

**POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES**  
**December 21, 2016**

**Members present:** Brian Blad (11:10 a.m.), Steve Brown, Chad Carr, Larry Fisher, Devin Hillam, Russell Meyers Scott Smith (Chairman), and Scott Turner.

**Members excused:** Thomas Ottaway

**Staff present:** Dean Tranmer and Tiffany Olsen, City Legal Dept.; Merrill Quayle, Development Engineer, Melanie Gygli, Interim Planning and Development Services Director, Joyce Stroschein, Treasurer; and John Regetz with Bannock Development Corporation (ex-officio).

**Chair Smith** called the meeting to order at 11:03 a.m.

**Introductions, Conflicts, and Agenda:** There were no conflicts disclosed and there were no deletions made to the agenda. Guests included Doran Lambson from Deaton & Company (left at 11:12 a.m.)

**1. Action and Discussion Items:**

**Agenda Item No. 1: FY2016 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, 2016. 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 2016 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. It was **MSC (D. Hillam, R. Meyers)** to adopt the FY2016 Comprehensive Financial Audit Report as presented.

**Agenda Item No. 2: Financial Report.** **Joyce Stroschein** presented the financial report for the month of November 2016. At month end, the Authority had cash on hand of \$6,304,162.56. The checking account balance was \$3,343,297.36, the savings account was \$746,419.34, and cash being held by Zions Trust amounted to \$2,514,445.86. The PDA recognized normal financial activity for the month. It received revenues totaling \$37,053.67 of which \$5,264.22 was interest earnings on the cash invested and property tax remitted. Rental income from the Positron facility was received in the amount of \$750.00. Property taxes for the North Yellowstone District was received in the amount of \$31,039.45. The transfers in revenue represent the administrative cash movements between the different districts and totaled \$165,955.64. Expenses for the month totaled \$3,029.86. The administrative expenses were \$179.86 for the lunch meeting. Professional service expense for the deposit on the appraisal at the Hoku site was \$2,000 and the PDA expended \$850.00 for dues with the Redevelopment Association of Idaho for the fiscal year of 2017. Year to date revenues of \$203,009.31 are less than the expenses of \$168,985.50. Overall net income is \$34,023.81. It was **MSC (S. Brown, B. Blad)** to approve the November 2016 financial report as presented.

**Agenda Item No. 3: Minutes.** The Minutes of the Regular Meeting and Executive Session on November 16, 2016 were reviewed. It was **MSC (C. Carr, S. Turner)** to approve the Minutes as presented.

**Agenda Item No. 4: Payment Requests/Reimbursements.** **T. Olsen** requested payment of \$3,000 to Free & Associates, the appraisal firm that completed the analysis on the Hoku property. This brings the total appraisal fee to \$5,000. It was **MSC (C. Carr, R. Meyers)** to approve payment to Free & Associates in the amount of \$3,000.

**Agenda Item No. 5: Project Updates.**

- (a.) **DeRive Power:** **T. Olsen** advised the Board she received a fully executed copy of the Economic Development Grant Agreement from DeRive on November 21, 2016. DeRive will compile the employee statistics in compliance with the Agreement before the grant of \$100,000 will be issued. **T. Olsen** will advise when that request has been made and the employee statistics have been received.
- (b.) **The Bridge BLGL, LLC:** **T. Olsen** advised that on December 8, 2016 M. Quayle and Steve Walling, the City's Electrical Inspector, performed an inspection and walk-thru of the restaurant. All upgrades to the electrical system for the main floor were determined to have been made appropriately and were operational. The grease interceptor (trap) was located in the basement. Quayle approved of the inspection. On December 12, 2016, **T. Olsen** and M. Quayle performed an inspection and walk-thru of the restaurant to ensure that the kitchen equipment identified in the Sales Agreement with Portneuf Valley Investment Partners, LLC were all installed and operational per the terms of the Loan Agreement. **T. Olsen** asked the Board for approval to pay the Grant and Loan as specified in the Agreement. It was **MSC (C. Carr, B. Blad)** to issue the Grant of \$25,000 for the electrical and grease interceptor work and to issue the loan of \$26,000 to Portneuf Valley Investment Partners, LLC for the relocation and installation of the kitchen equipment. **Chairman Smith** asked what the terms were for the repayment of the loan? **T. Olsen** provided that the Agreement stated the full amount of the loan, with interest of prime plus 1% beginning in the 2<sup>nd</sup> year, would be paid within 5 years from the date the loan was issued. The Board questioned if quarterly or annual payments would be more appropriate. It was determined to be an oversight by the Board in their review and approval of the Agreement. **T. Olsen** was directed to prepare an Addendum to the Contract with the repayment to be made quarterly and have the same executed with the delivery of the check.
- (c.) **Quik & Kleen Bond Claim:** **T. Olsen** advised the PDA received payment from State Farm Fire and Casualty on December 8, 2016 in the full amount of the claim of \$6,450.00 and the claim has been closed.
- (d.) **VA Metals, LLC:** **T. Olsen** advised the appraisal has been received from Free & Associates with a land value (without improvements or infrastructure) of \$1,030,000. The property was valued in a hypothetical condition of being vacant with no improvements or infrastructure in place at \$15,023 per acre. The appraisers were not provided with an estimate for the demolition costs for the buildings and therefore based their estimate of \$1.2M on the Marshall Valuation Manual which targeted an average of \$8.00 per square foot for demolition. With the administration, control/maintenance, post processing, reactor and waste treatments buildings being evaluation at this average, it totaled \$1.15M with the addition of 5% for an

entrepreneurial incentive (which is required for a developer to demolish existing improvements). They analyzed the market area data, property-specific market data, zoning land-use data and current data on comparable listings and transactions. They also interviewed people familiar with the subject property. They provided 6 comparable properties which were summarized. **Chairman Smith** asked T. Olsen to contact VA's attorneys and Gary Free to see if a revised appraisal could be performed to take into account the infrastructure improvements, specifically the power source, on the property to add to the value noted in the appraisal. **T. Olsen** also advised the Board she understood the gap assessment to be completed in the next 6 weeks or so. She will continue to keep in contact with Ben Krause, the facility manager, and VA's attorneys to ensure the project continues to move forward. **C. Carr** asked M. Quayle about the stormwater retention ponds and if the City had decided to move forward with one shared pond or two smaller separate ponds. **M. Quayle** advised it was his opinion 2 separate ponds would be desirable and given the respective infiltration rates, a smaller pond could be utilized and still meet the specifications of the Storm Water Manual. When greater detail is known, M. Quayle will provide the Board with an update.

## 2. Executive Session:

**Chair Smith** then called for a motion for the Board to 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 (B. Blad, R. Meyers)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(e). **The motion passed** by roll call vote (**Ayes: Brown, Blad, Carr, Fisher, Hillam, Meyers, Smith and Turner; Nays: None**). The Board adjourned to executive session at approximately 11:30 a.m. Potential businesses who are interested in relocating to the Pocatello area and are in competition with other jurisdictions were discussed. The Board reconvened to regular session at 12:11 p.m.


## 3. Action and Discussion Items:

**Agenda Item No. 6: Discussion and Consideration of Project 16-25:** This item was not discussed.

**Agenda Item No. 7: Discussion regarding Goals and Projects of the PDA:** **Chairman Smith** encouraged the Board to think about where it would like to see the Board taking action in the next year. This action could be inside a TIF District or even a project within the PDA's jurisdiction. He thought a more proactive approach could be discussed at the next meeting and would like the Board's input at that time.

## 4. Adjournment:

There being no additional business, the meeting adjourned at 12:18 p.m.

By:   
Tiffany G. Olsen, Secretary

**POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES**  
**MEETING EXECUTIVE SESSION**  
**December 21, 2016**

**Members present:** Brian Blad (11:10 a.m.), Steve Brown, Chad Carr, Larry Fisher, Devin Hillam, Russell Meyers, Scott Smith (Chairman), and Scott Turner.

**Members absent:** Thomas Ottaway

**Staff present:** Dean Tranmer and Tiffany Olsen, City Legal Dept.; Merrill Quayle, Development Engineer, Melanie Gygli, Interim Planning and Development Services Director, Joyce Stroschein, Treasurer; and John Regetz with Bannock Development Corporation (ex-officio).

The Board of Commissioners adjourned from regular session into executive session at 11:30 a.m. pursuant to I.C. §74-206(1)(e) to discuss negotiations involving matters of trade or commerce in which the PDA is in competition with other jurisdictions. **It was moved and seconded (B. Blad, R. Meyers)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(e). **The motion passed** by roll call vote (**Ayes: Brown, Blad, Carr, Fisher, Hillam, Meyers, Smith and Turner; Nays: None**). Potential businesses who are in competition with other jurisdictions were discussed. The Board reconvened to regular session by **MSC (B. Blad, R. Meyers)** at 12:11 p.m.

By:   
Tiffany G. Olsen, Secretary