

ABBREVIATED MINUTES
POCATELLO DEVELOPMENT AUTHORITY
Meeting December 14, 1999

Members present: G. Anderson, T. Bernasek, S. Brown, J.O. Cotant, S. Hotchkiss, Karen McGee, Darsi Foster-Johnson, and John Ricks

Staff present: D. Tranmer, City Attorney; R. Burstedt, Bannock Development

City staff present: Steve Ernst, Community Development and Research Department

1. Preliminary matters. Meeting called to order at 11:09 by Chairman McGee. Audience members and presenters acknowledged. No conflicts were declared..

2. Minutes and financial matters. It was MSC (Hotchkiss, Bernasek) to approve the minutes from the October meeting. [Note: No meeting in November] R. Burstedt reviewed income and expenditures for financial reports for October and November. It was MSC (Hotchkiss, Cotant) to approve the financial reports for October and November.

3. Election of Officers. (postponed from October) Moved by Anderson, seconded by Bernasek to nominate Steve Hotchkiss for Chairman. There were no other nominations; Hotchkiss was elected by unanimous consent. Moved by Brown, seconded by Hotchkiss , to nominate Tom Bernasek as Vice-Chair. There were no other nominations; Bernasek was elected by unanimous consent. Moved by Bernasek, seconded by Cotant, to nominate Steve Brown as Treasurer. There were no other nominations; Brown was elected by unanimous consent. The office of Secretary is filled by a non-Board member, currently Rayna Valentine. It was MSC to continue that appointment.

3. Roosevelt District. Dean Tranmer reported on the modification procedures for the district, which will end with the last of the collections from 2004. Previous projections of available money for neighborhood improvements are no longer accurate because the new structures are not completed. Lamont's will go on the tax rolls at it full valuation in 2000; money will not be available until 2001. The new Fred Meyer's will probably be fully assessable in 2001, but no money will be received until 2002. Without information on the valuation of the buildings, any revenue-forecasting is going to be inaccurate, so there is no way to project what the shortfall will be for the matching money for the neighborhood curb, gutter, and sidewalk improvements. (half of the revenues from the district will be available for reimbursement of Fred Meyer for public improvements; half will be set aside for the neighboring areas sidewalk.) The District's Plan can be amended any time before it expires if the Board believes it necessary to extend it in order to receive the necessary revenues; amendment requires the same basic procedures in terms of public hearings, passage of resolutions ordinances, etc., as was required for the original Plan. Robert Chambers was asked to have his staff review the projected costs for the neighborhood portion, the actual valuation of Lamont's versus the projected one, etc. and return with the information to the Board at its March meeting. G. Anderson, in his capacity as Mayor, authorized the work to be done without charge to the Board.

4. Unrestricted Operating Funds/administrative charges. Greg Anderson discussed the possibility of PDA setting aside all moneys it receives from administrative costs charged to projects by PDA as seed money for research and economic development within the city and surrounding area. The area has limited tools for development and he noted that earmarking these funds in this manner would be a good additional tool. R. Burstedt concurred and also noted that Idaho was one of the few states which has no incentives for new businesses, so another funding source is needed to spur economic development in our area. T. Bernasek and

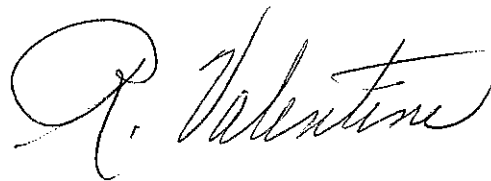
K. McGee questioned whether this additional monetary support from PDA was necessary inasmuch as BDA and SEICOG and EIDC already receive funds from taxing entities to assist in development of the area. Discussion again of whether charging fees was appropriate. At this point, secretary provided copy of previously-adopted Board policy regarding administrative fees, which provides that the Board shall establish a "Board Discretionary Fund" into which all monies designated as "administrative costs" are to be placed. The policy requires that after revenue is received for a district either from bonds or tax receipts, the administrative costs portion of this revenue shall be transferred to the Discretionary Fund. This fund was established to serve as the PDA's operating money, the source for payment of lunches, stationery, postage, up-front costs for districts prior to receipt of tax revenues, payment of engineering services, demolition of buildings, matching funds for grants, shortfalls in district revenues, environmental audits, etc. or to reimburse public agencies for pre-approved services. Further questions resulted in consensus to review this and Board by-laws, purpose and duties as set by statute at the training session in January. _

5. South Cliffs Business Park Proposal. Bill Isley presented design for entrance to the development area, noting that there were no specific dollar amounts available yet, but noting that the entrance has been designed with the future in mind so that in the event a "connector" is built, the entrance will align nicely with other roads. Board members responded with a number of questions about what exactly was being requested and whether it fit with PDA's mission: Is the proposal best use of area? If incentives are given, will PDA/community gain more from having done so? Are we putting cart before horse since there is no development there yet? PDA policy has been to do only specific projects, with specific financial projections, definite outcomes, etc., with a showing that the project would not be feasible without financial assistance from PDA. Suggestions that a reimbursement agreement might be more suitable, with a percentage of increment produced by the area. Also noted was the lack of money at the present time. Judicial confirmation has not been received and bonds have not been sold.. Board members reiterated general interest, but noted that no commitment could be made without additional information and sufficient receipts in the CCC district beyond the amounts already committed.

6. Gateway.. Jim Manning, counsel for Earl Swift, owner of the area, spoke regarding plans for a water system upgrade for which Swift is requesting PDA funds. District will soon be dissolved and his client's contention was that all remaining funds should be provided to him for projects, that no administrative costs should be charged to the project. Argument was made that not taking administrative fees on any given year means that PDA has waived its right to collect them and that when the lease payments being made by PDA were no longer possible because the tenant left, that PDA was obligated to continue using the funds for infrastructure improvements. Swift also spoke briefly, stating that he wanted his money returned to pay for the needed water system improvements. **IT WAS MS** (Bernasek, Brown) to forego any administrative costs. Discussion ensued. D. Tranmer then explained that the money was PDA's by law, that no part of it was "due" to Mr. Swift, and that PDA could choose to continue funding projects if it chose to do so, that choosing not to assess administrative costs in any one or all years did not preclude PDA from doing so in any other year, that PDA could assess administrative costs in any year up until the ending of the district, and could also choose to retain the funds now in the account until the district was dissolved and return all or part of them to the County for disbursement to taxing entities. The original Plan and Project for this District provided for purchase of a kiln for the original tenant, not for infrastructure improvements for the owner of the area. PDA has absolute discretion, subject to the boundaries of the powers granted to it, for spending of any revenue it receives from the district. After requesting a point of clarification, S. Brown withdrew his second of the motion on the floor, which died for lack of a second. PDA will review the request for water system improvements, along with the question of administrative fees and let Swift's counsel know the decision.

7. Judicial Confirmation update. D. Tranmer reported that hearing was held on November 23rd, that there was testimony in opposition, and that the judge himself had a questions regarding bond pay-offs from tax monies regarding the City's lending of its "full faith and credit." Tranmer felt that his responses satisfied the judge's concerns, and that he had rebutted contentions of the opposing witnesses. He is hopeful that a decision will be made by the last week of the year, but has no way of knowing if the judge will be able to clear his calendar enough to do so.

8. Adjournment. There being no further business, the meeting was adjourned at 12:40 p.m., after Board set the training session for January 11 at 10:00 a.m., to be followed by the regular meeting at approximately 11:00 a.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.