

POCATELLO DEVELOPMENT AUTHORITY MINUTES
Meeting December 21, 2011

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

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

Chair R. Ward called the meeting to order at 11:03 a.m.

1. Preliminary matters:

A. Guests, Conflicts, and Agenda. No guests were in attendance and no conflicts were noted. Three agenda items were added: L. Crowell added an information request from RAI; D. Swindell added a payment request from Hoku; and R. Ward added an information request from Roy Miller.

B. Minutes. The minutes of the regularly scheduled meeting of November 16, 2011 were reviewed. **It was MSC (B. Blad, D. Johnson)** to approve said minutes.

C. Financial Report. J. Higgins presented the financial report for November. Total cash available as of November 30, 2011 was \$6,920,166.13. The PDA received cash in the amount of \$15,318.97 during November, which included \$53.96 in interest, and tax increment payments of \$15,265.01 to the Central Corridor District. Expenses for November totaled \$500.00 for RAI membership, which was expended from the general fund. Higgins advised the Board of two check requests which were submitted for payment: the annual Costco employment reimbursement request in the amount of \$122,014.96, and \$2,500.00 for Wells Fargo trustee fees on the North Yellowstone bond account. After a brief discussion **it was MSC (C. Hill, R. Meyers)** to approve the payment requests for Costco and Wells Fargo, and **it was MSC (D. Johnson, B. Blad)** to approve the financial report for November, 2011.

2. North Portneuf District:

D. Swindell noted that the PDA has received inquiries from Hoku about submitting a request for payment of infrastructure costs from the tax increment financing funds the Authority has received in the North Portneuf District. Swindell reported that the district currently has approximately \$96,000.00, however, some tax increment payments are generally received during February each year from December tax payments. An amended Economic Development Agreement is being prepared to memorialize the changes that have occurred in Hoku's development in the North Portneuf District, and more particularly the transition from a public road and overpass to a private road and overpass. Additionally, the Authority is also a party to the Public Road Agreement entered into between the City, Hoku, Great Western, and the PDA, which remains in effect, but is compromised by Hoku's change in plans. It was the consensus of the Board that no payment requests from Hoku shall be considered for payment until the amended Economic Development Agreement and Public Road Agreement issues are resolved.

3. Pocatello Regional Airport District:

L. Crowell advised the Board that over the years, a variety of studies have been conducted at the Pocatello Regional Airport to evaluate the sanitary sewer and waste water capacity and necessary

infrastructure improvements. However, as a rule, the completed studies were not all-inclusive or did not address issues particular to future economic development within the urban renewal area which are useful in promoting economic development. Crowell has located a grant with the state of Idaho which would provide fifty percent of the funds necessary for conducting a useful study and inquired what the Board's interest was in assisting the City of Pocatello in paying the fifty percent match, which is anticipated to be approximately \$30,000.00. Upon questioning by Board members, Crowell clarified that the study which is available through the State of Idaho Department of Environmental Quality would provide data on what services would be required to make the Pocatello Regional Airport District viable for economic development, and more particularly, what level of services would be necessary for water, sanitary sewer, and pretreatment. J. Higgins advised the Board of the balance of the General Fund. D. Swindell advised that the City Planning and Development Services Department has approximately \$15,000.00 available for the study if the PDA would be willing to contribute the remaining \$15,000.00. After a brief discussion, **it was MSC (R. Meyers, B. Blad)** to commit \$15,000.00 from the general fund to the match required for the DEQ grant to study the airport water and sanitary sewer infrastructure needs. The Board noted that in the event funds become available in the Pocatello Regional Airport District fund the general fund should be repaid the \$15,000.00.

4. Items From Staff:

A. Procedural Issues. L. Crowell asked Board members for their preferred method of being contacted between meetings, whether by e-mail, telephone, or otherwise. He requested all Board members contact him with their preference.

(**B. Blad** excused himself at 11:45 a.m.)

B. RAI Information Request. L. Crowell updated the Board on recent Redevelopment Association of Idaho (RAI) activities in preparation for the 2012 legislative session. The Association is compiling information from development authorities throughout the state, and is requesting information from the PDA. Crowell suggested providing the RAI with a copy of the PDA's annual report prepared for presentation to the Pocatello City Council. G. Gilliam noted that some legislators assume that the development authority doesn't bond for projects because it has money, when in reality, bonding isn't sought because a developer pays for infrastructure at the beginning of a development and is repaid with tax increment funds received by the authority after the development is entered on the tax rolls. **R. Meyers** advised that while the information contained in the annual report is valuable, it doesn't specifically address the information request from the RAI, which is for information regarding the benefits realized from authority funded projects. He further noted that the PDA should provide a simple message: that tax increment funding and urban renewal law does not create a tax liability, nor is it a loss of tax income, but rather that it results in an increase to the base tax assessment value due to the improvements funded by tax increment funding, which subsequently provides an overall tax benefit to all tax payers. We need to document what jobs were gained in different projects. Crowell requested assistance in obtaining such information. G. Gilliam advised that she has some information on the number of jobs created through 2009, and that she would obtain updated job creation information to share with the RAI. **R. Meyers** also requested that information on three or four projects in tax increment finance districts, such as Costco, Petersen, and Allstate be included in the RAI information packet.

C. RAI Donation Request. L. Crowell presented a request from the RAI for a donation from the PDA for assistance with legal costs associated with legislative activities. Each member of the RAI is asked to donate funds, based upon its size. Although he wasn't sure of the exact amount of the preferred donation from the PDA, Crowell noted that he was aware that about fifteen communities had donated between \$500.00 and \$1,000.00 each. **R. Meyers** noted that he is aware of at least two legislative bills regarding tax increment financing districts which are rumored to be in the works for the 2012 legislative session, and he stated he was in favor of such a donation to the RAI if it is demonstrated that the PDA would be paying its fair share of the expenses. The Board had numerous questions regarding the donation, including the amount, if the RAI would stop its efforts if it used up all of its donations, and if there was an excess from the funds provided last year. **Chair R. Ward** requested that Crowell obtain additional information from the RAI regarding the requested donation, noting that the PDA was obligated to do its due diligence in determining where the money would be spent. The matter will be revisited at a future meeting. It was noted that any donation would come from unrestricted money in the General Fund.

D. IsoRay. **Chair R. Ward** advised the Board that D. Tranmer had drafted a letter to Roy Miller in response to Mr. Miller's inquiry to the City of Pocatello requesting information on the IsoRay project. Mr. Miller cited a newspaper article from several years ago in his inquiry, and requested an update of the project. D. Tranmer advised Mr. Miller of the differences of opinion of IsoRay and the INL regarding the availability of the equipment for IsoRay's use, and of the PDA's efforts to date to collect the money advanced to IsoRay.

5. Comprehensive Annual Financial Report:

Charles Clark and Doran Lambson of Deaton & Company, Chtd. presented the Comprehensive Annual Financial Report for the year ending September 30, 2011. In the course of their audit, Clark and Lambson reviewed the financial statements of the governmental activities and of each major fund of the PDA. They found the financial statements to present fairly, in all material respects, the respective financial position of the PDA's governmental activities and funds, and they also found internal control over financial reporting by the PDA to be in compliance. No deficiencies were noted in the audit.

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, C. Hill)** to adjourn to executive session pursuant to Idaho Code §67-2345(1)(e). The **motion passed** by roll call vote (**Ayes: L. Fisher, C. Hill, D. Johnson, R. Meyers, E. Nye, and R. Ward; Nays: None**). The Board adjourned to executive session at 12:27 p.m., and reconvened to regular session at 12.50 p.m.

5. Adjournment:

There being no further business, **it was MSC (L. Fisher, R. Meyers)** to adjourn the meeting at 12:50 p.m.