

POCATELLO DEVELOPMENT AUTHORITY MINUTES
Meeting July 16, 2008

Members present: Terry Brower, Steve Brown, Roger Chase, Darsi Johnson, Ken Monroe, and Gary Moore.

Staff present: Gynii Gilliam of Bannock Development Corporation; A. Dean Tranmer, Esq. and Darcy Taylor of the City Legal Dept.; Robert Chambers of the City Planning and Development Services Dept.; and Dave Swindell and Jerry Higgins of the City Finance Dept.

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

1. Preliminary matters:

A. Conflicts and Agenda. No conflicts of interest were declared. **Chairman Brown** noted the addition of one agenda item after the review of the Minutes, namely Staffing Adjustments. There are also several items requiring attention in Executive Session.

B. Minutes. Minutes for the regular May meeting were reviewed. There being no noted corrections or amendments, **it was MSC (K. Monroe, G. Moore)** to approve the minutes of May 21, 2008.

C. Staffing Adjustments. **Chairman Brown** advised the Board of recent internal discussions among Bannock Development Corporation (BDC) and the City regarding the most efficient use of staff and resources. G. Gilliam explained that as a result of those discussions, she was tendering her resignation as Executive Director of PDA to the Board in order to devote more time to her position as Executive Director of the BDC. She explained that the sharp increase in outside inquiries by companies interested in locating in the area has required an adjustment in the focus of her own duties, as well as those of her staff. She, therefore, recommended to the Board that the administrative and financial duties of the PDA be moved to the City in order to allow the BDC staff to continue their efforts to recruit new businesses. Board discussion followed, during which **D. Johnson** noted that she was in favor of the PDA staff and BDC staff being separate and apart from the City. **R. Chase** concurred that one of the criticisms often made of development authorities is that they are merely an extension of the city in which they are based. It was the general consensus of the Board that for the short term, Robert Chambers, Director of the City's Planning and Development Services Department, was the best candidate to serve as the PDA Executive Director at this time, and also that it was important to the integrity of the PDA to retain the Executive Director of the BDC on the PDA board as an ex-officio member. After further discussion it was **MSC (R. Chase, D. Johnson)** that R. Chambers be appointed as Interim Executive Director of the PDA, that the financial administration of the PDA be performed by the City of Pocatello Finance Department, and that the Executive Director of the BDC be an ex-officio member of the PDA Board.

D. Financial Report. J. Higgins of the City Finance Department presented the financial reports for the months of April and May, titled Cash Analysis for the Month Ending May 31, 2008, as well as a Statement of Cash as of June 30, 2008, and a Cash Analysis for the Month Ending June 30, 2008. In May, the PDA received cash in the amount of \$15,714.84, consisting of \$431.70 in interest, \$2,555.66 interest revenues for the Central Corridor, a \$11,269.66 tax increment payment on the Central Corridor District (which was returned to the County for the AMI adjustment), \$1,431.02 interest revenues for the North Yellowstone District, and a \$26.80 tax increment payment on the North Yellowstone District. Expenses paid during May totaled \$112,380.21, which included \$37,133.69 to the Triangle, Inc., and \$75,000.00 to Whisper Idaho for an economic development grant.

In June, the PDA received cash in the amount of \$103,046.34, consisting of \$374.02 in interest, \$2,536.30 interest revenues for the Central Corridor, a \$59,084.47 tax increment payment on the Central Corridor District (which was returned to the County for the AMI adjustment), \$1,558.32 interest revenues for the North Yellowstone District, a \$136,484.82 tax increment payment on the North Yellowstone District, and a \$3,008.41 tax increment payment on the Naval Ordnance Plant District. Expenses paid during June totaled \$37,344.38 to Triangle, Inc.

J. Higgins advised the Board of work which needs to be done on the PDA's financial reports, including building a budget for the Naval Ordnance Plant District, and explained the remaining pages of the financial report which covered district cash flow projections. Dave Swindell, the City Chief Financial Officer, advised the Board that the City Finance Department will be available to address the PDA's financial reporting requirements. He invited Board input on the format and information contained in the monthly reports. After further discussion regarding housekeeping items on the reports it was **MSC (G. Moore, K. Monroe)** to approve the financial reports for May and June.

2. Central Corridor:

A. Triangle Redevelopment Project. **Chairman Brown** called for a ratification of Payment Request #5 submitted by the Triangle, Inc., in June. The Board was provided a copy of the request and polled for approval of the payment in June at the Triangle, Inc.'s request, for purposes of timeliness. It was **MSC (R. Chase, G. Moore)** to approve Payment Request No. 5 by the Triangle, Inc., in the amount of \$33,170.85. (T. Brower arrived at 11:29 a.m.)

Mike Jaglowski of Triangle, Inc., and Jesse Schuerman, City Engineer provided an update to the Board on the Triangle Redevelopment Project. M. Jaglowski reported that the infrastructure is complete, and utilities are in, except for Idaho Power and Intermountain Gas, and curb, gutter, and sidewalk will be installed in the near future. The owner of Lot #1 of the development has requested that concrete work, including sidewalk, be delayed until the building foundation on Lot #1 is set. Live/work construction plans are to be submitted by mid-August. The Architectural Design Review Committee has started meeting to oversee work on the plaza and Triangle monument as required under the Redevelopment Agreement. J. Schuerman noted the project is a little behind schedule. Thereafter, Payment Request No. 6 in the amount of \$80,369.92 was submitted for approval. **K. Monroe** asked for more details on how the project is behind schedule. J. Schuerman advised that the electrical contractor is behind. M. Jaglowski added that because the initial electrical contractor hired was declared insolvent, another subcontractor had to be hired. After further discussion it was **MSC (R. Chase, K. Monroe)** to approve payment of Payment Request No. 6 in the amount of \$80,369.92.

B. Kinport Junction. **Chairman Brown** reiterated to the Board the request by Kinport Junction made in May for an early payment. J. Higgins confirmed to the Board that cash was available to cover the request. Rob Myres of Kinport Junction provided an update to the Board on the progress of the project, the cost overruns experienced by the project, and an outlook of the long term viability of the project. Thereafter, it was **MSC (G. Moore, R. Chase)** to approve payment of the remaining \$45,000.00 in committed funds from Central Corridor District funds.

C. Corridor Extension Status. **R. Chambers** provided the Board with an update on the Board's request to the City Council to extend the length of the term of the Central Corridor District. Discussion followed regarding the number of property tax appeals which were filed with the County, and other tax increment issues. The Board reiterated its position that in order to stay true to its commitments in the Central Corridor District, and in light of the tax adjustments to the Central Corridor as a result of the AMI adjustment, a minimum of a one year extension to the term of the District is necessary and justified.

3. South Cliffs

Bill Isley of BBAD Investments, LLC, appeared before the Board to explain the South Cliffs project, and to request the Board shift the collateral on its \$200,000.00 loan on the project to a 6.31 acre parcel within the development. The Board asked several questions regarding the transfer of collateral. **D. Tranmer** asked if the Board would still be in first position on the proposed collateral, which B. Isley confirmed. **R. Chambers** requested a copy of the summary page of the appraisal B. Isley referred to in his request. After further discussion, it was **MSC (G. Moore, T. Brower)** to modify the collateral for the \$200,000.00 PDA loan to BBAD Investments, LLC to include the 6.31 acre parcel on Cliffs Dr., across from the BLM facility in exchange for three acre parcel to the north, subject to legal approval.

4. Executive Session:

At approximately 11.50 a.m., it was **MSC (D. Johnson, G. Moore)** to adjourn to executive session (pursuant to I.C. §67-2345(1)(e) to consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations. (**G. Moore** departed at 12:05 p.m.) The regular meeting was reconvened at 12:55 p.m.

5. Resolution for North Portneuf URA:

Chairman Brown advised the Board of the necessity to insure that reimbursement will be made to public entities for expenses incurred for improvements to the North Portneuf Urban Renewal Area, pursuant to Internal Revenue Service regulations, among others. After discussion of the requirements for reimbursements, it was **MSC (K. Monroe, D. Johnson)** to approve a resolution of the Board authorizing the Chairman of the PDA to issue statements of official intent to reimburse expenditures from borrowings in accordance with the IRS regulations.

6. Board Concerns:

A brief discussion ensued among Board members regarding anticipated legislative activity on tax increment financing and urban renewal matters.

7. Adjournment:

There being no further business, and it was **MSC (K. Monroe, R. Chase)** to adjourn the meeting at approximately 1:02 p.m.

Darcy L Taylor