

**POCATELLO DEVELOPMENT AUTHORITY  
MEETING MINUTES  
March 28, 2018**

**Chairman Smith** called the meeting to order at 10:06 a.m. He welcomed those present and stated that agenda items will be reordered to accommodate guests of the Board.

**Members present:** Mayor Brian Blad, Chad Carr, Larry Fisher, Council Member Jim Johnston, Thomas Ottaway, Chairman Scott Smith, and Scott Turner.

**Members absent/excused:** Russ Meyers, Commissioner Terrel Tovey.

**Others present:** Melanie Gygli, Interim Executive Director; Jared Johnson, City Attorney; Merrill Quayle, Public Works/Development Engineer; Joyce Stroschein, Treasurer; Jeff Mansfield, Public Works Director/City Engineer; Tiffany Olsen, Bannock County (ex-officio); John Regetz, Bannock Development Corporation (ex-officio); Mike Ennis, Bannock Development Corporation; Meghan Conrad, Elam & Burke, present by phone from approximately 10:28 – 10:48 a.m.; Sean Luangrath, Inergy (left meeting at approximately 11:20 a.m.); BJ Stensland, Scott Heide, Brady Ellis, and Gerald Hunter on behalf of the Homeless Shelter discussion (left meeting at approximately 10:28 a.m.).

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

**1. Action and Discussion Items:**

**Agenda Item No. 7: Homeless Shelter Discussion.** **BJ Stensland**, Aid For Friends (AFF) Executive Director, **Scott Heide**, Chairman of the AFF Board of Directors, **Brady Ellis** and **Gerald Hunter**, Idaho Housing & Finance Association (IHFA), were present to discuss a funding opportunity IHFA has offered to create additional housing options for the homeless members of the community. Stensland described the current shelter operation, in a very old structure owned by Bannock County. The shelter offers up to a 90-day stay for homeless individuals and generally is over capacity, with over 400 served last year. AFF is the only shelter available for general population groups. Heide further described the current need, as well as the need to plan for the future. Ellis and Hunter explained the funding opportunity IHFA is offering to the community, which is \$500,000 toward the creation of a new (whether new construction or rehab of an existing structure) as an expanded homeless shelter. Receipt of the funds would be contingent upon other community organizations or agencies providing matching funds or equivalent (such as property). Ellis and Hunter provided information on a similar effort that was undertaken in Nampa several years ago.

Lengthy discussion ensued among the Board members and presenters about the options going forward. Partners in the effort could include United Way, Health & Welfare, Portneuf Health Trust, and the City and County. Total cost could be \$1.2-2 million. Ellis and Hunter clarified that there is no strict timeline; what IHFA needs to commit the funding is a secure plan that the community is ready to go forward. **Smith** clarified that financial participation by the PDA would be dependent upon determining that it meets requirement as an urban renewal project. **Ottaway** explained that Bengal Solutions and ISU MBA students could assist in developing a more detailed plan for the project.

**Agenda Item No. 5: Northgate TIF – Financial Feasibility Report.** **Meghan Conrad**, of Elam & Burke, the Board’s consultants for preparation of the Northgate URA/TIF plan, joined the meeting by phone. She updated the Board on status to date, and explained that the next step is to complete a financial feasibility review of the proposed development, potential reimbursables, and funding stream. In addition to this required study, because of the size of the project, she recommends also having a third party consultant perform an independent economic/market analysis of the development team’s proposal. Conrad indicated Kushlan Associates, which completed the eligibility report, is able to complete the financial feasibility report at an expense of approximately \$17,500. A consultant for the market analysis has not been identified; that will be ready for presentation at the Board’s April meeting. With these studies complete, work on the plan will move forward; Conrad anticipates having a draft available for review at the Board’s June meeting. **Smith** questioned whether this cost could be reimbursed from TIF funds; **Conrad** indicated PDA’s outlays are eligible costs.

Upon **MSC (Blad, Johnston)**, Kushlan Associates will be retained to complete the financial feasibility report for the Northgate TIF plan.

**2. Executive Session:**

**Chairman 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 (J. Johnston, B. Blad)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(e). **The motion passed** by roll call vote (**Ayes: Johnston, Blad, Carr, Fisher, Ottaway, Smith, Turner. Nays: None**). The Board adjourned to executive session at approximately 10:48 a.m. The Board reconvened to regular session at 11:20 a.m.

**3. Action and Discussion Items.**

**Agenda Item No. 6: Project 15-25.** **Regetz** introduced Sean Luangrath, of Inergy Solar. **Luangrath** outlined their request for funding of \$25,000. They propose to use this money to would help cover the costs of building renovations necessary for them to use space they have identified and leased, and a 3-D printer. Discussion ensued regarding provision of a grant vs. a loan and potential performance standards. **Ottaway** noted that past assistance has not been used for equipment purchase; rather, funds generally are targeted toward long-term assets, such as infrastructure or buildings.

It was the **MSC (T. Ottaway, S. Turner) with C. Carr abstaining**, to approve a grant of \$25,000 to Inergy Solar to assist with building improvements necessary for Inergy Solar to occupy the premises at 850 North 5<sup>th</sup> Avenue. This grant is subject to Inergy Solar having ten (10) new employees by December 31, 2018, with an average annual salary of not less than \$30,000, with this employment level to be maintained for a period of three (3) years. Should this standard not be met, the grant shall convert to a loan, accruing interest at prime plus 1 percent, beginning with the conversion date from a grant to a loan, to be repaid in full within five (5) years from the date of default, or as agreed to by the parties.

A grant agreement outlining these terms will be prepared and forwarded to the applicant for review and signature.

**Agenda Item No. 1: Minutes.** The minutes of the regular session and executive session of February 21, 2018 were reviewed. It was then **MSC (J. Johnston, B. Blad)** to approve the minutes as presented.

**Agenda Item No. 2: Financial Report.** **J. Stroschein** presented the financial reports for the month of February 2018. At the end of the reporting period, the Authority had cash on hand of \$6,273,105.83. The checking account balance was \$239,005.43, the savings account was \$2,635,627.86, and cash held by Zions Trust amounted to \$3,998,472.54. The Authority recognized financial activity during the month of February as follows: revenue totaled \$35,642.83, of which \$2,505.42 was interest earnings on cash invested and property tax interest, \$750.00 was rental income from the Positron facility, and property tax revenues totaled \$32,387.41. Expenses totaled \$375,731.84, and included: \$145.22 for the February lunch meeting; \$8.47 for the padlock for the Philbin property; \$72.05 for the public hearing notice for the annual report hearing; \$58,382.25 for the interest-only debt service payment on the North Yellowstone bond; \$2,000.00 for trustee fees on the North Yellowstone bond; \$1,250.00 for arbitrage compliance review for the North Yellowstone bond; and \$13,837.85 for legal work on the Northgate TIF plan.

Following discussion of the financial reports, it was then **MSC (B. Blad, T. Ottaway)** to approve the February 2018 financial reports as presented.

In response to questions from Board members, **Stroschein** said moving the PDA's funds to Idaho Central Credit Union should be accomplished by April 4, 2018. She stated that certificates of deposit finalized until the Board decides how to handle the transfer of administrative fees. This will be considered at the April meeting.

**Agenda Item No. 3: Payment Requests/Reimbursements.** Following review, it was **MSC (B. Blad, J. Johnston)** to approve payment of \$1,991.00 to Elam & Burke for work in February on the potential Northgate TIF plan.

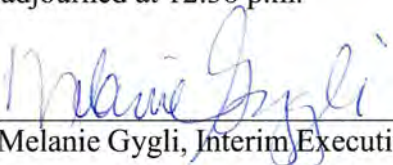
**Agenda Item No. 7: Project Updates.**

- a. **Bully Dog:** **M. Gygli** reported no response has been received from Bully Dog as to their interest in the approved grant. A formal letter to them has been drafted for signature by the Chairman. After brief discussion, Gygli was directed to reach out again to Bully Dog officials, inviting them to a meeting to see if there are actions that can be taken to help them increase their employment numbers and qualify for the grant.
- b. **Naval Ordnance TIF:** **Quayle** reported from a discussion with the property owner that actions favorable to them have been taken by the judge on the lawsuit. It seems likely that, in the next few months, Gateway West representatives will be ready to move forward with their improvements to the property.
- c. **ISU CPI:** **Turner** reported agencies, including the PDA, can take advantage of ISU's Career Path Internship program. Students in this program can assist agencies with various tasks and projects, with ISU paying the students.
- d. **Homeless Shelter:** **Fisher** reported plans for establishing Big Mama's House are still in the works.

**Agenda Item No. 4: “Hoku” Land Lease Extension.** A draft lease extension has been received from Scott Marotz; **Smith** will work out details and sign when complete.

**4. Adjournment:**

There being no further business, the meeting adjourned at 12:38 p.m.

By:   
Melanie Gygli, Interim Executive Director/Secretary