

**POCATELLO DEVELOPMENT AUTHORITY MINUTES**  
Meeting May 16, 2012

**Members present:** Brian Blad, Roger Bray, Larry Fisher, Cynthia Hill, Russ Meyers, 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 11:01 a.m.

**1. Preliminary matters:**

A. Guests, Conflicts, and Agenda. Former PDA Board Commissioner Darsi Johnson attended as a guest. No conflicts were noted, and no items were added or deleted to the agenda.

B. Recognition of Darsi Johnson. **Chair Ward** acknowledged the expiration of Darsi Johnson's term of service to the Board, and presented Resolution No. 2012-1 for approval by the Board. **It was MSC (M. Orr, C. Hill)** to adopt Resolution No. 2012-1 which expressed the Board's gratitude to Darsi Johnson for fourteen years of service to the Board, and her commitment to the furtherance of economic development. Board members and staff alike expressed their appreciation for Darsi's contributions to the PDA and the economic development of the Pocatello area.

C. Public Hearing: 2011 Annual/Popular Report. **Chair R. Ward** called the public meeting to order for the presentation of the 2011 Annual/Popular Report, pursuant to Idaho Code §50-2006(c). No members of the public were in attendance to receive the report or to participate the public comment period. Based upon the lack of attendance by the public, **it was MSC (R. Meyers, M. Orr)** to waive the presentation of the report. No members of the public presented comments at the public hearing, and the hearing was closed.

D. Minutes. The minutes of the regularly scheduled meeting of March 21, 2012 were reviewed. **It was MSC (M. Orr, L. Fisher)** to approve said minutes.

E. Financial Report. J. Higgins presented financial reports for March and April, 2012. Total cash available as of March 31, 2012 was \$8,462,119.73. In March the PDA received cash in the amount of \$6,983.62, which included \$53.59 in interest, and tax increment payments of \$6,930.03 (\$3,652.72 to the Central Corridor District, \$1,775.74 to the North Yellowstone District, and \$1,501.57 to the Naval Ordnance District). March expenses totaled \$41,590.29, including the \$37,758.00 reimbursement from the General Fund to the City of Pocatello for expenses incurred to provide the Philbin crossing access to the Hoku parcel; \$2,000.00 from the General Fund to the Redevelopment Association of Idaho; \$1,700.00 from the North Yellowstone District for arbitrage fees on that district's bond; and \$132.29 in administrative expenses. The financial report for April, 2012 indicated the PDA received cash in the amount \$7,902.00, which included \$58.41 in interest, and tax increment payments of \$7,843.59 (\$2,634.82 to the Central Corridor District, and \$5,208.77 to the North Yellowstone District). There were no expenses reported for the month of April, 2012. Total cash available on April 30, 2012 was \$8,470,021.73. Higgins further advised the Board that there remain outstanding administrative expenses of \$261.87 for Board expenses and publication fees.

D. Swindell provided a brief explanation of the assets and obligations of each district fund. After a brief discussion **it was MSC (C. Hill, R. Meyers)** to approve the financial reports for March and April, 2012. (**B. Blad** arrived at 11:15 a.m.)

## 2. General Discussion Items:

A. South Valley Connector. Deirdre Castillo, City Engineer, and Greg Lanning, City Director of Public Works, presented an update on the South Valley Connector project. Castillo advised the Board that right-of-way acquisition legal proceedings (i.e., eminent domain) have become necessary for two property owners along the connector route. The Portneuf River levee has been certified by FEMA at the connector site, however additional hydraulic studies indicated that interior drainage mitigation design would be required to accommodate storm water runoff. Another area of concern regarding the connector design is whether to use an underpass or an overpass to cross Interstate 15 (I-15). Castillo noted that there are five separate funding sources from both state and federal agencies which are being used to fund the connector project, and advised the Board that project cost estimates have increased due to the complexities of the project, including the drainage issue and the I-15 over/under bridge issue. To date, the estimated construction cost of the project is approximately 15.4 million dollars which is largely available through federal funds. The PDA has pledged three million dollars to the project, and has spent approximately \$200,000.00 to date. A portion of the PDA pledged money (1.2 million dollars) is dedicated to become part of the matching funds required for the federal funds. Additional money may be available from the State of Idaho, depending on the amount of funds spent on other projects. Castillo requested the Board consider committing another one million dollars to the project to assist with unanticipated issues such as the drainage mitigation, condemnation, and I-15 issues. She described several cost-savings modifications to the project that have been implemented to lessen the impact of the unanticipated expenses. **R. Ward** inquired as to when the PDA would have to make such a commitment, and was advised that the amount of funds available must be clearly established prior to putting the project out for bid. **M. Orr** asked what the purpose of the connector is. Castillo advised that the South Valley Connector project purpose is to remove the at grade crossing at Cheyenne Avenue and to improve the east/west traffic flow. **R. Ward** added that it was his understanding that future development at the south end of the City would be enhanced by the existence of the connector. **M. Orr** asked meeting spectator Stephanie Palagi of Oldtown Pocatello what, in her opinion, the existence of the connector would do to the revitalization efforts in Oldtown Pocatello. Ms. Palagi noted that she had mixed feelings about the connector—that it would take some traffic away from Oldtown, but that she believes it is a needed improvement to the street system in the south end of the City. **M. Orr** noted several other areas of the City that would benefit from street infrastructure improvement and questioned the placement of the connector. **B. Blad** advised that many areas were considered for the placement of the connector, but that the chosen route had the least impact on private property owners. **R. Bray** added that the connector would provide better interconnectivity for emergency providers. **R. Meyers** stated that he lives in the area of the connector and that the Cheyenne Avenue railroad crossing is very dangerous. He went on to say that from a PDA perspective the connector is an expensive project and questioned if its presence would contribute to economic development in that part of the City. Castillo told the Board that she routinely fields calls from bankers and commercial developers who inquire if and when the connector will be built. She acknowledged that the cost of the connector is high, but that most federal aid projects are very expensive by nature. They are complicated projects from an engineering standpoint. **R. Ward** reminded the Board of the statement of purpose of the PDA, readily available in the 2011 Annual Report, i.e., "...to undertake the rehabilitation, conservation, redevelopment, or a combination thereof of such area, or areas, in the interest of the public health, safety, morals or welfare of the residents of the City of Pocatello." Additional discussion regarding the South Valley Connector and the request for additional funding ensued.

D. Swindell advised the Board that the Central Corridor produced sufficient tax increment funds to allow the board to commit an additional one million dollars to the connector project. At the suggestion of **R. Ward**, the Board decided to table the matter until a future meeting.

B. Proposed TIF District. L. Crowell reported to the Board that the proposed urban renewal area and tax increment financing district in the Alameda Road/Yellowstone Avenue area has failed to receive sufficient support and is no longer being considered.

C. Yellowstone Hotel. **R. Ward** advised the Board that he and L. Crowell had been in discussions with Dick Carroll regarding a rehabilitation project at the Yellowstone Hotel in Oldtown Pocatello. Mr. Carroll was reminded of the formal application process, but he reportedly was not interested in going through that process without some encouragement from the Board. Carroll is proposing rehabilitating the Yellowstone Hotel into fifteen to seventeen residential units on the upper floors with commercial space on the ground level. J. Higgins refreshed the Board's memory by noting that the Yellowstone Hotel was at one time included in the Whitman Hotel project, and that a substantial sum was dedicated to the Yellowstone Hotel at that time. Board members sought more information on the project, particularly about parking facilities, if the project would create any employment opportunities, and if an urban renewal area would need to be created. Stephanie Palagi expressed support for the project, advising the Board that housing in the downtown area was always full, and that a market exists for up-scale housing downtown. She went on to note that condominiumized residential units at the Yellowstone would bring additional business to the downtown area. **R. Ward** observed that while he appreciated the benefits condominiums would bring to Oldtown, he questioned whether the PDA was the proper entity to assist with their development. (**B. Blad** excused himself at 12:20 p.m.) L. Crowell expressed support for the project. He noted that the PDA has been focused on manufacturing and industrial development, and that the Board may want to consider directing their attention to urban renewal and reducing blight. After more discussion, it was the Board's consensus that Mr. Carroll should follow the application process for further consideration of the project.

### 3. Items from Commissioners:

A. Hoku Update. **M. Orr** requested an update on the Hoku project. L. Crowell advised the company is currently in a holding pattern, and that contract issues between Idaho Power and Hoku have been the company's focus recently. He further advised that it is his information that Hoku's parent company remains supportive, and that Scott Paul, Hoku CEO is optimistic that the company will succeed.

B. Positron. The Board asked if any progress had been made between Positron and Valley Forge reaching an agreement on the use of Positron's building at the accelerator center. D. Tranmer advised the Board that all such negotiations were between the entities.

C. Legislative Update. **R. Meyers** reported that a state senator who had been supportive of urban renewal law had lost his primary election. He encouraged the Board and the PDA to remain involved with legislative issues regarding redevelopment and urban renewal laws.

**4. Adjournment:**

There being no further business, **it was MSC (C. Hill, L. Fisher)** to adjourn the meeting at 12:39 p.m.