

**MINUTES**  
**POCATELLO DEVELOPMENT AUTHORITY**  
Meeting June 16, 2004

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

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

**1. Preliminary matters.** The meeting was called to order at 11:00 by Chairman Neuhardt. There were no conflicts noted. The Chair noted an alteration to the agenda in order to discuss the North Yellowstone matters first

**2. North Yellowstone District** Robert Chambers provided a replacement for page 8 of the proposed plan and projects, and Don Zebe, realtor with Premier Properties, described the site and its potential for commercial development and redevelopment. Its proximity to the Interstate makes it desirable, but it lacks the street development needed to carry commercial traffic as well as having insufficient public utilities to serve large commercial structures. The land is currently under contract to be sold, and both Lowe's and a development company have plans for the area, provided the infrastructure can be installed and upgraded.

Jim Mannion from Lowe's spoke to the Board about his company and their plans, remarking that there would be approximately 170 jobs created, of which 70-75% would be full-time, with salaries averaging \$12/hour plus medical, dental, and vision health benefits, a portion of which is paid by employees, a stock-option plan, and 401K plan. J. Guthrie asked whether the business is considered a direct competitor to Home Depot and expressed disapproval of assisting competitive retailers to city businesses and a concern that \$12 per hour average salaries meant that there were a lot of low-paying jobs and employees who would choose not to buy into the health care plans and thus end up on the indigent roles. Mannion responded that Lowe's does sell similar items to Home Depot, but their marketing is targeted more towards homeowners than contractors; his company is considered one of the top one hundred employers in the country, he knows of no employee who has declined health care coverage unless covered by a spouse. It was also noted that to unemployed people, any employment, even if less than \$12 per hour, would be advantageous and helpful to the local economy. Jason Hawkins then discussed their company's plans for an Edward's cinema complex, similar to the one in Ammon, with adjacent restaurants and shopping area including an un-named book store and other retailers.

Board's discussion: suitability of area for urban renewal because new development was unlikely—streets are insufficient for that amount of traffic, roads not aligned properly for the traffic, parcels are small and oddly-shaped and have no commercial structures, so the "little-by-little" type of redevelopment that occurs in a downtown area is unlikely; whether major commercial development would occur without assistance with infrastructure improvements; cooperation of the three major investor groups at this one time is serendipitous.

Questions arose as to property acquisition and an executive session was deemed appropriate. Therefore, at 11:35 it was **MSC (Ricks, Brown)** to adjourn into an executive session pursuant to Idaho Code section 67-2345 to discuss the possible acquisition of property not owned by a public agency.

11:50 Return to regular session.

Continuation of discussion: Costs of the infrastructure improvements have been estimated and Board members discussed interest cost savings that might be available, should Council approve the District, if bonds were issued and proceeds used to fund the improvements as opposed to the interest costs resulting from construction loans. (1.7 million dollars estimated

savings) Bond issue process is more time-consuming. Adding this district would result in 8% of the taxable valuation within the city being in revenue allocation districts; 10% is the statutory maximum. The Gateway area would also be part of the district, but any improvements made to that portion of the area would be pay-as-you-go. State highway officials must approve any roadway changes to Yellowstone including altered intersections. Developers have been working on relocation of persons who are renting premises which would be purchased as part of the development plans.

**It was MSC (Chase, Johnson; Guthrie dissenting)** to recommend approval by the City Council of an Urban Renewal Area, the North Yellowstone Urban Renewal Area, with the plans and projects as presented in the draft proposal before the PDA at this meeting, to include approval of a revenue allocation provision for the area.

**3. South Cliffs request.** Bill Isley spoke, expressing appreciation to the PDA for undertaking the approval of this urban renewal area and project as being one of the two interstate corridor development areas which could, if infrastructure was provided, prove to be a major economic boost for the community. He was present to request additional funding from PDA for the "above and beyond" costs, approximately \$100,000, associated with blasting through the lava rock in order to install the second entrance to the development. In response to inquiries about prospects for tenants or buyers, Isley responded that he had no specific proposals but would like to get the area prepared. Chairman Neuhardt called for motions; no motion was proposed. The Chair thanked Mr. Isley for the update and noted that the request could be brought before the Board if there was an active development proposal for a buyer/tenant.

**4. School District Request- Garfield property.** Bart Reid has confirmed that the District wants the property donated by PDA and paved by the City for a parking lot for the high school. PDA members expressed reluctance to give the property away, since it cost PDA and the City a total of \$135,000 for acquisition and demolition. Brower noted that a property trade would be more desirable and provide an opportunity for development which would increase the tax base. PDA is also obligated to repay the \$19,000 CDBG funds used for demolition. No motion approving the donation was made. The Board may discuss the possibility of expanding Phase II Reinvestment improvements and rescheduling others in order to widen the sidewalks on two sides of Pocatello High School at a subsequent meeting; sufficient funds must be available this year, School District must provide a portion of the costs (equivalent at least to the cost of sidewalk replacement already planned for the gymnasium project). PDA has already authorized up to \$49,000 for engineering design work in the event the proposal proves feasible.

12:50 At this point, J. Ricks was excused to attend another meeting.

**5. Minutes and financial matters.** The Board reviewed minutes from the previous meeting. **It was MSC (Schroeder, Brower)** to approve the minutes of the May meeting. Brief review of financial report: tax money and the reimbursement from PNHS was received and deposited in the Board's discretionary account. Reimbursement for an overcharge was also received from Deaton. Recording costs and lunch costs were the only expenses. **It was MSC (Schroeder, Brown)** to approve the financial report for May.

Requisition #-E55 in the amount of \$1665.38 was presented for processing; Ray Bursted reported that it had been reviewed and appeared to be in order. **It was MSC (Brower, Johnson)** to authorize the requisition.

Requisition E-56 in the amount of \$24,058.07 to J-U-B for engineering services was presented. Questions were raised as to the 3.2 multiplier. Thane noted that this was the multiplier used to determine costs for staff which was reflected in their proposal and contract approved by PDA. **It was MSC (Brown, Neuhardt)** to authorize the requisition.

Cheyenne Crossing payment request from the City for \$915.98. Questions were asked about the charges and the status of the work. Response: PDA provides, per agreement,

20% of the invoices for continuing environmental work, state and federal procedures for determining location, preservation of petroglyphs, etc. Suggestion: ask for more information from the City on what is actually being done, refresh Board's memory of the arrangements, etc., and put this on the agenda for next meeting.

**6. Kress District.** A review of the previous agreements and loan terms disclosed that under the terms of the bank loan, there should have been a zero balance by February of 2004, not the \$20,000-plus balance presented to PDA as being an "early call." The loan was for 7 years. PDA was responsible only for a portion of the payments; the remainder of each payment was to have been made by the investors. The available documents do not provide any explanation for the discrepancy. Board asked Ray Burstedt to contact Dick Carroll to obtain an explanation/convey Board's reluctance to continue the District beyond the terms of the revised loan and agreement under these circumstances and report back to PDA at the next meeting.

**Adjournment.** There being no further business, the meeting was adjourned at 1:10 p.m.

A handwritten signature in cursive script, appearing to read "J. Valentine". The signature is written in dark ink and is positioned in the right-center area of the page.