

POCATELLO DEVELOPMENT AUTHORITY MINUTES
Meeting November 18, 2009

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

Staff present: R. Chambers, Interim Executive Director; Gynii Gilliam, Executive Director of Bannock Development Corporation; A. Dean Tranmer 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 11:01 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. The agenda item regarding Terry Brower was moved from the General Discussion agenda item to the Preliminary matter agenda item. Chairman Brown noted that an agenda item regarding Payment Request No. 1 for Mickelson Construction, Inc. on the Farmer's Insurance Project was added to the agenda. The item was not on the original agenda because it was only received on November 16, 2009. Project Engineer J. Schuerman requested the opportunity to make comment on the payment request at the November meeting, and the item was placed on the agenda as a General Discussion item.

B. Terry Brower/Resignation: **T. Brower** tendered his letter of resignation to the Board after seven years of service. **Chairman Brown** thanked **T. Brower** for the dedication and expertise he provided as a Board member, and presented a resolution for the Board's consideration recognizing Mr. Brower's service to the Board. R. Chambers presented a plaque to Mr. Brower and expressed his appreciation of Brower's service to the Board.

C. Minutes. Minutes of the regularly scheduled October 21, 2009 meeting and executive session of said meeting were reviewed, and it was **MSC (C. Hill, R. Chase)** to approve those minutes.

D. Financial Report. J. Higgins presented the financial report for the month of October, 2009. Total cash available as of October 31, 2009 was \$2,221,180.65. During the month of October, the PDA received cash in the amount of \$3,197.17, which included \$31.10 in interest, a bank service charge refund of \$53.10, and a tax increment payment of \$3,112.97 for the Central Corridor. Expenses for October included PDA lunch costs of \$120.20 and bank fees of \$29.78, for a total of \$149.98. Mr. Higgins noted that the bank refunded the service charges for July and August, but were still charged for September. It is anticipated the September bank service charge will be refunded in November. After a short discussion, it was **MSC (C. Hill, K. Monroe)** to approve the October financial report.

2. Consolidated Central Corridor District:

A. Shaver Loan Agreement Update. **Chairman Brown** advised Board members that R. Chambers wrote to Tori Shaver and offered him two options for the repayment of the remaining portion of the \$75,000.00 loan made by PDA. Prior to the meeting, Tori Shaver tendered a check in the amount of \$26,719.00 to pay the loan amount off in full. **Chairman Brown** noted that Mr. Shaver asked him to convey to the Board the Shavers appreciation for the assistance provided to Shaver Pharmacy by the PDA.

B. Farmers Insurance. Project Engineer Jesse Schuerman appeared before the Board to discuss the Payment Request submitted by Mickelsen Construction, Inc. for payment for approach improvement work at the Farmers Insurance property. J. Schuerman advised the Board

that recent inclement weather has delayed the project because it is too cold to pour cement without heating it, and the payment request submitted by Mickelson Construction is incorrect until the work is finished. He requested that the PDA hold off sending the payment until the work is finished. After a brief discussion, it was MSC (**R. Ward, R. Chase**) to approve payment of Farmers Insurance Payment Request No. 1, but to delay making the payment until the Project Engineer is satisfied that the cement is poured in a good, workman-like manner.

3. General Matters:

Rell Aslett and Tobi Alexander, representing the Museum of Clean, presented a request to the Board for financial assistance in acquiring land adjacent to the Museum of Clean project currently under construction at 711 South Second Avenue. Varsity Square, LLC, as a parent company of the Museum of Clean, is negotiating with Idaho Power Company to purchase a parcel of real property located adjacent to the Museum of Clean property. The parcel is bare ground and has been used as Idaho Power Company's pole yard for many years. Varsity Square, LLC anticipates purchasing the property for the sum of \$400,000.00, which includes the land purchase, moving the pole yard to an alternate location, and cleaning up the parcel. The sum did not include development of the lot. Varsity Square, LLC intends to enlarge the parking area associated with the Museum of Clean, and to create a green space/park like area around the Museum of Clean, which would be open to the public and serve as a gathering place for the area. **R. Chambers** advised the Board that the project application was reviewed by the credit committee and met the criteria for PDA funding. Mr. Aslett requested assistance in the amount of \$100,000.00. The credit committee recommended four conditions be placed on the property in the event the PDA assisted with its acquisition, as follows: 1) the park area created on the property would remain open to the public; 2) the owner of the property would be responsible for improving and maintaining the property; 3) the owner of the property would maintain public liability insurance on the property; and 4) repayment of the funds expended by the PDA would be required if the proposed project is not completed within three to five years.

Discussion followed regarding the project, and the ability of the PDA to assist. **D. Swindell** determined that the funding for the project would have to come from the General Fund, as the project location is not within any tax increment financing district. The General Fund does have enough uncommitted funds to accommodate the project, at the Board's discretion. **R. Chase** noted that the Museum of Clean is a great project which has the potential to bring large exhibits to the community. Additionally, the fact that the Museum is a "green" building demonstrates that green building can be accomplished and be profitable, and the development will be a boost for other businesses in the Warehouse District, including Kinport Junction and the Portneuf Brewery. **R. Ward** added that he feels the project will be a lynchpin for future development in the area. Two citizens who reside at separate residences in the immediate area of the project spoke in support of the project, and added their pleasure with the possibility that the pole yard would be removed from the neighborhood. Mr. Aslett expressed his appreciation to the Board members for their excitement about the project. **Chairman Brown** appreciated Varsity Square's philosophy of serving as a "partner" with PDA on the project, and being willing to make an investment in the area. Thereafter, it was MSC (**R. Chase, R. Ward**) to approve a grant of \$100,000.00 to Varsity Square, LLC for the purpose of acquiring and developing the property commonly known as the pole yard, subject to the conditions suggested by the Credit Committee outlined above, and allowing five (5) years for completion of the project. **D. Tranmer** was instructed to prepare an Agreement with Varsity.

4. Naval Ordnance Plant District:

A. Petersen Agreement. **R. Chambers** informed the Board that he has been working with Petersen, Inc. with regard to Petersen's loan with Regional Development Alliance, Inc. (RDA), which loan is guaranteed by the PDA under its Economic Development Grant Agreement with

Petersen, Inc. With Chambers' assistance, Petersen, Inc. has requested a two year extension on the terms of its agreement with the RDA, based upon poor performance due to the national economic recession. R. Chambers reported that Petersen, Inc. is also requesting an extension from the PDA with regard to the number of employment positions required of Petersen under its agreement with the PDA. Chambers noted that no extension is required for the Petersen/PDA agreement, as the term of the requirement does not begin until the initial threshold is met. No action is required by the Board on this matter at this time.

B. Gateway West. R. Chambers reminded the Board that it had approved an expenditure of up to \$2,500.00 for the purpose of participating with interested parties to obtain an appraisal for the Gateway West facility. He was happy to report that when contacted, the appraiser advised that no new appraisal of the facility was necessary because the prior appraisal was still relevant. Therefore, the pledged \$2,500.00 can be returned to expendable funds.

5. Items from Commissioners:

T. **Brower** stated his appreciation of City staff, both the customer service afforded by them and the work done by them with regard to PDA projects. He noted that the efforts of City staff have resulted in great improvements to the City in the past year.

6. Adjournment:

There being no further business, it was MSC (K. Monroe, C. Hill) to adjourn the meeting at approximately 11:40 a.m.