

**ABBREVIATED MINUTES  
POCATELLO DEVELOPMENT AUTHORITY  
Special Meeting October 27, 1998**

Members present: Greg Anderson, Tom Bernasek, J.O. Cotant, Darsi Foster, Steve Hotchkiss, Karen McGee, Tami Smith, Joe Willes,

Staff present: Dean Tranmer, City Attorney; Char DeWall, Bannock Development

City staff present: Jerry Higgins, Treasurer; Robert Chambers, Tim Tingey, Community Development and Research Department

Also present: various members of the City Council and County Commissioners

The meeting, called for the purpose of discussing a proposed plan for the Central Corridor Urban Renewal Area/Revenue Allocation District was called to order by Karen McGee at 11:01 a.m.

**Report from Cross Functional Team.** Steve Hotchkiss distributed the Team's report and reviewed it for the PDA, re-stating the Team's objectives, stating the assumptions on which the calculations were made, and presenting the recommendations. In summary, the Team trimmed the original proposals from 21 to 11, recommended bonding all of those in order to do all the necessary work at once under the most advantageous of financial terms, and recommended structuring the bonds so that the debt will be amortized as quickly as possible.

**Discussion:**

Identification of parks listed: Bonneville Neighborhood (at Sr. Center); Optimist (across from Centennial Plaza), Freckleton (north of Community Recreation Center)

Question regarding bonding rather than pay-as-you-go. Hotchkiss explained that the Team noted that the need for infrastructure improvements is immediate and that, through bonding PDA will receive the money up front in order to accomplish the improvements. No extra tax burden will be placed on taxpayers. Mayor explained that the City can allocate some funds (under current law, the City is eligible for only about \$350,000 extra tax revenue each year, in addition to its mill levy portion of any revenues received from new construction in that year) each year to be placed in a capital improvements account, but that it would take at least 10 years before there was sufficient money in order to do even the storm sewer portion of these projects.

Jim Morphey noted that he had originally been against the revenue allocation area, but after reviewing the information, believes that this compromise plan is solid, pragmatic, and as a businessman, sees this as the best method to achieve the needed improvements. He has reservations about the fact that the tax base doesn't get broadened for some years, but other alternatives will prove more costly.

Question: if overall tax receipts to PDA would be \$31 million over the course of the District's duration, wouldn't all this money become available to the City if there was no District. Answer: NO, the legislative cap determines the dollar amount available to each taxing entity, EXCEPT for development authorities, whose receipts are not artificially capped. The State law provides development authorities with the means of capturing all the increment

revenue (except a set portion which goes to the School District) and devoting it to authorized projects. This is a means of capturing tax money which would not otherwise be available.

Further discussion ensued regarding the assumptions made for calculations, whether other taxing entities would actually lower their tax levies if the revenue allocation district was not in place, how long the current districts have to run, etc. Additional scenarios to have the City alone pay for improvements were also discussed.

**It was M and S** (Hotchkiss, Anderson) to send the recommendation of the Cross Functional Team (11 projects, full bonding with early pay-off options) to the Community Development Commission for its consideration and determination as to whether the Plan is in keeping with the Comprehensive Plan of the City. Discussion ensued, particularly related to time lengths for the consolidated district.

Jim Wrigley, representing First Security Capital Markets, explained that bond obligations for at least one district already run through 2008 and that the refinancing which is necessary in order to have sufficient money to pay bonds for North Main would have to extend at least that long, since the bonds are not set up for early payment. Money will be collected and held to make payments as they become due. He also noted that the estimates for revenue were extremely conservative and that revenues should actually be a good deal higher, which would mean that the bonds could be paid off early (if structured in that fashion) and the district closed.

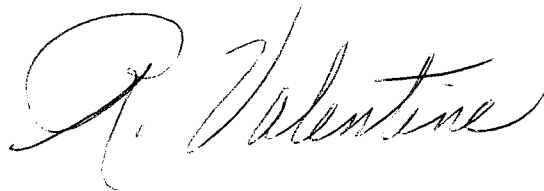
After further discussion, Hotchkiss amended his original motion, which amendment was seconded by Anderson (see below for amended motion)

**Amended motion carried (McGee voting no):** to recommend only items 1 through 7 with absolute approval, with the remaining items 8-11 to be individually brought before the City Council for consideration on a case-by-case basis after the first 7 have been accomplished; this recommendation is to be forwarded to the Community Development Commission for its consideration as to whether it complies with the Comprehensive Plan of the City.

K. McGee complimented the committee on its efforts in compiling information and making its recommendation.

R. Chambers requested clarification as to length and boundaries: Boundaries to be as previously approved by PDA, plan to be set for 10 years.

Meeting adjourned at 1:00 p.m.

A handwritten signature in cursive script, appearing to read "R. Valentine". The signature is written in dark ink on a white background.