

**NOTICE OF SPECIAL MEETING**  
**POCATELLO DEVELOPMENT AUTHORITY**  
July 26, 2013

The Board of Commissioners of the Pocatello Development Authority will hold a special meeting at 11:00 a.m. on Wednesday, July 26, 2013, in the Iwamizawa Conference Room at City Hall, 911 North 7<sup>th</sup>, Pocatello, Idaho, in order to 1) consider a financial question regarding development in the South Cliffs Subdivision area; and 2) review a contract for the provision of engineering services at the Pocatello Regional Airport Urban Renewal Area and Tax Increment Financing District. An Executive Session of the Board of Commissioners will also be held pursuant to Idaho Code §67-2345(1)(e) to consider preliminary negotiations involving matters of trade or commerce in which the Development Authority is in competition with governing bodies in other states or nations.

Dated this 21<sup>st</sup> day of June, 2013.

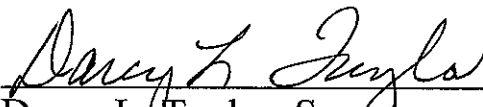
  
\_\_\_\_\_  
Darcy L. Taylor, Secretary

**AMENDED NOTICE OF SPECIAL MEETING  
POCATELLO DEVELOPMENT AUTHORITY**

**June 26, 2013**

The Board of Commissioners of the Pocatello Development Authority will hold a special meeting at 11:00 a.m. on Wednesday, June 26, 2013, in the Iwamizawa Conference Room at City Hall, 911 North 7<sup>th</sup>, Pocatello, Idaho, in order to 1) consider a financial question regarding development in the South Cliffs Subdivision area; and 2) review a contract for the provision of engineering services at the Pocatello Regional Airport Urban Renewal Area and Tax Increment Financing District. An Executive Session of the Board of Commissioners will also be held pursuant to Idaho Code §67-2345(1)(e) to consider preliminary negotiations involving matters of trade or commerce in which the Development Authority is in competition with governing bodies in other states or nations.

Dated this 21<sup>st</sup> day of June, 2013.

  
Darcy L. Taylor, Secretary

**POCATELLO DEVELOPMENT AUTHORITY**  
**SPECIAL MEETING MINUTES**  
June 26, 2013

**Members present:** Brian Blad, Roger Bray, Larry Fisher, Darlene Gerry, Cynthia Hill, John Regetz (ex officio), and Ryan Ward

**Members absent:** Karl Anderson, Russ Meyers (excused), and Michael Orr (excused)

**Staff present:** Lonnie Crowell, Executive Director; Merrill Quayle, City Planning Engineer; Deirdre Castillo, City Engineer; A. Dean Tranmer, Darcy Taylor and Tiffany Olsen, City Legal Dept.; Dave Swindell and Jerry Higgins, City Finance Dept.; and David Allen, Pocatello Regional Airport Manager

**Chair R. Ward** called the meeting to order at 11:06 a.m.

**1. Preliminary matters:**

Introductions, Conflicts, and Agenda. Guests in attendance included Jimmy Hancock, Idaho State Journal; reporters from KPVI Channel 8 and KIFI Channel 3, and Eva Nye, Pocatello City Council member. There were no conflicts noted, and no additions or deletions to the agenda.

**2. General Discussion Items:**

A. BBAD Investments, LLC. **Chair Ward** directed the Board's attention to a letter dated June 14, 2013 from BBAD Investments, LLC (BBAD), regarding the \$200,000 note owed by BBAD to the PDA. **Ward** then turned the meeting over to Bill Isley, a managing member of BBAD. Isley presented the Board with a map and brief history of the South Cliffs development, which were included in a packet of information outlining the negotiations which occurred between the Bureau of Land Management (BLM) and BBAD for the construction of a Hot Shot Facility by the BLM. Isley reported the details of the agreement between the BLM and BBAD for the placement of the facility had altered, making further development of the South Cliffs Subdivision more difficult to achieve. The BLM changed the site location of its proposed facility and requested access to said facility via the right-of-way of the South Valley Connector from the City of Pocatello, which was granted by the Pocatello City Council. Isley represented to the Board that the access to the BLM facility from the South Valley Connector is not in the best interest of the City, nor of the PDA, because it limits the potential for future commercial development of the surrounding area, and consequently limits the potential tax base of the area.

Discussion followed regarding the details of the intentions of the BLM and BBAD with regard to the construction of the BLM facility. Isley claimed the City Council did not understand the full effect of allowing the BLM access to its property from the South Valley Connector. He represented that the cost of access from the Connector is much greater than the cost of access from the South Cliffs Subdivision, and that the access between the existing BLM facility and the proposed Hotshot facility would only be available by a circuitous route along South Fifth Avenue. **D. Gerry** questioned why BBAD did not raise an objection to the BLM's request for access from the Connector when the item came before the City Council. Isley responded that BBAD was unaware of the BLM's request until after the City Council meeting and felt it should have received notice of the request. Isley was asked what BBAD expected the Board to do with the information presented. **Chair Ward** advised the Board that he had called the special meeting to make sure the Board understood the events which occurred between BBAD and the BLM in light of BBAD's recent presentation to the Board regarding payment of its debt to the PDA.

Isley affirmed to the Board that the note and interest would be paid in full, and that in the event the BLM approached the Board with an offer or request regarding the Connector access, the Board would have knowledge of the history of the Hotshot project. **R. Bray** advised the Board that when the City Council made the decision to grant the right-of-way access to the BLM, it did so upon the condition that the BLM continue its negotiations with BBAD for access. However, the City Council was also interested in making sure the Hotshot Facility would be built in the City, and if access wasn't available through the South Cliffs Subdivision, an alternate route would be available. **Chair Ward** concluded that the negotiations of this matter are between the BLM and BBAD, but that the PDA Board appreciated hearing BBAD's perspective of the issue. **Ward** then directed the Treasurer to bill BBAD for the interest due on the note owed by BBAD.

B. Pocatello Regional Airport. Lon Crowell requested the Board consider authorizing the expenditure of Pocatello Regional Airport (PRA) district funds in an amount not to exceed \$7,500.00 in order to contract with Keller Engineering for a review and assessment of existing and necessary infrastructure for potential business development in the PRA district. Crowell further requested the Board grant him permission to enter into such a contract from time to time as potential businesses make inquiries. He noted that such inquiries often want information on infrastructure quickly, and having to wait for a regular PDA Board meeting to get approval to enter into such a contract slows potential projects down. **It was MSC (D. Gerry, B. Blad)** to authorize Crowell to enter into an agreement on behalf of the PDA to contract with Keller Engineering for a review and assessment of existing and required infrastructure for a potential business at the PRA urban renewal area. **D. Gerry** noted that she preferred to be informed of the specific process and mechanisms which would be necessary before any such contract would be authorized by the Board, and **B. Blad** agreed. After further discussion, **Chair Ward** instructed Crowell to work with the PDA legal counsel to establish a protocol for temporary contracts of infrastructure review and assessment.

### 3. Executive Session:

**Chair Ward** called for a motion for the Board go into an executive session to discuss a matter regarding negotiations involving matters of trade or commerce in which the PDA is in competition with other governing bodies. **It was moved and seconded (D. Gerry, B. Blad)** to adjourn to executive session pursuant to Idaho Code §67-2345(1)(e). The motion passed by roll call vote (**Ayes: B. Blad, R. Bray, L. Fisher, D. Gerry, C. Hill, and R. Ward; Nays: None**). The Board adjourned to executive session at approximately 12:20 p.m. The Board reconvened to regular session at approximately 12:47 p.m.

### 4. Fund Transfer:

Upon return to regular session, **it was MSC (B. Blad, D. Gerry)** to authorize the transfer of \$250,000.00 from the Central Corridor district fund to the General fund as part of the administrative fee for administrative costs of managing the Central Corridor Revenue Allocation Area plan projects completed pursuant to said Plan. Thereafter, **it was MSC (B. Blad, D. Gerry)** to approve an expenditure from the General fund of not more than \$250,000.00, upon receipt of invoices for work performed and approval of said invoices by the City Engineer, for the demolition of a deteriorated building within a commercial area situated outside of any urban renewal area within the City of Pocatello.

**Adjournment:**

There being no additional business, **it was MSC (C. Hill, B. Blad) to adjourn the meeting at approximately 12:55 p.m.**

## Relevant Timeline



1. August 1999 - written request for exchange or purchase
2. October 1999 - Completed Archaeological & Historical survey Completed
3. September 2002 - Suggested by BLM to do exchange to apply to new Pocatello office structure.
4. 2002 - 2008 - Waited for new district wide land use plan  
It would make it easier for the sale/exchange
5. November 2008 - BLM presented us with 'hotshot' facility layout - #1
6. November 2010 - BLM gives us letter of Intent #2
7. January 2012 - BLM shows New building location  
Center of road #3
8. JAN-Feb 10 2012 - Negotiations over bldg location Agreed  
by all parties #4
9. Feb 18 2012 - Letter of Intent from BLM with new  
bldg location #5
10. Feb 22 2012 - Response to 9 above #6
11. April 8 ~~2011~~ 2012 - BLM went back to bldg location  
in center of road #3 w/o telling  
us - they never let us know kept telling  
us they were getting paperwork done  
etc everything OK -
12. Feb 11, 2013 Newspaper Article City gives Alternative  
Access #7
13. Feb 12, 2013 Letter from BLM withdrawing  
land sale & stating many inaccuracies  
#8

EMR Land Co.

Proposed Hot Shot facility

Robinson

Isley

-  Isley's reserved easement preventing BLM from accessing their land
-  Access required to develop Hotshot facility on BLM land

6

SHEET 1 OF 1

CI

PROJECT NO:					
DESIGN OFFICE:	1050				
DESIGNED BY:	K. DONLEY				
DRAWN BY:	E. DONLEY				
CHECKED BY:	T. PAROY				
APPROVED BY:	C. KENNELSEN				
DATE:	11/01	MARK	DESCRIPTION	DATE	APPROVED

IDAHO FALLS

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

### SITE LAYOUT

POCATELLO HOT SHOTS FACILITY



825

11

CI

BLM

2



## United States Department of the Interior

### BUREAU OF LAND MANAGEMENT

Idaho Falls District  
1405 Hollipark Drive  
Idaho Falls, Idaho 83401  
(208) 524-7500

November 2, 2010

### LETTER OF INTENT

Bill Isley  
BBAD Investments, LLC  
444 Hospital Way, Suite 555  
Pocatello, ID 83201

Dear Mr. Isley:

As you are aware our agency is moving forward to process a direct land sale on your behalf for public lands located at:

Township 7 South, Range 35 East, Boise Meridian  
Section 7: E2NWNE (within, and excluding all land west of I-15)

The purpose of this letter is to assert our intention to sell to you the aforementioned public land. This sale will be made under the authority of 43 CFR 2711.3-3.

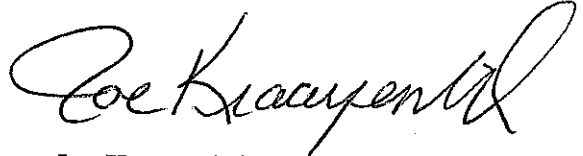
As you are also aware the BLM is interested in developing a Hot Shot facility (fire station) on a portion of the public lands south of the current BLM office in Pocatello. We are requesting an easement for a roadway and utility corridor crossing your private land at this location. We are scheduled to start construction in FY 2012, and in all likelihood, the land sale will not be completed to meet that timeframe. This request is made pursuant to the fact that the City of Pocatello requires BLM to have legal access (roadway and utilities) from the public round-about to the public land boundary in order to have legal access (ingress and egress) to the proposed Hot Shot facility. This requested easement would encumber your private land with dimensions of approximately 66' wide by 125' in length. The exact dimensions and acreage will be determined by a legal land survey.

It is our intent to continue processing a direct land sale to you. We recently received the final legal description for the Cheyenne Crossing right-of-way grant which directly impacts your proposed acquisition parcel from BLM. The proposed sale parcel to you would be approximately 10-11 acres including the footprint of the proposed Cheyenne Crossing right-of way. Please be aware that although we cannot absolutely guarantee a land sale, it is our intent to sell this public

land parcel to you through direct sale at fair market value. A direct sale to you is justified since you adjoin the sale parcel on all sides.

Also attached is a draft easement for legal access crossing your private land to our proposed Hot Shot facility. Please review the attached documents and let me know of your intent to accept or deny our request. Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joe Kraayenbrink".

Joe Kraayenbrink  
District Manager

cc:

Karen Rice, BLM

Dave Pacioretty, BLM

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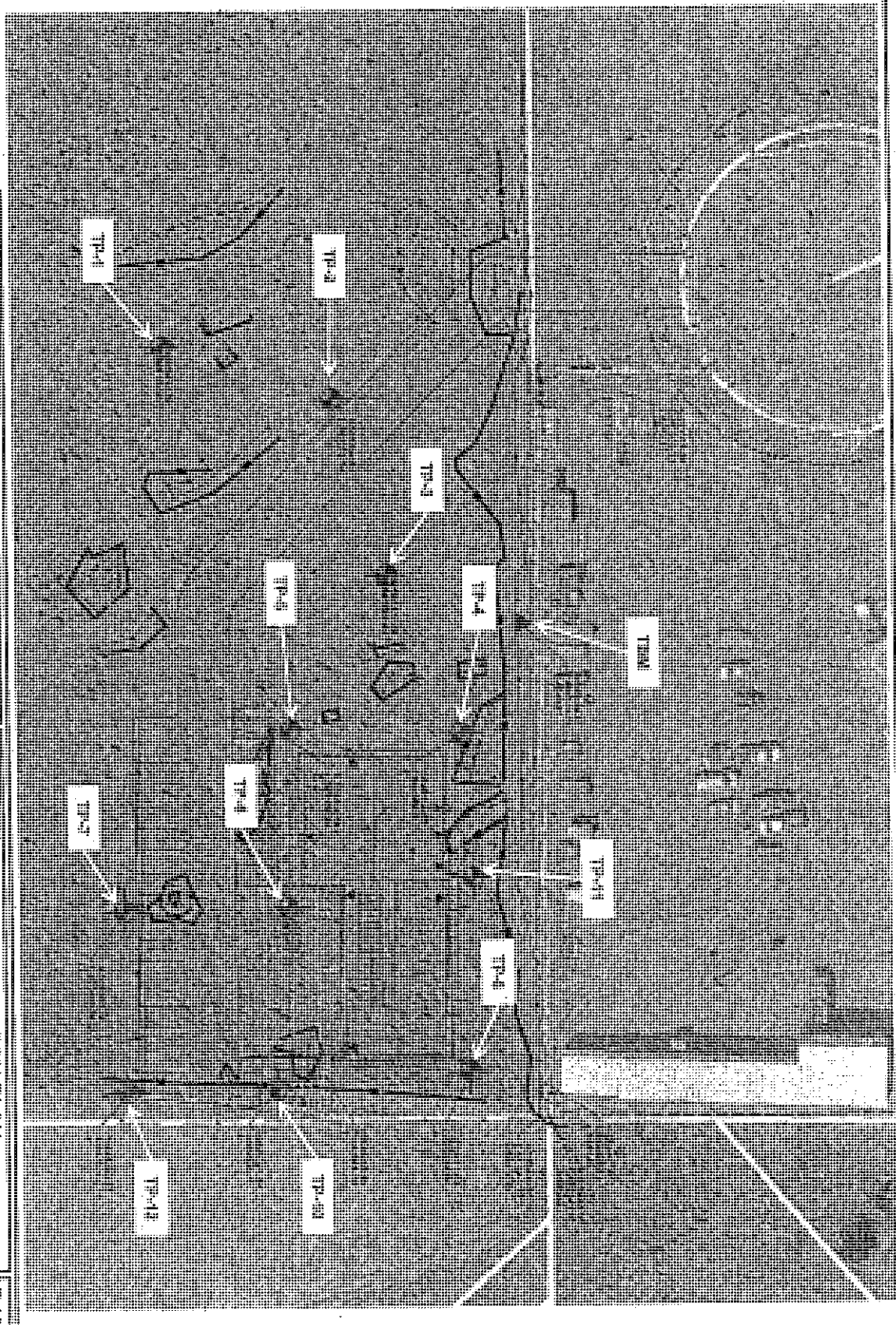


**LEGEND**

— Approximate Test Pit Location

A Temporary Bench Mark

PCATTELLO DAM, CHANDLER DIVISION, IDAHO



Project No.	10000
Contract No.	10000
Drawn by	TRM
Checked by	TRM
Approved by	TRM

Date	10/10/11
Scale	AS SHOWN
Sheet No.	10000
Total No. Sheets	10000

**Terracon**  
Consulting Engineers & Architects

10000  
10000

**TEST PIT LOCATION PLAN**

**PROPOSED BLM SNAKE RIVER NOTSHOT FACILITY, POINT PCATTELLO, IDAHO**

EMM  
A-2

#3

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
POCATELLO IDAHO

HOT SHOT

DESIGNED BY: \_\_\_\_\_  
DRAWN BY: NHP  
CHK'D BY: \_\_\_\_\_  
APPROVED BY: \_\_\_\_\_

SCALE: AS SHOWN

DATE: 4/09/2013

PROJECT NO: \_\_\_\_\_ SHEET 1 OF 1


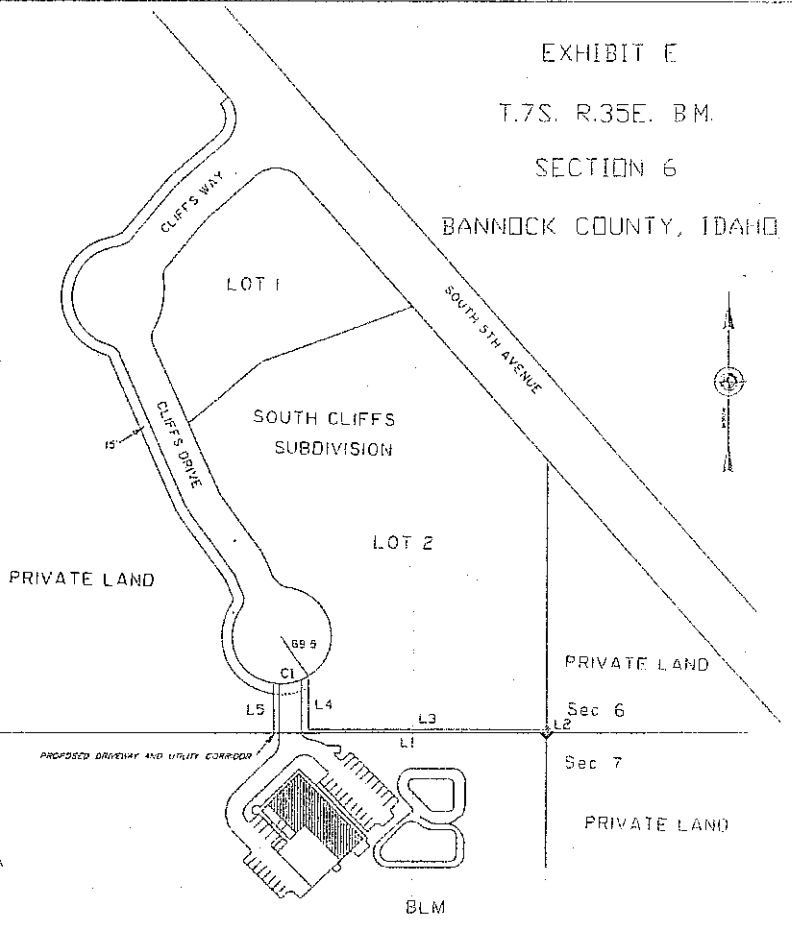


EXHIBIT E  
T.7S. R.35E. BM.  
SECTION 6  
BANNOCK COUNTY, IDAHO

LINE CHART

LINE NO	BEARING	DISTANCE
L1	S 89°53'17" W	388.14
L2	N 00°09'09" E	4.48
L3	S 89°53'17" W	338.07
L4	N 00°13'11" W	76.72
L5	S 0°13'11" E	69.55



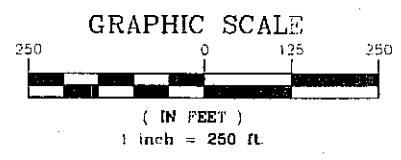
CURVE CHART

CURVE NO	DELTA ANG	CHORD DIRECTION	TANGENT	RADIUS	ARC LENGTH	CHORD LENGTH
CL	43°33'06"	S 76°47'07" W	27.61	69.50	52.56	51.31

- NOTES:
- 1) CONTAINS 0.12 ACRES MORE OR LESS
  - 2) BEARINGS SHOWN IN GRID

THIS ADMINISTRATIVE SURVEY WAS CONDUCTED TO DETERMINE AREAS OF FOR A ROAD EASEMENT, AND DOES NOT ESTABLISH PROPERTY BOUNDARIES.

LEGEND:  
◆ FOUND MONUMENT (PLSS CORNERS)



Hotshot facility

Fri 2/10/2012 2:58 PM

From: Belger, Rodney E

To: bill@tuscanydev.com

Cc: Kraayenbrink, Joseph J, Parmenter, Jan K, Mallett, Robert A, Gosswiller, Joel

4

Bill,

Attached is a layout of the hotshot facility that, based on previous discussions, will work for both of our needs. This places the parking lots on either end of the building. The bay doors do indeed face NE which presents a better, more aesthetically pleasing perspective. This orientation also reduces the amount of driveway and asphalt needed.

Additionally, with the BLM attorney, we are working on a Letter of Intent and will send a draft of that letter to you on Monday in preparation for our 9 a.m. meeting on Tuesday at the Pocatello Field Office.

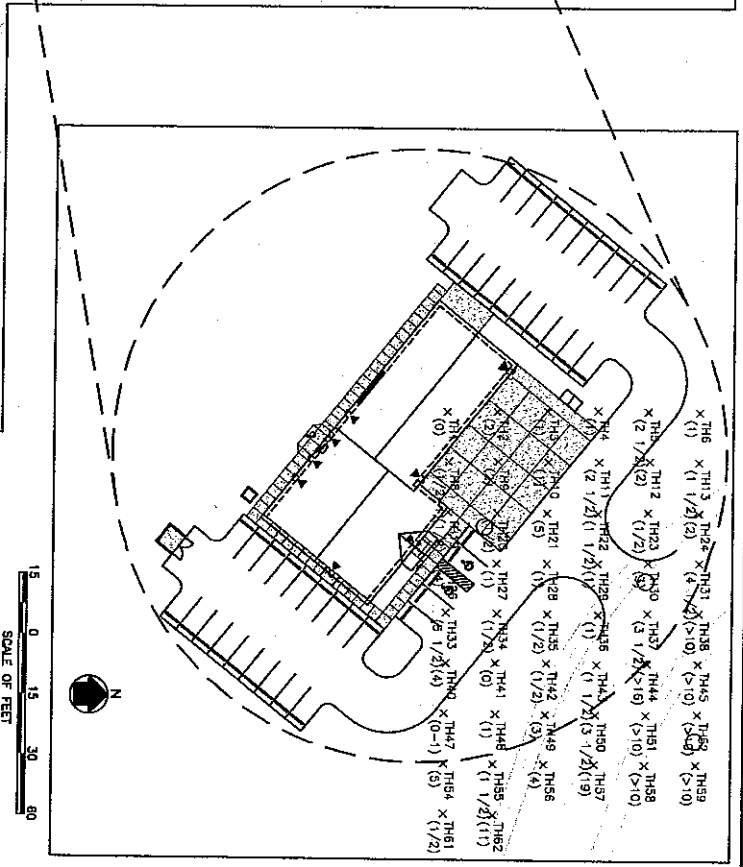
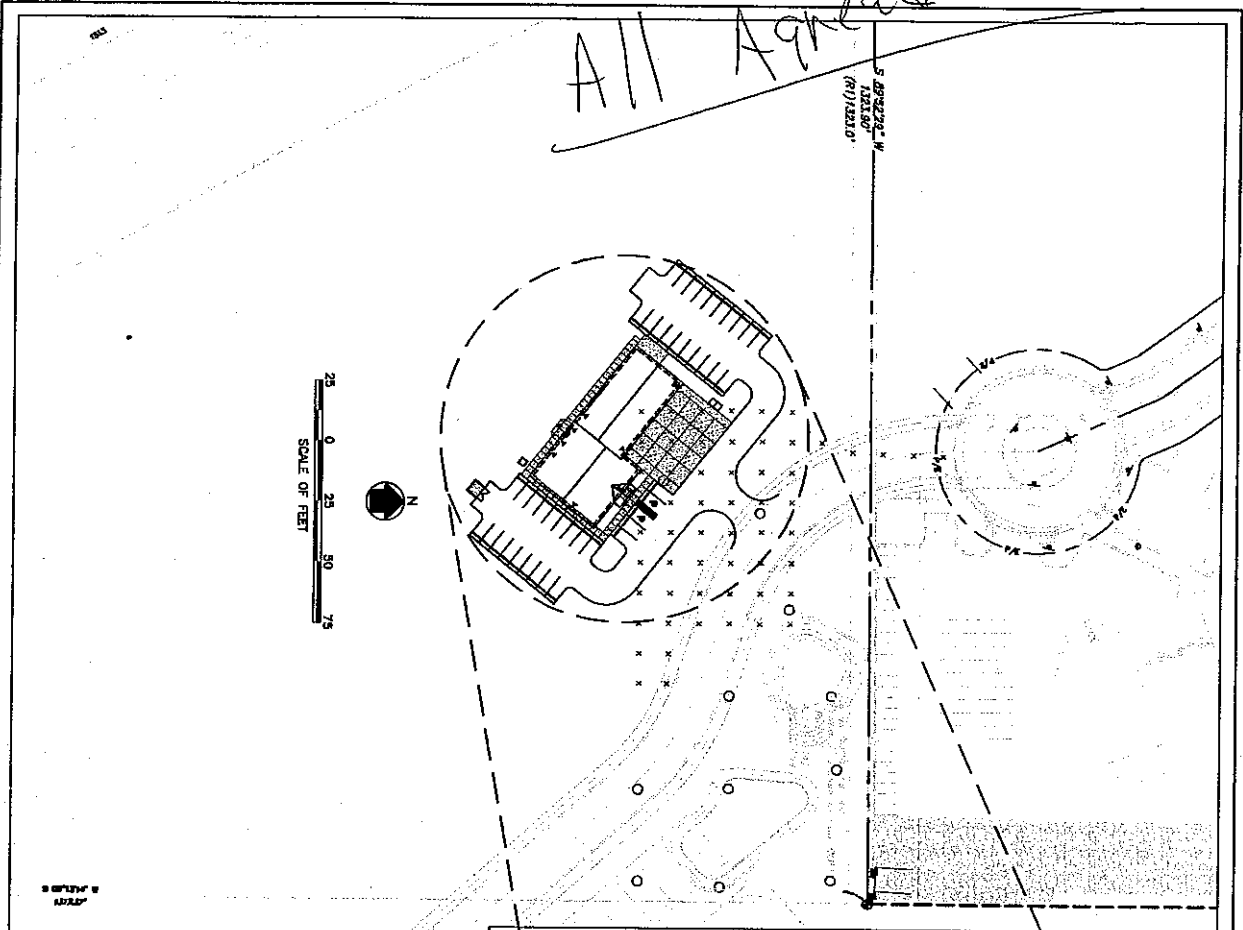
Regards,

Rick

Rodney (Rick) Belger  
Fire Management Officer  
Bureau of Land Management  
Idaho Falls District  
1405 Hollipark Drive  
Idaho Falls, ID 83401  
(208) 524-7601  
Email: [rbelger@blm.gov](mailto:rbelger@blm.gov)

This is the  
one!

All Agreed



PROJECT NO:	
DESIGN OFFICE: OTHERS	
DESIGNED BY: OTHERS	
DRAWN BY: OTHERS	
CHECKED BY: K. DOWLEY	
APPROVED BY: C. KOWALCZYK	
DATE: JANUARY 2012	

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Snake River Hotshot Building

IDAHO FALLS DISTRICT



SHEET 4 OF 8

IDAHO

## LETTER OF INTENT

THIS LETTER OF INTENT is made this \_\_\_\_ day of February 2012, between the UNITED STATES OF AMERICA, acting through the authorized officer of the Bureau of Land Management, hereafter the "BLM," and Tuscany Hills Development Company, LLC.

The purpose of the letter of intent is to set out the agreements of the parties:

1. Tuscany Hills Development Company, LLC will provide an easement, described below, for public access to the BLM across property owned by Tuscany Hills Development Company, LLC. This easement will provide access to a proposed Hot Shot Facility with appurtenant structures. A diagram depicting the tentative layout of the Hot Shot Facility is attached hereto as EXHIBIT A.
2. The BLM will grant an exclusive access easement, described below, across public lands to Tuscany Hills Development Company, LLC. EXHIBIT C.
3. The BLM will grant a non-exclusive easement for a road segment that is to be used by the BLM, the public and Tuscany Hills Development Company, LLC. EXHIBIT C.
4. The BLM will initiate proceedings to sell a 10-acre parcel to Tuscany Hills Development Company, LLC. The parcel is further described in EXHIBIT B.

### Descriptions of Parcels

#### A. Easement to be Acquired by BLM:

Tuscany Hills Development Company, LLC will provide a permanent access and utility easement to the United States across the following described property:

All that portion of said property in Bannock County, Idaho contained within a strip of land 80 feet in width, described as follows:

Beginning at a point S. 89°43' W. 338.10 feet from the E 1/16 on the section line between sections 6 and 7, Township 7 South, Range 35 East, Boise Meridian, thence N. 00°24' W. along Lot 2 of South Cliffs Subdivision 81.20 feet to the cul-de-sac right of way of Cliffs Drive; thence westerly 85.224 feet along a curve concave to south having a radius of 69.50 feet, chord bears N. 89°52' W. 80.00 feet; thence S. 00°24' W. 81.77 feet; thence N. 89°43' E. along said Section line 80.00 feet, to the point of beginning, containing 0.13 acre, more or less.

#### B. Easement to be Acquired by Tuscany Hills Development Company, LLC:

The United States, by the BLM, will provide a permanent, exclusive access easement to Tuscany Hills Development Company, LLC across the following described property:

A center line of a proposed road located in the northwest of the northeast quarter of Section 7, Township 7 South, Range 35 East, Boise Meridian, Bannock County, Idaho, more particularly described as follows:

A 60 foot access easement for road purposes, 30 feet each side of the following described center

line:

Beginning at a point which is S.0°03' W. along north-south centerline of the northeast quarter of sec. 7, 303.40 feet from the east 1/16 corner of section 6 and 7, T. 7 S., R. 35 E.; thence along the center line of the proposed road N.42°11' W. 143.18 feet to a point of curvature; thence along a curve concave to the southwest having radius of 200.56, along the curve 102.69 feet, delta:29°20'11" (chord: N.56°51' W. 101.57); thence N.71°34' W. 62.62 feet to a point of curvature; thence along a curve concave to the northeast having radius of 200.00, along the curve 178.71 feet, delta:51°11'48" (chord: N.45°58' W. 172.83) to a point of terminus which is on the east-west section line between sections 6 and 7. (tie to point of beginning from terminus bears: N. 50°26' W. 473.36 feet.)

C. Non-Exclusive Easement to be used by BLM, the public and Tuscany Hills Development Company, LLC

Beginning at a point which is S.0°03' W. along north-south centerline of the northeast quarter of sec. 7, 303.40 feet from the east 1/16 corner of section 6 and 7, T. 7 S., R. 35 E.; thence along the center line of the proposed road N.42°11' W. 143.18 feet to a point of curvature; thence along a curve concave to the southwest having radius of 200.56, along the curve 102.69 feet, delta:29°20'11" (chord: N.56°51' W. 101.57); thence N.71°34' W. 62.62 feet to a point of curvature; thence along a curve concave to the northeast having radius of 200.00, along the curve 178.71 feet, delta:51°11'48" (chord: N.45°58' W. 172.83) to a point of terminus which is on the east-west section line between sections 6 and 7. (tie to point of beginning from terminus bears: N. 50°26' W. 473.36 feet.) **(to be amended)**...

The following parcel will be developed for access and utilities for the BLM, the public and Tuscany Hills Development Company:

Beginning at a point which is S.0°03' W. along north-south centerline of the northeast quarter of sec. 7, 303.40 feet from the east 1/16 corner of section 6 and 7, T. 7 S., R. 35 E.; thence along the center line of the proposed road N.42°11' W. 143.18 feet to a point of curvature; thence along a curve concave to the southwest having radius of 200.56, along the curve 102.69 feet, delta:29°20'11" (chord: N.56°51' W. 101.57); thence N.71°34' W. 62.62 feet to a point of curvature; thence along a curve concave to the northeast having radius of 200.00, along the curve 178.71 feet, delta:51°11'48" (chord: N.45°58' W. 172.83) to a point of terminus which is on the east-west section line between sections 6 and 7. (tie to point of beginning from terminus bears: N. 50°26' W. 473.36 feet.) **(to be amended)**.....

D. South Cliffs Land Sale Area (Exhibit B):

The BLM intends to initiate proceedings to permit the conveyance from public ownership the following parcel:

A parcel of land in a portion of the northwest quarter of the northeast quarter of Section 7, Township 7 South, Range 35 East, Boise Meridian, Bannock County, Idaho, more particularly described as follows:

Beginning at the east 1/16 corner of section 6 and 7, T. 7 S., R. 35 E., thence along the section line S.89°43' W. 856.62 feet to a point on the east right-of way of Interstate I-15; thence along said right-of-way on a curve concave to the west having radius of 5579.31, along the curve 1533.76 feet, delta:15°45'30" (chord: S.30°50' W. 1529.01), to East-West center line of the northeast quarter of Section 7; thence along said East-West center line S.89°52' E. 71.29 feet to the northeast 1/16 corner; thence along the North-South center line of the northeast quarter of section 7, N.00°04' E. 1317.10 feet to the point of beginning **minus the area required for the Hot Shot facility and retention ponds.**

Containing approx. 10 acres

It is the intent of the BLM to process a land sale to Tuscany Hills Development Company, LLC. The proposed sale parcel would include the proposed Cheyenne Crossing right-of-way. Although BLM cannot specifically guarantee a public land sale or a conveyance to any specific purchaser, the BLM's will endeavor to process and sell this public land at fair market value to Tuscany Hills Development Company, LLC.

**General Terms**

1. The parties agree to negotiate in good faith to achieve the purpose(s) set out above.
2. The parties acknowledge that funds have been appropriated in the FY2012 budget to construct a Hot Shot facility in Pocatello, Idaho, and that the funding may not be available in future years. Therefore, the parties will work expeditiously to accommodate BLM's funding timelines to obligate funds to accommodate construction of the facility.
3. The parties agree that their individual objectives can be achieved through negotiating an assigned perpetual access easements of the property described above.
4. The parties agree that their individual objectives can be achieved through the intent of BLM to sell Parcel B (EXHIBIT B less the area containing the Hot Shot Facility and retention ponds).
5. The parties agree to share the cost of constructing the road and extending all utility lines from the end of the existing lines (adjacent to the existing round-about on South Cliffs Drive) to the entrance of the Hot Shot facility/area on BLM land. The details of the cost-sharing will be set out in a separate agreement between the parties.

## Special Terms

1. **Commitment of Parties.** Once the parties have reached agreement regarding the requirements for the Properties to be acquired by the respective parties, the parties will work diligently to finalize the reciprocal easement agreement as the first priority. The South Cliffs Parcel land sale is a second priority.
2. The following decision timetable will be adhered to by the parties. If circumstances outside the parties' control affect either party's ability to meet the timetable, the affected party will promptly notify the other so that delays can be minimized.
  - a. Thirty days from the signing of the letter of intent to execute and record the deeds conveying the easements (by both parties).
  - b. Six months from the date of easement conveyance recordation to execute a land sale patent to Tuscany Hills Development Company, LLC.
3. The following persons are named as the principal negotiators for the parties:

For BLM:

Rick Belger  
1405 Hollipark Drive  
Idaho Falls, Idaho 83401  
(208) 524-7601  
rbelger@blm.gov

For Tuscany Hills  
Development Company, LLC :

Bill Isley  
Tuscany Hills Development Company  
(208) 243-4441  
bill@tuscanydev.com

4. **Causes for Termination of Negotiations:**
  - A. Failure of Tuscany Hills Development Company, LLC to issue an exclusive use easement in perpetuity to BLM.
  - B. Loss of BLM funding to construct Hot Shot Crew Facility.
  - C. Receipt of geo-technical reports that preclude the positioning of the Hot Shot Facility on the agreed upon location/footprint (EXHIBIT A).

## Administrative Terms

1. Nothing in this agreement may be construed to obligate the Department of the Interior or the United States to any current or future expenditure of resources in advance of the availability of appropriations from Congress. Any endeavor involving an agreement for reimbursement or contribution of funds between the parties to this agreement will be handled in accordance with applicable laws, regulations, and procedures. Such endeavors or agreements will be outlined in separate agreements that shall be made in writing by representatives of the parties and shall be independently authorized by appropriate

statutory authority.

2. Information furnished to the BLM by Tuscan Hills Development Company, LLC under this instrument is subject to the Freedom of Information Act (5 U.S.C. § 552).
3. This agreement in no way restricts the BLM or Tuscan Hills Development Company, LLC from participating in similar activities or arrangements with other public or private agencies, organizations, or individuals.
4. This letter of intent becomes effective upon the last signature of the BLM and Tuscan Hills Development Company, LLC and, unless terminated, shall be in force for one year therefrom, at which time this letter of intent shall automatically terminate unless reviewed by both parties hereto. Any party to this letter of intent reserves the right to withdraw from this agreement, or any part thereof, at any time upon 30 days prior written notice to the other party hereto (at the addresses set forth above or as otherwise indicated).
5. Modifications to this letter of intent shall be made by mutual consent of the parties hereto, by the issuance of a written modification, signed and dated by the parties, prior to any changes being performed.

IN WITNESS WHEREOF, the parties hereto have signed their names.

THE UNITED STATES OF AMERICA  
Department of the Interior  
Bureau of Land Management

By \_\_\_\_\_  
Joe Kraayenbrink, District Manager  
Idaho Falls District, BLM

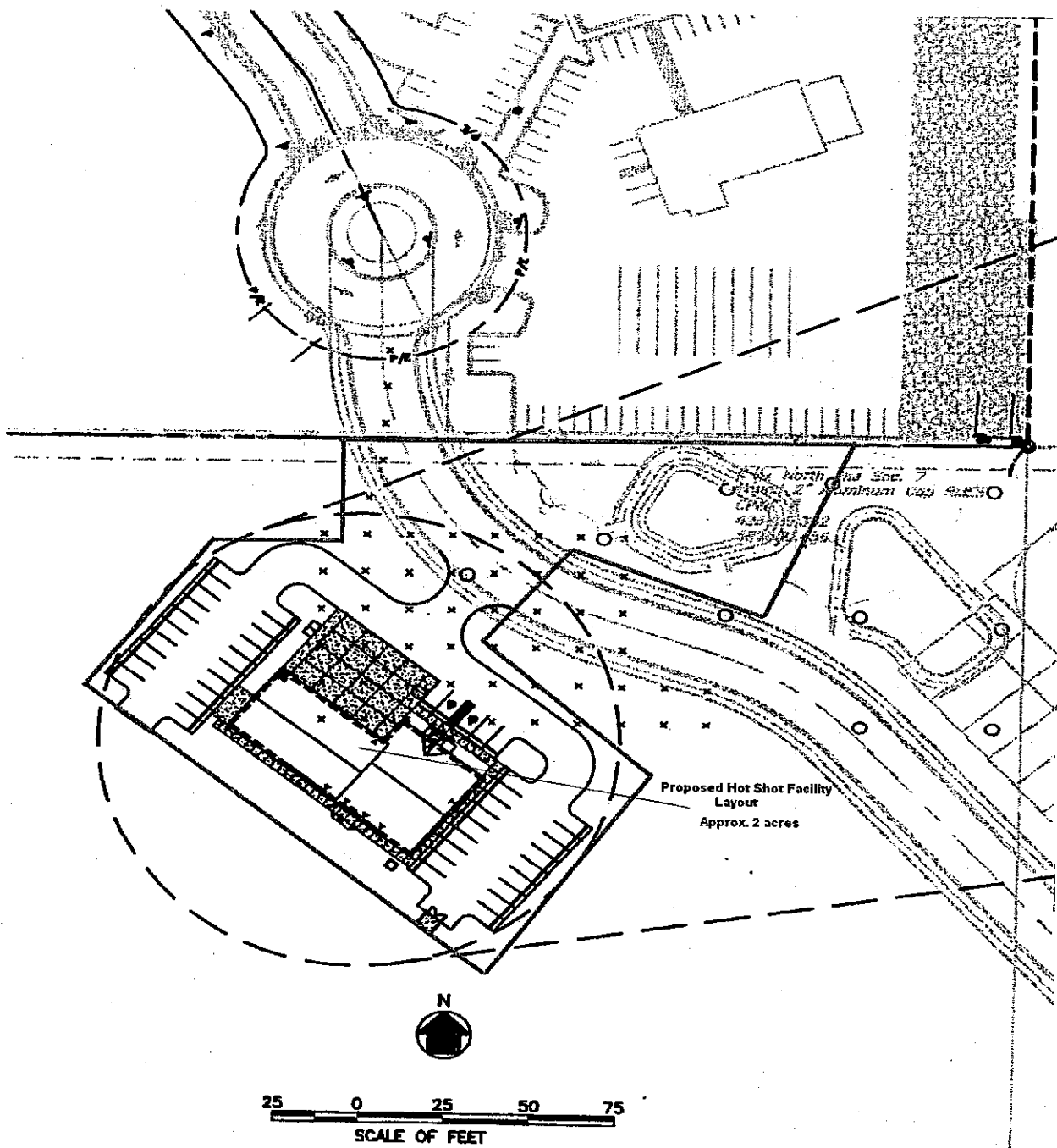
Date \_\_\_\_\_

Tuscan Hills Development Company, LLC

By \_\_\_\_\_  
Bill Isley

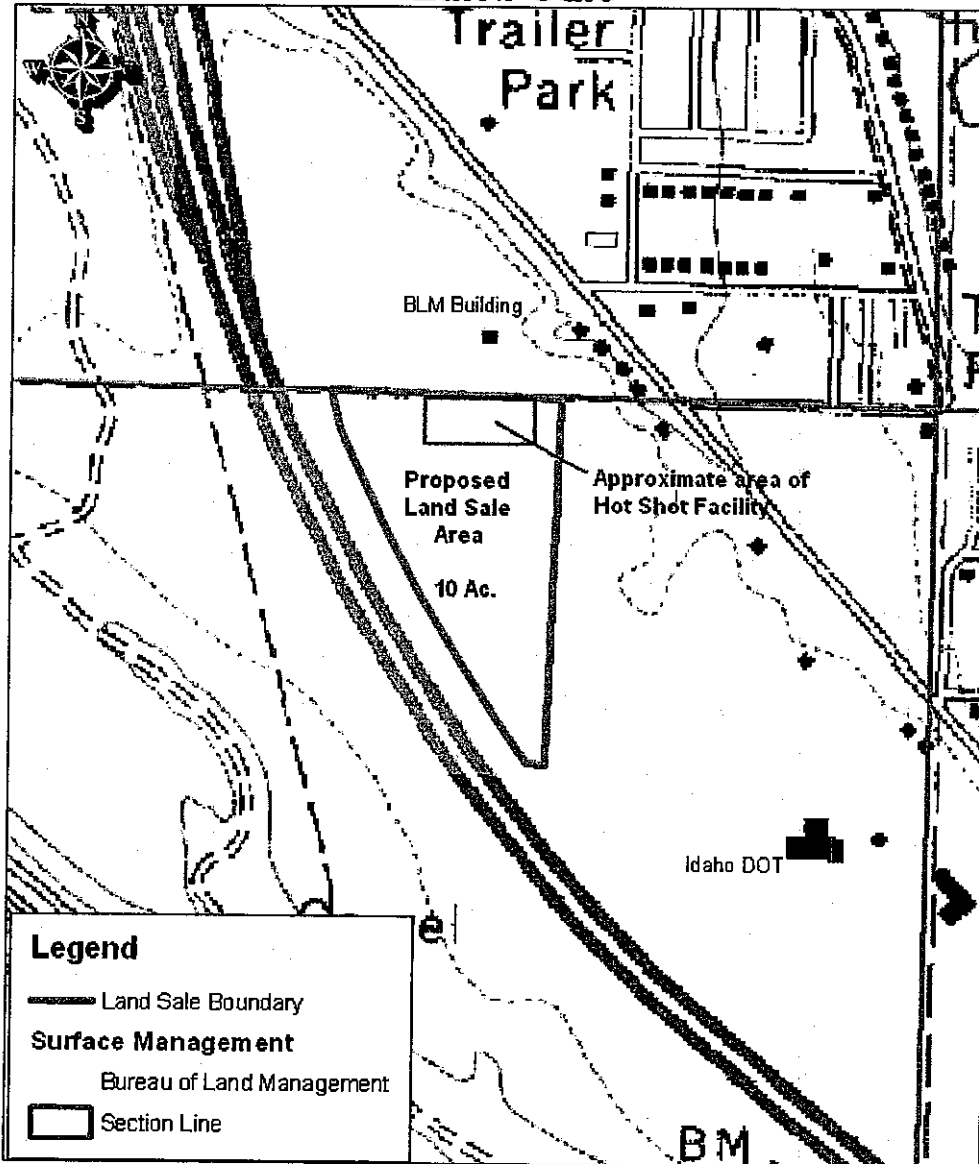
Date \_\_\_\_\_

# EXHIBIT A - Hot Shot Facility Proposed Layout



**EXHIBIT B – Proposed Land Sale to Tuscany Development**

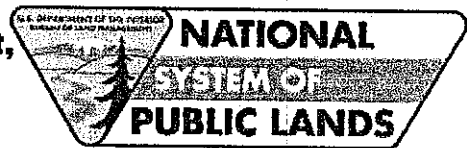
**Hot Shot Facility  
Land Sale**



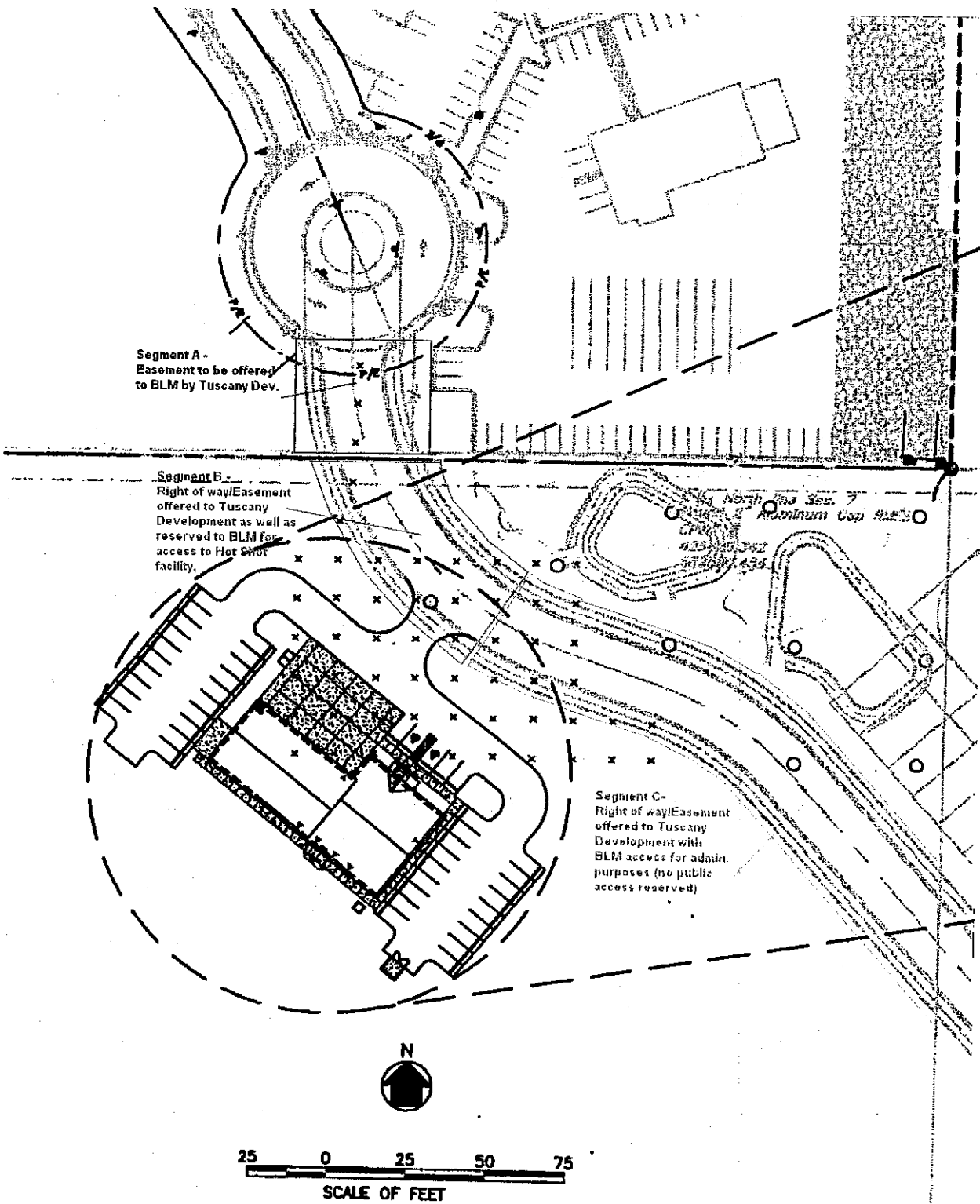
**Legend**

- Land Sale Boundary
- Surface Management
- Bureau of Land Management
- Section Line

**Township 7 South, Range 35 East,  
Section 7: NE4 (within)**



# EXHIBIT C – Proposed Easements or Rights of Way



LAW OFFICES  
JONES, CHARTERED

203 SOUTH GARFIELD  
P.O. BOX 967  
POCATELLO, IDAHO 83204-0967

6

LAMONT JONES  
CK H. ROBISON  
OMAS J. HOLMES

TELEPHONE: (208) 232-5911  
FAX: (208) 232-5962  
E-MAIL: tholmesid@gmail.com  
MR. HOLMES' TELEPHONE EXTENSION: 103

February 22, 2012

Bill Isley  
444 Hospital Way, Ste 555  
Pocatello, ID 83201

Dear Bill:

Enclosed is an extremely rough draft of the Easement for the Hot Shot Parcel. I've approached this a little differently, which may or may not work. I've contemplated that you will just give BLM an easement across your parcel. There is no reciprocal easement from them across theirs, but they agree to join in signing off on a plat that would dedicate the road including the road across the Hot Shot Parcel as a public street.

*But all road work  
has to be built to  
City standards  
approved by  
City*

I've tried to put the restrictions you wanted into paragraph 3, although that may be too limited to get them to buy off on it.

This is just a rough draft, but I've tried to incorporate all the boilerplate that they had in both the easement agreement you brought down several months ago and the letter of intent you brought down last week.

Their alternative dispute resolution agreement had a lot of blanks in it as it was referring to a system in a different area that talked about appointing a Judge Pro Tem. I've taken all of that out and have simply referred to the appointment of a mediator, however realistically, both what they drafted and what I drafted talked about a State court action. If there is a dispute with the Federal government, it will most certainly get removed to Federal court.

In any event, I thought this might work as a starting point.

Sincerely,



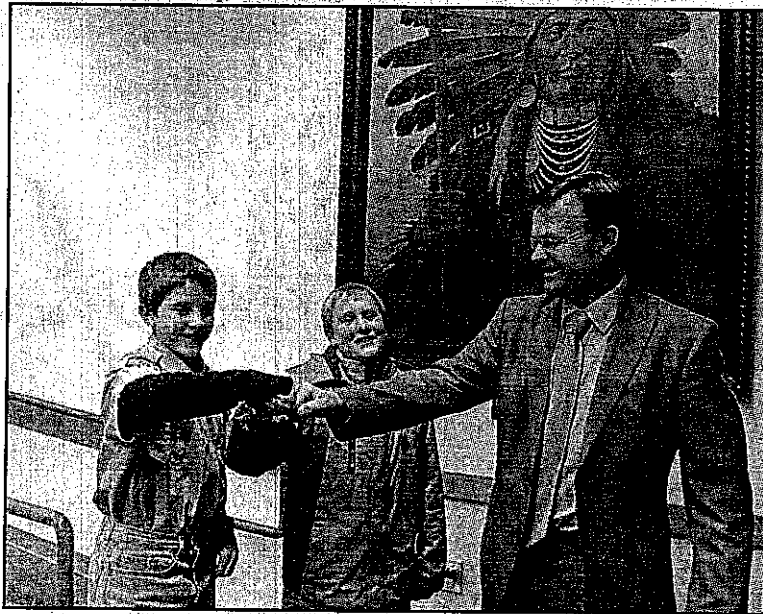
Thomas J. Holmes

TJH/ah  
isley022212.11.wpd

Enclosure

Kade Borgholthaus and Chandler Degarmo, both Boy Scouts from Troop #176, greet Pocatello Mayor Brian Blad at the recent City Council meeting in Pocatello.

ENIKO JORDAN / IDAHO STATE JOURNAL



## BLM right-of-way use OK'd

BY ENIKO JORDAN  
For the Journal

POCATELLO — The City Council recently OK'd the use of the right-of-way on the north side of the South Valley Connector project last week for the Idaho Falls District of the Bureau of Land Management.

The BLM had applied to secure access for a roadway and utilities to be located along the South Valley Connector between South 5th Avenue and Interstate 15. This right-of-way would allow the BLM to build a facility to house and equip the Snake River Hotshot firefighting crew.

The Snake River Hotshots are a 20-member team of firefighters stationed in Pocatello that also serve across the nation. The team is one of 11 national BLM crews.

Joe Kraayenbrink is the District Manager of the Idaho Falls District, of which Pocatello is a part. He explained that the Snake River Hotshot crew currently uses temporary housing in Pocatello, but the right-of-way will allow the crew to be based in per-

manent housing adjacent to the existing BLM Pocatello Field Office.

"This will give them a permanent office space, a training facility, and a place to house equipment," said Kraayenbrink. It is expected that the new facility will be ready for use in a year-and-a-half to two years, depending on the progress made in the South Valley Connector project.

In other city council business:

◆ Boy Scouts representing Pocatello troops visited the City Council meeting as a part of the process of earning their Citizenship merit badges. Troops #171, #176, #174, #154, and #141 were represented at Thursday's meeting. Kade Borgholthaus from Boy Scout Troop #176 said he was the first time he had seen how a City Council meeting is run. Another scout from the same troop, Chandler Degarmo, said before attending the meeting he never realized how many things in the community have to be discussed and decided upon. "Like cars, buildings,

and highways," Degarmo cited. After the meeting the two Scouts were able to share a handshake and a fist-bump with Pocatello Mayor Brian Blad. "It was awesome!" quipped Degarmo.

◆ The council had its final reading of the ordinance authorizing general obligation bonds for the improvement at the Pocatello Animal Shelter, as previously approved by voters.

◆ A volunteer agreement with Lucinda Klein, who will be assisting the City's Science and Environmental Division with storm water and other environmental management issues. Klein's agreement will be in force through Aug. 31, 2014.

◆ The council also confirmed Mayor Brian Blad's appointment of several individuals, including John Knapp, who will serve as member of the Open Space Advisory Committee, Joe Dilweg to serve as member of the Pocatello Arts Council, and the appointment of Eve Robinson to continue service as a member of Friends of the Cemetery Committee.



United States Department of the Interior  
BUREAU OF LAND MANAGEMENT  
Idaho Falls District Office  
1405 Hollipark Drive  
Idaho Falls, Idaho 83401  
(208) 524-7500



February 12, 2013

Bill Isley  
BBAD Investments, LLC  
444 Hospital Way, Suite 555  
Pocatello, ID 83201

Dear Mr. Isley:

I received a copy of your email withdrawing your offers regarding exchanges of property interests to facilitate our Hot Shot Facility project as well as your commercial development interests. At this point, I think it would be useful to document the negotiations over time so that if there is an opportunity to move forward with other options, we have a common understanding of what has gone on before.

As you are aware, at the beginning of our negotiations, our agency was moving forward to process a land sale on your behalf for public lands located at:

Township 7 South, Range 35 East, Boise Meridian  
Section 7: E2NWNE (within, and excluding all land west of I-15, approx. 10 acres)

BLM's position regarding a land sale to BBAD Investments has evolved over a period of many years. Early on, it was BLM's intention to process a direct land sale to BBAD Investments in exchange for legal access to the Hot Shot Facility via Cliffs Drive. However, based on changes to the real estate market, and growing interest on the part of Pocatello residents to maintain open space opportunities, the BLM has determined a direct land sale to you is no longer in the best interest of our agency or the public.

In addition, BLM is also obligated to consider Tribal Treaty Rights and Tribal interests in all land tenure actions. That requires us to consider Tribal input and counsel when disposing of public land. Over the past two years or more, through meetings and negotiations, you were informed that if BLM was to continue to move forward with any land sale, it would be a modified-competitive sale so that if the Shoshone-Bannock Tribe chose to make an offer, that offer could be considered alongside whatever offer you were prepared to make.

While we tried to memorialize a signed formal agreement detailing the specifics of the proposed legal access in conjunction with a proposed land sale, the BLM considered several changes to the Hot Shot building design to accommodate your development plans. This included shifting the BLM-engineered building site location and property boundaries. In fact, you originally wanted

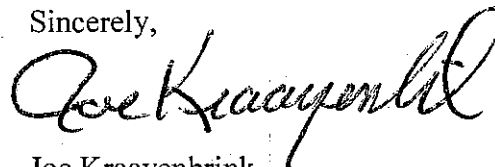
8  
Tom  
respond to  
the Assists  
Also

the BLM to construct the proposed facility in the extreme northeast corner of the subject property. BLM contracted with an engineering firm to perform geotechnical drilling to determine a suitable location for the proposed facility. After geotechnical analysis, it was determined the building could not be constructed in the northeast corner because current engineering standards made the shift cost-prohibitive. We also endeavored to make progress regarding the access easement by reducing the width of the access to the minimum necessary to meet city street design standards. Your last offer indicated your unwillingness to provide even that width without significant building design concessions and more of a guarantee regarding the land sale.

BLM cannot guarantee a land sale to any individual or entity. Further, BLM cannot guarantee a public land sale within any specified period of time. Our sale authority is strictly guided by regulation and must include input from the public at large. This includes the right to administrative appeals or litigation.

To be clear, the BLM is still interested in acquiring utility and access easements across the Cliff Drive property so that the Pocatello BLM Field Office and the Hot Shot Facility have easy access between the two buildings. BLM has invested in an appraisal to determine fair market value for easement access across your private land on the north end of the property. We anticipate those final valuations will be forthcoming very soon. At that time we will consider a fair market value offer for that proposed easement access. In the meantime, BLM is pursuing other access options to construct our proposed Hot Shot Crew facility.

Sincerely,



Joe Kraayenbrink  
Idaho Falls District Manager

AFFIDAVIT OF HARRY NEUHARDT

STATE OF IDAHO )  
                                  :SS  
County of Bannock )

I, Harry Neuhardt, being first duly sworn states:

1. I was the President of the Pocatello Development Authority ("PDA") from 200\_\_  
to 20\_\_.

2. In my service and position with PDA during the above time period, I am  
personally familiar with the facts that are set forth below in this affidavit and make this affidavit  
of my own personal knowledge.

3. During my term as President of PDA, I was approached by Tuscan Hills  
Development Company (TUSCANY) to provide financial assistance for their planned South  
Cliffs project located on South 5th Avenue in Pocatello, Idaho.

4. TUSCANY requested a grant to help defray some of the extraordinary costs of  
blasting an entrance and utilities in the solid basalt at South Cliffs.

5. PDA made a grant to help with costs in order to further development of this prime  
commercial/industrial land with Interstate Highway exposure.

6. Shortly thereafter, TUSCANY was awarded a contract to build and lease a new  
building in the South Cliffs development to the Bureau of Land Management/US Forest Service.

7. TUSCANY again approached PDA for a grant to help with costs.

8. TUSCANY had been assured by the Bureau of Land Management that BLM  
would sell TUSCANY its 15 acres immediately South of the parcel upon which BLM/USFS

building would be built.

9. TUSCANY desired to build an oversized waterline throughout Cliffs Drive and to place the main sewer line much deeper in order to provide service to the 15 acre BLM parcel immediately south.

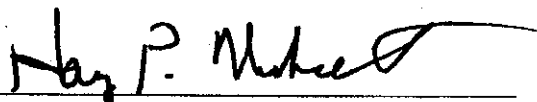
10. PDA was interested because of the possibility of adding 15 acres of prime commercial land to the tax roles.

11. Although the additional cost was in the \$450,000 range, PDA didn't want to create a grant when TUSCANY would reap the benefit when developed.

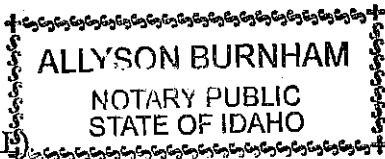
12. PDA proposed, and TUSCANY accepted, a no interest loan in the amount of \$200,000.

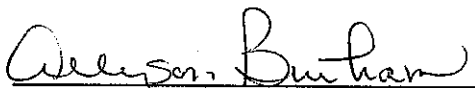
13. At all times, PDA was aware the "additional costs" were costs that were to be incurred to benefit future development of the BLM property and were not necessary to develop the South Cliffs property without the additional 15 acres of BLM property.

DATED this 25<sup>th</sup> day of June, 2013.

  
\_\_\_\_\_  
Harry Neuhardt

SUBSCRIBED AND SWORN TO, before me, the undersigned Notary Public, this 25<sup>th</sup> day of June, 2013.

(SEAL)   
ALLYSON BURNHAM  
NOTARY PUBLIC  
STATE OF IDAHO

  
\_\_\_\_\_  
NOTARY PUBLIC - STATE OF IDAHO  
My Commission Expires: 11/18/2014