

**POCATELLO DEVELOPMENT AUTHORITY  
MEETING MINUTES  
December 19, 2018**

**Chairman Scott Smith** called the meeting to order at 11:07 a.m.

**Members present:** Mayor Brian Blad, Chad Carr (by phone from approximately 1:10-1:45 p.m.), Jim Johnston, Scott Smith, Terrel Tovey, and Scott Turner.

**Members excused/absent:** Matt Bloxham, Rob Lion, and Thomas Ottaway

**Others present:** Melanie Gygli, Interim Executive Director; Joyce Stroschein, Treasurer; Jared Johnson, City Attorney; Merrill Quayle, Public Works Development Engineer; John Regetz, Bannock Development Corporation (ex officio); Tiffany Olsen, Bannock County; Barbara Wischerath, Gateway West; Stephanie Palagi; Dane Simmons; Jennifer Simmons; Michael Snyder; Robert Polecki; Sharon Manning; Jerry Myers; Phil Joslin; Carol Burnett; Alfreda Vann; Matt Parks and Meghan Conrad, Elam & Burke (by phone approximately 1:10-1:30).

**Agenda Item No. 1: Conflicts of Interest.** Johnston disclosed a conflict of interest on matters related to the Northgate TIF (item 9).

**Agenda Item No. 2: Minutes.** The minutes of the Regular Session of November 21, 2018 were considered. It was then **MSC (J. Johnston, B. Blad)** to approve the minutes as presented.

**Agenda Item No. 3: Financial Report.** **J. Stroschein** presented the financial report for the month of November 2018. At the end of the reporting period, the Authority had cash on hand of \$6,474,631.65. The checking account balance was \$3,129,719.19, the savings account was \$25.00, and cash held by Zions Trust amounted to \$3,344,887.46. The Authority recognized financial activity during the month of November as follows: revenue totaled \$104,069.04, of which \$15,418.34 was interest earnings on cash invested and property tax interest, \$750.00 was rental income from the Positron facility, and property tax for the North Yellowstone District totaled \$87,900.70. Expenses totaled \$313,253.11, including \$126.05 for the November lunch meeting, publishing costs for the Hoku RFP of \$84.31, RAI dues and legislative contribution of \$1,350.00, economic development support to the Northgate interchange of \$300,000.00, and legal services related to the Northgate TIF, North Portneuf property, and general legal support of \$11,692.75.

Stroschein presented information on the funds available in the general fund, less what has been committed. Not including the anticipated administrative fee transfer from each district, there is \$651,355 in uncommitted funds. Following discussion, it was then **MSC (B. Blad, J. Johnston)** to approve the November 2018 financial reports as presented.

**Agenda Item No. 4: Payment Requests/Reimbursements.** The following invoices were reviewed for payment: 1) Elam & Burke in the amount of \$6,918.30 for November services on the Northgate TIF project; 2) Elam & Burke in the amount of \$3,930.50 for November services on the Hoku property; 3) Idaho State Publishing in the amount of \$194.10 for publication of the RFP for the North Portneuf district. It was then **MSC (B. Blad, J. Johnston)** to approve the payment requests.

**Agenda Item No. 5: Request for Funding – Snyder.** **Gygli** introduced a request by Michael Snyder for funds to replace the roof and renovate the façade. **Michael Snyder** provided an outline of his plans for the building, which could include a variety of vendors and businesses and business incubation. His request is for a total of \$149,000 in grant funds, in order to preserve and rehab the building. The roof leaks and has caused water damage to the interior. He has already made repairs to the plumbing and HVAC systems. **Stephanie Palagi**, representing Old Town Pocatello, stated this building is important to the fabric of the downtown and the planned improvements could help create a business epicenter. Further, Snyder has a proven record on the properties he has purchased and improved.

In response to questions from Board members, Snyder explains he owns the building and has begun making needed repairs. According to Jerry Myers (his architect) and Wilson Roofing, the building is structurally sound.

**Johnston moved** to approve the request. After discussion, it was decided to listen to all three funding requests before taking any action. Johnston withdrew his motion.

**Agenda Item No. 6: Request for Funding – United Seniors Project.** **Gygli** introduced a request by United Seniors Project (USP) for funding for building purchase and rehabilitation to house the various groups within the USP. **Sharon Manning** began the presentation, explaining they originally approached the PDA for funding in March of 2017, where it was suggested they needed a more complete proposal, including a business plan. She reviewed their current proposal, which includes acquiring the Bonneville Elementary building through the School District's bidding process. This building would meet their needs over the long term. **Jerry Myers** explained the building is structurally sound and expressed his opinion that this reuse would be good for the neighborhood and community.

**Alfreda Vann**, representative of the Bonneville Neighborhood Association, described the neighborhood and its heritage. She believes this project would be good for the neighborhood, becoming a destination place and a reason for people to purchase homes in the area. She referenced purpose from the Board's Bylaws, stating that this project is in line with that purpose.

**Carol Burnett** described the financial needs, including anticipated purchase price and needed repairs and rehab. For long-term operation, they will be looking for donations from various groups and potentially assistance from government agencies.

In response to questions from Board members, Burnett stated they have no financial commitments to date. The request to the PDA is for \$617,800, which will cover the purchase and first phase of repairs and rehab. Board members noted this amount exceeds the total available to the PDA for any funding requests and operational expenses. In response to further questions, **Burnett** and **Phil Joslin** explained the USP groups individually renting space for their functions; likely they will approach the Portneuf Health Trust for funds.

**Joslin**, New Knowledge Adventures president, reviewed the groups that are involved with this project, all of which are non-profits. This project will benefit persons of all ages. The PDA's endorsement will assist them in obtaining additional funds. In response to questions, he noted the Senior Center is not one of the groups involved, but they are talking with them; they are looking into other grant opportunities. He believes that the School District determined to sell the property based on USP's inquiries. **Manning** explained there are other grant options, but the PDA's involvement would help kick-start requests. They will maintain the building but may approach local governments for assistance—either financial or in-kind—for operational costs.

Board members discussed the project, noting that it is not the usual type of project for which funds are provided. PDA members expressed their support for the concept. No decision can be made today, but they will look into whether this is a project allowable under the standards of State urban renewal law.

**Agenda Item No. 7: Request for Funding – Simmons.** **Gygli** introduced a request from Dane Simmons for funding to improve the interior and exterior of the building at 312 West Center Street. **Simmons** presented his request for \$75,000 in grant funds for interior renovations and a loan of \$250,000 to build Simmons Surgical skills lab and luxury suites in the building. He described his existing business, Par 5, and the history of Old Town. It is his intent to restore the building as closely to the original as possible. This business would offset the seasonality of Par 5 and bring Air BnB type units to the downtown. Start-up businesses will be housed in the renovated area, as well, including the washie toilet Robert Polecki created.

In response to questions from Board members, Simmons explained he has invested \$1 million in Old Town, has owned this building for eight months, and has been in business in Old Town for five years. In the past, the building was connected to the Main Street frontage, though now only the utilities are connected. He has talked with banks but cannot get as good terms as the PDA has made available.

**Robert Polecki** urged the Board to give positive consideration to the proposal. He believes the funds will be used wisely and there are businesses waiting to use this building. He explained that, for his business, the executive positions would be in this building, with assembly elsewhere.

Board members discussed all three funding requests. Consideration was given to other options for funding and concern about competing with banks for loan dollars; whether the USP project would be an eligible urban renewal-type project; concern about reducing the general fund too dramatically; giving smaller amounts or only grants vs. larger loans; tying awarded funds to benchmarks, such as a certain number of employees, as has been done on other awards. Recent PDA awards in the downtown area have been toward the south end, and this area needs attention as well. Lately, loan terms have been 0 percent interest for the first year, with interest at prime plus 1 percent and quarterly payments for years 2-5.

After consideration, it was **MSC (J. Johnston, B. Blad)** to grant \$75,000 to Snyder for roof repair or replacement and \$75,000 to Simmons for interior remodel including hardwood floors, skylight, ceiling, and façade and storefront restoration.

Further discussion regarding additional funding for these two projects, as well as whether to fund part of the USP project, will take place at the January meeting.

After a five-minute break, **Smith** moved ahead to item no. 9.

**Agenda Item No. 9: Consider Resolution No. 2018-3 – Approval of the Urban Renewal Plan for the Northgate Urban Renewal Project.** **Johnston** recused himself from participation on this item. **Meghan Conrad and Matt Parks** joined the meeting by phone. **Conrad** updated the Board on the status of the Northgate plan preparation. She described recent edits made to include an intergovernmental agreement with Chubbuck needed because of a recent annexation on the east side of the freeway. Action needed now is approval of the plan and its forwarding to the City Council for formal action. After discussion, it was **MSC (T. Tovey, S. Turner)** to adopt Resolution No. 2018-3, approving the Northgate TIF plan, and forwarding it to the City Council for formal processing.

**B. Blad** said the City Council has asked the PDA consider funding a study to determine the cost of providing services to the proposed TIF area, to determine the potential impact to current taxpayers. **Conrad** said such a study would need to be defined by the City. Likely it would delay processing of the plan, but there is some space built into the timeline to allow for County and Chubbuck intergovernmental agreements. She does not know what the cost of such a study might be.

Board members discussed the utility of such a study. While there may be some impact, much will be offset by the districts that will return to the tax rolls in the next year or two and the tax abatements that expire. After discussion, it was **MSC (T. Tovey, S. Turner)** to deny the request to fund this study, due to lack of available funds and the delay it would cause in processing the plan.

**Agenda Item No. 8: Hoku Property Update.** **Smith** reported that a lawsuit has been filed against the PDA. With this currently pending litigation, **Smith** called for an executive session to discuss the legal ramifications of and legal options for pending litigation. At approximately 1:25 p.m., **it was moved and seconded (S. Turner, T. Tovey)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(f). **The motion passed by roll call vote (Ayes: Turner, Tovey, Blad, Carr, Johnston, Smith. Nays: None).** Upon **MSC (B. Blad, J. Johnston)** the Board reconvened to regular session at approximately 1:35 p.m.

No action was taken on this item.

**Agenda Item No. 10: Authorization to Call North Yellowstone TIF Bonds.** **Stroschein** explained that the next tax payment likely will provide sufficient funds to pay off the bonded debt in the North Yellowstone district. Zions Bank requires action

by the PDA granting permission to call the bonds prior to taking any action. After brief discussion, it was **MSC (T. Tovey, B. Blad)** to grant permission to call the bonds on the North Yellowstone TIF district.

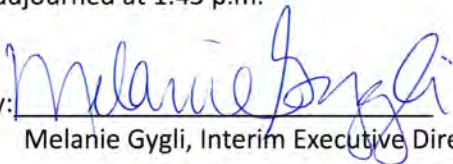
It was noted that with the closure of this district, the annual administrative fee transfer will be reduced significantly.

**Agenda Item No. 11: Authorize Administrative Fee Transfer.** After discussion, it was **MSC (J. Johnston, T. Tovey)** to authorize transfer of the 10 percent annual administrative fee from each active district to the general fund.

**Agenda Item No. 12: Reports and Updates.** No reports were made.

**Adjournment:**

There being no further business, the meeting adjourned at 1:45 p.m.

By:   
Melanie Gygli, Interim Executive Director/Secretary