

POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES
February 18, 2015

Members present: Brian Blad, Larry Fisher, Darlene Gerry, Cynthia Hill, Russell Meyers, Michael Orr (Chair) (late at 11:15am), Linda Tigert, Caroline Wight and John Regetz (ex-officio)

Members absent: Ryan Ward

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

Vice Chair Meyers called the meeting to order at 11:04 a.m.

Introductions, Conflicts, and Agenda: Guests in attendance included Doran Lambson with Deaton and Company, David Allen, Airport Manager, Michael Jaglowski, Public Works Director, and Cindy McCullough, Planning and Zoning Administrative Assistant. There were no conflicts with the Agenda items, nor were there any deletions to the Agenda. Vice Chair Meyers moved Agenda Item No. 7 to be heard after the Agenda Item No. 2 at the request of Michael Jaglowski.

1. Action and Discussion Items:

Agenda Item No. 1: 2014 PDA Annual Report. L. Crowell presented the Pocatello Development Authority 2014 Annual Report, pursuant to Idaho Code §50-2006(c) via Public Hearing at 11:07 a.m. There were no comments given either in person or in writing from any members of the public. The Public Hearing was closed at 11:08 a.m. **It was MSC (B. Blad, L. Tigert)** to accept the 2014 PDA Annual Report.

Agenda Item No. 2: FY2014 Comprehensive Financial Audit Report by Deaton and Company. Doran Lambson, Auditor for Deaton and Company, provided an introduction to the Comprehensive Annual Financial Report for the year ending September 30, 2014. Lambson explained that in Deaton's opinion, the financial statements referred to in the audit present fairly, in all material respects, the respective financial position of the urban renewal activities and each major fund of the Pocatello Development authority for the 2014 fiscal year, in conformity with accounting principles generally accepted in the U.S. Lambson advised that based on his test of a sample of PDA records the Authority is not out of compliance, and there are no material issues or deficiencies of the internal control over financial reporting. **J. Stroschein** presented a page by page summary of the financial audit.

Agenda Item No. 7: Brief Construction Update on Airport Development Project by Michael Jaglowski. Michael Jaglowski, City Public Works Director, reviewed the status of the water, sewer and street maintenance improvements at the Airport. The water is the largest project and the design is complete. Once the EPA approves the submittal the work will begin. Said work should be completed by December 1. Several gravity collection sewer lines have been identified for rehabilitation. This project is expected to be completed 60 days after commencement. The streets will be resurfaced with an overlay/micro-surface material. It is anticipated to be completed 60 days after commencement; hoping for anytime between now and July. **Chair Orr** asked if the expansion improvements were still moving forward. Jaglowski explained not at this

time; it will take approximately 120 days of construction to complete. In order to complete the expansion project by January 1, work will need to commence no later than August. **Chair Orr** asked for clarification on the water tank; was a half million gallon tank going to be sufficient? Jaglowski reiterated the proposed tank size would be necessary for today's development; if future development (2020-2030) demands, the tank size could be expanded to a million gallon tank. **Chair Orr** asked if Project Pipe doesn't come to the Airport, will the project move forward? **B. Blad** responded the City would still move forward with the maintenance portion of the improvements as those are solely the City's responsibility. **Chair Orr** clarified the PDA would not be asked to reimburse the City for any maintenance expenses and Jaglowski and **B. Blad** confirmed.

Agenda Item No. 3: Minutes. The Minutes of the regularly scheduled meeting of January 21, 2015 were reviewed. It was **MSC (D. Gerry, C. Hill)** to approve the Minutes as presented.

Agenda Item No. 4: Financial Report. **J. Stroschein** presented the Financial Report for the month of January 2015. At month end the Authority had cash on hand of \$5,767,096.89. The checking account balance was \$3,541,381.86, the savings account was \$746,009.03, and cash being held by Zions Trust amounted to \$1,479,706.00. The PDA recognized major financial activity during the month of January 2015. The Authority received revenues totaling \$869,783.78 of which \$2,143.69 was interest earnings on cash invested and property taxes. The \$1,000.00 payment received on the note receivable applied \$180.41 towards the principal of the note. Property tax revenue totaled \$867,459.68 for the North Yellowstone, Naval Ordnance, North Portneuf and the Pocatello Regional Airport Districts. Expenses for the month totaled \$4,982.52. The expenses included a reimbursement of \$4,825.75 to the City of Pocatello for the rail design at the Pocatello Regional Airport TIF District. The remaining expense is for \$156.77 was an administrative expenditure for lunch. Year to date revenues of \$3,781,111.85 are not greater than expenses of \$4,224,557.46. The General Fund District has a net income year to date of \$2,901,526.93. It was **MSC (R. Meyers, C. Hill)** to approve the Financial Report as presented.

Agenda Item No. 5: Payment Requests/Reimbursements.

- (A) **It was MSC (D. Gerry, B. Blad)** to issue payment to Zions Bank for the Annual Trustee Fee for the PDA Revenue Allocation Refunding Bonds 2012 Series.
- (B) **It was MSC (L. Tigert, C. Hill)** to issue payment to the Idaho State Journal in the amount of \$68.59 for the publication fees for the 2014 PDA Annual Report.
- (C) RAI Legislative Legal Fund Request for Donation of \$8,500.

L. Crowell explained the firm of Elam and Burke (E&B) in Boise is representing the RAI in conducting research and writing code for this legislative session. Due to previous donation requests by the RAI, L. Crowell suggested the PDA pay a percentage upon receipt of each invoice for work completed by E&B. **Chair Orr** asked if all other Development Authority's listed confirmed their contribution. L. Crowell wasn't positive but understood that most would; if there was insufficient funding, E&B would stop working on this effort. E&B has already donated hundreds of thousands of dollars to this cause. **R. Meyers** believes doing our fair share is appropriate as each percentage assigned is based on the Authority's size/revenue. **D. Gerry** noted L. Crowell's suggestion would cause a great deal of additional work for the staff at E&B and could be difficult to track. She believes the PDA should contribute up to the suggested amount and should issue payment upon L. Crowell, the RAI Vice Chair, being satisfied with the

work performed. R. Meyers asked to amend the word "appropriate" to "equitable". **It was MSC (D. Gerry, B. Blad)** to issue payment up to \$8,500 (the PDA's equitable share) to the RAI for the 2015 Legislative Fund given the work by Elam and Burke meets with L. Crowell's satisfaction.

(D) Airport TIF District Expenses:

1. David Allen, Airport Manager, requested reimbursement to the City in the amount of \$3,857.50 for a Categorical Exclusion Report by TO Engineers to address environmental impacts of proposed maintenance infrastructure improvements within the Airport TIF District. After much discussion, L. Crowell asked the Chair to pull this agenda item due to previous statements made in Agenda Item No. 7 above wherein **B. Blad** and M. Jaglowski asserted all maintenance improvements are the City's responsibilities and reimbursement would not be requested by the PDA. **Chair Orr** pulled the agenda item.
2. David Allen, Airport Manager, requested payment to TO Engineers in the amount of \$15,850.00 for Phase 1 Environmental Analysis Non-AIP Project for Project Pipe within the Airport TIF District. L. Crowell reiterated this analysis is strictly for Project Pipe and will define what type of reporting we will complete to meet the FAA'S specifications. If it is determined a Categorical Exclusion is acceptable, the costs will be similar to the maintenance portions (approximately \$3,800-\$4,000) and the turnaround time is only a few weeks. However, if a full Environmental Analysis is required, the costs are unknown and the timeframe for the report is six to eight months. **L. Tigert** asked if power should be included in Exhibit "A". The Board called TO's Engineer, Chris Pomeroy, who said it was no problem to add power to the scope of work. **D. Gerry** pointed out that completing this report doesn't mean the PDA has to move forward so there isn't much choice in the matter; we either develop the Airport or not. Given the Board's agreement with that statement, **it was MSC (R. Meyers, B. Blad)** to issue reimbursement to the City, upon the City issuing payment to TO Engineers, in the amount of \$15,850.00 for Project Pipe's Phase 1 Environmental Analysis Non-AIP Project.

Agenda Item No. 6: Ratification of Email Vote Regarding Positron, Inc.'s filing for Judicial Foreclosure. All Board Members voted in favor of moving forward with the judicial foreclosure in regards to Positron, Inc. No additional action is necessary at this time.

Agenda Item No. 8: Update by Chair Orr and Joyce Stroschein regarding Project Pipe. **C. Hill** asked if Project Pipe is still coming, have they adjusted their expectations since it is now mid-February and how is this project going to be completed in such a short timeframe. **B. Blad** updated the Board on a phone call held on Friday, January 23, with **Chair Orr**, L. Crowell and **B. Blad** with Project Pipe's officials. Pipe confirmed its interest in locating in Pocatello so we are still on board for this project. Pipe continues to acknowledge Idaho Power's need for 56 weeks to obtain and install the transformer. Pipe was uncertain as to the status of the lease agreement with the City. It was agreed that the execution of the lease agreement with the City and the PDA loan documents with CCB would be occur simultaneously. **Chair Orr** offered on the behalf of PDA to fund the rail to Pipe's door, an estimated cost of \$400,000. L. Crowell reiterated there are still outstanding issues with the FAA and explained it will be a long process to remove the Airport land from the ALP. The FAA will not agree to a lease term beyond 50 years; Pipe wishes for a 50 year base lease and an option to extend for two 25 year renewals. Until the land is removed from the ALP, this may be a deal breaker. **J. Stroschein** reviewed her email of February 4, 2015 summarizing the tax evaluation assessment is still financially

acceptable with Pipe's projected \$18M project, but will require monitoring to respond to potential issues in the early years of the loan. The PDA General Fund may be required to transfer funds to the Airport TIF District to cover any insufficient amounts.

Other: L. Crowell added for the Board's information that a fully executed Demolition Agreement had been received for the former Albertson's building owned by Howard Hughes Corporation. The work should begin this late spring/early summer.

2. Adjournment:

There being no additional business on the Agenda and no matters for executive session, it was MSC (C. Hill, B. Blad) to adjourn the meeting at 12:57p.m.

By: Tiffany G. Olsen
Tiffany G. Olsen, Secretary