

Pocatello Development Authority

Board of Commissioners Meeting
August 16, 2017 – 11:00 a.m.
Paradise Conference Room

City of Pocatello
911 North 7th Avenue
Pocatello, Idaho 83205

An urban renewal agency for the City of Pocatello, Idaho

Call to order by Scott Smith, Chairman
Acknowledge guests of the Board
Disclosure of conflicts of interest
Agenda; delete action or discussion items

Action and Discussion Items:

Agenda Item No. 1: Minutes

Motion to approve and/or amend the Regular and Executive Session Meeting Minutes of July 19, 2017.

Agenda Item No. 2: Financial Report

Motion to approve and/or amend July 2017 Income and Expenses

Agenda Item No. 3: Payment Requests/Reimbursements

Arbitrage Specialists in the amount of \$1,000 (Refunding Bonds 2012 Series A)
City of Pocatello in the amount of \$17,740.20 (Hoku land purchase FY2017 installment)

Agenda Item No. 4: Public Hearing - FY2018 Budget Presentation and Adoption

Motion to approve and/or amend proposed FY2018 Budget.

Agenda Item No. 5: RFP Banking Services

Motion to approve RFP process.

Agenda Item No. 6: Deaton & Company Engagement Letter for FYF2017 Audit Services

Motion to accept and/or amend proposal.

Agenda Item No. 7: Petersen, Inc. Economic Development Grant Agreement – Semi-Annual Benchmark Report

Agenda Item No. 8: NOP District Review/Discussion

Agenda Item No. 9: CEED Update

Agenda Item No. 10: Potential TIF District Discussion

Executive Session:

Matters exist for discussion in an executive session as per I.C. §74-206(1)(e)

Motion: "I move that we enter into an executive session as per Idaho Code §74-206(1)(e) to consider preliminary negotiations involving matters of trade or commerce in which the PDA may be in competition with other jurisdictions."

Upcoming Events/Information:

Adjourn.

City Hall is accessible to persons with disabilities. Program access accommodations may be provided with three (3) days' advance notice by contacting Dave Hunt at dhunt@pocatello.us; 208.234.6248 or 5815 South 5th Avenue, Pocatello, ID

AGENDA ITEM

NO. 1

POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES

August 16, 2017

Chairman Smith called the meeting to order at 11:05 a.m.

Members present: Mayor Brian Blad (arrived at 11:08), Councilman Steve Brown, Chad Carr, Larry Fisher, Commissioner Evan Frasure (arrived at 11:25), Scott Smith (Chairman) and Scott Turner.

Members absent/excused: Russ Meyers, Thomas Ottaway.

Staff present: Melanie Gygli, Planning & Development Services Director, Kirk Bybee, Chief Civil Deputy Attorney, Merrill Quayle, Development Engineer, Joyce Stroschein, Treasurer, Tiffany Olson, Bannock County (ex officio), and John Regetz, Bannock Development Corporation (ex-officio).

Introductions, Conflicts, and Agenda: There were no conflicts disclosed. Chair **S. Smith** welcomed those present. He noted that the City and PDA both have signed the construction agreement with ITD for construction of the Northgate Interchange.

No adjustments were made to the agenda.

1. Action and Discussion Items:

Agenda Item No. 1: Minutes. The minutes of the regularly scheduled meeting and executive session of July 19, 2017 were reviewed. It was then **MSC (S. Turner, S. Brown)** to approve the minutes as prepared.

Agenda Item No. 2: Financial Report. **J. Stroschein** presented the Financial Reports for the month of July. At month end, the Authority had cash on hand of \$7,744,589.77. The checking account balance was \$4,274,552.53, the savings account was \$746,568.43, and cash held by Zions Trust amounted to \$2,723,468.81. The Authority recognized normal financial activity during the month of June, receiving revenues totaling \$580,352.70 of which \$1,078.06 was interest earnings on cash invested, \$547,810.32 in property tax, \$30,714.32 in personal property tax replacement dollars, and \$750.00 in rental income from the Positron facility. Expenses for June were \$175.70 for the lunch meeting and the economic development grant issued to Driscoll TopHay for \$52,500.00. **J. Stroschein** briefly reviewed the balances in each TIF district. She noted that the Authority is in a good financial position. **S. Smith** requested information on pledged commitments. **J. Stroschein** stated those include \$1,950,000 for the Olympus Drive to Interchange road project, \$200,000 for work within Gateway West, and \$100,000 to DeRive/Bully Dog. She will include this information on upcoming financial reports. It was then **MSC (C. Carr, S. Turner)** to approve the July 2017 Financial Reports as presented.

Agenda Item No. 3: Payment Requests/Reimbursements. **J. Stroschein** presented a request for payment to Arbitrage Specialists for \$1,000.00 in payment for their work reviewing bonded debt to ensure compliance with IRS regulations on earned vs. paid interest. It was **MSC (S. Brown, B. Blad)** to approve payment of this invoice.

Payment to the City of Pocatello for \$17,740.20 for the FY2017 installment for the Hoku land purchase is now due. Because this is by contract, no motion of approval is needed.

Agenda Item No. 4: Public Hearing – FY2018 Budget. M. Gygli and J. Stroschein explained that Idaho Code does not clearly specify whether the PDA must hold a hearing on its proposed budget. However, based on the similarities to the requirements for the City and the public nature of its funding, staff determined that it would be in the PDA's best interest to follow the public hearing procedures.

Chair S. Smith opened the public hearing. J. Stroschein explained the process for building the new budget, estimating TIF district income based on FY2017 year-to-date figures and assuming similar standard expenses as in previous years. For the districts themselves, full authority to spend all funds is built into the proposed budget. While this is a very aggressive way to budget, the Board is protected because all non-contractual expenses must be reviewed and approved prior to payment.

Following today's action, the budget will be published and be effective as of 10/1/17.

Chair S. Smith called for any testimony in favor, uncommitted, or opposed to the budget. Hearing none, he closed the public hearing. Upon MSC (C. Carr, S. Turner) the proposed budget was approved as presented.

Agenda Item No. 5: RFP for Banking Services. J. Stroschein explained her desire to send out a request for proposals for banking services for the PDA. She is hoping to find an account where it is easy to move money between savings and checking, with enhanced earnings and reduced fees. She is planning to send the RFP to local banks to give them the chance to receive some public business, since they are too small to handle the City's banking needs. Following brief discussion, it was MSC (C. Carr, S. Brown) to approve the release of the RFP. When responses are received, the information will be brought to the Board for decision.

Agenda Item No. 6: Deaton & Company Engagement Letter – FY2017 Audit Services. J. Stroschein explained this is for audit services for FY2017; the proposal and cost is similar to past years. The total amount will be \$4,130 plus any expenses for report production, etc. In order to save PDA funds, she may agree to complete report production. It was MSC (B. Blad, C. Carr) to accept the terms of the engagement letter for the FY2017 audit.

Northgate Interchange: Chair S. Smith updated the Board on the status of the agreement for construction of the Northgate (Siphon) Interchange, noting that Mayor Blad and he signed for the City and PDA on Monday, Bannock County signed on Tuesday, Chubbuck and the developers are scheduled to sign soon, and the ITD Board will consider the contract on 8/17/17. He expressed his thanks to those involved in the process. E. Frasure added his thanks. Brief discussion ensued among those present regarding the project. Surveying work is occurring now, there may be some initial work in the next six weeks, and ITD anticipates full-scale work beginning in March with the Interchange open next September.

Agenda Item No. 7: Petersen, Inc. Economic Development Grant Agreement – Semi-Annual Benchmark Report. M. Gygli briefly reviewed Petersen's latest benchmark report; with 56 employees and an average wage of \$21.22 per hour, they are meeting the terms of the grant

agreement. It was noted there has been a reduction in total number of employees from the high in 2009, but they within grant compliance.

Agenda Item No. 8: NOP District Review/Discussion. **M. Gygli** briefly reviewed the history of the NOP district. Many projects have been completed, but there are still items that would qualify for assistance under the terms of the urban renewal plan. The district can remain open until 2026, unless the determination is made to close it early. **J. Stroschein** advised she has requested information from the State Tax Commission, which apparently is under the impression that one of the City's four districts is close to closing, which is not accurate based on our records. Lengthy discussion ensued among Board members regarding the projects that are complete; those that could still be done within the terms of the plan; and the status of the lawsuit between the owner and a potential owner of the property, and how or whether that affects operation of the TIF district. The consensus was reached to leave the district open, as there are still projects that could be completed, pending the outcome of the court case.

Agenda Item No. 9: CEED Update. **S. Turner** updated the Board on the status of the potential CEED project in the CenturyLink building downtown. Jim Schmidt is again working on the possibility of having the building deeded to the PDA. Idaho State University remains committed to providing staff and U.S. Bank funding is still available. Other funding options may expire as early as October. There is a business that might be interested in occupying the basement before any renovations are completed on upper floors; other businesses and organizations are still interested, as well. **B. Blad** and **S. Smith** expressed concern that this remains financially viable; **J. Stroschein** agreed to look at the pledged funds to make an initial determination on this question. Given the Board's general consensus of support, **S. Smith** agreed to participate in a conference call being arranged among the stakeholders and report to the Board.

Agenda Item No. 10: Potential TIF District Discussion. **S. Smith** questioned the timeline for the upcoming urban renewal plan creation for the Northgate area and whether it can be accomplished with the property not being in City limits. **M. Gygli** explained the developers have agreed to a 2018 base year, meaning there is more time; however, the hope is to have the district complete early in 2018. Board members were provided copies of a proposal from Elam & Burke to either complete the entire plan creation process or provide other kinds of assistance. Because this is a different kind of plan from prior ones completed by City staff (with the most similar being the North Portneuf plan) and changes in State urban renewal law, there may be benefit to having outside consultant assistance. **B. Blad** stated that while he believes it would be possible to complete the plan in house, based on the size and complexity of the proposal it may be prudent to have expert assistance. In addition, having this kind of assistance would be educational for the Board and for staff. The cost (\$30-\$40,000) is reasonable; the funds are available and can be reimbursed from the future district. **J. Stroschein** expressed her concern that provision be made to cover the cost of City-provided services, such as police, fire, and streets. **K. Bybee** and **M. Gygli** expressed that having outside assistance would be beneficial.

Following discussion, it was **MSC (B. Blad, E. Frasure)** to approve an agreement with Elam & Burke as proposed in their letter for preparation of the proposed urban renewal district. **S. Smith** stated his preference that payment be made as billed, rather than with a retainer; he agreed to talk with them, if needed.

E. Frasure advised the County Commission will be considering an ordinance to meet State requirements for consideration of tax exemption for businesses making a \$500,000 investment; the ordinance is scheduled for consideration in the next week.

2. Executive Session:

Following a lunch break from 12:15 to 12:25 p.m., **Chair S. Smith** called for a motion for the Board to 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 jurisdictions. **It was moved and seconded (B. Blad, S. Turner)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(e) at approximately 12:25 p.m. **The motion passed** by roll call vote (**Ayes: Blad, Brown, Carr, Fisher, Frasure, Smith, Turner; Nays: None**). Upon **MSC (B. Blad, S. Turner)** the Board reconvened to regular session at approximately 12:57 p.m.

3. Adjournment:

There being no further business, the meeting adjourned at 12:57 p.m.

By: 
Melanie Gygli, Interim Executive Director

POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES
EXECUTIVE SESSION
August 16, 2017

Members present: Mayor Brian Blad, Councilman Steve Brown, Chad Carr, Larry Fisher, Commissioner Evan Frasure, Scott Smith (Chairman) and Scott Turner.

Members absent/excused: Russ Meyers, Tom Ottaway.

Staff present: Melanie Gygli, Planning & Development Services Director, Kirk Bybee, Chief Civil Deputy Attorney, MMerril Quayle, Development Engineer, Joyce Stroschein, Treasurer, Tiffany Olson, Bannock County (ex-officio), and John Regetz, Bannock Development Corporation (ex-officio).

The Board of Commissioners adjourned from regular session into executive session at approximately 12:25 p.m. pursuant to I.C. §74-206(1)(e) to discuss negotiations involving matters of trade or commerce in which the PDA is in competition with other jurisdictions. **It was moved and seconded (B. Blad, S. Turner)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(e). **The motion passed** by roll call vote (**Ayes: Blad, Brown, Carr, Fisher, Frasure, Smith, Turner; Nays: None**). Upon **MSC (B. Blad, S. Turner)** the Board reconvened to regular session at approximately 12:57 p.m.

By: 
Melanie Gygli
Interim Executive Director

AGENDA ITEM

NO. 2

**(monthly financial
reports – to be
supplemented later)**

Pocatello Development Authority
Balance Sheet by Class
As of July 31, 2017

	1-General Fund	3-North Yellowstone	4-Naval Ordnance	6-North Portneuf	7-Pocatello Regional Airport	TOTAL
ASSETS						
Current Assets						
Checking/Savings						
Checking Wells Fargo	2,329,125.08	759,534.87	646,978.63	148,445.85	390,468.10	4,274,552.53
Savings Wells Fargo	746,532.23	36.20	0.00	0.00	0.00	746,568.43
Zions 2012 Bnd Fnd 7110526D	0.00	613,177.00	0.00	0.00	0.00	613,177.00
Zions Bnd Reserve Fnd 7110526B	0.00	678,322.08	0.00	0.00	0.00	678,322.08
Zions Rev Alloc Fnd 7110526	0.00	1,431,969.73	0.00	0.00	0.00	1,431,969.73
Total Checking/Savings	3,075,657.31	3,483,039.88	646,978.63	148,445.85	390,468.10	7,744,589.77
Accounts Receivable						
Accounts Receivable	750.00	0.00	0.00	0.00	0.00	750.00
Total Accounts Receivable	750.00	0.00	0.00	0.00	0.00	750.00
Other Current Assets						
Accrued Interest Income	16,786.74	168.24	0.00	0.00	0.00	16,954.98
Property Tax Receivable	0.00	31,587.23	0.00	73,911.63	0.00	105,498.86
Total Other Current Assets	16,786.74	31,755.47	0.00	73,911.63	0.00	122,453.84
Total Current Assets	3,093,194.05	3,514,795.35	646,978.63	222,357.48	390,468.10	7,867,793.61
Other Assets						
Inventory - Leasehold	424,779.00	0.00	0.00	0.00	0.00	424,779.00
Note Receivable	50,000.00	0.00	0.00	0.00	0.00	50,000.00
Total Other Assets	474,779.00	0.00	0.00	0.00	0.00	474,779.00
TOTAL ASSETS	3,567,973.05	3,514,795.35	646,978.63	222,357.48	390,468.10	8,342,572.61
LIABILITIES & FUND BALANCE						
Liabilities						
Long Term Liabilities						
Deferred Interest Receivable	16,786.74	0.00	0.00	0.00	0.00	16,786.74
Deferred Notes Receivable Rev	50,000.00	0.00	0.00	0.00	0.00	50,000.00
Deferred Tax Revenues	0.00	0.00	0.00	73,911.63	0.00	73,911.63
Total Long Term Liabilities	66,786.74	0.00	0.00	73,911.63	0.00	140,698.37
Total Liabilities	66,786.74	0.00	0.00	73,911.63	0.00	140,698.37
Fund Balance						
Fund Balance	3,438,647.62	2,427,770.09	420,396.34	114,751.73	329,416.13	6,730,981.91
Net Income	62,538.69	1,087,025.26	226,582.29	33,694.12	61,051.97	1,470,892.33
Total Fund Balance	3,501,186.31	3,514,795.35	646,978.63	148,445.85	390,468.10	8,201,874.24
TOTAL LIABILITIES & FUND BALANCE	3,567,973.05	3,514,795.35	646,978.63	222,357.48	390,468.10	8,342,572.61

Pocatello Development Authority
Profit & Loss by Class
July 2017

	<u>1-General Fund</u>	<u>3-North Yellowstone</u>	<u>4-Naval Ordnance</u>	<u>6-North Portneuf</u>	<u>7-Pocatello Regional Airport</u>	<u>TOTAL</u>
Ordinary Income/Expense						
Income						
Interest Income	19.02	1,058.34	0.00	0.00	0.70	1,078.06
Personal Property tax replace	0.00	23,003.35	6,043.21	404.91	1,262.85	30,714.32
Property Taxes	0.00	475,081.11	3,199.36	14,397.07	55,132.78	547,810.32
Rental Income	750.00	0.00	0.00	0.00	0.00	750.00
Total Income	<u>769.02</u>	<u>499,142.80</u>	<u>9,242.57</u>	<u>14,801.98</u>	<u>56,396.33</u>	<u>580,352.70</u>
Gross Profit	769.02	499,142.80	9,242.57	14,801.98	56,396.33	580,352.70
Expense						
Administrative	175.70	0.00	0.00	0.00	0.00	175.70
Economic Grants Issued	0.00	0.00	0.00	0.00	52,500.00	52,500.00
Total Expense	<u>175.70</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>52,500.00</u>	<u>52,675.70</u>
Net Ordinary Income	<u>593.32</u>	<u>499,142.80</u>	<u>9,242.57</u>	<u>14,801.98</u>	<u>3,896.33</u>	<u>527,677.00</u>
Net Income	<u><u>593.32</u></u>	<u><u>499,142.80</u></u>	<u><u>9,242.57</u></u>	<u><u>14,801.98</u></u>	<u><u>3,896.33</u></u>	<u><u>527,677.00</u></u>

At month end the Authority had cash on hand of \$7,744,589.77. The checking account balance was \$4,274,552.53, the savings account was \$746,568.43, and cash being held by Zions Trust amounted to \$2,723,468.81.

Pocatello Development Authority recognized above normal financial activity during the month of July. The Authority received revenues totaling \$580,352.70 of which \$1,078.06 was interest earnings on cash invested. Rental income from the Positron Facility was received in the amount of \$750.00. Property tax remittances totaled \$547,810.32 and personal property tax replacement dollars were received in the amount of \$30,714.32.

Expenses paid for the month totaled \$52,675.70. The administrative expenses were \$175.70 for the lunch meeting. The economic grant was issued to Driscoll Tophay in the amount of \$52,500.00

Year to date revenues of \$1,999,793.39 (see page 3) are more than expenses of \$528,901.06 so overall net income is \$1,470,892.33

Pocatello Development Authority
Profit & Loss by Class
October 2016 through July 2017

	<u>1-General Fund</u>	<u>3-North Yellowstone</u>	<u>4-Naval Ordnance</u>	<u>6-North Portneuf</u>	<u>7-Pocatello Regional Airport</u>	<u>TOTAL</u>
Ordinary Income/Expense						
Income						
Interest Income	186.51	10,176.10	2,128.93	1,745.56	17.45	14,254.55
Miscellaneous Income	6,450.00	0.00	0.00	0.00	0.00	6,450.00
Personal Property tax replace	0.00	46,006.70	12,086.42	809.82	2,525.70	61,428.64
Property Taxes	0.00	1,351,830.05	235,989.98	25,375.71	111,008.82	1,724,204.56
Rental Income	7,500.00	0.00	0.00	20,000.00	0.00	27,500.00
Transfers in	165,955.64	0.00	0.00	0.00	0.00	165,955.64
Total Income	<u>180,092.15</u>	<u>1,408,012.85</u>	<u>250,205.33</u>	<u>47,931.09</u>	<u>113,551.97</u>	<u>1,999,793.39</u>
Gross Profit	180,092.15	1,408,012.85	250,205.33	47,931.09	113,551.97	1,999,793.39
Expense						
Administrative	1,617.96	0.00	0.00	0.00	0.00	1,617.96
Debt Service						
Interest	0.00	66,177.00	0.00	0.00	0.00	66,177.00
Total Debt Service	<u>0.00</u>	<u>66,177.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>66,177.00</u>
Dues and Memberships	850.00	0.00	0.00	0.00	0.00	850.00
Economic Grants Issued	75,000.00	122,014.96	0.00	0.00	52,500.00	249,514.96
Economic Loans	26,000.00	0.00	0.00	0.00	0.00	26,000.00
Professional Services						
Other Professional Services	14,085.50	2,000.00	0.00	2,700.00	0.00	18,785.50
Total Professional Services	<u>14,085.50</u>	<u>2,000.00</u>	<u>0.00</u>	<u>2,700.00</u>	<u>0.00</u>	<u>18,785.50</u>
Transfers out	0.00	130,795.63	23,623.04	11,536.97	0.00	165,955.64
Total Expense	<u>117,553.46</u>	<u>320,987.59</u>	<u>23,623.04</u>	<u>14,236.97</u>	<u>52,500.00</u>	<u>528,901.06</u>
Net Ordinary Income	<u>62,538.69</u>	<u>1,087,025.26</u>	<u>226,582.29</u>	<u>33,694.12</u>	<u>61,051.97</u>	<u>1,470,892.33</u>
Net Income	<u><u>62,538.69</u></u>	<u><u>1,087,025.26</u></u>	<u><u>226,582.29</u></u>	<u><u>33,694.12</u></u>	<u><u>61,051.97</u></u>	<u><u>1,470,892.33</u></u>

AGENDA ITEM

NO. 3

Invoice

Arbitrage Compliance Specialists, Inc.
5975 South Quebec Street #205
Centennial, CO 80111
Phone: (303) 756-5100 or (800) 672-9993
Fax: (303) 756-0901 or (800) 756-6505
General Email: arbitrage@rebatebyacs.com
Web: www.rebatebyacs.com

To: Ms. Joyce Stroschein, CPA, CGFM, Chief Financial Officer
City of Pocatello, Idaho
P.O. Box 4169
Pocatello, ID 83205-4169

Invoice#: **1018206**
PO#:
Date: 02/06/17
Control#: 9.00
PAR: \$6,775,000.00
Bond: Pocatello Development Authority,
Revenue Allocation (Tax Increment)
Refunding Bonds 2012 Series A

Description	Amount
Arbitrage Rebate Calculation Interim 01/24/16 - 01/24/17	\$1,000.00
	\$0.00
	\$0.00
	\$0.00
	\$0.00
	\$0.00
Total	\$1,000.00
	\$0.00
Less Pre-payment	\$0.00
Balance Due	\$1,000.00

PAYMENT DUE UPON RECEIPT (may be paid from proceeds of the bonds)
Make checks payable to: Arbitrage Compliance Specialists, Inc.
Please remit a copy of this invoice with your payment.

Date: 7/21/17
Acct. No: _____
Proj. Acct No: _____
Transaction Amt: 1000⁰⁰
Appr. By: JS
Group No/Seq No:

Arbitrage for 2012 Series A
PDA

**AGREEMENT PROVIDING FOR REPAYMENT AND
CONVEYANCE OF REAL PROPERTY**

This Agreement is made and entered into this 17th day of September 2015, between the City of Pocatello, a municipal corporation (hereinafter referred to as the "City") whose address is 911 North 7th Avenue, Pocatello, Idaho, 83201, and the Pocatello Development Authority, an urban renewal agency formed under the laws of the State of Idaho (hereinafter referred to as "PDA") whose address is 911 North 7th Avenue, Pocatello, Idaho, 83201.

WITNESSETH:

1. The City of Pocatello acquired the property, consisting of two parcels, more particularly described in the attached and incorporated herein Exhibit "A", and most commonly and hereinafter referred to as the "Hoku Site" on February 8, 2007 via Bannock County Recording No. 20705326, for the amount of \$912,571.82.
2. The City of Pocatello acquired the property, recorded under Bannock County Instrument No. 20909438, being depicted on the Record of Survey Map recorded under Bannock County Instrument No. 21511375, more particularly described in the attached and incorporated herein Exhibit "B", and most commonly and hereinafter referred to as the "Highway 30 ROW RR Overpass Site" (or the "Smith Property") on April 30, 2009 for the amount of \$188,257.35 less \$55,614.85 in grant reimbursement for a total of \$132,642.50.
3. The City of Pocatello acquired the property, consisting of one parcel, more particularly described in the attached and incorporated herein Exhibit "C", and most commonly and hereinafter referred to as the "H & H Dive Property" on March 27, 2009 via Bannock County Recording No. 20906685, for the amount of \$11,365.14. Payment for this parcel shall be executed as a portion of \$300,000.00 to be paid by the PDA as referenced in 16(d) of this Agreement.
4. On March 22, 2007, the City leased the property to Hoku Materials, Inc., a Delaware Corporation, who engaged in the construction and development of the property.
5. In May 2007, the Pocatello Development Authority created the North Portneuf Urban Renewal Area and Revenue Allocation District ("NP Plan") which encompasses the properties referenced in Exhibits "A," and "B." A copy of the NP Plan is attached hereto and incorporated herein as Exhibit "D."
6. Within said NP Plan, the City sought reimbursement from the tax increment flow expected to be generated by increased valuation from the North Portneuf Revenue Allocation District funds for its capital contributions (property purchase and other expenditures) in the anticipated amount of \$1,027,468.11.

7. On May 20, 2009, an Economic Development Grant Agreement was entered into between the Pocatello Development Authority and Hoku Materials, Inc. A copy of said Agreement is attached hereto and incorporated herein as Exhibit "E."
8. As a provision of Economic Development Grant Agreement, dated May 27, 2009, the PDA was to reimburse the City up to two million dollars (\$2,000,000.00) for capital reimbursement costs by making annual payments of 5% of the Revenue Allocation District funds.
9. In July 2013, Hoku Materials, Inc. filed for bankruptcy protection in the United States Bankruptcy Court in the District of Idaho under Case No. 13-40837 and thereby is not able to meet its obligations under said Economic Development Grant Agreement.
10. Despite Hoku's lack of fruition and subsequent inability to meet the prior payment schedule set forth in the Economic Development Grant Agreement, it is the intent of the PDA to maintain its commitment to reimburse the City for its capital contributions.
11. Therefore, at its July 16, 2014, regular meeting the PDA approved payment of \$450,000.00 from the North Portneuf Revenue Allocation District funds to the City of Pocatello's General Fund to be applied towards the City's capital contributions. The payment was applied in two parts (1) \$195,555.89 to the City's General Fund; and (2) \$253,444.11 to the City's Sanitation Department to pay an internal loan it made to the City's Fund 71 for the acquisition of the Great Western Malting Co-Access Road.
12. The City and the PDA hereby agree that the City's capital contribution, excluding rights-of-way toward this economic development project and request for reimbursement is \$1,027,468.11, as set out in Exhibit "F", a summary of expenditures, costs and reimbursements, attached hereto and incorporated herein.
13. The PDA requests and the City agrees to proceed with the legal process necessary in order to convey the properties referenced in Exhibits "A," "B," and "C" to the PDA pursuant to the provisions of Idaho Code §50-1403(4). The subject properties hold no benefit or gain to the City or its taxpayers unoccupied. The PDA has the ability and intent to redevelop, lease, or sell said property for the maximum benefit of economic development and therefore the proposed conveyance is in the best interests of the tax payers and citizens of Pocatello.
14. The City shall retain a water line easement and a public right-of-way, utility, and slope easement associated with Tract 1 as depicted in Exhibit "G" attached hereto and incorporated herein as described and depicted in Exhibits "H" and "I."
15. The City shall retain a Right of Way easement associated with Tract 2 attached hereto and incorporated herein as described and depicted in Exhibit "B."
16. Based upon the agreed upon capital contribution value of \$1,027,468.11, the PDA hereby commits to the following payment schedule to reimburse the City in exchange

for the conveyance of the properties referenced in Exhibits "A," "B," and "C" as soon as is reasonably possible. It is further agreed that:

- (a) The PDA shall receive credit for the \$450,000.00 payment made to the City in July 2014.
 - (b) The PDA shall make a payment of \$300,000.00 on October 1, 2015 from the PDA's 2016 fiscal year budget to be comprised of the remainder of the North Portneuf Revenue Allocation District funds and the difference to be paid from the PDA General Fund. As the H & H Dive property was not located in the North Portneuf TIF District, the \$11,365.14 the City expended for the purchase of the H & H Dive property shall be paid to the City from PDA general funds and included as part of the \$300,000.00 above named payment.
 - (c) Conveyance of all property Deeds as indicated in exhibits "A," "B," and "C" described therein shall be executed upon payment of the above named \$300,000 to the City.
 - (d) The balance of \$277,468.11 shall be paid in 15 annual installments of \$17,740.20 by October 31st of each year, with one remaining payment of \$29,105.31 due by October 31st of year 15, over the life of the North Portneuf Urban Renewal Area and Revenue Allocation District or until December 31, 2031 from said District's tax increment funds.
 - (e) In the event the PDA is successful in leasing the subject properties and is generating rental income, the PDA shall make every effort to pay additional monies to the City to be applied towards the balance owed for its capital contribution.
 - (f) In the event the PDA is successful in selling the properties referenced in Exhibits "A," "B," and "C", the PDA shall have the option to immediately make a full reimbursement payment to the City to completely satisfy the City's capital contribution to the Hoku economic development project.
17. The City shall prepare and execute an assignment of Lease transferring its rights and interests under the Lease Agreement dated January 21, 2014, between the City of Pocatello and J.H. Kelly, to the PDA to be signed if this Agreement is approved by the City Council at their regularly scheduled meeting September 17th, 2015.
18. Notice: Any notices which either PDA or the City desires to serve upon the other shall be in writing and shall be deemed served when delivered personally, or when deposited in the United States mail with adequate postage, to the following addresses:

Pocatello Development Authority:

Attn: PDA, Executive Director
911 North 7th Avenue
P.O. Box 4169
Pocatello, Idaho 83205

City of Pocatello:

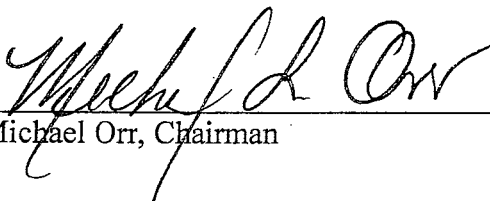
Attn: City of Pocatello, Mayor
911 North 7th Avenue
P.O. Box 4169
Pocatello, Idaho 83205

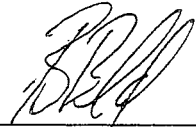
19. Agreement Binding: This Agreement shall be binding upon the parties hereto and their respective heirs, administrators, successors and assigns.
20. Entire Agreement: It is expressly understood and agreed that this Agreement states the entire agreement between the parties with regard to this Agreement Providing for Repayment and Conveyance of Real Property.

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

POCATELLO DEVELOPMENT AUTHORITY
An Idaho Urban Renewal Agency

CITY OF POCATELLO, a municipal
corporation of Idaho

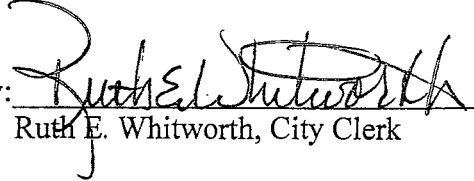
By: 
Michael Orr, Chairman

By: 
Brian C. Blad, Mayor

Attest:

Attest:

By: 
Tiffany G. Olsen, Secretary

By: 
Ruth E. Whitworth, City Clerk

AGENDA ITEM

NO. 4

Pocatello Development Authority - Budget 2017-2018 fiscal year

	General Fund	North Yellowstone	Naval Ordnance	North Portneuf	Airport	Total
Beginning Cash Balance July 30, 2017	\$3,075,638.00	\$3,481,981.00	\$648,978.00	\$148,445.00	\$390,468.00	\$7,745,510.00
INCOME:						
Administrative fees - estimated	164,592.00					164,592.00
Property taxes		1,397,837.00	248,076.00	26,186.00	113,535.00	1,785,634.00
Interest Income	240.00	9,750.00	2,000.00	0.00	20.00	12,010.00
Total Projected Income:	<u>164,832.00</u>	<u>1,407,587.00</u>	<u>250,076.00</u>	<u>26,186.00</u>	<u>113,555.00</u>	<u>1,962,236.00</u>
EXPENSE:						
Contingency (3)	3,226,260.00	4,064,018.00	874,246.00	156,890.00	504,023.00	8,825,437.00
Cheyenne Crossing						0.00
City payment for HOKU land purchase (2)				17,741.00		17,741.00
Administrative expense - estimated		139,784.00	24,808.00			164,592.00
Current year debt service (1)		680,766.00				680,766.00
Luncheon costs	1,800.00					1,800.00
Office expenses	300.00					300.00
Dues and memberships	1,450.00					1,450.00
Errors and omission insurance	5,960.00					5,960.00
Banking and Professional services	4,700.00	5,000.00				9,700.00
Total Projected Expense:	<u>3,240,470.00</u>	<u>4,889,568.00</u>	<u>899,054.00</u>	<u>174,631.00</u>	<u>504,023.00</u>	<u>9,707,746.00</u>
CALCULATED ENDING BALANCE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

1. Scheduled to payoff on August 1, 2024
2. Scheduled to payoff on October 31, 2030
3. The General fund contingency covers the Northgate project and potential unplanned projects.
The remaining contingencies in the other districts are for potential unplanned projects.

NOTICE OF PUBLIC HEARING
 POCATELLO DEVELOPMENT AUTHORITY, POCATELLO, IDAHO BUDGET FOR FISCAL YEAR 2017-2018 (FY 2018)

Notice is hereby given that the Board members for the Pocatello Development Authority will hold a public hearing for consideration of a proposed budget for the fiscal period October 1, 2017 - September 30, 2018; all pursuant to the provisions of Section 50-1002, I. C. and Section 63-802, I.C., said hearing to be held at the City of Pocatello Paradise Conference Room at 911 North 7th Avenue, Pocatello, Idaho, at 11:00 a.m. on August 16, 2017. At said hearing all interested persons may appear and show cause, if any they have, why the proposed budget should not be adopted.

Fund Name	FY 2016 Actual Expenditures	FY 2016 Actual Revenue	FY 2017 Budgeted Expenditures	FY 2017 Budgeted Revenue	FY 2018 Proposed Expenditures	FY 2018 Proposed Revenue
GENERAL FUND	\$460,568	\$356,032	\$2,018,619	\$153,466	\$3,240,470	\$164,832
North Yellowstone District	\$933,435	\$1,337,236	\$4,425,396	\$1,312,879	\$4,889,568	\$1,407,587
Naval Ordnance District	\$ 21,856	\$236,259	\$650,613	\$230,217	\$899,054	\$250,076
North Portneuf District	\$420,477	\$392,838	\$198,578	\$83,826	\$174,631	\$26,186
Pocatello Airport District	<u>\$7,400</u>	<u>\$108,219</u>	<u>\$436,150</u>	<u>\$106,734</u>	<u>\$504,023</u>	<u>\$113,555</u>
TAX DISTRICTS	\$1,383,168	\$2,074,552	\$5,710,737	\$1,733,656	\$6,467,276	\$1,797,404
GRAND TOTAL:	\$1,843,736	\$2,430,584	\$7,729,356	\$1,887,122	\$9,707,746	\$1,962,236

I, Joyce Stroschein, Treasurer of the Pocatello Development Authority, do hereby certify that the above is a true and correct statement of the proposed expenditures and revenues for Fiscal Year 2017-2018 (FY 2018).

Dated this 1st day of August, 2017.

Published: **August 8, 2017**, and **August 15, 2017** in the Idaho State Journal

AGENDA ITEM

NO. 6

Deaton & Company, Chartered
Certified Public Accountants
215 North 9th, Suite A
Pocatello, Idaho 83201-5278
(208) 232-5825

Members of Idaho Society of Certified Public Accountants
Members of American Institute of Certified Public Accountants



Pocatello Development Authority
911 N. 7th Ave.
Pocatello, Idaho 83201

We are pleased to confirm our understanding of the services we are to provide Pocatello Development Authority for the year ended September 30, 2017. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Pocatello Development Authority as of and for the year ended September 30, 2017. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Pocatello Development Authority's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Pocatello Development Authority's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Budgetary Comparison Schedules.
3. Combining and individual fund financial statements.

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplemental information referred to in the first paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of Pocatello Development Authority and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Pocatello Development Authority's financial statements. Our report will be addressed to management and the governing board of Pocatello Development Authority. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that Pocatello Development Authority is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and

detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Pocatello Development Authority's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of Pocatello Development Authority in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities; to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others

where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud, and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we may report.

You are responsible for the preparation of the supplementary information which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's view on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to Pocatello Development Authority; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Deaton & Company and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided

under the supervision of Deaton & Company personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the federal agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party (ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Doran Lambson, CFE, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

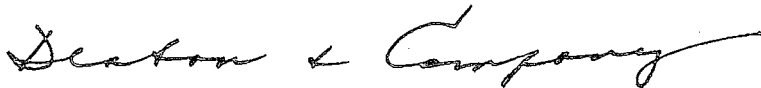
Audit Fees

We estimate that our fees for the audit services will not exceed \$4,130 plus out-of-pocket costs (such as report reproduction, word processing, postage, photocopies, etc.). Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

Non-Attest Services and Fees

Estimates do not include additional nonattest services, if any. Additional nonattest services (such as reconciling trial balance accounts, preparing purposed adjusting entries, assisting in posting approved adjusted journal entries to the general ledger and any other nonattest bookkeeping services to complete the audit) will be billed out at our standard hourly rates. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

We appreciate the opportunity to be of service to Pocatello Development Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.



Pocatello, Idaho
July 25, 2017

RESPONSE:

This letter correctly sets forth the understanding of Pocatello Development Authority

By: _____

Title: _____

Date: _____

AGENDA ITEM

NO. 7

**Pocatello
Development
Authority
&
Petersen Inc.**

Status Update

June 30, 2017



PDA Agreement

- Grant, Loan and guarantee terms contingent on Petersen Inc. performance
 - 50 full time employees
 - Period of fifteen years – Beginning 3/1/2011 thru 3/1/2026
 - Minimum wage of \$14.00/hour

*Regional
Development Alliance, Inc.
East Idaho's Partner in Growth*

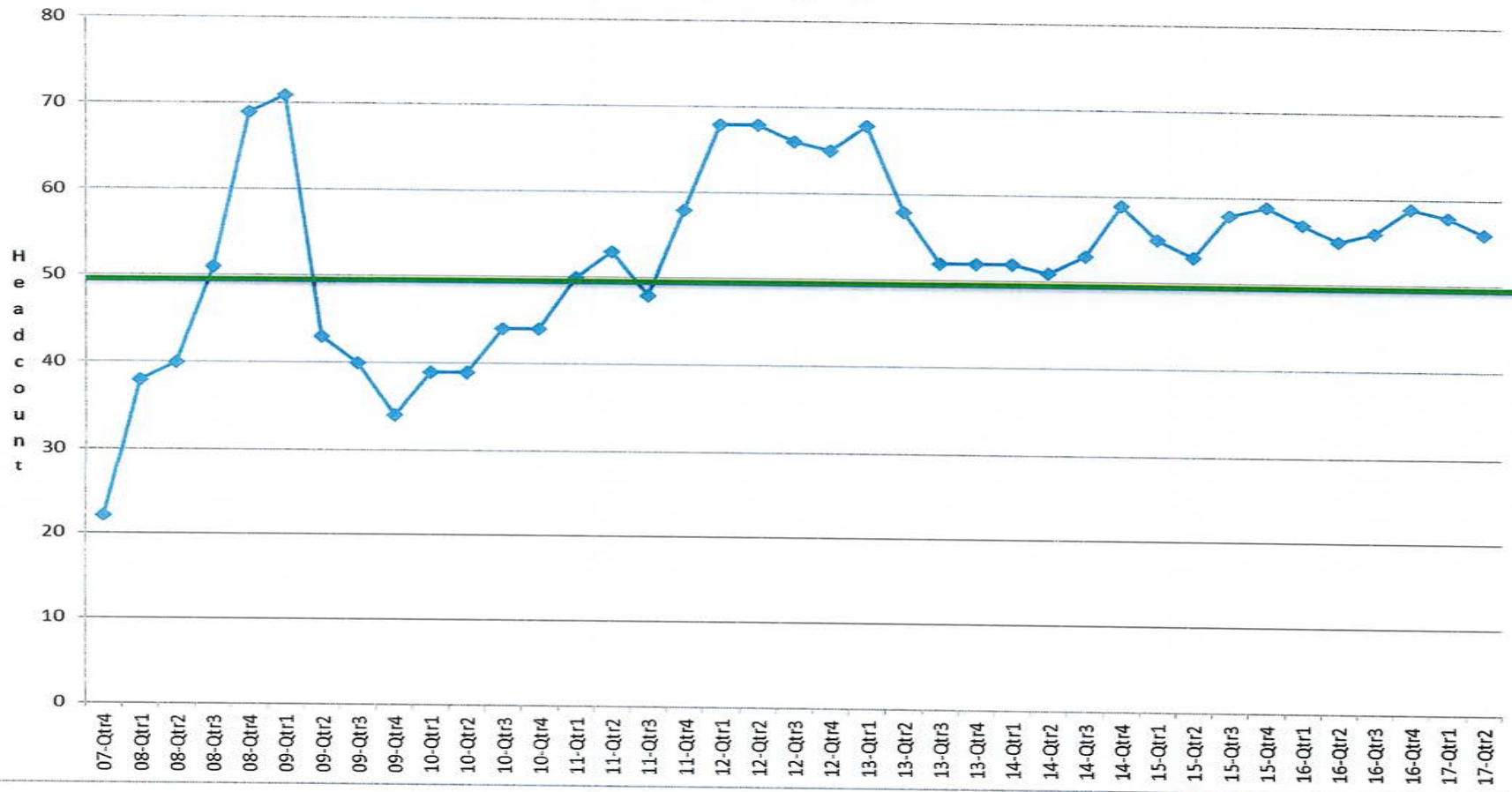
Current Conditions

- Work has been steady all year.
- Several good bids recently won, and in the works with positive outlook
- Future bright, commitment strong
- Currently 56 heads on roll
 - 50 heads at/over \$14.00 per hour
 - Average wage of \$21.22 per hour

East Idaho's Partner in Growth

Current Conditions

Petersen Inc.
Idaho Facility Qtrly Headcount



AGENDA ITEM

NO. 8

TO: PDA Board Members
FROM: Melanie Gygli 
MEETING DATE: July 19, 2017
RE: Naval Ordnance Plant TIF District

Per discussion at the June meeting, the following outlines the status of the Naval Ordnance Plant TIF District.

The district was formed in 2006, with an expected term of 20 years and estimated revenue of \$4,274,255. Through May, 2017, revenue totals \$1,606,221, with project expenses of \$1,031,850 including administrative transfers of \$141,949 (through FY2016).

The May, 2017, fund balance was \$574,372, with \$200,000 preliminarily committed toward the electrical upgrade for buildings 10, 36, 37, and 38. In September of 2016, Gateway West submitted the following list of potential projects:

1. Replace Fire Hydrants
 - a. 50 Hydrants at \$4,500-\$6,000 each \$225,000-\$300,000
2. Paint Exterior of Buildings
 - a. Approximately 15,000 gallons of paint@ \$22/gallon \$330,000
 - b. Labor Costs TBD
3. Conversion of Building 28 and 16 to Idaho Power
4. Paving
5. Replace Fencing
 - a. Pole Line Road
 - b. West Quinn Road - frontage

Without firm cost figures, whether the total for these projects would be within anticipated revenues cannot be determined; however, the projects appear to be within the TIF plan parameters and would be a step toward completion of an improvement plan for the remaining time left on the district.

Pocatello Development Authority
Balance Sheet by Class
As of May 31, 2017

	1-General Fund	3-North Yellowstone	4-Naval Ordnance	6-North Portneuf	7-Pocatello Regional Airport	TOTAL
ASSETS						
Current Assets						
Checking/Savings						
Checking Wells Fargo	2,327,933.76	125,745.13	574,371.74	131,868.76	386,571.77	3,546,491.16
Savings Wells Fargo	746,494.80	36.20	0.00	0.00	0.00	746,531.00
Zions 2012 Bnd Fnd 7110526D	0.00	0.93	0.00	0.00	0.00	0.93
Zions Bnd Reserve Fnd 7110526B	0.00	677,854.99	0.00	0.00	0.00	677,854.99
Zions Rev Alloc Fnd 7110526	0.00	2,043,737.55	0.00	0.00	0.00	2,043,737.55
Total Checking/Savings	3,074,428.56	2,847,374.80	574,371.74	131,868.76	386,571.77	2,721,593.47
Accounts Receivable						
Accounts Receivable	1,500.00	0.00	0.00	0.00	0.00	1,500.00
Total Accounts Receivable	1,500.00	0.00	0.00	0.00	0.00	1,500.00
Other Current Assets						
Accrued Interest Income	16,786.74	168.24	0.00	0.00	0.00	16,954.98
Property Tax Receivable	0.00	31,587.23	0.00	73,911.63	0.00	105,498.86
Undeposited Funds	-750.00	0.00	0.00	0.00	0.00	-750.00
Total Other Current Assets	16,036.74	31,755.47	0.00	73,911.63	0.00	121,703.84
Total Current Assets	3,091,965.30	2,879,130.27	574,371.74	205,780.39	386,571.77	7,137,819.47
Other Assets						
Inventory - Leasehold	424,779.00	0.00	0.00	0.00	0.00	424,779.00
Note Receivable	50,000.00	0.00	0.00	0.00	0.00	50,000.00
Total Other Assets	474,779.00	0.00	0.00	0.00	0.00	474,779.00
TOTAL ASSETS	3,566,744.30	2,879,130.27	574,371.74	205,780.39	386,571.77	7,612,598.47

**NAVAL ORDNANCE PLANT
URBAN RENEWAL AREA
IMPROVEMENT PLAN**

A Pocatello Revenue Allocation Financing District

An Urban Renewal Plan

POCATELLO DEVELOPMENT AUTHORITY

July 2006

CITY OF POCATELLO

Naval Ordnance Plant Urban Renewal Area Improvement Plan Table of Contents

ACKNOWLEDGEMENTS

Pocatello Development Authority
City Officials
Table of Contents

- I. INTRODUCTION
 - Background
 - Purpose of the Plan
- II. NAVAL ORDNANCE PLANT URBAN RENEWAL AREA DESCRIPTION
- III. PROJECT PLAN
 - Project Description
 - Project Costs and Revenues
- IV. ECONOMIC FEASIBILITY STUDY
- V. CONFORMANCE WITH STATE LAW
- VI. PLAN DURATION
- VII. AMENDMENT PROCEDURES
- VIII. SEVERABILITY
- IX. CONCLUSION

ATTACHMENTS

- 1. Naval Ordnance Plant/Revenue Allocation Map
- 2. Naval Ordnance Plant Urban Renewal Area & Revenue Allocation District Legal Description
- 3. Recommendation of the PDA
- 4. Recommendation of the CDC
- 5. Resolution of the City Council designating the Urban Renewal Area

Acknowledgements

Pocatello City Council:

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

Pocatello Development Authority:

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

Bannock Development Corporation:

Gynii Gilliam	Executive Director
Sari David	Administrative Assistant

City of Pocatello Planning and Development Services Department:

Robert Chambers	Director
Tim Tingey	Division Manager, Neighborhood & Community Services

I. INTRODUCTION

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

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

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

Background

The Pocatello Development Authority (PDA) in the meeting of May 17, 2006 made the following recommendation (SEE ATTACHMENT):

- The PDA recommended the creation of a Revenue Allocation District for the Gateway Industrial Park (a former Naval Ordnance Plant and is located at the southeast corner of Poleline Road and Yellowstone Avenue). This recommendation initiated creation of the improvement plan contained herein.

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

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

Purpose of the Plan

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

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

- t. exercising all or any part or combination of powers herein granted.

By adopting this Plan, it is the intention of the PDA to facilitate improvements in the designated Naval Ordnance Plant Urban Renewal Area and enhance the economic viability of the area.

II. NAVAL ORDNANCE PLANT URBAN RENEWAL AREA DESCRIPTION AND DETERIORATED OR DETERIORATING CONDITIONS ANALYSIS

The Urban Renewal Area boundary and Revenue Allocation District are identified with the same boundaries. The area is legally described in Attachment 1. State Urban Renewal Law and the Local Economic Development Act identify a number of conditions that qualify an area for urban renewal status. The following presents an analysis and reasoning why the proposed Naval Ordnance Plant area should be included as part of an Urban Renewal Area.

Idaho Code 50-2002 outlines a finding and declaration of necessity which states that areas that impose onerous municipal burdens which decrease the tax base, and reduce tax revenues, substantially impairs or arrests the sound growth of municipalities and among other things aggravates traffic problems in an area will qualify to be included in an Urban Renewal Area. Additionally, in Idaho Code 50-2903 areas in which there is a predominance of buildings or improvements... which by reason of dilapidation, deterioration, age or obsolescence... contributes to the economic underdevelopment of an area qualify for assistance.

The Naval Ordnance Plant is property that is in need of improvement in the areas of building and infrastructure improvements. These deteriorating facilities have contributed to under use of the site for businesses and industry for several years. Several site issues currently impede redevelopment including:

- Poor building façade;
- Rail line deterioration;
- Equipment obsolescence (including needed upgrades to the crane equipment and facilities to bring up to current certified specifications);
- Road deterioration.

Without addressing these conditions, the feasibility of additional development in this area in the near future is minimal. Additionally, the range of issues and the costs associated with redevelopment contributes to the ongoing underutilization of this area and prompts the need to establish the Naval Ordnance Plant Urban Renewal Area.

III. PROJECT PLAN

The project list outlined in this plan may be funded (all or part), if the PDA and Council decide to utilize tax increment financing funds as they become available from new construction. A description of the projects with estimated costs are as follows:

TABLE 1.

Project Costs

PROJECT	COST
Building Façade and Equipment Upgrades and Enhancements	\$2,300,000
Rail Line Refurbishment	\$500,000
Road Reconstruction	\$500,000
Construction Contingency (10%)	\$330,000
TOTAL	\$3,630,000

Project Description

- **Building Façade and Equipment Upgrades**—Exterior and interior improvements to buildings and needed equipment and facility enhancements to accommodate the needs of potential tenants of the site. Equipment upgrades are also included (including necessary enhancements to the overhead crane equipment) to ensure location and certification requirements of tenants.
- **Rail Line Refurbishment**—Repair an estimated 2,500 railroad ties including spikes, plugs and splice bars. This work would cover approximately 5,000 linear feet of track.
- **Road Reconstruction**—Repair and construction of roads (on site and off site), widening and improving roadways, Additionally, any roadway upgrades necessary to facilitate redevelopment of certain sites within the Revenue Allocation District Area.
- **Contingency costs**—An additional cost was calculated for work related to construction related costs including an increase in capital costs due to the length of time that it may take to complete the project and any other associated costs with the project.

Table 2 outlines the total project costs and the projected revenue for the proposed revenue allocation district.

TABLE 2. Project Costs and Revenues

ITEM	AMOUNT	TOTAL
REVENUES		
Revenue Allocation Proceeds	\$4,274,255	
Sub-Total		\$4,274,255
COSTS		
Building Façade and Equipment Upgrades and Enhancements	\$2,300,000	
Rail Line refurbishment	\$500,000	
Road reconstruction	\$500,000	
Contingency Cost (10%)	\$330,000	
Subtotal		\$3,630,000
Ending District Balance		\$644,255

IV. ECONOMIC FEASIBILITY STUDY

The following tables provide a breakdown of base-assessed valuations for the proposed revenue allocation district for the Naval Ordnance Plant Urban Renewal

TABLE 5.

Year 12 months ending	TIF Tax Value ⁴	Tax Levy Rate ⁵	Gross Tax Revenue	School Levy Rate (.004 per Idaho Code 50-2908)	Net Revenue to PDA
2006		.023729804			
2007	\$12,500,000	.023729804	\$296,623	\$50,000	\$246,623
2008	\$12,500,000	.023017909	\$287,724	\$50,000	\$237,724
2009	\$12,500,000	.023017909	\$287,724	\$50,000	\$237,724
2010	\$12,500,000	.020716118	\$258,952	\$50,000	\$208,952
2011	\$12,500,000	.020716118	\$258,952	\$50,000	\$208,952
2012	\$12,500,000	.020716118	\$258,952	\$50,000	\$208,952
2013	\$12,500,000	.020716118	\$258,952	\$50,000	\$208,952
2014	\$12,500,000	.020716118	\$258,952	\$50,000	\$208,952
2015	\$12,500,000	.020716118	\$258,952	\$50,000	\$208,952
2016	\$12,500,000	.020716118	\$258,952	\$50,000	\$208,952
2017	\$12,500,000	.020716118	\$258,952	\$50,000	\$208,952
2018	\$12,500,000	.020716118	\$258,952	\$50,000	\$208,952
2019	\$12,500,000	.020716118	\$258,952	\$50,000	\$208,952
2020	\$12,500,000	.020716118	\$258,952	\$50,000	\$208,952
2021	\$12,500,000	.020716118	\$258,952	\$50,000	\$208,952
2022	\$12,500,000	.020716118	\$258,952	\$50,000	\$208,952
2023	\$12,500,000	.020716118	\$258,952	\$50,000	\$208,952
2024	\$12,500,000	.020716118	\$258,952	\$50,000	\$208,952
2025	\$12,500,000	.020716118	\$258,952	\$50,000	\$208,952
2026	\$12,500,000	.020716118	\$258,952	\$50,000	\$208,952
Total					\$4,274,255

The total revenue amount that may be received by the PDA over 20 years is estimated at approximately \$4,274,255. This amount would be available to finance improvement projects within the Naval Ordnance Plant Urban Renewal Area.

VI. CONFORMANCE WITH STATE LAW

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

The Idaho Legislature passed the Urban Renewal Law in 1965. Under this law, a Mayor and Council can declare areas as deteriorating, and declare that the rehabilitation,

⁴ The TIF tax value (construction value) is projected to increase over time due to phased development through the life of the 20 year district.

⁵ Calculations include holding the levy rate constant through 2006-2007 and then including a 3% reduction of the levy rate for two years (2008-2009). In 2010, it is reduced again, this time by 10% due to the anticipated Central Corridor Urban Renewal Area expiration which will generate a broader tax base resulting in a reduction in the levy rate.

XII. CONCLUSION

The Naval Ordnance Plant Urban Renewal Plan is designed to ameliorate deteriorating conditions which are causing economic under-development of the area and substantially impairing the sound and continued growth of Pocatello. The plans call for extensive building and equipment upgrades along with road and railway enhancements.

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

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

POCATELLO DEVELOPMENT AUTHORITY
Driscoll TopHay Facility Tour
August 11, 2017

The Driscoll TopHay Facility Tour was held at 11:00 a.m. at its facility at the Pocatello Regional Airport. PDA Board Members present were Chad Carr, Steve Brown, and Larry Fisher. A quorum of the Board was not present; therefore, minutes were not taken.

By: Melanie Gygli
Melanie Gygli, Interim Executive Director



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

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

BRIAN C. BLAD
Mayor

Pocatello City Council:

HEIDI ADAMSON
ROGER BRAY
STEVE BROWN
W. JAMES JOHNSTON
GARY MOORE
MICHAEL L. ORR

NOTICE OF POSSIBLE QUORUM

POCATELLO DEVELOPMENT AUTHORITY

Notice is hereby given that there is a possibility a quorum of the Pocatello Development Authority Board could be present at 11 a.m. Friday, August 11, 2017, which would constitute a formal meeting of the Board. The purpose of the possible quorum is to attend a tour of Driscoll Top Hay's facility.

The event is scheduled at Driscoll Top Hay located at 1511 Fortress at the Pocatello Regional Airport, Pocatello, Idaho.

Submitted by:
Melanie Gygli, Interim Executive Director
August 8, 2017

Driscoll Top Hay is not accessible to all persons. Program access accommodations may be provided with three (3) days' advance notice by contacting Dave Hunt at dhunt@pocatello.us; 208.234.6248 or 5815 South 5th Avenue, Pocatello, ID.

AN EQUAL OPPORTUNITY EMPLOYER
VETERAN'S PREFERENCE

Gygli, Melanie

From: Gygli, Melanie
Sent: Thursday, August 31, 2017 3:41 PM
To: Devin Hillam
Cc: Whitworth, Ruth; Bybee, Kirk
Subject: Information Request
Attachments: Hillam - Request for PDA Information.pdf

Hi Devin—

Attached is the information you requested on the PDA's admin fund transfer.

Melanie Gygli

Director, Planning & Development Services
City of Pocatello | P O Box 4169 | Pocatello ID 83205
Ph: 208-234-6583 | Fax: 208-234-6586



WRITTEN REQUEST TO EXAMINE RECORDS

Devin Hillam

Name (Please Print)

5160 Yellowstone Ave

Address

Chubbuck ID 83202

City State Zip

August 31, 2017

Date of Request

dhillam@cityofchubbuck.us

Email Address

208-239-3239

Daytime Phone Number

I request to examine or copy the following records:

November 2014 memo to PDA from Dean Tranmer regarding transfer of 10% administrative fee from active TIF districts, as is referenced in the October 19, 2016 PDA minutes (agenda item no. 4).

I understand that the information received cannot be used as a mailing list or a telephone number list.

#Signed via SecureDocs.com
Devin Hillam
Key: 06A24456850074481748894a0810

Signature of Person Requesting Information

CITY OF POCATELLO USE ONLY

8/31/17
Date Received

Melanie Gagli
Designated Custodian

Payment received for copies and/or labor** in the amount of 0.

(**cost of labor will be charged if overtime is, or will be incurred. The estimated labor cost must be paid in advance.)

Date Paid _____ Receipt # _____

8/31/17
Date Completed

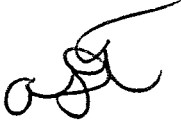
Melanie Gagli
Designated Custodian

Information denied on _____ (Copy of denial notice attached.)

provided via email

MEMORANDUM

TO: Joyce Stroschein, Finance Department

FROM: A. Dean Tranmer, City Attorney and Counsel to the PDA 

DATE: November 10, 2014

RE: Pocatello Development Authority's Authority to Collect Administrative Fees from TIF Districts

On October 31, 2014, an informal meeting between you, me, and Tiffany Olsen was held to discuss the PDA's legal authority to transfer administrative fees from a TIF District Fund to the PDA's General Fund.

Under Idaho Code §50-2903(14)(e), the PDA possesses the authority to collect direct administrative costs, which include reasonable charges for the time spent by municipal employees in connection with the implementation of the project Plan. Although this administrative fee has not always been collected, a motion was passed at the April 11, 2000 PDA Board Meeting to set aside ten (10) percent of any District's revenue, if not previously otherwise set, for the Board's Administrative Costs fund (also known as Discretionary Fund, Operating General Fund). I have included a copy of those Minutes herewith for your review.

Since 2000, all TIF URA Plan's have included a line item for administrative fees. Traditionally, the administrative fees are taken from the TIF District Fund when the District is closed; it is the most convenient method to calculate and transfer at that time. The administrative fee in an open/active TIF District could be transferred on a pro-rata basis prior to the closing of the TIF District if the PDA Board desired, voted, and that action was approved to do so. By transferring on a pro-rata basis, the PDA Board is transferring only administrative fees already earned (supplied).

Once the administrative fees are transferred to the PDA General Fund, if they are not otherwise committed or earmarked for a specific purpose, those funds can be used as unrestricted and discretionary monies, which allows their use within or outside of established URA's or TIF's so long as said use is of the kind allowed within the general powers of the PDA Board.

Unrestricted and discretionary monies may be used to pay indebtedness in any open/active District upon the desire, vote, and approval by the PDA Board to do so.