

# POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES

August 16, 2017

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

**Members present:** Mayor Brian Blad (arrived at 11:08), Councilman Steve Brown, Chad Carr, Larry Fisher, Commissioner Evan Frasure (arrived at 11:25), Scott Smith (Chairman) and Scott Turner.

**Members absent/excused:** Russ Meyers, Thomas Ottaway.

**Staff present:** Melanie Gygli, Planning & Development Services Director, Kirk Bybee, Chief Civil Deputy Attorney, Merrill Quayle, Development Engineer, Joyce Stroschein, Treasurer, Tiffany Olson, Bannock County (ex officio), and John Regetz, Bannock Development Corporation (ex-officio).

**Introductions, Conflicts, and Agenda:** There were no conflicts disclosed. Chair **S. Smith** welcomed those present. He noted that the City and PDA both have signed the construction agreement with ITD for construction of the Northgate Interchange.

No adjustments were made to the agenda.

## 1. Action and Discussion Items:

**Agenda Item No. 1: Minutes.** The minutes of the regularly scheduled meeting and executive session of July 19, 2017 were reviewed. It was then **MSC (S. Turner, S. Brown)** to approve the minutes as prepared.

**Agenda Item No. 2: Financial Report.** **J. Stroschein** presented the Financial Reports for the month of July. At month end, the Authority had cash on hand of \$7,744,589.77. The checking account balance was \$4,274,552.53, the savings account was \$746,568.43, and cash held by Zions Trust amounted to \$2,723,468.81. The Authority recognized normal financial activity during the month of June, receiving revenues totaling \$580,352.70 of which \$1,078.06 was interest earnings on cash invested, \$547,810.32 in property tax, \$30,714.32 in personal property tax replacement dollars, and \$750.00 in rental income from the Positron facility. Expenses for June were \$175.70 for the lunch meeting and the economic development grant issued to Driscoll TopHay for \$52,500.00. **J. Stroschein** briefly reviewed the balances in each TIF district. She noted that the Authority is in a good financial position. **S. Smith** requested information on pledged commitments. **J. Stroschein** stated those include \$1,950,000 for the Olympus Drive to Interchange road project, \$200,000 for work within Gateway West, and \$100,000 to DeRive/Bully Dog. She will include this information on upcoming financial reports. It was then **MSC (C. Carr, S. Turner)** to approve the July 2017 Financial Reports as presented.

**Agenda Item No. 3: Payment Requests/Reimbursements.** **J. Stroschein** presented a request for payment to Arbitrage Specialists for \$1,000.00 in payment for their work reviewing bonded debt to ensure compliance with IRS regulations on earned vs. paid interest. It was **MSC (S. Brown, B. Blad)** to approve payment of this invoice.

Payment to the City of Pocatello for \$17,740.20 for the FY2017 installment for the Hoku land purchase is now due. Because this is by contract, no motion of approval is needed.

**Agenda Item No. 4: Public Hearing – FY2018 Budget.** M. Gygli and J. Stroschein explained that Idaho Code does not clearly specify whether the PDA must hold a hearing on its proposed budget. However, based on the similarities to the requirements for the City and the public nature of its funding, staff determined that it would be in the PDA's best interest to follow the public hearing procedures.

Chair S. Smith opened the public hearing. J. Stroschein explained the process for building the new budget, estimating TIF district income based on FY2017 year-to-date figures and assuming similar standard expenses as in previous years. For the districts themselves, full authority to spend all funds is built into the proposed budget. While this is a very aggressive way to budget, the Board is protected because all non-contractual expenses must be reviewed and approved prior to payment.

Following today's action, the budget will be published and be effective as of 10/1/17.

Chair S. Smith called for any testimony in favor, uncommitted, or opposed to the budget. Hearing none, he closed the public hearing. Upon MSC (C. Carr, S. Turner) the proposed budget was approved as presented.

**Agenda Item No. 5: RFP for Banking Services.** J. Stroschein explained her desire to send out a request for proposals for banking services for the PDA. She is hoping to find an account where it is easy to move money between savings and checking, with enhanced earnings and reduced fees. She is planning to send the RFP to local banks to give them the chance to receive some public business, since they are too small to handle the City's banking needs. Following brief discussion, it was MSC (C. Carr, S. Brown) to approve the release of the RFP. When responses are received, the information will be brought to the Board for decision.

**Agenda Item No. 6: Deaton & Company Engagement Letter – FY2017 Audit Services.** J. Stroschein explained this is for audit services for FY2017; the proposal and cost is similar to past years. The total amount will be \$4,130 plus any expenses for report production, etc. In order to save PDA funds, she may agree to complete report production. It was MSC (B. Blad, C. Carr) to accept the terms of the engagement letter for the FY2017 audit.

**Northgate Interchange:** Chair S. Smith updated the Board on the status of the agreement for construction of the Northgate (Siphon) Interchange, noting that Mayor Blad and he signed for the City and PDA on Monday, Bannock County signed on Tuesday, Chubbuck and the developers are scheduled to sign soon, and the ITD Board will consider the contract on 8/17/17. He expressed his thanks to those involved in the process. E. Frasure added his thanks. Brief discussion ensued among those present regarding the project. Surveying work is occurring now, there may be some initial work in the next six weeks, and ITD anticipates full-scale work beginning in March with the Interchange open next September.

**Agenda Item No. 7: Petersen, Inc. Economic Development Grant Agreement – Semi-Annual Benchmark Report.** M. Gygli briefly reviewed Petersen's latest benchmark report; with 56 employees and an average wage of \$21.22 per hour, they are meeting the terms of the grant

agreement. It was noted there has been a reduction in total number of employees from the high in 2009, but they within grant compliance.

**Agenda Item No. 8: NOP District Review/Discussion.** **M. Gygli** briefly reviewed the history of the NOP district. Many projects have been completed, but there are still items that would qualify for assistance under the terms of the urban renewal plan. The district can remain open until 2026, unless the determination is made to close it early. **J. Stroschein** advised she has requested information from the State Tax Commission, which apparently is under the impression that one of the City's four districts is close to closing, which is not accurate based on our records. Lengthy discussion ensued among Board members regarding the projects that are complete; those that could still be done within the terms of the plan; and the status of the lawsuit between the owner and a potential owner of the property, and how or whether that affects operation of the TIF district. The consensus was reached to leave the district open, as there are still projects that could be completed, pending the outcome of the court case.

**Agenda Item No. 9: CEED Update.** **S. Turner** updated the Board on the status of the potential CEED project in the CenturyLink building downtown. Jim Schmidt is again working on the possibility of having the building deeded to the PDA. Idaho State University remains committed to providing staff and U.S. Bank funding is still available. Other funding options may expire as early as October. There is a business that might be interested in occupying the basement before any renovations are completed on upper floors; other businesses and organizations are still interested, as well. **B. Blad** and **S. Smith** expressed concern that this remains financially viable; **J. Stroschein** agreed to look at the pledged funds to make an initial determination on this question. Given the Board's general consensus of support, **S. Smith** agreed to participate in a conference call being arranged among the stakeholders and report to the Board.

**Agenda Item No. 10: Potential TIF District Discussion.** **S. Smith** questioned the timeline for the upcoming urban renewal plan creation for the Northgate area and whether it can be accomplished with the property not being in City limits. **M. Gygli** explained the developers have agreed to a 2018 base year, meaning there is more time; however, the hope is to have the district complete early in 2018. Board members were provided copies of a proposal from Elam & Burke to either complete the entire plan creation process or provide other kinds of assistance. Because this is a different kind of plan from prior ones completed by City staff (with the most similar being the North Portneuf plan) and changes in State urban renewal law, there may be benefit to having outside consultant assistance. **B. Blad** stated that while he believes it would be possible to complete the plan in house, based on the size and complexity of the proposal it may be prudent to have expert assistance. In addition, having this kind of assistance would be educational for the Board and for staff. The cost (\$30-\$40,000) is reasonable; the funds are available and can be reimbursed from the future district. **J. Stroschein** expressed her concern that provision be made to cover the cost of City-provided services, such as police, fire, and streets. **K. Bybee** and **M. Gygli** expressed that having outside assistance would be beneficial.

Following discussion, it was **MSC (B. Blad, E. Frasure)** to approve an agreement with Elam & Burke as proposed in their letter for preparation of the proposed urban renewal district. **S. Smith** stated his preference that payment be made as billed, rather than with a retainer; he agreed to talk with them, if needed.

**E. Frasure** advised the County Commission will be considering an ordinance to meet State requirements for consideration of tax exemption for businesses making a \$500,000 investment; the ordinance is scheduled for consideration in the next week.

**2. Executive Session:**

Following a lunch break from 12:15 to 12:25 p.m., **Chair S. Smith** 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, S. Turner)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(e) at approximately 12:25 p.m. **The motion passed** by roll call vote (**Ayes: Blad, Brown, Carr, Fisher, Frasure, Smith, Turner; Nays: None**). Upon **MSC (B. Blad, S. Turner)** the Board reconvened to regular session at approximately 12:57 p.m.

**3. Adjournment:**

There being no further business, the meeting adjourned at 12:57 p.m.

By:   
Melanie Gygli, Interim Executive Director

**POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES**  
**EXECUTIVE SESSION**  
**August 16, 2017**

**Members present:** Mayor Brian Blad, Councilman Steve Brown, Chad Carr, Larry Fisher, Commissioner Evan Frasure, Scott Smith (Chairman) and Scott Turner.

**Members absent/excused:** Russ Meyers, Tom Ottaway.

**Staff present:** Melanie Gygli, Planning & Development Services Director, Kirk Bybee, Chief Civil Deputy Attorney, MMerril Quayle, Development Engineer, Joyce Stroschein, Treasurer, Tiffany Olson, Bannock County (ex-officio), and John Regetz, Bannock Development Corporation (ex-officio).

The Board of Commissioners adjourned from regular session into executive session at approximately 12:25 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 (B. Blad, S. Turner)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(e). **The motion passed** by roll call vote (**Ayes: Blad, Brown, Carr, Fisher, Frasure, Smith, Turner; Nays: None**). Upon **MSC (B. Blad, S. Turner)** the Board reconvened to regular session at approximately 12:57 p.m.

By:   
Melanie Gygli  
Interim Executive Director