental property tax revenue generated by growth in assessed value above the base is diverted to the PDA. When the district is terminated, the full assessed value of the project area (base plus accumulated increment) returns to the regular tax roll, and the overlapping taxing districts begin collecting revenue on the full value.

Because the district is structured pay-as-you-go and is not anticipated to issue bonds, there is no long-term encumbrance of future increment beyond what the PDA board chooses to commit project-by-project. The PDA's administrative expenses are limited to 10 percent of revenues, and the Monarch Hotel demolition repayment is bounded at the \$780,000 original cost. The district is not expected to impact the general operating budgets of the overlapping taxing districts in any year.

Limitations to the Feasibility Study

This study is based on information provided by the Pocatello Development Authority, the City of Pocatello, the Bannock County Assessor, and the consulting firms whose studies are referenced throughout this report. Any projects, revenues, or expenses within this study may

be modified by changes in estimated construction schedules, the economy of the Pocatello region and the State of Idaho, significant changes in the applicable tax levies, and revisions to applicable legislation such as including the property tax budget cap introduced by Idaho House Bill 389. The total project costs and tax increment revenues are estimates. The study assumes taxes are paid by property owners within the Project Area in a timely manner and that the 2025 certified levy rates published by the Bannock County Assessor are accurate as of the date of this report.

The private projects modeled in this study are reasonable planning-level assumptions drawn from local conditions, conversations with property owners, the SB Friedman and Stantec analyses, and the consultant's professional judgment. They are not commitments from any private party and should not be interpreted as such. The placeholder costs for additional eligible projects in Table 6 are planning-level estimates and should not be treated as verified bids or procurement-ready numbers. This report is intended to provide the PDA board, the City Council, and the public with a reasonable view of the proposed district's economic feasibility; it is not an exhaustive list of possible development or proposed projects over the life of the district.

References

SB Friedman Development Advisors, LLC. Historic Downtown Urban Renewal Eligibility Study. Pocatello, Idaho. August 1, 2025. Adopted by Pocatello City Council Resolution No. 2025-5 (September 4, 2025).

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Stantec Consulting Services Inc. Pocatello Downtown URA Report (Draft). January 2026.

Bannock County Assessor's Office. 2025 Certified Levy Rates and 2025 Downtown Valuation. Published January 2026.

City of Pocatello. Pocatello 2040 Comprehensive Plan (2022).

City of Pocatello. Downtown Development Plan (2022).

Idaho Code Title 50, Chapter 29 (Urban Renewal Law) and Title 50, Chapter 20 (Local Economic Development Act).

Idaho House Bill 389 (2021). Property Tax Budget Cap.

Appendix A: Cash Flow Projections

Conservative Scenario Cash Flow

Year	Estimated Revenues	Repayment of Monarch Demo Costs	Monarch Demo Costs Balance	Administration (10% of Revenues)	Cumulative Fund Carryover for Public Projects
2026	\$ -		\$ 780,000	\$ -	\$ -
2027	\$ -		\$ 780,000	\$ -	\$ -
2028	\$ 66,597	\$ 53,278	\$ 726,722	\$ 6,660	\$ 6,660
2029	\$ 131,782	\$ 105,426	\$ 621,297	\$ 13,178	\$ 19,838
2030	\$ 195,603	\$ 156,482	\$ 464,814	\$ 19,560	\$ 39,398
2031	\$ 258,106	\$ 206,485	\$ 258,330	\$ 25,811	\$ 65,209
2032	\$ 319,335	\$ 255,468	\$ 2,862	\$ 31,933	\$ 97,142
2033	\$ 384,671	\$ 2,862	\$ -	\$ 38,467	\$ 440,484
2034	\$ 465,546	\$ -	\$ -	\$ 46,555	\$ 859,476
2035	\$ 529,239	\$ -	\$ -	\$ 52,924	\$ 1,335,791
2036	\$ 586,092	\$ -	\$ -	\$ 58,609	\$ 1,863,273
2037	\$ 658,472	\$ -	\$ -	\$ 65,847	\$ 2,455,898
2038	\$ 713,377	\$ -	\$ -	\$ 71,338	\$ 3,097,938
2039	\$ 769,976	\$ -	\$ -	\$ 76,998	\$ 3,790,916
2040	\$ 828,702	\$ -	\$ -	\$ 82,870	\$ 4,536,747
2041	\$ 880,816	\$ -	\$ -	\$ 88,082	\$ 5,329,482
2042	\$ 938,438	\$ -	\$ -	\$ 93,844	\$ 6,174,076
2043	\$ 996,780	\$ -	\$ -	\$ 99,678	\$ 7,071,178
2044	\$ 1,061,168	\$ -	\$ -	\$ 106,117	\$ 8,026,229
2045	\$ 1,122,428	\$ -	\$ -	\$ 112,243	\$ 9,036,414
2046	\$ 1,170,795	\$ -	\$ -	\$ 117,079	\$ 10,090,129
Total	\$ 12,077,921				

Base Scenario Cash Flow

Year	Estimated Revenues	Repayment of Monarch Demo Costs	Monarch Demo Costs Balance	Administration (10% of Revenues)	Cumulative Fund Carryover for Public Projects
2026	\$0	\$0	\$780,000	\$0	\$0
2027	\$0	\$0	\$780,000	\$0	\$0
2028	\$83,246	\$66,597	\$713,403	\$8,325	\$8,325
2029	\$165,535	\$132,428	\$580,975	\$16,554	\$24,878
2030	\$246,924	\$197,539	\$383,436	\$24,692	\$49,571
2031	\$327,469	\$261,975	\$121,461	\$32,747	\$82,317
2032	\$407,224	\$121,461	\$0	\$40,722	\$327,359
2033	\$502,930	\$0	\$0	\$50,293	\$779,996
2034	\$741,382	\$0	\$0	\$74,138	\$1,447,239
2035	\$830,993	\$0	\$0	\$83,099	\$2,195,133
2036	\$911,610	\$0	\$0	\$91,161	\$3,015,582
2037	\$1,203,219	\$0	\$0	\$120,322	\$4,098,480
2038	\$1,289,465	\$0	\$0	\$128,947	\$5,258,998
2039	\$1,375,551	\$0	\$0	\$137,555	\$6,496,994
2040	\$1,464,501	\$0	\$0	\$146,450	\$7,815,044
2041	\$1,547,621	\$0	\$0	\$154,762	\$9,207,903
2042	\$1,636,991	\$0	\$0	\$163,699	\$10,681,195
2043	\$1,733,940	\$0	\$0	\$173,394	\$12,241,741
2044	\$1,831,860	\$0	\$0	\$183,186	\$13,890,415
2045	\$1,927,591	\$0	\$0	\$192,759	\$15,625,247
2046	\$2,011,364	\$0	\$0	\$201,136	\$17,435,475
TOTAL	\$20,239,417				

Upside Scenario Cash Flow

Year	Estimated Revenues	Repayment of Monarch Demo Costs	Monarch Demo Costs Balance	Administration (10% of Revenues)	Cumulative Fund Carryover for Public Projects
2026	\$0	\$0	\$780,000	\$0	\$0
2027	\$0	\$0	\$780,000	\$0	\$0
2028	\$116,545	\$93,236	\$686,764	\$11,654	\$11,654
2029	\$234,010	\$187,208	\$499,556	\$23,401	\$35,056
2030	\$352,536	\$282,029	\$217,527	\$35,254	\$70,309
2031	\$472,265	\$217,527	\$0	\$47,226	\$277,820
2032	\$615,960	\$0	\$0	\$61,596	\$832,184
2033	\$739,385	\$0	\$0	\$73,939	\$1,497,631
2034	\$1,126,314	\$0	\$0	\$112,631	\$2,511,313
2035	\$1,263,167	\$0	\$0	\$126,317	\$3,648,163
2036	\$1,469,846	\$0	\$0	\$146,985	\$4,971,025
2037	\$1,905,492	\$0	\$0	\$190,549	\$6,685,967
2038	\$2,067,551	\$0	\$0	\$206,755	\$8,546,763
2039	\$2,239,832	\$0	\$0	\$223,983	\$10,562,612
2040	\$2,405,585	\$0	\$0	\$240,559	\$12,727,639
2041	\$2,603,954	\$0	\$0	\$260,395	\$15,071,197
2042	\$2,801,736	\$0	\$0	\$280,174	\$17,592,759
2043	\$3,000,135	\$0	\$0	\$300,014	\$20,292,881
2044	\$3,200,582	\$0	\$0	\$320,058	\$23,173,405
2045	\$3,391,324	\$0	\$0	\$339,132	\$26,225,597
2046	\$3,587,213	\$0	\$0	\$358,721	\$29,454,088
TOTAL	\$33,593,432				