

POCATELLO DEVELOPMENT AUTHORITY MINUTES
Meeting September 17, 2008

Members present: Roger Chase, Gynii Gilliam, Cynthia Hill, Darsi Johnson, Ken Monroe, and Ryan Ward.

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

The meeting was called to order at 11: 08 a.m., by **Vice-Chairwoman D. Johnson.**

1. Preliminary matters:

A. Guests, Conflicts, and Agenda. No guests were present. No conflicts of interest were declared. **Vice-Chairwoman Johnson** stated there were no additions or deletions to the agenda, and noted that a brief Executive Session would be necessary.

B. Minutes. Minutes for the regular and executive session of the August meeting were reviewed, and **it was MSC (C. Hill, R. Chase)** to approve those minutes. Thereafter, the minutes for the special meeting held on September 3, 2008 were reviewed, and **it was MSC (C. Hill, K. Monroe)** to approve those minutes.

C. Financial Report. J. Higgins of the City Finance Department presented the financial report for the month of August. In August, the PDA received cash in the amount of \$13,462.34, which included \$4,646.06 (\$164.27/managed cash account and \$4,481.79/trust accounts) and \$8,816.28 in tax increments (\$8,750.16/Central Corridor and \$66.12/Naval Ordnance Plant). Expenses for August totaled \$271,514.50, which included a North Yellowstone bond payment of \$226,662.50, a payment of \$3,500.00 to Deaton & Company, pay request #7 in the amount of \$41,231.69 to the Triangle, Inc., and \$120.31 for the Board lunch.

D. Budget Report. J. Higgins further apprised the Board of the year end status of the FY 08 budget. With ninety-one per cent of the budget year complete, the General Fund budget has been overspent by \$281,006.68, however a few adjustments need to be made to some line items of the budget. J. Higgins suggested amending the budget to increase the line item of the General Fund by \$281,500.00, and to increase the line item of the Central Corridor by \$433,786.14. The General Fund expenditure increase resulted from an intrafund loan from the General Fund to the North Yellowstone District in order to cover costs. The increase in the Central Corridor budget resulted from an accounting error by the County in the tax assessments for the Central Corridor, which required repayment by the PDA to the County. Upon conclusion of Mr. Higgins's budget report, Board members asked several questions regarding the budget expenditures and repayment provisions for the over runs. City Attorney **D. Tranmer** advised the Board that by amending the budget figures, the Board was essentially reallocating funds to the proper districts to indicate where the expenditure should have been made from, not where the funds were actually drawn from. Thereafter **it was MSC (R. Chase, C. Hill)** to amend the PDA's FY 2008 budget to reflect an increase in the General Fund expenditures of \$281,500.00 and an increase in the Central Corridor expenditures of \$433,786.44. Upon completion of the budget amendment, **it was MSC (R. Ward, K. Monroe)** to approve the August Financial Report).

2. Central Corridor:

Triangle Redevelopment Project. Mike Jaglowski of Triangle, Inc., and Jim Jenkins of Myers, Anderson appeared and provided an update to the Board on the Triangle Redevelopment Project. M. Jaglowski reported that he expects the project to be ninety-five per cent complete

within the next several weeks. He requested permission to delay the completion of concrete work around Lot 1 until the foundation work there is complete to a degree that the work won't jeopardize the integrity of the perimeter concrete work. He also requested that pavement of the interior road be delayed until the final work using heavy equipment is complete, in order to avoid damaging the new roadway. He anticipates installing landscaping and irrigation during the month of October, if the weather cooperates. The completion of the pocket park and plaza is timed for the first part of the Spring of 2009. Thereafter, Payment Request No. 8 in the amount of \$132,044.51 was submitted for approval. R. Chambers noted that the PDA was contacted by the Idaho-Nevada Community Development Financial Institution, Inc. ("CDFI"), which M. Jaglowski verified was providing gap financing for the project. Upon further discussion, M. Jaglowski advised the Board that the charges from Harris, Inc. for \$26,237.10, from Myers, Anderson for \$1,214.31, and from Keller Associates, Inc., for \$5,035.00 were all for work done under Phase 1. To date, there remains approximately \$11,000.00 remaining unpaid on the first PDA grant of \$300,000.00. The remainder of the invoices listed under Pay Request #8 is for work done in Phase 2 of the project, which encompasses the interior infrastructure. After further discussion, **it was MSC (R. Chase, R. Ward)** to approve payment of Payment Request #8, with the clarification that the remaining \$11,000.00 payable from the first grant of \$300,000.00 would be paid to Triangle, Inc., and the remaining balance of Payment Request #8 would be paid to Triangle, Inc.'s assignee, CDFI, contingent upon verification of the balances owed to Triangle, and those secured by CDFI. M. Jaglowski notified the Board of the celebration scheduled for September 20th during which tours of the Triangle Development Project would be available.

3. FY 2009 Budget

J. Higgins presented a review of the General Fund and Central Corridor budget projections. He advised the Board that after speaking with engineering staff, it was determined that there may not be as much expenditure for the connector project in FY 2009 as was previously anticipated. This delay will free up funds dedicated to the connector in FY 2009 for use on two other projects. The Board had previously discussed the possibility of having to borrow funds for those two projects. Proposed budgets for the North Yellowstone and Naval Ordnance Plant districts were also discussed. Costco will have an impact on future budgets in the North Yellowstone District, as will future development at the Naval Ordnance Plant. Once those developments occur the budget may need to be amended. Discussion ensued regarding the budgeted expenditure of \$256,500 for the Whitman project in FY 2008. It was determined that that expenditure was not going to be made in FY 2008, and should be transferred to the FY 2009 budget. After further discussion **it was MSC (R. Ward, R. Chase)** to adopt the budget for the PDA for the 2009 fiscal year ending September 30, 2009 as follows:

General Fund	Revenue	\$106,000.00	Expenditures	\$374,158.70
Central Corridor	Revenue	\$1,515,541.56	Expenditures	\$2,227,980.00
North Yellowstone	Revenue	\$789,120.03	Expenditures	\$678,325.00
Naval Ordnance Plant	Revenue	\$6,000.00	Expenditures	\$0.00

4. Executive Session:

At approximately 11.55 a.m., **it was MSC (R. Chase, R. Ward)** 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. The regular meeting was reconvened at 12.14 p.m.

5. Items from Commission Members:

R. Chase reminded the Board of its commitment in FY 2008 of \$5,000.00 from the General Fund to promote the importance of using tax increment financing (TIF) districts and to

educate the State legislature regarding the usefulness of TIF districts as a tool to promote development. Discussion followed regarding anticipated challenges to current urban renewal laws. **C. Hill** questioned whether it was appropriate to use money generated by taxes to defend the use of TIFs. **R. Chambers** noted that if the funds used were from the General Fund, it was appropriate; **D. Tranmer** added that supporting the use of TIFs is one of the PDA's missions. After further discussion, **it was MSC (R. Chase, R. Ward)** to dedicate up to \$5,000.00 from the FY 2009 General Fund budget toward the purpose of promoting the use of TIFs as an effective development tool for Idaho cities.

6. Adjournment:

There being no further business, it was **MSC (R. Ward, R. Chase)** to adjourn the meeting at approximately 12:17 p.m. Shortly thereafter, Board Members T. Brower, G. Gilliam, D. Johnson, and K. Monroe, and City Staff R. Chambers, LeeAnn Dutton, J. Higgins, and D. Taylor took a guided tour of the Hoku plant.