

POCATELLO DEVELOPMENT AUTHORITY MINUTES

Meeting April 15, 2009

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

Staff present: Robert Chambers, Executive Director; Gynii Gilliam, Executive Director of Bannock Development Corporation; D. Kirk Bybee, 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 11:02 a.m., by **Chairman S. Brown**.

1. Preliminary matters:

A. Guests, Conflicts, and Agenda. No conflicts of interest were declared, and no guests were present. **Chairman Brown** noted that an item for Whisper Creek would be added to the agenda immediately after the Triangle payment request in the Central Corridor discussion, and that an executive session would be necessary.

B. Minutes. Minutes of the regularly scheduled March meeting were reviewed, and it was **MSC (R. Chase, T. Brower)** to approve those minutes.

C. Financial Report. J. Higgins of the City Finance Department presented the financial report for the month of March. In March, the PDA received cash in the amount of \$195,656.48, which included \$52.29 in interest, \$58.53 in refunded bank charges, and tax increment payments of \$195,545.66 (\$124,027.49 for the Central Corridor, \$70,884.32 for North Yellowstone, and \$633.85 for Naval Ordnance Plant). Expenses for March totaled \$986,236.77, which included an approved payment on the Whitman project in the amount of \$100,000.00, bond holder interest in the amount of \$66,067.50 and principal on bonded debt in the amount of \$820,000.00 on the North Yellowstone District debt, PDA lunch and bank fees. The bank fees will be refunded. (C. Hill arrived at 11:06 a.m.) Mr. Higgins noted that March marks the sixth month of the FY 2009 budget, and advised the Board that some areas of the budget may need to be adjusted before year end to account for some interfund adjustments. (R. Ward arrived at 11:08 a.m.) D. Swindell suggested that the Board request a written proposal from the finance department detailing suggested budget amendments for the July board meeting. (K. Monroe arrived at 11:11 a.m.) After a brief discussion it was **MSC (K. Anderson, G. Moore)** to approve the March financial report.

2. Central Corridor District:

Triangle Project. Jesse Schuerman presented the Triangle's Payment Request #14 in the amount of \$28,506.09. The Triangle has certified payment in the amount of \$38,373.79, but a standard punch list retainer of 5%, pending final approval will qualify \$28,506.09 of that amount for payment under this request. Final completion and inspection is scheduled for April 24, 2009. **R. Chase** praised J. Schuerman for the fine job he did in shepherding the Triangle project to near completion, noting that while the project was a good one, it had its fair share of problems along the way. Jim Jenkins, representing the Triangle, advised the Board that while there are a few items left to complete, the final inspection has been substantially completed. However, a final pay request will not be submitted until all of the punch list items are complete. He noted that the Keller building will be occupied within the next couple of weeks. After further discussion it was **MSC (T. Brower, R. Ward)** to approve Payment Request #14 in the amount of \$28,506.09.

3. Naval Ordnance Plant District:

R. Chambers notified Board members that he had been contacted by Whisper Creek Log Homes regarding a provision of the Economic Development Grant Agreement between Whisper Creek and the PDA. Due to the nationwide economic down turn, the log home housing industry is lagging, and Whisper Creek is concerned that it will not be able to attain the employment threshold provided for under the Agreement by May 6, 2010. After discussing the matter with Whisper Creek officials, R. Chambers suggested to the Board that Whisper Creek be granted a two year extension on meeting the employment threshold, until May 6, 2012. Discussion ensued among Board members regarding the viability of the company, and the business forecast for the log home industry. G. Gilliam has a meeting scheduled with the Director of Operations at Whisper Creek to assess the needs of the company. After further discussion, it was MSC (G. Moore, Karl Anderson) to grant Whisper Creek a two year extension on the timeframe within which Whisper Creek has to achieve the employment threshold under paragraph 2.2 of its Economic Development Grant Agreement with PDA. The two year extension effectively delays the requirement of any repayment by Whisper Creek in the event the employment threshold is not met, and also delays the payment of any additional funds by PDA to Whisper Creek provided for under the Economic Development Grant Agreement.

4. East Center Street Urban Renewal Area:

S. Brown reminded the Board that the East Center Street Urban Renewal Area (URA) was formed in 2006, in conjunction with the Naval Ordnance Plant Urban Renewal Area, in anticipation of medical oriented business development in the area. Word was recently received that the anticipated development determined to locate somewhere other than the Pocatello area, and no other development projects are anticipated in the East Center Street URA. R. Chambers recommended that in light of the lack of anticipated development, the Board may wish to consider repealing the revenue allocation provisions for the East Center Street Urban Renewal Area prior to the scheduled termination date of the district. This would return the area to the tax roles for the tax year 2009. D. Swindell noted that upon researching the issue, he found that the County Assessor performs valuation estimates in July and August, which estimates are used to set levy rates. Time is of the essence in accomplishing this matter should the Board so desire. Discussion followed and the Board agreed that repealing the revenue allocation provisions for the URA should be initiated at this time. Thereafter, it was MSC (R. Chase, G. Moore) to initiate the process of closing the East Center Street Urban Renewal Area. A resolution will be presented at the May meeting for Board review.

5. **Executive Session:** At approximately 11:27 a.m., it was MSC (K. Anderson, C. Hill) 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 11:52 a.m.

6. **IsoRay Project:** The Board reviewed the commitment previously made to IsoRay in the amount of \$75,000.00. Previous reports to the Board on the IsoRay project indicated that no progress is being made on advancing the project, and it is uncertain when, if ever, the \$75,000.00 PDA commitment to the project will be funded. G. Gilliam advised the Board that another company, known as Project OK, is interested in partnering with several local existing businesses, and that an incentive might help the company commit to the project. A poll of Board members was taken on April 7, 2009 on a proposed motion to transfer the \$75,000.00 in funds committed from the IsoRay Project to Project OK, which funds would be provided as a no-interest loan with provisions for forgiveness if employment benchmarks are met. The Board approved the proposal by informal poll on April 7, 2009. At this time it was MSC (K. Monroe, G. Moore) to

ratify the decision of the Board's informal poll approving the transfer of committed funds from the IsoRay Project to Project OK, with conditions for repayment and employment benchmarks.

7. Adjournment:

There being no further business, it was MSC (G. Moore, T. Brower) to adjourn the meeting at approximately 11:58 a.m.
