

**POCATELLO DEVELOPMENT AUTHORITY
MINUTES
NOVEMBER 17, 2004**

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

Staff present: Ray Burstedt, Char DeWall

1. Preliminary matters: The meeting was called to order by Chairman Neuhardt at 11:02 p.m. One addition to the minutes: review of invoice #8320 for extra security for Old Town area, and one alteration of the order of the agenda in order to address the pay request for Roosevelt. No other changes were requested; no conflicts declared. **It was MSC (Chase, Brower)** to approve the minutes for the October meeting. Char presented the financial report for October, noting late tax receipts and interest income. The North Yellowstone District shows a negative balance because expenses for the district have been incurred and paid as authorized by the Board, but money has not yet been received from bond-sale proceeds. Balances will be adjusted once funding has been received. **It was MSC (Chase, Monroe)** to approve the October financial report.

2. Roosevelt.

Pay request #5 was presented for approval. **It was MSC (Terry, Steve)** to approve payment in the amount of \$32,587.02 to Kiggins Concrete.

3. Old Town Reinvestment. Greg Lanning reported that the project reached substantial completion as of October 13 (roads and sidewalks reopened), but that a number of items were still unfinished. The last payment request is for over \$500,000, but \$450,000 of that is being withheld as potential liquidated damages to be discussed with the contractor so that payment will be only \$82,279.34 from the Trustee until negotiations with the contractor have been concluded. See below for PDA portion.

Discussion: Guthrie and Brower inquired as to whether there were provisions in the contract for withholding more than the retention percentage. Response: yes; the contractor has been asked to meet regarding the liquidated damages, extra days, etc. issues. Dale Baune, Bridger Morrison, Lee Camack, and Alan Soderling of J-U-B Engineers described the process and the project concerns and noted that they believe resolution of most issues will be accomplished in a timely manner. The Contractor has 60 days from October 13 for presentation of bills. Questions were raised as to whether any of the difficulties encountered in this first phase had been overcome to the extent that revisions to either the project, preparation, or the timetable might be forthcoming in any subsequent phases. Response: yes, some changes to excavation specs, a better-executed plan for notifying property owners and the public; and possible alterations to the timetable could be considered. Basically, the engineers believe that the timetable of 20-plus days for phases is still reasonable, there are no significant problems with the overall quality of the construction, but that details, finishing, and inadequate paperwork were problems. The Chair expressed Board's concern that the delays in construction were of paramount importance and should be presented as a significant shortcoming, not taken lightly in the negotiations. Other members concurred.

Requisition E-65 for reimbursement to the City of Pocatello in the amount of \$67,632.58 was presented for approval. **It was MSC (Chase, Guthrie)** to authorize the requisition.

Request by the City for reimbursement of extra security costs was next reviewed. Brief discussion was held until, at members' request, the Chair tabled the item until the next regular meeting.

4. Central Corridor: Members discussed the cash-flow estimates and the various possibilities available for allocation of funds. R. Burstedt noted that the \$288,000 estimates for the Cheyenne crossing are not actually being spent because the project has not proceeded on the schedule originally estimated. Most of that money will actually be carried over into the 2005 budget, and the same minimal spending is projected for 2006. There should, therefore, be sufficient cash for approved expenses, but no money for anything else. Per R. Burstedt, there will be a request, possibly at the December or January meetings for some infrastructure funding for an expanding enterprise. Per Guthrie, Brower, and Monroe: Should PDA be considering other projects if the Board will be in a position of having to juggle money, timelines, obtain tax anticipation funding, etc. in order to fund the proposals. Is the PDA in any danger of over-commitment? Does PDA need to review income timelines and expenses in more depth?

The Chair noted that a special meeting will be needed December 2 to discuss and vote on the final bond documents and suggested that the Board also consider budget options for the remaining years of the District either at that time or at the regular meeting on December 15. R. Burstedt will provide cash flow projections and budget options to be considered. After brief discussion, the Chair set the special meeting for December 2, 2004, at 11:00 a.m.

Clark Street Interchange improvements. This project has been postponed for a couple of years and is now in the beginning phases. The City did not receive notice in time to budget its share of the project costs this fiscal year, and is requesting that PDA provide the City match. Part of the project includes re-locating the water line, which could be funded by the City's water department. **It was MSC (Guthrie, Brower)** to approve funding of the City's matching amount (less the water line costs), provided that only half of the funding will be released this year or next, and the remaining half no earlier than 2007.

Federal Express expansion. Some additional infrastructure improvements will be needed in order for Federal Express to move its operation to the South 5th area, expanding its local facility and adding additional jobs. Approximately \$200,000 will be required for the improvements. **It was MSC Chase, Monroe)** to approve expenditure of no more than \$200,000 for the infrastructure improvements, provided R. Burstedt specifically explore the possibility that Fed-Ex fund the improvements, with reimbursement provided up to \$200,000 by PDA as tax revenues became available.

5. North Yellowstone

Invoice #03-04-42 for appraisal costs in the amount of \$9,000.00 was presented for payment. Members expressed concern over the amount, which appeared excessive in view of normal appraisal costs for real estate sales and asked if the amount was from a bid, or for other information. At this point, **it was moved by Chase** to authorize payment of the invoice. The motion died for lack of a second.

Invoice #8255 was presented for payment for preliminary work on Hurley Drive. **It was MSC (Chase, Brower)** to pay \$4801.25 to the City as reimbursement for payment made to the engineers for preliminary work on Hurley Drive.

6. Executive Session, 12:45 p.m. **It was MSC (Chase, Brower)** to adjourn into executive session pursuant to Idaho Code section 67-2345 (a-f) to seek advice of legal counsel and to discuss acquisition of property not owned by a public entity.

7. Reconvene regular meeting, 1:00 p.m.

8. Miscellaneous Items. Members requested an update on the status of the leases, land purchases, and negotiations for Pocatello Square. Per the developers: everything is on track and closings are projected to be completed by mid-December, barring any unforeseen difficulties.

There being no further business, the meeting was adjourned at 1:15 p.m.

A handwritten signature in cursive script, reading "Rayna Valentine". The signature is written in black ink and is positioned to the right of the text "There being no further business...".