

Pocatello Development Authority

Board of Commissioners Meeting
March 20, 2019 – 11:00 a.m.
Paradise Conference Room – Pocatello City Hall

City of Pocatello
911 North 7th Avenue
Pocatello, Idaho 83205

Call to Order and Acknowledgment of Guests

An urban renewal agency for the City of Pocatello, Idaho

Agenda Item No. 1: Disclosure of Conflicts of Interest

Agenda Item No. 2: Minutes – [ACTION ITEM]

Motion to approve and/or amend the Regular Session Meeting Minutes of 2/20/19.

Agenda Item No. 3: Financial Report – [ACTION ITEM]

Motion to approve and/or amend the February 2019 Income and Expense Report.

Agenda Item No. 4: Payment Requests/Reimbursements – [ACTION ITEM]

- a. Elam & Burke February services on Northgate TIF for \$3,588.02 (general fund), Philbin Road/Hoku Property /\$803.00 (North Portneuf District), North Yellowstone closure for \$989.00 (North Yellowstone District), general for \$31.50 (general fund)
- b. Stacey & Parks in the amount of \$1,920.00 for February services on Philbin Road/Hoku property (North Portneuf District)

Agenda Item No. 5: Requests for Disbursement of Approved Grants or Loans [ACTION ITEM]

- a. BGS Holdings LLC
- b. Simmons Surgical LLC

Agenda Item No. 6: Requests for Grants and/or Loans – [ACTION ITEM]

- a. Barthlome, 159 South Main
- b. Jim Dandy Street Lighting, 300 Block East Lander
- c. Inergy, 695 West Maple (amendment of approved grant request)
- d. The Yellowstone, 230 West Bonneville (amendment of approved loan request)

Agenda Item No. 7: North Yellowstone District – Authorization of Closure Letter [ACTION ITEM]

Agenda Item No. 8: Hoku Property Disposition [ACTION ITEM] / [EXECUTIVE SESSION - Matters may exist for discussion in an executive session as per 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.]

Agenda Item No. 9: Discussion/Adoption of Agency Policies Regarding Grants & Loans [ACTION ITEM]

Agenda Item No. 10: Reports and Updates

- a. Northgate TIF Plan
- b. Potential ISU Student Project Request
- c. Other

Executive Session:

Matters may 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. 2**

**POCATELLO DEVELOPMENT AUTHORITY
MEETING MINUTES
February 20, 2019**

Chairman Scott Smith called the meeting to order at 11:05 a.m.

Members present: Mayor Brian Blad (arrived approximately 11:15 a.m.), Matt Bloxham, Chad Carr, Jim Johnston (left the meeting approximately 12:30 p.m.), Rob Lion, Thomas Ottaway, Scott Smith, Terrel Tovey, and Scott Turner

Members excused/absent: Thomas Ottaway

Others present: Melanie Gygli, Interim Executive Director; Joyce Stroschein, Treasurer; Jared Johnson, City Attorney; Merril Quayle, Public Works Development Engineer; John Regetz, Bannock Development Corporation (ex officio); Tiffany Olsen, Bannock County; Laura Hamilton (Treasure's building); Dane Simmons (Simmons Surgical); Steve Wright and Sterling Davie (BGS/Off The Rails Brewery); Ali Gorny and Tiffani Wilson (Monarch Building)

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

Agenda Item No. 2: Minutes. The minutes of the Executive Session of December 19, 2018 and the Regular and Executive Session of January 16, 2019 were considered. It was then **MSC (J. Johnston, R. Lion)** to approve the minutes as presented.

To accommodate those present, the Chair moved to Agenda Item No. 5; items 2 and 4 will be completed when Stroschein is present.

Agenda Item No. 5: Payment Requests/Reimbursements. The following invoices were reviewed for payment: 1) Elam & Burke in the amount of \$5,957.54 for January services on the Northgate TIF project and 2) Elam & Burke in the amount of \$1,266.45 for January services on the Hoku property; 3) Idaho State Publishing in the amount of \$67.63 for publication of the notice of hearing on the annual report; and 4) Melanie Gygli in the amount of \$26.73 for soda and water for meetings. It was then **MSC (J. Johnston, M. Bloxham)** to approve the payment requests.

Agenda Item No. 7: Request for Grant/Loan Disbursements.

- a. **Snyder:** Gygli reviewed the request for grant funds submitted by Michael Snyder for roof repairs on the building at 141 North Main. The contractor obtained the correct permit and the project has been completed. The total funding request is \$39,000. Following discussion, it was **MSC (S. Turner, J. Johnston)** to authorize release of the funds.
- b. **BGS Holdings:** Gygli reviewed the request for loan funds submitted by BGS Holdings (Off The Rails Brewery). The request is for \$58,301.99, including \$33,125.55 for the roof and \$25,176.44 for architectural services. Upon review, the request is consistent with the work that has been completed on both the roof and the architectural services. Following discussion, it was **MSC (M. Bloxham, T. Tovey)** to authorize release of the funds.
- c. **Simmons Surgical:** Gygli reviewed the request for loan and grant funds submitted by Simmons Surgical. The grant request is for \$9,806.72 and the loan request is for \$11,929.11. Upon review, the requests are

consistent with the work that has been completed. Following discussion, it was **MSC (M. Bloxham, J. Johnston)** to authorize release of the funds.

Agenda Item No. 6: Request for Grants and/or Loans.

- a. **BGS Holdings:** **Gygli** briefly introduced the request, for an additional \$24,000 in grant funding. **Sterling Davie** explained they now have firmer numbers for the rehab work they are doing. Some items have been less expensive, some more, and they have made adjustments accordingly. But in the end, they still need additional funding. Board members commented that the amount already approved in grant and loan funds may exceed the Board's willingness or capacity to grant; additional loan funds may be possible. In response to questions from Board members, Davie stated they have worked with private lenders but there is no further lending available. They are open to having this money be a loan rather than a grant and would be willing to return later if need proves out, if that is the Board's preference. It was then **MSC (J. Johnston, R. Lion)** to deny the request for an additional \$24,000 in grant funds for this project.
- b. **Treasure Johnston:** **Gygli** briefly introduced the request, for grant funds to facilitate roof repairs. Laura Hamilton, representing Treasure Johnston, owner of the building at 149 North Main, explained the need for roof repair or replacement. The roof is leaking and the encroaching water is nearing the HVAC and electrical systems. She presented an estimate from Wilson Roofing for a repair (\$4,200.00) or replacement (\$27,384.00). A patch was done in the last year, but it has already failed and her merchandise is at risk. Board members expressed their desire to know the building owner's commitment to and intent for use of the building for the long term before investing PDA funds. **Tovey** noted Idaho Power in the past has had a rebate program for reflective roof treatments (he will have the information forwarded to Gygli to send to Hamilton). Board members discussed the option of providing grant or loan funds for the repair amount. Hamilton stepped out of the building to call the owner to see how she wants to proceed.
- c. **Wilson & Gorny/Monarch Building:** **Smith** briefly introduced the request, noting that the amount of funds requested is beyond the PDA's ability to provide. **Wilson and Gorny** outlined their proposal for restoration of the building, providing an estimate from A&E Engineering for the structural analysis and a project description for the "Monarch Building and Butterfly House." They have engineering reports stating that the façade is intact and are working on a detailed structural analysis for the remainder, but need help to move this process along. Work on the façade is their first focus and will include restoring what was lost, including the parapet, windows, awnings, and doors. They are licenses contractors and would hire assistance where needed. What they hope for from the PDA is \$100,000 for the structural analysis and façade work.

Blad explained that the City Council set a deadline of 4/11/19 by which time Wilson and Gorny must provide a structural analysis of the building. If the building is determined to be sound, a specific timeline for needed work is required. If not sound, demolition may be the next step. Discussion ensued regarding the proposal and the need to have the structural issues addressed, a firmer estimate of what it will cost to accomplish the project, and a more specific timeline before the PDA can commit funds. Also, the PDA is not meant to be the first lender, rather coming in after private financing and outside investors. **Wilson and Gorny** explained the need to address the engineering has required them to shift funds from other areas. The kind of projects they prefer is to pick deteriorated properties for redevelopment. They are currently working on an 8-plex near Pocatello High School.

Smith noted the PDA is supportive of the project in concept, but until structural issues are resolved and a firm timeline and cost estimate is presented, consideration of this request would be premature.

- b. **Hamilton** stated she was unable to contact the building owner, but left her a message. Board members continued discussion, including options for a grant or loan, and whether for the patch or the replacement option, and the need for the building owner to participate in any needed work. **Blad** moved to approve a loan for \$4,200 with the option to convert to a grant if the owner does not want to accept a loan. **Motion died** for lack of a second. It was then **MSC (B. Blad, J. Johnston)** to approve a five-year loan for \$27,384.00, with the first year at 0 percent interest and no payments for the first year, and prime plus 1 percent and quarterly payments for years two through five. The owner has 30 days in which to accept the loan. Should the owner not accept the loan, the owner can return to the Board to further discuss the request.

Agenda Item No. 8: Adoption of Records Retention Policy and Designation of Records Custodian. **Gygli** presented a draft resolution adopting a policy of retention of the Board's records and designating the Executive Director as primary custodian and the Treasurer as secondary custodian. This is needed to bring the Board into compliance with Idaho Code. Following discussion, it was **MSC (J. Johnston, R. Lion)** to adopt the policy as presented and authorize signing of the Resolution 2019-2.

The Board took a five-minute break.

Agenda Item No. 9: 2018 Annual Report of the Pocatello Development Authority.

- a. Idaho Code requires that each urban renewal agency prepare an annual report and hold a public hearing to allow comments on that report.
- b. **Smith** opened the public hearing, calling for comments in favor of, neutral to, and opposed to the report. There being no comments offered, he closed the public hearing. He reported that he and Carr attend the City Council's work session on 2/14/19, and presented the report to them. The report went well, though one Council member expressed concerns about the impact of the proposed Northgate TIF district.

Agenda Item No. 10: Review Approval of Revised Engagement Letter with Matt Parks as Legal Counsel for DPA With Respect to the Hoku Property Disposition. **Gygli** explained Matt Parks left the Elam & Burke law firm. In discussions with Meghan Conrad, it seems the best course to continue working with Parks through the completion of this process. After review of the proposed engagement letter, it was **MSC (T. Tovey, S. Turner)** to authorize the Chair to sign the engagement letter with Matt Parks.

Agenda Item No. 11: Reports and Updates.

- a. **Northgate TIF Plan:** **Gygli** reported that the Chubbuck City Council will consider an intergovernmental agreement and transfer of power ordinance at their meeting of 2/20/19 and Bannock County will do the same at the Commission meeting on 2/26/19. The Pocatello City Council will hold a public hearing and consider an enacting ordinance at either their 4/4/19 or 4/18/19 meeting.
- b. **Petersen Inc.:** **Gygli** reported that Petersen Inc. remains in compliance with the terms of their economic development agreement, with 65 employees and an average salary of \$23.27/hour (63 employees making over \$14.00/hour), where 50 employees making at least \$14.00/hour is required.

- c. Jim Dandy Lighting Project: **Gygli** reported preliminary estimates to install three “Old Town” streetlights is \$42-45,000; the PDA approved \$15,000.00 for this project. This is due to the required extension of electrical infrastructure. Commission members asked that this be a topic for discussion and possible action at the March meeting, with a map of where the Old Town lights are now and where they could be placed if the infrastructure is extended.

Agenda Item No. 4: Financial Report. **J. Stroschein** presented the financial report for the month of January 2019. At the end of the reporting period, the Authority had cash on hand of \$7,320,393.48. The checking account balance was \$4,015,245.03, the savings account was \$25.00, and cash held by Zions Trust amounted to \$3,305,123.45. The Authority recognized financial activity during the month of January as follows: revenue totaled \$904,350.53, of which \$6,062.29 was interest earnings on cash invested and property tax interest, \$750.00 was rental income from the Positron facility, and \$897,538.24 in property taxes, including the North Yellowstone District (\$732,450.46), Naval Ordnance Plant District (\$101,210.18), North Portneuf District (\$9,970.51), and the Airport District (\$54,607.09). Expenses totaled \$64,101.35, including \$132.74 for the January lunch meeting, debt service interest of \$50,165.95 for North Yellowstone, and legal services related to the Northgate TIF and North Portneuf property of \$4,520.72. Stroschein explained Zions is in the redemption process for the North Yellowstone District bonds, with a closing date of 3/15/19. After that, the TIF closure process will begin.

Following discussion, it was then **MSC (B. Blad, T. Tovey)** to approve the January 2019 financial reports as presented.

Agenda Item No. 2: Fiscal Year 2018 Audit Report. **Stroschein** reviewed the Fiscal Year 2018 audit as prepared by Deaton & Company. She covered the audit report, management discussion and analysis, and the financial statements. This is a clean audit, with no concerns noted. One procedural change that staff will make is to have the Executive Director review bank statements, rather than the Chair. This is for both ease of process and because the Executive Director is more involved on a day-to-day basis with the operations of the PDA.

Following review and discussion, it was **MSC (B. Blad, T. Tovey)** to accept the report.

Adjournment:

Agenda Item No. 12 was postponed to the March meeting. There being no further business, the meeting adjourned at 12:55 p.m.

By: 
Melanie Gygli, Interim Executive Director/Secretary

AGENDA ITEM

NO. 3

(will be supplemented)

AGENDA ITEM



NO. 5

(will be supplemented)

Pocatello Development Authority

City of Pocatello
911 North 7th Avenue
Pocatello, Idaho 83205

An urban renewal agency for the City of Pocatello, Idaho

TO: Pocatello Development Authority, Board of Commissioners
FROM: Melanie Gygli, Interim Executive Director 
Merril Quayle, Public Works Development Engineer 
DATE: March 20, 2019
SUBJECT: BGS Holdings – Issuance of Loan Funds

As part of the Economic Development Agreements with BGS Holdings, the Board approved loan funds of up to \$200,000.00 and a grant for \$60,000.00 for costs related to a variety of work on the building at 228 South Main.

A request for payment in the amount of \$39,750.15 has been submitted for the following items:

1. Plumbing, concrete, framing, etc. (see attached invoice)

The necessary permits were obtained and the work has been completed to the extent of the invoice. Based on what has been done and the approval given, \$6,000.00 is applicable to the grant (façade work) and \$33,750.15 is applicable to the loan.

It is our determination that the fund request is appropriate for payment. Payment should be made as follows:

1. CP Integrity Construction, \$39,750.15



3/8/2019
 Invoice #783-01

2715 Ridgeview lane, Pocatello Id, 83204 Office: (435) 363-5048

Client: Off the Rails Brewing
 Address: 228 S. Main

 Description: Remodel

Description	Amount
Concrete work	
-Cutting, removal of concrete, dump fees	\$8000
-Excavation billed at \$95 per hr after concrete is removed	\$760
Barn wood wall covering:	
-Purchase and storage. (Delivery date March 18 th)	\$4875
East and west entrance:	\$6000
-West framing material and labor	
Utilities:	
Plumbing materials delivered	\$9100
Plumbing rough-in complete	\$9100
Permit and inspections to date:	\$2165.15
-Concrete alterations (front entrance)	
-Plumbing rough in	
-Permit	
<u>Job changes and Add-on's</u>	
1. Discount for not installing beam but, includes engineer time, demo of framing, lumber delivered and support walls built, squash block framing required by structural engineer.	\$-250
Percentage billed to date: 17%	
Due upon receipt	\$39,750.15

**AGENDA ITEM
NO. 6**

6a

**POCATELLO DEVELOPMENT AUTHORITY (PDA)
Preliminary Application for use of Tax Increment Financing**

Application:

Name: Lysle David (LD) Barthlome Date: 3/4/2018

Mailing Address: 9950 Peppergrass Point, Pocatello, ID 83204

Work Phone: 208-251-6878 Cell Phone: 208-251-6878 E-Mail: ldb@optix.net

Project Description: Install new roof to eliminate leaks

Project Location: 159 South Main, Pocatello, ID 83204

Is this project currently in an urban renewal area? Yes No

Is the project currently in a revenue allocation area? Yes No

If you answered 'no' to both questions above, please describe the "deteriorated or deteriorating" conditions associated with this location:

The building has many roof leaks throughout. The previous owner placed buckets and tarps inside the drop ceiling to avoid interior damage. A new roof is vital to attracting a quality tenant to lease the vacant 4000 sq ft.

Current Assessed Value of Project Location: \$ 173,339.00 (Bannock County Assessor)

Estimated Construction Value of Project: \$ 27,500

Number of jobs created by this project: 8 Wage range of jobs: \$16-24/hour

Employee Benefits? Yes No If yes, please describe: _____

Time frame for job creation: 6 days (weather permitting)

Construction start date for project: 4/10/2019 Anticipated completion date: 4/20/2019

Briefly describe other public benefit(s) associated with this project: _____

This building is in the heart of Old Town Pocatello, in a highly visible location, as it sits on the corner of Main & Lewis. My goal is to keep this building in great condition so it can remain an attractive part of Old Town. Offering an attractive building is key to finding a quality tenant who can be successful in Old Town and contribute to the positive character of the historical district. The building also features a section of the original mural that was once seen inside the Capitol Theater. The roof leaks could potentially threaten the remaining section of that mural.

Does this project compete with other, already established businesses? How? _____

No

Is this project currently subject to a competitive bid process? Please explain:

We have requested two bids from local roofing companies and one of those bids is included with this application.

Are there other applicants that may be interesting in applying for PDA assistance for this same project? Please explain: _____

No

Relationship of named applicant to the project: Building Owner

Type of Assistance Requested

(check all that apply):

- Public Infrastructure (water, sewer, street, etc.).
- Public Facility (building, park, parking lot, etc.).
- Match for other funding.
- Inspections, tests, surveys, appraisals, etc.
- Property Acquisition.
- Structure Demolition and Clearance.
- Other? Please Specify Roof replacement

Amount of Assistance Requested: \$27,500

Form of Assistance Requested:

- Grant of Funds.
- Loan of Funds.
- Reimbursement for Approved Expenditures.
- Pay-As-You Go.
- Bonding.
- Other? Please specify _____

Other helpful information? Please list: _____

This building was originally built as the Capitol Theatre, which opened in 1924.

Replacing this roof (to avoid interior damage) is critical to attracting a quality tenant/business to Old Town.

Return completed application to:

PDA Executive Director
City of Pocatello
P O Box 4169
Pocatello ID 83205



617 S. 2nd Avenue ~ P.O. Box 6049
Pocatello, ID 83201
Phone: 208-233-1996
Fax: 208-233-2167

Serving Southeastern Idaho for over 20 Years

To: Sara

Date: 3/4/2019
Phone: 208-705-7272
Email: saraweb@gmail.com

PROJECT: 159 S Main

SCOPE OF WORK: WE PROPOSE TO FURNISH LABOR AND MATERIAL IN STRICT ACCORDANCE WITH THE PLANS AND SPECIFICATIONS AS FOLLOWS:

1. Install ½” fan fold over existing roof
2. Mechanically fasten 60 mil TPO roofing system
3. Flash walls, pipe vents, drain.

Total: \$ 27,500.00

***This includes a 2 year workmanship warranty and a 15 year manufacturer's integrated warranty from GAF.*

CONDITIONS

It is understood and agreed that we shall not be held liable for any loss, damage or delays occasioned by fire, strikes, or material stolen after delivery upon premises, lockouts, acts of God, or the public enemy, accidents, boycotts, material shortages, disturbed labor conditions, delayed delivery of materials from Seller's suppliers, force majeure, inclement weather, floods, freight embargoes, causes incident to national emergencies, war, or other causes beyond the reasonable control of Seller, whether of like or different character, or other causes beyond his control. Prices quoted in this contract are based upon present prices and upon condition that the proposal will be accepted within thirty days. Also, general conditions which are standard for specialty contractors in the construction industry apply.

If any decking work needs to be done (i.e. repair or replacement) there will be an additional charge.

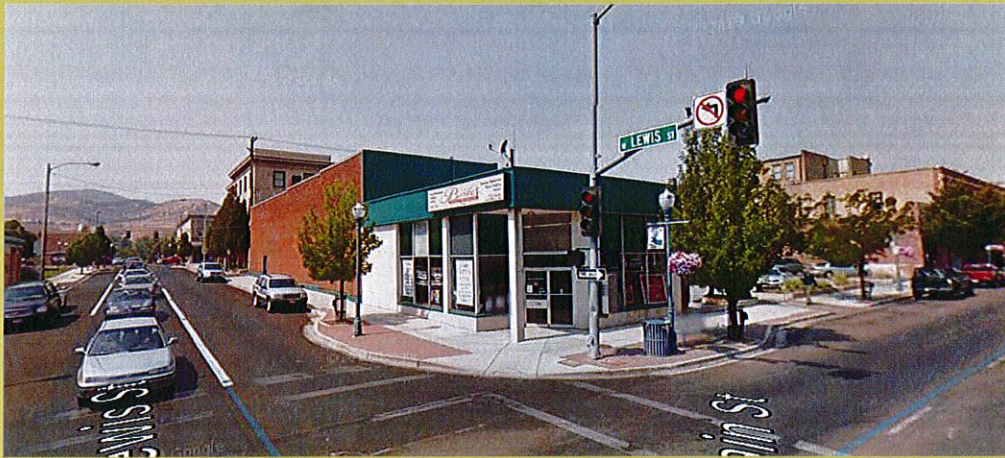
TERMS: HALF DOWN WITH BALANCE DUE ON COMPLETION.

SUBMITTED: ACCEPTED:

By _____

Business Plan

LD Barthlome, Building Owner



159 South Main | Pocatello, ID Capitol Theatre Building

Commercial building located at 159 South Main, Pocatello, ID 83204
(208) 251-6878 ldb@optix.net

Executive Summary

LD Barthlome purchased the commercial building located at 159 South Main in Pocatello, Idaho in November 2018. The building was previously owned by a local photographer who was forced to retire for medical reasons and needed a buyer willing to invest in Old Town.

As a local business owner himself, LD chose to invest in Old Town Pocatello as a way to support the ongoing efforts to revitalize Old Town. LD has no personal use for the building and expects to lease the space to two separate tenants.

Vision of Owner

Maintaining the building in a way that contributes to the character of Old Town Pocatello is of utmost importance to LD. He expects to accomplish this by attracting tenants who are likely to be successful while utilizing the space and adding to the overall experience Old Town provides Pocatello residents.

History of Property

The building at 159 South Main was originally built as Pocatello's Capitol Theatre and opened New Year's Day 1924. The theater operated until 1969. In 1973 a fire next door (in the Orpheum Theater) destroyed the front portion of the Capitol Theatre building, which was later rebuilt to its present-day look. A portion of the Capitol Theatre's original mural is still visible in the rear of the building.

Description of Property

Leasable Area 1: The main area of the building will be leased to a future tenant, who will utilize the front entrance (at the corner of Main and Lewis) and access approx. 4,000 sq. ft. divided between the main level and the second story. A

local real estate agent was recently contracted to assist in locating a suitable tenant for this space. The ideal tenant is an established business who can utilize the large space, and benefit from the attractive entrance and high street visibility in Old Town.

Leasable Area 2: Another 600 sq ft of the building in the rear is currently used by a local photographer, who created a separate entrance on the South side of the building along Lewis Street. This tenant has already invested in upgrades throughout the space to create an attractive experience for her clients, and she is currently working on polishing her new entrance.

Current Condition of Property

Overall, the building is in good condition given its age.

On the interior, minor cosmetic adjustments are needed to accommodate a future tenant in Area 1. LD will most likely need to finance some HVAC and electrical modifications to suit a future tenant, but those systems are currently functioning properly as is.

The exterior is solid and attractive and will provide a great business presence for both tenants.

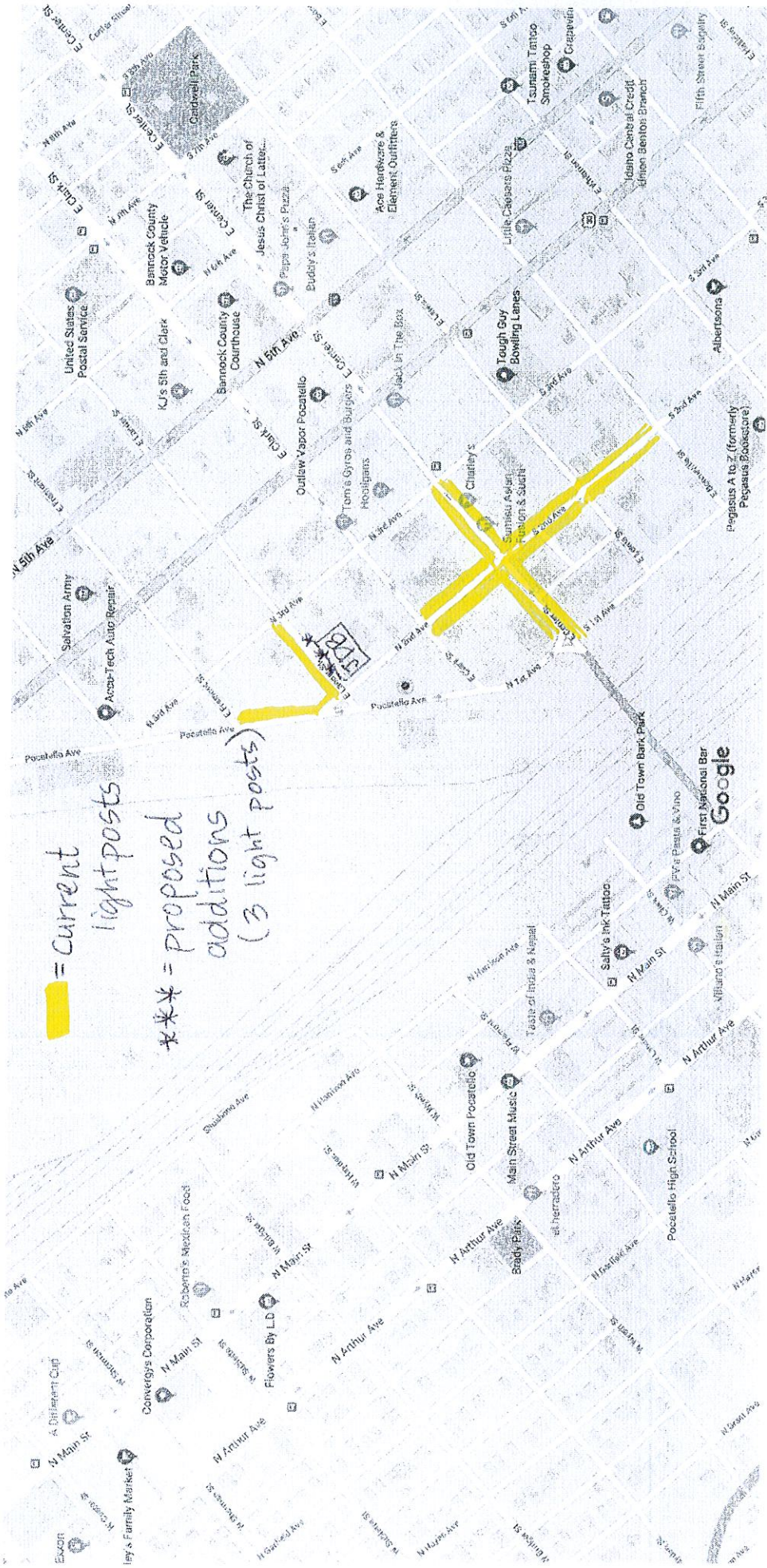
During December 2018, the tenant in Area 2 experienced some minor damage from a roof leak, and in subsequent days, more leaks appeared throughout the building. The roof leaks continued and worsened through January and February 2019, when it became apparent that the problem has existed for some time. The leaks are persistent throughout Area 1 and Area 2. In February 2019, a roofing contractor was hired to repair the leaks, and that is currently an ongoing process. This contractor and another contractor both recommend a full roof replacement since the roof appears to be thin and aged. At this time, the damage to the interior has remained minor, but installing a new roof quickly is necessary to ensure the minor damage doesn't become major.

Funding Request

LD Barthlome is requesting \$27,500 in the form of a grant from the City of Pocatello Development Authority to cover the cost of a new roof to the Capitol Theatre building located at 159 South Main in Pocatello, Idaho.

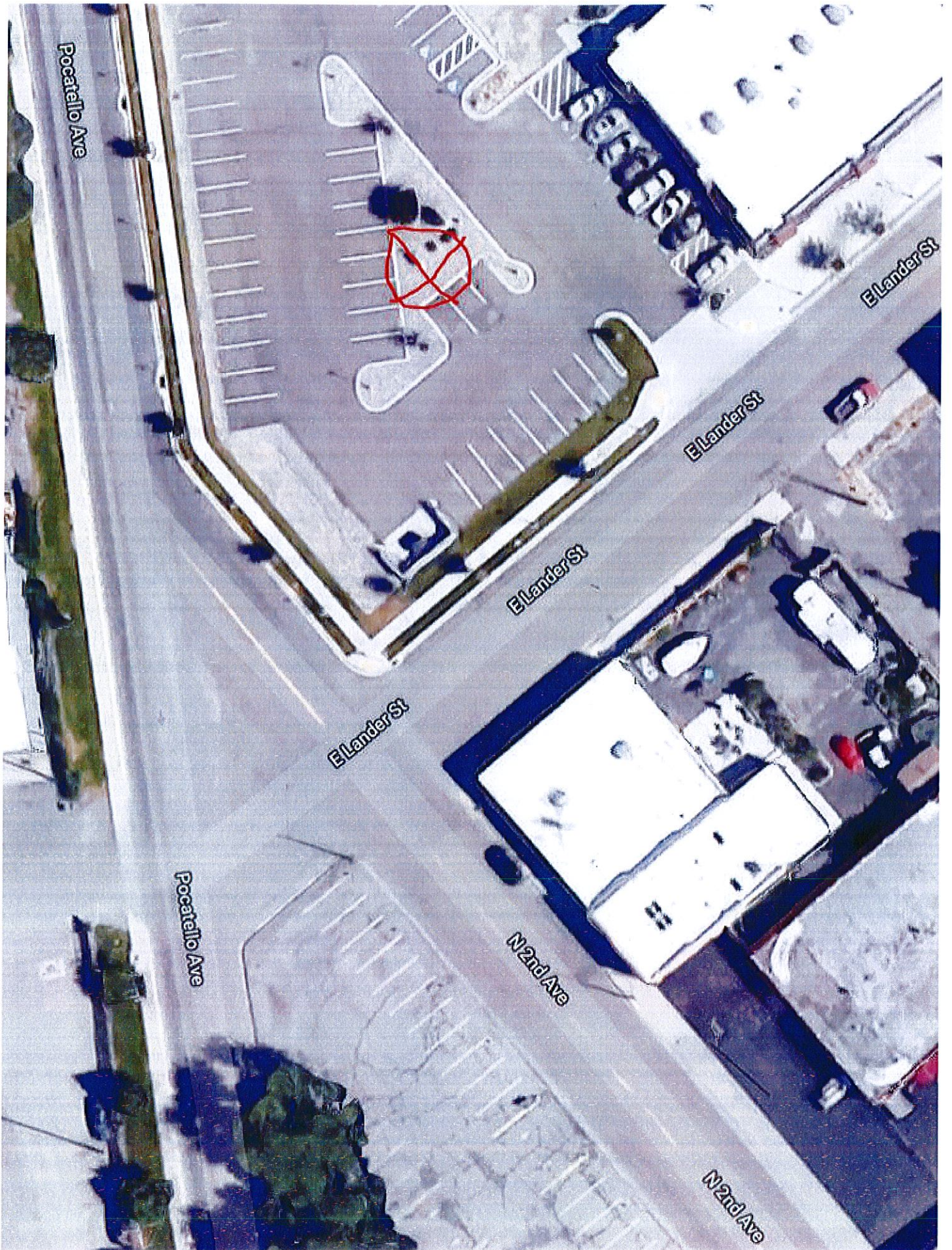
Google Maps

Pocatello
Lightpost Locations

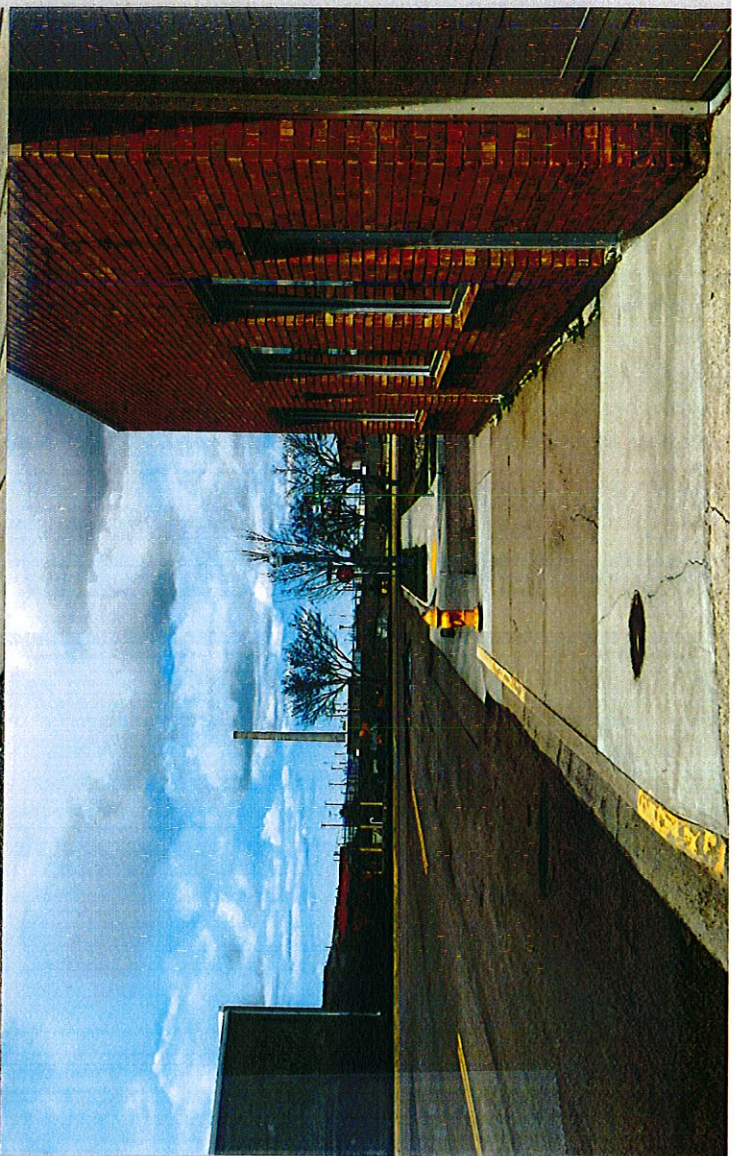


= Current
light posts
*** = proposed additions (3 light posts)

leb







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**POCATELLO DEVELOPMENT AUTHORITY (PDA)
Preliminary Application for use of Tax Increment Financing**

Application:

Name: Inergy Date: 3/12/19

Mailing Address: 620 Pheasant Ridge Dr, Chubbuck, ID 83202

Work Phone: 877-969-2432 Cell Phone: 208-220-5658 E-Mail: jared@inergysolar.com

Project Description: Site Improvements: Renovate existing shop area to create office space, research and development offices, and section off additional offices.

Project Location: 525 W Maple, Pocatello, ID 83201

Is this project currently in an urban renewal area? Yes No

Is the project currently in a revenue allocation area? Yes No

If you answered 'no' to both questions above, please describe the "deteriorated or deteriorating" conditions associated with this location:

Vacant and in poor interior condition from previous occupants.

Current Assessed Value of Project Location: Rental, property value of \$1,300,000

Estimated Construction Value of Project: \$75,000

Number of jobs created by this project: 10 Wage range of jobs: \$30 - 50k

Employee Benefits? Yes No If yes, please describe: _____

Health Insurance, Paid Time Off, Holiday Pay

Time frame for job creation: Within calendar year of 2019

Construction start date for project: 4/1/19 Anticipated completion date: 7/1/19

Briefly describe other public benefit(s) associated with this project: Locating a "hot" tech startup in the heart of Pocatello will help awareness to the opportunities that are here, and provide local, exciting employment opportunities to retain ISU graduates. Additional employees will also help increase local commerce. We want to be very visible and active in the local community with sponsorships and activities.

Does this project compete with other, already established businesses? How? No

Is this project currently subject to a competitive bid process? Please explain:

We are actively seeking competitive bids for the project

Are there other applicants that may be interesting in applying for PDA assistance for this same project? Please explain: No, the project owner is applying

Relationship of named applicant to the project: President of Inergy

Type of Assistance Requested
(check all that apply):

- Public Infrastructure (water, sewer, street, etc.).
- Public Facility (building, park, parking lot, etc.).
- Match for other funding.
- Inspections, tests, surveys, appraisals, etc.
- Property Acquisition.
- Structure Demolition and Clearance.
- Other? Please Specify Property Improvements

Amount of Assistance Requested: \$25,000

Form of Assistance Requested:

- Grant of Funds.
- Loan of Funds.
- Reimbursement for Approved Expenditures.
- Pay-As-You Go.
- Bonding.
- Other? Please specify _____

Other helpful information? Please list: We have a very strong humanitarian effort to provide renewable, reliable power to disaster stricken areas or poverty zones. In 2018 we donated over \$350,000 in products to various communities. These projects bring lots of press coverage regionally, and increasingly nationally.

Return completed application to:

PDA Executive Director
City of Pocatello
P O Box 4169
Pocatello ID 83205

ECONOMIC DEVELOPMENT GRANT AGREEMENT

This Agreement made this 16th day of May, 2018, by and between Inergy Holdings, LLC, an Idaho Limited Liability Company, dba Inergy Solar (hereinafter referred to as “Inergy”), and the Pocatello Development Authority, an urban renewal agency formed in accordance with the laws of the State of Idaho (hereinafter referred to as “PDA”).

1. Recitals

1.1 Inergy is an Idaho company engaged in the business of portable devices for the collection and storage of solar power for use with personal devices. Monetary assistance has been requested for enhancements to the property at 880 North 5th Avenue, to be used by Inergy as an office and production facility. Said monetary assistance has been offered by the PDA to expedite the process and assist in the retention and creation of jobs and tax revenue for the City.

1.2 PDA is a public body created as an urban renewal agency pursuant to Idaho Code §50-2006, part of the Idaho Urban Renewal Law of 1965. As an urban renewal agency, PDA is charged with aiding and assisting economic development in Pocatello, Idaho (hereinafter at times “the community”), including assisting developments that will retain and increase available jobs in the community; and is further charged with encouraging such development by private enterprise; all as more specifically provided in Idaho Code §§50-2002 and 50-2003, being part of the Idaho Urban Renewal Law, and Idaho Code §50-2902, being part of the Local Economic Development Act.

1.3 In fulfillment of its statutory duties with respect to development and job retention and creation in the Pocatello, Idaho area, PDA has the power to make funds available to assist businesses that will retain and/or create jobs in the community and enhance the economic viability of the community.

1.4 PDA has determined that the expansion of Inergy's business establishment represents the type of urban area development to which it may apply revenue allocation funds (tax increment financing) under the applicable statutes; and that the same will promote economic development in the area and the creation of jobs and increased tax base consistent with the applicable urban renewal law. For that reason, PDA has committed to grant the sum of twenty-five thousand dollars (\$25,000.00) to Inergy to assist with its building enhancements.

1.5 By this Agreement, PDA and Inergy wish to memorialize their mutual undertaking and commitments with respect to the economic development grant described herein.

2. Provisions for the Economic Development Funds

2.1 PDA agrees to grant Inergy the sum of twenty-five thousand dollars (\$25,000.00). Said grant shall be used exclusively for building enhancements including but not limited to the remodeling of a bathroom and construction of a roof deck at Inergy's location at 880 North 5th Avenue, , Pocatello, Idaho.

2.2 In return for PDA's agreement to grant said funds, Inergy agrees as follows:

A. To add at least ten (10) new employees to its payroll, with an average annual salary of not less than thirty thousand dollars (\$30,000), no later than close of business December 31, 2018.

B. To maintain these employment numbers and wages for a minimum period of three (3) years from establishing this benchmark.

C. To submit an employee verification study to be conducted by or at the direction of PDA upon reasonable notice. Inergy and PDA agree to cooperate in the exchange of information for said study, which may be conducted as frequently as every six months, but no less than once per year, so long as Inergy is in compliance with the employment requirements provided

in paragraphs A and B above. In the event Inergy fails or refuses to meet any of the requirements of paragraphs A or B above, PDA reserves the right to conduct an employee verification study as frequently as every three months until Inergy is in compliance for two consecutive verification studies. For the purpose of this section, a “year” shall begin on the date described in paragraph B above, or at such time as the employment benchmark is met.

D. In the event Inergy fails or refuses to meet any of the requirements of paragraphs A or B above, PDA’s grant of \$25,000.00 shall convert to a loan, accruing interest at prime plus 1% (beginning with the conversion date from a grant to a loan) to be repaid in full in monthly installments within five (5) years from the date of default, or as agreed to by the parties.

3. Effect of Agreement

3.1 It is understood by the parties to this Agreement that the amounts paid by PDA to Inergy for the benefit of Inergy are not to be construed as compensation for specific services by Inergy for PDA. Rather, the intent of the parties is that the payment assists Inergy in its need for additional space.

3.2 The parties acknowledge that the effect of the payments by PDA required hereunder will inure to the benefit of Inergy, while having the corresponding benefit to the public purposes of PDA as described above.

4. Miscellaneous

4.1 This Agreement shall be governed by and construed under the laws of the State of Idaho; venue shall be the Sixth Judicial District for the County of Bannock.

4.2 In any litigation arising out of this Agreement, the prevailing party shall be entitled to recover reasonable attorney fees from the non-prevailing party.

4.3 This Agreement shall be binding upon and inure to the benefit of the respective parties and their legal successors. Inergy may assign this Agreement with the express written consent of the PDA, which consent shall not be unreasonably withheld.

4.4 Any individual or individuals executing the within document on behalf of Inergy hereby acknowledge and represent that he or they have the power and authority to so bind the corporate authority, and that such authority was conferred by an act of the Board of Directors of such corporate authority, unless the binding of any such corporation is within the power of the person or persons executing this document on such corporation's behalf. In the event that the party or parties executing this document on behalf of any corporate party hereto do not have authority to so bind the corporation for any cause or reason, then such person or persons shall be personally liable under the terms hereof.

4.5 Notices by either party to the other shall be made in writing and delivered by first class mail, postage prepaid, to the parties as follows:

COMPANY: Inergy Holdings, LLC
dba Inergy Solar
Attn: Sean Luangrath
880 North 5th Avenue
Pocatello, ID 83201

PDA: Pocatello Development Authority
Attn: Executive Director for the PDA
911 North 7th Avenue
Pocatello, ID 83201

4.6 This document constitutes the entire agreement of the parties with respect to the guarantee of payment by PDA to Inergy and supersedes any prior agreements of the parties.

4.7. This Agreement may be altered only by written Addendum or Amendment executed by both parties to this Agreement.

District (50,148.51). Expenses totaled \$648,890.49, including \$132.04 for the August lunch meeting, debt service payment of \$58,382.25 and principal payment of \$564,000 on the North Yellowstone bond, \$17,740.20 in principal payment to the City on the North Portneuf property, and professional services payment to Elam & Burke of \$3,350 and \$5,286 Elam & Burke for work on the Northgate TIF plan and the Hoku property. Following discussion, it was then **MSC (T. Tovey, S. Turner)** to approve the August 2018 financial reports as presented.

Agenda Item No. 5: Engagement of Auditor for FY2018 Audit. **Stroschein** presented a proposal by Deaton & Company to perform the PDA's FY2018 audit. This firm also does the City's audit. Following brief discussion it was **MSC (T. Tovey, C. Carr)** to engage Deaton & Company to do the PDA's FY2018 audit and authorize the Chair to sign the proposal.

Agenda Item No. 4: Request for Funding – Yellowstone Restaurant (The Bridge). **Gygli** explained The Bridge has been purchased by new owners and is now The Yellowstone. Because of this change, the funding assistance approved for The Bridge must be reconsidered. Also, there was some confusion regarding the form of the assistance, whether loan, grant, or a combination.

Clijsters and **Erchul**, representing The Yellowstone, reviewed their proposal. They have assumed the loan originally made by the PDA to Lisa Willmore for The Bridge. Additionally, they are asking for \$16,795 as a loan to allow creation of an outdoor patio area (total loan with assumption of \$42,795) and \$27,623.88 in grant funds to cover the remaining unpaid costs from moving The Bridge from its original location, for a total funding request of \$70,418.88. They would like to have the same loan terms as originally given to The Bridge, specifically, a five-year term, with 0 percent interest and no payments for one year, with the balance due over four years at prime plus one percent, payable in quarterly payments.

In response to questions from Board members, Clijster and Erchul stated business has been excellent, with sales exceeding projected numbers. They have begun working on the patio, keeping costs down by using their own labor as much as possible. Following discussion, it was **MSC (C. Carr, J. Johnston)** to provide a loan in the amount of \$16,795 for the patio project, to be added to the loan assumed from The Bridge, for a total loan of \$42,795.00, with a five-year term, at 0 percent interest and no payments for one year, with the balance due over four years at prime plus one percent, payable in quarterly payments. The loan is to be guaranteed by the four owners. Further, a grant will be provided in the amount of \$27,623.88 to cover unpaid moving expenses from when the The Bridge moved from its 1st Avenue location.

Agenda Item No. 8: Reports and Updates.

- a. Positron: **Gygli** reported a follow up letter is being sent to Idaho State University inquiring about the University's interest in acquiring this property. Mike Smith has offered tours of the facility to members of the Board, if desired.
- b. Naval Ordnance District: No update on the lawsuit status was available.
- c. Peterson, Inc.: **Gygli** briefly reviewed the semi-annual employment report for June 2018. Peterson continues meeting all employment benchmarks.
- d. District Closeouts: **Stroschein** provided Board members with a spreadsheet showing cash balances and commitments for each of the TIF districts and general fund. After talking with Zions Bank, she calculates that the bonds can be paid off by March of 2019, and steps can be made to close this district, as all obligations have been met. This will result in at least \$73M of value being returned to the general tax rolls. As regards the Naval Ordnance Plant District, the Board needs to determine how to proceed, given the continuing lawsuit, with potential projects. If no further projects are anticipated, this district could be closed. Also, when the Philbin Road/Hoku property transaction is completed, the North Portneuf District could be closed.

ECONOMIC DEVELOPMENT LOAN & GRANT AGREEMENT

This Economic Development Loan and Grant Agreement (hereinafter "Agreement") is made this 17th day of October 2018, between **Yellowstone Restaurant LLC**, an Idaho Limited Liability Company, whose address is 230 West Bonneville, Pocatello, Idaho 83204 (hereinafter referred to as "Yellowstone"), and the **Pocatello Development Authority**, an urban renewal agency formed under the laws of the State of Idaho (hereinafter referred to as "PDA") whose address is 911 North 7th Avenue, Pocatello, ID 83201.

Recitals

A. By Economic Development Grant and Loan Agreement dated October 19, 2016, the PDA agreed to contribute to the cost of the relocation of The Bridge Steak and Seafood Restaurant from the Kinport Junction building, located on South 1st Avenue, Pocatello, Idaho to the Yellowstone Hotel building located at 200 West Bonneville Street, Pocatello, Idaho. The relocation was necessary to facilitate a new tenant, Derive Power, LLC, an Idaho Limited Liability Company, doing business as Bullydog, who desired to occupy the Kinport Junction building to use as a larger centralized production and marketing office.

B. After the move to the Yellowstone Hotel building, the owners of The Bridge sold their business interest in The Bridge to Yellowstone, which will continue the restaurant operation in the Yellowstone Hotel building. Yellowstone has agreed to assume the debt incurred by The Bridge to PDA under the referenced Economic Development Grant and Loan Agreement in the amount of twenty-six thousand dollars (\$26,000.00).

C. Subsequent to The Bridge's relocation to the Yellowstone Hotel building and the sale of the business to Yellowstone, additional expenses have arisen associated with needed upgrades and installations to facilitate the restaurant's kitchen needs and to ensure the safety of the employees and customers at this new location. Further, Yellowstone desires to create an outdoor seating area for patrons to increase business opportunities.

D. PDA is an independent public body, corporate and politic, created as an urban renewal agency pursuant to Idaho Code § 50-2006, part of the Idaho Urban Renewal Law of 1965. As an urban renewal agency established by the City Council of the City of Pocatello, PDA is charged with aiding and assisting economic development in the Pocatello area, including assisting developments that will retain and increase available jobs and valuation in the community; and is further charged with encouraging such development by private enterprise; all as more specifically provided in Idaho Code §§ 50-2002 and 50-2003, being part of the Idaho Urban Renewal Law, and Idaho Code § 50-2902, being part of the Local Economic Development Act.

E. PDA has determined that the improvements are necessary for the viability and operation of the restaurant and more importantly represent the type of development which PDA can assist with and support under the applicable statutes; that such assistance and support will reduce and alleviate urban blight and will promote economic development of the area by assisting this business to continue to grow, which will increase employment and increase the tax base valuation with the City.

F. For these purposes and reasons, the PDA has committed to provide from the PDA General Fund a loan of \$16,795.00 pursuant to the terms and conditions set forth below. This loan is in addition to the assumption of the original loan to The Bridge in the amount of \$26,000.00. Further, the PDA has committed to provide from the PDA General Fund a grant of \$27,623.88 to pay costs associated with moving the restaurant operation from its original location.

Agreement

1. **Assumption of The Bridge Debt.** Upon execution of this Agreement, Yellowstone unconditionally assumes all of the debt and liabilities of The Bridge under the Economic Development Grant and Loan Agreement dated October 19, 2016

2. **Economic Development Loan.** Upon the PDA's receipt of detailed invoices from qualified contractor(s) and/or Yellowstone and verification by the PDA that work creating the backyard patio, including concrete, miscellaneous yard work and fence, gas connection and fire pits, and Main Street signage, has been completed, inspected, and is fully operational, the PDA shall loan Yellowstone an additional amount of up to sixteen thousand, seven hundred ninety-five and no/00 dollars (\$16,795.00). Said loan shall be paid within five (5) years from the date the loan is issued; the first year will accrue interest at 0 percent and each year thereafter the interest will be prime plus 1 percent.

3. **Economic Development Grant.** Upon the PDA's receipt of detailed invoices from qualified contractor(s) and/or Yellowstone and verification by the PDA that miscellaneous building improvements including removing exhaust hood, exhaust fan and make-up air unit and walk-in cooler from 1st Street to West Bonneville; necessary electrical and plumbing upgrades;

and installation of necessary fire extinguishers has been completed, inspected, and is fully operation, the PDA shall grant Yellowstone up to twenty-seven thousand, six hundred twenty-three and 88/100 dollars (\$27,623.88) for payment of costs associated with moving The Bridge from its original location on South 1st Avenue.

4. **Promissory Note.** Yellowstone shall execute the Promissory Note attached hereto as Exhibit A. The amount of the Promissory Note shall include the total indebtedness owed under the Assumption referenced in Paragraph 1 above and the Economic Development Loan referenced in Paragraph 2 above.

5. **Personal Guarantee.** Each owner and member of Yellowstone shall execute the Guaranty attached hereto as Exhibit B. The amount guaranteed under Guaranty shall include all indebtedness owed by Yellowstone to the PDA.

6. **Indemnification.** Yellowstone shall be responsible to contract, schedule, manage and pay for qualified contractor(s) to perform all necessary work and improvements referenced in this Agreement. Yellowstone shall indemnify and hold harmless the PDA from any and all claims, causes of action, and liabilities arising from or related in any way to that work and improvements.

7. **Miscellaneous.**

7.1. It is understood by the parties that the amounts paid by PDA to Yellowstone for the benefit of Yellowstone and previously The Bridge are not to be construed as compensation for specific services by Yellowstone or The Bridge for PDA. Rather, the intent of the parties is that the grant and loans assist Yellowstone in its need for reestablishment of its restaurant and their ability to continue to operate

7.2 The parties acknowledge that the effect of the grant and loans by PDA required hereunder will inure to the benefit of Yellowstone, while having the corresponding benefit to the public purposes of PDA as described above.

7.3. This Agreement shall be governed by and construed under the laws of the State of Idaho; venue shall be the Sixth Judicial District for the County of Bannock.

7.4. In any litigation arising out of this Agreement, the prevailing party shall be entitled to recover reasonable attorney fees from the non-prevailing party.

7.5. This Agreement shall be binding upon and inure to the benefit of the respective parties and their legal successors. Yellowstone may not assign this Agreement without the express written consent of the PDA.

7.6. Each party represents to the other that it has full legal authority to enter into and execute this Agreement and that the persons signing on behalf of each party have full legal authority to execute this Agreement.

7.7. Notices by either party to the other shall be made in writing and delivered by first class mail, postage prepaid, to the parties as follows:

YELLOWSTONE: Yellowstone Restaurant LLC
 Attn: Michael McCormick, Registered Agent
 1215 McKinley Avenue
 Pocatello, ID 83201

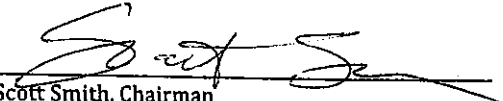
PDA: Pocatello Development Authority
 Attn: Executive Director for the PDA
 911 North 7th Avenue
 Pocatello, ID 83201

7.8. This document constitutes the entire agreement of the parties with respect to the reimbursement for payments by PDA to Yellowstone for services rendered by qualified contractors to make the described improvements at the Yellowstone Hotel building and supersedes any prior agreements of the parties.

7.9. This Agreement may be altered only by written Addendum or Amendment by the signatures of both parties to this Agreement.


IN WITNESS HEREOF, the parties have executed this Agreement the day and year first above written.

POCATELLO DEVELOPMENT AUTHORITY
An Idaho Urban Renewal Agency

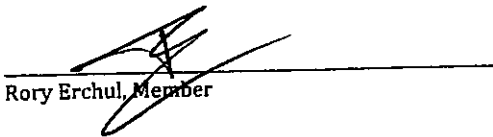
By: 
Scott Smith, Chairman

YELLOWSTONE RESTAURANT LLC
An Idaho Limited Liability Company

By: 
Michael McCormick, Member

By: 
Denis Clijsters, Member

By: 
Jennifer Erchul, Member

By: 
Rory Erchul, Member

**AGENDA ITEM
NO. 7**

March 20, 2019

Bannock County Board of
Commissioners
624 East Center
Pocatello ID 83201

RE: Intent to Terminate the North Yellowstone Urban Renewal Area Improvement Plan

Dear Commission Members:

This letter serves as advance notice to you of the intent of the Urban Renewal Agency of the City of Pocatello, Idaho, also known as Pocatello Development Authority (the "Agency") to terminate the revenue allocation area adopted at the time of the North Yellowstone Urban Renewal Area Improvement Plan (the "North Yellowstone Plan Area") ten (10) years early. For the past fifteen (15) years, the Agency has reinvested revenue from the revenue allocation area (the "RAA") exclusively in public improvements within the boundaries of the RAA.

The statutory termination date for the North Yellowstone Plan Area and the RAA, as amended in 2007, is December 31, 2028, recognizing the Agency is entitled to receive its allocation of revenues assessed in calendar year 2028, during calendar year 2029, as permitted by Idaho Code § 50-2905(7). The Agency has reviewed the projected revenues and expenses of the North Yellowstone Plan Area, as amended, and has determined the RAA can be terminated early, by December 31, 2019, effective retroactive to January 1, 2019, as it relates to assessed values within the RAA. As a result, the Agency shall not receive revenue allocation funds in calendar year 2020, generated from the 2019 assessed values, and the allocation of revenues under section 50-2908, Idaho Code, shall cease effective January 1, 2020. The Agency does not intend to receive revenue allocation funds from any delinquency tax payments.

At its April 17, 2019, public meeting, the Agency Board of Commissioners will consider the adoption of a resolution of intent to terminate the North Yellowstone Plan Area and RAA, including a formal recommendation to the Pocatello City Council to adopt an ordinance terminating the RAA by December 31, 2019. Thereafter, the Pocatello City Council is expected to hold a public meeting and adopt a termination ordinance, which is the final step in formally terminating the North Yellowstone Plan Area and RAA.

The increment value of the terminating RAA shall be included in the net taxable value of the taxing district when calculating the subsequent property tax levies pursuant to section 63-803, Idaho Code. The increment value shall also be included in subsequent notification of taxable value for each taxing district pursuant to section 63-1312, Idaho Code, and subsequent certification of actual and adjusted market values for each school district pursuant to section 63-315, Idaho Code. You will need to contact the

Bannock County Assessor's Office and/or the State Tax Commission for increment value information, including the increment value, if any, included on the new construction roll for new construction located within the RAA since December 31, 2006.

There are no remaining improvements to be completed under the North Yellowstone Plan Area. The Agency has sufficient funds on deposit for payment of all final project costs and administrative fees. At this point, it appears there will be a surplus to be distributed prior to the end of the Agency's 2019 fiscal year on September 30, 2019. Any available funds will be remitted to the County Treasurer to be distributed to the taxing districts in the same manner and proportion as the most recent distribution to the taxing districts of the taxes on the taxable property located within the RAA. The Agency understands, if not budgeted, the return of any surplus may require the taxing district to amend its budget.

The Agency anticipates distributing the formal termination budget, together with a narrative termination plan, well prior to the statutory deadline of September 1, 2019. City Council approval is also expected before the statutory deadline of December 31, 2019.

The North Yellowstone Plan Area and RAA successfully completed \$9.3 Million in infrastructure improvements, including roads, curbs, gutters, sidewalks, sanitary sewer system upgrades, water system improvements, storm water mitigation, lighting, traffic signal upgrades, and other utility improvements, including gas, power and communication system upgrades. Private developers supported the vision by investing in construction of several new buildings with a total value well in excess of \$40 Million. As of October 2018, these improvements incentivized private developers to locate new business within the RAA. The location of Costco, Lowes, and many, many other businesses to the RAA has had far-reaching and significant impact, including hiring locally with estimated total wages of \$7,387,443. Agency commissioners and staff are proud of the essential, central role the Agency has played over the years by intelligently and transparently applying the redevelopment tools granted by the Idaho Legislature.

For additional information contact Melanie Gygli at 208-234-6583 or mgygli@pocatello.us.

Sincerely,

Scott Smith
Chair, Board of Commissioners

Melanie Gygli
Interim Executive Director/Secretary

c: Agency Board of Commissioners
Ryan Armbruster, Elam & Burke

4812-1972-6216, v. 1