

**POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES**  
**December 18, 2014**

**Members present:** Brian Blad, Larry Fisher, Darlene Gerry, Cynthia Hill, Russell Meyers, Michael Orr, Ryan Ward, and Caroline Wight. John Regetz (ex officio)

**Members absent:** Linda Tigert

**Staff present:** Lon Crowell, Executive Director; Michael Jaglowski, City Public Works Director; Merrill Quayle, City Development Engineer; Dean Tranmer and Tiffany Olsen, City Legal Dept.; and Joyce Stroschein, City Finance Dept.

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

Introductions, Conflicts, and Agenda: There were no guests in attendance, no conflicts with the Agenda items, nor were there any deletions to the Agenda. Chair Orr moved Agenda Item No. 6 to be heard after the Financial Report.

**1. Action and Discussion Items:**

Agenda Item No. 1: Minutes. The Minutes of the regularly scheduled meeting of November 19, 2014 and the Special Meeting of November 25, 2014 were reviewed. It was **MSC (B. Blad, C. Hill)** to approve the Minutes as presented.

Agenda Item No. 2: Financial Report. **J. Stroschein** presented the Financial Report for the month of November 2014. At month end, the Authority had cash on hand of \$3,420,541.28. The checking account balance was \$2,674,570.27, the savings account was \$745,971.01 and cash held by Zions Trust amounted to \$1,479,675.87. The Authority recognized above average financial activity during the month. The Authority received revenues totaling \$2,906,790.47 of which \$984.88 was interest earnings on cash invested and property taxes. The \$1,000.00 payment received on the note receivable applied \$178.91 towards the principal of the note. Property tax revenue totaled \$1,105.75 for the North Yellowstone District. Administrative fee Transfer from the Districts into the General Fund totaled \$2,904,520.93. Expenses for the month totaled \$3,153,815.08. The Authority granted Gateway West monies toward the NOP District for rail upgrades in the amount of \$242,267.00. The City of Pocatello was reimbursed for the Balfour Beatty Rail, Inc. expense related to the rail design at the PRA TIF District in the amount of \$4,489.10. Dues for the Redevelopment Association of Idaho were paid in the amount of \$2,250.00. The administrative expenditures in the amount of \$2,904,808.98 included transfers to the General Fund for the administrative fees in the TIF Districts for \$2,904,520.93, publication expense from July 2014 in the amount of \$112.31, and the remaining amount of \$175.74 was for lunch. Year to date revenues of \$2,909,059.99 are not greater than the expenses of \$4,219,385.34. The General Fund District has a net income of YTD of \$2,901,835.28. It was then **MSC (B. Blad, R. Ward)** to approve the Financial Report as presented.

Agenda Item No. 3: Construction Update on Airport Development Project by Michael Jaglowski. Michael Jaglowski presented highlights from the last PDA meeting on construction at the Airport included the implementation of a design team involving City Staff. Concept and preliminary plans are expected to be completed in January 2015. The plans will then be submitted to the regulatory agencies for approval in February 2015. Bid packages are expected to be issued in March and bid openings and awards in April 2015. The City utility departments are expecting to be completed with the construction/upgrades prior to the Street Department which has an anticipated completion timeline of October 2015.

Agenda Item No. 3: Payment Requests/Reimbursements. Merrill Quayle presented two invoices from Balfour Beatty Rail, Inc. in the amount of \$4,292.75 and \$533.00 for the 10% rail design within the PRA TIF District. At the PDA's last meeting, the Board approved the change order and these invoices are in accordance with the terms contained therein. After some clarification on why the City is owed the refund, Quayle reiterated his request that the PDA issue reimbursement to the City of Pocatello since the contract with Balfour Beatty is with the City. The request for payment is scheduled for the City Council meeting on December 19, 2014. Once the City issues payment, PDA will issue reimbursement to the City. It was then **MSC (R. Meyers, B. Blad)** to approve reimbursement to the City, once the City has issued payment to Balfour Beatty Rail, Inc., in the amount of \$4,825.75.

Agenda Item No. 4: Approval of Loan Documents with Citizens Community Bank for \$5,750,000.00 for Payment of Infrastructure Improvements within the Pocatello Regional Airport TIF District.

Several members raised concern with sections of the proposed loan documents. (1) **L. Fisher** pointed out that the Promissory Note states that the loan will be payable upon demand. **D. Gerry** agreed that stipulation cannot be met since we need the increment to pay the loan. **R. Ward** clarified that is upon default. (2) Fixed Interest Rate. **L. Fisher** noted the rate is variable for the first two years and then fixed at 3.25% beginning in year three. He understood the loan to be fixed at 3.25% for the first two years and again at 3.25% in year three. (3) **D. Gerry** felt there was no need to execute the Commercial Security Agreement since there was no requirement for collateral in CCB's proposal. **J. Stroschein** reminded the Board she was going to place one payment in a reserve account at CCB although there was no collateral or security required by CCB. **L. Crowell** commented that throughout the documents, the term "real property" was being used as collateral. This is not suitable since the PDA doesn't own the real property.

**Chair Orr** asked if there was any recourse if Pipe pulls out of the Lease Agreement in 6 months or 1 year and the loan agreement has been executed. He wondered if there could be any repayment of the funds expended to that date. **L. Fisher** questioned if Pipe could make the loan payments until the City/PDA was able to secure another tenant for the location? **D. Gerry** asked if there are any infrastructure deadlines or ramifications in a Development Agreement. **D. Tranmer** explained a Development Agreement had not been requested or prepared by the Legal Department. He understood Pipe may be preparing the document but he would need to check with Pipe's attorneys.

Given the number of concerns pertaining to the loan documents and questions surrounding a Development Agreement, it was **MSC (D. Gerry, C. Hill)** to postpone the execution of the loan documents at this time. If the loan documents are revised and Lease/Development Agreement concerns addressed before the PDA's next regularly scheduled meeting in January, a Special Meeting will take place.

Agenda Item No. 5: Idaho Power Construction Agreement and Approval to Purchase Transformer. **L. Crowell** asked if the Board would consider approving the Construction Agreement with Idaho Power and give its approval to purchase the transformer on the condition that this action would occur when the loan documents with CCB were executed to prevent additional delay in the transformer bid process. **D. Gerry** and **B. Blad** stated that since the PDA will have to meet again to discuss the revised loan documents, the Idaho Power documents can be addressed at that time. **C. Wight** and **R. Meyers** agreed with **Gerry** and **Blad** therefore no action on this agenda item was taken.

**2. Adjournment:**

There being no additional business on the Agenda and no matters for executive session, it was **MSC (R. Ward, R. Meyers)** to adjourn the meeting at 12:05 p.m.

By:   
Tiffany G. Olsen, Secretary