



MINUTES
MEETING OF THE BOARD OF COMMISSIONERS
Wednesday, January 11, 2012, 7:30am
Meridian City Hall North Conference Room
33 East Broadway Avenue - Meridian, Idaho

1. Call Meeting to Order (Pipal):

2. Roll-call Attendance (Jensen):

- Julie Pipal – Chairman
- Craig Slocum – Vice-Chairman
- Eric Jensen – Secretary/Treasurer

- Keith Bird – Member
- Jim Escobar – Member
- Dave Winder – Member
- Tammy de Weerd – Member
- Dan Basalone – Member
- Lisa Keyes - Member

- Todd Lakey – Counsel
- Ashley Ford – Project Manager

3. Confirm Agenda (Pipal):

Slocum: I move we make a motion to confirm the agenda with one revision, moving item 13 to before item 6 in the spirit of using people’s time most wisely.

Bird: Second.

Pipal: All those in favor signify by saying aye. Opposed same sign.

ALL AYES. MOTION CARRIED.

4. Approve Consent Agenda (Pipal):

- a. Approve Minutes of December 14, 2011 Regular Meeting**
- b. Accept Treasurer’s Report and Notice of Bills Paid**
- c. Accept Project Manager’s Report**

De Weerd: I move we approve the consent agenda.

Jensen: Second.

Pipal: A motion and a second.

Roll Call Vote: Slocum, aye; Jensen, aye; Bird, aye; Winder, aye; De Weerd, aye; Basalone, aye; Keyes, aye; Pipal, aye.

ALL AYES. MOTION CARRIED.

PRESENTATIONS

5. Traditional City Core Report by Brian McClure, City of Meridian:

McClure: Brian McClure, 3041 W. Macral Lane, Meridian. I was asked to present to you a brief overview of the traditional city core report and I would assume you all have a copy of that? Ashley and I started last summer, I guess now; quite a while ago and finished the report at the end of September. In coordination with the Mayor's Office and MDC, particularly Ashley, part of the Planning Department's commitment to the destination downtown plan, staff spent a considerable amount of time going door to door and speaking with stakeholders (inaudible) in the city core. The process had a view functions: broadly speaking to tenants in outreach and was an opportunity for stakeholders to ask questions and tell the city how we are doing. This would be an environment that is comfortable to them, they didn't have to fill out a form or basically do anything. We were curious about hurdles that stakeholders encountered at city policy, hearing their suggestions to improve downtown, taking suggestions for better incentivizing and promoting the downtown and just fine tune and answering general questions. More specifically the Planning Department wanted to assure that nothing on our end, that none of our policy interfered with the implementation of the goal in the city core. We (inaudible) of questions and took a number of comments and most of them are summarized in the report, but the two biggest issues were parking and issues related to business fees, not necessarily the city, but ACHD and the (inaudible) and there also concerns related to identity and how a downtown competes with others in the city – competes like Ten Mile when it is built out or the CenterCal projects. We did not receive as many suggestions as I had hoped especially as it relates to the Planning Department, but we did get a number of questions and I think generally we left the stakeholders happy that we visited. In terms of the staff recommendations to MDC, some of these may be a little obvious, others were – I guess – Ashley quoted, but I did want to formalize them as part of the report and so they are included. Additionally some of them have actually begun to be addressed or discussed since then such as parking. To summarize the recommendations that are relative to MDC are on page 13, I believe of your report. The biggest ones include suggestions or revisions for the destination downtown plan and the streetscape design guidelines. Most of those speak to city code and policies so that they kind of say the same thing. Right now there are some, not conflict, but not really intent and clear as it relates to how we have got these worded. There are also suggestions for stakeholder outreach, improving communication and incentivizing development. With that I can either take questions or touch on some of the next steps or other items that –

Pipal: I have a couple of quick questions. Do you also plan to share this with ACHD and I didn't notice any other entities?

McClure: Yes and no. A lot of these on the city side have already been discussed with ACHD through Caleb. And I am sure they will be discussing that a little more, I am sure.

Pipal: You mentioned that there was some areas that there was a little bit of confusion. Can you give us an example?

McClure: Mostly it is just wording, but yeah, I can. So, for example, it says traditional architecture themes as a traditional city core goal, but that is not really defined or spelled out what that is. And we don't have anything in our design guidelines to say what that is. So, if you want us to encourage that we would need to know what that actually is to you, firstly.

Pipal: Okay.

McClure: Vertical and horizontal integration uses – I kind of have an idea of what that is, but I know that most people don't. Again, we don't say anything like that in our policy, so that is something else that needs to be clarified if we want to see that actually pushed. Does that help?

Pipal: Yes.

Ford: If I may, Brian how do you see that clarification happening? What would be that process from our part to – eventually to – because obviously the city has adopted destination downtown? Does that concern a comp plan amendment for you all, how does that work?

McClure: Ashley in those two cases I would hope that those examples could be on your end. Most of that would apply to our design manual if we were to change it and it works the way it is.

Basalone: Brian it sounds like when you did your outreach to stakeholders to parcel owners to the business owners, to the downtown core, did you also have a chance to talk to any of the residents who own homes in our area and what were their concerns?

McClure: We did. Most of the traditional city core – I should have given you a map – the traditional city core is mostly just Broadway to Carlton, Meridian to E. 2nd and it is pretty – there are not that many residents in that area, so the ones we did talk to were mostly on Meridian and I mentioned some of those (inaudible) renters and in fact I (inaudible). I was a little surprised we spoke to a few further down on Meridian and they were actually for the split corridor because it would (inaudible) trees out of the way. So we didn't really get negative comments from residents toward the city –

Basalone: So actually the traditional city core is not contiguous with our urban development area?

McClure: Correct.

Ford: Madame Chair, it is really a sub area of the overall urban renewal district. Destination downtown broke it into sub areas and so that is what we focused on in this initial start just to make it more manageable.

Basalone: Yeah, I just wanted to be clear on –

Ford: No, understood and just to clarify a little bit further one of the things that we did hear from residents time and time again was mostly lack of sidewalks because there are a number of streets that maybe have partial sidewalks or no sidewalks at all and there is an elementary school on the left side of Meridian Road and safety issues and ACHD will be addressing a lot of those with their sidewalk plan and with the Meridian Road, split corridor update, but that is one of the things that we heard consistently as well.

McClure: Especially on Carlton.

Ford: Yes.

McClure: The purple area in that map (inaudible).

Basalone: I appreciate that, thank you.

Pipal: Any other questions at this point? Where do we go?

McClure: So the next area is the neighborhood preservation area (inaudible). That currently is what we are looking at doing for the next steps. Our focus area because they are primarily residential we would be looking to do a little bit less door knocking, one because they are home and I am not at work and two I just think it would be a little bit cumbersome and not have the benefit that speaking to the business owners does. Right now we are looking at doing more of a privatization and inventory system, so where do the sidewalks exist? Where are we lacking curbs? What are the conditions of properties and that would be useful as a tool in terms of people trying to development something. That is the current plan. I am happy to take comments or suggestions on that now, but as we already move forward we do plan on giving Ashley that as well.

Pipal: Any one have any additional questions? It doesn't sound like it. They get me more active as the meeting goes on.

McClure: So Ashley did me a favor then.

De Weerd: I guess it is important to really stress the next steps and maybe some of the roles and what the city is doing and MDC, but the City Council we haven't wrapped destination downtown into our comp plan – they basically I guess adopted or approved – we didn't adopted it.

McClure: It is measurable reference.

De Weerd: Yeah, we referenced it, but it is not –

Friedman: Thank you Madame Chair, members of the commission.

De Weerd: Thank you, take me out my misery.

Friedman: What we have done is we recognized destination downtown as a commission document and last year or maybe even before that the then Planning Director went through and identified the various implementation actions that were approved in the plan and then assigned essentially roles and responsibilities to that. I think the city is actively has a plan implemented for those things that the city can do, yet there will be other things that are commissioner responsibilities and a function that Brian, Ashley and Luke did with one of those as an example of those implementations and steps there may be others that are solely commissions actions through property purchases, through funding mechanisms and things like that. The outline that was prepared kind of identified what role the city departments have in that. Things like public works and infrastructure relocation and things like that and at the director level those things are being discussed yet again and obviously the most apparent one will be when we start the split corridor and we have the utility installation happening in conjunction with that project – we haven't embraced it as part of our comprehensive plan, recognizing that we didn't want the lines

to border too much, but we do sort of have an action plan in those sort of things that the city can work in partnership with the commission on.

Pipal: Thank you.

De Weerd: I guess in follow up I think on the city side, there isn't clear direction on the next steps and we just want to make sure that the city is also clear on MDC's side, what their next steps are, what our next steps are, so we assure that we are not duplicating or stepping on each other's toes.

Pipal: I think probably we have a plan coming forward. We didn't put it into this one, did we Ashley?

Ford: No, you asked me not to.

Pipal: Okay, that is what I thought. We have a plan actually coming forward that takes our strategic planning effort downtown, all of the things that we have asked our project manager to do and she has outlined it by month and by task. Now that we have received this report, it will need to be aligned with that document or that action list that she has been working on and so maybe what we do is we have you as you are going through that highlight where the intersections are to this recommendation now, because it does reflect everything else that we have worked on to this point and probably includes a lot of this, but not specifically to this report. So if you could align that and we could get back to Brian on that?

Ford: Okay.

McClure: One more item that is important, just so you guys are aware currently the city is in process of taking over right of way from ACHD for things like streetscape so the city will have to move forward with that. Is everyone aware of that? What you may not be aware of is what we are currently working on is basically a plan to allow for things like outdoor dining, so the city will be issuing certificates of - basically CZCV's for allowing people to use the right of ways for business for things like outdoor dining. So that is definitely we are going to want MDC involved with and definitely heavily engaged when we have a working form for that - but I want to leave that with you so you are aware of what is going on.

Ford: Brian what is the timing of all of that just so I can start putting that into my overall master plan as well too?

McClure: I do not know.

Ford: That is fine.

McClure: It is currently almost kind of draft form, but with changes in the Planning Department and other things going on, there is - I am scheduled right now.

Slocum: Would that simplify the process for awnings and other elements that extend into what is today ACHD right of way?

McClure: I hope so.

Slocum: Would it be a similar process to the outdoor dining? So those would be variances?

McClure: Verifications.

Slocum: Okay.

McClure: Currently we would be allowing up to two feet in the right of way for something like an awning or canopy under this process anything larger would go through a more technical process that I am not familiar with, but right now it is two feet.

Friedman: I think one of the things in response to Mr. Slocum's question is what we are doing is working with ACHD so that you are not going to work with the city and ACHD; the ACHD is going to seek authority to the city so the review would be solely at the city's discretion. And (inaudible) worked with Brian and Caleb, but that is the intent so that when we get down to the fine details of that – a CZCV is an in house change reviews process that we have now for any business in the city. The intent is to kind of bring it under one umbrella.

Pipal: Thank you very much, Brian. I know that that was a lot of work and took a lot of time on the ground and feet to the pavement and thank you very much.

Ford: I would just like to say Brian has been essential to work with in this process. I think I mentioned that back when we were starting this, but just the diligence and the amount of work that has gone into this is tremendous and he has been fabulous to work with. I look forward to the next planning area.

ACTION ITEMS

6. Legislative Services for 2012 (Item moved from item 13):

Pipal: Mr. Turlington welcome back.

Turlington: Good morning, Scott Turlington, Strategic Principle Advisors, 202 W. Bannock Street, Boise, ID, 83702. I am glad to be back today to a certain extent and certainly appreciate the opportunity. I want to have a brief discussion with you this morning about the session and just see what the intent of the board is and the direction you may want.

Pipal: I asked Mr. Turlington to be here today. We had been talking about what would likely happen during the legislative session regarding our issues and as most of you are aware, but our newer members may not be, we made a significant investment in trying to maintain transparency and to work with our legislators about their concerns over urban renewal. Meridian is not guilty of many of the things that have legislators up in arms in wanting to repeal it or to significantly curb it, but we were in the lead in helping to come to an agreement that actually made sense at the legislature last year and I will say it again because Mr. Turlington will down play it when he has the floor, but it is very difficult to get legislation passed and we were able to get that bill passed last year and that is a feat. So I want to thank you again for doing that, but I would like you to share with the board what is going on. It is more than what we thought it was going to be.

Turlington: At the conclusion of the last session as Julie mentioned House Bill 95 was a piece of legislation that Meridian in large part drafted and shepherded it through the legislative process last session and did a number of things, of not the least transparency. It resolved a lot of concerns that legislators had because of their constituents who think urban renewal agencies are out of control. It wasn't a unanimous piece of legislation it was a lot of different opinions on it and as a result we typically see that the bill got through the process of the session and you have

legislators now returning that want to go back in and put their touches amending what we got done last year. We have support from many of the other agencies, but it is safe to say that a lot of the other urban renewal agencies didn't support the legislation and I think were quietly actively working behind the scenes to undermine it. Just so you know the method over the previous years had been to try and get rid of any efforts on urban renewal and in a sense kill it if you will because of what was out there. House Bill 95 was actually a significant change in the paradigm in terms of what an urban renewal agency step forward to do. I think initially in our discussions was a contract to monitor and alert you to things that are going on. I didn't hear much over the summer and attended several meetings with the legislators and different folks around the state. So I initially proposed a contract that just provided monitoring services to let you know and to keep Meridian at the forefront of the discussion; however in the past couple of days over at the Capitol – what we did discover is that we do have a couple of legislators that are returning and drafting legislation that will change the law we enacted last session. At least in three different areas so far as I know today. One of the areas which is something I think that we opposed pretty strongly at the last session was relating to carry over funds – in terms of what you have to do with the money that you have at the end of the year. The prevailing thought from last year from the minority that opposed this legislation was that money should be returned back to the taxpayers, not left in your balance. That is one issue. Another that is coming, allegedly coming, is the election of the board members again. We offset that last year by the way by putting in a provision law that requires districts to be created by the voters. There is a point in the process of creating an agency where it had gone from Council to creation where now it has to go to a vote of the people and that was a really big step and there was a lot of support for that, but they still have some that want to see board members elected. So I think – I thought about this in what I would say to you in terms of what we do next and what I would propose before you take any action today is let me sloothe around a little bit more and determine exactly what the picture is going to look like over the next week before – first off I think we need to be in that position before we make any decision on what we are going to do and it may affect ultimately what my proposal looks like, but I would like to get a little bit better handle and talk with some of the sponsors that are coming forward and finding out exactly what they intend to do. So that is what I would say this morning is what we know today is we are expecting legislation that would likely be adverse to Meridian but of course I want you to have the facts in order to make good decisions on that before moving forward.

De Weerd: Also in my conversations with our legislators and representatives for 20, 21 and 14, there is a couple of other areas in the competition, the public private competition for space. Primarily it is going to be targeted, I have been told to stake holdings that all have a relationship to urban renewal agencies if they are agency owned facilities or land and there is one other area, I wrote it down, but it is not on the top of my mind, I guess I would suggest talking to Representative Moyle.

Turlington: It could be in relation to –

De Weerd: I think what he brought up last year he hasn't let go of.

Turlington: Yeah.

Pipal: I had a couple of conversations with Scott about this issue because we have an atmosphere down there where we have counterparts that pay significant dollars for legislative lobbying services and we have always been fortunate that we have had Scott to be our representative down there that has always worked with us and is a member of the community, recognizes that the decisions not only affect the entity but they affect the place in which he lives. So we were really fortunate to have that. The conversation that – I had left him a message that

said if it does start to turn a little bit more, I think that we would be in good standing to have contracted services at some level and then depending on the amount of work, talk about additions to that fee depending on the amount of work. That is not normally how it is done, normally they are contracted for a certain amount for a certain period of time and while I do respect that you were willing to do that, I think that we have really tried on this board over the last year to be fair in how we deal with people and pay for the things that we want them to do and if we can't afford to pay for it, then we have to make decisions about not doing it. But I would encourage the board to take some kind of action in terms of entering into an agreement with Mr. Turlington so that while he is working on our behalf he is being paid for working on our behalf for a certain amount of time and if it does become a mass and it takes up a lot of your time then we could come back and we can talk about something different. I would like to hear what the board thinks about that. You have Scott's letter on the last two pages.

Basalone: Scott the legislative sessions are pretty short in a time period. What time period are you looking at in terms of possible action or inaction taking place between now and then end of the session and also my second question is I am not familiar with the House Bill 95, by what majority did it pass originally?

Turlington: The Idaho session has a starting date and really there is no ending, it just ends when everyone is tired of everyone else.

Pipal: It does too have an ending, they just ignore it.

Turlington: Typically and I think this year might be an exception, but typically it is about 90 days, but I have been part of record sessions that have gone through the end of May. So it varies. My prediction in some discussions is we are looking at three months and that is very short. House Bill 95 had about eight or nine amendments to it and what an amendment is it is a firm way of objecting to it, so we went through the amendment process on the House side and once on the floor, once on the Senate side and its relating committee, so ultimately the amended bill that came out was amended officially three times and it had a lot of support, but it was support that people were willing to put forward because they got some of their changes in. On its face the way we drafted it, it wouldn't have passed because of the opposition to it. We didn't go far enough. We weren't requiring the boards to be elected by citizens, we were requiring for full public exposure for financial statements. Those were the types of things they wanted. I don't know if we will get that this time. But it did have support as the amended versions moved through both bodies with committee level it was probably (inaudible) that led to those amendments.

Basalone: But the final bill was a pretty large majority wasn't it?

Turlington: It was.

Bird: This agreement you are asking, the 1665 a month –

Pipal: That was what was proposed. I am not sticking a number on it.

Bird: The contract –

Pipal: Well we haven't talked about what that might have looked like. I didn't want to pre suppose for the board to be on that kind of retainer.

Bird: (Inaudible) to keep somebody downtown for that cost is pretty dang good.

Pipal: I would agree with you.

Bird: More than fair with this group.

Pipal: I would agree with you, but I am only one.

Turlington: What I think I would suggest to the board is if you approve this today that is great, we will go forward on that, but what I would like to also do is some – I am willing to do this because I know that you meet every two weeks, you guys meet together a lot. What I would propose is by the time of your next meeting, if you have a meeting in two weeks, what I would like to do before you do anything today is spend some time over the next few days and it is not going to be a big effort to go talk to a few legislators and figure out exactly what their intent is. If their intent is to propose legislation and move forward, I will provide you with a revised proposal that will have a different number in it. I don't know what that number is; I would like to work with the committee on that, the executive committee because it is going to change. You will recall our services last year involved drafting of the legislation, but also the caring of it and our fee was I don't know higher than it had been, but still a little (inaudible) and which you did a good job on negotiating. I am partial to the board, I live in Meridian and I am a big supporter of the agency, so it is a cause I will effectively speak to and the only lobbyist that has actually been on the floor, so what I guess I am saying is let me go figure out what the pieces are and then in two weeks you can make a decision based on what you have in front of you or new information that I can provide. I am happy to go out and in fact I would like to kind of nail that down, I would hate to be in a position and something happened and no one attended legislation (inaudible) or whoever, that I am factually correct and just right now we are (inaudible) and the legislators aren't always factually correct (inaudible). If that is amenable to the board, I would recommend let's table it two weeks. Unless you guys are ready to write checks.

Bird: If you are willing to work free –

Slocum: Is there a downside or upside to us not making a decision today verses two weeks and I am asking on the standpoint of having you registered as our lobbyist?

Turlington: The first two weeks you get a lot of bills – I am not concerned about – I know these bills aren't coming from chairman, so if something got introduced tomorrow I would feel comfortable in my ability to go to the chairman and say can you give us a couple of weeks so we can round up – I don't think a lot of people (inaudible). I am really comfortable with the two weeks as long as you are meeting in two weeks that we could get something (inaudible). I would just feel much better about my representations to you about what we are looking at in this session.

Pipal: I may be a little by the book, but isn't that a little tenuous for you?

Turlington: (Inaudible). I have more flexibility.

Pipal: Because some of the folks that you are talking about, should someone get them off, I think that leadership, most of the chairmen are sophisticated in understanding the way that this works. But some of the people that you are talking about that might be bringing legislation forward might take issue with you not being registered for us.

Turlington: I (inaudible) the calls and answered questions on this issue throughout the year. I am comfortable with it. I am not going to be actively lobbying with (inaudible) there are some nuances that we could do it and I am comfortable to go forward with that. How does the --?

Lakey: Scott you would rather not be registered until we have an agreement in place and a number?

Turlington: I can certainly register with MDC, we are – I could still do it and if it makes it easier for the board that is fine too. I am just trying to be abundantly cautious on what type of agreement we get into – in all fairness it was yesterday morning where most of this kind of came to light in perspective after the session started.

Lakey: Maybe the direction could be from the board is we would like to have Scott's services on some level this session, go ahead and register and we will figure out what those services are and a number at the next meeting and give him some direction to register and then figure out the details.

Pipal: I would entertain a motion to that effect.

Slocum: So moved. Or do you need more?

De Weerd: (Inaudible).

Pipal: I think counsel if you could rephrase that?

Lakey: Sure. The motion should be to engage Mr. Turlington's services and request that he register on our behalf and bring forward a contract with a number and scope of services to the next meeting.

Slocum: If that was the motion I second it.

Pipal: The maker and the second of the motion. I agree that is the motion. Do we need a roll call at this point to retain services?

Lakey: I am comfortable with one.

De Weerd: Madame Chair so we are not making a decision on an amount?

Pipal: That is correct, but we are going to be doing something at some amount.

Turlington: My understanding from the motion is register for the MDC and bring back a proposal based on – it may or may not look different from what you have in front of you, but based on the information, I suspect that we will dig up. I will be as thorough as possible with the details so we can make the best decision and I will have it back before the end of next week so that you can see it and review it.

Pipal: Okay, all in favor signify by saying aye. Opposed same sign?

ALL AYES. MOTION CARRIED.

Turlington: I think, not everyone, but I will make sure you get my contact info cell phone, so if there are any questions from any of the board members feel free to call me anytime. The last session we were pretty fluid in our communication and had a lot of dialogue and I enjoy that and I think that is the best way to serve you. I think it will stand for the next two weeks. Thank you very much. I will be in touch.

7. Time Extension Request for Owner Participation Agreement Between Meridian Development Corporation and Boise-Waltman, LLC:

Ford: We have Shawn Nickel here from SNL Planning representing Boise-Waltman, LLC. This is a time extension agreement from September 2008, so there were a couple of board members that were here at that point and time. It was an agreement that allowed both parties to enter into tax credits for the Browning Plaza development. This is on Waltman Lane and as you all know the timing of this agreement and timing of the building of such development kind of coincided with the economy down turn. So given the fact that development has not incurred and there were some obligations on the part of the applicant to hit certain mile stones, it is just not feasible given this climate right now and obviously I think we all feel comfortable in the fact in making our recommendation that we certainly want to see this project happen and so I met with Commissioners Bird and I am sorry Slocum wasn't able to make that one but met with the applicant to talk about what their requesting and it is just essentially just a two year time extension. The feeling of the committee is that we felt comfortable (inaudible).

Pipal: Having already asked you, but I thought better of it because so many are new, Counsel do you mind just giving a little brief description of what this agreement is?

Lakey: Also, if I might, give a little disclosure. Back with my partner Joe Borton in our previous lives with Rose Law Group, Joe represented Boise-Waltman, LLC and negotiations with MDC. I did a little bit of work with them but more of a meeting or two with ACHD, I didn't work directly with MDC. So we needed to be careful of a conflict of interest issue with this client and MDC. In looking at the agreement there wasn't really any significant negotiation or modification in the terms of the agreement. It is a simple time extension of the document. If the board feels like you need to go into more legal analysis detail then Joe and I need to step back and get conflict counsel. There doesn't seem to be like where the committee or anybody wanted to go at this point. What I can do as far as describing it to you is this document was prepared by Waltman, LLC and Shawn Nickel. You will note in here that they have basically some timelines that were established for a certain time.

Pipal: I want you to go back a little further, because what is it? I think that we have people here who don't know what an owner participation agreement is.

De Weerd: Also what is the commitment by MDC?

Pipal: Right.

Lakey: Okay. I may actually defer a little bit of that background to Mr. Nickel. I have a basic understand agreement, but did not want to get too far into it because of that conflict. But the idea being, I believe, as they develop the property there would be some reimbursement by MDC for the infrastructure and some of the infrastructure that they are putting in and that is how the owner and MDC participates together. Infrastructure is put into place at their expense, it benefits the community and they get some reimbursement for that. That is a real basic summary. Mr. Nickel maybe you could expand a little bit more?

Nickel: Shawn Nickel, 1589 Estancia Place, Meridian. I am here today representing Boise-Waltman, LLC. Thanks to Ms. Ford and Mr. Lakey explaining what we are proposing. I guess to give you some background for those who weren't on the board. In 2008 when we did get this approved, the property is 30 acres in size and it is located at the western end of Waltman Lane, west of the newly approved corridor intersection there. What we agreed to in 2008 through the owner participation agreement with MDC was to fund through future tax credits up to \$3 million

worth of mostly offsite improvements on Waltman Lane getting to the site. There was a bridge to connect Corporate down to Waltman and there was a conversion of a private roadway within our development to a public roadway to stub to an existing stub street to the west of the residential development that is over there. So I can go into the details of what those specific improvements were if you need to know – but the agreement was a not to exceed amount of \$3 million in the reimbursements. Now back in 2008 as you know we were just at the very – we were really close we had a developer that was willing to take on the project of 30 acres and come in and do a big box development and we just missed it, we were right on the edge of that and they fell out. We are marking the property right now, but as of right now not able to find somebody to take it over, so what we are asking for is an extension. We had some time lines in place that we needed to act upon. The first one was February 1, 2012 and we are not going to be able to make that date and what we are asking for is a two year extension of those timeframes in which to get a developer owner and get the funding and continue on with the development. I can answer any other specific questions, Madame Chair that you would like.

Pipal: Questions from the board?

De Weerd: Just clarification for me is this is through – the check was generated from this development and not anything outside?

Nickel: Correct.

De Weerd: For the record I wasn't (inaudible) with it. Just saying.

Pipal: You are allowed to do that, encouraged in fact.

Slocum: I have one question and it is not for Mr. Nickel, but for counsel. Is there anything either in the OPA or MDC's bylaws on an OPA that if we do this two year extension is there a limit on can we do a second extension or third extension? Is there any guidelines or standards?

Lakey: I don't know of any limitation on a number of extensions that we can do. Typically it is a modification by mutual agreement of the parties (inaudible) one modification or two modifications; it rest between your discretion and their discretion. Correct me if I am wrong, Mr. Nickel.

Nickel: That is my understanding. That is referenced in my letter within about page 31 of the agreement it does talk about time extensions by both parties.

Pipal: Thank you.

Basalone: Just to be clear in my own mind what we are talking about here. This is private property that is being developed in cooperation with MDC? Is that the basis for this action and that extension for us to work with you in the future with this private property? Or is the property public property, I am not sure?

Nickel: It is private property and the participation would allow for us to build the development with reimbursements on specific offsite improvements that were required mostly by ACHD.

Pipal: The improvements are public improvements. The improvements that the credit comes from are public infrastructure, so the developer puts essentially fronts the money to make the improvements but the agreement allows the reimbursement for those public improvements,

which are owned then by the public to be reimbursed through the mechanism that funds MDC. It is a benefit to the developer, but it is a benefit to the public as a whole as well.

Basalone: Yeah, I could see that. I guess my follow up question then would be is if the public was not involved with the development in terms of the public portion of it would private property still be able to be developed in some manner or is it hindered because it meets the public?

Nickel: In this particular case the development would be hindered by – not to say that the property can't be developed in some level.

Basalone: (Inaudible) expediently?

De Weerd: This is an example of the boarder line issues that the legislator has and I just want to be clear because I think it is important. This is not blight, this is economic development and this is one of those things we said we never did, but we did. This is public improvement for sure, but it is necessitated by this development and in many other situations with offsite improvements (inaudible) required because of the impact this development has on that area. So this is not a typical MDC thing, where we are reimbursing the streetscape as something in our downtown. This was supposed to be a referral area that also help feed and plant things in the development of the blighted area, but a \$3 million commitment that is going to be only dedicated to that. There is some dialogue that happened with this and so I just want in terms of transparency I want you to know kind of both sides of what this discussion was. This is essentially an economic development piece that without it that area is going to develop, but with it, it has a likelihood of being developed probably quicker because there is a little bit more incentive because of those offsite demands, because of the intensity of what is being suggested.

Bird: Madame Chair --?

De Weerd: If I overstated it --?

Bird: I don't disagree, Tammy, at all on that deal. At the same token it is the deal – their payback is strictly going to be off of the taxes that this development derives – our split corridor phase 1 helped take care of some of the costs that did a little bit of Waltman work that we won't have to do now. The bridge that is one reason that I was – a development like that, I mean, we get back to the bank over here a bunch of money for their streetscape stuff, which was very, very nice, but to me we are getting a development out there that is going to be deriving a lot of taxes and that is how they are going to get paid back is off the taxes off of that. We are not taking the taxes from down here, paying for it or anything else – as they derive the taxes they will be paid back. They put the money upfront. While I think that is probably stepping on the bounds of urban renewal – you know transparency, I think, we have entered into this the way it is and at the city level we have got more extensions that we have ever had on developments because I mean let's face the facts there is not much more going on out there – I hope we can give a couple year time extension and let's see if we can't get something going out there.

Pipal: I think one of the nuances that Member De Weerd brought up is if we were reestablishing our urban renewal district under a more conservative model today, it may have been more confined to the downtown core than to some of the areas that we currently encompass because that property is not the same as a chunk of property with buried with concrete and all sorts of stuff right here in the downtown core. But because it is part of the urban renewal district and because the mission is – the laws were written a long time ago in the 70's, if it didn't have that economic development the language in there might be easier to understanding because it is

bringing investment into the urban renewal district and when I talk about it I am really looking at investment in downtown area, but that is a nuance that we are dealing with on the front as to what portions of our district actually do fit that true urban renewal blight definition and I am going to put Dave on the spot here a little bit – I was writing notes. Just from a development standpoint?

Winder: Well she was asking me what my thought was on whether it would be better to wait until they have got a developer buyer for the property and who knows when that could be and so you are up against time deadlines if you are going to do it, you need to do it now.

Basalone: Follow up to what Commissioner Bird explained about the property tax and the repayment and so forth, over what period of time would the property owner there pay back that \$3 million that --? They are fronting the \$3 –

(Inaudible)

Basalone: I know that but the taxes that they would have been paying in property tax they are going to pay it off --?

Slocum: They will pay the taxes. We get them and then we reimburse them per the agreement.

Basalone: Okay let me go at this from another angle so I can get it clear in my own mind is that they are fronting the \$3 million, the developer then now has a value that is much higher than it has at vacant land, so the property tax from that that comes to us that we use it to pay off the \$3 million, my question is then over what period of time, I don't know how much property tax would be generated to pay off the \$3 million equity.

Pipal: Would you like to take that?

Nickel: Yeah, well under the agreement there was a maximum amount of time that the agreement was valid. I believe it was (inaudible) 2026 or (inaudible) in order to get that paid back.

Basalone: Okay so it was about a 14 or 16 year period of time? So then after that 2026 then that property tax would come into the general revenue --?

(Inaudible):

Pipal: Yeah at that time, but the idea is – we are funded only by the increment over that baseline upon which we were established so it is not the entire tax, but it is a small percentage.

Lakey: Were there calculations of what that increment would be at the time? Any kind of schedule of what that is and --?

Nickel: There was but I don't have the details on it, yes.

Bird: What is this – 40? I thought you said 38 years?

Basalone: 38.

Bird: That is about half of Center Pointe out there. If you look out at Center Pointe and go to your tax roles and see what (inaudible) pays a year in tax roles out there and see how long it

takes to pay back the \$3 million (inaudible). I realize we are only getting the 3 percent of that – your payback, Dan, is going to take – if they go in there and do a bunch of development in there like box doors and stuff like they had planned, it won't take long to get it paid back –

Basalone: And there is no impact on our future budgets from what we currently have planned?

De Weerd: Not on (inaudible), but on the city's.

Pipal: All right.

Nickel: Madame Chair if I could just address a couple of the comments – if you are --?

Lakey: I just have one additional question, are there any entitlements from the city or ACHD or ITD or anything that you are also having to extend?

Nickel: Right now everything is valid. We got a time extension a year ago from the city for a plat, it is active. The zoning and development agreement are all in place, so all the entitlements are there.

Lakey: And how much time is left on those or are you going to have to--?

Nickel: I believe we have another year for the preliminary plat, everything runs with the land through the annexation and rezone, so it is all in place.

Lakey: Good.

Nickel: Just real briefly, first Member Winder as you know and I am sure everyone else does, it is probably more attractive if the entitlements are in place as the hope is you get a potential developer or buyer that comes in and sees that this agreement is in place and an incentive for them to buy the property and hopefully get it developed quickly and that is why it is more attractive with the entitlements in place. Members De Weerd and Bird, appreciate both sides of the argument of which we discussed is it three years ago now? One thing to point out that it is in the public interest and I think we argued this back in 2008 that although we could develop the property with a less intensive use, it wouldn't require those improvements to be built and those improvements are built, specifically that bridge connecting Corporate to Waltman and access to that new light out there. I think that is in the public's interest, so I know that it seems like this is outside the downtown area and it doesn't meet what might have been the intent – but I think the public interest is there and I think that is important. So that is all I have to say.

Pipal: Are there any further questions?

Basalone: One last question. To somewhat Tammy said I know that we and the city are two different entities, but we do work cooperatively together and is the property tax money that is eventually going to pay off this investment, is it just in MDC's portion or is it part of the city's portion or anyone else? It is just MDC's portion?

Pipal: Yes. Okay, so we are ready for a motion –

Lakey: I have an additional question. Is there any benefit or reason for synchronizing the timing of it with the other preliminary plat and the other entitlements that they have? Because it sounds like they might – it is possible that those could expire and they could not get them

renewed for another year from now and whenever those come up again, we have this agreement still in place for another year beyond that?

Nickel: That is a really good point and if that was the case we would need to extend it out three years, because in a year we would need to ask the city for the time extension – I believe the times extensions are two years? So, yes, we would be off base, so if we did a three year extension (inaudible) then we would be in sync with that preliminary plat. Right now I am only asking for two.

Lakey: Could we do one year now and then do it again?

Nickel: You could but a year is going to go by pretty fast. I don't think – I would be back here in front of you before you know it.

Lakey: Yeah, I agree I don't think the property is going to get developed that soon. I guess in my mind, I guess it would be easier if the schedules coordinate.

Nickel: Of course there is no guarantees the city would grant – we would hope that they would grant the two year time extension, they have been very good up to this point for a lot of us that want to extend those. That is an assumption on my part that they would do that. So that is up to you, if you would want to make it a three year extension to anticipate the alignment with that.

Keyes: Just so I am clear. What is the effect of not approving the extension? Does the agreement just expire?

Pipal: The agreement expires and I think correct me if I am wrong, but to Mr. Nickel's point this enhances the properties ability to be sold because it is in place. One more thing that they could say is available to the purchaser, developer.

Nickel: That is correct.

Pipal: Anything further? I believe the agreement is properly before us. What is the pleasure of the board?

Bird: We have got a resolution for two years here, can you change it to three? If the board is willing I would go to three years because –

(Inaudible discussion)

Bird: -- then next year for an extension too. I don't see (inaudible).

Pipal: Would you like to make that in a form of a motion Member Bird and then have the discussion?

Bird: I can yes.

Pipal: Okay the motion is to – let's do it this way. Counsel would you read title?

8. Resolution 11-030 Time Extension for Owner Participation Agreement Between Meridian Development Corporation and Boise-Waltman, LLC:

Lakey: Resolution 11-030 amendment to the owner participation agreement between the Meridian Development Corporation and Boise-Waltman, LLC for a two year time extension. A resolution of the Board of Commissioner's of the Urban Renewal Agency, Meridian, Idaho approving the amendment of the owner participation agreement between Meridian Development Corporation and Boise-Waltman, LLC, the owner, for a time extension of two years; authorizing the execution of the amendment by the chairman or vice chairman and secretary; authorizing any technical changes to the amendment; authorizing the administrator to take all necessary action required to implement the amendment and providing an effective date.

Pipal: Member Bird would you like to make your motion now?

Bird: I move to approve resolution 11-030 for a time extension of three years.

Pipal: We have a motion, do we have a second?

Winder: Second.

Pipal: Discussion?

De Weerd: I didn't vote on this three years ago because it was in front of Council, I think it is pretty apparent how I would have voted and it is not that I don't support this development, I don't think it is a good one for the community, I don't think it was the intent of the Commission of this urban renewal district and that was my concern. I know that this board passed it and so we need to honor those agreements, but I will say I still have that philosophical difference and just wanted it on the record why I won't vote. It is not because I don't support this development.

Bird: I will declare that I didn't vote on it either at the time that it came through to MDC because of the City Council. (Inaudible). I know there is people that would like to see something out there (inaudible). This is a development and it is their money that is being put out there, it is not mine. (Inaudible).

Basalone: I am kind of getting my mind wrapped around the city's involvement and our involvement in this. The city would eventually have to accrue what development went in if it were inappropriate development, am I right or wrong? And the entitlement that you are getting from the city would affect our agreement with you? If you didn't get the entitlement from the city, the city didn't agree to that extension that you are going to ask for in a year, then our agreement would be in affect, essentially kind of null and void? Am I right? It is a two part approval process?

Nickel: To explain it, the project is approved through the rezone and development agreement and that is running with the lands. There is no expiration date on that. The only expiration we have to date would be for the preliminary plat that divides the property and the buildings. That can expire after two years if the city decided not to approve that – but the development is still in place it is in line with the MDC agreement throughout the life of the agreement.

Basalone: I guess my question for this board is we by this action are not usurping the city's right to determine their responsibility with that property, so if as –

Bird: (Inaudible).

Nickel: Correct.

Basalone: That is what I wanted to be clear on that our action is not impinging on somebody else's right to action.

Nickel: Not at all. If I guess to hopefully clarify, if we decided to go a different direction and different type of development we would have to go back in front of the city for that improvement, it would null and void the MDC agreement, so they are linked together. If that helps.

Pipal: Any further discussion. Hearing none roll call.

Roll Call Vote: Slocum, aye; Jensen, aye; Bird, aye; Winder, aye; De Weerd, nay; Basalone, aye; Keyes, aye; Pipal, aye.

SEVEN AYES. ONE NAY. MOTION CARRIED.

Lakey: I will get a modified resolution.

Pipal: I would just very quickly if I might because we have Bob here and I would have changed the agenda for you too, had you been here at 7:30. I am sorry. But if we could just quickly visit with him, if that is not out of line?

Lakey: That is fine, just to be official, Madame Chair, just to have –

Slocum: I would move that we address and discuss item number 15 prior to moving to item 8.

Jensen: Second.

Pipal: Let's just take a roll call.

Roll Call Vote: Slocum, aye; Jensen, aye; Bird, aye; Winder, aye; De Weerd, aye; Basalone, aye; Keyes, aye; Pipal, aye.

ALL AYES. MOTION CARRIED.

9. Broadway Building Construction Update (Wright Brothers: (Moved from Item 15):

Goodwin: Bob Goodwin with Wright Brothers.

Pipal: Welcome. How are things over there?

Goodwin: All right.

Pipal: All right, well, could you expand on that a little bit for us?

Goodwin: The parking lot is all completed and we have got the pavement marking scheduled for Saturday. That is the next first available temperature date that will meet the product requirements as far as surface temperature in getting the pavement markings down. We will get those done Saturday it will also alleviate any coordination issues on the building tenant's use in the parking lot, which they are using the parking lot now – control (inaudible) in the pervious concrete is basically the layout of the parking lot stalls – have the control there to park their cars and that. I turned over the rest of the keys to Rhonda Jalberg of VRT as far as the bike shelter there, the sliding glass window blocks, the trash receptacle locks, the elevator keys, pretty much all of the miscellaneous keys that go into the building for maintenance and that. The Public

Works Department come over and signed the inspection card yesterday and right after that and brought it down to the city and producing the temporary certificate of occupancy which we couldn't do the 180 day temp for the planning and zoning for the landscaping, so as soon as the weather breaks in the spring we have got water available and get the landscaping placed and that should wrap it up. We got a pretty good handle on the punch list. We are roughly 80/85 percent complete with those items. I am hoping between this week and next week we will get that wrapped up and be done. I have got an inspection with the architect and they have scheduled it for this coming Monday and walk the exterior of the building and get the list finalized and I had a pretty substantial list that was attached to the original punch list – attached to the original substantial completion, which only have got a few items – pavement markings, some of the exterior painting as far as the ballards, trash enclosures gates and those sorts of things. Hoping by the end of next week we will pretty much have it wrapped up.

Pipal: On the landscaping how much of it could be done now? I am just thinking in terms of get the – I talked to Andy yesterday, get as much of it done as possible and maybe just the water and the plants themselves? Can we get it almost completed to that point?

Goodwin: Like we talked before when the irrigation issue came up was we are going to want to put the plants in after the water is gone because if we don't put the plants in place with a good bed of water and have water available for a short period of time, that your mortality rate will be a lot higher.

Pipal: Can we get the soil and --?

Goodwin: Sure. The soil is in, the piping is in, the irrigation pump is in place and just have got to set the flow well and tie it into the irrigation pump in the vault.

Pipal: Okay, that answers my question that – I am sure you also feel the same way we would like to wrap this thing up and put a bow on it?

Goodwin: Yes, ma'am.

Pipal: So the little bit that is hanging out there, so that we can do more now. That was – just thank you.

Goodwin: That was the extent I was trying to get it too. Take it as far as we possibly could. Not only to reduce the letter of credit amounts and that for everybody involved, but two to get us to the end of the project as close as possible without the board or having the board incur any costs for climate mortality rate because it would pretty much limit the warranty if we weren't able to put the plants in place and have water there to keep them alive and especially this year – it is really bad because of the way the temperatures have been and the amount of precipitation that we haven't received, is the irrigation contractor, landscaping contractors are right on the border line of having to go to a lot of developments and turn the water back on to get the plants a shot of water and the trees to reduce mortality rate. This is one year that I would definitely not recommend pushing the limit of the landscaping, just to get it in and make it look good because it won't look good for long.

Pipal: That is good information thank you, Bob.

Winder: What is the schedule looking like for when irrigation water comes on? Is there going to be a delay do we know with the poor precipitation we have been having? Is that going to keep pushing us out further and further down the road?

Goodwin: As far as turning the water on – from what happened last year, with all of the rain and the precipitation that we received early in the year, they didn't turn the water on clear until June because the fields were so wet nobody was calling for water. This year I would imagine everybody is going to be screaming come about March to get the water turned on regardless of how much moisture we get between now and then because there is no moisture base in the soil and once it turns cold, it only takes a little bit and then once it freezes, it caps it, so you have got six to eight inches of moisture on top and it is just dry to the bone for two feet. So as it thaws then all of that moisture goes down and it is gone pretty much. I would imagine typical between April 5th to the 15th when they would have water at least in the irrigation lateral. What they do on the city I am not sure where that water comes from because your planters on the tree wells are fed from the city park that is adjacent and I am not sure what that source of water if that is potable or off of an irrigation pump somewhere.

Bird: I think it is city water.

Goodwin: So that would be a matter when parks and rec decided to turn on the irrigation, which if it is potable you obviously have it available all year long, but depending on temperatures will usually determine when it is that they turn on that water so that you are not freezing those lines and have a bunch of maintenance because you have got a bunch of broken pipes because the temperatures got too cold or frozen. So you have got two different irrigation systems. One your tree wells around the perimeter which is tied to the city park, which is evidently potable water available all of the time and the other one is you have a pump that sits down in the irrigation pump station vault on the north side of your parking lot which just feeds interior planter beds and that on your property.

Lakey: Bob just a couple of questions so I am clear in my mind. Punch list for substantial completion on the interior of the building, is that the one that is a week or two out or is that one done?

Goodwin: It should be the outside and the inside.

Lakey: Okay.

Goodwin: I don't see the architect – I shouldn't say – well I am trying to do my best as far as anticipating what the expectation is and in taking care of as many of those items as I can possibly foresee that I would assume would be getting put on a punch list. Beyond that, I don't know.

Lakey: So from the exterior we still have the punch list being put together?

Goodwin: Yeah. Like I say I put together a pretty substantial punch list which is attached to that. I didn't have a chance to go through to see if they added a few items to it or – (inaudible) much to add to it beyond that.

Lakey: Then the interior punch list for the (inaudible) anything major left on that?

Goodwin: No, the only one is just a discussion as far as the insulation standards for plastic laminate on the block wall in the bathrooms. That one is basically we will just need to run it through. The standard that was quoted in the specifications doesn't necessarily mean what the insulation is for the plastic laminate above the tile in the bathrooms. It doesn't call out to float the walls. It is standard pretty much for what would be over a cabinet or excuse me, countertops –

fill in the holes and it doesn't translate into putting over to (inaudible) block. That is the biggest, the rest of them were all small items.

Pipal: Any other questions for Bob? They still must not be awake. Thanks Bob.

10. Executive Session per Idaho State Code 67-2345 (a)(d):

Bird: I move we go into Executive Session as per Idaho State Code 67-2345 1(a) and 1(d).

Slocum: Second.

Pipal: Motion and a second.

Roll Call Vote: Slocum, aye; Jensen, aye; Bird, aye; Winder, aye; De Weerd, aye; Basalone, aye; Keyes, aye; Pipal, aye.

ALL AYES. MOTION CARRIED.

Bird: I move we come out of Executive Session.

Winder: Second.

Pipal: All in favor signify by saying aye. Opposed same sign?

ALL AYES. MOTION CARRIED.

11. Assignment of Professional Services Agreements: Administrator and Ground Floor Management:

Ford: So this is a professional services agreements for the administrator and the Ground Floor management. These will be assigned to myself and business entity as of February 1, 2012 by Red Sky Public Relations. Red Sky has signed the assignments already.

Pipal: Does anyone have any questions for Ashley? Counsel would you read title please.

12. Resolution 11-032 Assignment of Professional Services Agreement: Administrator and Ground Floor Management:

Lakey: A resolution 11-032 assignment of professional services agreement for the administrator and Ground Floor management administration with Ashley Ford and the board of commissioner for the urban renewal agency of Meridian, Idaho, Meridian Development Corporation a resolution of the board of commissioners of the urban renewal agency approving the assignment agreements for the assignment of professional services agreements between MDC and Red Sky Public Relations regarding the MDC administrator and Ground Floor management from Red Sky Public Relations to Ashley Ford (inaudible) business entity; authorization of the execution of the agreements by the chairman or vice chairman and secretary; authorizing any technical changes to the agreements; authorizing the administrator to take all necessary action required to implement the agreements and providing an effective date.

Pipal: I would entertain a motion.

Basalone: I move that we approve resolution 11-032 as read into the record by counsel.

De Weerd: Second.

Pipal: Any further discussion? Hearing none, roll call vote.

Roll Call Vote: Slocum, aye; Jensen, aye; Bird, aye; Winder, aye; De Weerd, aye; Basalone, aye; Keyes, aye; Pipal, aye.

ALL AYES. MOTION CARRIED.

13. Authorization of 60-day Time Extension on Limited Recourse Construction Note Series 2011 and Limited Recourse Term Note Series 2011B with Washington Trust Bank:

Lakey: This is to authorize a 60 day extension of the construction note with Washington Trust Bank regarding the VRT building. We do not plan on using the extension, we do not want to have the extension, it doesn't look like we are going to need an extension, we have the plat turned into the county – this is simply a contingency if we need it. The reason I have it before the board now is that way we have a resolution before the board authorizing the extension of the notes and if there is a 30 day challenge required on the maturity of the notes. So that is what this is for to use if we need it, but we don't think we are going to need it. The bank has agreed to the – they are willing to grant the 60 day extension with no fee. They don't think there is going to be a need for a reappraisal. They do want to see this in draft if we are going forward with it, draft a purchase and sale agreement and any modifications they need to have that and to the closing of properties. If we are going to use it then we can get those together closer to the nine frame (inaudible). The bank also mentioned there is some inconsistency and I don't know what that is yet – the loans (inaudible) the auditor mentioned and they would like to address that potentially as part of this if we go forward with an extension. I think even if we don't go forward with the extension they still want to bring that forward would be my guess, but I haven't seen that I don't know what that – sounds like (inaudible). So that is the bank's position. This just gives the chairman the authority to do it if we need it.

Pipal: Thank you.

Bird: Counsel on this resolution I believe we – Lisa you work with Washington Trust?

Keyes: I do.

Bird: I think you would be smart to abstain from voting. We got into a real good one when I first went on the City Council with my last job and poor ole Bill Nickel got gray hair just defending me. I don't want to see anybody else get into it.

14. Resolution 11-031 Authorization of 60-day Time Extension on Limited Recourse Construction Note Series 2011 and Limited Recourse Term Note Series 2011B with Washington Trust Bank:

Bird: Anyway, with that I would move that we approve resolution 11-031.

Pipal: Counsel would you please read by title?

Lakey: A resolution 11-031, Meridian Development Corporation authorization for up to a 60 day time extensions regarding the terms of certain limited recourse promissory notes Series 2011A

and 2011B corresponding loan agreements with Washington Trust Bank and the Meridian Development Corporation; a resolution of the board of commissioners of the urban renewal agency, Meridian, Idaho, authorizing up to a 60 day time extension on the terms of conditions of certain limited recourse promissory note for Series 2011A and 2011B; corresponding loan agreements between Meridian Development Corporation and Washington Trust Bank; authorizing the execution of the agreements by the chairman, vice chairman and secretary; authorizing any technical changes necessary to implement the agreements; authorizing any technical changes necessary to implement the agreements; authorizing the administrator to take all necessary action to implement the agreements and providing an effective date.

Slocum: I would second the motion.

Pipal: Any further discussion? Roll call vote.

Roll Call Vote: Slocum, aye; Jensen, aye; Bird, aye; Winder, aye; Basalone, aye; Keyes, abstain; Pipal, aye.

Pipal: For the record, Member De Weerd left at 9:45.

SIX AYES. ONE ABSTAIN. MOTION CARRIED.

15. Approval of Final Forms of Various Agreements Pertaining to the Broadway Building:

- a. Special Declaration of Cross Access and Drainage Easements**
- b. COMPASS Parking Spaces Use Agreement**
- c. VRT Parking Space Use Agreement**
- d. Right of First Offer Agreement**

Lakey: I think we got a motion to move this to the next meeting. Mr. Ballard and I are still going back and forth on the policy on the final forms that he has got. I can give you a little update (inaudible).

Pipal: Is there a motion to--?

Bird: I would move we would continue the approval of the final forms of the agreements on the Broadway building to the next regularly scheduled MDC meeting.

Slocum: Second.

Pipal: A motion and second. Any further discussion? Hearing none all in favor signify by saying aye. Opposed same sign.

ALL AYES. MOTION CARRIED.

16. Broadway Building Partnership Update (Ford):

Ford: The only thing to add is to the fact that Todd just alluded to the fact that the (inaudible) has successfully gotten through the hoops; we lost a couple weeks at ACHD due to lack of quorums for the board meetings in order to get a signature, but we are at the county under review of the technician (inaudible) and should be done by the end of the this week and the surveyor will be looking at it immediately (inaudible), so we should be easily on schedule

(inaudible). So I feel good about that. The parking lot I am waiting for planning to contact me, but we should be able to get that letter of credit at least.

Basalone: Ashley have both COMPASS and VRT already moved into the building?

Ford: COMPASS has moved into the building, VRT has – they will be moving Monday through today moving furniture in, but they are not moving in until February, I think.

Lakey: The 26th.

Ford: Okay, the 26th.

Bird: COMPASS is very happy with their place, dirt and all.

Pipal: Okay, if there is nothing else, counsel?

17. Counsel's Report (Lakey):

Lakey: Just briefly those final forms of the agreements, some of those things that will be signed as part of the closing for the most part, cross access drainage and easement is approved in one form already there is just a couple of tweaks based on the current circumstances. The same with the parking space between COMPASS and VRT. Provide a first offer is something that is provided in the reservation agreement, but it hasn't been looked at by this board yet. What that does is if down the road MDC decides to develop the parking lot or wants to sell the parking lot, then you have to give COMPASS and VRT notice. They have to either buy it on our terms or give us a proposal of their terms and we get to accept or reject. So, fairly straight forward agreement and we will bring that forward hopefully at the next meeting. That is all I have.

18. Project Manager's Report (Ford):

Ford: Just three quick things. Craig and I are going to be meeting with the ULI task force. We are not going to involve our entire subcommittee yet, this is more to help get them up to speed first and foremost and we are meeting with them Friday for a lunch meeting. Then most of you who are on committees got an email from me yesterday asking for availability, if you could please get back to me today or by the end of today I would be appreciative because I am trying to schedule (inaudible) right now and trying to move forward. Then just kind of a head's up I let the Ground Floor committee know yesterday that one of our heating elements is on the fritz and most likely we are going to have to replace it. I should have more information today. They are trying to see if they can find (inaudible) the unit is so old that there are no numbers to the parts. They basically took a lot of pictures to see if they can try to match them up, but we may be looking at an expense of \$3,500 to \$5,000 in order to replace that vent. They are going to try to not to have to do that, but I just wanted to bring that to your attention that I am working with (inaudible) on that. We also have our first tenants in one of the offices. So I am very excited about that.

Pipal: Any questions for Ashley?

Winder: On the ULI meeting, could I go if I wanted to?

Ford: Of course you can.

Winder: I just kind of feel like I need to be brought up to speed on this as well and if they are going to be giving the background to their members it would kind of be nice to –

Ford: I will let them know that you are going to be there.

Winder: Did they have any reason (inaudible)?

Ford: Well I think initially it really wasn't supposed to be – (inaudible) and I took it as it was supposed to be both of the subcommittees together and as I questioned a little bit further, it was oh no, just an attempt for our group to come together first and then present it to them. Initially they just asked for me, but because I wasn't involved in the previous studies or even (inaudible) throughout the process and (inaudible) and fill in some of those holes and the rationale – I understand (inaudible) but not necessarily all of the information leading up to that. But you are welcome to and I will let them know and I will get you the schedule.

Basalone: Ashley when Brian gave his report on the downtown board, you said that one of the concerns was that the planning department didn't know what the façade design was supposed to be for downtown. Is there a consistent design? In destination downtown is there a consistent design standard of any kind?

Ford: No.

Basalone: The reason that I bring that up is actually that building for all its headaches and gray hair and everything did turn out very nice and the exterior is very consistent with the older buildings, the real historical type buildings here in downtown area are brick buildings, so I was wondering if there was a brick design standard for consistency for new construction or for new remodels?

Ford: Not that I am aware of and I don't know if that was a discussion during the coordination destination downtown in anyway?

Bird: No.

Basalone: What about for the design of the building itself, the VRT COMPASS building was that a consideration? That is why they came up with a brick façade?

Pipal: My understanding in some of the initial conversations had to do with to have a look and a feel of how it fits, but not a specific design standard and the City of Eagle took a few hits during the early discussions both from that or destination downtown. I can't remember if they were mixed together because of their restrictions on the design standards which are more expensive and so it was more let's try to work with people to get a look and feel so that it fits, but not to have standards.

Basalone: Okay, so we need to develop a response to Brian's concern?

Pipal: I don't know if we need to develop a response, just clarification of what the intent would be.

Slocum: I was very involved with the design standards that the city put together about six years ago and it was a large group and one of the discussion points was that we didn't want to establish a theme because – I don't think that necessarily all of the buildings need to look alike or do they need to be all brick. There may be an opportunity for a very modern material and

looking building that still fits contextually within – now that whole discussion was five or six years ago, so it may be time to have the discussion again. Standards were put together to give the developer, architect, flexibility but still from a masking standpoint and ministrations and those kinds of things.

Pipal: So you say architectural terms.

Slocum: Openings. But no architectural –

Basalone: Well we may just have to clarify that because being that he was raising it as a potential issue because obviously there are towns where there is a western theme or an adobe or whatever so –

Bird: This design thing is something that really catches my craw and I assure you I have never nor will I ever vote for a design review thing – because I think just as Craig said you have a standard that you try to live by, but if you want to design the building and you want it this way and that way, get your pocket book out, write the check and build it however you want. I am not – these guys don't develop things with the idea of building the ugliest building that isn't going to rent out or isn't going to sell and if I had my way every house would be brick. What wasn't brick would be steel or aluminum siding. You know what, I don't buy every house.

Basalone: I agree, I just wanted to clarify that.

Bird: I think you have got to set a standard and it is hard to tell and I think that building over there is practical, the bank building over here is very, very practical. It looks nice and City Hall is very practical – 20 years from now they are going to look just as good. If you don't go get a bunch of wood things and painting like some of these houses, if you don't paint every year or two years, pretty soon you have got a bunch of old barns that you go out and take pictures of. I hate to say that.

Pipal: I think the point is well taken but what is done on design standards was done before the two people went out and talked to everybody were here, so bringing them up to speed on some of that history might be good and then just making sure that Ashley knows where those are would be good.

Bird: The thing I would like to see in downtown and older buildings and Craig has done this in downtown Boise, taken some older buildings that looked like crap and it doesn't take much just some exterior – drive by Adkins (inaudible) Glass and that was nothing but a block shop and it the block walls are in most of it, but it looks like a complete glass building. You can take for little or nothing and fix up these buildings and this is something that I would like to see if the owners want to do it. That is what the façade committee is for and we need to help them dress up their buildings if they would like.

Pipal: Now we have someone full time to help us to do that.

Bird: And that is why we have got her full time to do that too and her office right down there.

19. Chairman's Report:

Pipal: I just have a couple of things before we adjourn and I just wanted to give Lisa – obviously now everybody knows that you are with Washington Trust Bank, but a brief introduction to the board?

Keyes: Sure, I am Lisa Keyes I have lived in Meridian for a couple of years, but I was raised in the Treasure Valley.

Pipal: You will need to speak up.

Keyes: I am sorry. My husband and I have lived in Meridian for a couple of years, raised in the Treasure Valley, have family ties that have been in Meridian for a long, long time and I am happy to be on the board. I do work for Washington Trust Bank for about two years and worked for Micron before that and I am just excited to get involved in the city. So I am glad to be here. I appreciate your help and advice and some direction on the nuances. Thank you.

Ford: We had a chance to talk a little on Monday and recruiting her for my (inaudible). But I think we all need to take a look at the committee list again just because with Larry exiting and Jennifer exiting the board and Julie taking over as chairman, I just think we need to look at that. (Inaudible). So I can resend that out.

Pipal: Please that would be good. I did want to tell you all we had a great pool of applicants and getting Lisa we definitely got the cream of the crop – I think there were 15 to start with and we interviewed 6. One of the things that came to light was a struggle that we came to about the Ground Floor and what the right formula was so that we weren't competing with other downtown interests and two of the people who interviewed, one has a family business and one is managing the business cooperative, why (inaudible) citizens advisory to look like the people that would actually be the competition in downtown Meridian, because ideally that input from outside to help the Ground Floor committee I think will help to give us perspective and that is one of the things that those folks are going to be bringing with them, so I wanted to let the board know that we will be asking a couple of those along with some others who come in and talk to us or brought concerns about this VRT building and what we are doing with the Ground Floor so we will be following up on that through the committee structure but I wanted the entire board to be aware of that as I just think it is good to get those people that are involved with leasing and renting and buying of property in downtown Meridian and that we get a perspective from them. Because we don't want to compete, we want to fill a niche.

Bird: In the defense of the Ground Floor and I think I can speak for the majority of the board, the only reason we voted for that thing to come in was because it was going to be ran by VengaWorks who was a private company and all of sudden before we get it in, it gets dropped in our lap and so Shaun took it over and did what we could with it and now we have got – I don't want to compete with the private at all. I want private to do everything personally.

Pipal: So (inaudible) and hopefully in the Ground Floor going forward and hopefully we can build that niche and encourage those businesses to stay in downtown Meridian and even go occupy those businesses with private businesses being on the committee. I would like our tenants to have access to what it is like to come down into the market place, so we will get that started.

Ford: The only thing about the Ground Floor that I failed to mention we in moving out of the old location and doing the final walk thru at the (inaudible) I was informed a couple of different things, first and foremost that currently we haven't paid some of the utilities that we are responsible for over a period of two years. I had no knowledge of where these bills were associated to, I don't know enough but right now he is supposed to get me documentation supporting this, but apparently haven't paid for two years. Two other items is apparently with the original location we took down a conference room in order to put in a floor plan and he would like us to repair that. And we also changed the colors in the interior and apparently that

was a hand shake deal according to him that we would (inaudible). I have nothing that supports this (inaudible). He is supposed to give me a report supporting this, but I have yet to see it and probably ask for the committee to meet with Richard and talk through this. But I just wanted to put that in front of you (inaudible) at this point and time and I told him that I could not do anything formerly to the board until I had substantial documentation, otherwise all we had to go on is his word.

Pipal: Well I don't see any reason to have a meeting if he has documentation considering in terms of the lease, bring it forward what the board needs to consider, but there if there is no documentation then – well, if he needs someone to talk to I would gladly talk to him, but we don't make payments without documentation like what we ran Erstad through.

Ford: Exactly. He is supposed to drop off a packet today.

Pipal: Then review it with Todd. The lease is our agreement. Hand shakes – we don't do business that way and he needs to understand that we are a public entity and without documentation we do not make payments.

Ford: So we will (inaudible).

Pipal: If it is something that meets the terms of the lease, bring it over and we are as good as our word, but we are not going to have any negotiations on a hand shake.

Lakey: I did check with (inaudible) project manager and (inaudible) couldn't verify with VengaWorks, so he said there should be documentation (inaudible).

Bird: We used to do business on a hand shake until the University of Idaho got a law school.

Basalone: And you could trust the people you were shaking hands with. Yeah.

Pipal: All right.

20. Executive Session per Idaho State Code 67-2345:

21. Adjourn the Meeting (Pipal):

Bird: I move we adjourn.

Slocum: Second.

Pipal: All those in favor say aye.

ALL AYES. MOTION CARRIED.

(AUDIO ON FILE OF THESE PROCEEDINGS)

APPROVED:

JULIE PIPAL, CHAIR

_____/_____/_____
DATE