

POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES
February 15, 2017

Members present: Brian Blad (arrived at 11:04 a.m. and left at 12:36 p.m.), Chad Carr (Vice-Chairman), Larry Fisher, Devin Hillam, Thomas Ottaway and Scott Turner.

Members absent: Steve Brown, Russell Meyers and Scott Smith

Staff present: 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).

Vice-Chairman Carr called the meeting to order at 11:02 a.m.

Introductions, Conflicts, and Agenda: There were no conflicts disclosed. **Vice-Chairman Carr** moved Agenda Item No. 6 to be heard first at the convenience of our Guest, Dr. Jeff Street, with the Center for Entrepreneurial and Economic Development (left at 12:06 p.m.)

1. Action and Discussion Items:

Agenda Item No. 6: CEED (Center for Entrepreneurship and Economic Development).

S. Turner introduced the Center for Entrepreneurship and Economic Development, aka “the CEED” and that his involvement with the Center began over 3 years ago when he worked at ISU as the Associate Vice President for Development and then again when he became a US Bank Board Member (who is intending to donate to the Center project). It is his opinion the Center is ripe for successful implementation and an off-campus location would be the ideal setting. He explained that often time’s people are intimidated with going to facility on campus as a non-student as well as the hassle of obtaining a parking pass (or parking ticket in many instances). **S. Turner** also is confident that if the location was off-campus, additional grant money would become available. Given that backdrop, an off-campus location has been identified and the building owner has intentions of making a donation of 60% of the building to ISU. ISU confirmed that the State Board of Education has placed a moratorium, more or less, on adding brick and mortar to their system and denied the donation. Given the mission of the PDA and the potential increase of jobs to the area with this project, **S. Turner** invited Dr. Street to the meeting to present a proposal that the PDA accept the donation of 60% of the identified building and assist with the annual operating and maintenance costs until the Center is capable of being self-sustaining. Dr. Street explained the partnership with ISU’s College of Business Department and divisions thereof working together will result in the ultimate success of the Center when coupled with the identification of the proper location, a Board of Directors, and the incubator and work space offered within the Center. Dr. Street captured how these Centers have worked in other communities in Idaho and Colorado and that his model for this Center is a culmination of those locations and incorporates vision which he anticipates will attain an 80% graduation success rate. Dr. Street summarized the activity on each floor of the building, what services will be available to each entrepreneur, and that each entrepreneur would be responsible for their incubation or manufacturing space rental (increasing slightly each year to attain a market rental rate). The tenancy term would be no more than 5 years. Ideally, the graduated entrepreneur would stay within the Pocatello area and their invention/merchandise would be in production. Dr. Street concluded with detailing the best (\$250,000) and worst (\$500,000) case scenarios for the operation and maintenance costs for the first 7 years. The figures are calculated with a

contingency for “unanticipated” events. The next step is to verify the PDA’s acceptance of the building and to engage a feasibility study. The study is expected to cost around \$50,000 but CEED has a 50% match with an EDA Grant, leaving a balance of approximately \$25,000. **Vice-Chairman Carr** stated he spoke with Chairman Smith prior to the meeting and they both were very supportive of the project. **Vice-Chairman Carr** then requested the feasibility study fee be placed on the next Agenda for Board consideration. **S. Turner** explained that it is unclear at this time what additional private donations will be pledged as well as the total amount of a grant from US Bank. **T. Ottaway** expressed his excitement to move the project forward, the resources he could commit as the Dean of the College of Business, and reiterated that given his position on the PDA Board and his employment with ISU, he would abstain from any vote related to this project. He believes this is a perfect opportunity to bring ISU and the community back together and to improve on the relationships with this joint venture.

Agenda Item No. 1: Minutes. The Minutes of the Regular Meeting on January 18, 2017 were reviewed. It was **MSC (B. Blad, D. Hiram)** to approve the Minutes as presented.

Agenda Item No. 2: Financial Report. **Joyce Stroschein** presented the financial report for the month of January 2017. At month end, the Authority had cash on hand of \$7,050,894.93. The checking account balance was \$4,089,611.16, the savings account was \$746,457.38, and cash being held by Zions Trust amounted to \$2,214,826.39. The PDA recognized above normal financial activity for the month. It received revenues totaling \$774,344.63 of which \$374.73 was interest earnings on the cash invested and property tax interest. Rental income from the Positron facility was received in the amount of \$750.00. Property tax remittance totaled \$742,505.58 and personal property tax replacement was \$30,714.32. Expenses for the month totaled \$25,169.00. The administrative expense was \$169.00 for the lunch meeting. The PDA expended \$25,000.00 on the Economic Development Grant Agreement with the Bridge Restaurant. Year to date revenues of \$1,006,311.69 are more than the expenses of \$229,114.20. Overall net income is \$777,197.49. It was **MSC (B. Blad, T. Ottaway)** to approve the January 2017 financial report as presented.

Agenda Item No. 3: Payment Requests/Reimbursements.

(a). **J. Stroschein** requested payment of \$4,185 to Deaton & Company for the annual Audit which was presented at the December 2016 PDA Meeting. It was **MSC (B. Blad, S. Turner)** to approve payment to Deaton & Company in the amount of \$4,185.00.

(b). **B. Blad** requested Tiffany Olsen be reimbursed \$25.99 for a lunch expense for a meeting held with various Board Members. Meetings held outside of the regular PDA meeting will not incur costs in the future. It was **MSC (B. Blad, T. Ottaway)** to reimburse Tiffany Olsen \$25.99.

Agenda Item No. 4: Project Updates.

(a). **Positron Facility:** **T. Olsen** advised that she received the recorded Sheriff’s Deed and that the Positron Facility is in the ownership of the PDA as of January 18, 2017.

(b). **Gateway West’s Economic Development Grant Agreement for power upgrades.** **T. Olsen** advised that Gateway West thanked the PDA Board for preparing the Grant Agreement and for the payment of the materials purchased thus far, but that their focus is currently on the Federal Court case which should have gone to Hearing today. Earl and Barbara Swift will be in touch when they are ready to sign the agreement and continue to move the project forward when the weather allows.

- (c.) **Great Western Malt's Request for Access Easement.** **T. Olsen** advised a request has been received from Great Western for an access easement on the PDA property (f/k/a as the "Hoku" property) along their property line for the stacking of their grain trucks when unloading. **M. Quayle** suggested the access easement run with the presently recorded Idaho Power access easement for the substation so that the property would not be further encumbered. **T. Olsen** discussed the same with the property Lessee and should know in the next 30 days if the Lessee consents to granting the access easement. **T. Olsen** also advised the Board that in the process of reviewing the Idaho Power access easement, it was determined that the roadway access (connect the property to Highway 30 for the potential secondary access overpass) and the water line easements have not been recorded. These 2 easements were prepared when the City owned the property and for unknown reasons were never recorded. **T. Olsen** asked the Board for permission to be preparing the Great Western access easement but that she would have all 3 easements on a future Agenda for Board approval to record once confirmation from the Lessee regarding the same was received. Board consensus was to move forward with the easement preparation and future Board approval to record the same when appropriate.

Agenda Item No. 7: Position of the Interim Executive Director: **B. Blad** expressed his gratitude to **T. Olsen** for the additional work she has voluntarily assumed since June 2016 with the vacancy of the Executive Director and that she has done a great job in doing so but to nominate her for the Interim Executive Director position would be difficult for him since he believes there will be significant amounts of work in the Legal Department within the City in the coming months that may not allow her to continue to perform this position's duties. He wishes to visit her privately about this matter. He explained that although this position is written into the Planning Director's job description and if the Executive Director is changed to another person outside of the Planning Director, than that would necessitate job description modifications. **J. Stroschein** explained that if that was going to occur, time is of the essence as City salary projections are underway and this would impact the rate of pay for City positions within the next fiscal year budgets. **T. Olsen** explained to the Board that her interest is to continue to perform the duties, of which were previously accomplished by the Executive Director, that she has for the last 8 months but that the request was to be nominated as the Interim Executive Director until the Planning Director position was filled. The anticipated Interim period would be between 3 and 6 months. She summarized a list of responsibilities and tasks that she has accomplished outside of her role as Secretary to the Board. **T. Olsen** added that having her in the Interim position approved by the Board, would help carry weight and authority when she was talking with companies/prospective projects with a title more significance than the "Secretary"; that often times she feels that whomever she is working with maybe thinks they should be working with someone else. She concluded with the rapport she has with the existing projects/attorneys, her desire to grow within the position, and that she would continue to strive to meet and exceed the Board's expectations. **Vice-Chairman Carr** stated he visited with **Chairman Smith** in advance of the meeting and they both were very supportive of **T. Olsen** performing the tasks of Interim Executive Director and would encourage the Board to do so as well. **D. Hillam** felt uncomfortable with moving forward without the Mayor's consent but that all of the Board is extremely grateful for her service to the Board and that we are more than certain she could perform the Interim position. He encouraged her to meet with the Mayor and determine what this extra work would be and if there would be adequate time to perform the position. **T. Ottaway** thanked her for the hard work and energy she

contributes to the Board. **T. Olsen** thanked the Board and said that she will continue to do the work as requested by the Chairman and the Board.

Agenda Item No. 8: Discussion regarding Goals and Projects of the PDA: **J. Stroschein** asked the Board their thoughts on potentially providing an opportunity to local financial institutions to invest the PDA's money for all of its accounts. She explained she hasn't been satisfied with the current provider and wondered if the Board would support her in looking at the options available locally. **Vice-Chairman Carr** agreed it is worth looking into and wondered if we could obtain a better rate of return. She will consult with D. Tranmer and determine if a Request for Proposals is required or if she can recommend the financial institution she selects to the Board for action.

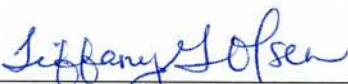
2. Executive Session:

Vice-Chairman Carr 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 (L. Fisher, D. Hillam)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(e). **The motion passed** by roll call vote (**Ayes: Fisher, Hillam, Carr, Ottaway and Turner; Nays: None**). The Board adjourned to executive session at approximately 12:58 p.m. Potential businesses who are in competition with other jurisdictions were discussed. The Board reconvened to regular session at 1:12 p.m.

3. Adjournment:

Upcoming Events/Information: **Vice-Chairman Carr** advised the PDA's Public Hearing on its 2016 Annual Report will be at our next meeting scheduled for March 15, 2017 at 11:00 a.m. Notice in the Idaho State Journal shall appear on Tuesday, March 7, 2017.

There being no additional business, the meeting adjourned at 1:13 p.m.

By: 
Tiffany G. Olsen, Secretary

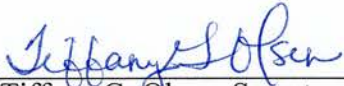
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MEETING EXECUTIVE SESSION
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Members present: Chad Carr (Vice-Chairman), Larry Fisher, Devin Hillam, Thomas Ottaway and Scott Turner.

Members absent: Brian Blad, Steve Brown, Russell Meyers and Scott Smith

Staff present: Tiffany Olsen, City Legal Dept.; Merril 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 12:58 p.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 (L. Fisher, D. Hillam). The motion passed** by roll call vote (**Ayes: Fisher, Hillam, Carr, Ottaway and Turner; Nays: None**). The Board adjourned to executive session at approximately 12:58 p.m. Potential businesses who are in competition with other jurisdictions were discussed. The Board reconvened to regular session at 1:12 p.m.

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