

**POCATELLO DEVELOPMENT AUTHORITY
MEETING MINUTES
January 17, 2018**

Chairman Smith called the meeting to order at 11:06 a.m. He welcomed Terrel Tovey, the Bannock County Commissioner who will be joining as a Board member, replacing Evan Frasure.

Members present: Mayor Brian Blad, Chad Carr, Larry Fisher, Thomas Ottaway, Chairman Scott Smith, and Scott Turner.

Members absent/excused: Steve Brown, Evan Frasure, Russ Meyers.

Staff present: Melanie Gygli, Interim Executive Director; Jared Johnson, City Attorney; Jeff Mansfield, Public Works Director/City Engineer; Merrill Quayle, Public Works/Development Engineer; Joyce Stroschein, Treasurer; Tiffany Olsen, Bannock County (ex-officio); and John Regetz (joined meeting at 11:40), Bannock Development Corporation (ex-officio).

Guests: Terrel Tovey, Bannock County Commissioner; Doran Lambson, Deaton & Company.

Introductions, Conflicts, and Agenda: There were no conflicts disclosed.

1. Action and Discussion Items:

Agenda Item No. 1: Fiscal Year 2017 Audit Report. Doran Lambson, CPA with Deaton & Company, presented his auditor's report for FY2017. He explained financial statements are evaluated on such factors as potential risks and internal controls, and a sample of transactions is tested. The audit was performed in accordance with generally accepted Government Auditing Standards. He found no issues of noncompliance, no material misstatements, and has no disagreements with management. Therefore, Deaton & Company has issued an unmodified, or clean, opinion on the Board's financial statements for FY2017.

With no questions, Lambson left the meeting.

J. Stroschein provided an overview of the final audit documents. She reviewed the required financial statements, including comparisons to the prior fiscal year and financial activity over FY2017. She again noted that the auditor had given an unmodified, clean opinion on the financial statements. With the audit completed, the required documents will be submitted to the State's Central Registry, and the audit has been posted to the PDA's website.

Following brief discussion, it was **MSC (S. Turner, B. Blad)** to accept the FY2017 audit.

Agenda Item No. 2: Minutes. The minutes of the regularly scheduled meeting of December 20, 2017 were reviewed. **M. Gygli** noted Jared Johnson's name was shown as "Anderson" on page 3, which will be corrected. It was then **MSC (B. Blad, C. Carr)** to approve the minutes with the correction noted.

Agenda Item No. 3: Financial Report. **J. Stroschein** presented the financial reports for the month of December 2017. At the end of the reporting period, the Authority had cash on hand of

\$5,438,864.11. The checking account balance was \$27,695.06, the savings account was \$2,635,500.05, and cash held by Zions Trust amounted to \$2,775,669.00. The Authority recognized financial activity during the month of December as follows: revenue totaled \$2,333.11 of which \$1,583.11 was interest earnings on cash invested and \$750.00 was rental income from the Positron facility. Expenses totaled \$23,054.94 and included: \$312.10 for lunch meetings in November and December; \$54.00 for Board member attendance at the Bannock Development Corporation Symposium; \$10,474.84 to Elam & Burke for work on the potential Northgate TIF plan; and \$10,764.00 to J&J Construction for cleanup of the property in the North Portneuf district.

Following discussion of the financial reports, it was then **MSC (B. Blad, S. Turner)** to approve the December 2017 financial reports as presented.

Agenda Item No. 4: Payment Requests/Reimbursements. **M. Gygli** presented a request for payment of \$1,380.00 to Elam & Burke for work in December on the potential Northgate TIF plan. She noted the charges appear to be in line with the work that was produced. Following brief discussion, it was **MSC (B. Blad, C. Carr)** to approve this payment.

Agenda Item No. 5: Bylaws Amendment – Designation of City Deputy Treasurer as Check Signer. **M. Gygli** briefly reviewed the proposed amendment, which creates the position of Deputy Treasurer, to act as a backup or in the absence of the Treasurer, including being a signer on the PDA bank accounts. One additional change being recommended is not to require all board members' signatures on each version of the Bylaws. This can be cumbersome and is not a statutory requirement.

Following brief discussion, it was **MSC (B. Blad, C. Carr)** to amend the Bylaws as described.

Agenda Item No. 6: Designation of Deputy Treasurer. Upon **MSC (B. Blad, S. Turner)**, the Deputy Treasurer of the City of Pocatello was appointed as Deputy Treasurer for the PDA Board.

Chairman Smith moved to Agenda Item 9.

Agenda Item No. 9: Feasibility Report – Northgate TIF District. Ryan Armbruster and Meghan Conrad of Elam & Burke and Phil Kushlan of Kushlan Associates joined the meeting by phone. **M. Conrad** began by outlining the process, including the need for this feasibility study as a statutory first step toward the adoption of an urban renewal area and tax increment financing district. **P. Kushlan** explained the process for determining eligibility of an area as a potential urban renewal area, including statutory requirements of Idaho's Urban Renewal Law (Idaho Code Chapter 20, Title 50) and Local Economic Development Act (Idaho Code Chapter 29, Title 50). He described his review of the study area, the history of tax increment financing for open land vs. redevelopment projects, and analysis of data from the Bannock County Assessor as to existing values of the property, as well as land values contained in other urban renewal areas. Based on his in-depth study, Kushlan found that the area is eligible for establishment as an urban renewal area.

Lengthy discussion ensued among Board members and the presenters regarding the report's contents, statutory requirements of Idaho Code, and next steps in the process. Clarification was made that consents are needed from all property owners whose land has been used for agriculture purposes in the last three years; this will need to be done no later than by the time of plan

finalization. Criteria regarding residential vs. non-residential development of open land has been met.

The study area is larger than the ultimate plan area is likely to be. This was done because the plan can be smaller than the study area, but increasing the size would require an update to the eligibility analysis and report. The plan area should include the State's right-of-way for the interchange to provide reimbursement mechanism for the costs of construction, as well as potentially the Chubbuck Road right-of-way and portion of Olympus Drive where improvements relating to the interchange local road construction are needed. Ultimately, the boundary determination is a decision of the PDA and City Council. When drawing plan boundaries, it is important to be aware of jurisdiction lines, as including land governed by other entities would trigger requirements for their participation (e.g., Chubbuck).

Conrad reviewed the timeline for plan creation. This report must be presented to the Bannock County Commissioners, and then transmitted to the Pocatello City Council with the determination that the area is eligible for designation as an urban renewal area. The Council can then direct the preparation of the actual plan. To complete the plan, consultants for the economic feasibility study and creation of legal descriptions will be needed.

It was then **MS (B. Blad, S. Turner)** to adopt a resolution accepting the eligibility report (as will be updated with a new map and minor administrative corrections) finding the area eligible for designation as an urban renewal area, for transmission to the Pocatello City Council. **The motion passed** by roll call vote (**Ayes: Blad, Carr, Fisher, Ottoway, Smith, Turner; Nays: None**).

Agenda Item No. 7: Determination of Banking Service Provider. **J. Stroschein** presented additional information from Idaho Central Credit Union regarding the use of certificates of deposit (CDs) with no penalty for early withdrawals. She explained each district and the general fund would have separate CDs, set up in amounts necessary to meet anticipated expenses. This would allow the majority of the PDA's funds to continue earning interest, rather than remaining in a checking account. While this would increase her workload somewhat, she believes it is acceptable given the increase in revenue it will create.

Stroschein reviewed briefly the responses from the original request for services. Most are similar in provision of online banking, provision of checks and related supplies, etc. However, in her opinion the interest earning ability of Idaho Central's proposal makes it the best option for the PDA.

It was then **MSC (C. Carr, B. Blad)** to accept Idaho Central Credit Union as the PDA's banking service provider. **Ottoway abstained.**

Agenda Item No. 10: Project Updates.

- a. **"Hoku" Land:** No response has yet been received from VA Metal's attorney as to their intent. This item will be deferred to the February agenda for discussion.
- b. **Bully Dog:** **M. Gygli** reported she spoke with Ted Klassen at Bully Dog. He indicated the company is not certain they can meet the employment criteria in the grant agreement. They have been discussing how to proceed and will advise whether they remain interested in the grant option.

- c. The Bridge: An amortization schedule and letter is being prepared to send to Lisa Willmore for repayment of the loan portion of this project. The first payment is due 3/31/18.
- d. Northgate: ITD Board is meeting today on the consultant contract for interchange design, though they are not expected to finalize funding for the Northgate interchange at this meeting. An ITD senior engineer from Boise has been appointed to review the funding mechanism and complete due diligence on funding availability. Then the issue will be back before the ITD Board.

Agenda Item No. 8: Legal Representation for the Board. **J. Johnson** explained the potential conflicts that could arise with him providing legal advice to both the City and PDA. This is a conflict that cannot be waived by the parties and could result in loss of his licensure to practice law. There also could be risks to any decisions by the Board if a challenge arose. In discussions with the Mayor and Chairman, he would still attend Board meetings as a City employee.

Those present discussed how to proceed with obtaining legal services. A request for proposal or services can be done but is not required under Idaho Code procurement rules for this type of service. Cost of legal services could be approximately \$200 per hour for a firm partner. Mostly, fees each month are not likely to be too high and within the Board's ability to afford. **S. Smith** expressed that he may be interested in resigning as a member of the Board in order to serve as legal representation. **M. Gygli** agreed to create a draft of a request for proposals for the next meeting.

It was then **MSC (C. Carr, T. Ottaway)** to remove responsibility for legal representation of the PDA from the City Attorney and the City's Legal Department.

Other. Brief discussion regarding the process of appointing Board members, which is the Mayor appoints, with Council confirmation. Under Idaho Code, members remain as such until the successor is appointed (e.g., Steve Brown and Evan Frasure remain members even though their respective political positions have changed). Members questioned whether the Board is involved in this. **M. Gygli** will provide an update at the next meeting.

2. Adjournment:

There being no further business, the meeting adjourned at 12:52 p.m.

By: 
Melanie Gygli, Interim Executive Director/Secretary