

ABBREVIATED MINUTES
POCATELLO DEVELOPMENT AUTHORITY
October 8, 1996

Members present: Peter Angstadt, Tom Bernasek, Don Byrne, Tammie Frazier, Russell Powers, Mary Lee Shannon

Staff present: Tom Arnold, Executive Director; Dean Tranmer, City Attorney; Robert Chambers, Community Development & Research Department

1. The meeting was called to order at 11:10 a.m. by Vice-Chairman Don Byrne. John Vanderstick from Associated Foods, Todd Hong from SEICOG, Richard Stallings from PNHS, Mary Howell from Old Town, and Charlene DeWall from Bannock Development were introduced and acknowledged. No conflicts related to agenda items were disclosed. Additional agenda items consisting of 1) North Town request for judicial confirmation procedure and 2) discussion and determination of PDA's role in the "post-Entitlement era" were submitted. It was MSC (Bernasek, Powers) to add these to the agenda.

2. **Minutes and Financial Reports.** It was MSC (Angstadt, Bernasek) to approve the September meeting minutes. Tom Arnold reviewed the financial report and distributed information sheets showing transactions and balances on September 30th for Old Town, Kress, and Gateway West. (See enclosed) It was MSC (Bernasek, Angstadt) to approve the report. Bernasek requested copies of maps showing district boundaries. Robert Chambers will supply them. Arnold also noted that all necessary new signature cards have been signed and returned to the financial institutions indicating the appropriate officers. A report showing transactions from October of 1995 through September of 1996 will be given to the City Treasurer for inclusion with the City's fiscal year report. PDA, however, has a statutorily-set calendar fiscal year--hence the financial statements which are distributed to the Board showing income and expenses from January through December of each year.

3. **Alvin Ricken Drive.** Arnold reported that road construction on Buckskin Road is in progress and nearing completion; curb, gutter, and sidewalk are being installed (low bid of \$65,000.00). Street lights in excess of \$77,000 have been ordered; \$20,000 is budgeted for ISU signage which may be formed on site at the same time as walls are poured. If so, the sign costs may be less than budgeted.

4. **Payment of Administrative Services Money.** This item was deferred from the previous meeting. Discussion ensued regarding the ability/legality of charging administrative costs for PDA projects, the pros and cons of obtaining money for additional projects, payment of legal fees, etc. Questions were raised regarding whether the City had the duty to provide services to the PDA without charge. Dean explained that the City has no duty to the PDA under the law--that the City is in the same position as any other provider of service to the PDA. During the first years after the City created the PDA legal services were provided by a private attorney who billed PDA and the costs of all the projects were borne by the developers. The City did provide engineering and some project management for the NewTown district in response to a request from Peter in 1990 at which time the services of the City Attorney were also volunteered for PDA. No time limit was placed on providing the services.

Dean explained PDA's rights and duties under state law, and noted that the Board approved the budget for the project and bonds were issued to cover these budgeted amounts, which included several thousand dollars more in administrative costs than the current request of \$75,000. At this point, questions were raised as to the purposes for which

the funds could be allocated and Vice-Chair Byrne asked for Arnold's recommendation. Arnold responded that he would recommend against approving the funding to avoid "going into debt" since construction in the District has not been completed and final construction costs are unknown at this point. (Clarification: Arnold noted that he had negotiated a special sinking fund for early redemption of the bonds in order to retire this debt prior to maturity. While bond proceeds are sufficient to cover administrative expenses, infrastructure construction, bond counsel fees, printing, etc. as set out in the approved budget of the project, he is recommending that all of the available revenues be used for early retirement of the bonds to save substantial interest and ensure against any future shortfall of revenues. Once the bond issue is retired, the District revenues would then be available for other budgeted items.

Vice-Chair Byrne then appointed a committee to consider the questions of when to pay the administrative costs listed in the budget, what types of costs to consider for reimbursement, etc. and to report back to the Board. Tom Bernasek will be Chair, Karen McGee, Peter Angstadt, and Don Byrne committee members.

4. **North ~~Town~~^{MAIN}** A request was next presented from Associated Foods for PDA to request judicial confirmation of its authority to enter into loan agreements to be repaid from revenue allocation district revenues such as contemplated in the North Town project. The lending institution is unwilling to commit funds without such judicial validation. After discussion, it was MSC (Angstadt, Bernasek) to have Dean initiate the judicial confirmation process and pay the costs from PDA unrestricted funds, to be reimbursed from the district's account.

5. **Role of PDA.** Richard Stallings was present to discuss the possibility of PDA's expanding its role and assisting with money to help leverage the entitlement money which will be received by agencies now that Pocatello has been declared a metropolitan area. Approximately \$630,000.00 is expected for the next three years at least. It was suggested that PDA might be able to sponsor a large project and use the entitlement money to pay back whatever loan, bonding, etc. was used as the financing vehicle rather than having several agencies each take small amounts and lose the ability to do one large housing or redevelopment project. After discussion, it was suggested that the above-named committee (See item #3) discuss this further and return to the Board with a recommendation.

6. **Adjournment.** Meeting adjourned at 12:05 p.m.

