

**ABBREVIATED MINUTES
POCATELLO DEVELOPMENT AUTHORITY
February 9, 1999**

Members present: Greg Anderson, Tom Bernasek, Karen McGee, Joe Willes, Tami Smith, Steve Hotchkiss

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

City staff present: Robert Chambers, Tim Tingey, Community Development and Research Department

1. **Preliminary matters.** The meeting was called to order at 11:05 a.m. by K. McGee. No conflicts were declared; audience members were acknowledged. Alterations to the agenda: addition of an executive session; distribution of a proposal for the projects for CC URA and deletion of the Auditorium District item.

2. **Minutes and financial reports.** It was MSC (Anderson, Bernasek) to approve the minutes of the December 15, 1998, meeting, and after a correction to add Tami Smith among the names of members present, to approve the minutes of the January 13, 1999 meeting. C. DeWall reviewed the financial reports, noting that all monies received for Alvin Ricken District have been sent to the trustee. It was MSC (Hotchkiss, Willes) to approve the January financial report. The 1999 estimated income/expense forms were distributed and reviewed. It was MSC (Hotchkiss, Anderson) to approve the 1999 budget as submitted. Invoice was presented for "close-out" of the Alvin Ricken Drive District's construction account. Amount were previously approved, but a requisition must be forwarded to the Trustee in order for funds to be released. The City's budget director will be notified so that funds can be allocated to the departments in which the expenditures/labor occurred. It was MSC (Hotchkiss, Anderson) to approve the amounts and submit a requisition for release of funds with instructions to the Trustee to close out the Construction Account.

3. **Presentation of proposals for bond issues for the Consolidated Central Corridor projects.**

Noted for the record were T. Smith's employment with First Security in Pocatello and S. Hotchkiss's business relationship with Key Bank.

Key Bank/McDonald Investments: Jerald Myler introduced members of his team and distributed proposals to the Board members, stressing the company's familiarity with the Alvin Ricken District and its risks and the challenges involved in establishing/selling a bond issue dependent mainly on a single entity within a District for repayment. Options for variable or fixed rates were discussed and options for pay-off or defeasing current bonds presented; money could be escrowed to defease the current AR bonds, but the interest rate is projected to be around 11-12% to do so; buying back the bond would cost about 1-2%. The other bonds do not have early pay-off options, so funds would have to be set aside for their payment. Total amount to be borrowed would be 13.1 million dollars, which could be structured so that while the trustee receives all PDA tax receipts, if current obligations are met, any "excess" money can be requisitioned and made available for other projects. Financial information would be required from Ballard and AMI prior to getting a bond rating and being able to confirm interest rates. Timing to sell bonds is projected to be about 6 weeks assuming judicial confirmation is completed first.

First Security: Jim Wrigley distributed projections and proposal from First Security, noting that the Alvin Ricken bond is at very unfavorable interest rate and should be paid off as soon as possible to control debt. The NewTown bonds cannot be paid off early, but two other can be. This proposal would eliminate Alvin Ricken bonds through immediate pay-off and allows for the use of tax anticipation notes if there are insufficient revenues available to pay off AR bonds--which are cheaper than bonding. Bond issue would be non-callable for the first five years, then early pay-off options would be available for each of the next successive five years.

First Security will not require financial disclosures from AMI/Ballard; creation of the Central area strengthens the likelihood of sufficient revenues for payment. Once judicial confirmation received, bond sale could be accomplished within a month. If bond money is not available soon enough to take advantage of the spring/summer construction season, tax anticipation notes could be used to bridge the gap.

4. Report on vote on including final phase of Ross Park Swimming Pool.

Anderson, yes; Cotant; yes, Bernasek, no; Foster-Johnson, no; Hotchkiss, yes; McGee, yes; Smith, no; Willes, yes. Motion to provide funding for the completion of the final phase, to the extent that other funding options being pursued by the City are not possible, passed. Board members asked that G. Anderson and K. McGee keep them informed as to the status of the search for funds. T. Bernasek reiterated his concern with the "out-of-sequence" nature of the request for funding, in that the Board had not even determined the amount of bonding to be sought yet, making this a somewhat premature decision. G. Anderson noted again for the record, and apologized to the members for the unexpected and hurried nature of the motion, but stated that the opportunity to save several hundred thousand dollars on total project costs made it incumbent upon the Council to make the request to PDA, particularly since the project did fit into the already-approved items under consideration.

5. **It was MSC** (Hotchkiss, Bernasek) to adjourn into executive session.

6. After reconvening, the consensus was to have an additional meeting this month, set for February 23, 1999. **It was MSC** (Anderson, McGee) to adjourn the regular meeting.

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