

POCATELLO DEVELOPMENT AUTHORITY MINUTES
Meeting November 14, 2012

Members present: Brian Blad, Roger Bray, Larry Fisher, Darlene Gerry, Cynthia Hill, Michael Orr, and Ryan Ward

Staff present: Lonnie Crowell, Executive Director; Merrill Quayle, City Planning Engineer; A. Dean Tranmer and Darcy Taylor, City Legal Dept.; Dave Swindell and Jerry Higgins, City Finance Dept.

In the absence of both the Chair and the Vice-Chair, **Executive Director Lonnie Crowell** called the meeting to order at 11:14 a.m.

1. Preliminary matters:

A. Introductions, Conflicts, and Agenda. No guests were present, no conflicts were noted, and no items were added or deleted to the agenda.

B. Minutes. The minutes of the regularly scheduled meeting of October 17, 2012 were reviewed. **It was MSC (C. Hill, R. Bray)** to approve said minutes.

C. Financial Report. J. Higgins presented the financial report for the month of October, 2012. Total cash available as of October 31, 2012 was \$8,276,070.18. During the month of October the PDA received cash in the amount of \$727.42, which included \$706.69 in interest, and tax increment payments of \$20.73 to the Central Corridor District. Expenses for October consisted of administrative expenses from the General Fund in the amount of \$142.88. Upon completion of the presentation of the October financial report **it was MSC (D. Gerry, C. Hill)** to approve the financial report for October, 2012.

2. General Discussion Items:

A. Naval Ordnance Plant (NOP) District. Jim Manning appeared before the Board on behalf of Gateway West owner Earl Swift. Mr. Manning directed the Board's attention to the written statement by him which was included in agenda packets and which described Mr. Swift's concern that the Authority was using funds from the NOP District to reimburse a loan from the Regional Development Authority (RDA) to Petersen, Incorporated (Petersen). Manning explained that Mr. Swift would like to use the funds available in the NOP District to refurbish the railroad track within the boundaries of the Gateway West facility to meet industrial needs. He advised the Board that several tenants within the facility currently or soon will have the need to use industrial grade railroad track, and that industrial grade track is an important element to the success of the facility and the district. Manning asked the Board for clarification and background information on how the PDA came to the agreement with Petersen to repay its RDA loan. He noted that the Revenue Allocation Act and the Urban Renewal Act generally speak of having revenue allocation apply to development within the area in which the funds were generated. **D. Gerry** inquired of Manning if he knew how Petersen used the RDA loan funds, and more particularly if the funds were used in such a way as to increase the value of the Gateway West Facility. (**B. Blad** arrived at 11:30 a.m.) After some discussion, Board members acknowledged that a majority of them were not on the PDA Board at the time the agreement was entered into with Petersen to pay the RDA loan, and requested time to acquire some background information regarding the matter, more particularly 1) an accounting from Petersen as to how the \$750,000 was spent, and 2) a copy of the proposal by Petersen to the RDA for the loan. Manning put the Authority on notice that Mr. Swift, and Gateway West, are

claiming a material interest in the NOP District funds, prior to any payment being made to the RDA on behalf of Petersen. D. Tranmer provided information regarding the history of Petersen's time at Gateway West, before the company moved to its present location at the Pocatello Regional Airport, and why the PDA determined it to be important to guarantee payment of the Petersen/RDA loan. He recounted Petersen's efforts to buy a part or all of the facility from Swift, and when that didn't occur, he related that the PDA became involved with Petersen in an effort to retain both the company and its jobs in Pocatello. He further advised the Board that the requirement that funds be spent within a district is the Board's preference. (**R. Ward** in at 11:40 a.m.) It was the consensus of the Board to gather additional information regarding the circumstances of the Petersen/RDA loan prior to meeting with Mr. Manning and Mr. Swift again at the January meeting. Mr. Manning agreed to coordinate with legal counsel D. Tranmer in sharing any information either party acquires regarding the matter. Upon completion of his presentation, Mr. Manning excused himself and a discussion among Board members followed regarding what additional information they wanted to see, and what some solutions to the issue might be. **R. Ward, B. Blad, J. Regetz, and D. Tranmer** will attempt to coordinate a meeting with Petersen to discuss the issue.

B. North Yellowstone District Bond Refinance. D. Swindell provided an update on the North Yellowstone bond refinance, noting that requests for proposals were sent out to various financial institutions. Piper Jaffrey was the preferred bidder, offering 2.5% issuance costs. Swindell advised the Board that he anticipates the refinancing will close in late December or early January. A special meeting will be necessary to allow public comment and to review a bond ordinance for the bonded debt for adoption by the Board. A notice of the ordinance will be published in the newspaper after its adoption. A thirty day protest period is also required by law, which period will expire thirty days after the special meeting at which the bond ordinance is adopted. Swindell advised Board members that he anticipates the special meeting of the Board will be called sometime during the last week of November.

3. Items from Commissioners/Staff:

L. Crowell advised the Board that he, together with J. Regetz of the Bannock Development Corporation (BDC), would like more direction on how to pursue economic development for the Pocatello area. He presented a handout entitled Pocatello Project, which included a proposed request for qualifications soliciting a qualified economic development consulting firm in order to discover how such an entity could help the PDA better direct its efforts. Crowell noted that an entity in Utah called Better Cities provides such services, and asked the Board to consider the economic turnaround the city of Ogden has accomplished, which Crowell stated was done with the assistance of Better Cities. **D. Gerry** questioned how this service would overlap with BDC's mission. Crowell represented that BDC doesn't currently have an economic development plan, per se, and that the services obtained from such an economic development consulting firm would outline the best businesses and best development plans for the Pocatello area. **R. Bray** inquired as to how such an arrangement would configure with the current economic development activity being undertaken by the Power County Development Authority near the Pocatello Regional Airport. Crowell noted the Airport area would be excluded from this proposal. He further explained that hiring an economic development consultant would probably cost between \$100,000 and \$120,000, and that the end result would be a plan delineating what funding is available for economic development, how to obtain such funding, and, possibly locating businesses to the area. Crowell stated that he and J. Regetz feel it is time to take the next step

toward creating an economic development plan. **D. Gerry** suggested that perhaps the cost of the service could be split between the PDA and BDC. Crowell noted that he is looking for grants to assist with the cost, but at this time he is asking the PDA to commit to paying the full amount. After a brief discussion, **R. Ward** suggested the Board spend some time thinking about this matter and revisit it at a later date.

4. Adjournment:

There being no further business, **it was MSC (B. Blad, C. Hill)** to adjourn the meeting at 1:54 p.m.