

**POCATELLO DEVELOPMENT AUTHORITY MINUTES**  
Meeting July 18, 2012

**Members present:** Brian Blad, Roger Bray, Larry Fisher, Darlene Gerry, Cynthia Hill, Russ Meyers, and Ryan Ward

**Staff present:** John Regetz, Executive Director, Bannock Development Corp.; Lonnie Crowell, Interim Executive Director; A. Dean Tranmer and Darcy Taylor, City Legal Dept.; Dave Swindell and Jerry Higgins, City Finance Dept.

**Chair R. Ward** called the meeting to order at 11:05 a.m.

**1. Preliminary matters:**

A. Introductions, Conflicts, and Agenda. Chair Ward introduced new board member Darlene Gerry, whose term began on May 2, 2012. John Regetz, Executive Director of the Bannock Development Corporation, was also introduced. No conflicts were noted, and no items were added or deleted to the agenda, however an executive session was deemed necessary.

B. Minutes. The minutes of the regularly scheduled meeting of May 16, 2012 were reviewed. **It was MSC (C. Hill, L. Fisher)** to approve said minutes.

E. Financial Report. J. Higgins presented one financial report for the combined period of May and June, 2012. Total cash available as of June 30, 2012 was \$8,494,312.13. During the months of May and June the PDA received cash in the amount of \$24,552.27, which included \$114.94 in interest, and tax increment payments of \$24,437.33 (\$5,500.97 to the Central Corridor District and \$18,980.42 to the North Yellowstone District). Expenses for May and June totaled \$261.87 for Board administrative costs and publication costs. After a brief discussion **it was MSC (C. Hill, D. Gerry)** to approve the combined financial report for May and June, 2012.

**2. General Discussion Items:**

A. South Valley Connector. Deirdre Castillo, City Engineer, presented a payment request to the Board on the South Valley Connector project in the total amount of \$489,083.00 on behalf of the City of Pocatello. The funds were deposited with the Sixth District Court Clerk at Bannock County by the City of Pocatello in the matter of three separate actions brought by the City to take by eminent domain fee title to certain real properties necessary for the South Valley Connector project. Castillo advised that deposits were made by the City of Pocatello for the following cases in the following amounts: Sub City: Pocatello 1, LLC, et al., \$50,819.25; BBMAD, LLC, et al., \$241,680.75; and Brad Lee Christensen, et al., \$196,583.00, in order to reduce anticipated interest fees which could be awarded by the Court at the time judgment is entered in each of the actions for eminent domain. State of Idaho funds will be available for reimbursement to the City, but not until possession of the property passes to the City, which could be several months pending determination of the eminent domain actions on file with the court. Pending the reimbursement from the State, Castillo requested reimbursement from the PDA to the City. When the City is reimbursed by the state of Idaho, the City will return the funds to the PDA. Castillo reminded the Board that it had committed three million dollars to the Connector project, and that to date approximately \$200,000.00 has been expended. Discussion followed regarding the anticipated success of the eminent domain proceedings. Thereafter, **it was MSC (C. Hill, B. Blad)** to approve the payment request of \$489,083.00 to the City of Pocatello for eminent domain proceedings, which payment is to be made from the Central Corridor District fund, and which will be refunded to the PDA by the City once the City is reimbursed by the State of Idaho.

B. Hoku. Joanne Hirase-Stacey and Ed Church appeared before the Board to provide an update of the Hoku Materials construction project. Hirase-Stacey advised that there are currently thirty employees at Hoku, following the layoff of ninety-one employees in May, and prior layoffs in December, 2011 and March, 2012. The company's current goal is to find alternate financing in order to complete construction and open the plant. Scott Paul has resigned as the CEO of the company, and is now the chairman of a restructuring committee for the company. Jeremy Yin is the acting CEO and President of the company. Hirase-Stacey noted that there was recently a meeting of solar material customers and investors to discuss the industry. Information from that meeting revealed that of forty-seven solar companies in China, only five are currently in operation. The Board was advised that there are numerous liens filed against Hoku, some of which have resulted in court actions. Hoku has requested the Court to consolidate all of the actions on file. Hoku currently has the financial ability to operate for an additional nine weeks. Bankruptcy will only be considered as a last resort. Ed Church added his opinion that Tian Wei, Hoku's majority stockholder, has a large investment in Hoku and won't walk away from its investment. (R. Meyers arrived at 11:28) Hoku has also been delisted with the Security and Exchange Commission. **B. Blad** inquired what the realistic outlook for the company is. Church stated there would be something in place to save the company within nine weeks. **R. Ward** thanked Hirase-Stacey and Church for agreeing to provide a status update to the Board.

### 3. 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 (B. Blad, R. Meyers)** to adjourn to executive session pursuant to Idaho Code §67-2345(1)(e). The **motion passed** by roll call vote (**Ayes: B. Blad, R. Bray, L. Fisher, D. Gerry, C. Hill, R. Meyers, and R. Ward; Nays: None**). The Board adjourned to executive session at 11:40 p.m., and reconvened to regular session at 11:59 p.m.

### 4. Items from Commissioners:

**B. Blad** presented a parking lot proposal which was provided to him by Stephanie Palagi of Old Town Pocatello. The proposal includes paving the area which was formerly the UPRR infirmary area, between Union Pacific Avenue and the railroad tracks, and extending the parking area in front of the UPRR depot north to the underpass, which would provide one hundred fifteen parking spaces. The estimated cost of the proposal is \$258,735.00. The proposed parking area would presumably serve residents of the Whitman Building, and patrons of the downtown businesses south of Center Street. Old Town Pocatello was seeking information regarding whether the PDA was willing to contribute any money to the proposed project. **R. Meyers** inquired whether the proposed parking area was for the convenience of downtown residents, or if additional parking in the area was a necessity for the use and future development of the downtown area. **L. Fisher** proposed tabling any discussion on the proposed parking lot until future development in Old Town warranted additional parking. He further noted that he did not consider the proposed area to be blighted. **D. Gerry** felt the PDA would be better served to wait and see what the financial impact of the Connector was prior to committing to another project. **R. Bray** expressed his ongoing concern about the Center Street Underpass, which he felt would be a more important project to the Old Town area than a new parking lot. Lon Crowell advised the Board that at this point in time Union Pacific Railroad, which is the owner of the subject property, is willing to enter into an agreement regarding the proposed parking lot, and that there

is no guarantee that the railroad will continue to be supportive of the project. **R. Meyers** stated that as long as work on the South Valley Connector is continuing, he would rather dedicate PDA funds to that project, than a parking lot. **B. Blad** noted that he presented the parking lot proposal for discussion purposes, and it seemed to generate much discussion among Board members. **R. Bray** added that he believes the increase in the number of residents in the Old Town area is resulting in encroachments upon areas that were formerly only used by Old Town businesses. The Board determined not to take any action on the proposal at this time.

**5. Adjournment:**

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