

**ABBREVIATED MINUTES
POCATELLO DEVELOPMENT AUTHORITY
Special Meeting May 3, 2006**

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

Staff present: D. Tranmer, City Attorney; Robert Chambers and Sari David, Bannock Development; Darcy Taylor, Secretary Pro-Tem

The meeting was called to order at 11:04 a.m. by Chairman Brown to review the organization's cash flow status for the purpose of clarifying questions of board members regarding funding appropriations for the Downtown Reinvestment Project.

It was noted by the Chair that there is a perceived discrepancy between the minute record of the financial commitment approved by the Board and the collective memory of several Board members as to the amount of the financial commitment. The minutes of 9/3/03 and 9/17/03 indicate \$5.6 million would be provided from PDA funds for infrastructure improvements in addition to the \$650,000.00 previously approved for Phase 0 improvements, while some Board members recalled that the total commitment of PDA funds would not exceed \$5.6 million, which figure included the \$650,000.00 for Phase 0 improvements. Discussion ensued as to the Board's intent for the amount of funding approved, and whether the minutes could be amended to reflect that intent. After a short discussion by the Board, **D. Johnson** noted that both sets of minutes from September 2003 affirm that the appropriation of PDA funds was clearly for \$5.6 million in addition to the \$650,000.00 previously approved and the Board through discussion, concluded the collective memory of the Board was such that no consensus could be reached as to the Board's intent at the meetings in September 2003 and therefore should rely on those minutes and redirect the appropriation as it becomes necessary. The Board chose to take no action regarding the minutes.

R. Chambers presented a cash flow summary and anticipated future revenue information for the Central Corridor District for the years 2006 through 2010. The information included discounted revenue projections for the Kimberly Clark (formerly Ballard Medical) property for the years 2008 through 2010, assuming a worst case scenario. **D. Schroeder** noted that the AMI payment of \$1.2 million is not due until 2012, even though the end of the collection period for the district ends in 2010. Review and discussion regarding the cash flow figures and future commitments of funding followed, and it was determined that sufficient monies are available to fund Phase 2 of the Downtown Reinvestment Project. According to the low bid for the project from Jack B. Parsons, the required funding amount was determined to be the sum of \$2,235,600.00 in actual PDA funds, with an additional \$414,400.00 to be dedicated by the City of Pocatello's Water Department, resulting in a total project amount of \$2,650,000.00.

It was **MS (Schroeder, Chase)** to approve funding the expenditure of \$2,235,600.00 in PDA funds for Old Town Reinvestment Phase 2, and due to a reduction in revenue and other unanticipated program expenses, not to do any additional work at this time without prior presentation to and approval by PDA. As discussed by the Board, the express intent of this motion was to approve a total of approximately \$4.8 million to the Old Town Reinvestment Project, which \$4.8 million consists of appropriations for Phase 1 and Phase 2, with no additional guarantee of future funds being committed to the Old Town Reinvestment Project by PDA. **J. Guthrie** expressed concern that the motion as stated was too aggressive in that it did

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not provide for any future funding past Phase 2 even though PDA had initially committed \$5.6 million to the project in 2003. He felt that PDA still has a commitment of another \$800,000 to the project. **R. Chase** responded by saying unanticipated reductions in tax increment revenue to the PDA caused by state legislative actions regarding property taxation reductions, and the closure of the Kimberly Clark facility would seem to make it prudent for the Board to take this action as the motion allows PDA to live within its budget under the current cash flow constraints, but that there is nothing to prevent the Board from reviewing its financial status in 2007 and appropriating additional funds to the Downtown Reinvestment project at a later date. **D. Schroeder** added that without the help of the City by way of upfronting certain infrastructure costs (which need to be reimbursed to the City), the PDA wouldn't even be able to make the \$2,235,600.00 appropriation. On vote upon the motion, **Johnson, Chase, Schroeder, Brower and Brown** voted in favor, **Guthrie** opposed. Motion carried.

R. Chase requested that a cash flow analysis be provided at every meeting. Sari indicated information on both actual and projected costs for 2006 could be made available on the analysis.

Upon **MSC (Chase, Schroeder)** the meeting was adjourned at 11:50 a.m.