

**ABBREVIATED MINUTES**  
**POCATELLO DEVELOPMENT AUTHORITY**  
Meeting November 12, 2003

Members present: Terry Brower, Steve Brown, Roger Chase, Jim Guthrie, Darsi Johnson, Ken Monroe, Harry Neuhardt, John Ricks

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

**Preliminary matters.** The meeting was called to order at 1:05 p.m. by Chairman Neuhardt. No conflicts were declared. The Chair noted alteration of the agenda items to better accommodate presenters.

**1. North Yellowstone (Associated Foods Area) Proposal.** Tim Tingey began the presentation prior to the arrival of the developer. He noted that Platinum Development is interested in demolishing the old warehouse building in this compound and developing it as a retail complex. Financial assistance from PDA is requested, similar to that provided for the Fred Meyer complex for required improvements to the public roadway and installation of a traffic light for approximately \$250,000. It would be a five year TIF with 50% of the tax increment collected from the project area being available to the developer to reimburse allowed costs. Questions and comments by Guthrie as to whether the area is blighted since there are other developments nearby; concerns regarding the type of growth being less desirable (low-paying jobs); conveying the County Commissioners' disapproval of the project; and questioning whether the developer will go ahead with the project without assistance.

Additional discussion and questions: will the increment generated by the developer be sufficient to pay the costs contemplated; will development fail if the assistance is not provided; who would normally take care of the cost of traffic light improvements outside the development. Per D. Tranmer, the City would need to fund the improvements from tax money. Per R. Chase, there is no money for widening Quinn or installing traffic signals.

At this point, Brett Hastings and Jeff Creer arrived to explain in more detail. They propose a 2-phase development with 7 retail areas for the first phase. Quinn needs to be expanded to provide ingress lanes and the traffic signals need to be upgraded or replaced to cope with the new configuration, a four-way intersection. They are currently working with the State Transportation people regarding an additional access. Demolition of the old warehouse building will be required; there may be asbestos problems, and there will be a need for installation of water and sewer lines to the individual sites. Bed Bath & Beyond and Famous Footwear have signed on as tenants provided the project goes through; the second phase is likely to be a theater complex with restaurants (yes, the Olive Garden is one possibility).

Question from Monroe: is the request for funds for just the roadway/signal or for other items. Response: Roadway improvements definitely, and would also like demolition costs assistance and upgrade/installation of water and sewer trunk lines—not the service lines for each of the tenant spaces.

Steve Brown: Will this project, or a portion of it, go forward without the PDA assistance with financing? Response: Probably not. Because Pocatello is considered a third-tier market, or at best a secondary one, it doesn't meet the criteria for a national chain to establish a franchise unless there are substantial rent concessions, development assistance, etc., which would make the location provide the required return. Without PDA funding Platinum wouldn't find the project financially feasible. Total request would be for approximately one million dollars.

Questions were raised about the impact on current businesses. Response: there is never any way to tell how much revenue might be lost from the influx of new businesses, but in general, the old adage is that new business begets more new businesses and encourages people to "shop around."

At this point, the Chair called for motions. **It was moved** (Chase) to authorize \$250,000 in reimbursement for costs associated with roadway and traffic signal improvements. Motion died for lack of a second. There were no further motions.

## 2. Central Corridor District

Hospital Way URA. Brent Nichols and Bill Isley were present to discuss the request to amend the Central Corridor URA and establish a TIF to include an approximately 22-acre parcel of land adjoining Center and Hospital Way.

Comments: J. Guthrie wants PDA to require their project to be integrated with the hospital's plans and queried as to whether the hospital-owned area could also be included in the URA.

R. Chase expressed concern about including the hospital lands and then providing assistance which would directly result in the abandonment of currently-taxed medical offices, losing that revenue to both the City and County, and placing the new buildings in an area which would produce no property tax money either to the City or the County.

Bill Isley responded that they had discussed their idea with the hospital administration and had requested responses several times without success. The projects need not be considered together; PDA can't force private parties to join one another, the hospital land is tax-exempt and is mostly developed while their project area is privately-owned and subject to taxes, and there is no need to connect the two projects.

R. Chase: Can PDA do both an amendment to include the area in the Central Corridor as well as to establish it as a revenue allocation district? Response by Tranmer was that the State sets the procedure which requires that a plan be presented to PDA which must declare that the plan, project, and area meet the criteria for inclusion in an urban renewal area, then approve and forward the material to the CDC for its review for conformity to the Comprehensive Plan. The CDC will then forward it to the City Council for their decision. PDA needs to see a proposal before going forward with an amendment and TIF, can do both together, or do them separately.

**It was moved (Guthrie)** to table the matter until the hospital presents a proposal or until the hospital and current parties present a joint proposal. Motion died for lack of a second.

**It was MSC (Chase, Monroe; Brown and Guthrie dissenting)** to approve amendment of the URA to include the applicants' land if it meets the criteria.

**It was MSC (Chase, Ricks; Guthrie, Monroe, Brown dissenting)** to establish the area as a revenue allocation area if both can be done simultaneously, provided PDA counsel determines that the area meets the criteria for inclusion in an urban renewal area.

At this point, the Chair was excused to attend another meeting, and Vice Chair Brown assumed the duties of the Chair.

Property acquisition. Tingey reported that acquisition and negotiations are continuing, but staff is requesting Board approval of the necessary development agreements (authority for the Chair to sign) and PDA should also consider whether insurance should be obtained on the properties. D. Tranmer recommends some public liability insurance coverage. **It was MSC (Chase, Ricks)** to approve execution of the development agreements and to approve obtaining insurance coverage.

Requisition E-38 in the amount of \$48,845.36 to Tuscany Hills was discussed. **It was MSC (Ricks, Chase)** to approve payment (\$ .10 error to be changed).

## 3. Old Town:

Jim Jenkins reported that the project is on budget, but not quite as far along as they would like; however, it is 84% complete and steady progress is being made. General update: An open house was held last week for property and business owners to discuss the

revitalization project. Only one property owner expressed a problem. Lighting around the high school should be started next week and will be done in three phases.

Requisition E-36 to Myers Anderson for Old Town work (standard percentage for project overview charges) in the amount of \$5,930.56 was presented. **It was MSC (Brown, Chase)** to approve the requisition.

Requisition E-37 to Kiggins in the amount of \$68,552.24 was presented. Concrete testing now shows correct specs are being met; those portions which didn't meet criteria have been torn out and replaced. **It was MSC (Ricks, Chase)** to approve the requisition.

**4. Minutes and financial matters.** **It was MSC (Monroe, Chase)** to approve the minutes from the October meeting. The financial report was reviewed by D. Tranmer in the absence of C. DeWall who had left to attend a meeting. **It was MSC (Ricks, Brown)** to approve the report.

**5. Evaluation of TIF Districts.** Robert Chambers discussed the possibility of having a consultant review the effectiveness of the revenue allocation districts established by PDA. Members noted that it was visually obvious that the districts were effective—the Ballard/Kimberly Clark, Sterling Building, and Fred Meyer's facilities having been built and the resulting infrastructure improvements, etc.—and asked what specifically a consultant report would be providing. Robert noted that he envisioned an empirical showing of what seems intuitively obvious, specifically how and to what extent the revenue allocation districts have provided improvements to real property and to what extent the tax revenues from those properties, when available to the taxing entities, may lower the levy rate or provide other benefits to the residents or the taxing entities. R. Burstedt asked about the projected cost and about the accounting method. Other members noted that PDA's purpose under the statute is to propose URA's for deteriorating areas and to recommend establishment of revenue allocation areas where they deem appropriate and that spending money to justify what elected officials have declared to be a purpose/goal didn't seem like a good use of the money. R. Chase pointed out that PDA was the only development authority which had retired any TIF districts yet the group was continually facing negative comments about "going overboard." Another member concurred, noting that PDA certainly didn't establish the entire town as a URA as had happened elsewhere. Additional discussion ensued after which **it was MSC (Brown, Chase)** that a sub-committee of the PDA be formed to investigate the issue and review pre-TIF and post-TIF situations and provide a report to the PDA as a whole. Brown, Guthrie, and Monroe will serve on the sub-committee.

**6. Miscellaneous.** Conduct of meetings. Members discussed the need for reviewing items prior to having them presented by applicants, the possibility of having a synopsis of the request and its compliance with PDA-adopted guidelines, the difficulty of digesting and discussing a request and making a decision in less than an hour at a single meeting, the possibility of shortening meetings, and whether members felt that the recent establishment of deadlines for submission of agenda items was a useful change. No motions were entertained, but the consensus was that having deadlines was a helpful change, and that other procedures should be discussed when there was more time.

There being no further business, the meeting was adjourned at 3:03 p.m.

