

POCATELLO DEVELOPMENT AUTHORITY MINUTES

Meeting January 20, 2010

Members present: Karl Anderson, Brian Blad, Steve Brown, Larry Fisher, Cynthia Hill, Darsi Johnson, Eva Nye, 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.; and Merrill Quayle, Development Services Review Engineer

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. Merrill Quayle of the City Planning and Development Services Department was introduced as the new project review engineer for PDA projects. Chairman Brown noted that there were two payment requests to be added to the agenda: the first to Wells Fargo for the trustee fee associated with the North Yellowstone Bond, and the second to the City of Pocatello to reimburse engineering fees paid for services on the Cheyenne Connector. These items were not on the original agenda because they were received after the agenda was set, but payments are due prior to the February regular meeting. The items will be heard immediately after the financial report.

B. Minutes. Minutes of the regularly scheduled November 18, 2009 meeting were reviewed, and it was **MSC (C. Hill, K. Anderson)** to approve those minutes. R. Ward arrived at 11:06

C. Financial Report. J. Higgins presented a financial report for the first quarter of FY 2010, which ended on December 31, 2009. (NOTE: Financial reports are usually reported on a monthly basis, and a financial report was presented for October, 2009 at the November board meeting. Some of the following information which was presented in the quarterly financial report was also included in the October financial report at the November 2009 meeting.) Total cash available as of December 31, 2009 was \$2,141,195.67. During the first quarter, the PDA received cash in the amount of \$52,712.10 (mistakenly reported as \$62,712.10 on the financial report) which included \$116.07 in interest, a bank service charge refund of \$53.10, a tax increment payment of \$25,823.93 for the Central Corridor, and repayment of the Shaver loan in the amount of \$26,719.00. Expenses for the first quarter included PDA lunch costs of \$269.66, bank fees of \$29.78, a payment of \$29,754.00 on the Farmers Insurance project, and a \$100,000.00 grant to Varsity Square, LLC for a parking area and public park project, which amounts to a total disbursement of \$130,053.44. After a short discussion, it was **MSC (D. Johnson, C. Hill)** to approve the first quarter financial report.

D. Payment Requests.

J. Higgins presented a payment request in the form of a fee invoice from Wells Fargo for the annual Trustee Fee for the North Yellowstone Bond in the amount of \$2,500.00. He explained that this is an annual fee in the normal course of business. After a brief discussion, it was **MSC (K. Anderson, C. Hill)** to approve payment of the Trustee Fee from the North Yellowstone Fund.

A second payment request was submitted by J. Higgins on behalf of the City of Pocatello in the amount of \$4,954.66 for reimbursement of engineering fees expended by the City for the Cheyenne connector. D. Swindell reminded the Board that engineering work on the

connector has slowed, but not completely stopped in light of the FEMA determination on the Portneuf levee and flood plain map. After a brief discussion, it was MSC (D. Johnson, K. Anderson) to approve payment of the City's invoice in the amount of \$4,954.66.

2. East Center District:

D. Swindell directed the Board to his memo in the agenda packet regarding the East Center Tax Increment Financing District. He reminded Board members that a decision was made by the Board in May of 2009 to recommend closure of the district to the Pocatello City Council due to the fact that the district had never generated any funds, and the change of status of the county hospital lessened the likelihood that tax increment funds would be needed in the area. It was discovered during a recent audit that tax increment funds in the amount of \$162,757.38 were in fact received from the East Center district in approximately July of 2009, which funds were internally inadvertently credited to the Central Corridor district. The matter before the Board is what to do with the funds now that the district has closed. It was noted that because the funds received were for tax year 2008, and the East Center District was open in 2008, it could be argued that the funds could be retained for use in the district. Further discussion followed regarding the disposition of the East Center funds, whether the Authority should retain an administrative fee as provided for under the East Center Plan, and the mechanics of how the funds should be distributed. D. Swindell suggested to the Board that the Authority should retain its ten per cent administrative fee and return the remaining funds to the qualified taxing districts in accordance with the levy percentages provided for by Bannock County. S. Brown expressed his opinion that the money should be returned to the taxing districts, which opinion was widely agreed to by other board members. L. Fisher questioned if such a fee could be justified and a brief discussion was held regarding the provisions of the East Center Plan and the statutory provision for administrative fees. A question arose regarding the proper procedure to use to return the money to the taxing districts, i.e., if the Authority should distribute the money, or if the money should be returned to Bannock County for distribution. It was the general consensus of the Board that it would be good public relations for the Authority to receive recognition for the return of the tax increment funds to the taxing districts, but that the proper legal procedure should be followed in doing so. After additional discussion it was MSC (K. Anderson, R. Ward) that the PDA should receive the administrative fee from the East Center District as provided for in the District Plan, which fee is the amount of \$16,275.74. Additionally, it was MSC (D. Johnson, L. Fisher) that in light of the closing of the East Center Tax Increment Finance District, the PDA would refund \$146,481.64 to the taxing districts according to the levy rate of each district, either through PDA or through the County, as determined by the legal counsel, and in accordance with best practices. More discussion followed regarding the timing of the distributions and public acknowledgement of the return of the funds to the taxing districts.

3. General Matters:

S. Brown provided the Board with an update on communications with IsoRay regarding the terms of the Economic Development Agreement between the PDA and IsoRay. A meeting was attended by S. Brown, R. Chambers, the INL Liaison from Congressman Simpson's office and INL representatives during which the progress of IsoRay's testing at the INL was discussed. The outcome of the meeting did not confirm that the use of the INL was withdrawn from IsoRay, which is the only reason for nonpayment of monies owed under the agreement between IsoRay and the PDA. R. Chambers will continue to work with IsoRay and keep the Board informed of his progress.

4. Items from Commissioners:

S. Brown provided Board members with a proposed calendar for 2010, noting that regularly scheduled PDA meetings will be held the third Wednesday of each month. **It was MSC (D. Johnson, L. Fisher)** to accept the 2010 calendar as is.

R. Chambers provided the Board with a brief summary of issues regarding the Urban Renewal Act which he anticipates may be reviewed by the state legislature this year. Some legislators may attempt to pass a major overhaul of the Urban Renewal Act. Chambers will keep the Board apprised of legislative activities.

New regulations are being considered which will require commissioners of a development authority to file a statement with the Secretary of State disclosing financial information for commissioners and their spouses, and any ownership or pecuniary interests in property located in an urban renewal area. Additional regulations include budget filing provisions, and requirements for roll call votes. **S. Brown** noted that if other Board members are not opposed he would be willing to take the lead on working with legislators to monitor and review changes to the Urban Renewal Act.

5. Adjournment:

There being no further business, **it was MSC (C. Hill, D. Johnson)** to adjourn the meeting at approximately 11:57 a.m.