

POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES
January 18, 2017

Members present: Brian Blad (arrived at 11:25 a.m.), Chad Carr, Larry Fisher, Devin Hillam, Russell Meyers (via phone until 11:50 a.m.), Thomas Ottaway, Scott Smith (Chairman), and Scott Turner.

Members absent: Steve Brown

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 Mike Ennis with Bannock Development Corporation (ex-officio).

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

Introductions, Conflicts, and Agenda: There were no conflicts disclosed and there were no deletions made to the agenda. Guests included Heidi Adamson and Michael Orr (arrived at 11:10 a.m.).

1. Action and Discussion Items:

Agenda Item No. 1: Minutes. The Minutes of the Regular Meeting and Executive Session on December 21, 2016 were reviewed. It was **MSC (D. Hillam, S. Turner)** to approve the Minutes as presented.

Agenda Item No. 2: Financial Report. **Joyce Stroschein** presented the financial report for the month of December 2016. At month end, the Authority had cash on hand of \$6,301,719.30. The checking account balance was \$3,340,642.66, the savings account was \$746,438.36, and cash being held by Zions Trust amounted to \$2,214,638.28. The PDA recognized normal financial activity for the month. It received revenues totaling \$27,411.44 of which \$211.44 was interest earnings on the cash invested. Rental income from the Positron facility was received in the amount of \$750.00. Rental payment from VA Metals was received in the amount of \$20,000.00. The bond claim at the Positron Facility was resolved and the PDA received reimbursement in the amount of \$6,450.00. The administrative expense was \$104.70 for the lunch meeting. Professional service expenses included the deposit on the appraisal for the Hoku site in the amount of \$3,000.00 and the PDA expended \$26,000.00 on the Economic Development Loan Agreement with the Bridge Restaurant. Year to date revenues of \$231,967.06 are more than the expenses of \$203,945.20. Overall net income is \$28,021.86. **T. Ottaway** questioned the interest earned on the cash invested. **J. Stroschein** explained that she has been given authority from the Board to invest the monies within the North Yellowstone District to get a better rate of return. She noted there is little interest earned in the General Fund as those monies are within the bank account system. It was **MSC (L. Fisher, T. Ottaway)** to approve the December 2016 financial report as presented.

Agenda Item No. 3: Payment Requests/Reimbursements. **J. Stroschein** requested payment of \$2,000 Zions Bank for the Annual Trustee Fee related to the 2012 series refunding bonds. It was **MSC (D. Hillam, S. Turner)** to approve payment to Zions Bank in the amount of \$2,000.00.

Agenda Item No. 4: Project Updates.

- (a.) **Positron Facility:** **T. Olsen** advised that attorney Craig Christensen prepared a Sheriff's Deed to be filed with the Court since the 6 month redemption period ended in January 2017. Curtis Smith with Alliance Title has approved the deed as well as attorney Dean Tranmer. T. Olsen will advise the Board once the facility has legally been recorded in the PDA's name. The PDA should receive one final bill from Mr. Christensen in the near future.
- (b.) **The Bridge BLGL, LLC:** **T. Olsen** advised that on January 3, 2017, she met with Lisa Willmore of the Bridge and secured her signature on the Promissory Note contained within the Agenda materials. She also met with Mike Heberlein (Portneuf Valley Investment Partners) and delivered the PDA's check for \$26,000 as payment under the terms of the loan portion of the EDLA and delivered the check for \$25,000 to Old Federal Associates (Dick and Ann Carroll) as payment under the terms of the EDGA.
- (c.) **Petersen Inc. semi-annual Economic Development Grant Agreement benchmark report.** **T. Olsen** provided the semi-annual Economic Development Grant Agreement benchmark status for Petersen, Inc. She reminded the Board that pursuant to the terms of their Agreement with the PDA, they shall employ no less than 50 full time employees earning an average wage of no less than \$14 per hour for 15 years (until March 2026). As of January 1, 2017, they have 59 full time employees, 54 of those are paid more than \$14 per hour with an average wage of \$22.32. Business is strong as they have won several bids as of late. T. Olsen will request the next semi-annual report in July.

Agenda Item No. 5: VA Metals, LLC Revised Appraisal and Invoice: **T. Olsen** advised the revised appraisal was concluded last Friday and the appraised value of the land being leased by VA Metals, LLC, with the site developed with infrastructure, and the redundant power source consisting of 2 power substations, is \$1,270,000.00. The revision required additional work to be conducted by Free & Associates in the amount of \$1,050.00. Since the first appraisal did not include the benefit of the 2 power substations and it was determined to be an oversight on behalf of the appraisers (not identifying that the power substations are on PDA property and have an added value to the land), T. Olsen was able to negotiate the payable amount to \$700.00. She reminded the Board that this additional amount would bring the total paid to Free & Associates to \$5,700 which was within the range of fees approved by the Board via the engagement letter. She also indicated that had the power source been identified in the first appraisal process, the amount would have been higher at that time. It was thereafter **MSC (R. Meyers, C. Carr)** to issue payment to Free & Associates in the amount of \$700.00 to be paid from the North Portneuf District.

Agenda Item No. 6: Gateway West's Request for Funds Regarding Power within the NOP District: **T. Olsen** reminded the Board that they previously voted on the reimbursement to Gateway West at the June 15, 2016 meeting and read the motion "It was MSC (S. Brown, C. Carr) to pay 50%, up to \$200,000, for the power upgrades pertaining to Building Nos. 10, 36, 37 and 38, once the Board receives verification of the expenditure and certifies that the power upgrade project has been successfully completed." **Chairman Smith** advised that we were in a holding pattern for reimbursement on the power upgrades due to a pending litigation action between Gateway West and a potential buyer for the Plant. A term of the Buy/Sell Agreement provided that no improvements to be made to the property. **B. Blad** felt that since the Buy/Sell

Agreement was an Agreement that the PDA was not a party to and therefore should not be concerning to us. He stated he felt comfortable with the request to reimburse the full amount spent thus far of \$158,750.62 for the benefit of the tenants within the Plant. **M. Quayle** had recent discussions with Earl Swift who completed the upgrades to Building No. 10 but had to put the remainder of the buildings on hold partly due to the cold weather and the frozen ground and SME's roof needing replaced due to wind damage. Swift plans on finishing the project once the ground defrosts. Prior to **R. Meyers** departure from the meeting he reiterated his position was to maintain the original agreement and wait for the completion of the project. **C. Carr** questioned if it was appropriate to reimburse 50% of the requested amount? **T. Ottaway** questioned if we made reimbursement knowing there is an underlying pending litigation, would the PDA be facilitating a breach of contract? **D. Tranmer** believed that since the PDA is not a party to the litigation and the Buy/Sell Agreement, there would be little to no exposure for the PDA to make reimbursement to Gateway West. **Chairman Smith** confirmed with D. Tranmer's analysis. It was then **MSC (B. Blad, L. Fisher)** to reimburse Gateway West one-half (\$79, 375.31) of the amount paid by Gateway West which documentation proved to be \$158,750.62, and 50% of all future requests up to \$200,000 once the Board receives verification of the expenditure, a cleared check, and the execution of an Economic Development Grant Agreement consisted with the terms herein.


Agenda Item No. 7: Discussion regarding Goals and Projects of the PDA: **Chairman Smith** read Idaho Code Section 50-2002 to the Board which provides for the findings and declarations of necessity for the Urban Renewal Agency. He then asked for the Board Member's input on their thoughts pertaining to the goals of the Board or projects they would like to consider in 2017. **S. Turner** asked if the PDA or the City has a strategic plan or a business development plan? **B. Blad** informed the Board that the City has a Comprehensive Land Use Plan and Map which includes goals and objectives to direct the City and other agencies through a planning and growth process. He also cautioned the Board from going too far with cleaning "blight" or "blighted areas" because this is a hot topic of the legislature. It is the role of the Bannock Development Corporation to identify businesses and locations for new companies and to then make the connection to the PDA Board for incentives/assistance as requested. **Chairman Smith** commended the North Yellowstone District for its achievements in depleting blight and improving the area with businesses. **S. Turner** if there were formal relationships between the PDA Board or Executive Director and the Bannock Development Corporation (BDC), Eastern Idaho Development Corporation, the Intellectual Property Committee at ISU, etc. He also inquired as to what extent the PDA reaches out to other committees/businesses for development and/or marketing. All of the questions posed were discussed and it was the opinion of most of the Board members to be more proactive and less reactive when applicable. **B. Blad** advised being reactive is the role of the PDA; it is not his intent to interfere with the process of speaking with and solidifying business deals that he feels is appropriate to be done by the BDC. **Mike Ennis** summarized BDC's involvement with businesses, the market and working with other agencies (for example the Chamber of Commerce, Montana and Idaho Development Corporation and Eastern Idaho Development Corporation). The Board discussed perhaps creating an inventory of available property (commercial and industrial) to assist in the location of businesses/industry. **M. Gygli** stated she would attempt to locate the commercial list created by former Planning Director Robert Chambers. **T. Olsen** reminded the Board of their endeavor to generate a request for proposals from local and regional companies to create an Economic Development Plan for the PDA and its jurisdiction which will allow for the Board to identify the community's most pressing economic development needs. **Chairman Smith** commended the

Board Members for their suggestions and an active discussion. He also recommended the Board consider creating a subcommittee or subcommittees for various assignments with more specificity to be discussed at the next meeting.

Agenda Item No. 8: Position of the Interim Executive Director: At the Chairman's request, due to time constraints, this item was not discussed by the Board. **Chairman Smith** and **D. Tranmer** reiterated the importance of filling the vacant position as it is the backbone to the functions of the PDA and is highly relied upon by the Board to ensure success in economic development for our community. The position has been vacant for almost 7 months and since it is a position that is voted on by the Board, the Board needs to be prepared to discuss it at the next meeting.

2. Adjournment:

There being absent a necessity for an executive session, the meeting adjourned at 12:58 p.m.

By: 
Tiffany G. Olsen, Secretary