

**POCATELLO DEVELOPMENT AUTHORITY
MEETING MINUTES
July 24, 2019**

Members present: Mayor Brian Blad, Matt Bloxham, Chad Carr, Jim Johnston (left the meeting at approximately 11:30 a.m.), Rob Lion, Thomas Ottaway, Scott Smith (joined the meeting by phone from approximately 11:30 a.m. to 12:23 p.m.), and Scott Turner

Members excused/absent: Terrel Tovey

Others present: Melanie Gygli, Interim Executive Director; Ashley Linton-Welsh, Pocatello Deputy CFO; Jared Johnson, Pocatello City Attorney; Merrill Quayle, Pocatello Public Works Development Engineer; Jeff Mansfield, Pocatello Public Works Director/City Engineer; John Regetz, Bannock Development Corporation (ex officio); Tiffany Olsen, Bannock County; Matt Parks, Stacey & Parks (by phone from approximately 11:30 a.m. to 12:23 p.m.); Raj Basu and Ben Krause, Solargise; several members of the public

Agenda Item No. 1: Call to Order and Disclosure of Conflicts of Interest. Vice Chairman Chad Carr called the meeting to order to 11:02 a.m. No conflicts were disclosed.

Agenda Item No. 2: Minutes. The minutes of the Regular and Executive Sessions of June 19, 2019 were considered. It was then **MSC (J. Johnston, R. Lion)** to approve the minutes as presented.

Agenda Item No. 3: Financial Report. **A. Linton-Welsh** presented the financial report for the month of May 2019. At the end of the reporting period, the Authority had cash on hand of \$3,494,916.87. The checking account balance was \$3,494,891.87 and the savings account was \$25.00. The Authority recognized financial activity as follows: revenue totaled \$7,550.37, of which \$908.14 was interest earnings on cash invested, rental income from the Positron facility, and \$5,892.23 in property taxes from the North Yellowstone District. Expenses totaled \$17,953.19, including administrative expenses of \$3,131.69 and other professional services of \$14,821.50. Economic development grants of \$12,954.41 and loans of \$55,960.38 were issued.

Following discussion, it was then **MSC (J. Johnston, T. Tovey)** to approve the May 2019 financial report as presented. Board members asked to have an updated list of general fund projects and disbursements with future financial reports.

Agenda Item No. 4: Payment Requests/Reimbursements. The following invoices were reviewed for payment:

- a. \$943.56 from General Fund to Elam & Burke for legal fees re: Northgate TIF District creation.
- b. \$860.00 from North Yellowstone District Fund to Elam & Buke for legal fees re: North Yellowstone District closure.
- c. \$365.50 from North Portneuf District Fund to Elam & Burke for legal fees re: North Portneuf TIF District.
- d. \$1,720.00 from North Portneuf District Fund to Stacey & Parks for legal services re: North Portneuf TIF District.

Gygli reported the invoices accurately reflect work performed or goods and services provided, and are appropriate for payment. It was then **MSC (R. Lion, J. Johnston)** to approve the payment requests.

Agenda Item No. 5: North Portneuf TIF District. Parks joined the meeting by phone. He attended the Bannock County Commissioner’s hearing to request an extension for payment of delinquent taxes, which was granted until 8/19/19. He has been in contact with Solargise’s attorney on the tax issue and the default by Solargise on property purchase. The default cure period expires on 7/22/19. Solargise is also in technical default on the license agreement since the required deposit was not paid.

Discussion ensued among Board members regarding the best path forward, potential options for payment of only the tax amount that would be paid to the regular taxing districts (vs. the increment to the PDA—which Tovey stated is unlikely in his opinion to be approved). Ultimately, if the taxes are not paid by the August deadline, the County will take the property by tax deed, which could remove other existing liens. Rather than taking other action now, Board consensus was to wait until the default cure period expires, then determine what is needed going forward.

Agenda Item No. 6: Executive Session – North Portneuf TIF District. To allow discussion regarding pending litigation, Smith called for an executive session. Pursuant to I.C. §74-206(1)(f) 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, at approximately 11:23 a.m., **it was moved and seconded (J. Johnston, T. Tovey)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(f). **The motion passed by roll call vote (Ayes: Johnston, Tovey, Bloxham, Carr, Lion, Smith, Turner. Nays: None.)** At approximately 11:36 a.m., the Board reconvened to regular session.

Smith moved ahead to Agenda Item No. 14.

Agenda Item No. 14: Executive Session – Positron Building. To allow review of records that are exempt from disclosure, Smith called for an executive session. Pursuant to I.C. §74-206(1)(d) to consider records that are exempt from disclosure as provided in Chapter 1, Title 74, Idaho Code, at approximately 11:36 a.m., **it was moved and seconded (T. Tovey, J. Johnston)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(d). **The motion passed by roll call vote (Ayes: Tovey, Johnston, Bloxham, Carr, Lion, Smith, Turner. Nays: None.)** At approximately 11:45 a.m., the Board reconvened to regular session.

Following the executive session, Smith welcomed those who had been dismissed back to the meeting.

Agenda Item No. 13: Positron Building. Board members briefly discussed sale of the property to Idaho State University. Further consideration of how to proceed will occur at a later meeting.

Agenda Item No. 7: Naval Ordnance District. Barbara Wischerath, representing Gateway West, presented a request for funding for road paving. The original request was for \$116,898.00, however, with further inspections, additional work is needed and the amount is now \$134,850.00. This amount reflects the lower of two estimates, both in total and in per unit pricing.

The only existing funding commitment in this district is for power upgrades, at 50 percent of cost up to \$200,000.00. Wischerath stated with changes made by Idaho Power, this project will be reworked, so that commitment is no longer needed but may need to be revisited. Following brief discussion, it was **MSC (T. Tovey, S. Turner)** to rescind the commitment of up to \$200,000.00 for power upgrades. Wischerath will return in the future with a longer-range plan for additional improvements. She noted the pending lawsuit was completed at district court level, but has been appealed to the Ninth Circuit. Briefs on that appeal are due now and she anticipates the entire process will be complete in 18 months.

Board members discussed the request, noting that road paving is called out in the URA plan as project to be supported. The district can remain open until 2026 and there is approximately \$980,000.00 in cash available. Board members expressed their desire to see improvements to the building facades.

It was then **MSC (J. Johnston, C. Carr)** to approve payment of \$134,850.00 for the paving project, on a reimbursement basis. Any questions on permits and payment should be directed to PDA staff.

Agenda Item No. 8: Northgate TIF Plan. Gygli reported the City Council adopted the enacting ordinance at their meeting 5/2/19. It was published 5/8/19 and the 30-day period for contesting its adoption has passed. The next steps include creation of owner participation agreements with the entities to be reimbursed. There will be some additional expense for legal fees going forward. The first receipt of increment funds is not anticipated until January of 2021.

Agenda No. 9: North Yellowstone District. Gygli reported the ordinance dissolving the district was adopted by the Pocatello City Council. A budget amendment for the termination will be presented at the August hearing. Then any remaining funds will be returned to Bannock County for distribution to the various taxing entities.

Agenda Item No. 10: Request for Grant/Loan Disbursements.

- a. BGS Holdings: Disbursement of \$13,665.67 in loan funds and \$42,990.00 in grant funds was requested.
- b. Simmons Surgical: Disbursement of \$14,524.86 in loan funds and \$1,050.00 in grant funds was requested.
- c. Station Square: Disbursement of \$4,358.72 in loan funds was requested.

Gygli reviewed the requests, explaining that permits and inspections have been completed where required. For activities not requiring a formal permit, she and Quayle have inspected the work. All requests appear appropriate for the work performed. After review and discussion, it was **MSC (J. Johnston, R. Lion)** to authorize the payments described above.

Agenda Item No. 11: Barthlome Funding Change. Gygli reported L.D. Barthlome chose to not use loan funds from the PDA. Following brief discussion, it was **MSC (T. Tovey, J. Johnston)** to rescind approval of the loan approval, at the applicant's request.

Agenda Item No. 12: Moratorium on Funding Requests. The Board reviewed the balance in the general fund and discussed potential financial commitments that may arise. The Board also wishes to further consider priorities for use of the general fund, potential guidelines for choosing projects, etc. It was then **MSC (T. Tovey, R. Lion)** to declare a moratorium on accepting applications for general fund use, until the Board determines to reopen consideration. If applications are submitted, Gygli will return them, but keep a list of interested parties.

Agenda Item No. 15: Career Path Internship Program. Turner described ISU's Career Path Internship program, where students can work for off-campus organizations. Students from a variety of programs are available, depending on funding, and can work up to 20 hours per week. To work for the PDA, students probably would need to be associated with the City as the employer. Board members discussed potential projects, such as commercial land availability, reworking the website, rebranding the

PDA, creating an overlay of funded projects. Gygli will contact Emily Jahsman at ISU to see what student availability will be for the fall and talk with the Mayor about the City taking this on.

Agenda Item No. 15: Calendar Review.

- a. Think BIG: **Lion** announced an upcoming meeting on 7/10, 7:30 a.m., on the 2nd floor of Station Square to discuss the tech and knowledge economies. Idaho is behind the curve in these areas and efforts to move ahead need to be coordinated. Representatives from the SBDC will be present, as well.
- b. Next Meeting: The next meeting will be moved from July 17 to July 24, so the Board can review the Hoku property disposition issues after the end of the default cure period.

Adjournment: There being no further business, the meeting adjourned at approximately 12:40 p.m.

By: _____
Melanie Gygli, Interim Executive Director/Secretary