

POCATELLO DEVELOPMENT AUTHORITY MINUTES
Meeting November 16, 2011

Members present: Karl Anderson, Brian Blad, Larry Fisher, Darsi Johnson, Eva Nye, Michael Orr, and Ryan Ward.

Staff present: Lonnie Crowell, Interim Executive Director; A. Dean Tranmer and Darcy Taylor, City Legal Dept.; Dave Swindell and Jerry Higgins, City Finance Dept.; Merrill Quayle, Planning and Development Services Engineer

Chair **R. Ward** called the meeting to order at 2:05 p.m.

1. Preliminary matters:

A. Guests, Conflicts, and Agenda. No conflicts were noted and there were no changes to the agenda.

B. Minutes. The minutes of the regularly scheduled meeting of October 19, 2011 were reviewed. **It was MSC (K. Anderson, D. Johnson)** to approve said minutes.

C. Financial Report. J. Higgins presented the financial report for October. Total cash available as of October 31, 2011 was \$6,905,347.16. The PDA received cash in the amount of \$1,410.89 during October, which included \$45.96 in interest, and tax increment payments of \$1,364.93 to the Central Corridor District. Expenses for October totaled \$104.87 for administrative expenses (lunch) and a payment of \$171,610.00 to the City of Pocatello for expenses advanced by the City for the demolition of the Triangle Subdivision property, in the Central Corridor District. After a brief discussion **it was MSC (B. Blad, D. Johnson)** to approve the financial report for October, 2011.

2. North Portneuf District:

Hoku representatives Scott Paul, CEO, Joanne Hirase-Stacey, Legal Counsel, Steve Phillips, Project Management Director, and Austin Webb, Senior Accountant, presented an update of the status of Hoku's production plant in the North Portneuf District. Paul advised the Board that construction of the first stage of the plant is nearing completion. The remaining items to be addressed are the items on the construction punch list and items required by the fire inspector. Paul noted that evolving market conditions in the polysilicon industry required Hoku to revise its business plan in order to maintain a competitive position in the market place. Additionally, Hoku has worked with the City and Union Pacific Railroad Company to secure a secondary access to the plant in order to meet municipal code requirements. The secondary access will be an overpass at Batiste Road, which will provide access to the Hoku parcel from Highway 30 West. Hoku is requesting that the secondary access and road within the Hoku parcel be constructed as a private roadway, which will preclude the use of any public funds, and more particularly, preclude the use of TIF money for construction costs. Under the terms of the Economic Development Agreement entered into between Hoku and the PDA in May of 2009, the overpass and road were to be public, and TIF money from the North Portneuf District was to be used to pay the infrastructure costs of the overpass and road. Also, pursuant to said Development Agreement, payment of the overpass and road costs was to be made prior to any other distribution of the North Portneuf District TIF money. It was noted that the change in circumstances regarding the overpass and road across the Hoku parcel necessitates a revision of the Economic Development Agreement regarding payment of costs provided for under the urban renewal area plan. If the overpass and road are private, no TIF monies may be used for

reimbursement of road costs. Consequently, distribution of TIF monies under the development agreement will begin with Company Infrastructure Reimbursement and City Capital Cost Reimbursement. S. Paul requested that the Economic Development Agreement between Hoku and the PDA be amended to reflect the change in the fund distribution schedule.

S. Paul further advised the Board that the Public Road Agreement, to which Hoku, Great Western Malting, the City of Pocatello and the PDA are parties, will need to be amended to reflect the changes that will occur due to the overpass and road being private in nature. Paul committed to providing Great Western Malting a license to access and use the private overpass and road, and noted that Great Western expects the City to recommit to the City's duties at the Great Western end of the road to be known as Hoku Way. It was noted that the PDA's responsibilities under the Public Road Agreement would no longer apply if the overpass and road are private, rather than public. S. Paul offered all PDA Board members a tour of the Hoku facility upon request. After a brief discussion, **it was MSC (M. Orr, B. Blad)** to amend the Economic Development Agreement to reflect the change of the road status and the resulting change of payment schedule of TIF funds, which schedule shall no longer include a deduction from the Hoku infrastructure repayment for the cost of a public road. S. Paul advised the Board that the company is in the process of doing the non-mechanical commissioning of the plant, and that the power commissioning will begin next week, followed by the chemical commissioning.

3. Items from Staff:

L. Crowell directed the Board to a request from the Redevelopment Association of Idaho (RAI) for a copy of an annual report or summary of activities by the PDA for use in a report the RAI plans to distribute to the legislature to highlight the accomplishments of urban renewal districts around the state. After a brief discussion, it was the consensus of the Board to provide the requested information to the RAI, and L. Crowell was directed to do so. Additionally, Crowell agreed to provide Board members with a copy of the PDA annual report.

4. Executive Session:

R. Ward called for a motion for the Board go into executive session to discuss negotiations involving matters of trade or commerce in which the PDA is in competition with other governing bodies. **It was moved and seconded (D. Johnson, B. Blad)** to adjourn to executive session pursuant to Idaho Code §67-2345(1)(e). The **motion passed** by roll call vote (**Ayes: K. Anderson, B. Blad, L. Fisher, D. Johnson, E. Nye, Michael Orr, and R. Ward; Nays: None**). The Board adjourned to executive session at 3:04 p.m., and reconvened to regular session at 3:25 p.m.

5. Adjournment:

There being no further business, **it was MSC (K. Anderson, E. Nye)** to adjourn the meeting at 3:25 p.m.