

POCATELLO DEVELOPMENT AUTHORITY MINUTES

Meeting August 16, 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; A. Dean Tranmer, Esq. and Darcy Taylor of the City Legal Dept.

1. Preliminary matters: The meeting was called to order at 11:03 a.m. 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. It was announced that a presentation regarding foreign trade zones and exportation would take place at City Council Chambers on August 18, 2006. R. Chase and G. Gilliam planned to attend. Steve Brown noted the agenda addition of the PDA's report and presentation to the City Council scheduled for September 14th and a discussion regarding JUB which will require adjournment to executive session.

2. Minutes and financial matters:

Minutes for the regular July meeting were reviewed. **It was MSC (T. Brower, D. Johnson)** to approve the minutes of July 19, 2006.

Sari David presented the financial report for July. Total income for July was \$1,984,328.81, which included interest income of \$647.53 and a \$60,583.00 return from Hawkins for the Idaho Power bid, with the remainder of the income coming from tax revenues. Expenses consisted of second quarter administration fees and invoice payments to Kiggins Concrete, Holm Construction and RMES, as approved at the July meeting. An updated discretionary cash flow projection analysis was also provided for the Board's review. **It was MSC (R. Chase, R. Stallings)** to approve the financial report for July. Tim Tingey presented an updated analysis of the projected uncommitted funds for the Central Corridor which outlined anticipated funds to be received until the end of the district. T. Tingey advised the Board that based upon the analysis, and operating under the assumption the Board would dedicated funds to the Triangle development, the remaining balance to be budgeted by the Board was approximately \$358,000.00, which would have to be designated by December of this year in order to retire the TIF in 2009.

3. Central Corridor District: Triangle Development. Brent Nichols of DDC, LLC and Tim Tingey LLC presented followup information on the Triangle Project. B. Nichols advised the Board that additional funding sources for the project were solid and on board. Those sources include Fannie Mae and the Idaho Nevada CDFI. T. Tingey raised the issue that the Board may want to consider establishing a new TIF for the project, although based upon the current projections, it would be feasible to keep the project within the current Central Corridor district. D. Tranmer offered his legal opinion on the question posed at the July meeting of whether or not PDA could transfer real property at less than its appraised value. Upon review, D. Tranmer advised that under I.C. §50-2011(b) the Board may negotiate with any person (or entity) for the transfer of, and any Urban Renewal Area may, accept real property, as long as such a transfer is in the public interest and meets the conditions of the Urban Renewal Act. In this instance, the transfer of real property is allowable. In furtherance of the Triangle Development, T. Tingey proposed that DDC, LLC was requesting \$300,000.00 in unrestricted funds, for the purpose of enhancing the Triangle site with infrastructure and landscaping improvements. These funds would be needed in the near future to begin development of the area and create some excitement for the project. A second request in the amount of \$632,801.00 would be made under terms of a redevelopment agreement between DDC, LLC and the PDA. The redevelopment agreement would also include conditions regarding the land transfer, creating a security interest in the real property and other issues. J. Guthrie asked for clarification on the land transfer issue, as well as the total amount being requested for the project. With the funding request in the total amount of

\$932,801.00, plus the value of the real property, he asked if there needed to be public notice made an appropriation of \$1.5 million. D. Tranmer advised that public notice of the potential for disbursement of the land was included in the initial request for proposals on the project. R. Chase asked if the PDA would receive any of the \$632,801.00 back if a new tax increment financing district was created. J. Guthrie noted that if a new district was created, the Central Corridor tax revenues would go to the taxing entities and the separate Triangle project would not be able to pay for itself through increments. R. Chase noted that while he was not opposed to the proposal, he was opposed to creating a new tax increment financing district. After discussion **it was MS (R. Chase, R. Stallings)** to approve project funding in the amount of \$300,000 for infrastructure and landscaping, and an additional appropriation in an amount not to exceed \$632,801.57 plus the real property value, all of which funds are to be appropriated from the Central Corridor TIF, subject to a redevelopment agreement being reached. J. Guthrie expressed his belief and commitment to reinvestment and redevelopment projects, however, for reasons stated in prior meetings regarding public funding of private enterprise, he did not feel he could support the motion before the Board. **Upon vote, the motion carried, 5-1, with J. Guthrie voting against.** In light of the approved funding, B. Nichols advised the Board that he would begin the infrastructure and landscaping project immediately.

Downtown Reinvestment. Cac Turner of the City of Pocatello Engineering Department presented Requisition No. E-81 in the amount of \$462,109.38 for work done on the Downtown Reinvestment Project. He reported that with the exception of a few giant boulders, the work was proceeding according to schedule and should be substantially completed by mid-September. It was noted that a sign acknowledging funding sources, including the PDA's contribution to the project, has been placed at the corner of N. Arthur and W. Center at Simplot Square. **It was MSC (R. Stallings, T. Brower)** to approve payment of Requisition No. E-81 to the City of Pocatello in the amount of \$462,09.38.

4. Roosevelt District: S. David requested approval from the Board to transfer \$72,633.84 held in the Roosevelt District funds to the unrestricted fund account. This money represents the remaining tax revenues received on the Roosevelt District after payment of all costs, which funds were previously ear-marked as administrative fees. **It was MSC (R. Stallings, R. Chase)** to approve the transfer of \$72,633.84 from the Roosevelt District to the unrestricted funds account for payment of administrative fees.

5. Miscellaneous Items: Tori Shaver Payment Request. Tori Shaver submitted a payment request in the amount of \$20,338.16, which represents the balance of the \$75,000.00 appropriation made to Tori and Lorri Shaver not paid upon their first payment request. The invoices were for work done on the parking lot, including curb and gutter work. Tori advised the Board that he intended to obtain a certificate of occupancy within three weeks and was planning a grand opening for October 1st. Thereafter, **it was MSC (R. Chase, R. Stallings)** to approve the second payment request of Tori Shaver in the amount of \$20,338.16 as final payment of the Shaver appropriation.

City Council Study Session. S. Brown advised the Board that the PDA is scheduled to report to the Pocatello City Council at their September 14th Study Session. He invited Board members to attend should they so desire, and stated that he and Gynii Gilliam would be prepared to report to the Council.

6. Executive Session: At approximately 11:45 a.m. **it was MSC (R. Chase, J. Guthrie)** to adjourn to executive session (pursuant to I.C. §67-2345(1)(f) to discuss pending litigation. Regular meeting was reconvened at 11:51 a.m.

7. There being no further business, **it was MSC (R. Chase, R. Stallings)** to adjourn the meeting at 11:52 a.m.

Darcy L Taylor