

**ABBREVIATED MINUTES**  
**POCATELLO DEVELOPMENT AUTHORITY**  
Meeting June 22, 2000

Members present: G. Anderson,, S. Brown, J.O. Cotant, S. Hotchkiss, R. Frasure,  
H. Neuhardt, D. Foster-Johnson, J. Ricks

**Staff present: D. Tranmer, City Attorney; R. Burstedt and C. DeWall, Bannock  
Development**

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

**1. Preliminary matters.** Meeting called to order at 11:07 by Chairman Hotchkiss. New member Neuhardt welcomed. Members of the public introduced themselves and noted that they would like to speak when the ice rink proposal was made. There were no conflicts noted. The financial report agenda item will be postponed until after the ice rink proposal..

**Minutes and financial matters.** It was MSC (Brown, Cotant) to approve the minutes from the May meeting (Neuhardt abstained on grounds that he was not present at the meeting and could provide no meaningful vote.)

**3. Ice Skating Rink Project.** G. Anderson presented proposal for funding of the project, subject to repayment from revenues. Summary sheets were distributed to explain the structure contemplated, its location (where the softball fields are now located at Ross Park), financial information (costs, funding sources, revenues), and types of activities. Simplot Construction provided preliminary designs and cost estimates and "S16" (corporate development group of Simplot's 16 grandchildren) provided a business plan, based on their expertise and past experience with ice rinks. Cost to be \$2.5 million to be repaid at 6.7% interest over a 20-year period. Projections are for approximately \$30,000 over and above expenses, which amount will be reserved for repair/replacement.

**BOARD DISCUSSION:**

Foster-Johnson – has received several calls against the rink, with comments noting that the comparison with Boise/Nampa is not a valid basis on which to base estimates. Others want PDA money to be spent on infrastructure rather than recreation. Others indicated that they'd prefer that the \$2.5 million be "put back in their pocket" rather than spent on a project such as the ice rink.

Anderson – consultants used a very conservative approach and did take into consideration a smaller market area and fewer events. The report was made with the understanding that the City might be Interested in going forward if the project were feasible and could pay for itself, so no overly-optimistic approach was wanted.

Neuhardt – noted that 5% margin is slim; can the City "guarantee" the repayment of the loan if revenues are insufficient?

Cotant – reminder of taxpayers concerns over rising taxes and endless projects

Brown – also noted taxpayer complaints and difficulty in justifying recreation projects when the streets are in such disrepair annually (potholes)

Burstedt – noted the importance of growth to a community. As taxpayer himself he doesn't want a static town or for local dollars to be spent just 50 miles away because of our lack of facilities.

Ricks – communities need many things, not all of which are used by all of their residents. If this Board believes this is one of the needed items for this community, members should be willing to "stand up and say so" to those who are against it.

Anderson - reminded Board of the Art Young report which was solicited by the City several years ago and which provided recommendations for community improvement, including recreational facilities for youth and adults. Additionally, there is a large segment of the residents who are supporting the ice rink.

Cotant – Youth recreational opportunities such as this project are valuable in keeping youth involved in community and out of trouble which might arise from boredom

Brown – noted that not all of the residents who oppose this project are the "general nay-sayer" types and cautioned Board against stereotyping.

#### GENERAL DISCUSSION:

Glade Fyfield – noted that golf course operated by City couldn't run "in the black," nor could the former swimming pool, nor the aquatic center in spite of projections. What makes the city think the ice rink will be any different? Advises PDA to wait to see if new swimming pool can be self-sufficient or not. If that too, fails to pay its own way, then PDA should take that as further indication that the ice rink will be just the same.

Gordon Wilks – referring to old newsletter from Mayor that indicated the ice rink wasn't going to be funded with tax money, noted that PDA money is tax money. He's not anti-progressive, but believes that the ice rink is a non-affordable project in the sense that it will not pay for itself. Believes that "we can't afford it" is an acceptable alternative to agreeing to undertake unproven projects.

Anderson – noted that newsletter referenced was an old edition, written when the first committee was formed, hoping to find alternative financing.

Ruth Clark – taxes are very high in Pocatello, much more so than Salt Lake, and wants consideration given to fewer projects and earlier return of district to tax rolls.

Cotant – responded by explaining that tax structures and tax bases vary way too much from state to state (or County to County) to make valid comparisons.

Brian and Betty Kemmerer – very supportive of youth activities, particularly the softball and baseball programs. Is concerned that ballfields at Ross Park will have to be removed. There are not enough fields as it is for kids to practice and play; sometimes they're scheduled late at night for games because the fields are so busy right now. Fields need to be replaced and that cost should be figured in with the other project costs. Has that been taken into consideration? Where are the replacement fields to be?

Betty K. – has been circulating petitions regarding removal of the ballfields and has about 300 signatures. Rumor is that NOP park will be used for the ball fields by scheduling double-headers—which run late into the night and are not a good idea for young kids. Also noted that when she's at the ball fields and pool, there are long lines (up to 50 people) waiting to get in—how much worse will it be if this facility will share check-in employees with the pool? Urges placement of the rink at a different location so as not to displace the fields.

Tranmer – noting that tax increment financing money doesn't really "go back in the taxpayers pocket." The valuation of the property after the district closes (which is higher due to the fact that the company came in and made the vacated or debilitated property more valuable) is added back into the general tax base valuations against which levies are made. If properties' values have not gone up in the meantime, and if the various taxing entities don't take their allowed levy increases, it is possible that individual taxes might be slightly lower as a result of the district values being added back to the base. But, without the district and the companies who have been convinced to come here because of the improvements that are paid for by their taxes, there is no added value to be put into the tax base to spread around to other taxpayers. In other words, the money which goes to PDA comes mostly from the large companies' tax payments and those companies come here as a result of the spending of their tax increment dollars for improvements. The companies bring more dollars into the community and pay large amounts of taxes which in turn pay for the improvements. Chicken and egg idea—if we don't have one; we don't have the other.

Hotchkiss – Board needs to remember its function and role: PDA is an urban renewal agency, a board charged with duties by the State: 1. Economic development, 2. Urban rehabilitation, 3. General community improvement. Question to be determined for any project is whether it fits one or the other of these areas. If so, it can be prioritized. If not, it must be discarded.

Ricks – reminded of old saying that "nothing does more harm than a group against something; nothing does more good than a group trying to solve something" and hopes this Board is the latter type of group.

**It was MSC** (Neuhardt, Anderson) to consider funding this project after determining the amount of money available from bonding/other options from the District, which was an item on this meeting agenda.

**4. Financial report.** C. DeWall reviewed income, refund of bank fees, tax revenues from Old Town and reminded Board that the Gateway West District had expired in 1999. However, all tax revenues from that year have not yet been received, so the line item will remain open. The balance will be used to pay for additional water systems improvements (up to the cap previously set) substantiated with invoices and the Board's operating cost amounts. Thereafter the fund will be closed. **It was MSC** (Ricks, Neuhardt) to approve the financial report as submitted.

#### **4. Consolidated Corridor:**

Board reminded that it has previously approved bonding for the "refunding" portion of Alvin Ricken's bond; authorized Schiess and Associates to complete the engineering for the stormwater project; and authorized \$1.5 million to the City for the "Cheyenne" crossing. Priorities need to be officially established, and bonding amounts authorized. After discussion, **it was MSC** (Anderson, Hotchkiss) to reaffirm the stormwater project at \$6.6 million as PDA's first priority; and for the \$1.5 million South 5<sup>th</sup> connector funding to be its second priority.

Members noted that the consensus from the previous meeting was that bond financing was needed in order to accomplish the projects and keep "in the black." R. Burstedt noted that the first three options for funding which the Board had reviewed showed cash-flow problems and stated that he, therefore, as Executive Director, recommended that the Board approve the 4<sup>th</sup> option. City Treasurer was asked for opinion, also, and concurred that the 4<sup>th</sup> option would be preferable, recommending bonding rather than tax anticipation notes as being less costly. After further discussion, **it was MSC** (Anderson, Ricks) to authorize First Security Van Kasper staff to proceed with all documents, procedures, etc. necessary for the sale of \$4.8 million (OR \$5.2 million, whichever is the correct figure per the projections presented by First Security Van Kasper) in bonds for projects approved by the Board.

**5. Return to Ice Rink consideration.** Anderson noted that the City Council has received the ice rink proposal and reports and would be requesting public input on it. Board could limit its approval to be contingent upon Council's recommendation after the public input. After brief discussion, **it was MSC** (Anderson, Ricks) that in the event the City Council, after suitable public input, recommends implementation of the ice rink project and requests funding from PDA in the amount of \$2.5 million, to be repaid at 6.76% interest over 20 years (approximately \$231,000 per year) which repayment must be guaranteed by the City of Pocatello, the Board will approve the funding; if no such request and recommendation are forthcoming, or if no recommendation is received by the first of next year, this commitment will expire."

**6. Additional matters.** Betty Kemmerer reiterated her request that if the ice rink were to be funded, the ball fields not be removed. Reminder from Secretary that Bonneville Neighborhood Association has still not had its request for the purchase of the rest of the park

land approved officially. Anderson noted that he just learned that there is federal funding available for certain types of land/facility acquisitions next to federal buildings and that he would be pursuing that option for the park land.

**7. Adjournment.** There being no further business, the meeting was adjourned at 12:30 p.m.

A handwritten signature in cursive script, reading "Rayna Valentine". The signature is written in black ink and is centered on the page.