

# POCATELLO DEVELOPMENT AUTHORITY

Meeting Minutes for June 21, 2023 at 11:00 A.M.  
Council Chambers, 911 N 7<sup>th</sup> Avenue, Pocatello, Id

## Agenda Item No. 1: Call to Order and Disclosure of Conflicts of Interest

**Chair Villarreal** called the meeting to order at approximately 11:00 a.m. No conflicts were disclosed.

**Members present:** Greg Gunter, Jeff Hough, Jim Johnston, Kirk Lepchenske, Scott Turner and David Villarreal.

**Members excused:** Mayor Brian Blad and Rick Cheatum.

**Unexcused:** Nathan Richardson

**Others present:** Executive Director Brent McLane, Treasurer Thane Sparks, Secretary Aceline McCulla and other visitors.

## Agenda Item No. 2: Approve the Minutes

The Board may wish to waive the oral reading of the minutes and approve the minutes from the Board of Commissioners regular and executive session meetings held May 17, 2023.

It was moved by **J. Johnston** and seconded by **K. Lepchenske** to approve the minutes as written from the regular and executive session meetings held May 17, 2023. Those in favor were J. Hough, G. Gunter, J. Johnston, K. Lepchenske, N. Richardson, S. Turner and D. Villarreal. Unanimous. Motion Carried.

## Agenda Item No. 3: Discuss an amendment to the Disposition and Development Agreement (DDA) and the Deed Exceptions and Covenants with Portneuf Capital LLC and Great Western Malting, and discuss Resolution 23-002.

The Board may wish to discuss the amendment to the DDA and Deed Exception and Covenants with Portneuf Capital LLC (PC) and Great Western Malting (GWM) and the Resolution 23-002.

**McLane** stated that a portion of land, approximately eight (8) acres (more or less) will be sold by PC to GWM that land is subject to the DDA put in place when PC purchased the property. The DDA remains on the land and does requires GWM to adhere to some portions of the DDA. GWM is here and can provide more information on future expansion opportunities.

**Meghan Conrad**, PDA Attorney, explained that this area includes two parcels within the plan boundaries, one parcel is 8.32 acres and the second parcel is 0.38 acres and will be subject to the Urban Renewal Plan and is also subject to the terms of the DDA. The exceptions and the release of certain provisions of the DDA is specifically related to excusing development by Great Western Malting, subject to the specific conditions that are outlined in the developer's original response to the competitive process. Developer, PC is developing an industrial park and rehabbing some of the space within there plan boundaries. GWM intends to use the property they are requiring for future expansion of its malt processing facility and installation of its waste water treatment facility and uses incidental to such facility. GWM does not want to be bound to the response PC originally attached to the DDA, as well as the development timeline.

PC has indicated it will use the land sale proceeds to continue to make improvements within the boundaries of the reduced site within the project area.

does not want to be held responsible for Portneuf Capital LLC's DDA requirements, thus creating the amendment to Portneuf Capital LLC's DDA and Deed Exceptions and Covenants.

**Johnston** asked Conrad if there are any financial consequences to the PDA because of this transaction. **Conrad** stated this transaction would not negatively impact, because its still within the boundaries of the revenue allocation area. There is future taxable development on the site prior to termination of district in 2031. There would be additional revenues generated that would flow to the PDA; to the extent development occurs post 2031, post termination of this project area, then the taxable value returns to general tax rolls. This was an area that PC was not interested in developing anyway.

**Turner** asked if future tax increment generated for this area would that be proportionately available to the owners based on space by proportion. **Conrad** stated the payments have been paid, and this will only be related to the property.

**Gunter** asked about reimbursements by GWM. **Conrad** stated there was an original Owner Participation Agreement (OPA) with PC and the reimbursements have been completed. At this time, the PDA is collecting revenues not subject to any reimbursement agreement at this time. There will not be an OPA with GWM. This is just addressing the conveyance of the property from PC to GWM.

**Gunter** clarified that the expansion of the malting plan nor the waste water treatment plant will come before the PDA for reimbursement. **Conrad** noted that this has not been part of any discussions and is not contemplated at this time. **McLane** stated that the property is within the district and if GWM chooses to ask for an OPA in the future they could as an active participant; they would follow the same process as PC.

Discussion ensued between Board members.

It was moved by **J. Johnston** and seconded by **S. Turner** to approve Resolution 23-002, authorizing the execution of the partial release, subject to the conditions stated in the Resolution between Portneuf Capital LLC and Great Western Malting. Those in favor were J. Hough, G. Gunter, J. Johnston, K. Lepchenske, N. Richardson, S. Turner and D. Villarreal. Unanimous. Motion Carried.

#### **Agenda Item 4: Monthly Financial Report, Expenses and Reimbursements.**

The Board may wish to approve the monthly financial report, expenses and reimbursements.

**Sparks** this is the first month of the LGIP investments in place, and if the Board noticed, the interest increased significantly.

It was moved by **K. Lepchenske** and seconded by **J. Johnston** to approve the financial report, expenses and reimbursements as presented. Those in favor were J. Hough, G. Gunter, J. Johnston, K. Lepchenske, N. Richardson, S. Turner and D. Villarreal. Unanimous. Motion Carried.

#### **Agenda Item 5: Discuss RFP - Professional Services for Eligibility and Economic Feasibility Study.**

The Board may wish to discuss and then approve an applicant for the RFP for the Professional Services for Eligibility and Economic Feasibility Study.

**McLane** stated RFPs were sent out for the Professional Services for Eligibility and Economic Feasibility Study, and we received two proposals, included in the agenda packet for review. McLane wants to discuss with Boards and select one of the proposals and get direction to move forward with the project.

Discussion ensured between Board members and McLane regarding the proposals.

It was moved by **G. Gunter** and seconded by **S. Turner** to accept the proposal from SB Friedman and authorize McLane as Executive Director to move forward and establish a working arrangement and timeline to complete the work for the Eligibility and Economic Feasibility Study project. Those in favor

were J. Hough, G. Gunter, J. Johnston, K. Lepchenske, N. Richardson, S. Turner and D. Villarreal. Unanimous. Motion Carried.

**Agenda Item 6: Discuss Fiscal Year 2024 (FY24) Budget.** The Board may wish to discuss the FY24 budget.

**McLane** noted the Board needs take the steps to discuss the FY24 Budget and set dates for review, public hearing, finalize and then publish the approved budget. The Board agreed to discuss the FY24 Budget during the July meeting, and schedule the Public hearing and approval of the Budget during the August meeting, and Thane will publish the approved budget by the filing deadline. The preliminary budget will be discussed with the Chair and Vice Chair before the July meeting.

**Agenda Item 7: Discuss Investment Options.**

The Board may wish to discuss investing options.

**Sparks** has contacted a few banks and DL Evans was interested to meet with the PDA. Sparks noted the ELG is doing well now, and he will continue to look for other investment options. There is a significant difference of interest rates between banks and LGIP; banks have a .05 interest rate compared to the 4.0 interest rate of LGIP.

**MiaCate Kennedy** of Bannock Development Corporation provided an update of possible development.

**Villarreal** asked McCulla to identify a date that Kennedy can meet with the PDA to present potential business ventures and properties.

**Agenda Item 8: Calendar Review.**

The Board may wish to take this opportunity to inform other Board members of upcoming meetings and events that should be called to their attention.

Nothing was reported.

**Agenda Item 9: News for the Good of the Order.**

The board may wish to discuss news for the Good of the Order.

**Johnston** Salvation Army is celebrating 125 years, and asked if there is anything the PDA could do to help the charities and the homeless issues.

**Agenda Item 10: Adjourn Regular Meeting.**

With no further business, **Chair Villarreal** adjourned the meeting at 12:17 p.m.

Submitted by:   
Aceline McCulla, Secretary

Approved on: *July 19, 2023*