

POCATELLO DEVELOPMENT AUTHORITY MINUTES

Meeting February 17, 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.

Guests present: Radene Barker, Bannock County Treasurer, and Mary Vagner, School District 25 Superintendent

The meeting was called to order at 11:02 a.m., by **Chairman S. Brown**.

1. Preliminary matters:

A. Press Conference. Prior to the meeting being called to order, a press conference was held during which **Chairman S. Brown** presented a check in the amount of \$31,079.92 to Mary Vagner, School District No. 25 Superintendent; a check in the amount of \$44,034.89 to Radene Barker, Bannock County Treasurer and Karl Anderson, Bannock County Commissioner; and a check in the amount of \$71,366.83 to Pocatello Mayor Brian Blad. The checks represented refunds of tax increment financing district funds received on the East Center Street District which was closed due to lack of activity. The Pocatello Development Authority was pleased to be able to return tax increment funds to the taxing districts, which were equally happy to receive said unexpected funds.

Upon completion of the press conference, **Chairman Brown** called the business meeting to order at 11:21 a.m.

B. Guests, Conflicts, and Agenda. No conflicts of interest were declared, no guests were present, and no changes were requested to the agenda.

C. Minutes. Minutes of the regularly scheduled January 20, 2010 meeting were reviewed, and it was **MSC (R. Ward, C. Hill)** to approve those minutes.

D. Financial Report. J. Higgins presented the financial report for January, 2010. Total cash available as of January 31, 2010 was \$3,106,360.93. The PDA received cash in the amount of \$972,751.97 which included \$36.24 in interest and tax increment payments of \$431,993.34 to the Central Corridor District, \$528,865.76 to the North Yellowstone District, \$10,587.17 to the Naval Ordnance Plant District, and \$1,269.46 to the North Portneuf District. Expenses for the first quarter included PDA lunch costs of \$132.05, a payment of \$4,954.66 to the City of Pocatello for engineering services on the Cheyenne Crossing project, and a payment of \$2,500.00 to Wells Fargo for trustee's fees on the North Yellowstone bond. Disbursements totaled \$7,586.71 for the month of January. After a short discussion, it was **MSC (C. Hill, D. Johnson)** to approve the January financial report.

2. General Matters:

Charles Clark and Doran Lambson presented the Comprehensive Annual Financial Report for FY 2009. Mr. Clark guided Board members through the report, paying particular attention to the Independent Auditor's Report, which provides for the auditing standards used in the review, and noted that Deaton and Company believes the financial statements present fairly, in all material respects, the respective financial position of the Board and its activities. Additionally, the Report on Internal Control concludes that no inadequate controls were noted in the financial records and

that the PDA has good internal controls. J. Higgins briefed the Board on the financial reports contained in the Report. After a brief discussion, it was MSC (K. Anderson, B. Blad) to accept and approve the audit.

3. Central Corridor:

Steve Yano presented an update of the Positron project. Positron has created a spin-off entity named Acceloris Isotopes, LLC (hereinafter "Acceloris"). Since Mr. Yano's last meeting with the Board, Acceloris has focused on three areas, the first of which is to secure adequate investment funds to operate the company. The goal is to raise 1.5 million dollars through stock offerings, according to Yano. To date, one-third of the necessary funding has been garnered. Strategic partners with Acceloris are Advanced Isotopes of Idaho, LLC, which is a local business involved in the sale of isotopes in the southeast Idaho area, and the Idaho State University Accelerator Center, under the guidance of Doug Wells. Yano advised the Board that Acceloris hopes to have the remainder of its funding lined up by the end of March. The second area of focus for Acceloris is the completion of the establishment of Acceloris as a business entity in the form of a limited liability company. The PDA is being asked to be a member of the Acceloris limited liability company in exchange for forgiveness of the \$400,000.00 promissory note executed by Acceloris in favor of the PDA. The legal documents to accomplish this task have been provided to the D. Tranmer for review. The third area of focus is the general operation of the project. Yano explained that the building and equipment are the key component, and that the equipment will require the bulk of the one and one-half million dollar investment. Troy Curnutt, of Advanced Isotopes of Idaho, discussed the market outlook for radio isotopes in the southeast Idaho area. Currently isotopes are obtained from Utah, and transporting the product is extremely expensive. If Acceloris accomplishes its goal, it will be the first producer of isotopes in Idaho, and will have the ability to market the product across southern Idaho and into western Wyoming and northern Utah. Intermountain Health Care's contract for isotopes expires in 2012, and Acceloris is looking for a share of that business. D. Tranmer advised the Board that he had reviewed the documents provided by Positron/Acceloris regarding the PDA's release of its interest in Positron's security for the PDA loan in exchange for an interest in Acceloris. The documents are fairly convoluted regarding business entity and tax law, and Mr. Tranmer asked the Board to authorize hiring outside counsel to review the documents and advise the Board. Discussion by Board members followed regarding Mr. Tranmer's request. S. Yano offered to facilitate conversations with Acceloris' attorney if necessary. It was MSC (R. Ward, D. Johnson) to have Mr. Tranmer pursue the review of the Acceloris documents, using his best discretion, the cost of which review is not to exceed \$2,500.00.

4. Executive Session:

At approximately 11:59 a.m., it was MSC (D. Johnson, R. Ward) to adjourn to executive session pursuant to I.C. §67-2345(1)(f) to confer with legal counsel to discuss the legal ramifications of a matter not yet being litigated but imminently likely to be litigated. A roll call vote was taken on the motion, with results as follows: K. Anderson, B. Blad, S. Brown, L. Fisher, C. Hill, D. Johnson, E. Nye, and R. Ward, Aye; None opposed. The regular meeting was reconvened at 12:07 p.m.

5. Adjournment:

There being no further business, it was MSC (D. Johnson, B. Blad) to adjourn the meeting at approximately 12:08 p.m.