

**MINUTES
POCATELLO DEVELOPMENT AUTHORITY
Meeting May 18, 2005**

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

Staff present: D. Tranmer, City Attorney; Ray Burststedt and Sari David, Bannock Development

1. Preliminary matters. Meeting called to order at 11:00 a.m. by Chairman Neuhardt. No conflicts were declared. Alterations to the agenda: addition of an update on South Cliffs; addition of presentation of J-U-B invoice; addition of a cash-flow report; deletion of Prime Time item (to be included in June agenda).

2. Minutes. It was MSC (Schroeder, Monroe) to approve the minutes from the meeting of April 20, 2005.

3. Financial Report. S. David reviewed district balances which result in the current bank balance of \$507,568.49. April receipts consisted of tax revenues and \$599.73 in interest income. Expenditures reflect the appropriate District revenues which were forwarded to the Trustee and the first-quarter administrative expenses of \$3,125.00 paid to Bannock Development. Lunch expenditure was refunded by the restaurant due to its unsatisfactory nature. It was MSC (Chase, Ricks) to approve the financial report.

4. Cash Flow Report. R. Burststedt distributed a cash-flow report covering Central Corridor funds and projected income/expenses through Fiscal 2006 (same as calendar 2006). The currently-available total is **\$1,098,317.68** (excludes the "untouchable" \$652,592.26 Reserve Fund and the on-going hold-back to cover each successive year's debt service of \$933,000.00). **Income** is projected to be **\$1,209,231.00** and **expenses** of **\$121,685.00** for remaining debt-service are still outstanding. Assuming the income projection is accurate, **total cash available for project use through December 5, 2005: \$2,185,863.68.** Total **committed funds** for district projects in 2005 equals **\$1,472,703.00**, which when subtracted from the total available funds leaves a **balance of \$713,160.68 at the end of 2005**, excluding the Reserve Fund and the debt-serve hold-back amounts.

A portion of tax revenues will be received early in 2006, but the bulk of the estimated **\$1,872,518.00 in 2006 revenues** will not be received until July. Committed projects include Cheyenne Crossing **expenditure of \$200,000.00** (which may be less), the Whitman/Yellowstone **payment of \$256,500.00**, and the **2006 debt-service payments** totaling **\$933,000.00.** **Total available Central Corridor funds by the end of 2006: \$1,196,178.00.**

Additional uncommitted funds total: \$494,199.47 through 2006. General and discretionary funds) **UPDATE NOTE: Subtract \$240,000.00 for Rail Crossings Project** as approved through votes in April and May meetings **for a total of \$254,199.47.**

Roosevelt District has sufficient funding for the remainder of the projects through 2006: **\$967,960.00.**

Implications for Downtown Reinvestment Project: There may not be sufficient revenue to do the portion of the Downtown project in 2006 as had been planned. Per Greg Lanning, the design work is underway for Phases II and III with the goal of having specs for bidding in February. Knowing that funding is so limited for 2006, it will be possible for pieces of the work to be bid separately, for a smaller scope to be bid, etc. in order to achieve cost savings. Depending on the shortfall, PDA may also choose to postpone until 2007, to obtain tax anticipation notes, or to use some of its discretionary funds. Consensus: forewarned is forearmed and Greg will keep the cash-crunch in mind as the design work progresses and inform PDA in time for a decision to be made.

5. Deaton & Company: It was MSC (Brown, Ricks) to approve payment of Invoice #41684 in the amount of \$3,413.87 for the annual audit report.

6. North Yellowstone.

Rail Crossings update. PEG development sent apologies for inability to attend and discuss the terms of the draft agreement which had been prepared by PDA counsel. Details of the draft were discussed, including the length of time allotted for development of the pads. PDA members discussed shortening the time to three years while requiring only two pads to be developed within that time frame as a condition for the outright grant of \$240,000. Additional discussion involved the reimbursement of \$80,000 of developer-fronted costs from revenue generated by tenants of the development. In summation, **it was MSC (Chase, Johnson)** that repayment of the \$240,000 would be required only if two tenants had not been secured within three years of the completion of the site, [SECRETARY'S NOTE: ACTUAL DATE OF SEPTEMBER 1, 2008 WAS INSERTED] and to reimburse the developer for \$80,000 in additional costs from the proceeds of the District, provided there is sufficient revenue remaining after making the bond payments.

Pay Request #14: Hawkins has submitted invoices totaling \$258,580.75 for expenses. **It was MSC (Chase, Schroeder)** to authorize sending the requisition to the Trustee for that amount, after a brief report from Jesse Schuerman (City Engineering Department) and Mitch Greer noting that the missing lien waiver had been received and that materials and work represented by the invoices have been received and done.

7. South Cliffs. R. Burstedt explained that he had sent the South Cliffs developers an invoice for repayment of the \$85,000 loan according to the terms of the PDA vote which provided for repayment within three years or whenever the first parcel was sold, whichever was first. He received a response from Bill Isley contending that the three-year time period began with the signing of the agreement--which did not occur until 2004. Burstedt noted that the PDA records did not reflect the negotiated change in the date and suggested that the Board address the issue for clarification. D. Tranmer noted that the agreement was in negotiation for a long time and that, since the minutes did not show any notification to the Board of the date it was signed by PDA and Isley, he had apparently inadvertently failed to bring it to the attention of the Board, but confirmed that the repayment provisions of the agreement were for 2007. **It was then MSC (Chase, Monroe)** to acknowledge and approve the repayment provision date specified in the 2004 agreement as signed.

8. Executive Session. It was MSC (Ricks, Schroeder) to adjourn into executive session pursuant to Idaho Code § Section 67-2345(f), in order to discuss litigation with its legal counsel.

Regular Session resumed at 12:55 p.m.

9. J-U-B invoice. Another invoice from the engineering firm has been received in the amount of \$6,773.44. Brief discussion ensued as to whether or not this invoice may cover work already performed, whether the not-to-exceed amount should preclude submission of the invoice without a request for amendment prior to the work being done, etc. It was MSC (Ricks, Schroeder) not to pay the invoice at this time, but to review the contract and request further clarification from J-U-B.

10. Miscellaneous. The Chair asked if the members wanted to convey to the City their approval of the negotiations on the construction contract for the downtown improvements. Members acknowledged that PDA was not a party to the construction contract, but since a portion of the payments came from the PDA budget, it might be helpful for the Council to have a formal notice from PDA. Therefore, it was MSC (Ricks, Schroeder) that the Mayor and the Chair convey to the City Council the approval of the PDA of negotiations regarding the construction contract.

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

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