

MINUTES  
POCATELLO DEVELOPMENT AUTHORITY  
February 15, 2006

**Members present:** Steve Brown, Darsi Johnson, Jim Guthrie, Ken Monroe, John Ricks, Dan Schroeder; and Richard Stallings

**Staff present:** Ray Burstedt and Sari David, Bannock Development Corporation; A. Dean Tranmer, Rayna Valentine and Darcy Taylor, City Legal Dept.

**1. Preliminary matters:** Meeting called to order by Chair Steve Brown at 11:00 a.m. Richard Stallings was acknowledged as new Board member from the Pocatello City Council. S. Brown noted that as a federal staff member he is under certain restrictions in relation to membership in board and agencies. PDA does not receive federal funds so there is no conflict of interest which would prohibit him from participating as a PDA member, but for the record, he wishes to remind everyone of his status as an employee of a U.S. Senator. Additions to the agenda: TetriDyn request for postponement of repayment and a proposal from Optivus to be presented by R. Burstedt.

**2. Minutes and Financial Report.** It was MSC (Ricks, Schroeder) to approve the minutes of the January meeting. S. David then presented the financial report showing an ending balance of \$606,480.99 for all the districts. In addition to interest income of \$228.51, PDA received tax revenue from Kress, Newtown, Old Town, Roosevelt, and Central Corridor districts. Expenses were incurred in the Old Town and Central Corridor Districts, as well as quarterly administrative expenses and lunch. It was MSC (Schroeder, Monroe) to approve the January financial report.

**3. Central Corridor:**

**Kress District:** Payments to partners Doug Houston and Richard Carroll are due from the Kress District revenues collected in December and January and those collected in June and July, one-half to each partner, per the reimbursement agreement for the district. It was MSC (Schroeder, Ricks) to authorize \$1,090.10 to each of the partners.

**South Cliffs Loan Update:** One of the lots in the development has been sold and a loan reimbursement to PDA has been received in the form of a check for \$85,000.00, in accordance with the development agreement between BBAD Investments and PDA. A partial release of the land (covering only this lot) is being prepared and will be provided to BBAD Investments. J. Guthrie expressed concern that PDA not release all the property, so that the Board retains an interest in the property until payment in full has been received. Per PDA Attorney D. Tranmer and PDA Executive Director, R. Burstedt, the executed agreements were so structured and only property consistent with the amount of money received can be released.

**Triangle Redevelopment Proposals:** Tim Tingey reported that 2 proposals were received in response to over 200 requests and provided the Board members with a summary of the proposals of each responder. Proposals were reviewed by the committee and scored individually. All committee members scored the proposal of DDC, LLC higher than that of Dales, Inc. and the sub-committee is recommending acceptance of the DDC proposal. DDC, LLC members Brent Nichols and Gary Ratzlaff were present to explain the proposal. Per B. Nichols, they specialize in design/build projects and reviewed past projects accomplished in conjunction with PDA. G. Ratzlaff showed the architect's rendering of the area which they hope to build to be used for 18 hours daily, rather than just being a 9:00 – 5:00 office-use area. The

concept is for a mixed-use development incorporating a large commercial building, single-family work/living units and 9 residential units in the second floor of the large commercial building which are not accessible from the commercial area. A short question and answer session followed during which T. Tingey explained that the committee's recommendation was to confirm DDC as the developer without any financial commitment and to authorize preparation of a pre-development agreement which would establish roles, expectations, time-lines, etc. **It was MSC (Schroeder, Ricks as amended below)** to confirm the selection of DDC as the developer. Discussion ensued: land ownership status to stay with PDA through the development to control the development; no funding will be specified or promised in the pre-development agreement; in the event no consensus can be reached for the development, there will be no continuation of the process to lead to the signing of a development agreement, and no further commitments from either party. A question was raised as to whether PDA should sell the property outright. Response: A motion/vote decision was made previously by the PDA Board not to do so but instead to request proposals on the basis of PDA retaining ownership and controlling the development. J. Guthrie noted for the record his continuing objection to encouraging additional retail development with its lower-paying jobs. S. Brown noted that the committee took in to account the projected increase in tax base the proposal could provide. At this point it was noted that the motion did not include the second part of the recommendation. Schroeder moved to amend and Ricks then seconded that amendment to add the provision authorizing Tim Tingey to negotiate of a pre-development agreement with DDC, LLC for approval at the March PDA meeting.

**5. Roosevelt.** R. Burstedt and S. David requested approval of partial withdrawal of administrative fees due to PDA from the District in the amount of \$150,000.00. Final distribution will be postponed until August so as to ensure that there is sufficient money to finish the final phase of the project. **It was MSC (Stallings, Ricks)** to authorize the transfer.

**6. Miscellaneous.** TetriDyn request: **It was MSC (Guthrie, Stallings)** to extend the repayment date for 6 months.

Optivus: The company is interested in a multi-level building, the first 3 floors of which would be the company's and a tax-increment financing district. Upper levels would belong to the hospital. Tax increment monies would be put into a capital improvement reserve fund and used as a guarantee for outside funding for the building. Questions were raised as to whether PDA has authority to fund this type of project. A financial institution would undoubtedly require judicial validation; there's no precedent in Idaho for this type of project and no specific authority in the Code, so the outcome is uncertain. PDA consensus: the Board needs more information and would like to hear some specifics.

Resignation: Ray Burstedt has officially tendered his resignation from Bannock Development Corporation, and effective after this meeting, will no longer be the Executive Director of PDA. A job announcement will be open until the end of the month and PDA may wish to continue the arrangement of having the Executive Director of BDC serve as its director, but members need to know that the PDA position is not an official part of the job description in the announcement.

**7. Adjournment.** There being no further business, the meeting was adjourned at 12:10 p.m.

