

POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES
August 21, 2013

Members present: Brian Blad, Roger Bray, Larry Fisher, Darlene Gerry, Michael Orr, John Regetz (ex officio), and Ryan Ward

Members absent: Cynthia Hill (excused), Russ Meyers (excused), and Karl Anderson

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

Chair R. Ward called the meeting to order at 11:07 a.m.

1. Preliminary matters:

A. Introductions, Conflicts, and Agenda. No guests were in attendance. No disclosures or conflicts with agenda items were acknowledged by the Commissioners

B. Minutes. The Minutes of the regularly scheduled meetings of May 15, 2013 and June 26, 2013, were reviewed. It was **MSC (B. Blad, D. Gerry)** to approve the Minutes as presented.

C. Financial Report. J. Higgins presented the Financial Report for the months of May, June, and July, 2013. Total cash available as of July 31, 2013 was \$7,696,314.91. During the months of May, June and July, the PDA received cash in the amount of \$989,964.05, which included \$27,632.14 in interest on loans, \$436.86 in investment interest, and property taxes of \$711,895.05 (of which \$547,445.38 was attributed to the North Yellowstone District, \$18,534.33 was attributed to the Central Corridor, \$115,372.90 attributed to the Naval Ordinance, and \$30,542.44 was attributed to the Pocatello Regional Airport District. The lunch expense for May and June was \$297.95 and \$1,000 was paid to Mutual Insurance for a General Liability Policy for the Board from the General Fund. By the Board's direction at the June 26, 2013 meeting, we transferred \$250,000 in administrative fees from the Central Corridor to the General Fund. Thereafter, it was **MSC (M. Orr, B. Blad)** to approve the Financial Reports for May, June, and July, 2013.

2. General Discussion Items:

A. Positron Update. **Chair Ward** reviewed Positron's letter of May 14, 2013 (wherein Eric Oas advised Positron is willing to relinquish its rights and ownership to the building at ISU in exchange for \$200,000.00 cash, a mutual release, and one hundred twenty (120) days to relocate to another site) with Oas and presented a follow up to the Board on the status of the Economic Development Loan Agreement. **D. Gerry** asked if there were any leads of interested businesses to occupy this building. **J. Regetz** said wasn't aware of any and is doing the best he can to market the vacancy. The Board revisited the payment plan proposed by Oas at the April 2013 meeting. The general consensus of the Board was to accept the payment plan, request that accrued interest be paid in full, with future interest on the amount due to be included in the payment plan. Any missed payment would accrue a 5% interest charge and/or we will proceed with demand and foreclosure on the building. **R. Bray** questioned if we were just delaying the inevitable by taking this action. **D. Gerry** made reference to information Positron previously presented alleging they had technology contracts that would yield revenues beginning in September. **Gerry** asked the Board to wait until its September meeting to see what has transpired, if anything, from these contracts. The discussion concluded with **Chair Ward** acknowledging no vote would be taken and he would discuss the matter with Oas to initiate the

payment plan as presented in April 2013. When the time comes, **Chair Ward** and **D. Gerry** will talk about possibly having representatives from the ISU Accelerator visit with the PDA on the facility.

B. Hoku: Update on Bankruptcy Proceedings. **Chair Ward** asked if anyone had information to discuss regarding Hoku. **D. Gerry** asked **J. Regetz** if he had ever heard what happened with the company called JCS from Las Vegas, NV that showed interest. J. Regetz said JCS was supposed to submit a letter of credit with a purchase price and start date but that information was never received. **R. Bray** noted he thought JCS had been turned aside by the Bankruptcy Trustee. The Board discussed JH Kelly and their willingness to keep their options open for possible purchase of the facility for either development or sale. The Board will wait and see what develops.

3. Items from Staff:

A. Alameda Plaza Urban Renewal Plan: Discussion and Recommendation. **L. Crowell** presented a revised Alameda Plaza Urban Renewal Plan, hereinafter "Plan", which includes modified figures from the Bannock County and a new location, 303 East Alameda Road, formerly the "Skippers" Restaurant building (noted in the Plan Map in green). Crowell reports Geraldine's Bakery, currently located in Chubbuck, has a lease set to expire in the near future. Geraldine's representatives are in contact with General Growth, the owners of the Skippers building, for the possible purchase of this building. However, the building's HVAC system is not operable and Geraldine's believes it is necessary to demolish the existing building and rebuild a new facility. **D. Gerry** clarified that Crowell would like to include the Skippers property in the Plan in the event Geraldine's, or another prospective business, needs assistance with the demolition of this vacant inoperable building, at which time that request would be brought before the PDA for a vote. The Commissioners discussed the purpose of the Plan and its projects included in the TIF. **R. Bray** pointed out numerous businesses, private and corporate, that have demolished and rebuilt, relocated, or built in the Yellowstone/Alameda area in the last 15-20 years without requesting any assistance from the PDA and/or TIF Districts. **R. Bray** is concerned the PDA is helping the Developer of the former Albertson's building defray the demolition costs previously approved by the PDA and that a grant should have been given to the Developer instead of implementing a TIF. **Chair Ward** reiterated a motion passed at the June 26, 2013 PDA meeting to pay up to \$250,000, upon receiving qualified invoices, for the cost of demolition and that decision had already been relayed to the Developer. Whether or not a TIF is approved by the City Council and PDA is not contingent on this agreement with the Developer.

M. Orr questioned what projects were to be included in the Plan. **L. Crowell** explained there are a number of projects incorporated into the Plan's concept, including landscaping, covering the canal on Hiline, the possibility of a traffic signal at the Yellowstone and Canal intersection, and the demolition of the old Maverick Gas station. The traffic signal would be too costly for this Plan. The TIF will be created for a certain sum and for a 20 year tax roll repayment period but the projects that will be implemented under the Plan will individually be brought before the PDA and voted on accordingly. **D. Tranmer** confirmed that just because a project is listed in the Plan does not dictate that the project is being approved at the time the Plan is approved. The PDA Commissioners will have a vote to accept or reject each project listed therein. **D. Tranmer** summarized the process of implementing an Urban Renewal Plan. From here, the Plan will be approved by the PDA to be reviewed by the City Planning and Zoning Commission and with their recommendation to move forward, be presented to the City Council

in the form of a Public Hearing and Ordinance adopting the Plan and implementation of the TIF District. **MSC (D. Gerry, B. Blad; R. Bray opposes)** to recommend this Plan be presented to the City Planning and Zoning Commission for its analysis and recommendation to the City Council in the form of a Public Hearing and Ordinance, if approved.

B. Election of Tiffany Olsen to the position of Secretary: Darcy Taylor, former PDA Secretary, resigned her position with City of Pocatello Legal Department effective July 19, 2013. Tiffany Olsen is the new Paralegal/Legal Assistant to the City Attorney. It was **MSC (R. Bray, B. Blad)** for the election of Tiffany Olsen to the PDA Board's Secretary Position.

3. Executive Session:

Chair Ward called for a motion for the Board go into an executive session to discuss a matter regarding negotiations involving matters of trade or commerce in which the PDA is in competition with other jurisdictions. **It was moved and seconded (R. Bray, B. Blad)** 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, M. Orr and R. Ward; Nays: None**). The Board adjourned to executive session at approximately 12:36 p.m. The Board reconvened to regular session by **MSC (L. Fisher, M. Orr)**.

4. Adjournment:

There being no additional business, **it was MSC (B. Blad, D. Gerry)** to adjourn the meeting.