

POCATELLO DEVELOPMENT AUTHORITY MINUTES

Meeting January 21, 2009

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

Staff present: Robert Chambers, Executive Director; Gynii Gilliam, Executive Director of Bannock Development Corporation; 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 11:05 a.m., by **Chairman S. Brown.**

1. Preliminary matters:

A. Guests, Conflicts, and Agenda. No guests were present. It was noted that as a result of the recent election, Bannock County Commissioner duties were being reassigned and Commissioner Ghan would be resigning his position on the Board. The Board welcomed new County Commissioner Karl Anderson to the meeting in Commissioner's Ghan stead, with the understanding that Mr. Anderson's appointment to the Board was pending. No conflicts of interest were declared. **Chairman Brown** advised the Board of two additions to the agenda, as follows: 1) in the Central Corridor District, the addition of a second part to payment Request #12 for the Triangle, and 2) in the Naval Ordnance District, a call for a motion to ratify the action taken at the January meeting with regard to an agreement with Peterson, Inc. **Chairman Brown** further advised that there would be an executive session to discuss a potential project.

B. Minutes. Minutes of the regular and executive sessions of the January meeting were reviewed, and it was **MSC (T. Brower, D. Johnson)** to approve those minutes.

C. Board Elections. **Chairman Brown** announced that it was time for the election of officers of the Board. He stated that he had enjoyed his terms as Chairman, but offered that if anyone else was interested in serving as Chair, he would be happy to step aside. After a brief Board discussion, it was **MSC (D. Johnson, C. Hill)** that **S. Brown** be elected as Chairman for another term. After further discussion regarding other Board officer nominations it was **MSC (R. Chase, C. Hill)** to maintain the current officers of the Board for another term. Elected Board officers for 2009 are S. Brown, Chairman; D. Johnson, Vice-Chair; R. Ward, Treasurer; and D. Taylor of the City Legal Department was appointed as Secretary. Upon his re-election as Chair, **S. Brown** distributed a list of the scheduled 2009 PDA meetings.

D. Financial Report. J. Higgins of the City Finance Department presented the financial report for the month of December. In December, the PDA received cash in the amount of \$3,195.87, which included \$1,698.39 in interest and \$1,399.16 in tax increments for Central Corridor. Expenses for October totaled \$60,222.81, which included an approved payment on the Triangle project, approved payments for consultants to perform arbitrage fees analyses, a trustee fee for the North Yellowstone District and PDA lunch. The Board discussed the discrepancy in the amount thought to be owed on the Whitman project and the amount included on the Central Corridor Cash Flow projection sheet. The Chair asked that the records be reviewed to resolve the question. It was **MSC (D. Johnson, C. Hill)** to approve the December financial report.

2. Central Corridor:

A. Triangle Redevelopment Project. Mike Jaglowski and Jesse Schuerman appeared to provide an update on the Triangle project. J. Schuerman noted that the final inspections had been completed and only a few minor items remain to be finished with the exception of the landscaping, which will be addressed when the weather improves. M. Jaglowski advised the

Board that the area for four of the eleven live-work units has been purchased and construction is expected to begin on those units in February. After a short discussion, Payment Request #12, in parts A and B, was submitted for payment in the total amount of \$41,457.57. It was MSC (C. Hill, D. Johnson) to ratify the approval of Triangle, Inc.'s Payment Request No. 12.

B. South Valley Connector. A payment request for twenty per cent of the engineering design fees was submitted in the amount of \$20,396.91. This payment is a reimbursement to the City of Pocatello for the PDA's portion of the local match. The Idaho Transportation Department's share of the match was \$81,587.62. Discussion ensued regarding progress of the connector project. It was represented that it may be possible to begin acquisition of property for the connector in the next few months. Thereafter, it was MSC (R. Ward, K. Monroe) to approve the payment request.

C. Positron. G. Gilliam advised the Board that Positron had encountered some issues in obtaining funding from the bank it was working with, but it was pursuing other funding and would report to G. Gilliam later that day. The issues arose when Positron attempted to acquire the funding through a start up company. Discussion ensued regarding the company's structure, the viability of the company, and the identity of the company's partners. R. Chase noted that he was in favor of supporting the Positron project as long as it seemed viable because if the project succeeds, the PDA may reap the repayment of the \$400,000 loan, but if the project doesn't progress, the PDA won't be in any worse position than it is today.

3. Executive Session:

At approximately 11:46 a.m., it was MSC (G. Moore, 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 12:42 p.m.

4. Project Development:

A. Incentive Package. Chairman Brown asked the Board to consider ratifying an action discussed at the December meeting in which the Board authorized G. Gilliam to present an incentive package to a local company working to bring additional business to the community. The incentive package provided for employment reimbursement payments to the company over a four year period if the additional business resulted in a minimum of 150 new jobs with benefits. S. Brown reminded the Board that this matter was discussed in executive session at the December meeting. After further discussion it was MSC to authorize the offer of an incentive package to the local company if the additional business venture comes to fruition.

B. Company Proposal. G. Gilliam advised the Board that she had been approached by a local company requesting assistance for development of an additional manufacturing section of its current plant. After discussion in executive session, it was moved and seconded (R. Ward, C. Hill) to offer the company an interest free loan of \$1,000,000.00, to be made in two payments, the first \$500,000.00 to be available in late 2009 (FY 2010), and the second \$500,000.00 to be available in FY2011. Verification that the funds would be available remains to be done, and the loan would be made under specific conditions to be outlined in a development agreement between the company and the PDA. S. Brown, R. Chase, C. Hill, D. Johnson, K. Monroe, G. Moore, and R. Ward voted in favor, T. Brower voted against. (K. Anderson's appointment to the Board was not approved at the time of the vote, preventing his vote.) The motion passed.

4. Items from Staff:

A. Council of Development Finance Agencies. A handout entitled 2008 TIF State-by-State Report was provided to all Board members. The report provides information on how other states manage and use tax increment financing districts.

B. Power Point Presentation. Once again, due to lack of time, the power point presentation which D. Swindell and S. Brown presented to the Pocatello City Council was postponed. D. Swindell advised the Board he would provide the presentation to them via e-mail.

5. Adjournment:

There being no further business, it was **MSC (D. Johnson, C. Hill)** to adjourn the meeting at approximately 12:47 p.m.