

ABBREVIATED MINUTES
POCATELLO DEVELOPMENT AUTHORITY
Meeting December 17, 2003

Members present: Terry Brower, Steve Brown, Roger Chase, Jim Guthrie, Harry Neuhardt, and John Ricks

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

City staff present: Robert Chambers, Tim Tingey, Greg Lanning

1. Preliminary matters. Meeting called to order at 11:09 by Chairman Neuhardt. A quorum was declared. Agenda changes: moving of consideration of minutes and financial matters to follow the Whitman/Yellowstone agenda item.

2. Whitman/Yellowstone Housing Project. Richard Stallings, former Director of Pocatello Neighborhood Housing Services and Gerald Hunter, Executive Director and President of Idaho Housing and Finance Association, were present to discuss the project. The former Whitman Hotel is in danger of demolition by neglect and a number of people have joined together, hoping to rehabilitate the building, remodel its upper levels for housing and lower level for commercial enterprises. This project is being proposed in conjunction with a similar project for the Yellowstone Hotel, whose ground floor has already been partially renovated. G. Hunter explained the involvement of his agency as being a financing-assistance office to help identify and secure funding for housing projects. The Whitman would have 38 housing units; the Yellowstone would have 10. In order to secure funding, the two buildings would be "packaged" together and renovated at the same time by a limited liability company which has been formed. (Tim Whiteus, Dick Carroll, Jerry Myers). The Chair noted for the record that this proposal had not been received in time to meet the Board's requirements to be on the agenda and that the necessary supporting documents were also not available, but that the Board was willing to review the material available and ask for clarifications.

Summary of questions and comments: Has other funding actually been obtained? (No, Idaho Housing requires a market study to determine need for the housing units prior to providing funds—no demonstrated need, no funds.) Do the prospective developers own the property? (Not yet; they expect to have a contract by end of December, 2003.) What is the actual budget? (Not yet developed in detail. Cost estimates were presented totaling \$5,660,000 without supporting documents, showing acquisition of \$288,000, construction and unspecified soft costs of \$4,889,000, contingency of \$353,000 and an operating reserve of \$120,000). How much is PDA going to be asked to contribute and for what purpose? (Funding gap is \$541,000. A construction lender is going to require some form of loan guarantee; PDA could possibly provide the contingency money or the loan guarantee fund, etc.) Why so little investment of their own by the developers—only a building equity of \$200,000 for an over- \$5 million project? Who's paying for the acquisition cost shown as \$288,000? (Public housing projects are typically not funded by individuals but by public housing organizations who run them; developers plan to sell/lease the units to a housing agency to manage; the commercial space will be retained and rented by developers. The gap for housing units is \$215,000 and that gap needs to be funded fully as a grant; the commercial portion gap can be in the form of a loan pending receipt of rental income from which to repay loaned funds.) Is PDA devoting too much of its available resources to the downtown area to the detriment of other areas? (Downtown area is especially in need of assistance as being the oldest and therefore most deteriorated area.)

It was MSC (Chase, Brower) in light of the lack of specifics and the uncertainty as to ownership and title, to table further discussion and consideration of the proposal until the next meeting with the request that the developers provide more concrete information, a specific

cost break-down, etc., pursuant to the PDA guidelines for proposals, and that the materials be provided at least 10 days ahead of time to give the Board adequate time for review.

2. Hospital Way. Note to the Board: this item was pulled from the December 4th Council agenda because of a number of unanswered questions, including how large an area to incorporate. R. Burstedt explained that BDC is pursuing a commercial operation for the area, a company seeking a suitable area for corporate headquarters. The City does not have the resources to provide the needed infrastructure upgrades to accommodate the business. Developer Bill Isley suggested that the PDA consider leaving the funding tool in place by including the whole area into the existing urban renewal area (or its own) but not providing a revenue allocation area at this time. Extensive discussion ensued as to what types of projects within such an area could or should be funded (ones on the list developed for the Plan or on an addendum list if the Plan is amended subsequently), whether Central Corridor funds could be used if the area was not included in the Central Corridor revenue allocation (TIF) area (no; unless a project originates within the TIF area and has to be extended past it for completion e.g., a sewer line that has to go from a point in the TIF area to a connection point outside the TIF area). Additional "philosophical" questions regarding the role of the PDA, the types of projects best suited for funding, the extent to which funding could/should be provided, and the like were also discussed. No final decisions or motions were made.

12:15 p.m. brief recess for lunch

3. Minutes and financial matters. It was MSC (Brower, Ricks) to approve the minutes from the November meeting. It was MSC (Ricks, Chase) to approve the November financial report and the cash budget for 2004.

Requisition E-39 was considered: It was MSC (Ricks, Chase) to approve the \$4,104.56 requisition for funds.

Tax payment on newly-purchased property: At the closings for the "iron triangle" properties, PDA was credited for the taxes that were due up to the time of sale and those sums were deducted from the purchase price. Tax bills have now been received and must be paid by December 20, 2003. It was MSC (Chase, Brower) to pay the sums due.

Roosevelt: An invoice for RMES work completed and approved was submitted. It was MSC (Ricks, Brower) to pay the invoice.

Fred Meyers: Request for reimbursement in the amount of \$61,135.36, the balance of the "account" of funding available to the company. It was MSC (Chase, Ricks) to approve payment.

Downtown: Requisition E-40 for Kiggins was presented. There is no adjustment in billing for any concrete problems because the contractor did replace some portions of the work, as he was requested to do. Per Jerry Myers, the completion date was for December 28, but a January 5, 2004, date is more likely since there is a delay in obtaining a piece of equipment. The retainage is sufficient to cover work not completed. It was MSC (Ricks, Brower) to approve E-40 for Kiggins.

Requisition E-41 JUB Engineers design work for Downtown Reinvestment: It was MSC (Ricks, Chase) to approve E-41.

Requisition E-42 for Myers Anderson. It was MSC (Brown, Chase) to approve E-42 for architectural fees for the Downtown Revitalization Project.

4. Downtown Reinvestment. Greg Lanning provided an update noting that J-U-B Engineers will oversee Phase I, but that there will be some items from Phase II & III which will overlap into this contract also, such as the building survey, smoke testing, and the like.) Thane Smith, their engineer for the project was introduced and explained that JUB will provide a monthly

report. The project is a 7-part one: survey, sanitary sewer smoke testing, structural evaluations, waterline layout, storm sewer conceptual layout, surface design elements, and public information, the later being handled by the Langdon Group. Thane and Robert Chambers toured six cities' revitalization areas and interviewed various officials, hoping to avoid any pitfalls and learn from both their successes and failures in handling the logistics. Cindy Miller and Nancy Taylor will coordinate the public involvement items and Cindy reported that they have already set a January 7th date for an open house to inform the public about the project and its timelines. They can be reached via their toll-free number: 800-252-8929 and will be happy to provide assistance.

5. Subcommittee Report. S. Brown noted that the first meeting was held and that the group is expanding its scope, unless the Board objects, from considering "does TIF financing work?" to include providing a matrix or guideline documents for applicants. They should have a more lengthy report by the January PDA meeting.

6. There being no further business, the meeting was adjourned at 1:00 p.m.

A handwritten signature in blue ink that reads "Payma Valentine". The signature is written in a cursive style with a large, looping initial 'P'.