

POCATELLO DEVELOPMENT AUTHORITY MINUTES

Meeting February 21, 2007

Members present: Steve Brown, Terry Brower, Roger Chase, Larry Ghan, Darsi Johnson, Ken Monroe, John Ricks, and Dan Schroeder

Staff present: Sari David of Bannock Development; A. Dean Tranmer, Esq. and Darcy Taylor of the City Legal Dept.

The meeting was called to order at 11:04 a.m. by Chairman Steve Brown.

1. Preliminary matters: No conflicts of interest were declared and no additions to the Agenda were made.

2. Minutes and financial matters:

Minutes for the regular January meeting were reviewed and Chairman Brown noted the wording to the By-law revision was incorrect. Clarification was made stating that Article IV.B. should read as follows:

B. Term Each commissioner shall serve a term of four (4) for terms not to exceed five (5) years. At the City's direction, Commissioners may serve up to two (2) consecutive terms or eight (8) years, whichever is greater. At the City's discretion a commissioner may serve up to one additional term.

With this amendment, it was **MSC (K. Monroe, John Ricks)** to approve the minutes of January 17, 2007.

S. David presented the financial report for January. The ending balance of all districts as of January 31, 2007 was \$677,659.01. Income for January consisted of \$652.58 in interest earned. Expenses for January totaled \$3,160.41, being comprised of \$3,125.00 for 4th quarter administrative fees and \$35.41 for PDA lunch. Upon review of the Central Corridor Cash flow projections **D. Schroeder** noted that the \$256,500.00 allotment for the Whitman Project needed to be moved from the "Estimated 2006" column to the "2007" column. With that notation it was **MSC (D. Schroeder, I. Ghan)** to approve the financial report for January.

3. Central Corridor:

A. Whitman Project. Kathryn AlMBERG, Housing Development Officer with The Housing Company presented a list of accomplishments and goals for the Whitman Hotel project. To date, The Housing Company has completed initial clean up and secured the building, obtained National Park Service approval for Historic Tax Credits, completed engineering and structural testing, contracted with a construction manager, worked with investors and obtained approval of a construction loan. Ms. AlMBERG advised the Board that bid packages for the demolition portion of the contract would be sent out the week of February 20th, with scheduled construction to begin late May. Construction is estimated to take twelve to eighteen months. AlMBERG added that a request for the second half of the PDA funds earmarked for the project will be requested in the fourth quarter of 2007. **D. Tranmer** presented an Assignment of Real Estate Purchase & Sale Agreement for the Board's review. Under the Assignment, The Housing Company assigns its interest in the Real Estate Purchase and Sale Agreement to the Downtown Housing Development Limited Partnership. AlMBERG explained that this was a housekeeping matter, and that the purpose of the relationship between The Housing Company and the Downtown Housing Development Limited Partnership was to facilitate the acquisition and use of tax credits for investor purposes. After discussion it was **MSC (R. Chase, L. Ghan)** to authorize Steve Brown, as Chairman, to sign the Assignment.

B. Triangle Redevelopment. Tim Tingey and Brent Nichols appeared to provide an update on the Triangle Redevelopment project. Tinge advised that the review of the

development agreement is continuing. **R. Chase** asked when construction would begin. Contingent upon finalizing the development agreement, Nichols stated he anticipates beginning construction by late spring. The perimeter engineering is almost completed and they are putting out bids in preparation for construction. Tingey presented Invoice #258 from DDC, LLC for engineering fees for the site perimeter work for the Triangle. It was noted that the City Engineering Department had not reviewed the invoice to date. After discussion, **it was MSC (R. Chase, J. Ricks)** to pay Invoice No. 258 in the amount of \$31, 876.48, subject to review and approval by the City Engineering Department and approval by the Board Chairperson.

C. North Garfield RFP. Tim Tingey presented the responses received to the Board's Request for Qualifications/Proposals sent out in January. There were two responses, one from School District #25, and the second from DDC, LLC. The response from the School District proposed the PDA deed the land to the School District in exchange for the development of the land into a parking area for Pocatello High School and community use. The response from DDC indicated that the company was not currently in a position to develop the property, but that it might be interested in the area in the future. Discussion among Board members ensued, particularly regarding the School District's lack of willingness to reimburse any of the PDA's investment in the property. **S. Brown** expressed concern that holding on to the property into the Spring months will become a liability for the PDA in terms of property upkeep and code enforcement issues. T. Tingey advised the Board that the property could be listed for sale, and that an approximate value of the property would be approximately \$4.50 per square foot, for 12,600 square feet, or \$56,700.00. That figure did not include the \$18,000.00 of City funds spent to demolish the structures on the property. **D. Johnson** and **T. Brower** expressed concern that the School District did not include any monetary compensation in its offer. **D. Schroeder** agreed that in light of the value of the land and the demolition costs paid by the City, some compensation is in order, however **Schroeder** also concurred with **S. Brown** that it seemed in the best interest of the public for the School District to have the land. **Brown** indicated that he feels there has been poor communication between the School District and the Board, and a review of the history of earlier negotiations followed. **D. Tranmer** reminded the Board that the PDA paid over \$100,000.00 for the property itself in anticipation of the development of a new Chief Theatre involving the Pocatello High School Auditorium. B. Nichols of DDC, LLC suggested that if the School District did acquire the property, perhaps the PDA could require the School District to improve the parking area to the west of the property as part of the agreement. Tingey advised the Board that it could craft an offer to transfer the property to the School District contingent upon the District making improvements, according to a time line, and the payment of the \$18,000.00 expended by the City. After further discussion, **it was MSC (R. Chase, T. Brower)** to offer the land to the School District in exchange for the payment of \$18,500.00 over a three year period and the requirement that the property and the parking area directly to the west of the property be developed to City standards to include curbs, gutters, and sidewalks, storm water drainage, lighting, and surfacing within one year of the transfer. The Board felt this offer is an opportunity to build good will with the School District.

4. North Yellowstone:

Rail Crossings. Robert Schmidt addressed the Board with an update of the Rail Crossings development. The underground work for the signal is completed, the poles are ordered, and Schmidt anticipated the street work would begin in approximately two weeks. Jesse Schuerman of the City's Engineering department advised the Board that Rail Crossings had provided engineering with all requested information. Pay Request #27, in the amount of \$5,842.50, payable jointly to Rail Crossings, LLC and JB Parsons Company. It was noted that at the request of Rail Crossings, LLC, any payments made to Rail Crossings, LLC for work performed by J B Parsons Company be paid with a check made payable to both Rail Crossings, LLC and J B Parsons Company. **It was MSC (T. Brower, D. Schroeder)** to approve payment of Request #27. Thereafter, Pay Request #28 in the amount of \$96,053.50 payable to Rail Crossings, LLC was presented for approval. **It was MSC (R. Chase, J. Ricks)** to approve payment of Request #28.

5. Roosevelt District.

The Board was advised that the sum of \$196,208.64 remains in the Roosevelt District which requires administration. After brief discussion, **it was MS (R. Chase, L. Ghan)** to return the funds to the taxing entities according to the formula that would have been used to allocate the funds in the proportion in which the taxes accrued. Upon additional discussion, the motion was withdrawn, with the suggestion that the Board be apprised of the amount of money each taxing entity would receive if the prior motion were passed. The Board believed this information would be helpful in its negotiations regarding the North Garfield property. Chairman **S. Brown** tabled the matter with instructions to **S. David** to compile the requested information for the next Board meeting.

6. Miscellaneous:

A. Hoku. The Board heard the latest information regarding Hoku's plans to locate in Pocatello. An approximately 70-acre site has been chosen north of the malting plant, near the intersection of Highway 30 and Philbin Road. The company plans to break ground about May 1st and intends to produce between 1500 and 2000 metric tons of polysilicon per year. Hoku has contracts in place and is under a timeline to produce the polysilicon. Discussion followed regarding the environmental impacts of the plant, which are expected to be fairly minimal. The plant will have 140 foot stacks which will emit steam and by-product, but the production process is a fairly closed loop system. **S. Brown** inquired as to the PDA's role in the process. **R. Chase** advised that an urban renewal plan will come before the Board in March, and will include information on potential revenue and proposed use of the tax increment funds within the proposed revenue allocation district.

B. TIF Legislation. **R. Chase** advised the Board of a bill before the House Revenue and Taxation Committee which proposes taking personal property off of the tax roles. This bill, if passed, would greatly affect tax increment financing and how it works. Robert Chambers noted that the legislation to modify TIF development authorities was defeated in committee this year, but he anticipates the issue will arise again in next year's legislative session. He added that the State Tax Commission has requested information on the Pocatello Development Authority's urban renewal areas.

C. IsoRay & Optivus. R. Chambers provided brief updates on the IsoRay and Optivus projects which continue to move forward.

7. There being no further business, **it was MSC (D. Schroeder, R. Chase)** to adjourn the meeting at approximately 12:13 p.m.

Darcy L Taylor