

Call to order by Scott Smith, Chairman
Acknowledge guests of the Board
Disclosure of conflicts of interest
Agenda: delete action or discussion items

Action and Discussion Items:

Agenda Item No. 1: Minutes – [ACTION ITEM]

Motion to approve and/or amend the Regular and Executive Session Meeting Minutes of May 16, 2018, Special Meeting Minutes of May 24, 2018, and Special and Executive Session Meeting Minutes of June 11, 2018.

Agenda Item No. 2: Financial Report – [ACTION ITEM]

Motion to approve and/or amend the May 2018 Income and Expenses Report.

Agenda Item No. 3: Payment Requests/Reimbursements – [ACTION ITEM]

- a. Elam & Burke, \$8,202.85 for May services on Northgate TIF (general fund)
- b. Elam & Burke, \$3,433.00 for May services on Hoku property (North Portneuf District)
- c. Wells Fargo, \$152.13 for Client Analysis Services (general fund)

Agenda Item No. 4: Northgate TIF Plan

Agenda Item No. 5: “Hoku” Property – [ACTION ITEM]

Agenda Item No. 6: Request for Funding – Station Square – [ACTION ITEM]

Agenda Item No. 7: The Bridge - Funding Agreement Update – [ACTION ITEM]

Agenda Item No. 8: Project Updates – [ACTION ITEMS]

- a. Naval Ordnance TIF
- b. Other

Executive Session:

Matters exist for discussion in an executive session as per I.C. §74-206(1)(e) to consider preliminary negotiations involving matters of trade or commerce in which the PDA may be in competition with other jurisdictions and I.C. §74-206(1)(d & 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 and to consider records that are exempt from disclosure.

Upcoming Events/Information:

Adjourn.

City Hall is accessible to persons with disabilities. Program access accommodations may be provided with three (3) days' advance notice by contacting Skyler Beebe at sbeebe@pocatello.us; 208.234.6248; or 5815 South 5th Avenue, Pocatello, ID.

**AGENDA ITEM
NO. 1**

**POCATELLO DEVELOPMENT AUTHORITY
MEETING MINUTES
May 16, 2018**

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

Members present: Mayor Brian Blad, Matt Bloxham, Chad Carr, Rob Lion, Chairman Scott Smith, Terrel Tovey, and Scott Turner.

Members absent/excused: Jim Johnston, Thomas Ottaway.

Others present: Melanie Gygli, Interim Executive Director; Jared Johnson, City Attorney; Ashley Linton-Welsh, Senior Accountant; Jeff Mansfield, Public Works Director/City Engineer; Merrill Quayle, Development Engineer; Tiffany Olsen, Bannock County; Mike Ennis, Bannock Development Corporation (ex-officio); Denis Clijsters, on behalf of Station Square (left the meeting at approximately 11:35); Erik Stidham, on behalf of VA Metals (left the meeting at approximately 12:35 p.m.); Webb Moulton, on behalf of Celtic Life Science by phone from approximately 12:25 – 12:35 p.m.

Introductions, Conflicts, and Agenda: There were no conflicts disclosed. New Board members Rob Lion and Matt Bloxham were introduced.

1. Action and Discussion Items:

Agenda Item No. 1: Minutes. The minutes of the regular session and executive session of April 18, 2018 were reviewed. It was then **MSC (B. Blad, S. Turner)** to approve the minutes as presented.

Agenda Item No. 2: Financial Report. **A. Welsh** presented the financial reports for the month of April 2018. At the end of the reporting period, the Authority had cash on hand of \$6,333,558.68. The checking account balance was \$2,929,602.22, the savings account was \$25.00, and cash held by Zions Trust amounted to \$3,403,931.46. (CDs are not yet set up so the checking total is high.) The Authority recognized financial activity during the month of April as follows: revenue totaled \$14,929.60, of which \$3,789.76 was interest earnings on cash invested and property tax interest, and property tax revenues totaled \$11,139.84. Expenses totaled \$7,139.50, including \$128.54 for the April lunch meeting, \$10.00 ICCU bank fee, \$4,150.00 to Deaton & Company for audit services, and \$2,851.00 to Elam & Burke for legal work on the Northgate TIF plan.

Following discussion of the financial reports, it was then **MSC (B. Blad, S. Turner)** to approve the April 2018 financial reports as presented.

Agenda Item No. 3: Payment Requests/Reimbursements. **Gygli** reported the invoice accurately reflects the work that performed in April. It was then **MSC (C. Carr, T. Tovey)** to approve payment of \$4,488.00 to Elam & Burke for work in April on the potential Northgate TIF plan.

To accommodate those present, **Chair Smith** moved ahead to Agenda Item No. 5.

Agenda Item No. 5: Request for Funding – Station Square. Denis Clijsters, representing Station Square, LLC, presented a request for funds to assist in upgrades to the Station Square building at 200 South Main. Renovations and upgrades are needed to the ground and mezzanine floors for commercial operations and to the potential 22 apartments (mostly studio and three 2-bedroom) on the third floor. If approved, Clijsters anticipates the money would be used for upgrades for the existing restaurant (possible kitchen expansion, required stove hood), electrical and fire sprinkler infrastructure for the living areas.

In response to questions from Board members, Clijsters explained the entire first floor is occupied and they are working to bring in more commercial occupants on the mezzanine level; the existing restaurant's kitchen is too small and fire safety upgrades are needed. He anticipates costs for fire sprinklers to be at least \$68,000, kitchen improvements as much as \$40,000. Blad stated he explored options for federal assistance for projects such as this, but there is really none available.

After additional discussion, Board members felt the project is worth supporting, but information that is more specific is needed on the amount being requested and how the money would be used. Clijsters will have that information for the next meeting.

Clijsters stated he has joined The Bridge as a co-owner, and they are working to address current financial issues.

Agenda Item No. 4: “Hoku” Property Lease Extension and Assignment of Lease.

2. Executive Session:

Chairman Smith called for a motion for the Board to go into an executive session to discuss a matter regarding negotiations involving matters of trade or commerce in which the PDA is in competition with other jurisdictions. It was moved and seconded (B. Blad, R. Lion) to adjourn to executive session pursuant to Idaho Code §74-206(1)(e). The motion passed by roll call vote (Ayes: Blad, Lion, Bloxham, Carr, Smith, Tovey, Turner; Nays: None). The Board adjourned to executive session at approximately 11:35 a.m. The Board reconvened to regular session at 12:47 p.m.

3. Action and Discussion Items:

Agenda Item No. 6: Project Updates.

- a. Bully Dog: Gygli reported a letter will be sent to Bully Dog as to their interest in the approved grant or additional conversation with the Board. Ennis reported Bully Dog is not interested in receiving the grant because they are not certain they can maintain the required employment numbers. After the deadline for response, the pledged money (\$100,000) will be available for other projects.
- b. Naval Ordnance TIF: There has been no change in the status of the lawsuit and the appeal period has not expired. Quayle stated Gateway West owners are interested in meeting with the Board. He gave an overview of the businesses and employment numbers at Gateway West.
- c. Jim Dandy Brewing: Gygli reported this project will be more complicated than originally thought, as new electrical service, controllers, etc., will be needed, and will

not be completed prior to Jim Dandy's opening. If the three lights on Lander can be installed for the amount approved by the PDA (\$15,000), the project will go ahead; if estimates are for more, the proposal will be brought back to the Board.

- d. The Bridge: **Gygli** reported no payment has been received on the loan to The Bridge. Based on Clijster's announcement earlier in the meeting, the situation may resolve.

Other.

- a. June Meeting Date: **Gygli** said that it may be difficult to have a quorum available for the regular June meeting date of 6/20/18. Because the draft TIF plan is anticipated to be ready for presentation, it is important to hold the meeting. After brief discussion, 6/26/18 looks like a good option. Gygli will email members to make sure this date will work, then make the schedule change.
- b. RDA Funds: **Blad** reported there might be options for funding assistance through the Regional Development Alliance for local projects.

6. Adjournment:

There being no further business, the meeting adjourned at 12:50 p.m.

By: 
Melanie Gygli, Interim Executive Director/Secretary

POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES
EXECUTIVE SESSION
May 16, 2018

Members present: Mayor Brian Blad, Matt Bloxham, Chad Carr, Rob Lion, Chairman Scott Smith, Terrel Tovey, and Scott Turner.

Members absent/excused: Jim Johnston, Thomas Ottaway.

Others present: Melanie Gygli, Interim Executive Director; Jared Johnson, City Attorney; Ashley Linton-Welsh, Senior Accountant; Jeff Mansfield, Public Works Director/City Engineer; Merrill Quayle, Development Engineer; Tiffany Olsen, Bannock County; Mike Ennis, Bannock Development Corporation (ex-officio); Erik Stidham, on behalf of VA Metals (left the meeting at approximately 12:35 p.m.); Webb Moulton, on behalf of Celtic Life Science by phone from approximately 12:25 – 12:35 p.m.

The Board of Commissioners adjourned from regular session into executive session at approximately 11:26 a.m. pursuant to I.C. §74-206(1)(e) to discuss negotiations involving matters of trade or commerce in which the PDA is in competition with other jurisdictions. At approximately 11:35 a.m., **it was moved and seconded (B. Blad, R. Lion)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(e). **The motion passed** by roll call vote (**Ayes: Blad, Lion, Bloxham, Carr, Smith, Tovey, Turner; Nays: None**). **It was moved, seconded (M. Bloxham, B. Blad) and carried unanimously** to reconvene to regular session at approximately 12:47 p.m.

By: 
Melanie Gygli
Interim Executive Director/Secretary

**POCATELLO DEVELOPMENT AUTHORITY
SPECIAL MEETING
MINUTES
May 24, 2018**

Chairman Smith called the meeting to order at 11:01 a.m.

Members present: Mayor Brian Blad, Matt Bloxham, Chad Carr, Rob Lion, Chairman Scott Smith, Commissioner Terrel Tovey, and Scott Turner.

Members absent/excused: Jim Johnston, Thomas Ottaway.

Others present: Melanie Gygli, Interim Executive Director; Jared Johnson, City Attorney; Ashley Linton-Welsh, Senior Accountant; Jeff Mansfield, Public Works Director/City Engineer; Merril Quayle, Development Engineer; Tiffany Olsen, Bannock County.

Introductions, Conflicts, and Agenda: There were no conflicts disclosed.

1. Action and Discussion Items:

Agenda Item No. 1: Retention of Legal Counsel. Chairman Smith reported different individuals have contacted him regarding the status of the PDA's land on Highway 30 (old Hoku site). He has researched the history of the property's acquisition by the City, its transfer to the PDA, its location within a tax increment financing district, the construction of the leases and amendments, and how disposition of the property should be handled. Given the complexities of the various transactions, it is his opinion that a written opinion from legal counsel should be sought to address issues regarding the property. Because Elam & Burke has expertise in urban renewal and tax increment financing districts and is familiar with the PDA and its operations, it is his recommendation that they be hired for this purpose. Following discussion regarding options, it was then **MSC (B. Blad, T. Tovey)** to approve retaining the law firm of Elam & Burke for this purpose, with payment not to exceed \$5,000.

2. Adjournment:

There being no further business, the meeting adjourned at 11:17 p.m.

By: 
Melanie Gygli, Interim Executive Director/Secretary

**POCATELLO DEVELOPMENT AUTHORITY
SPECIAL MEETING
MINUTES
June 11, 2018**

Chairman Smith called the meeting to order at 11:30 a.m.

Members present: Mayor Brian Blad (at approximately 11:40 a.m.), Chad Carr, Jim Johnston, Rob Lion, Thomas Ottaway, Chairman Scott Smith, and Scott Turner.

Members absent/excused: Matt Bloxham, Commissioner Terrel Tovey.

Others present: Melanie Gygli, Interim Executive Director; Jared Johnson, City Attorney; Ashley Linton-Welsh, Senior Accountant; Tiffany Olsen, Bannock County.

Introductions, Conflicts, and Agenda: There were no conflicts disclosed. With a quorum established, the Chairman stated he would entertain a motion to enter into an executive session.

1. Executive Session:

It was moved and seconded (R. Lion, S. Turner) to adjourn to executive session as matters exist for discussion in an executive session to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated; and to consider records that are exempt from disclosure as provided in chapter 1, title 74, Idaho Code (Idaho Code § 74-206(1)(d) and (f)). **The motion passed** by roll call vote **(Ayes: Lion, Turner, Carr, Johnston, Ottaway, Smith; Nays: None)**. The Board adjourned to executive session at approximately 11:33 a.m. Mayor Blad joined the meeting at approximately 11:40 a.m. The Board reconvened to regular session at approximately 12:42 p.m.

2. Action and Discussion Items:

Agenda Item No. 1: Hoku Property Process [Action Item]

It was determined that no action was needed at this time. Therefore, the meeting adjourned at 12:43 p.m.

By: 
Melanie Gygli, Interim Executive Director/Secretary

**POCATELLO DEVELOPMENT AUTHORITY
SPECIAL MEETING – EXECUTIVE SESSION
MINUTES
June 11, 2018**

Members present: Mayor Brian Blad (at approximately 11:40 a.m.), Chad Carr, Jim Johnston, Rob Lion, Thomas Ottaway, Chairman Scott Smith, and Scott Turner.

Members absent/excused: Matt Bloxham, Commissioner Terrel Tovey.

Others present: Melanie Gygli, Interim Executive Director; Jared Johnson, City Attorney; Ashley Linton-Welsh, Senior Accountant; Tiffany Olsen, Bannock County.

The Board of Commissioners adjourned from regular session into executive session at approximately 11:33 a.m. **It was moved and seconded (R. Lion, S. Turner)** to adjourn to executive session as matters exist for discussion in an executive session to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated; and to consider records that are exempt from disclosure as provided in chapter 1, title 74, Idaho Code (Idaho Code § 74-206(1)(d) and (f)). **The motion passed** by roll call vote (**Ayes: Lion, Turner, Carr, Johnston, Ottaway, Smith; Nays: None**). The Board adjourned to executive session at approximately 11:33 a.m. Mayor Blad joined the meeting at approximately 11:40 a.m.

It was moved, seconded (S. Turner, J. Johnston) and carried unanimously to reconvene to regular session at approximately 12:42 p.m.

By: 
Melanie Gygli, Interim Executive Director/Secretary

AGENDA ITEM

NO. 2

**(monthly financial
reports – to be
supplemented later)**

**AGENDA ITEM
NO. 6**

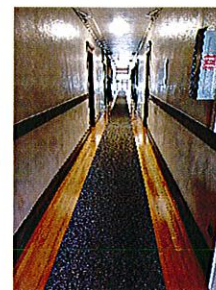
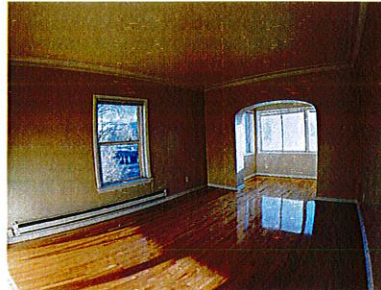
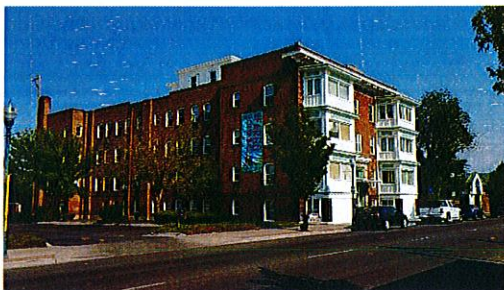
RE: Pocatello Development Authority – Grant application Station Square

Station Square development.

We, Bricks & More LLC, (Partnership with Jef Viaene and Denis Clijsters) purchased Station Square on August 1st 2017. We are dedicated to developing Old Town Pocatello, and have entered the market late 2016 with the purchase of the Fargo Apartments (340 S Arthur Ave). Currently the renovations are halfway and we've had great success renovating our rooms and finding new great tenants.

Some highlights of the Fargo Apartments:

- At the day of purchase, about 10 rooms were vacant
- 10-15 tenants where clearly a nuisance to the community, be it drugs, noise, cleanliness and more
- We improved the security of the building (access codes, cameras) and cleanliness (cockroaches, bed bugs, .. we had them all but so far have been without them for a year after a hard battle and good collaboration from our tenants)
- Painted all the outsides, fixed main cracks and made the building and the area attractive again
- We've renovated 22 units so far and rented them to quality tenants that bring disposable income to the community
- Monthly rents went from 11K to 17K today and will be +21K after completion
- We estimated +1/2 million dollars in renovation costs, all privately funded
- We will be adding 2 units to the building (large storage room conversions)
- Most of it is a "dollar for dollar" investment, this means that we didn't make much profit equity wise (low valuations!), however we're in a comfortable position to continue and grow, and we are dedicated to be long time investors in the area. Given this long term horizon, we believe it has been a good investment.



We want to replicate our success into our next project, the Station Square (200 S Main) building. We've identified 2 phases of our project:

- 1) Commercial upgrades
- 2) Residential renovations

1) The commercial upgrades are:

- New retail location on main street (unit Q), currently in development and leased out to Radon Professionals.
- HVAC upgrades, the current systems are ancient and failing
- Restaurant expansion and Class A hood installation, fire safety improvement
 - o The restaurant is under pressure to expand. Without the proper restaurant setup (Class A hood, gas stove, and increased size of their kitchen...) we will lose them. The success of his restaurant draws many people from all over Pocatello and Chubbuck to Old Town and has been a catalyst for Station Square and the area
- Accessibility improvements to the building
 - o We've already added bathrooms to the ground floor
 - o We plan to add automatic doors to the outside to improve accessibility

Commercial plans and early results

- Since August 2017, 6 more leases has been added to the building, these are 5 new businesses in old town and one expansion. All are excited about the upcoming apartments and for some it was a critical factor to make their decision to move.
 - o A Taste of Hawaii
 - o Blades Salon and Spa expansion
 - o A Different Cup
 - o Radon Professionals
 - o Ohmie Photography
 - o TMP Properties
- This resulted in about \$2500 per month in lease income and we expect to add more as we keep renovating and marketing the space. So far we've invested 50K in commercial improvements, and we participated in various community events and made several donations to improve the attractiveness of our building.

2) Residential upgrades (3rd floor renovations)

- Renovation of 19 affordable studio's and addition of three 2-bedroom apartments.
- Improve fire safety by
 - o Adding fire sprinklers to the top floor
 - o Convert exits to current code fire exits
 - o Install new fire alarm system throughout the commercial building and residential floor
- Bring 22 new families to the Old Town neighborhood
 - o If we want businesses in Old Town to succeed, then we need more upper-level housing

Our problem:

- The whole 3rd floor renovations is estimated to cost \$1M.
- Per unit renovation cost therefore will be 45K
 - o This is lower than most newly build apartments!!
 - o Yet, valuations in Old Town for multifamily properties are extremely low. Generally used caprates in the area are 10% (cfr our current 2 appraisals from Kirkham appraisals)
 - o We estimate to bring an additional monthly rent of 11K with an additional cost of 4.5K = $6.5K * 12 = 78K$ NOI (netto operating income).
 - $78,000 / 10\%$ cap rate = additional 780K valuation.
 - o Form an investor perspective, we will lose +200K when we start this project, this will make it difficult for us to work with a bank to get a construction loan without sufficient support from the community.

Our proposal

We've singled out certain items out of our bid which will bring great social benefit to the community. However the cost, which isn't a luxury, but code-required, makes the project hard to succeed without support.

Fire Safety Improvement

Restaurant: New Class A Hood	\$	42,905
Residential: Fire Sprinklers	\$	84,092
Residential: fire exit stairway in atrium	\$	25,000

Utility Improvement

Need for new electrical meters outside (we have a working system in the basement! Build in 1982 and in good condition, But Idaho Power demands us to build an all new system outside)	\$	50,000
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Accessibility improvements

Automatic doors front & back	\$	12,000
Total	\$	213,997

We would like to seek for a grant of 200K. This grant will bring our project to a near-break-even and will be sufficient for us to give a green light to start by the winter. A 100K grant and 100K no interest 2nd lien loan could help us out. Our bank Ireland Bank, and more specifically Dick Emerson, has experience with such projects in the past and will be a great benefit to the project as well.

We aim to work mostly during the winter months, to make use of the winter slump in construction. By working this way, we won't take too many resources away during peak-construction season in Pocatello during the summer.