

## POCATELLO DEVELOPMENT AUTHORITY MINUTES

Meeting September 19, 2007

**Members present:** Steve Brown, Terry Brower, Roger Chase, Ken Monroe, Richard Stallings, 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.

**Guests present:** Bannock County Commissioner Lin Whitworth, attending for Commissioner Larry Ghan, City of Lewiston Mayor Jeff Nasset, Lewiston City Manager Jay Krauss, Lewiston City Attorney Don Roberts, and the Lewiston/Clarkston economic development director, Bob Tippetts

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

**1. Preliminary matters:** No conflicts of interest were declared. Changes to the agenda included the addition of an update and request by the Housing Company regarding the Whitman Hotel Project, and altering the order of the agenda to place the North Yellowstone item as the final agenda item in order to accommodate an executive session. **Chairman Brown** signed a resolution and announced the termination of the Kress Building Revenue Allocation District. It was also announced that Board Commissioner Dan Schroeder submitted his letter of resignation from the Board as a result of his relocation to New Mexico.

### **2. Minutes and financial matters:**

Minutes for the regular August meeting and executive session were reviewed. A typographical error was noted on the third line from the bottom of page 1 of the regular meeting minutes, in which the word "the" should be deleted before "S. David". There being no additional corrections or amendments, **it was MSC (T. Brower, R. Ward)** to approve the minutes of August 15, 2007.

S. David presented the financial report for August. The ending balance of all districts as of August 31, 2007, was \$1,029,721.92. Income for August included taxes paid on the Alvin Ricken, Old Town, Central Corridor, and North Yellowstone districts, receipt of the funds invoiced from the North Yellowstone bond construction account in the amounts of \$107,241.80 (representing the remainder of the PEG Development commitment) and \$605,895.31 (representing unused construction funds to be committed no later than December, 2007), and interest earned in the amount of \$439.72, for a total income of \$724,733.71. Expenses paid in August included the PDA lunch, the fee for preparation of the annual audit, and invoices totaling 67,241.80 on behalf of Rail Crossings, as approved in the August meeting. After a brief a discussion, it was **MSC (R. Chase, T. Brower)** to approve the financial report for August.

### **3. Central Corridor:**

Whitman Project: Kathryn Almburg and Douglas Peterson, Director of Development and Director, respectively, of The Housing Company, appeared before the Board, together with Jerry Myers, a partner in the Whitman project, to advise the Board of problems which have been encountered with the project and the steps they have taken to address a \$230,000.00 shortfall as a result of unanticipated expenses due to structural problems with the building. Almburg and Peterson explained that once the building was gutted it was found that additional footings in the basement of the building needed to be constructed, as well as a steel skeleton on the inside of the building to insure structural integrity. Almburg further advised the Board that The Housing Company was largely self-funding the Whitman project through tax credits and other financing tools which require occupation of the building by the end of December, 2008. If additional

funding is not located soon, the project would have to be abandoned. The Housing Company asked the Board to commit an additional \$100,000.00 to the project. Board members extensively questioned the representatives of the project with regard to their efforts to find alternate financing, what guarantee there was that additional surprises requiring further expenditures wouldn't occur in the future, and what commitment the developers were making to the cost overrun. Discussion followed regarding methods of financing, and whether there were even any funds available for the request. **R. Chase** noted that to not attempt to provide additional funding at this point in the project would send the wrong message to both Old Town and The Housing Company. He stated he didn't like it, but it behooved the Board to make the additional commitment. **T. Brower** noted that he'd been a strong advocate of the Whitman project, but when considering the financial commitments already made by the Board, saw little opportunity for the Board to be able to fulfill the request for additional funds. **G. Gilliam** questioned whether the financial commitment could be structured as a loan. **Peterson and Almburg** conferred and stated perhaps a ten to fifteen year term loan would work. **R. Chase** conceded that funds the Board had committed to the South Valley Connector could be used for the Whitman project in the form of a loan. After further discussion, **it was MSC (R. Chase, R. Ward)** to approve a fifteen year loan to The Housing Company of \$100,000.00 at zero per cent interest, to be available by the fourth quarter of 2009, or sooner, depending on cash flow. The Board reserved the discretion to forgive the loan.

#### 4. Miscellaneous:

Naval Ordnance Plant: This item was moved to Executive Session.

Yellowstone Business Partnership: **Janice Brown**, Executive Director, and **Laurel Hall**, Member of the Board of Directors of the Yellowstone Business Partnership, provided the Board with an overview of the purpose and goals of the organization. The partnership includes twenty-five counties in the tri-state area surrounding Yellowstone and Teton National Parks. Its purpose is to promote a broader regional perspective for leadership and economic development in areas surrounding the parks. **Brown and Hall** asked the Board for support and participation in a future summit to address regional issues for the tri-state area, and for ideas on how to even out the economic benefits of the park for the entire year.

#### 5. Executive Session:

At approximately 11:59 a.m. it was **MSC (R. Stallings, K. Monroe)** 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 12:23 p.m.

#### 6. North Yellowstone:

The Board was reminded that at the August, 2007 meeting, it was determined to designate approximately \$460,000.00 of the construction funds from the North Yellowstone District for the acquisition of property adjacent to the Rail Crossing Development, contingent upon the execution of a contract between PEG Development and the identified potential retailer to establish a retail outlet on said property. PEG Development has taken the additional steps to secure the property adjacent to the Rail Crossing Development and a Second Economic Development Grant Agreement was prepared to outline the terms of PDA's financial support for the project. After discussion, **it was MSC (R. Chase, R. Stallings)** to authorize the Board Chairman to enter into a Second Economic Development Grant Agreement with Rail Crossings, LLC for the North Yellowstone project.

7. **Adjournment:** Prior to adjournment, **Chairman Brown** advised the Board that the annual meeting of the Board will be held in October, and nominations for new officers will be taken at that time. There being no further business, **it was MSC (T. Brower, R. Chase)** to adjourn the meeting at approximately 12.26 p.m. The Mayor and Economic Development staff from Lewiston then joined the Board for lunch.

*Darcy L Taylor*