

NEXT MEETING WILL BE REGULAR DAY/TIME: TUESDAY, NOVEMBER 14, 1995, AT 11:00 A.M. IN THE CITY COUNCIL CHAMBERS

**ABBREVIATED MINUTES
POCATELLO DEVELOPMENT AUTHORITY
October 20, 1995**

Members present: Peter Angstadt, Tom Bernasek, Bob Myers (for Bob Weppner) Karen McGee, Paul Olson, and Mary Lee Shannon

Staff present: Tom Arnold, Executive Director; Dean Tranmer, City Attorney; and Robert Chambers, C D & R Director

1. The meeting was called to order at 11:06 a.m. by Chairman Paul Olson who noted a conflict of interest for the record regarding one of the proposals. Karen requested that an item regarding board membership be added to the agenda and discussed after the other items.

2. Minutes of October 10. It was MSC (Karen, Mary Lee) to approve the minutes of the meeting of October 10, 1995.

3. Consideration of Proposals for Tax Revenue Financing

A. North Main Revenue Allocation District Proposal. Carl Pitt of Associated Foods was present to discuss the proposal for construction of a new supermarket on Blocks 459 and 460 of the Original Pocatello Townsite, bounded by Custer, Sublette, Arthur and Main.. The abandoned former Smith's building is on one block and the current Okay's on the other. The proposal would also involve relocation of sewer main lines, vacation of alleyways and Sherman street in that area, and demolition of an apartment building. The area is within the Old Town URA but outside the Old Town Revenue District. Bond financing is not requested, but applicant is requesting tax revenue financing over a ten-year period to assist with infrastructure alterations and improvements. Occupation is expected to occur in the summer of 1996, and the applicant is requesting that 1995 be established as the base year for this new district. The first full tax year for revenue district purposes would be 1997 and tax revenues would not accrue to the PDA in 1998. Any financing agreements entered into by PDA would need to reflect that fact.

B. Old Town Pocatello, Inc. Sidewalk/Streetscape Proposal. OTP's request as expressed at the October 10 meeting is for a \$900,000 bond issued to be financed over 20 years which would provide a minimum of \$600,000 to be used for sidewalk improvements and street lighting for 20 block faces in the downtown area with the remainder of the money for a revolving loan fund for facade improvements to be administered by OTP, Inc. Details have previously been presented to PDA. Chuck Prince of SICOG noted that delinquencies are much higher than expected in the District and OTP is concerned that the 10 year bond preferred by PDA would not provide sufficient revenue for its request. The revenue stream should be approximately \$128,000, but delinquencies are currently running 30%.

C. Affirmative Housing Partners Pioneer Building Proposal. AHP is not requesting up-front bond funding, but a financing agreement with a bank whereby PDA would fund the \$250,000.00 "funding gap" over a ten-year period (approximately \$42,500 per year after the first year) with revenues from the District. AHP proposes a facade easement to PDA as well as repayment of some of the financing with details to be handled at later meetings between PDA and AHP if the proposal is approved.

At this point, the members thanked those making presentations and deferred consideration until after other items on the agenda.

4. Board Membership. Karen reminded members that the State Code provides for a maximum of 9 board members; we have only 8 at the present. She proposed that the membership be increased to the maximum and noted that Don Byrne had expressed interest in being appointed. It was MSC (Tom B. , Karen) to expand the membership and to ask that Peter appoint Don Byrne to the Board with confirmation requested from the City Council at its next meeting. Peter agreed.

5. North Main Allocation District. It was MSC (Peter, Bob; Paul abstaining) to approve Lenny Purrington's new supermarket project on North Main, including the establishment of a revenue allocation district for Blocks 459 and 460, Pocatello Townsite.

6. OTP and AHP. Peter proposed that both projects be included in a bond issue, but that AHP's request be partially funded from current money available in the District fund and from unrestricted funds. After general discussion, it was MSC (Peter, Karen; Paul abstaining) to provide AHP with \$50,000 (repayment required) from unrestricted funds and \$25,000 from the OTP District current money; to have PDA initiate a 10-year bond issue for the maximum amount PDA can be expected to successfully debt service given the current delinquency rate; and to have the division of bond funds between OTP and AHP to be decided by a committee composed of Chuck Prince (for OTP), Dean Tranmer, Robert Chambers and a member of AHP. The group will report back to the Board and SICOG will work with bond counsel and the bank to complete the transactions as quickly as possible.

7. Meeting adjourned at 12:45 p.m.

A handwritten signature in cursive script, appearing to read "R. Valentine".