

POCATELLO DEVELOPMENT AUTHORITY MINUTES
Meeting September 20, 2006

Members present: Terry Brower, Steve Brown, Roger Chase, Darsi Johnson, John Ricks, Dan Schroeder and Richard Stallings

Staff present: Gynii Gilliam 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 11:00 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. A report of the PDA's presentation to City Council was added to the agenda, together with an update on the Rail Crossings project. The Primetime Auctions Proposal was withdrawn from the agenda. Steve Brown noted that an executive session would be required to address a litigation issue.

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 August 16, 2006.

S. Brown reported that he and Gynii presented the PDA's annual report to City Council on Sept. 14th and they received compliments for a job well done by the Council. R. Stallings added that the Council is very pleased with the activity of the Board.

G. Gilliam presented the financial report for August, in Sari David's absence. Total income for August was \$84,857.13, which included interest income of \$648.38 and a \$72,633.84 transfer to discretionary funds from the Roosevelt District. Expenses consisted of invoice payments to Shaver in the amount of \$20,338.16, two months of lunch expenses for a total of \$199.57, with the remainder of the funds representing transfers of tax receipts to the Trustee for the districts. An updated Central Corridor cash flow projection for 2005 through 2010 was also provided for the Board's review. **It was MSC (J. Ricks, R. Stallings)** to approve the financial report for August.

3. Kress District: The final payments to partners Doug Houston and Richard Carroll are due from the revenues collected from the Kress District. Upon discussion regarding what the amount of the final payment should be, D. Tranmer advised the Board that the loan agreement provided that the PDA would make payments based solely upon the increment funds that were received, which payments would be divided equally between the partners Houston and Carroll. **It was MSC (D. Schroeder, R. Stallings)** to authorize \$1,501.03 be paid to each of the partners, as final payment under the agreement.

4. Central Corridor:

Old Town Pocatello. Stephanie Palagi of Old Town Pocatello, Inc. presented a request for financial assistance from the PDA for the purpose of purchasing the Global Foods Technology building located at 420 N. Main St. Old Town Pocatello is proposing to develop the property into a community forum to be known as the Old Town Marketplace for use by the Farmers' Market, Revive at 5 concert series, and other events on a year round basis. S. Palagi presented a development plan for the property which included a green space and a tented area. Old Town Pocatello, Inc., made an offer to purchase the property at its listed price of \$230,000.00, which offer expired September 24, 2006. The owner of the property agreed to refund \$10,000.00 of the purchase price for the project. Old Town Pocatello, Inc. will borrow \$90,000.00, to be repaid within two or three years through fund raising efforts. S. Palagi requested a \$130,000.00 grant from the PDA to complete the funding for the project. Following the presentation, discussion centered on whether the Board had the funds available to meet Old Town's request, especially on such short notice. G. Gilliam reported that based upon current financial reports, it appeared the Board only had \$130,441.24 in unrestricted funds available. D. Johnson expressed support for the project and encouraged the Board to try to find the funding.

Board members questioned whether there was any latitude in the amount of funding provided between Old Town and the PDA, and the general consensus of the Board was that it be more comfortable granting \$100,000.00 rather than \$130,000.00, if funds were available. After further discussion regarding the financial ability of the Board, S. Brown requested that this item be moved to the end of the meeting, following executive session. The Board consented.

Downtown Reinvestment. Cac Turner of the City of Pocatello Engineering Department presented Requisition No. E-82 in the amount of \$496,514.27 for work done on the Downtown Reinvestment Project. He reported that weather permitting, the final paving would be done on Thursday, Sept. 21st and Arthur Ave. would open the following weekend. Small items such as raising manholes and water valves and finishing the brick pavers remains to be done. Upon inquiry by the Board, Cac reported that Phase II was completed more smoothly than Phase I because there was more room to work, no storm sewer to put in, the waterline was a little smaller, and because adjustments were made from the lessons learned in Phase I. R. Chase noted that much of the success of the Phase II project was attributable to good engineering work and a general contractor very capable at doing this kind of work. After brief discussion, **it was MSC (T. Brower, D. Schroeder)** to approve payment of Requisition No. E-82 to the City of Pocatello in the amount of \$496,514.27.

5. Miscellaneous Items:

TetriDyn Loan Extension Request. S. Brown reported that TetriDyn has requested an additional six months within which to repay their \$15,000.00 loan which became due in August. R. Chase spoke in support of the extension, noting that the company is a viable business with good revenue and growth potential. Without motion, the Board assented to the extension.

Rail Crossings: Cameron Gunter appeared before the Board with an update on the Rail Crossings project. He advised that Gold's Gym had applied for a building permit and hired a contractor. Construction was expected to begin within the next 30 days. A contract with a national restaurant chain was also expected to be finalized within the next 30 days, and a second restaurant was in the negotiation phase. A contractor for the road improvement has been selected and deeds are being prepared. PEG Development continues to try to acquire the Fish and Game property, however said property is not on Fish and Game's property disposal list at this time. R. Chase told the Board he had written PEG Development a letter, in his capacity as Mayor, outlining several concerns the City had regarding PEG's accountability for how the \$800,000.00 granted by the PDA would be spent, including how cost overruns would be addressed. Gunter assured the Board that the \$800,000.00 would fund the entire project, including the City's portion of the intersection. PEG is working with the State and its contractor to reduce the costs of the project, and Gunter assured the Board that any cost overruns on the project would be the responsibility of PEG Development, not PDA. Gunter and R. Chase agreed that the proposed Development Agreement between Rail Crossings and the PDA addressed the concerns the Mayor had, and if the Board is comfortable approving execution of the agreement subject to PDA legal counsel approval, PEG Development would proceed. D. Schroeder added that the City must be comfortable with the final development agreement executed by Rail Crossings and the PDA.

6. Executive Session: At approximately 11:50 a.m. **it was MSC (D. Schroeder, J. Ricks)** to adjourn to executive session (pursuant to I.C. §67-2345(1)(f) to discuss pending litigation. Regular meeting was reconvened at 12:45 p.m.

7. Downtown Reinvestment, Phase I: Kirk Bybee of the City Legal Department advised the Board of the results of the mediation between the City of Pocatello, the PDA and JUB. After discussion, in which T. Brower voiced displeasure with the tactics used by JUB and the outcome of the mediation, **it was moved and seconded (R. Chase, J. Ricks)** to approve payment of eighty per cent of the settlement amount, not to exceed \$119,000.00, and to authorize Steve

Brown to execute the settlement agreement on behalf of PDA subject to PDA legal counsel approval. **Motion carried, 6 in favor, 1 opposed (T. Brower).**

8. Old Town Marketplace: The Board again met with Stephanie Palagi regarding her request for funding for the Old Town Marketplace. The Board expressed support for the project, but because of other financial obligations, felt unable to commit funds to the project without further clarification of its financial status. The Board asked for additional time to review the PDA's financial status, and S. Palagi agreed to attend a special meeting of the PDA Board scheduled for 12:30 p.m. on Sept. 25, at which time the Board would make a decision on the request.

7. There being no further business, **it was MSC (J. Ricks, R. Chase)** to adjourn the meeting at approximately 1:10 p.m.

Darcy T. Taylor