

**ABBREVIATED MINUTES
POCATELLO DEVELOPMENT AUTHORITY
Special Meeting July 29, 1996**

Members present: Peter Angstadt, Tom Bernasek, Don Byrne, Karen McGee, Paul Olson, Joe Willes

Staff present: Tom Arnold, Executive Director; Dean Tranmer, City Attorney;
Also present: Doug Fear, Vice-President, Key Capital Markets

1. The meeting was called to order at 9:03 a.m. by Chairman Paul Olson. Byrne and Olson again disclosed their conflicts related to the Old Town District.

2. **Old Town District.** Last month the Board voted to approve issuance of bond anticipation notes in the amount of \$325,000.00. Bond counsel is now requesting a more specific vote to approve a actual Resolution which has been prepared and any other documents necessary to effect the issuance of the bond anticipation notes at an interest rate of 5.3%. **It was MSC** (Angstadt, McGee) to authorize execution of the Resolution and all other documents which might be necessary to obtain the desired funds. (Byrne, Olson abstaining)

3. **Alvin Ricken Drive District expenses.** Bond funds will not be available for approximately 30 days, but there are a number of expenses which need to be met at this time. The Board considered approving a short-term loan for \$180,000.00 at 5.6% interest. (\$150,000.00 for fill dirt on Ballard Road; \$30,000 advanced by Bannock Development for up-front costs of the project). The principle plus interest will be due September 30, 1996, and will be paid promptly upon receipt of bond funds. **It was MSC** (Byrne, Angstadt) to authorize execution of all documents necessary to obtain the funds.

4. **Alvin Ricken Drive Bond Sale.** Tom introduced Doug Fear who explained the negotiation process and details of the bond issue. Risks considered included: 1) tax base is composed of one main operation [AMI]; 2) the construction project which will increase the base of the area is not yet completed, so the bond issue has to be structured to allow for capitalized interest [interest amounts due for the first 2 1/2 years to come from the bond proceeds]; 3) a large amount of the tax base is derived from personal property taxes, which will "disappear" in the event the businesses in the District close; and 4) the tax reform initiative which increases the length of term of repayment substantially. Key Capital Markets will be underwriting the bonds, with First Security Bank in Boise as Trustee. A special sinking fund has been established as part of the bond issue provisions to allow early redemption of the bonds without penalty.

It was MSC (Angstadt, McGee--Olson abstaining) that the Board renew its approval of issuance of the bonds for the District by specifically approving the bond ordinance after approval of Dean Tranmer and approving the Resolution and any other documents necessary to effect sale of the bonds as deemed necessary by Key Capital Markets.

5. There being no further business, the meeting was adjourned at 10:00 a.m.

