

POCATELLO DEVELOPMENT AUTHORITY MINUTES

Meeting August 20, 2008

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

Staff present: Robert Chambers, Executive Director; A. Dean Tranmer, Esq. and Darcy Taylor of the City Legal Dept.; and Dave Swindell and Jerry Higgins of the City Finance Dept.

The meeting was called to order at 11:03 a.m., by **Chairman S. Brown**.

1. Preliminary matters:

A. Conflicts and Agenda. No conflicts of interest were declared. **Chairman Brown** noted the deletion of the Ashley Furniture funding request item from the agenda, stating the applicant was informed there were no funds currently available in the North Yellowstone District, and stated a brief Executive Session would be necessary.

B. Minutes. Minutes for the regular July meeting were reviewed, and a typographical error was noted on the time the meeting was called to order. With the correction of the time from 11:50 a.m. to 11:05 a.m., it was **MSC (R. Chase, T. Brower)** to approve the minutes of July 16, 2008.

C. Financial Report. J. Higgins of the City Finance Department presented the financial report for the month of July. In July, the PDA received cash in the amount of \$1,572,879.17, which included \$269.74 interest on the managed cash account, \$854.36 interest on the trust accounts, \$1,335,406.28 tax increment payment on the Central Corridor District, \$234,162.02 tax increment payment on the North Yellowstone District, and \$2,186.77 tax increment payment on the Naval Ordnance Plant District. Expenses paid during July totaled \$228,678.70, which included a payment of \$103,182.91 to Bannock County for the AMI adjustment, \$80,369.92 to the Triangle, Inc., \$45,000.00 to Portneuf Valley Investments, \$100.03 for the Board lunch, and a \$25.84 bank fee.

J. Higgins discussed the narrative report with the Board, advising the Board of the assets and obligations of each district, and noting that some interfund loans will need to occur in order for the Board to meet its obligations. Some of the Triangle obligations have been paid from the General fund, rather than the Central Corridor fund, leaving the General fund short of funds to meet future commitments. Included in the commitments of the General Fund is a \$3,500.00 payment owed to Deaton & Company for the Authority's audit. Upon further discussion, J. Higgins and D. Swindell recommended to the Board that payments made on behalf of the Triangle Redevelopment project could be funded by the Central Corridor District, if funding is available, and it was suggested that the Central Corridor District could reimburse the General Fund for those amounts. This reallocation of the commitments would increase the bottom line of the General fund, making FY08's General fund commitments possible, including the Deaton & Company statement. After further discussion, it was **MSC (T. Brower, K. Monroe)** to accept the July financial report including the recommendations to pay the Deaton & Company invoice of \$3,500.00 for the audit, and to transfer funds from the Central Corridor District to reimburse the General fund for payments made from the General fund for the Triangle Redevelopment Project. (L. Ghan arrived at 11:25 a.m.)

J. Higgins further advised the Board that a draft budget for FY09 is prepared and ready for the Board's review. Upon further discussion, **T. Brower** requested a special meeting of the Board for the specific purpose of reviewing the proposed budget together with the assets and commitments of each district in order to better understand what options are available. A special

meeting for the purpose of reviewing the financial information of each district and reviewing the proposed FY09 budget was scheduled for Wednesday, September 3, 2008 at 11:00 a.m.

2. Central Corridor:

Triangle Redevelopment Project. 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 perimeter work is complete to the degree allowed pending work on the interior projects. The interior work is beginning, with the JLK building set to break ground shortly after the first of September. 3rd Avenue Development, LLC, is preparing a purchase and sale agreement, and anticipates breaking ground in the near future. The remaining perimeter work will be completed as the interior projects are started and progress. M. Jaglowski advised the Board that most of the work for which the Triangle, Inc., is responsible for will be completed by the end of October. The plaza area and parking lot will be completed after the JLK building is started. J. Schuerman recommended payment of Payment Request #7 for this project in the amount of \$41,231.69. **It was MSC (T. Brower, L. Ghan)** to approve the payment request.

Jaglowski further reported that all but ten to fifteen per cent of the infrastructure work is completed, and the utilities are in, except for Idaho Power and Intermountain Gas. Curb, gutter, and sidewalk will be installed in the near future. The potential buyer 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