

POCATELLO DEVELOPMENT AUTHORITY MINUTES
Meeting December 19, 2007

Members present: Steve Brown, Terry Brower, Cynthia Hill, Darsi Johnson, Ken Monroe, Richard Stallings, and Ryan Ward.

Staff present: Sari David of Bannock Development; A. Dean Tranmer, Esq. and Darcy Taylor of the City Legal Dept.; Tim Tingey of City Planning and Development Services; Dave Swindell, City Chief Financial Officer

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

1. Preliminary matters:

No conflicts of interest were declared. An update and discussion on the North Yellowstone District was added to the agenda and placed after the Central Corridor Agenda item. An update on the Triangle Development was added to the Miscellaneous Agenda item.

2. Minutes and financial matters:

Minutes for the regular November meeting and executive session were reviewed. There being no noted corrections or amendments, **it was MSC (T. Brower, K. Monroe)** to approve the minutes of November 14, 2007.

S. David presented the financial report for November. The ending balance of all districts as of November 30, 2007, was \$531,437.41. Income for November consisted of interest earned in the amount of \$1,332.94. Expenses for November included a final payment of \$40,000.00 to JB Parsons on the Rail Crossings project and \$3,125.00 to the Bannock Development Corporation for administrative fees. Additionally, \$18,950.00 was transferred to the City of Pocatello from the Board Discretionary Fund for expenses the City incurred on the North Garfield property. A brief discussion followed regarding the Central Corridor spreadsheet. Thereafter, it was **MSC (T. Brower, Cynthia Hill)** to approve the financial report for November. **T. Brower** noted that the since being transferred to the School District, the North Garfield property was developed and improved, and is now a parking lot. He added that the development is a tremendous improvement in the area.

3. Central Corridor:

AMIs Update: In light of the recent announcement by AMIs of its pending purchase by an Arizona company, **Chairman Brown** advised the Board that he has had no indication of the company's future plans. With regard to AMIs' over-assessment of taxes by Bannock County, **Brown** noted that the Bannock County Assessor determined that repayment to AMIs of the overage was the entire responsibility of PDA because all of the overage was paid to the tax increment financing district. **S. Brown** asked the Assessor under what terms the district would be charged for the overage, suggesting the credit to AMIs could be applied over a two to three year term; however no response had been received at the time of the meeting.

In the event the overage is required to be debited to PDA in its entirety through the next tax distribution period, the Central Corridor District will suffer a negative cash flow position in excess of \$300,000.00. The Board discussed the possibility of temporary measures which might be available through the City of Pocatello on an as needed basis in order to meet its financial commitments. D. Swindell discussed the basis of the Assessor's determination, and advised the Board that regardless of how the PDA is debited for the overpayment, the projects which have been committed to will move forward. Board discussion followed regarding how the assessment error occurred and where accountability for the error lies. Regardless of the facts in the matter, it

appears that ultimately, the repayment of the overage charged to AMIs will come from the discretionary fund in 2012.

(R. Stallings arrived at 11:21 a.m.)

Chairman Brown requested and was granted the authority to approach AMIs directly to attempt to establish a two year schedule to repay the overage paid by AMIs.

4. North Yellowstone:

Tim Tingey reported to the Board that the modified North Yellowstone Urban Renewal Plan was presented at a public hearing and before the Pocatello City Council, and was thereafter approved.

5. Miscellaneous:

Seibert Project: Tim Tingey presented an update on the development proposed by Mike Siebert in the Pocatello Creek area, together with additional notes and information from Seibert outlining how he is working with area property owners, the school district, and others. Tingey advised the Board that Seibert will ask to return to the February meeting.

Brown Application: Bryon Goody, owner of Cozy Home Furnishings and a Trade Use Agreement with Ashley Furniture HomeStore, Reno Rice, the General Manager, and Mark Brown, the General Contractor appeared before the Board to request financial assistance for beautification of the area between the Ashley HomeStore at 1950 Hurley Drive and the railroad tracks. Mr. Goody and Mr. Brown both presented the plan for the beautification of the area, and advised the Board that the Ashley HomeStore would employ up to thirty people, the majority of whom would earn between \$40,000 and \$60,000 annually. The store is a "destination store" and will bring shoppers to the area. T. Tingey expressed a concern asking how beautification purposes relate to the public benefit, which is a criterion for the use of TIF district funds. Some Board members concurred, adding that a request by Fred Meyer for landscaping purposes was denied. **S. Brown** noted that while he is excited to have this business joining the North Yellowstone area, the request for assistance has come at a time when the PDA is very short on cash flow. It was suggested to the applicants that depending upon other development in the district, funds may be available after a year or so, at which time the applicants could reapply, and perhaps fine tune their request to more specifically include the types of projects provided for under the urban renewal plan. **R. Stallings** noted that it is discomfoting that the PDA is able to provide resources to recruit out-of-area companies, but cannot assist this local business in this instance, adding that he would like the PDA to assist this project however possible, even though that assistance might not be available for a year or so. **T. Brower** also commended the applicants for remaining local in their effort, but added that cash flow wise, the PDA is unable to assist at this time. T. Tingey and D. Swindell explained the priorities of the North Yellowstone district, i.e, paying off the bond and fulfilling commitments already made within the District. The Board's final response to the application was that if the applicants were able to wait for assistance, the Board would be happy to review the matter again in six months. No further action was taken.

Triangle Update: T. Tingey advised the Board that DDC, LLC is working with its attorney on finalizing the development agreement with the goal of signing it shortly after the first of the year. Some financial concerns have arisen due to reorganization by one of the lending sources, however the outer perimeter work has been rebid and the new estimates appear to be more affordable.

7. Adjournment: Prior to calling for adjournment **Chairman Brown** exercised his prerogative and took the opportunity to note that although cash flow is very restricted at the current time, it is because the Development Authority is performing to standards and completing the tasks at hand. A short discussion ensued regarding whether the Board should continue to accept applications at this time. No consensus was arrived at during the meeting.

There being no further business, **it was MSC (D. Johnson, T. Brower)** to adjourn the meeting at approximately 12.01 p.m.