

MINUTES
POCATELLO DEVELOPMENT AUTHORITY
Meeting May 19, 2004

Members present: Dan Schroeder, Terry Brower, Steve Brown, Darsi Johnson, Roger Chase, Ken Monroe, Harry Neuhardt, John Ricks; Craig Cooper for Jim Guthrie

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

1. Preliminary matters. Meeting called to order at 11:03 a.m. by Chairman Neuhardt. No conflicts were declared.

2. Minutes and financial matters. It was MSC (Monroe, Brown) to approve the minutes from the April meeting. C. DeWall provided a review of the financial report noting that tax dollars and interest are the only receipts for April. Expenses were for legal notices, lunch and BDC's administration expenses invoice. It was MSC (Ricks, Monroe) to approve the report.

3. Audit 2003. Charlie Clark from Deaton and company reviewed the report with the Board, stating that the agency's finances seem to be in good shape, that "all is well," that the Board's finances are being managed in compliance with regulations, and that there is a high level of internal control. Most of the cash is held by the Trustee for the various bond issues and there is a \$460,000 balance of unrestricted funds. A few typos were discovered after printing and distribution, so Deaton will provide clean, corrected copies for the Board. It was MSC to accept the report, with corrections.

4. Old Town. Phase O Revitalization: Jim Jenkins reported that the Phase O improvements, including those items needing correction, have been completed and he is recommending approval of Requisition E-51 which was previously pulled from an agenda. It was MSC (Chase, Brown) to authorize Requisition E-51 in the amount of \$12,417.24 to complete the payments due to Kiggins Concrete.

Reinvestment: Thane Smith (J-U-B) and Greg Lanning reported on the bid opening for Phase I and distributed copies of the summary. BECO is the low bidder. HK was the "sub" contractor listed for all the major water line work for all three bidders. The low bid is well over the estimated costs, and in response to Board queries, Thane expressed the opinion that the major increase in gas and steel prices were largely to blame, but that there's no way to ascertain a contractor's reasons for any particular "per item" cost amount. There is sufficient money to handle the increase, but we may have a shortfall by the time we reach Phase III; such a shortfall would require scaling back to some extent. S. Brown noted that re-advertising wouldn't be useful—costs are rising and not projected to be lower in the near future; we would lose time; and there is little likelihood that bids would be forthcoming from any other contractors. Question: could we save money by using plastic instead of ductile iron? Response: Yes, but City standard is still ductile iron due chiefly to its strength and relative ease of repair in comparison. Question: is there any legal problem with the fact that HK was both a bidder and the "sub" for the other two bidders. Response: No problem legally; we have no authority to restrict the bidders' choice of qualified subs.

It was MSC (Chase, Ricks) to recommend to the City Council that the low bid from BECO be accepted.

School District issues: Greg reported that the contractor for the School District's gymnasium project was close to the stage where sidewalk work would be done and contacted Greg to coordinate with the City's Reinvestment project. Because the gym is so close to the property line, the City was concerned about the width of the sidewalk and whether the numbers of people could be accommodated without their spilling out onto the street. Accordingly, the City is recommending widening of the sidewalk along Main and Clark. J-U-B is already working on the elevations, grades, etc., so they can work with the District's contractor so that streetscape and lighting will also be installed—in effect doing this portion of Phase II in Phase I with the District funding \$11,000 of the projected \$120,000 cost. That amount, according to a District representative, is the cost attributable to the sidewalk work for their contract and is all they're willing to pay. Additionally, the School District wants the former Koseris property to be donated to it for a parking lot which the District will pave and maintain.

After further discussion, **it was MSC (Ricks Chase)** to "move" the sidewalk work around the gym from Phase II to Phase I, to widen sidewalk on Clark, which is not in either Phase, and to do streetscape complementary to that being done throughout the project, but to continue discussion about the parking issues.

IT was MSC (Ricks, Chase) to authorize Requisition E-52 to J-U-B for \$14,813.35 towards the "extended contract" expenses.

5. South Cliffs. Bill Isley requested additional money for blasting expenses for the continuation of development of the South Cliffs area. Members noted that consideration of the proposal was premature because staff review and evaluation had not been accomplished yet, that a loan might be preferable, that previous Board action might have capped the amount of money for the development to what had already been awarded. **It was MSC (Johnson, Cooper; Brown dissenting)** to send the application to staff for evaluation and to consider it only after that preliminary review and report had been received.

Requisition E-53. Isley noted an error in the amount requested; reimbursement being requested is for a total of \$6,279.65. **It was MSC (Chase, Brown)** to authorize the Requisition in the correct amount of \$6,279.65. (Note: \$2,997.11 of that should be attributed to the loan portion of the remaining amount.)

6. Iron Triangle. Property acquisition: Sixteen parcels were identified; 10 have been acquired. Current request is for \$63,589.93, which will bring the amount of money expended for the project to approximately \$114,000 (NOTE: \$150,000 was authorized). **It was MSC (Schroeder, Monroe; Brown dissenting)** to authorize payment.

7. Proposal by PEG Development. This proposal was not submitted to staff for review and evaluation, but Chairman noted that the developers were present and asked for a brief discussion of their project. Cameron Gunter and Matt Hansen explained that they will be demolishing the old Associated Foods warehouse, which would remove the deteriorated building and meet one of the duties/powers of the PDA as an Urban Renewal Agency. The property has been vacant and basically unused for some time. Its current base land value is 1.8 million dollars; the completed development will result in a 10 million dollar increase in the value of the property. Public right of-way improvements to widen the roadway and add another lane and traffic light will be part of this development which involves construction of areas for retail businesses. They estimate an increase of 100 jobs when the area is completed, including management, clerks and other retail/food service positions. At this point, Robert Chambers

noted that, while the evaluation sheet had not been completed, the project has been reviewed by staff and has been determined to meet criteria and guidelines established by the Board. Discussion ensued regarding timelines, other available funding, setting requirements for repayment for lack of development, structuring of funding in stages, developers' willingness to handle costs up-front and be reimbursed as was the case with Fred Meyer's project. The area is not in an Urban Renewal Area and Board action would be required to recommend creation of a URA and a revenue allocation area. C. Cooper voiced the county's object to creation of any new districts.

Additional discussion: whether there's a need for more retail development or whether clearing and development of an unused area for whatever purpose is desirable; any redevelopment there will require demolition and traffic improvement; removal of the blight/deteriorated conditions and building will require about 3 million dollars; whether creating another revenue allocation area would exceed the 10% cap on values in RAAs. **It was MSC (Chase, Ricks; Cooper dissenting)** to begin the process required to have the area declared an Urban Renewal Area with a corresponding revenue allocation area.

7. There being no further business, the meeting was adjourned at 1:50 p.m.

A handwritten signature in cursive script that reads "Payne Valentine". The signature is written in dark ink and is positioned on the right side of the page, below the main body of text.