

**ABBREVIATED MINUTES**  
**POCATELLO DEVELOPMENT AUTHORITY**  
Meeting March 13, 2001

Members present: Greg Anderson, Steve Brown, J. O. Cotant, Steve Hotchkiss, Ron Frasure, Darsi Johnson, Harry Neuhardt, John Ricks, and Dan Schroeder

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

**Guests: Jim Manning, Brent Nichols**

**1. Preliminary matters.** Meeting called to order at 11:02 by Chairman Hotchkiss. Audience members and presenters acknowledged. D. Schroeder announced conflict regarding the AMI "switching project." Additions: Cash flow reports; R. Burstedt - position statement; S. Brown - concern with discretionary fund issue.

**2. R. Burstedt** voiced his extreme displeasure about, then read his position statement with regard to, certain comments made by a Pocatello City Council member during a joint Cities/County meeting about the existence of PDA "slush fund" money and the handling of it. The statement will be sent to Council members. **IT WAS MSC** (Neuhardt, Anderson) to accept the statement for inclusion in the Commission's records. (See copy attached). **S. Brown** additionally voiced the concern that there is confusion, aside from that about the amount, about whether there is a PDA discretionary fund and doesn't want the PDA to appear to be indicating that it does not exist. Board members then discussed the advisability of sending the County Commissioners and City Council members individually a copy of the minutes showing the establishment of this fund. Thereafter, **IT WAS MSC** (Cotant, Frasure) to have Secretary send copies to School Board in addition to City Council and County Commissioners.

**3. Minutes and financial matters.** **IT WAS MSC** (Neuhardt, Ricks) to approve the minutes of the February meeting. C. DeWall then discussed financial matters, noting February receipts from tax revenues and the Gebo payment and the transfer of excess Kress District money per Board motion. The Central Corridor monies received were not all transferred to the Trustee since a small portion of the receipts was derived from assessments prior to the sale of the bonds. Additionally, she noted that the new arbitrage regulations require that at least 10% of bond funds received must be spent within the first six months. PDA had some difficulty meeting that requirement because of the long-term nature of the Storm Sewer Project, but we are in compliance. C. DeWall will have to monitor the percentage requirements and deadlines and will keep the Board informed. **IT WAS MSC** (Schroeder, Cotant) to approve the financial reports.

**4. Airport Project.** The corporation which had earlier declined to locate at the Airport has now indicated its interest in proceeding with the project, provided that the cost can be reduced by \$5 million from the estimated \$25 million. Building size reduction and equipment reductions have been made. R. Burstedt explained that \$1.3 million of the project could be part of the TIF in addition to the \$1.1 million previously approved because the collections are projected to be approximately \$2.6 million over the course of seven years. Concerns were

expressed about the impact upon the School District of future airport area development. If new jobs are created by other developments at the airport URA, District #25 could be facing a large influx of students with no means of funding, since the airport is not within District #25's boundaries. Also of concern is the problem of timing for receipt of funds. If no bonds are issued, funds will not be received for nearly two years and then will be received in installments as tax money is received over the life of the district. In other words, there will be no money to fund current costs. In response, Ray explained that the company will self-fund all start-up costs and will receive reimbursement from tax revenues as we receive them. Concern was expressed about the expense and commitment on the part of PDA without adequate assurances from the company as to types of jobs, commitment to remain, etc., to avoid what happened with both Cera-Tile and the Domsea projects. Consensus was that an agreement could be structured so as to protect PDA, particularly since the repayment would be dependent on the taxes actually received by the company; if it abandoned the project, PDA would not have wasted any of its own funds.

**IT WAS MSC** (Neuhardt, Brown) to authorize repayment from TIF funds of up to \$2.7 million on condition that the corporation fronts the money, PDA makes reimbursements for certain costs out of tax revenues up to \$2.7 million maximum.

In connection with the previous discussion about school districts, members began discussing various scenarios to assist School District #25—boundary changes, revenue sharing, mutual aid agreements, etc. **IT WAS MS** (Frasure, Ricks) that the board research methods of accomplishing this, and send recommendations to both Bannock County and Power County officials as well as to officials of both school districts. Discussion ensued with the consensus being that action by PDA might be premature, outside the scope of our duties, etc. The original motion was then amended (Neuhardt, Frasure) by adding that the question be tabled until a subsequent meeting. The amended motion was **CARRIED**; item tabled until next meeting.

**5. Switching Project.** The Terry Street station upgrade will alleviate the current switching condition which can result in a 20-second downtime for AMI. The cost will be \$847,000 to change from the older system to the higher-tech (and thus faster) switching system. AMI's request is for assistance with payment of these costs. Board members then discussed the two-part question of whether to assist, and if so, by how much. Issues discussed: other entities receiving power from the substation are apparently not interested in assisting; PDA has no information on the percentage of power from the station which actually goes to AMI, etc.; difficulty of deriving a basis on which to reimburse; whether or not PDA had already committed all of the funds to be derived from the Central Corridor, etc. Finally, Board members concluded that the project was within its scope but that determining how much funding it would receive would be dependent on an accurate report of current commitment of funds from this district. Char will provide this for consideration at the next meeting.

{**SECRETARY'S NOTE:** \$9.1 million--North Main, \$1.1 million; storm sewers, \$6.5 million, Ross Park pool, \$800,000; North Main curb, gutter, sidewalk (35% owners/65% PDA) \$600,00; South 5<sup>th</sup> connector, \$1.1 million}

The meeting was then adjourned at 12:30 p.m.

