

**POCATELLO DEVELOPMENT AUTHORITY**  
**MEETING MINUTES**  
**April 18, 2018**

**Chairman Smith** called the meeting to order at 11:06 a.m. and welcomed those present to the meeting.

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

**Members absent/excused:** Chad Carr, Russ Meyers.

**Others present:** Melanie Gygli, Interim Executive Director; Jared Johnson, City Attorney; Joyce Stroschein, Treasurer; Tiffany Olsen, Bannock County; John Regetz, Bannock Development Corporation (ex-officio); Beena Mannan (left the meeting at approximately 11:26); Jeff Street and Stephanie Palagi on behalf of CEED (left the meeting at approximately 1:00 p.m.; Hailee Matkin and Davis Gove on behalf of Jim Dandy Brewing (left the meeting at approximately 12:15); Scott Marotz (left the meeting at approximately 11:31 a.m.); Meghan Conrad, Elam & Burke, Phil Kushlan, Kushlan Associates, and Chris Zahas present by phone from approximately 11:00 – 11:15 a.m.

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

**1. Action and Discussion Items:**

**Agenda Item No. 1: Northgate TIF – Approval of Consultant for Market Analysis.** **Meghan Conrad**, Elam & Burke, **Phil Kushlan**, Kushlan Associates, and **Chris Zahas**, Leland Consulting Group, were present by phone to discuss retaining a consultant to perform a market analysis as part of the economic feasibility study portion of the Northgate TIF plan. **Conrad** provided a brief update on the status of the plan preparation to date. She stated that with the scope and magnitude of this project, this market analysis is necessary to take a deeper look at what the developers are proposing and what the economic impacts might be. **Kushlan** explained that the proposed analysis would realistically assess the public costs of the proposed plan, and whether there would be sufficient resources to pay for desired amenities. He has worked with the Leland Consulting Group since 2004. **Zahas** described the process that he will follow in performing the study, calling it a “reality check” on what the proposal. They will meet with the developers, review the proposed land uses and projected absorption rate. Depending on how much analysis has been done by the developers, their workload may be less, so they are proposing to do the study for a cost not to exceed \$30,000. Then, if desired by the Board, they can provide additional advisory services.

In response to questions from Board members, Zahas said a draft of the report should be available by the second week in June, though some follow up may be needed. He anticipates a site visit in either the second or the third week of May. Conrad explained this is in line with the plan development timeline, which anticipates a draft plan in mid-June, for potential adoption in July.

It was the **MSC (Blad, Johnston)** to retain Leland Consulting Group to perform the needed market analysis as part of the Northgate TIF plan creation, with the contract amount not to exceed \$30,000.

Johnston noted he toured the site. Olsen reported ITD hopes to break ground on the interchange in May with a completion date at the end of September; they are waiting on final details for the east side connection road.

**Agenda Item No. 2: “Hoku” Property Lease Extension.** Smith updated the Board on progress on the lease extension. He explained in the most recent draft extension, VA Metals (VAM) proposed that if they do not purchase the property at the end of the lease, VAM would have 180 days in which to complete removal of any infrastructure remaining on the site. After that time, anything remaining would be abandoned to the PDA, with costs of removal to be covered by VAM. Scott Marotz reviewed the status of VAM’s negotiations and potential uses for the land.

**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 (B. Blad, J. Johnston)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(e). **The motion passed** by roll call vote (**Ayes: Blad, Johnston, Fisher, Ottaway, Smith, Tovey, Turner; Nays: None**). The Board adjourned to executive session at approximately 11:26 a.m. The Board reconvened to regular session at 11:31 a.m.

**3. Action and Discussion Items:**

**Agenda Item No. 2: “Hoku” Property Lease Extension.** Board members discussed possible terms for the lease extension that would allow VAM to pursue its options, while still protecting the Board’s options. It was then **MSC (Blad, Turner)** to renew the lease effective January 17, 2018, through July 17, 2018, with the right to renew for two additional six-month periods, with increased rent payment of \$30,000, a 45-day right of first refusal should the PDA receive an offer from another party to purchase the property, and a security interest in the infrastructure and buildings on the property being granted to the PDA, authorizing the Chairman to sign said lease extension. Specifically excluded from the lease is the right for VAM to 180 days after final expiration of the lease in which to remove remaining infrastructure/buildings from the land.

**Agenda Item No. 3: Request for Funding – Jim Dandy Brewing.** Hailee Matkin and Davis Gove presented their request to have the PDA pay for installation of “Old Town streetlight” on the Lander Street side of their property at Lander and Second. They are the owners of a new brewery, Jim Dandy Brewing, that will be opening in July. They would like to have streetlights matching those installed elsewhere in the Old Town area and because they must replace sidewalk along Lander, this would be a good time to make those improvements. They have invested about \$200,000 in the business, in addition to the improvements to the property made by the property owner. Additional lighting will improve safety in the area, as well as making it more inviting visually.

Board members discussed the proposal at length. Items discussed included: the money would come from the general fund; the new lighting would match that across the street and in many other parts of Old Town that was installed through the Central Corridor TIF; it may be possible to install the lighting on the Second Avenue side, as well (as many as six); need to ensure sidewalks remain ADA compliant after installation; using LEDs in the lights and potential Idaho Power rebates.

**Stephanie Palagi** encouraged that the lights have the brackets to hang flowerpots and flags as the others do.

It was then **MSC (Blad, Johnston)** to approve the request for three streetlights, matching the others in the Old Town area, including brackets, along the Lander Street side of the Jim Dandy Brewing property, up to a cost of \$15,000. Depending on the cost and location options, lights may also be installed on the Second Avenue side; **Gygli** will follow up with information at a later meeting.

**Agenda Item No. 4: CEED.**

**4. 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 (S. Turner, B. Blad)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(e). **The motion passed** by roll call vote (**Ayes: Turner, Blad, Fisher, Johnston, Ottaway, Smith, Tovey; Nays: None**). The Board adjourned to executive session at approximately 12:16 a.m. The Board reconvened to regular session at 1:00 p.m. Johnston left the meeting at approximately 12:45 p.m.

**5. Action and Discussion Items:**

The Board took a 10-minute break to get lunch.

**Agenda Item No. 5: Minutes.** The minutes of the regular session and executive session of March 28, 2018 were reviewed. It was then **MSC (B. Blad, S. Turner)** to approve the minutes as presented. (Note: The minutes showed Tiffany Olsen as present, but she was not. The minutes were corrected for the permanent record.)

**Agenda Item No. 6: Financial Report.** **J. Stroschein** presented the financial reports for the month of March 2018. At the end of the reporting period, the Authority had cash on hand of \$6,324,238.62. The checking account balance was \$287,924.29, the savings account was \$2,635,695.01, and cash held by Zions Trust amounted to \$3,400,619.32. The Authority recognized financial activity during the month of March as follows: revenue totaled \$51,251.91, of which \$2,213.93 was interest earnings on cash invested, \$750.00 was rental income from the Positron facility, \$20,000 was rental income from the Hoku property, and property tax revenues totaled \$28,287.98. Expenses totaled \$119.12 for the March lunch meeting. Stroschein noted she is working to complete the transfer of banking services to ICCU.

Following discussion of the financial reports, it was then **MSC (B. Blad, S. Turner)** to approve the March 2018 financial reports as presented.

**Agenda Item No. 7: Payment Requests/Reimbursements.** Following review, it was **MSC (B. Blad, T. Ottaway)** to approve payment of \$860.00 to Elam & Burke for work in March on the potential Northgate TIF plan and \$4,150.00 to Deaton & Company for FY2017 Audit Services.

**Agenda Item No. 8: Transfer of Administrative Fees.** There was discussion among Board members that this transfer of administrative fees, allowed under each TIF plan, is what provides some flexible funds to assist projects not within TIF districts. Based on a legal opinion from past PDA attorney, this is in line with the PDA's mission and TIF funding. It was then **MSC (Blad, Turner)** to authorize the transfer of the 10 percent administrative fees from all open districts, except the airport.

**Agenda Item No. 9: Project Updates.**

- a. Bully Dog: **M. Gygli** reported no response has been received from Bully Dog as to their interest in the approved grant or additional conversation with the Board. Following discussion, **Smith** will send a letter to them, again offering help, but asking that they either supply needed documentation to qualify for the grant or that the agreement will be terminated so the funds can be reallocated.
- b. Naval Ordnance TIF: **Smith** reported that the majority of the lawsuit has been settled in Earl Swift's favor. However, the PDA should wait to spend additional funds until all claims are resolved.

**6. Adjournment:**

There being no further business, the meeting adjourned at 1:23 p.m.

By:   
Melanie Gygli, Interim Executive Director/Secretary

**POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES**  
**EXECUTIVE SESSION**  
**April 18, 2018**

Executive Session #1:

**Members present:** Mayor Brian Blad, Larry Fisher, Councilman Jim Johnston, Thomas Ottaway, Chairman Scott Smith, Terrel Tovey, and Scott Turner.

**Members absent/excused:** Chad Carr, Russ Meyers.

**Others present:** Melanie Gygli, Interim Executive Director; Jared Johnson City Attorney; Joyce Stroschein, Treasurer; John Regetz, Bannock Development Corporation (ex-officio); and Scott Marotz, representing VA Metals.

The Board of Commissioners adjourned from regular session into executive session at approximately 11:26 a.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, J. Johnston)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(e). **The motion passed** by roll call vote (**Ayes: Blad, Johnston, Fisher, Ottaway, Smith, Tovey, Turner; Nays: None**). **It was moved and seconded (S. Turner, B. Blad)** to reconvene to regular session at approximately 11:31 a.m. **The motion passed** by roll call vote (**Ayes: Turner, Blad, Fisher, Johnston, Ottaway, Smith, Tovey; Nays: None**).

Executive Session #2:

**Members present:** Mayor Brian Blad, Larry Fisher, Councilman Jim Johnston, Thomas Ottaway, Chairman Scott Smith, Terrel Tovey, and Scott Turner.

**Members absent/excused:** Chad Carr, Russ Meyers.

**Others present:** Melanie Gygli, Interim Executive Director; Jared Johnson City Attorney; Joyce Stroschein, Treasurer; John Regetz, Bannock Development Corporation (ex-officio); Stephanie Palagi, Old Town Pocatello; and Jeff Street, CEED.

The Board of Commissioners again adjourned from regular session into executive session at approximately 12:16 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 (S. Turner, B. Blad)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(e). **The motion passed** by roll call vote (**Ayes: Turner, Blad, Fisher, Johnston, Ottaway, Smith, Tovey; Nays: None**). Johnston left the meeting at approximately 12:45 p.m. **It was moved and seconded (B. Blad, T. Tovey)** to reconvene to regular session at approximately 1:00 p.m. **The motion passed** by roll call vote (**Ayes: Blad, Tovey, Fisher, Ottaway, Smith, Turner; Nays: None**).

By: \_\_\_\_\_

Melanie Gygli

Interim Executive Director/Secretary