

POCATELLO DEVELOPMENT AUTHORITY MINUTES
Meeting September 19, 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; Merrill Quayle, City Planning Engineer; A. Dean Tranmer and Darcy Taylor, City Legal Dept.; 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. No conflicts were noted, and no items were added or deleted to the agenda, however an executive session was requested by **B. Blad**.

B. Minutes. The minutes of the regularly scheduled meeting of July 18, 2012 were reviewed. **It was MSC (C. Hill, D. Gerry)** to approve said minutes.

C. Financial Report. J. Higgins presented one financial report for the combined period of July and August, 2012. Total cash available as of August 31, 2012 was \$8,273,116.79. During the months of July and August the PDA received cash in the amount of \$738,055.54, which included \$114.94 in interest, and tax increment payments of \$737,940.60 (\$9,739.67 to the Central Corridor District, \$548,185.68 to the North Yellowstone District, \$120,000.51 to the Naval Ordnance District, and \$60,014.74 to the North Portneuf District). Expenses for July and August included a payment from the North Yellowstone District Fund for the principal and interest payment on said District's Bond in the amount of \$470,025.00, and a reimbursement to the City of Pocatello in the amount of \$489,083.00 from the Consolidated Central Corridor District Fund for expenses related to the South Valley Connector, for a total expenditure amount of \$959,250.88. **It was MSC (D. Gerry, C. Hill)** to approve the combined financial report for the months of July and August, 2012.

2. General Discussion Items:

A. South Valley Connector. Deirdre Castillo, City Engineer, provided an update on the South Valley Connector project, noting that one of the eminent domain proceedings was close to final settlement, leaving the final eminent domain proceeding scheduled for court hearing in November. Castillo informed the Board that the right-of-way acquisition budget for the connector was 1.4 million dollars, one-half million of which has been expended. She anticipated the final acquisition costs would be fairly close to the budgeted amount, once the final eminent domain proceeding is finalized. On a less positive note, Castillo told the Board that, in an action that took state officials who administer federal funds by surprise, the federal government transferred a portion of the federal funds which were earmarked for the connector project to state highway funds for transportation purposes. The clawback of unspent federal funds for earmarked transportation projects occurred nationwide. The federal funds originally dedicated to the connector project may still be available, but will require the City to submit a request for the funds, which must be used for a project which has construction plans finalized by December 31, 2012. Castillo said the City will submit plans for a portion of the South Valley Connector construction project which will qualify for the transferred funds in order to keep the Connector project moving. She also indicated she intends to apply for federal funds which were earmarked for projects in other states which were also pulled back by the federal government, and which may be available for other transportation projects in the event they are not claimed. In the event

the City is awarded any funds from that application, another phase of the project must have plans ready for construction by December 31, 2012.

Castillo discussed the most recent determination regarding the manner in which the Connector will cross Interstate 15, which requires that the overpass model be changed to an underpass. The change order to convert the overpass to an underpass will cost approximately 2.5 million dollars. She reminded the Board that of the three million dollars committed by PDA to the project, approximately \$200,000.00 has been spent for engineering fees, and \$489,083.00 has been deposited with the court in the eminent domain actions. The latter expense will be repaid by the State of Idaho upon completion of the eminent domain actions. Future expenses may include required match money for any funds dedicated to the Connector project by the Idaho Department of Transportation via a swap of project money which has been committed for other state transportation projects. Such a swap of project money may be necessary to meet the time limits required for any return of the earmarked federal funds, i.e., another state project may not be ready to break ground as soon as the Connector project, and the allocation of funds could be traded based on each project's start date.

Discussion continued regarding the history of the Connector project, the various proposals for placement of the Connector, and the importance of establishing another east-west travel route at the south end of the City. Castillo noted that the Charlotte Fire demonstrated the access restrictions that exist at the south end of the City. She further advised the Board that the Cheyenne Street bridge crossing is nearing the end of its viability. Without the existence of a better east-west travel option the City will need to consider building another fire station on the west side of the valley in order to meet required response times. **R. Meyers** inquired if it is anticipated if the Connector will increase economic development at the southern end of the City, and what the economic impact might be if the Connector is not built. Castillo stated that she is regularly contacted by private business owners asking when and where the Connector will be built. **R. Bray** noted that homeowner insurance rates in the southern part of the City would increase if fire department response times were slower. Castillo stated that she would have more information regarding the likelihood of the return of the earmarked federal funds in a few weeks. **Chair Ward** requested that she provide updates to the Board as she receives more information.

B. RAI Board Appointment. **Chair Ward** called for a motion to approve the appointment of Lonnie Crowell as the Representative from District 5 to the Redevelopment Association of Idaho (RAI). District 5 members consist of the Pocatello Development Authority and the Chubbuck Development Authority. The Chubbuck Development Authority indicated its approval for Lonnie Crowell continue as the District's representative. **It was MSC (B. Bland, L. Fisher)** to approve the appointment of Lonnie Crowell to serve as the District 5 Representative to the Redevelopment Association of Idaho. L. Crowell reported that he believes the RAI Board should be proactive regarding its defense of the urban renewal laws and the use of tax increment financing as an economic development tool. **R. Meyers** agreed that in 2012 the efforts of the City of Pocatello were as effective in supporting urban renewal as the RAI's efforts appeared to be. He noted that a split exists within the RAI membership regarding taking a proactive approach to head-off anti-urban renewal legislation. **Meyers** further advised the Board that he believes the RAI Board needs to be more unified in its defense of urban renewal law, and that this legislative season will determine the direction the RAI will take. He encouraged the PDA

Board to be prepared to take a more proactive approach in the defense of urban renewal law independent of the RAI, if necessary.

C. North Yellowstone District. J, Higgins presented a proposal prepared by Dave Swindell to explore the possibility of refinancing the PDA's debt in the North Yellowstone District. Low interest rates, combined with a proven cash flow in excess of one million dollars a year in the District have made the possibility of refinancing the North Yellowstone District bond debt an option the Board may wish to consider. Higgins requested the Board consider entering into a contract to hire Zion's Bank Public Finance to explore/conduct a refinancing of the PDA bond debt in the North Yellowstone District (series 2004A). A brief discussion followed, during which L. Crowell pointed out some discrepancies in the language of the Agreement which was provided in the Agenda Packet and requested they be corrected. It was the general consensus that the potential savings available by refinancing the bond debt appeared to be worth looking into, and **it was MSC (R. Meyers, D. Gerry)** to enter into a contract with Zion's Bank Public Finance to explore/conduct a refinancing of the North Yellowstone Bond debt (series 2004A).

3. Items from Commissioners:

J. Regetz advised the Board that the annual Economic Symposium will be held the week following this Board meeting. L. Crowell advised the Board that FMC and the Power County Development Authority are pursuing marketing the FMC-owned property and City-owned property near the Pocatello Regional Airport for development. He also informed the Board that the PDA annual report to the City will be presented at the City Council Study Session on November 8, 2012.

R. Meyers inquired as to whether there were any updates on Hoku. J. Regetz noted that he spoke with Ed Church from Hoku, who advised negotiations are still occurring with the Chinese government in an effort to obtain additional funding for the plant.

4. Executive Session:

B. Blad requested the Board move into executive session to discuss negotiations involving trade or commerce in which the PDA is in competition with other governing bodies. **R. Ward** called for the motion. **It was moved and seconded (C. Hill, R. Bray)** 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 12:05 p.m., and reconvened to regular session at 12:24 p.m.

5. Adjournment:

There being no further business, **it was MSC (B. Blad, R. Meyers)** to adjourn the meeting at 12:24 p.m.