

POCATELLO DEVELOPMENT AUTHORITY MINUTES
Meeting March 21, 2007

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

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

Guests: Bart J. Reed, Director of Business Operations from School District #25

The meeting was called to order at 11:01a.m. by Chairman Steve Brown.

1. Preliminary matters: No conflicts of interest were declared and no additions to the Agenda were made. The Chairman noted that the Roosevelt District agenda item would be moved to immediately follow the financial report.

2. Minutes and financial matters:

Minutes for the regular February meeting were reviewed. There being no amendments, it was MSC (T. Brower, L. Ghan) to approve the minutes of February 21, 2007. D. Schroeder requested a more timely turn around for minutes.

S. David presented the financial report for February. The ending balance of all districts as of February 28, 2007, was \$907,748.37. Income for February consisted of tax dollars received on the Kress, Newtown, Old Town, North Main, Central Corridor, and North Yellowstone districts in the amount \$261,514.68, together with interest earned in the amount of \$590.16, for a total February income of \$262,104.84. Expenses for February totaled \$32,015.48, being comprised of \$31,876.48 to DDC from board discretionary funds and \$139.00 for PDA lunch. The Board then reviewed the Central Corridor cash flow projections. Thereafter it was MSC (J. Ricks, D. Schroeder) to approve the financial report for February.

3. Roosevelt District:

S. David provided the Board with the projected allocation of the Roosevelt District Tax Refund, which is estimated to be approximately \$196,000.00. After discussion, it was MSC (D. Schroeder, T. Brower) to distribute the tax refund in according to the projected allocations presented to the Board. It was recommended by various Board members to submit a press release on the distributions when they are made to acknowledge the favorable impact of the district.

4. Central Corridor:

A. Garfield RFP. The Board received a letter from Bart Reed of School District #25 outlining a counteroffer by the School District for the property on the southwest corner of West Clark and North Garfield. The District's counteroffer included reimbursement to the City for the demolition costs in the amount of \$18,950.00, and an agreement to develop the lot pursuant to City standards and regulations. The District desired to complete reimbursement of the costs in one year rather than the three offered. The District also requested additional time in which to develop the existing parking lot to the west of the subject property. B. Reed explained to the Board that construction costs for the Garfield lot have risen significantly since the District first considered improving the lot, which cost increase prohibited the District's ability to improve the lot to the west at the same time. B. Reed did agree that at the time the west lot is improved, it would be done to City standards. T. Brower stated that he believes this is a good project. R. Chase requested that at the time the District does the design work for the Garfield parking lot, the design work for improvements to the West lot be done at the same time, so as to promote

consistency. B. Reed agreed that the design work for both lots could be done simultaneously. Based on the representations of School District #25 and the Board, **it was MSC (R. Chase, L. Ghan)** to accept the School District's counter-offer and to transfer the land from the PDA to the School District. **S. Brown** invited School District officials to the April PDA Board Meeting to accept the deed.

B. Portneuf Valley Investment Partners. Rob Myres and Kim Brown presented a proposal on behalf of Portneuf Valley Investment partners, LLC. The development is known as the South First Development Project and the first phase includes the rehabilitation of a 13,000 square foot warehouse to be known as Kinport Junction. Five businesses are scheduled to be housed in the building. Cost of the entire project, including acquisition, is expected to be between \$825,000 and \$950,000. Portneuf Valley Investment Partners application requests an \$85,000 grant from the PDA to assist with the project, \$40,000 of which would come from discretionary funds, and \$45,000 of which would come from Central Corridor district funds. **T. Brower** asked if the application met the criteria for consideration by the Board. R. Chambers advised the Board that he and G. Gilliam had reviewed the application paying particular attention to the number, type and quality of jobs created by the project, together with the type of use of the proposed project. The application was very strong and it was appropriate for the Board to consider the request. Discussion ensued, with several Board members expressing an appreciation of the project. Under the current cash flow constraints of funds in the Central Corridor district, funding would not be available for several months. **D. Schroeder** advised the Board that it would probably be twenty-four months before funds would be available. When asked if this funding would make or break the project, R. Myres indicated that the income from a PDA grant would make a difference in how soon the project could move forward. He noted that the investors would be willing to borrow funds based on a commitment by the PDA to grant the funds within twenty-four months. After further discussion **it was MSC (R. Chase, J. Ricks)** to approve the request for an \$85,000 grant, \$40,000 of which to be paid from discretionary funds and \$45,000 of which to be paid from Central Corridor district funds, which grant shall be made to Portneuf Valley Investment Partners in 2009, or sooner if funds are available.

5. North Yellowstone:

Rail Crossings. J. Schuerman, City of Pocatello Engineering Dept., provided an update on the Rail Crossings project, which has largely been in winter shutdown with the exception of some interior work and staking. Roadway improvements are scheduled to begin in late March, together with the wiring on the signals. An on-line auction for adjacent property is to be completed before April 23, 2007. Pay Request #29, in the amount of \$6,195.90, was submitted for approval. The expenditure is for miscellaneous surveying and concrete protection provided by Wheeler Electric for signal and light pole foundations. **It was MSC (J. Ricks, T. Brower)** to approve payment of Request #29.

6. Miscellaneous:

A. TetriDyn. A letter dated March 13, 2007 from Dave Hempstead, President & CEO of TetriDyn Solutions, Inc. was reviewed by the Board. TetriDyn is requesting a second one-year extension on its loan from the PDA in the amount of \$15,000, which becomes due and payable on April 12, 2007. D. Swindell, City CFO, fielded questions by Board members regarding TetriDyn's financial status and the purpose of the requested extension. **T. Brower and R. Chase** both expressed disappointment at the second request for an extension, and expressed an interest in seeking alternatives. Discussion followed regarding the fact that the PDA's loan to TetriDyn was interest free, thus rendering it a logical debt on which to postpone payment. After further discussion, **it was MSC (L. Ghan, J. Ricks)** to approve another one year extension on the \$15,000 loan, making it due and payable on April 12, 2008, at the rate of six per cent (6%) per annum. The Board as a whole agreed that no further extensions will be considered.

B. IsoRay. G. Gilliam reported that representatives of IsoRay met with the Department of Energy in Washington, D.C. recently, and the project is now being developed on a

commercial basis, rather than as a governmental project. It is anticipated the commercial emphasis will help move the project forward at a quicker pace. The rabbit should be ready for commercial use within twenty to twenty-four months.

C. Shaver Agreement. G. Gilliam advised the Board that Tory Shaver is requesting clarification on the definition and parameters of full time employees in reference to the agreement he entered into with the PDA for the Shaver Pharmacy building. The Board reiterated their sentiment expressed in June 2006 when the loan/grant was approved, that both full time employees with benefits and full time equivalents would have to increase by five in order for the loan to be considered a grant. G. Gilliam will review the agreement, minutes and her notes regarding the negotiations with Mr. Shaver and prepare a letter clarifying the issues surrounding the full time employee issue.

7. **Executive Session:** At approximately 11:55 a.m. **it was MSC (R. Chase, D. Schroeder)** to adjourn to executive session (pursuant to I.C. §67-2345(1)(e) to discuss a matter of trade or commerce in which the governing body is in competition with governing bodies in other states or nations. Thereafter, the regular meeting was reconvened at 12:28 p.m.

8. **North Portneuf Urban Renewal Area:** After discussion, **it was MSC (D. Schroeder, R. Chase)** to approve the North Portneuf Urban Renewal Area and establish a tax increment financing district for no less than twenty-one years. G. Gilliam announced that Hoku Materials, Inc. would be breaking ground at a site within the urban renewal area on March 27th at 11:00 a.m. for those who could attend.

9. There being no further business, **it was MSC (D. Schroeder, T. Brower)** to adjourn the meeting at approximately 12:31p.m.

Nancy L. Taylor