

MINUTES
POCATELLO DEVELOPMENT AUTHORITY
Meeting October 20, 2004

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

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

City staff: Greg Lanning

1. Preliminary matters. Meeting called to order at 11:04 by Chairman Neuhardt. No conflicts were declared. No additions or changes to the agenda were noted. The minutes of the September meeting were presented for approval. **It was MSC (Chase, Brower)** to approve the minutes. C. DeWall reviewed the financial report, noting that revenues were from belated tax receipts forwarded from the County and interest. Zero District balances reflect the fact that district revenues have been sent to the Trustee and the North Yellowstone District in "in the red" because revenues will not be received until after the bonds have been sold. Roosevelt expenses reflect payment to Kiggins' and RMES; other expenses for lunches for meetings and weed control on Garfield property. Third quarter admin expense invoice from BDC was presented. **It was MSC (Brown, Monroe)** to approve the financial report and to approve the BDC invoice for payment.

2. Old Town. G. Lanning reviewed the status of the improvements, noting that the project was basically done except for some concrete, pavers, and a few punch-list items. A meeting was been scheduled Friday with J-U-B to review the contract, deadlines, payments, damages, etc. R. Chase noted that some of the merchants are placing items on the right-of-way without the required Council approval and a meeting will be held to discuss possibilities for benches, etc. Other members express concern about whether subcontractors have been paid and whether PDA/City can withhold enough money to ensure payment. Per G. Lanning, that will be topic at the meeting with engineers.

Requisition #E 64 for reimbursement to the City (standard 80%/20% distribution of costs) in the amount of \$582,520.71 was presented for approval. **It was MSC Chase, Brower)** to approve payment.

3. South Cliffs. Bill Isley and Brad Frasure were present to discuss further development of this 65-acre parcel of area zoned Commercial General which is currently in the Central Corridor. His proposal is that the area be removed from the CC District and that it be established as its own revenue allocation district for a maximum of 15 years. They, as developers, would be reimbursed from district revenues for authorized infrastructure expenses. Costs would be borne by the developer who would receive reimbursement for costs, plus interest, from district revenues until the end of the 15 years. Members expressed concern about removing sections from the CC District and D. Tranmer noted that since all the property in the district is "pledged" for the bonds, PDA would have to seek a legal opinion from its bond counsel and approval from the owner of the bonds for release of any of the property. He will contact Rick Skinner and report back to the Board. J. Guthrie noted his reluctance to approve funding without any tie-in to a high-paying employer or any specific building project. T. Brower inquired as to whether other agencies sponsored site-specific projects without actual proposals. Twin Falls has done some site-specific, but not necessarily without a specific development. PDA has established the Kress, DOMSEA, and the NOP areas, all with specific development/building projects. D. Johnson noted that Isley had visionary proposals which probably were meritorious, but that she would prefer to see more "meat" in the form of a

business or commercial proposal which would eventually increase the tax base and provide employment, etc. H. Neuhardt then summarized the discussion by stating that while an increase in the tax base is not the sole criteria for PDA approval, the Board does try to approve projects which provide a balance between infrastructure improvement projects not connected to a development and ones directly connected to a proposed new economic-development endeavor. The Board does see merit in establishing individual revenue allocation areas but in this instance would need approval from bond counsel for the release of land already in an RAA and would prefer to see some sort of triggering event or project which would fit into the Urban Renewal Area Plan and projects. Board members concurred with that viewpoint.

4. Iron Triangle. Robert Chambers reported that a lease has been prepared for Mr. Grumbein for his continued use of the property (Frank's Repair) for \$200.00 per month. He intends to extract usable parts from the vehicles and moving everything in the near future. Planning and Development Services is requesting that his lease payments be distributed to the City to help defray the additional costs involved (approximately \$12,000 more than the \$150,000 allocated by PDA) in acquisition of land in the area. After brief discussion, **it was MSC (Guthrie, Chase)** to authorize execution of the lease. **It was MSC (Brower, Johnson)** to allow the lease payments to be disbursed to the City for reimbursement of costs expended by the Planning and Development Services department.

5. Roosevelt. RMES has requested payment for their engineering costs and a payment to Kiggins. (Note: In response to an inquiry about the difference between the figure presented by Kiggins for payment last month and the figure cited by RMES, R. Burstedt explained that the RMES figure was derived from actual field measurements of completed work and was greater than Kiggins' request based on an estimate of percentage of completion. PDA's check was issued in the amount actually requested by Kiggins, which was less than the amount authorized by RMES.) Current requests:

Invoice #2004261: Payment of \$1,085.00 to RMES and
Pay request #4 to Kiggins in the amount of \$92,148.22

It was MSC (Chase, Guthrie) to authorize payment of both as requested

PDA members expressed concern that they did not have a set of documents which provided a clear showing of the original estimates, approved change orders, and contract amendments for the project to date. (\$244,000 amount increased to \$256,000, which now appears to be \$272,000, etc.) RMES will provide a packet next meeting including change-order requests for signature, original estimates, etc.

6. North Yellowstone. Board members were reminded that this District will continue to show negative balances until funds are received. Expenditures are being paid by the City or from PDA's general fund, both of which will be reimbursed after bond proceeds are available.

Invoice #8194 was presented for reimbursement to the City for \$22,180.00 for preliminary engineering costs for Hurley Drive. **It was MSC (Chase, Johnson)** to authorize payment.

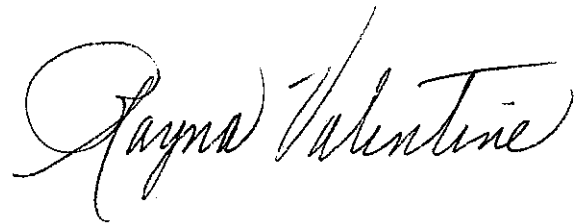
Associated Foods area: The Forest Service owns a fairly large portion of the land within the site commonly referred to as the Associated Foods area, but has abandoned its operation there. The developers who own the rest of the area have contacted the local Forest Service office about exchanging this land in order to increase the developable property within this portion of the Urban Renewal Area for land owned by the developers which abuts National Forest Service land maintained by the Service. The local office noted interest in acquiring developers' land and support for the land exchange but stated that the process proposed by the developers could take up to two years and suggested an alternate process via the Townsite Act instead. Under

that Act, the application would be a request that the Forest Service exchange with the City/PDA the land it no longer uses or needs in the Associated Foods area for a parcel adjacent to National Forest land. In order to accomplish the exchange under this Act, the developers are agreeing to deed their property to the PDA for transfer to the Forest Service (if the exchange is approved by the Service) and PDA would then transfer the land acquired from the Forest Service to the developer. J. Guthrie expressed concern about the appearance of impropriety in the transaction. Per Dean Tranmer: there should be no problem because the land exchange is allowed regardless of which parties accomplish the exchange; this proposal would involve two public entities and a different set of federal regulations instead of one public and one private entity--and is the procedure suggested by the local Forest Service who have the expertise regarding their regulations.

Judicial validation update: D. Tranmer notified that Board that on Monday, November 1, at 9:00 a.m. the petition for judicial validation of the North Yellowstone revenue allocation district and proposed bonds will be heard before Judge Smith. A decision should be made before the end of the month; he'll report at the next Board meeting.

7. Elections. Brief discussion as to candidates and whether the by-laws and State Code allow re-election of the same officers. Per Dean Tranmer, neither the statutes nor the by-laws require the successor to be a different person, nor does either specifically authorize an officer to succeed him or herself. Therefore, either course of action could be allowed depending upon the Board's inclination. Current elected officers are Harry Neuhardt, Chair, Steve Brown, Vice-Chair, and Dan Schroeder, Treasurer. Rayna Valentine is the Board-appointed, non-voting Secretary, and Char DeWall is the Board-appointed financial manager. (NOTE: There is no current elected Treasurer). **It was MSC (Chase, Brown)** to nominate, select, and re-elect by unanimous consent the current officers and staff, and elect Dan Schroeder as Treasurer. Additionally, members discussed the renewal of the agreement with Bannock Development and the consensus was to continue with BDC services for another year, through September 30, 2005.

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

A handwritten signature in cursive script that reads "Rayna Valentine". The signature is written in dark ink and is positioned in the lower right quadrant of the page.