

**POCATELLO DEVELOPMENT AUTHORITY
MEETING MINUTES
June 26, 2018**

Chairman Smith called the meeting to order at 11:12 a.m.

Members present: Matt Bloxham, Chad Carr, Jim Johnston, Rob Lion (arrived at 11:19), Chairman Scott Smith, Terrel Tovey (arrived at 11:50), and Scott Turner.

Members absent/excused: Mayor Brian Blad, Thomas Ottaway.

Others present: Melanie Gygli, Interim Executive Director; Jared Johnson, City Attorney; Ashley Linton-Welsh, Senior Accountant; Jeff Mansfield, Public Works Director/City Engineer; Merril Quayle, Development Engineer; Tiffany Olsen, Bannock County; John Regetz and Mike Ennis, Bannock Development Corporation (ex-officio); Denis Clijsters, representing Station Square; Lisa Willmore, representing The Bridge; Phil Kushlan, Kushlan Associates (by phone, left the meeting at approximately 11:40 a.m.); Meghan Conrad and Matt Parks, Elam & Burke (by phone, left the meeting at approximately 12:00 noon).

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

1. Action and Discussion Items:

Agenda Item No. 1: Minutes. The minutes of the regular and executive meetings of May 16, 2018, special meeting of May 24, 2018, and special and executive meetings of June 11, 2018. It was then **MSC (J. Johnston, S. Turner)** to approve the minutes as presented.

Agenda Item No. 2: Financial Report. **A. Welsh** presented the financial reports for the month of May 2018. At the end of the reporting period, the Authority had cash on hand of \$6,332,882.03. The checking account balance was \$2,925,297.30, the savings account was \$25.00, and cash held by Zions Trust amounted to \$3,407,559.73. The Authority recognized financial activity during the month of May as follows: revenue totaled \$5,463.26, of which \$3,963.26 was interest earnings on cash invested and \$1,500 in rental income from the Positron facility. Expenses totaled \$4,639.91, including \$151.91 for the May lunch meeting and \$4,488.00 to Elam & Burke for work on the Northgate TIF plan. Following discussion, it was then **MSC (J. Johnston, S. Turner)** to approve the May 2018 financial reports as presented.

Agenda Item No. 3: Payment Requests/Reimbursements. **Gygli** reviewed the invoices presented for payment. Those from Elam & Burke accurately reflects the work that performed in May. The Client Analysis Services charge from Wells Fargo is a cost that, in the past, was deducted from interest earnings, so no separate billing was made. With the change to Idaho Central Credit Union for the Authority's banking services, this should be the last such charge. It was then **MSC (C. Carr, J. Johnston)** to approve payments of \$8,202.85 and \$3,433.00 to Elam & Burke for work in May on the potential Northgate TIF plan and Hoku property, respectively, and \$152.13 to Wells Fargo for Client Analysis Services.

Agenda Item No. 4: Northgate TIF Plan. **Meghan Conrad and Phil Kushlan**, representing Elam & Burke and Kushlan Associates, presented an update on progress toward a TIF plan for the Northgate development. **Conrad** explained they had hoped to have a draft plan by now, however, they have just received the market analysis and so have not had a chance to incorporate those findings. She plans to have a draft ready for review at the PDA's meeting of 7/18; she and Kushlan will plan to attend in person, with Chris Zahas by phone.

Issues still to be addressed are the full scope of the boundary and more specificity from the developers as to what they hope to have reimbursable. **Kushlan** explained the market analysis numbers are different from preliminary figures from the developers in magnitude and timing of the development. The analysis contains both a conservative and optimistic estimate, with neither being the same as what the developers proposed. **Conrad** stated she will reach out to the developers for more information.

Mansfield provided an update on the interchange construction. Because the original bids came in about \$3 million over the amount available, all bids were rejected. The job will be rebid with a longer timeline for completion (over the winter and into next year) and some other changes to the specs. They anticipate that with these changes there will be more and more competitive bids. **Quayle** reported construction on the east side connecting road is underway, as is work on the west side connecting road.

Conrad and **Kushlan** explained the usual reimbursable items are items that benefit the public, such as main roads and infrastructure main lines. Laterals and local roads have less of a public benefit (more a benefit to private property value) and so may not be as reasonable for reimbursement.

Agenda Item No. 5: "Hoku" Property.

2. Executive Session:

Chairman Smith called for a motion for the Board to go into an executive session to discuss a matter in which the PDA is in competition with other jurisdictions and to communicate with legal counsel for the PDA to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated and to consider records that are exempt from disclosure. At approximately 11:40 a.m., **it was moved and seconded (R. Lion, J. Johnston)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(d, e, & f). **The motion passed by roll call vote (Ayes: Lion, Johnston, Bloxham, Carr, Smith, Tovey, Turner; Nays: None).** Upon **MSC (J. Johnston, S. Turner)** the Board reconvened to regular session at approximately 12:00 noon.

No action was taken on this item.

3. Action and Discussion Items

Agenda Item No. 6: Request for Funding – Station Square. As requested at the 5/16/18 meeting, **Denis Clijsters**, representing Station Square, LLC, presented additional information on his application for funds to assist in upgrades to the Station Square building at 200 South Main. He explained the demand is high for dwelling units in the downtown area. However, renovations and upgrades are needed in order to make the building and units safe, habitable, and accessible, as well as to the commercial area to retain the restaurant business and associated jobs. He requested a total of \$200,000 to assist with a new Class A hood for the kitchen, fire sprinklers and fire exit stairway in the atrium, electric meters on the outside of the building, as required by Idaho Power, and automatic doors on the front and back of the building.

In response to questions from Board members, Clijsters explained he is not planning any exterior improvements at this time; there are a mix of tenants and unit sizes at the Fargo Apartments; there is one unit at Station Square already occupied.

Board members discussed the need to continue revitalization of the downtown area to reduce the potential for urban blight and promote reuse of existing structures; assisting this project would be similar to assistance provided to the Whitman Hotel several years ago; whether a grant or loan or combination

is most appropriate; what terms should apply to whatever type of funding is approved. Board members determined that a combination of grant and loan would be appropriate, with the fire sprinklers, fire exit stairway and automatic doors considered for a grant and the Class A hood and electric meters be assisted through a loan. Gygli will draft a grant agreement for review by Smith and consideration at a later meeting for final action.

Agenda Item No. 7: The Bridge – Funding Agreement Update. Gygli reviewed the terms of the existing grant agreement, which include a grant for \$25,000 for electrical upgrades and a grease trap and a loan of \$26,000 for the relocation and installation of kitchen equipment. The loan portion was for five years, with the first year at 0 percent interested and prime plus 1 percent thereafter. The first quarterly payment was due 3/31/18, but has not been paid.

Lisa Willmore explained that the startup in the new location has been more difficult than anticipated. Far more work was needed to the building to make the restaurant operational and the business was underfunded. She has now partnered with Clijsters and is back on track and working to rebuild and further the business. To make the business viable, she is in need of additional funds. It is her intent to open the back patio area (along UP Avenue), which both she and Clijsters is necessary to draw in customers. It needs a lot of work, but would not only benefit the business but bring people to the downtown area and remove a degree of blight. She believes another \$25,000 is needed to pay existing bills and make the patio improvements.

The Board indicated their willingness to entertain additional assistance, but asked that a new application supported by bid documents be presented, as well as her plan to pay back the existing loan. Further, **Lion** suggested that an analysis of customer numbers from the past and a projection of what she anticipates be done to help determine whether the venture can be successful. Further consideration will take place at a later meeting.

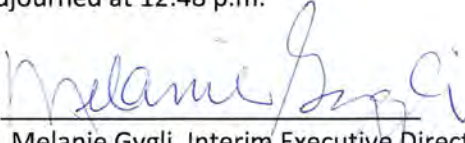
Board members took a brief break to get lunch.

Agenda Item No. 8: Project Updates.

- a. **Naval Ordinance TIF:** There has been nothing new occurring in the lawsuit, but it does seem to be headed in the right direction for the current owners.
- b. **Homeless Shelter:** **Smith** reported Aid For Friends has again contacted him about the potential of PDA funds being used to assist in creation of a new shelter. He questions whether such assistance would meet the PDA's mission. **Tovey** stated the existing structure is owned by the County. The area around the existing shelter is unlikely to experience many improvements because of the shelter's location there. They have identified a building on Lewis and 1st that could meet their needs, but they are still working on funding and logistics.
- c. **Senior Center:** There has been no further communication from the group that was discussing an expanded senior center housing a variety of programs.

Adjournment:

There being no further business, the meeting adjourned at 12:48 p.m.

By: 
Melanie Gygli, Interim Executive Director/Secretary