

**Minutes of Meeting of the Board of Commissioners  
Driggs Urban Renewal Agency**

**December 7, 2011 – 6:30 p.m.  
Driggs Town Hall – Conference Room**

***AGENDA - posted 11/29/2011***

- 1. Call to Order** – determination of a quorum (6:42p.m.)  
Commissioners Present: Hyrum Johnson, Lyn Christian, Carrie Cleary, Bart Birth, Guch Lombardi, Kathy Rinaldi by phone

Others Present: Cynthia Rose

- 2. Adoption of Agenda & Approval of Minutes from Regular Mtg. 10.12.11**

Changes: The Agenda was adopted without changes

Moved: Lyn Christian

Second: Bart Birch

Passed: Unanimously

Changes: The Minutes from the Regular Meeting held October 12, 2011 were approved without changes

Moved: Kathy Rinaldi

Second: Lyn Christian

Passed: Unanimously

- 3. Approval of financial reports**

Changes/Discussion: The Financial Repots for the month ended November 30, 2011 were reviewed and it was determined that the \$1465 charged to Account 40-210-10 should be moved to Account 40-310-05. The Financial Report was approved as amended.

Moved: Guch Lombardi

Second: Lyn Christian

Passed: Unanimously

Changes/Discussion: The Financial Reports for the month ended October 31, 2011 were reviewed and approved without changes.

Moved: Lyn Christian

Second: Guch Lombardi

Passed: Unanimously

Changes/Discussion: The Financial Reports for the year ended September 30, 2011 were reviewed and approved without changes.

Moved: Guch Lombardi

Second: Lyn Christian

Passed: Unanimously

#### 4. Approval of claims:

Discussion: No items were presented and it was explained by Hyrum that only items not budgeted in the annual budget will be brought to the Board for approval.

#### 5. Welcome New Board Members & Disclosure Statements

The two new Commissioners, Carrie Cleary and Bart Birch, were introduced and welcomed to the Board. Each had disclosure statements regarding connections to businesses/property within the DURA District.

##### 1. Bart Birch

Bart Birch's Statement was read aloud and is here entered into the minutes:

Dear Chairman of the Urban Renewal Board,

This letter serves as a disclosure of any interest I may have in the downtown Driggs area. Currently, I own no property within the district boundaries, but I do operate a law practice at 81 N. Main Street, Driggs, Idaho. I have rented this building for approximately the last seven years, where I have run my law practice primarily out of that building. Currently, I am an employee of a law firm, Thompson Smith Woolf Anderson, PLLC, which is the entity name for which I work. In full disclosure, I am an employee who runs my law practice full time within the district boundaries, and of course I have a true interest in any decisions that improve the business climate of downtown Driggs.

Sincerely,  
Barton J. Birch

##### 2. Carolyn (Carrie) Cleary

Carrie Cleary's Statement was read aloud and is here entered into the minutes:

To Whom it May Concern:

I am writing this letter to disclose my employment with Grand Targhee Resort, LLC. I am the IT Manager as of July 22, 2011. Geordie Gillett is the owner of Grand Targhee Resort and is also the owner of the Colter Building, located at 79 Main Street, Driggs, Idaho 83422. Although the Colter Building is not part of the Grand Targhee Resort, LLC, I perform Information Technology related tasks for tenants of the Colter Building, which include but are not limited to:

- 1) Telephone and network service repairs and wiring
- 2) Hardware and software repairs and maintenance

Thank you,  
Carolyn Cleary

Discussion ensued regarding what constituted a "Conflict of Interest" for a commissioner. Hyrum explained that if occasion arose where a property in which any commissioner had an interest was part of a DURA project, the Board would discuss the implications and said commissioner would be excluded from voting on matters of that project. Kathy pointed out that there is a State Code that defines conflict of interest. **The Idaho Ethics in Government Manual** also addresses this issue and describes the action required as:

## CONFLICTS OF INTEREST/PROHIBITED CONTRACTS

**Question No. 10:** What action is required under chapter 7 of title 59, Idaho Code, the Ethics in Government Act, if a conflict of interest exists?

**Answer:** The Ethics in Government Act requires certain action when a conflict of interest exists. A conflict of interest is generally defined as any "official action or any decision or recommendation by a person acting in a capacity as a public official, the effect of which would be to the private pecuniary benefit of the person or a member of the person's household, or a business with which the person or a member of the person's household is associated."

When a conflict of interest exists, the public official must disclose the conflict. Under the Ethics in Government Act, disclosure does not affect an elected public official's authority to be counted for the purpose of determining a quorum and to debate and to vote on the matter.

The public official may seek legal advice on whether a conflict of interest exists. If the legal advice is that a real or potential conflict may exist, generally, the public official must prepare a written statement describing the matter required to be acted upon and the nature of the potential conflict, and shall file such statement with the entity set forth in the statute pertaining to the appropriate elected or appointed office.

Disclosure of the conflict or consultation with counsel satisfies the requirements of the Ethics in Government Act. It does not, however, permit the public official to engage in acts prohibited by other provisions of the Idaho Code.

The DURA Commissioners will handle each potential instance of Conflict of Interest individually and with the help of legal council.

### 6. Election of Replacement Vice Chair

Hyrum nominated Bart Birch to fulfill Sean Moulton's unexpired Vice Chair term and asked the Board to approve his recommendation. Hyrum moved to elect Bart to the position and the motion was approved.

Moved: Hyrum Johnson

Second: Carrie Cleary

Passed: Unanimously

### 7. Approval of Term Sheet for Loan

Hyrum discussed the Wells Fargo Term Sheet dated December 7, 2011, which serves as a legal Letter of Commitment to DURA for a line of credit for up to \$1,050,000 in principal. Hyrum requested Board approval of the terms of this commitment, which opens the process to secure the funds by March 2012.

Guch asked if the funds would only be used for the GeoTourism Center, and if that is the case, why not reduce the amount of the commitment and lower the loan origination fees. Hyrum expressed concern that changing the amount of the loan now could derail the loan process. Bart asked about what other projects might receive funds from this loan and Hyrum shared the top DURA future projects: Streetscape on Depot Street; Streetscape on W. Little (Bates); and additional downtown parking facilities. Hyrum also explained that this loan is to leverage future revenue while both interest rates and construction costs are low.

Lyn asked why the DURA could not reduce the amount of principal of the loan without derailing it. Hyrum shared his concern that the process of receiving the loan docs, publishing the details

and completing the entire process by March, when the GeoTourism Center would need them, could be in jeopardy if the DURA requested any changes now. He emphasized that he will talk with Wells Fargo to negotiate better terms, but wanted the option to approve the current term sheet or a better one, to ensure that the DURA would have something to work with if it appeared likely that such negotiations were risking the entire loan.

Guch moved that the Board approve the Term Sheet with two contingencies: 1. that they receive Elam & Burke approval, and, 2. that the DURA Executive Committee try to negotiate with Wells Fargo to lower the total amount of the loan, and/or to re-word the defined use of the funds, giving the DURA more flexibility with the funds.

Moved: Guch Lombardi

Second: Bart Birch

Passed: Unanimously

#### **8. Authorization of 2011 Independent Audit**

Hyrum has spoken with the DURA auditors, Rudd & Company, about conducting an independent audit for the Fiscal Year 2011. He explained that the audit was not required, but that due to recent newspaper articles it seems prudent to do an audit for the past year. The cost would be similar to last year - which should fall within the budgeted amount of \$4k. It was moved and approved to authorize an independent audit for FY2011, to begin next week.

Moved: Bart Birch

Second: Lyn Christian

Passed: Unanimously

#### **9. DURA Credit Card Update**

Discussion: Cynthia shared that she had received and activated the DURA credit card from Wells Fargo Bank, with a credit limit of \$1,000. The Board asked her to go ahead and make the two office equipment purchases approved at the October Regular Meeting, and to create a log of all purchases and to code them with the appropriate budget account number.

#### **10. Downtown Driggs Community Association (DDCA) Meeting Report**

Guch reported that the DDCA, in conjunction with the City of Driggs, had purchased banners for the new light poles in downtown Driggs and that the group is now focused on the January Teton Valley Great Snow Fest (GSF). The GSF is a week-long festival of activities, primarily sporting events, which will hopefully draw people regionally to Teton Valley during a month that is historically very slow. Guch said that the DDCA inquired whether the DURA could help fund the GSF. Guch told them she did not believe they could help fund special events. Hyrum reported that the Mayor asked the DURA for funds for the Snow Sculpting event and for the Snow Ball, the closing dance where awards and prizes will be presented. DURA funds would support advertising and prize money for the Snow Sculpting event and funds for the band, decorations, and refreshments for the Snow Ball.

Some questions were raised about the legality of an urban renewal agency using funds to support special events. The Board was generally in favor of supporting the event because it is in the public good and helps with economic development. Kathy suggested that the Board establish criteria for choosing what projects and programs they wish to financially support.

Hyrum explained that the DURA can receive funds from outside sources in addition to the tax increment revenue, and that these outside funds were not subject to the same restrictions as tax funds. He also asked that the Board discuss this subject at the January 2012 meeting.

#### 11. Scenic Byway Project Update

Hyrum presented Benchmarks for the SBW Project and a Status Report on their Progress. He said that the target goal for the project timelines is 12/31/11. Reid submitted a status report with little definitive detail, but Hyrum assured the Board that he and the Project Advisory Committee (PAC) feel that very tangible progress is being made. They believe that the current financial shortfall of approximately \$150,000 will be covered by currently-targeted potential donors and grants.

Guch felt Reid's report was more of a brain dump on all downtown development than an update on the current project. Hyrum described Reid's plan as a big picture for the whole downtown. He shared the GeoTourism Prospectus, which he believes is a high quality document. He also stated that the GeoTourism Center is close to having a Memorandum of Understanding (MOU) with the National Geographic Society (NGS), and that the NGS may provide access to their donor list as part of the MOU. Hyrum said the PAC is hoping to break ground as soon as the snow is gone this spring.

Bart asked where the operational funds for the GeoTourism Center would come from and Hyrum answered that they will be covered by a future endowment.

Hyrum showed some test reproductions of a Thomas Moran painting and explained that the PAC had selected the printing process and the framer for all the reproductions based on recommendations of the Smithsonian Institute.

#### 12. Public Comment Period

No public comment was offered.

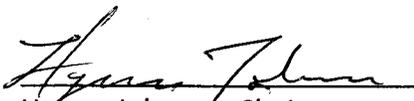
#### 13. Adjourn (8:00)

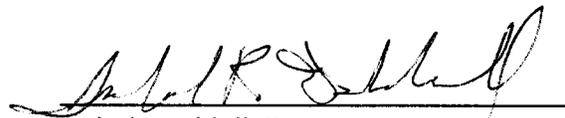
Moved: Carrie Cleary

Second: Guch Lombardi

Passed: Unanimously

Attest:

  
Hyrum Johnson, Chairman

  
Isabel Waddell, Secretary

*Anyone requiring special access consideration must notify the DURA 2 days prior.*