

POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES
April 20, 2016

Members present: Brian Blad, Steve Brown, Chad Carr, Larry Fisher, Cynthia Hill, Devin Hillam, Thomas Ottoway, Scott Smith (Chairman) at 11:25 am, and John Regetz with Bannock Development Corporation (ex-officio)

Members excused: Russell Meyers

Members absent: Howard Manwaring

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 Carr called the meeting to order at 11:06a.m.

Introductions, Conflicts, and Agenda: There were no conflicts disclosed and there were no deletions made to the agenda. Matthew Godfrey and Adam Hughes with Better City, Inc. arrived at 11:22 a.m. related to Agenda Item No. 10.

1. Action and Discussion Items:

Agenda Item No. 1: Minutes. The Minutes of the regularly scheduled meeting of February 16, 2016 and the Special Meeting of March 11, 2016 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 Reports for the month of February 2016. At the end of February, the Authority had cash on hand of \$5,940,104.33. The checking account balance was \$2,906,031.93, the savings account was \$746,250.65 and cash being held by Zions Trust amounted to \$2,287,821.75. The PDA recognized normal financial activity during the month. The Authority received revenues totaling \$26,976.14 of which \$1,403.34 was interest earnings on cash invested, notes, and property taxes. The \$1,000 received on the note receivable applied \$190.44 towards the principal of the note. Property tax revenue totaled \$1,236.96 for the North Yellowstone District, \$23,848.32 for the Naval Ordnance District and \$297.08 for the North Portneuf District. Expenses paid for the month totaled \$116.36 for lunch provided at last meeting. The Authority paid a semiannual debt service payment for interest totaling \$73,729.50 for the bond on the North Yellowstone District. Legal fees for the North Portneuf District were \$618.00. At the end of March, the Authority had cash on hand of \$5,970,505.41. The checking account balance was \$2,936,251.06, the savings account was \$746,269.56, and cash being held by Zions Trust amounted to \$2,287,984.69. The PDA again recognized normal financial activity during the month. The Authority received revenues totaling \$30,488.80 of which \$2,163.36 was interest earnings on cash invested, notes, and property taxes. The \$1,000 received on the note receivable applied \$191.23 towards the principal of the note. Property tax revenue totaled \$25,352.31 for the North Yellowstone District and \$2,781.90 for the North Portneuf District. Expenses paid for the month totaled \$87.72, \$79.18 for food provided at the Special Meeting and \$8.54 for the bank service fee. Year to date revenues of \$1,043,476.53 are greater than the expenses of \$787,952.49. Overall net income of \$255,524.04. As a reminder, a net loss indicates the use of cash reserves in the balance sheet. It was then **MSC (C. Hill, S. Brown)** to approve the February and March 2016 Financial Reports as presented.

Agenda Item No. 3: Vote to approve Devin Hillam, Bannock County Planning Director, to replace the County Commissioner's seat previously held by Howard Manwaring, as the Bannock County Commissioner's designee, which seat's term expires on August 20, 2019.

It was MSC (**B. Blad, C. Hill**) to approve Devin Hillam, the Bannock County Planning Director, as the County Commissioner's designee on the Board.

Agenda Item No. 4: Payment Requests/Reimbursements. It was MSC (**S. Brown, B. Blad**) to approve items 4(a) thru 4(e). **J. Stroschein** will prepare the checks and have Sue Timpson, in Finance, sign as the second signature.

(a) Idaho Accelerator Center Utilities:

1. November \$1,113.87
2. December \$1,157.59
3. January \$1,211.83

(b) Idaho State Journal Publication of the Annual Public Hearing in the amount of \$72.17.

(c) RAI remaining contribution in the amount of \$5,000 to total the \$10,000 requested amount.

(d) Valuation Services, Inc., in the amount of \$7,400 for the second appraisal of the Airport property (PDA authorized up to \$10,000 at the September 2015 meeting)

(e) Craig Christensen, Attorney for the PDA re: Positron Foreclosure Proceedings, invoice dated March 28, 2016 in the amount of \$11,645.50.

Agenda Item No. 5: Discussion and Approval of Items Related to the North Portneuf District.

It was MSC (**B. Blad, C. Hill**) to approve the Second Amendment to Assignment and Amendment of Land Lease Agreement and Release of JH Kelly, LLC extending the closing date to April 15, 2016. T. Olsen presented the Third Amendment to Assignment and Amendment of Land Lease Agreement and Release of JH Kelly, LLC extending the closing date to June 30, 2016. **B. Blad** requested the PDA consider asking for a penalty for the 3rd extension of time and reiterated that JH Kelly is received daily penalties related to the APA. **C. Carr** asked if these continuous extensions were hindering the marketability of the facility. **B. Blad** explained it was, we were not currently marketing the facility because it is under contract. Some discussion was held regarding the ability of the Lessee to remove all equipment and return the property to bare ground by January 17, 2017 as it currently provides for in the JH Kelly lease with all of these extensions of time having occurred. It was MSC (**B. Blad, D. Hillam**) to execute the Third Amendment once the PDA receives the first year's lease payment of \$20,000 and includes a penalty provision of \$1,000 per month, beginning April 15, 2016 until closing occurs. It was MSC (**S. Brown, B. Blad**) to approve, as to substance and form, the Real Estate Rental Agreement related to the property. Lastly, **L. Crowell** presented the concept of a shared stormwater retention pond between the Great Western facility and the Hoku property. Although the Great Western property is not within the TIF District, it does cross the TIF boundary line and will be on a portion of the Hoku property. Costs are not known at this time nor is how the pond will be maintained once constructed. **M. Quayle** stated maintenance should be minimal but it is appropriate for a shared maintenance agreement to be entered by the parties. **L. Crowell** and **M. Quayle** will gather more information and revisit the topic at the next meeting.

Agenda Item No. 6: Positron Building Furnace/Water Damage Claim Update. **L. Crowell** stated the fire suppression system repairs were set to be made this week. There will be a little bit of sheetrock and trim work left to complete in the following week. T. Olsen relayed the PDA's

deductible is \$500 (not the \$2,500 previously represented). Once the claim is complete, T. Olsen will request a check from the PDA in the amount outstanding and the claim will be closed.

Agenda Item No. 7: Positron Building Request to Sublease to ISU. L. Crowell received a call from Jon Stoner, the Director of the Idaho Accelerator Center, asking if they could locate a project within the Positron side of the IAC building on Alvin Ricken. Apparently, the IAC lost a major contract with the military and needs to minimize expenses previously paid for rent for an area within the Airport property. Their set up/work area would be as such that they could easily remove their equipment within 30 days if the PDA had a Lessee/potential buyer for the facility. S. Smith asked if ISU would be able to cover the utilities as a part of the rental obligation. L. Crowell stated the Board could consider a marketable rental rate and it could cover the utilities as well. He advised the Board that ISU IAC is working with Idaho Power to install a more cost effective and efficient electrical system at the building that is expected to lower the electricity bills, dramatically. S. Smith asked for this request and an offer to be made in writing for a subsequent meeting. L. Crowell will coordinate with ISU.

Agenda Item No. 8: Gateway West's Request for Funds Regarding Power within the NOP District. M. Quayle presented Gateway's request for funds regarding power upgrades within the NOP District. Buildings 10, 36, 37 and 38 are all tied into the same electrical source and the system is approaching the end of its useful life. Mr. Swift desires to have each of these buildings on its own individual electrical course independent from one another. This will production in the other building(s) to continue if there is a power failure in another building. Idaho Power has evaluated the system and the total bid is \$314,570.67 for the upgrade. B. Blad cautioned the PDA from making a contribution to the system as the PDA has previously provided assistance with the railroad upgrades, road work and is not the easiest person to work with when needed. L. Crowell reminded the Board we are still requesting a 10 year plan from Swift for the Gateway facility. S. Smith mentioned loaning Swift the money or potentially even closing the TIF. S. Brown thought this topic is worth having a discussion with the business owners within the plant to see how much of an issue this is to them. If it is vital to the business owners, C. Carr mentioned granting half and loaning half to complete. L. Crowell reminded the Board that the money spent within the TIF has not been spent frivolously. There have been many worthwhile projects and upgrades made that have truly made a difference within the TIF. L. Crowell asked for the item to be placed on the May Agenda with information obtained by City Staff as to the business owner's positions on the power upgrade and a timeframe of which to expect the 10 year plan from Swift.

Agenda Item No. 9: RAI Update/Legislative Review. L. Crowell summarized the first bill attached, HCR017, which created the interim committee. It indicated the purpose was to address the issues of urban renewal, modernize the process and provide local units of government with economic development tools. The approved bill did none of these things. The Bill, HB606E2, had 5 major changes to urban renewal law. 1st; allows for local government to require election of agency board. This is bad because any debt from elected body under Idaho law would require a general election. 2nd; added word "specificity" required in plan which is arbitrary and will cause litigation. 3rd; added language not allowing Increment to be used for certain public buildings which it listed and then put restraints on financing requiring an election. This will possibly end in a lawsuit for Twin Falls. 4th; added more specific language, process required and a lot more penalties related to annual reporting which will hurt the smaller URA's. Finally, the last is more detailed description of construction roll definitions for Assessors purposes. In the end, the

interim committee had a bill that was accepted by everyone involved and the House leadership changed it before the Senate considered it. Senate sent it back to house to amend to former and the House pushed it through as they wanted it. Not sure if the politics involved in that decision. **L. Crowell** also expanded on his involvement with the legislature as VP of RAI. He travelled to meet Utah legislators with Idaho Legislature to look at various options for urban renewal. They were looking at separating economic development, removal of blight and community or neighborhood development with different options available for each category.

Agenda Item No. 10: Presentation by Better City regarding the preparation of a Strategic Economic Development Plan.

L. Crowell introduced Matthew Godfrey and Adam Hughes of Better City, Inc. Mr. Godfrey was the youngest elected Mayor ever in the State of Utah and turned Ogden City from a blighted city into a vibrant and successful community. Matthew and Adam briefly presented their company's background and examples of successful projects. The projects were developed through the creation and implementation of economic development strategic plans. The company project city's locations were various however they only presented Ogden, Utah and another in Ohio including; neighborhood, downtown, industrial park and river revitalization projects. The Ogden Depot industrial park helped brand Ogden into the "outdoor and recreation town" it is today, attracting various outdoor sports giants such as Solomon, Rossignol, Scott and many others. Matthew summarized the process moving forward if the PDA was interested in hiring Better City to create an economic development strategic plan for the City which included public comment, citizen and politician interviews, surveys, university involvement and timeframes for said work. The City will also have the opportunity to hire Better Cities to fully implement their plan. A similar presentation will be made to the members of Bannock Development Corporation at a later date.

2. Adjournment: There being no additional business and no need for an executive session, the meeting adjourned at 1:08 p.m. by **MSC (B. Blad, S. Brown)**.

By: 
Tiffany G. Olsen, Secretary