

MERIDIAN
development corp.
REVIVE • RENEW • REDEFINE

Annual Report

2008

To: MDC Board of Directors
Additional Recipients
From: Shaun Wardle, MDC Administrator
Re: Annual Report for Calendar Year 2008
Date: March 11, 2009

It is our pleasure to present this annual report of the activities of the Meridian Development Corporation for 2008.

The past year has seen MDC make significant progress in stimulating and expanding the economy of the Urban Renewal Area into a thriving area that provides opportunities to live, work and play in the Downtown Meridian core. Renewal and redevelopment continues throughout the area, with cornerstone public-private partnerships and City and Urban Renewal Agency collaborations coming to fruition to pursue mutual goals of attracting and serving the people of Meridian.

Among 2008's highlights were the:

- Opening of the new City Hall
- Start of The Hub - MDC's first Development Disposition project
- Multiple streetscape improvement initiatives
- Start of the Split Corridor

Less tangible, but no less impactful, has been the enhanced communication with MDC stakeholders through partnerships with the newly formed Downtown Business Association and a stronger proactive communication initiative, which has noticeably raised the buzz and awareness of Downtown Meridian.

We look forward to a prosperous and successful 2009, with several exciting opportunities being realized that will positively impact the look, feel and position of Downtown Meridian as a destination to discover, explore and pursue possibility.

Respectfully submitted,

Shaun Wardle
Administrator
Meridian Development Corporation

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LEADERSHIP

The Meridian Development Corporation meetings are scheduled for the second Wednesday of the month at 7:30 a.m., unless circumstances dictate otherwise. Meetings are held in the City Hall North Conference Room on the main floor at 33 East Broadway Avenue in Meridian. All meetings are open to the public and meeting agendas are posted on www.meridiandevelopmentcorp.com.

MDC is governed by a seven-member Board of Commissioners appointed by the Mayor and City Council for rotating three-year terms. In 2008, long-time Board Commissioner Clarence Jones retired from the Board. Appointed to take his place was Julie Pipal, Director of Legislative Affairs for the Boise Valley Economic Partnership. Pipal brings an extensive background in transportation, public relations and business advocacy. Current Commissioners are listed below.

"Mr. Jones has been involved in this effort since day one and it has been a long road and I think he can take great pride in the fact that we are seeing fruits of that labor and we appreciate your leadership, the tenacity that you have shown throughout this process and your dedication to it."

Mayor Tammy de Weerd



Craig Slocum
Chairman



Kirk Morris
Vice-Chairman



Larry Lipschultz
Secretary



Keith Bird



Scott Turlington



Julie Pipal



Tammy de Weerd



Clarence Jones (Ret.)

DEVELOPMENT OVERVIEW: NEW MERIDIAN CITY HALL

The completion of the new Meridian City Hall in the Fall of 2008 serves as a catalyst for additional downtown revitalization efforts and sets the standard for future high-quality, contemporary mixed-use development in Meridian's downtown core.

The new City Hall houses the majority of the City of Meridian's departments, providing a convenient "one-stop-shop" for citizens doing business with the City.

Designed by LCA Architects and built by Petra Inc., the 100,000-square-foot, three-story brick building is a homage to Meridian's past. The plaza and amphitheater harken back to Meridian's early downtown. The plaza's two water features are symbolic of the Five Mile Creek and New York irrigation canals. The building is also the cultural core of the city, featuring an art gallery, public art sculpture, history center and a plaza for local arts and entertainment.

The building architect and builder are seeking a LEED Silver certification from the U.S. Green Building Council - a national benchmark for the design, construction and operation of high-performance green buildings.



"We want to be the example of what good stewardship and building for the future should be."

Mayor Tammy de Weerd

City Hall LEED highlights include:

- State-of-the-art heating and ventilation system. Eighty percent of the air is recirculated, saving heating and cooling costs.
- Sensors control the amount of fresh air entering the building.
- Lighting sensors that automatically dim the lights when natural light is bright and increase the light level during dusk and on cloudy days.
- A reflective roof coating that reduces cooling needs.
- Measures to encourage alternative transportation, including showers, bike storage and designated carpool parking.



DEVELOPMENT OVERVIEW: THE HUB



“We see and believe in the vision for the redevelopment of Downtown Meridian, and are excited to be part of it,”

Mike McCabe
Lightyear Development

Meridian Development Corporation selected Meridian Hub, LLC, to develop a landmark project for Downtown Meridian.

Located at the corner of 2nd and Broadway, The Hub represents a public-private partnership and is the first Development Disposition project for MDC. MDC acquired and consolidated property parcels; sought a developer; vetted project proposals; and upon completion, this private development will put money back on the tax rolls.

An important aspect of 28,000 square foot Hub design will be its multi-use personality – with retail and restaurants occupying the pedestrian-friendly ground floors, and the upper two floors housing business offices. Street parking and surface parking are also planned. The building is designed to receive LEED certification.

The Hub will also provide needed office space to satisfy

anticipated demand from the new 100,000 square foot City Hall.

Idaho Smart Growth honored The Hub as one of its 2008 Grow Smart Idaho Award winners for commercial development.

In honoring The Hub, Smart Growth noted, “The city anticipates that bringing this activity downtown will encourage additional infill and revitalization projects in Meridian's core... this building becomes another leader in helping LEED become the new building standard.”

Lightyear Development demolished the abandoned buildings on the site, cleared it of debris and installed underground utilities. They plan to break ground on the project by Summer 2009.

DEVELOPMENT OVERVIEW: THE WALTMAN PROJECT

Waltman LLC is planning to develop a 38-acre piece of land on the far south portion of the urban renewal district next to the interstate. Plans for this project include lodging and retail-commercial uses.

Along with the new split corridor, the location and size of this project creates an opportunity for an official south entry to Downtown.

In 2008, the City of Meridian approved annexation of the property and MDC approved a term sheet and signed an owner participation agreement with the developer, identifying an expected timeframe for work on the site by 2012.

DOWNTOWN INVESTMENT: STREETSCAPE IMPROVEMENTS

In order to increase the pedestrian-friendly nature of the downtown core, MDC collaborated on a Streetscape Improvement Project in the Old Town area with the City of Meridian Parks and Recreation Department and local Boy Scouts working on their Eagle Projects.

Parks and Recreation staff was instrumental in coordinating removal of the old items, developing the projects to assemble and installing the new pieces.

Through purchases funded by MDC, 48 benches and trash receptacles, along with ten planters and bike racks, were installed throughout a 10-block area bordered by Carlton Avenue to the north, the railroad tracks to the south, Meridian Road to the west, and 2nd Street to the east.



"Downtown business owners are thrilled with the addition of these elements that will contribute to the overall character of our city streets and enhance the experience visitors will have downtown."

MDBA President James Fullinwider

DOWNTOWN INVESTMENT: SIDEWALK IMPROVEMENTS ON IDAHO

MDC contributed \$12,000 to a \$38,000 project that enhanced the sidewalk and landscaping along Idaho Avenue. The City of Meridian, Meridian Library and MDC collaborated on this project to improve the streetscape aesthetics and pedestrian access of the multi-use area. In the end, the renovations added to Downtown Meridian's attractive feel and overall appeal.

DOWNTOWN INVESTMENT: SPLIT CORRIDOR

Work on the large-scale Meridian Road and Main Street Split Corridor Project began late in 2008.

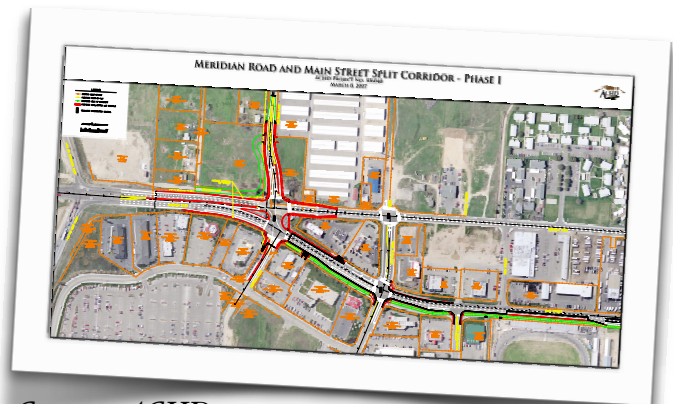
The project will create a one-way couplet, which will turn Meridian Road and Main Street into one-way roads starting at the Main/Waltman/Meridian/Central intersection to just north of Franklin Road.

This project supports Meridian Development Corporation's goals to create a vibrant, walkable downtown while still serving transportation needs.

The overall project is being done in two phases, with the construction of the first phase was scheduled to begin (and did begin) at the start of 2009. today. Phase I will significantly change the look of the area, improve traffic flow and will cost about \$3 million to construct. Completion of Phase I is scheduled for August 2009.

Upon completion the split corridor will:

- Improve the increased flow of traffic.
- Improve the safety of the Main/Waltman/Meridian/Central intersection.
- Widen Franklin Road between Meridian Road and Main Street to accommodate a longer left turn lane for traffic turning onto Meridian Road.



Courtesy: ACHD

DOWNTOWN INVESTMENT: THIRD STREET

The City of Meridian and MDC worked in collaboration to identify an alignment for a future extension of East 3rd Street. The alignment identified will extend north to Fairview Avenue, creating an additional north-south route through Downtown Meridian.

The need for the roadway extension was first identified in the Downtown Meridian Transportation Management Plan, which was adopted by the City in 2005.

This new connection will provide much needed relief to other north-south roadways in the

area, while increasing connectivity Downtown.

In 2008, public information meetings were held to gather input from Meridian residents on their thoughts about this future roadway extension, and residents were presented with three possible alignment alternatives.

Based on stakeholder input, public communications, estimated right-of-way and construction costs, a qualitative examination of traffic operations, and a review of active and adopted plans - the project team recommended the 3rd Street alignment as the best alternative.

The recommended alignment option was forwarded to the ACHD Commission, Meridian Development Corporation Board, and Meridian City Council for their consideration.

The next phase will look to identify parcel-specific right-of-way needs for the chosen alignment to establish the footprint of the future roadway for corridor preservation purposes.

INITIATIVES: DOWNTOWN 3D MODEL

Envisioning the future. Meridian and Treasure Valley residents now have the ability to view Downtown Meridian in a whole new way through access to a cutting-edge 3D model of Downtown.

MDC contracted with Power Engineers (formerly Visual Genesis) to build a 3D model and fly-through of the core to help people visualize the future for Downtown.

In addition to use by the general public, the model will be a key resource in the long-term planning for the urban core; allowing MDC's development and community partners to collaboratively shape Meridian's Downtown.

According to Power Engineers, Meridian is only the second municipality in all of Idaho to have this level of detail shown on GoogleEarth.



INITIATIVES: DOWNTOWN BUSINESS ASSOCIATION

Membership in the Meridian Downtown Business Association (MDBA) - an organization comprised of talented, dedicated and creative merchants from local downtown Meridian businesses - grew in 2008 as new businesses opened in the downtown core.

MDC provided organizational, event and marketing support for the group, as it took the lead in running the annual Harvest

Festival and cooperatively promoting events that create a vibrant downtown with unique experiences that keep people coming back.

Affiliated members of the MDBA are the Meridian Chamber of Commerce, Meridian Development Corporation, Meridian Arts Commission, City of Meridian and the Meridian Historical Society.

Key Downtown Events:

Dairy Days (June)

Harvest Festival (October)

City Tree Lighting (November)

Chili Cook-Off (February)

INITIATIVES: ORGANIZATIONAL ASSESSMENT & BRAND

In an effort to further refine communication and outreach to MDC's various stakeholders and to establish the organization's positioning statement, the Board of Commissioners participated in an Organizational Assessment. The process involved a communications audit, internal assessment, best practices assessment, competitive analysis and stakeholder feedback.

The resulting positioning statements drove the development of a new mark to showcase the synergy and collaboration at the core of MDC's mission

We serve as a catalyst, removing barriers and identifying targets of opportunity. We facilitate opportunity by collaborating with community partners.



Downtown Meridian is a place where people open to possibility discover personal and professional opportunity and reward

INITIATIVES: GAP ANALYSIS, TRANSITION TO MASTER PLAN

Recognizing the need for a comprehensive Master Plan to drive the future development of a cohesive Downtown core, the Board of Commissioners directed MDC staff to conduct a Gap Analysis. This process reviewed the current portfolio of studies and research to identify areas of

need for development planning. The gaps identified included the need for a market strategy to identify the best mix of development, a true master plan and a parking study for the current environment.

MDC staff is moving forward with drafting a Master Plan that

utilizes the 3D model and offers a critical mass expectations for the near-term to drive development of the core.

INITIATIVES: UPDATED INVESTMENT POLICY

The MDC initiated a new investment policy that went into action in November 2008. The new policy ensures wise yet prudent investment decisions, all of which have to be approved by a majority vote from the Board of Commissioners. The primary

objective of this policy is to safeguard MDC funds while providing adequate liquidity to meet MDC's ongoing operating needs. The investment objectives in order of priority are: safety, liquidity and yield. The standards of care used to monitor the policy are

prudence, ethics and conflict of interest, and delegation of authority. Overall, the investment portfolio is designed to obtain the highest yield possible under the constraints of safety, liquidity and state regulation.

Appendix
Independent Auditor's Report