

MINUTES
POCATELLO DEVELOPMENT AUTHORITY
Meeting September 21, 2005

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

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

1. Preliminary matters. The meeting was called to order at 11:03 by Chairman Neuhardt. No conflicts were declared. No alterations to the agenda were made.

2. Minutes and financial matters.

It was MSC (Schroeder, Ricks) to approve the minutes for the August meeting.

S. David discussed the financial report and balance sheets. Income reflects tax receipts, interest, and a service charge reversal from the bank. Kress, NewTown, Alvin Ricken, Old Town, North Main, and Central Corridor receipts have been transferred to the Trustee. Expenses include lunch costs and the final payment to J-U-B. **It was MSC (Chase, Monroe)** to approve the financial report for August.

R. Burstedt distributed cash flow projection sheets for the Central Corridor, noting that the Blackrock Forge projected expense should be removed because the owners had just informed him that they are pursuing other options at this time. The latest projections show a shortfall of \$277,376.29 for the coming year. Tax anticipation notes may be required to bridge the gap. In response to a Board inquiry about the certainty of other expenses, Stephanie Palagi replied that the request for release of the Whitman/Yellowstone funds is anticipated to be on schedule, and draws should begin about the first of November.

3. Audit. Deaton and Company has sent a renewal request for the audit services contract for 2005. Board members discussed the pros and cons of continuing with the same firm or whether to request proposals from other firms. Thereafter, **it was MSC (Chase, Brown)** to authorize execution of the contract in the amount of \$3,350 with Deaton and Company for this year, but to request proposals for the service for next year.

4. Central Corridor.

North Third Development: Tim Tingey from Planning and Development Services provided a report on the progress to date. The rezoning and street/alley vacation processes are complete. Last week the City received confirmation from the federal "overseers" that the federal funds used in purchasing and demolition need not be reimbursed at the time the property is sold. Therefore, Planning and Development Services are requesting that PDA voluntarily repay those monies to the department to be used as revolving loan funds, thus allowing PD & S to continue the program of purchasing and rehabilitating blighted or deteriorated properties. Options for development of the area include outright sale, which does not allow the PDA or City any control over the development, and requesting development proposals for lease of the property. Lengthy discussion ensued regarding whether to partially or fully "reimburse," whether to retain all proceeds of the sale or lease of the property for future projects of the Board, whether to sell off the entire area as one, whether to sell or to lease, etc. **It was MSC (Schroeder, Chase)** to separate the issue of funding a revolving loan fund from the issue of property development. **It was MSC (Schroeder, Brown)** to postpone any decision on funding the revolving loan program until PDA has replaced, through sale or development, the money it expended on the area.

Pay Request #71: It was MSC (Schroeder, Ricks) to authorize the requisition of \$200,000.00 from the Trustee to the Westmoreland Company for the FedEx project, the amount previously approved by the Board for the project.

Pay Request #72. It was MSC (Ricks, Monroe) to authorize the requisition of \$101,202.93 to the City for reimbursement of expenses on the Clark Street overpass as previously approved by the Board for the federal match on the project.

5. Roosevelt District.

Invoice #2005297. It was MSC (Chase, Brown) to approve payment in the amount of \$850.00 to RMES under Contract #3.

Invoice #2005298. It was MSC (Ricks, Schroeder) to approve payment in the amount of \$1200.00 to RMES for construction staking, inspection, of Phase 4 construction.

Mitch Greer noted that there were three contracts between PDA and RMES. Final payment has been received on the design contract (#2) and the remaining amounts on contract 3 are shown on the bottom of the invoices. Kiggins had submitted an invoice for 100% of the contract amount, but that RMES, after reviewing the actual work done, has determined that reductions of 60% of the mobilization and 25% of the tree-removal costs are in keeping with the work. Kiggins staff have been contacted and after review of the records, have agreed that the reduced amounts are appropriate. Mitch noted that they are behind on the construction schedule and that there may be monetary penalties. Additionally, they are addressing some concerns over less-than-professional treatment of property owners by the contractor's employees. H. Neuhardt asked RMES to make sure that the contractor understood that PDA considered courtesy towards the property owners quite important, and that absent timely completion, the contractor should expect monetary penalties as set out in the contract.

Kiggins Pay Request #1 for Phase 4. It was MSC (Schroeder, Chase) to pay \$23,311.29, the adjusted amount recommended by RMES.

6. North Yellowstone. Lowe's will be opening at the end of the month, with its grand opening scheduled for the first week of October. The project as a whole is not quite on schedule, but one of the items which was lagging behind is the Hurley Drive traffic signal--and it is going up today. Landscaping and concrete work are nearly finished, and the project itself is still under budget. Hawkins has 4 tenants for whom buildings are now being designed and construction is expected to occur January -March. As work progresses on those sites, other tenants are expected to lease the remainder of the sites in short order.

Pay Request #18: It was MSC (Chase, Ricks) to authorize Requisition #18 to the Trustee to pay \$705,137.72 to Hawkins Companies LLC.

7. Miscellaneous. Members discussed whether PDA's Garfield street property should be retained, offered to the School District, placed with a realtor for sale, etc. It was MSC (Schroeder, Brown) to send a letter to the School District, offering the District a first right of refusal on the property at the appraised price and providing them a deadline for reply.

There being no further business, the meeting was adjourned at 12:45 p.m.