

POCATELLO DEVELOPMENT AUTHORITY
Board of Commissioners Meeting
December 18, 2019 – 11:00 a.m.
Paradise Conference Room – Pocatello City Hall

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

In the event this meeting is still in progress at 12:00 p.m., a ten-minute recess may be called.

1. **CALL TO ORDER, DISCLOSURE OF CONFLICT OF INTEREST, AND ACKNOWLEDGMENT OF GUESTS.**
2. **ACTION ITEM – Approval of the Agenda.**
3. **ACTION ITEM – Minutes.** The Board may wish to waive the oral reading of the minutes and approve the minutes from the Board of Commissioners Regular Meeting held November 20, 2019. *See attached document.*
4. **ACTION ITEM – Financial Report.** A financial report for the PDA will be provided by PDA Treasurer. The Board may wish to approve the financial report. *To be supplemented.*
5. **ACTION ITEM – Expense Payments & Reimbursements.** The Board may wish to approve the payment or reimbursement of the following PDA expenses:
 - a. \$430.00 from General Fund to Elam & Burke for legal fees re: Special Counsel General
 - b. \$5,800.00 from North Portneuf District Fund to Stacey & Parks for legal services re: North Portneuf TIF District.
6. **ACTION ITEM – Appointment of Deputy Treasurer.** The Board may wish to appoint Bonny Schroeder to the position of Deputy Treasurer.
7. **ACTION ITEM – Naval Ordnance Plant District.** The Board may wish to approve the request by Barbara Wischerath, representing Gateway West, for distribution of \$31,171.00 for improvements within the District. *See attached documents.*
8. **ACTION ITEM – Potential TIF District.** Tanner Hernandez will present a proposal for a potential urban renewal area/revenue allocation district in the South 5th area. *See attached documents.*
9. **ACTION ITEM – North Portneuf TIF District.** The Board will receive an update on the status of the property disposition and may wish to discuss future steps for this district. *See attached document.*
10. **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. A list of meeting dates for 2020 is included.
12. **ADJOURN.**

**AGENDA ITEM
NO. 3**

POCATELLO DEVELOPMENT AUTHORITY
MEETING MINUTES
November 20, 2019

Members present: Chad Carr, Jim Johnston, Rob Lion, Terrel Tovey, Scott Turner, and David Villarreal

Members excused/absent: Brian Blad, Thomas Ottaway, Scott Smith

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; Matt Parks, Stacey & Parks (by phone from approximately 11:25 a.m. to 12:10 p.m.); Heidi Adamson, Pocatello City Council; Tiffany Olsen, Bannock County; L. D. Bartholome and Darren Miller, Portneuf Capital; Denis Clijsters; Ken Brown, Elden Charles, Allea Newbold, Frigitek (by phone from approximately 12:10 p.m. to 12:15 p.m.); other members of the public

Agenda Item No. 1: Call to Order and Disclosure of Conflicts of Interest. Vice Chair Chad Carr called the meeting to order to 11:06 a.m. No conflicts were disclosed at this time.

Agenda Item No. 2: Approval of the Agenda. Upon MSC (J. Johnston, T. Tovey) the agenda was approved.

Agenda Item No. 3: Minutes. The minutes of the Regular Meeting of October 16, 2019 were considered. It was then MSC (J. Johnston, T. Tovey) to approve the minutes as presented.

Agenda Item No. 4: Financial Report. Linton-Welsh presented the financial report for the month of October 2019. At the end of the reporting period, the Authority had cash on hand of \$2,705,356.02, with checking account balance of \$2,705,331.02 and savings account was \$25.00. The Authority recognized financial activity as follows: revenue totaled \$1,789.81, of which \$1,039.81 was interest earnings on cash invested and \$750.00 was rental income from the Positron facility. Expenses totaled \$70,800.88, including administrative and professional service expenses of \$13,935.76. Economic development loans of \$18,727.12 and grants of \$38,138.00 were issued. Gygli noted the Positron sale closed, and net to the PDA of a little over \$124,000.00 will show in next month's report.

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

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

- a. \$43.00 from North Portneuf District Fund to Elam & Burke for legal fees re: North Portneuf TIF District.
- b. \$1,447.50 from General Fund to Elam & Burke for legal fees re: Special Counsel General
- c. \$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 (J. Johnston, R. Lion) to approve the payment requests.

Agenda Item No. 6: Administrative Fee Transfer. Linton-Welsh presented information on the annual administrative transfer from active districts to the general fund. For FY2019, the transfer for the North Yellowstone district was completed. No transfer will be made from the Airport District, as that was not within the FY2019 budget. A transfer of \$26,865.70 from the Naval Ordnance district and \$8,378.41 from the North Portneuf district represents the budgeted 10 percent. Following discussion, it was MSC (J. Johnston, R. Lion) to authorize the transfer as proposed.

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

Simmons Surgical: Gygli reviewed the request, explaining that this completes the total request for the loan and all but a small amount of the grant, though Simmons has indicated he will not be requesting those last funds. Work completed has been permitted and inspected, as required. She explained the Historic Preservation Commission approved a Certificate of Appropriateness for the window change, but with the condition that the aluminum be painted or wrapped

to match the wood trim. Simmons appealed that condition to the City Council, which granted the appeal. Payment was then made for the amount of the windows. Following brief discussion, it was **MSC (S. Turner, J. Johnston)** to approve disbursement as requested.

Agenda Item No. 8: Amendment to Yellowstone Loan. Gygli described the request by Denis Clijsters to be relieved of responsibility for repayment of the \$26,000.00 loan outstanding to The Yellowstone partners. This loan was originally to The Bridge, to help with costs of moving from its location on 1st Avenue. The loan was then assumed by The Yellowstone partners. Clijsters has provided the Settlement Agreement and Mutual Release of Claims among those partners, releasing him from any participation or responsibility, and it is his request that his name be removed from the documents related to the PDA's loan to The Yellowstone.

Board members discussed the specific situation, noting that it is not usual banking practice to relieve a party to a loan. Following discussion and consideration, it was **MSC (R. Lion, D. Villarreal)** to grant Clijsters' request, and to have the appropriate documents drawn for the remaining partners' signatures.

Agenda Item No. 9: North Portneuf TIF District. Carr provided a brief update of the process to date, explaining that only one response to the RFP was received, from Portneuf Capital. Barthlome went over their proposal, including creation of a business park. They are getting bids for cleanup of the property and already have parties interested in rental space. They are working with Great Western Malting on a potential expansion. They hope to do some preliminary work before spring. In response to questions, he explained that remaining legal issues with previously-interested parties can be resolved after closing; they are working with Idaho Power on the easement issues; taxes and fees will be paid in full at closing; they plan a utility easement for items such as fiber; they have the necessary funds for closing. Further, Great Western feels it will be possible to negotiate an at-grade railroad crossing at Philbin as a private, gated, access.

Parks reviewed the draft disposition agreement and resolution. He explained the PDA can dispose of this property if the proposed price is at least fair reuse value. Though that amount was not determined at the time of appraisal, the Board can consider the appraised fair market value of \$1.25 million to be at or, likely in this case, above fair reuse value. Items to consider in making that determination are the conditions that the development is subject to within an urban renewal area, the high cost of redevelopment, and the significant amount of back taxes and fees that are owed. At the time of appraisal, the land value, if vacant, was set at \$1.04 million, and the cost of removal of the existing structures could be as much as \$1 million. The offer of \$1.25 million exceeds the land-only value.

Following lengthy discussion regarding the value of the property, the difficulty of its redevelopment, the merits of Portneuf Capital's proposal, and the benefit to the community of having the property redeveloped and back on the tax roles, it was **MSC (J. Johnston, T. Tovey)** to: 1) accept the proposal made by Portneuf Capital; 2) acknowledge that the purchase price of \$1.25 million is greater than the fair reuse value of the property, given the significant cost of the redevelopment proposal, which includes a large sum to clear back taxes and associated fees; and 3) adopt Resolution 2019-6 authorizing signature on all appropriate documents to complete the property disposition.

Parks stated escrow remains open at First American Title, so as soon as the disposition agreement is complete and the resolution has been signed, closing can move forward.

Agenda Item No. 10: Airport TIF District. Gygli presented the updated feasibility study. Using information from the applicants on the estimated taxable value of the project, as well as updated tax levy rates, it appears that sufficient increment will be generated to cover the cost of the improvements within the URA plan proposed to be completed for the Frigitek project. **Charles** and **Newbold** stated the estimated value they provided is a conservative figure for the building itself, with equipment largely owned by tenants. **Regetz** stated initial design work is underway now, with construction possible spring of 2020. Board members reviewed the feasibility study and draft Owner Participation Agreement (OPA), noting the great potential this project, together with the potential transload project, has for the area.

It was then **MSC (J. Johnston, S. Turner)** to accept the updated feasibility study, and authorize the appropriate signatures on the OPA, subject to any necessary legal review.

Tovey expressed his desire to have a press release issued outlining the PDA's support of this business as an appropriate use of TIF funds. He feels this is very important in light of the anticipated action by the Idaho legislature on a variety of tax issues, including urban renewal areas and tax increment financing. Discussion among those present, including Frigitek representatives on the phone, regarding upcoming action on a request by Frigitek to the Idaho Department of Commerce, and the need to consider the timing of any press release.

Board members discussed the need to educate the public about urban renewal and the use of tax increment financing funds.

Agenda Item No. 11: Potential TIF District. In Tanner Hernandez's absence, **Gygli** briefly described the proposal to create district along South 5th, near the I-15 interchange. Further discussion was postponed until the December meeting with Hernandez present.

Agenda Item No. 12: Calendar Review.

--Educational Information: Board members discussed the need to educate the public about TIF districts and their use in economic development and urban renewal. **Lion and Villarreal** agreed to work on this topic.

--Northgate Interchange: The ribbon cutting and opening of the new interchange will be 12/6/19 at 11 a.m.

Adjournment: There being no further business, the meeting adjourned at approximately 12:21 p.m.

By: 
Melanie Gygli, Interim Executive Director/Secretary

**AGENDA ITEM
NO. 4**

General Fund Obligations (w/payments requested as of 12/18/19)

Name	Grant	Drawn	Remaining	Loan	Drawn	Remaining	Payments Start
Northgate TIF				\$2,000,000.00	(\$2,000,000.00)	\$0.00	2021 - TIF reimbursement begins
Station Square	\$100,000.00	(\$15,059.00)	\$84,941.00	\$100,000.00	(\$47,882.44)	\$52,117.56	NA 8/1/2020 (\$6,250 + interest quarterly)
The Yellowstone				\$16,795.00	\$0.00		Not yet disbursed, \$1,050 + interest quarterly
The Yellowstone/Bridge				\$26,000.00	(\$26,000.00)	\$0.00	2/1/2020 (\$1,839.89 quarterly)
Energy	\$25,000.00	\$0.00	\$25,000.00				Only if employment incentive not met
BGS	\$60,000.00	(\$60,000.00)	\$0.00	\$200,000.00	(\$200,000.00)	\$0.00	NA 6/1/2020 (\$12,500 + interest quarterly)
Simmons	\$75,000.00	(\$74,900.45)	\$99.55	\$125,000.00	(\$125,000.00)	\$0.00	NA - Applicant does not intend to request remaining grant 6/1/2020 (\$7,813 + interest quarterly)
Snyder	\$75,000.00	(\$75,000.00)	\$0.00				NA
Barthlome	\$10,000.00	(\$10,000.00)	\$0.00	\$17,500.00			NA Chose not to take loan



**AGENDA ITEM
NO. 7**

Pocatello Development Authority

City of Pocatello
911 North 7th Avenue
Pocatello, Idaho 83201

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: Meeting of December 18, 2019

SUBJECT: Gateway West – Issuance of Funds

Consistent with the provisions of the Naval Ordnance Plant Urban Renewal Area Plan, the Board approved funding in the amount of \$31,171.00 for paving projects within the area boundaries. A request for payment in that amount has been submitted. No permits were required. The project owner, Barbara Wischerath representing Gateway West, has indicated her acceptance of the work and PDA staff has completed required inspections.

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

1. Superior Asphalt, Inc., \$31,171.00

Superior Asphalt Inc.
P.O. Box 5628
Pocatello, ID 83202
(208) 237-1752

Invoice

BILL TO
Gateway West Industrial Center
669 W Quinn
Pocatello, ID 83202

SHIP TO
Gateway West Industrial Center
669 W Quinn
Pocatello, ID 83202

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
5671	11/14/2019	\$31,171.00	12/14/2019	Net 30	

DESCRIPTION	QTY	RATE	AMOUNT
Bid as per bid misc patching	1	31,171.00	31,171.00

BALANCE DUE **\$31,171.00**

**AGENDA ITEM
NO. 8**

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

Application:

Name: Tanner Hernandez, Prime Time Auctions Inc Date: Nov 10, 2019

Mailing Address: 3400 S 5th Pocatello 83204

Work Phone: 208 232-4912 Cell Phone: 208 221-9285

E-Mail: sold@primetimeauctions.com

Project Description: New Gas Station and Auction Warehouse Improvements

Project Location: 3200 – 3400 S 5th Pocatello

Is this project currently in an urban renewal area? No

Is the project currently in a revenue allocation area? No

Conditions associated with this location:

This property had 2 Gas Stations and a Restaurant Developed on it from 1950s – 1970s. A portion was platted as a Residential Development in 1950 and one home was built. The Freeway then dissected the development in the 1960s. It was since zoned as commercial property. The old gas station has been used as many different businesses. The others have been torn down. The fuel tanks have been removed and cleanup complete. Several factors have kept the area from developing and are hoping to change this and revitalize this area.

Current Assessed Value of Project Location:

Prime Time Subdivision Lots 1 & 2 4.5 Acres: \$597,000 (Tax \$13,231 year)

Prime Time Subdivision Lots 3 + Metes and Bounds

Total 6.5 Acres: \$586,000 (Tax \$7,920 year)

Calculated (S6-T7S-R35E TR LOT 5 TAX 429 0.70 AC TR LOT 5 TAX 437 1.65 AC COUNT PROP IN POCATELLO) Lot 3 \$262,200 taxed as undeveloped ground, \$236,500, \$15,700, \$27,400, \$44,200.

Estimated Construction Value of Project:

(Estimate of New Tax Value)

Prime Time Subdivision Lots 1 & 2

Total 4.5 Acres: \$1,317,000 to \$1,900,000 (Tax \$29,000 - \$42,231)

Prime Time Subdivision Lots 3 + Metes and Bounds

Total 6.5 Acres: \$800,000 - \$1,100,000 (Tax \$17,600 - \$23,600)

Total Current: \$21,151 Improved Value: \$46,600 - \$65,831

Potential Increase in dollars to TIF: Range - \$25,449 - \$44,680 Annually

Number of jobs created by this project: 8 - 15 Wage range of jobs: \$12 – \$30 per hour

Employee Benefits? Yes If yes, please describe: Paid Vacation, Company Sponsored Retirement, Company Sponsored Health Insurance, Bonuses, Commissions

Time frame for job creation: 2020

Construction start date for project: March 2020 Anticipated completion date: Oct 2020

Briefly describe other public benefit(s) associated with this project: Improved Public Infrastructure, Much Needed Services in the Area, Beautification, Removal of Old and New Installation,

Does this project compete with other, already established businesses? How? The Auction Business does not, it compliments and works with many businesses, Gas Station would add services not available in the area with RV and Diesel Services for Trucks, there is another gas station on the other side of freeway.

Is this project currently subject to a competitive bid process? Please explain: No

Are there other applicants that may be interesting in applying for PDA assistance for this same project? Please explain: Yes. There are other properties in the area that could use infrastructure improvements. Sidewalks, Go Underground with Cable Lines to remove deteriorating Telephone Poles, Potential Traffic Improvements, Improved Utilities.

Relationship of named applicant to the project: 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 _____

Amount of Assistance Requested: 70,000 – 350,000 Depending

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: _____

Return completed application to:

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

Improvements being proposed, by priority:

Telephone Poles removed and Cable going underground

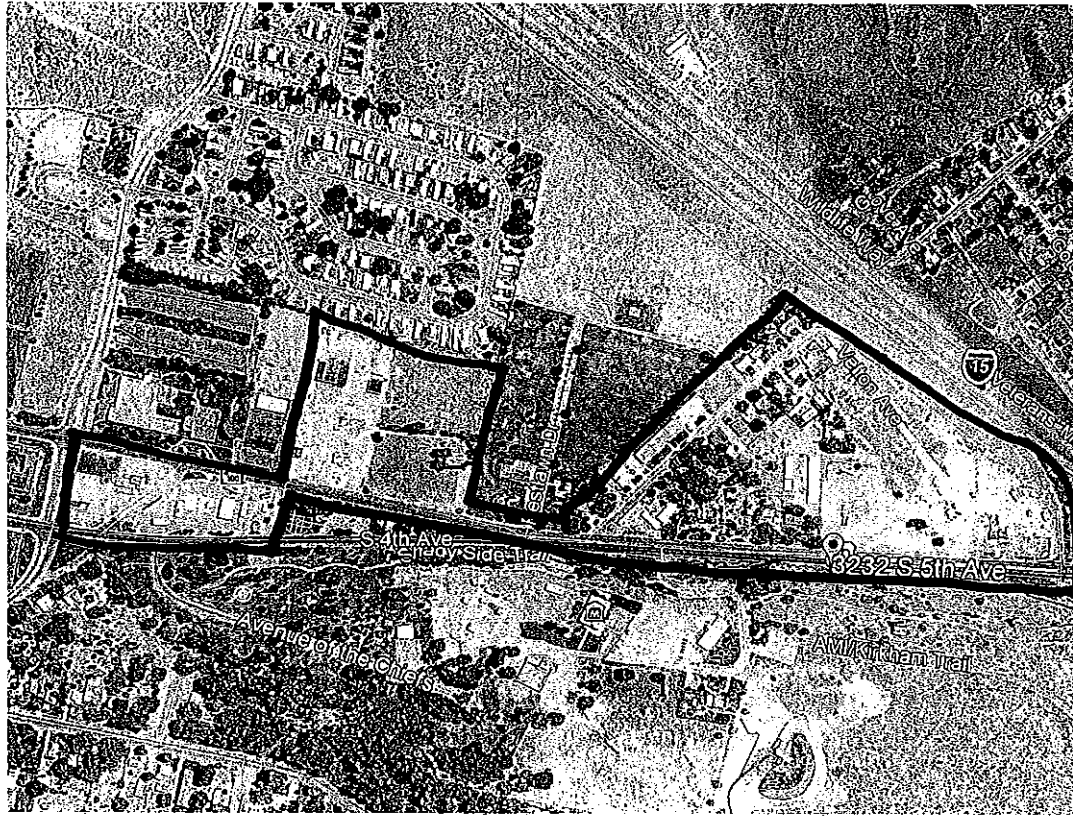
Sidewalks

Utility improvements

Improved Curb Cuts, Entry into property from State Property

Traffic Flow – Potentially working with ITD for Traffic Signals

Improving offramp



**AGENDA ITEM
NO. 9**

**North Portneuf Urban
Renewal Area and Revenue
Allocation District
Improvement Plan**

May 2007

CITY OF POCATELLO

**North Portneuf Urban Renewal Area Improvement Plan
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ACKNOWLEDGEMENTS

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ATTACHMENTS

1. North Portneuf/Revenue Allocation Map
2. North Portneuf Urban Renewal Area & Revenue Allocation District Legal Description
3. Bannock County Transfer of Powers Ordinance
4. Recommendation of the PDA
5. Recommendation of the CDC
6. Resolution of the City Council designating the Urban Renewal Area

Acknowledgements**Pocatello City Council:**

Roger Chase	Mayor
Roger Bray	Council Member
Ron Frasure	Council Member
Gary Moore	Council Member
Eva Nye	Council Member
Richard Stallings	Council Member
Brian Underwood	Council Member

Pocatello Development Authority:

Steve Brown	Chair Person/Commissioner
Terry Brower	Commissioner
Mayor Roger Chase	Commissioner
Darsi Foster-Johnson	Commissioner
Larry Ghan	Commissioner
Ken Monroe	Commissioner
John Ricks	Commissioner
Dan Schroeder	Commissioner
Richard Stallings	Commissioner
Dean Tranmer	Attorney to the Commission
Darcy Taylor	Secretary to the Commission

City of Pocatello Staff:

Robert Chambers	Director, Planning and Development Services
Tim Tingey	Division Manager, Neighborhood & Community Services
Melanie Gygli	Associate Planner
Dave Swindell	Chief Financial Officer

Bannock Development Corporation:

Gynii Gilliam	Executive Director
Sari David	Administrative Assistant

I. INTRODUCTION

The Pocatello Development Authority (PDA) was created by the City of Pocatello on July 14, 1988, and was granted authority by the City of Pocatello to undertake urban renewal projects which may be facilitated through the use of tax increment financing. The PDA helps to ensure that appropriate development takes place in areas of greatest need.

Planning is essential to ensure that development efforts create both an environment of convenience and safety for neighborhood residents, and increased opportunities for businesses to succeed. This North Portneuf Urban Renewal Plan, once implemented, will be the vehicle to provide a more conducive atmosphere for business operation in the City, and enhance opportunities for businesses wishing to relocate to Pocatello.

This plan identifies projects and describes the process for enhancing this area in the City through efforts of the Pocatello Development Authority and the City of Pocatello.

Background

The Pocatello Development Authority (PDA), in the meeting of March 21, 2007 made the following recommendation (SEE ATTACHMENT 1):

- The PDA recommended the creation of a Revenue Allocation District for the area adjacent to the Portneuf River to Interstate 86 and running east to Philbin Road and then in a southerly direction to the Portneuf River. The area also includes properties south and southwest of and adjacent to the Great Western Malting Plant. Underdevelopment of this area necessitates the creation of an improvement plan. This recommendation initiated the creation of the improvement plan contained herein.

The recommendation of the PDA, as outlined, is consistent with the goals of the City and is allowed by the State of Idaho Urban Renewal Law (Chapter 20, Title 50, Idaho Code). Accordingly, this North Portneuf Urban Renewal Area Improvement Plan directs use of revenue allocation financing to accomplish the following:

- To eliminate underutilized areas which are causing economic under-development in the designated area, substantially impairing the sound growth of Pocatello in general.
- To encourage both private and public development in the Urban Renewal Area in order to diversify and improve the local economy by providing adequate public facilities.
- To encourage cooperation among taxing districts in the Pocatello community regarding the use of funds.
- To accomplish plan goals in accordance with all appropriate federal, state, and local laws.

Purpose of the Plan

The purpose of this plan is to create a proactive approach to development/redevelopment projects by the PDA in Pocatello by focusing efforts in five areas:

1. Leveling or reducing the City's levy rate by increasing the tax base through more aggressive engagement in redeveloping underutilized areas;
2. Partnering with the private sector to enhance development and to attract new or to expand businesses to improve the Pocatello economy;
3. Targeting areas in need of building and site improvements;
4. Utilizing more effectively the powers granted to the PDA in the pursuit of redevelopment activities. Such powers include:
 - a. carrying out urban renewal projects;
 - b. making and executing contracts and other instruments;
 - c. disseminating slum clearance and urban renewal information;
 - d. repairing streets, roads, public utilities or other facilities;
 - e. installing streets, utilities, parks, playgrounds, off-street parking facilities, public facilities, or other facilities;
 - f. entering buildings or property to make inspections, surveys, appraisals, soundings or test borings;
 - g. acquiring by purchase, lease, option, gift, grant, bequest, devise, eminent domain or otherwise, any real property or personal property for its administrative purposes;
 - h. holding, improving, renovating, rehabilitating, clearing or preparing for redevelopment any such property or buildings;
 - i. mortgaging, pledging, hypothecating or otherwise encumbering or disposing of any real property;
 - j. insuring or providing for the insurance of any real or personal property or operations of the municipality;
 - k. demolishing and removing structures on property;
 - l. investing urban renewal funds;
 - m. borrowing money and applying for and accepting advances, loans, grants, contributions, and any other form of financial assistance;
 - n. creating, modifying and executing plans which may include programs of voluntary compulsory repair and rehabilitation of buildings and improvements;
 - o. conducting appraisals, title searches, surveys, studies, and other plans and work necessary to prepare for the undertaking of urban renewal projects;
 - p. developing, testing, and reporting methods and techniques, and carrying out demonstrations for the prevention and elimination of slums and urban blight;
 - q. developing new or improved means of providing housing;
 - r. accepting and utilizing grants of funds from the federal government;
 - s. assisting in the relocation of persons displaced from an urban renewal area;
 - t. exercising all or any part or combination of powers herein granted.

By adopting this Plan, it is the intention of the PDA to facilitate improvements in the designated North Portneuf Urban Renewal Area and enhance the economic viability of the area.

II. NORTH PORTNEUF URBAN RENEWAL AREA DESCRIPTION AND DETERIORATED OR DETERIORATING CONDITIONS ANALYSIS

The Urban Renewal Area boundary and Revenue Allocation District are identified with the same boundaries. The area is legally described in Attachment 2. State Urban Renewal Law and the Local Economic Development Act identify a number of conditions that qualify an area for urban renewal status. The following presents an analysis and reasoning why this North Portneuf area should be included as part of an Urban Renewal Area.

Idaho Code 50-2002 outlines requirements for a finding and declaration of necessity which states that areas that impose onerous municipal burdens which decrease the tax base, and reduce tax revenues, substantially impairs or arrests the sound growth of municipalities and among other things aggravates traffic problems in an area will qualify to be included in an Urban Renewal Area. Additionally, Idaho Code 50-2903 states areas in which there is a predominance of buildings or improvements...which by reason of dilapidation, deterioration, age or obsolescence...contributes to the economic underdevelopment of an area qualify for assistance.

The properties associated with these areas are in need of improvements to facilitate building and infrastructure enhancements and these needs have contributed to underutilization of the site for businesses and industry for several years. This area includes several site issues that impede redevelopment including:

- Under-development of land which has detracted from the economic viability of the area;
- Inadequate transportation access points and infrastructure limiting development of this site;
- Any combination of the above factors which has reduced the feasibility of full development of this area.

Without addressing these conditions, the feasibility of additional development in this area in the near future would be limited. Additionally, the range of issues and the costs associated with redevelopment contributes to the ongoing underutilization of this area and prompts the additional need to establish the North Portneuf Urban Renewal Area.

III. PROJECT PLAN

The project list outlined in this plan may be funded (all or in part), if the PDA and Council decide to utilize tax increment financing funds as they become available from new construction. A description of the projects with estimated costs are as follows:

TABLE 1.

Project Costs

PROJECT EXPENSE ITEM	COST	Total
Main Water Re-use Line (4,500/ft x \$100/Ft)	\$450,000	
Main and Lateral Water Line (\$3,500/ft x \$50/ft)	\$175,000	
Main and Lateral Sewer Line (1,000/ ft x \$50/ft)	\$50,000	
Rail Spur, Dbl. Track (4,000/ft x \$220/ft)	\$880,000	
Rail Switch	\$2,000,000	
Roadway Construction (5,000/ft x \$150/ft)	\$750,000	
Property Access (Acquisition and Construction)	\$3,215,000	
Environmental Remediation and Site Preparation	\$250,000	
Power	\$8,500,000	
Natural Gas	\$1,000,000	
Cable/Fiber Optics	\$1,000,000	
Subtotal		\$18,270,000
Water/Sewer Connect Fees	\$291,029	
Contingency @ 20%	\$3,654,000	
Engineering/Administration @ 20%	\$3,654,000	
Total		\$25,869,029
Taxing Entity Operational Costs		\$16,029,830
City Capital Cost Reimbursement		\$1,361,528
PDA Administration		\$1,393,898
Company Employment Reimbursement		\$17,423,728
FINAL PROJECT COST TOTAL		\$62,078,013

Project Description

- **Infrastructure, Access, and Site Work**—any necessary and eligible costs related to infrastructure enhancement, construction of facilities, upgrades of utilities, site preparation work, and other associated work to facilitate development;
- **Contingency costs**--additional cost calculated for work related to other administrative or construction related costs associated with the project;
- **Taxing Entity Operational Costs**—taxing entities will receive a reimbursement percentage to occur in the tenth year of the district to cover administrative and operational costs thereby lessening the burden of service delivery for the entities associated with this urban renewal area. Funding may also be used for property acquisition for economic development purposes;
- **City Capital Cost Reimbursement**—City of Pocatello costs incurred for acquisition of property for location of HOKU Scientific.
- **PDA Administration**—An administrative cost will be allocated to the PDA for ongoing operational needs;

- **Company Employment Reimbursement**--In year 2016, provided that tax increment financing revenue is collected as projected, HOKU Scientific will be reimbursed funding percentages if they obtain and maintain at minimum 200 new jobs in the community. If they do not have 200 or maintain that number of jobs, then the amount of the reimbursement will be proportionately reduced downward on a prorated sliding scale. There is no increase in reimbursement for jobs in excess of 200.

The following table outlines the total project costs and the projected revenue for the proposed revenue allocation district.

TABLE 2. Project Costs and Revenues

ITEM	AMOUNT	TOTAL
REVENUES		
Revenue Allocation Proceeds	\$62,078,013	
Sub-Total		\$62,078,013
COSTS		
Infrastructure Costs	\$25,869,029	
Taxing Entity Operational Costs	\$16,029,830	
City Capital Cost Reimbursement	\$1,361,528	
PDA Administration	\$1,393,898	
Company Employment Reimbursement	\$17,423,728	
Subtotal		\$62,078,013
Ending District Balance		\$0

IV. ECONOMIC FEASIBILITY STUDY

The following tables provide a projection of base-assessed valuations for the proposed revenue allocation district for the North Portneuf Urban Renewal Area. An analysis of the tax levy rates applied in calculating tax collection for taxing entities and the North Portneuf Revenue Allocation District is described below. The 2006 tax levies for each of the five taxing jurisdictions are as follows:

<u>Taxing Jurisdictions</u>	<u>Tax levy¹</u>
City of Pocatello	.010385066
Bannock County	.005278294
School District # 25	.004556190
County Road & Bridge	.000591630
Ambulance	.000278340
Total	.021089520

¹ Obtained from Bannock County Auditor's Office

TABLE 3

Taxing Entity	² Tax Levy	North Portneuf Area Valuation	Revenue
City of Pocatello	0.010385066	\$4,409,661	\$45,794.62
Bannock County	0.005278294	\$4,409,661	\$23,275.49
School District #25	0.004556190	\$4,409,661	\$20,091.25
County Road & Bridge	0.000591630	\$4,409,661	\$2,608.89
Ambulance	0.000278340	\$4,409,661	\$1,227.39
Total	0.021089520		\$92,997.64

As the above table shows, \$ 92,997.63 of tax revenue is presently produced in the revenue allocation district for the North Portneuf Urban Renewal Plan. The remainder of the property is currently tax exempt. Taxable value will be added by real improvements to the land scheduled to begin summer of 2007.

Table 4 outlines the net increase in tax revenue potential from the estimated post construction value on the property over a nineteen year period.

TABLE 4

Value of Taxable Property in Revenue Allocation Area			
Property	2007 Base Value	Estimated Post Construction and Base Value	Net Increase
Proposed North Portneuf Improvement Site	\$4,409,661 ³	\$200,409,661	\$196,000,000

Table 5 provides an analysis of the estimated revenue to the PDA from new construction value within the North Portneuf Revenue Allocation District. Levy rates based on current rate determinations are applied to determine net revenue to be collected and distributed to the PDA.

² 2006 tax levy rate obtained from Bannock County Auditor's office

³ Includes a 3% estimated amount for utilities which are included as base value.

TABLE 5

Year 12 months ending	TIF Tax Value ⁴	⁵ Tax Levy Rate	Revenue to PDA
2007	-----	0.021089520	-----
2008	-----	0.021089520	-----
2009	\$196,000,000	0.021089520	\$4,133,546
2010	\$190,120,000	0.018980568	\$3,608,586
2011	\$184,416,400	0.018980568	\$3,500,328
2012	\$178,883,908	0.018980568	\$3,395,318
2013	\$173,517,391	0.018980568	\$3,293,459
2014	\$168,311,869	0.018980568	\$3,194,655
2015	\$163,262,513	0.018980568	\$3,098,815
2016	\$158,364,638	0.018980568	\$3,005,851
2017	\$153,613,698	0.018980568	\$2,915,675
2018	\$149,005,287	0.018980568	\$2,828,205
2019	\$144,535,129	0.018980568	\$2,743,359
2020	\$140,199,075	0.018411151	\$2,581,226
2021	\$135,993,103	0.018411151	\$2,503,790
2022	\$131,913,310	0.018411151	\$2,428,676
2023	\$127,955,910	0.018411151	\$2,355,816
2024	\$127,955,910	0.018411151	\$2,355,816
2025	\$127,955,910	0.018411151	\$2,355,816
2026	\$127,955,910	0.018411151	\$2,355,816
2027	\$127,955,910	0.018411151	\$2,355,816
2028	\$127,955,910	0.018411151	\$2,355,816
2029	\$127,955,910	0.018411151	\$2,355,816
2030	\$127,955,910	0.018411151	\$2,355,816
Total	\$2,907,915,873		\$62,078,013

The total revenue amount that may be received by the PDA over twenty four years is estimated at approximately \$62,078,013. This amount will be used to finance all projected costs within the North Portneuf Urban Renewal Area.

Table 6 outlines reimbursement and payment amounts, with percentage allocations for all costs to be distributed to both the public and private entities. There are no guarantees of the revenue amounts listed in this plan. Revenue distributions listed in the plan will be based on actual proceeds received. If for whatever reason, net revenue to PDA is less than that projected in the plan, then the listed percentages will govern how the proceeds are to be allocated. There is no adjustment in distribution for net revenue to PDA in excess of that listed in the plan.

⁴ Proposed new construction is anticipated to be completed at the end of 2008. Full tax value will be collected for 2009.

⁵ Calculations include holding the levy rate constant through 2009. In 2010, it is reduced by 10% due to the anticipated Central Corridor Urban Renewal Area expiration which will generate a broader tax base resulting in a reduction in the levy rate. It is also reduced an additional 3% in 2020 to account for the future expiration of the North Yellowstone Urban Renewal Area.

The company is paying the costs of infrastructure, access and site work and will therefore be reimbursed for the actual costs of these items, currently estimated to be \$25,869,029. The company will also receive an employment reimbursement for jobs created. The full amount listed in the table under Company Employment Reimbursement will be distributed to the company if employment is achieved and maintained at 200 FTE's. For the purposes of this plan, Bureau of Labor Statistics standards are used to define full time equivalent employment. This definition is 35 hours per week. The distribution amount will be adjusted downward if the job creation is less than the 200 FTE's and will be proportionally reduced on a prorated sliding scale. There is no increase in distribution for jobs in excess of 200 FTE's.

Public entities will receive reimbursement of costs associated with land acquisition and operations/administration. This will help to pay the costs associated with service delivery by these entities in this area.

TABLE 6

Tax Collection Year	Net Revenue to PDA	Company Infrastructure Reimbursement 95%	Company Employment Reimbursement 50%	City Capital Cost Reimbursement 5%	Taxing Entity Operational Costs 46%	PDA Admin 4%
2007	-----	-----	-----	-----	-----	-----
2008	-----	-----	-----	-----	-----	-----
2009	-----	-----	-----	-----	-----	-----
2010	\$4,133,546	\$3,926,869		\$206,677		
2011	\$3,608,586	\$3,428,156		\$180,429		
2012	\$3,500,328	\$3,325,312		\$175,016		
2013	\$3,395,318	\$3,225,552		\$169,766		
2014	\$3,293,459	\$3,128,786		\$164,673		
2015	\$3,194,655	\$3,034,922		\$159,733		
2016	\$3,098,815	\$2,943,874		\$154,941		
2017	\$3,005,851	\$2,855,558		\$150,293		
2018	\$2,915,675		\$1,457,838		\$1,341,211	\$116,627
2019	\$2,828,205		\$1,414,102		\$1,300,974	\$113,128
2020	\$2,743,359		\$1,371,679		\$1,261,945	\$109,734
2021	\$2,581,226		\$1,290,613		\$1,187,364	\$103,249
2022	\$2,503,790		\$1,251,895		\$1,151,743	\$100,152
2023	\$2,428,676		\$1,214,338		\$1,117,191	\$97,147
2024	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2025	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2026	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2027	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2028	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2029	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2030	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2031	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
Total	\$62,078,013	\$25,869,029	\$17,423,728	\$1,361,528	\$16,029,830	\$1,393,898

As outlined in Table 6, when revenue is received by the PDA (projected to begin in 2010), the costs for public infrastructure will be reimbursed over eight years provided that revenue is collected at the projected rate. City capital costs for acquisition will also be funded within the same time frame. After those items are compensated, a reimbursement for job creation, taxing entity operational costs and PDA administration and acquisition costs will also be funded.

V. CONFORMANCE WITH STATE LAW

Redevelopment activities for the North Portneuf Urban Renewal Area are governed by two applicable sections of Idaho Code: the Idaho Urban Renewal Law (Chapter 20, Title 50, Idaho Code) and the Idaho Local Economic Development Act (Chapter 29, Title 50, Idaho Code).

The Idaho Legislature passed the Urban Renewal Law in 1965. Under this law, a Mayor and Council can declare areas as deteriorating, and declare that the rehabilitation, conservation, and redevelopment of such areas is in the interest of the public's health, safety, morals or welfare (Idaho Code 50-2008). The Urban Renewal Law also states that an area of a city that "constitutes an economic and social liability imposing onerous municipal burdens which decrease the tax base and reduce tax revenues, substantially impairs or arrests the sound growth of municipalities, retards the provision of housing accommodations, aggravates traffic problems and substantially impairs or arrests the elimination of traffic hazards and the improvement of traffic facilities..." may be designated an urban renewal area.

The Idaho Legislature passed the Local Economic Development Act in 1988. This act states: "An authorized municipality is hereby authorized and empowered to adopt, at any time, a revenue allocation financing provision, as described in this chapter, as part of an urban renewal plan...A revenue allocation financing provision may be adopted either at the time of the original adoption of an urban renewal plan or the creation by ordinance of a competitively disadvantaged border community area, or thereafter, as a modification of an urban renewal plan or the ordinance creating the competitively disadvantaged border community area." (Idaho Code 50-2904)

In addition to this, Idaho Code 50-2906 states: "The local governing body of an authorized municipality must enact an ordinance in accordance with Chapter 9, Title 50, Idaho Code, and Section 50-2008, Idaho Code. To modify an existing urban renewal plan, to add or change a revenue allocation, an authorized municipality must enact an ordinance...and conduct a public hearing." (Idaho Code 50-2906) This part of the Idaho Code specifically implies that a local municipality must enact an ordinance before redevelopment can take place.

The North Portneuf Urban Renewal Plan proposed within this document follows the guidelines prescribed within Idaho Code for the development of Urban Renewal Areas and Revenue Allocation Districts.

VI. PLAN DURATION

The plan shall be in effect and enforceable for a period of time necessary to finance all designated improvements and all debt obligations the PDA may incur in connection with such improvements. This term may be amended as allowed by law.

VII. AMENDMENT PROCEDURES

The plan may be amended by the PDA after all notice and public hearing requirements as set forth in Idaho Code have been met, and upon formal approval by the Pocatello City Council.

VIII. SEVERABILITY

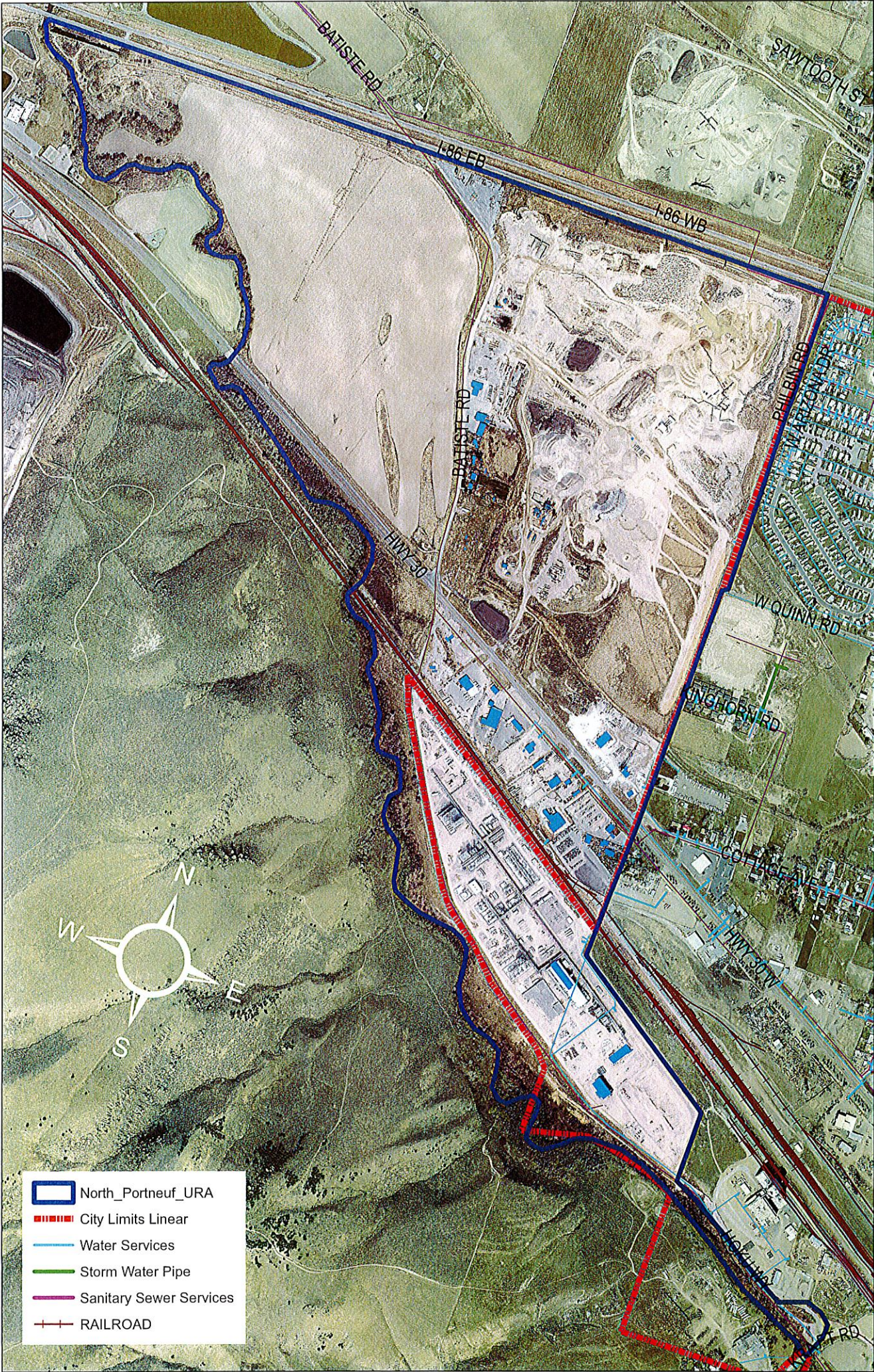
If any part of the plan is declared contrary to Idaho Code, and any provision or application of such provision to any person or circumstance is declared invalid for any reason, such declaration shall not affect the validity of any remaining provisions of the Plan.

IX. CONCLUSION

The North Portneuf Urban Renewal Plan is designed to ameliorate deteriorating conditions which are causing economic under-development of the area and substantially impairing the sound and continued growth of Pocatello. The plans call for extensive building and site construction work.

Implementation of the plan will provide the capacity necessary to foster sound growth of the municipality, increase the tax base and tax revenues, encourage economic stability of the community, increase job creation, and improve the health, safety, and welfare of the community.

The Pocatello Development Authority recommends that the City approve and cooperate in carrying out the purposes of this Plan.



-  North_Portneuf_URA
-  City Limits Linear
-  Water Services
-  Storm Water Pipe
-  Sanitary Sewer Services
-  RAILROAD

**AGENDA ITEM
NO. 10**

Pocatello Development Authority

City of Pocatello
911 North 7th Avenue
Pocatello, Idaho 83201

An urban renewal agency for the City of Pocatello, Idaho

The Pocatello Development Authority meets the third Wednesday of each month at 11:00 a.m. in the Paradise Conference Room in Pocatello City Hall, unless rescheduled or cancelled. All notifications will be posted on this bulletin board. If you have any questions or would like to request to be on the next agenda, please contact Melanie Gygli, Interim Executive Director for the PDA at 208-234-6583 or by email mgygli@pocatello.us.

The meeting dates for calendar year 2020 are as follows:

January 15, 2020
February 19, 2020 * Annual Public Hearing
March 18, 2020
April 15, 2020
May 20, 2020
June 17, 2020
July 15, 2020
August 19, 2020
September 16, 2020
October 21, 2020
November 18, 2020
December 16, 2020

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, Idaho.