

**POCATELLO DEVELOPMENT AUTHORITY MINUTES**  
Meeting May 21, 2008

**Members present:** Terry Brower, Steve Brown, Roger Chase, Cynthia Hill, Darsi Johnson, Ken Monroe, Gary Moore, and Ryan Ward.

**Staff present:** Gynii Gilliam and Angie Lee of Bannock Development; A. Dean Tranmer, Esq. and Darcy Taylor of the City Legal Dept.; Robert Chambers and Tim Tingey of City Planning and Development Services Dept.

The meeting was called to order at 11:10 a.m., by **Chairman S. Brown.**

**1. Preliminary matters:**

No conflicts of interest were declared. **Chairman Brown** noted the addition of two agenda items, specifically, in the Central Corridor District, an update on the Triangle will be provided together with a pay request, and in the Miscellaneous Items section, the May 18, 2008 Journal article will be discussed.

**2. Minutes and financial matters:**

Minutes for the regular April meeting and executive session were reviewed. There being no noted corrections or amendments, **it was MSC (T. Brower, G. Moore)** to approve the minutes of April 16, 2008.

Due to on-going reorganization and staff changes within Bannock Development Corporation, financial records for the Pocatello Development Authority for this month are not complete. **Chairman Brown** suggested tabling the April financial report until the June Meeting.

**3. Central Corridor:**

A. Kinport Junction. Rob Myres and Kim Brown appeared on behalf of Portneuf Valley Investment Partners (PVIP), the developer of the Kinport Junction project, to report on the project development and to discuss the possible early release of committed funds. In 2007, the PDA committed a total of \$85,000.00 to the project, \$40,000.00 of which was committed from discretionary funds, and released in 2007, with an additional \$45,000.00 committed from the Central Corridor District, to be released in 2009 as tax increment funds were received in the District. R. Myres advised the Board that the Kinport Junction project is a success; however the total cost of the project totaled in excess of 1.15 million dollars. Despite PVLV's best efforts to obtain additional financing from various sources, and an influx of additional money from the partners themselves, PVLV remains in debt to contractors in the amount of \$70,000.00 to \$75,000.00. PVLV asked the Board to consider an early distribution of the remaining \$45,000.00 commitment. Discussion followed, but the lack of information available from the financial reports rendered it impossible to ascertain the availability of funds from the Central Corridor District at this time. (**R. Chase** arrived at 11:19.) **G. Gilliam** advised the Board that according to the April financial report, the cash flow is available to make the payment, but without updated records, it was impossible for the Board to make a commitment. Discussion followed in which Board members praised the Kinport Junction project, and there was a general consensus among the Board that if funds were available, an early payment, or even an early partial payment would be possible. The matter was postponed to the next regular meeting of the Board.

B. Triangle Redevelopment Project. Mike Jaglowski of Triangle, Inc., and Jim Jenkins, the landscape architect of the project, appeared to provide the Board with an update of the Triangle project. M. Jaglowski advised that construction is underway, but that the project is

behind due to DEQ requirements. DEQ approval is expected within the next two weeks, and scheduling of the project includes almost a five week buffer, so M. Jaglowski anticipates there will be adequate time to make up the time lost on the project. He further reported that there is an interest in the buildings included in the project, and meetings are taking place regarding the plaza dedication. Thereafter, M. Jaglowski presented Pay Request #4 in the amount of \$34,133.69 for approval by the Board. After a brief discussion regarding the submitted invoice, **it was MSC (G. Moore, K. Monroe)** to approve payment of Pay Request #4 in the amount of \$34,133.69 to Triangle, Inc.

#### **4. Miscellaneous:**

A. Whisper Creek. **G. Gilliam** reported that Whisper Idaho had requested amendments to the development agreement between the company and the PDA. The PDA's financial commitment was to provide \$75,000.00 initial funding, and a subsequent commitment of \$150,000.00 upon Whisper Idaho's completion of specific employment milestones as provided for in the development agreement. Upon reviewing the proposed agreement, Whisper Idaho requested that the required number of employment positions be reduced from 100 positions, as initially proposed, to 70 positions during eight consecutive months of the year, and 40 positions during the remaining four months of the year. Of those positions, sixty per cent are required to pay a minimum wage of no less than \$12.00 per hour, and provide health insurance and leave benefits. **G. Gilliam** explained that Whisper Idaho claims some of its work is seasonal in nature, and even with the reduction of the number of employment positions, the investment is still a good one as it requires an investment of only \$2,000 per job. Additionally, if Whisper Idaho fails to meet the milestones required in the agreement, the second commitment of \$150,000.00 will not be paid as per the agreement. Board discussion regarding the agreement followed, with **R. Chase** noting that perhaps the Board needs to do a better job in defining the due diligence required by new companies seeking assistance from the PDA. **G. Moore** concurred by stating his concern at the reduction of the number of employment positions, and suggesting that the language used in negotiating development agreements be more specific from the beginning. **G. Gilliam** advised the Board that she researched Whisper Idaho and its affiliate companies and found them to be in good standing, and while the agreement carries some risk, she doesn't feel it is a large risk due to the milestones built into the development agreement. Some members of the Board stated they felt somewhat deceived by Whisper Idaho, and it was agreed by all that the terms of future development agreements should be more specifically spelled out prior to any request for financial commitment by the PDA. Thereafter, **it was moved and seconded (R. Chase, G. Moore)** to approve the pending development agreement with Whisper Idaho. **The motion carried with six in favor (S. Brown, R. Chase, C. Hill, D. Johnson, K. Monroe and G. Moore) and two opposed (T. Brower, R. Ward).**

B. Idaho State Journal Article. **S. Brown** initiated a discussion regarding the poor press tax increment financing districts received in a recent Idaho State Journal article regarding high tax assessments in Bannock County. Discussion followed during which Board members brainstormed about ways to promote more positive press regarding the establishment and use of tax increment financing districts.

#### **5. Adjournment:**

There being no further business, and **it was MSC (D. Johnson, T. Brower)** to adjourn the meeting at approximately 12:20 p.m.