

**POCATELLO DEVELOPMENT AUTHORITY
MINUTES**

Meeting February 16, 2005

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

Staff present: Dean Tranmer, City Attorney; Sari David, Ray Burstedt, Bannock Development

1. Preliminary matters. The meeting was called to order at 11:00 by Chairman Neuhardt. No conflicts were declared; no changes to the agenda were requested.

2. Minutes and financial matters. It was MSC (Monroe, Schroeder) to approve the minutes from the January meeting. S. David presented the financial report for January. Unexpected income of \$99.00 represents the reversal of the bank charges discussed at last month's meeting. North Yellowstone bond proceeds have been received, and requisitions are being presented to reimburse the accounts drawn upon to fund the expenses in the interim. It was MSC (Chase, Monroe) to approve the January financial report.

3. Iron Triangle Redevelopment. Tim Tingey and LeeAnn Dutton from Planning and Development Services were present to provide an update. Demolition has been accomplished and a mobile home which was on one of the parcels is scheduled for removal by the end of the month. LeeAnn and Tim have been working with the owner of the Volkswagen cars for their removal and relocation and are pleased that a parcel of fenced property has been located on North First and Buell which will be suitable. The property owner and Mr. Grumbein have agreed preliminarily on lease terms and the cars and parts should be moved by the first of May. Rezoning of the property is planned; no objections have been received to the notices of impending rezone which were sent. Vacation of one block of Fremont is the next process which will be undertaken. Harry will sign the approval form on behalf of PDA as owner of some of the parcels. The PDA's allocation of \$150,000.00 to the project has been expended as shown on the materials distributed. The City and PDA need to sign an amendment to the original agreement in order to comply with federal regulations to reflect accurately the funds spent and the parcels on which the money was expended. It was MSC (Schroeder, Brown) to authorize execution of an amended agreement with the City as discussed above.

4. Application for funding. Black Forge (Greg and Margo Proksa) are requesting assistance from PDA for infrastructure in a maximum amount of \$50,000.00 in order to relocate and expand an existing business to Big Springs Road, an area which is in the Central Corridor Urban Renewal area. Discussion ensued regarding lack of more specific information as to whether approval had been received for city services, what the cost estimates were, etc. It was moved by Brower to approve assistance, not to exceed \$50,000.00 for public infrastructure improvements. Motion died for lack of a second. Additional discussion ensued. Members indicated that they might be willing to entertain the possibility of funding, but that there was insufficient information available at this time: whether the area was in the TIF or just the URA; what impact it would have on the County; which utilities were needed; what costs had been projected; whether the property could be served, etc. It was MSC (Chase, Brower) to put this request on the agenda for the next meeting and invite the applicants to attend or provide additional information. J. Guthrie will check on impact to County.

5. Roosevelt District: Invoice #2005102 from RMES was presented for payment. It was MSC (Monroe, Schroeder) to pay the invoice.

6. North Yellowstone: Question: how did PDA allocate costs for the project? Response: \$5.4 million is for the project development costs; \$600,000 is for property acquisition.

Pay Request #7 - It was MSC (Chase, Schroeder) to approve the request for reimbursement to the City.

Pay Request #8 - It was MSC (Chase, Brower) to approve the request for payment to Hawley Troxell for legal services.

Pay Request #9 - It was MSC (Chase, Guthrie) to pay \$71,500 to the City as reimbursement for one of the Anderson properties (City provided funds on short notice because of early closing at request of Anderson who was leaving the area and would not be available on the scheduled date).

Pay Request #10 - It was MSC Schroeder, Chase) to pay \$8,944.42 for taxes due on other property being acquired.

Pay Request #11 - It was MSC (Johnson, Monroe) to pay the invoice from Hawkins in the amount of \$36,668.87 for site development, utility work, etc. [note that 2 items paid from the previous billing were deducted from this invoice].

Update from Greg Lanning. The contract for the right of way improvements has been awarded to Mickelsons in the amount of \$3,124,793.00 They'll make monthly pay requests which will be reviewed and then presented to PDA for payment. Question: Why are we paying Hawkins 5% of costs? Response: As part of negotiations in regard to the infrastructure development, Hawkins agreed to ensure City specs as well as their own bid specs were strictly enforced and PDA agreed to provide "5% of the sum of the cost of Approved Public Infrastructure and Dry Utilities" for doing so. Jessee Schuerman, new Engineer was introduced. He described the state of the project to date, noting tree removal and destruction of homes is beginning this week and is projected to be completed by the end of next week. The cut-through from Bullock Road has begun. Workers are also involved in locating the high pressure sewer line and taking adequate protection measures. RMES is serving as the project engineer.

7. Miscellaneous Items. R. Burstedt presented an explanation to the Board regarding Twin Falls' creative method of financing the Jayco facility, a project which BDC and the State of Idaho had hoped to have locate here. It was a complicated process, starting with negotiating costs from \$2.9 million to \$2.4, then obtaining a grant to further lower the cost to \$1.9 million dollars, then obtaining a loan at 4.68%. The development authority then leased the building to Jayco for a period of 10 years for a cost per square foot of \$.14, which was substantially lower than the \$.25 per square foot available locally. The development authority covered their costs, their note payment to the bank and their property taxes on the property, with the 14 cents per square foot per month.

Arlen Whitrock, now with Premier Technologies spoke to the Board explaining that if this method of funding is possible, Premier is interested in similar funding for new facilities. The company is interested in staying in the Pocatello area, but financial considerations are always important, also. Question: Isn't the PDA exempt from property taxes? If so, how did they funding work? Dean Tranmer will verify, but believes that urban renewal agencies are exempt from property taxes since it's an entity that receives tax money, but he will check and report back to members at next meeting so that this option can be explored further.

8. Adjournment. There being no further business, the meeting was adjourned at 12:25 p.m.

A handwritten signature in cursive script that reads "Gayna Valentine". The signature is written in black ink and is positioned on the right side of the page.