

A joint meeting of the Meridian City Council and Meridian Development Corporation was called to order at 4:00 p.m., Tuesday, August 28, 2018, by Mayor Tammy de Weerd.

Members Present: Tammy De Weerd, Joe Borton, Genesis Milam, Luke Cavener, Ty Palmer, Anne Little Roberts and Treg Bernt.

Board Members Present: Dave Winder, Dan Basalone, Nathan Mueller, Keith Bird, Tammy de Weerd, Rob McCarvel, Rick Ritter, Diane Bevan and Steve Vlassek.

**Item 1: Roll-call Attendance:**

Roll call.

<u>  X  </u> Anne Little Roberts	<u>  X  </u> Joe Borton
<u>  X  </u> Ty Palmer	<u>  X  </u> Keith Bird
<u>  X  </u> Genesis Milam	<u>  X  </u> Lucas Cavener
<u>  X  </u> Mayor Tammy de Weerd	

De Weerd: Well, good afternoon. I would like to welcome you to our City Council joint meeting with the MDC Corporation or Meridian Development Corporation. We will go ahead and start with roll call attendance. For the record it is Tuesday, August 28th. It's 4:00 o'clock.

Meridian Development Corporation Board

<u>  X  </u> Dan Basalone	<u>  X  </u> Rob McCarvel
<u>  X  </u> Nathan Mueller	<u>  X  </u> Rick Ritter
<u>  X  </u> Keith Bird	<u>  X  </u> Diane Bevan
<u>  X  </u> Tammy de Weerd	<u>  X  </u> Steve Vlassek
<u>  X  </u> Dave Winder – Chairman	

**Item 2: Adoption of the Agenda.**

De Weerd: Thank you. Item No. 2 is adoption of the agenda.

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Borton: I move that we adopt the agenda as published.

Cavener: Second.

De Weerd: I have a motion and a second to adopt the agenda. All those in favor say aye. All ayes.

MOTION CARRIED: ALL AYES.

**Item 3: Presentation and Discussion of Old Meridian City Hall Proposals.**

De Weerd: Item 3 is a presentation and discussion of the Meridian city hall proposal. I will start with comments from Mr. Nary.

Nary: Thank you, Madam Mayor, Members of the Council and Members of the Commission. After last week's meeting we had a meeting, myself, my office, Mr. Ariel from Community Development, Mr. Lakey and Ms. Squyres from MDC to talk about tonight's format and, then, we did communicate that to the presenter. Trying to be fair to the process we did advise the presenter for today that they would have the same time period that the other presenter had, approximately 15 minutes with questions, as last week's presentation was. We asked them to confine themselves to that, as well as to make sure their presentation is related to the proposal as presented to the committee and not to stray outside of what has already been submitted as their RFP. They understood that. They advised me what -- what they intended to present and that's -- from what he's told me -- Mr. Robinett is who I spoke with -- that was what the committee had reviewed, so was comfortable with that, but I just wanted to let you know that was the conversation we had prior today.

De Weerd: Okay. Thank you, Mr. Nary. Any questions before we ask for a presentation?

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: Just before we jump into presentation, I just need to make a quick disclosure. Last Tuesday night after our City Council meeting a representative of the November Whiskey project had messaged me on the Facebook to gain some greater clarification as to my thought process related to yesterday -- or last week's decision. I informed that representative that I thought it would be best that we wait to talk about my thought process until after the full conversation had been answered and a decision been rendered by the City Council. He agreed and was not trying to influence the process at all, but after speaking with Mr. Nary thought it was important to shine a light on that on the public record before we begin that process so that everyone here could be aware of that.

De Weerd: Okay. Thank you. Okay. If there is nothing further, I would ask -- Mr. Robinette, are you making -- okay. Good afternoon. If you will, please, state your name and address for the record.

Pape: Sure. Dean Pape, 4176 North Hackberry in Boise, Idaho. Yes. Stand here with me.

Sheldon: And I'm Tom Sheldon from GGLO Architects. Seattle, Washington.

Pape: So, first of all, we want to thank you guys for the opportunity to do -- try and walk through -- more like run through the presentation that we did submit a couple weeks ago and give you some insights on our thought process through that. In addition to that, I want to thank the MDC and the city and the committee itself who went through the process of looking at all these proposals for the community. From experience I know it's not an easy process and I appreciate the time and energy that everyone put into doing -- working through that. Do I just touch a button or -- space bar. Thank you. Okay. So, quickly, the agenda that we will be working through today is, you know, we will talk about our development team and the background, the vision plan and statement, the design concept and the renderings, the schedule and general public outreach that we are looking for this project and, then, the numbers themselves, both the accounting and the general background of the project. So, our development team is made up of both local, regional, national, international companies. Unlike many developers we feel it's best to figure out what the project needs in that area and, then, build the team around that. With respect to this opportunity, GGLO, Pivot North, GLR Engineers, CK Engineers and Kreizenbeck Contractors were the best additions to our development team. The development team was created with three separate individuals. Myself, Aaron Elton and Shannon -- excuse me -- who bring different experience and different levels, both locally and regionally, with different backgrounds in the finance industry, construction industry, and collaboration of public-private interest -- industry. Excuse me. Public-private partnerships. Tom will expand a little bit more on the future on how GGLO is a perfect partner for this type of project. So, briefly, we used the context of the Destination Downtown vision plan as the basis for our collaboration and our design and those elements that I'm sure that you guys have seen before were key to how we were developing our plan and our collaboration of our community. We want to build on what was a growing vibrant community with a -- with clear goals. It was our focus to realize and outline what was in this document as a major part of what our plans entailed -- include. It was interesting, soon after we submitted our document there was a public -- public community meeting -- workshop? Sorry. Another member actually was able to attend that. Which outlined almost perfectly for what our plan was to entail. A connection with vibrant, livable, envisioning premier community, which we believe that our project will entail to help Meridian move forward.

Sheldon: So, I'm Tom Sheldon. I'm a principal at GGLO Architects. We are out of Seattle, although I have been working in the Treasure Valley for about 15 years. GGLO primarily does urban in-fill mixed use projects, just like this one, and we have landscape and interiors and planning, architecture and all of them come together to assist the design of these projects. So, they are very, very complicated. There are about a hundred ways -- probably more than a hundred ways to do these projects wrong and there is maybe two or three ways to do it right and I personally have been doing these for over 30 years all up and down the coast and we are now doing it internationally because of our success. So, all that experience is actually put together in the design that we proposed. Of all the things that we considered there are kind of two things I have pointed out that -- go backwards. That are important here and one is this mixed use development, we want to attract people to the downtown. We want people to stay in the downtown and, of course, live, work, eat, shop, play and the advantage we have is here right next to the City Hall.

So, there is -- so there is the work there and the commuter needs. Also we want to be able to set up a design that plans for the future. So, I'm going to go real quickly on our process, what we do. We analyze the whole neighborhood within a quarter mile or five minute walk. We look at what kind of uses are there, what might be some holes, how we can fill them and, then, we move into the block and we start looking at how it might react to certain -- certain aspects of it. On the corner of Meridian and Idaho we have a great gateway opportunity, the image that you saw on the first page. How you relate to historic buildings there on Idaho and Main and we deal with that and, then, also how would we deal with the City Hall and kind of the synergy we create there. And as you can see the yellow arrows there is about how we can bring people together for parking and uses and office. Quick site plan. What we do is we -- we analyze where people are coming and going. So, on the -- on the -- this year number one is where we are putting kind of a slower quieter use, because that's a -- it's a slower, quieter use -- or street next to the historic building on the corner where number three is. We wanted a gateway and that was one of your components of the RFP is to create a gateway and, then, parking as you see -- we will talk about further -- is integrated in the middle, so you don't see any parking. It's all structured. It's all surrounded by different uses. And, then, number seven is the important one, because we actually have a public parking where people can come and go when you have events in front of your City Hall from your farmers markets to other community events and the advantage of what happens here is we don't take any on-street parking. That's left for the retail, which is very important for your retail to -- to survive. First floor is retail, leasing, residential, office. I will flip through these real quick. On the top of the podium we have private landscaping for the residents who live there, landscaped with amenities, and, then, this is the -- probably the one that you may be concerned about most or wanting more information about and that is we have a garage right in the middle and you can see we lined up the aisles with the existing alley there and so both ends could be open. If we wanted to continue the alley -- alley through. We have -- have about 1.3 stalls per unit right now and we have four per thousand for the office and, then, we have 75 for public. The key to all of this is that all uses are together, they will work together. So, if you need 1.5 for the housing, which is -- which is what your zoning code requires, you can -- you can feed off the office as the office workers go home. So, it's not a single use parking garage and that's what makes this all work. This also sets us up for the future. So, as you build this you can start monitoring how the garage works and where the peaks and valleys are and where you might have too much parking and not enough parking and that's how it affects when you start looking at your next phases. So, we see phase one, how it can kind of attach to the existing structure if -- if these properties became available and you can either add parking or use the existing parking. There is -- we have done many of these in San Francisco and LA where you actually build phase one and monitor how the parking garage works and, then, that informs you how you do phase one or phase two. Of course, we are proposing phase two. Could be where the existing parking lot is there, depending on how the commercial -- or the public parking works. As far as design we -- we really emphasize a timeless design, something that will be around for a while, high quality materials. That was the gateway shot. Here is across from City Hall where you would go into the parking garage with public art, which is important. Office buildings, different uses that complement each other. This is a shot with the historic building you have on the corner and how our

townhomes could work with -- with -- with the existing structure there. And, then, this is the fun part, is how do you create -- possibly the street could be blocked off, you can have community events. There is parking there. Possibly you change the paving patterns in the street. So, that's really quick. Got a few minutes left. This is the -- some of the numbers if you're interested in knowing exactly where they are, but I will leave it to Dean to go over if you have any questions on this. I think next is kind of the numbers; right?

Pape: Thank you, Tom. In general what Tom pointed out or -- why we have GGLO as part of our team is they bring in breadth of experience in many communities around the nation -- internationally now working in -- in Canada and in other countries on -- on how these products work and how they are together. So, in regards to the parking, you know, to be successful in the -- in the community for a retailer or an office function, work that's what we are most asking, where is -- where is my parking availability. People looking for office space, that's one of the needs that they are going after and what they are looking for. So, we took that into a great context of not just the success of the first project and what might be needed as you move forward to make this a destination downtown -- people aren't coming down here for the ability to -- not be able to park and retailers are going to need them to park, along with office functions. So, as Tom pointed out, you get an overlap of parking for the evening, just for someone living in the area or a daytime use working in the area and those shoulder times where people come for dinner or evening activities to maximize the use of the parking garage. So, our schedule in general was about three, three and a half years, and a big part of the schedule is really to allow this first year for community involvement. From my background in working in public-private ventures we have found a lot of successes to make sure that you're doing some sort of outreach into the community itself that we are not making the decisions and everyone's board is going to have their own opinion on how that's going to be successful. Perhaps some sort of engagement into the community to better understand what we are going to build is going to fit within that time line, is going to fit within -- excuse me -- with the wants and needs of the community. Not everyone is going to agree, but to get as much information to digest to make sure it's successful at the end of the day. It's going to be extremely important for the community as a whole. So, we are extremely excited -- the possibility to work with the City of Meridian, its residents and business owners, downtown patrons, help make sure that what we build will be successful in the long run. So, the numbers in general, the cost of the project. I think the biggest thing that we want to point out is we are being extremely conservative. Currently right now the up tick of construction and cost right now -- it's about a half percent or six percent a year. So, if you look at a timeline of something starting 12 months or 18 months or 24 months right now, there is quite a percentage up tick. We took that into account and it was very important. We don't want to bring something to the public or to a public agency and say here is where the numbers might be, but they may go up from there and these things could change or we may not be able to success -- excuse me -- successfully find the right financier, which we have the ability, both on the private side and working with local banks of interest, including First Interstate Bank, who is engaged as part of this project being a landowner and wanting to see something happen on their property, along with the surroundings of their property and be involved with the possibility of financing the project. So, I can walk through these line by line if you want to, but I think in general it lays out how we plan to fund the project and the

biggest area of question that we -- we walked through as part of our presentation before was, you know, this MDC purchase and city contribution. So, the city contribution point, the one thing I really want to make sure everyone understands -- this first line, we put a land value of 20 dollars a square foot, which we think is an accountable land value and from my understanding on working public-private ventures, there is probably some sort of accounting function or an appraisal process you have to go through before transferring that property to someone else and that value will have to be considered as part of that. So, we took a conservative approach. It likely may come in higher than this, it may come in lower, but that's the value we put. We used information that you guys have in -- on building permits and system development charges or impact fees to come up with what we feel that would be conservatively on those and we are asking for assistance from the community to help pay for some of the -- the garage purchase broken down on what it would cost to build, hard costs, soft costs, contingency financing and other -- are what we came up with this total dollar amount. Now, 12.3 million dollars is a big ask and we understand that. We are here to work with the group, with the community to find the best solution to do that, so that we can build the best product possible for the long term in the community and there is different ways that that could be done. As part of our prior presentation we weren't -- we weren't going to tell you how that solution is, because we weren't sure, we didn't know how the city or MDC wanted that. We came up with a couple of options, suggested those options, we are happy to talk about those if you guys want to view those today. Mostly is this, can we put a district inside of a district, can we rezone this district for the long-term success of that area. I'm happy to meet with the board and talk about some of those if you would like me to. That was a big question that we had at our original meeting. Am I okay to move forward with this? Okay. So, as a side-by-side comparison -- and will get into some of these deeper numbers and happy to leave some of the documents with you today. So, if you look at a 20 year horizon on this public parking garage, you -- sorry, I can't see under the time limit here. So, your net operating income coming off the parking garages, as we have estimated, is just over ten million dollars. The total TIP income coming off of just this block projected redevelopment is just under seven million dollars and a total cost below that you would actually be above the break even point on this parking garage. My analysis shows right now that a breakeven and actually cash flow coming in from the parking garage and to funding would happen right about year five and, then, I think the bigger portion that needs to be looked at is what's the value given 20 years down the road? What does it look like in 2012? Well, it was just over ten million dollars of value, nine plus of it in the -- in the community ask and the parking garage and almost 900,000 dollars coming in tax increment finance -- or excuse me -- the tax income coming back to the community in the parking revenue coming off of the garage. We go through more breakdown, but we are going to be generally out of time. So, I can leave this last document, which is in regards to, you know, how do you redistrict -- or put a district inside of a district. So, we consulted with Phil Kushlan on this -- on -- in Boise, because we are working on the same process with CCDC. How do you do this inside of a district and we are working through the abilities to do that. But in general here is a breakdown of the way that it can be done. And, again, hopefully be successful there and love to be successful in doing something like that here. It is a process that you would have to go through and the city would have to be on board and MDC would have to be on board to work through that process.

De Weerd: Thank you for your presentation. Mr. Nary, there is flexibility for questions or --

Nary: Madam Mayor, Members of the Council and the Commission, I mean what's been presented, yes, you can ask questions about that. They did talk about this district idea with the committee and the committee did consider that. They didn't have the -- the numbers to go with it, but the committee did discuss this generally. So, anything related to what they presented is certainly fair to ask, but I would be cautious on straying outside of what's been -- what's been presented and what's in their -- what's in their RFP.

De Weerd: So, Item 3 is a present -- presentation allow for questions. Item 4 will be more about any direction, action on how best to move forward.

Nary: Yes.

De Weerd: Is that correct?

Nary: Yes.

De Weerd: Okay.

Bernt: Madam Mayor?

De Weerd: Mr. Bernt.

Bernt: Hey, thanks, guys, for -- for coming and presenting to us this afternoon. It's awesome. Appreciate it. I know your time is valuable, so is ours, and so I'm grateful for your time. One question -- I had a couple questions, but one question I had right off the bat -- I noticed in your -- your proposal that some of the buildings that -- that are in your proposal are existing buildings owned by other people, one of which is the bank on the corner right across the street. So, can you explain to us -- are you -- have you spoke to them or --

Pape: Yeah.

Bernt: Okay.

Pape: Yeah. We have been in communication with First Interstate Bank in regards to their wants and needs and the long-term use of that facility here locally. Currently they don't need the size of building that they have. It has become a very important branch for them, but they don't have the full office functions. They love the idea of a parking structure and the ability to, you know, maybe retool or repurpose that building and have a sister next to it. So, yes, we have been in communication.

Bernt: Thank you. Perfect. Another question I have is in regard to the financing for the parking garage and just help -- help bring some clarity in regard to your -- your big ask, you know, the dollars. And I know there is -- I probably won't be the only one in this body that will -- that will ask that question --

Pape: Sure.

Bernt: -- but I'm sure you're fully prepared to answer it no doubt, but as I have -- you know, we received some e-mails, you know, that are on the public record I think, but -- and that everyone's concern is where are we going to get this money.

Pape: Right.

Bernt: So, if you could clarify that that would be great.

Pape: Sure. And -- and, again, as part of our presentation we didn't feel it was -- that we were being asked for was show us how we are going to pay for this and that's why I have added some additional, you know, information for conversation on how that can happen and how that could function. Ultimately, it would be redistricting to put this block inside of its own district and, then, the funding coming off of the parking garage for parking use and the tax funding coming off that would go through MDC would help pay for the parking garage as a whole. So, we are going to go out and bond finance for that, pay for it, and the bond -- bond amounts would get paid back over the life of the district, the new district, with a 20 year term. So, this document that I'm showing here, I have a hard copy that I'm happy to leave with you, but, basically, it shows from year 2020 when the debt service would be taken out as a bond structure or other, would be paid back over that 20 year term and what happens at the end of that term, as I have highlighted in this document, is going forward there is an asset paid free and clear and a cash flow coming off of that of 483,000 dollars. My belief and my understanding is MDC would be giving that to the city at that point or some sort of transaction. Same thing that CCDC is working through with the city of Boise. The additional tax income at that point -- I'm projecting it's just under -- or just over 400,000 dollars. So, the funding structure for this would be a redistricting of that block by itself to help fund the public use -- or the public ownership of the parking garage. Part of that public fund -- or that funding structure would be leases for the office space, leases going back to the residents and, then, you know, transient, when -- when the City of Meridian gets to a point where they want transient parking to start paying for it, this would be the ultimate location where transient parking would end up going to and, then, going out from the parking garage to go to restaurants or retail or office space, depending on --

Bernt: Madam Mayor, follow up?

De Weerd: Mr. Bernt.

Bernt: So, basically, what you're saying is only those who are involved in -- or have businesses or, you know, the residential portion taxes accrued through that district or from

that would -- only that -- that -- that square block would -- would -- the money accrued or appropriated from that would come on that -- that square block only, not the rest of downtown or Meridian; right?

Pape: That's -- that is our assumption. That's what we have put through at this financial analysis. That's correct.

De Weerd: Okay. Other questions? Okay. Well, thank you.

Pape: Thank you. Appreciate it.

**Item 4: Consideration and Discussion of Old City Hall Proposals [Action Item].**

- a. The Pacific Companies & November Whiskey Properties, LLC.**
- b. deChase Miksis**

De Weerd: Okay. Item 4 is consideration and discussion of the Old City Hall proposal.

Bernt: Madam Mayor?

De Weerd: Mr. Bernt.

Bernt: After -- after hearing these -- these two proposals, honestly, I couldn't -- I couldn't be more excited about the downtown corridor, you know, it's -- it's really weird, it's been about a year since I started, you know, talking to residents about the future, what their thoughts were on the -- on the future of Meridian and what they expected Meridian to be in the future and I would have to say other than the -- the conversation about growth, the number two concern that I talked about and I received was about the downtown corridor. So, this excites me, because there is just so many different things that are going to come from this RFP, you know, I believe, that this project -- whichever project is selected will be a catalyst I believe for future growth. I believe there are people -- developers, land owners, who are sitting on the sidelines just waiting for us to make a decision and are excited about this, because they have been waiting for many years in some cases for just something to happen and so that's -- that's what really gets me excited, but it -- but that said, it's important to trust the process and -- and I think that the biggest part for me is that we voted upon a committee and that committee vetted this process and they proposed a project to us based upon, you know, many hours of vetting and I believe that we should stick to the -- excuse me -- to the process and what has been proposed to us from the committee that we voted upon, at least the City Council in the City of Meridian and I believe that waiting, you know, longer than expected would -- would only cause consternation, would only cause confusion and a lack of trust in the process and for future processes going forward. So, if you don't mind, Mayor, I would actually like to make a motion. I would like to make a motion that we -- that we approve the project that was approved -- or was proposed to us by the committee, the steering committee, and that would be the November Whiskey project, along with the Pacific Companies, and I would

also make in that motion that -- that final -- the final transaction or the final transfer of that -- of our piece of property, the old city hall, I would -- I would make that motion that that city hall isn't transferred to MDC until all of the I's are dotted and all the T's are crossed in regard to the partnership of November Whiskey and -- and the Pacific Companies.

De Weerd: Okay. I have a motion. Do I have a second?

Milam: Second.

De Weerd: I have a motion and a second. I anticipate we should have discussion.

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: Madam Mayor, Mr. Bernt, I couldn't agree with you more that the process is important. The process, though, I feel wasn't that whatever a committee recommends is automatically accepted. We have many situations throughout the city -- you spent time on Planning and Zoning. Planning and Zoning is a recommending body. The committee was a recommending body. The ultimate decision is left to the elected officials as -- as the whole board here as we sit today. So, it -- it is our responsibility to hear the recommendation and, then, to become as informed as possible ourselves and make the best decision that's going to be in the best interests of those that we represent and so I appreciate, you know, the enthusiasm to make a motion, but I would hope that we would still have a -- not just discussion, but an opportunity to ask some questions about maybe how things might work -- not necessarily of the proposers, but I have some questions for some staff.

De Weerd: I think that's appropriate. Mr. Nary, that's -- that follows procedure?

Nary: Yes, ma'am.

Palmer: Madam Mayor, thank you. So, I -- I guess my first question would be -- so, the -- we got an answer, you know, on how a potential funding mechanism could work for the garage. My question I guess -- I understand we all are anxious to -- to move and -- and have that building built tomorrow. Bill or if anybody else -- maybe MDC -- would anybody know kind of -- be able to outline how that process might work and how long it might take to go through it to -- to potentially redistrict it or create the district in a district -- whatever process that would take to be able to make a bond mechanism happen?

Nary: Madam Mayor, Members of the Council and Commission -- and I think Mr. Lakey probably has more on the creation of the district. We went through the creation of a district a couple of years ago with the Ten Mile area and it took not quite a year -- about six months -- six to eight months to do that in that area alone, so -- and that was a defined area. Here you're -- it's a much more complicated process of what we are talking about here. So, I don't know if Mr. Lakey has a thought on timing.

De Weerd: Mr. Lakey.

Lakey: Thank you, Madam Mayor and Council Members. I was going to reference the Ten Mile district as well. That's the process to create a district. The concept of creating a district within a district is something unusual. My -- my main concern with that is if we amend our existing plan that resets the baseline for our tax increment date and that, obviously, wouldn't be a good thing for the existing district. If you create a new district, then, it has its own baseline. The one aspect of that as well is if the parking structure is on public -- publicly -- obviously, that's not on the tax rolls and included in any increment revenue, but the steps that Mr. Nary described in Ten Mile where you have to conduct a study and the city ultimately adopts an ordinance to create a new district is the process that you go through.

De Weerd: Wouldn't the -- the increment be reset only for the footprint of the district?

Lakey: Madam Mayor, my concern is that we are amending the existing plan that we have, because it's within that district that would cause a reset.

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: Concern that it could or concern that it definitely would?

Lakey: Madam Mayor and Council Member Palmer, I can't say that I have done a definitive legal treatise on it. It's -- it's my significant concern I suppose at this point.

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: I just see a lot of shaking heads behind you, so -- to me, you know, my motivation is -- is I want -- I want -- since we have two proposals I want them both to be options. Up until the last 20 minutes it's been -- this wasn't an option. Now we have this better understanding I feel like it is an option, but we need to be able to understand exactly what -- how that would work and -- and how long that might take, so that we can really make the right decision. I mean if -- if this board wants to just, you know, move forward, you know, with November Whiskey, then, that's what this board can do, but I mean if it -- if it takes -- I mean I nearly got hung last week for saying it, but if it takes another week to be able to do the research to -- to definitively know exactly how that could work and how long that might take to make happen, I -- I think another week would be appropriate to make sure that we know what our real options are, but I would love to hear other councilmen and other board members, their opinions, knowing this new information.

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: I think it's my understanding that it's not an option based conversation. I think the MDC voted last week to render a decision about the direction that they want to go and now it's just an answer if the City Council agrees with that and wants to accept the RFP from November Whiskey or reject everything and I have -- I have processed that a lot over this week, due to the action of the MDC. They have rendered their decision. They have made their -- their choice and it's just a decision now for the City Council is do we agree with that choice or do we not. I don't think that a week from now or two weeks from now or a month from now -- unless it's the decision of our body that we want to reject all proposals -- that it isn't an either or or conversation, unfortunately.

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: Madam Mayor, Bill, Todd, is that the case? If Council were to say, well, we want to go with deChase today, does that mean the RFP is over or could MDC say, okay, we will go with that. Or is it either November Whiskey or not? Because if that was the situation I'm curious why we wasted time having the other presentation.

Bernt: Madam Mayor?

De Weerd: Mr. Bernt.

Bernt: I think with all due respect I think that that was all of our concerns last week and when -- and this isn't a referendum against deChase I mean at all. You guys have a fantastic project. However, I think that was -- that was certainly my concern last week when -- when we were sitting there and in knowing with the process that we all laid out that we agreed to it -- that -- that why we would hear the other proposal today and so that -- that's actually a really good question, why that was, because it certainly isn't -- doesn't fit within the parameters that were given to us in this process and so I think that's the reason why -- I mean I can't tell you how many different e-mails that we have received from different business owners and land owners downtown, you know, expressing their major concern in regard to trusting the process that's been -- that's been given to us. Trust the process and -- and -- and -- and their desire for a project to be -- to be built. So, I would agree with Councilman Cavener's comments that we have two choices. Honestly, we have two choices. Either we accept November Whiskey's proposal or we scrap -- we scrap it and -- and I think by scrapping the project I think would be an utter devastation to our downtown corridor and I think that there would be -- any prospects of future development would go by the wayside and it would -- it would dramatically affect what we so very want -- much want. So, that -- that would be my -- that would be my comments.

De Weerd: Mr. Cavener, did you have a question?

Cavener: No, Madam Mayor. I think Council Member Palmer had a question for Bill Nary or Todd Lakey and I think that -- that wasn't answered.

De Weerd: Okay. Mr. Palmer, do you want to restate your question?

Palmer: Madam Mayor, yeah. Is that the case? If we as a Council -- which I don't think we should say this today, but if Council we said we are going with deChase, is that -- is that a pointless motion to make? Is it over, the RFP, or is it -- are our options only go with November Whiskey or reject the RFP.

De Weerd: Mr. Nary?

Nary: So, Madam Mayor, Members of the Council, Council Member Palmer, so Council Member Bernt's right, I mean the MDC board has made a decision and voted for the proposal that was presented last week by November Whiskey. They have no reason or obligation to change that decision unless they wish and I don't know what their process is if at all they can, but they -- so, yes, you're right, if you -- if you want to -- if this Council doesn't want to move forward with that proposal, then, I guess this Council state would be you wouldn't be willing to transfer the property or make it a part of a different project, therefore, this would be dead. There would be no project. So, I don't think there is a way out of that. I mean I think -- unless, again, the parties want to change their mind and do something different, but that's the way I view it now is they have made a decision. If the city doesn't want -- the city has no obligation to transfer the property. So, if that's the decision of the majority of the Council, then -- then the project is over and you're going to have to start back at square one on what do you want to do.

De Weerd: Mr. Lakey, maybe just a comment of what are the options for the MDC board.

Lakey: Madam Mayor and MDC board, I would, essentially, agree with what Mr. Nary said. The RFP itself clearly states that the decision has to be unanimous, that both sides have to agree to move forward. MDC has made its decision. I suppose they could alter that, but at this point they have -- they have made their decision and they are not required to change it or do anything different. At the end of the day both sides have to be on the same page.

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: So, what I am to understand from that is, obviously, we -- we can't compel MDC, nor would we try to, but if we were to say, okay, we want deChase, then, MDC board can reconsider the decision they made.

Lakey: Madam Mayor and Council Member Palmer, I do think MDC has the ability to change their decision or change -- to change their vote.

Palmer: Madam Mayor. That took a long time to get to that. So, it is -- it is still an option. Do we want to consider it as an option and figure out the process as to what this funding mechanism would take or do we want to just go the way of the recommendation?

Bernt: Madam Mayor?

De Weerd: Mr. Bernt.

Bernt: I -- I don't want to continue with just regurgitating information that I previously -- but I would like to just read, you know, portions of some e-mails that we have received from downtown business owners and land owners, one of which -- first said I have been slow to develop a project patiently waiting to see progress in downtown. I feel the time has come and am particularly encouraged seeing the progress in recent RFP responses. Another quote from another e-mail received. Putting aside this project at this time will severely hinder valuable momentum and opportunity for our downtown. Another -- another gentleman said that it -- it appears that the selection process was -- was ultimately ignored. I could go on and on about the many e-mails that we have received from decision makers and stakeholders in our downtown corridor. I personally believe that going forward and -- and delving outside the process that was put before us would -- would - - would be a dangerous position to be -- to be putting ourselves in.

De Weerd: Any further -- we do have a motion on the table.

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: Just a question for -- for Mr. Nary. So, should the City Council vote to approve the motion that's before us, the question about the price that the City of Meridian taxpayers will be compensated for that building, is that question already answered because it's included within the proposal or is that -- there has been a lot of confusion about what is -- is the proposal built in concrete or is there lots of flexibility and as it pertains to particularly from my interest, which is the -- the taxpayer owned property, I'm just curious about how that process will play out, if we are agreeing to that price today.

Nary: So, Madam Mayor, Members of the Council, Council Member Cavener I would say, no, you're not agreeing to that price today. It is a proposal. So, they have estimated the value of the city hall property and I don't remember the number off the top of my head, 565,000 or something like that. But what's going to happen if -- if this Council agrees to move forward with the first proposer November Whiskey is there will have to be an agreement between the city and MDC in regards to the price. If the city wants some other alternative way to value that property that's something the City Council can decide to do. That's in negotiation with MDC, because MDC -- because MDC is the only party we can transfer the property to for a direct sale. So, if the price goes up or down based on negotiations, that's certainly within the Council's purview. There is -- there is also a public process where the public can weigh in in a public hearing on the transfer as well. But,

no, you're not set on that price. It is just part of the proposal, just as most of the other things are speculation as to what costs were and I think that even came up today. Again, this -- when you're actually going to break ground and what things cost may be slightly different between what is proposed. It is the best estimate on both parties as to what it may cost. But certainly some of it may change, because MDC will, then, have an agreement with November Whiskey and Pacific Properties to construct this project and have more finite detail on that and what it looks like and when this groundbreaking happens and all the other detail that's necessary to build a project. So, there is still more to be done. So, the specifics of the numbers and such certainly can change.

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: Before I call for the question, I think it's -- it's important -- there has been a lot of -- a lot of commentary from our public and of Council. I feel like there is a bumper sticker going around town that says trust the process. I have heard that so much in the past 72 hours and I think it's important to note that this is part of the process. This is the process. We as a City Council were asked should we get rid of the old city hall building and how can we make that process, again, as public and as transparent as -- as possible. Right? And I think we did that. Now, I think it's important -- we -- Council Member Bernt read some e-mails and there were some that sat with me -- they sat with me all weekend and that was that there was concern from members of our public or of the RFP recommendation committee that the City Council ignored or didn't take into consideration their feedback and for me it's quite the contrary. It is because that committee did such an incredible job of scoring these two applications and scoring them the same, mind you, and bringing a recommendation to us on a split vote, that I thought it was our job to, again, trust the process as Council Member Bernt likes to continue to say, that we do our due diligence when we are disposing of a taxpayer owned asset. This is just a continuation of that. And so I think it is important -- at least for me and I don't -- I rarely try to speak on behalf of the City Council, but on behalf of the City Council if there was a comment that I made or a member of this body made last week that made members of the RFP committee feel like that their opinion wasn't valid or welcomed or appreciated, I sincerely apologize, because, quite frankly, it is because members of the City Council, members of MDC and the public, they did such a great job and were so thorough on this process, that it created a very challenging situation and I'm one that has long supported just selling the building and not going into this muddy mess that we have found ourselves in where members of our public are upset or feeling that we are not listening to them. That's a much cleaner process. But we have chosen to evaluate based on merit and make a recommendation. There is a motion on the table. I think there are still many questions related to how we dispose of old city hall that will still need to be answered, but this is just, again, another step in a long set of process related to the disposal. So, Madam Mayor, I'm happy to call for the question.

De Weerd: Okay. Mr. Clerk, will you call roll.

Roll call: Borton, abstain; Milam, yea; Cavener, yea; Palmer, nay; Little Roberts, yea; Bernt, yea.

De Weerd: Okay. The motion passes.

MOTION CARRIED: FOUR AYES. ONE NAY. ONE ABSTAIN.

De Weerd: And, again, Mr. Nary, I know you just kind of went through a process outlining next steps, but can you, please, go through those one more time.

Nary: Certainly, Madam Mayor, Members of the Council and the Commission. So, the next step in the process would be a -- an agreement between MDC and November Whiskey or Pacific Partners on the project and simultaneously would also be an agreement with the city on the transfer of the old city hall property and what the City Council wants as a requirement -- anything in addition to the cost and how do we want to assess the cost and the valuation of that. So, I -- I don't know how quickly all that occurs, but that's the two steps I know we need to have is an agreement with us and MDC and MDC with their proposer. I don't know if Mr. Lakey has any different thoughts or -- you know how lawyers are.

De Weerd: Mr. Lakey, any additional steps that weren't discussed?

Lakey: No, Madam Mayor. I think Bill described it accurately. We have those two things to pursue, essentially, simultaneously with both bodies. I know there is -- the city isn't party to one agreement, but both bodies I think need to buy off on the terms of both agreements.

De Weerd: Thank you. Mr. Mueller.

Mueller: I just have a quick comment that I think needs to be said for -- A, for the public that came, because we appreciate you guys being here and, then, also for deChase group that is here. Me and Anne were just discussing this -- the two proposals for a while and one thing we thought was really important is -- I don't think -- I don't want you guys to feel like you -- you just did a presentation and it has no value. Your presentation is very good and the project that you guys want to do in downtown has a lot of potential for downtown. I am on the MDC board that recommended the other project. We did this and my -- I can speak only for myself here. We did it solely based on -- we have had too many projects come and have time kill them in downtown. We have a project that's fully financed that takes taxpayer dollars and nets out in the green by 100,000 dollars and, then, we have one that's going to take six months to potentially even a year to do redistricting and things like that and what me and Anne were talking about is the only thing that I hate about RFP processes -- and I work in the private sector and have to apply for RFPs all the time for IT work -- is it doesn't ever do an accurate -- your guys' proposal was excellent. We like you guys. We would love to work with you guys. In this particular instance downtown needs some action and needs to see it happen quick and they need something that's guaranteed one hundred percent already financed; right? We have at least two other full

city blocks in this downtown district that need development; right? And if it's going to take six months to a year to think about alternatives of redistricting, is it possible to redistrict without hurting our existing district. We can work through that stuff and I -- I don't know if you guys are still interested, but there is always potential for this downtown to actually end up with two projects instead of just one. So, I wanted to make sure this process -- it shouldn't -- I hope that it hasn't alienated you guys. We don't -- we -- we don't have a lot of negative things to say about it, it's just based on what the city -- the city needs, the speed of development, some of the -- some of the price points, the decision was made one way, but we would love to talk to you in the future. I would love to talk -- I would love me -- me and Anne would love to meet with you guys and talk to you about some of the other future potential development sites and what's available. So, I just wanted to make sure that that was known. I think it's worth putting out there.

Bernt: Well said.

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: Madam Mayor, there has been a few times when I have really surprised myself in the two and a half years I have been on Council. One is today when I'm advocating for the idea of creating or extending the life of an urban renewal district and advocating --

De Weerd: I wasn't going to say it, but --

Palmer: And --

De Weerd: But it was killing me.

Palmer: And wanting to explore the possibility of bonding. To me I equated it more with kind of the STARS program where, you know, upfront money and it's paying for itself kind of thing. But, yeah, stunning myself up here, but on a serious note I -- I really am excited to have a project down here. Either one would have been fantastic -- will be fantastic. I mean, Josh, you and I, long before the RFP process even started -- I ran into you in my parents' store and you were showing me some renderings of -- of the next greatest from your original idea of just a couple properties there and I'm sure you could tell my excitement for -- for making something happen. I apologize if my passion for this city kind of comes out of my mouth wrong and kind of gets me in trouble here and there. It always has. The Mayor can attest to that all the way back into high school when I have said things that I shouldn't or I have worded them in ways -- in ways that I really shouldn't have and so I really hope that we can move forward and have an amazing project next to us. I really hope that we can find another way to get you guys involved in downtown as well, because we all want to see what's best for those that we serve and -- and make money in the process. America is awesome. So, let's make it happen.

Bernt: Well said.

De Weerd: Well, thank you, Commissioner Mueller and Councilman Palmer. We have two great proposals and we are excited to move forward, but we are excited to continue to have conversations, because there is a lot of opportunity and both these projects were very exciting for downtown -- that we have been waiting for that vision and the reality to -- to happen. So, this is the beginning of conversations, just as it's the beginning of an exciting project for downtown. One of many we hope to come. So, thank you for your time and thank you for sharing a little bit more and helping us to get our arms around being a conservative community, listening to a district on top of a district and public debt and it started to get a little bit frightening and, yes, I -- I respect Councilman Palmer's statements and that I didn't have to make them for him. So, thank you all for coming here. It is the beginning of public comment that will -- that will happen and we will make sure to outline next steps and when -- when those comments are part of that process as Mr. Nary outlined. MDC any -- any comments? Council, anything further? If not I would entertain a motion to adjourn.

Cavener: So moved.

Milam: Second.

De Weerd: I have a motion and a second to adjourn. All those in favor say aye. All ayes.

MOTION CARRIED: ALL AYES.

De Weerd: MDC, do you want to also make a similar motion?

Bird: So moved.

Basalone: Second.

De Weerd: All those in favor. Be enthusiastic.

MOTION CARRIED: ALL AYES.

MEETING ADJOURNED AT 4:55 P.M.

(AUDIO RECORDING ON FILE OF THESE PROCEEDINGS)

\_\_\_\_\_  
MAYOR TAMMY DE WEERD

\_\_\_\_\_  
DATE APPROVED

ATTEST: \_\_\_\_\_  
C. JAY COLES, CITY CLERK