

**ABBREVIATED MINUTES
POCATELLO DEVELOPMENT AUTHORITY
February 11, 1997**

Members present: Don Byrne, Karen McGee, Tammie Frazier, Mike Ransom, Mary Lee Shannon, Joe Willes; Peter Angstadt, Tom Bernasek, Russell Powers excused

Staff present: Dean Tranmer, City Attorney; Robert Chambers, Community Development & Research Department; Char DeWall, Bannock Development. Also present Mary Howell and Ron Timpson

1. **Preliminary matters.** The meeting was called to order at 11:10 a.m. by Karen McGee. Agenda items to be added were noted:

* Ron Timpson: discussion of tax increment financing guidelines

2. **Minutes and financial reports .** It was MSC (Byrne, Ransom) to approve the minutes of January 12, 1997. Char presented the financial reports, noting the tax monies received January 25th and reviewing expenditures. She requested clarification of district boundaries and designations in order to prepare future reports in a more complete format. Mary Lee will assist with this. It was MSC (Willes, Byrne) to approve the January financial report.

3. **Old Town.** Dean Tranmer reported that the remaining documents are now available for final approval and signatures, including ordinance, resolution, and agreement for extension of the anticipation note. Bonds will be sold at 5.15% to a single-source buyer on February 25, 1997, and the required reserve will be funded from these proceeds. **It was MSC** (Ransom, Willes; Byrne abstaining) to authorize approval of the bond issue as described as well as execution of all necessary documents and actions required--the bond ordinance, the summary and its publication, and the agreement to extend the note. Once funds are received, bond counsel bills and interest paid, and the reserve funded, the remainder will be available for the streetscape improvements. The City Engineering Department will prepare bid specifications .

4. **Kress Building District Request.** [NOTE: the following is a compilation of items from the minutes and information requested by the Board to be obtained, some of which was unavailable at the time of the meeting but has been included here in order to preserve a record of the occurrences] Dick Carroll's previous request was clarified. The original \$73,000 loan with First Interstate had a 5-year "call." The invoice sent to PDA in August of 1996 reflected that the entire amount was then due. Mr. Carroll attempted to negotiate a refinancing for the remaining ten years, but negotiations fell through with First Interstate's successor, Wells Fargo, towards the end of December and he then approached First Security Bank for the refinancing. First Security Bank will be providing funds to retire the original debt and will enter into an agreement to loan the remaining amount (approximately \$61,000) for a ten-year term with a 7-year call. Therefore, a new three-party agreement is required, under the same terms as the old, for financing a portion of the payments on the loan with the tax increment revenues. The new agreement has been prepared, the loan agreement between Mr. Carroll and the bank has been signed, and the bank will send payment notices to Mr. Carroll directly. He will be responsible for promptly sending a copy of the payment notice to PDA, whose obligation will still be limited to paying semi-annually only those monies which it actually received during that six-month period.

In regard to the request for PDA to pay First Interstate the balance in the fund, the Board noted its reluctance to do so, unless further information was received. After the meeting, the additional information included above was obtained, and it became clear that paying down the original loan balance as far as possible would also be advantageous to PDA, particularly if early pay-off was made more feasible. Accordingly, a new Loan agreement has

been prepared and will be presented to PDA at the March meeting.

5. **Staff position description/funding.** Robert distributed copies of job description and funding information to answer some of Board's questions regarding use of PDA funds to partially fund a new position, the job duties of which would include identifying areas for possible PDA projects.

6. **Expenses suitable for payment from bond proceeds.** Dean reported that Rick Skinner was consulted about deciding on legitimate expenses for bond funds. His advice concurred with Dean's previous indications that if the original bond issue and project description included projected costs for any service/equipment, and the bond proceeds were in hand, the money should be paid out to the entity performing the service. Once the service was performed or the equipment received and paid for by PDA, the use to which the money is put by the receiving party is not restricted. In other words, if PDA projected engineering costs for the project to be \$ x.00, regardless of the entity performing the service, if PDA received the services, was billed, and paid for the services, the entity receiving the money could do as it liked with the money.

7. **Guidelines for tax increment financing projects.** Ron Timpson distributed additional copies of the proposed guidelines and requested that Board members review them carefully for discussion at the March meeting. If there are any questions or concerns he would be happy to hear from any of the members and make changes requested.

8. **Adjournment.** There being no further business, the meeting was adjourned at 1:00 p.m.

A handwritten signature in cursive script, appearing to read "R. Valentine". The signature is written in dark ink and is centered on the page.