

**ABBREVIATED MINUTES**  
**POCATELLO DEVELOPMENT AUTHORITY**  
Meeting January 19, 2005

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

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

**City staff present: Greg Lanning, Public Works Director**

**1. Preliminary matters.** Meeting called to order at 11:00 by Chairman Neuhardt. No conflicts were declared. Additions to the agenda: Discussion item related to TetriDyn

**2. Minutes and general financial matters.** It was MSC (Monroe, Chase) to approve the minutes for the regular meeting of November 17, 2004. It was MSC (Brower, Monroe) to approve the minutes for the special meeting held December 15, 2004. It was MSC (Chase, Schroeder) to approve the minutes of the regular meeting held December 20, 2004. S. David then presented the financial report. Income consisted of \$246.92 interest and some tax revenue from Old Town, the Central Corridor, and North Yellowstone districts. Expenditures reflect tax revenues transferred to the Trustee and lunch. Bank charges are for an "overdraft" resulting from a procedural difficulty resulting in a belated transfer of funds from one account to another. It was MSC (Ricks, Brown) to approve the financial statement. The invoice for payment for 4<sup>th</sup> quarter 2004 administrative fees was presented. It was MSC (Chase, Johnson) to approve payment of the \$3,125.00 item.

**3. Old Town - Downtown Reinvestment.**

Review of Downtown project discussions and decisions. Members' agenda packets contain copies of excerpts from the PDA minutes dating from March 19, 2003, regarding motions and discussions related to funding and downtown improvements, including infrastructure and streetscape items. Chairman Neuhardt noted that his review of the document did indeed show that the PDA had not specifically committed to funding 3 years of work, that all discussion and motions clearly indicate that a maximum amount (over and above the costs of Phase 0) was established, that the Board approved additional costs and cost overruns during the first phase with the specific caveat that doing so would cut back on money available, if any, for subsequent phases. Board actions have consistently specified that each proposed phase was to be discussed and approved or rejected at the appropriate time in the future. In no event was funding to exceed the \$5.6 million cap, and a further restriction was placed on the project requiring all work beyond that approved for the current phase to be brought before the Board for consideration and a vote on the extent of work to be performed and maximum expenditure for the phase (if the phase received approval). The Chair invited comments from the other members, particularly requesting that anyone who might have formed different conclusions from the review provide comments to the rest of the Board. No one offered any comment.

Pay Request #E-66 from the City to recover costs in the amount of \$6,720.80 for extra security required for the downtown area was presented. Question: can PDA pass the cost on to the contractor? Response per D. Tranmer: if additional expenditures were result of failure of contractor to perform, the engineering firm can take this into account under the terms of the contract and bring the expenditure into the negotiations for extra days, change orders, liquidated damages, etc. Question: can we wait to make reimbursement until after negotiations? Per R. Chase, the City really does need the reimbursement more quickly than

that because it has no other way of recovering the costs. Per Dean, the negotiations could take months and have not yet officially begun. After further discussion, **it was MSC (Chase, Terry {including amendment for motion to read as follow})**: to authorize reimbursement to the City for the extra security costs as shown on the invoices, but to seek recovery from the contractor through the final payment negotiations.

**4. Central Corridor.** Ray Burstedt noted that the Federal Express project was proceeding, which would necessitate expenditure of the \$200,000 previously allocated by the Board, but that additional money was being sought. The construction drawings show that the entrance will run through an existing fire hydrant and FedEx wants funding for the extra cost to move the hydrant. General consensus of the members was that the presence or absence of fire hydrants and other obstructions to construction are ordinary costs, and so small in comparison to the overall project that the developer should just take care of them. Members declined to make any motions to approve.

TetriDyn: Owners are seeking a \$45,000 loan to assist in purchase/distribution of electronic notebooks which will be bundled with their company's software. The first shipment arrived last week. The company has received economic development assistance from BDC, the State of Idaho, and Eastern Idaho Development Corporation, but not yet from PDA. Their continuing need for capital is diminishing and the company's prospects do seem to be improving. In response to questions from members, Ray indicated that the company had not provided invoices to prove costs either of distribution or acquisition. **It was MSC (Ricks, Schroeder)** to approve a loan, contingent upon proof of costs for acquisition, provided a loan agreement could be drafted which would guarantee that PDA receive a proportionate amount of any monies expended by TetriDyn in any given month for debt service. (i.e. other parties to whom payments are due must agree to allow PDA to get at least partial payment every month). Ray to obtain particulars and work with Dean on drafting the agreement.

North 3rd project: Robert Chambers provided an update on the project. Demolition is starting today; relocation efforts for the cars are ongoing; all but one parcel in the area has been acquired. The Chair summarized members' comments in regard to the end parcel by stating that the PDA also had the option to cease negotiating and simply develop the property acquired from willing sellers. The next step is to vacation portions of streets. **It was MSC Schroeder, Ricks)** to support the vacation and authorize the Chair to sign any requisite documents.

**5. North Yellowstone:** Ray has received a request from Dr. Anderson to close on his property this week while he's here in town. In order to do so, the City will provide the funds and PDA will reimburse the City as part of its \$600,000 commitment to property acquisition portion of the project. Consideration of costs:

Requisition #3 - \$115,048.13 to pay PDA costs expended prior to bond proceeds

**It was MSC(Ricks, Monroe)** to authorize the requisition

Requisition #4 - \$252.00 to pay Hawley Troxell for costs of the eminent domain proceedings. **It was MSC (Ricks, Schroeder)** to authorize the requisition.

Requisition #5 - \$358,538.64 to pay Hawkins' development costs for utility services, costs of design and installation, and 5% development fee. **It was MSC (Chase, Ricks)** to authorize the requisition.

Requisition #6 - to pay \$11,778.71 to the City of Pocatello for expenses advanced for Hurley Drive engineering. **It was MSC (Chase, Brower)** to authorize the requisition.

Invoice #8448 - \$51,457.79 from the City of Pocatello for reimbursement of \$51,457.79 acquisition costs for the Anderson property. **It was MSC**

**(Schroeder, Ricks)** to pay the invoice.

**6. Roosevelt District.** Invoice #2004347 from RMES was presented for payment in the amount of \$3,100. Cac Turner of the City's Engineering Department has reviewed and approved the amount as submitted. **It was MSC (Chase, Brown)** to approve payment.

**7. There being no further business, the meeting was adjourned at 1:00.**

*Jayma Valentine*