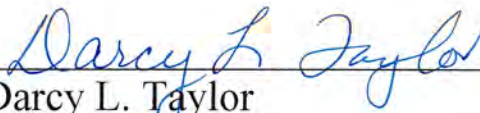


**NOTICE OF RESCHEDULED MEETING
POCATELLO DEVELOPMENT AUTHORITY**

January 12, 2011

The regular monthly meeting of the Pocatello Development Authority scheduled for Wednesday, January 19, 2011 at 11:00 o'clock a.m. has been cancelled and is rescheduled for Wednesday, January 12, 2011 at 11:00 o'clock a.m., in the Paradise Conference Room at City Hall, 911 North 7th, Pocatello, Idaho.

DATED this 29th day of December, 2010.



Darcy L. Taylor
Secretary

POCATELLO DEVELOPMENT AUTHORITY
Board of Commissioners Meeting
January 12, 2011 – 11:00am – Paradice Conference Room

City Hall
911 North 7th Avenue

11:00am Council Chambers

Call to order – Ryan Ward

Acknowledge guests of the Board

Disclosure of conflicts of interest

Agenda – add or delete action or discussion items

Action and Discussion Items

Minutes of November 17, 2010 – Motion to approve and/or amend

Financial Report: November Income and Expenses

General Discussion:

Animal Shelter – Proposal

Redevelopment Association of Idaho – Ratify Vote

Positron Agreement Discussion

Executive Session:

Items from staff

Items from commission members

Adjourn

Executive Session

Matters exist for discussion in an executive session as per I.C. 67-2345 (1) (e)

Motion: "I move that we enter into an executive session as per Idaho Code 67- 2345 (1) (e) to consider preliminary negotiations involving matters of trade or commerce in which the PDA may be in competition with other jurisdictions."

MEETING MINUTES
OF
November 17, 2010

FINANCIAL REPORT
FOR
November 2010

POCATELLO DEVELOPMENT AUTHORITY
STATEMENT OF CASH AS OF NOVEMBER 30, 2010

Cash in Checking	\$285,234.21
Cash in Savings (Wells Fargo Money Market Account)	132,901.40
Cash in held by third parties (Wells Fargo Corporate Trust)	5,474,048.28
Total cash	5,892,183.89
Cash restricted by bond covenants	-2,943,857.50
Total cash available	\$2,948,326.39

STATEMENT OF CHANGES IN CASH AND CASH EQUIVILENTS
FOR THE MONTH ENDED NOVEMBER 30, 2010

Receipts for the Month			
	CC	Property taxes received - Central Corridor	\$6,200.96
	GF	Interest earnings on savings - Wells Fargo Managed Cash	1.13
		Interest earning on Trust Accounts - Wells Fargo Trusts	40.53
		Total receipts	6,242.62
 Expenditures for the Month			
#3102	GF	Olivers	
		November luncheon	125.23
		Total expenditures	125.23
		Net change in cash	\$6,117.39
 Cash balances as of November 30, 2010			\$5,892,183.89
Cash balances as of October 31, 2010			\$5,886,066.50
Net change in cash			\$6,117.39

CC = Central Corridor, NY = North Yellowstone, GF = General Fund, NO=Naval Ordinance
 NP = North Portneuf

POCATELLO DEVELOPMENT AUTHORITY
CASH ANALYSIS FOR THE MONTH ENDING NOVEMBER 30, 2010

	Balance 31-Oct-10	Balance 30-Nov-10	Change in Balance
Total Cash:			
General Fund			
Cash in checking	\$293,983.06	\$293,857.83	-\$125.23
Money Market Account	132,900.27	132,901.40	\$1.13
Total General Fund Cash	<u>426,883.33</u>	<u>426,759.23</u>	<u>-\$124.10</u>
Central Corridor District			
Cash in checking	-63,289.94	-57,088.98	\$6,200.96
Bond Trust Fund (Wells Fargo)	0.04	0.04	\$0.00
Revenue Allocation Trust Fund (Wells)	2,997,216.55	2,997,238.61	\$22.06
Total Central Corridor District Cash	<u>2,933,926.65</u>	<u>2,940,149.67</u>	<u>\$6,223.02</u>
North Yellowstone District			
Cash in checking	-35,283.10	-35,283.10	\$0.00
Bond Trust Fund (Wells Fargo)	2.73	2.73	\$0.00
Revenue Allocation Trust Fund (Wells)	1,144,883.09	1,144,896.04	\$12.95
Total Yellowstone District Cash	<u>1,109,602.72</u>	<u>1,109,615.67</u>	<u>-\$12.95</u>
Central Corridor District Debt Service	650,005.34	650,010.86	\$5.52
North Yellowstone District Debt Service	681,900.00	681,900.00	\$0.00
North Portneuf - Cash in checking	55,750.51	55,750.51	\$0.00
Naval Ordinance Plant - Cash in checking	27,997.95	27,997.95	0.00
Total cash	<u>\$5,886,066.50</u>	<u>\$5,892,183.89</u>	<u>\$6,117.39</u>
Cash Restricted By Bond Covenants:			
Central Corridor Cash			
Next bond payment	933,432.50	933,432.50	0.00
North Yellowstone Cash			
Next bond payment	678,525.00	678,525.00	0.00
Central Corridor District Debt Service	650,000.00	650,000.00	0.00
North Yellowstone District Debt Service	681,900.00	681,900.00	0.00
Total restricted cash	<u>2,943,857.50</u>	<u>2,943,857.50</u>	<u>0.00</u>
Total unrestricted cash	<u>2,942,209.00</u>	<u>2,948,326.39</u>	<u>6,117.39</u>
Cash Available			
General Fund	426,883.33	426,759.23	-\$124.10
Central Corridor District	2,000,494.15	2,006,717.17	6,223.02
North Yellowstone District	431,077.72	431,090.67	12.95
Central Corridor District Debt Service	5.34	10.86	5.52
North Yellowstone District Debt Service	0.00	0.00	0.00
North Portneuf District	55,750.51	55,750.51	0.00
Naval Ordinance Plant District	27,997.95	27,997.95	0.00
Total available cash	<u>2,942,209.00</u>	<u>2,948,326.39</u>	<u>6,117.39</u>

Cash movement analysis:

During November, 2010 Pocatello Development Authority received cash of \$6,242.62 and had \$125.23 in expenses so that there was an increase in cash of \$6,117.39.

General Fund revenue received \$1.13 in interest earnings on the Money Market Account and paid \$125.23 in luncheon costs for a net reduction in cash of \$124.10.

The Central Corridor District received \$27.58 interest revenues on trust funds and property taxes of \$6,200.96. It had no expenses. The districts cash balance increased \$6,228.54.

The North Yellowstone District received interest revenues on trust funds of \$12.95 and had no expenses.

The Naval Ordinance Plant District had no activity.

The North Portneuf District had no activity.

External Debt:

Consolidated Corridor District: One payment left 2011. Principal due \$910,000.00, interest due \$23,432.50, for a total of **\$933,432.50**.

North Yellowstone District: Final payment due 2027. Principal due \$7,395,000.00, interest due \$4,838,425.00, for a total of **\$12,233,425.00**.

**POCATELLO DEVELOPMENT AUTHORITY
GENERAL FUND CASH FLOW PROJECTIONS
2011 THROUGH 2015**

YEARS ENDED	Budget 2011	YTD 2011 As of November	Remaining 2011	Budget 2012	Budget 2013	Budget 2014	Budget 2015
Previous Year Balance:	\$427,317.40	\$427,317.40	\$426,759.23	\$421,817.40	\$1,316,945.15	\$636,445.15	\$631,725.15
INCOME:							
Central Corridor Admin fee				850,627.75			
North Yellowstone Loan (finished 2010)			0.00				
Tetridyn Loan (finished 2011)			0.00	50,000.00			
Naval Ordinance Plant District			0.00				82,000.00
Refunds and reimbursements			0.00				
Interest Income	20.00	2.22	17.78	20.00	20.00	800.00	800.00
Total Projected Income:	20.00	2.22	17.78	900,647.75	20.00	800.00	82,800.00
EXPENSE:							
RDA loan payoff Naval Ordinance District					675,000.00		
Varsity Square LLC Grant							
Luncheon costs	1,320.00	210.25	1,109.75	1,320.00	1,320.00	1,320.00	1,320.00
Office expenses	200.00	285.14	-85.14	200.00	200.00	200.00	200.00
Banking and Professional services	4,000.00	65.00	3,935.00	4,000.00	4,000.00	4,000.00	4,000.00
Total Projected Expense:	5,520.00	560.39	4,959.61	5,520.00	680,520.00	5,520.00	5,520.00
CALCULATED ANNUAL BALANCE	\$421,817.40	\$426,759.23	\$421,817.40	\$1,316,945.15	\$636,445.15	\$631,725.15	\$709,005.15
	\$705,943.52						
	\$700,423.52						

**POCATELLO DEVELOPMENT AUTHORITY
CENTRAL CORRIDOR CASH FLOW PROJECTIONS
2011 THROUGH 2012****

YEARS ENDED	Budget 2011	Actual 2011 As of November	Remaining 2011	Budget 2012
Previous Year Balance*:	\$3,585,729.33	\$3,585,729.33	\$3,590,160.53	\$545,198.68
INCOME:				
Projected Estimated Tax Revenues: ^{8,9}	1,370,000.00	14,071.94	1,355,928.06	
Taxes Received from Previous Years & yearly interest: ⁷			0.00	
South Cliffs Repayment: ¹²	196,867.85		196,867.85	
AMI Repayment (Building Owners): ¹²				1,200,000.00
Positron Repayment: ^{12 (\$100,000.00)}				0.00
Interest earning on trust accounts	230.00	50.26	179.74	230.00
Total Projected Income:	1,567,097.85	14,122.20	1,552,975.65	1,200,230.00
EXPENSE:				
Current Year Debt Service:	933,432.50		933,432.50	
Cheyenne Crossing: Committed \$3 million total ^{16 & 18}	3,000,000.00		3,000,000.00	
Whitman/Yellowstone Hotel: Committed \$613,000 ^{10 org 356 500}			0.00	
Clark Street Overpass: Committed \$258,880.93				258,800.93
Admin Transfer to Unrestricted Account: ¹¹			0.00	850,627.75
General Fund - loan for Triangle development City of Pocatello, triangle land reimbursement				136,000.00
Arbitrage	1,700.00	7,235.00	-5,535.00	
Trustee fees	2,250.00	2,456.00	-206.00	
<u>Unapproved Projects</u>				
Farmer's Project #1 org. 500,000.00	170,246.00		170,246.00	
Unnamed Project #3 (\$500,000.00 new Jan 2009): ¹⁹	500,000.00		500,000.00	500,000.00
Total Projected Expense:	4,607,628.50	9,691.00	4,597,937.50	1,745,428.68
CALCULATED ANNUAL BALANCE	\$545,198.68	\$3,590,160.53	\$545,198.68	\$0.00
Debt service restriction (reserve \$650,000.00)			\$0.00	
Current debt payment allocation fund reserve			\$0.00	
Available cash		\$3,590,160.53	\$545,198.68	\$0.00

** TIF District slated to close in 2012

**POCATELLO DEVELOPMENT AUTHORITY
NORTH YELLOWSTONE FUND CASH FLOW PROJECTIONS
2011 THROUGH 2028**

YEARS ENDED	Budget 2011	YTD 2011 As of November	Remaining 2011	Budget 2012	Budget 2013	Budget 2014	Budget 2015	Budget 2016 - 2028
Previous Year Balance:	\$1,791,493.20	\$1,791,493.20	\$1,791,515.67	\$2,185,853.24	\$2,578,948.28	\$2,971,343.32	\$3,363,863.36	\$3,363,863.36
INCOME:								
Property taxes (org \$761,120.03)	1,200,000.00		1,200,000.00	1,200,000.00	1,200,000.00	1,200,000.00	1,200,000.00	15,600,000.00
Interest on trust accounts	160.00	22.47	137.53	160.00	160.00	160.00	160.00	13,000.00
Loan from General Fund								
Total Projected Income:	1,200,160.00	22.47	1,200,137.53	1,200,160.00	1,200,160.00	1,200,160.00	1,200,160.00	15,613,000.00
EXPENSE:								
Current Year Debt Service:	678,525.00		678,525.00	680,050.00	680,750.00	680,625.00	679,675.00	8,833,800.00
Rail Crossing			0.00					
Peg Development Land Acquisition			0.00					
Legal Advertising			0.00					
Arbitrage fees	5,260.00			2,500.00	2,500.00	2,500.00	2,500.00	32,500.00
Trustee fees			0.00	2,500.00	2,500.00	2,500.00	2,500.00	32,500.00
Administrative fee to PDA (year 2028)			0.00					
Costco employment payment (\$854,105.00) 1	122,014.96		0.00	122,014.96	122,014.96	122,014.96	122,014.96	244,029.92
Total Projected Expense:	805,799.96	0.00	678,525.00	807,064.96	807,764.96	807,639.96	806,689.96	9,142,829.92
CALCULATED ANNUAL BALANCE	\$2,185,853.24	\$1,791,515.67	\$2,313,128.20	\$2,578,948.28	\$2,971,343.32	\$3,363,863.36	\$3,757,333.40	\$9,834,033.44
Bond reserve trust fund		681,900.00	681,900.00	681,900.00	681,900.00	681,900.00	681,900.00	
Current debt payment allocation fund reserve		678,525.00	678,525.00	678,525.00	680,050.00	680,750.00	680,750.00	
Amount available		431,090.67	952,703.20	1,218,523.28	1,609,393.32	2,001,213.36	2,394,683.40	9,834,033.44

Note: \$691,458.36 in bonded debt reserves are included in cash balance

1 = Per letter from David Messner, Costco Agent, the \$1 mil employment grant was reduced by a construction advance to PEG development of \$145,895.00, Dated 12/31/2007

**POCATELLO DEVELOPMENT AUTHORITY
NORTH PORTNEUF DISTRICT CASH FLOW PROJECTIONS - Tentative
2011 THROUGH 2028**

YEARS ENDED	Budget 2011	YTD 2011 As of November	Remaining 2011	Budget 2012	Budget 2013	Budget 2014	Budget 2015	Budget 2016 - 2028
Previous Year Balance:	\$55,750.51	\$55,750.51	\$55,750.51	\$55,750.51	\$55,750.51	\$55,750.51	\$55,750.51	\$55,750.51
INCOME:								
Property taxes	1,492,442.00		1,492,442.00	2,895,337.00	2,808,447.00	2,724,223.00	2,642,496.00	33,975,586.00
Interest on trust accounts			0.00					
Loan from General Fund			0.00					
Total Projected Income:	1,492,442.00	0.00	1,492,442.00	2,895,337.00	2,808,447.00	2,724,223.00	2,642,496.00	33,975,586.00
EXPENSE:								
Debt service	1,492,442.00		1,492,442.00	2,895,337.00	2,808,447.00	2,724,223.00	1,079,521.00	0.00
Hoku:			0.00					
Infrastructure reimbursement			0.00				1,484,826.00	13,515,174.00
Employment reimbursement			0.00					9,269,326.00
Other payments:								
City infrastructure			0.00				78,149.00	1,921,851.00
PDA admin			0.00					797,206.51
Taxing Entity operational costs			0.00					8,527,779.00
Total Projected Expense:	1,492,442.00	0.00	1,492,442.00	2,895,337.00	2,808,447.00	2,724,223.00	2,642,496.00	34,031,336.51
CALCULATED ANNUAL BALANCE	\$55,750.51	\$55,750.51	\$55,750.51	\$55,750.51	\$55,750.51	\$55,750.51	\$55,750.51	\$0.00

Assessed valuation 2009 \$6,639,105.00
Base valuation \$3,458,800.00
Increase 2009 \$3,180,305.00

**POCATELLO DEVELOPMENT AUTHORITY
NAVAL ORDINANCE PLANT FUND CASH FLOW PROJECTIONS
2010 THROUGH 2028**

YEARS ENDED	Budget 2011	YTD 2011 As of November	Remaining 2011	Budget 2012	Budget 2013	Budget 2014	Budget 2015	Budget 2016 - 2028
Previous Year Balance:	\$27,997.95	\$27,997.95	\$27,997.95	\$109,997.95	\$116,997.95	\$48,997.95	\$55,997.95	\$55,997.95
INCOME:								
Property taxes	82,000.00		82,000.00	82,000.00	82,000.00	82,000.00	82,000.00	1,066,000.00
Interest on trust accounts			0.00					
Loan from General Fund			0.00		675,000.00			
Total Projected Income:	82,000.00	0.00	82,000.00	82,000.00	757,000.00	82,000.00	82,000.00	1,066,000.00
EXPENSE:								
Log Homes (\$225,000.)			0.00	75,000.00	75,000.00	75,000.00		
Owner Contract: (RDA)			0.00		750,000.00			
Repay loan to General Fund			0.00				82,000.00	668,000.00
Sewer line flushing			0.00					
Administrative fee to General Fund			0.00					453,997.95
Total Projected Expense:	0.00	0.00	0.00	75,000.00	825,000.00	75,000.00	82,000.00	1,121,997.95
CALCULATED ANNUAL BALANCE	\$109,997.95	\$27,997.95	\$109,997.95	\$116,997.95	\$48,997.95	\$55,997.95	\$55,997.95	\$0.00

POCATELLO DEVELOPMENT AUTHORITY
STATEMENT OF CASH AS OF DECEMBER 31, 2010

Cash in Checking	\$290,768.29
Cash in Savings (Wells Fargo Money Market Account)	132,902.49
Cash in held by third parties (Wells Fargo Corporate Trust)	5,474,093.28
Total cash	5,897,764.06
Cash restricted by bond covenants	-2,943,857.50
Total cash available	\$2,953,906.56

STATEMENT OF CHANGES IN CASH AND CASH EQUIVILENTS
FOR THE MONTH ENDED DECEMBER 31, 2010

Receipts for the Month		
	CC	Property taxes received - Central Corridor
		\$4,034.08
		Tetridyn Solutions, Inc - Loan Interest
		\$2,500.00
	GF	Interest earnings on savings - Wells Fargo Managed Cash
		1.09
		Interest earning on Trust Accounts - Wells Fargo Trusts
		45.00
		Total receipts
		6,580.17
 Expenditures for the Month		
#3103	GF	Redevelopment Association of Idaho
		Dues
		1,000.00
		Total expenditures
		1,000.00
		Net change in cash
		\$5,580.17
 Cash balances as of December 31, 2010		
\$5,897,764.06		
 Cash balances as of November 30, 2010		
\$5,892,183.89		
 Net change in cash		
\$5,580.17		

CC = Central Corridor, NY = North Yellowstone, GF = General Fund, NO=Naval Ordinance
 NP = North Portneuf

POCATELLO DEVELOPMENT AUTHORITY
CASH ANALYSIS FOR THE MONTH ENDING DECEMBER 31, 2010

	Balance 30-Nov-10	Balance 31-Dec-10	Change in Balance
Total Cash:			
General Fund			
Cash in checking	\$293,857.83	\$295,357.83	\$1,500.00
Money Market Account	132,901.40	132,902.49	\$1.09
Total General Fund Cash	<u>426,759.23</u>	<u>428,260.32</u>	<u>\$1,501.09</u>
Central Corridor District			
Cash in checking	-57,088.98	-53,054.90	\$4,034.08
Bond Trust Fund (Wells Fargo)	0.04	0.04	\$0.00
Revenue Allocation Trust Fund (Wells)	2,997,238.61	2,997,263.25	\$24.64
Total Central Corridor District Cash	<u>2,940,149.67</u>	<u>2,944,208.39</u>	<u>\$4,058.72</u>
North Yellowstone District			
Cash in checking	-35,283.10	-35,283.10	\$0.00
Bond Trust Fund (Wells Fargo)	2.73	2.73	\$0.00
Revenue Allocation Trust Fund (Wells)	1,144,896.04	1,144,911.06	\$15.02
Total Yellowstone District Cash	<u>1,109,615.67</u>	<u>1,109,630.69</u>	<u>\$15.02</u>
Central Corridor District Debt Service	650,010.86	650,016.20	\$5.34
North Yellowstone District Debt Service	681,900.00	681,900.00	\$0.00
North Portneuf - Cash in checking	55,750.51	55,750.51	\$0.00
Naval Ordinance Plant - Cash in checking	27,997.95	27,997.95	0.00
Total cash	<u>\$5,892,183.89</u>	<u>\$5,897,764.06</u>	<u>\$5,580.17</u>
Cash Restricted By Bond Covenants:			
Central Corridor Cash			
Next bond payment	933,432.50	933,432.50	0.00
North Yellowstone Cash			
Next bond payment	678,525.00	678,525.00	0.00
Central Corridor District Debt Service	650,000.00	650,000.00	0.00
North Yellowstone District Debt Service	681,900.00	681,900.00	0.00
Total restricted cash	<u>2,943,857.50</u>	<u>2,943,857.50</u>	<u>0.00</u>
Total unrestricted cash	<u>2,948,326.39</u>	<u>2,953,906.56</u>	<u>5,580.17</u>
Cash Available			
General Fund	426,759.23	428,260.32	\$1,501.09
Central Corridor District	2,006,717.17	2,010,775.89	4,058.72
North Yellowstone District	431,090.67	431,105.69	15.02
Central Corridor District Debt Service	10.86	16.20	5.34
North Yellowstone District Debt Service	0.00	0.00	0.00
North Portneuf District	55,750.51	55,750.51	0.00
Naval Ordinance Plant District	27,997.95	27,997.95	0.00
Total available cash	<u>2,948,326.39</u>	<u>2,953,906.56</u>	<u>5,580.17</u>

Cash movement analysis:

During December, 2010 Pocatello Development Authority received cash of \$6,580.17 and had \$1,000.00 in expenses so that there was an increase in cash of \$5,580.17.

General Fund revenue received \$1.09 in interest earnings on the Money Market Account and received \$2,500.00 in interest payments on the Tetridyn Solutions loan. It paid \$1,000.00 for annual dues in the Redevelopment Association of Idaho for a net increase in cash of \$1,501.09.

The Central Corridor District received \$29.98 interest revenues on trust funds and property taxes of \$4,034.08. It had no expenses. The districts cash balance increased \$4,064.06.

The North Yellowstone District received interest revenues on trust funds of \$15.02 and had no expenses.

The Naval Ordinance Plant Distict had no activity.

The North Portneuf District had no activity.

External Debt:

Consolidated Corridor District: One payment left 2011. Principal due \$910,000.00, interest due \$23,432.50, for a total of **\$933,432.50**.

North Yellowstone Distrist: Final payment due 2027. Principal due \$7,395,000.00, interest due \$4,838,425.00, for a total of **\$12,233,425.00**.

**POCATELLO DEVELOPMENT AUTHORITY
GENERAL FUND CASH FLOW PROJECTIONS
2011 THROUGH 2015**

YEARS ENDED	Budget 2011	YTD 2011 As of December	Remaining 2011	Budget 2012	Budget 2013	Budget 2014	Budget 2015
Previous Year Balance:	\$427,317.40	\$427,317.40	\$428,260.32	\$421,817.40	\$1,316,945.15	\$636,445.15	\$631,725.15
INCOME:							
Central Corridor Admin fee				850,627.75			
North Yellowstone Loan (finished 2010)			0.00				
Tetridyn Loan (finished 2011)		2,500.00	-2,500.00	50,000.00			
Naval Ordinance Plant District			0.00				82,000.00
Refunds and reimbursements			0.00				
Interest Income	20.00	3.31	16.69	20.00	20.00	800.00	800.00
Total Projected Income:	20.00	2,503.31	-2,483.31	900,647.75	20.00	800.00	82,800.00
EXPENSE:							
RDA loan payoff Naval Ordinance District					675,000.00		
Varsity Square LLC Grant							
Luncheon costs	1,320.00	210.25	1,109.75	1,320.00	1,320.00	1,320.00	1,320.00
Office expenses	200.00	285.14	-85.14	200.00	200.00	200.00	200.00
Banking and Professional services	4,000.00	1,065.00	2,935.00	4,000.00	4,000.00	4,000.00	4,000.00
Total Projected Expense:	5,520.00	1,560.39	3,959.61	5,520.00	680,520.00	5,520.00	5,520.00
CALCULATED ANNUAL BALANCE	\$421,817.40	\$428,260.32	\$421,817.40	\$1,316,945.15	\$636,445.15	\$631,725.15	\$709,005.15
	\$705,943.52						
	\$700,423.52						

**POCATELLO DEVELOPMENT AUTHORITY
CENTRAL CORRIDOR CASH FLOW PROJECTIONS
2011 THROUGH 2012****

YEARS ENDED	Budget 2011	Actual 2011 As of December	Remaining 2011	Budget 2012
Previous Year Balance*:	\$3,585,729.33	\$3,585,729.33	\$3,594,224.59	\$545,198.68
INCOME:				
Projected Estimated Tax Revenues: ^{8,9}	1,370,000.00	18,106.02	1,351,893.98	
Taxes Received from Previous Years & yearly interest: ⁷			0.00	
South Cliffs Repayment: ¹²	196,867.85		196,867.85	
AMI Repayment (Building Owners): ¹²			0.00	1,200,000.00
Positron Repayment: ^{12 (400,000.00)}			0.00	
Interest eaming on trust accounts	230.00	80.24	149.76	230.00
Total Projected Income:	1,567,097.85	18,186.26	1,548,911.59	1,200,230.00
EXPENSE:				
Current Year Debt Service:	933,432.50		933,432.50	
Cheyenne Crossing: Committed \$3 million total ^{16 & 18}	3,000,000.00		3,000,000.00	
Whitman/Yellowstone Hotel: Committed \$613,000 ^{10 org 356 500}			0.00	
Clark Street Overpass: Committed \$258,880.93				258,800.93
Admin Transfer to Unrestricted Account: ¹¹			0.00	850,627.75
General Fund - loan for Triangle development City of Pocatello, triangle land reimbursement				136,000.00
Arbitrage	1,700.00	7,235.00	-5,535.00	
Trustee fees	2,250.00	2,456.00	-206.00	
<u>Unapproved Projects</u>				
Farmer's Project #1 org. 500,000.00	170,246.00		170,246.00	
Unnamed Project #3 (\$500,000.00 new Jan 2009): ¹⁹	500,000.00		500,000.00	500,000.00
Total Projected Expense:	4,607,628.50	9,691.00	4,597,937.50	1,745,428.68
CALCULATED ANNUAL BALANCE	\$545,198.68	\$3,594,224.59	\$545,198.68	\$0.00
Debt service restriction (reserve \$650,000.00)			\$0.00	
Current debt payment allocation fund reserve			\$0.00	
Available cash		\$3,594,224.59	\$545,198.68	\$0.00

** TIF District slated to close in 2012

**POCATELLO DEVELOPMENT AUTHORITY
NORTH YELLOWSTONE FUND CASH FLOW PROJECTIONS
2011 THROUGH 2028**

YEARS ENDED	Budget 2011	YTD 2011 As of December	Remaining 2011	Budget 2012	Budget 2013	Budget 2014	Budget 2015	Budget 2016 - 2028
Previous Year Balance:	\$1,791,493.20	\$1,791,493.20	\$1,791,530.69	\$2,185,853.24	\$2,578,948.28	\$2,971,343.32	\$3,363,863.36	\$3,363,863.36
INCOME:								
Property taxes (org \$761,120.03)	1,200,000.00		1,200,000.00	1,200,000.00	1,200,000.00	1,200,000.00	1,200,000.00	15,600,000.00
Interest on trust accounts	160.00	37.49	122.51	160.00	160.00	160.00	160.00	13,000.00
Loan from General Fund								
Total Projected Income:	1,200,160.00	37.49	1,200,122.51	1,200,160.00	1,200,160.00	1,200,160.00	1,200,160.00	15,613,000.00
EXPENSE:								
Current Year Debt Service:	678,525.00		678,525.00	680,050.00	680,750.00	680,625.00	679,675.00	8,833,800.00
Rail Crossing			0.00					
Peg Development Land Acquisition			0.00					
Legal Advertising			0.00					
Arbitrage fees	5,260.00			2,500.00	2,500.00	2,500.00	2,500.00	32,500.00
Trustee fees			0.00	2,500.00	2,500.00	2,500.00	2,500.00	32,500.00
Administrative fee to PDA (year 2028)			0.00					
Costco employment payment (\$854,105.00) 1	122,014.96		0.00	122,014.96	122,014.96	122,014.96	122,014.96	244,029.92
Total Projected Expense:	805,799.96	0.00	678,525.00	807,064.96	807,764.96	807,639.96	806,689.96	9,142,829.92
CALCULATED ANNUAL BALANCE	\$2,185,853.24	\$1,791,530.69	\$2,313,128.20	\$2,578,948.28	\$2,971,343.32	\$3,363,863.36	\$3,757,333.40	\$9,834,033.44
Bond reserve trust fund		681,900.00	681,900.00	681,900.00	681,900.00	681,900.00	681,900.00	
Current debt payment allocation fund reserve		678,525.00	678,525.00	678,525.00	680,050.00	680,750.00	680,750.00	
Amount available		431,105.69	952,703.20	1,218,523.28	1,609,393.32	2,001,213.36	2,394,683.40	9,834,033.44

Note: \$691,458.36 in bonded debt reserves are included in cash balance

1 = Per letter from David Messner, Costco Agent, the \$1 mil employment grant was reduced by a construction advance to PEG development of \$145,895.00, Dated 12/31/2007

POCATELLO DEVELOPMENT AUTHORITY
NORTH PORTNEUF DISTRICT CASH FLOW PROJECTIONS - Tentative
2011 THROUGH 2028

YEARS ENDED	Budget 2011	YTD 2011 As of December	Remaining 2011	Budget 2012	Budget 2013	Budget 2014	Budget 2015	Budget 2016 - 2028
Previous Year Balance:	\$55,750.51	\$55,750.51	\$55,750.51	\$55,750.51	\$55,750.51	\$55,750.51	\$55,750.51	\$55,750.51
INCOME:								
Property taxes	1,492,442.00		1,492,442.00	2,895,337.00	2,808,447.00	2,724,223.00	2,642,496.00	33,975,586.00
Interest on trust accounts			0.00					
Loan from General Fund			0.00					
Total Projected Income:	1,492,442.00	0.00	1,492,442.00	2,895,337.00	2,808,447.00	2,724,223.00	2,642,496.00	33,975,586.00
EXPENSE:								
Debt service	1,492,442.00		1,492,442.00	2,895,337.00	2,808,447.00	2,724,223.00	1,079,521.00	0.00
Hoku:			0.00					
Infrastructure reimbursement			0.00				1,484,826.00	13,515,174.00
Employment reimbursement			0.00					9,269,326.00
Other payments:								
City infrastructure			0.00				78,149.00	1,921,851.00
PDA admin			0.00					797,206.51
Taxing Entity operational costs			0.00					8,527,779.00
Total Projected Expense:	1,492,442.00	0.00	1,492,442.00	2,895,337.00	2,808,447.00	2,724,223.00	2,642,496.00	34,031,336.51
CALCULATED ANNUAL BALANCE	\$55,750.51	\$55,750.51	\$55,750.51	\$55,750.51	\$55,750.51	\$55,750.51	\$55,750.51	\$0.00
Assessed valuation 2009	\$6,639,105.00							
Base valuation	\$3,458,800.00							
Increase 2009	\$3,180,305.00							

**POCATELLO DEVELOPMENT AUTHORITY
NAVAL ORDINANCE PLANT FUND CASH FLOW PROJECTIONS
2010 THROUGH 2028**

YEARS ENDED	Budget 2011	YTD 2011 As of December	Remaining 2011	Budget 2012	Budget 2013	Budget 2014	Budget 2015	Budget 2016 - 2028
Previous Year Balance:	\$27,997.95	\$27,997.95	\$27,997.95	\$109,997.95	\$116,997.95	\$48,997.95	\$55,997.95	\$55,997.95
INCOME:								
Property taxes	82,000.00		82,000.00	82,000.00	82,000.00	82,000.00	82,000.00	1,066,000.00
Interest on trust accounts			0.00					
Loan from General Fund			0.00		675,000.00			
Total Projected Income:	82,000.00	0.00	82,000.00	82,000.00	757,000.00	82,000.00	82,000.00	1,066,000.00
EXPENSE:								
Log Homes (\$225,000.)			0.00	75,000.00	75,000.00	75,000.00		
Owner Contract: (RDA)			0.00		750,000.00			
Repay loan to General Fund			0.00				82,000.00	668,000.00
Sewer line flushing			0.00					
Administrative fee to General Fund			0.00					453,997.95
Total Projected Expense:	0.00	0.00	0.00	75,000.00	825,000.00	75,000.00	82,000.00	1,121,997.95
CALCULATED ANNUAL BALANCE	\$109,997.95	\$27,997.95	\$109,997.95	\$116,997.95	\$48,997.95	\$55,997.95	\$55,997.95	\$0.00

**REDEVELOPMENT
ASSOCIATION OF IDAHO**

RATIFY VOTE



PLANNING & DEVELOPMENT SERVICES

911 North 7th Avenue P.O. Box 4169
Pocatello, Idaho 83205-4169

December 21, 2010

To: Phil Kushlan, Executive Director
Capital City Development Corporation
121 N. 9th Ste 501
Boise, Idaho 83702

Re: Redevelopment Association of Idaho

Dear Phil:

Included with this memo is a check for \$1,000 to be used for the creation and initial operations of the Redevelopment Association of Idaho. The Pocatello Development Authority (PDA) Board of Director's are pleased to support this effort and stands ready to assist in the pursuit and accomplishment of the Association's goals.

On behalf of our Board of Directors, I also express appreciation to you for your great effort over the years in attending to the "Legislative fires" that have been ignited. You have unselfishly served all of Idaho in maintaining the use of Revenue Allocation as a means to community vitality, thank you.

I look forward to working with you in this new Association. Have a wonderful holiday season!

Kind Regards,

Robert Chambers
Pocatello Development Authority

Cc: PDA Board of Directors

Plan Review/
Planning Services
Phone: (208) 234-6161
Fax: (208) 234-6257
(208) 234-6586

Neighborhood &
Community Services
Phone: (208) 234-6185
Fax: (208) 234-6586

Taylor, Darcy

From: Swindell, Dave
Sent: Monday, January 10, 2011 3:38 PM
To: Ryan Ward; Taylor, Darcy
Cc: Chambers, Robert; Tranmer, Dean; Higgins, Jerry; Blad, Brian
Subject: RE: 1.12.11 PDA Agenda
Attachments: Urban Renewal article response (draft 3).doc; TIF Deceptive History Ron Daugherty.doc; 10 ideas for freedom in the 2011 legislative session.doc

Sir;
Robert Chambers informs me that he has been called out of town unexpectedly starting tomorrow and won't be at Wednesday's PDA meeting. He asked me to perform in his role as best I can, which I agreed to do.

The agenda is pretty small so I think we'll be OK; per prior practice I'll be available to pre-brief you at 10:30, 30 minutes prior to the board meeting. As a reminder, we're meeting in the Paradise Conference Room. It's near the Mayor's office.

Finally, there is one matter that I suggest be added to the agenda during the meeting. Seems that there have been a couple of anti-urban renewal articles in the paper. Mayor Blad asked Robert and myself to draft an "insight" column that responded to some of the assertions. A draft of our article is attached. I also attached a couple of the items we are responding to in case you missed them.

I propose to have copies of the response article available to board members and provide an opportunity for the board to offer suggestions/direction etc. If the response article seems agreeable to the board, then we will submit that to the Mayor's executive assistant (Anne Nichols); would likely appear in the Idaho State Journal this Sunday or next.

Respectfully,
- Dave

David K. Swindell
Chief Financial Officer
City of Pocatello, ID
(208) 234-6166 or dswindell@pocatello.us

From: Pizer, Jennifer
Sent: Friday, January 07, 2011 10:31 AM
To: Angie Lee; Whitworth, Ruth; Cynthia Hill; Darsi Johnson; Gynii Gilliam; Higgins, Jerry; Karl Anderson; Ken Monroe; Larry Fisher; Michael L. Orr; Nye, Eva; Quayle, Merrill; Ryan Ward; Swindell, Dave; Taylor, Darcy; Tranmer, Dean
Subject: 1.12.11 PDA Agenda

Please see attached PDA Agenda for January 12, 2011.

Thank you,

Jennifer Pizer
City of Pocatello
Planning & Development Services
(208) 234-6161 Fax: (208) 234-6586

Urban Renewal Works~~Loose Lips Sink Ships~~ Including Yours

You may have heard talk of a need to “reign in” urban renewal in Idaho. Regrettably, ~~s~~Some of the talk is loose and destructive. If the legislature ~~were to follow~~ the urgings of some columnists, Pocatello would lose the economic tool that has produced jobs and money for our community at a time when we need it the most. ~~Coming out of a deep recession we need every job and value added opportunity we can get.~~ It is always poor judgment to act rashly based on rumor and falsehoods. ~~The timing of this one could hardly be worse.~~

So what is urban renewal, ~~how does it work,~~ what are the rumors and what are the facts?

Urban renewal law in Idaho allows a city or county to establish a development authority. The Pocatello Development Authority (PDA) has a board that includes the Mayor, the Council President, one Bannock County Commissioner and 6 citizens appointed by the City Council that represent specific backgrounds and skills related to economic development (banking, real estate) as well as the public at large. The development authority can borrow money. Its primary source of revenue ~~of revenue is~~ ~~lays claim to~~ property taxes revenues produced by development that the authority engineers. The authority can spend money in accordance with development plans approved by the City Council. It can lend money for purposes of economic development.

The development authority can recommend that the City Council establish an urban renewal area within the city that enables “tax increment financing” or TIF. Here’s how a “TIF district” works:

- 1) The geographic area of the district is established by way of ~~via~~ a city ordinance as recommended by the development authority and approved by the City Council.
- 2) The property tax value of the land and improvements within the district at inception is the “base.” Tax dollars produced by the base continue to flow to the various taxing districts (city, county, school district, etc) just as they did before.
- 3) The development authority makes investments in the district to correct blight or as an incentive to a business to locate there. The authority might finance a road, sewer lines, a traffic signal or other public improvements that make the area attractive and less expensive to build in. The authority can borrow the money to make the improvements or have the business do it and reimburse the business over time.
- 4) As a result of the improvements and the new businesses, the valuation of the area is now larger. The tax that relates to this increased valuation is the “increment.” For the period of time that the district is active, the “increment” tax dollars go to the development authority. That is the revenue that they use to repay the loans or make good on the promises they made to the locating business or industry.
- 5) When the investments are made, jobs are secured and the economic activity benefits the entire area immediately.

6) When the district ends, the increased taxable value is added to the regular tax base of all the taxing entities (city, county, school district, etc.). Because the value is now greater, the property tax levy rate drops – there are now more businesses and people pulling on the oars so the rest of us don't have to pull as hard.

Our community uses this tool well and deserves to keep it. Here is only a partial list of some of what we've done:

1) **North Yellowstone.** PDA borrowed money to build roads and utility lines. As a result, the entire retail area you know from Texas Roadhouse & Lowes down to and including Costco and Chilies developed. The area employs hundreds, brings in outside retail dollars, keeps our dollars from leaking out and is presently valued at \$71,728,918 more than when the district was initiated in 2004.

2) **Hoku.** PDA is working with Hoku to reimburse them over time for some of their infrastructure expense at their polysilicon plant site (utilities and roads) and provide some employment incentives. All of this will be paid for with the new property taxes that Hoku will pay. PDA essentially made a deal to use Hoku's property taxes primarily for Hoku's benefit for a period of time as an incentive to locate here. As a result, we've had hundreds of construction jobs already and when the plant opens later this year, our community will have a \$400 million industrial plant that will employ about 200 people. When the district ends, the tax base will be greatly improved.

3) **Central Corridor.** This area encompasses a strip from ON Semiconductor down thru Old Town. The PDA borrowed money and made a variety of investments to include the Haliday storm sewer, upgrades to ON's electrical substation, assistance with ON's engineering building, Farmer's Insurance, the entire phase I and phase II rebuild of downtown's roads and utilities, Convergys and a host of other projects including the Whitman Hotel, Kinport Junction and the cleanup of the old VW graveyard. This district ended on December 31, 2010 and will add \$83,004,784 to the tax base next year. PDA helped ON semiconductor succeed, added or kept hundreds of other jobs and produced the viable area that you see today – including some things you don't see – like cars floating in a flooded center street underpass, an abandoned shell of a hotel and rusting auto bodies. Plus the district will leave \$3 Million in the bank to finance the local match on the \$15 Million South Connector highway project.

And there is more in the past (the whole Fred Meyer plaza) and more in the works (Peterson Inc. at the airport and Allstate Insurance in the Chubbuck Development Authority's district).

In our opinion, this is success and exactly what these Districts were meant to accomplish. So with all this success, what is all the fuss about?

Some hold a belief that all of this would have happened anyway and your tax dollars were thus wasted. It is difficult to prove otherwise with absolute certainty, so we're at a disadvantage. Yet we've been there in the trenches negotiating with companies and building the wealth that you see today. We know from these experiences of having to literally battle in the trenches to win economic development opportunity for the City, in spite of the fierce competition that exists for these businesses, their construction value and their jobs, that ~~in our hearts and our heads that little or non~~ none of this would be if it were not for the development authority. We are being as candid and direct as possible. Let's face it—we gave the Whitman Hotel a lot of time to re-develop on its own, didn't we? Who else was going to rebuild Old Town and does anyone seriously believe that ON, Hoku, Allstate, Lowes, Costco (to name a few) would not and all the others would be here without the development authority? This may be offensive to some, and for that we apologize, but those who believe otherwise have ~~Well, some do.~~ Often they are people with no experience with what we are talking about and the requirements in today's economy to be competitive. ~~or success in economic development and no responsibility for the consequences of their thinking.~~ We think they are dead wrong—and if they succeed, your economic growth could be at a dead end.

Others distrust the autonomy of development authorities. They want to have board members run for election, they want borrowing and districts approved by the voters and/or severely shortened in duration. Who can argue with such things? ~~They~~ It all sounds so logical. ~~sound so all-American.~~ We beg to differ.

Your board members are either already elected or bring designated skill sets to the table. Having to run for election for these unpaid positions will deter many good candidates from service, compromise the board and politicize what should be objective business decisions.

In addition, ~~c~~Companies who are considering us on their short list will scratch us off at the thought of having their development become the topic of an election. In most cases, their development decisions are closely held – they do not want their competitors to know about it. ~~The private sector is loath to disclose or telegraph such activities in advance.~~ Moreover, the election process is too slow. If we have to wait for election results, ~~—if we are going to wait for the results of an election,~~ then we can't make commitments. Companies ~~and if we can't make commitments—well, they will just move on.~~

Duration of a district needs to be long enough to generate a revenue stream and then amortize a useful investment. ~~It can take several years before an investment starts paying off. Long-lived infrastructure should be financed over a lengthy period, or else you can't afford very much.~~ Some want districts limited to 12 years (half the current allowable). It often takes 4 years or more to establish any significant increment flow. Then you'd have 8 years left. What kind of a house could you buy if you were limited to an 8 year mortgage and what would happen to the housing industry as a result? ~~The result would be a~~ very small ~~dinky~~ house and even more

unemployment in housing are symbols of. ~~That's pretty much~~ what such limits will do to your economic development.

Existing law mandates a variety of controls, including public notices, public hearings and ultimate approval by your fellow citizens that you elected. It has served well for decades.

Your city leaders and this paper's editorial staff are right on this issue. Don't be a critic relyin soley upon ~~The critics can't see the value because they have ideological positioning. blinders on.~~ All of us appreciate differing ideas and there is always room for improvement. But beliefs ~~ideology~~ should not trump management science and proven track records. Our economic development is too important for that, especially now.



OFFICE OF THE MAYOR
911 North 7th Avenue
P.O. Box 4169
Pocatello, Idaho 83205

(208) 234-6163
Fax: (208) 234-6297
www.pocatello.us

BRIAN C. BLAD
Mayor

Pocatello City Council:

ROGER BRAY
STEVE BROWN
CRAIG COOPER
RON FRASURE
GARY MOORE
EVA JOHNSON NYE

December 30, 2010

Honorable Representative Elaine Smith
3759 Heron Avenue
Pocatello, Idaho 83201

Re: Urban Renewal and Tax Increment Financing (Revenue Allocation) Districts

Dear Representative Smith:

The City of Pocatello has greatly benefited from the use of Urban Renewal and Tax Increment Financing (TIF) legislation. Since 1988, our city has created thirteen (13) separate districts. Three of those districts were absorbed into one in 1999. Today, there are four active districts. Pocatello has closed seven (7) districts. The combined benefit of these districts over the years has resulted in over 1500 new jobs and over \$500,000,000 in new tax valuation. These jobs and the new tax valuation would not exist were it not for the use of TIF.

As an example of how these districts have benefited our community, I highlight only two; the Consolidated Central Corridor District, and the North Portneuf District.

Consolidated Central Corridor District

After extensive research, this district was formed in 1998 on the basis of where blighting influences were most prominent within the City. These influences include crime rates, dilapidated structures, aging infrastructure, transportation deficiencies, and economic underdevelopment. Based upon the location of these blighting influences, the boundary of the district was created. The list of improvements is impressive: some \$9-million in new or updated infrastructure, including transportation components; redevelopment of blighted properties, and assistance to several business interests including; Convergys, ON Semi-conductor, Farmers Insurance, and Positron. This district was closed this year (2010). In its twelve (12) year life, this district alone is responsible for over 900 new or retained jobs and new tax valuation of over \$83 million.

North Portneuf District

This district was created in 2007 to assist in the recruitment of Hoku Materials, a company that will begin production of solar grade polysilicon in 2011. This company will require over \$25 million in infrastructure enhancements including a new power substation, new water, sewer and storm sewer systems, and a new road and overpass. The City could not financially provide for these improvements were it not for the help of this district. In addition, Hoku would not have located in Pocatello without these improvements provided for by the district (see attached letter). In return, Hoku Materials will add some \$350 million in value to the tax rolls and employ 200 people.

Page 2

December 30, 2010

Urban Renewal and Tax Increment Financing (Revenue Allocation) Districts

This year, there may be efforts to impede the use of urban renewal and tax increment financing by Idaho cities in the legislature. If successful, efforts such as those described above could come to a halt and with them the opportunity to create value and jobs – true economic opportunity – that would otherwise not exist. Therefore, we would greatly appreciate your support of urban renewal and tax increment financing during this upcoming legislative session. Attached with this letter are some important facts and information about urban renewal.

Please feel free to contact me if you have any questions or would like further information about our urban renewal efforts. Thank you. We do appreciate all you do for our City and our great State.

Sincerely,



Brian Blad

Mayor

attachment

HOKU Materials™

December 22, 2010

Robert Chambers, Director
Planning and Development Services
City of Pocatello
P.O. Box 4169
Pocatello, ID 83205

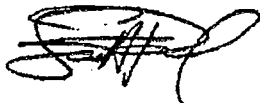
Dear Robert,

As Hoku Materials continues to increase its employment and operational base in Pocatello, we value the support received from the City of Pocatello. When we reviewed possible sites for our polysilicon production facility, the incentives offered were a key factor in the decision to locate in the State of Idaho in comparison to opportunities in other states. Without the financial assistance offered to us through the tax increment financing (TIF) district for the critical infrastructure for our Pocatello plant, we would not be here.

The more than 200 high-paying jobs Hoku is creating can spawn growth in several other areas of the economy, particularly housing and retail. In turn, this will create new fiscal sources for local and state government revenue to be focused back into key development projects. The relationships we are building in the Pocatello community, where we are able to create jobs and utilize a highly-skilled talent pool, will be mutually beneficial and positively impact all sectors of the economy.

We look forward to a long and prosperous relationship with the City of Pocatello and the Pocatello community.

Best regards,



Scott Paul
President & CEO
Hoku Corporation

IDAHO URBAN RENEWAL/REDEVELOPMENT AGENCIES

QUICK FACTS

- Urban Renewal (Redevelopment) agencies are public bodies authorized under the Idaho Urban Renewal Law. The majority of Agency commissioners are community volunteers and all are appointed by their local Mayor (or the Chair of the county commissioners for county agencies) and approved by the City Council (or county commissioners). Once appointed, these commissioners govern the urban renewal agency, which is an independent, public body, corporate and politic. Commissioners can be removed for cause.
- Under the Idaho Urban Renewal Law, agencies are authorized to:
 - Eliminate deficiencies in the project area, including deteriorating or deteriorated public facilities, aged and substandard buildings and housing.
 - Replan, redesign and redevelop those underdeveloped areas which are stagnant or improperly utilized.
 - Provide adequate land for parks and open spaces, pedestrian walkways and parking facilities.
 - Assist in the infrastructure related to affordable housing within the project area and cooperate with public agencies responsible for housing programs
 - Strengthen the economic base of the project area and the community by the installation of needed site improvements and infrastructure to stimulate new commercial expansion, employment and economic growth.
 - Promote those economic development activities that will strengthen and broaden the tax base and enhance state and local revenue.
- Agency revenue is received from tax increment revenue, simply the taxes on any incremental value above the base (plan approval) year of the individual urban renewal district.
- There are currently 40 (forty) separate urban renewal agencies, representing cities from every corner of Idaho.
- Urban renewal agencies across the state have completed a vast array of projects, including but not limited to:
 - Sewer plant/water treatment facility improvements; new water & sewer lines
 - Construction of public parking facilities
 - Street improvements/streetscapes
 - New parks and greenbelts
 - Rehabilitation and development of affordable housing through other public agencies responsible for housing programs
 - Demolition and removal of buildings and improvements, including site clearance
 - Cooperate with other public entities to achieve redevelopment objectives

Urban Renewal (Redevelopment) agencies provide a valuable tool for local governments to utilize to improve basic infrastructure, provide affordable housing, and stimulate economic development. Without this tool, many of these needs would go unmet, resulting in deteriorating and stagnating communities. *Importantly, the creation of new job opportunities and improved communities contributes to an enhancement of sales and income tax revenue for the State of Idaho.*



Date: January 11, 2011

To: Idaho legislators and other interested parties

Subject: Tax Increment Financing

On behalf of ON Semiconductor-Pocatello, I'm writing this letter in support of Tax Increment Financing (TIF). ON Semiconductor-Pocatello (previously AMI Semiconductor) has been a major beneficiary of the proper use of Tax Increment Financing. More importantly, TIF's have been greatly beneficial to the Pocatello and Bannock County communities, taxpayers and tax recipients.

On three specific occasions, the strategic use of TIF's by the City of Pocatello have allowed ON Semiconductor to continue to develop and grow our business. These economic development initiatives have produced many successful results for the local community including the creation and retention of hundreds of jobs and the generation of millions of dollars of tax revenue for schools and needed government services. ON Semiconductor has been Pocatello's largest taxpayer and largest private sector employer over the past two decades and without the use of TIF's, I believe it is fair to say that hundreds of jobs and millions of dollars in tax revenue would probably not exist.

Specifically, the company built its Fab 10, eight-inch wafer manufacturing facility in 1997 with the help of TIF money to fund infrastructure needs for that facility. Shortly after the 1997 construction of our eight-inch wafer facility, we were able to successfully use TIF money, working with the City of Pocatello and Idaho Power Company, to upgrade the community's local power substation providing a continuous, uninterrupted source of electric power essential to our manufacturing operations.

Then, in 2002, with the help of TIF money, the company built a new engineering and research center adjacent to our Pocatello manufacturing facility. This facility employs over 150 highly paid engineers and development personnel. Without the construction of this state-of-the-art facility, these jobs may have ended up in another community in another state.

Finally, in 2010, ON Semiconductor announced over \$26 million in new capital equipment investment for the Pocatello facility, again with the help of TIF money. This investment more than doubled our production capacity, secured over 600 existing jobs and added over 100 new jobs.

I ask for your support for legislation that extends the proper use of Tax Increment Financing resulting in the attraction and creation of more businesses with good paying jobs along with the resulting tax revenues to benefit our schools and essential government services.

Sincerely,

A handwritten signature in black ink, appearing to read "John Spicer".

John Spicer
Site Manager & Senior Director of Operations
ON Semiconductor, Inc.-Pocatello