

POCATELLO DEVELOPMENT AUTHORITY
MEETING MINUTES
October 16, 2019

Members present: Mayor Brian Blad, Jim Johnston, Rob Lion, Scott Smith, Terrel Tovey, Scott Turner, and David Villarreal

Members excused/absent: Chad Carr, Thomas Ottaway

Others present: Melanie Gygli, Interim Executive Director; Ashley Linton-Welsh, Treasurer; Jared Johnson, Pocatello City Attorney; Merrill Quayle, Pocatello Public Works Development Engineer; Jeff Mansfield, Pocatello Public Works/City Engineer; Carl Anderson, Pocatello Senior Planner; John Regetz, Bannock Development Corporation; Meghan Conrad, Elam & Burke (by phone from approximately 11:50 a.m. to 12:00 noon); L. D. Barthlome, Portneuf Capital; Dane Simmons, Simmons Surgical; other members of the public

Agenda Item No. 1: Call to Order and Disclosure of Conflicts of Interest. Chairman Scott Smith called the meeting to order to 11:00 a.m. No conflicts were disclosed at this time.

Agenda Item No. 2: Approval of the Agenda. Upon MSC (B. Blad, R. Lion) the agenda was approved.

Agenda Item No. 3: Minutes. The minutes of the Regular Meeting of September 18, 2019 were considered. It was then MSC (B. Blad, T. Tovey) to approve the minutes as presented.

Agenda Item No. 4: Financial Report. A. Linton-Welsh presented the financial report for the month of September 2019. At the end of the reporting period, the Authority had cash on hand of \$2,775,117.09, with checking account balance of \$2,775,092.09 and savings account was \$25.00. The Authority recognized financial activity as follows: revenue totaled \$91,811.10, of which \$29,348.01 was interest earnings on cash invested and property tax, and \$750.00 in rental income from the Positron facility. Property tax revenues totaled \$1,421.44 from the North Yellowstone District and \$60,291.65 from the North Portneuf District. Expenses totaled \$70,995.17, including administrative and professional service expenses of \$6,389.28. The annual payment of \$17,740.20 was made to the City of Pocatello on the Hoku property. Economic development loans of \$41,567.32 and grants of \$5,298.37 were issued. (Johnston arrived at the meeting during this review.)

Following discussion and review of outstanding commitments from the general fund, it was then MSC (B. Blad, R. Lion) to approve the September 2019 financial report as presented.

Agenda Item No. 5: Payment Requests/Reimbursements. The following invoices were reviewed for payment:

- a. \$1,750.00 from General Fund to Redevelopment Association of Idaho for annual dues and legislative contribution
- b. \$57.43 from North Portneuf District Fund to Idaho State Publishing for legal noticing of the request for proposals
- c. \$105.50 from General Fund to Elam & Buke for legal fees re: North Yellowstone District closure
- d. \$21.50 from North Portneuf District Fund to Elam & Burke for legal fees re: North Portneuf TIF District
- e. \$2,644.50 from General Fund to Elam & Burke for legal fees re: Special Counsel General
- f. \$2,760.00 from North Portneuf District Fund to Stacey & Parks for legal services re: North Portneuf TIF District

Gygli reviewed the payment requests, stating the invoices accurately reflect work performed or goods and services provided, and are appropriate for payment. It was then MSC (T. Tovey, B. Blad) to approve the payment requests.

Agenda Item No. 6: Election of Officers. Before proceeding with nominations, Smith disclosed he has submitted his application to become a local judge. He will not know the results for a few months yet. **Nomination made and seconded (J. Johnston, R. Lion)** to nominate Smith as Chair for another term by unanimous consent. The nomination was withdrawn to consider electing the entire slate at one time. It was determined that was not appropriate, as the Treasurer would be a new nominee, with the retirement of Joyce Stroschein. Upon **nomination made, seconded, and carried unanimously**, Smith was elected Chairman. Upon **nomination made, seconded, and carried unanimously**, Carr was elected Vice Chairman. Before proceeding, Smith noted Gygli plans to retire in February 2020. Gygli stated she is

happy to remain Secretary until that time. Upon **nomination made, seconded, and carried unanimously**, Gygli was elected Secretary. Upon **nomination made, seconded, and carried unanimously**, Linton-Welsh was elected Treasurer.

Agenda Item No. 7: Disbursements under Previously approved Grants & Loans.

- a. **Simmons Surgical:** Gygli reviewed the request, explaining that the requested grant amount does not include payment for the front windows because Historic Preservation Commission approval was not obtained. Other items for the grant were inspected and approved. Regarding the loan request, Simmons has requested a change in scope, due to the cost of meeting construction codes. Because the Board's approval was specific to having an Air BnB created, that change must be approved by the Board before further funds as disbursed. **Smith** disclosed he is doing legal work for Simmons and so recused himself from discussion and voting.

Simmons presented an overview of the project so far. The Washie start-up received an award in a recent competition in Boise. Cozy Belle is working on their space now, for office and manufacturing. The lab area—"Suture"—is sectioned off and he is in talks with Bingham Memorial Hospital and Portneuf Medical Center to use it. He was notified that having an Air BnB unit would require fire separation and sprinklers, costing as much as \$150,000 and potentially requiring destruction of either the tin ceiling or flooring. That area, as well as the "extra" open area created because the lab is smaller than originally anticipated, could function as offices, community gathering spaces, or other mixed uses. He believes this will still bring people to the downtown area, even more than the 100 he promised with the Air BnB. He already has a commitment from Encompass Health to hold weekly meetings in the building.

Board members discussed the change in scope, noting that a mix of uses meets the intent of the project and will create a draw to the downtown, even with the lab a smaller size than anticipated. **Simmons** explained the exact uses may vary, depending on what the need the market creates. **Tovey** reminded the Board of the option for a 602NN property tax exemption for amounts over \$500,000, if not direct retail. This is a good incentive in areas where it does not conflict with TIF funding, such as the downtown.

Following additional discussion, it was **MSC (B. Blad, J. Johnston)** to approve the change in scope from an Air BnB unit to mixed use commercial and disbursement of the \$18,727.12 request.

Regarding the grant amount requested, **Gygli** explained payment for the exterior windows was not included, as they did not receive approval by the Historic Preservation Commission (HPC), as required by Pocatello Municipal Code. The proposal is scheduled for the 10/16/19 HPC meeting. Following additional discussion, it was **MSC (B. Blad, R. Lion)** to approve payment of the entire funding request (\$12,673.00), if HPC approval is obtained.

- b. **Snyder:** Gygli reviewed the request, stating that the project is complete and all improvements received the appropriate permits and inspections. This draw is for architectural services, storefront changes, and a portion of the signage. Following brief discussion, it was **MSC (J. Johnston, S. Turner)** to approve disbursement of \$35,558.00.

Agenda Item No. 8: Positron Facility. Gygli briefly reviewed the issue, explaining that ISU has signed the purchase agreement, for the agreed-to price of \$125,000.00. It is anticipated that ISU will wire the funds to the title company as soon as 10/18/19. **Meghan Conrad** joined the discussion by phone. She briefly reviewed the process and Idaho Code requirements for property disposition in this instance, stating no title issues are anticipated, and title insurance may be waived following due diligence. **Linton-Welsh** noted that lease payments in the amount of \$4,500 have not been received from ISU. **Lion** said this might be because of university-wide budget work.

Following discussion, it was **MSC (B. Blad, J. Johnston)** to adopt resolution 2019-5, authorizing the Chair or Vice Chair to sign necessary documents to complete the property sale.

The Board took a 10-minute recess to gather lunch.

Agenda Item No. 9: North Portneuf TIF District. Gygli provided a brief update, explaining the deadline for RFP submission is 10/24/19 at 5:00 p.m. No submissions have been received. She has received only one phone call inquiring about the process. Both Portneuf Capital and Solargise have signed license agreements and keys to the facilities have been provided to the PDA. Tovey stated the County Clerk has been sued regarding recordation of bills of sale on the infrastructure. Currently, the total in taxes, interest, and fees owed is \$310,725. Taxes for 2019 will be recorded in April 2020, and, if not brought current, the tax deed process will begin again.

Lion questioned whether it would be appropriate to begin moving forward with an RFP on removal of the infrastructure, which could make the property easier to sell. Discussion ensued regarding history of the property's purchase, Hoku bankruptcy, and tax sales. The property disposition will be on the November meeting agenda.

Agenda Item No. 10: Resolution 2019-4. The Board acknowledged the contributions made by Matt Bloxham as a member of the Board and it was **MSC (J. Johnston, B. Blad)** to adopt Resolution 2019-4 in appreciation and acknowledgment of Matt Bloxham's service as a Board member.

Agenda Item No. 11: Calendar Review.

--Potential New TIF: **Blad** reported a local businessperson will be at the November meeting to discuss options for a new TIF district along South 5th.

--BLM Land Swaps: **Tovey** stated the BLM may be interested in land swaps to consolidate its holdings, rather than scattered parcels near or within City limits, including some near Ross Park. Though a lengthy, involved process, such might be worthwhile.

--Think BIG: **Lion** said this group will be reactivating with a 10/30/19 fireside featuring the Twin Falls Mayor discussing their downtown revitalization process. Everyone is invited to attend, at 6:30 p.m. at Station Square. Think BIG hosts include morning coffee meetings, and is adding lunch and learn and spark meetings.

--BDC Update: **Regetz** stated the Frigitek/Transload project is moving along.

Adjournment: There being no further business, the meeting adjourned at approximately 12:32 p.m.

By: _____
Melanie Gygli, Interim Executive Director/Secretary