

POCATELLO DEVELOPMENT AUTHORITY
MEETING MINUTES
January 16, 2019

Chairman Scott Smith called the meeting to order at 11:04 a.m.

Members present: Mayor Brian Blad, Chad Carr, Jim Johnston, Rob Lion, Thomas Ottaway, Scott Smith, Terrel Tovey, and Scott Turner.

Members excused/absent: Matt Bloxham.

Others present: Melanie Gygli, Interim Executive Director; Joyce Stroschein, Treasurer; Jared Johnson, City Attorney; Merrill Quayle, Public Works Development Engineer; John Regetz and Mike Ennis, Bannock Development Corporation (ex officio); Mark Lupo, Idaho Power; Tiffany Olsen, Bannock County; Stephanie Palagi; Dane Simmons; Michael Snyder; Matt Parks, Elam & Burke (by phone approximately 12:05-12:35 p.m.).

Agenda Item No. 1: Conflicts of Interest. No conflicts were disclosed.

Agenda Item No. 2: Minutes. The minutes of the Regular Session of December 19, 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 December 2018. At the end of the reporting period, the Authority had cash on hand of \$6,480,894.30. The checking account balance was \$3,130,977.15, the savings account was \$25.00, and cash held by Zions Trust amounted to \$3,349,892.15. The Authority recognized financial activity during the month of December as follows: revenue totaled \$18,127.65, of which \$6,979.55 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 \$10,398.10. Expenses totaled \$11,115.00, including \$72.10 for the December lunch meeting, publishing costs of \$194.10, and legal services related to the Northgate TIF and North Portneuf property of \$10,848.80.

Stroschein explained a large property tax remittance will come in toward the end of January. With that income, it is anticipated that sufficient funds will be available to begin closing the North Yellowstone TIF District. The administrative fund transfer will show in the next financial report. Following discussion, it was then **MSC (T. Tovey, S. Turner)** to approve the December 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 \$3,474.50 for December services on the Northgate TIF project and 2) Elam & Burke in the amount of \$1,046.22 for December services on the Hoku property. It was then **MSC (C. Carr, R. Lion)** to approve the payment requests.

Agenda Item No. 5: Request for Funding – Snyder. **Smith** explained Michael Snyder is requesting approval to use any of the \$75,000.00 in grant funds not needed for the roof work, be used toward the façade renovation. She stated the minutes reflected only the roof, so further action is needed if that is the Board's desire. **Snyder** explained his understanding that the funds were for both roof repair/replacement and renovation of the façade. After brief discussion that this was the Board's intent, it was **MSC (B. Blad, J. Johnston)** to allow use of the \$75,000.00 grant funds for both the roof and the façade work.

Agenda Item No. 6: Request for Funding – Simmons. **Smith** briefly reviewed the request, reminding Board members that a grant of \$75,000.00 was approved at the December meeting. **Simmons** explained that he is requesting additional funds, in the form of a loan, to complete the surgical skills lab and Air BnB-type rooms. In response to questions from Board members, he explained that he has used local lending institutions, but is hoping for PDA assistance as well because the terms allow for better cash flow as the project progresses; he has obtained a quote for a sprinkler system. He stated a

loan of \$125,000 (half of his request) would allow him to finish the surgical skills lab and one rental suite. He believes these will help bring more people to the downtown area who would then patronize other businesses.

Board members discussed the proposal, its benefits to the Old Town area, and concerns with competing with private lending institutions. It was then **MSC (T. Tovey, R. Lion; J. Johnston voted nay)** to approve a loan of \$125,000.00, with a five-year term, the first year at 0 percent interest and no payments, with the second through fifth years at prime plus 1 percent (figured on the one-year anniversary of the loan) and quarterly payments; funds must be requested within a one-year period of approval.

Gygli stated Simmons has submitted a request for partial payment of \$9,281.94 of the approved grant. Work to date includes demolition and planning. After discussion, it was **MSC (T. Ottaway, R. Lion)** to approve payment, after inspection by Quayle and Gygli to determine that the pay request is proportionate to the work completed.

A discussion on potential funding options for projects such as the ones recently approved by the PDA and how the PDA should participate will be part of the February meeting agenda.

Agenda Item No. 7: Project 17-18. **Smith** stated there is potential for business location that may involve the PDA, and so called for an executive session per I.C. §74-206(1)(e). At approximately 11:45 a.m., **it was moved and seconded (T. Tovey, B. Blad)** to adjourn to executive session to consider preliminary negotiations involving matters of trade or commerce in which the PDA may be in competition with other jurisdictions, pursuant to Idaho Code §74-206(1)(e). **The motion passed by roll call vote (Ayes: Tovey, Blad, Carr, Johnston, Lion, Ottaway, Smith, Turner. Nays: None).** Upon **MSC (T. Tovey, J. Johnston)** the Board reconvened to regular session at approximately 12:00 noon.

Smith called for a break; the Board reconvened at approximately 12:05 p.m.

Agenda Item No. 8: Discussion of Celtic Life Complaint. **Parks** joined the meeting by phone at this time. **Smith** reminded members that Celtic Life has filed a complaint 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 12:05 p.m., **it was moved and seconded (R. Lion, J. Johnston)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(f). **The motion passed by roll call vote (Ayes: Lion, Johnston, Blad, Carr, Ottaway, Smith, Tovey, Turner. Nays: None).** Upon **MSC (B. Blad, T. Tovey)** the Board reconvened to regular session at approximately 12:20 p.m.

No action was taken on this item.

Agenda Item No. 9: Hoku Property Disposition – Selection of Development Proposal. **Gygli** reported that, as of the 1/7/19 deadline, no competing proposals were received in response to the Request for Proposals. A letter was submitted by Webb Moulton on behalf of Celtic Life Science. She briefly reviewed the process to the point. **Parks** explained next steps, based on the agreements with Solargise. Board members and Lupo discussed the issue of encroachment into the Idaho Power substation easement. **Parks** explained the property is being sold as is, with no warranties, and with all existing easements (Idaho Power, water line, and road and slope easements), and the potential buyer is aware of their existence. How to handle the encroachment will be up to the new owner to work out with Idaho Power. Celtic's letter is not considered a competing proposal, as stated in their letter, due to the inability to provide a release and waiver of claims. Board members discussed Idaho Power's concerns about the encroachment and wanting to make sure the purchaser is aware of it. Lupo agreed to submit a letter from Idaho Power on the issue, which can be provided to the purchaser.

Smith reviewed the draft resolution, which selects the proposal of Solargise America as the highest-ranked proposal, and authorizes the Board officers to sign the documents necessary to dispose of the property Solargise America. It was then **MSC (T. Tovey, S. Turner)** to adopt Resolution 2019-1 authorizing the sale of the "Hoku" property to Solargise America and the necessary signatures by the Board officers. **Parks** noted the tentative closing date is 3/18/19.

Agenda Item No. 10: Northgate TIF Plan - Update. Gygli briefly reported on next steps on the TIF plan adoption, including intergovernmental agreements with the City of Chubbuck and Bannock County. Tentatively, the City Council's public hearing will be April 4, 2019.

Agenda Item No. 12: Retention of Counsel – North Yellowstone TIF Closure. After brief discussion, it was **MSC (T. Tovey, R. Lion)** to retain Elam & Burke to assist with the closure of the North Yellowstone URA.

Agenda Item No. 12: Reports and Updates.

- a. **United Senior Project:** Gygli stated she received communication from Sharon Manning that they do not anticipate asking for assistance with purchase of the property. **Turner** reported the USP group is reformulating their approach and will be looking more to private donations and partnering with the Senior Center.

Gygli stated the Board's annual meeting with the City Council will be at the work session on 2/14/19. Smith will plan to attend.

Adjournment:

There being no further business, the meeting adjourned at 12:47 p.m.

By: Melanie Gygli
Melanie Gygli, Interim Executive Director/Secretary