

POCATELLO DEVELOPMENT AUTHORITY MINUTES
Meeting March 21, 2012

Members present: Karl Anderson, Brian Blad, Roger Bray, Larry Fisher, Cynthia Hill, Darsi Johnson, 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 11:02 a.m.

1. Preliminary matters:

A. Guests, Conflicts, and Agenda. No guests were in attendance, no conflicts were noted, and no items were added or deleted to the agenda. Chair Ward welcomed City Council President Roger Bray, who joins the Board as the City of Pocatello's representative, replacing Eva Nye.

B. Minutes. The minutes of the regularly scheduled meeting of December 21, 2011 were reviewed. **It was MSC (L. Fisher, K. Anderson)** to approve said minutes.

C. Financial Report. D. Swindell presented financial reports for December, 2011, and January and February, 2012 by touching on the highlights for the three months of activity. Total cash available as of December 31, 2011 was \$6,812,291.37. In December the PDA received cash in the amount of \$146,595.33, which included \$45.96 in interest, and tax increment payments of \$146,549.37 (\$112,989.05 to the Central Corridor District, \$96,797.20 to the North Yellowstone District, and \$6,763.12 to the North Portneuf District). December expenses totaled \$124,653.85, including the \$122,014.96 payment to Costco under the economic development agreement, \$2,500.00 to Wells Fargo for North Yellowstone District bond trustee's fees, and \$138.89 for PDA lunch and supplies. The financial report for January, 2012 indicated the PDA received cash in the amount \$679,735.75, which included \$57.24 in interest, and tax increment payments of \$679,678.51 (\$8,895.89 to the Central Corridor District, \$550,874.27 to the North Yellowstone District, \$67,241.67 to the Naval Ordnance District, and \$52,666.68 to the North Portneuf District). The sole expense in January was the payment of \$3,901.21 from the general fund for the annual audit. Total cash available on January 31, 2012 was \$8,688,125.91. As of February 28, 2012, total cash on hand was \$8,496,726.40. Cash received in February, 2012 included \$55.52 in interest and \$18,569.97 in property taxes (\$17,913.00 to the Central Corridor District and \$656.97 to the North Yellowstone District). The sole expenditure in February was the sum of \$210,025.00 for North Yellowstone debt service on the North Yellowstone bond.

D. Swindell advised the Board that the County Assessor recently informed the taxing entities of the County that an error had occurred in the Portneuf Medical Center tax assessment, which resulted in a shortfall of tax revenues for the City of Pocatello, Bannock County, School District #25, and the remaining taxing entities. This error in assessment resulted in a slightly lower levy rate which will have a minor effect on tax revenues received by the PDA. However, Swindell noted that revenue projections for the PDA are conservative, so the impact will not be significant.

After a brief discussion, **it was MSC (K. Anderson, D. Johnson)** to approve the financial reports for December, 2011, and January and February, 2012.

2. General Discussion Items:

A. Legislative Update: L. Crowell provided an update on nine legislative bills which were introduced to the 2012 legislature, which, if passed, would eliminate or restrict the urban renewal

process. Examples of the proposed legislation were included in the agenda packets. (B. Blad arrived at 11:12 a.m.) Crowell noted that he, together with Mayor Blad and Dave Swindell, attended a hearing on a bill which would have repealed the urban renewal act altogether. That legislation failed, but the remaining legislation being considered includes provisions for the election of development authority boards, the requirement of a two-third majority vote to create districts, restrictions on the use of eminent domain, and the exclusion of tax revenues earmarked for community colleges from TIF districts. (C. Hill arrived at 11:17 a.m.) D. Swindell provided a brief history of the use, and perceived misuse of urban renewal area law in the state of California. While it is clear there will not be adequate time for all eight of the remaining legislative bills to be heard, it is expected the same issues will be revisited by the 2013 legislature. Discussion followed regarding proactive steps which could be taken toward urban renewal reform.

B. RAI Update: Pursuant to the Board's instruction, L. Crowell requested and received additional information from the Redevelopment Association of Idaho's (RAI) regarding what monetary donations are used for and what development authorities had contributed to the association. The RAI's detail of dues and contributions was made available to the Board, and it was noted that those dues and contributions were used for legal fees and general expenses of the association. **It was moved and seconded (C. Hill, D. Johnson)** to contribute \$1,000.00 to the RAI from the general fund. After a brief discussion, **C. Hill amended the motion** to make the amount of the contribution \$2,000.00, and **D. Johnson seconded the amendment**. Discussion on the amended motion followed. **L. Fisher** questioned whether the PDA should contribute \$1,000.00 now and another \$1,000.00 later. **D. Johnson** opined that the RAI needs contributions now, while the legislation is being considered. **K. Anderson** felt the larger donation showed leadership in supporting urban renewal law, and **R. Bray** reminded the Board that the work to promote urban renewal law will continue after the legislative session is over. **M. Orr** questioned whether a larger donation would reduce the need for three City officials to attend hearings at the legislature. **B. Blad** noted that the PDA's donation is an important step in supporting the retention of urban renewal law, but that the City is a separate entity from the PDA, and will continue to have a presence at the legislature on matters of import to the City. **M. Orr** asked what benefit the PDA would receive from a show of leadership. **L. Crowell** observed that other development authorities in the state look to the PDA as an example of proper and effective use of urban renewal. **D. Johnson** added that urban renewal is a priority in the community and the larger donation represents that priority. **R. Ward** noted that in the beginning the RAI's efforts were inconsistent, but now the RAI makes development authorities across the state more cohesive. At the close of discussion the **amended motion approving a \$2,000.00 donation to the RAI from the general fund passed**.

C. Approval of 2011 Annual/Popular Report: (J. Higgins arrived at 11:50 a.m.) L. Crowell presented a proposed PDA 2011 Annual Report as required by Idaho statute for the Board's review and approval. A recommendation was made by the Board to amend language regarding the approved expenditure in the North Yellowstone District at the Del Monte Meats location to specify the use of the expenditure to be for infrastructure. With that amendment, **it was MSC (B. Blad, D. Johnson)** to accept the 2011 Annual Report. A public meeting will be scheduled to present the report and to accept comments from the public.

3. North Portneuf District:

M. Quayle presented a request on behalf of the City of Pocatello for the reimbursement of costs incurred by Hoku on behalf of the City, pursuant to an agreement between the City of Pocatello, Hoku, and the Union Pacific Railroad, for the installation of a temporary access to the Hoku parcel from Philbin Road, where Philbin Road ends on the east side of the railroad tracks, to the parcel of land leased by Hoku from the City. The total expenditure for the installation of the temporary access was \$37,758.00, which Quayle noted was less than was first anticipated thanks to some changes in the approach design and road width. M. Quayle reminded the Board of its discussions in October and November of 2011 regarding the possibility of providing assistance to the City for this expenditure. After a brief discussion, **it was MSC (B. Blad, M. Orr)** to reimburse the City of Pocatello the sum of \$37,758.00 for its obligation to pay for the improvements necessary to provide a secondary emergency access to the City-owned property leased to Hoku.

4. Proposed Urban Renewal District:

L. Crowell presented a proposal to establish a new urban renewal area in the vicinity of the recently approved Alameda Plaza Subdivision, and requested input from the Board. D. Swindell discussed various options as to what area could be included in the proposed urban renewal area. **R. Bray** questioned why what appears to be a prime retail location hasn't been redeveloped for many years, adding that in his opinion any urban renewal area addressing the location should include more improvement than simply razing a building for the development of one business. After further discussion, it was the Board's consensus that any proposed urban renewal area should enhance a greater area than the Alameda Plaza Subdivision alone.

5. 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, R. Bray, L. Fisher, C. Hill, D. Johnson, M. Orr, and R. Ward; Nays: None**). The Board adjourned to executive session at 12:25 p.m., and reconvened to regular session at 12.52 p.m.

5. Adjournment:

There being no further business, **it was MSC (M. Orr, D. Johnson)** to adjourn the meeting at 12:52 p.m.