

## POCATELLO DEVELOPMENT AUTHORITY MINUTES

Meeting July 19, 2006

Members present: Terry Brower, Steve Brown, Roger Chase, Jim Guthrie, Darsi Johnson, and Richard Stallings

**Staff present:** Gynii Gilliam and Sari David of Bannock Development; Robert Chambers, Interim Bannock Development Director, A. Dean Tranmer, Esq. and Darcy Taylor of the City Legal Dept.

**1. Preliminary matters:** The meeting was called to order at 11:00 by Chairman Steve Brown. Steve Brown reiterated the restrictions he, as a federal staff member, has in relation to membership in boards and agencies. No other conflicts of interest were declared. Steve Brown noted the agenda addition of a discussion item regarding property on South Garfield formerly known as the Koseris property.

**2. Minutes and financial matters:** Minutes for the regular June meeting were reviewed. It was MSC (R. Stallings, T. Brower) to approve the minutes of June 21, 2006.

Sari David presented the financial report for June. Income consisted of \$345.53 in interest. Expenses consisted of \$30.90 for publication of a legal notice and \$54,661.84 to Tori and Lorri Shaver as the first payment for approved expenses under their loan. Sari noted that Central Corridor tax revenues were up slightly at \$217,309.79, but otherwise the cash flow projections remained the same. Robert Chambers presented an analysis of uncommitted funds for the Central Corridor showing the money available for use by the Board from the revenue of the district. Chambers advised the Board that a budget showing the use of the revenue generated by the district must be finalized by the end of 2007. The projected revenue total for the district is approximately \$4.25 million, with \$206,610 committed for Triangle repayment of federal funds. Other possible expenditures that may be considered by the Board could include the Triangle Development and South Valley Connector. Discussion ensued in which J. Guthrie questioned the difference between administrative fees and unrestricted funds. Thereafter it was MSC (R. Chase, R. Stallings) to approve the financial report for June. An invoice and accompanying documentation from BDC in the amount of \$3,125.00 for the second quarter of 2006 was presented for payment. It was MSC (T. Brower, R. Chase) to approve the payment.

**3. Central Corridor District. Triangle Development.** Brent Nichols and Garry Ratzlaff of DDC, LLC presented an update on the Triangle Project. The projected cost of the development is approximately \$8 million, which Nichols says must be reduced by 30% to become a viable project. Several funding sources have expressed an interest in the project, including Idaho Nevada CDFI, Fannie Mae and a tax credit program. In order to proceed with the project, DDC is asking the PDA for the following: 1) to enter into a formal development agreement between the PDA and DDC under which the land would be transferred to DDC, securing PDA's interest in the real property; to provide public infrastructure similar to what was provided to Old Town, estimated to be approximately \$356,000, of which PDA would be asked to provide \$300,000; and 3) to create a stand-alone tax increment financing district for a fifteen year period, from which PDA would receive a disbursement of \$300,000 (one-half of appraised value of \$600,000) for the real property. Discussion followed regarding the confidence of the developer in funding commitments and what funds the PDA has or will have available for the investment. R. Stallings expressed an interest to move forward with the project. J. Guthrie questioned whether it was appropriate for the Board to convey the property to the developer for less than its appraised value; D. Tranmer expressed an opinion that under urban renewal law, if the Board feels the end value of the project is meritorious, then such a transfer is allowable. He will research the issue further, however. T. Brower summarized that DDC is asking for \$300,000 in perimeter infrastructure, such as curbs, gutters and sidewalks, plus approximately \$632,000 in additional infrastructure and site work, funded through a TIF district, and plus the transfer of the land,

which value may be paid back to PDA at half its value of \$300,000, for an initial output of approximately \$1.232 million. **R. Stallings moved to proceed with a formal development agreement. R. Chase seconded**, with additional questions. After further discussion, **it was MSC (R. Chase, R. Stallings)** to table the motion until next month, pending a legal opinion on the question of transferring the property at less than the appraised value, and to give Board members more time to consider the project.

Payment Request. Payment request was made by City of Pocatello in the amount of \$3,662.58 for engineering fees for the South Valley Connector. **It was MSC (R. Chase, T. Brower)** to approve the payment.

Payment Request. Payment request was made by the City of Pocatello in the amount of \$440,052.96 for the downtown reinvestment project. Cac Turner and Jesse Schuerman of the City Engineering Dept. provided a progress update on the Downtown Reinvestment Project. There has been one change order for approximately \$3,200.00, but otherwise the project is right on track and should be completed by mid-September. T. Brower commented that this phase of the project is going much smoother than the Main Street portion of the project and the merchants are pleased with the progress. **It was MSC (R. Stallings, R. Chase)** to approve the payment.

**4. Roosevelt District.** It was reported that this district is now finished, with the exception of a few punch list items. The project was kept under budget thanks to some help from the City which completed a couple of handicap ramps. R. Stallings suggested that projects like this should be signed to inform the public that the projects are funded by PDA funds. It was also suggested that G. Gilliam and R. Chambers make presentations to civic groups detailing the success of the projects. **It was MSC (T. Brower, D. Johnson)** that signs be placed on the Downtown Reinvestment Project stating that the project is funded by PDA, with up to \$250.00 authorized for the expense of the sign. A payment request by Kiggins Concrete in the amount of \$712.60 was presented and **it was MSC (R. Chase, R. Stallings)** to approve payment. A payment request by Holm Construction in the amount of \$8,270.30 was presented, and **it was MSC (R. Chase, R. Stallings)** to approve payment, with the stipulation that payment be held until the remaining items on the punch list are completed. A payment request by RMES in the amount of \$1,505.00 was presented and **it was MSC (R. Chase, T. Brower)** to approve payment.

**5. North Yellowstone District.** Cameron Gunter of PEG Development presented an update of the project at the former Associated Foods site. Gunter described the bid process and PEG's efforts to find a lower bid for the street improvements to the area, to no avail. Rising costs have contributed to an unexpected final bid of \$621,515.00 for the street improvements on the south and west sides of Quinn and Yellowstone, up from the preliminary estimate of \$375,032. Gold's Gym is leasing property on the site and is four weeks from beginning construction. A national restaurant chain, as well as Smokey Mountain Pizza and a local restaurant have all expressed interest in the site, and negotiations are on-going with two furniture retailers. PDA originally committed \$240,000 plus a deferred grant of \$80,000 to the project. PEG is now asking PDA to amend the development agreement to provide \$900,000 in public infrastructure, and for permission to accept the bids from JP Parsons and Wheeler Electric to begin construction at the site. Discussion followed regarding what obligation the City might have to assist with the infrastructure expense on the east side of Yellowstone Avenue, as well as what funds are available in the North Yellowstone TIF District. R. Chambers advised that since the other projects in the district came in under budget, that technically, yes, there is money available for this project. R. Chase suggested that a request be made to the City Council to assist with the expenses on the east side of Yellowstone. J. Guthrie clarified that the amended request by PEG for \$900,000 would include the \$80,000 deferred grant. After additional discussion, **it was MSC (R. Chase, R. Stallings)** to approve amending the development plan to provide for an

**amount not to exceed \$800,000 for the project, with the provision that the Mayor will ask the City Council to assist with infrastructure improvements.**

**6. Miscellaneous Items.** Steve Brown advised the Board that he had received a notice from the City of Pocatello Code Enforcement Division regarding the undeveloped property on South Garfield Ave. and W. Clark St., formerly known as the Koseris property. He then proposed to the Board that the property be deeded to the School District, with the provision that the School District would spend approximately \$30,000 to bring the property up to code. Prior dealings with the School District regarding the property were discussed. The property was purchased by PDA for \$115,000, and the City expended approximately \$18,000 on demolition on the property. T. Brower and R. Stallings suggested exploring other options for the property before making a decision to deed it to the School District. No further action was taken on the matter at this time.

**7. Executive session:** At 12:55 p.m. it was MSC (R. Chase, T. Brower) to adjourn into executive session (pursuant to I.C. 67-2345)(1)(e) to discuss preliminary negotiations involving matters of trade or commerce in which the PDA is in competition with governing bodies in other states.

**Regular meeting reconvened at 1:13 p.m.**

**8. There being no further business, the meeting was adjourned at 1:14 p.m.**

*Darcy L Taylor*