

**POCATELLO DEVELOPMENT AUTHORITY MINUTES**  
Meeting October 18, 2006

**Members present:** Terry Brower, Steve Brown, Roger Chase, Jim Guthrie, Darsi Johnson, Ken Monroe, John Ricks, Dan Schroeder 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 11:00 a.m. by Chairman Steve Brown. No conflicts of interest were declared. Additions to the agenda included a clarification of the Central Corridor boundaries, the TetriDyn Solutions, Inc., loan extension, The Housing Authority's sale contract for the commercial portion of the Whitman Hotel, a preliminary report on the PDA's return on investments, and an update on the JUB issue.

**2. Minutes and financial matters:**

Minutes for the regular September meeting were reviewed. **It was MSC (J. Ricks, R. Stallings)** to approve the minutes of September 20, 2006. Minutes for the special meeting held on September 25, 2006 were reviewed. **It was MSC (R. Stallings, D. Schroeder)** to approve those minutes.

S. David presented the financial report for September. The ending balance of all districts as of September 30, 2006 was \$639,240.36. Income for September was limited to \$628.27 in interest earned. Expenses consisted of the \$3,002.06 payment from the Kress District for the final payment to Houston and Carrol. The updated Central Corridor cash flow projection indicated an estimated ending balance of \$271,482.50, which included deductions for the Old Town building in the amount of \$130,000.00, JUB engineering expenses in the amount of \$118,316.80, and uncommitted funds in the amount of \$76,055.14. **It was MSC (R. Chase, T. Brower)** to approve the financial report for September. An invoice in the amount of \$3,125.00, together with accompanying documentation from BDC for third quarter administrative fees was presented for payment. **It was MSC (R. Chase, J. Ricks)** to approve payment.

**3. Central Corridor:**

Downtown Reinvestment. Pay Request #E84 in the amount of \$392,917.18 was presented for payment. City Engineer Cac Turner provided an update of Phase II of the Downtown Reinvestment project, advising that crews were finishing the punch list, working on the pavers, installing and testing lights, removing traffic control, etc. He anticipated having a final cost on the project by October's meeting. R. Chase took the opportunity to thank C. Turner, Jesse Schuerman and the City Engineering Department for a job well done on Phase II, noting that their expertise produced a much smoother and more professional outcome than Phase I. This observation was seconded by the applause of the other PDA members. **It was MSC (D. Schroeder, T. Brower)** to authorize payment of Pay Request #E84 in the amount of \$392,917.18.

Triangle Development. Brent Nichols appeared to provide an update on the Triangle project. DDC, LLC's attorney is in the process of preparing a redevelopment agreement, which will consist of three parts addressing 1) the redevelopment of the site, 2) PDA and private funding sources, and 3) security interest issues. He expected to be able to present the agreement for the PDA's consideration at the November meeting, and assuming all is in order, finalize the agreement over the winter and begin construction in the spring. Discussion ensued regarding any problems the project may face since initial infrastructure work was not accomplished this fall, as originally planned. Nichols stated he did not anticipate any problems from the delay.

#### 4. East Center:

Proton Beam Treatment Center. It was brought to the Board's attention that the company associated with the proton beam treatment center has asked the PDA for a Letter of Intent stating that the PDA will act in good faith. Procedurally, if the company decided to locate in Pocatello, the Letter of Intent would lead to an agreement between the PDA and the company for a financing package. G. Gilliam has reviewed the Letter of Intent and finds it to be acceptable. It was recommended to the Board that the PDA enter into the Letter of Intent. Discussion ensued, with J. Guthrie stating his understanding that the letter is an indication of good will, but questioning the extent of the legal commitment by PDA if the project falls apart. D. Tranmer noted that in order to make a claim, the company would have to show some egregious conduct on the part of the PDA, which would be difficult in light of the steps the PDA has already taken with regard to this project. Guthrie also voiced concern regarding the ability to obtain bonding for the project, in light of a recent court decision regarding the City of Boise's airport parking lot. D. Tranmer advised the Board that the development authority is not affected by the Supreme Court ruling on bonding ability, and that the need for the treatment center could easily be demonstrated. Further discussion followed regarding options available for funding. Thereafter **it was MSC (R. Chase; D. Schroeder)** to enter into the Letter of Intent with Optivist with the goal of advancing the project, subject to the Board Chairman and legal review.

East Center Urban Renewal Area. Tim Tingey explained to the Board that the State Tax Commission had refused to accept the East Center Urban Renewal Area due to a problem with the legal description. The East Center URA description includes a portion of the Hospital Way right-of-way, which was previously included in the Central Corridor description. Tingey advised the Board that he is working with the State Tax Commission to address the problem, and it appears the best course of action would be to amend the East Center Urban Renewal Area description to exclude the Hospital Way right-of-way, however this solution does not allow for the parcels to be contiguous. In the event that the State Tax Commission requires the parcels in the East Center URA to be contiguous, then the second best solution would be to amend the Central Corridor URA legal description to exclude the Hospital Way right-of-way. After discussion, **it was MSC (R. Chase, J. Ricks)** to amend the legal description for the East Center URA to exclude any Hospital Way right-of-way area from Buckskin Road to East Center, assuming the Idaho State Tax Commission issues a letter endorsing said action, or, if that action is not acceptable to the State Tax Commission, to amend the Central Corridor district legal description to exclude the Hospital Way right-of-way from Buckskin Road to East Center. In the event the second option becomes the recommended process by the State Tax Commission, the Hospital Way right-of-way would then be incorporated into the East Center URA.

**5. North Yellowstone:** Pay Request #E25 in the amount of \$480.00 was presented for payment by City engineer Jesse Schuerman. The invoice is for additional landscaping work near Walmart. Schuerman advised that there will be extra costs for the turn lane at the D.L. Evans Bank access, estimated to be between \$40,000.00 - \$60,000.00, however, even with this additional expense the project will still come in under budget. **It was MSC (J. Guthrie, R. Chase)** to approve payment of pay request #E25.

#### 6. Miscellaneous:

Portneuf Valley Investment Partners. The Board considered a funding request from Portneuf Valley Investment Partners for funding assistance with the Kinport Junction development project on South First Avenue. G. Gilliam advised the board that she and R. Chambers had reviewed the application which met the parameters of a project the Board could choose to fund. General consensus of the Board was that the project is a good project, but that the Central Corridor funds are for the most part committed and no other funding options are currently available through the PDA. There was no motion to consider the request.

TetriDyn. A letter dated October 12, 2006 from TetriDyn Solutions, Inc. was presented to the Board which requested a six month extension of the company's loan schedule with the PDA. This matter was discussed at a prior meeting and the letter was merely a formality.

South Valley Connector. **R. Chase**, in his capacity as Mayor of the City of Pocatello, presented a letter to the Board requesting consideration for designation of Central Corridor funds in an additional amount of \$3 million for a portion of the matching funds required to construct the South Valley Connector.

Whitman Hotel. **D. Tranmer** presented the Board with a copy of a Real Estate Purchase Agreement between The Housing Company and CMW LLC for the purchase of the commercial area of the Whitman Hotel. The Housing Company was requesting the Chairman of the PDA to sign the agreement with regard to paragraph 9(c) only, which addresses the potential repayment of funds to the PDA in the event CMW LLC receives more than five percent on its initial return on investment. Discussion ensued regarding the potential repayment amount and to what account any repaid funds would be attributed in the event repayment occurs. **It was MSC (R. Stallings, D. Schroeder)** to authorize the Chairman to sign the Real Estate Purchase Agreement on behalf of the PDA.

JUB Update. The Board was updated on the status of the JUB settlement. The City Council has yet to approve the settlement agreement, therefore, final payments have not been made to date.

PDA Return on Investment. **G. Gilliam** provided a preliminary report on statistics she and S. David are compiling regarding the PDA's return on investments, in particular in the Central Corridor. The beginning value of the Central Corridor real property was just over \$86 million. Nine million dollars was invested by PDA, and the 2006 valuation of the same property is \$105 million, plus the addition of approximately 200 new jobs. Information is still being compiled on other districts and a more complete report will be forthcoming. With regard to attracting new businesses, **G. Gilliam** noted that one of the areas she is foreseeing a problem with is the ability to demonstrate a viable work force. She is currently working with area colleges and universities to obtain a more informed picture of work force availability.

7. There being no further business, **it was MSC (D. Schroeder, T. Brower)** to adjourn the meeting at approximately 11:50 a.m.

