

**POCATELLO DEVELOPMENT AUTHORITY MINUTES**  
Meeting November 17, 2010

**Members present:** Karl Anderson, Brian Blad, Larry Fisher, Cynthia Hill, Ken Monroe, Eva Nye, Michael Orr, and Ryan Ward.

**Staff present:** R. Chambers, Interim Executive Director; Kirk Bybee 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 **Chair R. Ward**.

**1. Preliminary matters:**

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

B. Minutes. Minutes of the regularly scheduled October 20, 2010 meeting were reviewed, and it was **MSC (C. Hill, L. Fisher)** to approve the minutes.

C. Financial Report. The financial report for October, 2010 was presented by J. Higgins for the Board's review. Total cash available as of October 31, 2010 was \$2,942,209.00. The PDA received cash in the amount of \$7,904.27 during October, which included \$33.29 in interest and tax increment payments of \$7,870.98 to the Central Corridor District. Expenses for the month of October included PDA lunch costs of \$85.02, \$350.14 in office expenses, \$2,456.00 for trustee fees in the North Yellowstone District, and \$7,235.00 for arbitrage on the North Yellowstone District bonded debt, for a total expenditure amount of \$10,126.16. Mr. Higgins noted that the financial report does not reflect the \$7,500.00 commitment made by the Board from the General Fund at its meeting in October, 2010 for design costs for the transloading station at the Pocatello Regional Airport. That commitment will be noted in the November financial report to be presented at the next meeting. After a short discussion, it was **MSC (L. Fisher, K. Anderson)** to approve the October financial report.

**2. General Matters:**

A. Consolidated Central Corridor. **Chair R. Ward** directed the Board's attention to a proposed Resolution by which the Board recommends to the Pocatello City Council that the Revenue Allocation Area provision for the Consolidated Central Corridor Urban Renewal Area be terminated and that said Urban Renewal Area be closed effective as of midnight on December 31, 2010. **Chair R. Ward** advised Board members that the closure of the district would return approximately eighty-four million dollars of real property valuation to the tax rolls, which could potentially result in a lowering of the overall levy rate for property tax payers in 2012. **D. Swindell** explained the factors that could affect the property tax levy rates for both 2011 and 2012, noting that the addition of the Portneuf Medical Center will also contribute to an increase in real property valuations in 2011. **R. Chambers** noted that the Consolidated Central Corridor tax increment financing district contributed to many projects which have added taxable value to the City, as well as additional employment opportunities. After further discussion, it was **MSC (K. Anderson, C. Hill)** to approve the Resolution No. 2010-3 recommending the Pocatello City Council terminate the revenue allocation area provision of the Consolidated Central Corridor Urban Renewal Area.

B. General Fund/TetriDyn Solutions. **Dave Hempstead** appeared before the Board to present an update of TetriDyn Solutions' business efforts. He advised the Board that due to the loss of one

large customer in the Summer of 2010 the company experienced difficulty in expanding its business. However, the health care sales and software division of the company is doing well, and is working on a program to assist hospitals review their bills in order to account for all appropriate charges. He noted that Bear Lake and Steele Memorial Hospitals are beta sites for the project, and that the Soda Springs Hospital is a paying customer of the service. A second project being developed is a fall detection device, the concept for which was recently presented to a large corporation in the Seattle area. Hempstead advised the Board that the fall detection device is currently under consideration or patenting, and that TetriDyn will license the product for distribution. TetriDyn is actively seeking assistance with marketing the device, but that the IT support of the product will remain with TetriDyn. Hempstead further informed the Board that the fall detection device would never have been developed without the assistance of ON Semiconductor, and that TetriDyn is working on other developmental plans for computer chips with ON. (B. Blad arrived at 11:25 a.m.)

Upon conclusion of his update on TetriDyn's projects, Hempstead requested the PDA allow an extension of the \$50,000.00 loan provided to TetriDyn on October 25, 2009 for an additional year. He reminded the Board that the company had considered utilizing its stock to secure the \$50,000.00 note, but the company couldn't find an agency to handle the stock due to the smallness of the company. R. Chambers reiterated the original terms of the loan to TetriDyn, which was for a term of one year, with no interest, and required that TetriDyn's employment not drop below sixteen. During discussion with the Board, Hempstead advised the Board that the company's number of employees was reduced to nine, largely due to layoffs after the loss of its customer in the Summer of 2010, and in light of that fact, he felt it would be fair for the PDA to assess interest if the loan is extended for an additional year. Board members questioned Hempstead regarding the viability of the company, and M. Orr questioned whether the production of fall detection product would remain in Pocatello. Hempstead advised that the production robotics for the product is not available in Pocatello, but some parts for the units would originate in Pocatello, particularly microchips. The robotics for the devices would be assembled by a development center in Idaho Falls and it is anticipated the marketing of the product would be based in Seattle. After his presentation, Mr. Hempstead excused himself from the meeting and the Board discussed the option of renewing the TetriDyn note for another year. It was the general consensus of the Board that if the loan was extended, interest at the rate of five per cent per annum should accrue since the company's employment level declined. **It was moved and seconded (K. Anderson, C. Hill) to extend the loan for an additional year with interest. After a brief discussion, the motion was amended and seconded (K. Anderson, C. Hill) to extend the loan for an additional year upon payment by TetriDyn of five per cent interest for the current year in the amount of \$2,500.00, and to require interest on the extended loan amount at five per cent per annum. The amended motion carried. B. Blad requested additional information on the Seattle company which TetriDyn might use for marketing the fall detection device. R. Chambers agreed to so inquire and report.**

**3. Staff Items:** R. Chambers advised the Board that the next meeting, scheduled for December 15, 2010, would be held in the Paradise Conference Room.

D. Swindell requested an update on the activities of the Idaho Cities group working on tax increment financing district legislative issues. R. Chambers reported that it is expected that urban renewal area and revenue allocation district issues will be back on the legislative docket, noting that some legislators are adamant about modifying or even repealing urban renewal laws. The Idaho Cities group working on the issue plan to request that development authorities present

examples of benefits resulting from tax increment financing district funds, including testimony from recipients who have received and benefited from those funds. Other issues anticipated regarding urban renewal law include requiring that development authority boards be elected positions and requiring permission be granted by the affected taxing districts before an urban renewal area can be created. Matt Hunter, of the Pocatello Chamber of Commerce spoke from the audience, noting that his information is that a number of legislators intend to kill urban renewal areas. He noted that his biggest concern is the proposal to reduce the number of years an urban renewal area may exist.

**B. Blad** advised the Board that the Shoshone-Bannock Tribes have expressed an interest in holding a seat on the PDA Board. R. Chambers recommended that any seat held by a tribal member who is not a citizen of the City of Pocatello should be ex-officio status. He further noted that he would be meeting with Paul EchoHawk, legal counsel for the Shoshone-Bannock Tribes, at which time he would clarify the mission of the PDA and explain the By-law requirements for board members. A brief discussion followed regarding Tribal concerns which may have arisen as a result of the establishment of the Pocatello Regional Airport Urban Renewal Area, and in particular an easement for an additional electrical power source at the airport. K. Bybee did not see the easement issue as a credible issue at this point in time.

**4. Adjournment:**

There being no further business, it was MSC (**B. Blad, M. Orr**) to adjourn the meeting at 12:20 p.m.