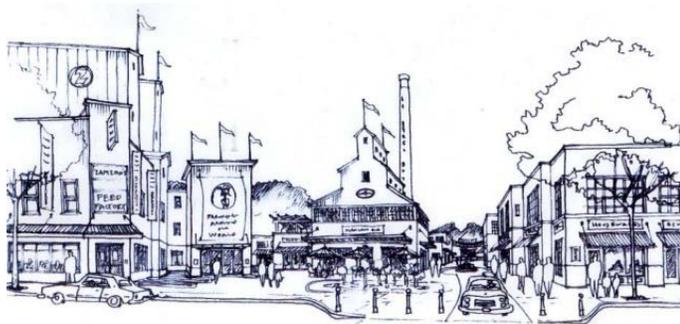
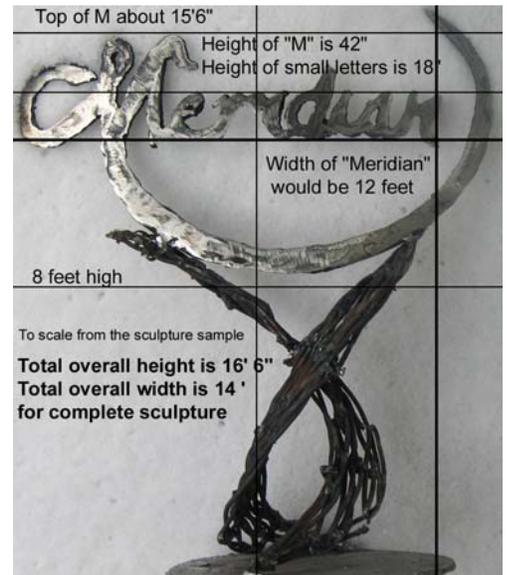


MERIDIAN DEVELOPMENT CORPORATION – 2005 ANNUAL REPORT



Annual Report – 2005

Meridian Development Corporation (MDC)

City of Meridian Urban Renewal Agency

Legal Requirements: An urban renewal agency is required under Idaho Urban Renewal Law to file with the local governing body, on or before March 31 of each year, a report of its activities for the preceding calendar year. The report is to include a complete financial statement, setting forth its revenues and expenses at the end of the calendar year. The fiscal year for the urban renewal agency, the City of Meridian and most other political subdivisions in the State of Idaho runs from October 1 through September 30. Consequently, the attached financial statement is the audit for the fiscal year ending September 30, 2005. . An excerpt from the audit is attached to this Report. Additionally, the FY 2005 year end financial statement is attached to this Report.

Official Activities: The MDC Board of Commissioners consisted of the same seven members throughout 2005: Ron Anderson; Keith Bird; Jonathan Cecil; Clarence Jones; Charlie Rountree; Linda Rupe; and Craig Slocum. Officers at the beginning of the year were Craig Slocum, Chair; Clarence Jones, Vice-Chair; Jonathan Cecil, Secretary; and Stacy Kilchenmann, Treasurer. All four were re-elected in February and served throughout 2005. Legal counsel was Ryan Armbruster of Elam & Burke; agency administrator was Clair Bowman of Avalon Ventures Consulting; and staff liaison to the City of Meridian was Josh Wilson, who attended his first meeting on January 19, 2005. A hearing on the FY2006 budget was held on August 24, 2005 with the budget adopted the same day as Resolution #05-019.

Items Carried Forward From 2004: An on-going effort to establish an MDC logo was concluded at the March 9, 2005 Board meeting with formal adoption of the logo shown below.



An MDC Brochure was completed in April; in December it was included in a mass mailing to all property owners and business owners in the Urban Renewal Area. The Downtown Meridian Transportation Management Plan was also concluded during 2005 with the Board’s formal adoption of the final report and its “split corridor” recommendation at the April 13, 2005 Board meeting.

The most significant carry-over projects continued throughout most of the calendar year and appeared in one form or another nearly every month on Board agendas. They were the “big projects” – the twenty contiguous acres of land lying north of the railroad tracks

between Main Street and approximately E. 7th Street – often, mistakenly, referred to as “the UP property” – and a second property located at the southeast corner of Broadway and Meridian Road – the “creamery property.” In regards to the twenty acres, MDC spent nearly the entire year pursuing (jointly with the City of Meridian) direct transfer of title to MDC via Congressional action. It was only late in the year that it became clear this would not happen, at which point MDC staff arranged for First American Title Company to prepare a title commitment report for the property. The final title report concluded that the title was significantly more complex than anyone had previously imagined, prompting a complete reassessment of how best to assist in the redevelopment of that property into a significant asset and a feature project of a renewed Downtown. The Creamery property stood out, at the beginning of the year, as another relatively large, single-owner parcel whose condition exemplified the blight in Downtown. A Level 2 environmental assessment was concluded at the City’s initiative in May, at about the same time as RSCI, Inc. optioned the property. MDC staff provided substantial support in working through efforts to eliminate obstacles to its redevelopment.

All this, of course, needed to be done while not losing sight of what already exists in Downtown: many small businesses and retail shops that need support as much as the large projects. On multiple occasions, Board meetings considered how best to address this challenge. Ultimately, one option was pursued: establishing a Downtown Meridian site at which Boise State University’s Small Business Development Center (SBDC) would conduct a satellite training center. At year’s end, this project was nearly ready to get underway, utilizing space in the newly-christened City Hall Annex (the former branch office of Farmers and Merchants State Bank).

New initiatives: Calendar year 2005 offered opportunities for many new activities to be considered – some being longer-term projects accepted by the Board, action commenced, and a few fully completed during the year; others being one-time actions complete in and of themselves within the year.

The following list identifies the former, longer-term projects addressed during 2005:

- *Gateway Monument.* The Board endorsed a Gateway Committee at its January 19, 2005 meeting. The Committee report was accepted by the Board on April 13; monument sketch plans were accepted on June 8; dollars were placed in the FY2006 budget for construction with the acceptance of the budget on August 24; a contract with Walter Lindgren, Johnson Architects, was established on October 12 to oversee development of final plans and to monitor construction. At year’s end, artwork and foundation construction appeared on course for completion in late spring or early summer. The committee had already begun work on future phases of community identification.
- *Community Center Committee.* MDC provided active support to a Community Center Committee throughout the year. Formed originally as follow-on from the unsuccessful Kroc Center proposal, a charter, goals and membership were formally adopted by the MDC Board on September 14, 2005. Essentially, the goal of the Committee was to conceptualize and stimulate the development of a Downtown Community Center. Periodic meetings continued throughout the rest

of 2005 with the anticipation that 2006 would see this project blossom into a joint City/Community/MDC effort.

- *New Heritage Theater Company.* MDC provided significant staff support during 2005 to assist the New Heritage Theater Company (NHTC) in relocating its performing venues and office space from Boise to Meridian. The effort began in earnest in early summer and concluded successfully before year's end with agreements by which NHTC is able to use facilities of Mountain View High School and Meridian Middle School for performing venues and to use office space provided by the Yanke family for office space.
- *Parking Forecast Model.* Tom Hudson prepared, as a part of the Downtown Meridian Transportation Management Plan, a parking forecast model for which MDC staff provided all the data. The completed model is a powerful tool to assist both the Board and developers in understanding parking demands created by large single projects or the combination of several small ones. Tom reviewed the model with the MDC Board and Meridian City Council in August.
- *Downtown Streetscape Standards Package.* The Farmers and Merchants State Bank building at Broadway and Meridian Road utilized a wonderful streetscape, ultimately adopted by the MDC Board as a standard for future development in Downtown. Formalizing that package in an easy-to-use format and then adding elements not utilized around the bank building (such as trash receptacles, benches and bicycle stands) have been on-going goals, not yet realized at year's end.
- *Master Plan RFP.* Preparing and disseminating the Master Plan RFP remained an uncompleted project until September when the Board formally directed staff to prepare the RFP, formed a selection committee to interview respondents and requested that the committee rank these respondents for the Board. The committee's ranking was accepted by the Board on December 14. Signing of a contract was expected early in 2006.
- *Financial Participation in Broadway/Main Project.* A developer requested financial participation by MDC in a project on the southwest corner of Main Street and Broadway in March. Several Board members and MDC staffThe project was revised later in the summer resulting in a second meeting of the developer with MDC's OPA committee. Later in the year, yet a third iteration of the project occurred, resulting in a delay into early 2006 for any formal agreement on MDC's financial contribution to the project.

The following list identifies the latter, one-time actions complete in and of themselves.

- *Surveyor.* The Board approved Civil Survey Consultants in May as the official, on-call land surveyor for MDC after reviewing Statements of Qualifications that had been requested from seven Meridian surveying firms.
- *Avalon Ventures Consulting Office.* The contract between MDC and Avalon Ventures Consulting (AVC) anticipated that AVC would have a store-front office somewhere in the core of Downtown. This office opened in October inside the newly-christened City Hall Annex (the former branch office of the Farmers and Merchants State Bank).
- *Level I Area Assessment.* MDC supported the City's application through DEQ for a Level 1 Area Environmental Assessment of the Urban Renewal Area financially

and by mailing a support letter and MDC brochure to all property owners and business owners in the Urban Renewal Area in early December.

- *Administrator contract.* The MDC Board renewed its agreement with AVC for Clair Bowman to serve as MDC's Administrator through 9/30/2006.
- *Land acquisition.* The FY2006 budget adopted on August 30 included, for the first time, funds to begin acquiring land.
- *Valley Regional Transit.* The Board voted in November to join Valley Regional Transit as a Board member agency. The request was to be acted upon by the VRT Board in January, 2006.
- *Inter-Agency Cooperation.* MDC's Administrator and the Meridian P&Z Director worked out a way for the Administrator to be included in all pre-application meetings for projects within the Urban Renewal Area. Similarly, the Administrator and the Meridian Economic Development Coordinator initiated more systematic and regular coordination meetings.

Other Notable Events: A variety of one-time events occurred that are worth noting in this report:

- Dillon Smith, a graduate student in the University of Idaho's Boise-based architecture program, presented his student Community Center Project to the Board and City Council in May. His ideas stimulated a great deal of discussion and provided some conceptual ideas for a community center.
- The MDC Board held a full-Board workshop on August 24, 2005.
- A Unified Development Code was adopted by the City Council in August for implementation in September. This change, strongly supported by MDC, made it significantly easier for some projects and uses in Downtown to be approved than under prior development ordinances.
- MDC included \$20,000 in its FY2006 Budget to support the City Parks Department's tree replacement program in Downtown.
- MDC engaged Eide Bailly as MDC's auditor.
- The Board authorized a first purchase of MDC office furniture and computers.
- A process was concluded with the Ada County Assessor through which MDC will be able to secure a current database of names and addresses of all property and business owners in the Urban Renewal Area at the beginning of each calendar year. The first database was created in the summer and used for mail-outs as noted above.
- MDC served as a Beta test site throughout the fall and winter for Ada County's remote access to property data directly from the Ada County Assessor's Property Master. The software was converted to a finished product late in December.

Respectfully submitted,

Clair Bowman, Administrator
Meridian Development Corporation
March 8, 2006

APPENDIX A
EXCERPT FROM THE INDEPENDENT AUDITORS' REPORT
FOR THE MERIDIAN DEVELOPMENT CORPORATION

The following pages represent pages 8, 9 and 14 from the FY2005 independent auditors' report for the Meridian Development Corporation as approved by the Board of Commissioners on February 8, 2006. Copies of the complete audit report are on file in the Meridian City Clerk's office, 33 E. Idaho, Meridian, Idaho.

MERIDIAN DEVELOPMENT CORPORATION
COMPONENT UNIT OF THE CITY OF MERIDIAN
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET
SEPTEMBER 30, 2005

	General Fund	Adjustments Note 2	Statement of Net Assets
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 194,076	\$ -	\$ 194,076
Property tax receivable	404,149	-	404,149
Total assets	\$ 598,225	\$ -	\$ 598,225
LIABILITIES			
Accounts payable	\$ 11,934	\$ -	\$ 11,934
Deferred property tax revenue	404,149	-	404,149
Total liabilities	416,083	-	416,083
FUND BALANCE/NET ASSETS			
Fund balances	182,142	(182,142)	-
Unreserved			
TOTAL LIABILITIES AND FUND BALANCES	\$ 598,225		
Net assets		182,142	182,142
Unrestricted		-	-
	\$ 598,225	\$ -	\$ 598,225

See Notes to Financial Statements

MERIDIAN DEVELOPMENT CORPORATION
COMPONENT UNIT OF THE CITY OF MERIDIAN
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2005

	General Fund	Adjustments Note 3	Statement of Net Assets
EXPENDITURES			
Office and operating expense	\$ 64	-	\$ 64
Electronics expense	312	-	312
Professional services, surveys, studies	89,369	-	89,369
Audit and accounting services	700	-	700
Contract legal services	15,110	-	15,110
Telephone expense	588	-	588
Postage and mailings	16	-	16
Meeting expense	66	-	66
Legal notices and publications	426	-	426
Public education and marketing	2,166	-	2,166
ICRMP insurance premiums and claims	1,883	-	1,883
Miscellaneous	215	-	215
Total expenditures	110,915	-	110,915
GENERAL REVENUES			
Taxes	218,161	-	218,161
Interest	3,780	-	3,780
Total general revenues	221,941	-	221,941
EXCESS OF REVENUES OVER EXPENDITURES	111,026	(111,026)	-
CHANGE IN NET ASSETS	-	111,026	111,026
FUND BALANCE/NET ASSETS, BEGINNING OF YEAR	71,116	-	71,116
END OF YEAR	\$ 182,142	\$ -	\$ 182,142

See Notes to Financial Statements

MERIDIAN DEVELOPMENT CORPORATION
COMPONENT UNIT OF THE CITY OF MERIDIAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2005

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
General Property Tax Revenue	\$ 190,000	\$ 190,000	\$ 218,161	\$ 28,161
Interest Earnings	2,000	2,000	3,780	1,780
Total revenues	192,000	192,000	221,941	29,941
EXPENDITURES				
Office and operating expense	2,700	2,700	64	(2,636)
Electronics expense	500	500	312	(188)
Professional services, surveys, studies	160,000	160,000	89,369	(70,631)
Audit and accounting services	1,000	1,000	700	(300)
Contract legal services	24,000	24,000	15,110	(8,890)
Telephone expense	-	-	588	588
Postage and mailings	300	300	16	(284)
Meeting expense	200	200	66	(134)
Legal notices and publications	100	100	426	326
Public education and marketing	-	-	2,166	2,166
ICRMP insurance premiums and claims	2,000	2,000	1,883	(117)
Miscellaneous	1,200	1,200	215	(985)
Total expenditures	192,000	192,000	110,915	(81,085)
Excess (Deficiency) revenues over (under) expenditures	-	-	111,026	111,026
FUND BALANCE, BEGINNING OF YEAR	71,116	71,116	71,116	-
FUND BALANCE, END OF YEAR	<u>\$ 71,116</u>	<u>\$ 71,116</u>	<u>\$ 182,142</u>	<u>\$ 111,026</u>