

**POCATELLO DEVELOPMENT AUTHORITY MINUTES**  
Meeting July 25, 2007

**Members present:** Steve Brown, Terry Brower, Roger Chase, Larry Ghan, Darsi Johnson, Ken Monroe, and Ryan Ward.

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

The meeting was called to order at 11:05 a.m., by Chairman Steve Brown.

**1. Preliminary matters:** New board member Ryan Ward was introduced and welcomed to the Board. No conflicts of interest were declared, however **S. Brown** advised the Board that appropriation dollars for the South Valley Connector were applied for through Senator Craig's office (S. Brown's employer). Additions to the agenda included a request by Bill Isley for release of collateral on his obligation to the PDA, two additional pay requests for the North Yellowstone District, a request for funding for legislative education on TIF districts, and an update on the Whitman project.

**2. Minutes and financial matters:**

Minutes for the regular June meeting and executive session were reviewed. There being no amendments, **it was MSC (R. Chase, K. Monroe)** to approve the minutes of June 20, 2007.

S. David presented the financial report for June. The ending balance of all districts as of May 31, 2007, was \$488,032.32. Income for June included taxes paid on the Old Town, Central Corridor and North Yellowstone districts, a remittance from School District #25 for the North Garfield property, and interest earned in the amount of \$424.45, for a total income of \$60,925.70. Expenses paid in June included May and June lunches and a publication fee giving notice of the 2006 audit, for a total of \$289.35. After a brief discussion, it was **MSC (T. Brower, R. Ward)** to approve the financial report for June.

S. David presented an administration invoice for the second quarter in the amount of \$3,125.00. It was **MSC (T. Brower, K. Monroe)** to pay the invoice.

**3. Central Corridor:**

South Cliffs Development: **S. Brown** presented a request by Bill Isley of BBAD Investments, LLC, to release the Deed of Trust held by the PDA on a portion of the South Cliffs Development. Isley's proposal requested the release of a 3.0 acre parcel and a 4.88 acre parcel which have been pledged for a loan, leaving a 6.31 acre parcel as security for the PDA's deed of trust. Numerous questions regarding this transaction were raised by Board members, and Mr. Isley was not present to address those questions. It was noted that at the time the loan was made it was the Board's intent to secure all three parcels with the deed of trust. After further discussion it was **MSC (R. Chase, D. Johnson)** to deny the request, pending more information from Mr. Isley. G. Gilliam agreed to advise Mr. Isley of the Board's decision.

South Valley Connector: **R. Chase** inquired as to the amount of uncommitted funds remaining in the Central Corridor District. With the assistance of D. Swindell, S. David and G. Gilliam, it was estimated there would be approximately 1.2 million uncommitted funds by 2010 or 2011, less any administrative fees taken by the PDA. **R. Chase** requested that the Board commit any remaining funds in the Central Corridor District to the South Valley Connector, and that no other projects be funded out of Central Corridor funds. It was noted that the Central Corridor District is due to close on December 31, 2009. **R. Chase** outlined the funding for the approved Connector, stating there was \$13,000,000.00 in federal funding, the City currently has

another \$1,800,000.00 in match and will need an additional \$3,000,000.00 in matching funds. Discussion followed among Board members and staff regarding the funds available for commitment to the Connector project. It was determined that greater clarification of the Central Corridor accounting was needed, and **R. Chase** requested that official action be taken by the Board at the August meeting regarding its commitment of funds.

John Buttenob of HDR Engineers and Cac Turner, City Engineer, presented an update to the Board regarding the Connector progress. Buttenob outlined the delays experienced on the project to date, but reported that work on the final design of the Connector is due to start in December, 2007, and is expected to take eight or nine months to complete, depending on the number of bridges included in the design, the length of the Connector, and the number of lanes included in the Connector. Bids will be gathered during the winter of 2008/2009, and construction is anticipated to begin in March of 2009. The project is scheduled to take two years, with completion estimated at the end of the summer in 2010. More specific information and cost estimates will be presented at the August Board meeting regarding engineering fees for the final design, and PDA's share of those fees.

#### 4. North Yellowstone:

City Engineer Jesse Schuerman was present to provide a status report and present pay requests on the Rail Crossing development. He advised the Board that curb and gutter were being poured at the site as he spoke, which substantially completed the PDA's portion of the project with the exception of final punch list items. Pay Request #36 to Rail Crossings and Jack B. Parson Companies, jointly, in the amount of \$332,244.55 for work performed by Jack B. Parson Companies, was presented and recommended for payment by J. Schuerman. It was **MSC (T. Brower, R. Chase)** to make payment to Rail Crossings and Jack B. Parson Companies, jointly in the amount of \$332,244.55. Pay Request #37 to Rail Crossings in the amount of \$8,878.70, for a change order involving traffic control costs, was presented and recommended for payment by J. Schuerman. It was **MSC (R. Chase, D. Johnson)** to approve Request #37 to Rail Crossings in the amount of \$8,878.70. It was noted by the Board that money saving measures on this project were directly attributable to the work quality of the City's engineering staff on this project. The Board recommended that City engineering oversight also be used on the South Valley Connector project.

Pay request #38 from Skinner Fawcett law firm was presented in the amount of \$500.00 for attorney fees from Central Corridor bond counsel. It was **MSC (R. Chase, K. Monroe)** to approve Request #38 to Skinner Fawcett in the amount of \$500.00.

**D. Tranmer** provided the Board with a brief history of the funding of the Construction Fund for the Central Corridor District, and an outline of the requirements for disbursing the Construction Fund. Initially, \$6,000,000.00 from bond proceeds was deposited in the Fund, with a disbursement end-date under the terms of the bond of August 1, 2007. Due to substantial delays in construction, the Construction Fund was not spent as quickly as anticipated, and approximately \$600,000.00 in interest accrued on the account. The accrued interest and other remaining funds in the Construction Fund could be expended on those items allowed under the approved North Yellowstone URA and Revenue Allocation Plan, including, but not limited to, real property acquisition, storm water drainage and detention, demolition, water line and water system upgrades, including fire suppression measures, sanitary sewer upgrades, site preparation work, clearing and grading, construction management and engineering oversight administration. As an alternative, the funds remaining in the Construction Fund could be left in said Fund, which would trigger the mandatory redemption of bonds as per the bond ordinance. Outstanding obligations of the PDA from the Construction Fund include the remainder of the initial \$800,000.00 commitment to the Rail Crossings Development, in the amount of \$107,241.80. This sum is reflected in Pay Request #39, and could be requisitioned by the PDA for final punch

list items and engineering oversight on the project. After discussion, it was **MSC (D. Johnson, L. Ghan)** to approve Pay Request #39 in the amount of \$107,241.80 to the PDA to be earmarked for final payment of the Rail Crossings Development improvements. Pay Request #40 was then presented to the Board for approval. Discussion ensued regarding the Board's options of invoicing the remaining money in the Construction Funds for further improvements in the North Yellowstone District, or leaving the money in the Construction Fund for the early redemption of bonds. **D. Tranmer** advised the Board that if the funds were invoiced by the PDA to be spent on additional improvements pursuant to the North Yellowstone Plan, the funds must be expended by December 23, 2007 to avoid arbitrage issues. Any funds invoiced by the PDA but not spent by December 23, 2007 would be returned to the bond trustee or to the local taxing entities. It was moved (**R. Chase**) to approve Pay Request #40 from the PDA in the amount of \$602,514.02 or the remainder of the construction account. It was then noted that if the PDA's invoice were to include the words "plus interest posted as of August 1, 2007", the account would increase by another month of interest. **L. Ghan** seconded the motion, with an amendment to provide for the additional interest to be included on the pay request. **The amended motion carried.**

#### 5. Miscellaneous:

A. Portneuf Valley Investment Partners: Receipts were submitted by Rob Myres of Portneuf Valley Investment Partners in excess of \$40,000.00 for improvements of the building located at 815 South 1<sup>st</sup> Avenue. The PDA had previously committed the amount of \$40,000.00 in 2007 to this project. It was **MSC (R. Chase, D. Johnson)** to treat the Myres letter as a pay request and to approve reimbursement to Portneuf Valley Investment Partners in the sum of \$40,000.00.

B. Urban Renewal Areas: **R. Chase** reiterated his message from the May meeting that there will be a concerted effort in the Legislature this year to eliminate urban renewal areas. The Association of Idaho Cities (AIC) met to review the implications of urban renewal areas and to determine how to address the issue with the Legislature. One example pointed out by **R. Chase** was the implication TIFs have on school districts bonding abilities. Development authorities from Boise, Coeur d'Alene, and Jerome have committed funding toward educating the Legislature on the value of urban renewal areas. **R. Chase** requested a commitment from the PDA in the amount of up to \$5,000.00 to contribute to the educational fund. **D. Johnson** asked if the funds would be used to hire a lobbyist, to draft legislation and/or to hire counsel for the AIC. **R. Chase** speculated that it could be used for all of those things. **L. Ghan** advised the Board that in his position as a County Commissioner, he is somewhat conflicted regarding this matter, noting that there are issues that counties in general have with the use of urban renewal areas. While the PDA has been responsible and sensitive to the needs of Bannock County, the short term effect of urban renewal areas is that it makes it difficult for counties to cover their costs. **R. Chase** indicated that a good faith effort would be made to accommodate the counties' concerns regarding this issue. After further discussion, it was **moved and seconded (R. Chase, K. Monroe)** to approve funding of up to \$5,000.00 to the Association of Idaho Cities for the purpose of educating the Legislature and defending the use of urban renewal areas. The motion carried by a vote of six ayes (**S. Brown, T. Brower, R. Chase, D. Johnson, K. Monroe and R. Ward**) and no nays. One Board member was present (**L. Ghan**) but did not vote.

C. Whitman Project: Jerry Myers appeared before the Board to provide an update of the Whitman project, which included a current photo and proposed completed rendition of the project. He noted that the project developers are investigating options to offset some cost overrides, but expect the project to be completed by November, 2008. **T. Brower** added that the developers are doing a good job of minimizing impact in the downtown area during this project.

**6. Executive Session:**

At approximately 12:40 p.m. **it was MSC (R. Chase, T. Brower)** 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 1:07 p.m.

**7. Adjournment:** There being no further business, **it was MSC (T. Brower, D. Johnson)** to adjourn the meeting at approximately 1:08 p.m.

*Darcy L Taylor*