

**POCATELLO DEVELOPMENT AUTHORITY  
MEETING MINUTES  
April 17, 2019**

**Vice Chairman Chad Carr** called the meeting to order at 11:03 a.m.

**Members present:** Mayor Brian Blad (arrived approximately 11:32 a.m.), Chad Carr, Jim Johnston, Rob Lion, Thomas Ottaway, Terrel Tovey, and Scott Turner

**Members excused/absent:** Matt Bloxham, Scott Smith

**Others present:** Melanie Gygli, Interim Executive Director; Merril Quayle, Public Works Development Engineer; Joyce Stroschein, Treasurer; Jared Johnson, Pocatello City Attorney; Tiffany Olsen, Bannock County; Mike Ennis, Bannock Development Corporation (ex officio); Dane Simmons (Simmons Surgical); Steve Wright (BGS/Off The Rails Brewery); Sara Turpin and L D Barthlome (“Bill Burke” building); Denis Clijsters, Station Square; Jared Grover, Inergy; Barbara Wischerath, Gateway West

**Agenda Item No. 1: Conflicts of Interest.** Ottaway disclosed a conflict on Agenda Item No. 5 (a), payment to BGS Holdings. Lion disclosed a conflict on Agenda Item No. 6 (c), Station Square funding request.

**Agenda Item No. 2: Minutes.** The minutes of the Regular and Executive Sessions of March 20, 2019 were considered. It was then **MSC (J. Johnston, T. Ottaway)** to approve the minutes as presented.

**Agenda Item No. 3: Financial Report.** J. Stroschein presented the financial report for the month of February 2019. At the end of the reporting period, the Authority had cash on hand of \$7,231,036.60. The checking account balance was \$2,993,043.18, the savings account was \$25.00, and cash held by Zions Trust amounted to \$4,237,968.42. The Authority recognized financial activity during the month of February as follows: revenue totaled \$35,928.43, of which \$6,443.16 was interest earnings on cash invested and property tax interest and \$29,485.25 in property taxes from the North Yellowstone District. Expenses totaled \$126,705.46, including \$232.60 for lunch meetings, \$166.97 for publishing costs, legal services in the amount of \$7,352.99, economic development grants of \$48,806.72, and economic development loans in the amount of \$70,231.10. It was noted the amount within the North Yellowstone District showing as “rental income” should be listed within the bond payoff line.

The financial report for March is not yet compiled so will be presented at the May meeting.

Following discussion, it was then **MSC (S. Turner, T. Tovey)** to approve the February 2019 financial reports as presented.

**Agenda Item No. 4: Payment Requests/Reimbursements.** The following invoices were reviewed for payment: 1) Elam & Burke for March services on the Northgate TIF project for \$2,600.00 (general fund), Philbin Road/Hoku property for \$51.25 (North Portneuf District), North Yellowstone closure for \$129.00 (North Yellowstone District); and 2) Stacey & Parks in the amount of \$4,120.00 for March services on the Hoku property. Gygli reported the invoices accurately reflect work performed and are appropriate for payment. It was then **MSC (T. Tovey, R. Lion)** to approve the payment requests.

**Agenda Item No. 5: Request for Grant/Loan Disbursements.**

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

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

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

sketch of what he plans to do. Proposed work includes removing the existing awning; installing new windows in the transom area (removing the sheetrock that replaced historic leaded windows); and updating the metal awning. He anticipates the cost to be at least \$50,000.00 and is asking for a \$30,000.00 grant.

Following brief discussion, the Board asked that this proposal be postponed to the next meeting, wanting to have firmer cost figures before making a decision.

**Carr** moved to Agenda Item No. 8 to accommodate those present.

**Agenda Item No. 8: Reports and Updates.**

- a. Naval Ordnance District: **Barbara Wischerath** presented slides detailing the history of the Naval Ordnance Plan from the time of its historic use, through its purchase by her father and operation of Gateway West. She described the current businesses within the facility. Wischerath stated that a federal judge found the contract to be invalid; however, that has been appealed to the Ninth Circuit. There are projects within the facility she feels are within the parameters of the district plan.

Following discussion, Board members expressed comfort with the status of the lawsuit and asked that Wischerath provide information on potential projects, with anticipated costs, to be considered at a later meeting.

- b. Northgate TIF Plan: **Gygli** reported the City Council's public hearing on the proposed Northgate TIF will be at their meeting of 4/18/19. **Turner** reported information is being disseminated to downtown owners and merchants suggesting problems that could result if the TIF is approved.
- c. North Yellowstone District Closure: **Gygli** reported action on the necessary documents to move forward on the closure of this district was postponed, as figures were not available in time to take action at today's meeting. Board members expressed concern that the closure be done on a timely basis, specifically, within calendar year 2019. If a special meeting is needed in order to insure this is accomplished, that can be considered. Gygli will consult with Elam & Burke to make sure progress is appropriate.
- d. Discussion/Adoption of Agency Policies and Project Priorities Regarding Gants & Loans: Brief discussion that a special work session meeting would be appropriate for this discussion.
- e. Other: **Lion** invited those present to the Think BIG Fireside Chat where Mayor Blad will be the featured speaker.

**Agenda Item No. 7: Hoku Property Disposition.** There being qualifying business pursuant to I.C. §74-206(1)(e) to consider preliminary negotiations involving matters of trade or commerce in which the PDA may be in competition with other jurisdictions and I.C. §74-206(1)(d & f) to communicate with legal counsel for the PDA to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated and to consider records that are exempt from disclosure, Carr called for an executive session. At approximately 12:35 p.m., **it was moved and seconded (B. Blad, R. Lion)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(d, e, & f). **The motion passed by roll call vote (Ayes: Blad, Lion, Carr, Johnston, Ottaway, Turner.**

**Nays: None. Note: Tovey was not present for the vote but returned shortly after).** Upon **MSC (T. Tovey, S. Turner)** the Board reconvened to regular session at approximately 12:55 p.m.

Following discussion regarding a request by Solargise to extend the closing date on the property transfer and the issue of delinquent taxes, it was **MSC (B. Blad, S. Turner)** to grant an extension on closing to 6/30/19, subject to the 2015 tax bill being paid in full to Bannock County no later than 4/19/19; if not paid, the extension is revoked.

**Adjournment:**

There being no further business, the meeting adjourned at approximately 1:08 p.m.

By: \_\_\_\_\_  
Melanie Gygli, Interim Executive Director/Secretary